

NORTH Dakota

Be Legendary.



2025 ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Photo Credit: Becky Ulberg

STATE OF NORTH DAKOTA

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED

June 30, 2025



Prepared by the Office of Management and Budget

State of North Dakota
Office of Management and Budget Fiscal Management Division
600 East Boulevard Avenue Dept. 110
Bismarck, ND 58505-0400
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This ACFR is also available at our Fiscal Management website:

<https://www.omb.nd.gov/financial-transparency/annual-comprehensive-financial-reports-acfr>

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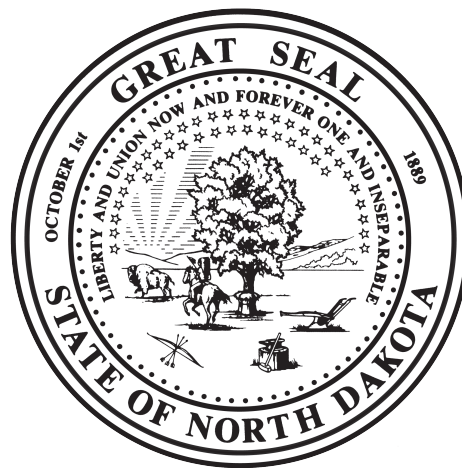
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Introductory Section



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December 11, 2025

To the governor, legislators, and citizens of the state of North Dakota,

In accordance with North Dakota Century Code (NDCC) section 54-44-04(14), we are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the state of North Dakota for the fiscal year ended June 30, 2025. This report has been prepared by the ND Office of Management and Budget. The financial statements contained in the ACFR have been prepared in accordance with generally accepted accounting principles (GAAP) applicable to state and local governments, as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the state's management. To the best of our knowledge and belief, the information contained in the ACFR is accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of the state's primary government and the component units for which it is financially accountable. All disclosures necessary to enable the reader to gain an understanding of the state of North Dakota's financial affairs have been included.

The state's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP in the United States. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the costs of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

In compliance with state statute, the Office of the State Auditor audited the state's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the state for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and evaluating the overall financial statement presentation. Their examination was conducted in accordance with GAAP and the standards applicable to financial audits contained in Government Auditing Standards as published by the Comptroller General of the United States. The Office of the State Auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the state's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The state of North Dakota is also required to undergo a single audit in conformity with the provision of the Single Audit Act Amendments of 1996 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (contained in Title 2, Subtitle A, Chapter II, Part 200 of U.S. Code

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of Federal Regulations). Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs, are included in a separately issued biennial single audit report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The state of North Dakota provides for a full range of services, including education, health and social services, highway maintenance and construction, law enforcement, judicial, public safety, business regulation, community and economic development, and natural resource development. The state's reporting entity reflected in the ACFR includes all the funds of the state as legally defined, as well as all of its component units in conformity with the requirements of GASB Statement No. 61; this statement provides that the financial statements should emphasize the primary government and permit financial statement users to distinguish between the primary government and its component units. Consequently, the transmittal letter, MD&A, and the financial statements focus on the primary government and its activities. Although information pertaining to the discretely presented component units is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position. The state's reporting entity is described more fully in Note 1A to the basic financial statements.

The state operates through a biennial appropriation, which represents agency appropriations recommended by the governor and presented to the legislative assembly at the beginning of each legislative session. The budget is legally required to be adopted through passage of appropriation bills by the legislative assembly and signed by the governor. The governor has line-item veto powers over all appropriations subject to legislative override. Once passed and signed, the appropriation bill becomes the department's financial plan for the next two years. Changes to the appropriation are limited to Emergency Commission authorization, initiative, allotment, or referendum action.

The state budgets by fund but does not formally budget revenues. The legal level of budgetary control is at the agency, appropriation authority and expenditure line-item level. The state's budgetary policies and procedures are further explained in Note 1D on the notes to the basic financial statements.

LOCAL ECONOMY

Although North Dakota's economy is increasingly diversified, the agricultural industry continues to play a lead role in the state's economy. The North Dakota Agricultural Statistics report states that North Dakota led the nation in the production of all dry edible beans, pinto beans, canola, flaxseed, oats, rye, honey, all sunflowers, all wheat, durum wheat and spring wheat for 2024. North Dakota also ranked second in the production of small red beans, navy beans, lentils, and dry edible peas.

The energy industry plays an important role in the state's economy. According to the Energy Information Administration, North Dakota ranks third in the nation in both crude oil reserves and production. North Dakota has roughly 2% of the United States natural gas reserves. Additionally, North Dakota has the world's largest known deposit of lignite and accounts for 5% of the United States total coal production. In 2024, coal-fired power plants provided 54% of electricity generation and wind energy accounted for 35% of its total electricity, which was the sixth highest of wind power for any state.

According to the United States Census Bureau, the state's resident population for 2024 was approximately 796,500 people. Health care and social assistance account for the highest percentage of employment in the state. Other leading areas of employment are educational services, retail trade,

accommodation and food services, construction, and manufacturing. The unemployment rate for the state in August 2025 was 2.5%, compared to 4.3% for the United States.

A list of the state's 20 largest employers demonstrates the diversity of the economy. Top employers include health care providers, educational services, state and local government, the U.S military, manufacturers, and retail companies.

North Dakota exports decreased when comparing 2024 to 2023. The International Trade Administration showed that North Dakota's exports were approximately \$8.8 billion for 2023 and decreases approximately \$2.0 billion to approximately \$6.8 billion in 2024. Petroleum and coal products and oil and gas accounted for approximately \$3.2 billion of North Dakota's exports.

LONG-TERM FINANCIAL PLANNING

The long-term financial plan for the state of North Dakota was outlined as part of the 2023-25 executive budget address and presented to members of the 68th Legislative Assembly in December 2022. The long-term financial plan included the following key components:

- Maintaining healthy reserves
- Providing tax relief
- Investing in priorities, including technology, education, workforce, infrastructure, families and childcare, healthcare and human services
- Ensuring solvency for the state pension fund

The legislature met in January-April of 2023 and passed significant legislation that provides healthy state reserves, tax relief to the citizens of North Dakota and increased investments in behavior health for women's treatment and reform. In addition, the legislature funded investments in infrastructure including roads and bridges, water resources, a state-of-the-art health lab, and a correctional facility for women.

The state's rainy-day fund, the Budget Stabilization Fund, was nearly depleted during the 2015-17 biennium economic downturn. The fund has been refilled to the maximum balance allowed by law and, due to conservative budget management and strong revenues, the fund was not used during the COVID-19 pandemic, which occurred during the 2019-21 biennium. A critical component of ensuring the long-term financial well-being of the state of North Dakota is a well-funded Budget Stabilization Fund that provides a necessary buffer against volatile commodity prices that drive ups and downs in the state's economy. Other reserve funds include the state General Fund balance, the Foundation Aid Stabilization Fund, the Strategic Investment and Improvements Fund and a portion of the Legacy Fund principal available for legislative appropriation.

Another component of the state's long-term financial plan is ensuring the solvency of the state's pension fund. During the 2023 legislative session, the legislature supported a plan to close the Public Employees Defined Benefit plan to new hires no later than January 1, 2025. To support this approach, the legislature approved an ongoing \$65 million infusion from oil and gas extraction and production taxes to the Public Employees Retirement Plan each biennium to help reduce the state unfunded liability. The legislature also assessed an additional 1% employer retirement contribution with an additional \$135.0 million from the Strategic Investment and Improvements Fund to address this liability.

The backbone of the state's financial plan is a revenue forecast that is accurate, conservative, and credible. The state utilizes a Revenue Forecasting Advisory Committee, comprised of representatives of the major industries in the state and the legislative and executive branches of government, along with the expertise of a national economic forecasting consultant. With the assistance of these experts, the ND Office of Management and Budget develops a conservative revenue forecast for use in the budgeting process.

The budgeting process begins with the development of a biennial budget proposal reflecting the governor's priorities for the next two years. The budget is submitted to the legislature for their consideration and eventual enactment. With a biennial budget cycle, each revenue forecast, and budget proposal provides a three-year plan for the revenues and expenditures of state government.

RELEVANT FINANCIAL POLICIES

North Dakota's financial policies ensure that in the event of an economic downturn, North Dakota state government will be able to continue to provide its citizens with necessary services. Should North Dakota experience a significant revenue shortfall, the state is able to access funds in the budget stabilization fund.

North Dakota experienced a significant revenue shortfall during the 2015-17 biennium due to decreases in oil and agriculture prices, resulting in a transfer of nearly the entire balance of the Budget Stabilization Fund to the General Fund prior to June 30, 2017. The 2017 legislature established an ongoing allocation of \$75 million per biennium from oil and gas tax revenues to the Budget Stabilization Fund. North Dakota Century Code requires the transfer to the budget stabilization fund of any end-of-biennium general fund balance in excess of \$65 million. Pursuant to Section 54-27.2-01, the fund is limited to no more than 15% of current general fund biennium appropriations. Any deposits or interest that would otherwise be deposited or retained in the fund must instead be deposited in the general fund once the maximum balance is reached. The current cap on the fund is \$938 million.

The balance of the budget stabilization fund is estimated to be over \$938 million by June 30, 2027 due to a combination of existing fund balance and additional oil tax revenue allocations.

In addition to accessing the budget stabilization fund, in the event of an economic downturn the governor can reduce general fund expenditure authority uniformly across state agencies through a process known as allotment. In the event of an allotment, the foundation aid stabilization fund was established to protect the state school aid program. Dollars from this fund would replace the amount of general fund dollars allotted, thus K-12 education would not experience a reduction in funding. The passage of Measure 2 in the 2016 general election allowed money in the fund to be appropriated for education-related purposes. Funding for the foundation aid stabilization fund comes from 10% of oil extraction tax collections. The foundation aid stabilization fund is expected to have a June 30, 2027, balance of \$422.7 million.

MAJOR INITIATIVES

Major initiatives proposed by Governor Kelly Armstrong and approved by the legislature for the 2025-27 biennium include:

- Historic property tax relief and reform
- Investing in infrastructure and other legacy projects
- Housing affordability and access
- Supporting K-12 education and higher education
- Maintaining reserves and the rainy-day fund

PROPERTY TAX RELIEF AND REFORM

The 2025-27 biennial budget includes a historic property tax relief and reform package for North Dakota residents.

- \$1,600 maximum credit for every North Dakota resident who owns a primary residence in the state.
- The credit is funded from a dedicated stream of Legacy Fund earnings which will grow over time to increase the credit and put ND homeowners on a path to zero property taxes.
- Additionally, property tax reform with annual 3% cap on growth of local political subdivision budgets funded with property tax.

INFRASTRUCTURE INVESTMENTS

The 2025-27 biennial budget includes funding to rebuild and repair roads throughout the state, for water supply and flood control and capital projects. Funding for infrastructure improvements includes:

- \$930.7 million to rebuild and repair state highways
- \$220.8 million for city road projects
- \$227.1 million dedicated to the repair and rebuilding of county and township roads
- \$300.0 million for construction of a new state hospital in Jamestown
- \$73.7 million for construction of a major expansion to the Heritage Center to honor veterans through a new military galley
- \$708.5 million for water-related projects, including \$317.9 million for water supply, \$245.0 million for regional water supply, \$117.6 million for flood control, \$18.0 million for general water projects, 10.0 million for other new projects

HOUSING AFFORDABILITY AND HOMELESSNESS

The 2025-27 budget includes:

- \$35 million transfer into the Housing Incentive Fund
- \$9.85 million from the General Fund to support homeless programs
- \$25 million from the Strategic Investment and Improvements Fund (SIIF) to support housing projects and programs

EDUCATION

K-12 education initiatives include:

- \$2.41 billion in state funding for K-12 schools through integrated funding formula
- \$60.1 million to assist districts in the provision of transportation services
- \$22 million to go towards special education contracts

Higher Education initiatives include:

- \$24.8 million in state funding to continue the North Dakota Higher Education Challenge Grant Program, to encourage philanthropy by providing a state match for private contributions to the state's colleges and universities.
- \$330.1 million is slated to be invested for capital projects across the system, with funding from revenue bonds, private donations, capital building funds and carryover authority.

RESERVES

It is anticipated that by June 30, 2027, there will be a total ending balance of approximately \$2.07 billion in the Budget Stabilization Fund, Foundation Aid Stabilization Fund, Strategic Investment and Improvements Fund, and Tax Relief Fund. The General Fund budget for the 2025-27 biennium totals \$6.26 billion.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the state of North Dakota for its ACFR for the fiscal year ended June 30, 2024. This was the 34th consecutive year that North Dakota has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. In addition, the state of North Dakota received the GFOA's Award for Distinguished Budget Presentation for its 2023-25 budget. To qualify for the Distinguished Budget Presentation Award, the state's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization. This report was prepared by staff members of the Fiscal Management Division of the ND Office of Management and Budget. Their

dedication and efforts are greatly appreciated. We also extend our gratitude to the numerous individuals from all the state agencies and institutions, especially the Office of the State Auditor, for their assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Morrisette", with a long, sweeping horizontal line extending to the right.

Joe Morrisette
Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

State of North Dakota

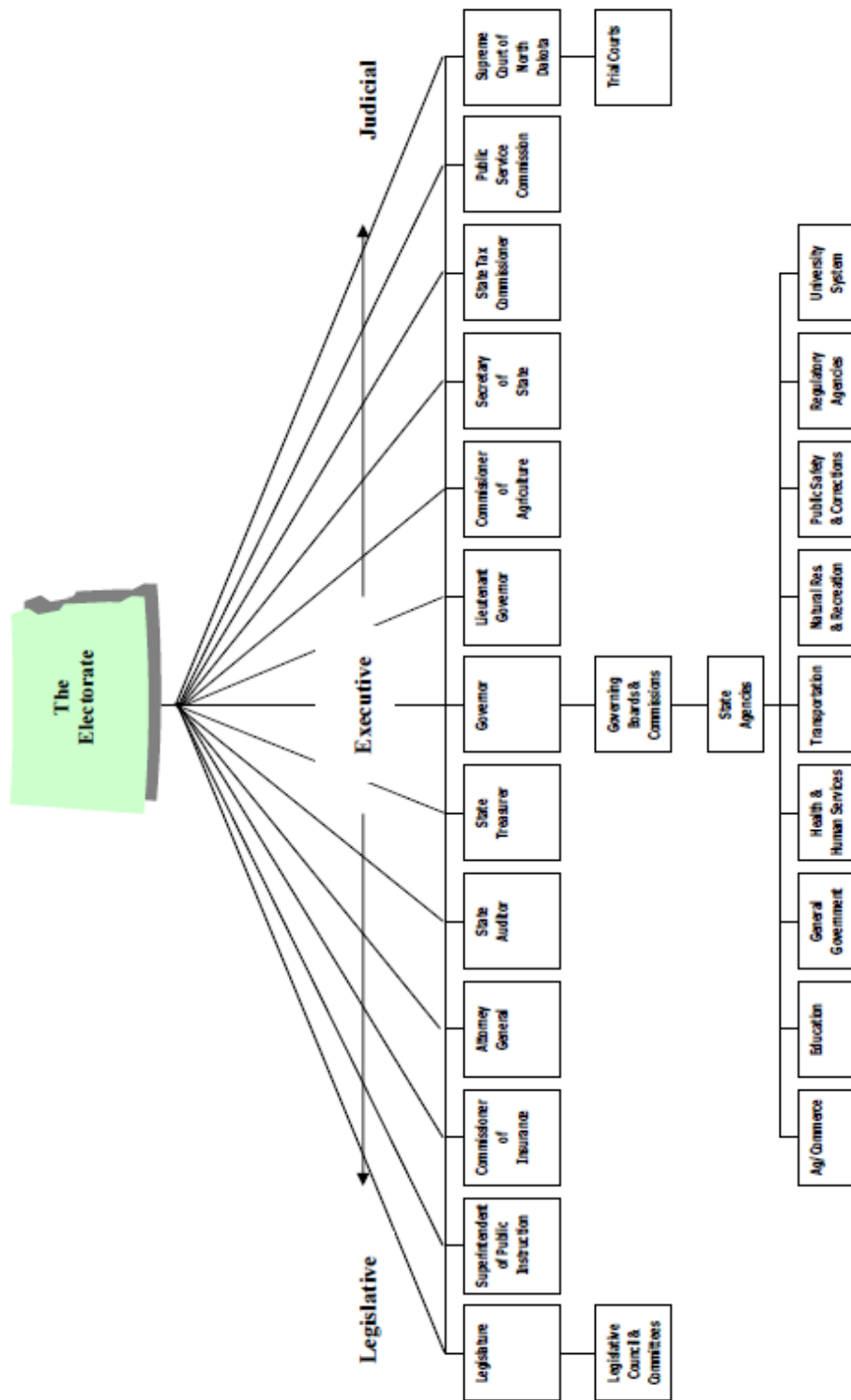
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

STATE OF NORTH DAKOTA ORGANIZATIONAL CHART



NORTH DAKOTA
PRINCIPAL STATE OFFICIALS
June 30, 2025

ELECTED OFFICIALS

Kelly Armstrong, Governor
Michelle Strinden, Lieutenant Governor
Michael Howe, Secretary of State
Drew Wrigley, Attorney General
Jill Kringstad, Public Service Commissioner
Randy Christmann, Public Service Commissioner
Sheri Haugen-Hoffart, Public Service Commissioner
Doug Goehring, Agriculture Commissioner
Joshua Gallion, State Auditor
Jon Godfread, Insurance Commissioner
Kirsten Baesler, Superintendent of Public Instruction
Brian Kroshus, Tax Commissioner
Thomas Beadle, State Treasurer

LEGISLATIVE

Robin Weisz, Speaker of the House
Mike Lefor, House Majority Leader
Zachary Ista, House Minority Leader
Lt. Gov. Michelle Strinden, President of the Senate
David Hogue, Senate Majority Leader
Kathy Hogan, Senate Minority Leader

JUDICIAL

Jon J. Jensen, Chief Justice, North Dakota Supreme Court
Daniel J. Crothers, Justice
Lisa K. Fair McEvers, Justice
Jerod E. Tufte, Justice
Douglas A. Bahr, Justice

Financial Section



Independent Auditor's Report

The Honorable Kelly Armstrong, Governor
of the State of North Dakota

Members of the Legislative Assembly
of the State of North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of North Dakota as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements are referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of North Dakota, as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United State of America.

We did not audit the financial statements listed below.

Bank of North Dakota
Building Authority
College SAVE
Comprehensive Health Association of North Dakota
Department of Trust Lands
North Dakota Development Fund
Guaranteed Student Loan Program
Housing Finance Agency
Housing Incentive Fund

Job Service North Dakota
Mandan Remediation Trust
Public Employees Retirement System
Public Finance Authority
Retirement and Investment Office
State Fair Association
State Historical Society of North Dakota
Foundation
Student Loan Trust
Workforce Safety and Insurance

The financial statements of the above entities represent total assets, net position or fund balance, and revenues of the government-wide financial statements and fund financial statements as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended as follows:

	Percent of Assets	Percent of Net Position or Fund Balance	Percent of Revenues
<u>Government-Wide Financial Statements</u>			
Governmental Activities	28%	31%	20%
Business-Type Activities	76%	48%	50%
Aggregate Discretely Presented Component Units	91%	100%	94%
<u>Fund Financial Statements</u>			
Major Governmental Funds			
General Fund	0%	0%	0%
Federal Fund	1%	0%	1%
State Special Revenue Fund	76%	79%	47%
Major Enterprise Funds			
Bank of North Dakota	100%	100%	100%
Housing Finance Agency	100%	100%	100%
University System	0%	0%	0%
Workforce Safety and Insurance	100%	100%	100%
Aggregate Remaining Fund Statements	87%	90%	66%

Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the financial statements of the above entities are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United State of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of North Dakota and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the North Dakota University System's discretely presented component units (foundations) and the North Dakota Historical Foundation were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 17 to the basic financial statements, the Bank of North Dakota elected to present an unclassified statement of net position because current assets were not matched with current liabilities. Presentation of a classified statement of net position would give the false impression that there is a liquidity problem at the bank. Presentation of a classified statement of net position for the Bank of North Dakota would be misleading to the extent that the financial statements may be materially misstated. Our opinion is not modified with respect to this matter.

As described in Note 21 to the basic financial statements, the State of North Dakota adopted the provisions of GASB 101 *Compensated Absences* and GASB 102 *Certain Risk Disclosures*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of North Dakota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of North Dakota's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of North Dakota's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules and related reconciliations and notes, information about the state of North Dakota's pension plans and other post-retirement benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of North Dakota's basic financial statements. The combining and individual fund financial statements are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

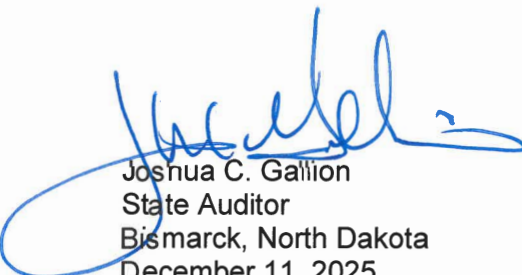
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial

statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025 on our consideration of the State of North Dakota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of North Dakota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of North Dakota's internal control over financial reporting and compliance.



Joshua C. Gallion
State Auditor
Bismarck, North Dakota
December 11, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the State of North Dakota's (the State's) Annual Comprehensive Financial Report presents a discussion and analysis of the State's financial performance, providing an overview of the activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and with the State's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide:

Total assets and deferred outflows of resources of the State exceeded its liabilities and deferred inflows of resources at fiscal year-end by \$40.6 billion (reported as net position), an increase of \$3.5 billion from the previous year. The net position of governmental activities increased by 9.2% while the net position of the business-type activities showed an increase of 11.4%.

As a result of implementing GASB Statement 68, *Accounting and Financial Reporting for Pensions*, the State recorded a \$12.5 million net pension asset, \$451.8 million deferred outflows of resources, \$1.03 billion net pension liability, and \$524.0 million deferred inflows of resources for the primary government. The State increased its net pension liability by \$106.3 thousand during the year. This slight increase in the pension liability is due to the fact that the state continues to be on a path to fully fund the pension plan. As long as the state is on a path to fully fund the pension plan the expected rate of return is used instead of a discounted rate. In addition, the funding status of the Public Employee Retirement System plan for the 2025 ACFR was 68.59% which is an increase from the 2024 ACFR which had a funding status of 65.96%. The State of North Dakota's, employer's proportionate share, of the net pension liability increased by .76% to 48.40% in Fiscal Year 2025 from 47.64% in Fiscal Year 2024.

This year the State implemented GASB 101, *Compensated Absences*, which updates how compensated absences (such as annual and sick leave) are recognized and measured. Under the new standard, liabilities are recorded when the leave is earned, the leave accumulates, and is more likely than not to be used or paid. Implementing GASB 101 resulted in a prior period adjustment of \$39.76 million to governmental activities and \$27.82 million to business-type activities to reflect the updated liability balances.

As of the close of fiscal year 2025 the State's governmental funds reported combined ending fund balances of \$29.1 billion, an increase of \$2.54 billion. Of this amount, \$150.1 million is non-spendable, primarily for Permanent Trust Funds. Spendable fund balance consists of \$10.27 billion restricted for specific purposes such as common schools, highway projects, and state education aid, \$3.7 billion committed and \$313.4 million assigned for specific functional expenditures such as education and health and human service operations, with the unassigned fund balance making up the remaining amount of \$14.62 billion, which is primarily made up of the legacy fund with a balance of \$13.02 billion.

The enterprise funds reported net position at year-end of \$6.52 billion, an increase of \$665.4 million during the year.

Long-term Debt:

The State's total debt (bonds, certificates of participation, lease, SBITA, and notes payable) increased approximately 29.4% during the fiscal year to \$4.50 billion, an increase of \$1.02 billion, which represents the net difference between new issuances and payments. During the year the State issued \$733.0 million in bonds and \$7.17 billion in notes.

More detailed information regarding these activities and funds is included in Note 3J.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State's basic financial statements, which consists of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Statements

The government-wide financial statements provide a broad view of the State's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the State's financial position, which assists in assessing the State's economic condition at the end of the fiscal year. These statements include all non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents all of the State's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as "net position". Over time, increases and decreases in net position is an indicator of whether the State's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both statements report three activities:

Governmental Activities – The activities in this section are primarily supported by taxes and intergovernmental revenue. Most of the State's basic services, such as education, health and human services and transportation, are reported under this category.

Business-type Activities – These functions are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The Bank of North Dakota, Housing Finance Agency and the University System are examples of the State's business-type activities.

Discretely Presented Component Units – These are operations for which the State has financial accountability but they have certain independent qualities as well. These entities operate similar to private-sector business and the business-type activities described above. The State has 4 discretely presented component units. Financial information for these entities is presented separately from the financial information presented for the primary government.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is a fiscal and accounting entity with a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for a particular purpose. The State, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

The basic fund financial statements begin after the Component Unit FASB basis statements and provide more detail about the major individual funds. The State's funds are divided into three categories – governmental, proprietary, and fiduciary. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

Governmental funds - Most of the State's basic services are reported in the governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on the near-term inflows and outflows of spendable resources. They also focus on the balances left at year-end that are available for future spending. Such information may be useful in evaluating whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

Governmental funds include the General Fund, special revenue, debt service, and permanent funds. The State has several governmental funds, of which three (3) are considered major individual funds. These three are the General Fund, the Federal Fund, and the State Special Revenue Fund. Each of these major funds is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance. The remaining governmental funds are combined in a single aggregated column on the basic fund statements. Individual fund data for each of these non-major governmental funds can be found in the other supplementary information section of this report.

Proprietary funds – Services for which the State charges customers a fee are generally reported in proprietary funds. The state maintains two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds report activities that provide supplies and services to the general public. Internal service funds report activities that provide supplies and services for the State's other programs and activities. Like the government-wide statements, proprietary funds use the accrual basis of accounting. Although the basis of accounting is the same for the government-wide and proprietary fund statements, reconciliation between these statements is presented because of the allocation of internal service funds' net income.

The State has four (4) major enterprise funds: The Bank of North Dakota, Housing Finance, University System, and Workforce Safety and Insurance. These four funds are each presented in separate columns on the basic proprietary fund financial statements. The remaining enterprise funds are combined in a single total column on these statements. Individual fund data for each of the non-major enterprise funds can be found in the other supplementary information section of this report.

The State's internal service funds are reported as governmental activities on the government-wide statements, because the services they provide predominantly benefit governmental activities. The State's four (4) internal service funds are reported on the basic proprietary fund financial statements in a single combined column. Individual fund data for the internal service funds is provided in the form of combining statements found in the other supplementary information section of this report.

Fiduciary funds - The State acts as a trustee, or fiduciary, for its employee pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The State's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These funds, which include pension (and other employee benefit) trust, investment trust, private-purpose trust, and custodial funds, are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because the State cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found immediately following component units' financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule, which includes reconciliation between the statutory fund balances for budgetary purposes and the fund balances for the General Fund, the Federal Fund and the State Special Revenue Fund as presented in the governmental fund financial statements. In addition, the required supplementary information includes up to ten years of information on the State's pension and Other Post Employment Benefit (OPEB) plans, including schedules on the employer proportionate share of the net pension liability and net OPEB liability, changes in the net pension liability and OPEB liability, and employer contributions.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental, non-major enterprise, internal service, and fiduciary funds. These funds are added together, by fund type, and presented in single columns in the basic financial statements.

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

As noted previously, net position may serve over time as a useful indicator of a government's financial position. The State's combined net position (governmental and business-type activities) totaled \$40.6 billion at the end of fiscal year 2025. Net position increased \$3.5 billion from the prior fiscal year.

State of North Dakota's Net Position (Expressed in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 30,726,091	\$ 28,376,498	\$ 17,364,702	\$ 15,870,920	\$ 48,090,793	\$ 44,247,418
Capital Assets	6,679,435	6,352,725	2,550,660	2,314,469	9,230,095	8,667,194
Total Assets	37,405,526	34,729,223	19,915,362	18,185,389	57,320,888	52,914,612
Deferred Outflows of Resources	379,794	589,591	90,002	172,068	469,796	761,659
Long-Term Liabilities						
Outstanding	1,784,805	1,757,189	4,947,436	3,913,449	6,732,241	5,670,638
Other Liabilities	1,496,683	1,693,808	8,335,313	8,313,291	9,831,996	10,007,099
Total Liabilities	3,281,488	3,450,997	13,282,749	12,226,740	16,564,237	15,677,737
Deferred Inflows of Resources	416,140	629,143	198,314	266,923	614,454	896,066
Net Position						
Net Investment in						
Capital Assets	6,294,815	6,025,171	1,835,706	1,622,974	8,130,521	7,648,145
Restricted	10,538,895	9,912,513	1,440,790	1,529,676	11,979,685	11,442,189
Unrestricted	17,253,982	15,300,990	3,247,805	2,711,144	20,501,787	18,012,134
Total Net Position	\$ 34,087,692	\$ 31,238,674	\$ 6,524,301	\$ 5,863,794	\$ 40,611,993	\$ 37,102,468

The largest component (50.5%) of the State's net position is unrestricted net position. Unrestricted net position may be used at the State's discretion, but often have limitations on use based on State statutes. Restricted net position makes up twenty-nine percent (29.5%) of the state's net position. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

Twenty percent (20%) of the State's net position reflects its investment in capital assets such as land, buildings, equipment, intangibles (software), Lease assets, Subscription Based IT arrangements (SBITAs), and infrastructure (roads, bridges and other immovable assets) less any related debt outstanding that was needed to acquire or construct the assets. The State uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The condensed financial information on the following page were derived from the government-wide Statement of Activities and reflects how the State's net position changed during the fiscal year:

State of North Dakota's Changes in Net Position
(Expressed in Thousands)

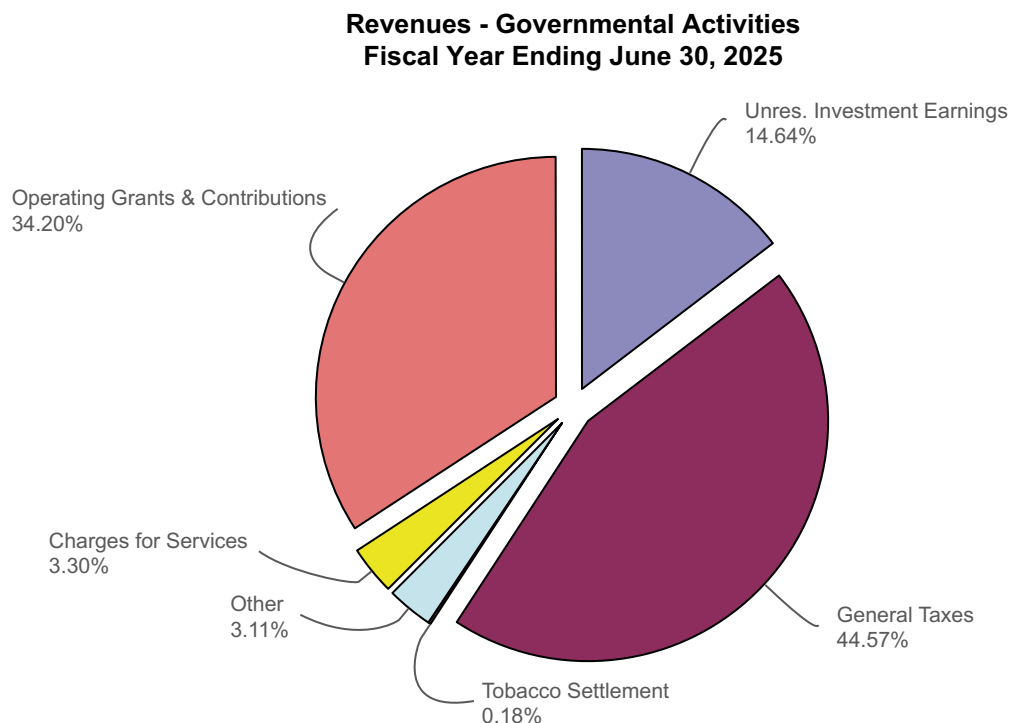
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 378,029	\$ 390,659	\$ 2,392,645	\$ 2,376,402	\$ 2,770,674	\$ 2,767,061
Operating Grants & Contributions	3,916,900	3,647,965	706,156	562,286	4,623,056	4,210,251
Capital Grants & Contributions	337	54,472	38,586	42,513	38,923	96,985
General Revenues:						
Income Taxes	712,718	638,144	—	—	712,718	638,144
Sales Taxes	1,756,047	1,737,542	—	—	1,756,047	1,737,542
Oil, Gas and Coal Taxes	2,491,765	3,112,312	—	—	2,491,765	3,112,312
Other Taxes	144,711	134,809	—	—	144,711	134,809
Investment Earnings	1,676,327	1,276,314	—	—	1,676,327	1,276,314
Tobacco Settlement	20,463	22,080	—	—	20,463	22,080
Other	356,533	486,937	3,321	1,547	359,854	488,484
Total Revenues	11,453,830	11,501,234	3,140,708	2,982,748	14,594,538	14,483,982
Expenses:						
General Government	1,679,497	1,427,904	—	—	1,679,497	1,427,904
Education	1,561,035	1,692,042	—	—	1,561,035	1,692,042
Health and Human Services	2,880,341	2,666,060	—	—	2,880,341	2,666,060
Regulatory	322,867	250,018	—	—	322,867	250,018
Public Safety and Corrections	339,902	321,352	—	—	339,902	321,352
Agriculture and Commerce	172,826	185,616	—	—	172,826	185,616
Natural Resources	368,973	265,515	—	—	368,973	265,515
Transportation	658,029	654,865	—	—	658,029	654,865
Interest on Long Term Debt	31,009	31,244	—	—	31,009	31,244
Bank of North Dakota	—	—	259,645	176,250	259,645	176,250
Housing Finance	—	—	122,113	91,154	122,113	91,154
Loan Programs	—	—	14,124	10,452	14,124	10,452
State Lottery	—	—	21,001	29,933	21,001	29,933
Unemployment Compensation	—	—	111,694	89,042	111,694	89,042
University System	—	—	1,610,377	1,509,753	1,610,377	1,509,753
Workforce Safety and Insurance	—	—	238,445	210,481	238,445	210,481
Other	—	—	797,050	829,926	797,050	829,926
Total Expenses	\$ 8,014,479	\$ 7,494,616	\$ 3,174,449	\$ 2,946,991	\$11,188,928	\$10,441,607
Increase (decrease) in Net Position Before Contributions, Loss & Transfers	3,439,351	4,006,618	(33,741)	35,757	3,405,610	4,042,375
Contributions to Permanent Fund Principal	16,373	6,341	—	—	16,373	6,341
Transfers	(582,162)	(1,046,895)	700,462	746,890	118,300	(300,005)
Change in Net Position	2,873,562	2,966,064	666,721	782,647	3,540,283	3,748,711
Net Position - Beginning of Year, as Previously Reported	31,238,674	28,272,610	5,863,793	5,081,146	37,102,467	33,353,756
Prior Period Adjustment *	(24,544)	—	(6,213)	—	(30,757)	—
Net Position- Ending	\$34,087,692	\$31,238,674	\$ 6,524,301	\$ 5,863,793	\$40,611,993	\$37,102,467

Governmental Activities

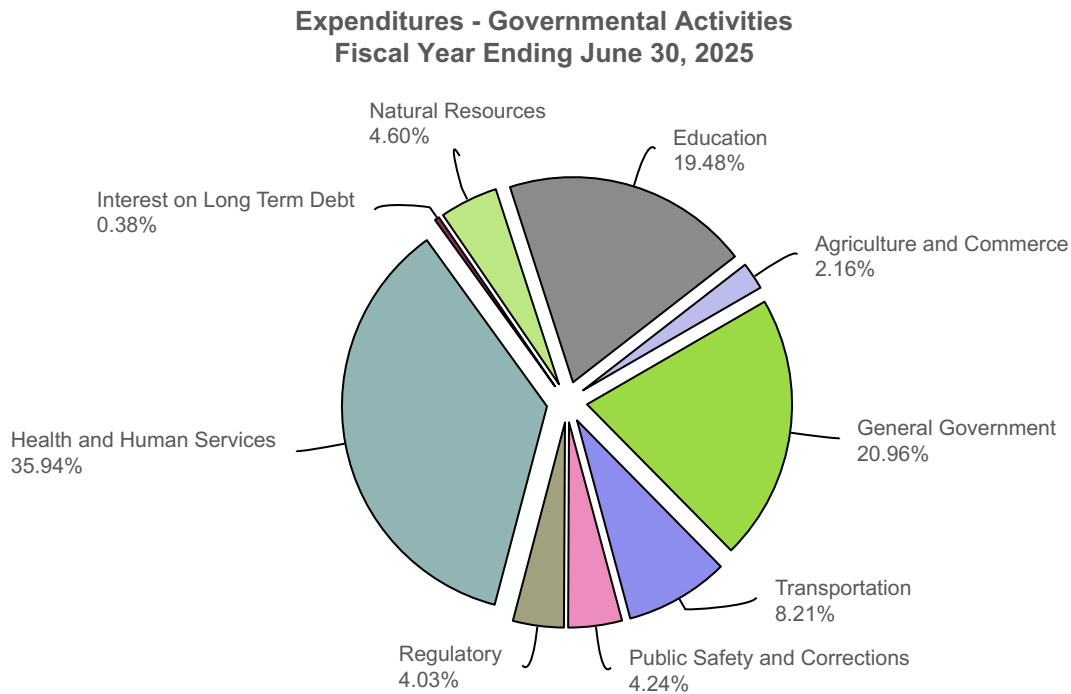
Governmental Activities increased the State's net position by \$2.87 billion. Revenues decreased 0.4%. The decrease is mainly attributable to the decrease in Oil, Gas, and Coal Taxes of \$ 620.5 million. This decrease was a result of declines in the Oil production tax collections, due to lower oil prices reducing the overall taxable value of production, as well as Oil extraction tax collections decreasing as falling oil prices reduced the taxable value of production, and expanded stripper well activity added to the decline. These decreases were offset with large increases coming from unrestricted investment income which saw an increase of \$400.0 million. This is primarily due to higher investment returns for the Legacy Fund due to strong financial markets. The Legacy Fund had net investment income in Fiscal Year 2025 of \$1.44 billion and in Fiscal Year 2024 it was \$1.04 billion. The investment earnings are unrestricted because it is not for a particular function. The State also saw an increase of \$268.9 million for Operating Grants and Contributions primarily for two reasons. The first reason was due to an increase in fair value of investments attributed to stronger performance in the US international public equity market. The second reason was attributed to an increase in Federal revenue for the Medicaid program, that saw a decrease in the Medical Loss Ratio refund in Fiscal Year 2025, which resulted in revenue reimbursements coming from the Federal Government to cover the Medicaid expenses that remained relatively consistent.

Expenses for governmental activities remained relatively consistent.

The following chart depicts revenues of the governmental activities for the fiscal year:



The following chart depicts expenses of the governmental activities for the fiscal year:



Business-type Activities

Net position of the business-type activities increased by \$666.7 million during the fiscal year.

Workforce Safety and Insurance's (WSI) net position increased by \$134.5 million, and WSI's financial position remains stable. Changes in net position are the result of two separate activities or major program revenues: underwriting and investing. In fiscal year 2025, WSI's investment portfolio yielded a year- to-date return of 8.71% (net of fees), with a gain of \$189 million before expenses. The year-to-date return for fiscal years 2024 and 2023 was 5.97% and 2.74% respectively. Earned premium net of discounts and reinsurance totaled \$176 million, \$181 million, and \$185 million in fiscal years 2025, 2024, and 2023 respectively. The number of total claims filed in fiscal year 2025 is 16,538. This is a decrease of 503 from the previous fiscal year 2024 which had a total of 17,041.

The Bank of North Dakota's net position increased by \$202.1 million. The loan portfolio increased by \$380 million to \$6.025 billion at December 31, 2024. There was strong demand in the Commercial Participation, Flex Pace and Farm and Ranch programs for the year ended December 31, 2024. Interest-bearing deposits totaled \$8.07 billion at December 31, 2024 compared to \$8.05 billion at December 31, 2023. Deposit balances were down slightly by \$19 thousand in 2024. In 2023, deposits were up \$397 million, so despite a slight decrease from last year deposit balances remain high due to increased state tax revenues and American Rescue Plan dollars. The Bank's capital position is strong with a tier one capital leverage ratio of 11.84% much higher than the "well capitalized" threshold of 4% as defined by the federal banking regulation.

The University System's net position increased \$232.7 million. Various factors attributed to the overall increase in net position, including issuing housing and auxiliary facilities revenue bonds, for Bismarck State College (BSC). The investment balance at June 30, 2025 for these proceeds was approximately \$25.0 million. UND's restricted cash increased \$57.4 million due to funding received from the North Dakota Strategic Investment and Improvements Fund (SIIF) for a science, engineering and national security corridor. University of North Dakota (UND) Alumni Association and Foundation issued \$31.5 million in revenue bonds and \$16.6 million of the proceeds is recorded in restricted cash and cash equivalents. The last factor is North Dakota State University's (NDSU) restricted cash increased \$99.9 million due to funding received from North Dakota SIIF for the center for engineering, computational sciences, and the agricultural field lab.

Housing Finance Authority (HFA) net position increase of \$24.4 million as a result of the year's program operations and financing activities. Operating revenues were up \$25.46 million as a result of higher mortgage and investment income than in the prior year. HFA continues to fund mortgage loans at a fast pace given the rise in mortgage rates and the rates on mortgage revenue bonds over the last year continuing to be competitive in the mortgage market. Overall this has not had a large effect on the funding of mortgage loans, however the Agency has seen a decrease in loan payoffs due to this increase in mortgage rating making refinances less favorable.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

Governmental Funds

As the State completed the year, its governmental funds reported combined fund balances of \$29.1 billion, an increase of \$2.5 billion from the prior fiscal year. Of the \$29.1 billion in net position, \$150.1 million is non-spendable, \$10.3 billion is restricted, \$3.7 billion is committed, \$313.4 million is assigned, and \$14.6 billion is unassigned. These fund balance categories are a result of GASB Statement 54. Note 1V provides definitions for these categories. The following analysis of funds provides the explanation for the overall change in net position for governmental funds.

The General Fund is the chief operating fund of the State. At the end of current fiscal year, unassigned fund balance of the General Fund was \$14.6 billion, non-spendable was \$13.2 million, and \$1.3 billion was committed for expenditure by various governmental functions.

Total General Fund balance increased during the fiscal year by \$1.6 billion. Revenues decreased approximately 6%, the decrease is mainly attributable to the decrease of \$754.3 million for Oil, Gas, and Coal Taxes. The Oil Production tax collections decreased as lower oil prices reduced the overall taxable value of production. In addition, Oil extraction tax collections decreased as falling oil prices reduced the taxable value of production. The General Fund's share of the Oil, Gas, and Coal Taxes is also lower in the second year of the biennium this is due to the way Oil, Gas, and Coal taxes are distributed within the state. Revenue for Oil, Gas, and Coal taxes are distributed first to the general fund and then once the max amount is reached the revenues will then be distributed to the next fund. The decrease in Oil, Gas, and Coal taxes was offset by the increase in investment income from the Legacy fund which is part of the General Fund in the governmental fund statements. The Legacy Fund was created by a constitutional amendment in 2010. The amendment provides that 30% of oil and gas gross production and oil extraction taxes on oil produced after June 30, 2011, be transferred to the Legacy fund. Net investment income for the Legacy Fund exceeded \$1.44 billion in FY2025 and \$1.04 billion in Fiscal Year 2024. The State Investment Board is responsible for the investment of the fund. This fund has a current fund balance of \$13.02 billion.

General fund expenditures increased by \$53.3 million or 2.1% with the largest increase in Health and Human Services. However, total expenditures for the general fund and special revenue fund remained relatively consistent from Fiscal Year 2024. The increase in Health and Human Services was due to reallocating more expenses back to the General Fund, that had been paid with Federal Funds in the prior year.

The State Special Revenue ending fund balance increased by \$1.1 billion resulting in a \$12.8 billion fund balance. Revenues increased by 8.59% in the state special revenue fund primarily due to increases in Oil, Gas, and Coal Taxes of \$133.5 million. This is due to the tax distribution allocation being first allocated to the general fund, once the max is reached for the General Fund, the Special Revenue funds receive their allocations, as previously explained above. There was also an increase in Interest and Investment Income of \$244.09 million. This increase was a result of stronger performance in U.S. and international public equity markets, which increased the fair value of investments for Fiscal Year 2025.

The Federal Fund balance of \$22.3 million consists primarily of non-spendable items such as prepaids and inventory. Revenues decreased by \$65.29 million, expenditures decreased by \$92.45 million, and the federal fund balance decreased by \$248.9 thousand. These decreases were primarily due to the decrease in federal funds the State received in Fiscal Year 2025 as compared to the previous years that saw increases in spending due to the revenues received from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act and Coronavirus Relief Fund (CRF).

Proprietary Funds

The State's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The increases/decreases in the net position of the proprietary funds are discussed under "Business-type Activities" above.

General Fund Budgetary Highlights:

The State has a biennial appropriated budget. The fiscal year ending June 30, 2025, was the second year of the 2023-25 budget cycle. The appropriation budget increased by \$97.22 million in fiscal year 2025.

The increases to the beginning appropriated budget are from authorized carryover of general fund appropriation authority and legislative changes of which the larger ones are noted below.

Several state agencies were authorized by appropriation laws to carryover a portion or all of their general fund appropriation for various purposes, including the University System, \$738 thousand, and Legislative Council, \$5.3 million and Legislative Assembly, \$2.7 million.

Of the \$577 thousand in capital construction carryover dollars, \$500 thousand was for Health and Human Services.

The general fund budgetary revenues and other financing sources for the biennium ended June 30, 2025 were \$5.64 billion and 13% greater than the approved budget for the 2023-25 biennium.

There were no expenditures in excess of general fund authority.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: At the end of the fiscal year 2025, the State had invested \$8.1 billion, net of accumulated depreciation, in a broad range of capital assets. Depreciation charges for this fiscal year totaled \$456 million.

(Net of Depreciation, Expressed in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land and Land Improvements	\$ 177,392	\$ 175,064	\$ 28,704	\$ 28,704	\$ 206,096	\$ 203,768
Building & Building Improvements	441,700	425,072	1,658,239	1,521,832	2,099,939	1,946,904
Equipment	213,458	207,324	217,910	212,338	431,368	419,662
Intangibles						
Software	167,272	199,563	954	1,017	168,226	200,580
Other	15,813	11,933	11,750	12,852	27,563	24,785
Infrastructure	4,875,929	4,506,402	165,232	169,582	5,041,161	4,675,984
Construction in Progress	671,189	726,706	359,425	272,243	1,030,614	998,949
Right-to-use Lease & SBITA assets:						
Land	87	87	18,569	17,012	18,656	17,099
Building and Improvements	47,252	34,776	5,006	5,944	52,258	40,720
Equipment	2,027	2,929	35,414	33,007	37,441	35,936
Infrastructure	—	—	30,430	21,000	30,430	21,000
SBITAs	67,316	62,836	19,027	18,937	86,343	81,773
Total	\$ 6,679,435	\$ 6,352,692	\$ 2,550,660	\$ 2,314,468	\$ 9,230,095	\$ 8,667,160

* Beginning capital asset balances were adjusted for certain reclassifications for FY2024 in the Governmental Activities and Business Type Activities.

The total increase in the State's investments in capital assets for the current fiscal year was 6.5% in terms of net book value. However, actual expenditures to purchase or construct capital assets were approximately \$1.63 billion for the year. A major portion of this amount was used to construct or reconstruct assets for highway construction. More detailed information on the State's capital assets can be found in Note 3H to the financial statements.

Long-term Debt: Article X, Section 13 of the Constitution of North Dakota provides that the state may issue or guarantee the payment of bonds provided that all bonds in excess of \$2 million are: secured by first mortgage upon property and no further indebtedness may be incurred by the state unless evidenced by a bond issue; authorized by law, for a certain purpose; provisioned to pay the interest semiannually, and pay the principal within 30 years. The law authorized the bond issue must specifically appropriate the provisions to the payment of the principal and interest of the bond. The State has no general obligation bonds outstanding at June 30, 2025.

The State does have a number of revenue bonds outstanding at June 30, 2025. Current state statutes empower certain state agencies and the Building Authority to issue bonds as part of their activities. This debt is not backed by the full faith and credit of the State of North Dakota. The principal and interest on revenue bonds issued by state agencies is payable from designated revenue sources. The Building Authority's bonds generate revenue to finance the construction and improvements of State buildings. Revenues derived from leases on the buildings fund the debt service requirements. Starting in Fiscal Year 2022 the state issued appropriation bonds through the Legacy Bond Program, these are appropriation bonds issued to provide financing to legislative approved state projects and programs. The bonds are direct obligations of the Public Finance Authority and secured by the State of North Dakota's Legacy Fund earnings, capitalized interest CD's and interest earnings pursuant to the applicable bond resolutions.

The Bank of North Dakota has advances from the Federal Home Loan Bank due within one year in the amount of \$480 million. The advances had a fixed interest rate of 4.62%.

The state had lease additions for equipment and buildings of \$29.73 million for Business Type Activities and \$19.99 million for Governmental Activities.

More detailed information regarding the State's long-term obligations is presented in Note 3J to the financial statements.

State of North Dakota's Outstanding Debt (Expressed in Thousands)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenue Bonds	\$ 722,447	\$ 754,697	\$ 2,796,730	\$ 2,226,968	\$ 3,519,177	\$ 2,981,665
Certificate of Participation	—	—	247,193	251,166	247,193	251,166
Notes Payable	12,807	14,257	496,148	44,013	508,955	58,270
Lease Payable	51,610	40,388	96,002	80,878	147,612	121,266
SBITA Payable	57,818	54,791	16,506	8,190	74,324	62,981
Total	<u>\$ 844,682</u>	<u>\$ 864,133</u>	<u>\$ 3,652,579</u>	<u>\$ 2,611,215</u>	<u>\$ 4,497,261</u>	<u>\$ 3,475,348</u>

* Beginning SBITA Payable balances were adjusted for certain reclassifications for FY2024 in the Business- Type Activities.

The State's total debt increased approximately 29.4% during the current fiscal year.

ECONOMIC CONDITION AND OUTLOOK

Moody's Analytics recently completed an analysis of the North Dakota economy for its Précis U.S. State October 2025 publication. The report depicts an economy in recession, feeling the effects of job loss, struggling oil prices and global trade tensions related to agricultural products. The Bakken has been able to keep drilling costs lower than elsewhere in the nation, which will incentivize producers to boost output in North Dakota over other areas when conditions improve.

North Dakota's outlook is linked tightly to two major industries, energy and agriculture. The outlook for the oil market is dim with the struggling price and slow global demand, which has led to oversupply, but OPEC has decided to pause output hikes in the first quarter of 2026. The most recent North Dakota average price per barrel of oil was at \$60.08, which is above the estimated price of \$59.00 used for budgeting purposes. With the most recent production number being at 1.15 million barrels per day, which is what was budgeted. On the agriculture side, trade tensions are affecting price of crops, which is leading to oversupply. On the positive side, the two new processing plants operated at full capacity, which will help ease some of the pain.

Despite North Dakota experiencing a stall in employment growth after seeing gains from earlier in the year be erased by job losses in recent months, growth is still higher than it was a year ago. The tight labor market in North Dakota is leading some industries, specifically farming, to explore the use of autonomous technologies such as drones and self-driving tractors. The unemployment rate in North Dakota remains low at 2.5%, which is slightly higher than the 2.2% reported for the same time frame last year. North Dakota should start to see the tight labor market ease.

Per capita income for North Dakota fell below the national average after being ahead for two years in a row. Per capita income for 2024 was \$70,966 for North Dakota, while the U.S. was \$72,425.

The median household income remains behind the national average. For 2025, median household income in North Dakota was at \$76,960 compared to \$80,610 for the U.S.

Effective January 1, 2025, the PERS Main System closed to new members. Employees newly enrolled into the system on January 1, 2025 and later will participate in a new Defined Contribution Plan. In Fiscal Year 2025 there was a cash infusion into the PERS Main System of \$65 million from the State's share of oil and gas taxes. The impact of this cash infusion is not reflected in the net pension liability balances in the 2025 ACFR, since the measurement date for the Pension adjustments is June 30, 2024.

North Dakota's Legacy Fund which is reported as part of the General Fund, was established with thirty percent of total revenue derived from taxes on oil and gas production or extraction. The principal and earnings of the Legacy Fund could not be spent until after June 30, 2017, and an expenditure of principal after that date requires a vote of at least two-thirds of the members elected of each house of the legislative assembly. No more than fifteen percent of the principal of the Legacy Fund could be expended during a biennium. Effective December 5, 2024 the fifteen percent of the principal was changed to five percent.

CONTACTING THE STATE'S OFFICE OF FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. Questions about this report or additional financial information should be addressed to the State of North Dakota, Office of Management and Budget, 600 E. Boulevard, Dept. 110, Bismarck, ND 58505.



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Basic Financial Statements

STATE OF NORTH DAKOTA

Statement of Net Position June 30, 2025

	Primary Government			Component Units (GASB Based)
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 897,693,307	\$ 763,204,094	\$ 1,660,897,401	\$ 1,003,997
Investments	22,315,334,773	6,586,594,527	28,901,929,300	5,649,997
Accounts Receivable - Net	200,191,625	170,174,529	370,366,154	36,649
Taxes Receivable - Net	594,140,680	—	594,140,680	—
Interest Receivable - Net	62,472,964	98,843,653	161,316,617	255,675
Lease Receivable - Net	504,791	1,379,993	1,884,784	—
Intergovernmental Receivable - Net	345,700,470	49,327,547	395,028,017	—
Internal Receivable	6,158,796,526	—	—	69,227,364
Due from Component Units	—	48,205,994	48,205,994	—
Prepaid Items	23,426,927	4,989,037	28,415,964	—
Inventory	47,660,938	47,049,655	94,710,593	—
Loans and Notes Receivable - Net	54,556,381	6,721,527,648	6,776,084,029	46,527,782
Pension Assets	12,528,532	—	12,528,532	—
Other Assets	12,891,174	109,364,899	122,256,073	—
Restricted Assets:				
Cash and Cash Equivalents	—	478,398,000	478,398,000	118,305,617
Investments	—	49,968,987	49,968,987	1,154,142,814
Interest Receivable - Net	192,000	11,357,000	11,549,000	5,986,329
Loans and Notes Receivable - Net	—	2,224,316,000	2,224,316,000	111,596,867
Capital Assets:				
Nondepreciable	848,580,829	388,129,065	1,236,709,894	—
Depreciable, Net	5,830,853,835	2,162,531,359	7,993,385,194	23,733
Total Assets	37,405,525,752	19,915,361,987	51,162,091,213	1,512,756,824
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Bond Refunding	—	2,403,906	2,403,906	—
Derived from Pensions	367,557,017	84,261,183	451,818,200	125,000
Derived from OPEB	12,237,246	3,336,656	15,573,902	—
Total Deferred Outflows of Resources	379,794,263	90,001,745	469,796,008	125,000

* An internal receivables 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.

STATE OF NORTH DAKOTA

Statement of Net Position

June 30, 2025

	Primary Government			Component Units (GASB Based)
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts Payable	444,555,835	104,985,536	549,541,371	355,281
Accrued Payroll	83,108,311	56,768,234	139,876,545	—
Securities Lending Collateral	316,084,670	20,395,511	336,480,181	—
Interest Payable	7,664,396	51,669,302	59,333,698	5,483,121
Intergovernmental Payable	191,410,355	2,231,976	193,642,331	—
Tax Refunds Payable	235,051,360	—	235,051,360	—
Internal Payable	—	6,212,725,304	53,928,778	—
Due to Component Units	—	56,828,655	56,828,655	—
Contract Retainage Payable	26,109,834	16,008,557	42,118,391	—
Federal Funds Purchased	—	370,327,000	370,327,000	—
Other Deposits	—	1,248,968,340	1,248,968,340	—
Amounts Held In Custody for Others	—	23,888,000	23,888,000	—
Unearned Revenue	192,698,039	127,166,615	319,864,654	507,959
Other Liabilities	—	43,349,914	43,349,914	—
Long-Term Liabilities				
Due within one year	91,019,154	792,536,546	883,555,700	33,045,000
Due in more than one year	866,528,032	3,909,584,953	4,776,112,985	649,508,000
Net Pension Liability	793,127,758	234,896,990	1,028,024,748	334,000
Net OPEB Liability	34,130,002	10,417,075	44,547,077	—
Total Liabilities	3,281,487,746	13,282,748,508	10,405,439,728	689,233,361
DEFERRED INFLOWS OF RESOURCES				
Grant Received Prior to Time Requirements	—	105,706	105,706	—
Increase in Fair Value of Hedging Derivatives	—	268,150	268,150	—
Unrealized Gain on Interest Rate Swap	—	64,965,000	64,965,000	—
Derived from Pensions	410,150,881	113,857,181	524,008,062	161,000
Derived from OPEB	5,345,226	1,485,488	6,830,714	—
Financial Derivative Instruments	—	16,316,000	16,316,000	—
Right-to-Use Leases	643,867	1,316,932	1,960,799	—
Deferred Gain on Bond Refunding	—	—	—	15,089,000
Total Deferred Inflows of Resources	416,139,974	198,314,457	614,454,431	15,250,000
NET POSITION				
Net Investment in Capital Assets	6,294,815,285	1,835,706,216	8,130,521,501	23,733
Restricted for:				
General Government	20,493,173	—	20,493,173	—
Education	8,876,950,553	—	8,876,950,553	—
Health and Human Services	47,776,062	—	47,776,062	—
Regulatory Purposes	96,853,790	—	96,853,790	—
Public Safety & Corrections	3,701,199	—	3,701,199	—
Agriculture and Commerce	54,216,628	—	54,216,628	—
Cultural and Natural Resources	707,741,804	—	707,741,804	—
Transportation	429,827,928	—	429,827,928	—
Capital Projects	90,286,000	185,687,789	275,973,789	—
Debt Service	51,138,000	261,172,143	312,310,143	122,916,233
Loan Purposes	—	19,228,244	19,228,244	582,841,469
Pledged Assets	—	571,007,000	571,007,000	—
Unemployment Compensation	—	349,698,136	349,698,136	—
Pension Benefits	12,528,532	—	12,528,532	—
Permanent Fund and University System - Nonexpendable	83,274,576	21,243,191	104,517,767	—
University System - Expendable	—	28,905,171	28,905,171	—
Other	64,107,089	3,847,887	67,954,976	—
Unrestricted	17,253,981,676	3,247,804,990	20,501,786,666	102,617,028
Total Net Position	\$ 34,087,692,295	\$ 6,524,300,767	\$ 40,611,993,062	\$ 808,398,463

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, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 1,679,496,862	\$ 40,030,578	\$ 25,747,733	\$ —
Education	1,561,035,013	20,459,561	1,433,702,695	—
Health and Human Services	2,880,340,549	44,777,240	1,620,328,761	—
Regulatory	322,866,538	48,416,892	62,003,121	—
Public Safety and Corrections	339,901,967	27,500,795	183,544,186	220,366
Agriculture and Commerce	172,826,218	28,590,393	61,391,984	—
Natural Resources	368,972,807	45,030,080	79,305,168	114,310
Transportation	658,029,137	123,223,750	450,875,900	2,545
Interest on Long Term Debt	31,008,301	—	—	—
Total Governmental Activities	8,014,477,392	378,029,289	3,916,899,548	337,221
Business-Type Activities:				
Bank of North Dakota	259,645,317	525,458,000	(14,191,000)	—
Housing Finance	122,112,866	114,908,000	30,321,248	—
Loan Programs	14,123,789	16,327,125	1,645,510	—
State Lottery	21,001,384	26,903,754	102,889	—
Unemployment Compensation	111,693,517	98,673,281	10,769,364	—
University System	1,610,377,376	610,074,735	480,562,432	38,585,523
Workforce Safety & Insurance	238,445,363	182,177,293	189,046,841	—
Other	797,050,056	818,123,303	7,898,521	—
Total Business-Type Activities	3,174,449,668	2,392,645,491	706,155,805	38,585,523
Total Primary Government	\$ 11,188,927,060	\$ 2,770,674,780	\$ 4,623,055,353	\$ 38,922,744
Component Units (GASB Based):				
	\$ 64,251,645	\$ 8,966,334	\$ 91,407,660	\$ —

General Revenues:

Taxes:

Individual and Corporate Income Taxes

Sales and Use Taxes

Oil, Gas and Coal Taxes

Business and Other Taxes

Unrestricted Investment Earnings

Tobacco Settlement

Miscellaneous

Payment from State of North Dakota

Contributions to Perm Fund Principal

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning of Year, as Previously Reported

Restatement for Change in Accounting Principle

Restatement for Correction of Error

Net Position, Ending

*Transfers will not zero out due to different year ends of agencies included in the ACFR. See Note 3G for detail.

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Net (Expense) Revenue and Change in Net Position			
Primary Government			Component Units (GASB Based)
Governmental Activities	Business-Type Activities	Total	
\$ (1,613,718,551)		\$ (1,613,718,551)	
(106,872,757)		(106,872,757)	
(1,215,234,548)		(1,215,234,548)	
(212,446,525)		(212,446,525)	
(128,636,620)		(128,636,620)	
(82,843,841)		(82,843,841)	
(244,523,249)		(244,523,249)	
(83,926,942)		(83,926,942)	
(31,008,301)		(31,008,301)	
(3,719,211,334)		(3,719,211,334)	
	251,621,683	251,621,683	
	23,116,382	23,116,382	
	3,848,846	3,848,846	
	6,005,259	6,005,259	
	(2,250,872)	(2,250,872)	
	(481,154,686)	(481,154,686)	
	132,778,771	132,778,771	
	28,971,768	28,971,768	
—	(37,062,849)	(37,062,849)	
(3,719,211,334)	(37,062,849)	(3,756,274,183)	
			\$ 36,122,349
712,717,971	—	712,717,971	—
1,756,046,583	—	1,756,046,583	—
2,491,765,202	—	2,491,765,202	—
144,710,642	—	144,710,642	—
1,676,327,093	—	1,676,327,093	—
20,462,933	—	20,462,933	—
356,533,139	3,321,297	359,854,436	—
—	—	—	4,866,535
16,372,521	—	16,372,521	—
(582,161,890)	700,461,609	118,299,719	—
6,592,774,194	703,782,906	7,296,557,100	4,866,535
2,873,562,860	666,720,057	3,540,282,917	40,988,884
31,238,673,894	5,863,793,833	37,102,467,727	767,409,579
(39,764,444)	(27,817,276)	(67,581,720)	—
15,219,985	21,604,153	36,824,138	—
\$ 34,087,692,295	\$ 6,524,300,767	\$ 40,611,993,062	\$ 808,398,463

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Net Assets Component Units FASB Basis June 30, 2025

	Major University System Foundation	Nonmajor University System Foundation	State Historical Society Foundation
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 88,543,708	\$ 6,836,102	\$ 2,485,692
Receivable from Primary Institution	3,602,973	23,653	—
Investments	65,437,242	27,878,679	923,893
Accounts Receivable - Net	2,131,732	2,899	—
Notes receivable	3,350,078	183,797	—
Grants receivable	1,831,485	—	—
Unconditional Promises to Give - Net	28,599,516	5,307,536	720
Net investment in Direct Financing Leases	939,426	—	—
Inventory	1,559,486	6,205	—
Other Assets	34,929,355	497,570	—
Total Current Assets	230,925,001	40,736,441	3,410,305
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	21,914,565	551,626	—
Investments:			
Investments, Net of Current Portion	1,073,873,075	31,269,557	4,783,077
Investments, Restricted	6,325,704	—	—
Investments Held In Trust	33,267,036	—	—
Beneficial Interest In Trust	20,685,804	—	—
Charitable Gift Annuity Investments	6,493,568	—	—
Charitable Remainder Trust Account Investments	13,802,758	—	—
Real Estate and Equipment Held for Investment - Net	23,293,613	—	—
Other Long-Term Investments	40,777,506	226,641	—
Contracts for Deed & Notes Receivable, Net of Current Portion	381,972	—	—
Long-Term Pledges Receivable/ Unconditional Promises to Give - Net	62,765,058	2,452,400	—
Other Receivables	9,834,451	—	—
Receivable from Primary Institution	46,746,985	195,500	—
Net investment in Direct Financing Leases, Net of Current Portion	7,114,008	—	—
Other noncurrent assets	5,448,138	1,495,125	59,085
Notes Receivable - Net	6,437,922	—	—
Capital Assets - Net	190,508,824	14,199,554	3,592
Total Noncurrent Assets	1,569,670,987	50,390,403	4,845,754
Total Assets	1,800,595,988	91,126,844	8,256,059
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	7,534,913	513,646	4,997
Compensated Absences Payable	—	—	12,922
Payable to Primary Institution	11,464,684	100,864	—
Accrued Payroll	1,928,741	131	13,402
Gift Annuities & Life Income Agreements	2,775,486	—	—
Unearned Revenue	14,191,738	—	48,338
Other Liabilities	1,785,299	—	—
Current Portion of Long-Term Liabilities	21,006,287	136,799	—
Total Current Liabilities	60,687,148	751,440	79,659
Noncurrent Liabilities:			
Deposits	23,268,824	—	—
Investments Held on Behalf of Institutions	4,159,935	—	—
Gift Annuities & Life Income Agreements, Net of Current Portion	17,086,403	—	—
Obligations Under Split-Interest Agreement	8,593,939	—	—
Payable to Primary Institution	1,056,723	—	—
Other Liabilities	1,088,674	—	—
Long-Term Liabilities	111,822,390	11,239,260	—
Total Noncurrent Liabilities	167,076,888	11,239,260	—
Total Liabilities	227,764,036	11,990,700	79,659
Net Assets			
With Donor Restriction	1,261,717,785	64,211,765	6,559,742
Without Donor Restriction	311,114,167	14,924,379	1,616,658
Total Net Asset	1,572,831,952	79,136,144	8,176,400
Total Liabilities and Net Assets	\$ 1,800,595,988	\$ 91,126,844	\$ 8,256,059

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

Component Units

FASB Basis

For the Fiscal Year Ended June 30, 2025

	Major University System Foundation	Nonmajor University System Foundation	State Historical Society Foundation
Support and Revenue			
Gifts and Contributions	\$ 105,773,029	\$ 7,673,273	\$ 6,120,920
Investment Income	50,303,258	7,098,301	123,843
Grant Revenue	37,418	—	—
Net Realized and Unrealized Losses on Investment Securities	37,544,653	1,190,109	215,380
Program and Event Income	66,521,880	3,770,983	117,664
Other Income	9,739,999	3,051,560	20,069
Total Support and Revenue	<u>269,920,237</u>	<u>22,784,226</u>	<u>6,597,876</u>
EXPENSES			
Program Services	\$ 76,411,770	\$ 12,697,533	\$ 287,805
Supporting Services	56,498,488	5,818,093	401,130
Fund Raising Expense	9,054,245	313,431	7,022
Total Expenses	<u>141,964,503</u>	<u>18,829,057</u>	<u>695,957</u>
Changes in Net Assets	127,955,734	3,955,169	5,901,919
Total Net Assets - Beginning of Year, as restated	<u>1,444,876,218</u>	<u>75,180,975</u>	<u>2,274,481</u>
Total Net Assets - End of Year	<u>\$ 1,572,831,952</u>	<u>\$ 79,136,144</u>	<u>\$ 8,176,400</u>

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Balance Sheet Governmental Funds June 30, 2025

	Special Revenue			Nonmajor Governmental	
	General	Federal	State	Funds	Total
ASSETS					
Cash Deposits at the Bank of ND	\$ 1,873,411,632	\$ 46,939,019	\$ 3,231,415,158	\$ 55,317,035	\$ 5,207,082,844
Cash and Cash Equivalents	770,379,463	5,702	126,840,659	177,551	897,403,375
Investments at the Bank of ND	292,518,693	—	542,140,685	90,353,000	925,012,378
Investments	13,021,136,010	—	9,237,661,909	48,997,421	22,307,795,340
Accounts Receivable - Net	20,406,583	23,664,601	155,609,973	2,729	199,683,886
Taxes Receivable - Net	455,603,487	—	138,453,776	83,417	594,140,680
Interest Receivable - Net	45,525,077	—	16,450,395	628,145	62,603,617
Lease Receivable - Net	203,116	192,636	109,038	—	504,790
Intergovernmental Receivable - Net	—	316,447,281	28,750,859	—	345,198,140
Due from Other Funds	207,622,618	67,556,062	39,246,971	13	314,425,664
Prepaid Items	7,581,870	4,316,119	7,341,500	—	19,239,489
Inventory	5,578,582	24,288,420	17,708,797	—	47,575,799
Loans and Notes Receivable - Net	78,100	179,245	17,177,694	37,121,342	54,556,381
Other Assets	—	—	12,891,000	174	12,891,174
Total Assets	16,700,045,231	483,589,085	13,571,798,414	232,680,827	30,988,113,557
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 16,700,045,231	\$ 483,589,085	\$ 13,571,798,414	\$ 232,680,827	\$ 30,988,113,557
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	126,743,300	179,033,543	135,927,585	28,470	441,732,898
Accrued Payroll	49,626,332	10,516,501	18,070,712	—	78,213,545
Securities Lending Collateral	159,617,086	—	150,684,135	5,713,321	316,014,542
Interest Payable	88,811	3,195	1,725,185	—	1,817,191
Intergovernmental Payable	1,787,758	30,346,937	159,275,660	—	191,410,355
Tax Refunds Payable	215,097,951	—	19,953,409	—	235,051,360
Due to Other Funds	62,242,174	77,735,566	190,867,145	104,243	330,949,128
Contract Retainage Payable	174,544	16,427,656	9,507,634	—	26,109,834
Claims/Judgments Payable	—	—	150,750	—	150,750
Unearned Revenues	168,441	140,138,290	52,295,722	—	192,602,453
Total Liabilities	615,546,397	454,201,688	738,457,937	5,846,034	1,814,052,056
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	99,748,820	6,867,749	10,339,367	—	116,955,936
Unpaid Penalty and Interest	—	—	768,719	—	768,719
Right-to-Use Leases	169,459	186,833	287,575	—	643,867
Total Deferred Inflows of Resources	99,918,279	7,054,582	11,395,661	—	118,368,522
Fund Balances:					
Nonspendable					
Inventory	5,578,582	24,288,420	17,708,797	—	47,575,799
Prepaid Expenditures	7,581,870	4,324,704	7,341,500	—	19,248,074
Permanent Trust Fund	—	—	—	83,274,576	83,274,576
Restricted	—	—	10,128,585,979	141,424,000	10,270,009,979
Committed	1,341,819,536	—	2,354,869,340	2,136,217	3,698,825,093
Assigned	—	—	313,439,200	—	313,439,200
Unassigned	14,629,600,567	(6,280,309)	—	—	14,623,320,258
Total Fund Balances	15,984,580,555	22,332,815	12,821,944,816	226,834,793	29,055,692,979
Total Liabilities, Deferred Inflows of Resources, and Fund Balance					
	\$ 16,700,045,231	\$ 483,589,085	\$ 13,571,798,414	\$ 232,680,827	\$ 30,988,113,557

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2025

Total Fund Balances-Governmental Funds \$ 29,055,692,979

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 \$11,406,127,552 and the accumulated depreciation is \$4,863,362,122.

6,542,765,430

Other assets not available in the current period and therefore are not reported in the governmental funds:

Net Pension Asset

12,528,532

Deferred outflows of resources are not reported in the governmental funds:

Loss on bond refunding

—

Related to OPEB

11,179,641

Related to pensions

342,413,975

Total Deferred Outflows

353,593,616

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.

116,860,350

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.

84,036,438

Deferred inflows of resources are not reported in the governmental funds:

Unpaid penalty and interest

768,719

Related to OPEB

(5,025,798)

Related to pensions

(385,154,291)

Total Deferred Inflows

(389,411,370)

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

(722,446,977)

Notes Payable

(12,354,217)

Accrued Interest on Long-Term Liabilities

(4,484,550)

Compensated Absences

(94,288,517)

Lease & SBITA Assets

(82,636,175)

Other Post-employment Benefit Obligation

(31,542,439)

Net Pension Liability

(739,581,455)

Claims and Judgments

(1,039,350)

Total Long-Term Liabilities

(1,688,373,680)

Net Position of Governmental Activities

\$ 34,087,692,295

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2025

	General	Special Revenue		Nonmajor Governmental Funds	Total
		Federal	State		
REVENUES					
Individual and Corporate Income Taxes	\$ 712,367,662	\$ —	\$ 2,990,963	\$ 21,195	\$ 715,379,820
Sales and Use Taxes	1,346,955,054	—	416,646,844	—	1,763,601,898
Oil, Gas, and Coal Taxes	750,043,102	—	1,739,893,881	1,334,406	2,491,271,389
Business and Other Taxes	50,906,678	—	92,575,646	—	143,482,324
Licenses, Permits and Fees	10,389,720	87	199,802,042	23,885	210,215,734
Intergovernmental	874,624	2,678,818,384	46,637,075	—	2,726,330,083
Sales and Services	2,960,005	393,394	70,687,033	4,930	74,045,362
Royalties and Rents	29,733,562	305,514	602,661,906	—	632,700,982
Fines and Forfeits	3,286,914	555	37,457,338	—	40,744,807
Interest and Investment Income	1,595,980,317	4,417,849	973,872,155	17,286,783	2,591,557,104
Tobacco Settlement	—	—	20,462,933	—	20,462,933
Commodity Assessments	—	—	19,745,607	—	19,745,607
Miscellaneous	6,704,155	20,947,803	19,914,144	74,277	47,640,379
Total Revenues	4,510,201,793	2,704,883,586	4,243,347,567	18,745,476	11,477,178,422
EXPENDITURES					
Current:					
General Government	305,733,597	19,641,204	306,422,152	438,635	632,235,588
Education	798,386,634	276,137,706	486,218,122	—	1,560,742,462
Health and Human Services	1,142,887,488	1,544,165,611	152,674,980	126,236	2,839,854,315
Regulatory	42,567,285	38,688,921	64,565,519	157,038,000	302,859,725
Public Safety and Corrections	159,176,451	141,821,447	20,972,060	—	321,969,958
Agriculture and Commerce	44,067,490	42,447,449	86,702,926	—	173,217,865
Natural Resources	23,500,350	36,076,866	289,453,190	—	349,030,406
Transportation	1,504,684	210,591,156	277,302,987	—	489,398,827
Intergovernmental - Revenue Sharing	5,547,076	—	1,028,659,815	—	1,034,206,891
Capital Outlay	58,269,960	349,774,368	206,648,724	—	614,693,052
Debt Service:					
Principal	14,435,162	2,058,832	3,907,257	31,420,000	51,821,251
Interest and Other Charges	2,473,371	451,657	617,702	25,530,000	29,072,730
Total Expenditures	2,598,549,548	2,661,855,217	2,924,145,434	214,552,871	8,399,103,070
Revenues over (under) Expenditures	1,911,652,245	43,028,369	1,319,202,133	(195,807,395)	3,078,075,352
OTHER FINANCING SOURCES (USES)					
Bonds and Notes Issued	—	80,471	—	—	80,471
Lease and SBITA Acquisitions	34,517,999	2,274,787	5,222,507	—	42,015,293
Sale of Capital Assets	—	—	72,701	—	72,701
Transfers In	264,801,372	1,208,686	102,265,042	5,295,000	373,570,100
Transfers Out	(562,953,440)	(46,343,408)	(304,313,148)	(42,121,995)	(955,731,991)
Total Other Financing Sources (Uses)	(263,634,069)	(42,779,464)	(196,752,898)	(36,826,995)	(539,993,426)
Net Change in Fund Balances	1,648,018,176	248,905	1,122,449,235	(232,634,390)	2,538,081,926
Fund Balances - Beginning of Year, as Previously Reported	14,321,342,394	22,083,910	11,699,495,581	459,469,183	26,502,391,068
Restatement for Correction of Error	15,219,985	—	—	—	15,219,985
Fund Balances - End of Year	\$ 15,984,580,555	\$ 22,332,815	\$ 12,821,944,816	\$ 226,834,793	\$ 29,055,692,979

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2025

Net Change in Fund Balances-Total Governmental Funds \$ 2,538,081,926

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	618,987,927	
Depreciation expense	(293,495,454)	
Excess of capital outlay over depreciation expense		325,492,473

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.	(1,704,114)
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Donations of capital assets increase net position in the statement of activities but do not appear in the governmental funds because they are not financial resources.	78,352
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Some of the assets acquired this year were financed through leases and SBITAs payable. The amount financed is reported in the governmental funds as a source of financing. However, leases and SBITAs payable are reported as long-term liabilities in the statement of net position.	(42,055,488)
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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.	(9,293,207)
---	-------------

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds is reported with governmental activities.	(6,439,754)
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Note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(80,471)
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The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds.	1,181,767
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Deferred outflows of resources do not provide current financial resources	
Amortization of deferred loss on bond refunding	—
Related to OPEB	(4,824,310)
Related to pension	(189,667,418)
Total deferred outflows	(194,491,728)

Deferred pension inflows are not considered current cash expenses and are not reported as an expenditure in the funds.	
Unpaid penalty and interest	200,749
Related to OPEB	(192,998)
Related to pension	197,568,617
Total deferred inflows	197,576,368

The net OPEB liability relating to retirement plans	3,937,479
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The net pension liability relating to retirement plans	(4,868,830)
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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	32,250,000	
Note payments	1,530,159	
Lease payments	6,892,225	
SBITA payments	24,494,290	
Total long-term debt repayment		65,166,674

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	(554,219)	
Compensated Absences	1,783,717	
Claims and Judgments	(248,085)	
Total additional expenditures		981,413

Change in Net Position of Governmental Activities	\$ 2,873,562,860
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STATE OF NORTH DAKOTA

Statement of Net Position Proprietary Funds June 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Internal Service Funds
					Total	
ASSETS						
Current Assets:						
Cash Deposits at the Bank of ND	\$ 19,727,000	\$ 262,377,009	\$ 10,951,700	\$ 294,255,290	\$ 587,310,999	\$ 37,142,418
Cash and Cash Equivalents	4,000	19,100,118	6,591,336	330,773,640	356,469,094	289,932
Investments at the Bank of ND	—	288,711,877	—	4,000,000	292,711,877	—
Investments	—	71,382	2,267,281,361	77,969,688	2,345,322,431	7,539,434
Accounts Receivable - Net	838,000	52,242,514	11,089,674	106,004,341	170,174,529	509,573
Interest Receivable - Net	30,000	—	11,220,638	6,870,015	18,120,653	61,347
Lease Receivable - Net	—	33,285	—	165,040	198,325	—
Intergovernmental Receivable - Net	375,000	47,972,611	—	979,936	49,327,547	502,330
Due from Other Funds	294,000	24,963,902	—	1,144,446	26,402,348	15,072,713
Due from Component Units	—	19,283,702	—	—	19,283,702	—
Prepaid Items	110,000	—	471,888	4,407,149	4,989,037	4,187,438
Inventory	—	8,402,531	—	38,647,124	47,049,655	85,139
Loans and Notes Receivable - Net	—	1,002,759	—	81,971,561	82,974,320	—
Other Assets	1,615,000	6,540,075	—	664,288	8,819,363	—
Restricted Cash at the Bank of ND	23,945,000	—	—	2,042,478	25,987,478	—
Restricted Cash and Cash Equivalents	477,614,000	—	—	784,000	478,398,000	—
Restricted Investments at the Bank of ND	—	—	—	1,000,000	1,000,000	—
Restricted Interest Receivable - Net	11,357,000	—	—	—	11,357,000	—
Restricted Loans Receivable - Net	46,605,000	—	—	48,000	46,653,000	—
Total Current Assets	582,514,000	730,701,765	2,307,606,597	951,726,996	4,572,549,358	65,390,324
Noncurrent Assets:						
Restricted Cash at the Bank of ND	—	218,237,942	—	—	218,237,942	—
Restricted Investments at the Bank of ND	—	27,301,820	—	—	27,301,820	—
Restricted Investments	49,153,000	815,987	—	—	49,968,987	—
Investments at the Bank of ND	—	63,746,000	—	—	63,746,000	—
Investments	—	11,084,096	—	—	11,084,096	—
Due from Component Units	—	28,922,292	—	—	28,922,292	—
Lease Receivable	—	733,870	—	447,798	1,181,668	—
Loans and Notes Receivable - Net	—	8,947,372	—	750,053,956	759,001,328	—
Restricted Loans Receivable - Net	2,177,663,000	—	—	—	2,177,663,000	—
Other Noncurrent Assets	25,863,000	—	—	6,804,536	32,667,536	—
Capital Assets:						
Nondepreciable	—	319,736,106	3,571,050	62,372,909	385,680,065	137,900
Depreciable, Net	75,000	1,945,059,637	14,181,185	197,003,537	2,156,319,359	136,531,334
Total Noncurrent Assets	2,252,754,000	2,624,585,122	17,752,235	1,016,682,736	5,911,774,093	136,669,234
Bank Related Assets:						
Cash and Cash Equivalents	406,735,000	—	—	—	406,735,000	—
Investments	4,230,188,000	—	—	—	4,230,188,000	—
Interest Receivable - Net	80,723,000	—	—	—	80,723,000	—
Due from Other Funds	150,894,000	—	—	—	150,894,000	—
Loans and Notes Receivable - Net	5,879,552,000	—	—	—	5,879,552,000	—
Other Assets	67,878,000	—	—	—	67,878,000	—
Capital Assets:						
Nondepreciable	2,449,000	—	—	—	2,449,000	—
Depreciable, Net	6,212,000	—	—	—	6,212,000	—
Total Bank Related Assets	10,824,631,000	—	—	—	10,824,631,000	—
Total Assets	10,824,631,000	2,835,268,000	3,355,286,887	2,325,358,832	1,968,409,732	21,308,954,451
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Bond Refunding	—	—	2,403,906	—	—	2,403,906
Derived from Pensions	7,182,000	1,981,000	59,172,865	8,171,819	7,753,499	84,261,183
Derived from OPEB	293,000	72,000	2,260,270	399,067	312,319	3,336,656
Total Deferred Outflows of Resources	7,475,000	2,053,000	63,837,041	8,570,886	8,065,818	90,001,745

	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		726,000	65,020,098	6,777,445	32,461,993	104,985,536	2,869,903
Accrued Payroll		556,000	54,989,904	—	1,222,330	56,768,234	4,894,766
Securities Lending Collateral		—	—	19,026,317	1,369,194	20,395,511	70,128
Interest Payable		43,296,000	4,260,892	—	3,904,625	51,461,517	1,362,655
Intergovernmental Payable		23,000	683,801	—	2,208,976	2,915,777	—
Due to Other Funds		15,000	4,623,249	176,508	151,499,196	156,313,953	949,401
Due to Component Units		—	4,877,539	—	—	4,877,539	—
Contract Retainage Payable		—	16,008,557	—	—	16,008,557	—
Other Deposits		—	7,366,796	—	—	7,366,796	—
Amounts Held in Custody for Others		23,888,000	—	—	—	23,888,000	—
Claims/Judgments Payable		—	—	110,407,200	3,396,760	113,803,960	746,080
Dividends Payable		—	—	80,744,988	—	80,744,988	—
Compensated Absences Payable		121,000	6,783,111	529,990	744,643	8,178,744	3,883,858
Notes Payable		—	2,744,418	—	—	2,744,418	452,713
Leases/SBITAs Payable		—	8,728,340	52,477	8,141,436	16,922,253	7,973,651
Bonds Payable		73,800,000	14,642,382	—	145,000	88,587,382	—
Unearned Revenue		—	39,070,742	87,806,090	289,783	127,166,615	—
Other Current Liabilities		—	1,971,391	—	1,951,040	3,922,431	—
Total Current Liabilities		142,425,000	231,771,220	305,521,015	207,334,976	887,052,211	23,203,155
Noncurrent Liabilities:							
Intergovernmental Payable		—	16,968,888	—	—	16,968,888	—
Due to Component Units		—	51,951,116	—	—	51,951,116	—
Claims/Judgments Payable		—	—	809,652,800	—	809,652,800	5,902,225
Compensated Absences Payable		361,000	69,777,814	1,943,660	1,812,125	73,894,599	7,005,992
Notes Payable		—	10,423,072	—	—	10,423,072	—
Leases/SBITAs Payable		—	35,903,716	127,291	45,051,452	81,082,459	18,817,431
Bonds Payable		2,389,994,000	525,051,901	—	1,698,234	2,916,744,135	—
Net Pension Liability		4,848,000	167,703,593	24,184,527	19,907,870	216,643,990	53,546,303
Net OPEB Liability		204,000	7,235,924	1,232,045	830,106	9,502,075	2,587,563
Other Noncurrent Liabilities		84,000	8,048	—	25,639,435	25,731,483	—
Total Noncurrent Liabilities		2,395,491,000	885,024,072	837,140,323	94,939,222	4,212,594,617	87,859,514
Bank Related Liabilities:							
Interest Payable	207,763					207,763	
Due to Other Funds	9,480,237					9,480,237	
Federal Funds Purchased	370,327,000					370,327,000	
Deposits Held for Other Funds	7,557,191,266					7,557,191,266	
Other Deposits	1,132,975,734					1,132,975,734	
Other Liabilities	13,696,000					13,696,000	
Long Term Liabilities:							
Due within one year	480,871,000					480,871,000	
Due in more than one year	819,000					819,000	
Net Pension Liability	18,253,000					18,253,000	
Net OPEB Liability	915,000					915,000	
Total Bank Related Liabilities	9,584,736,000					9,584,736,000	
Total Liabilities	9,584,736,000	2,537,916,000	1,116,795,292	1,142,661,338	302,274,198	14,684,382,828	111,062,669
DEFERRED INFLOWS OF RESOURCES							
Grants Received Prior to Time Requirements	—	—	105,706	—	—	105,706	—
Increase in Fair Value of Hedging Derivatives	—	—	—	—	268,150	268,150	—
Unrealized Gain on Interest Rate Swap	64,965,000	—	—	—	—	64,965,000	—
Derived from Pensions	9,088,000	2,254,000	80,494,894	11,934,763	10,085,524	113,857,181	24,996,590
Derived from OPEB	123,000	30,000	1,038,875	163,205	130,408	1,485,488	319,428
Financial Derivative Instruments	—	16,316,000	—	—	—	16,316,000	—
Right-to-Use Leases	—	—	767,152	—	549,780	1,316,932	—
Total Deferred Inflows of Resources	74,176,000	18,600,000	82,406,627	12,097,968	11,033,862	198,314,457	25,316,018

STATE OF NORTH DAKOTA

Statement of Net Position Proprietary Funds (Continued) June 30, 2025

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
NET POSITION							
Net Investment in Capital Assets	8,661,000	75,000	1,640,955,136	17,752,235	168,262,845	1,835,706,216	109,425,438
Restricted for:							
Capital Projects	—	—	185,687,789	—	—	185,687,789	—
Debt Service	—	255,575,000	4,765,143	—	832,000	261,172,143	—
Loan Purposes	—	—	17,185,766	—	2,042,478	19,228,244	—
Pledged Assets	571,007,000	—	—	—	—	571,007,000	—
Unemployment Compensation	—	—	—	—	349,698,136	349,698,136	—
University System-Nonexpendable	—	—	21,243,191	—	—	21,243,191	—
University System-Expendable	—	—	28,905,171	—	—	28,905,171	—
Other	—	—	2,258,538	—	1,589,349	3,847,887	—
Unrestricted	593,526,000	25,155,000	318,921,275	1,161,418,177	1,140,742,682	3,239,763,134	(17,543,920)
Total Net Position	<u>\$ 1,173,194,000</u>	<u>\$ 280,805,000</u>	<u>\$ 2,219,922,009</u>	<u>\$ 1,179,170,412</u>	<u>\$ 1,663,167,490</u>	<u>\$ 6,516,258,911</u>	<u>\$ 91,881,518</u>

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

June 30, 2025

Total Net Position - Enterprise Funds	<u>6,516,258,911</u>
Amounts reported for business-type activities in the statement of net position are different because:	
Prior year net position restatement and reduction of current year expenses	
based on the allocation of internal service fund's net income	<u>8,041,856</u>
Net Position of Business-Type Activities	<u><u>6,524,300,767</u></u>

STATE OF NORTH DAKOTA

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended June 30, 2025

	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	\$ 8,713,000	\$ 5,160,000	\$ 112,480,076	\$ 180,431,680	\$ 945,344,160	\$1,252,128,916	\$ 157,986,211
Auxiliary Sales Pledges for Bonds	—	—	124,329,092	—	—	124,329,092	—
Tuition and Fees	—	—	365,852,016	—	—	365,852,016	—
Grants and Contributions	—	—	295,090,964	—	—	295,090,964	—
Royalties and Rents	—	—	—	—	132,783	132,783	—
Fines and Forfeits	—	—	—	1,745,613	—	1,745,613	—
Interest and Investment Income	516,745,000	109,748,000	—	—	14,568,443	641,061,443	—
Miscellaneous	—	—	898,822	—	246,441	1,145,263	383,165
Total Operating Revenues	525,458,000	114,908,000	898,650,970	182,177,293	960,291,827	2,681,486,090	158,369,376
OPERATING EXPENSES							
Cost of Sales and Services	—	—	27,972,502	—	303,202,022	331,174,524	599,542
Salaries and Benefits	21,353,000	367,000	954,167,090	27,601,765	35,983,833	1,039,472,688	59,051,582
Operating	27,569,967	17,436,000	425,510,483	1,239,530	468,149,603	939,905,583	63,360,660
Claims	—	—	—	124,450,774	115,642,778	240,093,552	3,458,164
Scholarships and Fellowships	—	—	58,656,678	—	—	58,656,678	—
Interest	209,994,000	74,356,000	—	—	2,834,533	287,184,533	—
Depreciation	650,000	253,000	107,365,331	3,862,027	12,357,280	124,487,638	25,191,212
Miscellaneous	—	—	—	—	81,550	81,550	385,506
Total Operating Expenses	259,566,967	92,412,000	1,573,672,084	157,154,096	938,251,599	3,021,056,746	152,046,666
Operating Income (Loss)	265,891,033	22,496,000	(675,021,114)	25,023,197	22,040,228	(339,570,656)	6,322,710
NONOPERATING REVENUES (EXPENSES)							
Grants and Contracts	—	29,831,248	86,225,620	—	484,064	116,540,932	—
Gifts	—	—	77,789,481	—	—	77,789,481	—
Interest and Investment Income (Loss)	(14,191,000)	490,000	21,456,367	189,046,841	19,567,897	216,370,105	693,441
Interest Expense	—	—	(23,102,858)	(4,566,172)	(5,227,043)	(32,896,073)	(2,310,468)
Dividends Expense	—	—	—	(76,693,040)	—	(76,693,040)	—
Gain (Loss) on Sale of Capital Assets	—	—	(1,011,409)	—	(37,023)	(1,048,432)	1,683,492
Tax Revenue	—	—	6,514,729	—	—	6,514,729	—
Grant Expense	—	(29,711,000)	(11,694,716)	—	—	(41,405,716)	—
Other	—	—	(736,881)	1,725,202	(271,067)	717,254	(48,500)
Total Nonoperating Revenues	(14,191,000)	610,248	155,440,333	109,512,831	14,516,828	265,889,240	17,965
Income (Loss) Before Contributions and Transfers	251,700,033	23,106,248	(519,580,781)	134,536,028	36,557,056	(73,681,416)	6,340,675
Capital Grants and Contributions	—	—	38,585,523	—	—	38,585,523	1,604,092
Transfers In	359,967	1,348,752	718,763,534	—	58,907,793	779,380,046	118,016
Transfer Out	(50,007,000)	(100,000)	(5,110,516)	—	(23,700,921)	(78,918,437)	—
Changes in Net Position	202,053,000	24,355,000	232,657,760	134,536,028	71,763,928	665,365,716	8,062,783
Total Net Position - Beginning of Year, as Previously Reported	971,141,000	256,450,000	1,993,018,119	1,044,634,384	1,591,862,815	5,857,106,318	88,288,755
Restatement for Change in Accounting Principle	—	—	(27,358,023)	—	(459,253)	(27,817,276)	(4,470,020)
Restatement for Correction of Error	—	—	21,604,153	—	—	21,604,153	—
Total Net Position - End of Year	\$1,173,194,000	\$280,805,000	\$2,219,922,009	\$1,179,170,412	\$1,663,167,490	\$6,516,258,911	\$ 91,881,518

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, 2025

Net Change in Net Position-Total Enterprise Funds \$ 665,365,716

Amounts reported for business-type activities in the statement of net position are different because:

Expenses were reduced based on the allocation of internal service fund's net income 1,354,341

Change in Net Position of Business-Type Activities \$ 666,720,057

STATE OF NORTH DAKOTA

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds		
	Bank of North Dakota	Housing Finance	University System
Cash Flows from Operating Activities:			
Receipts from Customers and Users	\$ 35,130,000	\$ 452,503,000	\$ 234,687,368
Receipts from Tuition and Fees	—	—	366,938,035
Interest Income on Loans	—	—	—
Receipts from Loan Principal Repayments	—	—	1,805,651
Receipts from Other Funds	—	—	—
Receipts from Grants and Contracts	—	—	294,832,265
Receipts from Others	—	—	1,287,011
Payments to Other Funds	—	(467,913,000)	—
Payments for Loan Funds	—	—	(1,437,925)
Payments for Scholarships and Fellowships	—	—	(58,642,412)
Payments to Suppliers	(32,304,967)	(221,318,000)	(434,205,585)
Payments to Employees	(21,490,000)	(5,851,000)	(952,295,146)
Claim Payments	—	—	—
Payments to Others	—	(1,583,000)	(3,601,829)
Other	—	—	—
Net Cash Provided by (Used for) Operating Activities	(18,664,967)	(244,162,000)	(550,632,567)
Cash Flows from Noncapital Financing Activities:			
Proceeds from Bonds	—	669,204,000	—
Proceeds from Sale of Notes and Other Borrowings	7,166,016,000	—	—
Principal Payments - Bonds	—	(135,665,000)	—
Principal Payments - Notes and Other Borrowings	(6,711,016,000)	—	—
Interest Payments - Bonds	—	(63,819,000)	—
Interest Payments - Notes and Other Borrowings	(9,048,000)	—	—
Tax Collections	—	—	6,514,729
Transfers In	359,967	1,348,752	707,895,281
Transfers Out	(50,007,000)	(100,000)	(5,110,516)
Net Increase in Non-Interest Bearing Deposits	(48,839,000)	—	—
Net Increase in Interest Bearing Deposits	29,858,000	—	—
Payments of Interest on Deposits	(179,567,000)	—	—
Interest Paid on Federal Funds and Reverse Repurchase Agreements	(20,170,000)	—	—
Net Increase in Federal Funds and Reverse Repurchase Agreements	47,317,000	—	—
Loan Proceeds from Due To Other Funds	—	—	201,184,549
Principal Payments on Due To Other Funds	—	—	(200,694,360)
Grants and Gifts Received for Other than Capital Purposes	—	29,831,248	133,608,827
State Appropriations	—	—	8,689,206
Grants Given for Other than Capital Purposes	—	(29,711,000)	(11,694,717)
Other	—	—	—
Net Cash Provided by (Used for) Noncapital Financing Activities	224,903,967	471,089,000	840,392,999
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(162,000)	(12,000)	(287,363,718)
Proceeds from Sale of Capital Assets	—	—	266,027
Proceeds from Bonds	—	—	64,566,835
Proceeds from Sale of Notes and Other Borrowings	—	—	—
Principal Payments - Bonds	—	—	—
Principal Payments - Notes and Other Borrowings	—	—	(33,787,972)
Interest Payments - Bonds	—	—	—
Interest Payments - Notes and Other Borrowings	—	—	(24,304,102)
Capital Appropriations	—	—	18,661,105
Capital Contributions	—	—	—
Payment of Bond Issue Costs	—	—	—
Capital Grants and Gifts Received	—	—	43,358,744
Insurance Proceeds	—	—	1,577,810
Principal Payments on Lease/SBITA Payable	—	(224,000)	—
Interest Paid on Lease/SBITA Payable	—	(4,000)	—
Other	—	—	—
Net Cash Provided by (Used for) Capital and Related Financing Activities	(162,000)	(240,000)	(217,025,271)
Cash Flows from Investing Activities:			
Proceeds from Sale and Maturities of Investment Securities	1,134,087,000	6,683,000	147,479,448
Purchase of Investment Securities	(1,501,556,000)	(496,000)	(184,509,597)
Net Increase In Investments	—	—	—
Interest and Dividends in Investments	204,239,000	415,000	20,075,568
Net Decrease in Loans	(373,321,000)	—	—
Disbursements for Loans and Loan Purchases	—	—	—
Receipt of Loan Principal Repayments	—	—	—
Proceeds from Collection of Loans and Notes Receivable	—	—	—
Loan Income Received	297,152,000	—	—
Lease Receipts	—	—	—
Net Cash Provided by (Used for) Investing Activities	(239,399,000)	6,602,000	(16,954,581)

The Accompanying Notes are an Integral Part of the Financial Statements

Business-Type Activities - Enterprise Funds		Governmental Activities	
Workforce Safety and Insurance	Other Enterprise	Total	Internal Service Funds
\$ 111,037,516	\$ 1,047,585,576	\$ 1,880,943,460	\$ 3,936,944
—	—	366,938,035	—
—	18,900	18,900	—
—	2,263,387	4,069,038	—
—	—	—	152,554,648
—	—	294,832,265	—
269,422	977,217	2,533,650	—
(2,484,791)	(777,251)	(471,175,042)	(3,654,246)
—	(3,942,735)	(5,380,660)	—
—	—	(58,642,412)	—
—	(851,563,388)	(1,539,391,940)	(64,124,552)
(27,532,628)	(40,560,346)	(1,047,729,120)	(55,794,134)
(122,269,116)	(102,820,197)	(225,089,313)	(130,034)
(872,025)	(9,563,517)	(15,620,371)	—
—	(201,000)	(201,000)	—
(41,851,622)	41,416,646	(813,894,510)	32,788,626
—	—	669,204,000	—
—	237,684,989	7,403,700,989	—
—	—	(135,665,000)	—
—	(251,916,891)	(6,962,932,891)	—
—	(55,000)	(63,874,000)	—
—	(3,277,875)	(12,325,875)	—
—	—	6,514,729	—
—	58,907,793	768,511,793	118,016
—	(23,700,921)	(78,918,437)	—
—	—	(48,839,000)	—
—	—	29,858,000	—
—	—	(179,567,000)	—
—	—	(20,170,000)	—
—	—	47,317,000	—
—	—	201,184,549	—
—	(2,070,000)	(202,764,360)	—
—	484,064	163,924,139	—
—	—	8,689,206	—
—	—	(41,405,717)	—
—	(325,000)	(325,000)	—
—	15,731,159	1,552,117,125	118,016
(3,264,488)	(23,319,930)	(314,122,136)	(18,632,060)
—	—	266,027	3,923,823
—	6,313,467	70,880,302	—
—	14,203,000	14,203,000	—
—	(140,000)	(140,000)	—
—	—	(33,787,972)	(453,894)
—	(37,288)	(37,288)	—
—	—	(24,304,102)	(5,336)
—	—	18,661,105	—
—	—	—	1,604,092
—	(12,903)	(12,903)	—
—	—	43,358,744	—
—	—	1,577,810	—
(235,699)	(11,742,637)	(12,202,336)	(16,183,313)
—	(3,817,390)	(3,821,390)	(73,914)
—	—	—	10,542
(3,500,187)	(18,553,681)	(239,481,139)	(29,810,060)
56,000,000	192,784,994	1,537,034,442	—
(22,039,167)	(193,550,000)	(1,902,150,764)	—
—	1,252,313	1,252,313	(1,119,955)
—	14,905,286	239,634,854	510,625
—	(19,405,000)	(392,726,000)	—
—	(159,123,500)	(159,123,500)	—
—	29,558,000	29,558,000	—
—	27,527,044	27,527,044	—
—	13,752,369	310,904,369	—
440,575	—	440,575	—
34,401,408	(92,298,494)	(307,648,667)	(609,330)

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, 2025

	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	(33,322,000)	233,289,000	55,780,580
Cash and Cash Equivalents at June 30, 2024	440,057,000	288,001,000	443,934,489
Cash and Cash Equivalents at June 30, 2025	<u>\$ 406,735,000</u>	<u>\$ 521,290,000</u>	<u>\$ 499,715,069</u>
Reconciliation:			
Current:			
Cash Deposits at the Bank of North Dakota	—	19,727,000	—
Cash and Cash Equivalents	406,735,000	4,000	262,377,009
Restricted Cash Deposits at the Bank of North Dakota	—	23,945,000	—
Restricted Cash and Cash Equivalents	—	477,614,000	19,100,118
Noncurrent:			
Restricted Cash and Cash Equivalents	—	—	218,237,942
Cash and Cash Equivalents	<u>\$ 406,735,000</u>	<u>\$ 521,290,000</u>	<u>\$ 499,715,069</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	265,891,033	22,496,000	(675,021,114)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Income to Net Cash Provided by Operating Activities:			
Depreciation	650,000	253,000	107,365,331
Amortization/Accretion	—	(5,951,000)	—
Reclassification of Interest Revenue/Expense	(306,750,000)	74,069,000	—
Loss on Sale of Real Estate	(4,223,000)	—	—
Net Decrease in Fair Value of Investments	—	(1,428,000)	—
Interest Received on Program Loans	—	—	—
Dividend Credit Applied to Receivable	—	—	—
Provision for Losses	10,702,000	—	—
Reduction In Provision for Loan Loss	—	—	—
Other	—	—	(7,237,896)
Deferred Outflows	—	1,776,000	57,231,784
Deferred Inflows	—	(1,610,000)	(55,098,858)
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	—	(331,129,000)	(257,233)
(Increase) in Interest Receivable	—	(2,161,000)	—
(Increase) Decrease in Due From	(268,000)	37,000	—
(Increase) Decrease in Intergovernmental Receivable	—	63,000	—
Decrease in Notes Receivable	—	—	164,412
(Increase) Decrease in Prepaid Items	—	(5,000)	—
Decrease in Inventories	—	—	390,298
(Increase) Decrease in Other Assets	14,008,000	(3,329,000)	2,738,429
Increase (Decrease) in Accounts Payable	—	—	16,230,705
Increase in Interest Payable	—	—	—
Increase (Decrease) in Claims/Judgments Payable	—	—	—
Increase in Intergovernmental Payable	—	10,000	—
Increase in Accrued Payroll	—	—	1,529,766
Increase in Compensated Absences Payable	—	102,000	3,476,279
Increase in Amounts Held for Others	—	3,740,000	—
Increase in Other Deposits	—	—	1,287,014
Increase (Decrease) in Due To	—	52,000	—
Increase in Unavailable Revenue	—	—	1,824,442
Increase (Decrease) in Net Pension Liability	—	(164,000)	(4,123,272)
(Decrease) in Net OPEB Liability	—	—	(1,132,654)
Increase (Decrease) in Other Liabilities	1,325,000	(983,000)	—
(Decrease) in Dividends Payable	—	—	—
(Decrease) in Lease Liability	—	—	—
Total Adjustments	(284,556,000)	(266,658,000)	124,388,547
Net Cash Provided by (Used for) Operating Activities	<u>\$ (18,664,967)</u>	<u>\$ (244,162,000)</u>	<u>\$ (550,632,567)</u>
Noncash Transactions:			
Net Change in Fair Value of Investments	(14,191,000)	1,504,000	17,571,419
Change in Securities Lending Collateral	—	—	—
Investment Income	—	—	—
Dividends Credited to Premium Billing	—	—	—
Accounts Receivable Premium Reduction	—	—	—
Assets Acquired Through Lease	—	—	15,059,890
Assumption of Notes Payable	—	—	(227,226)
Assets Acquired Through Special Assessments	—	—	1,178,220
Assets acquired through long-term software based IT arrangements	—	—	9,362,207
Gifts of Capital Assets	—	—	203,037
Interest Revenue on Prize Reserves	—	—	—
Total Noncash Transactions	<u>\$ (14,191,000)</u>	<u>\$ 1,504,000</u>	<u>\$ 43,147,547</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
(10,950,401)	(53,704,370)	191,092,809	2,487,252
28,493,437	681,559,778	1,882,045,704	34,945,098
<u>\$ 17,543,036</u>	<u>\$ 627,855,408</u>	<u>\$ 2,073,138,513</u>	<u>\$ 37,432,350</u>
10,951,700	294,255,290	324,933,990	37,142,418
6,591,336	330,773,640	1,012,753,982	289,932
—	2,042,478	25,987,478	—
—	784,000	497,498,118	—
—	—	211,964,945	—
<u>\$ 17,543,036</u>	<u>\$ 627,855,408</u>	<u>\$ 2,073,138,513</u>	<u>\$ 37,432,350</u>
25,023,197	22,040,228	(339,570,656)	6,322,710
3,862,027	12,357,280	124,487,638	25,191,212
—	9,326,247	3,375,247	—
—	(8,270,000)	(240,951,000)	—
—	—	(4,223,000)	—
—	—	(1,428,000)	—
—	1,881,472	1,881,472	—
(76,693,040)	(6,197,000)	(82,890,040)	—
—	47,008	10,749,008	—
—	4,301,764	4,301,764	—
2,053,389	436,313	(4,748,194)	—
8,513,215	486,119	68,007,118	15,304,307
(9,103,756)	(1,474,410)	(67,287,024)	(15,636,726)
1,367,627	5,814,415	(324,204,191)	(325,326)
—	(4,541)	(2,165,541)	—
(300)	190,433	(40,867)	(2,278,446)
—	(260,820)	(197,820)	439,709
—	2,333,037	2,497,449	—
(41,752)	(2,484,034)	(2,530,786)	880,523
—	1,139,436	1,529,734	37,591
—	(328,158)	13,089,271	—
577,904	(4,293,954)	12,514,655	147,813
—	—	—	164,748
2,379,000	604,121	2,983,121	(549,550)
—	1,933,095	1,943,095	—
—	993,743	2,523,509	342,621
456,089	571,787	4,606,155	1,960,965
—	—	3,740,000	—
—	—	1,287,014	—
(3,369)	(31,595)	17,036	361,752
2,842,201	—	4,666,643	—
(731,887)	418,120	(4,601,039)	635,073
(208,041)	(51,459)	(1,392,154)	(210,350)
—	(62,001)	279,999	—
(1,933,388)	—	(1,933,388)	—
(210,738)	—	(210,738)	—
(66,874,819)	19,376,418	(474,323,854)	26,465,916
<u>\$ (41,851,622)</u>	<u>\$ 41,416,646</u>	<u>\$ (813,894,510)</u>	<u>\$ 32,788,626</u>
73,453,571	1,087,811	79,425,801	265,598
(222,140)	—	(222,140)	31,343
(115,430,381)	—	(115,430,381)	—
78,626,427	—	78,626,427	—
(78,626,427)	—	(78,626,427)	—
—	157,855	15,217,745	12,198,266
—	—	(227,226)	—
—	—	1,178,220	—
—	—	9,362,207	8,340,846
—	—	203,037	—
—	10,119	10,119	—
<u>\$ (42,198,950)</u>	<u>\$ 1,255,785</u>	<u>\$ (10,482,618)</u>	<u>\$ 20,836,053</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, 2025

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ASSETS				
Cash Deposits at the Bank of ND	\$ 49,287,969	\$ 73,688	\$ 6,182,534	\$ 56,397,200
Cash and Cash Equivalents	516,225	—	1,376,475	1,028,550
Receivables:				
Contributions Receivable	60,083,871	—	—	—
Accounts Receivable - Net	—	—	709,627	6,517
Taxes Receivable for Other Governments - Net	—	—	—	56,124,100
Interest Receivable - Net	25,170,259	737,903	1,396	—
Due from Other Funds	634	—	—	1,311,314
Due from Fiduciary Funds	104,299	—	—	—
Total Receivables	85,359,063	737,903	711,023	57,441,931
Investments, at Fair Value:				
Equities	2,041,571,056	176,216,668	—	—
Equity Pool	3,096,210,857	—	—	—
Fixed Income Pool	2,225,045,166	109,157,880	1,595,460	—
Cash and Cash Pool	71,660,028	704,007	—	—
Real Estate Pool	1,292,442,770	52,941,069	—	—
Mutual Funds	262,650,478	—	643,668,088	—
Total Investments	8,989,580,355	339,019,624	645,263,548	—
Invested Securities Lending Collateral	83,603,753	3,678,170	—	—
Capital Assets (Net of Depreciation)	7,225,654	—	—	—
Total Assets	9,215,573,019	343,509,385	653,533,580	114,867,681
DEFERRED OUTFLOWS OF RESOURCES				
Derived from Pensions	1,529,328	—	—	—
Total deferred outflows of resources	1,529,328	—	—	—
LIABILITIES				
Accounts Payable	11,787,875	280,584	1,749,808	14,649,879
Accrued Payroll	271,012	—	—	—
Securities Lending Collateral	83,603,753	3,678,170	—	—
Due to Local Governments	—	—	—	90,378,105
Tax Refunds Payable	—	—	—	4,895
Due to Other Funds	61,433	—	—	1,016,956
Due to Fiduciary Funds	104,299	—	—	—
Amounts Held in Custody for Others	4,585	—	—	—
Compensated Absences Payable	315,649	—	—	—
Other Liabilities	—	—	—	1,662
Total Liabilities	96,148,606	3,958,754	1,749,808	106,051,497
DEFERRED INFLOWS OF RESOURCES				
Derived from Pensions	1,075,393	—	—	—
Unavailable Revenue	—	—	—	4,397,382
Total deferred inflows of resources	1,075,393	—	—	4,397,382
NET POSITION				
Net Position Restricted for:				
Pension Benefits	9,119,264,123	—	—	—
Other Employee Benefits	614,225	—	—	—
External Investment Pool Participants	—	339,550,631	—	—
Individuals, Organizations, and Other Governments	—	—	—	4,418,799
Other Purposes	—	—	651,783,772	3
Total Net Position Restricted for Pension Benefits and Other Purposes	\$ 9,119,878,348	\$ 339,550,631	\$ 651,783,772	\$ 4,418,802

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2025

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS				
Contributions:				
Child Support Collections	\$ —	\$ —	\$ —	\$ 140,167,045
Collections for District Courts	—	—	—	3,114,385
Contribution from State of ND	65,000,000	—	—	—
Employer	270,465,987	—	—	—
Employee	243,915,000	—	—	—
From Participants	—	—	48,529,661	—
Student, Patient, and Inmate Accounts	—	—	—	5,540,103
Tax Collections for Local Governments	—	—	—	417,685,722
Transfers from Other Plans	2,660,885	—	—	—
Miscellaneous	1,787,748	—	—	—
Total Contributions	583,829,620	—	48,529,661	566,507,255
Investment Income:				
Net Change in Fair Value of Investments	814,191,310	29,985,356	41,729,243	—
Interest and Dividends	148,586,386	6,312,619	18,065,326	—
Less Investment Expense	16,371,282	710,430	1,553	—
Net Investment Income	946,406,414	35,587,545	59,793,016	—
Securities Lending Activity:				
Securities Lending Income	722,630	30,748	—	—
Less Securities Lending Expense	144,362	6,143	—	—
Net Securities Lending Income	578,268	24,605	—	—
Repurchase Service Credit	6,986,176	—	—	—
Miscellaneous Income	1,894,267	—	196,038	—
Total Additions	1,539,694,745	35,612,150	108,518,715	566,507,255
DEDUCTIONS				
Benefits Paid to Participants	595,613,119	—	—	—
Child Support Distributions	—	—	—	140,167,045
Distributions to District Courts	—	—	—	3,010,983
Distributions of Taxes to Local Governments	—	—	—	416,101,001
Student, Patient, and Inmate Accounts	—	—	—	5,666,793
Refunds	34,864,633	—	—	15,472
Prefunded Credit Applied	15,285,082	—	—	—
Transfer to Other Plans	2,660,885	—	—	—
Payments in Accordance with Trust Agreements	—	—	62,571,893	—
Administrative Expenses	10,162,466	—	3,833,713	1,569,249
Total Deductions	658,586,185	—	66,405,606	566,530,543
Redemption of Units at \$1.00 Per Unit	—	(18,998,009)	—	—
Net increase (decrease) in Fiduciary Net Position	881,108,560	16,614,141	42,113,109	(23,288)
Net Position - Beginning of Year	8,238,769,788	322,936,490	609,670,663	4,442,090
Net Position - End of Year	\$ 9,119,878,348	\$ 339,550,631	\$ 651,783,772	\$ 4,418,802

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, 2025

	CHAND	Public Finance Authority	ND Development Fund	Transmission Authority	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 1,003,997	\$ —	\$ 24,627,364	\$ —	\$ 25,631,361
Investments	—	—	44,600,000	—	44,600,000
Accounts Receivable - Net	36,649	—	—	—	36,649
Interest Receivable - Net	—	—	255,675	—	255,675
Loans and Notes Receivable - Net	—	—	1,238,827	—	1,238,827
Restricted Cash and Cash Equivalents	—	115,724,000	—	2,581,617	118,305,617
Restricted Investments	—	136,306,000	—	12,493,634	148,799,634
Restricted Interest Receivable - Net	—	5,904,000	—	82,329	5,986,329
Restricted Loans Receivable - Net	—	—	—	5,425,000	5,425,000
Total Current Assets	1,040,646	257,934,000	70,721,866	20,582,580	350,279,092
Noncurrent Assets:					
Restricted Investments	—	994,795,000	—	10,548,180	1,005,343,180
Investments	—	—	5,649,997	—	5,649,997
Loans and Notes Receivable - Net	—	—	45,288,955	—	45,288,955
Restricted Loans Receivable - Net	—	—	—	106,171,867	106,171,867
Capital Assets:					
Depreciable, Net	—	—	23,733	—	23,733
Total Noncurrent Assets	—	994,795,000	50,962,685	116,720,047	1,162,477,732
Total Assets	1,040,646	1,252,729,000	121,684,551	137,302,627	1,512,756,824
DEFERRED OUTFLOWS OF RESOURCES					
Derived from Pensions	—	125,000	—	—	125,000
Total Deferred Outflows of Resources	—	125,000	—	—	125,000
LIABILITIES					
Current Liabilities:					
Accounts Payable	264,191	52,000	39,090	—	355,281
Interest Payable	—	5,087,000	—	396,121	5,483,121
Bonds Payable	—	27,145,000	—	5,900,000	33,045,000
Unearned Revenue	19,686	—	—	488,273	507,959
Total Current Liabilities	283,877	32,284,000	39,090	6,784,394	39,391,361
Noncurrent Liabilities:					
Bonds Payable	—	521,508,000	—	128,000,000	649,508,000
Net Pension Liability	—	334,000	—	—	334,000
Total Noncurrent Liabilities	—	521,842,000	—	128,000,000	649,842,000
Total Liabilities	283,877	554,126,000	39,090	134,784,394	689,233,361
DEFERRED INFLOWS OF RESOURCES					
Deferred Gain on Bond Refunding	—	15,089,000	—	—	15,089,000
Derived from Pensions	—	161,000	—	—	161,000
Total Deferred Inflows of Resources	—	15,250,000	—	—	15,250,000
Net Position					
Net Investment in Capital Assets	—	—	23,733	—	23,733
Restricted for:					
Debt Service	—	120,398,000	—	2,518,233	122,916,233
Loan Purposes	—	560,807,000	22,034,469	—	582,841,469
Unrestricted	756,769	2,273,000	99,587,259	—	102,617,028
Total Net Position	\$ 756,769	\$ 683,478,000	\$ 121,645,461	\$ 2,518,233	\$ 808,398,463

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Combining Statement of Activities Component Units - Proprietary Funds (Excludes FASB Based Component Units) For the Fiscal Year Ended June 30, 2025

Functions/Programs	Program Revenues				General Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue	Payments from State of North Dakota	Change in Net Position	Net Position Beginning of Year	Net Position End of Year
CHAND	\$ 1,622,545	\$ 828,150	\$ 52,187	\$ (742,208)	\$ —	\$ (742,208)	\$ 1,498,977	\$ 756,769
Public Finance Authority	46,068,000	4,794,000	84,476,000	43,202,000	—	43,202,000	640,276,000	683,478,000
ND Development Fund	11,612,982	3,344,184	957,117	(7,311,681)	4,866,535	(2,445,146)	124,090,607	121,645,461
Transmission Authority	4,948,118	—	5,922,356	974,238	—	974,238	1,543,995	2,518,233
Total Component Units	\$ 64,251,645	\$ 8,966,334	\$ 91,407,660	\$ 36,122,349	\$ 4,866,535	\$ 40,988,884	\$ 767,409,579	\$ 808,398,463

The Accompanying Notes are an Integral Part of the Financial Statements

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STATE OF NORTH DAKOTA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The primary authority for the State's accounting and reporting requirements is the Office of Management and Budget. The Office of Management and Budget has adopted the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the State's accounting policies are as follows:

A. REPORTING ENTITY

For financial reporting purposes, the State of North Dakota has included all funds, organizations, agencies, boards and commissions that make up its legal entity. The State has also included all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the State to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State.

As required by accounting principles generally accepted in the United States of America, these financial statements present the State of North Dakota (the primary government) and its component units. The component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State.

BLENDED COMPONENT UNITS

These component units are entities that are legally separate from the State, but are so intertwined with the State that they are, in substance, the same as the State. The following entity is included as a blended component unit, as the State has the ability to impose its will on this organization and the organization provides services entirely to the State. They are reported as part of the State and blended into the appropriate fund types.

Building Authority (Debt Service Fund and Capital Projects Fund) - The Building Authority was created by the Legislature as a separate instrumentality of the State. Its purpose is to promote the general welfare of the citizens of the State by providing financing for use by the State in altering, repairing, maintaining or constructing buildings and making any improvements connected to State buildings. The Industrial Commission, which consists of the governor, the attorney general, and the commissioner of agriculture, is the governing board of the Building Authority. The funds of the Building Authority were audited by other independent auditors for the fiscal year ended June 30, 2025, and their report has been previously issued under a separate cover.

Legacy Bond Program (Debt Service Fund) - The 2021 Legislative Session, authorized the Public Finance Authority to issue bonds and transfer the proceeds to the Bank of North Dakota (BND) to allocate to legislatively approved state infrastructure projects and programs including: the Fargo Diversion Project, Resources Trust Fund, Infrastructure Revolving loan fund, highway fund and agriculture products development facility at North Dakota State University. The Industrial Commission, which consists of the governor, the attorney general, and the commissioner of agriculture, is the governing board of the Legacy Bond Program. The funds of the Legacy Bond Program were audited by other independent auditors for the fiscal year ended June 30, 2025, and their report has been previously issued under a separate cover.

DISCRETELY PRESENTED COMPONENT UNITS

These component units are entities that are legally separate from the State, but are financially accountable to the State. The following entities are included as discretely presented blended component units, as the State has the ability to impose its will on this organization, however the State has no financial obligation to these organizations. The component units' columns of government-wide financial statements include the financial data of these entities.

MAJOR COMPONENT UNITS

Comprehensive Health Association (CHAND) (Proprietary Fund Type) – The Association was established by the Legislature with participating membership consisting of those insurance companies, licensed or authorized to do business in the State. It provides low cost access to health insurance coverage for residents of the State who are denied adequate health insurance and are considered uninsurable. Under North Dakota Century Code, the Majority Leader of the Senate appoints one member of the Senate and the House of Representatives appoints one member of the House to the eight-member board. The Association was audited by other independent auditors for the calendar year ended December 31, 2024, and their report has been previously issued under a separate cover.

STATE OF NORTH DAKOTA

Public Finance Authority (Proprietary Fund Type) – The Finance Authority was created by the Legislature as a separate agency of the State. The purpose of the Finance Authority is to make funds available for borrowing by North Dakota political subdivisions through the issuance of its bonds and the purchase of municipal securities of the political subdivisions. The Finance Authority has been granted all powers required in order to accomplish this purpose and is under the control and management of the Industrial Commission. The Fund was audited by other independent auditors for the calendar year ended December 31, 2024, and their report has been previously issued under a separate cover.

Transmission Authority (Proprietary Fund Type) – The Transmission Authority was created by the Legislature as a separate agency of the State. The purpose of the Transmission Authority is to make funds available to facilitate the purchase of a transmission line through the issuance of its bonds. The Transmission Authority has been granted all powers required in order to accomplish this purpose and is under the control and management of the Industrial Commission.

North Dakota Development Fund, Inc. (Proprietary Fund Type) – The Development Fund was established as a statewide nonprofit development corporation with the authority to take equity positions in; to provide loans to; or to use other innovative financing mechanisms to provide capital for new or expanding businesses in North Dakota or relocating businesses to North Dakota. A board of directors consisting of eight members, all of whom are appointed by the governor, manages the corporation. The deputy director of the Department of Commerce (a State agency) is the corporation's chief executive officer. The director of the Department of Commerce (governor-appointed cabinet position) is responsible for developing rules, subject to the approval of the board of directors, necessary to implement the administration of the corporation. The Fund was audited by other independent auditors for the fiscal year ended June 30, 2025, and their report has been previously issued under a separate cover.

Major and Non-major University System Foundations (Proprietary Fund Type) – The foundations are legally separate, tax-exempt organizations providing support and recognition to their respective colleges and universities through a variety of programs and activities. The foundations are normally managed by a board of directors made up primarily of alumni, friends or leading members of the communities. The component unit financial statements are presented under Financial Accounting Standards Board (FASB) standards. As such, certain disclosures are not reflected for the Major University System Foundation in the major component unit disclosures and no disclosures are included for the Non-major University System Foundation. A complete set of financial statements can be obtained at the North Dakota University System office at 600 E. Boulevard Avenue, #10, Bismarck, ND 58505.

Non-major State Historical Society of North Dakota Foundation – The mission of the State Historical Society of North Dakota Foundation is to provide fundraising and membership development activities to support the State Historical Society of North Dakota which preserves and promotes the heritage of North Dakota and its people. The Fund of the State Historical Society of North Dakota Foundation were audited by other independent auditors for the fiscal year ended June 30, 2025, and their report has been previously issued under a separate cover. The component unit financial statements are presented under Financial Accounting Standards Board (FASB) standards. As such, certain disclosures are not reflected for the Foundation and no disclosures are included for the Foundation.

Complete financial statements for each of the other individual component units may be obtained at the entity's administrative offices as follows:

Building Authority, Public Finance Authority and
Legacy Bond Program
1200 Memorial Highway
Bismarck ND 58504

State Historical Society of North Dakota Foundation
P.O. Box 1976
Bismarck, ND 58502-1976

Comprehensive Health Associations
4510 13th Ave. South
Fargo, ND 58121

North Dakota Development Fund, Inc.
1600 E. Century Ave., #6
Bismarck, ND 58503

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

STATE OF NORTH DAKOTA

The Statement of Net Position presents the reporting entity's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, lease assets, subscription-based information technology assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes, lease liabilities, SBITA liability and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net position result when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. Net position restricted by enabling legislation are subject to change by a majority vote of the Legislative Assembly.

Unrestricted net position consist of net position that do not meet the definition of the two preceding categories. Unrestricted net position often are designated, to indicate that management does not consider them to be available for general operations. Unrestricted net position often have constraints on resources which are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

FUND FINANCIAL STATEMENTS

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

The State follows the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard-setting body for establishing accounting principles generally accepted in the United States of America for governmental entities.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual; generally when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

The State considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Other revenues are considered to be available if received within one year after the fiscal year end. Major revenues that are determined to be susceptible to accrual include interest, federal grants-in-aid, and taxpayer-assessed taxes such as income, sales, corporate, excise, motor fuel taxes and unemployment compensation contributions. Revenues earned under the terms of reimbursement agreements with other governments or private sources are recorded at the time the related expenditures are made if other eligibility requirements have been met. Sales and use taxes are accrued based upon filings received and an estimate of filings due by June 30. Net income taxes from individuals and corporations are accrued based on current income earned by the taxpayer before June 30. Quarterly filings, withholding statements, and other historical data are used to estimate income. The revenue is accrued net of an allowance for uncollectible taxes. Unearned revenue is recorded for receivables that are measurable but not available at year-end.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to debt service, compensated absences, and claims and judgments, are recorded only when payment is due and payable.

STATE OF NORTH DAKOTA

FINANCIAL STATEMENT PRESENTATION

The State reports the following major governmental funds:

The General Fund is the principal operating fund of the State.

The Federal Fund accounts for all the financial resources from the federal government, other than those specifically identified in North Dakota Century Code that are required to be included in the special revenue fund it applies to.

The State Special Revenue Fund accounts for activities from state sources, which are restricted legally or administratively for the particular costs of an agency or program.

The State reports the following major enterprise funds:

The Bank of North Dakota Fund finances economic development throughout the state, participates in loans with North Dakota financial institutions, and holds interest-bearing deposit accounts for state and political subdivisions of North Dakota.

The Housing Finance Agency Fund is authorized to issue bonds to make loans to mortgage lenders for qualified residential mortgage loans and to make mortgage and construction loans for multi-family housing within the State of North Dakota.

The University System Fund accounts for all financial transactions of the colleges and universities that compose the University System of North Dakota.

The Workforce Safety & Insurance Fund is financed entirely by premiums assessed to the employers of North Dakota and provides no-fault medical and disability insurance to all North Dakota employees.

Additionally, the State reports the following fund types:

GOVERNMENTAL FUND TYPES

General Fund accounts for all governmental financial resources, except for those required to be accounted for in other funds.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent Funds report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry, such as the common schools within the state.

PROPRIETARY FUND TYPES

Enterprise Funds account for those business-like State activities that provide goods/services to the public, financed primarily through user charges. They are also used to account for operations where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability and other purposes. The State's loan programs, Mill and Elevator, and Fair are reported in this type.

Internal Service Funds account for the financing of goods and/or services provided by one department or agency to another department or agency of a government, or to other governments, on a cost-reimbursement basis. These goods and services include motor pool services; printing, reproduction and mailing services; information technology; and risk management services. In the government-wide statements, internal service funds are included with governmental activities.

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FIDUCIARY FUND TYPES

Pension and Other Employee Benefits Trust Funds account for resources that are required to be held in trust for the members and beneficiaries of the State's defined benefit pension plans, defined contribution plan, deferred compensation plan, pretax benefits program, and other post-employment benefit plans.

Investment Trust Funds account for the transactions, assets, liabilities, and fund equity of the external pool participants (City of Bismarck, City of Grand Forks, City of Grand Forks Park District, ND Association of Counties, City of Fargo Fargodome, North Dakota State Board of Medicine, Petroleum Tank Release Compensation Fund, Lewis and Clark Interpretive Center Endowment Fund, Veteran's Cemetery Trust Fund and Retirement and Investment Office Investments). The State Investment Board (SIB) provides administrative services for the external pool participants. SIB issues a publicly available financial report that may be obtained by writing to the Retirement and Investment Office, 1600 East Century Avenue, Suite 3, Bismarck, North Dakota 58503. Investment Trust Funds are accounted for in essentially the same manner as Proprietary Funds.

Private Purpose Trust Funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Examples include student donations, the State's college savings plan, and a remediation trust.

Custodial Funds account for assets held by the State as an agent for other governmental units, or other organizations. Examples of funds in this category include state custodial funds for bonding, tax collection, child support disbursement, and funds held for others.

D. GENERAL BUDGETARY POLICIES AND PROCEDURES

The State operates through a biennial appropriation that represents departmental appropriations recommended by the governor and presented to the Legislative Assembly at the beginning of each legislative session. The Legislative Assembly enacts the budgets of the various state departments through passage of specific appropriation bills. The governor has line item veto powers over all appropriations subject to legislative override.

Once passed and signed, the appropriation bill becomes the departments' financial plan for the next two years. Changes to the appropriation are limited to Emergency Commission authorization, initiative, allotment, or referendum action. The Emergency Commission can authorize receipt of federal or other moneys not appropriated by the Assembly if the Assembly did not indicate intent to reject the money. The Emergency Commission may authorize pass-through federal funds from one state agency to another. The Emergency Commission may authorize the transfer of expenditure authority between appropriated line items. The Legislature has also passed appropriation laws that authorize directors of certain state agencies to transfer appropriation authority among the various divisions of their specific agency, subject to the Budget Section of the North Dakota Legislative Council's approval. Unexpended appropriations lapse at the end of each biennium, except certain capital expenditures covered under the North Dakota Century Code (NDCC) section 54-44.1-11 and the University System's unexpended general fund appropriation authority.

The State's biennial budget is prepared primarily on a cash basis. The State does not use encumbrance accounting. The legal level of budgetary control is at the agency, appropriation, funding source and expenditure line item level, with administrative controls established at lower levels of detail in certain instances. The State does not formally budget revenues. The State appropriation is defined through the use of specific expenditure line items. Capital appropriations are generally made at the agency and project level.

North Dakota's Appropriation Act does not present budgets by GAAP fund. Instead, it authorizes General Fund appropriation authority by agency and Other Budgeted Income appropriation authority by agency. Other budgeted income includes all budgeted resources, other than the General Fund, and includes some governmental, proprietary, and fiduciary fund activities.

During the 2023-2025 biennium, there were general, federal and other funds supplemental appropriations totaling \$1,617,439,579.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for reporting purposes includes cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. This includes investments with original maturity of three months or less. Also cash, as reported, may be under the control of the State Treasurer or by other administrative bodies as determined by law. Cash and cash equivalents are presented on the fund balance sheets as "Cash Deposits at the Bank of North Dakota" and "Cash and Cash Equivalents" to present the unique nature of the relationship between the Bank of North Dakota, an enterprise fund, and other state agencies.

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Cash Deposits at the Bank of North Dakota – State agency cash balances, as required by law, are pooled by the State Treasurer and deposited in the Bank of North Dakota, an enterprise fund. These cash balances, in addition to other agency cash deposited at the Bank of North Dakota, are included on the fund balance sheets as "Cash Deposits at the Bank of North Dakota". For purposes of the Government-wide Statement of Net Position, these amounts have been reclassified to internal balances.

Cash and Cash Equivalents – All cash and cash equivalents, (other than cash deposits at the Bank of North Dakota), as permitted by the North Dakota Century Code, are included on the Government-wide Statement of Net Position as "Cash and Cash Equivalents".

The State had no cash overdrafts from pooled cash and investments at June 30, 2025.

All interest revenue is allocated to the General Fund unless state law (as outlined in the North Dakota Century Code) requires allocations of interest to other funds.

F. INVESTMENTS

Investments are reported at fair value. Quoted market prices, when available, have been used to value investments. The fair value for securities that have no quoted market price represent estimated fair value. International securities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at June 30. In general, corporate debt securities have been valued at quoted market prices or, if not available, values are based on yields currently available on comparable securities of issuers with similar credit ratings. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments. The fair value of real estate investment securities, including timberland, is based on appraisals plus fiscal year-to-date capital transactions. Publicly traded alternative investments are valued based on quoted market prices. When not readily available, alternative investment securities are valued using current estimates of fair value from the investment manager. Such valuations consider variables such as financial performance of the issuer, comparison of comparable companies' earnings multiples, cash flow analysis, recent sales prices of investments, withdrawal restrictions, and other pertinent information. Because of the inherent uncertainty of the valuation for these other alternative investments, the estimated fair value may differ from the values that would have been used had a ready market existed.

The net change in fair value of investments consists of the realized gains or losses and the unrealized increase or decrease in fair value of investments during the year. Realized gains and losses on sales of investments are computed based on the difference between the sales price and the original cost of the investment sold.

Unrealized gains and losses are computed based on changes in the fair value of investments between years. Security transactions are currently accounted for on a trade date basis. Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date.

Purchases of other state funds' debt issues by the Bank of North Dakota have been recorded as normal business transactions if they are the result of arms-length transactions.

Investments are presented on the fund balance sheets as "Investments at the Bank of North Dakota" and "Investments" to present the unique nature of the relationship between the Bank of North Dakota, an enterprise fund, and other state agencies.

Investments at the Bank of North Dakota – State agency investments, primarily certificates of deposits of the Bank of North Dakota, are included on the fund balance sheets as "Investments at the Bank of North Dakota." For purposes of the Government-wide Statement of Net Position, these amounts have been reclassified to internal balances.

Investments – State agency investments invested at financial institutions other than the Bank of North Dakota are included on the Government-wide Statement of Net Position as "Investments." Differences on the Fund Balance Sheets between the assets, "Cash at the Bank of North Dakota" and "Investments at the Bank of North Dakota," and the liability, "Deposits Held for Other Funds," is attributable to timing differences resulting from the Bank of North Dakota having a different fiscal year end than many of the other state agencies.

G. SECURITIES LENDING

GASB Statement No. 28 "Accounting and Financial Reporting for Securities Lending Transactions," establishes accounting and financial reporting standards for securities lending transactions. The standard requires governmental entities to report securities lent as assets in their balance sheet. Cash received as collateral and investments made with that cash must also be reported as both an asset and a liability. The statement also requires the costs of the securities lending transactions to be reported as expenses separately from income received. In addition, the statement requires disclosures about the transactions and collateral related to them.

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The Agent lends securities of the type on loan at June 30, 2025, for collateral in the form of cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus accrued interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus accrued interest.

Non-cash collateral cannot be pledged or sold unless the borrower defaults. All securities can be terminated on demand by either the lender or the borrower, although the average term of the State's loans was approximately 146 days as of June 30, 2025. Cash open collateral is invested in a short term investment pool, which had an interest sensitivity of 1 day as of this statement date. This pool is valued based on amortized cost. There were no violations of legal or contractual provisions, no borrower or lending agent default losses known to the securities lending agent. There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to participating clients on approximately the fifteenth day of the following month.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower and the Agent has failed to live up to its contractual responsibilities relating to the lending of those securities. The Agent's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending.

For securities loaned at fiscal year end, the State has no credit risk exposure to borrowers because the amounts the State owes the borrowers exceeds the amounts the borrowers owe the State.

H. INTERFUND ACTIVITY AND BALANCES

INTERFUND ACTIVITY

As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. Exceptions to this rule are: 1) activities between funds reported as governmental activities and funds reported as business-type activities and 2) activities between funds that are reported in different functional categories in either the governmental or business-type activities column. Elimination of these activities would distort the direct costs and program revenues for the functions concerned.

In the fund financial statements, transfers represent flows of assets (such as goods or cash) without equivalent flows of assets in return or a requirement for repayment. Residual transfer amounts exist in the Government-wide Statement of Activities due to different fiscal year ends of various agencies included in business-type activities.

INTERFUND BALANCES

Interfund receivables and payables have been eliminated from the Statement of Net Position, except for the residual amounts due between governmental and business-type activities.

I. INVENTORIES AND PREPAID ITEMS

Inventories of Governmental Funds are valued at cost and are recognized principally using the average cost method. Generally, the cost of Governmental Funds' inventories is recorded as an expenditure when consumed rather than when purchased.

Inventories of Proprietary Funds consist primarily of grain inventories from the North Dakota Mill and Elevator Association. Grain inventories are valued at the June 30 Minneapolis grain market values less freight costs to Minneapolis. Flour, feed and resale inventories are valued at ingredient cost plus manufacturing costs incurred in their production. Proprietary Funds expense the cost of consumable supplies when used.

Generally, inventories of University System Funds are valued at the lower of cost or fair market value. Cost is generally determined on the first in/first out, or moving weighted average method. Inventories consist of food, books, and other merchandise held for resale in auxiliaries and unrestricted physical plant supplies.

Prepaid items reflect payments for costs applicable to future accounting periods. The cost of governmental prepaid items are recorded as expenditures when purchased.

J. BOND PREMIUMS / DISCOUNTS

In the governmental funds, bond discounts and premiums are treated as period costs in the year of issue. Bond discounts and premiums are shown as an "other financing source (use)" in the statement of revenues, expenses and changes in fund balance.

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In the proprietary funds, bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. The unamortized discount is shown on the statement of net position as a reduction of the bonds payable, and the amortization is included in the statement of revenues, expenses and changes in fund balance as interest expense.

K. CAPITAL ASSETS

Capital assets, which include land, buildings, equipment, intangibles (software, easements and other), construction in progress, infrastructure assets, lease assets and SBITA assets, are valued at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date of donation. Where necessary, estimates of original cost are derived by factoring price levels from the current period to the time of acquisition. Library books are not capitalized as capital assets except for the University System.

All other capital assets with an original cost of \$5,000 or more per unit and an estimated useful life in excess of one year are capitalized and reported in the applicable government or business-type activities columns in the government-wide financial statements. Exceptions include: infrastructure reported by the Department of Transportation, the threshold is \$100,000 and intangible assets such as easements, water rights, patents and trademarks, the threshold is \$25,000. Capital asset costs include the purchase price or construction cost, plus the costs necessary to place the asset in its intended location and condition for use. In governmental activities. Normal maintenance and repair costs that do not materially add to the value or extend the life of the asset are not capitalized.

Collections of works of art and historical treasures are not capitalized if the following three criteria are met: (1) Held for public exhibition, education, or research in furtherance of public service, rather than financial gain; (2) Protected, kept unencumbered, cared for, and preserved; (3) Subject to organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections. The State's non-capitalized collections include the historical artifacts at the various state museums and historical sites, and monuments and other art throughout the capital grounds. Assets that do not meet all three criteria, or that were capitalized as of June 30, 1999, are capitalized and included in the government-wide financial statements.

Infrastructure consists of major statewide public systems and items attached thereto such as freeways, freeway lighting systems, freeway drainage systems, freeway signs, bridges, bridge lighting systems, and sewer systems, including those infrastructure assets acquired prior to June 30, 1980. Infrastructure is reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Department of Transportation uses the first-in first-out method to remove the capitalized cost of a replaced road along with corresponding accumulated depreciation.

Capital assets in Governmental Funds are recorded as expenditures in the funds used to acquire or construct them in the governmental fund financial statements. Capital assets, along with accumulated depreciation and depreciation expense, which includes amortization of intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Land and construction in progress are not depreciated. With the exception of infrastructure reported by the Department of Transportation (which uses the composite method), other capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Buildings	10-50	Leased Land	20-30
Infrastructure	10-50	Leased Buildings and Improvements	2-52
Furniture, Automobiles, and Equipment	3-20	Leased Furniture, Automobiles, and Equipment	2-7
Intangibles	3-99	Leased Infrastructure	2-30
SBITA's	2-20		

L. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow of resources represents a consumption of net assets by the government that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources are reported in the applicable governmental or business-type activities columns, or in the component units column on the government-wide Statement of Net Position.

M. LEASES

The State leases land, office facilities, office and computer equipment, and other assets. Lease assets and the corresponding lease liability are recorded at the present value of future payments over the shorter of the lease term or the assets useful life. The

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future lease payments are discounted using the implicit rate identified in the lease, or if not identified, then the States incremental borrowing rate is used. The lease assets are amortized on a straight-line basis.

N. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The State leases information technology arrangements on a subscription basis. Subscription based information technology arrangements (SBITA) and the corresponding liability are recorded at the present value of future payments over the shorter of the term or the assets useful life. The future lease payments are discounted using the implicit rate identified in the arrangement, or if not identified, then the States incremental borrowing rate is used. The SBITA's are amortized on a straight-line basis.

O. FEDERAL FUNDS PURCHASED

Federal Funds Purchased represent federal funds borrowed by the Bank of North Dakota from member banks generally on an overnight basis at the federal funds rate.

P. CLAIMS/JUDGMENTS PAYABLE

Claims/Judgments Payable is primarily Workers Compensation Claims Incurred But Not Yet Reported (IBNR) by the claimants as well as claims related to various litigation matters.

Q. COMPENSATED ABSENCES

ANNUAL LEAVE

State employees accrue vested annual leave at a variable rate based on years of service. Teachers employed by the State do not receive annual leave. In general, accrued annual leave cannot exceed 30 days at each year end, as set by the agency. The amount of annual leave earned ranges between one and two days per month, and is fixed by the employing unit per section 54-06-14 of the NDCC.

The governmental fund financial statements recognize annual leave when the liability is incurred and payable from available expendable resources. This normally occurs only if an employee has unused reimbursable leave still outstanding at the time of their termination. The government-wide financial statements present the cost of accumulated annual leave as a liability. Proprietary and Fiduciary Funds recognize the expense and accrued liability when the annual leave is earned.

SICK LEAVE

The North Dakota Century Code, section 54-06-14, states employees accrue sick leave at the rate of one to a maximum of one and one-half working days per month of employment without limitation on the amount that can be accumulated. Employees vest at ten years of creditable service, at which time the State is liable for ten percent of the employee's accumulated unused sick leave. The governmental fund financial statements recognize sick leave as it is incurred. The government-wide financial statements present the estimated cost of sick leave as a liability after an employee has been employed by the State for five consecutive years.

R. DEPOSITS

The following two liability line items are presented in the Government-wide Statement of Net Position and/or fund financial statements:

Deposits Held For Other Funds. "Deposits Held for Other Funds" are those deposits held by the Bank of North Dakota for other funds included in the reporting entity and shown on the fund financial statements. For purposes of the Government-wide Statement of Net Position, these amounts have been reclassified to internal balances.

Other Deposits. "Other Deposits" are those deposits held by the Bank of North Dakota for non-reporting entity third parties. It also includes deposits held for students of the University System.

Differences on the fund balance sheets between the liability "Deposits Held for Other Funds" and the assets "Cash Deposits and Investments at the Bank of North Dakota" are attributable to timing differences resulting from the Bank of North Dakota having a different accounting year end than many other state agencies.

S. NET PENSION LIABILITY (ASSET)

For purposes of measuring the net pension liability (asset) and deferred outflows/inflows related to pension, and pension expense, information about the fiduciary net position of the North Dakota Public Employee Retirement System (PERS), North Dakota Highway Patrolmen's Retirement System (NDHPRS), Retirement Plan for the Employees of Job Service North Dakota (JSND)

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and North Dakota Teachers' Fund for Retirement (TFFR) and additions to / deductions from PERS, NDHPRS, JSND and TFFR's fiduciary net position have been determined on the same basis as they are reported for PERS, NDHPRS, JSND and TFFR. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The primary government's proportionate share of pension amounts were further reallocated to the propriety funds (business-type activities) based on the amount of employer contributions paid by each proprietary fund. Pension investments are reported at fair value.

T. NET OTHER POST EMPLOYMENT BENEFITS LIABILITY

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Job Service North Dakota engaged an actuary to determine the net OPEB liability, deferred outflows of resources and deferred inflow of resources related to OPEB and OPEB expense for its Met Life Insurance Benefit plan.

U. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent an acquisition of net assets that applies to a future period, and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are reported in the applicable governmental or business-type activities columns or in the component units column on the government-wide Statement of Net Position. Deferred inflows of resources of governmental funds, proprietary fund, and discrete component units are reported in detail in their respective fund statements.

Lease-related amounts are recognized at the inception of leases in which the State is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that related to future periods, less any lease incentives paid to, or on behalf of, the lessee at the commencement of the lease term. The inflow of resources is recognized in a systematic and rationale manner over the lease term.

V. NET POSITION/FUND BALANCE

The difference between fund assets and liabilities is "Net Position" on the government-wide, proprietary, and fiduciary fund statements, and "Fund Balance" on governmental fund statements.

CLASSIFICATIONS

Fund balance classifications for governmental funds are reported in two general classifications, nonspendable and spendable. Nonspendable represents the portion of fund balance that is not in spendable form such as inventories and prepaids. Spendable fund balance is further categorized as restricted, committed, assigned, and unassigned.

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by the State constitution and external parties, such as the federal government, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the state's legislature, through legislation, that is not considered as enabling legislation, passed into law.

Assigned fund balance classifications are used when the amounts are to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. The assignment of fund balance is generally initiated by the executive branch and later appropriated by the Legislature for a specific purpose. In governmental funds other than the general fund, assigned fund balance also represents the remaining amount that is not restricted or committed.

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification would only be used to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The State generally segregates restricted, committed, and assigned resources by individual funds within the governmental funds. When resources meeting more than one of these classifications are comingled within an individual fund, the assumed order of spending is restricted first, committed second, assigned third, and finally, unassigned.

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BUDGET STABILIZATION FUND

North Dakota Century Code (NDCC) section 54-27.2-02 requires any amount in the state general fund in excess of sixty- five million dollars at the end of any biennium to be deposited in the Budget Stabilization Fund. Any interest or earnings of the fund must be deposited in the fund per NDCC section 54-27.2-01. However, any amounts provided by law for deposit in the fund and any interest or earning of the fund which would bring the balance in the fund to an amount greater than fifteen percent of the current biennial state general fund budget, as finally approved by the most recently adjourned special or regular session of the legislative assembly, may not be deposited or retained in the fund but must be deposited instead in the state general fund.

NDCC section 54-27.2-03 states that if general fund revenue projections for the biennium will be at least two and one-half percent less than estimated by the most recently adjourned special or regular session of the legislative assembly, and if the governor orders a transfer, which must be reported to the budget section of the legislative management, the state treasurer shall transfer the appropriate funds from the budget stabilization fund to the state general fund to offset the decrease in general fund revenues. The amount transferred upon order of the governor may not exceed the difference between an amount two and on-half percent below the general fund revenue projections for the biennium. The Budget Stabilization Fund, fund balance at June 30, 2025 was \$948.4 million.

W. REVENUES AND EXPENDITURES/EXPENSES

In the Government-wide Statement of Activities, revenues and expenses are segregated by activity (governmental or business-type), then further by function for governmental activities (e.g., general government, education, health and human services, etc.). Additionally, revenues are classified between program and general revenues. Program revenues include 1) charges to customers or applicants for goods or services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues, rather than as program revenue. General revenues include all taxes and money from tobacco settlements. Certain indirect costs are included in the program expenses reported for individual functions.

In the government-wide financial statements, revenues are reported by source and are further classified as either "general purpose" or "restricted". General purpose revenues are available to fund any activity accounted for in the fund. Restricted revenues are, either by State law or by outside restriction (e.g., federal grants), available only for specified purposes. When both general purpose and restricted funds are available for use, it is the State's policy to use restricted resources first. In the governmental fund financial statements, expenditures are reported by character: "Current," "Intergovernmental-revenue Sharing," "Capital Outlay," or "Debt Service." Current expenditures are sub-classified by function and are for items such as salaries, grants, supplies, and services.

Capital outlay includes expenditures for real property or infrastructure (e.g., highways). Intergovernmental-revenue sharing accounts for the distribution of certain tax revenues that are shared with local units based upon constitutional and statutory requirements. Debt service includes both interest and principal outlays related to bonds and payments on long term leases.

Revenues and expenses of proprietary funds are classified as operating or nonoperating and are sub classified by object (e.g., salaries, depreciation, and purchases for resale). Operating revenues consist of sales of goods and services, quasi- external operating transactions with other funds, grant revenues for specific activities that are considered to be operating activities of the grantor, receipts from other agencies for reimbursement of operating transactions, and other miscellaneous revenue that should be classified as operating. Grants that would qualify as an operating activity are those that do not subsidize an existing program, rather they finance a program the agency would otherwise not undertake. For certain loan and investment programs, revenue that would normally be classified as non-operating should be classified as operating. Examples of this would include interest and investment income. All other revenues that do not meet the above criteria should be classified as non-operating.

X. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - RESTATEMENTS

A. SUMMARY

The changes to beginning net position / fund balance were restated as follows (expressed in thousands):

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	Governmental Activities	General Fund
June 30, 2024, net position / fund balance, as previously reported	\$ 31,238,674	\$ 14,321,342
Change in accounting principle	(39,765)	—
Correction of errors	15,220	15,220
June 30, 2024, net position / fund balance, as restated	<u>\$ 31,214,129</u>	<u>\$ 14,336,562</u>

	Business-Type Activities	University System	Other Enterprise Funds
June 30, 2024, net position / fund balance, as previously reported	\$ 5,863,794	\$ 1,993,018	\$ 1,591,863
Change in accounting principle	(27,817)	(27,358)	(459)
Correction of errors	21,604	21,604	—
June 30, 2024, net position / fund balance, as restated	<u>\$ 5,857,581</u>	<u>\$ 1,987,264</u>	<u>\$ 1,591,404</u>

B. CHANGES IN ACCOUNTING POLICY

The State implemented GASB Statement No. 101, Compensated Absences in the year ended June 30, 2025. GASB Statement No. 101 enhances the accounting and financial reporting requirements for accounting for compensated absences. The adoption of GASB 101 resulted in a restatement to net position of \$39.7 million to governmental activities, \$27.8 million to business-type activities, \$27.3 million to University System and \$459,000 to other enterprise funds.

C. CORRECTION OF ERRORS

A correction of error was made to include \$15.2 million of investments held by the Wonderfund which increased net position in governmental activities and fund balance in the general fund.

A correction of error was made to restate a transfer that should have been recognized in the prior year by \$21.6 million which increased net position in business-type activities and University System.

NOTE 3 - DETAILED NOTES ON ACCOUNT BALANCES

A. DEPOSITS

CUSTODIAL CREDIT RISK

The State minimizes custodial credit risk by restrictions set forth in state statute. Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, the State would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties.

State law generally requires that all State funds be deposited in the Bank of North Dakota. NDCC 21-04-01 provides that public funds belonging to or in the custody of the State shall be deposited in the Bank of North Dakota. Also, NDCC 6-09-07 states, "all state funds . . . must be deposited in the Bank of North Dakota" or must be deposited in accordance with constitutional and statutory provisions. The State does not have a formal policy that addresses custodial credit risk for deposits.

At June 30, 2025, the bank balance of the primary government's deposits was \$1,784.8 million. Of the bank amount, \$48.5 million was uncollateralized and uninsured.

There were significant concentrations of uninsured and uncollateralized deposits in the Bank of North Dakota and University System at June 30, 2025. Their uninsured and uncollateralized deposits totaled \$48.5 million and \$19.5 million, and their bank deposits totaled \$49.3 million and \$875.1 million, respectively.

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At June 30, 2025, the bank balance of the major component units' deposits was \$143.9 million. Of the bank amount, \$142.9 million was uncollateralized and uninsured.

The internal receivable amount in the governmental activities column in the Statement of Net Position includes Cash and Investments at the Bank of North Dakota for governmental activities. The internal payable amount in the business-type activities column includes deposits the Bank has for governmental activities. Because the Bank has a different fiscal year end, these internal balances do not equal.

B. INVESTMENTS

The investment policies of the State of North Dakota are governed by NDCC 6-09-07, 15-10-12, and 21-04-02, indicating that all public funds must be deposited in the Bank of North Dakota unless there are other constitutional or statutory provisions. If there are no statutory provisions and the funds are invested outside the Bank of North Dakota, the state agency must have the permission of the North Dakota Industrial Commission.

Investments are generally managed by the State Investment Board, the North Dakota Department of Trust Lands, the Bank of North Dakota, and the North Dakota State Treasurer's Office. Management responsibilities and investment instruments as authorized by statute are as follows:

1. State Investment Board (SIB) – NDCC 21-10 designates the SIB with investment responsibilities for the Public Employees' Retirement System, Bonding Fund, Teachers' Fund for Retirement, Fire and Tornado Fund, Workforce Safety & Insurance Fund, Legacy Fund, and other specific funds. The Century Code states the SIB shall apply the prudent investor rule in investing funds under its supervision. The retirement funds belonging to the teachers' fund for retirement and the public employees' retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives.

The State Investment Board's investment policy allows investment managers to use derivative securities to hedge or replicate underlying exposures but not for speculation. All derivatives are considered investment derivative investments. The SIB had four types of derivative securities at June 30, 2025: futures, options, swaps and currency forwards.

2. North Dakota Department of Trust Lands – The Century Code states that the Department of Trust Lands shall apply the prudent investor rule in investing its funds. The investment policies of the Board allow the use of derivative securities to hedge or replicate underlying exposures but not for speculation. All derivatives are considered investment derivative investments.
3. The Bank of North Dakota – NDCC 6-09 authorizes the Bank of North Dakota. The Bank is owned and operated by the State of North Dakota under the supervision of the North Dakota Industrial Commission. The Bank may have investments in anything that any bank lawfully may do, except what is restricted by NDCC 6-09.
4. The North Dakota State Treasurer's Office – The North Dakota Constitution and various sections of the Century Code authorize the State Treasurer to invest all State funds deposited with the State Treasury. However, the State Treasurer must invest the public funds with the Bank of North Dakota unless there is statutory authority to do otherwise. Generally, the State Treasurer pools deposits and invests in money market accounts and Bank of North Dakota certificates of deposit.
5. University System – NDCC 15-55-05 and 15-55-06 govern the investment of proceeds of revenue bonds and revenues pledged to bondholders. Such proceeds must be invested in the Bank of North Dakota, in a separate fund in the State Treasury or in a duly authorized depository for the state funds that is a member of the federal deposit insurance corporation. The University System may invest such funds in direct obligation of, or in obligations where the United States of America guarantees the principal and interest, or obligations of the State of North Dakota or any municipality as defined in NDCC Section 21-03-01.

Agency investments, of the primary government, under management of the State Investment Board are included below with the Pension and Investment Trust funds.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. The State does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates. However, North Dakota Housing Finance's respective bond resolutions permit only investments that will not adversely affect the rating quality of the outstanding bonds. Also, the maturity date or the date on which such investment obligations may be redeemed shall coincide as nearly as practicable with the date or dates on which moneys in the

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funds or accounts for which the investments were made will be required. The Bank of North Dakota's investment policy provides for a duration range of one to four years, which will serve to decrease interest rate risk.

At June 30, 2025, the following tables show the debt securities of the primary government and major component units by investment type and maturity (expressed in thousands).

Primary Government (includes Pension and Investment Trust Funds)

Investment Type	Total Fair Value	Less Than 1 Year	1 - 6 Years	6 - 10 Years	More Than 10 Years	Maturity Undetermined
Asset Backed Securities	\$ 546,657	\$ 504	\$ 231,832	\$ 106,785	\$ 207,536	\$ —
Commercial Mortgage-Backed	3,294,452	—	3,029,046	5,069	260,337	—
Commercial Paper	109,006	109,006	—	—	—	—
Corporate Bonds	3,689,295	470,934	2,165,445	701,375	351,541	—
Corporate Convertible Bonds	7,511	—	2	—	7,509	—
Government Agencies	379,411	9,931	336,647	14,994	17,839	—
Government Bonds	2,081,425	1,125,570	523,397	99,006	333,452	—
Government Issued CMB	10,618	30	4,222	669	5,697	—
Government Mortgage-Backed	1,247,396	828	28,772	37,305	1,180,491	—
Repurchase Agreements	(9,904)	(9,904)	—	—	—	—
Index Linked Government Bonds	376,375	18,489	96,052	217,259	44,575	—
Municipal/Provincial Bonds	33,224	831	3,028	11,525	17,840	—
Non-Government-Backed CMOs	112,471	—	—	702	111,769	—
Real Estate	534,680	534,680	—	—	—	—
Short Term Bills and Notes	113,087	113,087	—	—	—	—
Pooled Investments	1,552,781	1,467,239	13,539	71,979	—	24
Funds - Other Fixed Income	55	—	—	—	—	55
Funds - Short Term	592,691	591,576	—	—	—	1,115
Funds - Corporate Bonds	99	—	—	—	—	99
Funds - Muni/Provincial Bonds	65	—	—	—	—	65
Funds - Gov' Agencies	925,150	925	468,116	284,940	171,149	20
Total Debt Securities	15,596,545	4,433,726	6,900,098	1,551,608	2,709,735	1,378
Limited Partnership	\$ 1,292,572	\$ 157,723	\$ 838,941	\$ 123,845	\$ 51,287	\$ 120,776

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Major Component Units

Investment Type	Total Fair Value	Less Than 1 Year	1 - 6 Years	6 - 10 Years	More Than 10 Years
Commercial Paper	\$ 52,059	\$ 52,059	\$ —	\$ —	\$ —
Corporate Notes	1,976	1,328	648	—	—
Government Agencies	4,369	4,369	—	—	—
Government Bonds	46,390	32,744	13,646	—	—
Short Term Bills and Notes	6,068	6,068	—	—	—
Total Debt Securities	<u>\$ 110,862</u>	<u>\$ 96,568</u>	<u>\$ 14,294</u>	<u>\$ —</u>	<u>\$ —</u>

The fair values of inflation indexed bonds are reflected in the tables above, based on their stated maturity dates. The principal balances of these bonds are adjusted every six months based on the inflation index for that period.

Some investments are more sensitive to interest rate changes than others. Variable and floating rate collateralized mortgage obligations (CMO's), asset-backed securities (ABS), interest-only and principal-only securities are examples of investments whose fair values may be highly sensitive to interest rate changes.

Interest-only (IO) and principal-only (PO) strips are transactions which involve the separation of the interest and principal components of a security. They are highly sensitive to prepayments by mortgagors, which may result from a decline in interest rates. The State held PO's valued at \$7.8 million and held IOs valued at \$21.2 million. The State has no policy regarding IO or PO strips.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The State does not have an investment policy that specifically addresses concentrations of credit risk in a single issuer, however the Bank of North Dakota has established asset allocation ranges for investments as a percentage of their total portfolio.

The Bank of North Dakota had the following concentrations at June 30, 2025 (expressed in thousands):

	Amount	Percent
Federal Agency		
U.S. Treasury Securities	\$ 889,049	21.2 %
Federal Home Loan Bank	142,487	3.4 %
Small Business Administration	96,645	2.3 %
Farm Credit	39,186	0.9 %
Freddie Mac	13,106	0.3 %
Mortgage-backed		
Fannie Mae	1,924,103	45.8 %
Freddie Mac	1,092,873	26.0 %
Others less than 5%	5,052	0.1 %
	<u>\$ 4,202,501</u>	<u>100.0 %</u>

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The State maintains a highly diversified portfolio of debt securities encompassing a wide range of credit ratings. Although the State has no overall policy regarding credit risk, each debt securities manager is given a specific set of guidelines to invest within based on the mandate for which it was hired. The guidelines specify in which range of credit the manager may invest. These ranges include investment grade and below investment grade categories. The Bank of North Dakota's investment policy provides minimum credit quality ratings for its investments and asset allocation ranges for investments as a percentage of the total portfolio.

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As of June 30, 2025, the following tables present the debt securities of the primary government and major component units and their respective ratings (expressed in thousands).

Primary Government (includes Pension and Investment Trust Funds) S&P Credit Rating*

	Total Fair Value	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Not Rated
Asset Backed Securities	546,657	\$ 286,528	\$ 71,706	\$ 43,216	\$ 7,570	\$ 505	\$ 477	\$ 1,729	\$ —	\$281	\$ 569	\$ 134,076
Commercial Mortgage-Backed	3,294,452	3,227,948	17,803	4,307	4,942	835	874	797	—	—	—	36,946
Commercial Paper	109,006	—	—	—	—	—	—	—	—	—	—	109,006
Corporate Bonds	3,689,296	35,938	247,157	762,050	1,231,274	651,176	406,453	97,702	137	—	3,860	253,549
Corporate Convertible Bonds	7,511	—	—	—	1,766	5,242	501	2	—	—	—	—
Government Agencies	379,412	301,737	28,408	6,475	22,619	12,352	1,778	1,092	—	—	—	4,951
Government Bonds	1,676,734	889,048	694,296	13,258	33,099	15,791	2,443	1,017	—	—	—	27,782
Government Mortgage Backed	1,198,243	—	1,186,374	5,356	4,943	1,260	—	—	—	—	—	310
Government Issued CMB	10,618	316	10,302	—	—	—	—	—	—	—	—	—
Index Linked Gov't Bonds	218,449	—	198,216	—	1,827	—	—	—	—	—	—	18,406
Municipal/Provincial Bonds	32,224	4,868	15,118	10,613	—	440	—	1,185	—	—	—	—
Non-Government Backed CMOs	112,471	29,114	4,496	3,524	2,628	1,256	—	492	134	—	—	70,827
Real Estate	534,680	—	—	—	—	—	—	—	—	—	—	534,680
Repurchase Agreements	(9,904)	—	—	—	—	—	—	—	—	—	—	(9,904)
Funds - Other Fixed Income	55	—	—	—	—	—	—	—	—	—	—	55
Funds - Short Term Investment	592,691	—	—	—	—	—	—	—	—	—	—	592,691
Funds - Corporate Bond	98	—	—	—	—	—	—	—	—	—	—	98
Funds - Govt Agencies	65	—	—	—	—	—	—	—	—	—	—	65
Pooled Investments	1,480,317	1,684	389,710	2,482	1,497	54	27	27	—	—	—	1,084,836
Total Credit Risk Debt Securities	13,873,075	<u>\$4,777,181</u>	<u>\$2,863,586</u>	<u>\$ 851,281</u>	<u>\$1,312,165</u>	<u>\$688,911</u>	<u>\$412,553</u>	<u>\$104,043</u>	<u>\$ 271</u>	<u>\$281</u>	<u>\$ 4,429</u>	<u>\$2,858,374</u>
US Gov't & Agencies**	1,483,326											
Mutual Funds	240,144											
Total Debt Securities	<u>\$15,596,545</u>											

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Major Component Units

	Total Fair Value	AAA	AA	A	BBB
Commercial Paper	\$ 52,059	\$ —	\$ —	\$ 52,059	\$ —
Short Term Bills & Notes	6,068	—	—	6,068	—
Government Agencies	4,369	—	4,369	—	—
Corporate Notes	1,976	—	651	1,125	200
Total Credit Risk Debt Securities	64,472	<u>\$ —</u>	<u>\$ 5,020</u>	<u>\$ 59,252</u>	<u>\$ 200</u>
US Gov't & Agencies	46,390				
Total Debt Securities	<u>\$ 110,862</u>				

*Ratings are determined in the following order: 1) S&P rating, 2) Moody's rating, 3) Fitch rating, 4) Manager-determined rating (internal rating) and 5) if no ratings are available using steps 1-4, then shown as not rated.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Although the State Investment Board does not have a formal investment policy governing foreign currency risk, the board does manage its exposure to fair value loss by requiring their international securities investment managers to maintain diversified portfolios to limit foreign currency and security risk. The Department of Trust Lands treats currency exposure in two different ways, depending on the type of investment. For the Board's international equity portfolio, the currency exposure is not hedged, as currency exposure is one of the items that adds diversity to the overall portfolio. For foreign bonds, the Board fully hedges the currency exposure, as the purpose of this portfolio is to generate more consistent returns.

At June 30, 2025, foreign currency risk exposure on investments managed by the Department of Trust Lands and State Investment Board were as follows (expressed in thousands).

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Primary Government (includes Pension and Investment Trust Funds)

Currency	Short-Term	Debt	Equity	Real Estate	Total
Argentine peso	\$ 1	\$ —	\$ —	\$ —	\$ 1
Australian dollar	(1,110)	673	89,860	—	89,423
Brazilian real	(11,063)	18,096	30,712	—	37,745
British pound sterling	(15,164)	14,235	114,133	—	113,204
Canadian dollar	(22,707)	20,303	91,196	—	88,792
Chilean peso	(277)	—	4,499	—	4,222
Chinese yuan renminbi	280	—	—	—	280
Chinese yuan	—	—	64,426	—	64,426
Columbian peso	—	—	415	—	415
Czech koruna	—	—	143	—	143
Danish krone	(34)	—	15,523	—	15,489
Euro	(63,982)	64,868	476,169	22,886	499,941
Hong Kong Off-Shore-Chinese yuan remnibi	(3,342)	—	—	—	(3,342)
Hong Kong dollar	—	—	123,973	—	123,973
Hungarian forint	1	—	2,790	—	2,791
Indian rupee	2,992	—	—	—	2,992
Indonesian rupiah	1,146	—	3,100	—	4,246
Israeli shekel	—	—	(10,072)	—	(10,072)
Japanese yen	(763)	3,994	228,977	—	232,208
Kuwaiti dinar	—	—	940	—	940
Malaysian ringgit	—	—	1,912	—	1,912
Mexican peso	3,916	84	9,554	—	13,554
New Israeli shekel	(850)	—	—	—	(850)
New Taiwan dollar	(5,216)	—	—	—	(5,216)
New Zealand dollar	1	—	(1,562)	—	(1,561)
Norwegian krone	42	—	13,994	—	14,036
Pakistani rupee	—	—	1,672	—	1,672
Peruvian nuevo sol	(6,914)	8,421	—	—	1,507
Philippine peso	—	—	495	—	495
Polish zloty	2,043	—	2,833	—	4,876
Qatari riyal	—	—	300	—	300
Russian Ruble	1,070	—	2,935	—	4,005
Saudi Arabian riyal	—	—	524	—	524
Singapore dollar	(5,683)	—	28,970	—	23,287
South African rand	(3,216)	5,895	(2,004)	—	675
South Korean won	(1,675)	—	71,235	—	69,560
Swedish krona	77	—	2,392	—	2,469
Swiss franc	(954)	—	111,497	—	110,543
Taiwan dollar	—	—	15,054	—	15,054
Thai baht	(895)	—	10,512	—	9,617
Turkish lira	9,207	—	18,260	—	27,467
UAE dirham	—	—	2,676	—	2,676
International commingled funds (various currencies)	—	10,807	2,253,653	—	2,264,460
Total international investment securities	<u>\$ (123,069)</u>	<u>\$ 147,376</u>	<u>\$ 3,781,686</u>	<u>\$ 22,886</u>	<u>\$ 3,828,879</u>

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Derivative Securities – Derivatives are financial arrangements between two parties whose payments are based on, or “derived” from, the performance of some agreed upon benchmark. The investment policies of the States’ clients allow the use of derivative securities to hedge or replicate underlying exposures but not for speculation. All derivatives are considered investment derivative instruments. The fair value of all derivative securities is reported in the Statement of Net Position. At June 30, 2025, the State had four types of derivative securities: futures, options, swaps and currency forwards.

Futures – Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specific price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing the States’ counterparty risk. The net change in the futures contracts’ value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included in net change in fair value of investments in the Statement of Changes in Fiduciary Net Position and totaled \$41.6 million for the year ended June 30, 2025. At June 30, 2025, the State investment portfolio had the notional futures shown below (expressed in thousands).

Futures	Notional Value
Fixed income derivative futures	
Long	\$ 499,407
Short	(32,487)
Total futures	<u>\$ 466,920</u>

Options – Options represent or give buyers the right, but not the obligation, to buy (call) or sell (put) an asset at a preset price over a specified period. Options are traded on organized exchanges (exchange traded) thereby minimizing the States’ counterparty credit risk. The option’s price is usually a small percentage of the underlying asset’s value. As a seller of a financial option, the State, through its investment manager, receives a premium at the beginning of the agreement and bears the risk of an unfavorable change in the price of the financial instrument underlying the option. As a buyer of a financial option, the State, through its investment manager, pays a premium at the beginning of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Gains and losses on options are determined based on fair values and recorded with the net change in fair value of investments in the Statement of Changes in Fiduciary Net Position and totaled \$3.9 million. At June 30, 2025, the State had the following option balances (expressed in thousands):

Options	Fair Value
Cash & Other Options:	
Call	\$ (156)
Put	72
Fixed Income Options:	
Call	(22)
Put	(8)
Total options	<u>\$ (114)</u>

Swaps – A swap is a derivative in which counterparties exchange certain benefits of one party’s financial instrument for those of the other party’s financial instrument. Specifically, the two counterparties agree to exchange one stream of cash flows for another stream. The State, through its investment managers, has entered into various swap agreements in an attempt to manage its exposure to interest rate, inflation, credit, currency risk and total return.

Gains and losses on swaps are determined based on fair values and are recorded with the net change in fair value of investments in the Statement of Changes in Fiduciary Net Position and totaled \$(2.8) million for the year ended June 30, 2025. The maximum loss that would be recognized at June 30, 2025, if all counterparties failed to perform as contracted is \$4.0 million. Swap fair values are determined by a third party pricing source.

At June 30, 2025, the States’ investment portfolio had the swap fair value balances as shown below (expressed in thousands).

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Credit Default Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date	Fair Value
Bank of America/Aa2 (9 contracts)	\$ (43,100)	2028 - 2030	\$ 1,059
Barclays Capital Inc/A1 (1 contract)	(2,600)	2030	31
BNP Paribas Sa Paris/A1 (10 contracts)	(5,184)	2027 - 2029	936
Citibank/Aa3 (1 contract)	(300)	2027	(1)
Citigroup Global Markets/A2 (1 contract)	2,009	2030	(45)
Deutsche Bank London/A1 (1 contract)	(229)	2026	4
Goldman Sachs/A2 (8 contracts)	(3,009)	2026 - 2029	139
JP Morgan Chase/Aa2 (7 contracts)	(24,160)	2029 - 2030	1,045
Morgan Stanley/Aa3 (10 contracts)	(30,500)	2026 - 2030	664
Wells Fargo Bank/Aa2 (13 contracts)	(19,450)	2025 - 2030	473
Total credit default swaps	<u>\$ (126,523)</u>		<u>\$ 4,305</u>

Interest Rate Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date Range	Fair Value
Bank of America/Aa2 (55 contracts)	\$ 161,725	2025 - 2055	\$ 829
Citigroup Global Markets/A2 (23 contracts)	45,816	2026 - 2054	241
JP Morgan Chase/Aa2 (14 contracts)	33,620	2025 - 2054	583
Morgan Stanley/Aa3 (54 contracts)	89,255	2025 - 2055	1,894
Wells Fargo Bank/Aa2 (52 contracts)	112,841	2026 - 2055	3,519
Total Interest Rate Swaps	<u>\$ 443,257</u>		<u>\$ 7,066</u>

Inflation Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date Range	Fair Value
Goldman Sachs/A2 (2 contracts)	\$ 18,322	2025	\$ 252
JP Morgan Chase/Aa2 (1 contract)	2,158	2025	29
Total Inflation Swaps	<u>\$ 20,480</u>		<u>\$ 281</u>

Total Return Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date Range	Fair Value
Citibank/Aa3 (3 contracts)	\$ 26,255	2025	\$ (1,192)
JP Morgan Chase/Aa2 (2 contracts)	10,680	2025	139
Total Return Swaps	<u>\$ 36,935</u>		<u>\$ (1,053)</u>

Currency Forwards – Currency forwards represent forward exchange contracts that are entered into in order to manage the exposure to changes in currency exchange rates on the currency denominated portfolio holdings. A forward exchange contract is a commitment to purchase (positive) or sell (negative) a currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net change in fair value of investments in the Statement of Changes in Fiduciary Net Position and totaled \$(8.9) million. At June 30, 2025, the States' investment portfolio included the currency forwards balances shown below (expressed in thousands).

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Currency	Cost	Purchases	Sales	Fair Value
Australian dollar	\$ (2,107)	\$ 2,128	\$ (4,235)	\$ (2,140)
Brazilian real	(10,068)	13,626	(23,694)	(11,404)
British pound sterling	(13,022)	13,094	(26,116)	(13,190)
Canadian dollar	(14,281)	14,249	(28,530)	(14,351)
Chilean peso	(276)	—	(276)	(277)
Chinese offshore	(3,353)	2,469	(5,822)	(3,342)
Chinese yuan	280	561	(281)	280
Danish krone	(47)	20	(67)	(48)
Euro	(81,051)	83,244	(164,295)	(83,728)
Hungarian Forint	—	—	—	—
Indonesian rupiah	1,142	1,500	(358)	1,146
Indian rupee	2,984	3,066	(82)	2,992
Japanese yen	(963)	7,697	(8,660)	(957)
Mexican peso	3,786	3,829	(43)	3,845
New Israeli shekel	(1,189)	—	(1,189)	(1,229)
Peruvian nuevo sol	(6,761)	181	(6,942)	(6,987)
Poland Zloty	1,971	1,971	—	2,045
Singapore dollar	(6,286)	5,825	(12,111)	(6,334)
South African rand	(3,178)	—	(3,178)	(3,218)
South Korean won	(1,665)	2,216	(3,881)	(1,675)
Thai baht	(879)	160	(1,039)	(901)
Taiwan dollar	(4,358)	2,888	(7,246)	(5,216)
Turkish Lira	9,314	9,589	(275)	9,421
United States dollar	131,040	300,415	(169,375)	131,040
Total forwards subject to currency risk				<u>\$ (4,228)</u>

Derivative Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the value of an interest rate-based derivative investment. The State does not have a formal investment policy regarding such derivative investments. At June 30, 2025, the tables below show the States' derivative investments subject to interest rate risk (expressed in thousands).

	Total Notional Value	3 Months or Less	3 to 6 Months	6 to 12 Months	1-5 Years	Greater Than 5 Years
Futures- interest rate contracts	<u>\$ 466,920</u>	<u>\$ 229,206</u>	<u>\$ 237,714</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

STATE OF NORTH DAKOTA

	Total Fair Value	3 Months or Less	3 to 6 Months	6 to 12 Months	1-5 Years	5-10 Years	Greater Than 10 Years
Options - Interest rate contracts	\$ (175)	\$ (175)	\$ —	\$ —	\$ —	\$ —	\$ —
Options on futures	(27)	(27)	—	—	—	—	—
Options - Foreign Exchange Contracts	92	—	92	—	—	—	—
Options - Credit Contracts	(3)	(3)	—	—	—	—	—
Swaps - interest rate contracts	6,012	(32)	(1,053)	(89)	(508)	(310)	8,004
Swaps - credit contracts	4,305	—	5	17	4,283	—	—
Total	<u>\$ 10,204</u>	<u>\$ (237)</u>	<u>\$ (956)</u>	<u>\$ (72)</u>	<u>\$ 3,775</u>	<u>\$ (310)</u>	<u>\$ 8,004</u>

Mill and Elevator Derivative Financial Instruments – The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2025, and the changes in fair value of such derivative instruments for the year then ended as reported in the State's financial statements are \$268,150, classified as derivative instrument (one contract equals 5,000 bushels) and \$268,150, classified as deferred inflow of resources – accumulated increase in fair value of hedging derivatives. The fair value of the grain futures contracts was determined on the Minneapolis Grain Exchange. The daily limit for any trade days margin requirement is \$0.60 per bushel, unless two or more wheat futures contract months within a crop year close at limit bid or limit offer, then the limit will increase by 50% per bushel the next business day. Daily price limits will revert back to \$0.60 per bushel the business day after which no wheat futures contract month closes at the expanded limit bid or limit offer. The Mill has entered into futures contracts for spring wheat to lock in a price for a future delivery or settlement period. These contracts are entered into to protect the Mill against price fluctuation of the commodity. The price protection is needed to cover any long or short positions compared to flour sales. The table below shows the cost and market values of these spring wheat futures as of June 30, 2025.

Month	# of Contracts Long (Short)	Average Cost	Fair Value	Average Cost	Market Value
Sept 2025	270	\$ 6.2186	\$ 6.2075	\$ 8,309,463	\$ 8,380,125
Dec 2025	422	6.3607	6.3900	13,373,763	13,482,900
March 2026	102	6.6959	6.5475	3,293,163	3,339,225
May 2026	32	6.4623	6.6650	1,036,000	1,066,400
July 2026	15	6.5200	6.6925	490,050	501,938
				<u>\$ 26,502,439</u>	<u>\$ 26,770,588</u>

The Mill is exposed to credit risk on hedging derivative instruments that are in asset positions. All grain futures trades are completed using two different national brokerage firms on the Minneapolis Grain Exchange. ADM Investor Services is rated A by the Standard & Poor's Rating Service. StoneX Group Inc. is rated BB- by the Standard & Poor's Rating Service.

The Mill is exposed to rollover risk on grain futures trades whenever the hedge ration (defined in aggregate of the size across all futures months relative to the underlying net cash position) does not equal 1.0. At June 30, 2025, the table below shows the hedge ratio by futures month going forward:

Period	Hedge Ratio
Sept 2025	1.0
Dec 2025	1.0
March 2026	1.0
May 2026	1.0
July 2026	1.0
Net Position	1.0

STATE OF NORTH DAKOTA

C. SECURITIES LENDING

The following represents the balances relating to the securities lending transactions at June 30, 2025 (expressed in thousands).

Primary Government (includes Pension and Investment Trust Funds)

Securities Lent	Underlying Securities	Non-Cash Collateral Value	Cash Collateral Investment Value
Lent for cash collateral:			
US agency securities	\$ 2,070	\$ —	\$ 2,110
US government securities	115,882	43,044	117,921
US corporate fixed income securities	257,947	—	263,510
US equities	38,063	—	38,812
Global agency securities	824	—	888
Global government fixed income securities	—	137,207	—
Global corporate fixed income securities	337	—	351
Global government securities	208	—	219
Lent for non-cash collateral:			
Fair value of securities on loan against non-cash collateral	530,461	368,766	—
Total	<u>\$ 945,792</u>	<u>\$ 549,017</u>	<u>\$ 423,811</u>

D. ENDOWMENT FUNDS

UNIVERSITY SYSTEMS

The endowment funds reported herein are institutional funds under the terms of the gift instrument and are not wholly expendable by the institution. NDCC Section 59-21, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) applies to the investment of endowments governed by a gift instrument. NDUS SBHE policy 810 stipulates endowment funds shall be invested according to the intent of the donor provided such intent is consistent with applicable laws. Absent terms expressing donor intent in a gift instrument, NDUS institution officers initially shall deposit the funds in institution accounts at the Bank of North Dakota. Thereafter, the funds may be invested according to NDCC 59-21. Subject to the intent of the donor, NDUS institution officers are delegated authority to manage and invest these institutional funds as provided by UPMIFA. NDCC Section 59-21-02.5a(7) applies to standard of conduct in the administration of powers to make and retain investments. It states that in managing and investing an institutional fund, the needs of the institution and the fund to make distributions and to preserve capital must be considered. Given the flexibility in NDCC 59-21-02, institutions have differing policies with respect to spending investment income and net appreciation on endowment funds. For UND, distributions for spending endowments each year will be calculated once annually with the quarter ended December 31 unitized fair value and is based on the set spending rate, currently 3.75 percent, applied to the average fair value for the preceding twelve quarter average. All endowment in existence at December 31 for one year will receive a distribution spending allocation. The available amount will be forecast to UND for planning purposes by February 1, and these distributions will be available for spending in the upcoming fiscal year. NDSU determines the spending of endowment earnings based on an annual evaluation.

Net appreciation on investments are available for expenditure and consist of the following at June 30, 2025:

North Dakota State University	\$ 720,438	Reflected in net position as:
University of North Dakota	673,914	Expendable scholarships & fellowships
Total NDUS	<u>\$ 1,394,352</u>	Non-expendable scholarships & fellowships

Endowment funds reported herein do not include the Federal Land Grant Fund held by the State Department of Trust Lands. The annual proceeds from assets held by the Commissioner of the State Department of Trust Lands and are deposited into each college/university's operating fund at the State Treasury and are used for current operating purposes. Bismarck State College, Lake Region State College and Williston State College do not participate in the proceeds allocated by the State Land Department. Total assets held by the State Land Department and proceeds for the fiscal year ended June 30, 2025 are approximately \$293.1 million and \$9.6 million respectively.

STATE OF NORTH DAKOTA

E. RECEIVABLES

Receivables at June 30, 2025, consist of the following (expressed in thousands):

	General	Federal	State	Other Governmental Funds	Bank of North Dakota	Housing Finance
Receivables:						
Accounts	\$ 32,871	\$ 32,693	\$ 255,514	\$ 3	\$ —	\$ 838
Less Allowance	(12,465)	(9,028)	(99,904)	—	—	—
Taxes	558,928	—	141,107	83	—	—
Less Allowance	(103,325)	—	(2,653)	—	—	—
Interest	45,525	—	24,517	628	80,723	30
Less Allowance	—	—	(8,066)	—	—	—
Lease Receivable	—	193	—	—	—	—
Intergovernmental	—	316,447	28,803	—	—	375
Less Allowance	—	—	(52)	—	—	—
Current Loans and Notes	78	38	4,499	37,121	5,986,087	—
Less Allowance	—	—	(418)	—	—	—
Noncurrent Lease Receivable	203	—	109	—	—	—
Noncurrent Loans and Notes	—	141	13,097	—	—	—
Noncurrent Restricted Loans Receivable	—	—	—	—	—	2,204,017
Less Allowance	—	—	—	—	(106,535)	(26,354)
Restricted Interest	—	—	—	192	—	11,357
Restricted Loans	—	—	—	—	—	46,605
Net Receivables	<u>\$ 521,815</u>	<u>\$ 340,484</u>	<u>\$ 356,553</u>	<u>\$ 38,027</u>	<u>\$ 5,960,275</u>	<u>\$ 2,236,868</u>
	University System	Workforce Safety & Insurance	Other Enterprise Funds	Internal Service Funds	Major Component Units	Total
Receivables:						
Accounts	\$ 61,173	\$ 23,090	\$ 128,300	\$ 510	\$ 37	\$ 535,027
Less Allowance	(8,931)	(12,000)	(22,296)	—	—	(164,623)
Taxes	—	—	—	—	—	700,119
Less Allowance	—	—	—	—	—	(105,978)
Interest	—	11,221	6,870	61	256	169,830
Less Allowance	—	—	—	—	—	(8,066)
Lease Receivable	33	—	165	—	—	391
Intergovernmental	47,973	—	980	502	—	395,080
Less Allowance	—	—	—	—	—	(52)
Current Loans and Notes	1,107	—	82,064	—	1,239	6,112,233
Less Allowance	(104)	—	(93)	—	—	(614)
Noncurrent Lease Receivable	734	—	448	—	—	1,494
Noncurrent Loans and Notes	9,721	—	772,638	—	71,895	867,492
Noncurrent Restricted Loans Receivable	—	—	—	—	106,172	2,310,189
Less Allowance	(774)	—	(22,584)	—	(26,606)	(182,853)
Restricted Interest	—	—	—	—	5,986	17,535
Restricted Loans	—	—	48	—	5,425	52,078
Net Receivables	<u>\$ 110,932</u>	<u>\$ 22,311</u>	<u>\$ 946,540</u>	<u>\$ 1,073</u>	<u>\$ 164,404</u>	<u>\$ 10,699,282</u>

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The expected future principal and interest payments on lease receivables is as follows (in thousands):

Year ending:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 505	\$ 39	\$ 198	\$ 13
2027	—	—	789	11
2028	—	—	22	10
2029	—	—	14	10
2030	—	—	15	9
Total	<u>\$ 505</u>	<u>\$ 39</u>	<u>\$ 1,038</u>	<u>\$ 53</u>

F. REVERSE REPURCHASE AGREEMENTS

State statutes permit the State to enter into reverse repurchase agreements, that is, the sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in fair value of the securities. All sales of investments under these agreements are for fixed terms. In investing the proceeds of these agreements, State policy is for the term to maturity of the investment to be the same as the term of the agreement. Such matching existed at year end. These agreements are secured by Fed book-entry securities held in the State's name. At June 30, 2025, the State had no repurchase agreements.

G. INTERFUND ACCOUNTS AND TRANSFERS

DUE FROM OTHER FUNDS/DUE TO OTHER FUNDS

Interfund balances at June 30, 2025 of the following (expressed in thousands):

Due To General Fund From:	
Federal Fund	\$ 46,903
State Fund	126,986
Bank of North Dakota	4,182
Nonmajor Enterprise Funds	27,149
All Others	2,403
Total Due To General Fund	<u>\$ 207,623</u>

Included in the Nonmajor Enterprise Funds amount is a loan to the Rebuilder's Loan Program for \$9,465,000. The current portion of this is \$1,547,000 while the remaining is not expected to be paid within one year.

Due To Federal Fund From:	
General Fund	\$ 24,356
State Fund	42,937
All Others	263
Total Due To Federal Fund	<u>\$ 67,556</u>

Due To Enterprise Fund From:	
General Fund	\$ 618
Federal Fund	74
State Fund	141
All Others	311
Total Due To Enterprise Fund	<u>\$ 1,144</u>

Due To Internal Service Funds From:	
General Fund	\$ 6,042
State Fund	4,860
University System	1,408
Federal Fund	505
All Others	2,258
	<u>\$ 15,073</u>

Due To State Fund From:	
General Fund	\$ 13,748
Federal Fund	21,886
Internal Service Funds	448
Nonmajor Enterprise Funds	1,341
All Others	1,815
Total Due To State Fund	<u>\$ 39,238</u>

Due To Bank of North Dakota From:	
State Fund	\$ 17,258
Nonmajor Enterprise Funds	129,723
University System	1,522
General Fund	38
All Others	2,353
Total Due To Bank of North Dakota	<u>\$ 150,894</u>

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Included in the Nonmajor Enterprise Funds is a Note payable for Mill and Elevator in the amount of \$91,164,048 with the current portion for \$ 40,165,595 while the remaining is not expected to be repaid within one year. Also included is a loan for the Clean Sustainable Energy Fund for \$29,203,000, which is not expected to be paid back within one year.

Due To University System From:	
General Fund	\$ 15,901
Federal Fund	6,937
State Fund	1,007
Bank of North Dakota	1,036
All Others	83
Total Due To University System	<u>\$ 24,964</u>
Due To All Other Funds From:	
All Other	<u>\$ 1,710</u>

Included in this category are all other enterprise funds and fiduciary funds.

These balances are a result of a time lag between the dates that (1) services are provided and goods received or reimbursable expenditures occur, (2) the payments are made, (3) the transactions are entered into the accounting system, and (4) because of transactions occurring between funds with a fiscal year other than June 30, 2025.

A reconciliation of Due From's and Due To's is presented below (expressed in thousands):

Due From's	\$ 508,202
General Fund/Bank of ND	(4,182)
Bank of ND/ Mill and Elevator	(18,131)
Bank of ND/Rebuilder's Loan	26
Bank of ND/University System	640
Bank of ND/Guaranteed Student Loan	(17)
Governmental Agencies/Bank of ND	(3,885)
Bank of ND/Enterprise Funds	16,222
Total Differences	<u>(9,327)</u>
Due To's	<u>\$ 498,875</u>

The previous table represents timing differences between agencies as a result of different fiscal year ends. Those agencies with a different fiscal year end include: Bank of North Dakota and the following Nonmajor Enterprise Funds: Guaranteed Student Loan and Community Water Facility Loan, which have a December year end and State Fair, which has a September year end.

INTERFUND TRANSFERS

A summary of interfund transfers for the fiscal year ended June 30, 2025, follows (expressed in thousands):

	General	Special Revenue Federal	Special Revenue State	Bank Of North Dakota	University System	Housing Finance	Non- major Governmental	Non- major Enterprise	Internal Service Fund	Total
<u>Transfers Out</u>										
General	\$ —	\$ 55	\$ 5,271	\$ —	\$ 512,031	\$ 1,349	\$ —	\$ 44,160	\$ 88	\$ 562,954
Special Revenue- Federal	15,148	—	31,196	—	—	—	—	—	—	46,344
Special Revenue- State	90,521	1,179	—	360	202,011	—	212	10,000	30	304,313
Non-major Governmental	1,453	—	35,934	—	4,735	—	—	—	—	42,122
Bank of North Dakota	—	—	26,637	—	1,700	—	—	21,670	—	50,007
Housing Finance	—	—	100	—	—	—	—	—	—	100
University System	—	—	27	—	—	—	5,083	—	—	5,110
Non-Major Enterprise	17,680	—	6,021	—	—	—	—	—	—	23,701
Total	<u>\$ 124,802</u>	<u>\$ 1,234</u>	<u>\$ 105,186</u>	<u>\$ 360</u>	<u>\$ 720,477</u>	<u>\$ 1,349</u>	<u>\$ 5,295</u>	<u>\$ 75,830</u>	<u>\$ 118</u>	<u>\$1,034,651</u>

(Transfers In do not agree to the statements due to the timing differences noted below.)

STATE OF NORTH DAKOTA

Transfers are used for the following purposes:

- Move general fund appropriation amounts to certain agencies.
- Move revenues from the fund that statute requires to collect them to the fund authorized to spend them.
- Move certain excess revenues collected in other funds to the general fund.
- Move receipts restricted for debt service from the funds collected to the debt service funds as payments become due, and move capital project funds paying the construction costs.

For the year ended June 30, 2025, legislatively-mandated transfers were made to the general fund of, \$140,000,000 from BND Profits, \$25,000,000 from Strategic Investment and Improvement Fund, \$2,070,000 from Rebuilders Permanent Loan Fund, \$2,392,956 from the Environmental Quality Restoration Fund, \$5,000,000 from the State Lottery, \$12,679,845 from Mill and Elevator, \$3,881,156 from the Insurance Regulatory Trust Fund, \$46,233,077 from Charitable Gaming, \$1,911,513 from the Multistate Audit Fund, \$11,448,100 from the Securities Dept. Special Fund and \$32,022,977 from the Budget Stabilization Fund.

A reconciliation of Transfers In and Transfers Out is presented below (expressed in thousands):

		\$ (1,153,068)
Differences:		
General Fund / Bank of North Dakota	140,000	
Spec. Rev. Hwy Fund / Legacy Bond Program	(12,921)	
Spec. Rev. PACE / Bank of North Dakota	(500)	
Spec. Rev. Beg. Farmers Loan / Bank of North Dakota	10,500	
NDIT - SORN Fund / Bank of North Dakota	(20,000)	
University System / Legacy Bond Program	(1,713)	
R-Wish Program / Bank of North Dakota	3,078	
Federal fund	(26)	
Total Differences		118,418
Transfers Out		\$ (1,034,650)

The above timing differences of \$118.4 million result from transactions between agencies that have different fiscal year ends. The Bank of North Dakota (BND) has a different fiscal year end, they have a December year end. This difference is also the total net transfers on the Government-wide Statement of Activities.

STATE OF NORTH DAKOTA

H. CAPITAL ASSETS

The following is a summary of capital assets during the fiscal year (expressed in thousands):

Primary Government

Description	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 175,064	\$ 2,656	\$ (328)	\$ 177,392
Construction in Progress	726,706	417,910	(473,427)	671,189
Total Capital Assets Not Being Depreciated	901,770	420,566	(473,755)	848,581
Capital Assets Being Depreciated:				
Buildings and Improvements	844,972	39,700	(3,172)	881,500
Equipment	428,762	40,129	(16,923)	451,968
Intangibles				
Software	482,403	10,833	(577)	492,659
Other	22,639	4,487	—	27,126
Infrastructure	8,260,562	553,818	(23,914)	8,790,466
Lease Assets	63,756	19,992	(6,653)	77,095
Subscription-Based IT Arrangements	94,312	34,410	(25,616)	103,106
Total Capital Assets Being Depreciated	10,197,406	703,369	(76,855)	10,823,920
Less Accumulated Depreciation for:				
Buildings and Improvements	(419,900)	(22,318)	2,418	(439,800)
Equipment	(221,438)	(29,484)	12,412	(238,510)
Intangibles				
Software	(282,840)	(43,120)	573	(325,387)
Other	(10,706)	(607)	—	(11,313)
Infrastructure	(3,754,160)	(184,277)	23,900	(3,914,537)
Lease Assets	(25,964)	(9,258)	7,493	(27,729)
Subscription-Based IT Arrangements	(31,476)	(34,040)	29,726	(35,790)
Total Accumulated Depreciation	(4,746,484)	(323,104)	76,522	(4,993,066)
Total Capital Assets Being Depreciated, Net	5,450,922	380,265	(333)	5,830,854
Governmental Activities Capital Assets, Net	\$ 6,352,692	\$ 800,831	\$ (474,088)	\$ 6,679,435

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Description	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Business-Type Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 28,704	\$ —	\$ —	\$ 28,704
Construction in Progress	272,243	221,091	(133,909)	359,425
Total Capital Assets Not Being Depreciated	300,947	221,091	(133,909)	388,129
Capital Assets Being Depreciated:				
Buildings and Improvements	2,396,850	195,337	(5,724)	2,586,463
Equipment	663,045	40,322	(23,657)	679,710
Intangibles				
Software	24,381	26	(16)	24,391
Other	45,381	3,205	(24)	48,562
Infrastructure	329,381	5,109	(16)	334,474
Lease Assets	109,871	29,475	(6,355)	132,991
Subscription Based IT Arrangements	37,572	11,617	(7,940)	41,249
Total Capital Assets Being Depreciated	3,606,481	285,091	(43,732)	3,847,840
Less Accumulated Depreciation for:				
Buildings and Improvements	(875,018)	(58,627)	5,421	(928,224)
Equipment	(450,707)	(32,992)	21,899	(461,800)
Intangibles				
Software	(23,363)	(114)	40	(23,437)
Other	(32,529)	(4,283)	—	(36,812)
Infrastructure	(159,800)	(9,446)	4	(169,242)
Lease Assets	(32,908)	(16,322)	5,658	(43,572)
Subscription Based IT Arrangements	(18,635)	(11,123)	7,536	(22,222)
Total Accumulated Depreciation	(1,592,960)	(132,907)	40,558	(1,685,309)
Total Capital Assets Being Depreciated, Net	2,013,521	152,184	(3,174)	2,162,531
Business-Type Activities Capital Assets, Net	\$ 2,314,468	\$ 373,275	\$ (137,083)	\$ 2,550,660

Major Component Units

Description	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Capital Assets Not Being Depreciated				
Land	\$ 14,034	\$ 65	\$ —	\$ 14,099
Construction in Progress	20,014	19,000	(440)	38,574
Total Capital Assets Not Being Depreciated	34,048	19,065	(440)	52,673
Capital Assets Being Depreciated:				
Buildings and Improvements	220,555	1,240	(6,501)	215,294
Equipment	59,530	7,553	(603)	66,480
Intangibles	203	—	—	203
Infrastructure	1,781	—	—	1,781
Total Capital Assets Being Depreciated	282,069	8,793	(7,104)	283,758
Less Accumulated Depreciation for:				
Buildings and Improvements	(104,128)	(6,804)	21	(110,911)
Equipment	(30,588)	(3,755)	463	(33,880)
Intangibles	(139)	\$ (41)	—	(180)
Infrastructure	(893)	(34)	—	(927)
Total Accumulated Depreciation	(135,748)	(10,634)	484	(145,898)
Total Capital Assets Being Depreciated, Net	146,321	(1,841)	(6,620)	137,860
Major Component Unit Capital Assets, Net	\$ 180,369	\$ 17,224	\$ (7,060)	\$ 190,533

STATE OF NORTH DAKOTA

Lease asset by major class are as follows (expressed in thousands):

Governmental Activities:

Asset Class	Cost	Accumulated Amortization
Land	\$ 87	\$ —
Buildings	72,154	(24,902)
Infrastructure	—	—
Equipment	4,854	(2,827)
	<u>\$ 77,095</u>	<u>\$ (27,729)</u>

Business-Type Activities:

Asset Class	Cost	Accumulated Amortization
Land	\$ 21,662	\$ (3,093)
Buildings	7,109	(2,102)
Infrastructure	44,566	(14,136)
Equipment	59,654	(24,241)
	<u>\$ 132,991</u>	<u>\$ (43,572)</u>

Depreciation and amortization expense was charged to functions/programs of the primary government as follows (expressed in thousands):

Governmental Activities:

General Government	\$ 41,838
Education	3,471
Health and Human Services	42,460
Regulatory	4,103
Public Safety and Corrections	19,298
Agriculture and Commerce	423
Natural Resources	22,464
Transportation	189,047
Total Governmental Activities Depreciation Expense	<u>\$ 323,104</u>

The State incurred variable payments of \$9.7 million on subscription based information technology arrangements for the year ended June 30, 2025. The variable terms include the number of users.

Construction In Progress is composed of the following (expressed in thousands):

Project Description:

Governmental Activities	Amount Authorized	Amount Expended Through June 30, 2025	Balance Authorized
Secretary of State	\$ 6,545	\$ 3,372	\$ 3,173
Office of Management and Budget	25,600	6,826	18,774
Information Technology	100,000	23,750	76,250
Attorney General	1,903	370	1,533
Legislative Assembly	4,817	4,697	120
Public Instruction	3,036	285	2,751
Environmental Quality	2,631	2,480	151
Veteran's Home	750	734	16
Department of Human Services	210,099	53,646	156,453
Industrial Commission	1,250	644	606
Aeronautics Commission	3,750	20	3,730
Corrections and Rehabilitation	134,220	16,345	117,875
Adjutant General	56,841	48,290	8,551
Commerce Department	127	49	78
State Historical Society	77,868	5,375	72,493
Game and Fish	5,175	4,824	351
Parks & Recreation	36,509	7,069	29,440
Water Commission	1,800	410	1,390
Department of Transportation	612,119	490,823	121,296
Total Governmental Activities	<u>\$ 1,285,040</u>	<u>\$ 670,009</u>	<u>\$ 615,031</u>

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<u>Business-Type Activities</u>	Amount Authorized	Amount Expended Through June 30, 2025	Balance Authorized
Mill and Elevator	\$ 74,215	\$ 57,505	\$ 16,710
University System	786,098	298,791	487,307
Total Business-Type Activities	<u>\$ 860,313</u>	<u>\$ 356,296</u>	<u>\$ 504,017</u>

I. DEFERRED OUTFLOWS OF RESOURCES

FINANCIAL DERIVATIVE INSTRUMENT

The State enters into interest rate swap agreements to modify interest rates on certain liabilities. The fair values of both hedging derivatives and investment derivatives (if any) are presented on the Statement of Net Position, either as a derivative liability (negative fair value) or as a derivative asset (positive fair value). The change in the total fair value of derivatives that are determined to be effective hedges is recorded as a deferred inflow or outflow of resources on the Statement of Net Position. If a derivative were determined to be an ineffective hedge, it would be classified as an investment derivative, and the change in the total fair value would be presented as part of investment earnings.

DEFERRED LOSS ON BOND REFUNDING

A deferred charge on refunded debts results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

J. LONG-TERM DEBT

Debt authorized is generally limited by the state constitution. The Constitution of North Dakota provides that the State may issue or guarantee the payment of bonds, provided that all bonds in excess of \$2 million are: (1) secured by first mortgage upon property and no further indebtedness may be incurred by the State unless evidenced by a bond issue; (2) authorized by law; (3) for a certain purpose; (4) provisioned to pay the interest semiannually; and (5) the principal is paid within 30 years. Additionally, the law authorizing the bond issue must specifically appropriate the provisions to the payment of the principal and interest of the bond.

1. REVENUE BONDS

Bonds payable at June 30, 2025, consisted of bonds issued by the State and are accounted for by the respective state agencies in the government-wide financial statements that issued the bonds.

Current state statutes empower certain state agencies to issue bonds as part of their activities. This debt is not backed by the full faith and credit of the State of North Dakota. The principal and interest on such bonds shall be payable only from the applicable agency's program income.

Primary Government

Building Authority

The 2010 Series A and the 2020 Series A have interest payable semiannually on June 1 and December 1 of each year. The 2010 Series A bonds are subject to optional redemption in whole or in part. The 2020 Series A are not subject to optional and/or extraordinary optional redemption prior to maturity upon the occurrence of certain events. All bonds are independently secured by the funds, certain mortgaged property, and all rights, titles, and interests of the Building Authority as lessor, including all basic rent payments, investment earnings on the funds and any other income derived by the Building Authority with respect to the lease. Total net revenue pledges for fiscal year 2025 were \$5.3 million. For fiscal year 2025, principal and interest paid by the Authority on the bonds was \$5.3 million. The total principal and interest remaining to be paid as of June 30, 2025, is \$84.4 million payable through December 2040.

The 2010 bond agreements require the establishment and maintenance of reserve funds to be used for debt service payments if amounts in the bond funds are insufficient to make payments. Fund are also required for any positive arbitration due to the Federal government.

STATE OF NORTH DAKOTA

Legacy Bond Program

The appropriation bonds have been issued to provided financing to legislative approved state projects and programs. The bonds are limited obligations of the Public Finance Authority and payable solely from funds appropriated by the Legislative Assembly, other legally available funds, if any, and other fund or amounts held by the Trustee as security for the bonds. The total principal and interest remaining to be paid as of June 30, 2025 is \$883.3 million through June 2041.

Student Loan Trust

Interest is payable semiannually on June 1 and December 1 of each year. The 2004 Series A Bonds are variable rate bonds. The rate of interest is determined based on one-month SOFR plus 0.7%. The maximum rate of interest is 12% per annum. Details of the terms and provisions of the variable rate bonds are outlined in Section 2.1 of the Fourth Supplemental Resolution to the State of North Dakota Student Loan Revenue Bonds First General Bond Resolution. Section 2.2 of the Fourth Supplemental Resolution to the State of North Dakota Student Loan Revenue Bonds First General Bond Resolution has deemed these to be Federally Taxable Bonds. The Series 2004 Bonds are subject to redemption prior to maturity at the option of the Commission from any source of funds, in whole or in part, on any date at a redemption price equal to 100% of the principal amount plus accrued interest to date of redemption.

The total principal and interest remaining to be paid on the outstanding bond is \$1 million payable through June 2029. For fiscal year 2025, revenue pledged and total principal and interest paid by Student Loan Trust were \$38,000 and \$55,000, respectively.

Housing Finance

Housing Finance Bonds were issued to provide financing to purchase mortgage loans to finance rental housing projects. The bonds are the direct obligation of the Housing Finance Agency and are secured by the mortgage loans purchased under the applicable resolutions; the revenues, prepayments, insurance and foreclosure proceeds received related to the mortgage loans; and certain funds and accounts established pursuant to the applicable bond resolution.

Revenues Pledged – The agency has homeownership bonds outstanding in the amount of \$2.46 billion maturing at various times from July 1, 2025 through July 1, 2056. The bonds have been issued to provide financing to purchase mortgage loans. Annual principal and interest payments on the bonds are expected to require 98 percent of net revenues. Principal and interest paid for the current year and total customer net revenues were \$135.7 million and \$63.8 million, respectively. Bond principal was reduced through customer revenues and the refunding of older bonds with proceeds from new bond issues.

Pursuant to the Series Resolutions adopted to date and under the 1994 and 2009 General Resolutions, the revenues generated by the Program Loans (but not the Program Loans themselves) are pledged to secure the Bonds. The Agency is permitted by terms of the General Resolutions to issue Bonds and pledge Revenues pursuant to the Series Resolution which exceed the amount required to meet the obligations of that Series of Bonds. In such event, it is likely that any such Series of bonds would produce excess Revenues which could be available to redeem the related Series of bonds or any other Series of Bonds prior to the state maturities thereof.

University System

Revenue bonds are limited obligations of the University System. The principal and interest on the bonds are payable generally from the net income of specific auxiliary activities, designated student fees, interest subsidies and debt service reserve funds. These revenues are generally pledged to the payment of bonds in accordance with the specific terms of the specific indenture. Net pledged revenues for fiscal year 2025 were \$20.8 million. Principal and interest paid for the current fiscal year were \$20.7 million, with total remaining principal and interest of \$376.2 million payable through fiscal year 2054.

State Fair Association

Capital Financing Program Bonds Series 2015 – Interest is payable semi-annually on June 1 and December 1 of each year. The bonds maturing on June 1, 2026 and thereafter are subject to optional redemption on June 1, 2025 and any date thereafter. The bonds are secured by the Association's net revenues and by the lodging tax proceeds from the City of Minot, North Dakota.

Major Component Units

Public Finance Authority

The bonds of the Public Finance Authority were issued to provide financing to purchase municipal securities in order to provide local political subdivisions with funds to finance local projects. The bonds are direct obligations of the Public Finance Authority and are secured by municipal securities purchased under the applicable resolutions, interest earnings and certain accounts established pursuant to the applicable bond resolutions. Net pledged revenues for fiscal year 2025 were \$9.2 million. Principal

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and interest paid for the current fiscal year were \$125.5 million, with total remaining principal and interest of \$696.9 million payable through June 2045.

Transmission Authority

The bonds of the Transmission Authority were issued to provide the purchase of a transmission line. The bonds are direct obligations of the Transmission Authority and are secured by Nexus Line, LLC. Net pledged revenues for fiscal year 2025 were \$4.9 million. Principal and interest paid for the current fiscal year was \$10.6 million, with total remaining principal and interest of \$180.6 million payable through June 2042.

Revenue Bonds outstanding (expressed in thousands):

Primary Government

	Maturities	Interest Rates	Balance 6/30/25
Governmental-Type Activities:			
Building Authority	2026-2041	3.50-6.25	\$ 70,926
Legacy Bond Fund	2026-2041	0.87 - 4.8	651,521
Business-Type Activities:			
Student Loan Trust	6/1/2029	5.02	1,000 ¹⁾
Housing Finance:			
Homeownership	2026-2056	0.20-6.263	2,463,794 ¹⁾
University System:			²⁾
BSC—Bismarck	2026-2054	2.00-5.25	36,757
Dakota College at Bottineau	2026	2.00-5.00	2,365
MaSU—Mayville	2026-2030	1.25-3.25	1,197
MiSU—Minot	2026-2041	0.40-3.00	6,640
NDSCS—Wahpeton	2026-2037	3.00	5,409
NDSU—Fargo	2026-2047	1.10-5.00	93,868
UND—Grand Forks	2026-2054	0.75-5.045	176,205
VCSU—Valley City	2026-2046	3.00-4.00	4,155
Williston State College	2026-2041	3.10	4,496
State Fair Association	2025-2029	3.00-4.00	843
Total Revenue Bonds Payable—			
Primary Government			<u>\$ 3,519,176</u>

1) Entire amount of bonds payable are not associated with capital assets of the State.

2) At June 30, 2025, NDSU pledged \$7.8 million of assets as collateral for bonds payable issued for the Research I and Research II buildings, \$2.1 million for Renaissance Hall and \$1.2 million for agricultural equipment leases. UND pledged \$6.5 million for the Tech Accelerator Building, \$859,000 for an airport hangar and \$4.7 million for aircraft simulator and information technology and research equipment leases.

The MiSU and VCSU bonds as well as the BSC bonds contain a provision that in the event of default, outstanding amounts become immediately due if the institutions are unable to make payment.

DCB and NDSCS contain a provision that the bond owners or a court appointed trustee may pursue any available legal remedy.

The BSC and the MISU bond issues are subject to redemption in the event of any loss, damage or destruction.

The MaSU, NDSU, UND and WSC bonds contain a provision that the bond owners or a court appointed trustee may pursue any available legal remedy.

The NDSU bonds payable to component units are payable through the monies received from the operating lease between the component unit and NDSU. In the event of NDSU's failure to pay the rent under the lease, the component unit may declare all rent due and payable for the remaining term of the lease, subject to available appropriations. The component unit may take possession of the facilities.

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Major Component Units

	Maturities	Interest Rates	Balance 6/30/25
Public Finance Authority	2026-2045	0.24-5.00	\$ 548,653
Transmission Authority	2026-2042	3.55	133,900
University System Foundation	2026-2054	0.75-5.30	80,574
Total Revenue Bonds Payable— Major Component Units			<u>\$ 763,127</u>

Debt service requirements to maturity on revenue bond issues for the fiscal years ending June 30 are summarized below (expressed in thousands):

Primary Government

Governmental Activities			Business-Type Activities		
	Principal	Interest		Principal	Interest
2026	\$ 32,185	\$ 24,780	2026	\$ 88,475	\$ 105,075
2027	33,039	23,968	2027	91,248	108,523
2028	33,980	23,068	2028	84,534	105,992
2029	34,985	22,084	2029	81,749	103,563
2030	36,075	21,023	2030	79,767	101,037
2031 - 2035	198,475	86,701	2031 - 2035	420,549	465,565
2036 - 2040	237,440	50,108	2036 - 2040	471,131	387,914
2041 - 2045	103,641	6,081	2041 - 2045	490,051	294,797
2046 - 2050	—	—	2046 - 2050	547,818	183,536
2051 - 2055	—	—	2051 - 2055	402,210	61,093
2056 - 2060	—	—	2056 - 2060	10,380	712
Bond Premium	12,627	(12,627)	Bond Premium	28,817	(28,817)
Total	<u>\$ 722,447</u>	<u>\$ 245,186</u>		<u>\$ 2,796,729</u>	<u>\$ 1,888,990</u>

Major Component Units

	Principal	Interest
2026	\$ 38,485	\$ 30,867
2027	38,485	29,319
2028	40,113	27,654
2029	50,098	26,467
2030	54,403	26,534
2031 - 2035	215,612	88,017
2036 - 2040	158,423	44,618
2041 - 2045	91,585	15,225
2046 - 2050	9,225	2,710
2051 - 2055	5,740	719
Bond Premium	60,958	(60,958)
Total	<u>\$ 763,127</u>	<u>\$ 231,172</u>

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2. NOTES PAYABLE

The following is a schedule of notes payable outstanding at June 30, 2025 (expressed in thousands):

Primary Government

	Maturities	Interest Rates	Balance 6/30/25
<u>Governmental Activities:</u>			
Office of Management and Budget	2026-2034	2.43	\$ 7,699
Department of Human Services	2026-2035	2.05-3.65	2,366
School for the Blind	2026-2037	2.60	106
Environmental Quality	2026-2035	3.65	370
Attorney General's Office	2026-2036	2.05 - 7.26	336
Veteran's Home	2026-2036	2.05	566
Corrections	2026-2036	2.05	848
Historical Foundation	2026-2033	2.05	64
Information Technology Department	2026-2026	0.00-3.20	453
<u>Proprietary Activities:</u>			
Bank of North Dakota	2025	4.62	480,000 ¹⁾
University System	2026-2037	1.00-5.25	16,148
Total Revenue Bonds Payable— Primary Government			<u>\$ 508,956</u>

Major Component Units

	Maturities	Interest Rates	Balance 6/30/25
University System Foundation	2026-2044	0.95-4.35	\$ 41,991
Total Revenue Bonds Payable— Major Component Units			<u>\$ 41,991</u>

- ¹⁾ These notes payable represent FHLB long-term advances. The advances must be secured by minimum qualifying collateral maintenance levels. Residential, agriculture and commercial loans with carrying values of \$1,021.6 million are currently being used as security to meet these minimum levels.

Short Term Borrowings:

The Bank of North Dakota had FHLB short-term advances outstanding as of December 31, 2024 that all matured in January 2025.

The ND Housing Finance Agency maintains a collateral pledge agreement with the FHLB covering secured advances whereby the Agency has agreed to retain residential real estate loans and marketable securities, free of all other pledges, liens and encumbrances. The pledged loans and securities are discounted by FHLB when determining their borrowing capacity. The aggregate borrowing capacity of eligible collateral was approximately \$14 million as of June 30, 2025. In addition, borrowings are collateralized by \$22.2 million of loans receivable and \$12,000 of cash and investments.

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Debt service requirements to maturity for notes payable for the fiscal years ending June 30 are summarized below (expressed in thousands):

Primary Government

Governmental Activities			Business-Type Activities		
	Principal	Interest		Principal	Interest
2026	\$ 1,657	\$ 315	2026	\$ 483,180	\$ 609
2027	1,213	281	2027	3,380	411
2028	1,255	247	2028	2,217	322
2029	1,297	216	2029	1,684	266
2030	1,342	180	2030	1,671	214
2031 - 2035	5,640	382	2031 - 2035	3,783	516
2036 - 2040	404	7	2036 - 2040	233	34
2041 - 2045	—	—	2041 - 2045	—	—
2046 - 2050	—	—	2046 - 2050	—	—
2051 - 2055	—	—	2051 - 2055	—	—
2056 - 2060	—	—	2056 - 2060	—	—
2061 - 2065	—	—	2061 - 2065	—	—
Total	<u>\$ 12,808</u>	<u>\$ 1,628</u>		<u>\$ 496,148</u>	<u>\$ 2,372</u>

Major Component Units

	Principal	Interest
2026	\$ 14,495	\$ 290
2027	4,302	619
2028	4,856	325
2029	5,119	261
2030	3,597	207
2031 - 2035	3,444	164
2036 - 2040	5,103	366
2041 - 2045	559	170
2046 - 2050	516	53
2051 - 2055	—	—
Total	<u>\$ 41,991</u>	<u>\$ 2,455</u>

3. CERTIFICATES OF PARTICIPATION

Primary Government

University System

On September 1, 2018, the University of North Dakota (UND) entered into a lease-purchase agreement with Johnson Controls PI Project Site Operations, LLC (Johnson Controls) to construct and operate a new steam plant and make other energy conservation improvements. To fund the project, UND issued Series 2018A and 2018B Certificates of Participation through Trust Agreement with the Bank of North Dakota, as the Trustee. The certificates are subject to annual appropriations by the North Dakota Legislature as part of the general operating appropriations.

The Series 2018A certificates were issued at a par value of \$76.6 million, with a net premium of \$3.8 million. In fiscal year 2019, UND began making semi-annual interest-only payments through fiscal year 2040. The first principal payment will be due in fiscal year 2041. The certificates mature in fiscal year 2057.

The Series 2018B certificates were issued at a par value of \$16.5 million, with no premium or original issue discount. In fiscal year 2019, UND began making semi-annual interest-only payments through fiscal year 2023. The first principal payment will be due in 2024. The certificates mature in fiscal year 2041.

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On July 26, 2021, UND issued tax-exempt Certificates of Participation, Series 2021A, in the amount of \$133,010,000 to fund the costs of a major renovation to student housing facilities; demolition of nine student housing facilities based upon student demand; and the construction of a new 400 and 477-bed student housing facility.

JCP University Housing Services, LLC (JCP USH) and UND entered a lease-purchase agreement in which the institution will initially lease the project from JCP USH. The title to the real estate on which the project is constructed will remain with the institution. The initial term of the lease commences on June 30, 2023, with extensions through June 30, 2061.

The Series 2021A certificates were issued at a par value of \$133.0 million, with a net premium of \$9.0 million. The certificates have interest rates ranging from 2.5 to 5.0 percent and are subject to annual appropriations by the North Dakota Legislature as part of the general operating appropriations.

The first principal and interest payments are due in the fiscal year 2024. The certificates mature in the fiscal year 2061.

The Series 2021B certificates were issued at a par value of \$18.3 million. The certificates have interest rates ranging from 0.42 to 2.34 percent and are subject to annual appropriations by the North Dakota Legislature as part of the general operating appropriations. The first principal payment was due April 1, 2022 and certificates mature in the fiscal year 2034.

On August 22, 2019, WSC entered into a lease-purchase agreement with Johnson Controls, Inc., to fund the costs of certain energy conservation improvements including, but not limited to, renovations to existing heating, ventilation, and air conditioning systems and controls, deferred maintenance improvements. To fund the project, WSC issued Series 2019 Certificates of Participation through the Bank of North Dakota. The certificates have interest rates ranging from 3.0 to 5.0 percent and are subject to annual appropriations by the North Dakota Legislature as part of the general operating appropriations.

The Series 2019 certificates were issued at a par value of \$7.4 million, with a net discount of \$78,000. In fiscal year 2020, WSC made an interest only payment with semi-annual principal and interest payment beginning fiscal year 2021 through fiscal year 2048.

The following is a schedule of certificates of participation outstanding at June 30, 2025 (expressed in thousands):

Primary Government

	Maturities	Interest Rates	Balance 6/30/25
<u>Proprietary Activities:</u>			
University System	2026-2063	0.42 – 5.00	\$ 247,192

Debt service requirements to maturity on the certificates of participation for the fiscal years ending June 30 are summarized below (expressed in thousands):

Primary Government

Business-Type Activities					
	Principal	Interest		Principal	Interest
2026	\$ 2,112	\$ 8,761	2036 - 2040	\$ 20,398	\$ 39,245
2027	2,244	8,728	2041 - 2045	25,843	34,719
2028	2,330	8,687	2046 - 2050	40,133	28,261
2029	2,376	8,641	2051 - 2055	62,142	18,826
2030	2,397	8,592	2056 - 2060	61,838	7,009
2031 - 2035	14,261	41,912	2061 - 2065	11,118	332
			Total	\$ 247,192	\$ 213,713

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4. LEASES PAYABLE

Primary Government

Governmental Activities			Business-Type Activities		
	Principal	Interest		Principal	Interest
2026	\$ 7,674	\$ 2,128	2026	\$ 12,696	\$ 3,935
2027	7,488	1,966	2027	11,416	3,407
2028	4,586	1,596	2028	10,177	2,895
2029	4,909	1,471	2029	8,493	2,453
2030	4,394	1,205	2030	6,866	2,095
2031 - 2035	22,235	4,801	2031 - 2035	22,288	6,926
2036 - 2040	323	22	2036 - 2040	6,460	4,254
2041 - 2045	—	—	2041 - 2045	6,676	3,028
2046 - 2050	—	—	2046 - 2050	6,446	1,685
2051 - 2055	—	—	2051 - 2055	3,961	382
2053 - 2057	—	—	2056 - 2060	522	34
Total	<u>\$ 51,609</u>	<u>\$ 13,189</u>		<u>\$ 96,001</u>	<u>\$ 31,094</u>

Major Component Units

	Principal	Interest
2026	\$ 1,027	\$ 409
2027	1,075	420
2028	1,093	362
2029	1,154	302
2030	2,503	409
2031 - 2035	2,336	206
2036 - 2040	30	92
2041 - 2045	36	86
2046 - 2050	44	78
2051 - 2055	52	70
2056 - 2060	63	59
2061 - 2065	76	46
2066 - 2070	54	31
Total	<u>\$ 9,543</u>	<u>\$ 2,570</u>

5. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) PAYABLE

Primary Government

Governmental Activities			Business-Type Activities		
	Principal	Interest		Principal	Interest
2026	\$ 18,795	\$ 2,301	2026	\$ 5,913	671
2027	17,183	1,555	2027	4,854	427
2028	9,196	931	2028	2,870	233
2029	8,374	540	2029	1,893	117
2030	1,526	184	2030	839	40
2031 - 2035	2,744	206	2031 - 2035	136	11
2036 - 2040	—	17	2036 - 2040	—	—
2041 - 2045	—	1	2040 - 2044	—	—
Total	<u>\$ 57,818</u>	<u>\$ 5,735</u>		<u>\$ 16,505</u>	<u>\$ 1,499</u>

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Changes in General Long-Term Liabilities

Changes in Long-Term Liabilities for the year ended June 30, 2025, are summarized as follows (expressed in thousands):

Primary Government

	Beginning Balance	Additions	Reductions*	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Notes Payable	\$ 14,257	\$ 80	\$ (1,530)	\$ 12,807	\$ 1,657
Bonds Payable	754,697	—	(32,250)	722,447	32,185
Leases Payable	40,388	19,992	(8,770)	51,610	7,675
SBITA Payable	54,791	34,517	(31,490)	57,818	18,795
Compensated Absences	93,964	11,214	—	105,178	29,108
Claims/Judgments Payable	8,485	3,458	(4,256)	7,687	1,600
Total Long-Term Liabilities	<u>\$ 966,582</u>	<u>\$ 69,261</u>	<u>\$ (78,296)</u>	<u>\$ 957,547</u>	<u>\$ 91,020</u>

Business-Type Activities:

Notes Payable	\$ 44,013	\$ 7,166,931	\$ (6,714,796)	\$ 496,148	\$ 483,180
Bonds Payable	2,221,135	732,999	(157,404)	2,796,730	88,475
Certificates of Participation	249,180	—	(1,987)	247,193	2,112
Leases Payable	80,878	29,726	(14,602)	96,002	12,696
SBITA Payable	8,190	9,362	(1,046)	16,506	5,913
Intergovernmental Payable	17,245	1,178	(770)	17,653	684
Compensated Absences	78,481	5,282	—	83,763	9,050
Dividends Payable	82,678	80,745	(82,678)	80,745	80,745
Claims/Judgments Payable	920,474	62,206	(59,223)	923,457	113,804
Total Long-Term Liabilities	<u>\$ 3,702,274</u>	<u>\$ 8,088,429</u>	<u>\$ (7,032,506)</u>	<u>\$ 4,758,197</u>	<u>\$ 796,659</u>

Major Component Units

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Notes Payable	\$ 48,389	\$ 1,866	\$ (8,264)	\$ 41,991	\$ 14,495
Bonds Payable	633,658	259,822	(130,352)	763,128	38,485
Leases Payable	2,013	7,695	(165)	9,543	1,027
Intergovernmental Payable	516	242	(37)	721	44
Compensated Absences	—	—	—	—	—
Total Long-Term Liabilities	<u>\$ 684,576</u>	<u>\$ 269,625</u>	<u>\$ (138,818)</u>	<u>\$ 815,383</u>	<u>\$ 54,051</u>

* Bonds payable reductions include amortization of premium of \$13.7 million.

*The change in compensated absences is shown as a net change.

**Included above are amounts classified as Due to Component Units in the Statement of Net Position for the University System as follows, expressed in the thousands.

	Business-Type Activities		Major Component Units	
	Total	Current	Total	Current
Notes Payable	\$ 2,980	\$ 435	\$ 41,991	\$ 14,495
Bonds Payable	38,590	2,000	80,575	5,440
Leases Payable	14,503	1,687	9,543	1,027
Intergovernmental Payable	—	—	720	44
Total	<u>\$ 56,073</u>	<u>\$ 4,122</u>	<u>\$ 132,829</u>	<u>\$ 21,006</u>

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Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, internal service funds included in the above amounts consist of the following (expressed in thousands):

	Internal Service Funds		
	Total Liability	Current	Current Year Payments
Notes Payable	\$ 453	\$ 453	\$ 454
Leases Payable	14,447	1,422	1,878
SBITA Payable	12,344	6,551	6,996
Compensated Absences	10,890	3,884	—
Claims/Judgment Payable	6,648	746	4,008
Total	<u>\$ 44,782</u>	<u>\$ 13,056</u>	<u>\$ 13,336</u>

Other governmental activities claims and judgments have all been liquidated by the Petroleum Release Compensation Fund.

K. ARBITRAGE REBATE PAYABLE

Arbitrage as it applies to government financing refers to the ability of state governments to obtain funds at a tax-exempt rate of interest and to then invest those funds in investments which earn a higher yield, resulting in a profit to the issuer.

The arbitrage rebate rules require that any earnings from the investment of the tax-exempt bond proceeds which exceed the yield on the bonds be remitted to the federal government.

The State had no arbitrage rebate payable to the federal government as of June 30, 2025.

L. DEFERRED INFLOWS OF RESOURCES

GRANTS RECEIVED PRIOR TO TIME REQUIREMENTS

This amount represents unavailable revenue. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

INCREASE IN FAIR VALUE OF HEDGING DERIVATIVES

This amount represents the changes in fair value of futures.

M. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value measurements are used to record fair value adjustments to certain assets, deferred outflows of resources, liabilities and deferred inflows of resources to determine fair value disclosures.

FAIR VALUE HIERARCHY

In accordance with GASB Statement No. 72, assets, deferred outflows of resources, liabilities and deferred inflows of resources are grouped at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Valuation is based upon quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Valuation is based upon quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

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Investments that are measured at fair value using the net asset value per share (or its equivalent) as practical expedient are not classified in the fair value hierarchy.

DETERMINATION OF FAIR VALUE

In accordance with GASB Statement No. 72, fair values are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the State's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy.

The following is a description of the methodologies used for instruments measured at fair value.

Securities classified in Level 1 are valued using quoted prices in active markets for those securities. Securities classified in Level 2 and Level 3 are valued using methodologies such as various bid evaluations, market averages and other matrix pricing techniques as well as values derived from associated traded securities or last trade data. In instances where inputs used to measure fair value fall into different levels, the fair value is categorized based on the lowest level input that is significant to the valuation.

Investments valued at the net asset value (NAV) per share (or its equivalent) have been classified separately in the table below and include investments considered to be *alternative investments* as defined by the AICPA. The definition includes investments for which a readily determinable fair value does not exist (that is, investments not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not available from sources such as financial publications, the exchanges, or NASDAQ). These types of investments can be held within any of the asset classes used by the State based on underlying portfolio holdings and analysis of risk and return relationships. These investments can be structured in different ways, including limited partnerships, limited liability companies, common trusts and mutual funds. Some are closed-ended with a specific life and capital commitment while others are open-ended with opportunity for ad hoc contributions or withdrawals and termination upon proper notice.

Commingled/Mutual Funds — These types of funds are generally open-ended funds and may be utilized in equities or fixed income asset classes. They are funds made up of underlying securities that have readily available fair values (publicly traded stocks or bonds). The State owns units of these funds rather than the individual securities. Contributions or withdrawals from these funds can be made as needed, generally with daily or monthly liquidity, with a notice period of one to fifteen days. Because they are liquid funds, there are no unfunded commitments for these types of investments.

Distressed Debt — These include investments in the debt instruments of companies which may be publicly traded or privately held that are financially distressed and are either in bankruptcy or likely candidates for bankruptcy. Typical holdings are senior and subordinated debt instruments, mortgages and bank loans. The State is including these types of investments in its global fixed income allocations. As of June 30, 2025, all unfunded commitments in the State distressed debt portfolios had been released. One of the funds in this category is not eligible for redemptions, while the other fund is eligible for redemptions with quarterly liquidity and 60 days notice.

Equity Long/Short — This strategy is a combination of long and short positions, primarily in publicly traded equities. The State utilizes this strategy, through a limited partnership structure, within its global equity allocations. This is an open-ended fund with monthly liquidity with a notice period of 15 days. There was no unfunded commitment as of June 30, 2025.

Mezzanine Debt — This strategy is a hybrid of debt and equity financing. It is essentially debt capital that gives the lender the rights to convert to an ownership or equity interest in the company if the loan is not paid back in time and in full. It is generally subordinated to senior debt. The State utilizes this strategy, through a limited partnership structure, in its global fixed income allocation. The two funds in this category are not eligible for redemptions, have remaining lives of 1-2 years, and no unfunded commitments as of June 30, 2025.

Private Credit — These investments include loans to private companies, privately placed debt of public companies, or loans backed by real assets. Loan repayment can be derived from either cash flows from an operating company or cash flows generated by a physical or esoteric asset. Private debt is typically secured and has various protections/covenants in place. The debt is customized to the borrower's requirement, thus rendering it illiquid. The State includes these strategies within its global fixed income allocation through limited partnership-type structures. Private credit issuers may be investment grade but are typically below-investment grade and similar in some respect to the syndicated bank loan and high yield markets. The State participates in two senior private credit funds, commonly referred to as direct lenders, which are structured as custom managed accounts that are not eligible for redemptions during remaining investment lives, and the unfunded commitments totaled \$105.7 million as of June 30, 2025.

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Private Equity — Private Equity investments are typically private interests in corporations across different areas of the capital structure and in different stages of the corporations' development via limited partnership vehicles. Private Equity investments are illiquid and long term in nature (10-12 years), typically held until maturity. Private Equity portfolios generally have a "J-Curve Effect" whereby there are low to negative returns in the initial years due to the payment of investment management fees and initial funding of investments made by the General Partner during a period when investments are typically carried at cost and returns have not been realized. To diversify the program, Private Equity investments are made across business cycles, vintage years, and different strategies. The State has a dedicated sub-asset class for private equity investments within its global equity allocation in the pension pool. The State does not have the option to request redemptions from its private equity funds. The General Partner distributes earnings and proceeds from the sale of the underlying investments as transactions occur. The State has \$648.2 million in unfunded private equity commitments as of June 30, 2025.

Venture Capital — These include investments in companies in a range of stages of development from start-up/seed stage, early stage, and later/expansion stage. Investments are typically made in years one through six and returns typically occur in years four through ten.

Buyouts — These include investments in funds that seek out and purchase underperforming or undervalued companies in order to improve them and sell them or take them public many years later. These funds are also often involved in management buyouts, which are buyouts conducted by the management of the company being purchased, and they often play key roles in leveraged buyouts, which are buyouts that are funded with borrowed money.

Real Assets — These investments are intended to provide allocations to tangible assets that are expected to be inflation protected and provide performance above the inflation rate as indicated by the CPI. Investments are generally structured as limited partnerships or limited liability companies. Investments in Real Estate Assets include Real Estate, Timberland and Infrastructure, as discussed below.

Real Estate — includes investments in private vehicles through limited partnerships or commingled vehicles that have an ownership interest in direct real estate properties. The investment strategies may include "value added" strategies, which derive their return from both income and appreciation, "opportunistic", which derive their return primarily through appreciation, and "alternative" which invest in less traditional types of property. Both domestic and international real estate funds are utilized. The State has a dedicated sub-asset class for these types of investments within global real assets. There are currently 11 different real estate funds in the portfolio. Five of those funds are open-ended vehicles that accept redemption requests quarterly with a 30-90 day notification period. There were no unfunded commitments in the open-ended funds as of June 30, 2025. The remaining six funds are closed-ended limited partnerships that are not eligible for redemptions. Those six funds have a combined unfunded commitment of \$167.5 million as of June 30, 2025.

Timberland — includes investments in limited liability companies that have an ownership interest in properties where the value of the property is derived mainly from income-producing timber but also from the "higher and better use" value of the underlying land. The State includes these assets within its global real asset allocations. There are three funds in the portfolio and they have no unfunded commitments. The funds are not eligible for redemption other than distributions of income and/or proceeds as determined by the investment manager. The funds have remaining lives of 1-4 years.

Infrastructure — includes investments in limited partnerships that have an ownership interest in transportation assets such as toll roads, tunnels and bridges; and regulated assets such as electricity transmission, gas and oil distribution and wastewater collection. Other possible investments would include communication assets and social infrastructure. The State includes these assets within its global real assets allocations. The infrastructure investments in the portfolio as of June 30, 2025, include both open and closed-ended funds. The three open-ended funds have no unfunded commitments and are eligible for redemptions quarterly with 90 days notice. The 17 closed-ended funds have unfunded commitments of \$167.5 million at June 30, 2025 and are not eligible for redemptions.

Interest Rate Swap Agreements — Fair values for interest rate swap agreements are based upon the settlement value adjusted by estimated nonperformance risk.

Derivative Instruments — Fair values of the grain future contracts are determined on the Minneapolis Grain Exchange.

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Fair Value

The following table shows the fair value leveling of the State's assets and liabilities at June 30 (expressed in thousands).

Primary Government

INVESTMENTS MEASURED AT FAIR VALUE	Fair Value 6/30/25	Level 1	Level 2	Level 3
Short term securities:				
Commercial paper	\$ 109,006	\$ —	\$ 109,006	\$ —
Short term bills and notes	113,087	—	113,087	—
Total short term securities	222,093	—	222,093	—
Fixed income investments:				
Asset backed securities	546,657	—	546,657	—
Bank loans	7,824	—	7,824	—
Commercial mortgage-backed	268,588	—	268,588	—
Corporate bonds	3,362,412	—	3,362,412	—
Corporate convertible bonds	7,511	—	7,511	—
Funds - Fixed Income ETF	37,915	37,715	—	200
Government Agencies	1,335,216	1,265,756	69,460	—
Government Bonds	1,092,624	121	1,092,503	—
Government MBS	4,273,258	4,834	4,268,424	—
Government - issued Commercial Mortgage-Backed	10,618	—	10,618	—
Index Linked Government Bonds	218,449	—	218,449	—
Municipal / Provincial Bonds	33,225	—	33,225	—
Non- Government Backed C.M.O.s	111,966	—	110,056	1,910
Sukak	2,588	—	2,588	—
Total fixed income investments	11,308,851	1,308,426	9,998,315	2,110
Equity Investments:				
Common stock	3,951,009	3,947,501	—	3,508
Convertible equity	863	863	—	—
Funds - Equities ETF	15,435	14,794	—	641
Preferred stock	658	639	—	19
Total equity investments	3,967,965	3,963,797	—	4,168
Other Investments:				
Commodity ETF	4	4	—	—
Master Limited Partnership	21	21	—	—
Limited Partnership	28,333	—	—	28,333
REITs	166	166	—	—
Real Estate	9,524	—	—	9,524
Swap	64,965	—	64,965	—
Total other investments	103,013	191	64,965	37,857
Derivative Investments:				
Exchange cleared swaps	9,717	—	9,717	—
Options	(111)	(27)	(84)	—
Swaps	18,221	—	18,221	—
Grain future contracts	268	268	—	—
Total derivative investments	28,095	241	27,854	—
Total investments measured at fair value	\$ 15,630,017	\$ 5,272,655	\$ 10,313,227	\$ 44,135

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INVESTMENTS MEASURED AT THE NET ASSET VALUE (NAV)	Fair Value 6/30/25	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
Commingled Funds - Debt	\$ 1,782,040	\$ —	Daily, monthly	1 - 15 days
Commingled Funds - Equities	8,609,570	—	Daily, monthly	1 - 15 days
Commingled Funds - Fixed Income	926,830	—	Daily	< 5 days
Distressed Debt	253,548	—	Quarterly, not eligible	60 days
Long / short	436,995	—	Monthly	15 days
Mezzanine Debt	1	—	Not eligible	Not eligible
Private Credit	1,890,670	697,778	Not eligible	Not eligible
Private Equity	3,340,894	1,371,506	Not eligible	Not eligible
Real Assets	3,305,896	564,734	Quarterly, not eligible	30 - 90 days
Hedge Fund	1,258,741	—	N/A	N/A
Private Infrastructure	411,535	140,832	N/A	N/A
Total investments measured at the NAV	22,216,720	\$ 2,774,850		
Total investments	\$ 37,846,737			

Major Component Units

INVESTMENTS MEASURED AT FAIR VALUE	Fair Value 6/30/25	Level 1	Level 2	Level 3
Short term securities				
Certificates of deposit	\$ 6,068	\$ —	\$ 6,068	\$ —
Short term bills and notes	54,035	—	54,035	—
Total short term securities	60,103	—	60,103	—
Fixed income investments:				
Gov't Agencies	50,759	50,759	—	—
Total fixed income investments	50,759	50,759	—	—
Total investments	\$ 110,862	\$ 50,759	\$ 60,103	\$ —

NOTE 4 - NET POSITION

The government-wide Governmental Activities Statement of Net Position reports \$10,538,895,334 of restricted net position, of which \$1,201,964,595 is restricted by enabling legislation.

NOTE 5 - FUND BALANCE

The following table on the next page presents further display the fund balances by major purpose.

Included in the General Fund, unassigned fund balance is \$13,022,220,449 for the North Dakota Legacy Fund. The Legacy Fund was established with thirty percent of total revenue derived from taxes on oil and gas production or extraction. The principal and earnings of the Legacy Fund may not be spent until after June 30, 2017, and an expenditure of principal after that date requires a vote of at least two-thirds of the members elected of each house of the legislative assembly. No more than fifteen percent of the principal of the Legacy Fund can be expended during a biennium.

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Governmental Fund Balances - By Purpose (Expressed in Thousands)

	Special Revenue				
	General	Federal	State	Nonmajor Governmental	Total
Fund Balances:					
Nonspendable:					
Inventory	\$ 5,578	\$ 24,288	\$ 17,709	\$ —	\$ 47,575
Prepaid Expenditures	7,582	4,325	7,341	—	19,248
Permanent Trust Fund for Veteran's Postwar Development	—	—	—	8,635	8,635
	—	—	—	74,640	74,640
Total Nonspendable	13,160	28,613	25,050	83,275	150,098
Restricted for:					
Distribution to Common Schools	—	—	8,376,578	—	8,376,578
State Education Aid	—	—	487,150	—	487,150
Opioid Addiction Prevention and Treatment Programs	—	—	16,315	—	16,315
Lignite Research	—	—	24,908	—	24,908
Water Projects and Energy Conservation	—	—	665,365	—	665,365
Well Plugging and Site Reclamation	—	—	41,160	—	41,160
Agriculture & Commerce	—	—	54,636	—	54,636
Natural Resources	—	—	16,598	—	16,598
Highway Projects	—	—	382,952	—	382,952
Transportation	—	—	25,463	—	25,463
Petroleum Tank Release Compensation	—	—	7,504	—	7,504
Debt Service	—	—	—	141,424	141,424
Other	—	—	29,957	—	29,957
Total Restricted	—	—	10,128,586	141,424	10,270,010
Committed to:					
Strategic Investments & Improvements	—	—	1,694,317	—	1,694,317
Buydown Interest Programs	—	—	107,274	—	107,274
Human Services & Health Operations	—	—	55,885	—	55,885
Clean Sustainable Energy Fund	24,423	—	—	—	24,423
Outdoor Heritage Grants	—	—	38,526	—	38,526
Charitable Gaming Operating Fund	—	—	15,342	—	15,342
Water Development & Management Projects	—	—	1,456	—	1,456
Oil, Gas, and Energy Research	—	—	32,749	—	32,749
Judicial & Legal	—	—	8,971	—	8,971
Public Safety & Corrections	19,603	—	119,885	—	139,488
Legacy Earnings Distributions	10	—	—	—	10
Agriculture & Commerce	17,005	—	13,668	—	30,673
State Rail, Special Roads, and Transportation Support	—	—	166,620	—	166,620
Insurance Regulatory Operations	—	—	3,576	—	3,576
Parks and Recreation Operations	—	—	29,956	—	29,956
Economic Assistance & Social Services	14,489	—	—	—	14,489
Tax Relief	252,799	—	—	—	252,799
Stabilization	948,396	—	—	—	948,396
Theodore Roosevelt Presidential Library & Museum	57,108	—	—	—	57,108
Veteran's Postwar	—	—	—	1,207	1,207
Other	7,987	—	66,645	929	75,561
Total Committed	1,341,820	—	2,354,870	2,136	3,698,826

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	Special Revenue				Nonmajor Governmental	Total
	General	Federal	State			
Assigned to:						
Education	\$ —	\$ —	\$ 5,776	\$ —	\$ 5,776	
Human Services & Health Operations	—	—	199,830	—	199,830	
Judicial & Legal	—	—	5,858	—	5,858	
Correction and Rehabilitation Operations	—	—	8,258	—	8,258	
Strategic Investments & Improvements	—	—	43,125	—	43,125	
Agriculture & Commerce	—	—	20,178	—	20,178	
Environmental Quality	—	—	2,604	—	2,604	
Economic Development Community Fund	—	—	6,972	—	6,972	
Securities Regulations	—	—	1,078	—	1,078	
Other	—	—	19,760	—	19,760	
Total Assigned	—	—	313,439	—	313,439	
Unassigned	14,629,600	(6,280)	—	—	14,623,320	
Total Fund Balances	<u>\$ 15,984,580</u>	<u>\$ 22,333</u>	<u>\$ 12,821,945</u>	<u>\$ 226,835</u>	<u>\$ 29,055,693</u>	

NOTE 6 - RETIREMENT SYSTEMS

A. DESCRIPTION OF PLANS

The State of North Dakota administers four major retirement systems: North Dakota Public Employees' Retirement System, North Dakota Highway Patrolmen's Retirement System, Retirement Plan for the Employees of Job Service North Dakota and the Teachers' Fund for Retirement. The State also administers the North Dakota Defined Contribution Retirement Plan, which was established January 1, 2000. Certain state employees may also participate in a privately administered retirement system: Teachers' Insurance Annuity Association. The following is a brief description of each plan. More detailed information can be found in the plan agreements and the related legislation.

NORTH DAKOTA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

The North Dakota Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all employees of the State of North Dakota, its agencies, and various participating political subdivisions (Main System). It also covers Supreme and District Court judges, the National Guard Security Officers and Firefighters, peace officers and correctional officers employed by political subdivisions and as of August 1, 2017, firefighters employed by participating political subdivisions. Effective August 1, 2015, current and newly eligible members of the National Guard System were transferred to the Law Enforcement System. It is not subject to the provisions of the Employee Retirement Security Act of 1974. PERS issues a publicly available financial report that may be obtained by writing to North Dakota Public Employees Retirement System, 1600 E. Century Ave., Suite 2, Bismarck, North Dakota 58503.

At June 30, 2025 number of participating political subdivisions in PERS was:

Cities	102
Counties	52
School Districts	132
Other	96
Total Participating Local Political Subdivisions	<u>382</u>

Administration

The North Dakota Retirement Board was created by the State Legislature and is the governing authority of PERS. Benefit and contribution provisions are administered in accordance with chapter 54-52 of the North Dakota Century Code.

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Responsibility for administration of the three defined benefit pension plans and the defined contribution plan is assigned to a Board comprised of eleven members. The Board consists of a Chairman, who is appointed by the Governor; three additional members appointed by the Governor, four members of the legislative assembly appointed by a chairman of the legislative management and three members elected by the active membership of the NDPERs system.

The costs of administering the plan are financed through the contributions and investment earnings of each plan.

Benefits

Benefits are set by statute. The System has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equals or exceeds 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 will be replaced with the Rule of 90 with a minimum age of 60. The annual pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020 the annual pension benefit is equal to 1.75% of their average monthly salary, using the three highest periods of twelve consecutive months employed during the last one hundred eighty months of employment. The Plan permits early retirement at ages 55-64 with three or more years of service.

Supreme and district court judges are entitled to unreduced monthly pension benefits beginning at the normal retirement age (65) or Rule of 85. The monthly pension benefit for Supreme and district court judges is equal to a percentage of average monthly salary using the highest 36 consecutive months out of the last 180 months of service. The percentage is equal to 3.5% of final average monthly salary multiplied by the first 10 years of service, plus 2.80% of the average monthly salary times the second 10 years of service, plus 1.25% of average monthly salary times years of service in excess of 20 years. The judicial retirement formula is only applied to eligible judicial service. Non-judicial service benefits are calculated using the 2.00% multiplier. The plan permits early retirement at ages 55-64, with five or more years of service.

Members of the National Guard System are entitled to unreduced monthly pension benefits at normal retirement age (55). Effective August 1, 2015, the National Guard System will become part of the Law Enforcement System. Members of the Law Enforcement are entitled to unreduced monthly pension benefits at normal retirement age (55) or the rule of 85. The monthly pension benefit for the National Guard/Law Enforcement is equal to 2.00 percent of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. The plan permits early retirement at ages 50-55 with three or more years of service for members.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the employee's accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active employee dies with less than three years of service for the Main System and Public Safety, or less than five years of service for Supreme and district court judges, a death benefit equal to the value of the employee's accumulated contributions, plus interest, is paid to the employee's beneficiary. If the employee has earned more than three years of service for the Main System and Public Safety, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the employee's accrued normal retirement benefit, or monthly payments in an amount equal to the employees' accrued 100% joint and survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the employee's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

For judges only who have earned five years of credited service, the death benefit is the greater of (i) lump sum payment of accumulated contributions, or (ii) 100% of the member's accrued benefit (not reduced on account of age), payable for the spouse's lifetime.

Eligible members who become totally disabled after a minimum of 180 days of service receive monthly disability benefits that are equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for "disabled" is set by the System in the North Dakota Administrative Code.

For Judges only, the disability benefit formula is 70% of final average salary minus social security and workers compensation benefits.

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Refunds of Member Contributions

Upon termination, if a member is not vested (is not 65 or does not have three years of service for the Main System and National Guard/Law Enforcement, or five years of service for the Supreme and district court judges, credited for PERS), they will receive the accumulated member contributions plus interest. If an employee has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated employee contribution and is subsequently re-employed, they have the option of repurchasing their prior service.

Contributions

Contribution rates are set by state statute and are a percentage of salaries and wages.

Member contributions are set by state statute and are a percentage of salaries and wages. During the 1983-1985 biennium, the State implemented the employer pickup provision of the IRS code, whereby a portion or all of the required member contributions are made by the employer. The State is paying 4% of the full member contribution. Some of the political subdivisions are paying all or part of the member contributions. Employer contributions are set by statute except the contribution rates for the National Guard/Law Enforcement Plans which are set by the Board.

The 2019 Legislative Assembly passed legislation that ended the RHIC plan for new hires after January 1, 2020 and redirected the 1.14% RHIC employer contribution to the retirement account. Employer contributions are set by statute except the contribution rates for the National Guard/Law Enforcement Plans which are set by the Board.

Contribution rates are established as a percent of covered compensation as follows:

	Member	Employer			
		Before 2024	2024-2025	2026 and Later	
				State	Political Subdivision
Main System Permanent Employees					
Hired before 2020	7.00 %	7.12 %	8.12 %	Actuarial*	8.12 %
Hired after 2019	7.00 %	8.26 %	9.26 %	Actuarial*	9.26 %
Main System Temporary Employees					
Hired before 2020	14.12 %	— %	— %	— %	— %
Hired after 2019	15.26 %	— %	— %	— %	— %
Judges	8.00 %	17.52 %	17.52 %	17.52 %	17.52 %

*The 2026 and 2027 contribution will be based on the amount sufficient to fund the Main System on an actuarial basis from the July 1, 2024 valuation with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

	Member	Employer		
		Before 2024	2024 and 2025	2026 and Later
Public Safety with prior Main System service	5.50 %	9.81 %	11.40 %	12.63 %
National Guard Members	5.50 %	9.81 %	11.40 %	12.63 %
Public Safety without Prior Main System service	5.50 %	7.93 %	9.16 %	8.81 %

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	Member				
	Before 2024	2024	2025 and Later		
Public Safety with Prior Main System service					
BCI Employees	6.00 %	7.00 %	8.00 %		
State Public Safety Employees	6.00 %	6.00 %	6.00 %		
	Employer				
	Before 8/1/23	8/1/23 to 12/31/23	12/31/23 to 8/1/2025	8/1/25 to 12/31/2025	2026 and Later
Public Safety with Prior Main System service					
BCI Employees	9.81 %	20.67 %	22.26 %	22.26 %	23.49 %
State Public Safety Employees	N/A	12.75 %	14.34 %	14.46 %	15.69 %

The member's account balance includes employee contributions, interest, and the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. Members of the Supreme and District Court Judges are not eligible to vest in the employer contributions if contributing to the deferred compensation plan.

The minimum monthly member contribution is \$25, and the maximum may not exceed certain parameters based upon years of service.

NORTH DAKOTA HIGHWAY PATROLMEN'S RETIREMENT SYSTEM (NDHPRS)

The North Dakota Highway Patrolmen's Retirement System is a single-employer defined benefit pension plan covering substantially all sworn officers of the Highway Patrol of the State of North Dakota. It is not subject to the provisions of the Employee Retirement Income Security Act of 1974. NDHPRS issues a publicly available financial report that may be obtained by writing to North Dakota Public Employees Retirement System, 1600 E. Century Ave., Suite 2, Bismarck, North Dakota 58503.

Administration

The North Dakota Retirement Board was created by the State Legislature and is the governing authority of NDHPRS. See PERS Administration note for composition of the Retirement Board. Benefit and contribution provisions are administered in accordance with chapter 39-03 of the North Dakota Century Code.

The costs of administering the plan are financed through the contributions and investment earnings of the plan.

Benefits

Pension benefits are set by statute. The System has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members are entitled to unreduced pension benefits upon attainment of age 55 and 10 years of eligible employment or when the sum of age and years of credited service equals or exceeds 80. The annual pension benefit is equal to a percentage of average monthly salary using the highest 36 months out of the last 180 months of service. The percentage is equal to the sum of the first 25 years of service multiplied by 3.60% and 1.75% multiplied by years of service in excess of 25, if any. The plan permits early retirement at ages 50-54, with ten or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than 10 years of credited service, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than 10 years of credited service, the surviving spouse, if any, will be entitled to a single payment

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refund, life-time monthly payments in an amount equal to 50 percent of the member 's accrued normal retirement benefit. If the surviving spouse dies before the member 's accumulated pension benefits are paid, the balance will be payable to any designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days service receive monthly disability benefits that are up to 70 percent of their final average salary, reduced by workers compensation with a minimum benefit of \$100. To qualify under this section, the member must meet the criteria established by the Retirement Board for being totally disabled and apply for benefits within one year of termination.

Refunds of Member Contributions

Upon termination, if a member is not vested (is not 60 or does not have ten years of service credited for NDHPRS), they will receive the accumulated member contributions plus interest. If an employee has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated employee contribution and is subsequently re-employed, they have the option of repurchasing their prior service.

Contributions

Contribution rates for NDHPRS are set by state statute and are a percentage of covered compensation. The State is paying 4.0% of the member contribution. The member contribution rate is 15.3% and the employer rate is 21.7%.

RETIREMENT PLAN FOR THE EMPLOYEES OF JOB SERVICE NORTH DAKOTA (JSND)

The retirement plan for employees of Job Service North Dakota is a single-employer defined benefit public employee retirement plan administered by PERS. The plan is established under NDCC 52-11-01 with benefit provisions established through the plan document, as amended by the Board. This plan document, as amended, is authorized by the Plan Administrator, who is the Executive Director of the agency. JSND issues a publicly available financial report that may be obtained by writing to Job Service North Dakota, PO Box 5507, Bismarck, North Dakota 58506-5507.

Participation in the plan is limited to employees participating in the plan as of September 30, 1980.

Administration

On August 1, 2003, the administrative authority and the net position of the Retirement Plan for Employees of Job Service North Dakota were transferred from the agency to the Public Employees Retirement System Board. This action was based on the passage of House Bill 1064 by the Fifty-eighth Legislative Assembly of North Dakota. The Retirement Plan for Employees of Job Service has an Actuarial Valuation Report produced annually. Requests to obtain or review this report should be addressed to the Executive Director, NDPERS, 1600 E. Century Ave., Suite 2, Bismarck, North Dakota 58503.

The costs of administering the plan are financed through the contributions and investment earnings of the plan.

Benefits

Benefits are established through the plan document, as amended by the Board. The System provides a post-retirement cost-of living adjustment each year based on the Consumer Price Index. Employees are entitled to annual pension benefits beginning at normal retirement age (65). Employees may elect optional retirement eligibility at age 62 with 5 years of credited service, at age 60 with 20 years of credited service, or at age 55 with 30 years of credited service. Pension benefits are calculated based on the final average earnings (basic monthly earnings averaged over the highest three consecutive years of basic earnings) of the employee multiplied by the sum of:

- 1.5% times years of credited service up to 5 plus;
- 1.75% times years of credited service between 6 and 10 plus;
- 2.0% times years of credited service in excess of 10.

Death and Disability Benefits

The plan provides retirement, disability and death benefits. If death of a participant occurs prior to their annuity starting date, the surviving spouse who has been married at least two years prior to the participant's death or, if married less than two years is a parent of a child of this marriage, then the spouse shall receive monthly benefits. The amount is the greater of the benefit had the participant retired on the day before they died and elected the Contingent Annuitant Option with 55% of their retirement benefit

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continued to their spouse or 55% of the smaller of 40% of the deceased participant's average monthly earnings or the deceased participant's normal retirement benefit obtained by increasing their credited service by the period of time between their date of death and the date they would have attained age 60. Upon remarriage of the surviving spouse before age 60, the death benefit will cease.

If a participant becomes totally disabled, they will be eligible for a monthly disability benefit which shall be equal to the greater of 40% of the participant's average annual earnings or the accrued benefit determined as of their date of disability.

Refunds of Member Contributions

Upon termination, if a member of the JSND System terminates employment before retirement payments begin, participation in the retirement plan will cease. No further additions to retirement income will accrue on the member's behalf, and the member may be paid under one of the following options.

- The member may be paid an amount of retirement income with payments starting at Normal, Optional, or Early Retirement Date. The amount of that income will be equal to the amount provided under the formula according to the member's years of credited service and earnings.
- The member may receive a cash withdrawal benefit equal to the total of the member's contributions and employer contributions made on their behalf, plus 4 percent interest compounded annually. The member may elect this option at any time after withdrawal and before Normal, Optional, or Early Retirement Date, but such benefit shall be in place of all other benefits under the retirement benefits section.

Contributions

Member contributions are 3% and employer contributions are 4% of covered compensation. The funding policy of the plan provides for employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. For the fiscal year ended June 30, 2025 there were no employer contributions necessary into the plan. Effective July 1, 1999, the "scheduled contribution" will be zero as long as the plan's actuarial value of assets exceeds the actuarial present value of projected benefits. The "scheduled contribution" and amortization will be determined when the plan is not in surplus and will be based on a funding policy adopted by the Employer.

TEACHERS' FUND FOR RETIREMENT (TFFR)

The North Dakota Teachers' Fund for Retirement is a cost-sharing multiple-employer defined benefit pension plan covering all North Dakota public teachers and certain other teachers who meet various membership requirements. TFFR provides for pension, death and disability benefits. The cost to administer the TFFR plan is financed by investment income and contributions.

Teachers' Fund for Retirement issues a publicly available financial report that may be obtained by writing to the Retirement and Investment Office, 1600 East Century Avenue, Suite 3, P.O. Box 7100, Bismarck, North Dakota 58507-7100.

At June 30, 2025, the number of participating employer units in TFFR was:

Type	Number
Public School Districts	167
County Superintendents	3
Special Education Units	20
Vocational Education Units	5
Other	9
Total	<u>204</u>

Administration

Responsibility for administration of the TFFR benefits program is assigned to a seven-member Board of Trustees (Board). The Board consists of the State Treasurer, the Superintendent of Public Instruction, and five members appointed by the Governor. The appointed members serve five-year terms which end on June 30 of alternate years. The appointed Board members must include two active teachers, one active school administrator, and two retired members. The Board submits any necessary or desirable changes in statutes relating to the administration of the fund, including benefit terms, to the Legislative Assembly for consideration. The Legislative Assembly has final authority for changes to benefit terms and contributions rates.

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Benefits

For purposes of determining pension benefits, members are classified within one of three categories. Tier 1 grandfathered and Tier 1 non-grandfathered members are those with service credit on file as of July 1, 2008. Tier 2 members are those newly employed and returning refunded members on or after July 1, 2008.

Tier 1 Grandfathered – A Tier 1 grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and has reached age 65, or the sum of age and years of service equals or exceeds 85. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 6% per year for every year the member's retirement age is less than 65 years or the date as of which age plus service equal 85. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 1 Non-grandfathered – A Tier 1 non-grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher, and the member has reached the age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55-64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 2 – A Tier 2 member is entitled to receive unreduced benefits when five or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the five highest annual salaries earned divided by 60 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Death and Disability Benefits

Death benefits may be paid to a member's designated beneficiary. If a member's death occurs before retirement, the benefit options available are determined by the member's vesting status prior to death. If a member's death occurs after retirement, the death benefit received by the beneficiary (if any) is based on the retirement plan the member selected at retirement.

An active member is eligible to receive disability benefits when: (a) a total disability lasting twelve months or more does not allow the continuation of teaching, (b) the member has accumulated five years of credited service in North Dakota, and (c) the Board of Trustees of TFFR has determined eligibility based upon medical evidence. The amount of the disability benefit is computed by the retirement formula in NDCC 15-39.1-10 without consideration of age and uses the member's actual years of credited service. There is no actuarial reduction for reason of disability retirement.

Contributions

Member and employer contributions paid to TFFR are set by NDCC 15-39.1-09. Every eligible teacher in the state of North Dakota is required to be a member of TFFR and is assessed at a rate of 11.75% of salary as defined by NDCC 15-39.1-04. Every

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governmental body employing a teacher must also pay into TFFR a sum equal to 12.75% of the teacher's salary. Member and employer contributions will be reduced to 7.75% each when the fund reaches 100% funded ratio on an actuarial basis.

A vested member who terminates covered employment may elect a refund of contributions paid plus 6% or defer payment until eligible for pension benefits. A nonvested member who terminates covered employment must claim a refund of contributions paid before 70½. Refunded members forfeit all service credits under TFFR. These service credits may be repurchased upon return to covered employment under certain circumstance defined by state statute.

EMPLOYEE MEMBERSHIP DATA

The following table summarizes employee membership information by plan at the actuarial valuation date:

	PERS	NDHPRS	JSND	TFFR
Retirees and beneficiaries currently receiving benefits:	16,200	154	155	9,664
Terminated Employees:				
Vested	10,637	36	—	2,308
Inactive	8,733	18	—	1,954
Active Employees:				
Vested	17,786	79	1	8,612
Nonvested	7,127	83	—	3,400
Total plan membership	60,483	370	156	25,938
Date of annual valuation	July 1, 2025	July 1, 2025	July 1, 2025	July 1, 2025

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

BASIS OF ACCOUNTING

The public employee retirement systems described above are considered part of the State of North Dakota's reporting entity and are included in the State's financial statements as pension trust funds. The financial statements of these systems are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which they are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

INVESTMENT POLICY

The System's Board is responsible for establishing the investment policy for the fund assets, which includes setting investment goals and specifying the percentage of assets to be invested in various types of investments for PERS, NDHPRS and JSND. The investment goals are viewed over the long term. The Board recognizes the plans' performance objectives, benefit projections, and capital market expectations when determining the asset allocation. The SIB is responsible for managing the System's investments in accordance with the investment policy.

The TFFR Board is responsible for establishing investment policy for the fund assets under NDCC 15-39.1-05.2. Benefit payments are projected to occur over a long period of time. This allows TFFR to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting established impact of funded status and contribution rates.

The following was the asset allocation policy as of June 30, 2025:

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	Target Allocation			
	PERS and NDHPRS	JSND	TFFR	RHIC*
Domestic equities	32.3 %	2.0 %	— %	39.0 %
International equities	18.7 %	18.0 %	— %	26.0 %
Private equity	7.0 %	6.0 %	— %	— %
Domestic fixed income	23.0 %	74.0 %	— %	35.0 %
Global real assets	19.0 %	— %	18.0 %	— %
Global equity	— %	— %	55.0 %	— %
Global fixed income	— %	— %	26.0 %	— %
Cash equivalents	— %	— %	1.0 %	— %
Total	100.0 %	100.0 %	100.0 %	100.0 %

*See note 7 for further details of the RHIC OPEB Plan.

INVESTMENT RATE OF RETURN

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on pension plan and OPEB plan investments, net of pension plan and OPEB plan investment expense, was as follows for June 30, 2025:

PERS	12.06 %
NDHPRS	12.13 %
JSND	9.12 %
TFFR	11.32 %
RHIC*	13.43 %

*See note 7 for further details of the RHIC OPEB Plan.

METHOD USED TO VALUE INVESTMENTS

Investments are recorded at fair value determined by reference to published market data for publicly traded securities and through the use of independent valuation services and appraisals for other investments. The net increase in fair value of investments consists of the realized gains or losses and the unrealized increase or decrease in fair value of investments during the year. Realized gains and losses on sales of investments are computed based on the difference between the sales price and the original cost of the investment sold. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current fiscal year were included as a change in the fair value of investments reported in the prior year(s) and the current year. Unrealized gains and losses are computed based on changes in the fair value of investments between years. Security transactions are accounted for on a trade date basis. Interest income is recognized when earned. Dividend income is recorded on the ex-dividend date. The fair value for stable value option within the deferred compensation and defined contributions plans is measured at contract value.

FUNDING STATUS AND PROGRESS

NET PENSION LIABILITY OF THE PLANS

The components of the net pension liability of the Plans at June 30, 2025 were as follows (expressed in thousands):

	PERS	NDHPRS	JSND	TFFR
Total pension liability	\$ 6,434,434	\$ 170,768	\$ 66,299	\$ 4,927,219
Plan fiduciary net position	(4,782,174)	(118,916)	(84,536)	(3,648,749)
Net pension liability (asset)	<u>\$ 1,652,260</u>	<u>\$ 51,852</u>	<u>\$ (18,237)</u>	<u>\$ 1,278,470</u>
Plan fiduciary net position as a percentage of the total pension liability	74.32 %	69.64 %	127.51 %	74.05 %

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ACTUARIAL ASSUMPTIONS

PERS

The total pension liability was determined by an actuarial valuation as of July 1, 2025, using the following actuarial assumptions:

Actuarial Cost Method: Entry Age Normal

Inflation: 2.40%

Salary Increase: 3.50% to 17.75% including inflation (3% for Judges)

Retirement Age: Age-based table of rates that specify to the type of eligible condition

Mortality Rates: Sex-distinct Pub-2010 tables for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2021 scale.

Other Notes: The employer rates to the System are the statutory/Board approved contribution rates of 8.12% of payroll for the Main System (9.26% for members enrolled on or after January 1, 2020), 17.52% for the Judges System, 11.40% for Public Safety with prior Main System service System, 22.26% for BCI, 14.34% for State Public Safety, and 9.16% for Public Safety without prior Main System service System. From August 1, 2025 to December 31, 2025, the contribution rate for State Public Safety increases from 14.34% to 14.46%. Beginning January 1, 2026, the contribution rates are updated to 12.63% for Public Safety with prior Main System service System, 23.49% for BCI, 15.69% for State Public Safety, and 8.81% for Public Safety without prior Main System service System.

The benefit accrual rate for members first enrolled on or after January 1, 2020 in the Main and Public Safety Systems is 1.75% (compared to 2.00% for members enrolled before January 1, 2020). The actuarial assumptions used in the actuarial valuation as of July 1, 2025 were based on an experience review for the period from July 1, 2019 to July 1, 2024, and were adopted for first use commencing with the actuarial valuation as of July 1, 2025.

In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025 and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

HPRS

The total pension liability was determined by an actuarial valuation as of July 1, 2025, using the following actuarial assumptions:

Actuarial Cost Method: Entry Age Normal

Asset Valuation Method: Plan Fiduciary Net Position (Market value of assets, no assets smoothing)

Inflation: 2.40%

Salary Increase: Service-based table for members with less than five years of service and age-based table for members with more than five years of service.

Retirement Age: Age-based table of rates that specify to the type of eligible condition.

Mortality Rates: Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 107% for males and 100% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 113% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 87% for males and 88% for females. Mortality rates are projected from 2010 using the MP-2021 scale.

Other Notes: There were no benefit changes during the year.

The assumptions were updated beginning with the actuarial valuation as of July 1, 2025 based on an experience study covering the period of July 1, 2019 through July 1, 2024.

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The employer rate to the System is the current statutory contribution rate of 21.70% of payroll.

JSND

The total pension liability was determined by an actuarial valuation as of July 1, 2025, using the following actuarial assumptions:

Actuarial Cost Method: Entry Age Normal

Asset Valuation Method: Plan Fiduciary Net Position (Market value of assets, no assets smoothing)

Inflation: 2.40%

Salary Increase: 3.50%

Retirement Age: Age-based table of rates that are specific to the type of eligibility condition.

Investment Rate of Return: 3.00%

Cost of Living Adjustment: 2.40%

Mortality Rates: Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 107% for males and 100% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 113% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 87% for males and 88% for females. Mortality rates are projected from 2010 using the MP-2021 scale.

Other Notes: There were no benefit changes during the year.

The assumptions were updated beginning with the actuarial valuation as of July 1, 2025 based on an experience study covering the period July 1, 2019 through July 1, 2024.

The System has assets in excess of the present value of future benefits. Therefore, no employer contributions are being made.

TFFR

The total pension liability was determined by an actuarial valuation as of July 1, 2025, using the following actuarial assumptions:

Actuarial Cost Method: Entry Age

Asset Valuation Method: 5-year smoothed market

Inflation: 2.30%

Salary Increase (Payroll Growth): 3.80% wage inflation, plus step-rate promotional increases for members with less than 30 years of service.

Retirement Age: Experience-based tables of rates based on age and gender.

Investment Rate of Return: 7.25%, net of investments expenses, including inflation

Cost of Living Adjustment: None

Mortality Rates: For the July 1, 2025, valuation, the post-retirement healthy mortality table was updated to 104% of the PubT-2010 Retiree table for retirees and to 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2019. The disabled mortality was updated to the Pub-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019.

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INVESTMENT RATE OF RETURN

The long-term expected rate of return on investments was determined using a building-block method in which best- estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates to return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the pension plan's target asset allocation as of July 1, 2025 is summarized in the following tables:

PERS and NDHPRS Asset Class	Long-Term Expected Real Rate of Return	JSND Asset Class	Long-Term Expected Real Rate of Return	TFFR Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.03 %	Domestic equities	6.85 %	Global equity	5.40 %
International equity	6.10 %	Core fixed income	3.12 %	Global fixed income	2.30 %
Private equity	8.30 %	Limited duration fixed income	1.80 %	Global real assets	6.10 %
Domestic fixed income	2.32 %	Global equity	7.14 %	Cash equivalents	1.20 %
International fixed income	0.00 %	Diversified short-term fixed income	3.00 %		
Global real assets	5.47 %	Short-term corporate fixed income	1.63 %		
Cash equivalents	0.00 %	US high yield	5.54 %		
		Emerging market debt	6.47 %		

DISCOUNT RATE

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 5.20%; and the resulting Single Discount Rate is 6.50%.

For HPRS, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.97%; and the resulting Single Discount Rate is 6.30%.

For JSND, the discount rate was 3.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates equal to those based on the July 1, 2025 Actuarial Valuation Reports. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions (for JSND it is assumed no future contribution will be made), the pension plans' fiduciary net position were projected to be available to make all projected future benefit payments for current plan members as of June 30, 2025. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2025.

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For TFFR, the discount rate was 7.25% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates equal to those based on the July 1, 2025 Actuarial Valuation Reports. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions TFFR's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of July 1, 2025. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2025.

SENSITIVITY OF NET PENSION LIABILITY

The following presents the net pension liability of the Plans as of June 30, 2025, calculated using the discount rate of 6.5% for PERS, 6.30% for NDHPRS, 3.00% for JSND and 7.25% for TFFR, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (expressed in thousands):

Net Pension Liability (Asset) As of June 30, 2025	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
PERS	\$ 2,499,881	\$ 1,652,260	\$ 949,461
Net Pension Liability (Asset) As of June 30, 2025	1% Decrease (5.30%)	Current Discount Rate (6.30%)	1% Increase (7.30%)
NDHPRS	\$ 76,951	\$ 51,852	\$ 31,438
Net Pension Liability (Asset) As of June 30, 2025	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
JSND	\$ (12,137)	\$ (18,237)	\$ (23,519)
Net Pension Liability (Asset) As of June 30, 2025	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
TFFR	\$ 1,882,776	\$ 1,278,470	\$ 778,474

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D. SINGLE EMPLOYER PENSION PLANS

Below are the changes in net pension liability for the State's (primary government) single-employer plans:

	Single-Employer Plans Changes in Net Pension Liability Increases (Decreases) For the Year June 30, 2025*	
	JSND	NDHPRS
Total pension liability (asset)		
Service cost	\$ 15	\$ 5,351
Interest	2,086	9,044
Change of benefit terms	—	—
Difference between expected and actual experience	1,319	4,061
Changes of assumptions	—	(4,365)
Benefit payments, including refund of employee contributions	(5,283)	(6,688)
Net change in total pension liability (asset)	(1,863)	7,403
Total pension liability (asset) - beginning	72,138	173,910
Total pension liability (asset) - ending (a)	<u>\$ 70,275</u>	<u>\$ 181,313</u>
Plan fiduciary net position		
Contributions - employer	\$ —	\$ 2,516
Contributions - employee	5	1,747
Contributions - Transfer from General Fund	—	3,000
Contributions - service credit repurchase	—	31
Transfers and other income	—	—
Net investment income	4,612	8,621
Benefit payments, including refund of employee contributions	(5,283)	(6,688)
Administrative expense	(15)	(40)
Net change in plan fiduciary net position	(681)	9,187
Plan fiduciary net position - beginning	83,485	98,035
Plan fiduciary net position - ending (b)	<u>\$ 82,804</u>	<u>\$ 107,222</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ (12,529)</u>	<u>\$ 74,091</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	117.83 %	59.14 %
Covered payroll	\$ 65	\$ 14,820
Plan net pension liability (asset) as a percentage of covered payroll	-19,248.60 %	499.94 %

*The 2025 information presented has a measurement date of June 30, 2024. Information is expressed in thousands.

JOB SERVICE NORTH DAKOTA (JSND)

Net Pension Asset

At June 30, 2025, the State recorded a net pension asset of \$12.5 million for all of the Job Service North Dakota pension plan. The net pension asset was measured as of June 30, 2024 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date.

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Deferred Inflows and Outflows of Resources

For the year ended June 30, 2025 the State recognized pension expense of \$2.4 million. At June 30, 2025 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Primary Government		Discrete Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ —	\$ —	\$ —
Changes of assumptions	—	—	—	—
Net difference between projected and actual earnings on pension plan investments	1,482	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	—	—	—	—
Employer contributions subsequent to the measurement date	—	—	—	—
Total	<u>\$ 1,482</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year ended June 30:

	Primary Government	Component Units
2026	\$ 969	\$ —
2027	1,383	—
2028	(433)	—
2029	(437)	—
Total	<u>\$ 1,482</u>	<u>\$ —</u>

Sensitivity of the State's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the State's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate (expressed in thousands):

	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
State's proportionate share of the net pension asset	(5,739)	(12,528)	(18,368)

NORTH DAKOTA HIGHWAY PATROLMEN'S RETIREMENT SYSTEM (NDHPRS)

Net Pension Liability

At June 30, 2025, the State recorded a net pension liability of \$74.1 million for all of the North Dakota Highway Patrolmen's Retirement System pension plan. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

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Deferred Inflows and Outflows of Resources

For the year ended June 30, 2025 the State recognized pension expense of \$13.8 million. At June 30, 2025 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Primary Government		Discrete Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,369	\$ (530)	\$ —	\$ —
Changes of assumptions	22,486	(21,123)	—	—
Net difference between projected and actual earnings on pension plan investments	71	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	—	—	—	—
Employer contributions subsequent to the measurement date	3,324	—	—	—
Total	<u>\$ 30,250</u>	<u>\$ (21,653)</u>	<u>\$ —</u>	<u>\$ —</u>

\$3.3 million reported as deferred outflows of resources related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year ended June 30:

	Primary Government	Component Units
2026	\$ 776	\$ —
2027	5,860	—
2028	(842)	—
2029	(503)	—
2030	(18)	—
Total	<u>\$ 5,273</u>	<u>\$ —</u>

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability calculated using the discount rate of 5.39 percent, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate (expressed in thousands):

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
State's proportionate share of the net pension liability	\$ 102,430	\$ 74,092	\$ 51,317

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E. COST SHARING EMPLOYER PENSION PLANS

NORTH DAKOTA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Proportionate Share of Net Pension Liability

The North Dakota Public Employees' Retirement System (PERS) provides retirement benefits to employees of the primary government and its discrete component units as well as to other political subdivision subdivisions (Main System). It also covers Supreme and district court judges, the National Guard Security Officers and Firefighters, and as of August 1, 2003, peace officers and correctional officers employed by political subdivisions. Effective August 1, 2017, current and newly eligible members of the National Guard System were transferred to the Law Enforcement System. Effective August 1, 2015, current and newly eligible members of the National Guard System were transferred to the Law Enforcement System.

At June 30, 2025, the State recorded a net pension liability of \$945.6 million for all of the PERS system. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on the State's share of covered payroll in the PERS pension plan relative to the covered payroll of all participating employers. At June 30, 2024 the State's proportion was 48.40 percent, which is an increase of 0.76 percent from the prior year.

The State's discrete component unit, North Dakota Public Finance Authority, also participates in the PERS system. At June 30, 2025, the discrete component units recorded a net pension liability of \$334,000 for all of the PERS system. The net pension liability was measured as of June 30, 2024 and the total pension liability and asset used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discrete component units' proportion of the net pension liability was based on their share of covered payroll in the PERS pension plan relative to the covered payroll of all participating employers. At June 30, 2024 the discrete component unit's proportion was 0.018 percent, which is an increase of 0.0006 percent from the prior year.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2025 the State recognized pension expense of \$42.8 million million and the component unit recognized pension expense of \$22,000. At June 30, 2025 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Primary Government		Discrete Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 53,751	\$ (308)	\$ 16	\$ —
Changes of assumptions	234,206	(439,330)	80	(152)
Net difference between projected and actual earnings on pension plan investments	—	(8,746)	—	(3)
Changes in proportion and differences between employer contributions and proportionate share of contributions	69,507	(51,783)	13	(6)
Employer contributions subsequent to the measurement date	59,351	—	16	—
Total	<u>\$ 416,815</u>	<u>\$ (500,167)</u>	<u>\$ 125</u>	<u>\$ (161)</u>

\$42.8 million and \$16,000 reported as deferred outflows of resources related to pensions resulting from State and component unit contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

	Primary Government	Component Units
2026	\$ (105,916)	\$ (31)
2027	16,539	3
2028	(50,907)	(21)
2029	(4,594)	(3)
2030	1,325	—
Thereafter	850	—
Total	<u>\$ (142,703)</u>	<u>\$ (52)</u>

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate (expressed in thousands):

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
State's proportionate share of the net pension liability	\$ 1,347,003	\$ 945,629	\$ 612,659
Component's proportionate share of the net pension liability	472	334	219

NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT

Proportionate Share of Net Pension Liability

The North Dakota Teachers' Fund for Retirement (TFFR) provides retirement benefits to North Dakota public teachers and certain other teachers who meet various requirements. At June 30, 2025, the State recorded a net pension liability of \$8.3 million for all of the TFFR. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on the State's share of covered payroll in the TFFR pension plan relative to the covered payroll of all participating employers. At June 30, 2024 the State's proportion was 0.59 percent, which is an increase of 0.10 percent from the prior year.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2025 the State recognized pension expense of \$510,000. At June 30, 2025 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

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	Primary Government		Discrete Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 189	\$ (332)	\$ —	\$ —
Changes of assumptions	87	—	—	—
Net difference between projected and actual earnings on pension plan investments	339	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,924	(1,855)	—	—
Employer contributions subsequent to the measurement date	731	—	—	—
Total	<u>\$ 3,270</u>	<u>\$ (2,187)</u>	<u>\$ —</u>	<u>\$ —</u>

\$731,000 reported as deferred outflows of resources related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year ended June 30:

	Primary Government	Component Units
2026	\$ (222)	\$ —
2027	453	—
2028	(19)	—
2029	(19)	—
2030	41	—
Thereafter	118	—
Total	<u>\$ 352</u>	<u>\$ —</u>

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate (expressed in thousands):

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
State's proportionate share of the net pension liability	\$ 11,697	\$ 8,304	\$ 5,474

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F. PENSION SUMMARY

The following is a summary of the pension related items for all plans of the State as of and for the year ended June 30, 2025 (expressed in thousands).

Pension Plan	Net Pension Asset	Deferred Outflows of Resources Pension	Net Pension Liability	Deferred Inflows of Resources Pension	Pension Expense
Job Service ND	\$ (12,529)	\$ 1,482	\$ —	\$ —	\$ 2,351
ND Highway Patrolmen's Retirement System	—	30,250	74,092	21,654	13,842
ND Public Employees' Retirement System	—	416,815	945,629	500,167	42,779
ND Teachers' Fund for Retirement	—	3,271	8,304	2,187	510
Total	<u>\$ (12,529)</u>	<u>\$ 451,818</u>	<u>\$ 1,028,025</u>	<u>\$ 524,008</u>	<u>\$ 59,482</u>

G. DEFINED CONTRIBUTION PLAN

The North Dakota Defined Contribution Retirement Plan was established on January 1, 2000, and is administered in accordance with chapter 54-52.6 of the North Dakota Century Code. The Defined Contribution Plan was available to state employees who are in positions not classified by the Human Resource Management Services division of the State of North Dakota, and as of January 1, 2025 will be the retirement plan offered to new public employees who are not peace officers, judges, or Highway Patrol. The Defined Contribution Plan had 1,506 participants as of June 30, 2025.

The administrative costs of the Defined Contribution Plan are funded by forfeitures of non-vested employee contributions and administrative fees charged to individual participant accounts.

Benefits

Benefits are set by statute. Members are entitled to their vested account balance. A participating member is immediately 100% vested in the employee's contributions. A participating member vests in the employer contributions made on the member's behalf as follows:

Upon completion of two years of service	50 %
Upon completion of three years of service	75 %
Upon completion of four years of service	100 %

Members may elect to receive their account balance in a lump sum, lump sum direct rollover, or periodic distribution.

Death and Disability Benefits

Death and disability benefits are set by statute. Upon the death of a participating member or former participating member, the vested account balance of that deceased participant is available to the participant's designated beneficiary(ies). A member who becomes totally and permanently disabled while employed by the State is eligible to receive a distribution of the vested account balance. To qualify under this section, the member must meet the criteria established by the System for being totally disabled.

Contributions

Contributions are set by state statute and are a percentage of covered compensation. The State is paying 4% of the member contribution. The member contribution rate is 7.00% and the employer rate is 7.12% for members first enrolled prior to January 1, 2020. For members first enrolled after January 1, 2020 the member contribution rate is 7.00% and the employer rate is 8.26%. Pension expense totaled \$2,085,309 for the year ended June 30, 2025.

The defined contribution plan will become the primary retirement plan for new hires after January 1, 2025 for new hires that would currently be eligible for the Main plan. These mandatory contribution rates will be 4% from the employee and 5.26% from the

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employer. Members will have a one-time lifetime election to increase their contributions an additional 1%, 2%, or 3%, with the employer matching those incremental elections.

H. TEACHERS' INSURANCE ANNUITY ASSOCIATION

The Teachers' Insurance and Annuity Association (TIAA-CREF), a privately-administered defined contribution retirement plan, provides individual retirement fund contracts for eligible employees as defined by the Board of Higher Education in its approved TIAA-CREF retirement resolution. Further information can be obtained by writing to North Dakota University System, 600 E. Blvd, Bismarck, North Dakota 58505.

All benefits vest immediately to the participant. The plan requires mandatory enrollment for permanent employees based upon their employment classification. Employee and employer contributions are set based upon years of service as per the following schedule.

Employment Class	Years Of Service	By The Participant	By The Institution	Total
I and III	0 thru 10	4.50%	12.50%	17.00%
	over 10	5.00%	13.00%	18.00%
II	0 thru 2	3.50%	7.50%	11.00%
	3 thru 10	4.50%	12.50%	17.00%
	over 10	5.00%	13.00%	18.00%
IV	Closed to new participants	4.00%	12.00%	16.00%
President/Chancellor (additional employer contribution)	less than 3	0.00%	0.00%	0.00%
	3 to less than 6	0.00%	4.00%	4.00%
	6 and over	0.00%	8.00%	8.00%

Plan contributions are made on a tax-deferred basis in accordance with section 414(h)(2) of the Internal Revenue Code. All contributions are applied as premiums to retirement annuity contracts owned by the participant. The State has no further liability once annual contributions are made. The State contributed \$52.8 million to TIAA-CREF during the fiscal year ending June 30, 2025.

NOTE 7 - POST-RETIREMENT

A. RETIREE HEALTH INSURANCE CREDIT – PLAN INFORMATION

The Retiree Health Insurance Credit Fund, a cost-sharing multiple-employer other post-employment plan, is administered by the North Dakota Retirement Board (the Board) to provide members that were first enrolled in the plan prior to January 1, 2020 and are receiving retirement benefits from the Public Employees Retirement System, the Highway Patrolmen's Retirement System and judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit will also be available to apply towards monthly premiums under the state dental, vision and long term care plan and any other health insurance. Effective August 1, 2019, the credit is expanded to also include any dental, vision, and long term care plan. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis. PERS issues a publicly available financial report that may be obtained by writing to North Dakota Public Employees Retirement System, 1600 E. Century Ave., Suite 2, Bismarck, North Dakota 58503.

Regular employees hired under the Retirement Plan for Employees of Job Service North Dakota prior to October 1, 1980 are eligible to participate in the Retiree Health Insurance Credit Fund, a cost-sharing multiple-employer plan, as administered by the Public Employees Retirement Board. The retired employee is provided a credit toward their monthly health insurance premium under a qualifying plan based upon their years of credited service. In accordance with NDCC 54-52.1-03.2, Job Service North Dakota reimburses the Retiree Health Insurance Credit Fund monthly for credit received by members of the retirement plan established by Job Service North Dakota.

Responsibility for administration of the NDPERS defined benefit OPEB plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

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Employee membership is as follows:

Retirees receiving benefit	16,164
Active participants	15,381
Total Membership	<u>31,545</u>

OPEB Contributions

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "*prefunded credit applied*" on the Statement of Changes in Plan Net Position for the OPEB trust funds.

OPEB Benefits

Retiree health insurance credit benefits and death and disability benefits are set by state statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the Public Employees Retirement System, the Highway Patrolmen's Retirement System, or the Defined Contribution Retirement Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving the surviving spouse benefit of if the member selected a joint and survivor option are eligible to receive credit toward their monthly health insurance premium under the state health plan.

The benefits are equal to \$5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health benefit is also available for early retirement with reduced benefits.

Net OPEB Liability of the Plan

The components of the net OPEB liability of the plan at June 30, 2025 is as follows (expressed in thousands):

	RHIC
Total OPEB liability	\$ 273,402
Plan fiduciary net position	(207,627)
Net OPEB liability (asset)	<u>\$ 65,775</u>
RHIC fiduciary net position as a percentage of the total OPEB liability	75.94 %

Actuarial Assumptions

Actuarial Cost Method: Entry Age Normal

Asset Valuation Method: Plan Fiduciary Net Position (Market value of assets, no asset smoothing)

RHIC Inflation: 2.40%

Salary Increase: Not applicable

Investment Rate of Return: 5.75%.

Mortality Rates: Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 107% for males and 100% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 113% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 87% for males and 88% for females. Mortality rates are projected from 2010 using the MP-2021 scale.

Other Notes: RHIC is for the most part a closed plan. There were no benefit changes during the year. The assumptions were updated beginning with the actuarial valuation as of July 1, 2025 based on an experience study covering the period July 1, 2019 through July 1, 2024. The employer rate to the System is the statutory contribution rate of 1.14% of payroll

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Investment Rate of Return

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of RHIC investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2025 is summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	4.00 %
Small Cap Domestic Equities	6.00 %
International equities	7.00 %
Core-Plus Fixed Income	3.29 %

Discount Rate

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 5.75%; the municipal bond rate is 5.20%; and the resulting Single Discount Rate is 5.75%. The projection of cash flows used to determine the discount rate assumed plan member and statutory/Board approved employer contributions will be made at rates equal to those based on the July 1, 2025 PERS actuarial valuation reports. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability

The following presents the net OPEB liability of the Plan as of June 30, 2025, calculated using the single discount rate of 5.75%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (expressed in thousands):

Net OPEB Liability (Asset) As of June 30, 2025	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
RHIC	\$ 97,199	\$ 65,775	\$ 39,281

The benefit provided by the North Dakota Retiree Health Insurance Credit Fund is a fixed dollar subsidy and is not affected by healthcare cost trend. Therefore, a healthcare trend rate was not performed.

B. RETIREE HEALTH INSURANCE CREDIT – STATE'S SHARE

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Proportionate Share of Net OPEB Liability

At June 30, 2025, the State reported a liability of \$43.6 million for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The State's proportion of the net OPEB liability was based on the State's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2024, the State's proportion was 44.64 percent, which is a decrease of 5.76 percent from the prior year.

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Deferred Inflows and Outflows of Resources

For the year ended June 30, 2025 the State recognized OPEB expense of \$7.8 million. At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Primary Government		Discrete Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 538	\$ (336)	\$ —	\$ —
Changes of assumptions	6,639	(2,988)	—	—
Net difference between projected and actual earnings on OPEB plan investments	—	(1,632)	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,346	(1,875)	—	—
Employer contributions subsequent to the measurement date	6,052	—	—	—
Total	<u>\$ 15,575</u>	<u>\$ (6,831)</u>	<u>\$ —</u>	<u>\$ —</u>

\$6.1 million reported as deferred outflows of resources related to OPEB resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows (expressed in thousands):

Year ended June 30:

	Primary Government	Component Units
2026	\$ 2,501	\$ —
2027	4,705	—
2028	(3,101)	—
2029	(1,413)	—
2030	—	—
Total	<u>\$ 2,692</u>	<u>\$ —</u>

Sensitivity of the State's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plans as of June 30, 2025, calculated using the discount rate of 5.75%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate (expressed in thousands):

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
State's proportionate share of the net OPEB liability	\$ 59,637	\$ 43,634	\$ 30,156

C. JOB SERVICE NORTH DAKOTA – MET LIFE INSURANCE BENEFIT

MET LIFE INSURANCE BENEFIT

Job Service North Dakota engaged an actuary to determine the Agency's liability for post-employment benefits other than pensions as of July 1, 2023. The actuary determined the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense the Agency has to record as of June 30, 2025. This plan document, as amended,

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is authorized by the Plan Administrator, who is the Executive Director of the agency. JSND issues a publicly available financial report that may be obtained by writing to Job Service North Dakota, PO Box 5507, Bismarck, North Dakota 58506-5507.

Plan Description

Job Service North Dakota employees who had a Met Life Insurance policy in effect on December 1, 1999, when the Met Life Insurance benefit plan, a single-employer plan, was discontinued for new employees, receive the following benefits: Job Service North Dakota pays 33% of the monthly Basic Met Life Insurance premium of current employees with a Met Life Insurance policy and upon retirement the employees Basic Met Life Insurance premiums are covered 100% by Job Service North Dakota. The Basic Life Insurance Benefits are equal to the employees' annual salary rounded up to the nearest thousand plus two thousand up to a maximum of \$45,000 and are decreased at a rate of 2% per month at age 65 until the benefit is 25% of the original amount but no less than \$10,000. The actuarial report of the Met Life Insurance Benefit is the only financial report produced for this benefit and is available as indicated above. Job Service North Dakota has authority to change the funding and benefit policy of this plan.

Membership of the Other Post Retirement Benefit plan consisted of the following at July 1, 2024, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	129
Terminated employees entitled to benefits but not yet receiving them	—
Current vested employees	4
Total	<u>133</u>

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Employer reported a liability of \$913,313 at June 30, 2025 for its net OPEB liability. The net OPEB liability was measured as of July 1, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2025, the Employer recognized OPEB expense of \$37,190. The Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ —
Changes of assumptions	—	—
Net difference between projected and actual earnings on OPEB plan investments	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	—	—
Total	<u>\$ —</u>	<u>\$ —</u>

Actuarial Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>July 1, 2024</u>
Inflation	none
Salary increases	5%
Discount rate	4.21% per annum

Mortality rates were based on the RP-2014 Total Dataset Mortality Table adjusted to based year 2006, projected with Scale MP-2019.

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Sensitivity of the State's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plans as of June 30, 2025, calculated using the discount rate of 4.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21 percent) or 1-percentage-point higher (5.21 percent) than the current rate (expressed in thousands):

Net OPEB Liability As of June 30, 2025	1% Decrease (3.21%)	Current Discount Rate (4.21%)	1% Increase (5.21%)
Met Life	\$ 993	\$ 913	\$ 844

Schedule of Changes in Net OPEB Liability (expressed in thousands)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 7/1/24	\$ 966	\$ —	\$ 966
Changes for the Year:			
Service cost	—	—	—
Interest	37	—	37
Benefit changes	—	—	—
Experience losses (gains)	—	—	—
Changes of assumptions	—	—	—
Contributions - Employer	—	90	90
Benefits paid	(90)	(90)	(180)
Administrative expenses	—	—	—
Net changes	(53)	—	(53)
Balances at 6/30/25	\$ 913	\$ —	\$ 913

The plan provisions used in the measurement of the net OPEB liability are the same as those used in the Actuarial Valuation as of July 1, 2024.

D. OPEB SUMMARY

The following is a summary of the OPEB related items for all plans of the State as of and for the year ended June 30, 2025 (expressed in thousands).

OPEB Plan	Deferred Outflows of Resources - OPEB	Net OPEB Liability	Deferred Inflows of Resources - OPEB	OPEB Expense
ND Public Employees' Retirement System	\$ 15,574	\$ 43,634	\$ 6,831	\$ 7,760
JSND Met Life Insurance Benefit	—	913	—	37
Total	\$ 15,574	\$ 44,547	\$ 6,831	\$ 7,797

NOTE 8 - DEFERRED COMPENSATION PLAN

The ND Public Employees Retirement System was given authority by Chapter 54-52.2 to administer an employee deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan allows employees of the State of North Dakota or any of its political subdivisions, institutions, departments, or agencies to participate, providing that the employee has signed a participation agreement, which permits them to defer a portion of their current salary until future years. Each participant may defer the lesser of \$23,500 or 100% of gross annual compensation for calendar year 2025. Participation in the plan is optional. The deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency.

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All compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights, are held in trust for the exclusive use of the employee or their beneficiary.

The minimum monthly member contribution to the deferred compensation plan is \$25 and the maximum vesting in the employer contributions ranges from 1% to 4% of the monthly salary, or \$25, depending the employees months of service.

The deferred compensation plan had 17,106 active participants as of June 30, 2025.

The related assets of the plan, held in trust, are reported at fair value as follows (expressed in thousands):

Plan Participation By:		
State of North Dakota	\$ 215,501	88 %
Other Jurisdictions	28,665	12 %
Total Value	<u>\$ 244,166</u>	<u>100 %</u>

NOTE 9 - PERS UNIFORM GROUP INSURANCE PROGRAM

The Uniform Group Insurance Program, a proprietary fund, contracted with Sanford Health Plan to provide health care insurance to the employees of the State of North Dakota, or any of its political subdivisions, institutions, departments or agencies. The contract for the 2021-2023 biennium provides for an accounting of premiums paid and claims incurred during the biennium. The final gain or loss was determined two years after the end of the biennium, which for the 2021-2023 biennium occurred in 2025 with an initial settlement occurring in 2024. For this period, claims exceeded premiums, resulting in no settlement in 2024 or 2025. No other insurance contracts have a gain sharing provision.

The System again entered into a similar contract with Sanford Health Plan for the 2023-2025 biennium. The final gain or loss is determined two years after the end of the biennium, which for the 2023-2025 biennium will occur in 2027 with an initial settlement occurring in 2026. In the event of a loss, the system does not have any risk.

NOTE 10 - SEGMENT INFORMATION

North Dakota Housing Finance Agency maintains two separate funds which account for general agency operations and provide loans to finance construction of rental residential housing and single-family ownership. The two funds are accounted for in a single fund, but investors in home ownership bonds rely solely on the revenue generated by the mortgage loans and assets acquired for repayment. Segment information for the year ended June 30, 2025, was as follows (expressed in thousands):

	Home-Ownership Bond Funds
Condensed Statement of Net Position	
Current assets – other	\$ 543,612
Noncurrent assets – other	2,226,635
Total Assets	<u>2,770,247</u>
Current liabilities – other	124,594
Noncurrent liabilities – other	2,373,762
Total Liabilities	<u>2,498,356</u>
Deferred inflow of resources	16,316
Net position – restricted	255,575
Total Net Position	<u>\$ 255,575</u>

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	Home-Ownership Bond Funds
Condensed Statement of Revenues, Expenses and Change in Fund Net Position	
Operating revenues	\$ 109,736
Operating expenses	(89,694)
Operating income	20,042
Change in net position	20,042
Total net position, beginning of year	235,456
Equity transfer out	77
Total net position, end of year	<u>\$ 255,575</u>

Condensed Statement of Cash Flows

Net cash provided by operating activities	\$ (250,017)
Net cash used for noncapital financing activities	469,720
Net cash used for investing activities	6,187
Net change in cash and cash equivalents	225,890
Cash and cash equivalents, beginning of year	251,657
Cash and cash equivalents, end of year	<u>\$ 477,547</u>

NOTE 11 - MAJOR COMPONENT UNIT TRANSACTIONS

BISMARCK STATE COLLEGE AND BISMARCK STATE COLLEGE FOUNDATION

On October 19, 2007, BSC and BSCF entered into a 25-year lease agreement to facilitate the construction of the National Energy Center of Excellence building. Under the agreement, BSC is responsible for payment of all rent, maintenance, and repair of the facility, maintenance of all insurance required under the lease, and restrictions of use of the facility as set forth in the lease. The amount of the rent is tied to the \$5.0 million debt service retirement. Upon payment of all the bonds, BSC will have the option to purchase the premises for \$100.

BSCF's financial statements include these transactions as a receivable from BSC and a long-term liability. BSC's financial statements include the capitalized assets and a long-term liability due to BSCF. On September 26, 2014, BSC and Student Housing, LLC (a wholly owned subsidiary of BSCF) entered into a 30-year Ground Lease to facilitate the construction and development of a student apartment housing complex on approximately 4.67 acres of land owned by BSC. Under the agreement, BSC would enter into a separate operating and lease agreement with LLC for the constructed student housing apartment complex for use as a student housing facility. There are no separate rent payments to be paid by LLC during the term of the Ground Lease agreement in exchange for use of the land.

On August 13, 2015, BSC and Student Housing, LLC entered into a five-year lease agreement to operate student housing services in the two newly constructed housing units (Ritchie Hall and Gate City Bank Hall). On September 9, 2025, an agreement was signed to extend the lease term until November 30, 2029. Under the agreement, BSC is responsible for payment of all rent, maintenance, and daily repair/maintenance of the facility, and restrictions of use of the facility as set forth in the lease. Student Housing, LLC is responsible for major repairs/maintenance and property and liability insurance on the facilities. The lease is classified as a lease on BSC financial statements and Student Housing, LLC financial statements include the capitalized asset.

UNIVERSITY AND NDSU RESEARCH AND TECHNOLOGY PARK, INC.

On December 30, 1999, NDSU through the State of North Dakota and the SBHE entered into a ground lease, whereby the NDSU RTP leases 40 acres of land for \$1 per year for the next seventy-five years. On August 18, 2003, the SBHE approved amending the ground lease to add an additional 14.89 acres to the lease. On May 6, 2024, the NDSU RTP and NDSU amended the agreement to remove the vacant land the NDSU RTP was previously leasing and replace it with a separate plot.

On July 1, 2002, NDSU and NDSU RTP entered into an agreement for cooperation and assistance between entities. The agreement is an annual agreement, which automatically extends for one-year periods unless cancelled by either party to the agreement.

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During fiscal year 2017, NDSU and NDSU RTP entered into renewed agreements, whereby NDSU leases the Research Buildings I and II through May 1, 2022 and May, 2032. On May 1, 2022, NDSU and NDSU RTP entered into an annual service agreement for Research Building I to continue the services provided as the bonds related to Research Building I have been paid in full and NDSU exercised its option to terminate the Research Building I Lease and purchase Research Building I. During fiscal year 2025, total annual rent of \$402,000 was paid by NDSU for these two buildings, in addition to the \$1.28 million of principal and interest paid by NDSU directly to the bond trustee. The annual rent will be re-adjusted by mutual agreement every two years. These agreements are subject to funding and legislative appropriations.

NDSU FOUNDATION

Renaissance Hall

The former Northern School Supply building was donated to the Foundation by NDSU alumni in December of 2001. During fiscal years 2003 and 2004, the Foundation renovated the building with the intent to lease the facility to NDSU beginning fall 2004. The Foundation transferred nearly the entire ownership of the building to 650 NP Avenue, LLC and Kilbourne Design Group, LLC, for a five-year period in order to achieve tax credits that would ultimately reduce the cost of the building to NDSU. During the five-year tax credit period, NDSU leased the building from the two LLCs, with the lease payments composed of interest and fees. With the five-year tax credit period ending December 31, 2010 (as extended), and the ownership was transferred back to the Foundation, permanent financing was put in place on December 17, 2010, with the issuance of \$5.65 million of 20-year University Facilities Lease Revenue Bonds, Series 2010 (Renaissance Hall Project). The financing structure involving the five-year temporary ownership transfer resulted in achieving tax credits of \$4.9 million which directly lowered the leasing cost to NDSU.

Under this refinanced debt issuance and lease agreement, as approved by the SBHE on December 16, 2010, the property is leased to NDSU for rent equal to the semi-annual principal and interest on the bonds, plus all costs incurred by the Foundation incident to ownership of the property. Ownership of the property will transfer to NDSU when the bonds are repaid in full. NDSU paid the Foundation \$422,000 in fiscal year 2025 for debt service under this agreement. As of June 30, 2025, the outstanding balance on the bonds are reflected as "Due to Component Units" by NDSU, is \$2.1 million.

Barry Hall Business Building and Klai Hall Architecture Building

Effective November 28, 2007, NDSU and the Foundation entered into lease agreements for two buildings in downtown Fargo, formerly known as the "Pioneer Mutual Building" and "Lincoln Mutual building". The Foundation financed the construction of the Barry Hall business building and Klai Hall architecture building projects through the sale of \$18.52 million of twenty-year University Facilities Revenue Bonds issue by the City of Fargo, North Dakota. The city has loaned the bond proceeds to the Foundation for payments equal to the sum of the semi-annual interest payments and installments of varying principal amounts on the variable rate bonds and the semi-annual principal and interest payments on the fixed-rate bonds. The principal payments on the variable rate bonds will be funded from payments on donor pledges restricted for the project. Under the terms of the loan, the Foundation is responsible for the real estate taxes, insurance, repairs and maintenance, and other costs incident to ownership of the property.

The property is included with property in the financial statements and the bonds have been recorded as a direct obligation of the Foundation. Ownership of the property will transfer to NDSU when the bonds are repaid in full. The bonds are guaranteed by the Foundation. This property is leased to NDSU for rental equal to the sum of the semi-annual interest only payments on the variable term bonds plus the semi-annual principal and interest payments on the fixed-rate bonds for the term of the bonds, plus all the costs incurred by the Foundation incident to ownership of the property.

In May 2012, the Foundation refinanced the original bonds issued in November 2007. As a result, new leases were executed. Under the terms of the new leases, NDSU pays and recognizes a liability for the amount of the previously issued bonds. During fiscal year 2025, NDSU paid \$418,500 to the bond trustee on-behalf of the Foundation under the new leases for debt service on Barry Hall & Klai Hall. NDSU has an option to acquire the property upon full payment of the bonds. As of June 30, 2025, the outstanding balance on the bonds, reflected as "Due to Component Units" by NDSU, is \$6.1 million.

Other Transactions

The Foundation provides meeting space rental and database support service to NDSU for an annually negotiated fee. NDSU paid the foundation \$1.1 million for the fiscal year ending December 31, 2024.

The Foundation's fiscal year end is December 31, NDSU's year end is June 30. Timing differences in amounts may occur between entity financial statements, due to different year end dates.

UNIVERSITY OF NORTH DAKOTA AND UND AEROSPACE FOUNDATION (AF)

UND AF recorded expenses reimbursed to UND for salaries, building rent, aircraft rental, and goods and services under an operating agreement aggregating \$5.1 million in fiscal year 2025. This operating agreement has no specific term and is intended to memorialize various operating agreements, rate structures, duties, and obligations each party has to the other. Expenses

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reimbursed to UND represent actual costs incurred and are included in supporting services in the consolidated statements of activities.

UND AF recorded revenue for service and hangar, CRJ, 360-degree tower, and aircraft rental to UND of \$2.7 million in fiscal year 2025, which is included in training and support services in the consolidated statements of activities.

As of June 30, 2025, the UND AF recorded accounts payable to UND of \$1.1 million for reimbursable costs and services. As of June 30, 2025, the UND AF had recorded accounts receivable from UND of approximately \$813,000, which are included in accounts receivable in the consolidated statements of financial position.

UND AF entered into a sublease with UND to lease the aircraft storage hangar/ground support equipment facility. The lease term is for 20 years, commencing on July 7, 2003, until July 6, 2023. The lease was extended in October 2023 for an additional five-year term. For the first fifteen years of the sublease, UND paid UND AF's monthly minimum payment of \$12,672, beginning on October 1, 2003, subject to actual cost adjustments. At the end of the fifteen years of the sublease, rent will be adjusted based upon the interest rate adjustments of the debt incurred by the UND AF in the construction of the hangar.

UNIVERSITY OF NORTH DAKOTA AND RE ARENA, INC. (REA)

REA and UND, entered into an operating agreement from July 1, 2020 to September 30, 2030. The operating agreement sets forth the facility usage, fees and services, ticket administration and revenue allocation, sponsorship sales administration and revenue allocation, and net income disposition. In accordance with this agreement: (i) RE Arena, Inc. collects all ticket revenue from ticketed UND athletic events (hockey, football, men's and women's basketball, and volleyball), RE Arena, Inc. retains 52 percent of such ticket revenue and remits 48 percent to UND, and (ii) RE Arena, Inc. collects all sponsorship sales revenue from UND athletic events at the arena, RE Arena, Inc. retains 50 percent of such sponsorship revenue, net of direct costs, and remits 50 percent to UND, net of direct costs. In addition, UND and RE Arena, Inc. jointly utilize the UND and RE Arena, Inc. marketing staff to market and promote UND athletic events.

REA may contract with UND for materials and personnel in service, utility and other areas and will reimburse UND based on separate agreements. Revenue and expense arrangements for all other UND events held at the arena will be negotiated on an event-by-event basis. In REA's fiscal year 2025, gross tickets sales were \$5.7 million of which REA recognized revenue of \$2.9 million, with a net paid to UND of \$2.7 million.

Gross tickets sales for the next athletic season year are recorded in deferred revenue at gross by REA for a total of \$3.8 million.

REA recognized net sponsorship (advertising) revenue of \$1.4 million and net paid to UND in sponsorship (advertising) income of \$1.4 million. REA allocated \$500,000 of net income to UND athletic department for the year ended May 31, 2025. REA paid \$1.2 million to UND for utilities, maintenance staff, phone service and other. Amounts are reported on the accrual basis of accounting, which may or may not be the same as that used by UND. REA fiscal year end is May 31 and UND's fiscal year end is June 30.

Amounts may differ between entity financial statements because of timing differences due to different year ends.

UNIVERSITY OF NORTH DAKOTA AND UNIVERSITY OF NORTH DAKOTA FOUNDATION

During the year ended December 31, 2024, UND provided approximately \$1.2 million of institutional support for event and database support, annual giving campaign, career development center and shared positions. The UND Foundation manages UND's endowment investments and charged them \$142,000 in investment management fees during the fiscal year ended December 31, 2024.

In fiscal year ending December 31, 2024, the UND Foundation paid \$4.4 to UND for building projects. On July 24, 2002, the UND Foundation issued \$8.6 million of tax-exempt lease revenue bonds to finance the construction of an office building and the renovation of an existing building for the EERC of UND. The UND Foundation recorded a receivable from UND of \$8.6 million due under the direct-financing lease arrangement. On October 18, 2012, the UND Foundation issued Taxable Refunding Lease Revenue Bonds, Series 2012 in the amount of \$6.4 million to refund its outstanding Lease Revenue Bonds, Series 2002.

The UND Foundation also amended the related lease agreement with UND. Interest accrues on the bonds at rates from 0.75 percent to 4.20 percent, depending upon maturity. Annual principal and semiannual interest payments are due through fiscal year 2027 and as of December 31, 2024 were \$1.7 million. The bonds are secured by a lease with UND.

On March 23, 2021, the UND Foundation financed the build of the College of Business and Public Administration building in part with First International Bank & Trust, in an amount up to \$30.0 million. On July 23, 2023 the UND Foundation modified the

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University Facilities Bonds, Series 2021 (College of Business and Public Administration Building) to allocate \$13.0 million of the \$30.0 million to finance the building of the Frederick "Fritz" Pollard, Jr. Athletic Center. The bonds are now secured by pledged receivables for both building projects. As of December 31, 2024, the outstanding balance on the bonds is \$23.4 million and the bonds mature on March 5, 2032. UND is not legally obligated for the payment of these bonds.

On August 13, 2024, the Organization issued Taxable Refunding Lease Revenue Bonds, Series 2024A and 2024B in the amounts of \$24,485,000 and \$5,290,000, respectively for the construction of a multi-story building for EERC, renovation of an existing building occupied by EERC, and demolition of an EERC building. Interest accrued on the bonds at rates from 5.0% to 5.05%. An interest only payment is due during 2025, then annual principal and interest payments are due through 2054. The bonds are secured by a lease with the University of North Dakota.

On April 26, 2024, The University of North Dakota Foundation entered into a loan agreement with the City of Grand Forks in an amount of \$2.0 million to assist in the construction of a UND Softball Complex. The interest rate is variable between 2 percent – 4 percent. Annual payments on the loan begin in 2025 and are required through 2034. UND is not legally obligated for the payment of the loan.

In fiscal year 2025, the Foundation changed its fiscal year end to December 31, UND's year end is June 30. Timing differences in amounts may occur between entity financial statements, due to different year end dates.

NOTE 12 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

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The State, through the Bank of North Dakota, is a party to credit related financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, financial standby letters of credit and guarantees related to loan programs. Those instruments involve varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the statement of net position. The contract amounts of those instruments reflect the extent of involvement the State has in particular classes of off-balance-sheet financial instruments.

The State's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and financial standby letters of credit is represented by the contractual amount of those instruments. The State uses the same credit policies in making commitments and conditional obligations as it does for on- balance-sheet instruments.

	Contract Amount (in thousands)
Commitments to extend credit	\$ 2,057,613
Financial standby letters of credit	781,244
Guarantees provided	6,443

Commitments to extend credit are agreements to lend as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained by the State upon extension of credit is based on management's credit evaluation of the customer. Collateral held may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties.

Financial standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those letters of credit are primarily issued to support public borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Bank has segmented this category into three components: (1) letters of credit, (2) confirming letters of credit, and (3) letters of credit pledged for public deposits to North Dakota financial institutions.

Letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party which require this type of facility. The maturities for these letters range from one month to ten years, and the likelihood of funding any of these letters of credit is considered to be remote. The Bank holds collateral supporting those commitments. The Bank also has letters of credit with the North Dakota Public Finance Authority with maturities ranging from 11 months to 22 years. If the letters issued to Public Finance Authority were ever drawn upon, Public Finance Authority is legally obligated to reimburse the Bank from funds legally available, or from any appropriation made available to the Legislative Assembly after certification by the

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Industrial Commission. The likelihood of funding any of these letters of credit is also considered to be remote. Outstanding issued letters of credit as of December 31, 2024 were \$26.2 million.

Confirming letters of credit are issued to North Dakota financial institutions to support letters of credit they have issued but are still in need of backing from an institution with a long-term, high quality bond rating. In the event these letters were to be drawn upon, based on the terms of the agreement, the Bank would immediately withdraw funds from the institution's correspondent bank account held at the Bank to cover the amount drawn. These agreements generally have terms of 12 months or less. The likelihood of funding any of these confirming letters of credit is also considered to be remote. Outstanding issued confirming letters of credit as of December 31, 2024 were \$4 million.

Letters of credit pledged for public deposit to North Dakota financial institutions are issued to support public borrowing arrangements. These letters are fully collateralized by a pool of loans pledged to the Bank. These agreement generally have terms of 12 months or less. Financial standby letters for public deposits by North Dakota banks totaled \$482 million at December 31, 2024. The likelihood of funding any of these letters of credit is also considered to be remote. These letters of credit are authorized form of collateral for public deposits per North Dakota Century Code 21-04-09.

The Bank has not recorded a contingent liability related to off-balance sheet activity as of December 31, 2024.

SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND

As of June 30, 2025, the Fund had five outstanding commitments for \$25.3 million.

LEGACY INVESTMENT FOR TECHNOLOGY FUND

As of June 30, 2025, the Fund had five outstanding commitments for \$2.3 million.

INFRASTRUCTURE REVOLVING LOAN PROGRAM

As of June 30, 2025, the Fund had eighteen outstanding commitments for \$36.1 million.

RURAL WORKFORCE INITIATIVE SUPPORT HOUSING

As of June 30, 2025, the Fund had one outstanding commitment for \$1.8 million.

CLEAN SUSTAINABLE ENERGY AUTHORITY

As of June 30, 2025, the Fund had five outstanding commitments for \$299.5 million.

WATER INFRASTRUCTURE REVOLVING LOAN FUND

As of June 30, 2025, the Fund had three outstanding commitments for \$109.3 million.

MEDICAL FACILITY INFRASTRUCTURE LOAN FUND

As of June 30, 2025, the Fund had three outstanding commitments for \$7.6 million

NORTH DAKOTA HOUSING FINANCE AGENCY

In the normal course of business, the Agency makes various commitments that are not reflected in the financial statements. These include commitments to extend credit and the debt reduction required when related loan acquisition funds are not drawn down within prescribed time frames set by the specific bond resolution.

Commitments to extend credit are agreements to fund loans as long as there is no violation of any condition established in the contracts. Commitments require the payment of a reservation fee and generally have a fixed expiration date. Commitments to extend credit total \$80.7 million at June 30, 2025.

The bond resolutions require that the funds in the loan acquisition accounts be expended within 42 months of the related bond delivery date. Any remaining funds must be used for debt reduction. The loan acquisition funds totaled \$221.2 million at June 30, 2025.

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PUBLIC FINANCE AUTHORITY

In the normal course of business, the Finance Authority (a component unit) makes various commitments that are not reflected in the financial statements. These commitments include commitments to extend credit of \$229.6 million at December 31, 2024.

NOTE 13 - INTEREST RATE SWAP

BANK OF NORTH DAKOTA

The Bank has outstanding interest rate swap agreements with a notional amount \$500 million to convert variable rate federal funds and variable LIBOR- indexed deposits into fixed-rate instruments over the term of the contract. The following table summarizes the terms of the interest rate swap contracts:

Trade Date	Maturity Date	Notional Amount	Pay Fixed	Receive Variable
June 5, 2014	June 1, 2029	\$50,000,000	2.86%	Fed Funds
April 14, 2015	May 1, 2030	\$50,000,000	1.92%	Fed Funds
August 11, 2016	September 1, 2031	\$50,000,000	1.48%	1 Month SOFR Fallback
April 5, 2017	May 1, 2032	\$50,000,000	2.39%	1 Month SOFR Fallback
June 15, 2017	July 1, 2032	\$50,000,000	1.99%	Fed Funds
March 27, 2018	April 1, 2033	\$50,000,000	2.47%	Fed Funds
June 28, 2018	July 1, 2033	\$50,000,000	2.52%	Fed Funds
April 25, 2019	May 1, 2034	\$50,000,000	2.36%	Fed Funds
September 3, 2019	October 1, 2034	\$50,000,000	1.15%	Fed Funds
October 2, 2019	November 1, 2034	\$50,000,000	1.38%	Fed Funds

Either the Bank or its counterparties may terminate the interest rate swap if the other party fails to perform under the terms of the contract. Termination could result in the Bank being required to make a payment of the fair value of the swap to counterparty.

The following table summarizes the derivative financial instrument utilized at December 31, 2024:

Swap	National Amount	Fair Value		Changes in Fair Value	
		Classification	Amount	Classification	Amount
June 2014	\$ 50,000,000	Other assets	\$ 218,000	Deferred inflow	\$ 841,000
April 2015	50,000,000	Other assets	4,866,000	Deferred inflow	691,000
August 2016	50,000,000	Other assets	7,604,000	Deferred inflow	726,000
April 2017	50,000,000	Other assets	5,396,000	Deferred inflow	1,270,000
June 2017	50,000,000	Other assets	6,369,000	Deferred inflow	1,274,000
March 2018	50,000,000	Other assets	5,211,000	Deferred inflow	1,649,000
June 2018	50,000,000	Other assets	5,177,000	Deferred inflow	1,724,000
April 2019	50,000,000	Other assets	6,213,000	Deferred inflow	1,823,000
Sept 2019	50,000,000	Other assets	11,414,000	Deferred inflow	1,361,000
Oct 2019	50,000,000	Other assets	10,527,000	Deferred inflow	1,481,000

At December 31, 2024, the Bank was not exposed to material credit risk because each counterparty is required to fully collateralize the fair value of the swaps within \$250 of daily mark-to-market valuations by depositing funds with the other counterparty.

The Bank is exposed to interest rate risk on its swap agreements. On its pay-fixed, receive variable interest rate swaps, the Bank's net payment increases as the USD-FEDERAL FUNDS-H.15 and USD-1 MONTH SOFR interest rates decrease.

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Using rates as of December 31, 2024, the interest expense of the variable rate federal funds, variable rate 1 month SOFR Fallback and the net swap payments are as follows. As rates vary, the federal fund and 1 month SOFR interest expense and the net swap payments will vary.

Year Ended December 31:	Pay Fixed	Receive Variable		Interest Rate Swap, net
	Contract Interest	Federal Fund Interest	1-Month SOFR Fallback Interest	
2025	\$ 10,260,000	\$ 17,870,000	\$ 4,661,000	\$ (12,271,000)
2026	10,260,000	17,870,000	4,661,000	(12,271,000)
2027	10,260,000	17,870,000	4,661,000	(12,271,000)
2028	10,260,000	17,870,000	4,661,000	(12,271,000)
2029	9,425,000	16,567,000	4,661,000	(11,803,000)
2030-2034	26,427,000	52,486,000	9,323,000	(35,382,000)
	<u>\$ 76,892,000</u>	<u>\$ 140,533,000</u>	<u>\$ 32,628,000</u>	<u>\$ (96,269,000)</u>

NORTH DAKOTA HOUSING FINANCE AGENCY

As a means to lower its borrowing costs, when compared against fixed-rate bonds at the time of issuance, the Agency entered into several cash flow hedges or swaps in connection with various variable-rate housing bond series. All Agency cash flow hedges are pay-fixed. The intention of these swaps was to effectively change the Agency's interest rate on the bonds to a fixed rate. The Agency also has cash flow hedges that were entered into in connection with variable-rate housing bond series that no longer have bonds outstanding as those bonds have been called. The cash flow hedges that are not connected to a specific bond series hedge the risk related to the Agency's other variable-rate housing bonds that are unhedged.

The bonds and the related swap agreements have a stated issuance and maturity date. Some of the swaps have optional termination dates. Under the swaps, the Agency pays the counterparty a fixed payment and receives a variable payment computed as a percent of the London Interbank Offered Rate (LIBOR) or Secured Overnight Financing Rate (SOFR) plus a fixed percentage on the swap notional amount. On the other hand, the bond's variable-rate coupons are determined by the remarketing agent. If for any reason the remarketing agent fails to act, the rate shall be the lesser of (i) the TBMA Index plus 0.25% or (ii) the Maximum Rate as defined within the applicable series resolution.

As of June 30, 2025, the Agency had eleven swaps with a positive fair value totaling \$16.3 million. Of the swaps with negative fair value, the Agency is not exposed to credit risk. However, the swap exposes the Agency to basis risk should the relationship between LIBOR/SOFR and TBMA converge, changing the synthetic rate on bonds. The swap counterparty has guaranteed all payments and is rated AAa/AA+/AAA by Moody's Investor Services, Standard & Poor's, and Fitch, respectively. To mitigate potential credit risk, the counterparty has entered into Credit Support Agreements with Royal Bank of Canada and Wells Fargo as a credit enhancement.

The Agency has entered into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements netting provisions permit each party to net the transactions' fair values so that a single sum will be owed by, or owed to, the other party. At June 30, 2025, the Agency owed the swap providers a fixed rate on the notional amount of the swaps of \$5.9 million and the swap providers owed the Agency a variable rate on the notional amounts of \$8 million making the net payment that the Agency owed from the swap providers \$2.1 million.

Due to the difference in the variable rate indices, the swaps had a net positive fair value of \$16.3 million as of June 30, 2025. Accordingly, the financial derivative instrument is reported as a liability and the accumulated changes in fair value of the swaps are reported as a deferred inflow at June 30, 2025. The coupon on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. All valuations are as of the valuation date indicated. Mid-Market or indicative unwind valuations may be derived from broker quotations or from proprietary models that take into consideration estimates about relevant present and future market conditions as well as the size and liquidity of the position and any related actual or potential hedging transactions. Valuations based on other models or different assumptions may yield different results.

The swap exposes the Agency to basis risk should the relationship between LIBOR/SOFR and the actual variable rates converge, changing the synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate and the synthetic rate as of June 30, 2025. If a change occurs that results in the rates' moving to convergence, the expected cost savings may not be realized.

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The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination event." That is, the swap may be terminated if counterparty's credit quality rating falls below "A3" as issued by Moody's Investors Service or "A-" as issued by Fitch Ratings or Standard & Poor's. The swap may be terminated at any time by the Agency or the counterparty with 30 days written notice up to limits specified in the swap agreement. If the swap or swaps were terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Agency would be liable to the counterparty for payment equal to the swap's fair value, but in the event the fair value is positive, the counterparty would be liable to the Agency.

The Agency is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to maturity of the hedged debt. When these hedging derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, the Agency will be re-exposed to the risks being hedged by the hedging derivative instrument. The Agency also is exposed to rollover risk on the swaps that mature and the Agency does not call the related variable rate debt.

The terms of the interest rate swaps at June 30, 2025 are as follows:

1. Bond Series	2015 C	2015 E	2015 F	2017 C
2. Issuance Date	6/23/2015	5/1/2016	12/8/2015	5/10/2017
3. Maturity Date	1/1/2046	7/1/2036	1/1/2047	7/1/2047
4. Notional Amount	\$ 11,745,000	\$ 18,840,000	\$ 11,540,000	\$ 19,505,000
5. Variable-rate Bonds	\$ 11,745,000	\$ 18,840,000	\$ 11,540,000	\$ 19,505,000
6. Fixed Rate	2.486 %	2.257 %	2.320 %	2.783 %
7. LIBOR Percentage	66.20 %	66.40 %	100.00 %	100.00 %
8. Additional Percentage	0.10 %	0.22 %	0.00 %	0.00 %
9. Bonds Variable-rate	0.91000 %	0.91000 %	1.65000 %	2.73904 %
10. Fair Value	\$ 736,000	\$ 623,000	\$ 1,190,000	\$ 1,569,000
11. Percentage of LIBOR	3.03185 %	3.16071 %	4.42878 %	4.42878 %
12. Synthetic Rate	0.36415 %	0.00629 %	(0.45878)%	1.09276 %
13. Actual Synthetic Rate	2.96749 %	1.80143 %	2.27431 %	2.70952 %
14. Change in Fair Value	\$ (160,000)	\$ (459,000)	\$ (436,000)	\$ (657,000)
15. Optional Termination Date	N/A	N/A	N/A	7/1/2027

1. Bond Series	2017 H	2018 C	2019 B	2019E
2. Issuance Date	12/21/2017	6/14/2018	2/13/2019	6/25/2019
3. Maturity Date	7/1/2039	1/1/2049	1/1/2043	1/1/2050
4. Notional Amount	\$ 28,250,000	\$ 9,355,000	\$ 25,000,000	\$ 12,265,000
5. Variable-rate Bonds	\$ 28,250,000	\$ 9,355,000	\$ 25,000,000	\$ 12,265,000
6. Fixed Rate	2.266 %	3.515 %	2.693 %	3.171 %
7. LIBOR Percentage	66.40 %	100.00 %	70.00 %	100.00 %
8. Additional Percentage	0.09 %	0.00 %	0.00 %	0.00 %
9. Bonds Variable-rate	0.90000 %	1.60000 %	1.11000 %	1.60000 %
10. Fair Value	\$ 1,508,000	\$ 550,000	\$ 1,223,000	\$ 2,083,000
11. Percentage of LIBOR	3.03071 %	4.42878 %	3.10015 %	4.42878 %
12. Synthetic Rate	0.13529 %	0.68622 %	0.70235 %	0.34222 %
13. Actual Synthetic Rate	2.14803 %	3.45177 %	2.85418 %	3.11545 %
14. Change in Fair Value	\$ (645,000)	\$ (282,000)	\$ (413,000)	\$ (153,000)
15. Optional Termination Date	N/A	7/1/2027	N/A	7/1/2028

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1. Bond Series	2022C	2022E	2023C
2. Issuance Date	4/28/2022	6/14/2022	2/16/2023
3. Maturity Date	7/1/2052	1/1/2053	7/1/2047
4. Notional Amount	\$ 30,000,000	\$ 25,000,000	\$ 13,330,000
5. Variable-rate Bonds	\$ 30,000,000	\$ 25,000,000	\$ 13,330,000
6. Fixed Rate	2.644 %	3.808 %	4.493 %
7. LIBOR Percentage	100.00 %	100.00 %	100.00 %
8. Additional Percentage	0.05 %	0.05 %	0.15 %
9. Bonds Variable-rate	1.60000 %	1.60000 %	1.60000 %
10. Fair Value	\$ 3,417,000	\$ 2,919,000	\$ 498,000
11. Percentage of LIBOR	4.47878 %	4.47878 %	4.57878 %
12. Synthetic Rate	(0.23478)%	0.92922 %	1.51422 %
13. Actual Synthetic Rate	2.53755 %	3.36373 %	4.24509 %
14. Change in Fair Value	\$ (911,000)	\$ (97,000)	\$ (233,000)
15. Optional Termination Date	1/1/2032	1/1/2032	7/1/2028

Using rates as of June 30, 2025, debt service requirements of the variable-rate debt and net swap payments are as follows. Interest calculations were based on rates as of June 30, 2025. As rates vary, variable-rate bond interest payments and net swap payments will vary. (Expressed in thousands.)

Fiscal Year Ending June 30	Variable-Rate Bond		Interest Rate Swap, Net	Total
	Principal	Interest		
2026	\$ 1,595	\$ 2,955	\$ (2,072)	\$ 2,478
2027	4,935	2,871	(2,003)	5,803
2028	4,655	2,788	(1,934)	5,509
2029	4,940	2,707	(1,868)	5,779
2030	8,320	2,583	(1,758)	9,145
2031 - 2035	46,915	10,884	(6,916)	50,883
2036 - 2040	52,815	7,536	(4,124)	56,227
2041 - 2045	38,595	4,498	(2,257)	40,836
2046 - 2050	29,290	2,131	(1,028)	30,393
2051 - 2055	12,770	224	(99)	12,895
	<u>\$ 204,830</u>	<u>\$ 39,177</u>	<u>\$ (24,059)</u>	<u>\$ 219,948</u>

NOTE 14 - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

Most of the State's business is with customers within the state. Concentrations of credit are present in the construction and operation of community water facilities, loans to medical facilities for health care construction, loans to students for post-secondary education, loans to owners of homes damaged in the 2011 floods in Barnes, Benson, Burleigh, McHenry, Morton, Ramsey, Renville, Richland and Ward counties, single- family and multifamily mortgage loans, loans to assist local financial institutions in providing loans to assist very small businesses in their recovery from the impacts caused by the COVID-19 pandemic, loans to political subdivisions in the state for infrastructure, loans to local schools, loans to provide financing for commercialization of intellectual technology within the State and the agricultural industry, loans to propane retailers for bulk storage of propane. Due to the pervasive nature of agriculture in the economy of the state, all loans, regardless of type, are impacted by agriculture.

NOTE 15 - RISK MANAGEMENT

Several funds accumulate assets to cover risks that the State may incur. Specifically, the State assumes a portion or substantially all risks associated with the following:

THE STATE FIRE AND TORNADO FUND

The State Fire and Tornado Fund, an Enterprise Fund, is financed by premiums charged to the participating funds of the State. All monies collected must be paid into the fund for use only for the purpose outlined in NDCC 26.1-22.02.

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All losses occasioned by the hazards provided for in the North Dakota Century Code must be paid out of the fund, with the fund being reimbursed by a third-party insurance carrier for all losses in excess of \$2,000,000 per occurrence.

STATE BONDING FUND

The State Bonding Fund, an Enterprise Fund, is financed by premiums charged to each State agency for the bonding of public employees and public officials.

FLEET SERVICES

Fleet Services, an Internal Service Fund, represents the State's fleet of automobiles and is administered by the Department of Transportation. The State is self-insured for substantially all automobile insurance (e.g., comprehensive, collision), with the exception of liability, which is provided by the State's Risk Management Fund (RMF). State agencies are charged premiums to cover Fleet Service's RMF assessment and to pay for those losses that are not covered by RMF. These premium charges are factored into the fees agencies are charged when renting the cars.

WORKFORCE SAFETY & INSURANCE

Workforce Safety & Insurance (WSI), an Enterprise Fund, is a State insurance fund and a "no fault" insurance system, covering the State's employers and employees. WSI is financed by premiums assessed to employers. The rate of such premiums is periodically adjusted to assure the solvency of WSI. The premiums are available primarily for the payment of claims to employees injured in the course of employment. During fiscal year 2025, a total of \$124,450,774 in claims was recognized. The liability of \$920,060,000 is the present value of the unpaid claim liability discounted at 3.5% as determined by the actuarial.

RISK MANAGEMENT FUND

Due to the loss of sovereign immunity, the 1995 Legislature established the Risk Management Fund (RMF) to pay money damages for tort claims for which the State is liable. The State purchases commercial insurance for claims in excess of coverage provided by the Fund and continues to transfer liabilities for medical malpractice and aviation to private insurance carriers. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

Revenues to the RMF are generated from contributions required from state agencies, boards and commissions, and the University System. The need for and amount of funding is determined using a projected cost allocation approach. The premise of this plan is that the agencies with greater expected loss costs should contribute more to the funding of the RMF than those agencies with lesser costs. The underlying logic is that contributions should roughly equal loss costs plus the expenses of administering the program over the long term.

The RMF liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Unpaid claim liabilities are based on an actuarial study of the outstanding loss reserve need for the fund and a forecast of ultimate loss and loss expense. These liabilities were determined on an undiscounted expected level of ultimate loss. Because actual claims liabilities are affected by complex factors including inflation, changes in legal doctrines, and unanticipated damage awards, the process used in computing claims liabilities does not necessarily result in exact amounts. Claims liabilities will be re-evaluated periodically to take in consideration settled claims, the frequency of claims, and other economic and social factors.

The following table presents the changes in claims liabilities balance for the fiscal years ending June 30, 2025 and 2024:

Fiscal Year	Beginning Balance	Current Year Claims and Changes In Estimates	Claims Payments	Ending Balance
2025	\$ 4,173,172	\$ (158,902)	\$ (272,289)	\$ 3,741,981
2024	3,866,520	723,442	(416,790)	4,173,172

The Risk Management Workers Compensation Program (WCP) was established to consolidate all state entities under one workers compensation account, allowing for transitional duty between entities. The statutory liability of the fund is limited to \$100,000 per claim with Workforce Safety & Insurance, providing excess insurance for claims that exceed the \$100,000 cap.

Revenues to WCP are generated from contributions required from state agencies, boards, commissions, and the University System. The amount contributed from each agency is actuarially determined by Workforce Safety & Insurance and based upon the number of employees, the type of work done, and claims history of each entity. Each entity also pays a deductible of \$250 per claim.

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The WCP liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities are affected by complex factors including inflation, changes in legal doctrine, and unanticipated damage awards, the process used in computing claims liabilities does not necessarily result in exact amounts. Claims liabilities will be re-evaluated periodically to take into consideration settled claims, the frequency of claims, and other economic and social factors. An actual study was performed for Workforce Safety & Insurance. The liability estimates are based on that study.

The following table presents the changes in claims liabilities balance for the fiscal years ending June 30, 2025 and 2024:

Fiscal Year	Beginning Balance	Current Year Claims and Changes In Estimates	Claims Payments	Ending Balance
2025	\$ 3,024,683	\$ 3,617,066	\$ (3,735,425)	\$ 2,906,324
2024	4,056,820	2,894,983	(3,927,120)	3,024,683

NOTE 16 - PUBLIC ENTITY RISK POOLS

A. GENERAL

FIRE AND TORNADO AND BONDING FUND

The Fire and Tornado Fund provides property insurance to state agencies, political subdivisions, the International Peace Garden and the Winter Show. The Fire and Tornado Fund has issued 1,240 policies to participating entities for a total building and content coverage of \$26.5 billion. The Bonding Fund is used to provide fidelity bonding of public employees and officials. The Fund has issued 1,674 policies to participating entities. The total coverage for the Bonding Fund is \$834.9 million. If the assets of these funds were exhausted, fund participants would not be responsible for the funds' liabilities.

The Fire and Tornado and Bonding Fund are accounted for on the accrual basis. The Fire and Tornado Fund establishes claim liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims incurred but not reported. The Bonding Fund establishes claim liabilities based on actual judgments obtained against the fund but not paid prior to fiscal year end. Liabilities for incurred but not reported losses have not been established based on prior year activity. Neither fund incurred any acquisition costs, which should have been capitalized, nor were any liabilities recognized that were discounted. Investment income was not considered in determining the existence of premium deficiencies.

The Fire and Tornado Fund uses reinsurance agreements to reduce its on covered losses in excess of \$2.0 million. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Fund as direct insurer of the risks that are reinsured. The Fire and Tornado Fund does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. There were no pending losses at June 30, 2025 that would reduce the fund's liability.

WORKFORCE SAFETY & INSURANCE

Workforce Safety & Insurance (WSI), an Enterprise Fund, is a state insurance fund and a "no fault" insurance system covering the State's employers and employees. At June 30, 2025, coverage extended to the following employers:

Annual Premium	
\$250 - \$5,000	22,633
\$5,001 - \$50,000	4,415
\$50,001 - \$100,000	356
Over \$100,000	320
Total Employers	<u>27,724</u>

WSI is financed by premiums assessed to the employers doing business in North Dakota. The premiums are available primarily for the payment of claims to employees injured in the course of employment.

The operations of WSI are accounted for on the accrual basis. Liability for incurred loss and loss adjustment expense (LAE) is estimated by WSI's actuary. The estimate is developed by WSI's actuary, taking into consideration past experience of WSI in paying claims, and general conditions of the environment in which WSI operates. The liability is based on the estimated ultimate

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costs to settle both reported and incurred but not report (IBNR) losses and LAE, and includes the effects of inflation and other societal and economic factors. The actuarial computations also include a 3.5% discount to report this liability at its present value.

Management believes the estimated liability for losses and loss adjustment expense is sufficient to cover the ultimate net cost of incurred losses, but such loss reserves are necessarily based on estimates and the ultimate liability may be greater or less than the amounts estimated. As adjustments to this estimated liability become necessary, such adjustments are reflected in current operations.

For the year ended June 30, 2025, the consulting actuaries presented an estimate in the form of a range to emphasize the uncertainty for a "long-tailed" liability insurer such as workers' compensation. These ranges are as follows (expressed in thousands):

	Low	Central Value	High
Full value basis, undiscounted	\$ 1,197,955	\$ 1,301,604	\$ 1,365,621
Present value basis, discounted at 4%	848,765	920,060	963,782

WSI has adjusted the estimated liability for unpaid loss and loss adjustment expense to the actuary's 3.5 percent discounted expected value of \$920,060,000 at June 30, 2025.

While management has recorded amounts that fall within the ranges of estimated liabilities as computed under actuarial assumptions, the high level of uncertainty indicates that actual losses and expenses could be materially higher than the recorded estimated liability.

WSI has entered into a contract with an intermediary for reinsurance coverage for catastrophic coverage. Historically, WSI has had up to four coverage levels, with varying retention limits of \$3 million, \$5 million, \$10 million and \$20 million. Terms, limits and pricing are re-evaluated annually. WSI's current 2025 calendar year has two coverage levels, with retention limits of \$10 million and \$20 million. For the year ended June 30, 2025 WSI recorded ceded losses of \$3,297,044 and ceded premiums of \$1,151,948.

B. RECONCILIATION OF CLAIMS LIABILITIES

The following is a reconciliation of total claims liabilities, including an analysis of changes in aggregate liabilities for claims and claim adjustment expenses for the current fiscal year and the prior year (expressed in thousands):

	Fire And Tornado		Bonding		Workforce Safety & Ins	
	2025	2024	2025	2024	2025	2024
Unpaid claims and claims adjustment expenses at the beginning of the year	\$ 2,659	\$ 2,933	\$ 134	\$ 134	\$ 917,681	\$ 950,231
Incurred claims and claims adjustment expenses:						
Provision for current fiscal year	3,263	2,659	—	8	129,311	159,053
Change in provision for prior fiscal year	983	2,208	—	—	(69,425)	(93,478)
Payments and claims and adjustment expenses attributable to:						
Current fiscal year insured events	(3,642)	(5,141)	(134)	(126)	(46,313)	(53,137)
Prior fiscal years' insured events	—	—	134	118	(75,759)	(67,527)
Total Payments	(3,642)	(5,141)	—	(8)	(122,072)	(120,664)
Change in provision for discount	—	—	—	—	64,565	22,539
Total unpaid claims and claims adjustment expenses at the end of the year	\$ 3,263	\$ 2,659	\$ 134	\$ 134	\$ 920,060	\$ 917,681

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NOTE 17 - BANK OF NORTH DAKOTA

GASB Statement No. 34 requires assets and liabilities of enterprise funds be presented in a classified format to distinguish between current and long-term assets and liabilities. The Bank of North Dakota is the only government-owned bank in the United States. Banks do not present a classified statement of net position because current assets are not matched with current liabilities. Presentation of a classified statement of net position would give the false impression that there is a liquidity problem at the bank. Presentation of a classified statement of net position for the Bank of North Dakota would be misleading to the extent that the financial statements may be materially misstated. Therefore, the statement of net position of the Bank of North Dakota presents assets and liabilities in order of their relative liquidity, rather than in a classified format.

NOTE 18 - COMMITMENTS AND CONTINGENCIES

A. *LONG-TERM COMMITMENTS*

INDUSTRIAL COMMISSION

The Industrial Commission has entered into various contracts with third parties for the following programs regarding lignite research, oil and gas research, renewable energy and for the outdoor heritage program. As of June 30, 2025, the total outstanding balance on these contracts was \$68.6 million.

MILL AND ELEVATOR

As of June 30, 2025, the Mill had commitments to purchase 5,241,965 bushels of spring wheat and 874,629 bushels of durum.

JOB SERVICE NORTH DAKOTA

As of June 30, 2025, the Agency has commitments to pay \$390,971 for purchase orders and contracts awarded for goods, services, software licenses and software support to be provided in future periods, all of which are federally funded.

HOUSING INCENTIVE FUND

The Fund makes various commitments relating to construction projects to meet unmet housing needs across North Dakota. The Fund had \$7.2 million of signed commitments for construction projects as of June 30, 2025. The Fund had \$12.2 million of HIF funds awarded for construction projects as of June 30, 2025. The total paid on these commitments as of June 30, 2025 was \$5 million.

DEPARTMENT OF HUMAN SERVICES

As of June 30, 2025, the Department of Human Services had significant commitments for the purchase of various types of services totaling \$518.1 million.

NORTH DAKOTA LOTTERY

The Lottery contracts with a third party to provide an online gaming system and related services through September 27, 2025. Total payment for these services during the year ended June 30, 2025 were \$3.1 million based on 9.573% of ticket sales. The Lottery's future obligation through September 27, 2025 is based on 9.573% of ticket sales. Additionally, the Lottery pays an annual minimum fee of \$325,000 to provide the Player's Club Points for Prizes program.

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION

At June 30, 2025, the North Dakota Department of Transportation (Special Revenue Fund) had non-construction contract commitments of approximately \$147 million and construction contract commitments of \$88 million, of which \$270 million represents federal programs which are cost reimbursable.

NORTH DAKOTA DEVELOPMENT FUND

The board of directors has approved equity investments, loans, grants, and guaranty of collections at June 30, 2025, for which funds have not been disbursed or written agreements entered into in the amount of \$4.6 million.

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STATE WATER COMMISSION

As of June 30, 2025, the State Water Commission had long-term commitments of \$539.8 million for various water projects.

UNIVERSITY SYSTEMS

Contracts for the construction of various projects on behalf of the University System have been let as follows (expressed in thousands):

	<u>Original Issue</u>	<u>Paid To Date</u>	<u>Amount To Be Paid</u>
BSC	\$ 41,748	\$ 16,217	\$ 25,531
DSU	30,191	13,789	16,402
MaSU	45,478	12,367	33,111
MiSU	26,005	25,549	456
NDSCS	20,336	13,418	6,918
NDSU	289,923	179,895	110,028
UND	83,025	49,442	33,583
VCSU	14,365	13,561	804
WSC	40,037	29,669	10,368
Total	<u>\$ 591,108</u>	<u>\$ 353,907</u>	<u>\$ 237,201</u>

OTHER CONSTRUCTION COMMITMENTS

That State has entered into construction commitments. As of June 30, 2025, the following commitment exists on other construction contracts, in thousands:

Secretary of State	\$ 3,211
Office of Management and Budget	19,698
Information Technology	56,251
Attorney General	1,534
Legislative Assembly	120
Public Instruction	19
Industrial Commission	606
Environmental Quality	151
Veteran's Home	16
Department of Human Services	150,162
Corrections and Rehab	117,875
Adjutant General	8,551
Commerce Department	78
State Historical Society	72,401
Game and Fish	351
Parks and Recreation	8,500
Water Commission	1,390
Department of Transportation	103,573
Mill and Elevator	16,710

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B. QUESTIONED COSTS

The State receives federal financial assistance which is subject to review and audit by the Office of the State Auditor and the federal government. This assistance is generally conditioned upon compliance with certain laws and regulations. Disallowed and questioned costs relating to federal assistance could become a liability to the State. The State estimates that the ultimate disallowances pertaining to federal assistance, if any, will be immaterial to its overall financial condition. The single audit of the State of North Dakota for the two-year period ending June 30, 2024, was completed and issued in March of 2025. As a result of this audit, approximately \$75.8 million of identifiable questioned costs were noted. Also, there were several findings which had potentially significant, unknown, questioned costs. The State is cooperating with the federal government to resolve the findings and is optimistic these findings will not have a material impact on the State.

NOTE 19 – TOBACCO SETTLEMENT

In November 1998, the North Dakota Attorney General joined forty-five other states and five territories in a settlement agreement against the nation's largest tobacco manufacturer. The settlement money is intended to compensate the State for costs it has incurred in providing health and other services to its citizens that were necessitated by the use of tobacco products. The Master Settlement Agreement includes base payments to states totaling \$220.6 billion for the next 25 years, and continues in perpetuity. The State has received total payments of \$630.7 million as of June 30, 2025. The State recognized revenue of \$20.6 million of tobacco settlement revenue during the year ended June 30, 2025. The amount of the annual payment is subject to a number of modifications, including adjustments for inflation and usage volumes. Some of the adjustments may result in increases in the payments (inflation, for example), or other adjustments will likely cause decreases in the payments (e.g., volume adjustments). The net effect of these adjustments on future payments is unclear.

NOTE 20 - SUBSEQUENT EVENTS

PUBLIC FINANCE AUTHORITY

The Agency issued Series 2025A Capital Financing Program Bonds totaling \$43.61 million in October 2025. The bonds have an interest rate ranging of 5.00% and mature between October 1, 2026 and October 1, 2045.

HOUSING FINANCE AUTHORITY

The Agency priced Series 2025 Housing Finance Program Bonds totaling \$185 million on December 3, 2025.

DEPARTMENT OF HUMAN SERVICES

Subsequent to year end, the State was notified of a rate change for the Medicaid Expansion program for the capitation rates effective January 1, 2025 – December 31, 2025 (CY25). The estimated aggregate fiscal impact of the CY25 Medicaid Expansion program rate changes, compared to the CY24 rates, is an annual increase of \$38.1M, and compared to the initial CY25 rates, is an increase of \$11.1M based on the CY25 projected enrollment.

DEPARTMENT OF WATER RESOURCES

Mediation for the intake of the Southwest Pipeline Project (SWPP) was finalized on September 16, 2025. The Department of Water Resources received cash of \$12,487,500 which was deposited in the Resources Trust Fund and \$500,000 for prepaid services for a total of \$12,987,500. These funds will be used for the SWPP project.

UNIVERSITY SYSTEMS

UND signed a contract on November 4, 2025 to lease space at The Fieldhouse at Memorial Village in Grand Forks, North Dakota, comprising approximately 10,833 square feet for the purpose of operating the campus bookstore (via a separately negotiated contract with Follett). The lease is for an initial term of 120 months and the basic rent starts at \$249,159 per year for the first 36 months, with a two percent annual increase beginning in month 37. The cost of annual rent over the 10-year lease term is \$2,636,842. UND also pays additional rent for its proportionate share of common area and maintenance charges estimated at \$5.00 per square foot for calendar-year 2025 (approximately \$4,515 per month). There is no security deposit, and the lease includes three 5-year extension options at market rate rent. Rental payments are due 90 days after the delivery of the premises to UND, which is expected in the spring of 2026.

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SECURITIES COMMISSION

During the 2025 legislative session, legislature was passed to merge the Securities Commission into the Insurance Department effective July 1, 2025.

COMPREHENSIVE HEALTH ASSOCIATION OF NORTH DAKOTA

The Association identified one event, which was the introduction of Senate Bill No. 2032 in the 69th Legislative Assembly of North Dakota. During this Legislative Assembly, which commenced in January 2025, the results of the study called for by Senate Bill No. 2158 were presented. In response to the results, Senate Bill No. 2032 was proposed, which detailed a dissolution plan for the Association in which enrollment for plan coverage would cease effective May 1, 2025. The Bill also called for the Association to terminate all existing benefit plans effective December 31, 2025, as well as provide at least a ninety-day notice to current policyholders of the termination. A cause of action against the Association or the board must be commenced within the earlier of one year after the cause of action occurs or December 31, 2027. The bill was passed and the Association is in the process of being dissolved.

STATE HISTORICAL FOUNDATION

The Foundation will act as a fiscal agent for funds received through private donations to be used for the Military Gallery project. The Foundation will receive a five percent administrative fee and all remaining funds will be available to the State Historical Foundation to be used on this project.

NOTE 21 - NEW PRONOUNCEMENTS

The State implemented the following new pronouncement for fiscal year 2025:

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences through aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The standard is effective for fiscal years beginning after December 15, 2023.

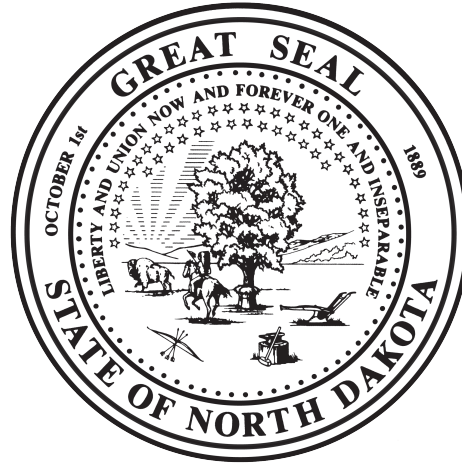
GASB Statement No. 102, *Certain Risk Disclosures*, requires entities to disclose critical information about their exposure to risks due to certain concentrations or limitations that could lead to financial distress or operational challenges. This statement is effective for fiscal years beginning after June 15, 2024.

The State will implement the following new pronouncements for fiscal years ending after 2025. Management has not yet determined the effect these Statements will have on the State's financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*, revises the requirements for management's discussion and analysis with the goal of making it more readable and understandable, requires unusual or infrequent items to be presented separately, defines operating and nonoperating revenues, includes a new section for noncapital subsidies for proprietary funds' statement of revenues, expenses and changes in net position, removes the option to disclose major component information in the notes and requires them to be shown individually or in combine financial statements following the fund financial statements and requires budgetary comparisons to be presented as RSI with new columns for variances between original-to-final budget and final budget-to-actual results. This statement is effective for fiscal years beginning after June 15, 2025. GASB Statement No. 103, *Financial Reporting Model Improvements*, revises the requirements for management's discussion and analysis with the goal of making it more readable and understandable, requires unusual or infrequent items to be presented separately, defines operating and nonoperating revenues, includes a new section for noncapital subsidies for proprietary funds' statement of revenues, expenses and changes in net position, removes the option to disclose major component information in the notes and requires them to be shown individually or in combine financial statements following the fund financial statements and requires budgetary comparisons to be presented as RSI with new columns for variances between original-to-final budget and final budget-to-actual results. This statement is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note. These items include disclosing separately lease assets, intangible right-to-use assets, subscription assets and intangible assets. In addition, additional disclosures will be required for capital assets held for sale. This statement is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Required Supplementary Information



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STATE OF NORTH DAKOTA

Required Supplemental Information Budgetary Comparison Schedule General Fund For the Biennium Ended June 30, 2025

	Approved Budget 2023-2025 Biennium	Appropriation Adjustments 2023-2025 Biennium	Adjusted Budget 2023-2025 Biennium	Actual Biennium To Date Thru 6-30-25	Difference Uncollected/ Unspent Thru 6-30-25
Budgetary Fund Balance, July 1	\$ 1,198,158,717	\$ —	\$ 1,198,158,717	\$ 2,444,531,315	\$ 1,246,372,598
Resources (Inflows):					
Sales and Use Tax	2,207,194,250	—	2,207,194,250	2,453,920,572	246,726,322
Income Tax	1,256,702,796	—	1,256,702,796	1,415,462,573	158,759,777
Oil And Gas Production Tax	230,000,000	2,371,000	232,371,000	290,957,514	58,586,514
Oil Extraction Tax	230,000,000	(2,371,000)	227,629,000	169,042,486	(58,586,514)
Insurance Premium Tax	139,052,009	—	139,052,009	114,610,441	(24,441,568)
Cigarette, Cigar and Tobacco Tax	42,575,517	—	42,575,517	39,859,952	(2,715,565)
Wholesale Liquor Tax	19,919,584	—	19,919,584	21,417,399	1,497,815
Gaming Tax	36,463,000	—	36,463,000	46,820,865	10,357,865
Lottery	12,200,000	—	12,200,000	13,600,000	1,400,000
Department Fees and Collections	71,158,844	—	71,158,844	82,172,366	11,013,522
Mineral Leasing Fees	60,000,000	—	60,000,000	73,281,486	13,281,486
Motor Vehicle Excise Tax	171,407,500	—	171,407,500	171,114,203	(293,297)
Interest on Public Funds	1,639,872	28,360,128	30,000,000	264,455,529	234,455,529
Gas Tax Administration	1,844,424	—	1,844,424	1,844,424	—
Transfers In	489,407,504	(28,360,128)	461,047,376	479,662,131	18,614,755
Total Revenue Inflows	4,969,565,300	—	4,969,565,300	5,638,221,941	668,656,641
Amounts Available for Appropriation	6,167,724,017	—	6,167,724,017	8,082,753,256	1,915,029,239
Charges to Appropriations (Outflows):					
General Government:					
Governor's Office	5,324,075	773,065	6,097,140	5,747,907	349,233
Secretary of State	6,770,789	41,586	6,812,375	6,809,090	3,285
Secretary of State Public Printing	271,335	—	271,335	269,384	1,951
Office of Management and Budget	137,320,538	(83,486,101)	53,834,437	42,288,851	11,545,586
Information Technology	43,360,845	5,513,300	48,874,145	48,298,438	575,707
State Auditor	10,033,672	543,475	10,577,147	10,205,273	371,874
State Treasurer	1,986,869	219,649	2,206,518	2,080,558	125,960
Attorney General	55,406,910	10,649,180	66,056,090	62,622,093	3,433,997
Tax Department	228,189,404	715,931	228,905,335	166,364,230	62,541,105
Legislative Assembly	23,716,396	3,171,249	26,887,645	23,852,837	3,034,808
Legislative Council	19,655,209	5,597,673	25,252,882	16,697,614	8,555,268
Supreme Court	129,410,704	—	129,410,704	125,856,172	3,554,532
Legal Counsel for Indigents	20,608,898	694,586	21,303,484	21,300,582	2,902
Ethics Commission	1,138,242	29,527	1,167,769	1,126,979	40,790
Education:					
Public Instruction	1,728,240,444	787,075	1,729,027,519	1,650,035,187	78,992,332
Center for Distance Education	6,797,980	669,662	7,467,642	4,605,490	1,119
State Library	6,822,098	259,085	7,081,183	6,488,657	592,526
School for the Deaf	8,099,844	569,390	8,669,234	8,669,234	—
School for the Blind	5,059,580	305,436	5,365,016	5,362,850	2,166
Vocational Education	53,200,708	331,643	53,532,351	47,323,527	6,208,824
Health & Human Services:					
Veteran's Home	6,009,999	368,711	6,378,710	6,372,631	6,079
Indian Affairs Commission	1,200,967	15,654	1,216,621	1,110,413	106,208
Veteran's Affairs	1,842,420	303,141	2,145,561	1,934,299	211,261
Dept. of Human Services-Management	90,221,804	37,122,818	127,344,622	100,927,087	26,417,535
Dept. of Human Services-Program and Policy	1,653,715,940	(9,943,420)	1,643,772,520	1,543,695,886	100,076,634
Dept. of Human Services-Centers	144,040,146	69,118,823	213,158,969	201,541,601	11,617,368
Dept. of Human Services-Institutions	111,825,062	(73,464,673)	38,360,389	32,367,181	5,993,208
Dept. of Human Services-County Social Service	1,749,547	1,626,741	3,376,288	70,350	3,305,938
Dept. of Human Services-Public Health	41,852,417	8,296,188	50,148,605	19,422,276	6,954,224
Protection and Advocacy	3,323,370	163,547	3,486,917	3,486,917	—
Job Service	6,578,847	565,691	7,144,538	7,025,816	118,722
Regulatory:					
Dept. of Environmental Quality	15,822,024	1,386,308	17,208,332	16,120,111	1,088,221
Industrial Commission	4,424,856	628,222	5,053,078	3,394,387	1,658,691
Labor Commission	2,654,148	126,983	2,781,131	2,297,488	483,643
Public Service Commission	7,537,710	590,921	8,128,631	7,653,377	475,254
Dept. of Mineral Resources	32,444,371	2,156,777	34,601,148	32,466,172	2,134,976
Public Safety and Corrections:					
Highway Patrol	49,438,826	3,999,527	53,438,353	52,199,631	1,238,722
Corrections & Rehab	255,467,963	29,285,545	284,753,508	233,542,183	51,211,325
Adjutant General	26,285,648	12,193,204	38,478,852	32,894,927	5,583,925
Agriculture & Commerce:					
Department of Commerce	67,157,530	3,020,210	70,177,740	54,180,919	15,996,821
Department of Agriculture	47,519,573	511,767	48,031,340	47,450,120	581,220
State Fair	642,833	—	642,833	642,833	—
Racing Commission	475,006	15,050	490,056	490,055	1
Natural Resources:					
Historical Society	22,038,910	2,105,115	24,144,025	22,823,550	1,320,475
Council on the Arts	2,597,019	115,663	2,712,682	2,429,134	283,548
Parks and Recreation	14,264,880	1,077,194	15,342,074	15,226,237	115,837
Transportation:					
Aeronautics Commission	475,000	—	475,000	475,000	—
Department of Transportation	10,375,000	100,717	10,475,717	3,778,106	6,697,611
Transfers Out	982,797,181	58,339,185	1,041,136,366	1,022,168,976	18,967,390
Total Charges to Appropriations	6,096,193,537	97,216,188	6,193,409,725	5,750,825,755	442,583,970
Ending Budgetary Fund Balance	\$ 71,530,480	\$ (97,216,188)	\$ (25,685,708)	\$ 2,331,927,501	\$ 2,357,613,209

STATE OF NORTH DAKOTA

Required Supplemental Information Budgetary Comparison Schedule Budget to GAAP Reconciliation General Fund For the Biennium Ended June 30, 2025

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and for the General Fund Expenditures

Sources/Inflows of resources

Actual Amounts (budgetary basis) "total revenue inflows" from the budgetary comparison schedule	5,638,221,941
Backing out 2024 activity	(3,012,514,784)
Differences-Budget to GAAP:	
The period of availability for revenue recognition for budget purposes differs from the GAAP basis.	41,936,078
Funds considered General funds for GAAP but not for Budget	2,154,372,132
Certain due from other funds are recorded under GAAP, but not Budget	(1,737,768)
Reimbursement activity between state agencies is eliminated only for GAAP	(149,724)
Proceeds are recorded for new leases and SBITAs on GAAP, but not for Budget	34,523,700
Repayment received on loan receivable are revenue for Budget to GAAP	(45,130,411)
Total revenues, lease & SBITA acquisitions, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u>\$ 4,809,521,164</u>

Uses/Outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	5,750,825,755
Backing out Expenditures from FY2024	(2,899,592,096)
Differences-Budget to GAAP:	
Estimated liabilities are recorded as expenditures for GAAP but not for Budget	51,939,242
Funds considered General funds for GAAP but not for Budget	211,687,948
New leases and SBITAs are recorded as expenditures for GAAP, but not for Budget	34,517,999
Certain due to other funds are recorded under GAAP, but not for Budget	12,124,140
Total expenditures, sale of capital assets, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u>\$ 3,161,502,988</u>

STATE OF NORTH DAKOTA

Required Supplemental Information Budgetary Comparison Schedule Federal Fund For the Biennium Ended June 30, 2025

	Approved Budget 2023-2025 Biennium	Appropriation Adjustments 2023-2025 Biennium	Adjusted Budget 2023-2025 Biennium	Actual Biennium To Date Thru 6-30-25	Difference Uncollected/ Unspent Thru 6-30-25
Budgetary Fund Balance, July 1	\$ —	\$ —	\$ —	\$ —	\$ —
Resources (Inflows):					
Other Budgeted Income	6,220,785,421	889,197,573	7,109,982,994	5,398,969,925	(1,711,013,069)
Total Revenue Inflows	6,220,785,421	889,197,573	7,109,982,994	5,398,969,925	(1,711,013,069)
Amounts Available for Appropriation	6,220,785,421	889,197,573	7,109,982,994	5,398,969,925	1,711,013,069
Charges to Appropriations (Outflows):					
General Government:					
Secretary of State	11,183,559	1,778,781	12,962,340	5,898,941	7,063,399
Office of Management and Budget	3,659,555	5,977,911	9,637,466	8,904,247	733,219
Information Technology	232,840,126	(34,011,639)	198,828,487	31,907,765	166,920,722
State Auditor	1,431,452	84,128	1,515,580	1,499,470	16,110
Attorney General	16,216,849	1,821,136	18,037,985	10,855,195	7,182,790
Tax Department	125,000	—	125,000	26,070	98,930
Administrative Hearings	—	—	—	—	—
Supreme Court	1,294,767	1,324,118	2,618,885	2,176,082	442,803
Education:					
Public Instruction	417,762,220	156,169,125	573,931,345	542,115,712	31,815,633
State Library	2,405,223	39,418	2,444,641	2,329,038	115,603
School for the Deaf	100,674	16,729	117,403	117,403	—
Vocational Education	110,589,874	32,968,807	143,558,681	83,956,157	59,602,524
Health & Human Services:					
Veteran's Home	—	502,894	502,894	502,439	455
Veteran's Affairs	2,331,447	836,838	3,168,285	2,753,048	415,237
Dept. of Human Services-Management	157,420,913	75,845,480	233,266,393	146,966,179	86,300,214
Dept. of Human Services-Program and Policy	2,759,510,140	76,690,413	2,836,200,553	2,642,543,968	193,656,585
Dept. of Human Services-Centers	32,320,127	2,929,293	35,249,420	31,082,770	4,166,650
Dept. of Human Services-Institutions	36,201,129	21,807,577	58,008,706	41,096,135	16,912,571
Dept. of Human Services-County Social Service	1,608,509	111,547	1,720,056	1,334,532	385,524
Dept. of Human Services-Public Health	263,146,841	14,428,002	277,574,843	197,493,097	80,081,746
Protection and Advocacy	4,266,541	158,390	4,424,931	3,879,764	545,167
Job Service	112,982,592	(7,556,719)	105,425,873	53,423,104	52,002,769
Regulatory:					
Dept. of Environmental Quality	79,102,859	1,614,800	80,717,659	28,217,673	52,499,986
Insurance Department	607,916	170,000	777,916	710,736	67,180
Industrial Commission	7,499,037	3,163,361	10,662,398	4,082,341	6,580,057
Labor Commission	503,398	19,900	523,298	512,529	10,769
Public Service Commission	11,424,803	283,709	11,708,512	9,629,558	2,078,954
Mineral Resources	2,568,000	3,153,211	5,721,211	729,626	4,991,585
Public Safety and Corrections:					
Highway Patrol	8,660,335	4,081,369	12,741,704	12,173,214	568,490
Corrections & Rehab	20,468,404	53,219,208	73,687,612	73,084,013	603,599
Adjutant General	321,813,183	118,935,689	440,748,872	204,758,314	235,990,558
Agriculture & Commerce:					
Department of Commerce	184,050,129	70,431,719	254,481,848	90,881,672	163,600,176
Department of Agriculture	14,725,087	5,230,841	19,955,928	14,381,242	5,574,686
Natural Resources:					
Historical Society	3,570,427	1,981,962	5,552,389	3,408,823	2,143,566
Council on the Arts	1,870,000	—	1,870,000	1,869,777	223
Game and Fish	74,732,875	2,344,167	77,077,042	48,562,208	28,514,834
Parks and Recreation	9,508,601	25,518,700	35,027,301	23,193,398	11,833,903
Water Commission	89,040,384	10,980,139	100,020,523	36,618,857	63,401,666
Transportation:					
Aeronautics Commission	3,940,000	886,067	4,826,067	1,654,265	3,171,802
Department of Transportation	1,219,302,445	235,260,502	1,454,562,947	1,033,640,563	420,922,384
Total Charges to Appropriations	6,220,785,421	889,197,573	7,109,982,994	5,398,969,925	1,711,013,069
Ending Budgetary Fund Balance	\$ —	\$ —	\$ —	\$ —	\$ —

STATE OF NORTH DAKOTA

Required Supplemental Information Budgetary Comparison Schedule Budget to GAAP Reconciliation Federal Fund For the Biennium Ended June 30, 2025

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and for the Federal Fund Expenditures

Sources/Inflows of resources

Actual Amounts (budgetary basis) "total revenue inflows" from the budgetary comparison schedule	5,398,969,925
Backing out 2024 activity	(2,768,280,790)
Differences-Budget to GAAP:	
The period of availability for revenue recognition for budget purposes differs from the GAAP basis.	77,758,395
Total revenues, lease & SBITA acquisitions, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u>\$ 2,708,447,530</u>

Uses/Outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	5,398,969,925
Backing out Expenditures from FY2024	(2,768,280,790)
Differences-Budget to GAAP:	
Estimated liabilities are recorded as expenditures for GAAP but not for Budget	237,679,351
New Loans issued are expenditures for Budget but not for GAAP	9,505,496
GAAP, but not Budget expenditures are reduced by year end inventory balances	26,892,314
Intrafund activity eliminated for GAAP	(196,107,071)
Certain due to other funds are recorded under GAAP, but not for Budget	(460,600)
Total expenditures, sale of capital assets, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u>\$ 2,708,198,625</u>

STATE OF NORTH DAKOTA

Required Supplemental Information Budgetary Comparison Schedule State Fund For the Biennium Ended June 30, 2025

	Approved Budget 2023-25 Biennium	Appropriation Adjustments 2023-25 Biennium	Adjusted Budget 2023-25 Biennium	Actual Biennium To Date Thru 6-30-25	Difference Uncollected/ Unspent Thru 6-30-25
Budgetary Fund Balance, July 1	\$ —	\$ —	\$ —	\$ —	\$ —
Resources (Inflows):					
Other Budgeted Income	4,276,348,398	631,768,046	4,908,116,444	3,271,637,520	(1,636,478,924)
Total Revenue Inflows	4,276,348,398	631,768,046	4,908,116,444	3,271,637,520	(1,636,478,924)
Amounts Available for Appropriation	4,276,348,398	631,768,046	4,908,116,444	3,271,637,520	(1,636,478,924)
Charges to Appropriations (Outflows):					
General Government:					
Governor's Office	—	299,519	299,519	289,935	9,584
Secretary of State	6,648,516	200,000	6,848,516	2,576,624	4,271,892
Office of Management & Budget	142,344,469	(65,937,102)	76,407,367	22,557,856	53,849,511
Information Technology	280,097,253	50,860,922	330,958,175	292,994,819	37,963,356
State Auditor	4,912,700	95,541	5,008,241	3,261,231	1,747,010
Attorney General	31,379,258	2,942,577	34,321,835	23,500,688	10,821,147
Administrative Hearings	3,000,409	28,673	3,029,082	1,846,131	1,182,951
Legislative Council	88,000	—	88,000	55,392	32,608
Supreme Court	533,661	—	533,661	485,893	47,768
Legal Counsel for Indigents	2,011,222	11,845	2,023,067	1,430,736	592,331
Education:					
Public Instruction	709,657,276	10,429,451	720,086,727	715,296,399	4,790,328
Center for Distance Education	4,550,000	2,750,000	7,300,000	7,011,005	288,995
Land Department	14,342,415	1,300,056	15,642,471	13,808,882	1,833,589
State Library	66,820	—	66,820	31,037	35,783
School for the Deaf	3,565,017	557,871	4,122,888	2,326,982	1,795,906
School for the Blind	1,660,711	10,994	1,671,705	1,460,324	211,381
Vocational Education	154,974	27,012,500	27,167,474	26,510,911	656,563
Health & Human Services:					
Veteran's Home	22,972,974	300,182	23,273,156	22,195,241	1,077,915
Indian Affairs Commission	—	—	—	(1,470)	1,470
Dept. of Human Services-Management	32,621,009	9,746,240	42,367,249	16,913,129	25,454,120
Dept. of Human Services-Program and Policy	111,514,125	16,313,849	127,827,974	127,825,326	2,648
Dept. of Human Services-Centers	16,850,554	22,596,401	39,446,955	39,446,955	—
Dept. of Human Services-Institutions	26,032,541	(23,096,401)	2,936,140	2,936,140	—
Dept. of Human Services-County Social Service	228,254,117	—	228,254,117	219,927,984	8,326,133
Dept. of Human Services-Public Health	39,132,048	159,111	39,291,159	37,271,551	2,019,608
Job Service	611,460	—	611,460	72,729	538,731
Regulatory:					
Dept. of Environmental Quality	22,834,027	635,461	23,469,488	19,099,762	4,369,726
Insurance Department	15,245,463	2,039,152	17,284,615	14,371,760	2,912,855
Industrial Commission	122,940,422	321,607	123,262,029	17,148,890	106,113,139
Public Service Commission	2,299,318	2,888	2,302,206	1,285,576	1,016,630
Financial Institutions	10,081,379	1,180,586	11,261,965	10,111,832	1,150,133
Securities Commission	3,258,732	106,774	3,365,506	2,627,604	737,902
Mineral Resources	—	349,590	349,590	6,804	342,786
Public Safety and Corrections:					
Highway Patrol	13,090,027	809,113	13,899,140	13,164,194	734,946
Corrections & Rehab	169,848,720	5,266,705	175,115,425	44,748,898	130,366,527
Adjutant General	22,690,890	16,966,758	39,657,648	16,794,931	22,862,717
Agriculture & Commerce:					
Department of Commerce	77,507,303	14,910,015	92,417,318	51,810,539	40,606,779
Department of Agriculture	17,729,531	3,410,456	21,139,987	12,757,856	8,382,131
State Fair	—	800,000	800,000	800,000	—
Racing Commission	172,098	457	172,555	94,451	78,104
Natural Resources:					
Historical Society	23,768,756	4,856,577	28,625,333	11,115,663	17,509,670
Council of Arts	80,000	284,500	364,500	136,767	227,733
Game and Fish	60,028,591	4,806,809	64,835,400	55,510,474	9,324,926
Parks and Recreation	115,808,114	1,195,253	117,003,367	24,036,211	92,967,156
Water Commission	805,316,883	336,222,091	1,141,538,974	468,834,740	672,704,234
Transportation:					
Aeronautics Commission	34,229,667	6,939,481	41,169,148	33,052,026	8,117,122
Department of Transportation	1,076,416,948	173,786,544	1,250,203,492	892,096,112	358,107,380
Total Charges to Appropriations	4,276,348,398	631,768,046	4,908,116,444	3,271,637,520	1,636,478,924
Ending Budgetary Fund Balance	\$ —	\$ —	\$ —	\$ —	\$ —

STATE OF NORTH DAKOTA

Required Supplemental Information Budgetary Comparison Schedule Budget to GAAP Reconciliation State Fund For the Biennium Ended June 30, 2025

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and for the State Fund Expenditures

Sources/Inflows of resources

Actual Amounts (budgetary basis) "total revenue inflows" from the budgetary comparison schedule	3,271,637,520
Backing out 2024 activity	(1,439,505,587)
Differences-Budget to GAAP:	
The period of availability for revenue recognition for budget purposes differs from the GAAP basis.	2,518,775,884
Total revenues, lease & SBITA acquisitions, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u><u>\$ 4,350,907,817</u></u>

Uses/Outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	3,271,637,520
Backing out Expenditures from FY2024	(1,439,505,587)
Differences-Budget to GAAP:	
Estimated liabilities are recorded as expenditures for GAAP but not for Budget	2,141,159,720
New Loans issued are expenditures for Budget but not for GAAP	(33,135,766)
GAAP, but not Budget expenditures are reduced by year end inventory balances	(1,293,881)
Intrafund activity eliminated for GAAP	(712,953,774)
Certain due to other funds are recorded under GAAP, but not for Budget	2,550,350
Total expenditures, sale of capital assets, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u><u>\$ 3,228,458,582</u></u>

STATE OF NORTH DAKOTA

Note To Required Supplemental Information - Budgetary Reporting For the Biennium Ended June 30, 2025

The Budgetary Comparison Schedules present comparisons of the original and revised legally adopted budgets with actual data on a budgetary basis for major funds. The only major fund with a legally adopted budget is the General Fund. All other funds are budgeted together as "Other Budgeted Funds." A budgetary schedule has been done for these other funds because they include budgeted amounts for the Federal Fund and State Funds, which are major special revenue funds. These amounts are reported on the schedules entitled "Federal Funds" and "State Funds".

North Dakota's Appropriation Acts include a dual legal level of budgetary control - one at the General Fund versus Other Budget Income level for each agency and one at the line item level for each agency. Line items are not separate between General Fund and Other Budgeted Income so that control is not presented in our budgetary comparison schedule for major funds. The legal level of control for all agencies is reported in a publication titled, State of North Dakota 2023-2025 Biennium Budget and Actual Detail (Budgetary Basis) For the Fiscal Year Ended June 30, 2025. This budget information is available through the Office of Management and Budget, 600 East Boulevard Ave Dept. 110, Bismarck, ND 58505. For the 2023-2025 biennium there were general, federal, and special fund supplemental appropriations of \$1,618,181,807.

The Budgetary Comparison Schedule reports expenditures on a budgetary basis. The accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. Reconciliations of the three for the Fiscal Year ended June 30, 2025, for the General Fund, Federal Fund, and State Fund is on the previous pages.

The Budget to Actual Detail Report is also available at our OMB Fiscal Management website:
<https://www.omb.nd.gov/financial-transparency/annual-comprehensive-financial-reports-acfr>

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of State's Share of Net Pension Liability North Dakota Public Employee Retirement System Last 10 Fiscal Years* (Dollars in thousands)

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Plan fiduciary net position	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	48.40 %	\$ 945,629	\$ 732,964	\$ 2,064,502	129.01 %	68.59 %
2024	47.64 %	945,203	660,002	1,831,133	143.21 %	65.96 %
2023	48.28 %	1,434,839	633,498	1,755,477	226.49 %	55.03 %
2022	48.52 %	505,713	619,117	1,916,364	81.68 %	79.13 %
2021	49.78 %	1,566,155	589,042	1,570,261	265.88 %	49.44 %
2020	48.64 %	570,358	569,875	1,506,252	100.08 %	72.53 %
2019	50.38 %	859,160	569,979	1,496,340	150.74 %	63.53 %
2018	51.88 %	833,182	588,960	1,415,199	141.47 %	62.65 %
2017	53.42 %	520,338	566,915	1,290,070	91.78 %	71.10 %
2016	54.82 %	365,845	494,732	1,300,271	73.95 %	77.70 %

*Amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

Required Supplementary Information Schedule of State's Contributions North Dakota Public Employee Retirement System Last 10 Fiscal Years* (Dollars in thousands)

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2025	\$ 60,411	\$ (60,275)	\$ 136	\$ 778,871	7.76 %
2024	53,737	(53,672)	65	732,964	7.33 %
2023	44,608	(44,601)	7	660,002	6.76 %
2022	43,631	(43,632)	(1)	633,498	6.89 %
2021	42,920	(42,906)	14	619,117	6.93 %
2020	40,941	(41,030)	(89)	589,042	6.95 %
2019	40,036	(40,022)	14	569,875	7.02 %
2018	39,824	(39,815)	9	569,979	6.99 %
2017	41,089	(41,034)	55	588,960	6.98 %
2016	39,895	(40,330)	(435)	566,915	7.11 %

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of State's Share of Net Pension Liability North Dakota Highway Patrolmen's Retirement System Last 10 Fiscal Years* (Dollars in thousands)

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Plan fiduciary net position	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	100.00 %	\$ 74,092	\$ 14,258	\$ 107,221	499.94 %	59.14 %
2024	100.00 %	75,875	12,562	98,035	632.76 %	56.37 %
2023	100.00 %	78,339	12,402	92,325	638.60 %	54.10 %
2022	100.00 %	23,295	11,637	100,076	202.28 %	81.12 %
2021	100.00 %	96,045	11,038	82,184	841.78 %	46.11 %
2020	100.00 %	24,900	10,608	81,416	240.48 %	76.58 %
2019	100.00 %	19,457	10,929	78,929	181.21 %	80.22 %
2018	100.00 %	20,711	10,934	73,336	189.42 %	77.98 %
2017	100.00 %	22,111	10,527	65,811	210.04 %	74.85 %
2016	100.00 %	13,436	10,146	66,676	132.43 %	83.23 %

*Amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

Required Supplementary Information Schedule of State's Contributions North Dakota Highway Patrolmen's Retirement System Last 10 Fiscal Years* (Dollars in thousands)

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2025	\$ 3,324	\$ (3,324)	\$ —	\$ 15,459	21.50 %
2024	2,999	(2,999)	—	14,258	21.03 %
2023	2,569	(2,569)	—	12,562	20.45 %
2022	2,479	(2,479)	—	12,402	19.99 %
2021	2,293	(2,293)	—	11,637	19.70 %
2020	2,175	(2,175)	—	11,038	19.70 %
2019	2,091	(2,091)	—	10,608	19.71 %
2018	2,153	(2,153)	—	10,929	19.70 %
2017	2,154	(2,154)	—	10,934	19.70 %
2016	2,127	(2,127)	—	10,527	20.21 %

STATE OF NORTH DAKOTA

Required Supplementary Information
Schedule of State's Share of Net Pension Liability
Retirement Plan for the Employees of Job Service North Dakota
Last 10 Fiscal Years*
(Dollars in thousands)

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Plan fiduciary net position	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	100.00 %	\$ (12,529)	\$ 66	\$ 82,804	(19248.60)%	117.83 %
2024	100.00 %	(11,347)	61	83,485	(18478.87)%	115.73 %
2023	100.00 %	(15,685)	133	86,177	(25573.44)%	122.25 %
2022	100.00 %	(31,760)	200	96,604	(18130.18)%	148.98 %
2021	100.00 %	(31,122)	386	95,251	(9892.34)%	148.53 %
2020	100.00 %	(31,006)	417	97,203	(7443.56)%	146.84 %
2019	100.00 %	(27,459)	471	95,588	(6590.37)%	140.30 %
2018	100.00 %	(33,636)	563	97,265	(5974.42)%	152.86 %
2017	100.00 %	(35,329)	565	96,534	(6252.92)%	157.72 %
2016	100.00 %	(32,893)	674	96,283	(4880.27)%	151.89 %

*Amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

Required Supplementary Information
Schedule of State's Contributions
Retirement Plan for the Employees of Job Service North Dakota
Last 10 Fiscal Years*
(Dollars in thousands)

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2025	\$ —	\$ —	\$ —	\$ 68	— %
2024	—	—	—	66	— %
2023	—	—	—	61	— %
2022	—	—	—	133	— %
2021	—	—	—	200	— %
2020	—	—	—	386	— %
2019	—	—	—	417	— %
2018	—	—	—	471	— %
2017	—	—	—	563	— %
2016	—	—	—	565	— %

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of State's Share of Net Pension Liability North Dakota Teachers' Fund for Retirement Last 10 Fiscal Years* (Dollars in thousands)

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Plan fiduciary net position	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.59 %	\$ 8,304	\$ 4,871	\$ 19,772	170.48 %	70.42 %
2024	0.49 %	6,840	3,827	15,471	178.73 %	69.34 %
2023	0.53 %	7,684	4,053	15,977	189.59 %	67.50 %
2022	0.57 %	6,001	4,260	18,696	140.87 %	75.70 %
2021	0.59 %	9,065	4,196	15,698	216.04 %	63.40 %
2020	0.63 %	8,631	4,252	16,395	202.99 %	65.50 %
2019	0.67 %	8,874	4,397	16,849	201.82 %	65.50 %
2018	0.65 %	8,968	4,294	15,413	208.85 %	63.20 %
2017	0.67 %	9,762	4,329	14,155	225.50 %	59.20 %
2016	0.68 %	8,873	4,173	14,531	212.63 %	62.10 %

*Amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

Required Supplementary Information Schedule of State's Contributions North Dakota Teachers' Fund for Retirement Last 10 Fiscal Years* (Dollars in thousands)

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2025	\$ 731	\$ (731)	\$ —	\$ 5,578	13.11 %
2024	643	(643)	—	4,871	13.20 %
2023	488	(488)	—	3,827	12.75 %
2022	517	(517)	—	4,053	12.75 %
2021	543	(543)	—	4,260	12.75 %
2020	535	(535)	—	4,196	12.75 %
2019	542	(542)	—	4,252	12.75 %
2018	561	(561)	—	4,397	12.75 %
2017	547	(547)	—	4,294	12.75 %
2016	528	(528)	—	4,329	12.75 %

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of State's Share of OPEB Liability Retiree Health Insurance Credit Last 10 Fiscal Years* (Dollars in thousands)

	Employer's proportion of the net OPEB (asset)	Employer's proportionate share of the net OPEB liability (asset)	Employer's covered payroll	Plan fiduciary net position	Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	44.64 %	\$ 43,634	\$ 580,701	\$ 83,296	7.51 %	68.35 %
2024	50.41 %	49,393	547,608	84,842	9.02 %	62.74 %
2023	50.40 %	59,295	553,794	778,589	10.71 %	56.28 %
2022	35.11 %	27,401	571,568	64,027	4.79 %	76.63 %
2021	51.92 %	40,900	571,617	75,610	7.16 %	63.38 %
2020	49.78 %	39,178	561,580	68,451	6.98 %	63.13 %
2019	50.73 %	39,954	563,479	64,888	7.09 %	61.89 %
2018	51.55 %	40,877	574,972	60,615	7.11 %	59.78 %

*Complete data for this schedule is not available prior to 2018. Amounts presented for each fiscal year have a measurement date of the previous fiscal year end.

Required Supplementary Information Schedule of State's Contributions Retiree Health Insurance Credit Last 10 Fiscal Years* (Dollars in thousands)

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2025	\$ 6,186	\$ (6,173)	\$ 13	\$ 585,697	1.06 %
2024	6,189	(6,179)	10	580,701	1.07 %
2023	6,003	(6,004)	(1)	547,608	1.10 %
2022	6,257	(6,253)	4	553,794	1.13 %
2021	6,563	(6,549)	14	571,568	1.15 %
2020	6,631	(6,626)	5	571,617	1.16 %
2019	6,425	(6,413)	12	561,580	1.14 %
2018	6,434	(6,424)	10	563,479	1.14 %

*Complete data for this schedule is not available prior to 2018.

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Changes in Net Pension Liability and Related Ratios North Dakota Public Employee Retirement System Last 10 Fiscal Years* (Dollars in thousands)

	2025	2024	2023	2022
Total pension liability (asset)				
Service cost	\$ 185,874	\$ 169,457	\$ 224,785	\$ 143,197
Interest	400,327	374,971	335,804	345,662
Change of benefit terms	17,730	(1,788)	(9,139)	—
Difference between expected and actual experience	57,526	138,250	72,723	3,714
Changes of assumptions	(138,007)	—	(1,132,003)	1,375,419
Benefit payments, including refund of employee contributions	(307,984)	(290,047)	(271,514)	(252,066)
Net change in total pension liability (asset)	215,466	390,843	(779,344)	1,615,926
Total pension liability (asset) - beginning	6,218,968	5,828,125	6,607,469	4,991,543
Total pension liability (asset) - ending (a)	\$ 6,434,434	\$ 6,218,968	\$ 5,828,125	\$ 6,607,469
Plan fiduciary net position				
Contributions - employer	\$ 141,402	\$ 123,001	\$ 101,933	\$ 96,631
Contributions - employee	110,730	102,074	93,408	89,634
Contributions - service credit repurchase	5,552	6,540	5,151	10,249
Contributions - other	—	—	—	—
Net investment income	505,529	347,742	281,850	(256,072)
Transfers from other plans	65,036	135,023	10	14
Benefit payments, including refund of employee contributions	(307,984)	(290,047)	(271,514)	(252,066)
Administrative expense	(3,378)	(2,986)	(2,670)	(2,341)
Net change in plan fiduciary net position	516,887	421,347	208,168	(313,951)
Plan fiduciary net position - beginning	4,265,287	3,843,940	3,635,772	3,949,723
Plan fiduciary net position - ending (b)	\$ 4,782,174	\$ 4,265,287	\$ 3,843,940	\$ 3,635,772
Net pension liability (asset) - ending (a) - (b)	\$ 1,652,260	\$ 1,953,681	\$ 1,984,185	\$ 2,971,697
Plan fiduciary net position as a percentage of the total pension liability (asset)	74.32 %	68.59 %	65.96 %	55.03 %
Covered payroll	\$ 1,489,461	\$ 1,454,922	\$ 1,318,276	\$ 1,248,308
Plan net pension liability (asset) as a percentage of covered payroll	110.93 %	134.28 %	150.51 %	85.84 %

STATE OF NORTH DAKOTA

2021	2020	2019	2018	2017	2016
\$ 242,751	\$ 135,139	\$ 172,184	\$ 164,018	\$ 113,148	\$ 126,444
296,285	317,129	294,701	279,835	269,771	243,285
—	—	—	—	—	—
47,336	213,457	(210,896)	(65,346)	(3,612)	15,915
(1,743,329)	1,663,289	(464,473)	125,225	741,492	108,139
(231,300)	(218,554)	(197,758)	(182,522)	(162,992)	(149,664)
(1,388,257)	2,110,460	(406,242)	321,210	957,807	344,119
6,379,800	4,269,340	4,675,582	4,354,372	3,396,565	3,052,446
\$ 4,991,543	\$ 6,379,800	\$ 4,269,340	\$ 4,675,582	\$ 4,354,372	\$ 3,396,565
\$ 91,266	\$ 85,504	\$ 81,588	\$ 80,727	\$ 78,934	\$ 77,080
85,915	81,478	78,213	77,486	76,007	74,219
7,129	10,819	7,220	19,985	11,805	9,179
—	—	—	—	—	—
844,933	101,106	159,824	249,165	311,761	11,334
(2)	(3)	(5)	(24)	32	23,575
(231,300)	(218,554)	(197,758)	(182,522)	(162,992)	(149,664)
(2,569)	(2,730)	(2,531)	(2,473)	(2,607)	(2,538)
795,372	57,620	126,551	242,344	312,940	43,185
3,154,351	3,096,731	2,970,180	2,727,836	2,414,896	2,371,711
\$ 3,949,723	\$ 3,154,351	\$ 3,096,731	\$ 2,970,180	\$ 2,727,836	\$ 2,414,896
\$ 1,041,820	\$ 3,225,449	\$ 1,172,609	\$ 1,705,402	\$ 1,626,536	\$ 981,669
79.13 %	49.44 %	72.53 %	63.53 %	62.65 %	77.70 %
\$ 1,213,676	\$ 1,167,768	\$ 1,098,416	\$ 1,075,958	\$ 1,063,372	\$ 973,536
85.84 %	276.21 %	106.75 %	158.50 %	152.96 %	69.92 %

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Changes in Net Pension Liability and Related Ratios North Dakota Highway Patrolmen's Retirement System Last 10 Fiscal Years* (Dollars in thousands)

	2025	2024	2023	2022
Total pension liability (asset)				
Service cost	\$ 6,294	\$ 5,351	\$ 5,681	\$ 3,281
Interest	9,750	9,044	8,550	8,548
Change of benefit terms	—	—	—	—
Difference between expected and actual experience	1,366	4,061	417	1,844
Changes of assumptions	(20,829)	(4,365)	(5,010)	39,467
Benefit payments, including refund of employee contributions	(7,126)	(6,688)	(6,391)	(5,848)
Net change in total pension liability (asset)	(10,545)	7,403	3,247	47,292
Total pension liability (asset) - beginning	181,313	173,910	170,663	123,371
Total pension liability (asset) - ending (a)	\$ 170,768	\$ 181,313	\$ 173,910	\$ 170,663
Plan fiduciary net position				
Contributions - employer	\$ 3,587	\$ 2,516	\$ 2,573	\$ 2,687
Contributions - employee	2,516	1,747	1,770	1,826
Contributions - service credit repurchase	80	31	593	160
Contributions - Transfer from General Fund	—	3,000	—	—
Net investment income	12,679	8,621	7,195	(6,510)
Benefit payments, including refund of employee contributions	(7,126)	(6,688)	(6,391)	(5,848)
Administrative expense	(42)	(40)	(30)	(66)
Net change in plan fiduciary net position	11,694	9,187	5,710	(7,751)
Plan fiduciary net position - beginning	107,222	98,035	92,325	100,076
Plan fiduciary net position - ending (b)	\$ 118,916	\$ 107,222	\$ 98,035	\$ 92,325
Net pension liability (asset) - ending (a) - (b)	\$ 51,852	\$ 74,091	\$ 75,875	\$ 78,338
Plan fiduciary net position as a percentage of the total pension liability (asset)	69.64 %	59.14 %	56.37 %	54.10 %
Covered payroll	\$ 15,099	\$ 14,820	\$ 11,991	\$ 12,267
Plan net pension liability (asset) as a percentage of covered payroll	343.42 %	499.94 %	632.76 %	638.60 %

STATE OF NORTH DAKOTA

2021	2020	2019	2018	2017	2016
\$ 6,693	\$ 2,878	\$ 2,818	\$ 2,738	\$ 2,701	\$ 2,226
7,305	7,869	7,527	7,203	6,951	6,311
(135)	—	—	—	—	—
(2,197)	729	(68)	(621)	22	40
(60,572)	66,142	3,043	—	1,257	3,946
(5,952)	(5,704)	(5,391)	(4,981)	(4,806)	(4,713)
(54,858)	71,914	7,929	4,339	6,125	7,810
178,229	106,315	98,386	94,047	87,922	80,112
<u>\$ 123,371</u>	<u>\$ 178,229</u>	<u>\$ 106,315</u>	<u>\$ 98,386</u>	<u>\$ 94,047</u>	<u>\$ 87,922</u>
\$ 2,294	\$ 2,177	\$ 2,091	\$ 2,153	\$ 2,156	\$ 2,127
1,548	1,470	1,412	1,453	1,456	1,436
401	205	168	282	249	—
—	—	—	—	—	—
19,638	2,667	4,251	6,716	8,500	317
(5,952)	(5,705)	(5,391)	(4,981)	(4,806)	(4,713)
(37)	(46)	(44)	(30)	(30)	(32)
17,892	768	2,487	5,593	7,525	(865)
82,184	81,416	78,929	73,336	65,811	66,676
<u>\$ 100,076</u>	<u>\$ 82,184</u>	<u>\$ 81,416</u>	<u>\$ 78,929</u>	<u>\$ 73,336</u>	<u>\$ 65,811</u>
<u>\$ 23,295</u>	<u>\$ 96,045</u>	<u>\$ 24,899</u>	<u>\$ 19,457</u>	<u>\$ 20,711</u>	<u>\$ 22,111</u>
81.12 %	46.11 %	76.58 %	80.22 %	77.98 %	74.85 %
\$ 11,516	\$ 11,410	\$ 10,354	\$ 10,737	\$ 10,629	\$ 10,527
202.28 %	841.78 %	240.48 %	181.21 %	194.84 %	210.04 %

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Changes in Net Pension Liability and Related Ratios Retirement Plan for the Employees of Job Service North Dakota Last 10 Fiscal Years*

(Dollars in thousands)

	2025	2024	2023	2022
Total pension liability (asset)				
Service cost	\$ 16	\$ 15	\$ 15	\$ 42
Interest	2,030	2,086	2,038	2,342
Change of benefit terms	—	—	—	—
Difference between expected and actual experience	(382)	1,319	4,761	3,413
Changes of assumptions	(347)	—	—	4,717
Benefit payments, including refund of employee contributions	(5,293)	(5,283)	(5,169)	(4,865)
Net change in total pension liability (asset)	(3,976)	(1,863)	1,645	5,649
Total pension liability (asset) - beginning	70,275	72,138	70,493	64,844
Total pension liability (asset) - ending (a)	\$ 66,299	\$ 70,275	\$ 72,138	\$ 70,493
Plan fiduciary net position				
Contributions - employer	\$ —	\$ —	\$ —	\$ —
Contributions - employee	4	4	4	9
Contributions - service credit repurchase	—	—	—	—
Contributions - other	—	—	—	—
Net investment income	7,040	4,612	2,487	(5,551)
Benefit payments, including refund of employee contributions	(5,293)	(5,283)	(5,168)	(4,866)
Administrative expense	(18)	(15)	(15)	(18)
Net change in plan fiduciary net position	1,733	(682)	(2,692)	(10,426)
Plan fiduciary net position - beginning	82,803	83,485	86,177	96,603
Plan fiduciary net position - ending (b)	\$ 84,536	\$ 82,803	\$ 83,485	\$ 86,177
Net pension liability (asset) - ending (a) - (b)	\$ (18,237)	\$ (12,528)	\$ (11,347)	\$ (15,684)
Plan fiduciary net position as a percentage of the total pension liability (asset)	127.51 %	117.83 %	115.73 %	122.25 %
Covered payroll	\$ 68	\$ 65	\$ 61	\$ 175
Plan net pension liability (asset) as a percentage of covered payroll	(26,941.00)%	(19,248.60)%	(18,478.87)%	(25,573.44)%

STATE OF NORTH DAKOTA

2021	2020	2019	2018	2017	2016
\$ 58	\$ 57	\$ 70	\$ 80	\$ 56	\$ 71
2,629	3,038	3,130	3,501	4,130	4,281
—	—	—	—	—	—
(201)	(1,122)	(505)	(310)	(1,648)	(2,007)
2,899	540	—	5,812	4,421	70
(4,669)	(4,582)	(4,627)	(4,583)	(4,534)	(4,601)
716	(2,069)	(1,932)	4,500	2,425	(2,186)
64,128	66,197	68,129	63,629	61,204	63,390
<u>\$ 64,844</u>	<u>\$ 64,128</u>	<u>\$ 66,197</u>	<u>\$ 68,129</u>	<u>\$ 63,629</u>	<u>\$ 61,204</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
14	27	29	33	39	44
—	—	—	—	—	—
—	—	—	—	—	—
6,025	2,621	6,230	2,919	5,239	4,840
(4,669)	(4,582)	(4,627)	(4,583)	(4,534)	(4,601)
(17)	(19)	(17)	(46)	(13)	(32)
1,353	(1,953)	1,615	(1,677)	731	251
95,250	97,203	95,588	97,265	96,534	96,283
<u>\$ 96,603</u>	<u>\$ 95,250</u>	<u>\$ 97,203</u>	<u>\$ 95,588</u>	<u>\$ 97,265</u>	<u>\$ 96,534</u>
<u>\$ (31,759)</u>	<u>\$ (31,122)</u>	<u>\$ (31,006)</u>	<u>\$ (27,459)</u>	<u>\$ (33,636)</u>	<u>\$ (35,330)</u>
148.98 %	148.53 %	146.84 %	140.30 %	152.86 %	157.72 %
\$ 175	\$ 315	\$ 417	\$ 417	\$ 499	\$ 567
(18,130.18)%	(9,892.34)%	(7,443.56)%	(6,590.37)%	(6,746.56)%	(6,256.45)%

STATE OF NORTH DAKOTA

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

North Dakota Teachers' Fund for Retirement

Last 10 Fiscal Years*

(Dollars in thousands)

	2025	2024	2023	2022
Total pension liability (asset)				
Service cost	\$ 107,903	\$ 100,869	\$ 96,101	\$ 92,336
Interest	338,717	325,552	318,879	311,929
Change of benefit terms	—	—	—	—
Difference between expected and actual experience	(38,086)	32,437	(55,451)	(8,505)
Changes of assumptions	44,164	—	—	—
Benefit payments, including refund of employee contributions	(283,897)	(277,661)	(262,282)	(251,847)
Net change in total pension liability (asset)	<u>168,801</u>	<u>181,197</u>	<u>97,247</u>	<u>143,913</u>
Total pension liability (asset) - beginning	<u>4,758,418</u>	<u>4,577,221</u>	<u>4,479,973</u>	<u>4,336,060</u>
Total pension liability (asset) - ending (a)	<u><u>\$ 4,927,219</u></u>	<u><u>\$ 4,758,418</u></u>	<u><u>\$ 4,577,220</u></u>	<u><u>\$ 4,479,973</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 110,989	\$ 108,088	\$ 102,308	\$ 100,331
Contributions - employee	102,186	99,610	94,284	92,462
Contributions - service credit repurchase	1,143	1,196	1,109	2,017
Contributions - other	564	88	(10)	25
Net investment income	370,842	249,092	217,471	(198,881)
Benefit payments, including refund of employee contributions	(283,897)	(277,661)	(262,282)	(251,847)
Administrative expense	(4,087)	(3,313)	(2,891)	(2,592)
Net change in plan fiduciary net position	<u>297,740</u>	<u>177,100</u>	<u>149,989</u>	<u>(258,485)</u>
Plan fiduciary net position - beginning	<u>3,351,009</u>	<u>3,173,909</u>	<u>3,023,920</u>	<u>3,282,405</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 3,648,749</u></u>	<u><u>\$ 3,351,009</u></u>	<u><u>\$ 3,173,909</u></u>	<u><u>\$ 3,023,920</u></u>
Net pension liability (asset) - ending (a) - (b)	<u><u>\$ 1,278,470</u></u>	<u><u>\$ 1,407,409</u></u>	<u><u>\$ 1,403,311</u></u>	<u><u>\$ 1,456,053</u></u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	74.10 %	70.40 %	69.30 %	67.50 %
Covered payroll	\$ 870,522	\$ 847,923	\$ 802,413	\$ 786,912
Plan net pension liability (asset) as a percentage of covered payroll	146.90 %	166.00 %	174.90 %	185.00 %

*Restated in 2015 due to GASB 68 implementation.

STATE OF NORTH DAKOTA

2021	2020	2019	2018	2017	2016
\$ 87,088	\$ 80,591	\$ 77,756	\$ 78,041	\$ 75,476	\$ 68,239
300,698	306,791	296,876	287,375	276,412	265,440
—	—	—	—	—	—
8,366	(20,732)	(23,495)	(27,939)	(10,749)	(8,093)
—	51,813	—	—	—	—
(241,128)	(230,851)	(221,228)	(207,979)	(196,516)	(185,969)
155,024	187,612	129,909	129,498	144,623	139,617
4,181,036	3,993,424	3,863,515	3,734,017	3,589,394	3,449,777
<u>\$ 4,336,060</u>	<u>\$ 4,181,036</u>	<u>\$ 3,993,424</u>	<u>\$ 3,863,515</u>	<u>\$ 3,734,017</u>	<u>\$ 3,589,394</u>
\$ 98,264	\$ 93,032	\$ 89,445	\$ 86,676	\$ 86,059	\$ 82,840
90,557	85,735	82,429	79,878	79,309	76,343
2,559	2,175	1,917	2,181	2,553	2,768
126	159	159	194	236	45
684,173	86,206	135,043	211,345	266,688	8,239
(241,128)	(230,851)	(221,228)	(207,979)	(196,516)	(185,969)
(2,678)	(2,095)	(2,251)	(2,129)	(2,173)	(1,852)
631,873	34,361	85,514	170,166	236,156	(17,586)
2,650,532	2,616,171	2,530,657	2,360,491	2,124,335	2,141,921
<u>\$ 3,282,405</u>	<u>\$ 2,650,532</u>	<u>\$ 2,616,171</u>	<u>\$ 2,530,657</u>	<u>\$ 2,360,491</u>	<u>\$ 2,124,335</u>
<u>\$ 1,053,655</u>	<u>\$ 1,530,504</u>	<u>\$ 1,377,253</u>	<u>\$ 1,332,858</u>	<u>\$ 1,373,526</u>	<u>\$ 1,465,059</u>
75.70 %	63.40 %	65.50 %	65.50 %	63.20 %	59.20 %
\$ 770,700	\$ 729,661	\$ 701,528	\$ 679,809	\$ 674,971	\$ 649,725
136.70 %	209.80 %	196.10 %	196.10 %	203.50 %	225.50 %

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Changes in Net Other Post Employment Benefit Liability and Related Ratios Retiree Health Insurance Credit Fund Last 10 Fiscal Years* (Dollars in thousands)

	2025	2024	2023	2022
Total OPEB liability (asset)				
Service cost	\$ 4,042	\$ 4,160	\$ 4,866	\$ 4,004
Interest	15,377	15,125	14,548	15,155
Change of benefit terms	—	—	—	—
Difference between expected and actual experience	(875)	197	(777)	616
Changes of assumptions	(2,823)	—	(10,643)	30,533
Benefit payments, including refund of employee contributions	(15,300)	(14,794)	(14,215)	(13,746)
Net change in total OPEB liability (asset)	421	4,688	(6,221)	36,562
Total OPEB liability (asset) - beginning	272,981	268,293	274,514	237,952
Total OPEB liability (asset) - ending (a)	<u>\$ 273,402</u>	<u>\$ 272,981</u>	<u>\$ 268,293</u>	<u>\$ 274,514</u>
Plan fiduciary net position				
Contributions - employer	\$ 12,393	\$ 12,328	\$ 12,138	\$ 12,566
Contributions - employee	7	8	11	12
Contributions - service credit repurchase	210	282	282	457
Net investment income	24,143	20,804	15,975	(26,757)
Benefit payments, including refund of employee contributions	(15,300)	(14,794)	(14,215)	(13,746)
Administrative expense	(402)	(371)	(356)	(383)
Other	—	1	—	—
Net change in plan fiduciary net position	21,051	18,258	13,835	(27,851)
Plan fiduciary net position - beginning	186,576	168,318	154,483	182,334
Plan fiduciary net position - ending (b)	<u>\$ 207,627</u>	<u>\$ 186,576</u>	<u>\$ 168,318</u>	<u>\$ 154,483</u>
Net OPEB liability (asset) - ending (a) - (b)	<u>\$ 65,775</u>	<u>\$ 86,405</u>	<u>\$ 99,975</u>	<u>\$ 120,031</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	75.94 %	68.35 %	62.74 %	56.28 %
Covered payroll	\$ 1,038,908	\$ 1,036,707	\$ 1,005,183	\$ 1,032,405
Plan net OPEB liability (asset) as a percentage of covered employee payroll	6.33 %	8.33 %	9.95 %	11.63 %

*Complete data for this schedule is not available prior to 2017.

STATE OF NORTH DAKOTA

2021	2020	2019	2018	2017
\$ 4,273	\$ 4,042	\$ 3,828	\$ 3,767	\$ 3,430
14,658	15,498	15,217	14,485	14,327
—	—	—	—	—
2,165	315	(1,374)	2,732	(2,231)
—	4,372	5,002	—	8,861
(12,885)	(12,317)	(11,505)	(11,016)	(10,014)
8,211	11,910	11,168	9,968	14,373
229,741	217,831	206,663	196,695	182,322
<u>\$ 237,952</u>	<u>\$ 229,741</u>	<u>\$ 217,831</u>	<u>\$ 206,663</u>	<u>\$ 196,695</u>
\$ 13,111	\$ 13,392	\$ 12,977	\$ 12,834	\$ 12,576
16	16	16	16	16
375	557	377	747	464
36,527	6,905	8,178	8,211	12,074
(12,885)	(12,317)	(11,505)	(11,016)	(10,014)
(431)	(454)	(437)	(480)	(443)
—	10	—	—	10
36,713	8,109	9,606	10,312	14,683
145,621	137,512	127,906	117,594	102,921
<u>\$ 182,334</u>	<u>\$ 145,621</u>	<u>\$ 137,512</u>	<u>\$ 127,906</u>	<u>\$ 117,604</u>
<u>\$ 55,618</u>	<u>\$ 84,120</u>	<u>\$ 80,319</u>	<u>\$ 78,757</u>	<u>\$ 79,091</u>
76.63 %	63.38 %	63.13 %	61.89 %	59.78 %
\$ 1,090,258	\$ 1,139,971	\$ 1,115,858	\$ 1,094,217	\$ 1,081,841
5.10 %	7.38 %	7.20 %	7.20 %	7.31 %

*Complete data for this schedule is not available prior to 2017.

STATE OF NORTH DAKOTA

Required Supplementary Information
Schedule of Changes in Net Other Post Employment Benefit Liability and Related Ratios
Met Life Insurance Plan
Last 10 Fiscal Years*
(Dollars in thousands)

	2025	2024	2023	2022
Total OPEB liability (asset)				
Service cost	\$ —	\$ —	\$ —	\$ —
Interest	37	36	38	30
Change of benefit terms	—	—	—	—
Difference between expected and actual experience	—	73	—	(17)
Changes of assumptions	—	(10)	—	(138)
Benefit payments, including refund of employee contributions	(90)	(86)	(86)	(89)
Net change in total OPEB liability (asset)	(53)	13	(48)	(214)
Total OPEB liability (asset) - beginning	966	953	1,001	1,215
Total OPEB liability (asset) - ending (a)	<u>\$ 913</u>	<u>\$ 966</u>	<u>\$ 953</u>	<u>\$ 1,001</u>
Plan fiduciary net position				
Contributions - employer	\$ 90	\$ 86	\$ 86	\$ 89
Contributions - employee	—	—	—	—
Contributions - service credit repurchase	—	—	—	—
Contributions - other	—	—	—	—
Net investment income	—	—	—	—
Benefit payments, including refund of employee contributions	(90)	(86)	(86)	(89)
Administrative expense	—	—	—	—
Net change in plan fiduciary net position	—	—	—	—
Plan fiduciary net position - beginning	—	—	—	—
Plan fiduciary net position - ending (b)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Net OPEB liability (asset) - ending (a) - (b)	<u>\$ 913</u>	<u>\$ 966</u>	<u>\$ 953</u>	<u>\$ 1,001</u>
Plan fiduciary net position as a percentage of the total OPEB	0.00 %	0.00 %	0.00 %	0.00 %
Covered payroll	n/a	n/a	n/a	n/a
Plan net OPEB liability (asset) as a percentage of covered payroll	n/a	n/a	n/a	n/a

*Complete data for this schedule is not available prior to 2018.

STATE OF NORTH DAKOTA

2021	2020	2019	2018
\$ —	\$ —	\$ 4	\$ 4
32	37	42	43
—	—	—	—
—	(192)	—	—
—	46	—	—
(83)	(78)	(84)	(80)
(51)	(187)	(38)	(33)
1,266	1,453	1,491	1,524
<u>\$ 1,215</u>	<u>\$ 1,266</u>	<u>\$ 1,453</u>	<u>\$ 1,491</u>
\$ 83	\$ 78	\$ 84	\$ 80
—	—	—	—
—	—	—	—
—	—	—	—
(83)	(78)	(84)	(80)
—	—	—	—
—	—	—	—
—	—	—	—
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<u>\$ 1,266</u>	<u>\$ 1,266</u>	<u>\$ 1,453</u>	<u>\$ 1,491</u>
0.00 %	0.00 %	0.00 %	0.00 %
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a

*Complete data for this schedule is not available prior to 2018.

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Employer Contributions Last 10 Fiscal Years* (Dollars in thousands)

ND Public Employees Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$214,343	\$204,475	\$191,274	\$157,390	\$157,543	\$140,537	\$127,129	\$125,714	\$116,564	\$124,336
Contribution in relation to the actuarially determined contribution	206,402	258,001	101,933	96,631	91,266	85,504	81,588	80,727	78,934	77,081
Contribution deficiency (excess)	\$7,941	\$(53,526)	\$89,341	\$60,759	\$66,277	\$55,033	\$45,541	\$44,987	\$37,630	\$47,255
Covered payroll	1,489,461	1,454,922	1,318,276	1,248,308	1,213,676	1,167,768	1,098,416	1,075,958	1,063,372	1,048,548
Contributions as a percentage of covered payroll	13.86%	17.73%	7.73%	7.74%	7.52%	7.32%	7.43%	7.50%	7.42%	7.35%

Highway Patrolmen's Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$5,805	\$5,211	\$5,107	\$3,921	\$4,081	\$3,256	\$2,936	\$2,949	\$3,060	\$2,307
Contribution in relation to the actuarially determined contribution	3,587	5,516	2,574	2,687	2,293	2,177	2,091	2,153	2,156	2,127
Contribution deficiency (excess)	\$2,218	\$(305)	\$2,533	\$1,234	\$1,788	\$1,079	\$845	\$796	\$904	\$180
Covered payroll	15,099	14,820	11,991	12,267	11,516	11,410	10,354	10,737	10,629	10,527
Contributions as a percentage of covered payroll	23.76%	37.22%	21.47%	21.90%	19.91%	19.08%	20.20%	20.05%	20.28%	20.21%

Job Service North Dakota

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Contribution in relation to the actuarially determined contribution	—	—	—	—	—	—	—	—	—	—
Contribution deficiency (excess)	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Covered payroll	68	66	61	133	200	386	417	417	499	565
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

STATE OF NORTH DAKOTA

Required Supplementary Information Schedule of Employer Contributions Last 10 Fiscal Years* (Dollars in thousands)

ND Teachers' Fund for Retirement

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$108,815	\$105,990	\$97,252	\$97,341	\$101,655	\$93,688	\$90,778	\$88,307	\$89,231	\$84,724
Contribution in relation to the actuarially determined contribution	110,989	108,088	102,308	100,331	98,264	93,032	89,445	86,676	86,059	82,840
Contribution deficiency (excess)	<u>\$(2,174)</u>	<u>\$(2,098)</u>	<u>\$(5,056)</u>	<u>\$(2,990)</u>	<u>\$3,391</u>	<u>\$656</u>	<u>\$1,333</u>	<u>\$1,631</u>	<u>\$3,172</u>	<u>\$1,884</u>
Covered payroll	870,522	847,923	802,413	786,912	770,700	729,661	701,528	679,809	674,971	649,725
Contributions as a percentage of covered payroll	12.75 %	12.75 %	12.75 %	12.75 %	12.75 %	12.75 %	12.75 %	12.75 %	12.75 %	12.75 %

Retiree Health Insurance Credit Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$14,675	\$14,676	\$14,766	\$12,414	\$13,340	\$12,145	\$12,707	\$12,252	\$11,696	\$7,544
Contribution in relation to the actuarially determined contribution	12,393	12,328	12,138	12,566	13,111	13,392	12,977	12,835	12,575	12,350
Contribution deficiency (excess)	<u>\$2,282</u>	<u>\$2,348</u>	<u>\$2,628</u>	<u>\$(152)</u>	<u>\$229</u>	<u>\$(1,247)</u>	<u>\$(270)</u>	<u>\$(583)</u>	<u>\$(879)</u>	<u>\$(4,806)</u>
Covered payroll	1,038,908	1,036,707	1,005,183	1,032,405	1,090,258	1,139,971	1,115,858	1,094,217	1,081,841	1,142,375
Contributions as a percentage of covered payroll	1.19 %	1.19 %	1.21 %	1.22 %	1.20 %	1.17 %	1.16 %	1.17 %	1.16 %	1.08 %

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2025

ND Public Employees Retirement System

Benefit Changes	<p>Effective January 1, 2025, the Main System is closed to new members. Employees newly enrolled into the system on January 1, 2025 and later will participate in a new Defined Contribution Plan.</p> <p>State employees participating in the Main System on January 1, 2025 who are at least age 18 with 5 years or less of participation will be eligible to irrevocably elect to transfer to the existing DC Plan during a three-month election period ending March 31, 2025. For members who elect to transfer to the existing DC Plan, NDPERS will transfer a lump sum from the Main System to the DC Plan based on the actuarial present value of the accrued benefit as of January 1, 2025, plus interest from January 1, 2025 to the date of transfer. The state employer of an employee who elects to transfer to the existing DC Plan shall contribute an additional amount of \$3,333 annually for up to three years, provided the employee continues employment.</p> <p>Member and/or employer contribution rates were changed for all plans except the Judges Plan.</p>
Changes of Assumptions	<p>The following assumptions were changed: price inflation, salary increase rates, retirement rates, turnover rates, disability rates, and mortality rates. In addition, the amortization period for the Judges and Public Safety systems changed from open periods to closed periods.</p>

Highway Patrolmen's Retirement System

Benefit Changes	<p>There were no changes made in the plan provisions since the prior valuation.</p>
Changes of Assumptions	<p>The assumed price of inflation was updated to 2.4% and the assumed rate of salary increases was also adjusted.</p>

Job Service North Dakota

Benefit Changes	<p>There were no changes made in the plan provisions since the prior valuation.</p>
Changes of Assumptions	<p>The inflation and Cost of Living adjustments were updated to 2.4% with the July 1, 2025 actuarial valuation.</p>

Retiree Health Insurance Credit Plan

Benefit Changes	<p>There were no changes made in the plan provisions since the prior valuation.</p>
Changes of Assumptions	<p>The following assumptions were changed: price inflation, salary increase rates, retirement rates, turnover rates, disability rates, RHIC participation rates, and mortality rates.</p>

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2025

Schedule of Employer Contributions

PERS:

Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level Percentage of Payroll, Open Period Assumed annual payroll growth of 3.50% (3.00% for Judges)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year smoothed marked
Inflation	2.25%
Salary Increases	3.50% to 17.75% including inflation
Investment Rate of Return	6.5%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	Sex-distinct Pub-2010 tables for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.
Other Notes	The benefit accrual rate for members first enrolled on or after January 1, 2020 in the Main and Public Safety Systems is 1.75% (compared to 2.00% for members enrolled before January 1, 2020).

The investment return assumption was updated from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020.

The employer rates to the System are the statutory/Board approved contribution rates of 8.12% of payroll for the Main System (9.26% for members enrolled on or after January 1, 2020), 17.52% for the Judges System, 11.40% for Public Safety with prior Main System service System, 22.26% for BCI, 14.34% for State Public Safety, and 9.16% for Public Safety without prior Main System service System. In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025 and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on an actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2025

HPRS:

Valuation Date	July 1, 2025
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level Percentage of Payroll, Open Period Assumed annual payroll growth of 3.50%
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year smoothed marked
Inflation	2.25%
Salary Increases	Service-based table for members with less than five years of service and age-based table for members with more than five years of service.
Investment Rate of Return	6.5%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.
Other Notes	<p>There were no benefit changes during the year.</p> <p>The assumptions were updated beginning with the actuarial valuation as of July 1, 2020 based on an experience study covering the period July 1, 2014 through July 1, 2019. The investment return assumption was decreased from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022.</p> <p>The employer rate to the System is the current statutory contribution rate of 21.20% of payroll. The statutory employer and employee contributions will each increase by an additional 0.5% of pay in January 1, 2025.</p>

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2025

JSND:

Valuation Date	July 1, 2025
Actuarial Cost Method	Frozen Initial Liability (Aggregate since no initial Liability remains)
Amortization Method	Not Applicable
Asset Valuation Method	5-Year smoothed marked
Inflation	2.25%
COLA	2.25%
Salary Increases	3.50%
Investment Rate of Return	3.00%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 Healthy Retiree Mortality table (for General Employees), sex distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.
Other Notes	<p>There were no benefit changes during the year.</p> <p>The assumptions were updated beginning with the actuarial valuation as of July 1, 2020 based on an experience study covering the period July 1, 2014 through July 1, 2019. The Board approved lowering the investment return assumption from 3.75 percent to 3.00 percent, first effective July 1, 2022.</p> <p>The System has assets in excess of the present value of future benefits. Therefore, no employer contributions are being made.</p>

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2025

TFFR:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization Period	19 years as of July 1, 2024
Asset valuation method	5-year smoothed market
Inflation	2.3%
Salary increases	Composed of 3.80% wage inflation, plus step-rate promotional increases for members with less than 30 years of service.
Investment rate of	7.25%
Retirement age	Experience-based tables of rates based on age and gender
Mortality	Post-retirement Non-Disabled: 104% of the Pub T-2010 Retiree Table and 95% of the Pub T-2010 Contingent Survivor Table with generational mortality improvement using Scale MP-2019. Disabled: Pub NS-2010 Retiree Table with generational mortality improvement using Scale MP-2019.

STATE OF NORTH DAKOTA

Required Supplementary Information Information About the State's Pension and Other Post Employment Benefit Plans For the Fiscal Year Ended June 30, 2025

RHIC:

Valuation Date	July 1, 2025
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	N/A
Asset Valuation Method	5-Year smoothed marked
Inflation	2.25%
Salary Increases	Not Applicable
Investment Rate of Return	5.75%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 Healthy Retiree Mortality table (for General Employees), sex distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.
Other Notes	January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year. The investment return assumption was decreased from 6.50% to 5.75% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions were adopted by the Board based on an experience study covering the period July 1, 2015, through June 30, 2019. The determination of the actuarial rate was changed effective July 1, 2019 to equal the rate needed to pay off the unfunded liability and future NC contributions at the end of 20 years as a level percent of closed group (decreasing) payroll. The employer rate to the System is the statutory contribution rate of 1.14% of payroll.

Schedule of Investment Returns

	Public Employees Retirement System	Highway Patrolmen's Retirement System	Job Service North Dakota	Teachers' Fund for Retirement	Retiree Health Insurance Credit Fund
2025	12.06 %	12.13 %	9.12 %	11.32 %	13.43 %
2024	9.14 %	8.85 %	6.03 %	8.02 %	12.84 %
2023	8.13 %	7.86 %	3.30 %	7.35 %	10.82 %
2022	(6.32)%	(6.50)%	(5.55)%	(6.17)%	(14.48)%
2021	27.43 %	23.90 %	6.81 %	26.36 %	25.58 %
2020	3.57 %	3.28 %	3.09 %	3.37 %	5.37 %
2019	5.69 %	5.39 %	7.00 %	5.46 %	6.75 %
2018	9.21 %	9.16 %	3.32 %	9.15 %	7.01 %
2017	13.01 %	12.93 %	5.85 %	12.81 %	11.75 %
2016	0.49 %	0.48 %	5.14 %	0.39 %	0.83 %

STATE OF NORTH DAKOTA

Required Supplementary Information
Information About the State’s Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2025

Met Life Insurance Plan:

Actuarial Cost Method	Entry age normal actuarial cost method was used in the valuation.
Changes of Assumptions	<p>The following changes were made to the actuarial assumptions and methods effecting July 1, 2024:</p> <ul style="list-style-type: none">• The discount rate is 4.21 percent based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2024, compared to the prior discount rate of 4.09%.



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Combining Financial Statements

Nonmajor Governmental Funds

Permanent Fund

A permanent fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used to for the benefit of the government or its citizens.

956-Coal Development Permanent Fund

The Coal Development Fund reports resources that are constitutionally committed for distribution to other state funds and for making loans to energy impacted entities and school districts.

410-Veterans' Postwar Trust Fund

The Veterans' Postwar Trust Fund reports resources that are constitutionally committed to be utilized for programs which must be of benefit and service to veterans, who are defined by legislative enactment, or their dependents.

Debt Service Funds

A debt service fund is used to account for accumulation for resources for, and the payment of, principal and interest on long-term debt.

919-Building Authority Debt Service Fund

Account for accumulation of resources for, and the payment of, principal and interest on bonds issued by the North Dakota Building Authority.

935-Legacy Bond Program

Legacy Bond Program through the Bank of North Dakota to be used for infrastructure projects and programs.

STATE OF NORTH DAKOTA

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2025

	Perm Trust Fund			Debt Service Funds			Total Nonmajor Governmental Funds
	Coal Development Trust Fund	Veterans' Postwar Trust Fund	Total	Building Authority	Legacy Bond Program	Total	
ASSETS							
Cash Deposits at the Bank of ND	\$ 4,143,934	\$ 288,101	\$ 4,432,035	\$ 35,000	\$ 50,850,000	\$ 50,885,000	\$ 55,317,035
Cash and Cash Equivalents	—	177,551	177,551	—	—	—	177,551
Investments at the Bank of ND	—	—	—	235,000	90,118,000	90,353,000	90,353,000
Investments	39,627,274	9,370,147	48,997,421	—	—	—	48,997,421
Accounts Receivable - Net	—	2,729	2,729	—	—	—	2,729
Taxes Receivable - Net	82,563	854	83,417	—	—	—	83,417
Interest Receivable - Net	411,327	24,818	436,145	—	192,000	192,000	628,145
Due from Other Funds	—	13	13	—	—	—	13
Loans and Notes Receivable - Net	37,121,342	—	37,121,342	—	—	—	37,121,342
Other Assets	174	—	174	—	—	—	174
Total Assets	81,386,614	9,864,213	91,250,827	270,000	141,160,000	141,430,000	232,680,827
DEFERRED OUTFLOWS OF RESOURCES							
Total Deferred Outflows of Resources	—	—	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 81,386,614	\$ 9,864,213	\$ 91,250,827	\$ 270,000	\$ 141,160,000	\$ 141,430,000	\$ 232,680,827
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	—	22,470	22,470	6,000	—	6,000	28,470
Securities Lending Collateral	5,713,321	—	5,713,321	—	—	—	5,713,321
Due to Other Funds	104,243	—	104,243	—	—	—	104,243
Total Liabilities	5,817,564	22,470	5,840,034	6,000	—	6,000	5,846,034
DEFERRED INFLOWS OF RESOURCES							
Total Deferred Inflows of Resources	—	—	—	—	—	—	—
Fund Balances:							
Nonspendable	74,639,618	8,634,958	83,274,576	—	—	—	83,274,576
Restricted	—	—	—	264,000	141,160,000	141,424,000	141,424,000
Committed	929,432	1,206,785	2,136,217	—	—	—	2,136,217
Total Fund Balances	75,569,050	9,841,743	85,410,793	264,000	141,160,000	141,424,000	226,834,793
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 81,386,614	\$ 9,864,213	\$ 91,250,827	\$ 270,000	\$ 141,160,000	\$ 141,430,000	\$ 232,680,827

STATE OF NORTH DAKOTA

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2025

	Perm Trust Fund			Debt Service Funds			Total Nonmajor Governmental Funds
	Coal Development Trust Fund	Veterans' Postwar Trust Fund	Total	Building Authority	Legacy Bond Program	Total	
REVENUES							
Individual and Corporate Income Taxes	\$ —	\$ 21,195	\$ 21,195	\$ —	\$ —	\$ —	\$ 21,195
Oil, Gas, and Coal Taxes	1,334,406	—	1,334,406	—	—	—	1,334,406
Licenses, Permits and Fees	—	23,885	23,885	—	—	—	23,885
Sales and Services	—	4,930	4,930	—	—	—	4,930
Interest and Investment Income	2,718,801	1,004,982	3,723,783	7,000	13,556,000	13,563,000	17,286,783
Miscellaneous	—	74,277	74,277	—	—	—	74,277
Total Revenues	4,053,207	1,129,269	5,182,476	7,000	13,556,000	13,563,000	18,745,476
EXPENDITURES							
Current:							
General Government	373,655	64,980	438,635	—	—	—	438,635
Health and Human Services	—	126,236	126,236	—	—	—	126,236
Regulatory	—	—	—	—	157,038,000	157,038,000	157,038,000
Debt Service:							
Principal	—	—	—	2,390,000	29,030,000	31,420,000	31,420,000
Interest and Other Charges	—	—	—	2,941,000	22,589,000	25,530,000	25,530,000
Total Expenditures	373,655	191,216	564,871	5,331,000	208,657,000	213,988,000	214,552,871
Revenues over (under) Expenditures	3,679,552	938,053	4,617,605	(5,324,000)	(195,101,000)	(200,425,000)	(195,807,395)
OTHER FINANCING SOURCES (USES)							
Transfers In	—	—	—	5,295,000	—	5,295,000	5,295,000
Transfers Out	(2,386,995)	—	(2,386,995)	—	(39,735,000)	(39,735,000)	(42,121,995)
Total Other Financing Sources (Uses)	(2,386,995)	—	(2,386,995)	5,295,000	(39,735,000)	(34,440,000)	(36,826,995)
Net Change in Fund Balances	1,292,557	938,053	2,230,610	(29,000)	(234,836,000)	(234,865,000)	(232,634,390)
Fund Balances - Beginning of Year	74,276,493	8,903,690	83,180,183	293,000	375,996,000	376,289,000	459,469,183
Fund Balances - End of Year	<u>\$ 75,569,050</u>	<u>\$ 9,841,743</u>	<u>\$ 85,410,793</u>	<u>\$ 264,000</u>	<u>\$ 141,160,000</u>	<u>\$ 141,424,000</u>	<u>\$ 226,834,793</u>

STATE OF NORTH DAKOTA

Nonmajor Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the State is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the State has decided that periodic determination of net income is appropriate for accountability purposes.

BANK OF NORTH DAKOTA

900 – Agriculture Diversification and Development Fund

Fund used for loan disbursements, grants, and administrative costs.

907 – School Construction Assistance Revolving Loan Fund

Fund used to provide low-interest school construction loans.

459 (914) – Legacy Investment for Technology Fund (LIFT)

Fund used to provide loans for commercialization of intellectual property within the State of North Dakota. Industries eligible for loans include advanced computing and data management, agriculture technology, autonomous and unmanned vehicles and related technology, energy, health care, value-added agriculture, value added energy, and any other industry or area identified by the committee that will contribute to the diversification of the state's economy.

934 – Infrastructure Revolving Loan Fund

Fund used to provide loans to political subdivisions for essential infrastructure projects.

937 - Rural Workforce Initiative to Support Housing

The program was established by Bank of North Dakota to support rural communities with construction of market rate housing for workforce when a company is locating or expanding in a community with a population of 20,000 and under. The program is designed to support projects that are challenged because of the disproportionate costs comparable to attainable market rents.

945 – Bulk Propane Storage Tank

Fund used to provide loans to propane retailers to purchase and install storage containers to be used for the bulk storage of propane.

954 – Addiction Counselor Internship Loan Program

Fund used to provide loans to qualified individuals participating in a paid or unpaid internship at a licensed substance abuse treatment facility in North Dakota in order to obtain licensure as an addiction counselor.

961 – Clean Sustainable Energy Loan Fund

Fund used to enhance the production of clean sustainable energy, to make the state a world leader in the productions of clean sustainable energy, and to diversity and grow the state's economy.

972 – Legacy Infrastructure Loan Fund

Fund used to provide loans to political subdivisions, the Garrison Diversion Conservancy District and the Lake Agassiz water authority for eligible infrastructure projects.

984 – Medical Facility Infrastructure Loan Program

Fund used to make loans to medical facilities to conduct construction that improves the health care infrastructure in the state or improves access to existing nonprofit health care providers in the state.

985 – Rebuilders Permanent Loan Fund

Fund used to make loans to North Dakota 2011 flood-damaged homeowners to provide financial assistance to repair their home.

BONDING

210 (924) – State Bonding Fund

Fund used to maintain the bonding of public employees and officials of the state, county, city or other unit of local government.

COMMUNITY WATER FACILITY LOAN

974 – Water Infrastructure Revolving Loan Fund

Accounts for supplementary financing in conjunction with federal moneys available to improve adequate water supplies.

FIRE AND TORNADO

211 (923) – State Fire and Tornado Fund

Accounts for state agencies and political subdivisions to insure against loss to the public buildings, fixtures and permanent contents therein, through fire, lightning, windstorm, etc.

GUARANTEED STUDENT LOAN

969 – North Dakota Guaranteed Student Loan

Accounts for the revenues and expenses associated with the administration, development and operation of the guaranteed loan program.

HIT PLANNING LOAN FUND

987 – HIT Planning Loan Fund

Fund to provide low-interest loans to health care entities to improve health information technology infrastructure.

INFORMATION TECHNOLOGY DEPARTMENT

408 (903) – Edutech Fund

Fund used for professional development sessions and presentations by the Information and Technology Department.

476 (908) – SW Interoperable Radio Network Fund

Fund used for a radio broadcasting system for the state that enables seamless interoperable communications from local, state, and federal levels.

MILL AND ELEVATOR

970 – Mill and Elevator

Accounts for revenues and expenditures associated with the operation of the Mill and Elevator.

PERS UNIFORM GROUP INSURANCE

980 – Public Employees Retirement System Group Insurance

Accounts for the administrative revenues and expenses associated with this insurance purchasing pool.

ROUGH RIDER INDUSTRIES

926 – Roughrider Industries

Accounts for the revenues and expenses associated with the operation, manufacture and sale of products made by the prison inmates.

SAFEGUARDING TOMORROW THROUGH ONGOING RISK MITIGATION ACT

949 - Safeguarding Tomorrow Through Ongoing Risk Mitigation Act

Fund creates a revolving loan program that provides loans to coordinate funding for hazard mitigation activities in North Dakota.

STATE FAIR

601 (977) – State Fair

Accounts for revenues and expenditures associated with the operation of the State Fair.

STATE LOTTERY FUND

966 (292) – State Lottery Fund

Accounts for operations of the North Dakota lottery.

STUDENT LOAN

975 – North Dakota Student Loan Trust

Accounts for loans to students in post secondary education. The trust acquires eligible loans guaranteed or insured by the United States government or the North Dakota Guaranteed Student Loan Program.

UNEMPLOYMENT COMPENSATION FUND

967 – Job Service-Expendable Trust Fund

Accounts for State unemployment taxes collected from employers for the purpose of paying unemployment benefits.

STATE OF NORTH DAKOTA

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2025

	Addition Counselor Internship Loan	Agriculture Diversification Development Fund	Bonding	Bulk Propane Storage Tank	Clean Sustainable Energy Loan Fund	Edutech	Fire and Tornado	Guaranteed Student Loan
ASSETS								
Current Assets:								
Cash Deposits at the Bank of ND	\$ 115,212	\$ 6,957,000	\$ 598,576	\$ 4,136,000	\$ 15,000	\$ 213,315	\$ 774,383	\$ 49,297,968
Cash and Cash Equivalents	—	—	1,280,161	—	—	—	1,327,496	—
Investments at the Bank of ND	—	—	—	—	—	—	—	—
Investments	—	—	2,310,068	—	—	—	17,547,078	—
Accounts Receivable - Net	—	—	144,577	—	—	—	—	—
Interest Receivable - Net	1,072	—	31,948	1,000	78,000	—	148,493	—
Intergovernmental Receivable - Net	—	—	—	—	—	—	—	—
Due from Other Funds	—	—	—	—	—	2,600	—	53,836
Prepaid Items	—	1,673,000	—	—	—	—	550,938	—
Inventory	—	—	—	—	—	—	—	—
Lease Receivable - Net	—	—	—	—	—	—	—	—
Loans and Notes Receivable - Net	9,631	—	—	77,000	7,043,000	—	—	—
Other Assets	—	—	—	—	—	—	—	—
Restricted Cash at the Bank of ND	—	—	—	—	—	—	—	—
Restricted Cash and Cash Equivalents	—	—	—	—	—	—	—	—
Restricted Investments at the Bank of ND	—	—	—	—	—	—	—	—
Restricted Loans Receivable - Net	—	—	—	—	—	—	—	—
Total Current Assets	125,915	8,630,000	4,365,330	4,214,000	7,136,000	215,915	20,348,388	49,351,804
Noncurrent Assets:								
Lease Receivable	—	—	—	—	—	—	—	—
Loans and Notes Receivable - Net	60,309	—	—	836,000	50,908,000	—	—	—
Other Noncurrent Assets	—	4,209,000	—	—	—	—	—	—
Capital Assets:								
Nondepreciable	—	—	—	—	—	—	—	—
Depreciable, Net	—	—	—	—	—	—	—	—
Total Noncurrent Assets	60,309	4,209,000	—	836,000	50,908,000	—	—	—
Total Assets	186,224	12,839,000	4,365,330	5,050,000	58,044,000	215,915	20,348,388	49,351,804
DEFERRED OUTFLOWS OF RESOURCES								
Derived from Pensions	—	—	—	—	—	—	—	—
Derived from OPEB	—	—	—	—	—	—	—	—
Total Deferred Outflows of Resources	—	—	—	—	—	—	—	—
LIABILITIES								
Current Liabilities:								
Accounts Payable	—	—	2,680	—	—	19,675	17,051	238,666
Accrued Payroll	—	—	—	—	—	3,931	—	—
Securities Lending Collateral	—	—	30,009	—	—	—	150,001	—
Interest Payable	—	—	—	—	3,844,000	—	—	—
Intergovernmental Payable	—	—	—	—	—	—	—	—
Due to Other Funds	—	—	—	1,000	29,254,000	16,217	—	196,561
Claims/Judgments Payable	—	—	134,068	—	—	—	3,262,692	—
Compensated Absences Payable	—	—	—	—	—	—	—	—
Leases/SBITAs Payable	—	—	—	—	—	—	—	—
Bonds Payable	—	—	—	—	—	—	—	—
Unearned Revenue	—	—	—	—	—	—	—	—
Other Current Liabilities	—	—	—	—	—	—	—	—
Total Current Liabilities	—	—	166,757	1,000	33,098,000	39,823	3,429,744	435,227
Noncurrent Liabilities:								
Compensated Absences Payable	—	—	—	—	—	—	—	—
Leases/SBITAs Payable	—	—	—	—	—	—	—	—
Bonds Payable	—	—	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—	—	—
Net Pension OPEB	—	—	—	—	—	—	—	—
Other Noncurrent Liabilities	—	—	—	—	—	—	—	25,639,435
Total Noncurrent Liabilities	—	—	—	—	—	—	—	25,639,435
Total Liabilities	—	—	166,757	1,000	33,098,000	39,823	3,429,744	26,074,662
DEFERRED INFLOWS OF RESOURCES								
Increase in Fair Value of Hedging Derivatives	—	—	—	—	—	—	—	—
Right-to-Use Leases	—	—	—	—	—	—	—	—
Derived from Pensions	—	—	—	—	—	—	—	—
Derived from OPEB	—	—	—	—	—	—	—	—
Total Deferred Inflows of Resources	—	—	—	—	—	—	—	—
Net Position								
Net Investment in Capital Assets	—	—	—	—	—	—	—	—
Restricted for:								
Debt Service	—	—	—	—	—	—	—	—
Loan Purposes	—	—	—	—	—	—	—	—
Unemployment Compensation	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Unrestricted	186,224	12,839,000	4,198,573	5,049,000	24,946,000	176,092	16,918,644	23,277,142
Total Net Position	\$ 186,224	\$ 12,839,000	\$ 4,198,573	\$ 5,049,000	\$ 24,946,000	\$ 176,092	\$ 16,918,644	\$ 23,277,142

HIT Planning Loan Fund	Infrastructure Revolving Loan Fund	Interoperable Radio Network Fund	Legacy Investment for Technology Fund	Legacy Infrastructure Loan Fund	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Permanent Loan Program	Roughrider Industries
\$ —	\$ 38,884,000	\$ 45,128,076	\$ 5,565,000	\$ 3,520,000	\$ 5,420,000	\$ 225	\$ 2,100,871	\$ 16,747,000	\$ 12,195,201
—	—	—	—	—	—	—	1,804,576	—	500
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	58,112,542	—	—
—	—	395,848	—	—	—	72,781,832	472,765	—	666,501
100	642,000	—	71,000	620,000	28,000	—	—	28,000	—
—	—	—	—	—	—	—	—	—	—
—	—	167,202	—	—	—	—	—	—	914,808
—	—	3,558	—	—	—	—	—	—	38,610
—	—	—	—	—	—	2,062,035	—	—	3,659,009
—	—	—	—	—	—	34,988,115	—	—	—
53,283	16,724,000	—	6,601,000	5,790,000	2,501,000	2,117,647	—	4,022,000	—
379,890	—	—	—	—	—	268,150	396,138	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
433,273	56,250,000	45,694,684	12,237,000	9,930,000	7,949,000	112,218,004	62,886,892	20,797,000	17,474,629
—	—	—	—	—	—	—	—	—	—
—	180,642,000	—	17,886,000	82,417,000	43,329,000	2,117,647	—	17,918,000	—
—	—	—	26,000	—	—	986,622	—	—	—
—	—	2,161,790	—	—	—	59,289,063	—	—	—
—	—	18,464,880	—	—	—	156,410,906	47,096	—	1,580,531
—	180,642,000	20,626,670	17,912,000	82,417,000	43,329,000	218,804,238	47,096	17,918,000	1,580,531
433,273	236,892,000	66,321,354	30,149,000	92,347,000	51,278,000	331,022,242	62,933,988	38,715,000	19,055,160
—	—	—	—	—	—	5,761,620	—	—	983,327
—	—	—	—	—	—	237,869	—	—	38,066
—	—	—	—	—	—	5,999,489	—	—	1,021,393
454	—	592,344	—	—	—	21,890,367	372,739	—	389,702
—	—	40,139	—	—	—	555,127	117,162	—	238,766
—	—	—	—	—	—	—	1,189,184	—	—
—	—	60,625	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	239,000	45,335	42,000	122,000	57,000	105,178,614	14,116	9,491,000	43,006
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	486,625	39,664	—	144,768
—	—	111,150	—	—	—	8,000,720	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	1,951,040	—	—	—
454	239,000	849,593	42,000	122,000	57,000	138,062,493	1,732,865	9,491,000	816,242
—	—	—	—	—	—	1,222,645	95,614	—	256,091
—	—	17,372,351	—	—	—	27,499,820	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	14,678,760	—	—	2,519,706
—	—	—	—	—	—	590,019	—	—	116,021
—	—	—	—	—	—	—	—	—	—
—	—	17,372,351	—	—	—	43,991,244	95,614	—	2,891,818
454	239,000	18,221,944	42,000	122,000	57,000	182,053,737	1,828,479	9,491,000	3,708,060
—	—	—	—	—	—	268,150	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	7,260,092	—	—	1,266,206
—	—	—	—	—	—	84,907	—	—	19,615
—	—	—	—	—	—	7,613,149	—	—	1,285,821
—	—	3,143,168	—	—	—	143,121,951	47,096	—	1,580,531
379,890	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
52,929	236,653,000	44,956,242	30,107,000	92,225,000	51,221,000	4,232,894	61,058,413	29,224,000	13,502,141
\$ 432,819	\$ 236,653,000	\$ 48,099,410	\$ 30,107,000	\$ 92,225,000	\$ 51,221,000	\$ 147,354,845	\$ 61,105,509	\$ 29,224,000	\$ 15,082,672

STATE OF NORTH DAKOTA

Combining Statement of Net Position Nonmajor Enterprise Funds (Continued) June 30, 2025

	Rural Workforce Initiative to Support Housing	Safeguarding Tomorrow Through Ongoing Risk Mitigation Act	School Construction Assistance Loan Fund	State Fair	State Lottery Fund	Student Loan
ASSETS						
Current Assets:						
Cash Deposits at the Bank of ND	\$ —	\$ —	\$ 79,860,000	\$ 9,694,816	\$ 7,407,791	\$ —
Cash and Cash Equivalents	—	—	—	120,825	444,026	—
Investments at the Bank of ND	—	—	—	4,000,000	—	—
Investments	—	—	—	—	—	—
Accounts Receivable - Net	—	—	—	48,145	373,339	—
Interest Receivable - Net	—	—	1,972,000	—	—	2,000
Intergovernmental Receivable - Net	—	—	—	—	—	—
Due from Other Funds	—	—	—	—	—	6,000
Prepaid Items	—	—	—	66,508	12,500	—
Inventory	—	—	—	—	—	—
Lease Receivable - Net	—	—	—	165,040	—	—
Loans and Notes Receivable - Net	—	—	34,004,000	—	—	—
Other Assets	—	—	—	—	—	—
Restricted Cash at the Bank of ND	—	1,662,588	—	—	—	—
Restricted Cash and Cash Equivalents	—	—	—	—	—	784,000
Restricted Investments at the Bank of ND	—	—	—	—	—	1,000,000
Restricted Loans Receivable - Net	—	—	—	—	—	48,000
Total Current Assets	—	1,662,588	115,836,000	14,095,334	8,237,656	1,840,000
Noncurrent Assets:						
Lease Receivable	—	—	—	447,798	—	—
Loans and Notes Receivable - Net	4,606,000	—	281,930,000	—	—	334,000
Other Noncurrent Assets	—	—	—	—	1,582,914	—
Capital Assets:						
Nondepreciable	—	—	—	922,056	—	—
Depreciable, Net	—	—	—	20,287,223	212,901	—
Total Noncurrent Assets	4,606,000	—	281,930,000	21,657,077	1,795,815	334,000
Total Assets	4,606,000	1,662,588	397,766,000	35,752,411	10,033,471	2,174,000
DEFERRED OUTFLOWS OF RESOURCES						
Derived from Pensions	—	—	—	601,823	406,729	—
Derived from OPEB	—	—	—	14,444	21,940	—
Total Deferred Outflows of Resources	—	—	—	616,267	428,669	—
LIABILITIES						
Current Liabilities:						
Accounts Payable	—	—	—	80,334	792,393	—
Accrued Payroll	—	—	—	162,451	104,754	—
Securities Lending Collateral	—	—	—	—	—	—
Interest Payable	—	—	—	—	—	—
Intergovernmental Payable	—	—	—	390,488	—	—
Due to Other Funds	—	—	402,000	—	5,008,975	5,000
Claims/Judgments Payable	—	—	—	—	—	—
Compensated Absences Payable	—	—	—	70,000	3,586	—
Leases/SBITAs Payable	—	—	—	—	29,566	—
Bonds Payable	—	—	—	145,000	—	—
Unearned Revenue	—	—	—	—	289,783	—
Other Current Liabilities	—	—	—	—	—	—
Total Current Liabilities	—	—	402,000	848,273	6,229,057	5,000
Noncurrent Liabilities:						
Compensated Absences Payable	—	—	—	29,792	207,983	—
Leases/SBITAs Payable	—	—	—	—	179,281	—
Bonds Payable	—	—	—	698,234	—	1,000,000
Net Pension Liability	—	—	—	1,589,129	1,120,275	—
Net Pension OPEB	—	—	—	58,579	65,487	—
Other Noncurrent Liabilities	—	—	—	—	—	—
Total Noncurrent Liabilities	—	—	—	2,375,734	1,573,026	1,000,000
Total Liabilities	—	—	402,000	3,224,007	7,802,083	1,005,000
DEFERRED INFLOWS OF RESOURCES						
Increase in Fair Value of Hedging Derivatives	—	—	—	—	—	—
Right-to-Use Leases	—	—	—	549,780	—	—
Derived from Pensions	—	—	—	970,752	588,474	—
Derived from OPEB	—	—	—	16,928	8,958	—
Total Deferred Inflows of Resources	—	—	—	1,537,460	597,432	—
Net Position						
Net Investment in Capital Assets	—	—	—	20,366,045	4,054	—
Restricted for:						
Debt Service	—	—	—	—	—	832,000
Loan Purposes	—	1,662,588	—	—	—	—
Unemployment Compensation	—	—	—	—	—	—
Other	6,435	—	—	—	1,582,914	—
Unrestricted	4,599,565	—	397,364,000	11,241,166	475,657	337,000
Total Net Position	\$ 4,606,000	\$ 1,662,588	\$ 397,364,000	\$ 31,607,211	\$ 2,062,625	\$ 1,169,000

Unemployment Compensation	Water Infrastructure Revolving Loan Fund	Total
\$ 327,856	\$ 5,297,000	\$ 294,255,290
325,796,056	—	330,773,640
—	—	4,000,000
—	—	77,969,688
31,121,334	—	106,004,341
2,654,402	592,000	6,870,015
979,936	—	979,936
—	—	1,144,446
—	—	4,407,149
—	—	38,647,124
—	—	165,040
—	3,029,000	81,971,561
—	—	664,288
—	—	2,042,478
—	—	784,000
—	—	1,000,000
—	—	48,000
360,879,584	8,918,000	951,726,996
—	—	447,798
—	67,070,000	750,053,956
—	—	6,804,536
—	—	62,372,909
—	—	197,003,537
—	67,070,000	1,016,682,736
360,879,584	75,988,000	1,968,409,732
—	—	7,753,499
—	—	312,319
—	—	8,065,818
8,065,588	—	32,461,993
—	—	1,222,330
—	—	1,369,194
—	—	3,904,625
1,818,488	—	2,208,976
1,297,372	86,000	151,499,196
—	—	3,396,760
—	—	744,643
—	—	8,141,436
—	—	145,000
—	—	289,783
—	—	1,951,040
11,181,448	86,000	207,334,976
—	—	1,812,125
—	—	45,051,452
—	—	1,698,234
—	—	19,907,870
—	—	830,106
—	—	25,639,435
—	—	94,939,222
11,181,448	86,000	302,274,198
—	—	268,150
—	—	549,780
—	—	10,085,524
—	—	130,408
—	—	11,033,862
—	—	168,262,845
—	—	832,000
—	—	2,042,478
349,698,136	—	349,698,136
—	—	1,589,349
—	75,902,000	1,140,742,682
\$ 349,698,136	\$ 75,902,000	\$ 1,663,167,490

STATE OF NORTH DAKOTA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds For the Fiscal Year Ended June 30, 2025

	Addiction Counselor Internship Loan	Agriculture Diversification Development Fund	Bonding	Bulk Propane Storage Tank	Clean Sustainable Energy Loan Fund	Edutech	Fire and Tornado	Guaranteed Student Loan
OPERATING REVENUES								
Sales and Services	\$ 25	\$ —	\$ —	\$ —	\$ —	\$ 366,855	\$ 5,867,890	\$ 2,053,980
Royalties and Rents	—	—	—	—	—	—	—	—
Interest and Investment Income	4,708	—	—	15,000	923,000	—	—	—
Miscellaneous	—	—	—	—	—	—	—	—
Total Operating Revenues	4,733	—	—	15,000	923,000	366,855	5,867,890	2,053,980
OPERATING EXPENSES								
Cost of Sales and Services	—	—	—	—	—	—	—	—
Salaries and Benefits	—	—	—	—	—	5,743	—	—
Operating	4,517	175,000	—	8,000	981,000	480,523	1,383,071	647,067
Claims	—	—	—	—	—	—	3,949,261	—
Interest	—	1,529,000	—	—	1,230,000	—	—	—
Depreciation	—	—	—	—	—	—	—	—
Miscellaneous	—	—	7,648	—	—	—	73,902	—
Total Operating Expenses	4,517	1,704,000	7,648	8,000	2,211,000	486,266	5,406,234	647,067
Operating Income (Loss)	216	(1,704,000)	(7,648)	7,000	(1,288,000)	(119,411)	461,656	1,406,913
NONOPERATING REVENUES (EXPENSES)								
Grants and Contracts	—	—	—	—	—	—	—	—
Interest and Investment Income	672	—	235,044	25,000	11,000	—	1,666,977	297,303
Interest Expense	—	—	(4,865)	—	—	—	(40,826)	—
Loss on Sale of Capital Assets	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Total Nonoperating Revenues (Expenses)	672	—	230,179	25,000	11,000	—	1,626,151	297,303
Income (Loss) Before Contributions and Transfers	888	(1,704,000)	222,531	32,000	(1,277,000)	(119,411)	2,087,807	1,704,216
Transfers In	—	—	—	—	—	—	—	—
Transfer Out	—	—	—	—	—	—	—	—
Change in Net Position	888	(1,704,000)	222,531	32,000	(1,277,000)	(119,411)	2,087,807	1,704,216
Total Net Position - Beginning of Year, as Previously Reported	185,336	14,543,000	3,976,042	5,017,000	26,223,000	295,503	14,830,837	21,572,926
Restatement for Change in Accounting Principle	—	—	—	—	—	—	—	—
Total Net Position - End of Year	\$ 186,224	\$ 12,839,000	\$ 4,198,573	\$ 5,049,000	\$ 24,946,000	\$ 176,092	\$ 16,918,644	\$ 23,277,142

HIT Planning Loan Fund	Infrastructure Revolving Loan Fund	Interoperable Radio Network Fund	Legacy Investment for Technology Fund	Legacy Infrastructure Loan Fund	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Permanent Loan Program	Roughrider Industries
\$ —	\$ —	\$ 5,946,672	\$ —	\$ —	\$ —	\$ 375,958,257	\$ 406,796,493	\$ —	\$ 12,019,834
—	—	—	—	—	—	—	—	—	132,783
18,735	3,682,000	—	310,000	1,577,000	421,000	—	—	266,000	—
—	—	—	—	—	—	—	6,028	69,000	171,413
18,735	3,682,000	5,946,672	310,000	1,577,000	421,000	375,958,257	406,802,521	335,000	12,324,030
—	—	—	—	—	—	296,879,567	—	—	6,322,455
—	—	738,923	—	—	—	27,373,932	1,398,734	—	3,186,694
2,205	1,271,000	4,772,552	4,315,000	876,000	374,000	12,728,288	409,057,712	189,000	1,071,378
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	2,617,495	—	—	—	8,259,297	24,915	—	222,212
—	—	—	—	—	—	—	—	—	—
2,205	1,271,000	8,128,970	4,315,000	876,000	374,000	345,241,084	410,481,361	189,000	10,802,739
16,530	2,411,000	(2,182,298)	(4,005,000)	701,000	47,000	30,717,173	(3,678,840)	146,000	1,521,291
—	—	—	—	—	—	—	—	—	—
—	271,000	721,416	40,000	11,000	61,000	334,682	4,157,865	93,000	—
—	—	(766,935)	—	—	—	(4,376,369)	—	—	(760)
—	—	—	—	—	—	(37,023)	—	—	—
—	—	—	—	—	—	55,948	(325,000)	—	(1,372)
—	271,000	(45,519)	40,000	11,000	61,000	(4,022,762)	3,832,865	93,000	(2,132)
16,530	2,682,000	(2,227,817)	(3,965,000)	712,000	108,000	26,694,411	154,025	239,000	1,519,159
—	—	—	—	42,176,000	—	—	—	—	—
(3,000,000)	—	—	—	—	—	(14,130,921)	—	—	(250,000)
(2,983,470)	2,682,000	(2,227,817)	(3,965,000)	42,888,000	108,000	12,563,490	154,025	239,000	1,269,159
3,416,289	233,971,000	50,327,227	34,072,000	49,337,000	51,113,000	134,791,355	60,951,484	28,985,000	14,200,996
—	—	—	—	—	—	—	—	—	(387,483)
\$ 432,819	\$ 236,653,000	\$ 48,099,410	\$ 30,107,000	\$ 92,225,000	\$ 51,221,000	\$ 147,354,845	\$ 61,105,509	\$ 29,224,000	\$ 15,082,672

STATE OF NORTH DAKOTA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds (Continued) For the Fiscal Year Ended June 30, 2025

	Rural Workforce Initiative to Housing	Safeguarding Tomorrow Through Ongoing Risk Mitigation Act	School Construction Assistance Loan Fund	State Fair	State Lottery Fund	Student Loan
OPERATING REVENUES						
Sales and Services	\$ —	\$ —	\$ —	\$ 10,757,119	\$ 26,903,754	\$ —
Royalties and Rents	—	—	—	—	—	—
Interest and Investment Income	—	—	6,051,000	—	—	24,000
Miscellaneous	—	—	—	—	—	—
Total Operating Revenues	—	—	6,051,000	10,757,119	26,903,754	24,000
OPERATING EXPENSES						
Cost of Sales and Services	—	—	—	—	—	—
Salaries and Benefits	—	—	—	1,994,181	1,285,626	—
Operating	142,000	—	1,656,000	7,679,772	19,677,518	15,000
Claims	—	—	—	—	—	—
Interest	—	—	—	—	9,533	54,000
Depreciation	—	—	—	1,204,654	28,707	—
Miscellaneous	—	—	—	—	—	—
Total Operating Expenses	142,000	—	1,656,000	10,878,607	21,001,384	69,000
Operating Income (Loss)	(142,000)	—	4,395,000	(121,488)	5,902,370	(45,000)
NONOPERATING REVENUES (EXPENSES)						
Grants and Contracts	—	—	—	484,064	—	—
Interest and Investment Income	—	212	442,000	298,473	102,889	29,000
Interest Expense	—	—	—	(37,288)	—	—
Loss on Sale of Capital Assets	—	—	—	—	—	—
Other	—	—	—	(643)	—	—
Total Nonoperating Revenues (Expenses)	—	212	442,000	744,606	102,889	29,000
Income (Loss) Before Contributions and Transfers	(142,000)	212	4,837,000	623,118	6,005,259	(16,000)
Transfers In	4,748,000	1,662,376	—	321,417	—	—
Transfer Out	—	—	—	—	(6,320,000)	—
Change in Net Position	4,606,000	1,662,588	4,837,000	944,535	(314,741)	(16,000)
Total Net Position - Beginning of Year, as Previously Reported	—	—	392,527,000	30,662,676	2,449,136	1,185,000
Restatement for Change in Accounting Principle	—	—	—	—	(71,770)	—
Total Net Position - End of Year	\$ 4,606,000	\$ 1,662,588	\$ 397,364,000	\$ 31,607,211	\$ 2,062,625	\$ 1,169,000

Unemployment Compensation	Water Infrastructure Revolving Loan Fund	Total
\$ 98,673,281	\$ —	\$ 945,344,160
—	—	132,783
—	1,276,000	14,568,443
—	—	246,441
98,673,281	1,276,000	960,291,827
—	—	303,202,022
—	—	35,983,833
—	643,000	468,149,603
111,693,517	—	115,642,778
—	12,000	2,834,533
—	—	12,357,280
—	—	81,550
111,693,517	655,000	938,251,599
(13,020,236)	621,000	22,040,228
—	—	484,064
10,769,364	—	19,567,897
—	—	(5,227,043)
—	—	(37,023)
—	—	(271,067)
10,769,364	—	14,516,828
(2,250,872)	621,000	36,557,056
—	10,000,000	58,907,793
—	—	(23,700,921)
(2,250,872)	10,621,000	71,763,928
351,949,008	65,281,000	1,591,862,815
—	—	(459,253)
\$ 349,698,136	\$ 75,902,000	\$ 1,663,167,490

STATE OF NORTH DAKOTA

Combining Statement of Cash Flows Nonmajor Enterprise Funds For the Fiscal Year Ended June 30, 2025

	Addiction Counselor Internship Loan	Agriculture Diversification Development Fund	Bonding	Bulk Propane Storage	Clean Sustainable Energy Loan Fund	Edutech	Fire and Tornado	Guaranteed Student Loan
Cash Flows from Operating Activities:								
Receipts from Customers and Users	\$ 25	\$ —	\$ —	\$ —	\$ —	\$ 364,255	\$ 5,867,890	\$ 2,000,144
Interest Income on Loans	—	—	—	—	—	—	—	—
Receipts from Loan Principal Repayments	—	—	—	—	—	—	—	2,047,997
Receipts from Others	—	—	—	—	—	—	—	—
Payments to Other Funds	—	—	—	—	—	—	—	—
Payments for Loan Funds	—	—	—	—	—	—	—	(3,942,735)
Payments to Suppliers	—	—	(6,728)	(2,000)	—	(476,485)	(1,379,298)	(755,693)
Payments to Employees	—	—	22	—	—	(1,813)	—	—
Claim Payments	—	—	—	—	—	—	(3,419,042)	—
Payments to Others	—	(4,290,000)	—	—	(154,000)	—	—	—
Other	—	—	—	—	—	—	—	—
Net Cash Provided by (Used for) Operating Activities	25	(4,290,000)	(6,706)	(2,000)	(154,000)	(114,043)	1,069,550	(650,287)
Cash Flows from Noncapital Financing Activities:								
Proceeds from Sale of Notes and Other Borrowings	—	—	—	—	—	—	—	—
Principal Payments - Notes and Other Borrowings	—	—	—	—	—	—	—	—
Interest Payments - Bonds	—	—	—	—	—	—	—	—
Interest Payments - Notes and Other Borrowings	—	—	—	—	—	—	—	—
Transfers In	—	—	—	—	—	—	—	—
Transfers Out	—	—	—	—	—	—	—	—
Principal Payments on Due To Other Funds	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Grants Received	—	—	—	—	—	—	—	—
Net Cash Provided by (Used for) Noncapital Financing Activities	—	—	—	—	—	—	—	—
Cash Flows from Capital and Related Financing Activities:								
Acquisition and Construction of Capital Assets	—	—	—	—	—	—	—	—
Proceeds from Bonds	—	—	—	—	—	—	—	—
Proceeds from Sale of Notes and Other Borrowings	—	—	—	—	14,203,000	—	—	—
Principal Payments - Bonds	—	—	—	—	—	—	—	—
Interest Payments - Bonds	—	—	—	—	—	—	—	—
Payment of Bond Issue Costs	—	—	—	—	—	—	—	—
Principal Payments on Lease/SBITA Payable	—	—	—	—	—	—	—	—
Interest Paid on Lease/SBITA Payable	—	—	—	—	—	—	—	—
Net Cash Provided by (Used for) Capital and Related Financing Activities	—	—	—	—	14,203,000	—	—	—
Cash Flows from Investing Activities:								
Proceeds from Sale and Maturities of Investment Securities	—	—	—	—	—	—	—	—
Purchase of Investment Securities	—	—	—	—	—	—	—	—
Net Increase (Decrease) In Investments	—	—	(185,305)	—	—	—	(2,720,247)	—
Interest and Dividends on Investments	672	—	234,179	25,000	11,000	—	1,630,348	297,303
Net Decrease In Loans	—	—	—	—	(19,405,000)	—	—	—
Disbursements for Loans and Loan Purchases	(22,500)	—	—	(312,000)	—	—	—	—
Receipt of Loan Principal Repayments	—	—	—	69,000	—	—	—	—
Proceeds from Collection of Loans and Notes Receivable	12,044	—	—	15,000	3,141,000	—	—	—
Loan Income Received	3,369	—	—	—	948,000	—	—	—
Loans transferred	—	—	—	—	—	—	—	—
Advances on Note Payable to the Bank of ND	—	—	—	—	—	—	—	—
Payment of Principal Advanced on Note Payable to the Bank of ND	—	—	—	—	—	—	—	—
Net Cash Provided by (Used for) Investing Activities	(6,415)	—	48,874	(203,000)	(15,305,000)	—	(1,089,899)	297,303
Net Change in Cash:								
Net Increase (Decrease) in Cash and Cash Equivalents	(6,390)	(4,290,000)	42,168	(205,000)	(1,256,000)	(114,043)	(20,349)	(352,984)
Cash and Cash Equivalents at June 30, 2024	121,602	11,247,000	1,836,569	4,341,000	1,271,000	327,358	2,122,228	49,650,952
Cash and Cash Equivalents at June 30, 2025	\$ 115,212	\$ 6,957,000	\$ 1,878,737	\$ 4,136,000	\$ 15,000	\$ 213,315	\$ 2,101,879	\$ 49,297,968
Reconciliation:								
Current:								
Cash Deposits at the Bank of North Dakota	115,212	6,957,000	598,576	4,136,000	15,000	213,315	774,383	49,297,968
Cash and Cash Equivalents	—	—	1,280,161	—	—	—	1,327,496	—
Restricted Cash Deposits at the Bank of North Dakota	—	—	—	—	—	—	—	—
Restricted Cash and Cash Equivalents	—	—	—	—	—	—	—	—
Cash and Cash Equivalents	\$ 115,212	\$ 6,957,000	\$ 1,878,737	\$ 4,136,000	\$ 15,000	\$ 213,315	\$ 2,101,879	\$ 49,297,968

HIT Planning Loan Fund	Infrastructure Revolving Loan Fund	Interoperable Radio Network Fund	Legacy Investment for Technology Fund	Legacy Infrastructure Loan Fund	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Permanent Loan Program	Roughrider Industries
\$ —	\$ —	\$ 6,724,121	\$ —	\$ —	\$ —	\$ 484,132,333	\$ 406,940,689	\$ —	\$ 12,386,293
18,900	—	—	—	—	—	—	—	—	—
215,390	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	(143,000)	(634,251)
—	—	—	—	—	—	—	—	—	—
(2,482)	—	(5,467,907)	—	(359,000)	—	(396,101,893)	(409,107,071)	—	(7,987,500)
—	—	(711,385)	—	—	—	(26,695,320)	(1,351,535)	—	(3,124,031)
—	—	—	—	—	—	—	—	—	—
—	(940,000)	—	(273,000)	—	(205,000)	—	—	(52,000)	—
—	—	—	—	—	—	—	(201,000)	—	—
231,808	(940,000)	544,829	(273,000)	(359,000)	(205,000)	61,335,120	(3,718,917)	(195,000)	640,511
—	—	—	—	—	—	237,684,989	—	—	—
—	—	—	—	—	—	(251,916,891)	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	(3,277,875)	—	—	—
—	—	—	—	42,176,000	—	—	—	—	—
(3,000,000)	—	—	—	—	—	(14,130,921)	—	—	(250,000)
—	—	—	—	—	—	—	—	(2,070,000)	—
—	—	—	—	—	—	—	(325,000)	—	—
—	—	—	—	—	—	—	—	—	—
(3,000,000)	—	—	—	42,176,000	—	(31,640,698)	(325,000)	(2,070,000)	(250,000)
—	—	(168,052)	—	—	—	(21,340,305)	—	—	(433,058)
—	—	—	—	—	—	6,313,467	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	(100,702)	—	—	—	(11,641,935)	—	—	—
—	—	(759,050)	—	—	—	(3,030,002)	—	—	—
—	—	(1,027,804)	—	—	—	(29,698,775)	—	—	(433,058)
—	—	—	—	—	—	—	190,784,994	—	—
—	—	—	—	—	—	—	(191,550,000)	—	—
—	—	—	—	—	—	—	4,157,865	—	—
—	271,000	721,416	277,000	11,000	61,000	4,353	—	93,000	—
—	—	—	—	—	—	—	—	—	—
—	(82,269,000)	—	(6,411,000)	—	(8,750,000)	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	12,112,000	—	1,284,000	3,626,000	2,219,000	—	—	5,106,000	—
—	3,729,000	—	—	1,281,000	417,000	—	—	269,000	—
—	45,390,000	—	—	(45,390,000)	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	(20,767,000)	721,416	(4,850,000)	(40,472,000)	(6,053,000)	4,353	3,392,859	5,468,000	—
(2,768,192)	(21,707,000)	238,441	(5,123,000)	1,345,000	(6,258,000)	—	(651,058)	3,203,000	(42,547)
3,148,082	60,591,000	44,889,635	10,688,000	2,175,000	11,678,000	225	4,556,505	13,544,000	12,238,248
\$ 379,890	\$ 38,884,000	\$ 45,128,076	\$ 5,565,000	\$ 3,520,000	\$ 5,420,000	\$ 225	\$ 3,905,447	\$ 16,747,000	\$ 12,195,701
—	38,884,000	45,128,076	5,565,000	3,520,000	5,420,000	225	2,100,871	16,747,000	12,195,201
—	—	—	—	—	—	—	1,804,576	—	500
379,890	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
\$ 379,890	\$ 38,884,000	\$ 45,128,076	\$ 5,565,000	\$ 3,520,000	\$ 5,420,000	\$ 225	\$ 3,905,447	\$ 16,747,000	\$ 12,195,701

STATE OF NORTH DAKOTA

Combining Statement of Cash Flows Nonmajor Enterprise Funds (Continued) For the Fiscal Year Ended June 30, 2025

	Rural Workforce Initiative to Support Housing	Safeguarding Tomorrow through Ongoing Risk Mitigation	School Construction Assistance Loan Fund	State Fair	State Lottery Fund	Student Loan
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ —	\$ —	\$ —	\$ 10,709,602	\$ 19,595,545	\$ 69,000
Interest Income on Loans	—	—	—	—	—	—
Receipts from Loan Principal Repayments	—	—	—	—	—	—
Receipts from Others	—	—	—	—	—	—
Payments to Other Funds	—	—	—	—	—	—
Payments for Loan Funds	—	—	—	—	—	—
Payments to Suppliers	—	—	(1,611,000)	(7,441,531)	(12,373,187)	(15,000)
Payments to Employees	—	—	—	(2,101,363)	(1,244,324)	—
Claim Payments	—	—	—	—	—	—
Payments to Others	—	—	—	—	(3,637,517)	—
Other	—	—	—	—	—	—
Net Cash Provided by (Used for) Operating Activities	—	—	(1,611,000)	1,166,708	2,340,517	54,000
Cash Flows from Noncapital Financing Activities:						
Proceeds from Sale of Notes and Other Borrowings	—	—	—	—	—	—
Principal Payments - Notes and Other Borrowings	—	—	—	—	—	—
Interest Payments - Bonds	—	—	—	—	—	(55,000)
Interest Payments - Notes and Other Borrowings	—	—	—	—	—	—
Transfers In	4,748,000	1,662,376	—	321,417	—	—
Transfers Out	—	—	—	—	(6,320,000)	—
Principal Payments on Due To Other Funds	—	—	—	—	—	—
Other	—	—	—	—	—	—
Grants Received	—	—	—	484,064	—	—
Net Cash Provided by (Used for) Noncapital Financing Activities	4,748,000	1,662,376	—	805,481	(6,320,000)	(55,000)
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	—	—	—	(1,378,515)	—	—
Proceeds from Bonds	—	—	—	—	—	—
Proceeds from Sale of Notes and Other Borrowings	—	—	—	—	—	—
Principal Payments - Bonds	—	—	—	(140,000)	—	—
Interest Payments - Bonds	—	—	—	(37,288)	—	—
Payment of Bond Issue Costs	—	—	—	(12,903)	—	—
Principal Payments on Lease/SBITA Payable	—	—	—	—	—	—
Interest Paid on Lease/SBITA Payable	—	—	—	—	(28,338)	—
Net Cash Provided by (Used for) Capital and Related Financing Activities	—	—	—	(1,568,706)	(28,338)	—
Cash Flows from Investing Activities:						
Proceeds from Sale and Maturities of Investment Securities	—	—	—	—	—	2,000,000
Purchase of Investment Securities	—	—	—	—	—	(2,000,000)
Net Increase (Decrease) In Investments	—	—	—	—	—	—
Interest and Dividends on Investments	—	212	442,000	298,473	75,247	30,000
Net Decrease In Loans	—	—	—	—	—	—
Disbursements for Loans and Loan Purchases	(4,748,000)	—	(30,610,000)	—	—	—
Receipt of Loan Principal Repayments	—	—	26,736,000	—	—	—
Proceeds from Collection of Loans and Notes Receivable	—	—	—	—	—	12,000
Loan Income Received	—	—	6,187,000	—	—	—
Loans transferred	—	—	—	—	—	—
Advances on Note Payable to the Bank of ND	—	—	—	—	—	—
Payment of Principal Advanced on Note Payable to the Bank of ND	—	—	—	—	—	—
Net Cash Provided by (Used for) Investing Activities	(4,748,000)	212	2,755,000	298,473	75,247	42,000
Net Change in Cash:						
Net Increase (Decrease) in Cash and Cash Equivalents	—	1,662,588	1,144,000	701,956	(3,932,574)	41,000
Cash and Cash Equivalents at June 30, 2024	—	—	78,716,000	9,113,685	11,784,391	743,000
Cash and Cash Equivalents at June 30, 2025	\$ —	\$ 1,662,588	\$ 79,860,000	\$ 9,815,641	\$ 7,851,817	\$ 784,000
Reconciliation:						
Current:						
Cash Deposits at the Bank of North Dakota	—	—	79,860,000	9,694,816	7,407,791	—
Cash and Cash Equivalents	—	—	—	120,825	444,026	—
Restricted Cash Deposits at the Bank of North Dakota	—	1,662,588	—	—	—	—
Restricted Cash and Cash Equivalents	—	—	—	—	—	784,000
Cash and Cash Equivalents	\$ —	\$ 1,662,588	\$ 79,860,000	\$ 9,815,641	\$ 7,851,817	\$ 784,000

Unemployment Compensation	Water Infrastructure Revolving Loan Fund	Total
\$ 98,795,679	\$ —	\$ 1,047,585,576
—	—	18,900
—	—	2,263,387
977,217	—	977,217
—	—	(777,251)
—	—	(3,942,735)
(8,200,613)	(276,000)	(851,563,388)
(5,330,597)	—	(40,560,346)
(99,401,155)	—	(102,820,197)
—	(12,000)	(9,563,517)
—	—	(201,000)
(13,159,469)	(288,000)	41,416,646
—	—	237,684,989
—	—	(251,916,891)
—	—	(55,000)
—	—	(3,277,875)
—	10,000,000	58,907,793
—	—	(23,700,921)
—	—	(2,070,000)
—	—	(325,000)
—	—	484,064
—	10,000,000	15,731,159
—	—	(23,319,930)
—	—	6,313,467
—	—	14,203,000
—	—	(140,000)
—	—	(37,288)
—	—	(12,903)
—	—	(11,742,637)
—	—	(3,817,390)
—	—	(18,553,681)
—	—	192,784,994
—	—	(193,550,000)
—	—	1,252,313
10,382,083	40,000	14,905,286
—	—	(19,405,000)
—	(26,001,000)	(159,123,500)
—	2,753,000	29,558,000
—	—	27,527,044
—	918,000	13,752,369
—	—	—
—	9,988,000	9,988,000
—	(9,988,000)	(9,988,000)
10,382,083	(22,290,000)	(92,298,494)
(2,777,386)	(12,578,000)	(53,704,370)
328,901,298	17,875,000	681,559,778
\$ 326,123,912	\$ 5,297,000	\$ 627,855,408
327,856	5,297,000	294,255,290
325,796,056	—	330,773,640
—	—	2,042,478
—	—	784,000
\$ 326,123,912	\$ 5,297,000	\$ 627,855,408

STATE OF NORTH DAKOTA

Combining Statement of Cash Flows Nonmajor Enterprise Funds (Continued) For the Fiscal Year Ended June 30, 2025

	Addition Counselor Internship Loan	Agriculture Diversification Development Fund	Bonding	Bulk Propane Storage Tank	Clean Sustainable Energy Loan Fund	Edutech	Fire and Tornado	Guaranteed Student Loan
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:								
Operating Income (Loss)	\$ 216	\$ (1,704,000)	\$ (7,648)	\$ 7,000	\$ (1,288,000)	\$ (119,411)	\$ 461,656	\$ 1,406,913
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:								
Depreciation	—	—	—	—	—	—	—	—
Amortization\Accretion	—	—	—	—	—	—	—	—
Reclassification of Interest Revenue\Expense	—	—	—	—	—	—	—	—
Loss On Sale of Real Estate	—	—	—	—	—	—	—	—
Interest Expense Paid on Lease Activities	—	—	—	—	—	—	—	—
Interest Received on Program Loans	—	—	—	(15,000)	(923,000)	—	—	—
Receipt of Loan Principal Repayments	8	—	—	—	—	—	—	—
Provision for Losses	4,509	—	—	6,000	813,000	—	—	(1,999,745)
Other	—	—	—	—	—	—	—	—
Deferred Outflows	—	—	181	—	—	—	—	—
Deferred Inflows	—	—	(159)	—	—	—	—	—
Change in Assets and Liabilities:								
(Increase) Decrease in Accounts Receivable	—	—	—	—	—	—	—	(53,836)
(Increase) Decrease in Interest Receivable	(4,708)	—	—	—	—	—	—	—
(Increase) Decrease in Due From	—	—	—	—	—	(2,600)	—	—
(Increase) in Intergovernmental Receivable	—	—	—	—	—	—	—	—
Decrease in Notes Receivable	—	—	—	—	—	—	—	—
(Increase) Decrease in Prepaid Items	—	(2,586,000)	—	—	—	—	—	—
(Increase) Decrease in Inventories	—	—	—	—	—	—	—	—
(Increase) in Other Assets	—	—	—	—	—	—	—	—
Increase (Decrease) in Accounts Payable	—	—	920	—	—	751	3,773	(195,180)
Increase in Claims\Judgments Payable	—	—	—	—	—	—	604,121	—
Increase in Intergovernmental Payable	—	—	—	—	1,244,000	—	—	191,561
Increase (Decrease) in Accrued Payroll	—	—	—	—	—	3,931	—	—
Increase in Compensated Absences Payable	—	—	—	—	—	—	—	—
Increase (Decrease) in Due To	—	—	—	—	—	3,286	—	—
Increase (Decrease) in Net Pension Liability	—	—	—	—	—	—	—	—
(Decrease) in Net OPEB Liability	—	—	—	—	—	—	—	—
(Decrease) in Other Liabilities	—	—	—	—	—	—	—	—
Total Adjustments	(191)	(2,586,000)	942	(9,000)	1,134,000	5,368	607,894	(2,057,200)
Net Cash Provided by (Used for) Operating Activities	\$ 25	\$ (4,290,000)	\$ (6,706)	\$ (2,000)	\$ (154,000)	\$ (114,043)	\$ 1,069,550	\$ (650,287)
Noncash Transactions:								
Net Change in Fair Value of Investments	\$ —	\$ —	\$ 65,204	\$ —	\$ —	\$ —	\$ 1,022,607	\$ —
Interest Revenue on Prize Reserves	—	—	—	—	—	—	—	—
Lease for building	—	—	—	—	—	—	—	—
Acquisition of Equipment Under Capital Lease	—	—	—	—	—	—	—	—
Total Noncash Transactions	\$ —	\$ —	\$ 65,204	\$ —	\$ —	\$ —	\$ 1,022,607	\$ —

HIT Planning Loan Fund	Infrastructure Revolving Loan Fund	Interoperable Radio Network Fund	Legacy Investment for Technology Fund	Legacy Infrastructure Loan Fund	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Permanent Loan Program	Roughrider Industries	Rural Workforce Initiative to Support Housing
\$ 16,530	\$ 2,411,000	\$ (2,182,298)	\$ (4,005,000)	\$ 701,000	\$ 47,000	\$ 30,717,173	\$ (3,678,840)	\$ 146,000	\$ 1,521,291	\$ (142,000)
—	—	2,617,495	—	—	—	8,259,297	24,915	—	222,212	—
—	—	—	—	—	—	9,326,247	—	—	—	—
—	—	—	(310,000)	—	(421,000)	—	—	(266,000)	—	—
—	—	—	—	—	—	1,881,472	—	—	—	—
—	(3,682,000)	—	—	(1,577,000)	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	309,000	—	4,034,000	523,000	163,000	—	—	(69,000)	—	142,000
—	—	—	—	—	—	436,313	—	—	—	—
—	—	—	—	—	—	(1,413,452)	—	—	752,375	—
—	—	—	—	—	—	—	—	—	(779,794)	—
—	—	(5,117)	—	—	—	5,505,735	(7,295)	—	62,263	—
167	—	—	—	—	—	—	—	—	—	—
—	22,000	782,567	—	(6,000)	6,000	—	—	—	(610,534)	—
—	—	—	—	—	—	—	—	—	—	—
215,390	—	—	—	—	—	2,117,647	—	—	—	—
—	—	3,085	—	—	—	106,569	—	—	2,286	—
—	—	—	—	—	—	1,774,781	—	—	(635,345)	—
—	—	—	—	—	—	(592)	(55,537)	—	—	—
(279)	—	136,483	—	—	—	(2,532,129)	(52,914)	(6,000)	19,178	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	3,555	—	—	—
—	—	27,538	—	—	—	946,378	1,913	—	49,287	—
—	—	—	—	—	—	437,228	45,286	—	13,376	—
—	—	(834,924)	8,000	—	—	3,097,103	—	—	23,717	—
—	—	—	—	—	—	708,458	—	—	27,845	—
—	—	—	—	—	—	—	—	—	(24,522)	—
—	—	—	—	—	—	(33,108)	—	—	(3,124)	—
215,278	(3,351,000)	2,727,127	3,732,000	(1,060,000)	(252,000)	30,617,947	(40,077)	(341,000)	(880,780)	142,000
\$ 231,808	\$ (940,000)	\$ 544,829	\$ (273,000)	\$ (359,000)	\$ (205,000)	\$ 61,335,120	\$ (3,718,917)	\$ (195,000)	\$ 640,511	\$ —
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	2,702,796	—	—	—	11,550,523	—	—	—	—
\$ —	\$ —	\$ 2,702,796	\$ —	\$ —	\$ —	\$ 11,550,523	\$ —	\$ —	\$ —	\$ —

STATE OF NORTH DAKOTA

Combining Statement of Cash Flows Nonmajor Enterprise Funds (Continued) For the Fiscal Year Ended June 30, 2025

	Safeguarding Tomorrow through Ongoing Risk Mitigation Act	School Construction Assistance Loan Fund	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Water Infrastructure Revolving Loan Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:								
Operating Income (Loss)	\$ —	\$ 4,395,000	\$ (121,488)	\$ 5,902,370	\$ (45,000)	\$ (13,020,236)	\$ 621,000	\$ 22,040,228
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating								
Depreciation	—	—	1,204,654	28,707	—	—	—	12,357,280
Amortization\Accretion	—	—	—	—	—	—	—	9,326,247
Reclassification of Interest Revenue\Expense	—	(6,051,000)	—	—	54,000	—	(1,276,000)	(8,270,000)
Interest Expense Paid on Lease Activities	—	—	—	—	—	—	—	1,881,472
Interest Received on Program Loans	—	—	—	—	—	—	—	(6,197,000)
Receipt of Loan Principal Repayments	—	—	—	—	47,000	—	—	47,008
Provision for Losses	—	38,000	—	—	—	—	338,000	4,301,764
Other	—	—	—	—	—	—	—	436,313
Deferred Outflows	—	—	786,088	360,927	—	—	—	486,119
Deferred Inflows	—	—	(317,260)	(377,197)	—	—	—	(1,474,410)
Change in Assets and Liabilities:								
(Increase) Decrease in Accounts Receivable	—	—	(10,177)	(28,056)	—	350,898	—	5,814,415
(Increase) Decrease in Interest Receivable	—	—	—	—	—	—	—	(4,541)
(Increase) Decrease in Due From	—	—	—	—	(1,000)	—	—	190,433
(Increase) in Intergovernmental Receivable	—	—	—	—	—	(260,820)	—	(260,820)
Decrease in Notes Receivable	—	—	—	—	—	—	—	2,333,037
(Increase) Decrease in Prepaid Items	—	—	(9,974)	—	—	—	—	(2,484,034)
(Increase) Decrease in Inventories	—	—	—	—	—	—	—	1,139,436
(Increase) in Other Assets	—	—	(251,251)	(20,778)	—	—	—	(328,158)
Increase (Decrease) in Accounts Payable	—	—	24,034	71,786	—	(1,764,377)	—	(4,293,954)
Increase in Claims\Judgments Payable	—	—	—	—	—	—	—	604,121
Increase in Intergovernmental Payable	—	—	224,181	—	—	269,798	—	1,933,095
Increase (Decrease) in Accrued Payroll	—	—	(41,789)	6,485	—	—	—	993,743
Increase in Compensated Absences	—	—	15,001	60,896	—	—	—	571,787
Increase (Decrease) in Due To	—	7,000	—	(3,629,045)	(1,000)	1,265,268	29,000	(31,595)
Increase (Decrease) in Net Pension Liability	—	—	(313,824)	(4,359)	—	—	—	418,120
(Decrease) in Net OPEB Liability	—	—	(21,487)	(5,450)	—	—	—	(51,459)
(Decrease) in Other Liabilities	—	—	—	(25,769)	—	—	—	(62,001)
Total Adjustments	—	(6,006,000)	1,288,196	(3,561,853)	99,000	(139,233)	(909,000)	19,376,418
Net Cash Provided by (Used for) Operating	\$ —	\$ (1,611,000)	\$ 1,166,708	\$ 2,340,517	\$ 54,000	\$ (13,159,469)	\$ (288,000)	\$ 41,416,646
Noncash Transactions:								
Net Change in Fair Value of Investments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,087,811
Interest Revenue on Prize Reserves	—	—	—	10,119	—	—	—	10,119
Lease for building	—	—	—	157,855	—	—	—	157,855
Acquisition of Equipment Under Capital Lease	—	—	—	—	—	—	—	14,253,319
Total Noncash Transactions	\$ —	\$ —	\$ —	\$ 167,974	\$ —	\$ —	\$ —	\$ 15,509,104



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Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the State and to other government units, on a cost reimbursement basis.

790 (927) - Central (Shared) Services

Accounts for the revenues and expenditures associated with central printing and office supply services to state agencies and the Legislative Assembly; a surplus property program for the acquisition, distribution, and disposition of federal and state surplus property and procurement services for all state agencies not exempt by statute.

700 (918) - Fleet Services

Accounts for costs of operating and maintaining State-owned vehicles. Costs are billed to user agencies and include depreciation on equipment.

780 (929) - Information Technology Department

Accounts used for the procurement and maintenance of data processing equipment and supplies and telecommunications equipment and supplies to provide data processing and telecommunications services to state departments and agencies.

288\275 (912) - Risk Management Fund

Fund provides insurance coverage and loss prevention to all state agencies and the University System for tort liability and employee injury claims. Coverage is provided using an optional combination of self-insurance and private excess insurance.

STATE OF NORTH DAKOTA

Combining Statement of Net Position Internal Service Funds June 30, 2025

	Central (Shared) Services	Fleet Services	Information Technology Department	Risk Management	Total
ASSETS					
Current Assets:					
Cash Deposits at the Bank of ND	\$ 1,049,311	\$ 35,025,530	\$ —	\$ 1,067,577	\$ 37,142,418
Cash and Cash Equivalents	300	—	—	289,632	289,932
Investments	—	—	—	7,539,434	7,539,434
Accounts Receivable - Net	5,375	454,397	49,801	—	509,573
Interest Receivable - Net	—	—	—	61,347	61,347
Intergovernmental Receivable - Net	49,524	—	452,806	—	502,330
Due from Other Funds	211,897	3,552,296	11,203,927	104,593	15,072,713
Prepaid Items	3,291	156,906	4,027,241	—	4,187,438
Inventory	85,139	—	—	—	85,139
Total Current Assets	1,404,837	39,189,129	15,733,775	9,062,583	65,390,324
Noncurrent Assets:					
Capital Assets:					
Nondepreciable	—	—	—	137,900	137,900
Depreciable, Net	826,425	105,912,779	29,530,457	261,673	136,531,334
Total Noncurrent Assets	826,425	105,912,779	29,530,457	399,573	136,669,234
Total Assets	2,231,262	145,101,908	45,264,232	9,462,156	202,059,558
DEFERRED OUTFLOWS OF RESOURCES					
Derived from Pensions	222,936	1,056,924	23,635,884	227,298	25,143,042
Derived from OPEB	10,488	40,537	994,288	12,292	1,057,605
Total Deferred Outflow of Resources	233,424	1,097,461	24,630,172	239,590	26,200,647
LIABILITIES					
Current Liabilities:					
Accounts Payable	100,262	1,384,531	1,346,561	38,549	2,869,903
Accrued Payroll	78,711	255,906	4,515,456	44,693	4,894,766
Securities Lending Collateral	—	—	—	70,128	70,128
Interest Payable	4,161	—	1,350,902	7,592	1,362,655
Due to Other Funds	39,270	583,885	136,155	190,091	949,401
Claims/Judgments Payable	—	—	—	746,080	746,080
Compensated Absences Payable	20,714	106,503	3,740,421	16,220	3,883,858
Notes Payable	—	—	452,713	—	452,713
Leases/SBITAs Payable	176,932	—	7,796,719	—	7,973,651
Total Current Liabilities	420,050	2,330,825	19,338,927	1,113,353	23,203,155
Noncurrent Liabilities:					
Claims/Judgments Payable	—	—	—	5,902,225	5,902,225
Compensated Absences Payable	68,958	288,003	6,590,158	58,873	7,005,992
Leases/SBITAs Payable	1,149,558	—	17,566,194	101,679	18,817,431
Net Pension Liability	620,841	2,901,120	49,469,708	554,634	53,546,303
Net OPEB Liability	46,489	127,065	2,381,587	32,422	2,587,563
Total Noncurrent Liabilities	1,885,846	3,316,188	76,007,647	6,649,833	87,859,514
Total Liabilities	2,305,896	5,647,013	95,346,574	7,763,186	111,062,669
DEFERRED INFLOWS OF RESOURCES					
Derived from Pensions	453,653	1,366,964	22,900,799	275,174	24,996,590
Derived from OPEB	17,951	17,582	279,770	4,125	319,428
Total Deferred Inflow of Resources	471,604	1,384,546	23,180,569	279,299	25,316,018
NET POSITION					
Net Investment in Capital Assets	(500,065)	105,912,778	3,714,831	297,894	109,425,438
Unrestricted	187,251	33,255,032	(52,347,570)	1,361,367	(17,543,920)
Total Net Position	\$ (312,814)	\$ 139,167,810	\$ (48,632,739)	\$ 1,659,261	\$ 91,881,518

STATE OF NORTH DAKOTA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds For the Fiscal Year Ended June 30, 2025

	Central (Shared) Services	Fleet Services	Information Technology Department	Risk Management	Total
OPERATING REVENUES					
Sales and Services	\$ 2,453,393	\$ 43,213,911	\$ 106,730,219	\$ 5,588,688	\$ 157,986,211
Miscellaneous	—	383,165	—	—	383,165
Total Operating Revenues	2,453,393	43,597,076	106,730,219	5,588,688	158,369,376
OPERATING EXPENSES					
Cost of Sales and Services	599,542	—	—	—	599,542
Salaries and Benefits	469,820	3,175,698	54,910,850	495,214	59,051,582
Operating	683,720	19,742,122	42,371,586	563,232	63,360,660
Claims	—	—	—	3,458,164	3,458,164
Depreciation	337,074	10,642,396	14,014,335	197,407	25,191,212
Miscellaneous	—	385,506	—	—	385,506
Total Operating Expenses	2,090,156	33,945,722	111,296,771	4,714,017	152,046,666
Operating Income (Loss)	363,237	9,651,354	(4,566,552)	874,671	6,322,710
NONOPERATING REVENUES					
Interest and Investment Income	—	—	—	693,441	693,441
Interest Expense	(59,818)	—	(2,224,813)	(25,837)	(2,310,468)
Gain on Sale of Capital Assets	—	1,196,766	486,726	—	1,683,492
Other	(48,500)	—	—	—	(48,500)
Total Nonoperating Revenues (Expenses)	(108,318)	1,196,766	(1,738,087)	667,604	17,965
Income (Loss) Before Contributions and Transfers	254,919	10,848,120	(6,304,639)	1,542,275	6,340,675
Capital Grants and Contributions	—	1,604,092	—	—	1,604,092
Transfers In	—	118,016	—	—	118,016
Changes in Net Position	254,919	12,570,228	(6,304,639)	1,542,275	8,062,783
Total Net Position - Beginning of Year, as Previously Reported	(550,061)	126,860,364	(38,154,981)	133,433	88,288,755
Restatement for Change in Accounting Principle	(17,672)	(262,782)	(4,173,119)	(16,447)	(4,470,020)
Total Net Position - End of Year	\$ (312,814)	\$ 139,167,810	\$ (48,632,739)	\$ 1,659,261	\$ 91,881,518

STATE OF NORTH DAKOTA

Combining Statement of Cash Flows Internal Service Funds For the Fiscal Year Ended June 30, 2025

	Central (Shared) Services	Fleet Services	Information Technology	Risk Management	Total
Cash Flows from Operating Activities:					
Receipts from Customers and Users	\$ 683,295	\$ 297,421	\$ 2,956,228	\$ —	\$ 3,936,944
Receipts from Other Funds	1,786,373	42,741,486	102,438,101	5,588,688	152,554,648
Payments to Other Funds	—	—	—	(3,654,246)	(3,654,246)
Payments to Suppliers	(2,134,639)	(20,039,644)	(41,200,527)	(749,742)	(64,124,552)
Payments to Employees	(78,711)	(3,266,225)	(51,958,058)	(491,140)	(55,794,134)
Claim Payments	—	—	—	(130,034)	(130,034)
Net Cash Provided by (Used for) Operating Activities	256,318	19,733,038	12,235,744	563,526	32,788,626
Cash Flows from Noncapital Financing Activities:					
Transfers In	—	118,016	—	—	118,016
Net Cash Provided by (Used for) Noncapital Financing Activities	—	118,016	—	—	118,016
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	—	(16,685,931)	(1,808,229)	(137,900)	(18,632,060)
Proceeds from Sale of Capital Assets	—	3,923,823	—	—	3,923,823
Principal Payments - Notes and Other Borrowings	—	—	(453,894)	—	(453,894)
Interest Payments - Notes and Other Borrowings	—	—	(5,336)	—	(5,336)
Capital Contributions	—	1,604,092	—	—	1,604,092
Principal Payments on Lease/SBITA Payable	(227,406)	—	(15,656,049)	(299,858)	(16,183,313)
Interest Paid on Lease/SBITA Payable	(59,228)	—	—	(14,686)	(73,914)
Other	10,542	—	—	—	10,542
Net Cash Provided by (Used for) Capital and Related Financing Activities	(276,092)	(11,158,016)	(17,923,508)	(452,444)	(29,810,060)
Cash Flows from Investing Activities:					
Purchase of Investment Securities	—	—	—	(1,119,955)	(1,119,955)
Interest and Dividends on Investments	—	—	—	510,625	510,625
Net Cash Provided by (Used for) Investing Activities	—	—	—	(609,330)	(609,330)
Net Change in Cash:					
Net Increase (Decrease) in Cash and Cash Equivalents	(19,774)	8,693,038	(5,687,764)	(498,248)	2,487,252
Cash and Cash Equivalents at June 30, 2024	1,069,385	26,332,492	5,687,764	1,855,457	34,945,098
Cash and Cash Equivalents at June 30, 2025	\$ 1,049,611	\$ 35,025,530	\$ —	\$ 1,357,209	\$ 37,432,350
Reconciliation:					
Cash Deposits at the Bank of North Dakota	\$ 1,049,311	\$ 35,025,530	\$ —	\$ 1,067,577	\$ 37,142,418
Cash and Cash Equivalents	300	—	—	289,632	289,932
Cash and Cash Equivalents	\$ 1,049,611	\$ 35,025,530	\$ —	\$ 1,357,209	\$ 37,432,350
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ 363,237	\$ 9,651,354	\$ (4,566,552)	\$ 874,671	\$ 6,322,710
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	337,074	10,642,396	14,014,335	197,407	25,191,212
Deferred Outflows	642,864	1,020,883	13,482,304	158,256	15,304,307
Deferred Inflows	(519,642)	(1,016,784)	(13,918,535)	(181,765)	(15,636,726)
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	2,841	(349,600)	21,433	—	(325,326)
(Increase) in Due From	(11,019)	(433,791)	(1,815,501)	(18,135)	(2,278,446)
(Increase) Decrease in Intergovernmental Receivable	(18,469)	—	458,178	—	439,709
(Increase) Decrease in Prepaid Items	(160)	(3,209)	883,892	—	880,523
Decrease in Inventories	37,591	—	—	—	37,591
Increase in Accounts Payable	27,131	91,192	—	29,490	147,813
Increase (Decrease) in Interest Payable	—	—	170,190	(5,442)	164,748
(Decrease) in Claims/Judgments Payable	—	—	—	(549,550)	(549,550)
Increase (Decrease) in Accrued Payroll	(1,452)	16,177	325,692	2,204	342,621
Increase (Decrease) in Compensated Absences Payable	20,543	47,625	1,901,353	(8,556)	1,960,965
Increase (Decrease) in Due To	(54,930)	225,223	116,977	74,482	361,752
(Decrease) In Net OPEB Liability	(17,147)	(22,134)	(168,093)	(2,976)	(210,350)
Increase (Decrease) In Net Pension Liability	(552,144)	(136,294)	1,330,071	(6,560)	635,073
Total Adjustments	(106,919)	10,081,684	16,802,296	(311,145)	26,465,916
Net Cash Provided by (Used for) Operating Activities	\$ 256,318	\$ 19,733,038	\$ 12,235,744	\$ 563,526	\$ 32,788,626
Noncash Transactions:					
Net Change in Fair Value of Investments	—	—	—	265,598	265,598
Decrease in Securities Lending Collateral	—	—	—	31,343	31,343
Assets Acquired Through Lease	113,964	—	12,084,302	—	12,198,266
Assets Acquired Through Long-Term Software Based IT Arrangements	—	—	8,085,629	255,217	8,340,846
Total Noncash Transactions	\$ 113,964	\$ —	\$ 20,169,931	\$ 552,158	\$ 20,836,053

STATE OF NORTH DAKOTA

Fiduciary Funds

Fiduciary funds account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental organizations.

Pension and Other Employee-Related Benefit Trust Funds

DEFERRED COMPENSATION

981 - Deferred Compensation Fund

Accounts for the activity of the deferred compensation plan adopted under the provisions of Internal Revenue Service Code, Section 457, for State employees.

PERS FLEXCOMP

932 - Flex Program

Accounts for pre-tax premium conversions, a medical spending account and a dependent care spending account according to Section 125 of the Internal Revenue Code.

HIGHWAY PATROLMEN'S RETIREMENT

982 - Highway Patrolmen's Retirement Fund

A single employer defined benefit pension plan covering officers of the State Highway Patrol.

JOB SERVICE RETIREMENT

920 - Job Service Retirement Fund

A single employer defined benefit pension plan for Job Service employees. Participation in this plan is limited to employees participating in the program as of September 30, 1980.

PREFUNDED RETIREE HEALTH PROGRAM

933 - Prefunded Retiree Health Program

Members receiving retirement benefits from NDPERS receive a credit toward their monthly eligible insurance premium.

PUBLIC EMPLOYEES' RETIREMENT

470 (983) - Public Employees Retirement System

Accounts for the financial resources associated with the Public Employees Retirement System.

DEFINED CONTRIBUTION RETIREMENT

930 - Defined Contribution Retirement Plan

Accounts for the financial resources of the Defined Contribution Retirement Plan. Participation in this plan is limited to state employees who are in positions not classified by the Central Personnel Division and who are not employees of the judicial branch or board of higher education.

TEACHERS' RETIREMENT

964 - North Dakota Teachers' Fund For Retirement

Accounts for the financial resources of the Teachers' Retirement Fund.

Investment Trust Funds

911 - ND Association of Counties RIO Investments

Account for the investment assets held by the State Investment Board in a trustee capacity as an agent for the North Dakota Association of Counties.

913 - City of Bismarck RIO Investments

Account for the investment assets held by the State Investment Board in a trustee capacity as an agent for the City of Bismarck.

936 - City of Grand Forks RIO Investments

Account for the investment assets held by the State Investment Board in a trustee capacity as an agent for the City of Grand Forks.

950 - City of Fargo RIO Investments

Account for the investment assets held by the State Investment Board in a trustee capacity as an agent for the City of Fargo.

Private Purpose Trust Funds

STUDENT AND CULTURAL DONATIONS

928 - Indian Cultural Education Trust Fund

Trust accounts for donations provided for the purpose of generating income to benefit Indian Culture.

COLLEGE SAVE

940 - College SAVE

Program established by the State of North Dakota to encourage the investment of funds to be used for qualified higher education expenses at institutions of higher education.

MANDAN REMEDIATION TRUST

943 - Mandan Remediation Trust

Accounts for the funds obtained from a lawsuit settlement for the remediation efforts of the North Dakota Health Department and the City of Mandan.

Custodial Funds

CHILD SUPPORT

463 - Child Support Disbursement Unit Fund

Accounts for all child support payments received by the state disbursement unit.

STUDENT AND OTHER

946 - District Court Collection Fund

Accounts for collections for third parties.

986 - Developmental Center Residents' Funds

Accounts for funds belonging to patients of the State Developmental Center.

990 - Veteran's Home-Custodial

Accounts for resident's personal funds.

991 - State Hospital Patients

Accounts for patient's personal funds.

STATE OF NORTH DAKOTA

STUDENT AND OTHER cont.

992 - Prisoner Accounts

Accounts for prisoner's personal fund.

993 - Youth Correctional Center Student Accounts

Account for the student's personal funds.

994 - School for the Deaf Students

Account for the students personal funds.

995 - NDUS Fiduciary Fund

Account for the student organization funds.

TAX COLLECTION

434 - Local Option Lodging Tax Suspense

Accounts for city and county lodging tax collected by the State Tax Commissioner.

435 - Local Option Sales Tax Suspense

Accounts for city and county sales and use tax collected by the State Tax Commissioner.

437 - City Motor Vehicle Rental Tax

Accounts for city motor vehicle rental tax collected by the State Tax Commissioner.

438 - Local Option Restaurant and Lodging Tax Suspense

A city or county tax, at a rate not to exceed one percent, upon the gross receipts of retailers on the leasing or renting of hotel, motel, or tourist court accommodations within the city or county and gross receipts of a restaurant from any sales of prepared food or beverages, not including alcoholic beverages for consumption off the premises where purchased is collected by the State Tax Commissioner. Proceeds, net of a 3% administrative fee which is deposited into the general fund, are remitted quarterly to each city or county collecting the tax.



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STATE OF NORTH DAKOTA

Combining Statement of Fiduciary Net Position Pension and Other Employee Benefit Trust Funds June 30, 2025

	Pension and Other Employee Benefit Trust Funds					
	Deferred Compensation	Defined Contribution Retirement	Highway Patrolmen's Retirement	Job Service Retirement	PERS Flexcomp	Prefunded Retiree Health Program
ASSETS						
Cash Deposits at the Bank of ND	\$ 395,109	\$ 113,186	\$ 523	\$ 98,847	\$ 116,829	\$ 1,620,048
Cash and Cash Equivalents	—	—	—	—	—	—
Receivables:						
Contributions Receivable	1,381,907	772,870	730,209	395	579,405	829,890
Interest Receivable - Net	—	—	286,464	914	—	3,137
Due from Other Funds	—	—	—	—	—	174
Due from Fiduciary Funds	—	—	—	—	—	—
Total Receivables	1,381,907	772,870	1,016,673	1,309	579,405	833,201
Investments, at Fair Value:						
Equities	—	—	—	—	—	—
Equity Pool	—	—	71,446,745	16,847,794	—	136,732,646
Fixed Income Pool	7,451,887	1,016,833	27,642,646	67,137,033	—	68,634,974
Cash and Cash Pool	3,328,386	318,934	824,354	595,239	—	226,619
Real Estate Pool	—	—	17,984,294	—	—	—
Mutual Funds	233,385,768	29,264,710	—	—	—	—
Total Investments	244,166,041	30,600,477	117,898,039	84,580,066	—	205,594,239
Invested Securities Lending Collateral	—	—	1,110,622	—	—	—
Capital Assets (Net of Depreciation)	28,870	197	684	244	8,121	38,434
Total Assets	245,971,927	31,486,730	120,026,541	84,680,466	704,355	208,085,922
DEFERRED OUTFLOWS OF RESOURCES						
Derived from Pensions	—	—	—	—	—	—
Total Deferred Outflows of Resources	—	—	—	—	—	—
LIABILITIES						
Accounts Payable	44,569	801	—	144,525	14,819	353,055
Accrued Payroll	52,410	79	—	—	27,429	—
Securities Lending Collateral	—	—	1,110,622	—	—	—
Due to Other Funds	5,073	249	—	—	2,789	924
Due to Fiduciary Funds	—	—	—	—	—	104,299
Amounts Held in Custody for Others	4,585	—	—	—	—	—
Compensated Absences Payable	90,185	—	—	—	45,093	—
Total Liabilities	196,822	1,129	1,110,622	144,525	90,130	458,278
DEFERRED INFLOWS OF RESOURCES						
Derived from Pensions	—	—	—	—	—	—
Total Deferred Inflows of Resources	—	—	—	—	—	—
NET POSITION						
Net Position Restricted for:						
Pension Benefits	245,775,105	31,485,601	118,915,919	84,535,941	—	207,627,644
Other Employee Benefits	—	—	—	—	614,225	—
Total Net Position Restricted for Pension Benefits and Other Purposes	\$ 245,775,105	\$ 31,485,601	\$ 118,915,919	\$ 84,535,941	\$ 614,225	\$ 207,627,644

Pension and Other Employee Benefit Trust Funds			
	Public Employees Retirement	Teachers Retirement	Total
\$	20,451,471	\$ 26,491,956	\$ 49,287,969
	516,225	—	516,225
	17,286,548	38,502,647	60,083,871
	11,445,429	13,434,315	25,170,259
	—	460	634
	104,299	—	104,299
	28,836,276	51,937,422	85,359,063
	—	2,041,571,056	2,041,571,056
	2,871,183,672	—	3,096,210,857
	1,110,856,965	942,304,828	2,225,045,166
	33,127,737	33,238,759	71,660,028
	722,723,055	551,735,421	1,292,442,770
	—	—	262,650,478
	4,737,891,429	3,568,850,064	8,989,580,355
	44,312,662	38,180,469	83,603,753
	71,055	7,078,049	7,225,654
	4,832,079,118	3,692,537,960	9,215,573,019
	—	1,529,328	1,529,328
	—	1,529,328	1,529,328
	5,202,241	6,027,865	11,787,875
	191,094	—	271,012
	44,312,662	38,180,469	83,603,753
	18,274	34,124	61,433
	—	—	104,299
	—	—	4,585
	180,371	—	315,649
	49,904,642	44,242,458	96,148,606
	—	1,075,393	1,075,393
	—	1,075,393	1,075,393
	4,782,174,476	3,648,749,437	9,119,264,123
	—	—	614,225
\$	4,782,174,476	\$ 3,648,749,437	\$ 9,119,878,348

STATE OF NORTH DAKOTA

Combining Statement of Changes in Fiduciary Net Position Pension and Other Employee Benefit Trust Funds For the Fiscal Year Ended June 30, 2025

	Pension and Other Employee Benefit Trust Funds					
	Deferred Compensation	Defined Contribution Retirement	Highway Patrolmen's Retirement	Job Service Retirement	PERS Flexcomp	Prefunded Retiree Health Program
ADDITIONS						
Contributions:						
Contribution from State of ND	—	—	—	—	—	—
Employer	9,149	2,085,309	3,587,419	—	—	12,392,992
Employee	20,750,690	1,813,182	2,515,950	4,359	5,907,591	7,213
Transfers from Other Plans	775,000	1,885,885	—	—	—	—
Miscellaneous	1,328,352	459,396	—	—	—	—
Total Contributions	22,863,191	6,243,772	6,103,369	4,359	5,907,591	12,400,205
Investment Income:						
Net Change in Fair Value of Investments	15,324,664	1,802,177	11,224,327	3,594,719	—	18,764,233
Interest and Dividends	8,730,439	914,982	1,685,306	3,738,864	3,083	6,005,844
Less Investment Expense	—	24,915	237,998	293,708	—	626,730
Net Investment Income	24,055,103	2,692,244	12,671,635	7,039,875	3,083	24,143,347
Securities Lending Activity:						
Securities Lending Income	—	—	9,602	—	—	—
Less Securities Lending Expense	—	—	1,918	—	—	—
Net Securities Lending Income	—	—	7,684	—	—	—
Repurchase Service Credit	—	—	80,310	—	—	210,207
Miscellaneous Income	325,000	7,550	108	—	960,493	299
Total Additions	47,243,294	8,943,566	18,863,106	7,044,234	6,871,167	36,754,058
DEDUCTIONS						
Benefits Paid to Participants	21,589,984	839,787	6,974,308	5,293,266	5,943,307	—
Refunds	—	—	151,810	—	—	14,913
Prefunded Credit Applied	—	—	—	—	—	15,285,082
Transfer to Other Plans	—	—	—	—	450,000	—
Administrative Expenses	1,570,140	93,506	42,529	18,668	569,869	402,419
Total Deductions	23,160,124	933,293	7,168,647	5,311,934	6,963,176	15,702,414
Redemption of Units at \$1.00 Per Unit	—	—	—	—	—	—
Net Increase (Decrease) in Fiduciary Net Position	24,083,170	8,010,273	11,694,459	1,732,300	(92,009)	21,051,644
Net Position - Beginning of Year	221,691,935	23,475,328	107,221,460	82,803,641	706,234	186,576,000
Net Position - End of Year	\$ 245,775,105	\$ 31,485,601	\$ 118,915,919	\$ 84,535,941	\$ 614,225	\$ 207,627,644

Pension and Other Employee Benefit Trust Funds		
Public Employees Retirement	Teachers Retirement	Total
65,000,000	—	65,000,000
141,401,901	110,989,217	270,465,987
110,729,651	102,186,364	243,915,000
—	—	2,660,885
—	—	1,787,748
317,131,552	213,175,581	583,829,620
447,330,871	316,150,319	814,191,310
67,174,728	60,333,140	148,586,386
9,282,249	5,905,682	16,371,282
505,223,350	370,577,777	946,406,414
382,543	330,485	722,630
76,421	66,023	144,362
306,122	264,462	578,268
5,552,427	1,143,232	6,986,176
36,447	564,370	1,894,267
828,249,898	585,725,422	1,539,694,745
285,101,479	269,870,988	595,613,119
20,672,067	14,025,843	34,864,633
—	—	15,285,082
2,210,885	—	2,660,885
3,378,340	4,086,995	10,162,466
311,362,771	287,983,826	658,586,185
—	—	—
516,887,127	297,741,596	881,108,560
4,265,287,349	3,351,007,841	8,238,769,788
\$ 4,782,174,476	\$ 3,648,749,437	\$ 9,119,878,348

STATE OF NORTH DAKOTA

Combining Statement of Fiduciary Net Position Investment Trust Funds June 30, 2025

	Investment Trust Funds				
	City of Bismarck	ND Association of Counties	City of Grand Forks	City of Fargo	Total
ASSETS					
Cash Deposits at the Bank of ND	\$ 11,197	\$ 160	\$ 87	\$ 62,244	\$ 73,688
Receivables:					
Interest Receivable - Net	515,679	1	176,949	45,274	737,903
Total Receivables	515,679	1	176,949	45,274	737,903
Investments, at Fair Value:					
Equities	97,832,515	—	55,051,465	23,332,688	176,216,668
Fixed Income Pool	67,882,963	—	22,799,830	18,475,087	109,157,880
Cash and Cash Pool	344,819	420	194,692	164,076	704,007
Real Estate Pool	34,680,742	—	13,270,171	4,990,156	52,941,069
Total Investments	200,741,039	420	91,316,158	46,962,007	339,019,624
Invested Securities Lending Collateral	2,271,811	—	945,816	460,543	3,678,170
Total Assets	203,539,726	581	92,439,010	47,530,068	343,509,385
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	—	—	—	—	—
LIABILITIES					
Accounts Payable	165,555	—	70,955	44,074	280,584
Securities Lending Collateral	2,271,811	—	945,816	460,543	3,678,170
Total Liabilities	2,437,366	—	1,016,771	504,617	3,958,754
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	—	—	—	—	—
NET POSITION					
Net Position Restricted for:					
External Investment Pool Participants	201,102,360	581	91,422,239	47,025,451	339,550,631
Total Net Position Restricted for Pension Benefits and Other Purposes	\$ 201,102,360	\$ 581	\$ 91,422,239	\$ 47,025,451	\$ 339,550,631

STATE OF NORTH DAKOTA

Combining Statement of Changes in Fiduciary Net Position Investment Trust Funds For the Fiscal Year Ended June 30, 2025

	Investment Trust Funds				
	City of Bismarck	ND Association of Counties	City of Grand Forks	City of Fargo	Total
ADDITIONS					
Contributions:					
Total Contributions	—	—	—	—	—
Investment Income:					
Net Change in Fair Value of Investments	16,934,679	268,894	8,912,534	3,869,249	29,985,356
Interest and Dividends	3,790,132	81,483	1,492,416	948,588	6,312,619
Less Investment Expense	416,429	1,920	179,601	112,480	710,430
Net Investment Income	20,308,382	348,457	10,225,349	4,705,357	35,587,545
Securities Lending Activity:					
Securities Lending Income	16,924	275	8,006	5,543	30,748
Less Securities Lending Expense	3,383	55	1,600	1,105	6,143
Net Securities Lending Income	13,541	220	6,406	4,438	24,605
Total Additions	20,321,923	348,677	10,231,755	4,709,795	35,612,150
DEDUCTIONS					
Total Deductions	—	—	—	—	—
Redemption of Units at \$1.00 Per Unit	(4,250,000)	(8,207,397)	(5,040,612)	(1,500,000)	(18,998,009)
Net Increase (Decrease) in Fiduciary Net Position	16,071,923	(7,858,720)	5,191,143	3,209,795	16,614,141
Net Position - Beginning of Year	185,030,437	7,859,301	86,231,096	43,815,656	322,936,490
Net Position - End of Year	\$ 201,102,360	\$ 581	\$ 91,422,239	\$ 47,025,451	\$ 339,550,631

STATE OF NORTH DAKOTA

Combining Statement of Fiduciary Net Position Private Purpose Trust Funds June 30, 2025

	Private Purpose Trust Funds				
	Grain Insolvency Trust Fund	Student and Cultural Donations	Mandan Remediation Trust	College SAVE	Total
ASSETS					
Cash Deposits at the Bank of ND	\$ —	\$ 7,063	\$ 6,175,471	\$ —	\$ 6,182,534
Cash and Cash Equivalents	—	—	—	1,376,475	1,376,475
Receivables:					
Accounts Receivable - Net	—	—	—	709,627	709,627
Interest Receivable - Net	—	1,396	—	—	1,396
Total Receivables	—	1,396	—	709,627	711,023
Investments, at Fair Value:					
Fixed Income Pool	—	1,595,460	—	—	1,595,460
Mutual Funds	—	—	—	643,668,088	643,668,088
Total Investments	—	1,595,460	—	643,668,088	645,263,548
Invested Securities Lending Collateral	—	—	—	—	—
Total Assets	—	1,603,919	6,175,471	645,754,190	653,533,580
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	—	—	—	—	—
LIABILITIES					
Accounts Payable	—	44	2,025	1,747,739	1,749,808
Securities Lending Collateral	—	—	—	—	—
Total Liabilities	—	44	2,025	1,747,739	1,749,808
DEFERRED INFLOWS OF RESOURCES					
Total Deferred Inflows of Resources	—	—	—	—	—
NET POSITION					
Net Position Restricted for:					
Other Purposes	—	1,603,875	6,173,446	644,006,451	651,783,772
Total Net Position Restricted for Pension Benefits and Other Purposes	\$ —	\$ 1,603,875	\$ 6,173,446	\$ 644,006,451	\$ 651,783,772

STATE OF NORTH DAKOTA

Combining Statement of Changes in Fiduciary Net Position Private Purpose Trust Funds For the Fiscal Year Ended June 30, 2025

	Private Purpose Trust Funds				
	Grain Insolvency Trust Fund	Student and Cultural Donations	Mandan Remediation Trust	College SAVE	Total
ADDITIONS					
Contributions:					
From Participants	—	—	—	48,529,661	48,529,661
Total Contributions	—	—	—	48,529,661	48,529,661
Investment Income:					
Net Change in Fair Value of Investments	—	160,778	—	41,568,465	41,729,243
Interest and Dividends	159	8,875	294,120	17,762,172	18,065,326
Less Investment Expense	—	1,553	—	—	1,553
Net Investment Income	159	168,100	294,120	59,330,637	59,793,016
Securities Lending Activity:					
Net Securities Lending Income	—	—	—	—	—
Miscellaneous Income	193,134	2,904	—	—	196,038
Total Additions	193,293	171,004	294,120	107,860,298	108,518,715
DEDUCTIONS					
Payments in Accordance with Trust Agreements	193,293	49,104	—	62,329,496	62,571,893
Administrative Expenses	—	1,051	6,631	3,826,031	3,833,713
Total Deductions	193,293	50,155	6,631	66,155,527	66,405,606
Net Increase (Decrease) in Fiduciary Net Position	—	120,849	287,489	41,704,771	42,113,109
Net Position - Beginning of Year	—	1,483,026	5,885,957	602,301,680	609,670,663
Net Position - End of Year	\$ —	\$ 1,603,875	\$ 6,173,446	\$ 644,006,451	\$ 651,783,772

STATE OF NORTH DAKOTA

Combining Statement of Fiduciary Net Position Custodial Funds June 30, 2025

	Custodial Funds			
	Child Support	Student and Other	Tax Collection	Total
ASSETS				
Cash Deposits at the Bank of ND	\$ 13,677,156	\$ 4,063,759	\$ 38,656,285	\$ 56,397,200
Cash and Cash Equivalents	670,398	358,152	—	1,028,550
Receivables:				
Accounts Receivable - Net	—	6,517	—	6,517
Taxes Receivable for Other Governments - Net	—	—	56,124,100	56,124,100
Due from Other Funds	1,311,314	—	—	1,311,314
Total Receivables	1,311,314	6,517	56,124,100	57,441,931
Investments, at Fair Value:				
Investments at the Bank of ND	—	—	—	—
Total Investments	—	—	—	—
Invested Securities Lending Collateral	—	—	—	—
Capital Assets (Net of Depreciation)	—	—	—	—
Total Assets	15,658,868	4,428,428	94,780,385	114,867,681
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	—	—	—	—
LIABILITIES				
Accounts Payable	14,641,912	7,967	—	14,649,879
Due to Local Governments	—	—	90,378,105	90,378,105
Tax Refunds Payable	—	—	4,895	4,895
Due to Other Funds	1,016,956	—	—	1,016,956
Other Liabilities	—	1,662	—	1,662
Total Liabilities	15,658,868	9,629	90,383,000	106,051,497
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	—	—	4,397,382	4,397,382
Total Deferred Inflows of Resources	—	—	4,397,382	4,397,382
NET POSITION				
Net Position Restricted for:				
Individuals, Organizations, and Other Governments	—	4,418,799	—	4,418,799
Other Purposes	—	—	3	3
Total Net Position Restricted for Pension Benefits and Other Purposes	\$ —	\$ 4,418,799	\$ 3	\$ 4,418,802

STATE OF NORTH DAKOTA

Combining Statement of Changes in Fiduciary Net Position Custodial Funds For the Fiscal Year Ended June 30, 2025

	Custodial Funds			
	Child Support	Students and Other	Tax Collection	Total
ADDITIONS				
Contributions:				
Child Support Collections	\$ 140,167,045	\$ —	\$ —	\$ 140,167,045
Collections for District Courts	—	3,114,385	—	3,114,385
Student, Patient, and Inmate Accounts	—	5,540,103	—	5,540,103
Tax Collections for Local Governments	—	—	417,685,722	417,685,722
Total Contributions	140,167,045	8,654,488	417,685,722	566,507,255
Investment Income:				
Interest and Dividends	—	—	—	—
Less Investment Expense	—	—	—	—
Net Investment Income	—	—	—	—
Securities Lending Activity:				
Net Securities Lending Income	—	—	—	—
Miscellaneous Income	—	—	—	—
Total Additions	140,167,045	8,654,488	417,685,722	566,507,255
DEDUCTIONS				
Child Support Distributions	140,167,045	—	—	140,167,045
Distributions to District Courts	—	3,010,983	—	3,010,983
Distributions of Taxes to Local Governments	—	—	416,101,001	416,101,001
Student, Patient, and Inmate Accounts	—	5,666,793	—	5,666,793
Refunds	—	—	15,472	15,472
Administrative Expenses	—	—	1,569,249	1,569,249
Total Deductions	140,167,045	8,677,776	417,685,722	566,530,543
Net Increase (Decrease) in Fiduciary Net Position	—	(23,288)	—	(23,288)
Net Position - Beginning of Year	—	4,442,087	3	4,442,090
Net Position - End of Year	\$ —	\$ 4,418,799	\$ 3	\$ 4,418,802

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**Schedule 1 -- Net Position by Component
Last Ten Fiscal Years**
(accrual basis of accounting)

	2016	2017	2018	2019
Governmental Activities				
Net Investment in Capital Assets	\$ 4,299,696,899	\$ 4,759,286,304	\$ 4,988,838,700	\$ 5,185,682,467
Restricted	6,246,873,312	6,224,908,099	6,355,103,413	6,639,785,616
Unrestricted	5,781,826,861	5,989,501,438	7,172,275,944	8,786,695,069
Total Governmental Activities Net Position	\$ 16,328,397,072	\$ 16,973,695,841	\$ 18,516,218,057	\$ 20,612,163,152
Business-Type Activities				
Net Investment in Capital Assets	1,155,758,401	1,223,438,996	1,214,133,386	1,246,740,894
Restricted	533,664,273	888,080,253	924,610,477	972,887,591
Unrestricted	1,528,847,402	1,633,421,219	1,779,197,611	1,904,500,531
Total Business-Type Activities Net Position	\$ 3,218,270,076	\$ 3,744,940,468	\$ 3,917,941,474	\$ 4,124,129,016
Primary Government				
Net Investment in Capital Assets	5,455,455,300	5,982,725,300	6,202,972,086	6,432,423,361
Restricted	6,780,537,585	7,112,988,352	7,279,713,890	7,612,673,207
Unrestricted	7,310,674,263	7,622,922,657	8,951,473,555	10,691,195,600
Total Primary Government Net Position	\$ 19,546,667,148	\$ 20,718,636,309	\$ 22,434,159,531	\$ 24,736,292,168

2020	2021	2022	2023	2024	2025
\$ 5,427,964,743	\$ 5,558,196,905	\$ 5,673,770,741	\$ 5,794,753,920	\$ 6,025,171,278	\$ 6,294,815,285
6,543,041,908	7,676,068,973	8,029,841,388	8,895,773,769	9,912,512,944	10,538,895,334
9,578,050,070	11,474,698,414	11,480,822,257	13,582,081,892	15,300,989,672	17,253,981,676
<u>\$ 21,549,056,721</u>	<u>\$ 24,708,964,292</u>	<u>\$ 25,184,434,386</u>	<u>\$ 28,272,609,581</u>	<u>\$ 31,238,673,894</u>	<u>\$ 34,087,692,295</u>
1,243,098,375	1,339,862,982	1,419,736,052	1,475,621,076	1,622,973,864	1,835,706,216
1,374,338,655	1,670,769,520	1,538,720,043	684,412,102	1,529,675,713	1,440,789,561
1,952,266,055	1,905,177,868	1,986,232,970	2,921,112,813	2,711,144,256	3,247,804,990
<u>\$ 4,569,703,085</u>	<u>\$ 4,915,810,370</u>	<u>\$ 4,944,689,065</u>	<u>\$ 5,081,145,991</u>	<u>\$ 5,863,793,833</u>	<u>\$ 6,524,300,767</u>
6,671,063,118	6,898,059,887	7,093,506,793	7,270,374,996	7,648,145,142	8,130,521,501
7,917,380,563	9,346,838,493	9,568,561,431	9,580,185,871	11,442,188,657	11,979,684,895
11,530,316,125	13,379,876,282	13,467,055,227	16,503,194,705	18,012,133,928	20,501,786,666
<u>\$ 26,118,759,806</u>	<u>\$ 29,624,774,662</u>	<u>\$ 30,129,123,451</u>	<u>\$ 33,353,755,572</u>	<u>\$ 37,102,467,727</u>	<u>\$ 40,611,993,062</u>

STATE OF NORTH DAKOTA

Schedule 2 -- Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2016	2017	2018	2019
Expenses				
Governmental Activities:				
General Governmental	\$ 1,055,377,601	\$ 955,118,609	\$ 1,034,864,058	\$ 1,183,233,944
Education	1,175,550,087	1,214,358,440	1,208,513,849	1,238,988,634
Health and Human Services	1,776,822,167	1,851,801,955	1,930,264,975	1,947,263,363
Regulatory	69,084,070	76,261,665	60,781,953	61,213,248
Public Safety and Corrections	227,617,802	238,515,283	241,143,887	230,666,579
Agriculture and Commerce	106,845,611	100,774,792	95,411,926	99,247,117
Natural Resources	321,992,458	286,546,075	230,194,737	261,307,506
Transportation	679,070,102	529,532,248	444,530,511	443,629,333
Interest on Long Term Debt	1,334,285	2,677,665	2,502,540	1,952,361
Total Governmental Activities Expenses	<u>5,413,694,183</u>	<u>5,255,586,732</u>	<u>5,248,208,436</u>	<u>5,467,502,085</u>
Business-Type Activities:				
Bank of North Dakota	85,822,027	88,791,813	86,073,174	98,931,503
Housing Finance	40,245,934	40,997,193	46,083,037	52,714,991
Loan Programs	17,322,830	13,172,549	13,320,203	12,665,669
State Lottery	26,038,434	20,637,595	23,214,880	26,174,686
Unemployment Compensation	225,358,209	156,930,938	115,486,597	84,205,911
University System	1,211,438,892	1,204,936,394	1,178,669,412	1,198,989,180
Workers Compensation	366,662,703	254,467,332	270,197,345	297,497,091
Other	569,432,422	571,077,157	632,911,836	594,491,102
Total Business-Type Activities Expenses	<u>2,542,321,451</u>	<u>2,351,010,971</u>	<u>2,365,956,484</u>	<u>2,365,670,133</u>
Total Primary Government Expenses	<u>\$ 7,956,015,634</u>	<u>\$ 7,606,597,703</u>	<u>\$ 7,614,164,920</u>	<u>\$ 7,833,172,218</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Governmental	36,278,126	33,728,302	33,504,205	37,185,115
Education	7,071,212	7,530,807	6,987,309	7,147,934
Health and Human Services	42,982,802	43,283,756	48,201,500	80,627,617
Regulatory	52,583,727	29,390,590	31,489,459	29,490,252
Public Safety and Corrections	24,446,658	23,272,409	30,370,076	32,002,961
Agriculture and Commerce	38,222,183	35,559,194	40,756,601	32,809,364
Natural Resources	35,142,635	35,392,128	33,128,741	38,390,527
Transportation	122,699,922	124,378,227	120,482,453	120,377,945
Operating Grants and Contributions	1,755,539,596	2,221,211,526	2,156,381,884	2,121,702,987
Capital Grants and Contributions	3,416,338	1,205,837	94,772	106,834
Total Governmental Activities Program Revenues	<u>2,118,383,199</u>	<u>2,554,952,776</u>	<u>2,501,397,000</u>	<u>2,499,841,536</u>
Business-Type Activities:				
Charges for Services:				
Bank of North Dakota	207,836,000	223,476,000	221,210,000	251,626,000
Housing Finance	36,286,659	37,984,271	39,821,469	49,362,786
Loan Programs	12,212,352	11,530,798	7,391,511	13,095,470
State Lottery	35,736,460	27,744,572	31,520,906	35,511,058
Unemployment Compensation	147,802,377	193,118,386	162,161,260	114,657,558
University System	537,645,053	546,737,253	549,206,645	540,691,218
Workers Compensation	308,682,776	244,720,318	239,542,884	249,787,742
Other	573,829,155	577,288,875	639,883,523	600,125,017
Operating Grants and Contributions	298,603,154	380,842,641	363,266,299	410,790,831
Capital Grants and Contributions	29,609,083	32,025,992	4,769,350	19,925,817
Total Business-Type Activities Program Revenues	<u>2,188,243,069</u>	<u>2,275,469,106</u>	<u>2,258,773,847</u>	<u>2,285,573,497</u>
Total Primary Government Program Revenues	<u>\$ 4,306,626,268</u>	<u>\$ 4,830,421,882</u>	<u>\$ 4,760,170,847</u>	<u>\$ 4,785,415,033</u>
Net (Expense)/Revenue				
Governmental Activities	(3,295,310,984)	(2,700,633,956)	(2,746,811,436)	(2,967,660,549)
Business-Type Activities	(354,078,382)	(75,541,865)	(107,182,637)	(80,096,636)
Total Primary Government Net Expense	<u>\$ (3,649,389,366)</u>	<u>\$ (2,776,175,821)</u>	<u>\$ (2,853,994,073)</u>	<u>\$ (3,047,757,185)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Individual and Corporate Income Taxes	414,964,865	418,040,178	452,792,812	604,088,632
Sales and Use Taxes	1,348,342,960	1,236,701,340	1,326,248,557	1,435,129,762
Oil, Gas and Coal Taxes	1,457,361,212	1,490,398,754	2,196,877,038	2,586,569,876
Business and Other Taxes	99,295,506	98,374,118	100,127,079	110,714,853
Unrestricted Investment Earnings	64,347,477	489,070,430	380,164,919	360,264,138
Tobacco Settlement	22,776,760	21,599,800	55,305,183	20,752,400
Miscellaneous	119,545,563	119,134,899	163,996,339	231,745,021
Contributions to Permanent Fund Principal	15,637,987	11,895,026	4,393,122	11,014,244
Special Items	(4,948,596)	—	—	—
Extraordinary Item	—	(38,379,966)	—	—
Transfers	(603,556,908)	(503,278,766)	(367,497,321)	(290,718,287)
Total Governmental Activities	<u>2,933,766,826</u>	<u>3,343,555,813</u>	<u>4,312,407,728</u>	<u>5,069,560,639</u>
Business-Type Activities:				
Miscellaneous	93,003	4,846,618	2,921,705	5,162,713
Transfers	611,332,622	598,094,515	285,002,133	277,018,465
Total Business-Type Activities	<u>611,425,625</u>	<u>602,941,133</u>	<u>287,923,838</u>	<u>282,181,178</u>
Total Primary Government	<u>\$ 3,545,192,451</u>	<u>\$ 3,946,496,946</u>	<u>\$ 4,600,331,566</u>	<u>\$ 5,351,741,817</u>
Change in Net Position				
Governmental Activities	(361,544,158)	642,921,857	1,565,596,292	2,101,900,090
Business-Type Activities	257,347,243	527,399,268	180,741,201	202,084,542
Total Primary Government	<u>\$ (104,196,915)</u>	<u>\$ 1,170,321,125</u>	<u>\$ 1,746,337,493</u>	<u>\$ 2,303,984,632</u>

2020	2021	2022	2023	2024	2025
\$ 1,034,052,808	\$ 1,214,720,174	\$ 1,511,677,383	\$ 1,640,333,057	\$ 1,427,905,308	\$ 1,679,496,862
1,288,935,269	1,440,183,047	1,537,651,374	1,579,569,829	1,692,041,966	1,561,035,013
2,077,950,367	2,429,626,253	2,527,706,456	2,753,186,043	2,666,060,312	2,880,340,549
78,441,824	262,054,990	153,118,491	232,362,836	250,017,939	322,866,538
249,751,212	303,434,122	259,572,771	326,906,314	321,352,280	339,901,967
107,574,065	235,626,424	138,348,393	175,559,082	185,615,694	172,826,218
217,545,757	292,875,625	326,713,061	306,630,292	265,513,767	368,972,807
429,801,053	518,412,351	546,264,425	679,592,179	654,864,608	658,029,137
1,691,314	4,267,910	4,973,283	24,213,233	31,244,429	31,008,301
5,485,743,669	6,701,200,896	7,006,025,637	7,718,352,865	7,494,616,303	8,014,477,392
103,391,326	93,811,024	67,629,011	76,924,292	176,250,146	259,645,317
56,536,682	60,546,134	56,986,319	74,380,121	91,153,893	122,112,866
16,395,752	11,287,518	8,811,142	12,579,456	10,451,299	14,123,789
18,929,003	23,631,524	21,962,144	28,204,785	29,933,326	21,001,384
611,219,223	731,052,695	75,427,408	68,868,118	89,041,785	111,693,517
1,227,857,663	1,349,698,370	1,350,756,645	1,427,038,459	1,509,752,564	1,610,377,376
220,279,394	208,717,011	213,028,340	196,649,154	210,480,904	238,445,363
616,265,019	652,042,298	771,218,508	818,848,351	829,926,432	797,050,056
2,870,874,062	3,130,786,574	2,565,819,517	2,703,492,736	2,946,990,349	3,174,449,668
\$ 8,356,617,731	\$ 9,831,987,470	\$ 9,571,845,154	\$ 10,421,845,601	\$ 10,441,606,652	\$ 11,188,927,060
31,944,485	39,724,160	34,801,028	42,833,545	46,790,978	40,030,578
10,566,897	11,240,158	38,841,000	28,783,948	12,566,411	20,459,561
47,748,086	40,135,912	42,907,917	24,376,640	31,501,392	44,777,240
37,130,755	43,663,963	45,108,826	50,903,881	56,000,926	48,416,892
20,811,638	18,539,074	23,597,161	23,700,287	32,635,253	27,500,795
38,228,838	37,917,725	42,576,324	43,441,972	46,183,609	28,590,393
44,662,134	41,529,095	43,343,120	45,924,091	43,823,893	45,030,080
116,062,224	121,945,135	115,516,012	115,690,263	121,156,801	123,223,750
2,028,277,553	4,178,131,574	2,869,390,395	3,789,645,123	3,647,964,987	3,916,899,548
1,939	—	4,090,669	3,045,978	54,472,121	337,221
2,375,434,549	4,532,826,796	3,260,172,452	4,168,345,728	4,093,096,371	4,295,266,058
279,302,000	248,655,000	205,560,000	288,783,000	481,017,000	525,458,000
58,096,789	49,989,561	44,366,000	65,371,000	89,451,000	114,908,000
17,114,318	15,543,719	13,284,979	11,985,500	14,193,461	16,327,125
24,505,932	30,501,286	29,329,209	39,507,316	40,455,491	26,903,754
452,421,028	549,743,788	82,240,700	91,932,860	102,283,932	98,673,281
528,517,702	546,245,171	586,903,796	604,037,145	618,170,001	610,074,735
230,442,756	185,328,576	169,374,325	190,575,569	185,758,905	182,177,293
623,799,925	655,012,904	805,400,331	829,737,785	845,072,493	818,123,303
596,060,095	855,176,187	135,133,591	202,540,217	562,286,168	706,155,805
17,501,749	17,610,105	54,601,115	31,018,883	42,512,985	38,585,523
2,827,762,294	3,153,806,297	2,126,194,046	2,355,489,275	2,981,201,436	3,137,386,819
\$ 5,203,196,843	\$ 7,686,633,093	\$ 5,386,366,498	\$ 6,523,835,003	\$ 7,074,297,807	\$ 7,432,652,877
(3,110,309,120)	(2,168,374,100)	(3,745,853,185)	(3,550,007,137)	(3,401,519,932)	(3,719,211,334)
(43,111,768)	23,019,723	(439,625,471)	(348,003,461)	34,211,087	(37,062,849)
\$ (3,153,420,888)	\$ (2,145,354,377)	\$ (4,185,478,656)	\$ (3,898,010,598)	\$ (3,367,308,845)	\$ (3,756,274,183)
513,419,336	581,766,062	646,802,135	812,953,433	638,143,776	712,717,971
1,364,664,641	1,327,568,100	1,459,331,771	1,725,168,258	1,737,541,874	1,756,046,583
1,949,036,077	1,746,983,327	3,027,333,528	2,967,166,869	3,112,312,361	2,491,765,202
107,173,491	128,552,656	137,741,934	146,852,833	134,809,258	144,710,642
333,528,092	1,676,824,486	(905,927,220)	787,382,703	1,276,314,177	1,676,327,093
21,159,397	22,586,170	23,205,519	24,844,863	22,079,919	20,462,933
190,047,481	185,658,136	316,225,687	400,722,677	486,936,774	356,533,139
9,515,851	11,162,710	4,870,341	9,148,366	6,341,407	16,372,521
—	—	—	—	—	—
(440,249,767)	(365,978,579)	(483,294,196)	(254,142,416)	(1,046,895,301)	(582,161,890)
4,048,294,599	5,315,123,068	4,226,289,499	6,620,097,586	6,367,584,245	6,592,774,194
3,576,763	336,679	2,723,709	3,217,757	1,546,725	3,321,297
485,109,074	334,080,678	454,006,736	448,310,037	746,890,030	700,461,609
488,685,837	334,417,357	456,730,445	451,527,794	748,436,755	703,782,906
\$ 4,536,980,436	\$ 5,649,540,425	\$ 4,683,019,944	\$ 7,071,625,380	\$ 7,116,021,000	\$ 7,296,557,100
937,985,479	3,146,748,968	480,436,314	3,070,090,449	2,966,064,313	2,873,562,860
445,574,069	357,437,080	17,104,974	103,524,333	782,647,842	666,720,057
\$ 1,383,559,548	\$ 3,504,186,048	\$ 497,541,288	\$ 3,173,614,782	\$ 3,748,712,155	\$ 3,540,282,917

Schedule 3 -- Fund Balances, Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	2016	2017	2018	2019
General Fund				
Nonspendable	\$ 3,908,797,255	\$ 4,761,588,134	\$ 5,551,216	\$ 6,638,440
Restricted	—	—	8,990,891	279,367
Committed	997,494,805	364,544,853	411,711,769	348,222,819
Unassigned	421,702,619	353,772,107	6,242,855,378	7,231,354,796
Total General Fund	<u>5,327,994,679</u>	<u>5,479,905,094</u>	<u>6,669,109,254</u>	<u>7,586,495,422</u>
All Other Governmental Funds				
Nonspendable	197,452,648	208,038,662	216,171,493	101,738,203
Restricted	6,000,049,002	5,996,248,585	6,124,510,110	6,488,554,439
Committed	617,111,539	480,910,925	398,555,411	1,187,965,245
Assigned	79,512,397	228,964,056	381,732,051	374,609,779
Unassigned	(3,376,686)	(3,146,889)	—	(1,642,214)
Total All Other Governmental Funds	<u>6,890,748,900</u>	<u>6,911,015,339</u>	<u>7,120,969,065</u>	<u>8,151,225,452</u>
Total Fund Balances, Governmental Funds	<u><u>\$ 12,218,743,579</u></u>	<u><u>\$ 12,390,920,433</u></u>	<u><u>\$ 13,790,078,319</u></u>	<u><u>\$ 15,737,720,874</u></u>

2020	2021	2022	2023	2024	2025
\$ 6,194,850	\$ 7,560,989	\$ 7,983,403	\$ 7,356,933	\$ 7,569,502	\$ 13,160,452
396	1,189,782	567,263	—	—	—
1,066,688,590	1,020,424,743	1,136,436,411	1,532,804,951	1,448,036,912	1,341,819,536
7,655,894,378	9,708,645,637	9,795,178,076	11,199,264,744	12,865,735,980	14,629,600,567
8,728,778,214	10,737,821,151	10,940,165,153	12,739,426,628	14,321,342,394	15,984,580,555
103,260,391	136,551,832	134,831,158	127,402,160	133,465,003	136,937,997
6,410,963,955	7,514,294,011	7,876,626,867	8,759,261,125	9,730,009,482	10,270,009,979
840,247,407	953,335,924	1,319,832,396	1,939,645,375	1,966,534,108	2,357,005,557
419,726,973	386,292,467	265,429,426	301,458,315	357,304,625	313,439,200
(4,821,080)	(9,019,900)	—	—	(6,264,544)	(6,280,309)
7,769,377,646	8,981,454,334	9,596,719,847	11,127,766,975	12,181,048,674	13,071,112,424
<u>\$ 16,498,155,860</u>	<u>\$ 19,719,275,485</u>	<u>\$ 20,536,885,000</u>	<u>\$ 23,867,193,603</u>	<u>\$ 26,502,391,068</u>	<u>\$ 29,055,692,979</u>

Schedule 4 -- Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2016	2017	2018	2019
Revenues				
Individual and Corporate Income Taxes	\$ 424,229,756	\$ 397,563,377	\$ 459,742,512	\$ 594,902,271
Sales and Use Taxes	1,353,955,780	1,227,777,645	1,308,380,507	1,447,039,166
Oil, Gas, and Coal Taxes	1,457,086,135	1,489,177,632	2,198,245,617	2,586,461,875
Business and Other Taxes	99,743,017	99,358,473	100,050,115	113,491,911
Licenses, Permits and Fees	207,163,123	201,347,912	209,425,979	208,629,095
Intergovernmental	1,643,431,832	1,718,291,215	1,666,435,743	1,722,371,509
Sales and Services	57,382,857	56,713,042	59,147,530	87,945,566
Royalties and Rents	237,379,524	256,351,062	358,554,090	428,518,481
Fines and Forfeits	22,979,377	25,792,953	27,794,757	31,643,952
Interest and Investment Income	63,615,120	863,607,155	668,469,231	568,502,158
Tobacco Settlement	31,872,848	25,677,716	55,305,183	20,752,400
Commodity Assessments	25,007,037	27,771,103	25,879,090	24,055,725
Miscellaneous	43,591,538	19,059,502	32,577,808	26,261,882
Total Revenues	5,667,437,944	6,408,488,787	7,170,008,162	7,860,575,991
Expenditures				
Current:				
General Government	363,410,801	375,462,221	196,145,504	212,878,777
Education	1,174,928,314	1,212,413,715	1,205,816,564	1,236,434,495
Health and Human Services	1,774,061,712	1,830,146,819	1,895,273,724	1,901,317,937
Regulatory	60,161,098	66,319,143	50,990,125	44,017,306
Public Safety and Corrections	216,354,458	221,427,867	217,079,519	206,073,620
Agriculture and Commerce	106,791,473	100,053,823	93,502,803	97,290,753
Natural Resources	307,669,526	270,375,075	210,225,132	240,134,308
Transportation	613,815,927	446,115,824	369,478,453	359,256,938
Intergovernmental - Revenue Sharing	693,793,125	574,300,791	826,616,477	964,483,838
Capital Outlay	770,056,268	585,432,696	339,847,100	341,357,479
Debt Service:				
Principal	63,766,311	11,576,381	16,169,612	10,839,024
Interest and Other Charges	4,544,267	2,809,155	2,532,662	2,073,539
Bond and Note Cost of Issuance	—	—	—	—
Total Expenditures	6,149,353,280	5,696,433,510	5,423,677,675	5,616,158,014
Revenue over (under) Expenditures	(481,915,336)	712,055,277	1,746,330,487	2,244,417,977
Other Financing Sources (Uses)				
Bonds and Notes Issued	—	—	42,812,909	—
Payment of Refunded Bonds	—	—	(20,347,000)	—
Lease Acquisitions	149,891	1,728,159	175,968	184,258
Sale of Capital Assets	5,712,951	27,150	19,343	1,141,039
Transfers In	838,882,833	346,374,625	291,318,581	285,737,190
Transfers Out	(1,443,399,242)	(849,628,391)	(658,815,902)	(576,455,477)
Total Other Financing Sources (Uses)	(598,653,567)	(501,498,457)	(344,836,101)	(289,392,990)
Extraordinary Item	—	(38,379,966)	—	—
Net Changes in Fund Balances	\$ (1,080,568,903)	\$ 172,176,854	\$ 1,401,494,386	\$ 1,955,024,987
Debt Service as a Percentage of Noncapital Expenditures	\$—	<1%	<1%	<1%

2020	2021	2022	2023	2024	2025
\$ 514,474,130	\$ 580,658,626	\$ 664,895,947	\$ 806,747,080	\$ 626,714,948	\$ 715,379,820
1,382,950,275	1,326,013,473	1,461,872,541	1,722,350,685	1,727,758,851	1,763,601,898
1,949,413,720	1,746,635,471	3,016,379,426	2,978,251,411	3,112,132,311	2,491,271,389
107,904,881	125,055,742	138,985,340	149,088,825	142,338,807	143,482,324
205,881,199	205,204,816	197,636,285	198,612,574	219,209,786	210,215,734
1,935,418,579	2,954,711,047	2,894,663,210	3,115,793,060	2,707,209,595	2,726,330,083
63,647,829	61,109,068	61,158,343	63,823,059	59,570,428	74,045,362
350,303,312	353,401,250	617,606,229	680,664,152	684,000,661	632,700,982
28,740,584	36,954,902	24,960,386	39,725,547	42,774,534	40,744,807
267,822,601	2,736,264,540	(1,183,555,882)	1,187,959,595	1,968,118,755	2,591,557,104
21,159,397	22,586,170	23,205,519	24,844,863	22,079,919	20,462,933
23,180,351	27,911,971	27,563,462	32,367,127	30,611,067	19,745,607
32,010,373	27,671,984	24,438,015	40,751,317	145,269,966	47,640,379
6,882,907,231	10,204,179,060	7,969,808,821	11,040,979,295	11,487,789,628	11,477,178,422
221,601,805	421,622,553	411,498,194	551,474,755	446,499,947	632,235,588
1,286,565,575	1,417,944,095	1,519,738,946	1,577,259,003	1,596,929,344	1,560,742,462
2,036,979,868	2,346,331,566	2,485,114,631	2,661,241,445	2,618,626,033	2,839,854,315
66,636,947	238,371,129	137,003,570	202,896,412	232,609,566	302,859,725
228,482,829	248,403,023	235,852,853	287,859,738	290,996,342	321,969,958
106,261,515	230,631,647	137,476,833	172,097,075	184,376,499	173,217,865
196,940,075	264,426,811	306,294,713	272,864,649	242,851,360	349,030,406
330,326,337	380,064,758	397,269,719	508,032,541	484,954,191	489,398,827
805,934,582	761,332,025	1,115,020,869	1,067,904,006	1,063,882,848	1,034,206,891
383,713,350	401,825,733	296,216,316	426,673,396	591,429,380	614,693,052
20,566,373	6,434,015	17,247,882	23,077,580	53,345,601	51,821,251
1,800,116	4,027,874	6,418,386	20,432,118	29,837,971	29,072,730
—	—	1,886,000	1,523,000	—	—
5,685,809,372	6,721,415,229	7,067,038,912	7,773,335,718	7,836,339,082	8,399,103,070
1,197,097,859	3,482,763,831	904,655,909	3,267,643,577	3,651,450,546	3,078,075,352
3,344,100	89,728,267	389,962,280	319,038,000	—	80,471
—	—	—	—	—	—
145,827	1,310,560	14,086,369	4,306,452	30,579,019	42,015,293
269,769	191,812	644	84,718	63,200	72,701
563,143,071	742,667,620	444,562,760	537,885,413	463,660,748	373,570,100
(1,003,565,640)	(1,108,701,068)	(927,860,759)	(792,371,894)	(1,510,556,048)	(955,731,991)
(436,662,873)	(274,802,809)	(79,248,706)	68,942,689	(1,016,253,081)	(539,993,426)
—	—	—	—	—	—
\$ 760,434,986	\$ 3,207,961,022	\$ 823,521,203	\$ 3,336,586,266	\$ 2,635,197,465	\$ 2,538,081,926
<1%	<1%	<1%	<1%	\$0.0115	1.15%

Schedule 5
Taxable Sales by Industry
Last Ten Calendar Years

	Calendar Year			
	2015	2016	2017	2018
Mining and Oil Extraction	\$3,195,799,670	\$1,270,571,326	\$1,933,586,774	\$2,798,102,134
Construction	893,628,575	788,360,652	572,742,527	581,608,306
Manufacturing	1,256,620,179	955,191,364	940,433,285	1,073,576,742
Transportation, Communications, And Public Utilities	566,226,446	359,835,574	325,778,272	520,830,231
Wholesale	5,339,698,317	3,564,195,615	3,971,599,479	4,849,827,096
Retail	6,634,790,900	6,137,317,234	6,039,261,375	6,253,114,138
Services	3,176,227,835	2,547,155,903	2,411,082,485	2,420,785,043
Accommodation and Food Service	1,839,842,915	1,705,940,154	1,706,215,062	1,765,283,726
Miscellaneous				
Total	<u>\$22,902,834,837</u>	<u>\$17,328,567,822</u>	<u>\$17,900,699,259</u>	<u>\$20,263,127,416</u>
Effective Tax Rate	5.35 %	5.42 %	5.06 %	5.12 %

Source: ND State Tax Department

Schedule 6
Sales Tax Revenue Payers by Industry
Calendar Years 2015 and 2024
(Dollars are in Millions)

	Calendar Year 2015			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	11,483	36.1 %	\$ 369	30.1 %
Wholesale Trade	5,229	16.4 %	\$ 269	22.0 %
Services	9,014	28.3 %	\$ 272	22.2 %
Transportation, Communications, And Public Utilities	485	1.5 %	\$ 30	2.5 %
Manufacturing	2,540	8.0 %	\$ 67	5.5 %
Construction	2,447	7.7 %	\$ 48	3.9 %
Miscellaneous				
Mining and Oil Extraction	612	1.9 %	\$ 170	13.9 %
Total	31,810	100.0 %	\$ 1,225	100.0 %

Source: ND State Tax Department

Calendar Year					
2019	2020	2021	2022	2023	2024
\$ 3,099,269,900	\$ 1,670,338,769	\$ 1,550,152,783	\$ 2,214,642,058	\$ 2,768,243,116	\$ 3,103,233,379
618,279,202	552,912,062	572,799,245	725,447,618	720,443,339	793,997,858
1,167,694,348	199,376,511	1,138,536,628	1,404,869,602	1,408,289,550	1,692,673,225
607,973,352	309,734,767	542,253,695	438,619,126	522,046,533	735,925,947
4,972,679,709	3,840,938,987	4,239,430,757	5,843,206,893	6,630,778,930	6,348,041,981
6,686,103,548	7,175,885,046	8,117,420,573	8,536,747,803	8,279,411,498	9,041,006,927
2,537,470,588	3,361,463,017	2,328,226,383	2,818,238,152	4,777,065,702	3,055,132,361
1,834,041,363	1,476,480,919	1,853,920,237	2,020,329,248	1,720,463,478	2,260,027,269
<u>\$ 21,523,512,010</u>	<u>\$ 18,587,130,078</u>	<u>\$ 20,342,740,301</u>	<u>\$ 24,002,100,500</u>	<u>\$ 26,826,742,146</u>	<u>\$ 27,030,038,947</u>
5.11 %	5.13 %	5.13 %	4.96 %	4.99 %	5.00 %

Calendar Year 2024			
Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
15,679	31.8 %	\$ 457.72	33.9 %
7,149	14.5 %	306.09	22.7 %
16,327	33.1 %	270.63	20.0 %
602.00	1.2 %	36.76	2.7 %
5,634	11.4 %	84.7	6.3 %
3,153	6.4 %	39.65	2.9 %
740	1.5 %	155.16	11.5 %
49,284	100.0 %	\$ 1,350.71	100.0 %

Schedule 7

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands)

	Fiscal Year			
	2016	2017	2018	2019
Governmental Activities				
Revenue Bonds	\$ 64,049	\$ 54,105	\$ 40,429	\$ 29,950
Leases Payable	467	1,695	1,415	1,118
SBITA Payable	—	—	—	—
Notes Payable	3,891	2,181	22,248	21,897
Total Governmental Activities	68,407	57,981	64,092	52,965
Business-type Activities				
Revenue Bonds	1,040,019	1,019,125	1,242,368	1,525,285
Certificates of Participation	—	—	—	96,843
Leases Payable	38,533	41,425	40,058	54,359
SBITA Payable	—	—	—	—
Notes Payable	747,186	1,299,860	1,289,686	1,120,787
Total Business-Type Activities	1,825,738	2,360,410	2,572,112	2,797,274
Total Primary Government	\$ 1,894,145	\$ 2,418,391	\$ 2,636,204	\$ 2,850,239
Debt as a Percentage of Personal Income ¹	4.4 %	5.8 %	6.4 %	6.9 %
Amount of Debt per Capita ¹	\$ 2,560	\$ 3,195	\$ 3,478	\$ 3,760

¹ These ratios are calculated using personal income and population for the prior calendar year. See Schedule 10 for personal income and population data.

Details regarding the state's debt can be found in Note 3-L of the financial statements.

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 19,730	\$ 112,488	\$ 491,725	\$ 787,130	\$ 754,697	\$ 722,477
834	3,301	40,409	41,400	40,388	51,609
—	—	—	46,668	54,791	57,818
14,817	16,406	17,157	15,835	14,257	12,807
35,381	132,195	549,291	891,033	864,133	844,711
1,666,599	1,692,518	1,795,064	1,902,601	2,226,968	2,796,729
104,120	104,123	262,217	260,727	251,166	247,193
51,662	49,950	67,495	77,923	80,878	96,002
—	—	—	22,336	16,862	16,506
648,266	198,740	135,353	698,447	44,013	496,148
2,470,647	2,045,331	2,260,130	2,962,034	2,619,887	3,652,578
<u>\$ 2,506,028</u>	<u>\$ 2,177,526</u>	<u>\$ 2,809,421</u>	<u>\$ 3,853,068</u>	<u>\$ 3,484,020</u>	<u>\$ 4,497,289</u>
6.1 %	4.8 %	5.5 %	7.5 %	6.2 %	7.9 %
\$ 3,306	\$ 2,845	\$ 3,625	\$ 4,945	\$ 4,444	\$ 5,646

Schedule 8
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Debt Service Requirements					
	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Principal	Interest	Coverage
BUILDING AUTHORITY BONDS						
2016	\$ 9,868,000	\$ —	\$ 9,868,000	\$ 6,375,000	\$ 1,896,000	1.19
2017	5,300,000	—	5,300,000	5,315,000	1,680,000	0.76
2018	32,500,000	—	32,500,000	31,110,000	1,485,000	1.00
2019	6,343,000	—	6,343,000	5,200,000	1,092,000	1.01
2020	5,312,000	—	5,312,000	4,400,000	879,000	1.01
2021	5,363,000	—	5,363,000	4,620,000	3,307,000	0.68
2022	12,008,000	—	12,008,000	7,185,000	4,838,000	1.00
2023	10,050,000	—	10,050,000	5,955,000	4,526,000	0.96
2024	10,093,000	—	10,093,000	5,795,000	4,233,000	1.01
2025	7,216,000	—	7,216,000	3,230,000	4,007,000	1.00
Pledged revenues include interest and lease payments.						
WATER COMMISSION BONDS						
2016	\$ 45,840,868	\$ —	\$ 45,840,868	\$ 52,525,000	\$ 1,309,125	0.85
Pledged revenues include user fees, interest, and Tobacco Settlement funds.						
DEPARTMENT OF TRANSPORTATION BONDS						
2016	\$ 5,317,250	\$ —	\$ 5,317,250	\$ 4,165,000	\$ 1,150,500	1.00
2017	5,315,500	—	5,315,500	4,375,000	942,250	1.00
2018	5,314,000	—	5,314,000	4,590,000	723,500	1.00
2019	5,313,500	—	5,313,500	4,820,000	494,000	1.00
2020	5,313,000	—	5,313,000	5,060,000	253,000	1.00
Pledged revenues include interest and federal (intergovernmental revenues and transfers from fund 002), highway fund appropriations, and transfers from Highway fund (200).						
LEGACY BONDS						
2022	\$ 389,848,000	\$ 1,886,000	\$ 387,962,000	\$ —	\$ —	—
2023	323,886,000	78,277,539	245,608,461	—	13,821,000	17.77
2024	21,547,000	73,000	21,474,000	28,460,000	23,111,000	0.42
2025	13,556,000	64,000	13,492,000	29,030,000	22,589,000	0.26
Pledged revenues include user fees.						

Fiscal Year				Debt Service Requirements		Coverage
	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Principal	Interest	
STUDENT LOAN TRUST						
2016	\$ 639,000	\$ 402,000	\$ 237,000	\$ —	\$ 10,000	23.70
2017	543,000	361,000	182,000	—	14,000	13.00
2018	237,000	57,000	180,000	—	22,000	8.18
2019	84,000	38,000	46,000	—	31,000	1.48
2020	70,000	26,000	44,000	—	23,000	1.91
2021	47,000	17,000	30,000	—	8,000	3.75
2022	36,000	15,000	21,000	—	10,000	2.10
2023	37,000	14,000	23,000	—	46,000	0.50
2024	52,000	14,000	38,000	—	61,000	0.62
2025	53,000	15,000	38,000	—	54,000	0.70

Pledged revenues include federal revenues, and loan and investment interest.

HOUSING FINANCE AGENCY

2016	\$ 48,479,659	\$ 27,986,000	\$ 20,493,659	\$ 102,480,000	\$ 17,801,000	0.17
2017	50,851,271	28,185,000	22,666,271	249,400,000	17,985,000	0.08
2018	54,771,000	29,905,000	24,866,000	126,620,000	18,900,000	0.17
2019	64,712,000	37,843,000	26,869,000	89,660,000	23,474,000	0.24
2020	72,051,000	43,041,000	29,010,000	109,720,000	30,104,000	0.21
2021	66,753,000	44,296,000	22,457,000	233,210,000	33,530,000	0.08
2022	59,012,000	41,917,000	17,095,000	266,540,000	28,989,000	0.06
2023	87,644,000	52,234,000	35,410,000	123,540,000	33,300,000	0.23
2024	114,345,752	70,503,000	43,842,752	126,840,000	45,897,000	0.25
2025	145,229,248	92,412,000	52,817,248	135,665,000	63,819,000	0.26

Pledged revenues include income and proceeds from mortgage loan activity.

UNIVERSITY SYSTEM

2016	\$ 838,245,926	\$ 1,200,399,795	\$ (362,153,869)	\$ 60,435,257	\$ 12,328,344	(4.98)
2017	794,108,239	1,186,452,340	(392,344,101)	46,330,594	12,539,581	(6.66)
2018	795,593,560	1,160,802,712	(365,209,152)	44,073,161	12,241,613	(6.49)
2019	814,825,704	1,179,695,430	(364,869,726)	20,538,565	11,627,313	(11.34)
2020	802,320,682	1,192,083,445	(389,762,763)	19,508,893	13,753,146	(11.72)
2021	967,486,213	1,308,671,037	(341,184,824)	26,018,512	20,177,507	(7.39)
2022	939,531,681	1,233,808,828	(294,277,147)	44,274,373	25,014,172	(4.25)
2023	975,769,896	1,299,337,474	(323,567,578)	35,301,656	23,661,813	(5.49)
2024	1,055,588,850	1,359,676,179	(304,087,329)	41,335,834	22,413,782	(4.77)
2025	1,129,222,690	1,466,306,753	(337,084,063)	33,807,696	24,304,102	(5.80)

Pledged revenues include student fees, auxiliary revenues, sales, tax revenue, investment income and debt service grants.

NOTE: Gross revenues include nonoperating interest income. Operating expenses do not include bond interest or depreciation expenses.

Schedule 9**Legal Debt Limit****Fiscal Year Ending June 30, 2025**

The state may issue or guarantee the payment of bonds, provided that all bonds in excess of two million dollars shall be secured by first mortgage upon real estate in amounts not to exceed sixty-five percent of its value; or upon real and personal property of state-owned utilities, enterprises, or industries, in amounts not exceeding its value, and provided further, that the state shall not issue or guarantee bonds upon property of state-owned utilities, enterprises, or industries in excess of ten million dollars.

No further indebtedness shall be incurred by the state unless evidenced by a bond issue, which shall be authorized by law for certain purposes, to be clearly defined. Every law authorizing a bond issue shall provide for levying an annual tax, or make other provision, sufficient to pay the interest semiannually, and the principal within thirty years from the date of the issue of such bonds and shall specially appropriate the proceeds of such tax, or of such other provisions to the payment of said principal and interest, and such appropriation shall not be repealed nor the tax or other provisions discontinued until such debt, both principal and interest, shall have been paid. No debt in excess of the limit named herein shall be incurred except for the purpose of repelling invasion, suppressing insurrection, defending the state in time of war or to provide for the public defense in case of threatened hostilities.

The State is in compliance with the Legal Debt Margin.

Source: North Dakota Constitution, Art. X, Section 13.

The State of North Dakota has had no General Obligation Bonded Debt since Fiscal Year 1998. No Schedule of Ratios of General Bonded Debt is being presented.

Schedule 10
Demographic and Economic Indicators
Last Ten Calendar Years

Year	Population (a)	Total Personal Income (b) (000's)	Per Capita Personal Income (b)	ND Unemployment Rate (c)	Annual Average UI Covered Employment (d)
2015	755,537	\$40,600,600	\$53,842	2.8 %	437,078
2016	754,434	\$39,104,000	\$52,519	3.1 %	417,150
2017	754,942	\$39,812,900	\$52,686	2.7 %	414,039
2018	758,080	\$42,291,900	\$55,598	2.6 %	417,578
2019	762,062	\$43,614,400	\$57,501	2.4 %	422,826
2020	765,309	\$45,450,200	\$59,388	5.1 %	395,988
2021	774,948	\$50,793,100	\$65,544	3.7 %	400,472
2022	779,261	\$51,574,500	\$66,184	2.1 %	411,308
2023	783,926	\$56,475,100	\$72,041	1.9 %	421,639
2024	796,568	\$57,153,400	\$71,749	2.5 %	428,692

Source:

- (a) Census Bureau
- (b) Bureau of Economic Analysis
- (c) Local Area Unemployment Statistics program (SA)
- (d) Quarterly Census of Employment and Wages program

Schedule 11

Principal Employers

North Dakota Century Code 52-01-02 and 52-01-03 prohibits Job Service North Dakota from disclosing information provided to them by employers, including the employer name and number of employees, unless authorized by the employer. Sufficient permission has not been received to allow for presentation of this schedule.

The following schedule is being presented as an alternative to the principal employer schedule:

Schedule 12

Employment by Industry

Current Calendar Year and Ten Years Ago

<u>Industry</u>	2024			2015		
	Number of Employees	Rank	Percent of Total Nonagricultural Wage and Salary Employment	Number of Employees	Rank	Percent of Total Nonagricultural Wage and Salary Employment
Government	85,100	1	19.07 %	81,300	1	17.91 %
Educational and Health Services	69,800	2	15.64 %	60,700	2	13.37 %
Retail Trade	46,000	3	10.31 %	50,800	3	11.19 %
Leisure and Hospitality	40,800	4	9.14 %	40,500	4	8.92 %
Professional and Business Services	35,000	5	7.84 %	36,500	5	8.04 %
Construction	29,800	6	6.68 %	34,400	6	7.58 %
Manufacturing	28,400	7	6.36 %	25,500	9	5.62 %
Financial Activities	25,000	8	5.60 %	24,200	10	5.33 %
Wholesale Trade	24,700	9	5.54 %	26,800	7	5.90 %
Transportation, Warehousing and Utilities	23,000	10	5.15 %	26,500	8	5.84 %
Logging and Mining	18,200	11	4.08 %	23,300	11	5.13 %
Other Services	15,100	12	3.38 %	16,900	12	3.72 %
Information	5,300	13	1.19 %	6,600	13	1.45 %
Total	<u>446,200</u>		<u>100 %</u>	<u>454,000</u>		<u>100 %</u>

Source: Job Service North Dakota: Current Employment Statistics Program.

Schedule 13

Education Enrollment

Last Ten Academic Years

Public School Enrollment

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Kindergarten	8,841	9,271	9,324	9,620	8,992	9,524	9,235	8,636	8,763	8,361
Grades 1-3	26,320	26,316	26,663	27,208	26,812	27,034	27,696	27,888	29,232	26,819
Grades 4-6	25,244	26,076	26,580	26,622	25,880	26,246	26,759	27,268	27,480	28,071
Grades 7-8	16,115	16,511	16,845	17,561	17,742	17,707	17,603	17,419	17,895	18,375
Grades 9-12	30,343	30,771	31,430	31,847	32,619	33,347	34,092	34,556	34,816	34,739
Total Enrollment	106,863	108,945	110,842	112,858	112,045	113,858	115,385	115,767	116,598	116,365
Special Education Students	14,429	15,175	15,902	16,459	16,485	17,054	17,686	18,206	18,415	—

Source: Department of Public Instruction

University System Full-Time Equivalent Student Enrollment

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Bismarck State College	2,860	2,646	2,611	2,598	2,558	2,390	2,466	2,599	2,812	3,086
Dakota College at Bottineau	490	527	590	596	552	615	550	576	590	622
Dickinson State University	1,114	1,128	1,090	1,093	1,147	1,154	1,155	1,118	1,120	1,100
Lake Region State College	971	995	1,005	974	867	791	797	858	906	945
Mayville State University	782	784	817	801	801	815	784	734	794	857
Minot State University	2,591	2,467	2,483	2,399	2,273	2,242	2,167	2,135	2,125	2,188
ND State College Of Science	2,298	2,253	2,126	2,076	2,020	2,029	2,064	2,124	2,305	2,477
North Dakota State University	12,782	12,784	12,394	11,704	11,252	10,861	10,701	10,552	10,442	10,455
University of North Dakota	12,180	11,964	11,585	11,164	10,933	10,842	10,760	10,955	11,731	12,451
Valley City State University	1,044	1,086	1,096	1,164	1,160	1,090	1,073	1,112	1,184	1,178
Williston State College	756	763	806	783	703	668	646	658	771	791
Total	37,870	37,398	36,603	35,352	34,268	33,497	33,164	33,421	34,780	36,150

Note: Full-Time Equivalent Enrollment is based upon student credit hours.

Source: North Dakota University System

Schedule 14

State Employees by State Agency

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXECUTIVE BRANCH										
Adjutant General	155	155	155	155	151	154	203	205	218	209
Aeronautics Commission	7	7	7	7	7	7	6	6	6	6
Bank of North Dakota	182	183	190	190	190	174	182	165	195	179
Barley Council	5	5	5	1	1	1	1	1	1	1
Beef Commission	2	3	3	3	4	4	4	2	3	3
Career and Technical Education	27	27	25	25	55	55	47	49	23	22
Center for Distance Education	0	0	0	0	0	0	0	0	29	30
Corn Council	6	6	6	3	3	3	2	3	3	2
Council on the Arts	5	5	5	5	5	5	6	5	6	6
Department of Agriculture	77	77	73	74	78	78	78	78	78	74
Department of Commerce	69	69	54	66	62	61	53	58	60	61
Department of Corrections and Rehabilitation	838	845	845	895	899	906	829	835	879	890
Department of Environmental Quality	0	0	0	2	158	163	148	152	154	155
Department of Financial Institutions	30	31	30	30	31	31	28	31	34	36
Department of Health and Human Services	0	0	0	0	0	0	0	0	2,347	2,515
Department of Human Services	2,216	2,218	2,163	2,140	2,223	2,273	1,973	2,008	0	0
Department of Mineral Resources	0	0	0	0	0	0	0	0	98	94
Department of Public Instruction	100	92	92	94	89	87	78	78	82	80
Department of Transportation	1,081	1,081	1,047	1,008	985	985	941	937	962	961
Department of Trust Lands	34	33	30	30	29	30	28	30	32	33
Ethics Commission	0	0	0	0	2	2	1	1	3	2
Game and Fish Department	163	163	163	164	166	165	164	164	169	170
Highway Patrol	215	204	204	204	204	202	184	179	202	195
Historical Society	80	80	77	78	77	81	79	81	83	81
Indian Affairs Commission	5	5	5	4	4	4	3	4	4	4
Industrial Commission	113	114	106	108	108	108	93	99	4	5
Information Technology Department	350	352	346	447	400	455	435	450	469	480
Job Service North Dakota	182	182	182	182	173	159	143	144	150	154
Milk Marketing Board	6	6	6	4	4	4	1	1	2	2
ND Department of Health	366	368	360	365	205	213	203	204	0	0
ND Horse Racing Commission	2	2	2	2	2	2	2	2	2	2
ND Housing Finance Agency	41	41	41	42	43	43	49	48	50	51
ND Mill and Elevator Association	142	147	153	151	150	153	155	149	155	164
ND Vision Services/School for the Blind	32	32	30	30	29	29	27	28	28	28
North Dakota University System	8,012	7,532	7,290	7,207	7,192	7,165	7,222	7,295	7,439	7,531
Office of Administrative Hearings	5	5	5	5	5	5	5	5	5	4

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXECUTIVE BRANCH, Continued										
Office of Management and Budget	124	123	117	118	114	109	100	101	100	103
Office of the Attorney General	253	253	240	249	246	249	236	230	237	249
Office of the Governor	18	19	17	17	17	17	16	16	19	17
Office of the Insurance Commissioner	49	49	46	46	41	41	33	33	44	48
Office of the Labor Commissioner	15	15	14	14	14	15	9	10	10	10
Office of the State Auditor	62	62	57	57	59	59	53	51	55	53
Office of the State Tax Commissioner	135	135	132	132	123	123	106	108	109	106
Office of the State Treasurer	8	8	7	7	7	7	7	7	7	7
Oilseed Council	1	1	1	1	1	1	1	1	1	1
Parks and Recreation Department	66	65	63	62	62	58	56	57	61	70
Protection and Advocacy	28	28	28	29	29	23	27	29	28	28
Public Employees Retirement System	35	35	35	35	35	36	36	35	40	41
Public Service Commission	46	47	47	47	44	44	42	41	45	43
Retirement and Investment Office	19	19	19	20	20	18	17	25	27	41
School for the Deaf	51	51	51	51	51	50	44	43	46	48
Secretary of State	34	34	32	32	32	33	28	29	31	30
Securities Department	9	9	10	9	9	11	8	8	7	7
Seed Department	30	31	31	30	30	30	23	23	22	23
Soybean Council	8	8	7	6	6	6	6	4	6	—
State Fair Association	27	26	27	28	26	26	19	21	19	19
State Library	30	30	29	29	28	28	24	26	26	26
Veteran's Affairs Department	9	9	9	7	7	8	8	8	9	10
Veterans Home	116	118	120	119	118	119	94	93	97	96
Water Commission	96	96	93	93	93	93	81	91	87	89
Wheat Commission	8	8	8	6	6	6	5	5	5	4
Workforce Safety and Insurance	265	265	265	267	265	264	234	241	247	245
LEGISLATIVE BRANCH										
Legislative Council	37	36	36	36	36	36	37	39	38	47
JUDICIAL BRANCH										
Judiciary Branch	392	392	355	363	363	362	351	353	372	373
Total State Employees	16,598	16,121	15,675	15,707	15,679	15,747	15,139	15,289	15,770	16,059

NOTE: Fulltime employees are reported as of fiscal year end. ND University System employees based on annual budgets. Certain agencies have been reorganized, eliminated or created over the fiscal years resulting in fluctuations. Agencies are being displayed based on the organizational structure of the State.

Sources: Office of Management and Budget, ND University System, Bank of North Dakota, Mill and Elevator, Housing Finance Agency

Schedule 15
Operating Indicators by Function
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Office of the Tax Commissioner										
Number of returns filed electronically 1	428,347	391,234	460,464	447,690	417,060	463,418	446,023	436,694	440,751	435,997
Education										
Department of Public Instruction										
Public School Enrollment 2	106,863	108,945	110,842	112,858	112,045	113,858	115,385	115,767	116,598	116,365
North Dakota University System										
Full Time Equivalent Student Enrollment 3	37,870	37,398	36,603	35,352	34,268	33,497	33,164	33,421	34,780	36,150
Health and Human Services										
North Dakota Department of Health										
Number of Autopsies Performed in ND 4	244	234	239	176	111	200	213	201	170	NA
North Dakota Department of Environmental Quality										
Air Quality - Percent of Facilities in Compliance 4	100	100	99	99	99	98	99	99	99	NA
Public Water Systems - Percent of Facilities in Compliance 4	98	99	98	99	100	100	99	99	98	NA
Department of Human Services										
Number of TANF Caseloads	2,367	2,313	2,206	1,968	1,981	2,035	1,712	1,223	1,289	1,317
Number of Medicaid Recipients	122,374	123,766	124,371	122,304	119,763	121,527	141,051	149,775	157,096	134,338
Regulatory										
Office of the Insurance Commissioner										
Licensed Insurance Agents 4	66,882	75,769	73,304	83,193	94,289	106,243	112,489	130,075	124,144	119,445
Public Service Commission										
Weighing and Measuring Devices Inspected	6,136	5,172	5,183	4,653	3,526	5,191	5,155	4,091	4,695	4,451
Weights and Measures Quality Assurance Inspections	216	207	160	79	180	302	269	379	322	780
Gas Pipeline Safety Inspections	81	82	78	42	49	106	42	73	62	113
Gas Pipeline Safety Inspection-Person Days	134	150	191	122	153	236	155	209	152	287
Public Safety and Corrections										
Department of Corrections and Rehabilitation										
Average Daily Adult Prison Population 4	1,794	1,813	1,709	1,766	1,492	1,459	1,603	1,719	1,818	NA
Office of the Attorney General-Bureau of Investigations										
Criminal Cases Opened 4	558	514	339	427	407	355	381	682	806	NA
Drug Cases Opened 3	544	446	278	402	338	325	281	272	329	NA
Office of the Attorney General-Crime Laboratory										
Toxicology Alcohol Blood and Breath Analyses 4	5,472	5,201	4,298	4,007	3,080	3,712	4,386	4,479	5,101	NA
Methamphetamine/Amphetamine Samples Processed 4	4,669	3,932	4,077	3,284	2,782	1,686	1,647	1,764	1,973	NA
Office of the Adjutant General										
Assigned National Guard 5	3,980	4,032	4,002	4,094	4,155	4,223	4,111	4,089	4,095	4,133
Agriculture and Commerce										
Department of Agriculture										
Pounds of Pesticide Waste Collected	137,297	180,692	340,074	521,584	114,597	258,115	186,108	302,773	255,325	388,004
Job Service North Dakota (JSND)										
Net Job Growth from Nonfarm Employment 4	(19,200)	(2,500)	3,700	4,500	-29,300	4,300	10,200	9,300	7,500	NA
Source: Current Employment Statistics, BLS - JSND										
New Private Sector Businesses 4	(67)	(281)	(172)	336	115	542	1,502	1,424	962	NA
Source: Quarterly Census of Employment & Wages, BLS - JSND										
Game and Fish Department										
Registered Boats 4	67,026	57,220	60,660	62,672	60,123	63,523	79,391	58,392	68,781	NA
Hunting and Fishing Licenses Issued	356,548	351,704	343,709	343,530	342,272	377,378	357,154	343,101	351,015	NA
Department of Parks and Recreation										
Park Visitations 4	1,182,628	1,196,868	1,211,744	1,214,226	1,296,509	1,292,896	1,135,530	1,236,527	1,195,907	NA
Camping Nights 4	73,316	71,555	72,831	72,979	94,079	97,241	88,625	95,181	94,435	NA
Snowmobile Registrations 4	2,779	8,767	2,762	7,478	10,316	7,261	10,046	7,141	9,914	NA
OHV Registrations 4	25,316	13,673	27,148	13,115	42,509	39,289	46,485	42,725	41,461	NA
Transportation										
Department of Transportation										
Registered Vehicles 4	1,160,042	1,159,040	1,184,472	1,188,053	1,182,587	1,097,305	1,203,810	1,222,595	1,257,587	NA
Licensed Drivers	555,935	561,667	561,333	566,015	557,164	559,778	563,161	585,817	565,031	572,463
Unemployment Compensation										
Job Service North Dakota										
Number of Covered Workers 4	417,150	414,039	417,578	422,826	395,988	400,472	411,308	421,639	428,692	NA
Workforce Safety and Insurance										
Number of Claims Filed	21,227	20,045	19,830	19,913	18,813	17,845	17,477	18,128	17,042	16,538
Number of Covered Workers	427,899	408,107	405,367	409,559	414,371	386,414	391,512	402,018	412,536	419,644

NA-Not Available

1 Calendar Year Received

2 Academic Year End Enrollment

3 Academic Year Enrollment

4 Statistics on a Calendar Year Basis

5 National Guard member count is at September 30 of each year

Sources: The State agencies listed above provided the statistics for their agency

Schedule 16
Capital Assets by Function
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Office of Management and Budget										
Capitol Complex Buildings	7	7	7	7	7	7	7	7	7	7
Education										
Department of Land										
Common Schools Trust										
Land Acreage	631,794	631,806	631,806	631,806	631,761	631,629	631,629	631,480	631,480	631,480
ND University System										
Buildings	534	534	516	516	470	475	449	450	444	455
*Buildings Square Footage	16,299,100	16,299,100	16,571,905	16,571,905	16,682,484	16,543,663	16,174,990	N/A	N/A	N/A
Health and Human Services										
Dept. of Human Services										
Buildings	63	63	63	63	60	60	60	60	59	59
Public Safety and Corrections										
Department of Corrections										
and Rehabilitation	71	70	70	70	70	70	70	70	70	70
Buildings										
Office of the Adjutant General										
Headquarters, Camp and Armory Buildings	298	302	330	327	319	319	319	327	321	327
Natural Resources										
Game and Fish Department										
Wildlife Management Areas	200	201	201	201	202	203	201	202	203	243
Boats, ATV's, Snowmobiles, Tractors, Other	472	491	493	498	506	520	536	558	577	588
Dept. of Parks and Recreation										
Park/Recreational Sites	15	15	15	15	15	15	14	14	14	14
Park Maintenance Vehicles/Equipment	363	392	364	409	420	430	384	392	406	488
Transportation										
Department of Transportation										
Roadway Miles Maintained	8,614	8,614	8,614	8,622	8,624	8,624	8,624	8,624	8,637	8,655
Fleet Vehicles	3,726	3,740	3,541	3,406	3,386	3,291	3,291	3,345	3,542	3,475
Heavy Equipment	441	445	479	480	489	489	489	495	520	530
Buildings	159	162	164	165	167	169	169	171	171	167

Sources: The State agencies listed above provided the data for their agency

*Buildings Square Footage no longer recorded

Schedule 17
Claims Development Information
Last Ten Fiscal Years

The following tables illustrate how the individual funds' earned revenues and investment income compare to related costs of loss and other expenses assumed by the funds as of the end of each of the last ten years. The rows of the tables are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operation costs of the fund including overhead and claims expense not allocable to individual claims. (3) This line shows the funds' incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). (4) This section of 10 columns shows the cumulative amounts paid as of the end of successive years for each policy year. (5) This section of 10 columns shows how each policy year's incurred claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received regarding unknown claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the tables show data for successive policy years (expressed in thousands).

Schedule 17
Claims Development Information
Last Ten Fiscal Years
(Expressed In Thousands)

Bonding Fund

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1 Net Earned Required Contribution and Investment Revenues	\$ 173	\$ 101	\$ 42	\$ 204	\$ 183	\$ 68	\$ (185)	\$ 77	\$ 181	\$ 235
2 Unallocated Expenses	67	26	21	25	8	(16)	9	4	4	4
3 Estimated Incurred Claims and Expense, End of Policy Year	26	21	87	39	(1)	59	3	—	8	7
4 Paid (Cumulative) as of:										
End of Policy Year	(77)	(86)	(19)	(106)	(136)	(193)	(131)	134	134	134
One Year Later	(77)	(86)	(19)	(106)	(136)	(193)	(131)	134	134	
Two Years Later	(77)	(86)	(19)	(106)	(136)	(193)	(131)	134		
Three Years Later	(77)	(86)	(19)	(106)	(136)	(193)	(131)			
Four Years Later	(77)	(86)	(19)	(106)	(136)	(193)				
Five Years Later	(77)	(86)	(19)	(106)	(136)					
Six Years Later	(77)	(86)	(19)	(106)						
Seven Years Later	(77)	(86)	(19)							
Eight Years Later	(77)	(86)								
Nine Years Later	(77)									
5 Re-estimated Incurred Claims and Expenses:										
End of Policy Year	26	(21)	87	39	(1)	59	3	—	8	7
One Year Later	26	(21)	87	39	(1)	59	3	—	8	
Two Years Later	26	(21)	87	39	(1)	59	3	—		
Three Years Later	26	(21)	87	39	(1)	59	3			
Four Years Later	26	(21)	87	39	(1)	59				
Five Years Later	26	(21)	87	39	(1)					
Six Years Later	26	(21)	87	39						
Seven Years Later	26	(21)	87							
Eight Years Later	26	(21)								
Nine Years Later	26									
6 Increase in Estimated Incurred Claims and Expense From End of Policy Year	—	—	—	—	—	—	—	—	—	—

Schedule 17
Claims Development Information
Last Ten Fiscal Years
(Expressed In Thousands)

Fire and Tornado Fund

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1 Net Earned Required Contribution and Investment Revenues	\$ 2,908	\$ 4,765	\$ 3,567	\$ 3,845	\$ 2,704	\$ 4,989	\$ 54	\$ 4,000	\$ 4,600	\$ 7,831
2 Unallocated Expenses	912	1,348	1,118	874	541	705	635	795	1,079	1,423
3 Estimated Incurred Claims and Expense, End of Policy Year	3,039	4,750	2,352	2,953	2,576	3,511	1,674	2,933	2,658	3,262
4 Paid (Cumulative) as of:										
End of Policy Year	8,890	3,805	8,318	3,218	2,253	3,705	2,939	3,711	5,141	3,642
One Year Later	3,117	4,466	1,158	3,218	2,253	3,705	2,939	3,711	5,141	
Two Years Later	3,119	4,466	1,158	3,218	2,253	3,705	2,939	3,711		
Three Years Later	3,119	4,466	1,158	3,218	2,253	3,705	2,939			
Four Years Later	3,119	4,466	1,158	3,218	2,253	3,705				
Five Years Later	3,119	4,466	1,158	3,218	2,253					
Six Years Later	3,119	4,466	1,158	3,218						
Seven Years Later	3,119	4,466	1,158							
Eight Years Later	3,119	4,466								
Nine Years Later	3,119									
5 Re-estimated Incurred Claims and Expenses:										
End of Policy Year	3,039	4,750	2,352	3,040	2,576	3,511	1,674	2,933	2,658	3,262
One Year Later	3,292	4,692	3,153	3,040	2,576	3,511	1,674	2,933	2,658	
Two Years Later	3,229	4,634	3,153	3,040	2,576	3,511	1,674	2,933		
Three Years Later	3,222	4,634	3,153	3,040	2,576	3,511	1,674			
Four Years Later	3,222	4,634	3,153	3,040	2,576	3,511				
Five Years Later	3,222	4,634	3,153	3,040	2,576					
Six Years Later	3,222	4,634	3,153	3,040						
Seven Years Later	3,222	4,634	3,153							
Eight Years Later	3,222	4,634								
Nine Years Later	3,222									
6 Increase in Estimated Incurred Claims and Expense From End of Policy Year	191	(58)	—	87	—	—	—	—	—	—

Schedule 17
Claims Development Information
Last Ten Fiscal Years
(Expressed In Thousands)

Workforce Safety & Insurance

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1 Net Earned Required Contribution and Investment Revenues	\$ 377	\$ 396	\$ 343	\$ 386	\$ 353	\$ 429	\$ (31)	\$ 249	\$ 311	\$ 372
2 Unallocated Expenses	43	47	44	45	44	48	43	49	133	126
3 Estimated Incurred Claims and Expense, End Of Policy Year	229	198	193	187	177	145	126	140	159	129
4 Paid (Cumulative) as of:										
End of Policy Year	41	40	42	42	42	33	34	43	53	46
One Year Later	74	65	76	69	62	50	52	67	77	
Two Years Later	84	73	76	77	67	54	57	71		
Three Years Later	84	78	80	82	70	56	58			
Four Years Later	88	82	82	85	73	58				
Five Years Later	91	84	83	86	74					
Six Years Later	92	85	85	87						
Seven Years Later	93	86	86							
Eight Years Later	94	86								
Nine Years Later	94									
5 Reestimated Incurred Claims and Expenses:										
End of Policy Year	229	198	192	187	177	145	126	140	159	129
One Year Later	204	177	179	174	157	118	133	133	143	
Two Years Later	191	164	172	168	134	103	101	120		
Three Years Later	174	154	156	151	123	100	96			
Four Years Later	161	141	140	137	116	93				
Five Years Later	148	131	131	129	115					
Six Years Later	139	126	127	124						
Seven Years Later	133	127	122							
Eight Years Later	121	116								
Nine Years Later	125									
6 Increase in Estimated Incurred Claims and Expense From End of Policy Year	(229)	(73)	(62)	(49)	(54)	(41)	(13)	(66)	—	—

Schedule 18

Agricultural Production

Value of Export Shares of Agricultural Commodities - 2023 - 2024

	2023 Dollars	2023 % of U.S.	2024 Dollars	2024 % of U.S.
	(Mil.)		(Mil.)	
Wheat	1,243.5	20.55	1,040.2	17.83
Soybeans and Products	1,638.8	4.67	1,572.2	5.10
Other Oil Seeds and Products (4/)	735.6	37.87	634.0	31.31
Vegetables Fresh and Processed	277.7	3.42	346.3	3.97
Grain Products	221.3	4.61	249.0	5.02
Vegetable Oils	185.9	6.55	196.7	6.74
Feeds and Other Feed Grains (3/)	296.3	2.61	367.1	3.31
Corn	325.3	2.50	457.2	3.34
Other Plant Products (5/)	268.7	1.40	325.6	1.52
Beef, Veal and Pork	165.0	0.91	142.9	0.75
Other Livestock Products (1/)	54.3	1.22	52.9	1.22
Hides and Skins	11.8	1.20	9.2	1.07
Dairy Products	9.0	0.11	8.5	0.10
Other Poultry Products (2/)	4.0	0.16	4.3	0.18
Total	<u>\$ 5,437.2</u>	<u>3.99 %</u>	<u>\$ 5,406.1</u>	<u>3.96 %</u>

1/ Includes other nonpoultry meats, animal fat, live farm animals, and other animal parts.

2/ Includes turkey meat, eggs, and other fowl products.

3/ Includes processed feeds, fodder, barley, oats, rye, and sorghum.

4/ Includes peanuts (oil stock), other oil crops, corn meal, other oilcake and meal, protein substances, bran and residues.

5/ Includes sweeteners and products, other horticulture products, planting seeds, cocoa, coffee, and other processed foods.

Data sources: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System).

Totals may not add due to rounding.

2024 Crop Rank Among States

North Dakota Ranks	Crop Description	North Dakota Produces
1st	Canola	83 %
	Flaxseed	73 %
	Pinto Beans	70 %
	Durum Wheat	54 %
	Spring Wheat	53 %
	Sunflower Non-oil	53 %
	Sunflower Oil	49 %
	All Dry Edible Beans	37 %
	Honey Production	28 %
	Rye	25 %
	Oats	14 %

Source: North Dakota Agricultural Statistics August 2025