NORTH DAKOTA

OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

State of North Dakota Single Audit Report

For the two-year period ended June 30, 2020



Office of the State Auditor

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STATE AUDITOR
Joshua C. Gallion

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March 17, 2021

Honorable Doug Burgum
Governor, State of North Dakota

Members of the Legislative Assembly
of the State of North Dakota

Mr. Joe Morrissette, Director
Office of Management and Budget

We are pleased to submit the single audit of the State of North Dakota, covering the fiscal years ended June 30, 2020 and 2019.

This report complies with the State's audit requirements, including those placed upon the State as a condition for the receipt of federal funds for fiscal years 2020 and 2019. The audit meets the requirements of Chapter 54-10 of the North Dakota Century Code, the Single Audit Act Amendments of 1996, and the provisions of the Office of Management and Budget (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (contained in Title 2 of the U.S. Code of Federal Regulations Part 200)*.

We issued separate reports on the State of North Dakota's financial statements for fiscal years 2020 and 2019. These reports are included in the State of North Dakota's *Comprehensive Annual Financial Report* issued under separate cover for each of the two fiscal years ended June 30, 2020 and 2019 and are available upon request.

Respectfully submitted,

/S/

Joshua C. Gallion
State Auditor

Single Audit Report

Auditor's Section

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Report on Internal Control and Compliance

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

The Honorable Doug Burgum, Governor of North Dakota
Members of the North Dakota Legislative Assembly

We have audited, in accordance with auditing standards general accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2020, and the related notes to the financial statements, which collectively comprise the state's basic financial statements and have issued our report thereon dated December 10, 2020.

Our report includes a reference to other auditors who audited the following entities, as described in our report on the state of North Dakota's financial statements:

- Addiction Counselor Internship Loan Program
- Bank of North Dakota
- Beginning Farmer Revolving Loan Fund
- Building Authority
- College SAVE
- Community Water Facility Loan Fund
- Comprehensive Health Association of North Dakota
- Covid Pace Recovery Program
- Department of Trust Lands
- North Dakota Development Fund
- Guaranteed Student Loan Program
- Housing Finance Agency
- Housing Incentive Fund
- Infrastructure Revolving Loan Fund
- Innovation Technology Fund
- Job Service North Dakota
- Mandan Remediation Trust
- Medical Facility Infrastructure Loan Program
- PACE and AG PACE Funds
- Public Employees Retirement System
- Public Finance Authority
- Rebuilders Loan Program
- Retirement and Investment Office
- School Construction Assistance Revolving Loan Fund
- Small Employer Loan Fund
- State Fair Association
- State Historical Society of North Dakota Foundation
- Student Loan Trust
- Workforce Safety and Insurance

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the North Dakota University System's foundations, that are reported as discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the state of North Dakota's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the state of North Dakota's internal control. Accordingly, we do not express an opinion on the effectiveness of the state of North Dakota's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control described in the accompanying *Schedule of Findings, Recommendations, and Responses* as item 2020-01 that we consider to be a material weakness.

Responses to Findings
The Office of Management and Budget's response to the finding identified in our audit is described in the accompanying *Schedule of Findings, Recommendations, and Responses*. This response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the state of North Dakota's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control 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 or on compliance. This 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 and compliance. Accordingly, this communication is not suitable for any other purpose.

/S/

Joshua C. Gallion
State Auditor

December 10, 2020

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Report on Internal Control and Compliance

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

The Honorable Doug Burgum, Governor of North Dakota
Members of the North Dakota Legislative Assembly

We have audited, in accordance with auditing standards general accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2019, and the related notes to the financial statements, which collectively comprise the state's basic financial statements and have issued our report thereon dated December 11, 2019.

Our report includes a reference to other auditors who audited the following entities, as described in our report on the state of North Dakota's financial statements:

- Addiction Counselor Internship Loan Program
- Bank of North Dakota
- Beginning Farmer Revolving Loan Fund
- Building Authority
- College SAVE
- Community Water Facility Loan Fund
- Comprehensive Health Association of North Dakota
- Department of Trust Lands
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- Guaranteed Student Loan Program
- Housing Finance Agency
- Housing Incentive Fund
- Infrastructure Revolving Loan Fund
- Job Service North Dakota
- Mandan Remediation Trust
- Medical Facility Infrastructure Loan Program
- PACE and AG PACE Funds
- Public Employees Retirement System
- Public Finance Authority
- Rebuilders Loan Program
- Retirement and Investment Office
- School Construction Assistance Revolving Loan Fund
- State Fair Association
- State Historical Society of North Dakota Foundation
- Student Loan Trust
- Workforce Safety and Insurance

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those

auditors. The financial statements of the North Dakota University System's foundations, that are reported as discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the state of North Dakota's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the state of North Dakota's internal control. Accordingly, we do not express an opinion on the effectiveness of the state of North Dakota's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying *Schedule of Findings, Recommendations, and Responses* as item 2019-01 that we consider to be a significant deficiency. We noted another deficiency involving internal control that we have reported to the management of the Office of Management and Budget in a letter dated December 11, 2019.

Responses to Findings
The Office of Management and Budget's responses to the findings identified in our audit are described in the accompanying *Schedule of Findings, Recommendations, and Responses*. These responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the state of North Dakota's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control 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 or on compliance. This 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 and compliance. Accordingly, this communication is not suitable for any other purpose.

/S/

Joshua C. Gallion
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December 11, 2019

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

Independent Auditor's Report

The Honorable Doug Burgum, Governor
of the state of North Dakota

Members of the Legislative Assembly
of the state of North Dakota

Mr. Joe Morrissette, Director
Office of Management and Budget

Report on Compliance for Each Major Federal Program

We have audited the State of North Dakota's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the State of North Dakota's major Federal programs for the years ended June 30, 2020 and 2019. The State of North Dakota's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the State of North Dakota's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of North Dakota's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for each major federal program. However, our audit does not provide a legal determination of the State of North Dakota's compliance.

Basis for Qualified Opinion on the Child Care Development Fund (CCDF) Cluster
As described in the accompanying schedule of findings and questioned costs, the State of North Dakota did not comply with certain compliance requirements that are applicable to the major federal programs listed below. Compliance with such requirements is necessary, in our opinion, for the State of North Dakota to comply with the requirements applicable to that program.

Program/Cluster Title	Compliance Requirement	Finding Number
CCDF Cluster (CFDA's 93.575 and 93.596)	Special Tests and Provisions	2020-009 2020-014

Qualified Opinion on the CCDF Cluster
In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State of North Dakota complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the CCDF Cluster for the years ended June 30, 2020 and 2019.

Unmodified Opinion on Each of the Other Major Federal Programs
In our opinion, the State of North Dakota complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the years ended June 30, 2020 and 2019.

Other Matters
The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, 2020-004, 2020-005, 2020-006, 2020-007, 2020-010, 2020-011, 2020-012, 2020-013, 2020-015, 2020-017, 2020-018, 2020-019, 2020-020, 2020-021, 2020-022, 2020-023, 2020-024, 2020-025, 2020-026, 2020-027, and 2020-028. Our opinion on each major federal program is not modified with respect to these matters.

The State of North Dakota's response to the noncompliance findings identified in our audit is described in the accompanying management's response and corrective action. The State of North Dakota's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance
Management of the State of North Dakota is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State of North Dakota's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the State of North Dakota's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of North Dakota's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2020-009 and 2020-014 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, 2020-003, 2020-004, 2020-008, 2020-010, 2020-011, 2020-012, 2020-013, 2020-016, 2020-017, 2020-018, 2020-019, 2020-020, 2020-021, 2020-024, 2020-025, and 2020-027 to be significant deficiencies.

The State of North Dakota's responses to the internal control over compliance findings identified in our audit are described in the accompanying management's response and corrective action. The State of North Dakota's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 for the State of North Dakota as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the State of North Dakota's basic financial statements. We issued our reports thereon dated December 10, 2020 and December 11, 2019, respectively, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

/S/

Joshua C. Gallion
State Auditor

Bismarck, North Dakota

March 17, 2021

State of North Dakota

Schedule of Findings and Questioned Costs - Index

Fiscal Years Ended June 30, 2020 and 2019

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Summary of Auditors' Results, Page D-4
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Schedule of Federal Findings and Questioned Costs for Federal Awards, Page D-9

Department of Commerce

CFDA NUMBER	FEDERAL AGENCY	FINDING NUMBER
14.228, 14.239, 81.042, 93.569	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT DEPARTMENT OF ENERGY DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-001

Department of Human Services

CFDA NUMBER	FEDERAL AGENCY	FINDING NUMBER
93.777, 93.778, 93.767	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-002
93.777, 93.778, 93.767	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-003
93.777, 93.778	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-004
93.777, 93.778	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-005
93.777, 93.778	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-006
93.777, 93.778	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-007
93.777, 93.778, 93.563	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-008
93.575, 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-009
93.575, 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-010
93.575, 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-011
93.575, 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-012

93.575, 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-013
93.575, 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-014
93.575, 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-015
93.575, 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-016
93.558	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-017
93.658	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2020-018
84.126	U.S. DEPARTMENT OF EDUCATION	2020-019

Department of Public Instruction

CFDA NUMBER	FEDERAL AGENCY	FINDING NUMBER
84.027, 84.173	U.S. DEPARTMENT OF EDUCATION	2020-020
10.565, 10.568, 10.553, 10.555, 10.558, 10.559, 10.560, 10.582	U.S. DEPARTMENT OF AGRICULTURE (USDA)	2020-021
84.010, 84.287, 84.027, 84.173, 10.553, 10.555, 10.556, 10.559, 10.558, 84.367	DEPARTMENT OF EDUCATION DEPARTMENT OF AGRICULTURE (USDA)	2020-022
10.553, 10.555, 10.559	U.S. DEPARTMENT OF AGRICULTURE (USDA)	2020-023

Department of Transportation

CFDA NUMBER	FEDERAL AGENCY	FINDING NUMBER
20.513, 20.505, 20.526, 20.600, 20.616, 20.205, 20.509	U.S. DEPARTMENT OF TRANSPORTATION	2020-024
20.509	U.S. DEPARTMENT OF TRANSPORTATION	2020-025
20.509	U.S. DEPARTMENT OF TRANSPORTATION	2020-026

State of North Dakota

Schedule of Findings and Questioned Costs - Index

Fiscal Years Ended June 30, 2020 and 2019

State Treasurer's Office

CFDA NUMBER	FEDERAL AGENCY	FINDING NUMBER
15.433, 15.437	U.S. DEPARTMENT OF THE INTERIOR	2020-027

University System

CFDA NUMBER	FEDERAL AGENCY	FINDING NUMBER
84.425	U.S. DEPARTMENT OF EDUCATION	2020-028

State of North Dakota

Schedule of Federal Findings and Questioned Costs

Fiscal Years Ended June 30, 2020 and 2019

Section I
Summary of Auditors' Results

Dollar threshold used to distinguish between Type A and Type B programs: $13,255,999

Auditee qualified as a low risk auditee? No

FINANCIAL STATEMENTS	2020	2019
Type of auditors' report issued	Unmodified	Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	Yes	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	No	Yes
Noncompliance material to financial statements noted?	No	No

FEDERAL AWARDS	2020	2019
Internal control over major programs:		
Material weakness(es) identified?	Yes	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	Yes	Yes
Type of auditors' report issued on compliance for major programs:		
CCDF Cluster	Qualified	Qualified
All other major programs	Unqualified	Unqualified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes	Yes

State of North Dakota

Schedule of Federal Findings and Questioned Costs

Fiscal Years Ended June 30, 2020 and 2019

Identification of Major Programs

CFDA Number(s)	Name of Federal Program or Cluster
12.401	National Guard Military Operations and Maintenance (O&M) Projects
14.228	Community Development Block Grants
15.433	Flood Control Act Lands
15.437	Minerals Leasing Act
15.518	Garrison Diversion Unit
15.605, 15.611, 15.626	Fish and Wildlife Cluster
20.205, 20.219	Highway Planning and Construction Cluster
20.509	Formula Grants for Rural Areas and Tribal Transit Program
21.019	Coronavirus Relief Fund
84.010	Title I Grants to Local Educational Agencies
84.027, 84.173	Special Education Cluster (IDEA)
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States
84.287	Twenty-First Century Community Learning Centers
84.425	Education Stabilization Fund
93.044, 93.045, 93.053	Aging Cluster
93.558	TANF Cluster
93.563	Child Support Enforcement
93.569	Community Services Block Grant
93.575, 93.596	Child Care Development Fund Cluster
93.767	Children's Health Insurance Program
93.777, 93.778	Medicaid Cluster
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.067	Homeland Security Grant Program
Various	Research and Development Cluster

Office of Management and Budget

FINDING TYPE: Financial Statement	
Finding	F19-1
Finding Title:	Lack of Required Note Disclosures

CRITERIA
According to the "Standards for Internal Control in the Federal Government", management should identify, analyze, and respond to significant changes that could impact the internal control system. Management should also design control activities in response to the entity's objectives and risks to achieve an effective internal control system. (Green Book, GAO-14-704G para 9.01, 10.02)

GASB Statement 88, paragraph 5, states "a government should disclose in notes to financial statements summarized information about assets pledged as collateral for debt."

GASB Statement 62, paragraph 22, states that interest cost should be disclosed in the notes to the financial statements. For an accounting period in which some interest cost is capitalized, the total amount of interest cost incurred during the period and the amount thereof that has been capitalized should be disclosed.

CONDITION
The Office of Management and Budget does not have adequate procedures in place to ensure inclusion of required disclosures from component auditor reports in the Comprehensive Annual Financial Reports (CAFR). The Bank of North Dakota audit report contained a note disclosure identifying $1.47 billion of securities assigned as collateral for debt which was not included in the CAFR note disclosures as required by Governmental Accounting Standards Board (GASB) statement 88. In addition, the North Dakota University System audit report disclosed $4 million of capitalized interest as required by GASB statement 62 which was not included in the CAFR note disclosures.

CAUSE
The Office of Management and Budget has not designed adequate procedures to ensure the inclusion of required items from component auditor reports.

EFFECT
There is potential for incomplete note disclosure and non-compliance with GASB requirements. The Office of Management and Budget revised the note disclosures to include the identified errors of this finding.

RECOMMENDATION
We recommend the Office of Management and Budget improve procedures to ensure disclosure of GASB reporting requirements from component audit reports are included in the CAFR.

OFFICE OF MANAGEMENT AND BUDGET RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Financial Statement	
Finding	F20-1
Finding Title:	Untimely Capitalization and Depreciation of Transportation Projects

CRITERIA

Construction of assets that are substantially complete and available for use on June 30 are not construction in progress. When assets are substantially complete and meet the state's capitalized threshold, the construction in progress status needs to be removed and an asset needs to be added to asset records. This cost to acquire, construct or improve a capital asset is not recognized immediately as expense when occurred, but instead capitalized and allocated over the asset's estimated useful life in the form of depreciation expense. The purpose of recognizing depreciation expense is to allocate a proportionate share of the cost of the capital asset to each period that receives a benefit. No benefit is received until the capital asset is substantially ready to be placed into service.

Standards for internal control require that transactions are promptly recorded to maintain their relevance and value to management in controlling operation and making decisions. Also, management should design control activities so that all transactions are completely and accurately recorded.

References:

Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements for State and Local Governments". Reporting Capital Assets. Paragraphs 18, 19, 21. 1999.

Government Finance Officers Association (GFOA). "Governmental Accounting, Auditing, and Financial Reporting (GAAFR) Blue Book." Capital Assets. 2012.

North Dakota Office of Management and Budget, "GAAP Closing Procedure Manual." General Fixed Assets Closing Package. 2020

North Dakota Office of Management and Budget, "Fiscal and Administrative Policy." Fixed Asset Policies, appendix A. August 2019

U.S. Government Accountability Office (GAO), "Standards for Internal Control in the Federal Government." Design of Appropriate Control Activities. (GAO-14-704G para 10.03). September 2014.

CONDITION

The Department of Transportation did not capitalize and depreciate state oil impact projects that were substantially complete and in use. These projects were still included in construction in progress at June 30, 2020. Considering the Department's fiscal review period for project closeout which determines accurate project costs, the audit identified projects without financial activity since June 30, 2017 and 2018 for calculating capitalizable costs and depreciation, respectively. Total costs for these projects was $332,139,681. These projects should have

been reclassified from non-depreciable to depreciable capital assets for reporting on the Government-wide Statement of Net Position and accrued depreciation expense of $3,727,377 during the audit period.

CAUSE

The Department of Transportation does not capitalize projects until a final fiscal review is completed which may take multiple years. The capitalization of a project may be delayed if there is a backlog of projects for a final fiscal review. A reporting process has not been established for the preparation of the CAFR to identify projects that are substantially complete, but not yet capitalized in the asset management records.

EFFECT

Potential for a material misstatement on the Statement of Net Position for Capital Assets, Depreciable (Net) and Nondepreciable. Depreciation expense is not recorded timely to be accrued for each period that the state benefits from use of the capital assets.

RECOMMENDATION

We recommend Office of Management and Budget ensure Department of Transportation infrastructure projects are capitalized and depreciated timely after the project is substantially complete and available for use.

OFFICE OF MANAGEMENT AND BUDGET RESPONSE/CORRECTIVE ACTION PLAN

See "Management's Response and Corrective Action" section of this report.

Department of Commerce

FINDING TYPE: Significant Deficiency - Other Noncompliance	
Finding	2020-001
Federal Program:	Community Development Block Grants, Community Services Block Grant, HOME Investment Partnerships Program, Weatherization Assistance for Low-Income Persons
CFDA #:	14.228, 14.239, 81.042, 93.569
Federal Award Number(s) and Year(s):	B-13-DC-38-0001, B-14-DC-38-0001, B-15-DC-38-0001, B-16-DC-38-0001, B-17-DC-38-0001, B-18-DC-38-0001, B-19-DC-38-0001 (2013, 2014, 2015, 2016, 2017, 2018, 2019) 2017G994002, 2018G994002ACF, 2019G994002ACF, 2020G994002, 2020G990915 (2017, 2018, 2019, 2020) HOME 12: M12-SG380100, HOME 13: M13-SG380100, HOME 14: M14-SG380100, HOME 15: M15-SG380100, HOME 16: M16-SG380100, HOME 17: M17-SG380100, HOME 18: M18-SG380100, HOME 19: M19-SG380100, HOME 20: M20-SG380100 (2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020) DOE 17-19: DE-EE0007940 (2017, 2018, 2019, 2020)
Federal Agency:	U.S. Department of Housing and Urban Development U.S. Department of Energy U.S. Department of Health and Human Services
Compliance Requirement:	Other
Questioned Cost:	$0

CRITERIA

2 CFR 200.510(b)(1-6), states that the grantee is responsible for the accurate preparation of the Schedule of Federal Awards.

According to "Standards for Internal Control in the Federal Government" quality information needs to be communicated to enable personnel to perform key roles in achieving the entities objectives. (GAO-14.704G paragraphs 14.02 and 14.03)

CONDITION

The Department of Commerce does not have proper controls in place to ensure accuracy of the data that is included on the Schedule of Expenditures of Federal Awards (SEFA). The following was noted on the fiscal year 2019 SEFA:

- An independent review was not performed on the Schedule of Expenditures of Federal Awards.

- The total amount of expenditures was overstated by $11.2 million. Of that amount:
  - The Community Development Block Grant program was overstated by $5.5 million.
  - The Community Services Block Grant program was overstated by $3.2 million.
  - The HOME Investment Partnerships Program was overstated by $3.1 million.
  - The Weatherization Assistance for Low-Income Persons was overstated by $2.5 million

CAUSE
Due to employee turnover, inexperienced staff prepared the SEFA without supervisory review

EFFECT
Inaccurate information was initially reported in the Schedule of Expenditures of Federal Awards and detected and corrected through the audit.

CONTEXT
Incorrect expenditures reported on the fiscal year 2019 SEFA totaled $11.2 million and affected 14 programs. For fiscal year 2019, 100% (2 out of 2) of the Federal programs reviewed as major programs had incorrect expenditure amounts reported on the SEFA. These 2 programs made up 53% ($8.2 million) of the overall total corrected Federal expenditures ($14.7 million) listed on the Department of Commerce's SEFA for fiscal year 2019.

RECOMMENDATION
We recommend the Department of Commerce accurately prepare and perform an independent review of the Schedule of Expenditures of Federal Awards.

DEPARTMENT OF COMMERCE RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

Department of Human Services

FINDING TYPE: Significant Deficiency - Other Noncompliance	
Finding	2020-002
Federal Program:	Medicaid Cluster and Children's Health Insurance Program
CFDA #:	93.777, 93.778, 93.767
Federal Award Number(s) and Year(s):	1905ND5ADM, 1905ND5MAP, 1905ND5021 (2019) 2005ND5ADM, 2005ND5MAP, 2005ND5021 (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Centers for Medicare and Medicaid Services
Compliance Requirement:	Eligibility
Questioned Cost:	$4,782

CRITERIA

42 CFR 431.10 states the State Medicaid Agency or its designee is required to determine client eligibility in accordance with eligibility requirements defined in the approved State plan.

42 CFR 435.603 (a)(2) states that the agency must apply the financial methodologies set forth in this section in determining the financial eligibility of all individuals for Medicaid.

42 CFR 457.965 states the State must include in each applicant's record facts to support the State's determination of the applicant's eligibility for CHIP.

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

CONDITION

During our testing of eligibility, we noted that eligibility was not properly determined by the Department of Human Services (DHS) in the Children's Health Insurance Program and Medicaid.

DHS did not properly determine eligibility in 4 of 60 Children's Health Insurance Program (CHIP) cases reviewed. Each of the cases were missing either income verifications, a narrative to support determinations, or both. The errors resulted in improper payments totaling $4,659. When projected against the entire population, the likely questioned costs total $1,119,228.

DHS did not properly determine eligibility in 1 of the 60 Medicaid cases reviewed due to a lack of updated income information on the individual. As a result, auditor was unable to determine if the individual should have been eligible for Medicaid or not. The error resulted in an improper payment totaling $123. When projected against the entire population, the likely questioned costs total $695,468.

The Department's Quality Control Unit did their own review and also identified eligibility determination errors as noted below.

The eligibility testing required by Center for Medicare and Medicaid Services (CMS) performed by the Department's Quality Control Unit for the calendar year 2019 for the Medicaid program identified 14 of the 200 active cases tested had eligibility determination errors, an error rate of 7%. While 35 out of the 200 negative cases tested had eligibility determination errors, an error rate of 17.5%.

The eligibility testing required by Center for Medicare and Medicaid Services (CMS) performed by the Department's Quality Control Unit for the calendar year 2019 for the Children's Health Insurance Program (CHIP) identified 27 of the 200 active cases tested had eligibility determination errors, an error rate of 13.5%. While 28 out of the 200 negative cases tested had eligibility determination errors, an error rate of 14%.

Due to the public health emergency (Covid-19) CMS has changed its requirements for the payment review portion of active cases. It is no longer required to determine payment error amounts. As a result, we are unable to identify improper Federal payment amounts for the eligibility errors of the Department's Quality Control Unit testing.

CAUSE

The Department is not documenting how the amount of income was determined. Also, the Department is relying on applicants to provide updated income when there are changes in employment status. These employment changes are not communicated timely to the Department. The Department verifies income with North Dakota Job Service periodically, but between income verifications the applicant is required to provide updated information when income changes.

EFFECT

Unallowable payments were made to providers on behalf of individuals whose eligibility for the CHIP and Medicaid was not proper.

CONTEXT

There were 126,060 CHIP and Medicaid cases that received over $2.6 billion in payments for fiscal years ended June 30, 2019 and 2020.

IDENTIFICATION AS A REPEAT FINDING

Finding 2018-002 and 2018-006 were reported in the immediate prior year. Finding 2016-004 and 2016-016 were made in previous years.

RECOMMENDATION

We recommend the Department of Human Services ensure eligibility determinations made for the Medicaid and CHIP programs are proper.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN

See “Management’s Response and Corrective Action” section of this report.

FINDING TYPE: Significant Deficiency	
Finding	2020-003
Federal Program:	Medicaid Cluster and Children's Health Insurance Program
CFDA #:	93.777, 93.778, 93.767
Federal Award Number(s) and Year(s):	1905ND5ADM, 1905ND5MAP, 1905ND5021 (2019) 2005ND5ADM, 2005ND5MAP, 2005ND5021 (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Centers for Medicare and Medicaid Services
Compliance Requirement:	Reporting
Questioned Cost:	$0

CRITERIA

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

CONDITION

The Department of Human Services (DHS) is not completing a reconciliation between PeopleSoft, the state's accounting system, and the Quarterly Children's Health Insurance Program Statement of Expenditures for Title XXI report (CMS-21 Report). DHS also did not complete a reconciliation between PeopleSoft and the grant expenditures reported on the Quarterly Statement of Expenditures for the Medical Assistance Program (CMS-64 Report).

For both of these reports, the two quarters tested for each report did not have reconciliations completed.

CAUSE

The reconciliations were not completed primarily due to turnover in staff.

EFFECT

There is risk of fiscal year-end financial reporting being inaccurate if reconciliations between the Federal report and PeopleSoft are not completed as it could potentially misstate the reporting on the Schedule of Expenditures of Federal Awards. The auditors' testing of CMS reports did not identify any significant errors in financial reporting.

CONTEXT

CHIP expenditures were $46,531,367 during the audit period. After the auditor inquired about reconciliations, DHS did complete reconciliations for both grant and admin expenditures. No errors were noted.

Medicaid grant expenditures were $1,451,818,930 during the audit period. Admin expenditures were reconciled and are not included in this expenditure amount.

RECOMMENDATION

We recommend the Department of Human Services perform reconciliations between the Federal reports and PeopleSoft on a consistent basis.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN

See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Significant Deficiency - Other Noncompliance	
Finding	2020-004
Federal Program:	Medicaid Cluster
CFDA #:	93.777, 93.778
Federal Award Number(s) and Year(s):	1905ND5ADM, 1905ND5MAP (2019) 2005ND5ADM, 2005ND5MAP (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Centers for Medicare and Medicaid Services
Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles
Questioned Cost:	$8,460

CRITERIA

45 CFR 75.403 states that in order to be allowable under Federal awards, a cost must be necessary and reasonable for the performance of the Federal award. Duplicate payments are neither necessary nor reasonable.

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

CONDITION

Sixty potential duplicate payments were tested from the Medicaid Management Information System (MMIS). Testing identified 10 of these were duplicate payments from MMIS.

CAUSE

The Department does not have proper procedures in place to detect and prevent duplicate or improper payments from being issued

EFFECT

The known unallowable costs charged to the program were $8,460 and when projected against the entire population, the likely questioned costs were $74,776.

CONTEXT
632 sets of duplicates totaling $2.1 million were identified as potential duplicate payments.

IDENTIFICATION AS A REPEAT FINDING
Finding 2018-005 was reported in the immediate prior year. Finding 2016-008 was made in the previous year.

RECOMMENDATION
We recommend the Department of Human Services strengthen procedures and controls to prevent duplicate payments.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Other Noncompliance

Finding	2020-005
Federal Program:	Medicaid Cluster
CFDA #:	93.777, 93.778
Federal Award Number(s) and Year(s):	1905ND5ADM, 1905ND5MAP (2019) 2005ND5ADM, 2005ND5MAP (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Centers for Medicare and Medicaid Services
Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles
Questioned Cost:	$493

CRITERIA
42 CFR 431.960 (c) (1) states a medical review error is an error resulting in an overpayment or underpayment that is determined from a review of the provider's medical record or other documentation supporting the service(s) claimed, Code of Federal Regulations that are applicable to conditions of payment, the State's written policies, and a comparison between the documentation and written policies and the information presented on the claim resulting in Federal and/or State improper payments.
42 CFR 431.960 (c) (3) states medical review errors include, but are not limited to, the following: (i) lack of documentation, (ii) insufficient documentation, and (iii) procedure coding errors.

CONDITION
Medicaid providers submitted claims for payments for which the provider did not retain the required documentation to support the service billed in 6 of 382 claims tested. This resulted in improper payments of $231. When projected against the entire population, the likely questioned costs totaled $4,999,047.

The Department of Human Service completed Medicaid adjustments that were not coded correctly in 2 of the 120 claim adjustments tested. This resulted in improper adjustments of $262. When projected against the entire population, the likely questioned costs totaled $101,665.

CAUSE
Medicaid providers did not retain proper documentation to support Medicaid claims and claim adjustments. In addition, the Department did not ensure providers were coding claims and adjustments properly.

EFFECT
Unallowable or inaccurate payments and adjustments were made to providers without proper documentation.

CONTEXT
There were 121,684 individuals that were Medicaid eligible during our audit period of July 1, 2018, through June 30, 2020.

RECOMMENDATION
We recommend Department of Human Services ensure providers retain the proper documentation and are coding claims correctly for Medicaid claims and adjustments.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Other Noncompliance	
Finding	2020-006
Federal Program:	Medicaid Cluster
CFDA #:	93.777, 93.778
Federal Award Number(s) and Year(s):	1905ND5ADM, 1905ND5MAP (2019) 2005ND5ADM, 2005ND5MAP (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Centers for Medicare and Medicaid Services
Compliance Requirement:	Special Tests and Provisions
Questioned Cost:	Unknown

CRITERIA
42 CFR 456.5 The agency must establish and use written criteria for evaluating the appropriateness and quality of Medicaid services. This section does not apply to services in hospitals and mental hospitals. For these facilities, see the following sections: 456.122 and 456.132 of subpart C; and 456.232 of subpart D.

The North Dakota Program Integrity Unit Audit Oversight outlines the type and frequency of audits to be performed.

CONDITION

The Department of Human Services Program Integrity Unit did not fully execute their audit oversight document for the Medicaid Program. Per the audit oversight document the new rehabilitation provider audit and the recipient analysis are to be completed semi-annually. The new rehabilitation provider audit was scheduled to start in the first quarter of calendar year 2019, however, it was never completed and it was determined to discontinue these audits. While the recipient analysis was completed during the second half of calendar year 2018 and all of calendar year 2019, it had not been completed yet for calendar year 2020. Additionally, the ambulance audits are to be conducted on a weekly basis. While the ambulance audits were completed for most of calendar years 2018 and 2019, there were no reviews completed for December 2018 and audits stopped after February 2020.

CAUSE

The new rehabilitation provider audit was not completed due to the lack of time and resources as well as upper management's decision to focus on audits that have a bigger fiscal impact. The semi-annual recipient analysis was not completed for 2020 as the compliance technician was new to the position and due to a lack of communication did not realize they needed to complete the analysis. The ambulance reviews have not been completed since February 2020 due to the changing of staff and procedures.

EFFECT

The audits completed as required by the Audit Oversight document are the primary process to identify improper use of Medicaid funds. If the audits are not being completed timely, individuals could be misusing Medicaid funds.

CONTEXT

The Recipient Analysis and New Rehabilitation Provider Audits are required, by the Audit Oversight document, to be performed once every six months. Additionally, Ambulance Audits are required by the Audit Oversight document to be performed weekly. The Department did not perform all of these required reviews timely during the audit period.

IDENTIFICATION AS A REPEAT FINDING

Finding 2018-003 was reported in the immediate prior year. Findings 2016-003, 2014-002, 2012-003 were made in previous years.

RECOMMENDATION

We recommend the Department of Human Services ensure the Program Integrity Unit fully executes their Audit Oversight policy.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN

See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Other Noncompliance	
Finding	2020-007
Federal Program:	Medicaid Cluster
CFDA #:	93.777, 93.778
Federal Award Number(s) and Year(s):	2005ND5ADM, 2005ND5MAP (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Centers for Medicare and Medicaid Services
Compliance Requirement:	Special Tests and Provisions
Questioned Cost:	Unknown

CRITERIA

NCCI Medicaid Technical Guidance Manual Section 7.1.2 states at a minimum, the following elements must be included in the confidentiality agreements for any contracted party using the Medicaid NCCI files posted to the Medicaid Integrity Institute:

- Disclosure shall be limited to only those responsible for the implementation of the quarterly state Medicaid NCCI edit files. Disclosure shall not be made prior to the start of the new calendar quarter.
- After the start of the new calendar quarter, a Contracted Party may disclose only non-confidential information contained in the Medicaid NCCI edit files that is also available to the general public found on the Medicaid NCCI webpage.
- The Contracted Party agrees to use any non-public information from the quarterly state Medicaid NCCI edit files only for any business purposes directly related to the implementation of the Medicaid NCCI methodologies in the particular state.
- New, revised, or deleted Medicaid NCCI edits shall not be published or otherwise shared with individuals, medical societies, or any other entities unless it is a Contracted Party prior to the posting of the Medicaid NCCI edits on the Medicaid NCCI webpage.
- Implementation of New, revised, or deleted Medicaid NCCI edits shall not occur prior to the first day of the calendar quarter.
- Only a state Medicaid agency has the discretion to release additional information for selected individual edits or limited ranges of edits from the files posted on the Medicaid Integrity Institute.
- State Medicaid agencies must impose penalties, up to and including loss of contract, for violations of any confidentiality agreement relating to use of the MII edit files.

CONDITION
The Department of Human Services does not have a confidentiality agreement in place with Cotiviti in regards to the NCCI. Medicaid National Correct Coding Initiative (NCCI) methodologies must be applied to Medicaid fee-for-service claims submitted with, and reimbursed on the basis of, Healthcare Common Procedure Coding System codes and Current Procedural Terminology codes. The NCCI files are to be updated on a quarterly basis as required by the Medicaid Integrity Institute. The Department of Human Services contracts with Cotiviti to implement the correct quarterly files from Medicaid Integrity Institute. The NCCI Medicaid Technical Guidance Manual requires a confidentiality agreement to be in place for any contracted party using the Medicaid NCCI files.

CAUSE
The Department of Human Services was unaware of the requirement to have a confidentiality agreement

EFFECT
The lack of a confidentiality agreement with Cotiviti could result in Cotiviti using non-public information from the quarterly state Medicaid NCCI edit files for non-business purposes without any penalties being imposed. Additionally, the lack of a confidentiality agreement with Cotiviti could lead to Cotiviti not updating the quarterly files timely.

CONTEXT
There were 121,684 individuals that were Medicaid eligible during our audit period of July 1, 2018, through June 30, 2020 that had claims being processed by the Department of Human Services through Cotiviti.

RECOMMENDATION
We recommend the Department of Human Services ensure a confidentiality agreement is in place with Cotiviti in regards to National Correct Coding Initiative.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See “Management’s Response and Corrective Action” section of this report.

FINDING TYPE: Significant Deficiency	
Finding	2020-008
Federal Program:	Medicaid Cluster and Child Support Enforcement
CFDA #:	93.777, 93.778, 93.563
Federal Award Number(s) and Year(s):	1905ND5ADM, 1905ND5MAP, 1901NDCEST, 1901NDCSES (2019) 2005ND5ADM, 2005ND5MAP, 2001NDCEST, 2001NDCSES (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Centers for Medicare and Medicaid Services
Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles
Questioned Cost:	$0

CRITERIA

Standards for Internal Control in the Federal Government (Green Book) requires management to monitor the effectiveness of internal control over the assigned processes performed by service organizations. Monitoring activities related to service organizations may include the use of work performed by external parties. (GAO-14-704G para 16.08)

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

2 CFR 200.303(e) states that the non-Federal entity must take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

AU-C Section 402.08 "Audit Considerations Relating to an Entity Using a Service Organization" defines a services organization as an organization that provides services to user entities that are relevant to those user entities' internal control over financial reporting.

CONDITION

The Department of Human Services contracts with Health Management Systems to exchange Medicaid recipients information to inquire if those recipients maintain third party liability/health insurance coverage. The Department of Human Services exchanges personal recipient information, however, has not received a System and Organization Controls (SOC) report for Health Management System (HMS) since 2018, which was for the time frame of March 1, 2017 to February 28, 2018. The Child Support Division also participates in the contract with HMS to look for hits in the national health insurance database applicable to eligible child support individuals for potential 3rd party liability.

CAUSE
The HMS contract expired on September 30, 2017. Following procurement procedures, the new contract was established with HMS. After the contract was reprocured, there was miscommunication among Department of Human Services personnel on whether a SOC report was required or not with the current contract.

EFFECT
The lack of a SOC report for HMS, could lead to the Department of Human Services exchanging Medicaid recipients' and eligible child support individuals' information with an outside service organization with potential control weaknesses to protect personal information.

CONTEXT
There were 121,684 individuals that were Medicaid eligible during our audit period of July 1, 2018, through June 30, 2020. In addition, the Child Support Division submits a monthly extract file to HMS which contains approximately 50,000 children for whom there is an order for support. This extract file could include social security numbers for the children, custodial parents, and noncustodial parents.

RECOMMENDATION
We recommend the Department of Human Services ensures SOC reports are obtained on all outside service organizations on a regular, consistent basis.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Material Weakness - Material Noncompliance	
Finding	2020-009
Federal Program:	CCDF Cluster
CFDA #:	93.575, 93.596
Federal Award Number(s) and Year(s):	2018G996005, 2018G999004, G2018G999005 (2018) 2019G996005, 2019G999004, G2019G999005 (2019) 2020G996005, 2020G999004, 2020G999005 (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Administration for Children and Families
Compliance Requirement:	Special Tests and Provisions
Questioned Cost:	$0

CRITERIA
45 CFR 98.41(1)(i)(A) states lead agencies shall assure that children receiving services under the CCDF are age-appropriately immunized. Those health and safety provisions shall incorporate the latest recommendation for childhood immunization of the respective state. Lead agencies may exempt: (1) Children who are cared for by relatives, provided there are no other unrelated children who are cared for in the same setting. (2) Children who

receive care in their own homes, provided there are no other unrelated children who are cared for in the home. (3) Children whose parents object to immunization on religious grounds. (4) Children whose medical condition contraindicates immunization.

45 CFR 98.41(iv) requires prevention and response to emergencies due to food and allergic reactions. Allergic reactions are identified on the Statement of Health for each individual child.

45 CFR 98.41 states that lead agencies must certify that procedures are in effect to ensure that child care providers, for which assistance is provided under the Child Care Assistance Program, comply with all applicable health and safety requirements.

North Dakota Century Code section 50-11.1-07 requires a licensee to maintain records as the Department prescribes regarding each child, and shall report to the Department or the Department's authorized agent, when requested, upon forms furnished by the Department, facts the Department may require with reference to each child.

CONDITION
The Department of Human Services does not ensure that child care providers have records for enrolled children as identified by Federal health and safety requirements. Required records include immunization records and a statement of health for each child enrolled with the provider. Of 83 licenses tested, 27 were either missing records or did not have documentation identifying records were reviewed during the licensing process resulting in a 33% error rate.

CAUSE
Department approval of child care licenses does not include verification that county licensors reviewed required child care records and ensured missing documentation was obtained.

EFFECT
Children could be at risk due to unidentified health concerns.

CONTEXT
During fiscal year 2017 and 2018, there were 2,174 licensed providers that received payments totaling $29.4 million.

IDENTIFICATION AS A REPEAT FINDING
Finding 2018-007 was reported in the immediate prior year.

RECOMMENDATION
We recommend the Department of Human Services develop procedures to ensure required child care records are maintained by the child care provider.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See “Management’s Response and Corrective Action” section of this report.

FINDING TYPE: Significant Deficiency - Other Noncompliance	
Finding	2020-010
Federal Program:	CCDF Cluster
CFDA #:	93.575, 93.596
Federal Award Number(s) and Year(s):	2018G996005, 2018G999004, G2018G999005 (2018) 2019G996005, 2019G999004, G2019G999005 (2019) 2020G996005, 2020G999004, 2020G999005 (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Administration for Children and Families
Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles
Questioned Cost:	$34,782

CRITERIA

North Dakota Administrative Code 75-02-01.3-10 states that the caretaker of each eligible child who receives or is offered child care services for which financial assistance is provided through the child care and development fund may choose the approved relative provider, registrant, holder of a self-declaration, or licensed provider of services to that child.

Department of Human Services Child Care Assistance Policy Manual section 400-28-105-25 states that the household's provider must be licensed (including military, tribal and out-of state), self-declared, or an approved relative provider. The license must be current and have an expiration date later than the date of the Child Care Assistance Provider's application.

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

CONDITION

The Department of Human Services issued Child Care Assistance payments to providers that were improperly licensed. The Department requires that an individual is either an approved relative, self-declared, or licensed child care provider in order to receive payments. 27 of 83 provider licenses reviewed were determined to be improperly licensed, an error rate of 33%. These providers received $34,782 in payments during the period of improper licensure. These known questioned costs were not projected to the population as not all improperly licensed providers received child care assistance payments during the period of being improperly licensed.

CAUSE

The Department has not designed consistent procedures to ensure licensing applications include all required documents. In addition, they rely on the licensing process and do not perform sufficient independent verifications that payments are issued to properly licensed providers.

EFFECT
Payments are being issued to child care providers that may not be eligible to receive them.

CONTEXT
During fiscal year 2017 and 2018, there were 2,174 licensed providers that received payments totaling $29.4 million.

IDENTIFICATION AS A REPEAT FINDING
Finding 2018-010 was reported in the immediate prior year. Finding 2016-021 was made in the previous year.

RECOMMENDATION
We recommend the Department of Human Services ensure that child care providers have met all necessary licensing requirements prior to issuing Child Care Assistance payments.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Significant Deficiency - Other Noncompliance

Finding	2020-011
Federal Program:	CCDF Cluster
CFDA #:	93.575, 93.596
Federal Award Number(s) and Year(s):	2018G996005, 2018G999004, G2018G999005 (2018) 2019G996005, 2019G999004, G2019G999005 (2019) 2020G996005, 2020G999004, 2020G999005 (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Administration for Children and Families
Compliance Requirement:	Special Tests and Provisions
Questioned Cost:	$0

CRITERIA
North Dakota Century Code (NDCC) section 50-11.1-07.2 requires that the Department or the Department's authorized agency issue a correction order whenever it is determined upon inspection that a program or premises is not in compliance with this chapter or rules adopted under this chapter.

NDCC section 50-11.1-07.3 requires the Department or the Department's authorized agent shall re-inspect an early childhood program issued a correction order under NDCC section 50-11.1-07.2, at the end of the period allowed for correction.

45 CFR 98.41 requires that lead agencies must certify that procedures are in effect to ensure that providers serving children who receive subsidies comply with all applicable health and safety requirements.

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

CONDITION
The Department of Human Services is not properly monitoring corrective orders issued to child care providers and performing re-inspections of identified deficiencies within specified time frames. Fifty-two of 520 (10%) corrective orders issued during our audit period did not identify a date the orders were determined to be corrected. In addition, 163 of 520 (31%) corrective orders were not re-inspected within the 24 hour, 20 day, or 60 day time frame allowed for correction.

CAUSE
The Department's procedures for monitoring the resolution of corrective orders is ineffective.

EFFECT
Child care providers are operating without proper follow up of corrective orders jeopardizing the health and safety of children. In addition, the Department is not ensuring providers are meeting health and safety requirements as required by 45 CFR section 98.41.

CONTEXT
During fiscal years 2019 and 2020, there were 1,944 licensed providers receiving payments from the Child Care Assistance program.

The following list is the number of corrective orders issued by calendar year:

2020 - 70 (through July)
2019 – 314
2018 – 136

IDENTIFICATION AS A REPEAT FINDING
Finding 2018-013 was reported in the immediate prior year. Finding 2016-026 was made in the previous year.

RECOMMENDATION
We recommend the Department of Human Services develop procedures to monitor and ensure the resolution of corrective orders including that resolution occurs within specified time frames.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See “Management’s Response and Corrective Action” section of this report.

FINDING TYPE: Significant Deficiency - Other Noncompliance	
Finding	2020-012
Federal Program:	CCDF Cluster
CFDA #:	93.575, 93.596
Federal Award Number(s) and Year(s):	2018G996005, 2018G999004, G2018G999005 (2018) 2019G996005, 2019G999004, G2019G999005 (2019) 2020G996005, 2020G999004, 2020G999005 (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Administration for Children and Families
Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles
Questioned Cost:	$1,347

CRITERIA

45 CFR 75.403 states that in order to be allowable under Federal awards, a cost must be necessary and reasonable for the performance of the Federal award. Duplicate payments are neither necessary nor reasonable.

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

CONDITION

The Department of Human Services issued duplicate and other improper payments to child care providers receiving payments from the Child Care Assistance program. We tested 60 payments and identified $1,347 of improper payments. These errors projected to the remaining population of potential duplicate payments, would result in additional likely questioned costs of $4,113.

The identified circumstances are as follows:

- 3 Duplicate payments were made due to a system defect in SPACES that caused a second payment to be paid for 3 cases. This resulted in duplicate payments of $859.
- 7 Duplicate payment were made when a case worker did not notice that a payment had already been sent out. This resulted in duplicate payment of $488.

CAUSE

The Department does not have proper procedures in place to detect and prevent duplicate or improper payments from being issued.

EFFECT

The Department issued payments that were not allowable under the Child Care Development Block Grant.

CONTEXT
The audit identified 1,031 potential duplicate payments totaling $147,251 during the audit period. 10 out of the 60 potential duplicate payments tested were errors totaling $1,347.

IDENTIFICATION AS A REPEAT FINDING
Finding 2018-011 was reported in the immediate prior year. Finding 2016-022 was made in the previous year.

RECOMMENDATION
We recommend the Department of Human Services develop and implement procedures to detect and prevent duplicate and other improper payments from being issued under the Child Care Assistance program.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Significant Deficiency - Other Noncompliance

Finding	2020-013
Federal Program:	CCDF Cluster
CFDA #:	93.575, 93.596
Federal Award Number(s) and Year(s):	2019G996005, 2019G999004, G2019G999005 (2019) 2020G996005, 2020G999004, 2020G999005 (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Administration for Children and Families
Compliance Requirement:	Eligibility
Questioned Cost:	$1,698

CRITERIA
45 CFR 98.68(c) states that lead agencies must have procedures in place for documenting and verifying eligibility.

45 CFR 98.45(k) states that lead agencies shall establish a sliding fee scale, based on family size, income, and other appropriate factors, that provides for cost sharing by families that receive CCDF child care services.

45 CFR 98.20(a) states that children must be under age 13, reside with a family whose income does not exceed 85 percent of State/territorial/tribal median income for a family of the same size, and reside with a parent who is working or attending a job training or education program; or are in need of, or are receiving protective services. Lead agencies may choose to provide services during period of job search.

CONDITION
The Department of Human Services did not properly determine eligibility in 5 of 60 child care assistance cases tested by the auditor. Each of the cases had one or more of the following errors: improperly calculated household

income, missing birth records, and missing income verifications. The errors resulted in improper payments totaling $1,698. When projected against the entire population, the projected error is $873,187.

CAUSE
The Department did not collect or maintain proper documentation to determine eligibility. In addition, data entry and income calculations were not being completed consistently and accurately.

EFFECT
Unallowable payments were made to providers on behalf of individuals whose eligibility for the Child Care Assistance Program were not proper.

CONTEXT
There were 5,694 cases that received over $29.3 million in payments for fiscal years ended June 30, 2019 and 2020.

IDENTIFICATION AS A REPEAT FINDING
Finding 2018-012 was reported in the immediate prior year. Findings 2016-018, 2016-028, 2014-020, 2014-017, 2012-018, 2012-024, 2010-022, 2008-006 were made in previous years.

RECOMMENDATION
We recommend the Department of Human Services:

1. Develop and implement controls to ensure that all eligibility workers are collecting and maintaining all applicable information for Child Care Assistance eligibility determinations, and
2. Properly determine eligibility for individuals receiving Child Care Assistance and issue payments that comply with requirements set in the Code of Federal Regulations for Child Care Development Funds.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Material Weakness - Material Noncompliance	
Finding	2020-014
Federal Program:	CCDF Cluster
CFDA #:	93.575, 93.596
Federal Award Number(s) and Year(s):	2018G996005, 2018G999004, G2018G999005 (2018) 2019G996005, 2019G999004, G2019G999005 (2019) 2020G996005, 2020G999004, 2020G999005 (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Administration for Children and Families
Compliance Requirement:	Special Tests and Provisions
Questioned Cost:	$0

CRITERIA

45 CFR 98.41 states that lead agencies must certify that procedures are in effect to ensure that child care providers, for which assistance is provided under the Child Care Assistance Program, comply with all applicable health and safety requirements.

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

CONDITION

The Department of Human Services is not ensuring child care centers, self-declared, group, preschool, and school-age providers comply with all health and safety standards as defined by North Dakota Administrative Code. The checklists used by county licensors, when conducting annual on-site licensing studies, do not contain all necessary health and safety requirements. The licensing study does not include items related to the following health and safety standard requirements: prevention and control of infectious diseases; prevention of sudden infant death syndrome and use of safe sleeping practices; administration of medication, consistent with standards of parental consent; prevention and responses to emergencies due to food and allergic reaction; building and physical premises safety, including identification and protection from hazards, bodies of water, and vehicular traffic; prevention of shaken baby syndrome, abusive head trauma, and child maltreatment; emergency preparedness and response planning; appropriate precautions if transporting children; pediatric first aid and cardiopulmonary resuscitation; and recognition of child abuse & neglect.

CAUSE

The Department did not update licensing materials to include verification that all required health and safety standards were met prior to licensing.

EFFECT

Child care providers may be operating without complying with health and safety requirements, potentially jeopardizing the health and safety of children.

CONTEXT
Disbursements for the fiscal years ended June 30, 2019 and 2020 totaled $29,366,169 for the CCDF program. The State of North Dakota had 1,944 licensed providers and 230 self declared providers during the audit period.

IDENTIFICATION AS A REPEAT FINDING
Finding 2018-014 was reported in the immediate prior year. Finding 2016-029 was made in the previous year.

RECOMMENDATION
We recommend the Department of Human Services:

1. Update the licensing study to include requirements for all necessary health and safety standards for child care centers, self-declared, group, preschool, and school-age providers, and
2. Ensure providers meet all health and safety standards required to be licensed.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Other Noncompliance

Finding	2020-015
Federal Program:	CCDF Cluster
CFDA #:	93.575, 93.596
Federal Award Number(s) and Year(s):	2018G996005, 2018G999004, G2018G999005 (2018) 2019G996005, 2019G999004, G2019G999005 (2019) 2020G996005, 2020G999004, 2020G999005 (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Administration for Children and Families
Compliance Requirement:	Special Tests and Provisions
Questioned Cost:	$0

CRITERIA
45 CFR 98.42 requires that not less than annually, an unannounced inspection for compliance with child care licensing standards, which shall include an inspection for compliance with health and safety and fire standards, shall be completed.

Department policy 620-01-116 states, the authorized agent is required to perform an unannounced review at least annually for each licensed or self-declared child care provider.

CONDITION
The Department of Human Services is not performing annual unannounced inspections of self-declared child care providers in operation. An annual unannounced inspection was not completed on 10 of 23 self-declared providers that were tested.

CAUSE
The Department's procedures for ensuring unannounced visits are performed annually by county licensors are ineffective.

EFFECT
Child care providers are operating child care facilities without proper monitoring of whether health and safety conditions have been met.

CONTEXT
During fiscal years 2019 and 2020, there were 230 self-declared providers from the Child Care Assistance program.

IDENTIFICATION AS A REPEAT FINDING
Finding 2018-017 was reported in the immediate prior year. Finding 2016-027 was made in the previous year.

RECOMMENDATION
We recommend the Department of Human Services perform annual unannounced inspections of self-declared child care providers in operation as required by the Code of Federal Regulations and Department policy.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Significant Deficiency	
Finding	2020-016
Federal Program:	CCDF Cluster
CFDA #:	93.575, 93.596
Federal Award Number(s) and Year(s):	2018G996005, 2018G999004, G2018G999005 (2018) 2019G996005, 2019G999004, G2019G999005 (2019) 2020G996005, 2020G999004, 2020G999005 (2020)
Federal Agency:	U.S. Department of Health and Human Services
	Administration for Children and Families
Compliance Requirement:	Special Tests and Provisions
Questioned Cost:	$0

CRITERIA

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

The Department's Early Childhood Services Quality Assurance Policy (620-01-20-20) requires the regional office to perform random provider reviews on an annual basis with the authorized agent.

CONDITION

The Department of Human Services' monitoring procedures of the county licensors of child care providers is ineffective. The Department's Early Childhood Services supervisors perform procedural reviews of county licensor activities. The selection procedures do not include assurance that activities of all county licensors are reviewed. In addition, errors identified during our testing indicate these reviews are clearly ineffective at identifying material weaknesses and inconsistencies. These errors include nonperformance of unannounced visits, lack of monitoring of corrective orders, and improperly licensed providers.

CAUSE

The Department has not designed monitoring procedures to carry out the purpose of licensing early childhood service providers to safeguard the health, safety, and development of children.

EFFECT

Child care providers are operating without complying with licensing requirements and proper monitoring of health and safety conditions which may jeopardize the health and safety of children.

CONTEXT

The Child Care Assistance program has 5 regional representatives. DHS has created county zone areas throughout the State. This structure has not been fully implemented by assigning zones and responsibilities and, until it is, this finding applies to the regional supervisor responsibilities according to DHS policy.

IDENTIFICATION AS A REPEAT FINDING
Finding 2018-018 was reported in the immediate prior year. Finding 2016-025 was made in the previous year.

RECOMMENDATION
We recommend the Department of Human Services perform effective monitoring procedures to ensure all functions of the Child Care Assistance program are properly completed including monitoring correction orders, completing unannounced visits, and properly licensing providers.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Significant Deficiency - Other Noncompliance

Finding	2020-017
Federal Program:	TANF Cluster
CFDA #:	93.558
Federal Award Number(s) and Year(s):	1901NDTANF, 2001NDTANF (2019, 2020)
Federal Agency:	U.S. Department of Health and Human Services
Compliance Requirement:	Special Tests and Provisions
Questioned Cost:	Unknown

CRITERIA
45 CFR §261.60 states: (a) A State must report the actual hours that an individual participates in an activity, subject to the qualifications in paragraphs (b) and (c) of this section and §261.61(c). It is not sufficient to report the hours an individual is scheduled to participate in an activity.

45 CFR §261.61 states: (a) A State must support each individual's hours of participation through documentation in the case file. In accordance with §261.62, a State must describe in its Work Verification Plan the documentation it uses to verify hours of participation in each activity.

North Dakota's Work Verification Plan outlines the use of JOBS Employment Contractors to determine the individual's hours of participation. The process includes sampling of the JOBS Employment Contractor work to ensure accuracy.

45 CFR §261.20 states: (c) If the data show that a State met both participation rates in a fiscal year, then the percentage of historic State expenditures that it must expend under TANF, pursuant to §263.1 of this chapter, decreases from 80 percent to 75 percent for that fiscal year. This is also known as the State's TANF "maintenance-of-effort" (MOE) requirement.(d) If the data show that a State did not meet a minimum work participation rate for a fiscal year, a State could be subject to a financial penalty.

CONDITION

The Department of Human Services (DHS) is not in compliance with the Work Verification Plan in regards to monitoring data used to calculate the work participation rate.

The work participation rate effects the maintenance-of-effort requirement and could result in sanctions if minimum work participation rates are not met.

DHS contracts with Job Opportunities and Basic Skills (JOBS) Employment Contractors to verify work verification documents provided by the client in meeting their work participation hours requirements. This sampling was halted during SPACES implementation.

DHS uses this information to report data on their State Work Participation Rates on the ACF-199 report.

CAUSE

Since SPACES went live, DHS has fallen behind on sending cases to the JOBS work contractors for audit and therefore audits and results thereof are not available.

EFFECT

DHS's reported Work Participation Rates could be incorrectly calculated which could result in additional maintenance-of-effort requirements and Federal sanctions.

CONTEXT

No sampling was provided by the Department of Human Services to the JOBS contractors following the March 2019 implementation of the SPACES eligibility system (February 2019 was last monthly sample).

RECOMMENDATION

We recommend the Department of Human Services ensure compliance with the Work Verification Plan. This includes the JOBS verification of TANF cases and maintenance of results for work participation status accuracy.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN

See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Significant Deficiency - Other Noncompliance	
Finding	2020-018
Federal Program:	Foster Care - Title IV-E
CFDA #:	93.658
Federal Award Number(s) and Year(s):	2019G994107, 2020G994107 (2019, 2020)
Federal Agency:	U.S. Department of Health and Human Services
	Administration for Children and Families
Compliance Requirement:	Subrecipient Monitoring
Questioned Cost:	$0

CRITERIA

Per Title 2 CFR 200.331, pass-through entities are required to "(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:

(1) The subrecipient's prior experience with the same or similar subawards;
(2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F - Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;
(3) Whether the subrecipient has new personnel or new or substantially changed systems; and
(4) The extent and results of Federal awarding agency monitoring (eg. if the subrecipient also receives Federal awards directly from a Federal awarding agency)."

45 CFR 75.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

CONDITION

The Department of Human Services (DHS) risk assessment process of subrecipients is insufficient. DHS did complete a risk assessment for every subrecipient, but the risk assessments are not being used to determine the nature and extent of subrecipient monitoring.

CAUSE

The Department of Human Services has developed policies and procedures to determine the nature and extent of subrecipient monitoring to be performed but the policies and procedures do not take into account the results of the risk assessments performed.

EFFECT

DHS may be performing insufficient subrecipient monitoring of high risk subrecipients.

CONTEXT
Payments to subrecipients under the Foster Care program totaled $10,160,284 during fiscal years 2019 and 2020.

IDENTIFICATION AS A REPEAT FINDING
Finding 2018-035 was reported in the immediate prior year. Finding 2016-060 was made in the previous year.

RECOMMENDATION
We recommend the Department of Human Services ensure subrecipient risk assessments are used to determine the nature and extent of subrecipient monitoring.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Significant Deficiency - Other Noncompliance

Finding	2020-019
Federal Program:	Rehabilitation Services - Vocational Rehabilitation Grants to States
CFDA #:	84.126
Federal Award Number(s) and Year(s):	H126A180051 (2018)
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Period of Performance
Questioned Cost:	$94,081

CRITERIA
The following criteria note that Federal funds must be obligated by the end of the two-year period of performance window and those obligations must be liquidated within 90 days after the end date of period of performance.

2 CFR 200.343 requires:
" Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.

34 CFR 361.64 requires:
" (a) Except as provided in paragraph (b) of this section, any Federal funds, including reallotted funds, that are appropriated for a fiscal year to carry out a program under this part that are not obligated by the State by the beginning of the succeeding fiscal year and any program income received during a fiscal year that is not obligated by the State by the beginning of the succeeding fiscal year remain available for obligation by the State during that succeeding fiscal year.

(b) Federal funds appropriated for a fiscal year remain available for obligation in the succeeding fiscal year only to the extent that the State met the matching requirement for those Federal funds by obligating, in accordance with 34 CFR 76.707, the non-Federal share in the fiscal year for which the funds were appropriated."

The following criteria pertains to the establishment and maintenance of effective internal control to ensure payments are made within the correct period of performance.

45 CFR 75.303 states the non-Federal entity must, "establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

CONDITION

The Department of Human Services made payments under the Vocational Rehabilitation program outside of the 2018 grant award period of performance which was 10/1/17 - 9/30/19 with an allowable liquidation period, to pay for obligations, through 12/31/19. Payments made after the liquidation period totaled $94,081 for the 2018 grant.

CAUSE

The Department of Human Services, Vocational Rehabilitation Program, did not properly update speedcharts, which provide for automated coding within the State's accounting system, at its Regional Human Service Centers. This issue was noted in three of the four errors found in sampling and permitted unallowable costs to be charged to the 2018 Federal grant. The final error was due to improper coding when the payment was entered into the system. In addition, review of the program's internal controls regarding period of performance proved inadequate to detect payments made outside of the period of performance as documentation of the review to ensure expenditures are applied to the correct period of performance was not maintained.

EFFECT

Unallowable costs totaling $94,081 were charged to the grant and are questioned costs.

CONTEXT

The Department of Human Services, Vocational Rehabilitation program, had expenditures of approximately $7.6 million from the 2018 grant award during the audit period. Of this amount, $94,081 was identified as a known questioned cost from 66 payments. These are all payments after the period of performance.

IDENTIFICATION AS A REPEAT FINDING

Finding 2018-031 was reported in the immediate prior year. Finding 2016-053 was made in the previous year.

RECOMMENDATION

We recommend the Department of Human Services implement procedures to prevent and detect Vocational Rehabilitation payments from occurring outside the period of performance.

DEPARTMENT OF HUMAN SERVICES RESPONSE/CORRECTIVE ACTION PLAN

See “Management’s Response and Corrective Action” section of this report.

Department of Public Instruction

FINDING TYPE: Significant Deficiency - Other Noncompliance	
Finding	2020-020
Federal Program:	Special Education Cluster
CFDA #:	84.027, 84.173
Federal Award Number(s) and Year(s):	H027A150049, H027A160049, H027A170049, H027A180049, H173A150094, H173A160094, H173A170094, H173A180094 (2016, 2017, 2018, 2019)
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Subrecipient Monitoring
Questioned Cost:	$0

CRITERIA

2 CFR 200.331(d) states that all pass through entities must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward. Pass through entity monitoring of the subrecipient must include following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits.

Standards for Internal Control in the Federal Government (Green Book) require management to establish and operate monitoring activities to monitor the internal control system and evaluate the results. (GAO-14-704G para 16.01)

CONDITION

The Department of Public Instruction is not ensuring timely and appropriate action was taken on deficiencies noted during fiscal subrecipient monitoring of the Special Education Cluster. During testing of subrecipient monitoring, we noted 3 of the 8 subrecipients tested each had one monitoring finding, but no timely follow-up procedures were completed by the Department to ensure the findings were resolved.

CAUSE

The tracking spreadsheet for fiscal subrecipient monitoring only includes when the audit was completed or when it is planned. There is no tracking of the results, if there were recommendations, and if any follow-up was completed on those recommendations.

EFFECT

If deficiencies are not resolved, subrecipients receiving Federal funds may not be in compliance with Federal statutes, regulations, and the terms and conditions of the subaward.

CONTEXT
The Department of Public Instruction paid approximately $59 million in Federal funds between 07/01/2018-06/30/2020 to over 30 Special Education Cluster subrecipients. During the audit period 23 subrecipients received fiscal monitoring procedures.

RECOMMENDATION
We recommend the Department of Public Instruction strengthen fiscal subrecipient monitoring procedures for the Special Education Cluster to ensure timely and appropriate action is taken on deficiencies noted during the fiscal review.

DEPARTMENT OF PUBLIC INSTRUCTION RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Significant Deficiency - Other Noncompliance

Finding	2020-021
Federal Program:	Commodity Supplemental Food Program, Emergency Food Assistance Program (Administrative Costs), School Breakfast Program, National School Lunch Program, Child and Adult Care Food Program, Summer Food Services Program for Children, Fresh Fruit and Vegetable Program
CFDA #:	10.565, 10.568, 10.553, 10.555, 10.558, 10.559, 10.560, 10.582
Federal Award Number(s) and Year(s):	3ND810817, 3ND810827, 3ND300309, 3ND310378 (2017, 2018)
Federal Agency:	U.S. Department of Agriculture (USDA)
Compliance Requirement:	Subrecipient Monitoring
Questioned Cost:	$0

CRITERIA
2 CFR 200.331(f) states that a pass-through entity must verify that every subrecipient is audited as required by 2 CFR 200 Subpart F.

2 CFR 200.331(d)(2) states that a pass-through entity must ensure subrecipients take timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity through audits, on-site reviews, and other means.

2 CFR 200.521(d) states that a pass-through entity must issue a management decision within six months of acceptance of the audit report by the Federal Audit Clearinghouse (FAC).

Standards for Internal Control in the Federal Government (Green Book) require management to establish and operate monitoring activities to monitor the internal control system and evaluate the results. (GAO-14-704G para 16.01)

CONDITION

The Department of Public Instruction did not ensure that all subrecipients were audited under 2 CFR 200 Subpart F as applicable.

For two subrecipients who received a total of $2,288,238 in Federal funds from the Department of Public Instruction during Fiscal Year 2018, the Department did not ensure that the necessary audits were completed, issue management decisions within a timely manner, or ensure corrective action was taken on any deficiencies identified. One of these subrecipients did submit an audit into the Federal audit clearinghouse and there were five recommendations to review. The other subrecipient never had an audit completed.

For three subrecipients who received a total of $625,464 in Federal funds from the Department of Public Instruction during Fiscal Year 2018, the Department did not issue management decisions within a timely manner or ensure corrective action was taken on any deficiencies identified. All three subrecipients submitted an audit to the Federal audit clearinghouse and one of the three subrecipients had a total of 14 audit recommendations. The remaining two subrecipients did not have any audit recommendations.

CAUSE

The Department of Public Instruction is not completing all elements of the tracking spreadsheet or reviewing the spreadsheet to ensure all subrecipients are included, management decisions are done within six months, and that appropriate and timely corrective action is being taken by the subrecipients.

EFFECT

Subrecipients spending more than $750,000 from all Federal sources may not be obtaining audits as required or implementing a corrective action plan in a timely manner if findings are noted in audits that were completed.

CONTEXT

The Department of Public Instruction disbursed Federal dollars to a total of 258 subrecipients during Fiscal Year 2018 that received $25,000 or more in Federal funds. We sampled 60 of these subrecipients which resulted in 5 errors for an error rate of 8.3%.

IDENTIFICATION AS A REPEAT FINDING

Finding 2018-041 was reported in the immediate prior year.

RECOMMENDATION

We recommend the Department of Public Instruction:

- Ensure all subrecipients obtain audits in accordance with 2 CFR 200 Subpart F if they meet the requirements,
- Issue management decisions within a timely manner, and,
- Ensure subrecipients took timely corrective action on deficiencies identified in the audits.

DEPARTMENT OF PUBLIC INSTRUCTION RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Other Noncompliance	
Finding	2020-022
Federal Program:	Title I Grants to Local Educations Agencies, Twenty-First Century Community Learning Centers, Special Education Cluster, Child Nutrition Cluster, Child and Adult Care Food Program, Supporting Effective Instruction State Grant
CFDA #:	84.010, 84.287, 84.027, 84.173, 10.553, 10.555, 10.556, 10.559, 10.558, 84.367
Federal Award Number(s) and Year(s):	S010A180034, S010A180034 - 18A, S287C180034, H027A180049, H027A180049 - 18A, H173A180094 (2018) S010A190034, S010A190034 - 19A, S287C190034, H027A190049, H027A190049 - 19A, H173A190094, S367A190033, S367A190033 - 19A (2019) 3ND300309 (2020)
Federal Agency:	U.S. Department of Education U.S. Department of Agriculture (USDA)
Compliance Requirement:	Subrecipient Monitoring
Questioned Cost:	$0

CRITERIA
31 U.S.C 7502(f)(2)(A) states that each pass-through entity shall provide subrecipients the Federal requirements which govern the use of such awards.

2 CFR 200.332 states the required information that pass-through entities must disclose. This includes information related to Federal award identification, requirements imposed by the pass-through entity on the subrecipient, any additional requirements, approved Federally recognized indirect cost rate, requirements that the subrecipient allow access to records, and appropriate terms and conditions concerning closeout of the subaward.

CONDITION
The Department of Public Instruction did not make subrecipients aware of all required grant award information for the Title I Grants to Local Education Agencies, Twenty-First Century Community Learning Centers, Special Education Cluster, Child Nutrition Cluster, Child and Adult Care Food Program, and Supporting Effective Instruction State Grant.

- Title I Errors
  - Missing information for all 40 tested grant awards:
    - Identification of whether the award is R&D,

- Whether there were are any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports,

- Appropriate terms and conditions concerning closeout of the subaward.

  - 1 out of the 40 in the sample had an incorrect DUNS number on the grant award.

- 21st Century Errors:
  - Missing information on 2 of 3 tested grant awards:
    - 1 instance of incorrect Subrecipient name (which must match the name associated with its unique entity identifier);

    - 2 instances of missing Federal Award Date of award to the recipient by the Federal agency;

- Special Ed Errors
  - Missing information for all 15 tested grant awards:
    - Federal Award Date of award to the recipient by the Federal agency

    - CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement

  - 1 out of the 15 in the sample had a DUNS number error.

- Child Nutrition Cluster and Child and Adult Care Food Program Errors:
  - Missing information for all 14 tested grant awards::
    - Federal Award Identification Number (FAIN),

    - Subaward Period of Performance Start and End Date,

    - Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient,

    - Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current obligation,

    - Total Amount of the Federal Award committed to the subrecipient by the pass-through entity,

    - Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity,

- Identification of whether the award is R&D,
- Indirect cost rate for the Federal award (including if the de minimis rate is charged),
- Whether there are any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports,
- An approved Federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient, or a de minimis indirect cost rate, and
- Appropriate terms and conditions concerning closeout of the subaward.

- Supporting Effective Instruction State Grant Errors
  - Missing information for all 11 tested grant awards:
    - Identification of whether the award is R&D,
    - Whether there are any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports, and
    - Appropriate terms and conditions concerning closeout of the subaward.

CAUSE

For the Child Nutrition Cluster and Child and Adult Care Food Program, the program agreement or NDFoods system were not updated following the prior audit finding. The individual responsible for updating the program agreement and NDFoods system indicated they were not aware that changes were to be made from the prior audit finding.

For the Title I Grants to Local Education Agencies and Supporting Effective Instruction State Grant, the consolidated application in STARS system was not updated for all required grant award information. The R & D field was missed when requesting updates to the consolidated application in STARS following the prior audit finding. Also, the program staff indicated they were not aware the consolidated application was being cut-off from view in STARS so the entire application and award information could not be seen.

For the Twenty-First Century Community Learning Centers program and the Special Education Cluster, data entry errors caused incorrect award information to be entered into the award agreement.

EFFECT

Subrecipients may not have been aware of all necessary grant information and requirements.

CONTEXT

The number of grant agreements during the time period analyzed is listed below. The time period was July 1, 2018 to June 30, 2020 for all programs listed except for programs D - F. For these programs, the number of grant agreements below are for the time period of July 1, 2019 to June 30, 2020.

A. The Title I Grants to Local Education Agencies: 274
B. The Twenty-First Century Community Learning Centers: 11
C. The Special Education Cluster program: 123
D. The Child Nutrition Cluster: 203
E. The Child and Adult Care Food Program: 104
F. The Supporting Effective Instruction State Grant: 117

IDENTIFICATION AS A REPEAT FINDING

Finding 2018-042 was reported in the immediate prior year. Finding 2016-068 was made in the previous year.

RECOMMENDATION

We recommend the Department of Public Instruction ensure that subrecipients are made aware of all required grant award information.

DEPARTMENT OF PUBLIC INSTRUCTION RESPONSE/CORRECTIVE ACTION PLAN

See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Other Noncompliance

Finding	2020-023
Federal Program:	Child Nutrition Cluster
CFDA #:	10.553, 10.555, 10.559
Federal Award Number(s) and Year(s):	3ND300309 (2018)
Federal Agency:	U.S. Department of Agriculture (USDA)
	Food and Nutrition Service
Compliance Requirement:	Period of Performance
Questioned Cost:	$32,523

CRITERIA

2 CFR 200.343(b) states unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.

2 CFR 200.309 states a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance.

CONDITION
The Department of Public Instruction made payments after the period of performance. Although the underlying obligations occurred within the period of performance, payments totaling $19,684 did not comply with the Federal period of performance requirements for the Child Nutrition Cluster. These payments were made after the 90 day payment period following the end of the applicable grant awards. There is also a payment of $12,839 which lacked documentation to determine if the underlying obligations occurred within the period of performance and did not comply with the Federal period of performance liquidation period requirements for the Child Nutrition Cluster. The projection on the known questioned costs of $32,523 is an additional $1,153 in payments made after the period of performance.

CAUSE
For 2 out of 5 items tested, the Department of Public Instruction's system, NDFoods, and PeopleSoft, the state's accounting system, did not properly communicate payment of claims. Two separate payments of the 5 items tested were in error due to untimely identification of an incorrect reimbursement rate being applied to meals which lead to a subsequent correction payment made after the period of performance. Finally, 1 additional payment separate from the errors already identified, was an error due to a lack of documentation of the transaction.

EFFECT
The Department of Public Instruction charged unallowable costs to the grant.

CONTEXT
26 of the 6,636 disbursements that were made by the Department of Public Instruction for the Child Nutrition Cluster for grants that ended during fiscal years 2019 and 2020 were paid outside of the 90 day period of performance.

IDENTIFICATION AS A REPEAT FINDING
Finding 2018-039 was reported in the immediate prior year.

RECOMMENDATION
We recommend the Department of Public Instruction ensure Child Nutrition Cluster obligations occur within the period of performance and that payments are not made after the period of performance.

DEPARTMENT OF PUBLIC INSTRUCTION RESPONSE/CORRECTIVE ACTION PLAN
See “Management’s Response and Corrective Action” section of this report.

Department of Transportation

FINDING TYPE: Significant Deficiency - Other Noncompliance	
Finding	2020-024
Federal Program:	Enhanced Mobility of Seniors and Individuals with Disabilities, Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research, Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs, State and Community Highway Safety, National Priority Safety Programs, Highway Planning and Construction, Formula Grants for Rural Areas and Tribal Transit Program
CFDA #:	20.513, 20.505, 20.526, 20.600, 20.616, 20.205, 20.509
Federal Award Number(s) and Year(s):	ND-2016-009, ND-2016-001, ND-2016-008 (2016) ND-2017-007, 2017002, ND-2017-004, ND-2017-012, ND-2017-009, ND-2017-008, 8984154 (2017) 2018004, ND-2018-008, ND-2018-006, ND-2018-007 (2018) 69A37518300004020ND0, 69A3751830000405bNDL, 69A3751830000405dNDH (2019)
Federal Agency:	U.S. Department of Transportation
	Federal Transit Administration
Compliance Requirement:	Subrecipient Monitoring
Questioned Cost:	Unknown

CRITERIA

2 CFR 200.332(f) requires a pass-through entity to verify that every subrecipient is audited as required by 2 CFR 200 Subpart F and (g) consider whether the results of the subrecipient's audits necessitate adjustments to the pass-through entity's own records and (h) consider taking enforcement action against noncompliant subrecipients.

Standards for Internal Control in the Federal Government" (Green Book) requires management assign responsibilities and perform ongoing monitoring of the design and operating effectiveness of the internal control as part of the normal course of operations. Management must also communicate policies and procedures to personnel so that personnel can implement the control activities for their assigned responsibilities and ensure corrective actions. (Green Book, para. 3.07, 12.02, 12.04, 16.05, 17.05)

CONDITION

The North Dakota Department of Transportation failed to adequately track which subrecipients required Uniform Guidance audits and review audit reports for findings within 6 months.

CAUSE
The client inadvertently failed adequately follow-up with subrecipients to determine if a Single Audit report was required and also failed to adequately review the reports that were reported for any issues related to Department grants.

EFFECT
Subrecipients spending more than $750,000 from all sources including the Department of Transportation may not be obtaining audits as required and issues related to Department of Transportation funding may be unresolved.

CONTEXT
The Department of Transportation's subrecipient audit tracking spreadsheets following state fiscal years 2018 and 2019, the Department identified 131 and 117 subrecipients, respectively, each year. The Department's tracking for fiscal year 2018 identified certifications and all further audit documentation was not received for 9 subrecipients as well as 4 additional audits which were noted to have been completed, but no review by the Department of Transportation's Audit Services was completed within 6 months. For fiscal year 2019, certifications and all further audit documentation was not received for 11 subrecipients as well as 10 additional audits which were noted to have been completed but no review by the Department of Transportation's Audit Services was completed within 6 months.

RECOMMENDATION
We recommend the Department of Transportation identify annually, based on the subrecipient's fiscal year, all subrecipients that spent $750,000 or more in Federal awards from all sources through developed certification procedures. We also recommend the Department of Transportation ensure the certification tracking method is completed, to ensure all required audits are completed within nine months of the subrecipient’s fiscal year end, management decisions are issued within six months of receiving the audit report, and timely and appropriate corrective action of all findings.

DEPARTMENT OF TRANSPORTATION RESPONSE/CORRECTIVE ACTION PLAN
See “Management’s Response and Corrective Action” section of this report.

FINDING TYPE: Significant Deficiency - Other Noncompliance	
Finding	2020-025
Federal Program:	Formula Grants for Rural Areas
CFDA #:	20.509
Federal Award Number(s) and Year(s):	ND-2018-007-00, ND-2019-008-00, ND-2020-004-00 (2018, 2019, 2020)
Federal Agency:	U.S. Department of Transportation
	Federal Transit Administration
Compliance Requirement:	Subrecipient Monitoring
Questioned Cost:	$0

CRITERIA

2 CFR 200.332 (b) states that all pass-through entities must evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

Standards for Internal Control in the Federal Government" (Green Book) requires management identify, analyze, and respond to risks related to achieving the defined objectives. (Green Book, para. 7.01)

CONDITION

The Department of Transportation is not evaluating each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining appropriate subrecipient monitoring.

CAUSE

The Department of Transportation indicated the cause was client oversight due to the fact the requirement was not included in the previous state plan. However, the Department has since developed a risk assessment tool to evaluate subrecipient's risk of noncompliance starting in 2021.

EFFECT

High-risk subrecipients may not be subjected to adequate monitoring procedures to ensure Federal funds were used for authorized purposes in compliance with Federal statutes, regulations, and the terms and conditions of the subaward.

CONTEXT

The Formula Grants for Rural Areas had 30 subrecipients in the audit period.

RECOMMENDATION

We recommend the Department of Transportation evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

DEPARTMENT OF TRANSPORTATION RESPONSE/CORRECTIVE ACTION PLAN

See "Management's Response and Corrective Action" section of this report.

FINDING TYPE: Other Noncompliance	
Finding	2020-026
Federal Program:	Formula Grants for Rural Areas
CFDA #:	20.509
Federal Award Number(s) and Year(s):	ND-2018-007-00, ND-2019-008-00, ND-2020-004-00 (2018, 2019, 2020)
Federal Agency:	U.S. Department of Transportation
	Federal Transit Administration
Compliance Requirement:	Subrecipient Monitoring
Questioned Cost:	$0

CRITERIA

2 CFR §200.332 Requirements for pass-through entities.

All pass-through entities must:

(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

(1) Federal award identification.

(i) Subrecipient name (which must match the name associated with its unique entity identifier);

(ii) Subrecipient's unique entity identifier;

(iii) Federal Award Identification Number (FAIN);

(iv) Federal Award Date (see the definition of Federal award date in §200.1 of this part) of award to the recipient by the Federal agency;

(v) Subaward Period of Performance Start and End Date;

(vi) Subaward Budget Period Start and End Date;

(vii) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;

(viii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;

(ix) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;

(x) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);

(xi) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
(xii) Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;
(xiii) Identification of whether the award is R&D; and
(xiv) Indirect cost rate for the Federal award (including if the de minimis rate is charged) per §200.414.

CONDITION
The Department of Transportation did not provide the subrecipient unique entity identifier, Federal award identification number, and Federal award date as required by 2 CFR 200.332(a) related to Federal award identification to subrecipients.

CAUSE
The previous grant agreements used for the Formula Grants for Other than Urbanized Areas program did not contain the necessary information.

EFFECT
Subrecipients may not have the required information.

CONTEXT
The Formula Grants for Rural Areas had 30 subrecipients in the audit period.

RECOMMENDATION
We recommend the Department of Transportation ensure subrecipients are provided all required information related to Federal award identification.

DEPARTMENT OF TRANSPORTATION RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

State Treasurer's Office

FINDING TYPE: Significant Deficiency - Other Noncompliance	
Finding	2020-027
Federal Program:	Flood Control Act Lands and Minerals Leasing Act
CFDA #:	15.433, 15.437
Federal Award Number(s) and Year(s):	Certification by ND SAO Mineral Royalty Audits (2018 and 2019)
Federal Agency:	U.S. Department of the Interior
Compliance Requirement:	Subrecipient Monitoring
Questioned Cost:	$0

CRITERIA

2 CFR 200.332(f) states that a pass-through entity must verify that every subrecipient is audited as required by 2 CFR 200 Subpart F.

2 CFR 200.332(d)(2) states that a pass-through entity must ensure subrecipients take timely and appropriate action on all deficiencies detected through audits pertaining to the Federal award provided to the subrecipient from the pass-through entity.

2 CFR 200.512 states that all audit reports must be completed and submitted within nine months of the end of the audit period.

2 CFR 200.521 (d) states that a pass-through entity must issue a management decision within six months of acceptance of the audit report by the Federal Audit Clearinghouse (FAC).

2 CFR 200.303 (a) states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

CONDITION

The State Treasurer's Office (STO) did not ensure that all subrecipients were audited under OMB 2 CFR 200 Subpart F as applicable.

For three of the four subrecipients tested who received a total of $18,978,662 in Federal funds from the State Treasurer's Office during Fiscal Year 2018, the STO did not ensure that the necessary audits were completed, issue management decisions within a timely manner, or ensure corrective action was taken on any deficiencies identified.

For three of the four subrecipients tested who received a total of $45,815,902 in Federal funds from the State Treasurer's Office during Fiscal Year 2019, the STO did not ensure that the necessary audits were completed, issue management decisions within a timely manner, or ensure corrective action was taken on any deficiencies identified.

CAUSE

The State Treasurer's Office does not have all the necessary monitoring procedures in place to ensure all the subrecipient audit requirements are being met. The annual certification form that the State Treasurer's Office utilizes does not have the subrecipient indicate if they spent $750,000 or more in Federal awards from all sources during their fiscal year.

EFFECT

Subrecipients spending more than $750,000 from all Federal sources including the State Treasurer's Office may not be obtaining audits as required or implementing a corrective action plan in a timely manner if findings are noted in audits that were completed.

CONTEXT

The State Treasurer's Office (STO) did not receive audits for subrecipients that received a significant amount of Federal funds from the STO. The State Treasurer's Office disbursed Federal dollars to a total of 26 subrecipients during Fiscal Year 2018 and 21 subrecipients during Fiscal Year 2019 for a total of 47 subrecipients given $86,704,892 for the two years. We sampled the audit report monitoring of 8 of these subrecipients. We found noncompliance with monitoring for 6 of the 8 subrecipients tested for an error rate of 75%. These six subrecipients that were missing audit reports had received $64,794,564 from the STO which is 75% of all dollars paid out to all subrecipients for the 2 years ($64,794,564 / $86,704,892 = 75%).

RECOMMENDATION

We recommend the State Treasurer's Office identify annually, through a certification process, all subrecipients that spent $750,000 or more in Federal awards from all sources during their fiscal year. We also recommend the State Treasurer's Office enhance their existing tracking procedures to ensure all required audits are completed within nine months of the subrecipient's fiscal year end, management decisions are issued within six months of receiving the audit report, and timely and appropriate corrective action is taken on all applicable findings.

STATE TREASURERS OFFICE RESPONSE/CORRECTIVE ACTION PLAN

See "Management's Response and Corrective Action" section of this report.

University System

FINDING TYPE: Other Noncompliance	
Finding	2020-028
Federal Program:	Higher Education Emergency Relief Fund
CFDA #:	84.425
Federal Award Number(s) and Year(s):	LRSC - P425E202511, MASU - P425E204366, NDSCS - P425E202841, WSC - P425E203267 (2020)
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Reporting
Questioned Cost:	$0

CRITERIA

Part 4 Section C of the Certification and Agreement states in part: "Recipient shall promptly comply with section 18004(e) of the CARES Act and (i) report to the Secretary thirty (30) days from the date of this certification and agreement".

A May 6th Electronic Announcement from the Office of Post Secondary Education Regarding the Higher Education Emergency Relief Funds Reporting states in part: "The Certification and Agreement directs each institution applying for HEERF funds to comply with Section 18004(e) of the CARES Act and submit an initial report (the "30-day Fund Report") to the Secretary thirty (30) days from the date of the institution's Certification and Agreement to the Department. The Department will provide instructions for providing the required information to the Secretary in the near future. In the meantime, each HEERF participating institution must post the information listed below on the institution's primary website. The Department would like to receive the most current information from the date when the institution received its allocation for emergency financial aid grants to students, and the institution should have received its allocation within a few days after submitting the Certification and Agreement. Accordingly, the following information must appear in a format and location that is easily accessible to the public 30 days after the date when the institution received its allocation under 18004(a)(1) ".

CONDITION

Lake Region State College, Mayville State University and North Dakota State College of Science did not submit their 30 day fund report to their web site within the required 30 days for the Higher Education Emergency Relief Funds. Williston State College did not complete a 30 day fund report for the Higher Education Emergency Relief Funds.

CAUSE

There was a lack of guidance regarding what information is to be reported and where to report.

EFFECT
Information was not reported in a timely matter.

CONTEXT
Lake Region State College was three days late in reporting the $29,062 that had been distributed to date. Mayville State University was nine days late in reporting the $35,500 that had been distributed to date. North Dakota State College of Science was seven days late in reporting the $351,282 that had been distributed to date. Williston State College did not report that they had not distributed any money to date.

RECOMMENDATION
We recommend that Lake Region State College, Mayville State University, North Dakota State College of Science, and Williston State College comply with the reporting requirements of the Higher Education Emergency Relief Fund.

UNIVERSITY SYSTEM RESPONSE/CORRECTIVE ACTION PLAN
See "Management's Response and Corrective Action" section of this report.

Single Audit Report

Auditee's Section

AUDITEE'S SECTION

Office of the State Auditor

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2020

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Corporation For National And Community Service						
Unclustered						
Direct Programs:						
94.003	State Commissions	60100			$ 63,903	$
94.006	AmeriCorps	60100			301,403	298,065
94.008	Commission Investment Fund	60100			52,475	
94.009	Training and Technical Assistance	60100			4,582	
Total for Unclustered					*$ 422,363*	*$ 298,065*
Foster Grandparent/Senior Companion Cluster						
Direct Programs:						
94.011	Foster Grandparent Program	32500			$ 56	$
Total for Foster Grandparent/Senior Companion Cluster					*$ 56*	*$*
Total For Corporation For National And Community Service					$ **422,419**	$ **298,065**
Department Of Commerce						
Unclustered						
Direct Programs:						
11.303	Economic Development Technical Assistance	UND			$ 105,609	$
11.549	State and Local Implementation Grant Program	11200			243,579	
Total for Unclustered					*$ 349,188*	*$*
Unclustered						
Pass Through Non-State Entity:						
11.U01	National Mesonet Program Prime Contract	NDSU	Synoptic Data Corp.	S2017-0124	$ 251,818	$
11.U02	National Mesonet Program Prime Contract	NDSU	Synoptic Data Corp.	S2020-141	41,196	
Total for Unclustered					*$ 293,014*	*$*
Economic Development Cluster						
Direct Programs:						
11.307	Economic Adjustment Assistance	BSC			$ 289,283	$
Total for Economic Development Cluster					*$ 289,283*	*$*

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2020

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Research & Development Cluster					
Direct Programs:					
11.609	Measurement and Engineering Research and Standards	NDSU		$ 328	$
Total for Research & Development Cluster				*$ 328*	*$*
Total For Department Of Commerce				$ **931,813**	$
Department Of Defense					
Unclustered					
Direct Programs:					
12.002	Procurement Technical Assistance For Business Firms	UND		$ 189,754	$
12.112	Payments to States in Lieu of Real Estate Taxes	12000		187,298	187,298
12.401	National Guard Military Operations and Maintenance (O&M) Projects	54000		33,284,145	
12.903	GenCyber Grants Program	NDSU		83,217	41,617
Nonmonetary Assistance:					
12.401	National Guard Military Operations and Maintenance (O&M) Projects	54000		$ 12,337	$
Total for Unclustered				*$ 33,756,751*	*$ 228,915*
Unclustered					
Direct Programs:					
12.U01	Archaeological Services Midipaldi Butte Garrison	70100	W9128F-16-D-0043 Task Order 0001	$ 4,693	$
12.U02	Educational Service Agreement - Air Force	UND	F33600-99-A-0080	60,872	
12.U03	Educational Service Agreement - Army	UND	W81K04-17-H-0099	192,125	
12.U04	Flight Training Program SROTC Cadets	UND	MOA UND Flight Training	183,707	
12.U05	Navy - Educational Service Agreement	UND	N00140-98-G2501	95,168	
Total for Unclustered				*$ 536,565*	*$*
Research & Development Cluster					
Direct Programs:					
12.300	Basic and Applied Scientific Research	NDSU		$ 207,603	$
12.420	Military Medical Research and Development	UND		247,735	99,592
12.431	Basic Scientific Research	NDSU		460,841	

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2020

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
12.RD	Cape Experiment 2019 (CapeEx19)	UND		N0017819C2609	765,346	83,254
12.RD	DOA-ESTCP HygroscopicCoolTower	UND		W912HQ17C0050	330,229	
Pass Through Non-State Entity:						
12.225	Commercial Technologies for Maintenance Activities Program	NDSU	PPG Industries, Inc.	2018102-140967	$ 46,396	$
12.225	Commercial Technologies for Maintenance Activities Program	NDSU	PPG Industries, Inc.	201828-140912	85,127	
12.225	Commercial Technologies for Maintenance Activities Program	NDSU	PPG Industries, Inc.	201852-140920	48,831	
12.225	Commercial Technologies for Maintenance Activities Program	NDSU	PPG Industries, Inc.	201854-140922	70,980	
12.225	Commercial Technologies for Maintenance Activities Program	NDSU	PPG Industries, Inc.	201926-140968	37,951	
12.300	Basic and Applied Scientific Research	UND	Colorado State University	G-00976-1	237,784	
12.420	Military Medical Research and Development	UND	Institute for Clinical Research	FCCC 22784-02	87,414	
12.910	Research and Technology Development	NDSU	PPG Industries, Inc.	201635-140828	36,472	4,746
12.910	Research and Technology Development	NDSU	PPG Industries, Inc.	201637-140831	2,296	
12.910	Research and Technology Development	NDSU	PPG Industries, Inc.	201853-140921	198,874	
12.RD	Electronically Tunable Materials and Devices	NDSU	University of Dayton	RSC17005	30,451	
12.RD	Electronically Tunable Materials and Devices Using Subwa	NDSU	Macaulay-Brown Inc	PO:DSC6511-01	93,349	
12.RD	Experimental Investigation of the Effect of Sweep	NDSU	Ohio Aerospace Institute	R-700-202370-41022	38,964	
12.RD	HMMWV Augmented Reality	UND	AM General, LLC	PO 4800000814	194,859	
Total for Research & Development Cluster					*$ 3,221,502*	*$ 187,592*
Total For Department Of Defense					$ **37,514,818**	$ **416,507**
Department Of Education						
Unclustered						
Direct Programs:						
84.002	Adult Education - Basic Grants to States	20100			$ 836,086	$ 561,772
84.010	Title I Grants to Local Educational Agencies	20100			37,771,962	37,299,821
84.011	Migrant Education State Grant Program	20100			594,532	412,178
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	20100			90,539	
84.031	Higher Education Institutional Aid	MASU			458,511	
84.048	Career and Technical Education -- Basic Grants to States	27000			4,932,261	2,641,551

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2020

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	32500			16,255,038	
84.144	Migrant Education Coordination Program	20100			71,829	55,286
84.161	Rehabilitation Services Client Assistance Program	32500			130,005	
84.169	Independent Living - State Grants	32500			48,026	48,026
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	32500			439,955	
84.181	Special Education-Grants for Infants and Families	32500			2,942,744	
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	32500			263,914	
84.196	Education for Homeless Children and Youth	20100			224,966	118,088
84.224	Assistive Technology	32500			224,096	
84.240	Program of Protection and Advocacy of Individual Rights	36000			177,013	
84.287	Twenty-First Century Community Learning Centers	20100			6,485,330	6,249,178
84.299	Indian Education -- Special Programs for Indian Children	UND			343,307	36,000
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	MISUB			238,885	
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	MISU			82,631	
84.358	Rural Education	20100			87,655	87,655
84.365	English Language Acquisition State Grants	20100			407,758	241,990
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	20100			9,502,655	9,465,351
84.369	Grants for State Assessments and Related Activities	20100			2,290,664	12,475
84.371	Comprehensive Literacy Development	20100			8,308,999	7,936,712
84.372	Statewide Longitudinal Data Systems	20100			1,445,603	
84.377	School Improvement Grants	20100			572,337	557,545
84.384	Statewide Data Systems, Recovery Act	20100			132,269	
84.407	Transition Programs for Students with Intellectual Disabilities into Higher Education	MISU			352,194	
84.424	Student Support and Academic Enrichment Program	20100			4,845,459	4,820,202
84.425	Education Stabilization Fund	LRSC			283,382	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
84.425	Education Stabilization Fund	20100			353,957	353,957
84.425	Education Stabilization Fund	MISUB			275,325	
84.425	Education Stabilization Fund	NDSCS			358,762	
84.425	Education Stabilization Fund	UND			5,491,551	
84.425	Education Stabilization Fund	DSU			350,628	
84.425	Education Stabilization Fund	BSC			625,581	
84.425	Education Stabilization Fund	WSC			313,541	
84.425	Education Stabilization Fund	MISU			1,020,193	
84.425	Education Stabilization Fund	NDSU			7,604,748	
84.425	Education Stabilization Fund	VCSU			433,371	
84.425	Education Stabilization Fund	MASU			43,058	
Nonmonetary Assistance:						
84.906	American Printing House for the Blind	25300	American Printing House for the Blind		$ 107,691	$
Pass Through Non-State Entity:						
84.010	Title I Grants to Local Educational Agencies	UND	Grand Forks Public School District Building Authority	N/A	$ 88,347	$
84.371	Comprehensive Literacy Development	NDSU	Fargo Public Schools	NDSRCL	1,003	
84.411	Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	NDSU	National Writing Project	14-ND02-2018iC3WP	1,423	
84.411	Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	NDSU	National Writing Project	14-ND02-2019i3C3WP	68,111	
84.418	Promoting Readiness of Minors in Supplemental Security Income	MISU	Utah State Office of Rehabilitation	146213	16,036	
Total for Unclustered					*$ 117,993,931*	*$ 70,897,787*
Research & Development Cluster						
Pass Through Non-State Entity:						
84.305	Education Research, Development and Dissemination	UND	California State University, Chico	SUB18-059	$ 55,470	$
Total for Research & Development Cluster					*$ 55,470*	*$*
Special Education Cluster (IDEA)						
Direct Programs:						
84.027	Special Education Grants to States	20100			$ 33,843,020	$ 30,377,280

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
84.173	Special Education Preschool Grants	20100			932,407	890,744
Pass Through Non-State Entity:						
84.027	Special Education Grants to States	25200	North Dakota Department of Public Instruction	N/A	$ 25,609	$
84.173	Special Education Preschool Grants	25200	North Dakota Department of Public Instruction	N/A	1,006	
Total for	*Special Education Cluster (IDEA)*				*$ 34,802,042*	*$ 31,268,024*
Student Financial Assistance Cluster						
Direct Programs:						
84.007	Federal Supplemental Educational Opportunity Grants	LRSC			$ 20,786	$
84.007	Federal Supplemental Educational Opportunity Grants	WSC			24,164	
84.007	Federal Supplemental Educational Opportunity Grants	MASU			75,009	
84.007	Federal Supplemental Educational Opportunity Grants	BSC			96,800	
84.007	Federal Supplemental Educational Opportunity Grants	DSU			147,288	
84.007	Federal Supplemental Educational Opportunity Grants	NDSU			832,638	
84.007	Federal Supplemental Educational Opportunity Grants	MISU			135,344	
84.007	Federal Supplemental Educational Opportunity Grants	VCSU			74,557	
84.007	Federal Supplemental Educational Opportunity Grants	MISUB			35,900	
84.007	Federal Supplemental Educational Opportunity Grants	NDSCS			173,428	
84.033	Federal Work-Study Program	LRSC			46,483	
84.033	Federal Work-Study Program	NDSCS			115,994	
84.033	Federal Work-Study Program	MISUB			43,842	
84.033	Federal Work-Study Program	UND			869,951	
84.033	Federal Work-Study Program	DSU			202,021	
84.033	Federal Work-Study Program	NDSU			392,583	
84.033	Federal Work-Study Program	WSC			24,344	
84.033	Federal Work-Study Program	MASU			58,044	
84.033	Federal Work-Study Program	VCSU			75,468	
84.033	Federal Work-Study Program	BSC			31,381	
84.033	Federal Work-Study Program	MISU			139,986	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
84.038	Federal Perkins Loan Program	UND			12,987,100	
84.038	Federal Perkins Loan Program	MASU			596,762	
84.038	Federal Perkins Loan Program	MISUB			232,048	
84.038	Federal Perkins Loan Program	DSU			922,847	
84.038	Federal Perkins Loan Program	MISU			2,233,221	
84.038	Federal Perkins Loan Program	BSC			201,400	
84.038	Federal Perkins Loan Program	NDSU			6,393,689	
84.038	Federal Perkins Loan Program	NDSCS			1,067,206	
84.038	Federal Perkins Loan Program	LRSC			337,741	
84.038	Federal Perkins Loan Program	VCSU			703,917	
84.038	Federal Perkins Loan Program	WSC			127,801	
84.063	Federal Pell Grant Program	MASU			1,970,895	
84.063	Federal Pell Grant Program	WSC			1,254,860	
84.063	Federal Pell Grant Program	MISU			2,899,319	
84.063	Federal Pell Grant Program	BSC			2,662,274	
84.063	Federal Pell Grant Program	NDSCS			2,998,210	
84.063	Federal Pell Grant Program	VCSU			1,375,492	
84.063	Federal Pell Grant Program	LRSC			1,301,092	
84.063	Federal Pell Grant Program	NDSU			9,807,870	
84.063	Federal Pell Grant Program	MISUB			1,180,077	
84.063	Federal Pell Grant Program	DSU			1,581,511	
84.063	Federal Pell Grant Program	UND			8,981,874	
84.268	Federal Direct Student Loans	UND			71,147,487	
84.268	Federal Direct Student Loans	NDSCS			6,904,680	
84.268	Federal Direct Student Loans	WSC			1,252,161	
84.268	Federal Direct Student Loans	LRSC			2,051,497	
84.268	Federal Direct Student Loans	BSC			6,186,959	
84.268	Federal Direct Student Loans	MASU			3,970,155	
84.268	Federal Direct Student Loans	VCSU			4,606,025	

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
84.268	Federal Direct Student Loans	MISUB			2,039,784	
84.268	Federal Direct Student Loans	NDSU			50,763,907	
84.268	Federal Direct Student Loans	MISU			8,288,466	
84.268	Federal Direct Student Loans	DSU			4,120,665	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	MASU			35,365	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UND			79,172	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	MISU			19,252	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	NDSU			15,008	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	VCSU			6,103	
Total for Student Financial Assistance Cluster					*$ 226,919,903*	*$*
TRIO Cluster						
Direct Programs:						
84.042	TRIO Student Support Services	DSU			$ 291,147	$
84.042	TRIO Student Support Services	NDSU			489,425	
84.042	TRIO Student Support Services	MISU			466,074	
84.042	TRIO Student Support Services	UND			389,633	
84.042	TRIO Student Support Services	LRSC			279,047	
84.044	TRIO Talent Search	UND			522,871	
84.047	TRIO Upward Bound	UND			353,951	
84.047	TRIO Upward Bound	NDSU			271,889	
84.066	TRIO Educational Opportunity Centers	UND			414,704	
84.217	TRIO McNair Post-Baccalaureate Achievement	UND			277,484	
Total for TRIO Cluster					*$ 3,756,225*	*$*
Total For Department Of Education					**$ 383,527,571**	**$ 102,165,811**

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Department Of Energy						
Unclustered						
Direct Programs:						
81.041	State Energy Program	60100			$ 187,483	$ 148,497
81.042	Weatherization Assistance for Low-Income Persons	60100			2,792,078	2,645,411
Total for Unclustered					*$ 2,979,561*	*$ 2,793,908*
Unclustered						
Direct Programs:						
81.U01	Direct Restitution (Supplemental Crude Oil Overcharge Refund)	60100		N/A	$ 3,872	$ 3,872
81.U02	State Heating Oil & Propane (SHOPP)	60100		DE-EI0002989	2,599	
81.U03	Stripperwell Settlement (Petroleum Violation Escrow Funds)	60100		N/A	2,239	
Total for Unclustered					*$ 8,710*	*$ 3,872*
Research & Development Cluster						
Direct Programs:						
81.049	Office of Science Financial Assistance Program	UND			$ 113,331	$
81.057	University Coal Research	UND			36,517	(1,435)
81.086	Conservation Research and Development	UND			744,440	44,726
81.087	Renewable Energy Research and Development	UND			410,690	229,494
81.089	Fossil Energy Research and Development	UND			12,557,752	1,791,391
Pass Through Non-State Entity:						
81.042	Weatherization Assistance for Low-Income Persons	UND	Nevada Department of Business and Industry	N/A	$ 42,300	$
81.042	Weatherization Assistance for Low-Income Persons	UND	Nevada Rural Housing, Inc.	N/A	6,135	
81.049	Office of Science Financial Assistance Program	UND	Envergex LLC	DE-SC0015204	97,842	
81.049	Office of Science Financial Assistance Program	UND	Mainstream Engineering Corporation	DE0522/PO# 0659069	2,566	
81.049	Office of Science Financial Assistance Program	UND	Mainstream Engineering Corporation	DE8580B	259,893	
81.049	Office of Science Financial Assistance Program	UND	Physical Sciences Inc.	SC80628-1964-46	6,453	
81.049	Office of Science Financial Assistance Program	UND	Reaction Engineering International	REI 8270-1	10,029	
81.049	Office of Science Financial Assistance Program	UND	TDA Research, Inc.	N/A	191,801	
81.087	Renewable Energy Research and Development	NDSU	University of Oklahoma	2020-42	22,273	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
81.087	Renewable Energy Research and Development	NDSU	Washington State University	136936-G004139	9,342	
81.089	Fossil Energy Research and Development	UND	Barr Engineering Company	UND-DE-FE0031756-Period 1	178,301	
81.089	Fossil Energy Research and Development	UND	Battelle Memorial Institute	PO US001-0000726698	366,881	
81.089	Fossil Energy Research and Development	UND	Gas Technology Institute	S601	60,824	
81.089	Fossil Energy Research and Development	UND	Membrane Technology and Research, Inc.	387-DOE-FE-0031632	11,212	
81.089	Fossil Energy Research and Development	UND	Minnkota Power Cooperative Inc.	PO#200336	131,722	
81.089	Fossil Energy Research and Development	UND	Pennsylvania State University	5963-UND-DOE-6825	103,015	
81.089	Fossil Energy Research and Development	UND	Pennsylvania State University	S000045-USDOE	108,340	
81.089	Fossil Energy Research and Development	UND	United Technologies Corporation	PO 2606146 - 001	72,080	
81.089	Fossil Energy Research and Development	UND	University of Alaska Fairbanks	PO 528936 / Sub 19-0014	56,250	
81.089	Fossil Energy Research and Development	UND	University of Wyoming	1004172-UND	1,649,583	
81.121	Nuclear Energy Research, Development and Demonstration	NDSU	UT-Battelle, LLC	4000179773	5,320	
81.RD	Study of Tight Oil Properties	UND	Sandia Corporation	1515304	27	
81.RD	Technical Review and Input of NETL Research - Task 4	UND	Leidos Holdings, Inc.	P010227025	440,691	
Total for	*Research & Development Cluster*				*$ 17,695,610*	*$ 2,064,176*
Total For	**Department Of Energy**				**$ 20,683,881**	**$ 4,861,956**
Department Of Health And Human Services						
Unclustered						
Direct Programs:						
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	32500			$ 183	$
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	32500			16,691	
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	32500			96,095	
93.047	Special Programs for the Aging, Title VI, Part A, Grants to Indian Tribes, Part B, Grants to Native Hawaiians	UND			217,086	
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	MISU			221,922	
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	UND			464,391	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.052	National Family Caregiver Support, Title III, Part E	32500			772,309	
93.069	Public Health Emergency Preparedness	30100			4,585,944	1,990,319
93.071	Medicare Enrollment Assistance Program	40100			5,922	
93.071	Medicare Enrollment Assistance Program	MISU			68,338	
93.072	Lifespan Respite Care Program	32500			80,806	6,370
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	20100			91,658	
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	NDSU			162,958	104,316
93.103	Food and Drug Administration Research	NDSU			29,024	
93.103	Food and Drug Administration Research	60200			100,532	
93.103	Food and Drug Administration Research	30100			71,978	
93.107	Area Health Education Centers	UND			303,657	
93.110	Maternal and Child Health Federal Consolidated Programs	30100			303,284	157,340
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	30100			200,187	17,723
93.124	Nurse Anesthetist Traineeship	UND			18,609	
93.127	Emergency Medical Services for Children	30100			20,787	
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	30100			153,363	3,000
93.136	Injury Prevention and Control Research and State and Community Based Programs	30100			408,493	205,889
93.137	Community Programs to Improve Minority Health Grant Program	30100			121,946	
93.138	Protection and Advocacy for Individuals with Mental Illness	36000			423,892	
93.150	Projects for Assistance in Transition from Homelessness (PATH)	32500			299,800	
93.155	Rural Health Research Centers	UND			134,429	
93.165	Grants to States for Loan Repayment	30100			552,923	552,923
93.178	Nursing Workforce Diversity	UND			543,573	
93.211	Telehealth Programs	UND			82,825	
93.217	Family Planning Services	30100			1,558,282	1,166,976

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.223	Development and Coordination of Rural Health Services	UND			2,313,265	385,970
93.236	Grants to States to Support Oral Health Workforce Activities	30100			307,324	31,927
93.241	State Rural Hospital Flexibility Program	UND			951,401	306,714
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	32500			1,865,474	
93.251	Early Hearing Detection and Intervention	MISU			234,847	52,350
93.267	State Grants for Protection and Advocacy Services	36000			69,356	
93.268	Immunization Cooperative Agreements	30100			1,929,519	488,024
93.270	Viral Hepatitis Prevention and Control	30100			138,395	47,795
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	30100			20,257	
93.301	Small Rural Hospital Improvement Grant Program	UND			423,194	353,628
93.305	PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF)	30100			925,080	71,219
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	MISU			150,030	
93.319	Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas	NDSU			468,391	84,137
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	30100			1,623,695	
93.324	State Health Insurance Assistance Program	40100			208,142	
93.336	Behavioral Risk Factor Surveillance System	30100			374,557	
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	30100			3,060,845	179,426
93.366	State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes	30100			582,282	180,870
93.387	National and State Tobacco Control Program	30100			3,869	
93.423	1332 State Innovation Waivers	40100			8,000	
93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	30100			1,660,563	790,633
93.434	Every Student Succeeds Act/Preschool Development Grants	20100			1,108,301	
93.498	Provider Relief Fund	UND			55,003	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.498	Provider Relief Fund	NDSU			6	
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	30100			5,375	
93.556	Promoting Safe and Stable Families	32500			629,825	184,655
93.563	Child Support Enforcement	32500			12,502,219	
93.564	Child Support Enforcement Research	32500			38,084	
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	32500			1,630,963	934,703
93.568	Low-Income Home Energy Assistance	32500			21,264,555	488,163
93.569	Community Services Block Grant	60100			3,484,460	3,337,298
93.586	State Court Improvement Program	18000			259,711	
93.590	Community-Based Child Abuse Prevention Grants	32500			275,258	71,280
93.597	Grants to States for Access and Visitation Programs	32500			108,136	
93.599	Chafee Education and Training Vouchers Program (ETV)	32500			126,661	
93.603	Adoption and Legal Guardianship Incentive Payments	32500			364,661	
93.618	Voting Access for Individuals with Disabilities-Grants for Protection and Advocacy Systems	36000			121,157	
93.630	Developmental Disabilities Basic Support and Advocacy Grants	32500			404,966	54,984
93.630	Developmental Disabilities Basic Support and Advocacy Grants	36000			492,048	
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	MISU			629,796	20,899
93.643	Children's Justice Grants to States	32500			32,751	27,702
93.645	Stephanie Tubbs Jones Child Welfare Services Program	32500			75,967	
93.658	Foster Care Title IV-E	32500			16,724,899	129,980
93.659	Adoption Assistance	32500			10,981,774	83,185
93.667	Social Services Block Grant	32500			3,689,223	
93.669	Child Abuse and Neglect State Grants	32500			4,018	
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	30100			763,696	718,623
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	32500			555,988	488,841

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.732	Mental and Behavioral Health Education and Training Grants	UND			461,666	
93.735	State Public Health Approaches for Ensuring Quitline Capacity – Funded in part by Prevention and Public Health Funds (PPHF)	30100			45,833	
93.747	Elder Abuse Prevention Interventions Program	UND			88,278	51,972
93.767	Children's Health Insurance Program	32500			21,659,063	
93.788	Opioid STR	32500			4,473,802	495,308
93.791	Money Follows the Person Rebalancing Demonstration	32500			2,026,653	215,450
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	30100			81,840	81,840
93.843	ACL Assistive Technology State Grants for Protection and Advocacy	36000			44,866	
93.859	Biomedical Research and Research Training	UND			299,655	
93.889	National Bioterrorism Hospital Preparedness Program	30100			971,776	351,364
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	UND			368,290	
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	30100			2,121,352	226,740
93.913	Grants to States for Operation of State Offices of Rural Health	UND			179,328	
93.917	HIV Care Formula Grants	30100			2,273,864	450,399
93.940	HIV Prevention Activities Health Department Based	30100			844,080	49,574
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	30100			191,988	
93.958	Block Grants for Community Mental Health Services	32500			535,765	73,037
93.959	Block Grants for Prevention and Treatment of Substance Abuse	32500			2,721,374	240,001
93.969	PPHF Geriatric Education Centers	UND			432,632	129,548
93.970	Health Professions Recruitment Program for Indians	UND			986,868	
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	30100			279,682	
93.991	Preventive Health and Health Services Block Grant	30100			442,156	239,935
93.994	Maternal and Child Health Services Block Grant to the States	30100			1,957,340	528,211
Nonmonetary Assistance:						
93.268	Immunization Cooperative Agreements	30100			$ 7,399,660	$ 7,362,059

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For the Fiscal Year Ended June 30, 2020

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Pass Through Non-State Entity:						
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	UND	University of Southern California	128952893/ PO 50879936	$ 12,255	$
93.103	Food and Drug Administration Research	30100	Association of Food and Drug Officials	G-1910-02064	755	
93.103	Food and Drug Administration Research	30100	Association of Food and Drug Officials	G-MP-1910-07946	2,992	
93.103	Food and Drug Administration Research	30100	Association of Food and Drug Officials	G-T-1809-06092	1,168	
93.103	Food and Drug Administration Research	30100	Association of Food and Drug Officials	G-T-1910-07942	2,496	
93.110	Maternal and Child Health Federal Consolidated Programs	30100	Association of State Public Health Nutritionists	5 U7NMC30388-03-00	1,946	267
93.110	Maternal and Child Health Federal Consolidated Programs	30100	Colorado School of Public Health	FY17.368.017 Amendment FY18.368.002_AMD3 PTE Project No.2-5-M6595	1,812	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	NDSU	American Society of Addiction Medicine	N/A	3,336	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	UND	Grand Forks Housing Authority	3	21,837	
93.307	Minority Health and Health Disparities Research	UND	University of Colorado Board of Regents	FY20.001.011 / 2-5M7886	26,439	
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	30100	National Association of Chronic Disease Directors	1592020	3,656	
93.424	NON-ACA/PPHF—Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	MISU	Association of University Centers on Disabilities	N/A	2,150	
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	UND	Lutheran Social Services of North Dakota	2020-CMA 3	999	
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	NDSCS	Lutheran Social Services of North Dakota	2020-RSS-5	6,942	
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	NDSCS	Lutheran Social Services of North Dakota/United Way	2019-RSS-7C	12,800	
93.648	Child Welfare Research Training or Demonstration	UND	The Research Foundation for the State University of New York	11-82905	13,042	
93.648	Child Welfare Research Training or Demonstration	UND	The Research Foundation for the State University of New York	14-86154	75,417	
93.648	Child Welfare Research Training or Demonstration	UND	The Research Foundation for the State University of New York	18-21	40,713	
93.648	Child Welfare Research Training or Demonstration	UND	The Research Foundation for the State University of New York	R1148796	92,803	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.648	Child Welfare Research Training or Demonstration	UND	The Research Foundation for the State University of New York	R1196655	323,385	
93.761	Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	NDSU	South Dakota State University	3TB507	5,683	
93.788	Opioid STR	UND	Curators of the University of Missouri	0099145 / 00070029	225,611	
93.788	Opioid STR	NDSU	Leech Lake Tribe of Ojibwe	N/A	7,360	
93.788	Opioid STR	NDSU	South Dakota State University	3TB352	60,019	
93.870	Maternal, Infant and Early Childhood Home Visiting Grant	NDSU	Prevent Child Abuse North Dakota	N/A	28,650	
93.879	Medical Library Assistance	UND	The University of Iowa	N/A	2,093	
93.884	Grants for Primary Care Training and Enhancement	UND	University of Washington	UWSC10279 / BPO 49251	24,456	
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	UND	Amachi Mentoring	1 G25RH329200100	33,410	
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	UND	City County Health District	N/A	34,805	
Total for Unclustered					*$ 157,716,715*	*$ 24,213,567*
Unclustered						
Direct Programs:						
93.U01	MQSA Inspections	30300		HHSF223201710056C	$ 58,518	$
93.U02	Medicated Feeds	60200		HHSF223201810106C	96,879	
Total for Unclustered					*$ 155,397*	*$*
Aging Cluster						
Direct Programs:						
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	32500			$ 2,219,190	$ 552,845
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	32500			4,523,194	
93.053	Nutrition Services Incentive Program	32500			800,693	
Total for Aging Cluster					*$ 7,543,077*	*$ 552,845*
CCDF Cluster						
Direct Programs:						
93.575	Child Care and Development Block Grant	32500			$ 7,985,334	$ 1,252,567

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	32500			6,433,927	
Total for CCDF Cluster					*$ 14,419,261*	*$ 1,252,567*
Head Start Cluster						
Direct Programs:						
93.600	Head Start	MASU			$ 3,131,518	$
93.600	Head Start	20100			115,132	
Nonmonetary Assistance:						
93.600	Head Start	MASU			$ 752,450	$
Total for Head Start Cluster					*$ 3,999,100*	*$*
Medicaid Cluster						
Direct Programs:						
93.775	State Medicaid Fraud Control Units	12500			$ 436,041	$
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	30100			1,667,456	
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	32500			1,046,114	
93.778	Medical Assistance Program	32500			853,543,450	29,153
Total for Medicaid Cluster					*$ 856,693,061*	*$ 29,153*
Research & Development Cluster						
Direct Programs:						
93.103	Food and Drug Administration Research	NDSU			$ 7,991	$
93.242	Mental Health Research Grants	UND			784,102	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	UND			1,856,734	953,681
93.247	Advanced Nursing Education Workforce Grant Program	NDSU			291,364	121,817
93.273	Alcohol Research Programs	UND			159,198	
93.279	Drug Abuse and Addiction Research Programs	UND			40,409	
93.393	Cancer Cause and Prevention Research	UND			2,880	
93.395	Cancer Treatment Research	UND			151,148	
93.396	Cancer Biology Research	NDSU			149,190	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.837	Cardiovascular Diseases Research	NDSU			169,288	
93.838	Lung Diseases Research	NDSU			376,061	40,499
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	UND			467,524	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	NDSU			769,068	671,529
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	UND			256,871	
93.855	Allergy and Infectious Diseases Research	UND			883,551	
93.855	Allergy and Infectious Diseases Research	NDSU			211,763	263
93.859	Biomedical Research and Research Training	NDSU			2,920,239	111,999
93.859	Biomedical Research and Research Training	UND			8,756,152	1,659,574
93.866	Aging Research	NDSU			639,489	231,258
93.866	Aging Research	UND			445,032	
Pass Through Non-State Entity:						
93.068	Chronic Diseases: Research, Control, and Prevention	UND	University of North Carolina at Chapel Hill	PO ID Y20DSL0408	$ 2,321	$
93.262	Occupational Safety and Health Program	NDSU	Colorado State University	G-61105-02	1,521	
93.262	Occupational Safety and Health Program	NDSU	University of Nebraska Medical Center	34-5420-2006-209	952	
93.262	Occupational Safety and Health Program	NDSU	University of Nebraska-Omaha	35-5420-2006-208	5,169	
93.273	Alcohol Research Programs	UND	Public Health Institute	PA-11-308	106,807	
93.273	Alcohol Research Programs	NDSU	Sanford Research North	SR-2019-205	29,316	
93.279	Drug Abuse and Addiction Research Programs	UND	Drexel University	PO U0176282	105,182	
93.279	Drug Abuse and Addiction Research Programs	UND	University of Tennessee	20-2050-UND/21-0110-UND	579	
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	NDSU	National Network of Public Health Institution	G1451-AG-0031	12,261	
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	NDSU	Prevent Child Abuse North Dakota	N/A	59,174	
93.648	Child Welfare Research Training or Demonstration	UND	University of Nebraska	24-0520-0261-006	15,119	
93.734	Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs – financed by Prevention and Public Health Funds (PPHF)	UND	National Council on Aging, Inc.	N/A	3,403	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	UND	Regents of the University of Michigan	3004429441	148,028	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	UND	Trinity College	NS065957-01	127,428	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.855	Allergy and Infectious Diseases Research	UND	University of Kentucky	3200001545-18-174	41,077	
93.855	Allergy and Infectious Diseases Research	NDSU	University of Pennsylvania	576747	12,386	
93.859	Biomedical Research and Research Training	UND	BBC Entrepreneurial Training & Consulting, LLC	ND2018	16,139	
93.859	Biomedical Research and Research Training	UND	University of Colorado Board of Regents	1554623 / PO 1000757838	26,280	
93.859	Biomedical Research and Research Training	UND	University of Nebraska	34-5250-2005-003	30	
93.859	Biomedical Research and Research Training	UND	University of Nebraska	34-5250-2005-923	2,208	
93.859	Biomedical Research and Research Training	UND	University of Nebraska	34-5250-2005-943	1,711	
93.859	Biomedical Research and Research Training	UND	University of Nebraska	34-5250-2016-101	14,993	
93.859	Biomedical Research and Research Training	NDSU	University of Nebraska Medical Center	34-5250-2016-101	17,089	
93.859	Biomedical Research and Research Training	NDSU	University of Nebraska-Omaha	34-5250-2005-743	15,068	
93.865	Child Health and Human Development Extramural Research	NDSU	University of Texas Medical Branch	20-84471-10	2,404	
93.866	Aging Research	UND	Ohio State University, The	60061309 / PO RF01490312	48,393	
93.866	Aging Research	UND	Ohio State University, The	N/A	99,215	
93.866	Aging Research	UND	West Virginia University Corporation	17-471-UND	75,426	
93.867	Vision Research	UND	Barron Associates, Inc.	536-SC01	68,962	
93.870	Maternal, Infant and Early Childhood Home Visiting Grant	NDSU	Prevent Child Abuse North Dakota	N/A	27,592	
93.945	Assistance Programs for Chronic Disease Prevention and Control	UND	Montana Department of Public Health and Human Services	14096760050	94,190	
Total for Research & Development Cluster					*$ 20,518,477*	*$ 3,790,620*
Student Financial Assistance Cluster						
Direct Programs:						
93.264	Nurse Faculty Loan Program (NFLP)	UND			$ 119,426	$
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	UND			451,096	
93.364	Nursing Student Loans	MISU			942,722	
93.364	Nursing Student Loans	NDSU			356,552	
93.364	Nursing Student Loans	DSU			272,909	
93.364	Nursing Student Loans	UND			1,492,662	
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	UND			641,276	
Total for Student Financial Assistance Cluster					*$ 4,276,643*	*$*

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
TANF Cluster					
Direct Programs:					
93.558	Temporary Assistance for Needy Families	32500		$ 27,173,414	$ 139,101
Total for TANF Cluster				*$ 27,173,414*	*$ 139,101*
Total For	**Department Of Health And Human Services**			**$ 1,092,495,145**	**$ 29,977,853**
Department Of Homeland Security					
Unclustered					
Direct Programs:					
97.008	Non-Profit Security Program	54000		$ 22,072	$ 22,072
97.012	Boating Safety Financial Assistance	72000		615,388	11,447
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	77000		125,482	
97.029	Flood Mitigation Assistance	54000		58,791	57,614
97.032	Crisis Counseling	32500		1,439	
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	54000		8,030,668	7,904,195
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	32500		138,054	
97.039	Hazard Mitigation Grant	54000		784,366	480,449
97.041	National Dam Safety Program	77000		173,689	
97.042	Emergency Management Performance Grants	54000		3,421,155	1,306,070
97.045	Cooperating Technical Partners	77000		1,778,940	
97.047	Pre-Disaster Mitigation	54000		242,431	163,433
97.067	Homeland Security Grant Program	54000		5,326,168	4,326,118
Nonmonetary Assistance:					
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	30100		$ 433,677	$
Total for Unclustered				*$ 21,152,320*	*$ 14,271,398*
Total For	**Department Of Homeland Security**			**$ 21,152,320**	**$ 14,271,398**

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Department Of Housing And Urban Development					
Unclustered					
Direct Programs:					
14.171	Manufactured Home Dispute Resolution	60100		$ 5,845	$
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	60100		5,250,053	5,032,719
14.231	Emergency Solutions Grant Program	60100		425,290	385,435
14.238	Shelter Plus Care	60100		112,082	112,082
14.239	HOME Investment Partnerships Program	60100		2,242,057	2,065,505
14.401	Fair Housing Assistance Program State and Local	40600		168,400	
Total for Unclustered				*$ 8,203,727*	*$ 7,595,741*
Total For Department Of Housing And Urban Development				$ **8,203,727**	$ **7,595,741**
Department Of Justice					
Unclustered					
Direct Programs:					
16.015	Missing Alzheimer's Disease Patient Assistance Program	MISU		$ 21,028	$
16.017	Sexual Assault Services Formula Program	30100		372,539	357,315
16.034	Coronavirus Emergency Supplemental Funding Program	12500		10,230	
16.320	Services for Trafficking Victims	12500		153,750	
16.540	Juvenile Justice and Delinquency Prevention	53000		333,231	333,231
16.543	Missing Children's Assistance	12500		330,666	
16.554	National Criminal History Improvement Program (NCHIP)	12500		159,075	
16.575	Crime Victim Assistance	53000		160,696	
16.576	Crime Victim Compensation	53000		4,606,767	4,515,908
16.585	Drug Court Discretionary Grant Program	53000		38,760	
16.588	Violence Against Women Formula Grants	30100		808,641	726,105
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	UND		23,501	
16.596	Justice System Infrastructure Program for Indian Tribes	UND		244,559	84,340
16.606	State Criminal Alien Assistance Program	53000		42,580	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
16.608	Tribal Justice Systems and Alcohol and Substance Abuse	UND			180,583	35,754
16.609	Project Safe Neighborhoods	12500			16,792	16,500
16.710	Public Safety Partnership and Community Policing Grants	12500			725,553	
16.734	Special Data Collections and Statistical Studies	12500			69,599	
16.738	Edward Byrne Memorial Justice Assistance Grant Program	12500			455,635	184,470
16.741	DNA Backlog Reduction Program	12500			294,045	
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	12500			245,468	
16.750	Support for Adam Walsh Act Implementation Grant Program	12500			82,275	
16.813	NICS Act Record Improvement Program	12500			179,485	
Pass Through Non-State Entity:						
16.029	Office on Violence Against Women Special Projects	UND	Tribal Law and Policy Institute	N/A	$ 50,530	$
16.582	Crime Victim Assistance/Discretionary Grants	UND	Fox Valley Technical College	D2019012073	54,115	
16.608	Tribal Justice Systems and Alcohol and Substance Abuse	UND	Fox Valley Technical College	D2019001020	8,737	
16.608	Tribal Justice Systems and Alcohol and Substance Abuse	UND	Fox Valley Technical College	D2019002019	39,146	
16.726	Juvenile Mentoring Program	NDSU	National 4-H Council	2018-JU-FX-0005	46,081	
16.751	Edward Byrne Memorial Competitive Grant Program	UND	Fox Valley Technical College	D2016010002	9,999	
16.815	Tribal Civil and Criminal Legal Assistance Grants, Training and Technical Assistance	UND	American Probation and Parole Association	20-A4-085-2387	49,510	
Total for Unclustered					*$ 9,813,576*	*$ 6,253,623*
Unclustered						
Direct Programs:						
16.U01	Federal Bureau of Prisons (Juvenile Inmate Housing)	53000		IGA-815-11	$ 73,598	$
Total for Unclustered					*$ 73,598*	*$*
Research & Development Cluster						
Pass Through Non-State Entity:						
16.608	Tribal Justice Systems and Alcohol and Substance Abuse	UND	National Judicial College, The	NJC-2019001	$ 20,484	$
Total for Research & Development Cluster					*$ 20,484*	*$*
Total For Department Of Justice					$ **9,907,658**	$ **6,253,623**

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Department Of Labor						
Unclustered						
Direct Programs:						
17.235	Senior Community Service Employment Program	32500			$ 430,399	$ 429,762
17.504	Consultation Agreements	BSC			522,363	
17.600	Mine Health and Safety Grants	27000			63,757	63,757
Total for Unclustered					*$ 1,016,519*	*$ 493,519*
Total For Department Of Labor					$ **1,016,519**	$ **493,519**
Department Of State						
Unclustered						
Pass Through Non-State Entity:						
19.402	Professional and Cultural Exchange Programs - International Visitor Leadership Program	MISU	Global Ties U.S.	S-ECAGD-18-CA-1018	$ 620	$
19.402	Professional and Cultural Exchange Programs - International Visitor Leadership Program	MISU	Global Ties U.S.	S-ECAGD-19-CA-0041	3,394	
Total for Unclustered					*$ 4,014*	*$*
Total For Department Of State					$ **4,014**	$
Department Of The Interior						
Unclustered						
Direct Programs:						
15.224	Cultural and Paleontological Resources Management	MISU			$ 3,900	$
15.227	Distribution of Receipts to State and Local Governments	12000			10,867	10,867
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	40800			938,464	
15.252	Abandoned Mine Land Reclamation (AMLR)	40800			2,499,307	
15.427	Federal Oil and Gas Royalty Management State and Tribal Coordination	11700			643,106	
15.433	Flood Control Act Lands	12000			36,474,215	36,474,215
15.436	Late Disbursement Interest	12000			117,084	72,972
15.437	Minerals Leasing Act	12000			56,339,379	29,512,894
15.518	Garrison Diversion Unit	72000			876,300	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
15.608	Fish and Wildlife Management Assistance	72000			64,536	
15.615	Cooperative Endangered Species Conservation Fund	72000			45,361	
15.615	Cooperative Endangered Species Conservation Fund	75000			5,856	
15.634	State Wildlife Grants	Misub			33,636	
15.634	State Wildlife Grants	72000			547,131	32,799
15.637	Migratory Bird Joint Ventures	72000			16,020	16,020
15.657	Endagered Species Recovery Implementation	72000			16,523	
15.808	U.S. Geological Survey Research and Data Collection	77000			24,398	
15.904	Historic Preservation Fund Grants-In-Aid	70100			638,078	139,290
15.916	Outdoor Recreation Acquisition, Development and Planning	75000			509,454	507,204
15.929	Save America's Treasures	70100			117	
Pass Through Non-State Entity:						
15.518	Garrison Diversion Unit	77000	Garrison Diversion Conservancy District	6-FC-60-00210	$ 13,389,624	$
15.815	National Land Remote Sensing Education Outreach and Research	UND	AmericaView	AV18-ND-01	18,738	
15.939	Heritage Partnership	NDSU	Northern Plains Heritage Foundation	P10AC00310	6	
Total for Unclustered					*$ 113,212,100*	*$ 66,766,261*
Fish and Wildlife Cluster						
Direct Programs:						
15.605	Sport Fish Restoration	72000			$ 4,427,420	$ 636,141
15.611	Wildlife Restoration and Basic Hunter Education	72000			8,441,017	434,530
15.626	Enhanced Hunter Education and Safety	72000			96,553	96,553
Pass Through Non-State Entity:						
15.605	Sport Fish Restoration	NDSU	South Dakota Department of Game, Fish and Parks	20SC06W011	$ 27,093	$
Total for Fish and Wildlife Cluster					*$ 12,992,083*	*$ 1,167,224*
Research & Development Cluster						
Direct Programs:						
15.608	Fish and Wildlife Management Assistance	NDSU			$ 477	$
15.678	Cooperative Ecosystem Studies Units	NDSU			54,077	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
15.805	Assistance to State Water Resources Research Institutes	NDSU			80,588	
15.808	U.S. Geological Survey Research and Data Collection	NDSU			83,900	
15.945	Cooperative Research and Training Programs – Resources of the National Park System	UND			10,760	
15.945	Cooperative Research and Training Programs – Resources of the National Park System	NDSU			112,078	
Total for Research & Development Cluster					*$ 341,880*	*$*
Total For Department Of The Interior					**$ 126,546,063**	**$ 67,933,485**
Department Of The Treasury						
Unclustered						
Direct Programs:						
21.019	Coronavirus Relief Fund	40500			$ 1,944	$
21.019	Coronavirus Relief Fund	67000			1,000	
21.019	Coronavirus Relief Fund	60200			267,781	267,781
21.019	Coronavirus Relief Fund	31300			199,819	
21.019	Coronavirus Relief Fund	50400			38,770	
21.019	Coronavirus Relief Fund	32500			19,379,014	
21.019	Coronavirus Relief Fund	47500			149,079	
21.019	Coronavirus Relief Fund	12700			13,760	
21.019	Coronavirus Relief Fund	BSC			186,833	
21.019	Coronavirus Relief Fund	UND			222,485	
21.019	Coronavirus Relief Fund	LRSC			98,455	
21.019	Coronavirus Relief Fund	MASU			23,197	
21.019	Coronavirus Relief Fund	MISU			54,098	
21.019	Coronavirus Relief Fund	MISUB			26,881	
21.019	Coronavirus Relief Fund	NDSCS			13,867	
21.019	Coronavirus Relief Fund	DSU			2,008	
21.019	Coronavirus Relief Fund	10100			18,083	
21.019	Coronavirus Relief Fund	VCSU			33,972	
21.019	Coronavirus Relief Fund	NDSU			7,535	
Total for Unclustered					*$ 20,738,581*	*$ 267,781*

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2020

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Total For	**Department Of The Treasury**				**$ 20,738,581**	**$ 267,781**
	Department Of Transportation					
Unclustered						
Direct Programs:						
20.200	Highway Research and Development Program	80100			$ 29,701	$
20.215	Highway Training and Education	80100			93,086	
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort	12700			17,757	
20.301	Railroad Safety	40800			6,217	
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	80100			335,214	335,214
20.509	Formula Grants for Rural Areas and Tribal Transit Program	80100			7,977,238	7,860,404
20.700	Pipeline Safety Program State Base Grant	40800			190,085	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	54000			414,254	83,098
20.721	PHMSA Pipeline Safety Program One Call Grant	40800			25,578	
Total for	*Unclustered*				*$ 9,089,130*	*$ 8,278,716*
Unclustered						
Direct Programs:						
20.U02	Accelerated Safety Activity Program	80100		DTNH22-17-H-00142	$ 17,649	$
20.U03	Air Force Junior Reserve Officer Training Corps (AFJROTC)	UND		FA3300-19-H-0013	139,697	
Pass Through Non-State Entity:						
20.U01	5010 Inspections	41200	GCR Inc.	N/A	$ 18,850	$
Total for	*Unclustered*				*$ 176,196*	*$*
Federal Motor Carrier Safety Assistance Cluster						
Direct Programs:						
20.218	Motor Carrier Safety Assistance	50400			$ 4,374,713	$
Total for	*Federal Motor Carrier Safety Assistance Cluster*				*$ 4,374,713*	*$*
Federal Transit Cluster						
Direct Programs:						
20.500	Federal Transit Capital Investment Grants	80100			$ 84,059	$ 84,059

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2020

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	80100			5,315,357	5,315,357
Total for Federal Transit Cluster					*$ 5,399,416*	*$ 5,399,416*
Highway Planning and Construction Cluster						
Direct Programs:						
20.205	Highway Planning and Construction	80100			$ 313,536,418	$ 3,236,965
20.219	Recreational Trails Program	80100			774	
20.219	Recreational Trails Program	75000			890,940	405,879
Pass Through Non-State Entity:						
20.205	Highway Planning and Construction	NDSU	Bismarck-Mandan Metropolitan Planning Organization	38151860 Bis-Man	$ 18,593	$
20.205	Highway Planning and Construction	NDSU	Fargo-Moorhead Metropolitan Council of Governments	38151860- FM COG	25,104	
20.205	Highway Planning and Construction	NDSU	Grand Forks-East Grand Forks Metropolitan Council of Governments	38151860- GF/EGF MPO	37,913	
20.205	Highway Planning and Construction	NDSU	Minnesota Department of Transportation	1003323 Work Order No. 6	80,530	
Total for Highway Planning and Construction Cluster					*$ 314,590,272*	*$ 3,642,844*
Highway Safety Cluster						
Direct Programs:						
20.600	State and Community Highway Safety	80100			$ 1,656,469	$ 334,024
20.616	National Priority Safety Programs	80100			1,823,409	475,150
Total for Highway Safety Cluster					*$ 3,479,878*	*$ 809,174*
Research & Development Cluster						
Direct Programs:						
20.232	Commercial Driver's License Program Implementation Grant	NDSU			$ 38,703	$
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	NDSU			123,485	
20.701	University Transportation Centers Program	NDSU			1,854,773	1,414,383
20.724	Pipeline Safety Research Competitive Academic Agreement Program (CAAP)	NDSU			342,098	56,943
20.RD	A18_A11L.UAS.22-Small UAS Detect and Avoid Requirements	UND		15-C-UAS-UND-011	157,951	
20.RD	A25 - Develop Risk-Based Training and Standards for Waiver Review and Insurance	UND		15-C-UAS-UND-019	13,278	

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2020

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
20.RD	A27: Establish Risk-Based Thresholds for Approvals Needed to certify UAS for Safe Operation	UND		15-C-UAS-UND-015	24,915	
20.RD	Integrating Expanded and Nonsegregated UAS Operations	UND		15-C-UAS-UND-014	50,897	10,673
20.RD	UAS Parameters, Exceedances, Recording Rates for ASIAS	UND		15-C-UAS-UND-012	69,532	
20.RD	UAS Safety Case Development, Process Improvement, and Da	UND		15-C-UAS-UND-021	3,534	
20.RD	UAS Test Data Collection and Analysis	UND		15-C-UAS-UND-010	171,348	84,750
Pass Through Non-State Entity:						
20.108	Aviation Research Grants	UND	The MITRE Corporation	119947 TaskOrder 3-130354	$ 175,534	$
20.200	Highway Research and Development Program	NDSU	The National Academies	NCHRP-219	7,332	
20.200	Highway Research and Development Program	NDSU	WSP Global Inc.	WSP #182618G	11,791	
20.701	University Transportation Centers Program	NDSU	Montana State University	G136-14-W4660	34,415	
20.701	University Transportation Centers Program	NDSU	Montana State University	G226-17-W6460	645,660	
20.724	Pipeline Safety Research Competitive Academic Agreement Program (CAAP)	NDSU	Stevens Institute of Technology	2103007-01	5,655	
20.RD	Seat Belt Use in South Dakota	NDSU	South Dakota Department of Public Safety	N/A	13,037	
20.RD	Seat Belt, Cell Phone and Ride Service Surveys to Enhance	NDSU	South Dakota Department of Public Safety	N/A	11,531	
Total for Research & Development Cluster					*$ 3,755,469*	*$ 1,566,749*
Transit Services Programs Cluster						
Direct Programs:						
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	80100			$ 520,426	$ 520,426
Total for Transit Services Programs Cluster					*$ 520,426*	*$ 520,426*
Total For Department Of Transportation					$ **341,385,500**	$ **20,217,325**
Department Of Veterans Affairs						
Unclustered						
Direct Programs:						
64.014	Veterans State Domiciliary Care	31300			$ 901,511	$
64.015	Veterans State Nursing Home Care	31300			1,726,077	
64.035	Veterans Transportation Program	32100			590,070	546,424
Total for Unclustered					*$ 3,217,658*	*$ 546,424*

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For the Fiscal Year Ended June 30, 2020

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Unclustered					
Direct Programs:					
64.U01	State Approving Agency	32100	V101 (223C) P-5745	$ 118,813	$
64.U02	VA - Residents Rotations	UND	N/A	391,822	
Total for Unclustered				*$ 510,635*	*$*
Total For Department Of Veterans Affairs				$ **3,728,293**	$ **546,424**
Elections Assistance Commission					
Unclustered					
Direct Programs:					
90.404	2018 HAVA Election Security Grants	10800		$ 458,742	$
Total for Unclustered				*$ 458,742*	*$*
Total For Elections Assistance Commission				$ **458,742**	$
Environmental Protection Agency					
Unclustered					
Direct Programs:					
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	30300		$ 143,736	$
66.040	State Clean Diesel Grant Program	30300		225,028	225,028
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	30300		197,197	2,921
66.433	State Underground Water Source Protection	40500		155,092	
66.444	Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(d))	30300		8,204	
66.454	Water Quality Management Planning	30300		91,661	20,224
66.460	Nonpoint Source Implementation Grants	30300		3,165,213	1,899,996
66.605	Performance Partnership Grants	NDSU		13,669	
66.605	Performance Partnership Grants	30300		4,290,961	40,382
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	30300		204,614	
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	NDSU		51,001	
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	60200		561,877	

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2020

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	30300			247,763	
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	30300			320,227	
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	30300			225,316	
Pass Through Non-State Entity:						
66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	NDSU	eXtension Foundation	X8-83698001	$ 18,175	$
Total for Unclustered					*$ 9,919,734*	*$ 2,188,551*
Unclustered						
Direct Programs:						
66.U01	Water Sample Collection	VCSU		W912ES-16-P-0058	$ 7,007	$
Total for Unclustered					*$ 7,007*	*$*
Drinking Water State Revolving Fund Cluster						
Direct Programs:						
66.468	Capitalization Grants for Drinking Water State Revolving Funds	30300			$ 978,588	$
Total for Drinking Water State Revolving Fund Cluster					*$ 978,588*	*$*
Research & Development Cluster						
Direct Programs:						
66.461	Regional Wetland Program Development Grants	NDSU			$ 98,198	$
66.509	Science To Achieve Results (STAR) Research Program	UND			52,664	
Total for Research & Development Cluster					*$ 150,862*	*$*
Total For Environmental Protection Agency					**$ 11,056,191**	**$ 2,188,551**
Equal Employment Opportunity Commission						
Unclustered						
Direct Programs:						
30.002	Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	40600			$ 143,040	$
Total for Unclustered					*$ 143,040*	*$*
Total For Equal Employment Opportunity Commission					**$ 143,040**	$

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Executive Office of the President						
Unclustered						
Direct Programs:						
95.001	High Intensity Drug Trafficking Areas Program	12500			$ 679,827	$ 291,742
Total for Unclustered					*$ 679,827*	*$ 291,742*
Total For Executive Office of the President					$ **679,827**	$ **291,742**
General Services Administration						
Unclustered						
Nonmonetary Assistance:						
39.003	Donation of Federal Surplus Personal Property	11000			$ 1,815,794	$
Total for Unclustered					*$ 1,815,794*	*$*
Total For General Services Administration					$ **1,815,794**	$
Institute of Museum and Library Services						
Unclustered						
Direct Programs:						
45.310	Grants to States	25000			$ 920,089	$
Total for Unclustered					*$ 920,089*	*$*
Total For Institute of Museum and Library Services					$ **920,089**	$
National Aeronautics and Space Administration						
Unclustered						
Direct Programs:						
43.008	Office of Stem Engagement (OSTEM)	UND			$ 1,187,535	$ 30,290
43.012	Space Technology	60100			1,632,092	
Total for Unclustered					*$ 2,819,627*	*$ 30,290*
Research & Development Cluster						
Direct Programs:						
43.001	Science	UND			$ 426,489	$ 5,500
Pass Through Non-State Entity:						
43.001	Science	UND	Planetary Science Institute	1345	$ 934	$

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
43.001	Science	NDSU	University of New Hampshire	15-024	19,953	
43.RD	Chip-Based ADS-B for High Density, Low Altitude UAV Operations	NDSU	University Of Washington	UWSC11328	11,756	
Total for Research & Development Cluster					*$ 459,132*	*$ 5,500*
Total For National Aeronautics and Space Administration					**$ 3,278,759**	**$ 35,790**
National Endowment for the Arts						
Unclustered						
Direct Programs:						
45.025	Promotion of the Arts Partnership Agreements	70900			$ 1,114,443	$ 928,082
Pass Through Non-State Entity:						
45.024	Promotion of the Arts Grants to Organizations and Individuals	DSU	Arts Midwest	1844334-52-C-18	$ 18,597	$
Total for Unclustered					*$ 1,133,040*	*$ 928,082*
Total For National Endowment for the Arts					**$ 1,133,040**	**$ 928,082**
National Endowment for the Humanities						
Unclustered						
Direct Programs:						
45.149	Promotion of the Humanities Division of Preservation and Access	70100			$ 23,214	$
Pass Through Non-State Entity:						
45.129	Promotion of the Humanities Federal/State Partnership	BSC	Humanities North Dakota	19508	$ 9,399	$
Total for Unclustered					*$ 32,613*	*$*
Total For National Endowment for the Humanities					**$ 32,613**	$
National Science Foundation						
Unclustered						
Direct Programs:						
47.076	Education and Human Resources	NDSCS			$ 122,296	$
47.U01	IPA - Intergovernmental Personal Act	NDSU		CNS-1650752	172,640	
Pass Through Non-State Entity:						
47.070	Computer and Information Science and Engineering	UND	University of Illinois	2015-07710-04	$ 31,765	$

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
47.076	Education and Human Resources	NDSU	Salish Kootenai College	NDSU-18-2	4,900	
Total for Unclustered					*$ 331,601*	*$*
Research & Development Cluster						
Direct Programs:						
47.041	Engineering	NDSU			$ 326,979	$ 3,139
47.041	Engineering	UND			92,233	
47.049	Mathematical and Physical Sciences	NDSU			501,737	
47.049	Mathematical and Physical Sciences	UND			265,990	
47.050	Geosciences	NDSU			84,292	
47.050	Geosciences	UND			423,912	14,850
47.070	Computer and Information Science and Engineering	NDSU			462,111	
47.070	Computer and Information Science and Engineering	UND			680,102	358,259
47.074	Biological Sciences	UND			836,682	
47.074	Biological Sciences	NDSU			881,165	
47.075	Social, Behavioral, and Economic Sciences	NDSU			84,931	
47.075	Social, Behavioral, and Economic Sciences	UND			91,272	
47.076	Education and Human Resources	NDSU			1,372,935	34,105
47.076	Education and Human Resources	WSC			80,200	
47.076	Education and Human Resources	UND			401,762	
47.079	Office of International Science and Engineering	UND			26,862	
47.083	Integrative Activities	NDSU			2,979,594	
Pass Through Non-State Entity:						
47.041	Engineering	NDSU	Syracuse University	28250-04301-S22	$ 3,130	$
47.041	Engineering	NDSU	University of Minnesota	A005007501	48,257	
47.041	Engineering	UND	University of Utah, The	10040267/58502300	50,249	
47.049	Mathematical and Physical Sciences	NDSU	California State University, Fullerton	S-5741-NDSU-02	10,882	
47.070	Computer and Information Science and Engineering	UND	University of Illinois	067846-17002	3,167	
47.070	Computer and Information Science and Engineering	UND	University of Illinois	096085-17571	1,954	
47.070	Computer and Information Science and Engineering	NDSU	University of South Alabama	A19-0025-S001	61,723	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
47.074	Biological Sciences	NDSU	Virginia Tech	480146-19953	80,406	
47.075	Social, Behavioral, and Economic Sciences	NDSU	Michigan State University	RC108528NDSU	11,403	
47.075	Social, Behavioral, and Economic Sciences	NDSU	University of Minnesota	A007306801	34,037	
47.076	Education and Human Resources	NDSU	Clemson University	1882-206-2011602	3,135	2,162
47.076	Education and Human Resources	NDSU	Missouri University of Science &Technology	0052875	4,548	
47.079	Office of International Science and Engineering	NDSU	University of South Alabama	A19-0039-S001	4,989	
47.083	Integrative Activities	NDSU	Bates College	S19-004	132,314	
Total for Research & Development Cluster					*$ 10,042,953*	*$ 412,515*
Total For National Science Foundation					**$ 10,374,554**	**$ 412,515**
Nuclear Regulatory Commission						
Unclustered						
Direct Programs:						
77.008	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	BSC			$ 16,430	$
Total for Unclustered					*$ 16,430*	*$*
Total For Nuclear Regulatory Commission					**$ 16,430**	$
Small Business Administration						
Unclustered						
Direct Programs:						
59.037	Small Business Development Centers	UND			$ 797,986	$ 107,284
59.044	Veterans Outreach Program	UND			261,948	
Total for Unclustered					*$ 1,059,934*	*$ 107,284*
Total For Small Business Administration					**$ 1,059,934**	**$ 107,284**
Social Security Administration						
Unclustered						
Direct Programs:						
96.009	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	36000			$ 149,651	$
Total for Unclustered					*$ 149,651*	*$*

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Disability Insurance/SSI Cluster						
Direct Programs:						
96.001	Social Security Disability Insurance	32500			$ 3,286,776	$
Total for Disability Insurance/SSI Cluster					*$ 3,286,776*	*$*
Total For Social Security Administration					$ **3,436,427**	$
U.S. Department Of Agriculture						
Unclustered						
Direct Programs:						
10.001	Agricultural Research Basic and Applied Research	NDSU			$ 230	$
10.025	Plant and Animal Disease, Pest Control, and Animal Care	60200			409,461	
10.025	Plant and Animal Disease, Pest Control, and Animal Care	NDSU			234,970	
10.086	Aquaculture Grants Program (AGP)	MISUB			31	
10.153	Market News	60200			10,500	
10.162	Inspection Grading and Standardization	60200			1,033	
10.163	Market Protection and Promotion	60200			10,800	
10.168	Farmers Market Promotion Program	MISUB			95,378	
10.170	Specialty Crop Block Grant Program - Farm Bill	60200			2,456,214	452,533
10.171	Organic Certification Cost Share Programs	60200			105,000	99,359
10.178	Trade Mitigation Program Eligible Recipient Agency Operational Funds	20100			108,949	
10.310	Agriculture and Food Research Initiative (AFRI)	BSC			12,599	
10.310	Agriculture and Food Research Initiative (AFRI)	MISUB			1,702	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU			28,337	
10.326	Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	DSU			4,000	
10.329	Crop Protection and Pest Management Competitive Grants Program	NDSU			180,581	
10.351	Rural Business Development Grant	MISU			21,000	
10.351	Rural Business Development Grant	BSC			69,546	
10.435	State Mediation Grants	60200			62,850	
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	60200			476,144	

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10.477	Meat, Poultry, and Egg Products Inspection	60200			94,246	
10.500	Cooperative Extension Service	NDSU			93,249	
10.534	CACFP Meal Service Training Grants	20100			33,447	12,470
10.541	Child Nutrition-Technology Innovation Grant	20100			18,175	
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	30100			9,919,296	3,464,202
10.558	Child and Adult Care Food Program	20100			8,725,329	8,304,413
10.560	State Administrative Expenses for Child Nutrition	20100			1,751,277	583,562
10.567	Food Distribution Program on Indian Reservations	20100			1,444,808	908,893
10.578	WIC Grants To States (WGS)	30100			863,913	11,699
10.579	Child Nutrition Discretionary Grants Limited Availability	20100			49,767	48,429
10.582	Fresh Fruit and Vegetable Program	20100			1,852,421	1,748,182
10.664	Cooperative Forestry Assistance	NDSU			1,380,372	409,297
10.680	Forest Health Protection	60200			59,586	53,750
10.691	Good Neighbor Authority	NDSU			71,749	
10.697	State & Private Forestry Hazardous Fuel Reduction Program	NDSU			263,696	
10.773	Rural Business Opportunity Grants	MISUB			31,194	
10.855	Distance Learning and Telemedicine Loans and Grants	BSC			247,496	
10.902	Soil and Water Conservation	NDSU			115,881	
10.902	Soil and Water Conservation	MISUB			37,504	
10.912	Environmental Quality Incentives Program	60200			95,174	47,283
10.950	Agricultural Statistics Reports	NDSU			20,000	
Nonmonetary Assistance:						
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	60200			$ 6,194	$
10.567	Food Distribution Program on Indian Reservations	20100			4,337,764	4,337,764
Pass Through Non-State Entity:						
10.215	Sustainable Agriculture Research and Education	NDSCS	Northcentral Technical College	201910-08-02	$ 7,334	$
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H004991239	5,575	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H005722933	18,814	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H006607438	59,993	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H007179302	37,659	
10.303	Integrated Programs	NDSU	South Dakota State University	3TB373	6,601	
10.304	Homeland Security Agricultural	NDSU	Kansas State University	S17046	26,977	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	North Carolina State University	2015-0097-12	24,111	
10.328	National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	NDSU	Iowa State University	4163031F	1,316	
10.329	Crop Protection and Pest Management Competitive Grants Program	NDSU	Michigan State University	RC108974F	16,359	
10.500	Cooperative Extension Service	NDSU	Auburn University	18-CHS-205205-NDSU	54,650	16,956
10.500	Cooperative Extension Service	NDSU	Auburn University	20HDFS-205212-NDSU	39,243	15,497
10.500	Cooperative Extension Service	NDSU	Kansas State University	A00-0983-S046	12,483	
10.500	Cooperative Extension Service	NDSU	Kansas State University	S19103	14,180	
10.500	Cooperative Extension Service	NDSU	South Dakota State University	3TB319	25,049	
10.500	Cooperative Extension Service	NDSU	South Dakota State University	3TG521	35,375	
10.500	Cooperative Extension Service	NDSU	South Dakota State University	N/A	22,591	
10.511	Smith-Lever Funding (Various Programs)	NDSU	University of Minnesota	CPS # 0001810051	343,341	
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	NDSU	Iowa State University	021546F	3,720	
10.912	Environmental Quality Incentives Program	NDSU	University of Wisconsin Madison	PO#0000000134	10,556	
Total for Unclustered					*$ 36,567,790*	*$ 20,514,289*
Unclustered						
Direct Programs:						
10.U01	Curation of Artifacts	70100		18-CS-11011800-21 & 18-PA-11011800-21	$ 4,116	$
Total for Unclustered					*$ 4,116*	*$*
Child Nutrition Cluster						
Direct Programs:						
10.553	School Breakfast Program	20100			$ 4,929,984	$ 4,881,045
10.555	National School Lunch Program	20100			17,389,334	17,308,478
10.556	Special Milk Program for Children	20100			23,401	23,401

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2020

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
10.559	Summer Food Service Program for Children	20100			12,392,777	12,300,613
Nonmonetary Assistance:						
10.555	National School Lunch Program	20100			$ 5,431,933	$ 5,431,933
10.559	Summer Food Service Program for Children	20100			6,400	6,400
Pass Through Non-State Entity:						
10.555	National School Lunch Program	25200	North Dakota Department of Public Instruction	N/A	$ 7,399	$
Total for Child Nutrition Cluster					*$ 40,181,228*	*$ 39,951,870*
Food Distribution Cluster						
Direct Programs:						
10.565	Commodity Supplemental Food Program	20100			$ 112,292	$ 57,581
10.568	Emergency Food Assistance Program (Administrative Costs)	20100			208,891	105,559
Nonmonetary Assistance:						
10.565	Commodity Supplemental Food Program	20100			$ 445,940	$ 445,940
10.569	Emergency Food Assistance Program (Food Commodities)	20100			3,652,213	3,652,213
Total for Food Distribution Cluster					*$ 4,419,336*	*$ 4,261,293*
Forest Service Schools and Roads Cluster						
Direct Programs:						
10.665	Schools and Roads - Grants to States	12000			$ 365	$ 365
10.U02	USDA Forest Service Cost Share Challenge	VCSU		16-CS-11011800-016	19,614	
10.U03	USDA Forest Service Cost Share Challenge	VCSU		17-CS-11011800-017	2,805	
Total for Forest Service Schools and Roads Cluster					*$ 22,784*	*$ 365*
Research & Development Cluster						
Direct Programs:						
10.001	Agricultural Research Basic and Applied Research	NDSU			$ 3,340,980	$
10.001	Agricultural Research Basic and Applied Research	UND			1,785,117	
10.025	Plant and Animal Disease, Pest Control, and Animal Care	NDSU			60,006	
10.028	Wildlife Services	NDSU			94,299	
10.167	Transportation Services	NDSU			100,872	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU			255,769	28,983

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
10.202	Cooperative Forestry Research	NDSU			161,104	
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	NDSU			2,412,520	
10.207	Animal Health and Disease Research	NDSU			38,455	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU			1,401,751	247,494
10.310	Agriculture and Food Research Initiative (AFRI)	UND			96,576	
10.330	Alfalfa and Forage Research Program	NDSU			30,670	13,803
10.500	Cooperative Extension Service	NDSU			3,134,080	
10.664	Cooperative Forestry Assistance	UND			3,072	
10.664	Cooperative Forestry Assistance	NDSU			90,465	
10.912	Environmental Quality Incentives Program	NDSU			210,793	74,543
10.924	Conservation Stewardship Program	NDSU			13,328	
10.932	Regional Conservation Partnership Program	UND			14,844	
10.RD	Acquisition of Goods and Services	NDSU		58-3060-9-029	62,285	
10.RD	Incorporating a Climate-based Adaptation Approach	NDSU		17-JV-11272138-022	7,034	
Pass Through Non-State Entity:						
10.001	Agricultural Research Basic and Applied Research	NDSU	University of Nebraska-Lincoln	25-6235-0275-002	$ 1,500	$
10.025	Plant and Animal Disease, Pest Control, and Animal Care	NDSU	Colorado State University	G-92892-01	25,424	
10.163	Market Protection and Promotion	NDSU	American Sheep Industry Association	N/A	3,025	
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	National Sunflower Association	18-250	77,022	
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	National Sunflower Association	19-422	2,124	
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	University of Minnesota	H007080501	19,914	
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	USA Dry Pea & Lentil Council	N/A	18,212	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	PO 388158	37,090	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	PO513439	9,515	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	RC106511C	78,421	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	RC110838NDSU	4,237	
10.215	Sustainable Agriculture Research and Education	NDSU	South Dakota State University	3TB473	2,159	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H005722909	47,928	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H007179324	38,983	

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H007179351	4,989	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H007813915	23,105	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H007813918	5,304	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H007813925	66,551	
10.227	1994 Institutions Research Program	NDSU	United Tribes Technical College	N/A	22,814	
10.303	Integrated Programs	NDSU	Michigan State University	RC108938NDSU	13,519	4,390
10.303	Integrated Programs	NDSU	University of Wisconsin Madison	855K326	1,632	
10.307	Organic Agriculture Research and Extension Initiative	NDSU	Montana State University	G193-19-W7408	15,864	
10.309	Specialty Crop Research Initiative	NDSU	Colorado State University	G-01363-02	22,505	
10.309	Specialty Crop Research Initiative	NDSU	Cornell University	73999-10419	23,127	
10.309	Specialty Crop Research Initiative	NDSU	Montana State University	G102-20-W7553	189,182	
10.309	Specialty Crop Research Initiative	NDSU	University of Minnesota	H007082504	261,273	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Kansas State University	S19134	27,816	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Purdue University	F9002711902004	87,095	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	South Dakota State University	3TB455	14,650	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	South Dakota State University	3TB821	3,682	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	University of Connecticut	174365	2,857	
10.320	Sun Grant Program	NDSU	South Dakota State University	3TK640	395	
10.326	Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	NDSU	University of Wisconsin - River Falls	2018-1004	29,966	
10.329	Crop Protection and Pest Management Competitive Grants Program	NDSU	Michigan State University	RC108974G	24,476	
10.902	Soil and Water Conservation	NDSU	Red River Basin Commission	N/A	3,887	
10.903	Soil Survey	NDSU	Purdue University	8000083094-AG	2,399	
10.924	Conservation Stewardship Program	NDSU	Turtle Mountain Community College	NR186633XXXXG006	13,234	
Total for Research & Development Cluster					*$ 14,539,896*	*$ 369,213*
SNAP Cluster						
Direct Programs:						
10.551	Supplemental Nutrition Assistance Program	32500			$ 81,346,749	$
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	32500			13,162,856	269,801
Total for SNAP Cluster					*$ 94,509,605*	*$ 269,801*

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For the Fiscal Year Ended June 30, 2020

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Total For	**U.S. Department Of Agriculture**				**$ 190,244,755**	**$ 65,366,831**
	United States Agency For International Development					
	Research & Development Cluster					
	Pass Through Non-State Entity:					
98.001	USAID Foreign Assistance for Programs Overseas	NDSU	Michigan State University	RC108887 - NDSU	$ 35,514	$ 22,720
98.001	USAID Foreign Assistance for Programs Overseas	NDSU	Pennsylvania State University	4932-NDSU-AID-0077	123	
98.001	USAID Foreign Assistance for Programs Overseas	NDSU	The National Academies	200008308	86,500	
Total for	*Research & Development Cluster*				*$ 122,137*	*$ 22,720*
Total For	**United States Agency For International Development**				**$ 122,137**	**$ 22,720**
TOTAL EXPENDITURES OF FEDERAL AWARDS					**$ 2,293,030,654**	**$ 324,653,003**

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Corporation For National And Community Service						
Unclustered						
Direct Programs:						
94.003	State Commissions	60100			$ 55,160	$
94.006	AmeriCorps	60100			274,645	274,145
94.009	Training and Technical Assistance	60100			50,196	
Total for Unclustered					*$ 380,001*	*$ 274,145*
Foster Grandparent/Senior Companion Cluster						
Direct Programs:						
94.011	Foster Grandparent Program	32500			$ 9,047	$
Total for Foster Grandparent/Senior Companion Cluster					*$ 9,047*	*$*
Total For Corporation For National And Community Service					$ **389,048**	$ **274,145**
Department Of Commerce						
Unclustered						
Direct Programs:						
11.303	Economic Development Technical Assistance	UND			$ 43,807	$
11.549	State and Local Implementation Grant Program	11200			38,379	
Total for Unclustered					*$ 82,186*	*$*
Unclustered						
Pass Through Non-State Entity:						
11.U01	National Mesonet Program Prime Contract	NDSU	Synoptic Data Corp.	S2017-0124	$ 320,139	$
Total for Unclustered					*$ 320,139*	*$*
Research & Development Cluster						
Direct Programs:						
11.609	Measurement and Engineering Research and Standards	NDSU			$ 14,444	$
Total for Research & Development Cluster					*$ 14,444*	*$*
Total For Department Of Commerce					$ **416,769**	$

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Department Of Defense						
Unclustered						
Direct Programs:						
12.002	Procurement Technical Assistance For Business Firms	UND			$ 127,338	$
12.112	Payments to States in Lieu of Real Estate Taxes	12000			107,348	107,348
12.401	National Guard Military Operations and Maintenance (O&M) Projects	54000			18,933,774	
12.750	Uniformed Services University Medical Research Projects	NDSU			109,796	100,761
12.903	GenCyber Grants Program	NDSU			15,099	
Nonmonetary Assistance:						
12.401	National Guard Military Operations and Maintenance (O&M) Projects	54000			$ 227,189	$
Pass Through Non-State Entity:						
12.903	GenCyber Grants Program	NDSU	Dakota State University	DSU-NDSU-1802	$ 26,142	$
Total for Unclustered					*$ 19,546,686*	*$ 208,109*
Unclustered						
Direct Programs:						
12.U01	Archaeological Services Midipaldi Butte Garrison	70100		W9128F-16-D-0043 Task Order 0001	$ 7,048	$
12.U02	Educational Service Agreement - Air Force	UND		F33600-99-A-0080	29,546	
12.U03	Educational Service Agreement - Army	UND		W81K04-17-H-0099	186,497	
12.U04	Flight Training Program SROTC Cadets	UND		MOA UND Flight Training	64,809	
12.U05	Navy - Educational Service Agreement	UND		N00140-98-G2501	123,818	
12.U06	Processing of Collection from 32DU16	70100		W9128F-06-M-T026	3,309	
Total for Unclustered					*$ 415,027*	*$*
Research & Development Cluster						
Direct Programs:						
12.300	Basic and Applied Scientific Research	NDSU			$ 294,867	$
12.420	Military Medical Research and Development	UND			332,997	137,962
12.431	Basic Scientific Research	NDSU			201,417	
12.RD	Hygroscopic Cooling Tower for Reduced HVAC Water Consumption	UND		W912HQ17C0050	271,063	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Pass Through Non-State Entity:						
12.300	Basic and Applied Scientific Research	UND	Colorado State University	G-00976-1	$ 84,711	$
12.420	Military Medical Research and Development	UND	Institute for Clinical Research	FCCC 22784-02	32,272	
12.910	Research and Technology Development	NDSU	PPG Industries, Inc.	201635-140828	95,895	37,673
12.910	Research and Technology Development	NDSU	PPG Industries, Inc.	201636-140830	158,555	
12.910	Research and Technology Development	NDSU	PPG Industries, Inc.	201637-140831	155,896	
12.910	Research and Technology Development	NDSU	PPG Industries, Inc.	201853-140921	26,806	
12.910	Research and Technology Development	NDSU	PPG Industries, Inc.	N/A	4,862	
12.RD	Commodity Values for the Great Lakes, Mississippi-Ohio	NDSU	Gulf Engineering and Consultants	W9123717F0095	20,799	
12.RD	Electronically Tunable Materials and Devices	NDSU	University of Dayton	RSC17005	143,840	
12.RD	Experimental Investigation of the Effect of Sweep	NDSU	Ohio Aerospace Institute	R-700-202370-41022	27,408	
12.RD	Exploration of Novel Biobased Chemicals in Coatings Syst	NDSU	Zymergen, Inc.	HR0011-15-9-0014	110,218	
12.RD	WPSON-15-02 Standardized Test Methodologies	NDSU	Boeing Commercial Airplane	1133183	69,902	
Total for Research & Development Cluster					*$ 2,031,508*	*$ 175,635*
Total For Department Of Defense					$ **21,993,221**	$ **383,744**
Department Of Education						
Unclustered						
Direct Programs:						
84.002	Adult Education - Basic Grants to States	20100			$ 1,116,244	$ 689,358
84.010	Title I Grants to Local Educational Agencies	20100			35,410,788	34,927,365
84.011	Migrant Education State Grant Program	20100			512,959	360,157
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	20100			140,199	
84.031	Higher Education Institutional Aid	MASU			181,433	
84.048	Career and Technical Education -- Basic Grants to States	27000			4,749,181	2,565,473
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	32500			10,317,268	
84.144	Migrant Education Coordination Program	20100			123,928	113,000
84.161	Rehabilitation Services Client Assistance Program	32500			128,535	
84.169	Independent Living - State Grants	32500			397,756	397,756

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	32500			229,092	
84.181	Special Education-Grants for Infants and Families	32500			2,311,700	
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	32500			381,772	
84.196	Education for Homeless Children and Youth	20100			195,200	97,250
84.224	Assistive Technology	32500			321,534	
84.240	Program of Protection and Advocacy of Individual Rights	36000			173,556	
84.287	Twenty-First Century Community Learning Centers	20100			6,889,983	6,591,202
84.299	Indian Education -- Special Programs for Indian Children	UND			58,856	
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	MISUB			237,828	
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	MISU			54,072	
84.358	Rural Education	20100			60,646	54,830
84.365	English Language Acquisition State Grants	20100			568,156	422,090
84.366	Mathematics and Science Partnerships	20100			346,547	
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	20100			10,006,186	9,925,283
84.369	Grants for State Assessments and Related Activities	20100			3,886,923	110
84.371	Comprehensive Literacy Development	20100			4,554,718	4,304,441
84.372	Statewide Longitudinal Data Systems	20100			1,307,424	
84.377	School Improvement Grants	20100			870,114	849,728
84.384	Statewide Data Systems, Recovery Act	20100			128,565	
84.407	Transition Programs for Students with Intellectual Disabilities into Higher Education	MISU			402,661	
84.424	Student Support and Academic Enrichment Program	20100			3,404,854	3,395,712
Pass Through Non-State Entity:						
84.004	Civil Rights Training and Advisory Services (also known as Equity Assistance Centers)	UND	Indiana University Board of Trustees	N/A	$ 18,511	$
84.010	Title I Grants to Local Educational Agencies	UND	Grand Forks Public School District Building Authority	N/A	65,844	
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	NDSU	National Writing Project	14-ND02-SEED2017-ILI	189	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
84.368	Competitive Grants for State Assessments (formerly Grants for Enhanced Assessment Instruments)	20100	North Carolina State Board of Education	NC10268347	48,432	
84.371	Comprehensive Literacy Development	NDSU	Fargo Public Schools	NDSRCL	1,039	
84.411	Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	NDSU	National Writing Project	14-ND02-2018iC3WP	62,685	
84.411	Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	NDSU	National Writing Project	14-ND02-2019i3C3WP	367	
84.418	Promoting Readiness of Minors in Supplemental Security Income	MISU	Utah State Office of Rehabilitation	146213	326,394	16,215
84.906	American Printing House for the Blind	25300	American Printing House for the Blind	20 U.S.C. 101	104,350	
Total for Unclustered					*$ 90,096,489*	*$ 64,709,970*
Research & Development Cluster						
Pass Through Non-State Entity:						
84.305	Education Research, Development and Dissemination	UND	California State University, Chico	SUB18-059	$ 50,373	$
Total for Research & Development Cluster					*$ 50,373*	*$*
Special Education Cluster (IDEA)						
Direct Programs:						
84.027	Special Education Grants to States	20100			$ 31,597,382	$ 28,865,451
84.173	Special Education Preschool Grants	20100			725,613	681,985
Total for Special Education Cluster (IDEA)					*$ 32,322,995*	*$ 29,547,436*
Student Financial Assistance Cluster						
Direct Programs:						
84.007	Federal Supplemental Educational Opportunity Grants	MASU			$ 58,350	$
84.007	Federal Supplemental Educational Opportunity Grants	VCSU			82,272	
84.007	Federal Supplemental Educational Opportunity Grants	MISUB			44,100	
84.007	Federal Supplemental Educational Opportunity Grants	MISU			141,620	
84.007	Federal Supplemental Educational Opportunity Grants	NDSCS			187,392	
84.007	Federal Supplemental Educational Opportunity Grants	NDSU			783,298	
84.007	Federal Supplemental Educational Opportunity Grants	DSU			148,492	
84.007	Federal Supplemental Educational Opportunity Grants	WSC			21,300	
84.007	Federal Supplemental Educational Opportunity Grants	LRSC			29,850	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
84.007	Federal Supplemental Educational Opportunity Grants	BSC			95,900	
84.007	Federal Supplemental Educational Opportunity Grants	UND			850,790	
84.033	Federal Work-Study Program	UND			948,557	
84.033	Federal Work-Study Program	MISUB			29,249	
84.033	Federal Work-Study Program	VCSU			70,765	
84.033	Federal Work-Study Program	NDSCS			123,013	
84.033	Federal Work-Study Program	MISU			140,317	
84.033	Federal Work-Study Program	BSC			25,491	
84.033	Federal Work-Study Program	NDSU			414,808	
84.033	Federal Work-Study Program	DSU			156,130	
84.033	Federal Work-Study Program	WSC			14,569	
84.033	Federal Work-Study Program	MASU			103,715	
84.033	Federal Work-Study Program	LRSC			32,663	
84.038	Federal Perkins Loan Program	NDSCS			1,277,400	
84.038	Federal Perkins Loan Program	WSC			164,078	
84.038	Federal Perkins Loan Program	BSC			261,288	
84.038	Federal Perkins Loan Program	UND			15,762,718	
84.038	Federal Perkins Loan Program	MISUB			273,629	
84.038	Federal Perkins Loan Program	NDSU			7,606,616	
84.038	Federal Perkins Loan Program	DSU			1,111,553	
84.038	Federal Perkins Loan Program	LRSC			419,445	
84.038	Federal Perkins Loan Program	MISU			2,597,467	
84.038	Federal Perkins Loan Program	VCSU			849,337	
84.038	Federal Perkins Loan Program	MASU			725,502	
84.063	Federal Pell Grant Program	BSC			2,612,857	
84.063	Federal Pell Grant Program	WSC			1,295,774	
84.063	Federal Pell Grant Program	UND			8,473,847	
84.063	Federal Pell Grant Program	LRSC			1,289,790	
84.063	Federal Pell Grant Program	MASU			1,473,152	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
84.063	Federal Pell Grant Program	NDSU			10,482,023	
84.063	Federal Pell Grant Program	DSU			1,432,089	
84.063	Federal Pell Grant Program	MISU			2,891,197	
84.063	Federal Pell Grant Program	NDSCS			3,167,002	
84.063	Federal Pell Grant Program	MISUB			1,134,058	
84.063	Federal Pell Grant Program	VCSU			1,349,528	
84.268	Federal Direct Student Loans	WSC			1,379,274	
84.268	Federal Direct Student Loans	NDSU			53,594,415	
84.268	Federal Direct Student Loans	MISU			8,537,684	
84.268	Federal Direct Student Loans	MASU			4,135,974	
84.268	Federal Direct Student Loans	NDSCS			6,978,797	
84.268	Federal Direct Student Loans	VCSU			4,231,702	
84.268	Federal Direct Student Loans	UND			67,415,059	
84.268	Federal Direct Student Loans	MISUB			2,202,724	
84.268	Federal Direct Student Loans	LRSC			2,224,875	
84.268	Federal Direct Student Loans	DSU			4,008,444	
84.268	Federal Direct Student Loans	BSC			6,563,964	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	DSU			7,488	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	MISU			9,813	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UND			65,696	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	MASU			51,622	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	NDSU			3,744	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	VCSU			4,690	
Total for Student Financial Assistance Cluster					*$ 232,568,956*	*$*

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
TRIO Cluster					
Direct Programs:					
84.042	TRIO Student Support Services	LRSC		$ 271,741	$
84.042	TRIO Student Support Services	DSU		301,481	
84.042	TRIO Student Support Services	UND		351,983	
84.042	TRIO Student Support Services	MISU		469,421	
84.042	TRIO Student Support Services	NDSU		466,112	
84.044	TRIO Talent Search	UND		469,501	
84.047	TRIO Upward Bound	NDSU		314,993	
84.047	TRIO Upward Bound	UND		493,396	
84.066	TRIO Educational Opportunity Centers	UND		384,374	
84.217	TRIO McNair Post-Baccalaureate Achievement	UND		255,619	
Total for TRIO Cluster				*$ 3,778,621*	*$*
Total For Department Of Education				$ **358,817,434**	$ **94,257,406**
Department Of Energy					
Unclustered					
Direct Programs:					
81.041	State Energy Program	60100		$ 395,491	$ 178,719
81.042	Weatherization Assistance for Low-Income Persons	60100		2,750,499	2,602,728
81.U01	Direct Restitution (Supplemental Crude Oil Overcharge Refund)	60100	N/A	28,275	28,275
81.U02	State Heating Oil & Propane (SHOPP)	60100	DE-EI0002989	2,013	
81.U03	Stripperwell Settlement (Petroleum Violation Escrow Funds)	60100	N/A	3,924	
Total for Unclustered				*$ 3,180,202*	*$ 2,809,722*
Research & Development Cluster					
Direct Programs:					
81.049	Office of Science Financial Assistance Program	NDSU		$ 247,428	$
81.049	Office of Science Financial Assistance Program	UND		20,349	
81.057	University Coal Research	UND		76,583	40,694
81.086	Conservation Research and Development	UND		768,818	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
81.087	Renewable Energy Research and Development	UND			210,395	5,281
81.089	Fossil Energy Research and Development	UND			23,986,617	4,798,692
81.RD	Creation of an Adaptive Remaining Lifetime Prediction	NDSU		XFC-7-62303-01	20,601	
Pass Through Non-State Entity:						
81.042	Weatherization Assistance for Low-Income Persons	UND	Nevada Department of Business and Industry	N/A	$ 29,178	$
81.049	Office of Science Financial Assistance Program	UND	Envergex LLC	DE-SC0013832	2,444	
81.049	Office of Science Financial Assistance Program	UND	Envergex LLC	DE-SC0015204	235,664	
81.049	Office of Science Financial Assistance Program	UND	Envergex LLC	DE-SC0018523	74,457	
81.049	Office of Science Financial Assistance Program	UND	Mainstream Engineering Corporation	DE8580	48,561	
81.049	Office of Science Financial Assistance Program	UND	Physical Sciences Inc.	SC80628-1964-46	53,623	
81.049	Office of Science Financial Assistance Program	UND	Reaction Engineering International	REI 8270-1	4,971	
81.049	Office of Science Financial Assistance Program	UND	TDA Research, Inc.	N/A	39,485	
81.089	Fossil Energy Research and Development	UND	Battelle Memorial Institute	PO US001-0000726698	201,198	
81.089	Fossil Energy Research and Development	UND	Gas Technology Institute	S601	217,805	
81.089	Fossil Energy Research and Development	UND	Microbeam Technologies Incorporated	Microbeam Project 1537	18,994	
81.089	Fossil Energy Research and Development	UND	Pennsylvania State University	5963-UND-DOE-6825	11,062	
81.089	Fossil Energy Research and Development	UND	United Technologies Corporation	PO 2606146 - 001	26,186	
81.089	Fossil Energy Research and Development	UND	University of Alaska Fairbanks	P0528936	32,848	
81.089	Fossil Energy Research and Development	UND	University of Wyoming	1003489A-EERC	61,202	
81.089	Fossil Energy Research and Development	UND	University of Wyoming	1004172	307,330	
81.RD	Study of Tight Oil Properties	UND	Sandia National Laboratories	1515304	3,044	
81.RD	Technical Review and Input of NETL Research - Task 4	UND	Leidos Holdings, Inc.	PO10227025	9,443	
Total for Research & Development Cluster					*$ 26,708,286*	*$ 4,844,667*
Total For Department Of Energy					$ **29,888,488**	$ **7,654,389**
Department Of Health And Human Services						
Unclustered						
Direct Programs:						
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	32500			$ 68,229	$

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	32500			75,364	
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	32500			97,654	
93.047	Special Programs for the Aging, Title VI, Part A, Grants to Indian Tribes, Part B, Grants to Native Hawaiians	UND			267,153	
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	MISU			237,556	
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	UND			306,674	
93.052	National Family Caregiver Support, Title III, Part E	32500			661,551	
93.069	Public Health Emergency Preparedness	30100			4,703,912	1,895,027
93.071	Medicare Enrollment Assistance Program	MISU			70,393	
93.071	Medicare Enrollment Assistance Program	40100			28,936	
93.072	Lifespan Respite Care Program	32500			34,105	
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	20100			95,139	
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	NDSU			239,097	160,807
93.103	Food and Drug Administration Research	60200			30,742	
93.103	Food and Drug Administration Research	NDSU			48,288	
93.103	Food and Drug Administration Research	30100			80,792	
93.107	Area Health Education Centers	UND			121,680	
93.110	Maternal and Child Health Federal Consolidated Programs	30100			180,873	57,316
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	30100			173,123	
93.124	Nurse Anesthetist Traineeship	UND			48,245	
93.127	Emergency Medical Services for Children	30100			83,038	
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	30100			177,704	
93.136	Injury Prevention and Control Research and State and Community Based Programs	30100			298,766	131,086
93.137	Community Programs to Improve Minority Health Grant Program	30100			15,745	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.138	Protection and Advocacy for Individuals with Mental Illness	36000			415,004	
93.150	Projects for Assistance in Transition from Homelessness (PATH)	32500			300,200	
93.155	Rural Health Research Centers	UND			165,441	
93.157	Centers of Excellence	UND			73	
93.165	Grants to States for Loan Repayment	30100			159,350	159,350
93.178	Nursing Workforce Diversity	UND			521,686	
93.211	Telehealth Programs	UND			106,874	
93.217	Family Planning Services	30100			1,425,391	888,100
93.223	Development and Coordination of Rural Health Services	UND			2,284,429	145,000
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	30100			27,371	26,493
93.236	Grants to States to Support Oral Health Workforce Activities	30100			197,137	10,000
93.241	State Rural Hospital Flexibility Program	UND			848,780	237,517
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	UND			261,725	188,112
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	32500			1,741,804	
93.251	Early Hearing Detection and Intervention	MISU			263,083	72,678
93.267	State Grants for Protection and Advocacy Services	36000			50,296	
93.268	Immunization Cooperative Agreements	30100			1,855,920	378,547
93.270	Viral Hepatitis Prevention and Control	30100			142,813	72,940
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	30100			104,608	
93.301	Small Rural Hospital Improvement Grant Program	UND			369,695	297,372
93.305	PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF)	30100			866,952	207,138
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	MISU			150,188	
93.319	Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas	NDSU			207,520	33,267
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	30100			1,614,839	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.324	State Health Insurance Assistance Program	40100			222,016	
93.332	Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges	MISU			62	
93.336	Behavioral Risk Factor Surveillance System	30100			345,525	
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	30100			1,068,743	176,451
93.366	State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes	30100			277,321	28,430
93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	30100			1,223,397	507,180
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	30100			79,957	
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	30100			156,692	994
93.556	Promoting Safe and Stable Families	32500			182,458	114,110
93.563	Child Support Enforcement	32500			10,878,079	
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	32500			1,652,507	908,055
93.568	Low-Income Home Energy Assistance	32500			22,585,818	636,275
93.569	Community Services Block Grant	60100			3,466,406	3,370,773
93.586	State Court Improvement Program	18000			115,161	
93.590	Community-Based Child Abuse Prevention Grants	32500			239,738	36,914
93.597	Grants to States for Access and Visitation Programs	32500			110,775	
93.599	Chafee Education and Training Vouchers Program (ETV)	32500			146,477	
93.603	Adoption and Legal Guardianship Incentive Payments	32500			265,183	
93.618	Voting Access for Individuals with Disabilities-Grants for Protection and Advocacy Systems	36000			116,907	
93.630	Developmental Disabilities Basic Support and Advocacy Grants	32500			657,621	174,308
93.630	Developmental Disabilities Basic Support and Advocacy Grants	36000			276,242	
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	MISU			601,885	12,212

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.643	Children's Justice Grants to States	32500			40,230	27,319
93.645	Stephanie Tubbs Jones Child Welfare Services Program	32500			148,373	
93.658	Foster Care Title IV-E	32500			13,808,305	22,490
93.659	Adoption Assistance	32500			8,004,574	96,201
93.667	Social Services Block Grant	32500			7,381,114	
93.669	Child Abuse and Neglect State Grants	32500			128,163	128,163
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	30100			788,242	756,919
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	32500			495,353	436,515
93.732	Mental and Behavioral Health Education and Training Grants	UND			400,828	
93.733	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	30100			129,882	
93.735	State Public Health Approaches for Ensuring Quitline Capacity – Funded in part by Prevention and Public Health Funds (PPHF)	30100			50,000	
93.747	Elder Abuse Prevention Interventions Program	UND			372,101	181,383
93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	30100			316,713	53,948
93.758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	30100			168,375	67,515
93.767	Children's Health Insurance Program	32500			32,915,308	
93.788	Opioid STR	32500			2,576,895	119,461
93.791	Money Follows the Person Rebalancing Demonstration	32500			2,076,571	52,520
93.815	Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC).	30100			144,632	
93.843	ACL Assistive Technology State Grants for Protection and Advocacy	36000			61,393	
93.859	Biomedical Research and Research Training	UND			344	
93.866	Aging Research	UND			40,362	
93.889	National Bioterrorism Hospital Preparedness Program	30100			937,025	321,638
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	30100			1,770,169	135,148

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	UND			341,594	
93.913	Grants to States for Operation of State Offices of Rural Health	UND			175,430	
93.917	HIV Care Formula Grants	30100			2,074,728	476,892
93.940	HIV Prevention Activities Health Department Based	30100			933,472	101,116
93.945	Assistance Programs for Chronic Disease Prevention and Control	30100			9,269	
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	30100			183,521	1,338
93.958	Block Grants for Community Mental Health Services	32500			997,840	141,638
93.959	Block Grants for Prevention and Treatment of Substance Abuse	32500			7,544,257	314,279
93.970	Health Professions Recruitment Program for Indians	UND			1,250,110	
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	30100			226,647	
93.991	Preventive Health and Health Services Block Grant	30100			208,030	175,840
93.994	Maternal and Child Health Services Block Grant to the States	30100			1,626,792	541,821
Nonmonetary Assistance:						
93.268	Immunization Cooperative Agreements	30100			$ 7,889,233	$ 7,846,190
Pass Through Non-State Entity:						
93.103	Food and Drug Administration Research	30100	Association of Food and Drug Officials	G-FPTF-1709-05464	$ 671	$
93.103	Food and Drug Administration Research	30100	Association of Food and Drug Officials	G-SP-1709-05451	2,500	
93.103	Food and Drug Administration Research	30100	Association of Food and Drug Officials	G-T-1709-05290	2,476	
93.103	Food and Drug Administration Research	30100	Association of Food and Drug Officials	G-T-1809-06092	1,832	
93.110	Maternal and Child Health Federal Consolidated Programs	30100	Association of State Public Health Nutritionists	5 U7NMC30388-03-00	6,928	5,722
93.110	Maternal and Child Health Federal Consolidated Programs	30100	Colorado School of Public Health	FY17.368.017 FY18.368.002_AMD3 2-5-M6595	24,993	
93.155	Rural Health Research Centers	UND	National Rural Health Association	UA9RH26027	14	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	UND	Grand Forks Housing Authority	3	8,199	
93.424	NON-ACA/PPHF—Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	MISU	Association of University Centers on Disabilities	N/A	4,093	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.424	NON-ACA/PPHF—Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	30100	Council of State and Territorial Epidemiologists	PO6189	14,057	
93.433	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	MISU	University of Alaska Anchorage	N/A	5,708	
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	NDSCS	Lutheran Social Services of North Dakota/United Way	2019-RSS 7	7,200	
93.648	Child Welfare Research Training or Demonstration	UND	The Research Foundation for the State University of New York	18-21	55,495	
93.648	Child Welfare Research Training or Demonstration	UND	The Research Foundation for the State University of New York	R1103841	124,871	
93.648	Child Welfare Research Training or Demonstration	UND	The Research Foundation for the State University of New York	R1148796	278,981	
93.788	Opioid STR	NDSU	Leech Lake Tribe of Ojibwe	N/A	8,935	
93.788	Opioid STR	NDSU	South Dakota State University	3TB352	30,814	
93.788	Opioid STR	UND	University of Missouri System	0090497 / 00066589	215,996	
93.879	Medical Library Assistance	UND	The University of Iowa	N/A	4,112	
93.879	Medical Library Assistance	UND	The University of Iowa	W000961389	15,399	
93.884	Grants for Primary Care Training and Enhancement	UND	University of Washington	UWSC10279 / BPO 41185	50,620	
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	UND	Valley City-County Health District	N/A	36,524	
Total for Unclustered					*$ 164,011,201*	*$ 22,930,508*
Unclustered						
Direct Programs:						
93.U01	MSQA Inspections	30100		HHSF223201710056C	$ 68,156	$
93.U02	Medicated Feeds	60200		HHSF223201810106C	6,799	
93.U03	Medicated Feeds	60200		HHSF223201710180C	22,655	
Total for Unclustered					*$ 97,610*	*$*
Aging Cluster						
Direct Programs:						
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	32500			$ 2,008,157	$ 270,043
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	32500			3,275,539	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.053	Nutrition Services Incentive Program	32500			790,036	
Total for Aging Cluster					*$ 6,073,732*	*$ 270,043*
CCDF Cluster						
Direct Programs:						
93.575	Child Care and Development Block Grant	32500			$ 9,652,521	$ 1,355,121
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	32500			5,503,764	
Total for CCDF Cluster					*$ 15,156,285*	*$ 1,355,121*
Head Start Cluster						
Direct Programs:						
93.600	Head Start	MASU			$ 3,248,766	$
93.600	Head Start	20100			126,910	
Nonmonetary Assistance:						
93.600	Head Start	MASU			$ 704,228	$
Total for Head Start Cluster					*$ 4,079,904*	*$*
Medicaid Cluster						
Direct Programs:						
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	30100			$ 1,771,532	$
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	32500			1,077,642	
93.778	Medical Assistance Program	32500			770,723,385	
Total for Medicaid Cluster					*$ 773,572,559*	*$*
Research & Development Cluster						
Direct Programs:						
93.103	Food and Drug Administration Research	NDSU			$ 60,492	$
93.121	Oral Diseases and Disorders Research	UND			2,248	
93.242	Mental Health Research Grants	NDSU			49,960	
93.242	Mental Health Research Grants	UND			688,775	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	UND			1,417,610	813,687

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.247	Advanced Nursing Education Workforce Grant Program	NDSU			316,548	
93.273	Alcohol Research Programs	UND			98,005	
93.279	Drug Abuse and Addiction Research Programs	UND			128,625	
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	NDSU			472	
93.393	Cancer Cause and Prevention Research	UND			75,228	
93.395	Cancer Treatment Research	UND			211,090	
93.396	Cancer Biology Research	NDSU			198,373	
93.837	Cardiovascular Diseases Research	NDSU			152,060	
93.838	Lung Diseases Research	NDSU			526,056	67,382
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	NDSU			922,094	744,000
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	UND			364,948	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	UND			177,928	
93.855	Allergy and Infectious Diseases Research	NDSU			232,218	55,702
93.855	Allergy and Infectious Diseases Research	UND			1,275,728	48,540
93.859	Biomedical Research and Research Training	UND			6,408,337	539,466
93.859	Biomedical Research and Research Training	NDSU			3,655,120	217,120
93.866	Aging Research	UND			570,747	
93.866	Aging Research	NDSU			718,717	203,154
93.867	Vision Research	NDSU			760	
Pass Through Non-State Entity:						
93.103	Food and Drug Administration Research	NDSU	Iowa State University	430-30-01C	$ 8,000	$
93.113	Environmental Health	UND	Triad Interactive Media, Inc.	007	14,870	
93.242	Mental Health Research Grants	NDSU	University of North Carolina at Chapel Hill	5107333	2,468	
93.262	Occupational Safety and Health Program	NDSU	Colorado State University	G-61105-02	20,333	
93.262	Occupational Safety and Health Program	NDSU	University of Nebraska-Omaha	35-5420-2006-208	2,939	
93.273	Alcohol Research Programs	UND	Public Health Institute	PA-11-308	139,330	
93.273	Alcohol Research Programs	NDSU	Sanford Research North	51-2028-5031-0	20,141	
93.273	Alcohol Research Programs	NDSU	Sanford Research North	SR-2019-205	83,685	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
93.273	Alcohol Research Programs	UND	University of Illinois	16344	2,578	
93.279	Drug Abuse and Addiction Research Programs	UND	Drexel University	800018	8,256	
93.279	Drug Abuse and Addiction Research Programs	UND	Drexel University	PO U0176282	11,232	
93.279	Drug Abuse and Addiction Research Programs	UND	University Of Alabama At Birmingham	000519026-001	3,359	
93.307	Minority Health and Health Disparities Research	UND	Sanford Research	SR-2017-18	125	
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	NDSU	Prevent Child Abuse North Dakota	N/A	101,742	
93.648	Child Welfare Research Training or Demonstration	UND	University of Nebraska	24-0520-0261-006	18,741	
93.734	Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs – financed by Prevention and Public Health Funds (PPHF)	UND	National Council on Aging, Inc.	N/A	16,090	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	UND	Regents of the University of Michigan	3004429441	136,625	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	UND	Trinity College	NS065957-01	45,457	
93.855	Allergy and Infectious Diseases Research	UND	University of Kentucky	3200000654-17-017	30,664	
93.855	Allergy and Infectious Diseases Research	UND	University of Kentucky	3200001545-18-174	26,474	
93.859	Biomedical Research and Research Training	UND	BBC Entrepreneurial Training & Consulting, LLC	ND2018	11,146	
93.859	Biomedical Research and Research Training	NDSU	Montana State University	G179-16-W5698	46,850	
93.859	Biomedical Research and Research Training	UND	University of Colorado Board of Regents	1554623	12,951	
93.859	Biomedical Research and Research Training	UND	University of Nebraska	34-5250-2005-002	1,199	
93.859	Biomedical Research and Research Training	UND	University of Nebraska	34-5250-2005-003	14,557	
93.859	Biomedical Research and Research Training	UND	University of Nebraska	34-5250-2005-923	9,264	
93.859	Biomedical Research and Research Training	NDSU	University of Nebraska Medical Center	34-5250-2005-003	16,667	
93.859	Biomedical Research and Research Training	NDSU	University of Nebraska-Omaha	34-5250-2005-002	24,678	
93.859	Biomedical Research and Research Training	NDSU	University of Nebraska-Omaha	34-5250-2005-743	38,989	
93.865	Child Health and Human Development Extramural Research	NDSU	University of Texas Medical Branch	19-84471 / PO1631	14,277	
93.867	Vision Research	UND	Barron Associates, Inc.	536-SC01	46,194	
93.870	Maternal, Infant and Early Childhood Home Visiting Grant	NDSU	Prevent Child Abuse North Dakota	N/A	224,247	
93.933	Demonstration Projects for Indian Health	UND	Cankdeska Cikana Community College	N/A	11,816	
93.945	Assistance Programs for Chronic Disease Prevention and Control	UND	Montana Department of Public Health and Human Services	14096760050	162,540	
Total for Research & Development Cluster					*$ 19,580,623*	*$ 2,689,051*

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Student Financial Assistance Cluster					
Direct Programs:					
93.264	Nurse Faculty Loan Program (NFLP)	UND		$ 131,254	$
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	UND		407,510	
93.364	Nursing Student Loans	DSU		274,440	
93.364	Nursing Student Loans	MISU		977,543	
93.364	Nursing Student Loans	NDSU		339,222	
93.364	Nursing Student Loans	UND		1,457,305	
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	UND		638,724	
Total for Student Financial Assistance Cluster				*$ 4,225,998*	*$*
TANF Cluster					
Direct Programs:					
93.558	Temporary Assistance for Needy Families	32500		$ 28,964,353	$ 152,869
Total for TANF Cluster				*$ 28,964,353*	*$ 152,869*
Total For Department Of Health And Human Services				**$ 1,015,762,265**	**$ 27,397,592**
Department Of Homeland Security					
Unclustered					
Direct Programs:					
97.012	Boating Safety Financial Assistance	72000		$ 711,171	$ 25,112
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	77000		133,282	
97.029	Flood Mitigation Assistance	54000		2,811	2,732
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	54000		7,928,707	6,046,718
97.039	Hazard Mitigation Grant	54000		4,471,941	4,172,541
97.041	National Dam Safety Program	77000		61,857	
97.042	Emergency Management Performance Grants	54000		2,871,060	1,274,426
97.045	Cooperating Technical Partners	77000		3,976,519	
97.047	Pre-Disaster Mitigation	54000		852,464	667,953

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
97.067	Homeland Security Grant Program	54000		4,214,781	3,132,837
Total for Unclustered				*$ 25,224,593*	*$ 15,322,319*
Total For Department Of Homeland Security				$ **25,224,593**	$ **15,322,319**
Department Of Housing And Urban Development					
Unclustered					
Direct Programs:					
14.171	Manufactured Home Dispute Resolution	60100		$ 3,658	$
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	60100		4,767,626	4,648,652
14.231	Emergency Solutions Grant Program	60100		477,413	432,972
14.238	Shelter Plus Care	60100		193,804	193,804
14.239	HOME Investment Partnerships Program	60100		2,066,245	1,966,811
14.401	Fair Housing Assistance Program State and Local	40600		25,500	
Total for Unclustered				*$ 7,534,246*	*$ 7,242,239*
Total For Department Of Housing And Urban Development				$ **7,534,246**	$ **7,242,239**
Department Of Justice					
Unclustered					
Direct Programs:					
16.017	Sexual Assault Services Formula Program	30100		$ 312,800	$ 296,757
16.320	Services for Trafficking Victims	12500		340,855	
16.540	Juvenile Justice and Delinquency Prevention	53000		214,935	214,935
16.543	Missing Children's Assistance	12500		264,926	
16.575	Crime Victim Assistance	53000		7,761	
16.576	Crime Victim Compensation	53000		2,943,395	2,915,921
16.582	Crime Victim Assistance/Discretionary Grants	53000		6,000	
16.588	Violence Against Women Formula Grants	30100		947,970	861,970
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	UND		127,750	
16.596	Justice System Infrastructure Program for Indian Tribes	UND		277,625	102,688

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
16.606	State Criminal Alien Assistance Program	53000			1,746	
16.609	Project Safe Neighborhoods	12500			1,233	
16.616	Indian Country Alcohol and Drug Prevention	UND			76,614	67,272
16.710	Public Safety Partnership and Community Policing Grants	12500			158,650	
16.738	Edward Byrne Memorial Justice Assistance Grant Program	12500			543,104	248,911
16.741	DNA Backlog Reduction Program	12500			199,244	
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	12500			202,006	
16.750	Support for Adam Walsh Act Implementation Grant Program	12500			175,074	
16.813	NICS Act Record Improvement Program	12500			352,589	
Pass Through Non-State Entity:						
16.029	Office on Violence Against Women Special Projects	UND	Tribal Law and Policy Institute	N/A	$ 33,463	$
16.582	Crime Victim Assistance/Discretionary Grants	UND	Fox Valley Technical College	D2016006026	31,563	
16.582	Crime Victim Assistance/Discretionary Grants	UND	Fox Valley Technical College	D2019012073	3,585	
16.726	Juvenile Mentoring Program	NDSU	National 4-H Council	2017-JU-FX-0016	88,361	
16.726	Juvenile Mentoring Program	NDSU	National 4-H Council	2018-JU-FX-0005	5,196	
16.751	Edward Byrne Memorial Competitive Grant Program	UND	Fox Valley Technical College	D2015015036	58,618	
16.815	Tribal Civil and Criminal Legal Assistance Grants, Training and Technical Assistance	UND	American Probation And Parole Association	16-SA-085-2387	138,373	
Total for Unclustered					*$ 7,513,436*	*$ 4,708,454*
Unclustered						
Direct Programs:						
16.U01	Federal Bureau of Prisons (Juvenile Inmate Housing)	53000		IGA-815-11	$ 105,947	$
Total for Unclustered					*$ 105,947*	*$*
Research & Development Cluster						
Direct Programs:						
16.RD	A Study of Federal Absconsion and Revocation: Patterns	NDSU		NDXPROB17-000252	$ 8,987	$
Total for Research & Development Cluster					*$ 8,987*	*$*
Total For Department Of Justice					**$ 7,628,370**	**$ 4,708,454**

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Department Of Labor						
Unclustered						
Direct Programs:						
17.235	Senior Community Service Employment Program	32500			$ 541,443	$ 523,521
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	BSC			185,278	77,337
17.504	Consultation Agreements	BSC			538,341	
17.600	Mine Health and Safety Grants	27000			206,876	206,876
Total for Unclustered					*$ 1,471,938*	*$ 807,734*
Total For Department Of Labor					$ **1,471,938**	$ **807,734**
Department Of State						
Unclustered						
Direct Programs:						
19.040	Public Diplomacy Programs	UND			$ 3,249	$
Pass Through Non-State Entity:						
19.402	Professional and Cultural Exchange Programs - International Visitor Leadership Program	MISU	Global Ties U.S.	S-ECAGD-18-CA-1018	$ 2,284	$
19.402	Professional and Cultural Exchange Programs - International Visitor Leadership Program	MISU	Global Ties U.S.	S-ECAGD-19-CA-0041	441	
Total for Unclustered					*$ 5,974*	*$*
Total For Department Of State					$ **5,974**	$
Department Of The Interior						
Unclustered						
Direct Programs:						
15.224	Cultural and Paleontological Resources Management	70100			$ 20,315	$
15.224	Cultural and Paleontological Resources Management	MISU			2,937	
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	40800			947,375	
15.252	Abandoned Mine Land Reclamation (AMLR)	40800			2,919,037	
15.427	Federal Oil and Gas Royalty Management State and Tribal Coordination	11700			584,313	

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For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
15.433	Flood Control Act Lands	12000			36,987,166	36,987,166
15.436	Late Disbursement Interest	12000			51,011	10,712
15.437	Minerals Leasing Act	12000			44,185,597	20,797,847
15.518	Garrison Diversion Unit	72000			877,589	
15.608	Fish and Wildlife Management Assistance	72000			87,035	
15.615	Cooperative Endangered Species Conservation Fund	72000			55,044	24,887
15.615	Cooperative Endangered Species Conservation Fund	75000			14,959	
15.634	State Wildlife Grants	72000			469,964	122,370
15.634	State Wildlife Grants	MISUB			37,551	
15.637	Migratory Bird Joint Ventures	72000			74,927	74,927
15.808	U.S. Geological Survey Research and Data Collection	77000			41,112	
15.904	Historic Preservation Fund Grants-In-Aid	70100			613,225	148,220
15.916	Outdoor Recreation Acquisition, Development and Planning	75000			600,776	573,755
15.929	Save America's Treasures	70100			13,581	
15.931	Conservation Activities by Youth Service Organizations	NDSU			34,775	
Pass Through Non-State Entity:						
15.518	Garrison Diversion Unit	77000	Garrison Diversion Conservancy District	6-FC-60-00210	$ 12,131,665	$
15.815	National Land Remote Sensing Education Outreach and Research	UND	AmericaView	AV18-ND-01	12,159	
15.939	Heritage Partnership	NDSU	Northern Plains Heritage Foundation	P10AC00310	1,881	
Total for Unclustered					*$ 100,763,994*	*$ 58,739,884*
Unclustered						
Direct Programs:						
15.U01	Artifact Cataloging	70100		140F0618P0094	$ 2,471	$
Total for Unclustered					*$ 2,471*	*$*
Fish and Wildlife Cluster						
Direct Programs:						
15.605	Sport Fish Restoration	72000			$ 4,227,682	$ 583,435
15.611	Wildlife Restoration and Basic Hunter Education	72000			12,074,924	2,421,268
15.626	Enhanced Hunter Education and Safety	72000			74,522	74,522
Total for Fish and Wildlife Cluster					*$ 16,377,128*	*$ 3,079,225*

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For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Research & Development Cluster					
Direct Programs:					
15.608	Fish and Wildlife Management Assistance	NDSU		$ 13,419	$
15.678	Cooperative Ecosystem Studies Units	NDSU		26,318	
15.805	Assistance to State Water Resources Research Institutes	NDSU		87,780	6,444
15.808	U.S. Geological Survey Research and Data Collection	UND		33,354	
15.808	U.S. Geological Survey Research and Data Collection	NDSU		79,258	
15.923	National Center for Preservation Technology and Training	NDSU		16,356	
15.945	Cooperative Research and Training Programs – Resources of the National Park System	NDSU		99,172	
15.945	Cooperative Research and Training Programs – Resources of the National Park System	UND		22,049	
Total for Research & Development Cluster				*$ 377,706*	*$ 6,444*
Total For Department Of The Interior				**$ 117,521,299**	**$ 61,825,553**
Department Of Transportation					
Unclustered					
Direct Programs:					
20.106	Airport Improvement Program	41200		$ 551,870	$
20.200	Highway Research and Development Program	80100		17,544	
20.200	Highway Research and Development Program	NDSU		3,877	
20.215	Highway Training and Education	80100		169,686	
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort	12700		12,394	
20.314	Railroad Development	80100		245,121	
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	80100		570,303	570,303
20.509	Formula Grants for Rural Areas and Tribal Transit Program	80100		5,988,005	5,979,118
20.700	Pipeline Safety Program State Base Grant	40800		219,092	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	54000		385,815	68,070
20.721	PHMSA Pipeline Safety Program One Call Grant	40800		23,747	
Total for Unclustered				*$ 8,187,454*	*$ 6,617,491*

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Unclustered						
Direct Programs:						
20.U02	Accelerated Safety Activity Program	80100		DTNH22-17-H-00142	$ 15,361	$
20.U03	Air Force Junior Reserve Officer Training Corps (AFJROTC)	UND		FA3300-19-H-0013	81,533	
Pass Through Non-State Entity:						
20.U01	5010 Inspections	41200	GCR Inc.	N/A	$ 15,600	$
Total for Unclustered					*$ 112,494*	*$*
Federal Motor Carrier Safety Assistance Cluster						
Direct Programs:						
20.218	Motor Carrier Safety Assistance	50400			$ 2,595,323	$
Total for Federal Motor Carrier Safety Assistance Cluster					*$ 2,595,323*	*$*
Federal Transit Cluster						
Direct Programs:						
20.500	Federal Transit Capital Investment Grants	80100			$ 23,837	$ 23,837
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	80100			3,616,542	3,616,542
Total for Federal Transit Cluster					*$ 3,640,379*	*$ 3,640,379*
Highway Planning and Construction Cluster						
Direct Programs:						
20.205	Highway Planning and Construction	80100			$ 313,694,509	$ 5,926,697
20.219	Recreational Trails Program	75000			1,049,602	300,482
Pass Through Non-State Entity:						
20.205	Highway Planning and Construction	NDSU	Bismarck-Mandan Metropolitan Planning Organization	38151860 Bis-Man	$ 33,662	$
20.205	Highway Planning and Construction	NDSU	Fargo-Moorhead Metropolitan Council of Governments	38151860- FM COG	5,232	
20.205	Highway Planning and Construction	NDSU	Grand Forks-East Grand Forks Metropolitan Council of Governments	38151860- GF/EGF MPO	45,789	
Total for Highway Planning and Construction Cluster					*$ 314,828,794*	*$ 6,227,179*
Highway Safety Cluster						
Direct Programs:						
20.600	State and Community Highway Safety	80100			$ 1,924,248	$ 331,813

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
20.616	National Priority Safety Programs	80100			2,487,340	554,057
Total for Highway Safety Cluster					*$ 4,411,588*	*$ 885,870*
Research & Development Cluster						
Direct Programs:						
20.109	Air Transportation Centers of Excellence	UND			$ 11,587	$
20.232	Commercial Driver's License Program Implementation Grant	NDSU			224,739	
20.701	University Transportation Centers Program	NDSU			2,388,570	1,830,138
20.724	Pipeline Safety Research Competitive Academic Agreement Program (CAAP)	NDSU			228,786	
20.RD	A18_A11L.UAS.22-Small UAS Detect and Avoid Requirements	UND		15-C-UAS-UND-011	74,009	
20.RD	UAS Parameters, Exceedances, Recording Rates for ASIAS	UND		15-C-UAS-UND-012	24,518	
20.RD	UAS Test Data Collection and Analysis	UND		15-C-UAS-UND-010	60,108	27,888
Pass Through Non-State Entity:						
20.108	Aviation Research Grants	UND	The MITRE Corporation	119947 TaskOrder 2-125004	$ 169,674	$
20.200	Highway Research and Development Program	NDSU	WSP Global Inc.	WSP #182618G	62,001	
20.205	Highway Planning and Construction	NDSU	Minnesota Department of Transportation	1003323 Work Order No. 6	14,056	
20.600	State and Community Highway Safety	NDSU	South Dakota Department of Public Safety	N/A	16,717	
20.701	University Transportation Centers Program	NDSU	Montana State University	G136-14-W4660	105,914	
20.701	University Transportation Centers Program	NDSU	Montana State University	G226-17-W6460	323,266	
20.RD	Seat Belt Use in South Dakota	NDSU	South Dakota Department of Public Safety	SDDOT 1-1-2019	11,776	
Total for Research & Development Cluster					*$ 3,715,721*	*$ 1,858,026*
Transit Services Programs Cluster						
Direct Programs:						
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	80100			$ 736,210	$ 736,210
Total for Transit Services Programs Cluster					*$ 736,210*	*$ 736,210*
Total For Department Of Transportation					$ **338,227,963**	$ **19,965,155**
Department Of Veterans Affairs						
Unclustered						
Direct Programs:						
64.014	Veterans State Domiciliary Care	31300			$ 1,021,311	$

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
64.015	Veterans State Nursing Home Care	31300			1,553,978	
64.035	Veterans Transportation Program	32100			547,463	488,881
Total for Unclustered					*$ 3,122,752*	*$ 488,881*
Unclustered						
Direct Programs:						
64.U01	State Approving Agency	32100		V101 (223C) P-5745	$ 120,828	$
64.U02	VA Processing Fee	NDSU		VA01241994	2,135	
64.U03	Veterans Administration - Residents Rotations	UND		7-1-1994	395,002	
Total for Unclustered					*$ 517,965*	*$*
Total For Department Of Veterans Affairs					$ **3,640,717**	$ **488,881**
Environmental Protection Agency						
Unclustered						
Direct Programs:						
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	30100			$ 114,651	$
66.040	State Clean Diesel Grant Program	30100			163,877	163,877
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	30100			244,402	3,530
66.433	State Underground Water Source Protection	40500			104,000	
66.454	Water Quality Management Planning	30100			108,031	68,340
66.460	Nonpoint Source Implementation Grants	30100			3,896,585	2,272,643
66.605	Performance Partnership Grants	30100			4,057,527	41,503
66.605	Performance Partnership Grants	NDSU			86,459	
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	30100			148,720	
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	60200			341,997	
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	30100			214,084	
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	30100			483,967	
66.817	State and Tribal Response Program Grants	30100			87,215	

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
66.U01	Water Sample Collection	VCSU		W912ES-16-P-0058	8,606	
Pass Through Non-State Entity:						
66.460	Nonpoint Source Implementation Grants	NDSU	Dakota Prairies RC&D	N/A	$ 6,619	$
66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	NDSU	eXtension Foundation	83698001	19,800	
66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	NDSU	eXtension Foundation	SA-2017-61	12,694	
Total for Unclustered					*$ 10,099,234*	*$ 2,549,893*
Drinking Water State Revolving Fund Cluster						
Direct Programs:						
66.468	Capitalization Grants for Drinking Water State Revolving Funds	30100			$ 662,813	$
Total for Drinking Water State Revolving Fund Cluster					*$ 662,813*	*$*
Research & Development Cluster						
Direct Programs:						
66.461	Regional Wetland Program Development Grants	NDSU			$ 50,826	$
66.516	P3 Award: National Student Design Competition for Sustainability	NDSU			4,029	
Total for Research & Development Cluster					*$ 54,855*	*$*
Total For Environmental Protection Agency					**$ 10,816,902**	**$ 2,549,893**
Equal Employment Opportunity Commission						
Unclustered						
Direct Programs:						
30.002	Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	40600			$ 126,350	$
Total for Unclustered					*$ 126,350*	*$*
Total For Equal Employment Opportunity Commission					**$ 126,350**	$
Executive Office of the President						
Unclustered						
Direct Programs:						
95.001	High Intensity Drug Trafficking Areas Program	12500			$ 809,780	$ 391,151
Total for Unclustered					*$ 809,780*	*$ 391,151*

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CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Total For	**Executive Office of the President**				$ **809,780**	$ **391,151**
	General Services Administration					
	Unclustered					
	Nonmonetary Assistance:					
39.003	Donation of Federal Surplus Personal Property	11000			$ 1,447,880	$
Total for	*Unclustered*				*$ 1,447,880*	*$*
Total For	**General Services Administration**				$ **1,447,880**	$
	Institute of Museum and Library Services					
	Unclustered					
	Direct Programs:					
45.310	Grants to States	25000			$ 970,427	$
Total for	*Unclustered*				*$ 970,427*	*$*
Total For	**Institute of Museum and Library Services**				$ **970,427**	$
	National Aeronautics and Space Administration					
	Unclustered					
	Direct Programs:					
43.001	Science	UND			$ 10,702	$
43.008	Office of Stem Engagement (OSTEM)	UND			1,170,529	24,490
	Pass Through Non-State Entity:					
43.012	Space Technology	60100	University of North Dakota	N/A	$ 178,493	$
Total for	*Unclustered*				*$ 1,359,724*	*$ 24,490*
	Research & Development Cluster					
	Direct Programs:					
43.001	Science	UND			$ 474,604	$ 33,604
43.008	Office of Stem Engagement (OSTEM)	UND			126,522	
	Pass Through Non-State Entity:					
43.001	Science	UND	Planetary Science Institute	1345	$ 2,784	$
43.001	Science	NDSU	University of New Hampshire	15-024	136,365	
Total for	*Research & Development Cluster*				*$ 740,275*	*$ 33,604*
Total For	**National Aeronautics and Space Administration**				$ **2,099,999**	$ **58,094**

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
National Endowment for the Arts						
Unclustered						
Direct Programs:						
45.025	Promotion of the Arts Partnership Agreements	70900			$ 724,600	$ 565,785
Pass Through Non-State Entity:						
45.024	Promotion of the Arts Grants to Organizations and Individuals	DSU	Arts Midwest	1844334-52-C-18	$ 6,028	$
Total for Unclustered					*$ 730,628*	*$ 565,785*
Total For	**National Endowment for the Arts**				$ **730,628**	$ **565,785**
National Endowment for the Humanities						
Unclustered						
Direct Programs:						
45.149	Promotion of the Humanities Division of Preservation and Access	70100			$ 121,466	$
Pass Through Non-State Entity:						
45.129	Promotion of the Humanities Federal/State Partnership	DSU	Humanities North Dakota	18504	$ 9,250	$
45.129	Promotion of the Humanities Federal/State Partnership	BSC	Humanities North Dakota	N/A	2,900	
Total for Unclustered					*$ 133,616*	*$*
Total For	**National Endowment for the Humanities**				$ **133,616**	$
National Science Foundation						
Unclustered						
Direct Programs:						
47.070	Computer and Information Science and Engineering	UND			$ 3,175	$
47.076	Education and Human Resources	NDSCS			84,784	
Total for Unclustered					*$ 87,959*	*$*
Unclustered						
Direct Programs:						
47.U01	IPA - Intergovernmental Personal Act	NDSU		CNS-1650752	$ 163,759	$
Total for Unclustered					*$ 163,759*	*$*

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Research & Development Cluster						
Direct Programs:						
47.041	Engineering	UND			$ 30,057	$
47.041	Engineering	NDSU			531,073	14,880
47.049	Mathematical and Physical Sciences	NDSU			261,990	
47.049	Mathematical and Physical Sciences	UND			267,965	6,905
47.050	Geosciences	UND			252,343	
47.050	Geosciences	NDSU			168,227	
47.070	Computer and Information Science and Engineering	UND			215,520	189,770
47.070	Computer and Information Science and Engineering	NDSU			1,007,594	13,358
47.074	Biological Sciences	NDSU			1,110,555	
47.074	Biological Sciences	UND			846,535	
47.075	Social, Behavioral, and Economic Sciences	NDSU			160,287	
47.075	Social, Behavioral, and Economic Sciences	UND			20,941	
47.076	Education and Human Resources	NDSU			1,351,553	32,284
47.076	Education and Human Resources	WSC			51,456	
47.076	Education and Human Resources	UND			452,460	26,785
47.079	Office of International Science and Engineering	UND			144,138	2,897
47.083	Integrative Activities	NDSU			5,632,579	1,066,090
Pass Through Non-State Entity:						
47.041	Engineering	NDSU	Sunstrand LLC	N/A	$ 1,426	$
47.041	Engineering	UND	The University of Utah	10040267/58502300	21,413	
47.041	Engineering	NDSU	Uniqarta	N/A	37,436	
47.041	Engineering	NDSU	University of Minnesota	A005007501	43,475	
47.050	Geosciences	NDSU	Purdue University	4101-70253	7,433	
47.070	Computer and Information Science and Engineering	UND	University of Illinois	067846-17002	40,317	
47.070	Computer and Information Science and Engineering	NDSU	University of South Alabama	A19-0025-S001	38,067	
47.075	Social, Behavioral, and Economic Sciences	NDSU	Michigan State University	RC108528NDSU	30,840	
47.075	Social, Behavioral, and Economic Sciences	NDSU	University of Hawaii	MA1351	2,286	
47.075	Social, Behavioral, and Economic Sciences	NDSU	University of Minnesota	A007306801	18,856	

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
47.076	Education and Human Resources	NDSU	Clemson University	1882-206-2011602	12,557	3,973
47.076	Education and Human Resources	NDSU	Missouri University of Science &Technology	0052875	9,050	
47.076	Education and Human Resources	NDSU	Salish Kootenai College	NDSU-18-01	76	
47.076	Education and Human Resources	NDSU	Salish Kootenai College	NDSU-18-2	4,718	
47.079	Office of International Science and Engineering	NDSU	University of South Alabama	A19-0039-S001	16,302	
Total for Research & Development Cluster					*$ 12,789,525*	*$ 1,356,942*
Total For National Science Foundation					**$ 13,041,243**	**$ 1,356,942**
Nuclear Regulatory Commission						
Unclustered						
Direct Programs:						
77.008	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	BSC			$ 50,015	$
Total for Unclustered					*$ 50,015*	*$*
Total For Nuclear Regulatory Commission					**$ 50,015**	$
Small Business Administration						
Unclustered						
Direct Programs:						
59.037	Small Business Development Centers	UND			$ 677,050	$ 61,076
59.044	Veterans Outreach Program	UND			245,510	
59.058	Federal and State Technology Partnership Program	UND			37,446	
Total for Unclustered					*$ 960,006*	*$ 61,076*
Total For Small Business Administration					**$ 960,006**	**$ 61,076**
Social Security Administration						
Unclustered						
Direct Programs:						
96.009	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	36000			$ 147,681	$
Total for Unclustered					*$ 147,681*	*$*

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Disability Insurance/SSI Cluster					
Direct Programs:					
96.001	Social Security Disability Insurance	32500		$ 3,117,545	$
Total for Disability Insurance/SSI Cluster				*$ 3,117,545*	*$*
Total For Social Security Administration				$ **3,265,226**	$
U.S. Department Of Agriculture					
Unclustered					
Direct Programs:					
10.001	Agricultural Research Basic and Applied Research	NDSU		$ 43,808	$
10.025	Plant and Animal Disease, Pest Control, and Animal Care	60200		363,734	
10.025	Plant and Animal Disease, Pest Control, and Animal Care	NDSU		136,971	
10.153	Market News	60200		10,500	
10.162	Inspection Grading and Standardization	60200		344	
10.163	Market Protection and Promotion	60200		12,000	
10.168	Farmers Market Promotion Program	MISUB		8,036	
10.170	Specialty Crop Block Grant Program - Farm Bill	60200		2,190,945	448,781
10.171	Organic Certification Cost Share Programs	60200		104,092	70,321
10.178	Trade Mitigation Program Eligible Recipient Agency Operational Funds	20100		8,636	
10.215	Sustainable Agriculture Research and Education	MISUB		60,267	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU		48,640	
10.326	Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	DSU		150,687	
10.328	National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	MISUB		12,421	
10.329	Crop Protection and Pest Management Competitive Grants Program	NDSU		153,759	
10.351	Rural Business Development Grant	BSC		30,187	
10.351	Rural Business Development Grant	MISUB		1,608	
10.435	State Mediation Grants	60200		66,722	

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	60200			455,351	
10.477	Meat, Poultry, and Egg Products Inspection	60200			83,209	
10.500	Cooperative Extension Service	NDSU			326,820	
10.534	CACFP Meal Service Training Grants	20100			17,611	7,161
10.537	Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Data and Technical Assistance Grants	32500			720	
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	30100			10,257,580	3,508,902
10.558	Child and Adult Care Food Program	20100			9,706,378	9,333,371
10.560	State Administrative Expenses for Child Nutrition	20100			1,743,916	263,516
10.567	Food Distribution Program on Indian Reservations	20100			1,353,670	926,752
10.574	Team Nutrition Grants	20100			17,649	17,649
10.575	Farm to School Grant Program	20100			41,921	41,921
10.578	WIC Grants To States (WGS)	30100			114,933	4,835
10.579	Child Nutrition Discretionary Grants Limited Availability	20100			209,683	111,008
10.582	Fresh Fruit and Vegetable Program	20100			1,752,089	1,684,817
10.664	Cooperative Forestry Assistance	NDSU			1,531,158	330,845
10.680	Forest Health Protection	60200			40,813	36,557
10.691	Good Neighbor Authority	NDSU			99,836	
10.697	State & Private Forestry Hazardous Fuel Reduction Program	NDSU			82,557	
10.761	Technical Assistance and Training Grants	MISUB			12,123	
10.773	Rural Business Opportunity Grants	MISUB			52,734	
10.902	Soil and Water Conservation	72000			230,349	
10.902	Soil and Water Conservation	60200			31,217	16,799
10.902	Soil and Water Conservation	NDSU			72,693	
10.950	Agricultural Statistics Reports	NDSU			20,000	
10.962	Cochran Fellowship Program-International Training-Foreign Participant	NDSU			26,991	

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Nonmonetary Assistance:						
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	60200			$ 5,737	$
10.567	Food Distribution Program on Indian Reservations	20100			4,101,354	4,101,354
Pass Through Non-State Entity:						
10.001	Agricultural Research Basic and Applied Research	NDSU	South Dakota State University	3TR612	$ 8,782	$
10.215	Sustainable Agriculture Research and Education	NDSCS	Northcentral Technical College	201910-08-02	3,524	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H004403717	9,753	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H004991239	67,003	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H005722933	4,511	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H007179302	11,142	
10.227	1994 Institutions Research Program	NDSU	Nueta Hidatsa Sahnish College	N/A	10,781	
10.304	Homeland Security Agricultural	NDSU	Kansas State University	S17046	24,691	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	North Carolina State University	2015-0097-12	3,745	
10.329	Crop Protection and Pest Management Competitive Grants Program	NDSU	University of Illinois, Urbana Champaign	076332-15430	16,601	
10.329	Crop Protection and Pest Management Competitive Grants Program	NDSU	University of Illinois, Urbana Champaign	076332-15436	19,518	
10.329	Crop Protection and Pest Management Competitive Grants Program	NDSU	University of Illinois, Urbana Champaign	076332-16658	6,029	
10.331	Food Insecurity Nutrition Incentive Grants Program	NDSU	South Dakota State University	3TB548	1,074	
10.351	Rural Business Development Grant	NDSU	Spirit Lake Nation	N/A	6,781	
10.500	Cooperative Extension Service	NDSU	Auburn University	18-CHS-205205-NDSU	85,938	36,257
10.500	Cooperative Extension Service	NDSU	Kansas State University	S17117	13,158	
10.500	Cooperative Extension Service	NDSU	Kansas State University	S19103	13,320	
10.500	Cooperative Extension Service	NDSU	South Dakota State University	3TB319	36,485	
10.500	Cooperative Extension Service	NDSU	South Dakota State University	N/A	12,668	
10.500	Cooperative Extension Service	NDSU	University of Minnesota	CPS#0001608811	329,595	
10.912	Environmental Quality Incentives Program	NDSU	University of Wisconsin Madison	PO#0000001235	11,416	
Total for Unclustered					*$ 36,488,964*	*$ 20,940,846*

STATE OF NORTH DAKOTA
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For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
Unclustered						
Direct Programs:						
10.U01	Curation of Artifacts	70100		18-CS-11011800-021 & 18-PA-11011800-021	$ 2,781	$
10.U04	Celebrating the 50th Anniversary of NHPA	70100		16-CS-11011800-019	988	
10.U05	Highway Hub of History Pilot Project	70100		08-CS-11011800-030	4,666	
Pass Through Non-State Entity:						
10.U07	ND / SD Extension Gerontology Specialist Position	NDSU	South Dakota State University	3CES25	$ 22,850	$
Total for Unclustered					*$ 31,285*	*$*
Child Nutrition Cluster						
Direct Programs:						
10.553	School Breakfast Program	20100			$ 6,088,057	$ 6,033,770
10.555	National School Lunch Program	20100			21,877,495	21,779,989
10.556	Special Milk Program for Children	20100			24,546	24,546
10.559	Summer Food Service Program for Children	20100			1,028,928	948,266
Nonmonetary Assistance:						
10.555	National School Lunch Program	20100			$ 5,031,948	$ 5,031,948
10.559	Summer Food Service Program for Children	20100			6,720	6,720
Total for Child Nutrition Cluster					*$ 34,057,694*	*$ 33,825,239*
Food Distribution Cluster						
Direct Programs:						
10.565	Commodity Supplemental Food Program	20100			$ 223,112	$ 167,495
10.568	Emergency Food Assistance Program (Administrative Costs)	20100			250,679	130,857
Nonmonetary Assistance:						
10.565	Commodity Supplemental Food Program	20100			$ 459,925	$ 459,925
10.569	Emergency Food Assistance Program (Food Commodities)	20100			1,958,174	1,958,174
Total for Food Distribution Cluster					*$ 2,891,890*	*$ 2,716,451*
Forest Service Schools and Roads Cluster						
Direct Programs:						
10.665	Schools and Roads - Grants to States	12000			$ 462	$ 462

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
10.U02	USDA Forest Service Cost Share Challenge	VCSU		16-CS-11011800-016	17,447	
10.U03	USDA Forest Service Cost Share Challenge	VCSU		17-CS-11011800-017	5,275	
10.U06	USDA Forest Service Cost Share Challenge	VCSU		17-CS-11011800-016	6,829	
Total for Forest Service Schools and Roads Cluster					*$ 30,013*	*$ 462*
Research & Development Cluster						
Direct Programs:						
10.001	Agricultural Research Basic and Applied Research	NDSU			$ 2,702,175	$
10.001	Agricultural Research Basic and Applied Research	UND			1,868,928	
10.025	Plant and Animal Disease, Pest Control, and Animal Care	NDSU			84,708	
10.028	Wildlife Services	NDSU			119,432	
10.028	Wildlife Services	UND			3,224	
10.167	Transportation Services	NDSU			148,430	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU			75,331	275
10.202	Cooperative Forestry Research	NDSU			93,771	
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	NDSU			2,453,328	
10.207	Animal Health and Disease Research	NDSU			44,569	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU			1,360,538	279,500
10.310	Agriculture and Food Research Initiative (AFRI)	UND			124,897	
10.500	Cooperative Extension Service	NDSU			2,437,828	
10.664	Cooperative Forestry Assistance	NDSU			61,880	
10.903	Soil Survey	NDSU			20,926	
10.912	Environmental Quality Incentives Program	NDSU			79,245	37,271
10.924	Conservation Stewardship Program	NDSU			38,200	
10.932	Regional Conservation Partnership Program	UND			17,615	
Pass Through Non-State Entity:						
10.001	Agricultural Research Basic and Applied Research	NDSU	University of Nebraska-Lincoln	25-6235-0275-002	$ 1,500	$
10.163	Market Protection and Promotion	NDSU	American Sheep Industry Association	N/A	8,690	
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	National Sunflower Association	17-357	72,295	
10.170	Specialty Crop Block Grant Program - Farm Bill	NDSU	USA Dry Pea & Lentil Council	N/A	3,807	

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	PO 388158	15,162	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	PO 388637	12,490	
10.200	Grants for Agricultural Research, Special Research Grants	NDSU	Michigan State University	RC106511C	165,711	
10.215	Sustainable Agriculture Research and Education	NDSU	South Dakota State University	3TB473	163	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H005722909	52,323	
10.215	Sustainable Agriculture Research and Education	NDSU	University of Minnesota	H007179324	5,128	
10.227	1994 Institutions Research Program	NDSU	United Tribes Technical College	N/A	3,214	
10.303	Integrated Programs	NDSU	Michigan State University	RC108938NDSU	4,177	
10.303	Integrated Programs	NDSU	University of Wisconsin Madison	855K326	3,367	
10.307	Organic Agriculture Research and Extension Initiative	NDSU	Montana State University	G193-19-W7408	4,047	
10.309	Specialty Crop Research Initiative	NDSU	Colorado State University	G-01363-02	94,906	
10.309	Specialty Crop Research Initiative	NDSU	Cornell University	73999-10419	370,498	
10.309	Specialty Crop Research Initiative	NDSU	Montana State University	G102-20-W7553	2,821	
10.309	Specialty Crop Research Initiative	NDSU	University of Minnesota	H007082504	15,135	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Kansas State University	S19134	8,626	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	Purdue University	F9002711902004	68,277	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	South Dakota State University	3TB455	5,285	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	South Dakota State University	3TB821	28,316	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	South Dakota State University	3TB828	6,589	
10.310	Agriculture and Food Research Initiative (AFRI)	NDSU	University of Connecticut	174365	7,103	
10.320	Sun Grant Program	NDSU	South Dakota State University	3TK640	67,766	26,736
10.320	Sun Grant Program	NDSU	South Dakota State University	3TL640	80,768	27,230
10.320	Sun Grant Program	NDSU	South Dakota State University	3TS640	30,848	
10.329	Crop Protection and Pest Management Competitive Grants Program	NDSU	Michigan State University	RC108974G	1,022	
10.902	Soil and Water Conservation	NDSU	Red River Basin Commission	N/A	23,524	
10.903	Soil Survey	NDSU	Purdue University	8000083094-AG	178	
10.924	Conservation Stewardship Program	NDSU	Turtle Mountain Community College	NR186633XXXXG006	6,400	
Total for Research & Development Cluster					*$ 12,905,161*	*$ 371,012*

STATE OF NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2019

CFDA NUMBER	PROGRAM TITLE	STATE AGENCY	PASS THROUGH ENTITY	IDENTIFYING NUMBER	EXPENDITURES	AMOUNT TO SUBRECIPIENTS
SNAP Cluster						
Direct Programs:						
10.551	Supplemental Nutrition Assistance Program	32500			$ 64,823,362	$
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	32500			10,957,937	52,134
Total for SNAP Cluster					*$ 75,781,299*	*$ 52,134*
Total For U.S. Department Of Agriculture					$ **162,186,306**	$ **57,906,144**
U.S. Election Assistance Commission						
Unclustered						
Direct Programs:						
90.401	Help America Vote Act Requirements Payments	10800			$ 195,306	$
Total for Unclustered					*$ 195,306*	*$*
Total For U.S. Election Assistance Commission					$ **195,306**	$
United States Agency For International Development						
Research & Development Cluster						
Pass Through Non-State Entity:						
98.001	USAID Foreign Assistance for Programs Overseas	NDSU	Pennsylvania State University	4932-NDSU-AID-0077	$ 172,357	$ 11,360
98.001	USAID Foreign Assistance for Programs Overseas	NDSU	The National Academies	200008308	88,634	
98.RD	A Sustainable Point-of-use Filtration Unit for Treating	NDSU	The National Academies of Sciences, Engineering, and Medicine	2000006097	18,580	
Total for Research & Development Cluster					*$ 279,571*	*$ 11,360*
Total For United States Agency For International Development					$ **279,571**	$ **11,360**
TOTAL EXPENDITURES OF FEDERAL AWARDS					$ **2,125,635,580**	$ **303,228,056**

NOTE 1. PURPOSE OF THE SCHEDULE

The Schedule of Expenditures of Federal Awards (Schedule) is a supplementary schedule to the State's basic financial statements (BFS) and is presented for the purposes of additional analysis. The Schedule is required by Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Federal Financial Assistance – Pursuant to the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156), and OMB Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, that non-federal entities receive or administer, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal assistance, including food commodities, food stamps, vaccines, and donated surplus property is included in federal financial assistance and, therefore, is reported on the Schedule. Federal financial assistance does not include direct federal cash assistance to individuals. Contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Catalog of Federal Domestic Assistance – Uniform Guidance requires the Schedule to show the total expenditures for each of the State's federal financial assistance programs as identified in the Catalog of Federal Domestic Assistance (CFDA). The CFDA is a government-wide compendium of individual federal programs.

Each program included in the CFDA is assigned a five-digit program identification number (CFDA number), the first two digits designate the federal agency and the last three digits designate the federal assistance program within the federal agency.

Federal financial assistance programs that have not been assigned a CFDA number are indicated using the federal agency's two digit code as the prefix and using a "U" followed by a two-digit number (e.g., U01, U02, etc.) for the last three digits. If the Federal program is part of the Research and Development (R&D) cluster, "RD" is used as the CFDA extension.

Clusters of Programs – Closely related programs with different CFDA numbers that share common compliance requirements are to be considered a cluster of programs. The only program clusters presented on the Schedule are those mandated by OMB in the 2 CFR Part 200, Appendix XI, *Compliance Supplement*.

B. Type A and Type B Programs

The Uniform Guidance establishes the levels of expenditures to be used in defining Type A and Type B federal financial assistance programs. Type A assistance programs for the State of North Dakota are those programs that exceeded $13,255,999 in federal expenditures, distributions, or issuances for the two-year period ended June 30, 2020.

C. Reporting Entity

The Schedule includes all federal financial assistance programs administered by those State departments and entities included in the State's Comprehensive Annual Financial Report, except the departments audited by independent public accounting firms that file their own single audit with the federal clearinghouse. The departments not included in the Schedule are: Housing Finance Authority, Bank of North Dakota, Job Service North Dakota, and Public Finance Authority.

D. Basis of Accounting

Federal financial assistance expenditures included in the Schedule are reported using the modified accrual basis of accounting, except for the following: colleges, universities, and enterprise entities reported expenditures on the accrual basis; the Department of Public Instruction, Division of Emergency Services, Secretary of State, Information Technology Department, Insurance Department, State Historical Society, Council on the Arts, Attorney General's Office, State Auditor's Office, Industrial Commission, Department of Labor, School for the Blind, State Water Commission, State Treasurer, Governor's Office, Office of Management and Budget, and the Department of Human Services reported expenditures on the cash basis; and the Health Department reported expenditures on the cash basis plus accrued payroll and accrued indirect costs.

Indirect Costs – The State has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance except for the following three agencies:

Department of Veterans Affairs
Aeronautics Commission
State Auditor's Office (2020)
Valley City State University

Matching Costs – The Schedule does not include matching expenditures.

Nonmonetary Assistance – The Schedule contains values for several nonmonetary assistance programs. The Commodities and Vaccine programs are presented at the federally assigned values of the products distributed by the state. The Surplus Property program is presented at the fair market value of property received. The fair market value was estimated to be 23.34% of the property's original federal acquisition value.

Loan and Loan Guarantee Programs – Information on federal loan and federal loan guarantee programs is included in the Notes to the Schedule instead of on the Schedule itself.

Federal Transactions Between State Entities – Some state entities transfer federal assistance to other state entities (i.e., a pass-through of funds by the primary recipient state entity to a subrecipient state entity). In this case, the expenditures are recognized by the primary state entity on the Schedule of Expenditures of Federal Awards. Purchases of services between state entities using federal moneys are reported as expenditures by the purchasing entity and as revenues for services rendered by the providing entity.

Supplemental Nutrition Assistance Program (SNAP) Expenditures – The Supplemental Nutrition Assistance Program (SNAP) is presented at the dollar value of food stamp electronic benefit transfers authorized and used by recipients.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. NONMONETARY ASSISTANCE INVENTORY

As described previously in Note 2, nonmonetary assistance is reported in the Schedule based on the amount disbursed. At June 30, 2020 and 2019, the inventory balances of nonmonetary assistance were as follows:

Nonmonetary Assistance	June 30, 2019	June 30, 2020
Food Commodities	$ 1,425,573	$ 1,496,645
Donated Surplus Property	2,481,853	2,315,585
Vaccines	3,081,065	5,092,070
Total Inventory Balance	$ 6,988,491	$ 8,904,300

NOTE 4. LOAN PROGRAMS

The state administers two loan programs with continuing compliance requirements other than Student Financial Aid. At June 30, 2020 and 2019, the amount of loans receivable for each loan program were as follows:

Loan Program	CFDA #	FY19	FY20
Community Development Block Grants/State's Program	14.228	$ 1,502,969	$ 1,662,077
HOME Investment Partnerships Program	14.239	8,560,637	9,690,186
Total Loans Receivable		$ 10,063,606	$ 11,352,263

NOTE 5. STUDENT FINANCIAL AID PROGRAMS

Expenditures as included on the Schedule of Expenditures of Federal Awards for student financial assistance programs include refunds to grantors, administrative expenses, collection costs, litigation costs, etc.

Advances to students, loans receivable, and federal capital contributions for applicable loan programs for the fiscal years ended June 30, 2020 and 2019 are identified below:

Student Financial Aid Program	CFDA #	FY19	FY20
Loan Advances:			
Federal Direct Student Loans	84.268	$ 161,272,912	$ 161,331,786
Nurse Faculty Loan Program (NFLP)	93.264	23,432	10,492
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	34,500	60,100
Nursing Student Loans	93.364	569,123	478,315
Total Loan Advances		$ 161,899,967	$ 161,880,693
Loans Receivable:			
Federal Perkins Loan Program	84.038	$ 25,803,731	$ 20,391,605
Nurse Faculty Loan Program (NFLP)	93.264	108,934	113,960
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	390,996	257,991
Nursing Student Loans	93.364	2,586,530	2,488,563
Total Loans Receivable		$ 28,890,191	$ 23,252,119

Loan advances represent new loans made directly by the institution for the Perkins, Nursing, and Health Professions loan programs. The colleges and universities are responsible for completing portions of the loan application, verifying student eligibility, filing enrollment verification reports, refunding money to lenders, and disbursing loan checks received from the lending institutions for Federal Family Education Loans.

Loans receivable are shown at gross and are derived from the financial records of the applicable college or university.



Office of the
State Auditor



NORTH Dakota | Management and Budget
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March 1, 2021

Mr. Josh Gallion
State Auditor
600 E Boulevard Avenue, Dept. 117
Bismarck, ND 58505

Dear Mr. Gallion:

In accordance with Uniform Guidance requirements, we have prepared the accompanying corrective action plans. For each finding, we are providing you with the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Jeff Larshus

Jeff Larshus
Director of State Financial Services

State of North Dakota

Management's Response and Corrective Action

Fiscal Years Ended June 30, 2019 and 2020

FINANCIAL STATEMENT FINDINGS
Office of Management and Budget
Finding: F19-1

Office of Management and Budget Response/Corrective Action Plan: Although we agree with the auditors that the two disclosures were inadvertently not included in the notes to the financial statements and subsequently added after being brought to our attention, we do not feel the missing disclosures qualitatively affect the user's ability to understand the State's financial position and results of operation. Furthermore, we do not agree that the missing note disclosures constitute a significant deficiency in internal controls. OMB will continue to work with the component units and their auditor reports to ensure all necessary note disclosures are included in the CAFR.

Contact Person: Rachel Kmetz, Accounting Manager, Fiscal Management Division

Anticipated Completion Date: June 30, 2020

Auditor's Concluding Remarks: Annually, the Office of Management and Budget identifies in the CAFR the new GASB pronouncements that have been implemented including GASB 62 and GASB 88. Lack of procedures for including required disclosures resulted in incomplete application of the GASB pronouncements and failure to provide essential information related to debt to taxpayers, public officials, and others who use the CAFR and accompanying notes.

Office of Management and Budget
Finding: F20-1

Office of Management and Budget Response/Corrective Action Plan: OMB agrees with the recommendation. OMB will work with the Department of Transportation to ensure they are capitalizing and depreciating infrastructure projects timely after the project is substantially complete according to current policies.

Contact Person: Rachel Kmetz, Accounting Manager, Fiscal Management Division

Anticipated Completion Date: June 30, 2021

NORTH Dakota | Commerce
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February 9, 2021

Joshua C. Gallion
State Auditor
600 E Boulevard Ave
Bismarck, ND 58505

Dear Mr. Gallion,

We have prepared the accompanying correction action plan as required by the standards applicable to financial audits contained in the *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for the finding we are providing you with our responsible officials' views, the name of the contact person responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Celeste Engelhard

Celeste Engelhard
Lead Fiscal Officer

1600 E Century Avenue, Suite 2 | P.O. Box 2057 | Bismarck, ND 58502-2057
PHONE: 701-328-5300 | TOLL-FREE: 1-866-4DAKOTA | ND RELAY TTY: 1-800-366-6888 | VOICE: 1-800-366-6889 | NDCommerce.com

State of North Dakota

Management's Response and Corrective Action

Fiscal Years Ended June 30, 2019 and 2020

Department of Commerce
Finding: 2020-001

Department of Commerce Response/Corrective Action Plan: The Department of Commerce agrees with the recommendation and will ensure accurate preparation of the Schedule of Expenditures of Federal Awards and the schedule will be reviewed by the Lead Fiscal Officer before being submitted.

Contact Person: Celeste Engelhard, Lead Fiscal Officer

Anticipated Completion Date: We immediately put our corrective action plan into place. The 2020 SEFA was completed and reviewed before being submitted to the Office of Management and Budget.

NORTH Dakota | Human Services
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March 1, 2021

Josh Gallion
State Auditor
600 E Boulevard Ave Dept 117
Bismarck, ND 58505

Dear Mr. Gallion:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for each finding we are providing you with our responsible officials' views, the names of the contact people responsible for the corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Christopher D. Jones
Executive Director

Cc: Jacqueline Ressler

EXECUTIVE OFFICE

GOVERNOR
Doug Burgum

EXECUTIVE DIRECTOR
Christopher Jones

600 E Boulevard Ave Dept 325 | Bismarck ND 58505-0250 | 701.328.2538 | 800.472.2622 | 711 (TTY)

www.nd.gov/dhs

Department of Human Services
Finding: 2020-002

Department of Human Services Response/Corrective Action Plan: The Department of Human Services agrees with the recommendation. The Medicaid Policy Unit has implemented ELearning training that is mandatory for all Medicaid Eligibility Workers.

- The Training Modules are as follows:
- Electronic Data Sources
- Documentation & Narratives
- Common Eligibility Errors: Income
- Common Eligibility Errors: Household Composition
- Non-ACA Reviews
- TPL

The system error related to Defect 158460 has since been implemented which fixed the issue in SPACES.

The PaSS Unit provides ongoing training for eligibility workers.

Contact Person: Joyce Johnson, Medical Policy Director and Juli Johnson, Medicaid Policy Administrator

Anticipated Completion Date: Completed

Finding: 2020-003

Department of Human Services Response/Corrective Action Plan: The Department of Human Services (DHS) agrees with the recommendation. DHS has now filled the vacant Medicaid Accountant position. This position will be responsible to complete the administrative portion of the Quarterly Children's Health Insurance Program Statement of Expenditures for Title XXI report (CMS-21 Report). Part of the quarterly reporting process will be to reconcile the amounts reported to PeopleSoft, as the PeopleSoft system is the system of record for DHS administrative expenses. As noted above DHS did not perform the reconciliation's timely due to turnover in staff but reconciliations were provided once requested and no errors were noted. DHS anticipates reconciliation's will be done timely since the position has been filled.

The Medical Assistance expenditures reported on the Quarterly Statement of Expenditures for the Medical Assistance Program (MAP) (CMS-64 Report) are based on payment data from MMIS. This data is summarized and grouped according to CMS reporting requirements. MAP expenditure data at this detail does not exist in PeopleSoft, therefore the PeopleSoft system is not used for federal reporting, however part of the federal reporting process includes balancing PeopleSoft check write amounts to MMIS 64 reports generated from MMIS.

DHS wishes to clarify that there is not a risk of federal reporting being inaccurate for the MAP if reconciliations between the federal report and PeopleSoft are not completed. MMIS is the system of record for federal reporting and calculations for collection adjustment are part of the federal reporting process and can only made in PeopleSoft once the federal reporting process is complete. DHS will ensure timely adjustments are made to PeopleSoft to ensure MAP expenditure amounts reported on the CMS-64 are properly reflected in PeopleSoft, this will also ensure that fiscal year-end financial reporting is reflective of what has been reported, and therefore reduce the risk of misstatement on the Schedule of Expenditures of Federal Awards.

Contact Person: Rhonda Obrigewitch, Assistant CFO

Anticipated Completion Date: September 2021

Finding: 2020-004

Department of Human Services Response/Corrective Action Plan: The Department of Human Services agrees with the recommendation. The Department will implement additional editing in MMIS during the claim adjudication process prior to claims payment to enhance the identification of potential duplicate payments. During the next year, the Department will review at least quarterly whether additional editing may be necessary to enhance the identification of potential duplicate payments.

Contact Person: Caprice Knapp, Medicaid Director

Anticipated Completion Date: March 31, 2022

Finding: 2020-005

Department of Human Services Response/Corrective Action Plan: The Department of Human Services agrees with the recommendation. The Department will provide education to providers on the requirement to retain documentation to support the services billed. The Department will also provide education to providers on the necessity to provide the requested documentation for a records request.

Contact Person: Caprice Knapp, Medicaid Director

Anticipated Completion Date: June 30, 2021

Finding: 2020-006

Department of Human Services Response/Corrective Action Plan: The Department of Human Services agrees with the recommendation. The Program Integrity Unit has revised the language in the Audit Overview Oversight document to better reflect the new rehabilitation provider process. It is not a formal audit but rather an educational review process meant to assist the providers in billing correctly.

The Program Integrity Unit has reassigned the layperson ambulance reviews to the Utilization Review team due to no longer having a layperson in the PIU. The PIU will pull the applicable claims data for the UR team to conduct the review. Prior to reassigning to the UR team, a temporary enrollment staff helped get the late ambulance claim reviews caught up. Requests for the sample of ambulance claims for 4th quarter 2020 went out and we are currently receiving responses and are current with the reviews. The semi-annual recipient analysis for first half of 2020 was completed in October of 2020. The second half of 2020 will be reviewed this month.

Due to the declaration of the Public Health Emergency as of March 2020, State Medicaid Agencies were encouraged to halt auditing to allow healthcare facilities to focus on treating patients associated with the pandemic.

Contact Person: Dawn Mock, Medicaid Program Integrity Administrator

Anticipated Completion Date: Completed

Finding: 2020-007

Department of Human Services Response/Corrective Action Plan: The Department agrees with the recommendation and will sign an amendment to the Cotiviti contract which will meet the requirements of the confidentiality agreement in Section 7.1.2 of the Medicaid National Correct Coding Initiative Technical Guidance Manual, revised 01/01/2020.

Contact Person: Caprice Knapp, Medicaid Director

Anticipated Completion Date: March 2021

Finding: 2020-008

Department of Human Services Response/Corrective Action Plan: The Department agrees with the recommendation. The Department's Program will continue to request a SOC audit from HMS.

Contact Person: Cody Hedge, Paralegal at Child Support

Anticipated Completion Date: January 2021

Finding: 2020-009

Department of Human Services Response/Corrective Action Plan: The Department of Human Services agrees with the recommendation. Early Childhood Services has received Technical Assistance from the regional office (OCC) regarding childcare records. Their recommendations according to CCDF requirements, were to update our compliance checklist (see below) and to eliminate the childcare record (SFN 1426) which is not a required form. All specialists will be using the updated compliance checklist by May of 2021.

CHILD CARE RECORDS WORKSHEET

Review of no less than 30 files must be conducted on site. If the abbreviated review reveals incomplete records, an additional 30 files must be reviewed. This process will continue, 30 files at a time, until no incomplete records are found or until all files have been reviewed.

For facilities will less than 30 children enrolled, all files will be reviewed.

Records Reviewed 30 All	Age Group Reviewed:	Last Names From:
Insert Add Row Button Here		

Contact Person: Carmen Traeholt, Early Childhood Services Statewide Manager

Anticipated Completion Date: May 2021

Finding: 2020-010

Department of Human Services Response/Corrective Action Plan: The Department of Human Services agrees with the recommendation. The State initiated a process redesign for early childhood licensing in August 2019. The redesign was intended to improve consistency of reviews, ongoing monitoring, and corrective action across all 19 Human Service Zones. The bulk of the redesign work took place in advance of the former county-employed early childhood licensors becoming state employees (January 2020).

As part of Redesign, DHS piloted the use of a streamlined on-site visit checklist to identify opportunities for efficiencies. Thirteen counties utilized the abbreviated form during pilot, the remaining counties continued to utilize the existing form. It was determined that the abbreviated form would not adequately capture information needed so, in June 2020 all licensors reverted to utilization of the full-length Compliance Checklist to assure all Health and Safety standards are being met.

In September 2020 DHS began the work of implementing a comprehensive Early Childhood Licensing database that will greatly improve the ability to properly license providers. The system is anticipated to be complete by March 2022.

Contact Person: Carmen Traeholt, Early Childhood Services Statewide Manager

Anticipated Completion Date: March 2022

Finding: 2020-011

Department of Human Services Response/Corrective Action Plan: The Department agrees with the recommendation. During the audit timeframe, County Licensors were inconsistent in how they followed up on corrective orders. As part of Early Childhood Services Redesign (completed by March 2020), all Licensing Specialists are assigned a specific provider case load, which will help Licensing Specialists keep track of any correction orders and follow-up expectations that affect providers they are assigned to work with.

Contact Person: Carmen Traeholt, Early Childhood Services Statewide Manager

Anticipated Completion Date: March 2021

Finding: 2020-012

Department of Human Services Response/Corrective Action Plan: The Department of Human Services agrees with the recommendation. The Lead Agency receives a monthly report that contains payments that could be considered duplicate that were made for three months prior to the current month. The report contains payments that meet the following criteria:

- Same child
- Same caretaker
- Same provider
- Same service month

Department staff reviews identified payments on this report and maintains a log and notes on each situation and any follow up that was completed with Eligibility workers.

The consolidated eligibility system, SPACES, where payments are issued, does have checks validations in place to ensure payments to no exceed the state maximum rate. An additional warning message is in place and is received when a payment already exists for the child and provider for a service month and a new payment with the same criteria is entered. Workers are able to by-pass this warning message as there are instances where a second payment may be needed. The department will explore a system enhancement to make this warning message more prominent in an effort to reduce duplicate payment situations.

Contact Person: Emily Hakanson, Child Care Assistance Program Administrator

Anticipated Completion Date: There is no anticipated completion date for system enhancements as all enhancements have to be prioritized and scheduled based on need.

Finding: 2020-013

Department of Human Services Response/Corrective Action Plan: The Department agrees with the recommendation. DHS provides policy and system trainings, tips and tricks and policy and processing reminders as needed through periodic statewide trainings, monthly newsletters and online help resources. This effort is done in collaboration with the Policy and System Support (PaSS) unit in Economic Assistance. The PaSS unit will begin conducting CCAP New Worker Training annually beginning the winter of 2022. The training will cover all aspects of CCAP eligibility.

In March 2019, the department implemented a new eligibility system, SPACES. The implementation of this new system has made processing of cases less error prone as the system calculates all aspects of CCAP eligibility such as countable income amounts, countable households members, allowable child care hours, etc. The department is continually making improvements to the system through change requests.

Quality Assurance reviews are completed monthly and the results of those reviews are used to determine training needs, corrective active, etc. to mitigate errors.

Contact Person: Emily Hakanson, Child Care Assistance Program Administrator

Anticipated Completion Date: CCAP New Worker training will begin annually starting winter 2022. System enhancements and other trainings, reminders, etc. are completed as needed.

Finding: 2020-014

Department of Human Services Response/Corrective Action Plan: The Department of Human Services agrees with the recommendation. The State initiated a process redesign for early childhood licensing in August 2019. The redesign was intended to improve consistency of reviews, ongoing monitoring, and corrective action across all 19 Human Service Zones. The bulk of the redesign work took place in advance of the former county-employed early childhood licensors becoming state employees (January 2020).

As part of Redesign, DHS piloted the use of a streamlined on-site visit checklist to identify opportunities for efficiencies. Thirteen counties utilized the abbreviated form during pilot (August 2019 – March 2020); the remaining counties continued to utilize the existing form. It was determined that the abbreviated form would not adequately capture information needed so, in August 2020 all licensors reverted to utilization of the full-length Compliance Checklist to assure all Health and Safety standards are being met.

As part of North Dakota's regular federal review, the current compliance checklist was reviewed by Regional OCS and all recommendations will be implemented in May 2021.

Contact Person: Carmen Traeholt, Early Childhood Services Statewide Manager

Anticipated Completion Date: May 2021

Finding: 2020-015

Department of Human Services Response/Corrective Action Plan: The Department of Human Services agrees with the recommendation. During the audit timeframe County Licensors were inconsistent in rates of completion for unannounced visits. This was due, in part, to the difference in how each County chose to administer and staff this function; licensors were not consistently required to maintain certain caseloads which contributed to uneven application of this part of the regulation.

A major focus of the redesign effort was to ensure that the system was structured to ensure early childhood specialists time was organized to maximize time spent on visits. As part of redesign all Licensing Specialists are assigned a specific case load so they can schedule and follow through with unannounced visits for their assigned providers. This new distribution of work accompanied the transition from county to state employment (Jan 2020) and was being implemented by mid-2020.

Early Childhood Services is currently in the process of designing a database to ensure all required documents and licensing visits are complete prior to issuing licenses and certificates to providers. The data base will be complete in April of 2022.

Contact Person: Carmen Traeholt, Early Childhood Services Statewide Manager

Anticipated Completion Date: April 2022

Finding: 2020-016

Department of Human Services Response/Corrective Action Plan: The Department agrees with the recommendation. Early Childhood Services Redesign moved all County Licensors to State employment (Jan 2020) and Early Childhood Services Regional Representatives to a Supervisor status (March 2020). These steps will change how a QA visit is completed. QA visits starting in 2021 will include both standard performance reviews of licensors as well as quality assurance review of outputs and outcomes. This includes review of how licensors conduct visits and complete their core work related to license compliance and health and safety practices of child care programs.

Contact Person: Carmen Traeholt, Early Childhood Services Statewide Manager

Anticipated Completion Date: June 2021

Finding: 2020-017

Department of Human Services Response/Corrective Action Plan: The Department agrees with the recommendation. DHS acknowledges that due to SPACES implementation, the sampling sent to JOBS contractors was put on hold and not provided. Effective February 2021, all future Random Sampling Reports will be sent out monthly.

The following monthly Random Sampling Reports have been provided to the Employment Contractors:

- October, November and December 2019 were provided in May 2020
- April, May and June 2019 were provide in June 2020
- January, February and March 2020 were provided in June 2020
- July, August and September 2019 were provided in August 2020
- April, May and June 2020 were provided in August 2020
- July, August and September 2020 were provided in December 2020
- October and November 2020 were provided on January 4, 2021
- December 2020 will be sent out in February 2021

Contact Person: Joan Schatz, TANF/JOBS Program Administrator

Anticipated Completion Date: February 2021

Finding: 2020-018

Department of Human Services Response/Corrective Action Plan: The Department of Human Services agrees with this recommendation. The Child and Family Services (CFS) policy Foster Care Eligibility Quality Assurance Reviews 447-10-18 is under revision to accommodate the changes of eligibility unit implementation and how to apply review for high risk of agencies.

The fiscal office compiles the county/zone risk assessment on a yearly basis. CFS sends NDDHS Fiscal the required information (results of Foster Care reviews, OCR reviews, etc). The request to take the results of that combined risk assessment into account when selecting foster care reviews is embedded into the new draft policy. For example: If a zone is deemed high risk during the risk assessment and is not due for a file review, the high-risk knowledge will be considered in future sampling.

It is imperative to mention that the North Dakota Department of Human Services, the North Dakota Association of Counties, and local human service zone leaders, with the support of Gov. Doug Burgum and state lawmakers continue to redesign social services. This collaborative effort began with the passage of Senate Bill 2206 in 2017, continued with the passage of Senate Bill 2124 in 2019 and is currently being heard as Senate Bill 2086 during the 2021 legislative assembly. Due to redesign efforts, the Centralized Foster Care & Subsidized Adoption Eligibility Unit, absorbed as a function of Children and Family Services (CFS), went live February 1, 2021. The overall goals are to implement standardized procedures which offer consistency and efficiencies for workers, providers, and families, while reducing financial errors and overpayments for the state. The unit will manage the

- Eligibility determinations for foster care cases, while authorizing eligible foster care payments.
- Eligibility determinations for children seeking prevention services, also known as candidates for foster care.
- Sub-adopt negotiation process, while authorizing all eligible subsidy payments.
- Opening and closing of ND Medicaid for all foster and sub-adopt cases.

Effective, February 1, 2021 much of the review is about our own NDDHS employees and error rate with payments or eligibility determinations. However, we will be able to notify the Zones/agencies if they are not getting information to the unit timely resulting in fiscal error.

Contact Person: Kelsey Bless, Permanency Administrator at Children and Family Services

Anticipated Completion Date: March 2021

Finding: 2020-019

Department of Human Services Response/Corrective Action Plan: The Department agrees with the recommendation. Program Accountant plans on creating a procedure manual for the end of the period of performance, to identify charges that need to be applied to the appropriate grant year. Currently there is not written procedure manual or documentation that outlines the steps needed to ensure proper period of performance.

This procedure manual to be created will outline the steps the Program Accountant needs to take in order to check all transactions posting to Peoplesoft from the AWARE case management system, check Peoplesoft speedcharts for both VR central office and the VR regional offices located in the Human Service Centers, and checking the history database for any errors on to ensure a comprehensive review of all transactions between the AWARE system and Peoplesoft.

Contact Person: Jacqueline Ressler, Account Manager and Isabel Tischmak, Vocational Rehab Program Accountant

Anticipated Completion Date: November 30, 2020

Kirsten Baesler
State Superintendent

NORTH DAKOTA DEPARTMENT OF
PUBLIC INSTRUCTION

600 E. Boulevard Ave., Dept. 201
Bismarck, ND 58505-0440
Phone (701) 328-2260
Fax (701) 328-2461
www.nd.gov/dpi

February 4, 2021

The Honorable Joshua C. Gallion
State Auditor
600 E Boulevard Ave
Bismarck, ND 58505

Dear Mr. Gallion,

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in the *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Specifically, for each finding we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Jamie Mertz
Fiscal Management Director

Department of Public Instruction
Finding: 2020-020

Department of Public Instruction Response/Corrective Action Plan: The Department of Public Instruction agrees with the recommendation. The Department will review and update procedures for monitoring the Special Education Cluster.

Contact Person: Jamie Mertz, Fiscal Management Director

Anticipated Completion Date: July 1, 2021

Finding: 2020-021

Department of Public Instruction Response/Corrective Action Plan: The Department of Public Instruction agrees with the recommendation.

We have reviewed our audit procedures as well as 2 CFR 200 Subpart F. We will be looking possible ways to utilize a notification system so that deadlines are not missed as well as following up on outstanding issues.

Contact Person: Jamie Mertz, Fiscal Management Director

Anticipated Completion Date: May 1, 2021

Finding: 2020-022

Department of Public Instruction Response/Corrective Action Plan: The Department of Public Instruction agrees with the recommendation.

The following additional review and approval has been implemented.

- If the Grant Award Notification is system generated, the agency Fiscal Management Director will sign off on the Grant Award Notification template before the first one is issued.
- If the Grant Award Notification is manually created, the agency Fiscal Management Director will sign the form before it is sent to the grantee.

We believe this additional approval will eliminate the inconsistencies and errors occurring across the agency offices when completing these notifications.

Contact Person: Jamie Mertz, Fiscal Management Director

Anticipated Completion Date: Process change was implemented February 2, 2021

Finding: 2020-023

Department of Public Instruction Response/Corrective Action Plan: The Department of Public Instruction is rewriting internal procedures to ensure that the Child Nutrition Cluster obligations will occur within the period of performance and payment will not be made after the period of performance.

Contact Person: Linda Schloer, Director of Child Nutrition and Food Programs

Anticipated Completion Date: March 31, 2021

NORTH Dakota | Transportation
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February 25, 2021

Mr. Joshua C. Gallion
State Auditor
Office of the State Auditor's Office
600 E Boulevard Ave - Dept 117
Bismarck ND 58505

Dear Mr. Gallion:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in the *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for the findings we are providing you with our responsible officials' view, the name of the contact person responsible for the corrective action planned, and the anticipated completion date.

Sincerely,

Shannon L. Sauer, CPA/CGMA
Chief Financial Officer

50/sls/cpm
Enclosure
cc: NDDOT Audit Coordination Committee
Kevin Scherbenske, State Auditor's Office

Department of Transportation
Finding: 2020-024

Department of Transportation Response/Corrective Action Plan:
ND DOT agrees with the finding.

Part 1: NDDOT's Quality Assurance & Internal Review Division has implemented a continuous screening process for subrecipient audit reports and will be working with the program managers to ensure adequate tracking and enforcement of audit requirements and follow up on management decisions to ensure accountability of subrecipients with timely and appropriate corrective action.

Part 2: Program managers have been assigned the responsibility to ensure that all subrecipient certifications are obtained and reviewed, all required audits are completed and provided to NDDOT and/or the audit clearinghouse in accordance with established time requirements, all management decisions are issued as required, as corrective action plan is developed and implemented, and follow up occurs as necessary.

Contact Person: Part 1: Jody Isaak, Audit Services Director; Part 2: Paul Benning, Local Government Engineer

Anticipated Completion Date: March 1, 2021

Finding: 2020-025

Department of Transportation Response/Corrective Action Plan:
NDDOT agrees with the finding. An internal control questionnaire has been created and each agency is required to fill out and return the questionnaire annually. A risk assessment matrix has also been created and is filled out based on the internal control questionnaire in order to determine appropriate subrecipient monitoring based on overall risk.

Contact Person: Paul Benning, Local Government Engineer

Anticipated Completion Date: March 1, 2021

State of North Dakota

Management's Response and Corrective Action

Fiscal Years Ended June 30, 2019 and 2020

Finding: 2020-026

Department of Transportation Response/Corrective Action Plan:
ND DOT agrees with the finding. A process has been developed whereby each required element will be provided to the subrecipient via inclusion in the subaward agreement.

Contact Person: Paul Benning, Local Government Engineer

Anticipated Completion Date: March 1, 2021

Thomas Beadle
STATE TREASURER

STATE OF NORTH DAKOTA
OFFICE OF
STATE TREASURER
STATE CAPITOL
600 E BOULEVARD AVE DEPT 120
BISMARCK, ND 58505-0600
(701) 328-2643 FAX (701) 328-3002
treasurer.nd.gov

January 28, 2021

Joshua C. Gallion
State Auditor
600 E Boulevard Ave
Bismarck, ND 58505

Mr. Gallion,

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in the *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for the finding related to our agency, we are providing you with our responsible official's views, the name of the contact person responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Ryan Skor
Director of Finance

State Treasurer Office
Finding: 2020-027

State Treasurer Office Response/Corrective Action Plan: The Office of State Treasurer agrees with the finding and subsequent recommendation made by the State Auditor's Office. The Office of State Treasurer will enhance its subrecipient monitoring processes by modifying the annual certifications we send out to subrecipients to require an affirmative response as to whether the subrecipients are required to complete an audit and, if required, that it was completed timely. We will ensure required subrecipient audits are completed and posted to the Federal Audit Clearinghouse timely and, if not, will follow up with the subrecipient to seek resolution. We will also review posted audits for all subrecipients to ensure there are no deficiencies detected for Federal awards passed through by our office and, if there are, appropriate action is taken to remedy said deficiencies.

Contact Person: Ryan Skor, Director of Finance

Anticipated Completion Date: July 31, 2021

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NORTH DAKOTA UNIVERSITY SYSTEM
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State Capitol – 600 E Boulevard Ave – Dept. 215
Bismarck ND 58505-0230
Phone: 701.328.2960 Fax: 701.328.2961
E-mail: ndus.office@ndus.edu Web: ndus.edu

February 23, 2021

The Honorable Joshua C. Gallion
State Auditor
600 East Boulevard Avenue – Dept. 117
Bismarck, ND 58505-0060

Dear Mr. Gallion:
We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in Government Auditing Standards and by the audit requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Specifically, for each finding we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned and the anticipation completion date.

Sincerely,
Tammy Dolan

Tammy Dolan
Vice Chancellor for Administrative Affairs/CFO

University System
Finding: 2020-028

University System Response/Corrective Action Plan: By June 30, 2021, Lake Region State College (LRSC), Mayville State University (MaSU), North Dakota State College of Science (NDSCS) and Williston State College (WSC) will carefully review the HEERF certification and agreement to ensure required reports are filed in a timely manner.

Contact Person: LRSC: Corry Kenner, Vice President for Administrative Affairs
MaSU: Steve Bensen, Vice President for Business Affairs
NDSCS: Keith Johnson, Chief Financial Officer
WSC: Riley Yadon, Chief Financial Officer

Anticipated Completion Date: June 30, 2021

Office of the
State Auditor



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March 1, 2021

Mr. Josh Gallion
State Auditor
600 E Boulevard Avenue, Dept. 117
Bismarck, ND 58505

RE: Summary Schedule of Prior Audit Findings
North Dakota Single Audit Report
For Fiscal Years Ended June 30, 2020 and 2019

Dear Mr. Gallion:

In accordance with OMB's final guidance located in Title 2 of the Code of Federal Regulations, the state of North Dakota is responsible for follow-up and corrective action on all audit findings identified in the North Dakota Single Audit Report. As part of this responsibility, the state is required to prepare a summary schedule reporting the status of all audit findings included in the prior audit's schedule of findings and questioned costs relative to the federal awards. The Office of Management and Budget compiles this information on behalf of the state and oversees the implementation status of these audit findings.

Attached is the State of North Dakota's Summary Schedule of Prior Audit Findings for the two fiscal years ended June 30, 2020 and 2019. This summary identifies the implementation status of all prior audit findings, except for those findings that have been fully corrected, are no longer valid, or do not warrant further action on the part of the state.

Sincerely,

Jeff Larshus
Director of State Financial Services

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

DEPARTMENT OF HUMAN SERVICES

Finding 2018-001	Page D-9
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.777 93.778	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medicaid Cluster
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services complete the CMS-64 report no later than 30 days after the end of each quarter.
Status:	This recommendation is implemented. The backlog has been cleared and the reports have been completed timely since September 30, 2018. CMS has reviewed and agreed with this.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-002	Page D-10
Recurring:	Year of initial finding was 2016-2015
CFDA # 93.777 93.778	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medicaid Cluster
Questioned Cost:	$6,617
Recommendation:	We recommend the Department of Human Services develop system edit checks and improve system functionality to ensure eligibility determinations made for the Medicaid program are proper.
Status:	This recommendation is partially implemented. The Medicaid Policy Unit has implemented ELearning training that is mandatory for all Medicaid Eligibility Workers. - The Training Modules are as follows: - Electronic Data Sources - Documentation & Narratives - Common Eligibility Errors: Income - Common Eligibility Errors: Household Composition - Non-ACA Reviews - TPL The system error related to Defect 158460 has since been implemented which fixed the issue in SPACES. The PaSS Unit provides ongoing training for eligibility workers. Money was returned in July 2019.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-003	Page D-11
Recurring:	Year of initial finding was 2012 - 2011
CFDA # 93.777 93.778	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medicaid Cluster
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services ensure the Program Integrity Unit fully executes their sampling plan.
Status:	This recommendation was partially implemented. The Program Integrity Unit has revised the language in the Audit Overview Oversight document to better reflect the new rehabilitation provider process. It is not a formal audit but rather an educational review process meant to assist the providers in billing correctly. The Program Integrity Unit has reassigned the layperson ambulance reviews to the Utilization Review team due to no longer having a layperson in the PIU. The PIU will pull the applicable claims data for the UR team to conduct the review. Prior to reassigning to the UR team, a temporary enrollment staff helped get the late ambulance claim reviews caught up. Requests for the sample of ambulance claims for 4th quarter 2020 went out and we are currently receiving responses and are current with the reviews. The semi-annual recipient analysis for first half of 2020 was completed in October of 2020. The second half of 2020 will be reviewed this month. Due to the declaration of the Public Health Emergency as of March 2020, State Medicaid Agencies were encouraged to halt auditing to allow healthcare facilities to focus on treating patients associated with the pandemic.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-004	Page D-12
Recurring:	Year of Initial Finding is 2016 - 2015
CFDA # 93.777 93.778 93.767	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medicaid Cluster and Children's Health Insurance Program
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services develop system edit checks within the SPACES system to ensure verifications are used in the eligibility determination process.
Status:	This recommendation was implemented. Verification procedures were enhanced in SPACES release 2, which was implemented in 2019. Eligibility workers received tasks related to interface information received from various sources such as Social Security Administration, Internal Revenue Services, Job Service North Dakota, etc. In addition, system fixes for verification notices including data and due dates, due date for requested verification, and added selection options for verification of identity types were implemented in 2016 and 2017. Information regarding training on policy and SPACES were provided to eligibility workers.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-005	Page D-14
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.777 93.778	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medicaid Cluster
Questioned Cost:	$23
Recommendation:	We recommend the Department of Human Services strengthen controls to prevent duplicate payments.
Status:	This recommendation was partially implemented. The Department will implement additional editing in MMIS during the claim adjudication process prior to claims payment to enhance the identification of potential duplicate payments. During the next year, the Department will review at least quarterly whether additional editing may be necessary to enhance the identification of potential duplicate payments. Money was returned in July 2019.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-006	Page D-15
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.767	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare & Medicaid Services Children's Health Insurance Program
Questioned Cost:	$607
Recommendation:	We recommend the Department of Human Services develop system edit checks and improve system functionality to ensure eligibility determinations made for the CHIP program are proper.
Status:	This recommendation is partially implemented. The Medicaid Policy Unit has implemented ELearning training that is mandatory for all Medicaid Eligibility Workers. - The Training Modules are as follows: - Electronic Data Sources - Documentation & Narratives - Common Eligibility Errors: Income - Common Eligibility Errors: Household Composition - Non-ACA Reviews - TPL The system error related to Defect 158460 has since been implemented which fixed the issue in SPACES. The PaSS Unit provides ongoing training for eligibility workers. Money was returned in July 2019.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-007	Page D-16
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services develop procedures to ensure required child care records are maintained by the child care provider.
Status:	This recommendation was not implemented. Early Childhood Services has received Technical Assistance from the regional office (OCC) regarding childcare records. Their recommendations according to CCDF requirements, were to update our compliance checklist (see below) and to eliminate the childcare record (SFN 1426) which is not a required form. All specialists will be using the updated compliance checklist by May of 2021.

CHILD CARE RECORDS WORKSHEET

Review of no less than 30 files must be conducted on site. If the abbreviated review reveals incomplete records, an additional 30 files must be reviewed. This process will continue, 30 files at a time, until no incomplete records are found or until all files have been reviewed.

For facilities will less than 30 children enrolled, all files will be reviewed.

Records Reviewed		Age Group Reviewed:	Last Names From:	Last Names Through:	Incomplete Records Found?	
30	All				Yes	No
Insert Add Row Button Here						

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-008	Page D-18
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services develop adequate sampling methods for the selection of Child Care Assistance eligibility case files. Methods should include addressing identified risks, ensuring each county is reviewed over a specified time, and determining sample size based on prior errors.
Status:	This recommendation was implemented. On the first working day of each month, ITD generates a data extract containing child care subsidy payments for the three months prior. Using an analytics software, ITD generates a random sample by dividing the number of cases listed in the monthly sampling frame by the number of cases to be selected for the sample. Prior to the end of the federal fiscal year, AQ staff review sampled cases and creates a listing of the 53 counties in ND not yet represented in any of the monthly samples. Utilizing the entire universe created for the fiscal year, cases from the missing counties are selected for review using a simple random sample from the analytics software.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-009	Page D-20
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	$682,531
Recommendation:	We recommend the Department of Human Services develop procedures to detect and prevent Child Care Assistance Program payments from being made outside of the grant award's period of performance.
Status:	This recommendation was implemented. The Department uses speed charts to determine coding for each expenditure. As of October 10 (this date is used so that payroll for September clears before the speed chart is changed) all speed charts are updated to the new grant coding. Any expenditures received related to the prior year are manually coded to the correct grant year. Both of these grants in question have a 90 day window to get expenditures paid after the grant closes. Correspondence was sent to all program accountants to ensure that the speed charts were updated in a timely manner.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-010	Page D-21
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	$529,160
Recommendation:	We recommend the Department of Human Services ensure that child care providers have met all necessary licensing requirements prior to issuing Child Care Assistance payments.
Status:	The recommendation was partially implemented. The State initiated a process redesign for early childhood licensing in August 2019. The redesign was intended to improve consistency of reviews, ongoing monitoring, and corrective action across all 19 Human Service Zones. The bulk of the redesign work took place in advance of the former county-employed early childhood licensors becoming state employees (January 2020). As part of Redesign, DHS piloted the use of a streamlined on-site visit checklist to identify opportunities for efficiencies. Thirteen counties utilized the abbreviated form during pilot, the remaining counties continued to utilize the existing form. It was determined that the abbreviated form would not adequately capture information needed so, in June 2020 all licensors reverted to utilization of the full-length Compliance Checklist to assure all Health and Safety standards are being met. In September 2020 DHS began the work of implementing a comprehensive Early Childhood Licensing database that will greatly improve the ability to properly license providers. The system is anticipated to be complete by March 2022.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-011	Page D-22
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	$1,843
Recommendation:	We recommend the Department of Human Services develop and implement procedures to detect and prevent duplicate and other improper payments from being issued under the Child Care Assistance program.
Status:	The recommendation was partially implemented. The Lead Agency receives a monthly report that contains payments that could be considered duplicate that were made for three months prior to the current month. The report contains payments that meet the following criteria: - Same child - Same caretaker - Same provider - Same service month Department staff reviews identified payments on this report and maintains a log and notes on each situation and any follow up that was completed with Eligibility workers. The consolidated eligibility system, SPACES, where payments are issued, does have checks validations in place to ensure payments to no exceed the state maximum rate. An additional warning message is in place and is received when a payment already exists for the child and provider for a service month and a new payment with the same criteria is entered. Workers are able to by-pass this warning message as there are instances where a second payment may be needed. The department will explore a system enhancement to make this warning message more prominent in an effort to reduce duplicate payment situations.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-012	Page D-24
Recurring:	Year of initial finding was 2008 - 2007
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	$216
Recommendation:	We recommend the Department of Human Services: 1. Develop and implement controls to ensure that all eligibility workers are collecting and maintaining all applicable information for Child Care Assistance eligibility determinations, and; 2. Properly determine eligibility for individuals receiving Child Care Assistance and issue payments that comply with requirements set in the Code of Federal Regulations for Child Care Development Funds.
Status:	This recommendation was partially implemented. DHS provides policy and system trainings, tips and tricks and policy and processing reminders as needed through periodic statewide trainings, monthly newsletters and online help resources. This effort is done in collaboration with the Policy and System Support (PaSS) unit in Economic Assistance. The PaSS unit will begin conducting CCAP New Worker Training annually beginning the winter of 2022. The training will cover all aspects of CCAP eligibility. In March 2019, the department implemented a new eligibility system, SPACES. The implementation of this new system has made processing of cases less error prone as the system calculates all aspects of CCAP eligibility such as countable income amounts, countable households members, allowable child care hours, etc. The department is continually making improvements to the system through change requests. Quality Assurance reviews are completed monthly and the results of those reviews are used to determine training needs, corrective active, etc. to mitigate errors.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-013	Page D-26
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services develop procedures to monitor and ensure the resolution of corrective orders including that resolution occurs within specified time frames.
Status:	This recommendation was not implemented. During the audit timeframe, County Licensors were inconsistent in how they followed up on corrective orders. As part of Early Childhood Services Redesign (completed by March 2020), all Licensing Specialists are assigned a specific provider case load, which will help Licensing Specialists keep track of any correction orders and follow-up expectations that affect providers they are assigned to work with.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-014	Page D-27
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services: 1. Update the licensing study to include requirements for all necessary health and safety standards for self-declared providers, and; 2 Ensure self-declared providers meet all health and safety standards required to be licensed.
Status:	This recommendation was not implemented. The State initiated a process redesign for early childhood licensing in August 2019. The redesign was intended to improve consistency of reviews, ongoing monitoring, and corrective action across all 19 Human Service Zones. The bulk of the redesign work took place in advance of the former county-employed early childhood licensors becoming state employees (January 2020). As part of Redesign, DHS piloted the use of a streamlined on-site visit checklist to identify opportunities for efficiencies. Thirteen counties utilized the abbreviated form during pilot (August 2019 – March 2020); the remaining counties continued to utilize the existing form. It was determined that the abbreviated form would not adequately capture information needed so, in August 2020 all licensors reverted to utilization of the full-length Compliance Checklist to assure all Health and Safety standards are being met. As part of North Dakota's regular federal review, the current compliance checklist was reviewed by Regional OCS and all recommendations will be implemented in May 2021.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-015	Page D-29
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services develop a centralized tracking mechanism for all reports of irregularities and deficiencies of the Child Care Assistance Program. In addition, we recommend the Department develop procedures for monitoring the timely and proper determination of fraudulent activity.
Status:	This recommendation was implemented. The Department continues to use the Department's Fraud Log to track reports that are received by the state office. When these reports are received, state policy staff review the information and forward the information on to the appropriate county as necessary. The Department has reached out to their federal technical assistance partner, the National Center on Subsidy Innovation and Accountability (NCSIA), for assistance in strengthening and implementing procedures. After NCSIA reviews the Department's Intentional Program Violation (IPV) e-learning, they will provide feedback and suggestions of various types of red flag reports implemented by other states that help to identify potential instances of fraud. The Department continues to utilize existing reports, such as a duplicate payment report and a duplicate SSN report. The Department implemented a new integrated eligibility system in March 2019. With the implementation, eligibility information and verifications are shared across multiple programs in one system. This will further help to ensure that reported information is being evaluated for CCAP when the information is reported for a different program.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-016	Page D-30
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services develop a centralized tracking mechanism to properly monitor subrecipient corrective actions and deficiencies identified in the Quality Control eligibility reviews.
Status:	This recommendation was implemented. Child Care Assistance policy staff are included on all case finding emails that Quality Assurance/Control sends to counties. Additionally, policy staff receive a copy of the case findings review report used by Quality Assurance/Control. Policy then reviews the report and will follow up with counties when a corrective action, such as establishing a claim, is appropriate. Review of this report began in September 2018 for the review month of July 2018.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-017	Page D-32
Recurring:	Year of initial finding was 2016-2015
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services perform annual unannounced inspections of licensed and self-declared child care providers in operation as required by the Code of Federal Regulations and Department policy.
Status:	This recommendation was partially implemented. During the audit timeframe County Licensors were inconsistent in rates of completion for unannounced visits. This was due, in part, to the difference in how each County chose to administer and staff this function; licensors were not consistently required to maintain certain caseloads which contributed to uneven application of this part of the regulation. A major focus of the redesign effort was to ensure that the system was structured to ensure early childhood specialists time was organized to maximize time spent on visits. As part of redesign all Licensing Specialists are assigned a specific case load so they can schedule and follow through with unannounced visits for their assigned providers. This new distribution of work accompanied the transition from county to state employment (Jan 2020) and was being implemented by mid-2020. Early Childhood Services is currently in the process of designing a database to ensure all required documents and licensing visits are complete prior to issuing licenses and certificates to providers. The data base will be complete in April of 2022.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-018	Page D-33
Recurring:	Year of initial finding is 2016 - 2015
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services perform effective monitoring procedures to ensure all functions of the Child Care Assistance program are properly completed including monitoring correction orders, completing unannounced visits, and properly licensing providers.
Status:	This recommendation was partially implemented. Early Childhood Services Redesign moved all County Licensors to State employment (Jan 2020) and Early Childhood Services Regional Representatives to a Supervisor status (March 2020). These steps will change how a QA visit is completed. Starting in March 2020, regional supervisors were beginning to conduct both standard performance reviews of licensors as well as quality assurance review of outputs and outcomes. This includes review of how licensors conduct visits and complete their core work related to license compliance and health and safety practices of child care programs.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-019	Page D-34
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.575 93.596	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services develop additional methods to detect instances that could result in fraudulent Child Care Assistance payments.
Status:	This recommendation was implemented. The Child Care Assistance Administrator receives a monthly report of potential duplicate payments made for three months prior to the current month. The report contains payments that meet the following criteria: Same child Same caretaker Same provider Same service month Child Care Assistance staff review all payments on this report and maintains a log of notes on each situation and any follow up that was completed with Eligibility workers. In many instances, the second payment to a child in the same case was due to an underpayment being issued. Underpayments are issued when it was determined that the family was entitled to more assistance then was first determined. Child Care Assistance Policy does allow a child to be in two separate cases at the same time due to joint custody arrangements. The system notifies a worker when they have entered a child with the same SSN or identifying number in a case when the child is already known to another case. However, due to the allowance of a child in two cases, the workers can bypass the edit. The edit serves as a notification to workers to verify that joint custody is appropriate in the case and to alert them to instances of a duplicate child when they may not have been aware. Child Care Assistance applies a state maximum rate per child, per provider in each case a child is receiving assistance. The state maximum rate is based on the determined level of care, age of child and provider type. A

	child is allowed to have more than one provider and each provider is subject to their own state maximum rate. Payments cannot exceed the state maximum rate for each provider, per case. More than one payment may be issued per provider in a case, however, the system contains checks and balances to ensure that all total amounts paid do not exceed the maximum state rate per provider in a service month. In addition, the new eligibility system will be additional controls in place to help detect and preview duplicate and other improper payments.

Finding 2018-020	Page D-36
CFDA # 93.659	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Adoption Assistance
Questioned Cost:	$367,965
Recommendation:	We recommend the Department of Human Services ensure monthly maintenance payments made in the Adoption Assistance program are proper.
Status:	This recommendation was implemented. The Department returned the overpayment of federal funds. As soon as the Department discovered the overpayment, additional controls were implemented to ensure monthly maintenance payments are proper. The controls put into place are a secondary review of all new subsidy payments entered, a secondary review of all changes to monthly subsidy amounts, and a scan of each months' payment report for outlier payment amounts.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-021	Page D-37
CFDA # 93.659	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Adoption Assistance
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services properly calculate the savings of State funds for the Adoption Assistance program.
Status:	This recommendation was implemented. The Department will strengthen review procedures to ensure the savings of State funds is properly calculated and file a revised report. The revised report will result in an increase in unexpended savings. The Department has properly reported expended savings and has met the 30% requirement to be spent on post-adoption services and two-thirds of the 30% to be spent on post-adoption and post-guardianship services.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-022	Page D-39
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.568	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Low-Income Home Energy Assistance
Questioned Cost:	$40,994
Recommendation:	We recommend the Department of Human Services implement controls to detect and prevent LIHEAP payments from being made outside of the grant award's period of performance.
Status:	This recommendation was implemented. Except for DHS 2019 and 2020 LIHEAP State Plans, all previous state plans contained language that stated: "LIHEAP funded services would be available … until the obligated funds have been expended." Section O(1), 2018 State Plan. This language was in violation of 31 USC § 1552 (a) which states that all fixed appropriation accounts end on September 30th of the 5th fiscal year after the period of availability for obligation of the funds ends. However, this language was not in violation of state law, as state law clearly establishes that expenditures of federal funds must comply with all mandatory federal laws. NDAC § 4-12-01-05. and under Section 2605(d) of P.L.97-35 states are required to expend funds in accordance with their state plan. Prior to 2019, DHS was expending funds according to the state plan as written. Once it was discovered that the state plan was in error, the default would be federal law 31 USC § 1552(a) to establish the length of time for expenditure of obligated funds. This default determination by DHS is authorized under NDAC § 4-12-01-05(2), as state agencies are permitted to comply with the terms and conditions of federal grants, and 31 USC § 1552(a) is a general term applicable to all federal grants unless otherwise indicated. This determination is also allowed under state law, as OMB is allowed to determine the terms of contracts and nothing in state law prohibits DHS from following all applicable federals to the grant funds. NDAC §§ 4-12-13-01(2); 4-12-01-05 (2).

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-023	Page D-40
CFDA # 93.568	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Low-Income Home Energy Assistance
Questioned Cost:	$20,478
Recommendation:	We recommend the Department properly account for subrecipient and contractor administrative costs when tracking compliance with administrative cost limits.
Status:	This recommendation was implemented. The Department has adopted TANF rules in determining administrative costs and has applied these rules to contracts with the ND Department of Commerce, Division of Community Services. 45 CFR 263.0 (b)(1) excludes from administration costs the direct costs of providing program services, whether by the state or contracts devoted entirely to such activities. It also excludes salaries and benefit costs for staff providing program services and direct administrative costs associated with providing the services such as the costs for supplies, equipment, travel, postage, rental and maintenance of office space. The Department's contract with DCS requires the grantee (DCS) to provide weatherization services to Low Income Home Energy Assistance Program eligible households. The costs associated with this contract are solely for providing a weatherization program in the state ad absent such costs a program of this nature would not exist. General Administration of this contract and program is performed in the state offices and any costs incurred by the state for this purpose are tracked and reported toward the 10% allowable funds for administration.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-024	Page D-41
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.568	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Low-Income Home Energy Assistance
Questioned Cost:	$1,071
Recommendation:	We recommend the Department of Human Services review policies and processes surrounding the calculation of benefits for the Low-Income Home Energy Assistance Program (LIHEAP) to ensure proper payments are being made.
Status:	This recommendation was implemented. Statewide LIHEAP training including the calculation of benefits and proper documentation of eligibility requirements was conducted in August and September 2018. New LIHEAP workers will be assigned e-learning courses starting with the 2020 heating season. In addition, training refresher courses were completed in mid-August 2019. In-person training will be conducted on an as-needed basis.

Finding 2018-025	Page D-43
CFDA # 93.568	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Low-Income Home Energy Assistance
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services update the LIHEAP application form to include fields for all allowable expense deductions.
Status:	This recommendation was implemented. In August 2019, the LIHEAP application was updated to inform applicants of allowable expense types for LIHEAP and allocates space within for recording these amounts. The application is available starting with the FY 2020 heating season.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-026	Page D-45
CFDA # 93.566	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Health and Human Services Administration for Children and Families Office of Refugee Resettlement (ORR) Refugee and Entrant Assistance – State Administered Programs
Questioned Cost:	$117,635
Recommendation:	We recommend the Department of Human Services implement control procedures to prevent and detect payments of the Refugee and Entrant Assistance program from occurring outside the period of performance.
Status:	This recommendation was implemented. The Department uses speed charts to determine coding for each expenditure. As of October 10 (this date is used so that payroll for September clears before the speed chart is changed) all speed charts are updated to the new grant coding. Any expenditures received related to the prior year are manually coded to the correct grant year. Both of these grants in question have a 90 day window to get expenditures paid after the grant closes. Correspondence was sent to all program accountants to ensure that the speed charts were updated in a timely manner.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-027	Page D-46
CFDA # 93.566	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Health and Human Services Administration for Children and Families Office of Refugee Resettlement (ORR) Refugee and Entrant Assistance – State Administered Programs
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services implement a review process to ensure accuracy and completion of the ORR-6 Performance Report prepared and submitted by Lutheran Social Services.
Status:	This recommendation was implemented. The Department has been reviewing the procedures of the ORR-6 report. The Department has developed language to add to the contract which would give the Department the ability to review the report. There is a plan to propose adding the language to the contract.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-028	Page D-48
CFDA # 93.959	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Substance Abuse and Mental Health Services Administration Block Grants for Prevention and Treatment of Substance Abuse
Questioned Cost:	$31,143
Recommendation:	We recommend the Department of Human Services implement control procedures to prevent and detect Substance Abuse Prevention and Treatment payments from occurring outside the period of performance.
Status:	This recommendation was implemented. The Department uses speed charts to determine coding for each expenditure. As of October 10 (this date is used so that payroll for September clears before the speed chart is changed) all speed charts are updated to the new grant coding. Any expenditures received related to the prior year are manually coded to the correct grant year. Both of these grants in question have a 90 day window to get expenditures paid after the grant closes. Correspondence was sent to all program accountants to ensure that the speed charts were updated in a timely manner.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-029	Page D-49
Recurring:	Year of initial finding was 2016 – 2015
CFDA # 93.658	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Foster Care – Title IV-E
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services ensure proper and timely resolution for corrective actions identified during subrecipient monitoring for the Foster Care Program.
Status:	This recommendation was implemented. The policy was updated May 30, 2019 to ensure proper and timely resolution for corrective actions identified. The Department is considering foster care eligibility centralization as part of the Social Service Redesign efforts. This would allow the Department to have complete oversight and authority of foster care eligibility and payments statewide.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-030	Page D-50
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.563	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families Child Support Enforcement
Questioned Cost:	Unknown
Recommendation:	We recommend the Department of Human Services complete a final reconciliation of amounts reported to the Administration for Children and Families and in the State's accounting system within a reasonable timeframe after the end of each grant period.
Status:	This recommendation was implemented. The Department has the grant reconciliation up to date and will continue going forward. A policy/procedure has been created to document the plan and outline the timeliness expected on these reconciliations.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-031	Page D-52
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 84.126	U.S. DEPARTMENT OF EDUCATION Employment and Training Administration Rehabilitation Services – Vocational Rehabilitation Grants to States
Questioned Cost:	$71,628
Recommendation:	We recommend the Department of Human Services implement procedures to prevent and detect Vocational Rehabilitation payments from occurring outside the period of performance.
Status:	This recommendation was partially implemented. Program Accountant created a procedure manual for the end of the period of performance, to identify charges that need to be applied to the appropriate grant year. This procedure manual outlines the steps the Program Accountant needs to take in order to check all transactions posting to Peoplesoft from the AWARE case management system, check Peoplesoft speedcharts for both VR central office and the VR regional offices located in the Human Service Centers, and checking the history database for any errors on to ensure a comprehensive review of all transactions between the AWARE system and Peoplesoft.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-032	Page D-53
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 84.126	U.S. DEPARTMENT OF EDUCATION Employment and Training Administration Rehabilitation Services – Vocational Rehabilitation Grants to States
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services ensure the SF-425 Federal Financial Reports and RSA-2 Annual Vocational Rehabilitation Program/Cost Reports for the Vocational Rehabilitation program are completely accurate.
Status:	This recommendation was implemented. The Department has developed additional controls which will include a double check of the numbers reported by another staff member. Instructional notes have also been added to the worksheets for the SF-425 reports to clarify that the cash basis PeopleSoft reports are used on the Federal Cash section of the report and that the accrual PeopleSoft reports are only used in the Federal Expenditures and Unobligated Balance section of the report. Notes have also been added to assure adjusting journal vouchers are reported during the fiscal period in which they were processed.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-033	Page D-55
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 84.126	U.S. DEPARTMENT OF EDUCATION Employment and Training Administration Rehabilitation Services – Vocational Rehabilitation Grants to States
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services ensure individualized Plans for Employment (IPEs) are established within 90 days of the eligibility determination for the Vocational Rehabilitation program.
Status:	This recommendation was implemented. The Department made procedure changes to ensure IPEs are established within 90 days of the eligibility determination for the Vocational Rehabilitation program.

Finding 2018-034	Page D-56
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.045	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration on Aging Aging Cluster
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services ensure that the SF-425 Federal Financial Reports for the Aging Services grants are completed properly by accurately reporting the cash disbursements amount.
Status:	This recommendation was implemented. The Department added instructional notes to the worksheets for the SF-425 reports to clarify that the cash basis (CB) PeopleSoft reports are used on the Federal Cash section of the report and that the accrual PeopleSoft reports are only used in the Federal Expenditures and Unobligated Balance section of the report.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-035	Page D-57
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.568 93.575 93.596 93.658	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families CCDF Cluster Foster Care - Title-IV-E Low-Income Home Energy Assistance
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services update existing policies and procedures to ensure the subrecipient risk assessments completed are used to determine the nature and extent of subrecipient monitoring.
Status:	This recommendation was partially implemented. The Foster Care program was the only program with outstanding issues. The Child and Family Services (CFS) policy Foster Care Eligibility Quality Assurance Reviews 447-10-18 is under revision to accommodate the changes of eligibility unit implementation and how to apply review for high risk of agencies. The fiscal office compiles the county/zone risk assessment on a yearly basis. CFS sends NDDHS Fiscal the required information (results of Foster Care reviews, OCR reviews, etc). The request to take the results of that combined risk assessment into account when selecting foster care reviews is embedded into the new draft policy. For example: If a zone is deemed high risk during the risk assessment and is not due for a file review, the high-risk knowledge will be considered in future sampling. It is imperative to mention that the North Dakota Department of Human Services, the North Dakota Association of Counties, and local human service zone leaders, with the support of Gov. Doug Burgum and state lawmakers continue to redesign social services. This collaborative effort began with the passage of Senate Bill 2206 in 2017, continued with the passage of Senate Bill 2124 in 2019 and is currently being heard as Senate Bill 2086 during the 2021 legislative assembly. Due to redesign efforts, the Centralized Foster Care & Subsidized Adoption Eligibility Unit, absorbed as a function of Children and Family Services (CFS), went live February 1, 2021. The overall goals are to implement standardized procedures which offer consistency and efficiencies for workers, providers, and families, while

reducing financial errors and overpayments for the state. The unit will manage the:

- Eligibility determinations for foster care cases, while authorizing eligible foster care payments.
- Eligibility determinations for children seeking prevention services, also known as candidates for foster care.
- Sub-adopt negotiation process, while authorizing all eligible subsidy payments.
- Opening and closing of ND Medicaid for all foster and sub-adopt cases.

Effective, February 1, 2021 much of the review is about our own NDDHS employees and error rate with payments or eligibility determinations. However, we will be able to notify the Zones/agencies if they are not getting information to the unit timely resulting in fiscal error.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-036	Page D-59
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.777 93.778 93.767 93.575 93.596 93.568 93.658 93.044 93.045 93.053 93.563 84.126	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES U.S. DEPARTMENT OF EDUCATION Medicaid Cluster Children's Health Insurance Program CCDF Cluster Low-Income Home Energy Assistance Foster Care - Title IV-E Aging Cluster Child Support Enforcement Rehabilitation Services – Vocational Rehabilitation Grants to States
Questioned Cost:	$0
Recommendation:	We recommend the Department of Human Services take prompt action to implement prior audit findings.
Status:	This recommendation is partially implemented. The Department is working with our divisions to ensure prompt action is taken to implement prior audit findings.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

DEPARTMENT OF PUBLIC INSTRUCTION

Finding 2018-037	Page D-61
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 84.366	U.S. DEPARTMENT EDUCATION Mathematics and Science Partnerships
Questioned Cost:	$0
Recommendation:	We recommend the Department of Public Instruction ensure on-site monitoring or adequate desk reviews are completed of the activities for all subrecipients under the Mathematics and Science Partnerships program.
Status:	Finding was not implemented as the program no longer exists.

Finding 2018-38	Page D-62
CFDA # 84.367	U.S. DEPARTMENT OF EDUCATION Supporting Effective Instruction State Grant
Questioned Cost:	$6,064
Recommendation:	We recommend the Department of Public Instruction properly follow all Federal regulations when allocating the Supporting Effective Instruction State Grants program funds to schools as well as ensuring the allocation is properly approved.
Status:	The recommendation was implemented. After discussions with the USDE it was determined that the adjustments will be made to the school year 2020-21 allocations for school districts. This will happen when we receive our State allocation from USDE which will occur in summer 2020.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-039		Page D-63
CFDA #	10.553 10.555 10.556 10.559	U.S. DEPARTMENT OF AGRICULTURE (USDA) Food and Nutrition Service Child Nutrition Cluster
Questioned Cost:		$29,550
Recommendation:		We recommend the Department of Public Instruction ensure that payments of the Child and Nutrition Cluster are not made after the period of performance.
Status:		The recommendation was not implemented. New action plan will be implemented by March 31, 2021.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-040		Page D-65
CFDA #	84.367	U.S. DEPARTMENT OF EDUCATION
	10.565	U.S. DEPARTMENT OF AGRICULTURE (USDA)
	10.568	Food and Nutrition Service
	10.569	Supporting Effective Instruction State Grant
	84.010	Title I Grants to Local Educational Agencies
	84.027	Twenty-First Century Community Learning Centers
	84.173	Food Distribution Cluster
	84.287	Special Education Cluster (IDEA)
	10.553	Child Nutrition Cluster
	10.555	Child and Adult Care Food Program
	10.556	Mathematics and Science Partnerships
	10.559	Adult Education State Grant Program
	84.366	Food Distribution Program on Indian Reservations
	84.022	Farm to School Grant Program
	10.567	
	10.575	
Questioned Cost:		$0
Recommendation:		We recommend the Department of Public Instruction accurately prepare the Schedule of Expenditures of Federal Awards.
Status:		Finding was implemented according to action plan.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-041		Page D-67
CFDA #	10.558	U.S. DEPARTMENT OF EDUCATION
	84.010	U.S. DEPARTMENT OF AGRICULTURE (USDA)
	84.027	Food and Nutrition Service
	84.173	Child Nutrition Cluster
	10.553	Child and Adult Care Food Program
	10.555	Fresh Fruit and Vegetable Program
	10.556	Title I Grants to Local Educational Agencies
	10.559	Special Education Cluster (IDEA)
	10.582	Food Distribution Program on Indian Reservations
	10.567	
Questioned Cost:		$0
Recommendation:		We recommend the Department of Public Instruction: 1. Ensure all subrecipients obtain audits in accordance with 2 CFR Subpart F if they meet the requirements; 2. Issue management decisions within a timely manner, and; 3. Ensure subrecipients took timely correction action on deficiencies identified in the audits.
Status:		The recommendation was not implemented. New action plan will be implemented by May 1, 2021.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

Finding 2018-042		Page D-69
Recurring:		Year of initial finding as 2016 - 2015
CFDA #	84.367	U.S. DEPARTMENT OF EDUCATION
	84.010	U.S. DEPARTMENT OF AGRICULTURE (USDA)
	84.027	Food and Nutrition Service
	84.173	Supporting Effective Instruction State Grant
	84.287	Title I Grants to Location Educational Agencies
	10.553	Twenty-First Century Community Learning Centers
	10.555	Special Education Cluster (IDEA)
	10.556	Child Nutrition Cluster
	10.559	Child and Adult Care Food Program
	10.558	
Questioned Cost:		$0
Recommendation:		We recommend the Department of Public Instruction ensure that subrecipients are made aware of all required grant award information.
Status:		Finding was partially implemented according to action plan. We implemented the requested changes to our Grant Award Notification form to make it in compliance with 2 CFR 200.331. After this change, there were instances where DPI employees did not complete the new form properly resulting in a new finding.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

GOVERNOR'S OFFICE

Finding 2018-043	Page D-70
Recurring:	Year of initial finding was 2016 - 2015
CFDA # 93.777 93.778	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Medicare and Medicaid Services Medicaid Cluster
Questioned Cost:	$0
Recommendation:	We recommend the State of North Dakota establish a Medicaid Fraud Control Unit that is separate and distinct from the Department of Human Services.
Status:	This recommendation has been fully implemented. The Governor's Executive Budget that was released on December 5, 2018 included a recommendation and funding for establishing a Medicaid Fraud Control Unit to be housed within the Attorney General's Office. This unit was to include 5 additional employees with the sole purpose of Medicaid Fraud investigations. The final budget that was approved by the 66th Legislative Assembly and signed by the Governor on May 1, 2019 included 6 additional employees including 1 attorney, 2 auditors, 2 criminal investigators and 1 administrative assistant. The Medicaid Fraud Control unit is established as a division of the Attorney General's office and is under the supervision and control of the Attorney General. The staff in this unit are responsible for investigating any reported Medicaid Fraud. Additional information and the relevant law for this unit can be found on the Attorney General's website at: https://attorneygeneral.nd.gov/attorney-generals-office/medicaid-fraud.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

HIGHWAY PATROL

Finding 2018-044	Page D-72
CFDA # 20.218	U.S. DEPARTMENT OF TRANSPORTATION Federal Motor Carrier Safety Administration Motor Carrier Safety Assistance Program
Questioned Cost:	$0
Recommendation:	We recommend Highway Patrol ensure all financial transactions charged to the Motor Carrier Safety Assistance Program (MSCAP) within the state's accounting system are reviewed and approved by appropriate program personnel.
Status:	We have implemented our changes in procedures and those changes have also been acknowledged as appropriate by the FMCSA.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

OFFICE OF MANAGEMENT AND BUDGET

Finding 2018-045	Page D-73
CFDA # Various	Various
Questioned Cost:	$0
Recommendation:	We recommend the Office of Management and Budget ensure that the Schedule of Expenditures of Federal Awards (SEFA), notes to the SEFA, and Summary Schedule or Prior Audit Findings are accurately prepared and in accordance with Uniform Guidance.
Status:	The Office of Management and Budget has implemented the recommendation according to the corrective action plan.

STATE OF NORTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the fiscal years ended June 30, 2020 and 2019

By State Agency

UNIVERSITY SYSTEM

Finding 2018-046	Page D-75
CFDA # 84.007 84.038 84.063 84.268	U.S. DEPARTMENT OF EDUCATION Student Financial Aid Cluster
Questioned Cost:	$2,727
Recommendation:	We recommend that DSU and NDSU properly calculate the return of Title IV funds based on the federal regulations.
Status:	DSU and NDSU have implemented the recommendation.

Office of the
State Auditor



State of North Dakota

North Dakota State Agencies - Acronyms

Fiscal Years Ended June 30, 2020 and 2019

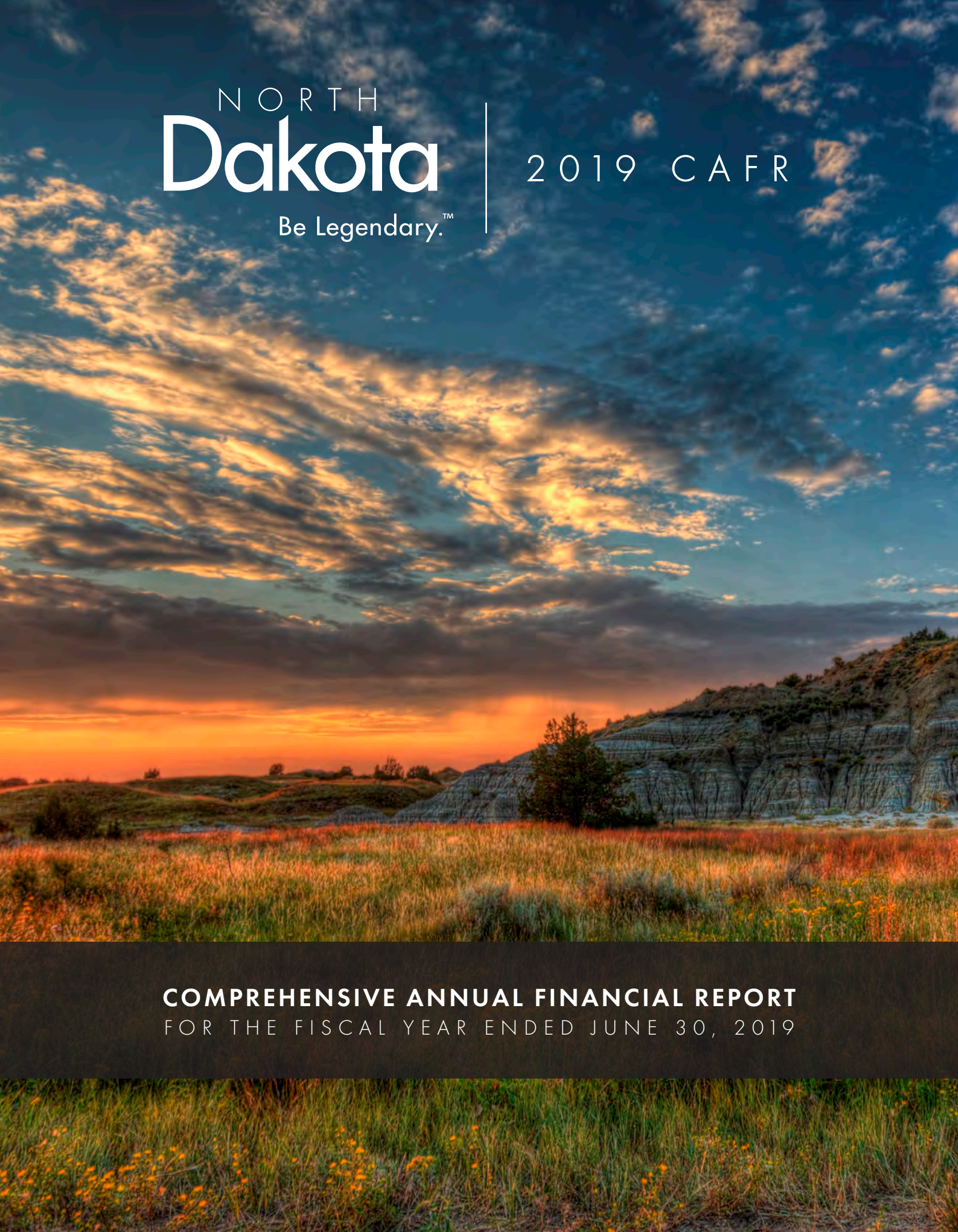
Acronym	Agency
10100	Governor's Office
10800	Secretary of State
11000	Office of Management and Budget
11200	Information Technology Department
11700	State Auditor's Office
12000	State Treasurer
12500	Attorney General
12700	State Tax Commissioner
18000	State Courts
20100	Public Instruction
25000	State Library
25300	School for the Blind
27000	Career and Technical Education
30100	Health Department
30300	Environmental Quality
31300	Veterans' Home
32100	Veterans Affairs
32500	Human Services
36000	Protection and Advocacy
40100	Insurance Department
40500	Industrial Commission
40600	Labor Department
40800	Public Service Commission
41200	Aeronautics Commission
50400	Highway Patrol
53000	Department of Corrections and Rehabilitation
54000	Adjutant General
60100	Department of Commerce
60200	Department of Agriculture
67000	Racing Commission
70100	State Historical Society

State of North Dakota

North Dakota State Agencies - Acronyms

Fiscal Years Ended June 30, 2020 and 2019

70900	Council on the Arts
72000	Game and Fish Department
75000	Parks and Recreation
77000	Water Commission
80100	Department of Transportation
BSC	Bismarck State College
DSU	Dickinson State University
LRSC	Lake Region State College
MASU	Mayville State University
MISU	Minot State University
MISUB	Dakota College at Bottineau
NDSCS	North Dakota State College of Science
NDSU	North Dakota State University
UND	University of North Dakota
VCSU	Valley City State University
WSC	Williston State College



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

STATE OF NORTH DAKOTA

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED

June 30, 2019

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
701-328-2680

This CAFR is also available at our Fiscal Management website:
https://www.nd.gov/omb/agency/financial/comprehensive-annual-financial-report-cafr/cafr-reports

Cover: Photo on cover provided by North Dakota Tourism/National Park Service

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
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Introductory Section



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NORTH Dakota Be Legendary.™ | Management and Budget

December 11, 2019

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 Comprehensive Annual Financial Report (CAFR) of the State of North Dakota for the fiscal year ended June 30, 2019. This report has been prepared by the Office of Management and Budget. The financial statements contained in the CAFR 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 CAFR 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 accounting principles generally accepted in the United States of America. 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 (SAO) 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, 2019 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 SAO 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, 2019, 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 U.S. Code of Federal Regulations Part 200). 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 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 CAFR 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. Statement No. 61 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 departments' financial plan for the next two years. Changes to the appropriation are limited to Emergency Commission authorization, initiative, allotment, or referendum action.

The State does not budget by fund nor does it 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 key role in the state's economy. The USDA's National Agricultural Statistics Service reports that for 2018 crop production, North Dakota is the nation's leading producer of durum wheat, spring wheat, canola, flaxseed, oats, dry edible beans and peas, navy beans, pinto beans and honey. North Dakota also ranked second in the production of black beans, lentils, and sunflowers.

The energy industry plays an important role in the state's economy. The development of wind and coal resources, the production of ethanol and bio-diesel, and oil and natural gas extraction all contribute to the state's economy. North Dakota reached an all-time high for oil production which averaged over 1.48 million barrels of oil produced per day in August 2019. North Dakota's current crude oil production ranks second in the nation, behind first-ranked Texas. Oil prices have rebounded significantly from the 2016 lows when North Dakota producers were receiving prices below $25 per barrel. Prices have averaged around $50 per barrel at the start of the 2019-21 biennium. In September 2019, the actual average price per barrel for North Dakota oil was $50.25, slightly over the estimated price of $48.50 used for budgeting purposes. The long-term outlook remains strong for oil globally as well as here in North Dakota.

According to the United States Census Bureau, the state's estimated population for 2018 was approximately 760,000 people, which is an all-time high. Health care and social assistance jobs account for nearly 21% of the employment in the state. Other leading areas of employment are retail trade, educational services, construction and manufacturing. The unemployment rate for the state in October 2019 was 2.5%, compared to 3.6% for the United States.

A listing of the state's 20 largest employers demonstrates the diversity of the economy. Top employers include: the U.S. military, the state university system, health care providers, manufacturers, financial and insurance companies, information technology companies, energy producers, and retail companies.

Despite uncertainty within international markets, North Dakota achieved positive export growth in 2018. The United States Census Bureau showed that North Dakota's exports were up overall by $1 billion for a total of $6.8 billion in 2018. This represents an increase of 16.2% over 2017.

LONG-TERM FINANCIAL PLANNING

The long-term financial plan for the state of North Dakota was outlined by Governor Burgum as part of the 2019-21 executive budget address, presented to the legislature in December 2018. The Governor's long-term financial plan includes the following key components:

- Balancing ongoing revenues and expenses of state government
- Rebuilding reserves.
- Ensuring solvency for the state pension fund.

North Dakota is required by its Constitution to have a balanced budget. However, ongoing revenues and ongoing expenses have not always been in balance. In those instances where ongoing revenues did not meet the obligations of ongoing expenses of state government, one-time transfers from accumulated reserves and fund balances were used to fill the gap. In nearly all cases, those accumulated reserves and fund balances were directly attributable to oil and natural gas extraction and production tax revenue. In the 2019-21 biennium executive budget, the governor laid out a financial plan that not only balanced ongoing revenues and expenses but did so by adding transparency to the use of oil tax revenue. In the executive budget, the state general fund allocation of oil and gas taxes increased from $400 million to $1 billion per biennium, but no additional transfers from accumulated fund balances were proposed. Both the 2013-15 and 2015-17 biennium budgets included general fund revenues and transfers in excess of $1 billion that were directly funded from oil and gas tax revenue.

The legislature did not approve the proposed transfer of $1 billion per biennium from oil tax revenues to the general fund, opting to continue it at the level of $400 million per biennium. The legislature instead chose to balance the general fund budget with transfers from accumulated oil tax revenues. Although this approach provides less transparency and obscures the state's ongoing revenue and expense structure, it ensures overall revenue sources are adequate to fund ongoing government expenses. It provides a conservative approach to funding the budget as the accumulated balances transferred to the general fund are balances on hand at the start of the biennium and not dependent on forecasted tax revenues.

The state's rainy-day fund, the Budget Stabilization Fund, was nearly depleted during the 2015-17 biennium economic downturn. The 2019-21 executive budget proposed to fully replenish this fund to its maximum balance allowed by law, which is 15% of general fund appropriations. This included a proposed transfer of over $300 million from the Strategic Investment and Improvements Fund. 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.

The legislature did not approve the transfer of $300 million to the Budget Stabilization Fund. However, the revenue forecast adopted by the legislature proved so conservative that actual revenues ended the biennium $250 million higher than predicted. North Dakota law requires any end of biennium balance in the general fund in excess of $65 million to be transferred to the Budget Stabilization Fund. As a result, $548 million was transferred to the Budget Stabilization Fund, pushing the balance above $660 million. It is expected to reach its $726 million cap by the end of the 2019-21 biennium.

Another component of the state's long-term financial plan is ensuring the solvency of the state's pension fund. The governor proposed restoring solvency to the fund through a combination of policy proposals that reformed the benefit and funding structure, along with a one-time cash infusion into the fund. The proposed one-time cash infusion was a transfer of $265 million at the beginning of the 2019-21 biennium from the Strategic Investment and Improvements Fund to the Public Employees Retirement Fund.

Although the legislature did not approve the proposed cash infusion of $265 million, the legislature did adopt separate proposals that reformed the benefit structure and had a positive impact on the long-term actuarial projections for the fund.

The backbone of the state's financial plan is a revenue forecasting process 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 state's Tax Department and Office of Management and Budget develop 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. The statutory maximum balance for the budget stabilization fund is 15.0 percent of the state general fund budget.

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. The 2017-19 biennium ended with revenues exceeding the forecast and resulted in the transfer of $548 million to the budget stabilization fund. The balance of the budget stabilization fund is estimated to be over $726 million by June 30, 2021 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 percent of oil extraction tax collections. The foundation aid stabilization fund is expected to have a June 30, 2021 balance in excess of $443 million.

MAJOR INITIATIVES

Major initiatives proposed by Governor Doug Burgum and approved by the legislature for the 2017-19 biennium include:

- Investing in infrastructure and in other priorities;
- Continued funding of Medicaid expansion;
- Investing in behavioral health issues; and
- Transitioning the cost of county social services to the state.

INFRASTRUCTURE INVESTMENTS

The 2017-19 biennial budget includes funding to rebuild and repair roads throughout the state, for water supply and flood control, and grants for airports. Funding for infrastructure improvements includes:

- $612.9 million to rebuild and repair state highways;
- $97.1 million for city road projects;
- $51.1 million dedicated to the repair and rebuilding of county and township roads;
- $40 million in grant funds to two communities in oil country for airports; and
- $722.2 million for water-related projects, including $120.1 million for water supply, $27.0 million for rural water supply, $136.0 million for flood control and $15.8 million for general water projects.

TAX RELIEF

The legislature approved, and the Governor signed into law, a tax relief package that provides:

- $160.7 million for a state-paid economic assistance and social services pilot program for the 2017-19 biennium;
- $23.3 million to continue state funding for certain county costs of child welfare and service payments for elderly and disabled services; and
- $14.8 million for the homestead tax credit program; and
- $8.1 million for the disabled veteran's property tax credit.

EDUCATION

K-12 education initiatives include:

- $1.94 billion in state funding for K-12 schools through integrated funding formula;
- $6 million in grants to districts experiencing rapid enrollment growth;
- $55.4 million to assist districts in the provision of transportation services;
- $19.3 million to go towards special education contracts; and
- Almost $33 million will be provided to schools during the 2017-19 biennium to support CTE offerings, providing more educational opportunities for students and important job skills for those students entering the workforce.

Higher Education initiatives include:

- $15.2 million for UND Medical School Residency Programs.
- $ 2.0 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.
- $168.5 million is slated to be invested for capital projects across the system, with funding from revenue bonds and private donations.
- $22.5 million in bonding authority to construct an Integrated Carbon Plant at Valley City State University

RESERVES

It is anticipated that by June 30, 2019, there will be a total ending balance of approximately $1.58 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 2017-19 biennium totals $4.31 billion.

AWARDS AND ACKNOWLEDGEMENTS

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 comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the 27th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual 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 2017-2019 budget. In order 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 Office of Management and Budget. Their dedication and efforts are greatly appreciated. We also extend our gratitude to the numerous individuals from virtually all the state agencies and institutions, especially the Office of the State Auditor, for their assistance.

Sincerely,



Joe Morrissette
Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of North Dakota

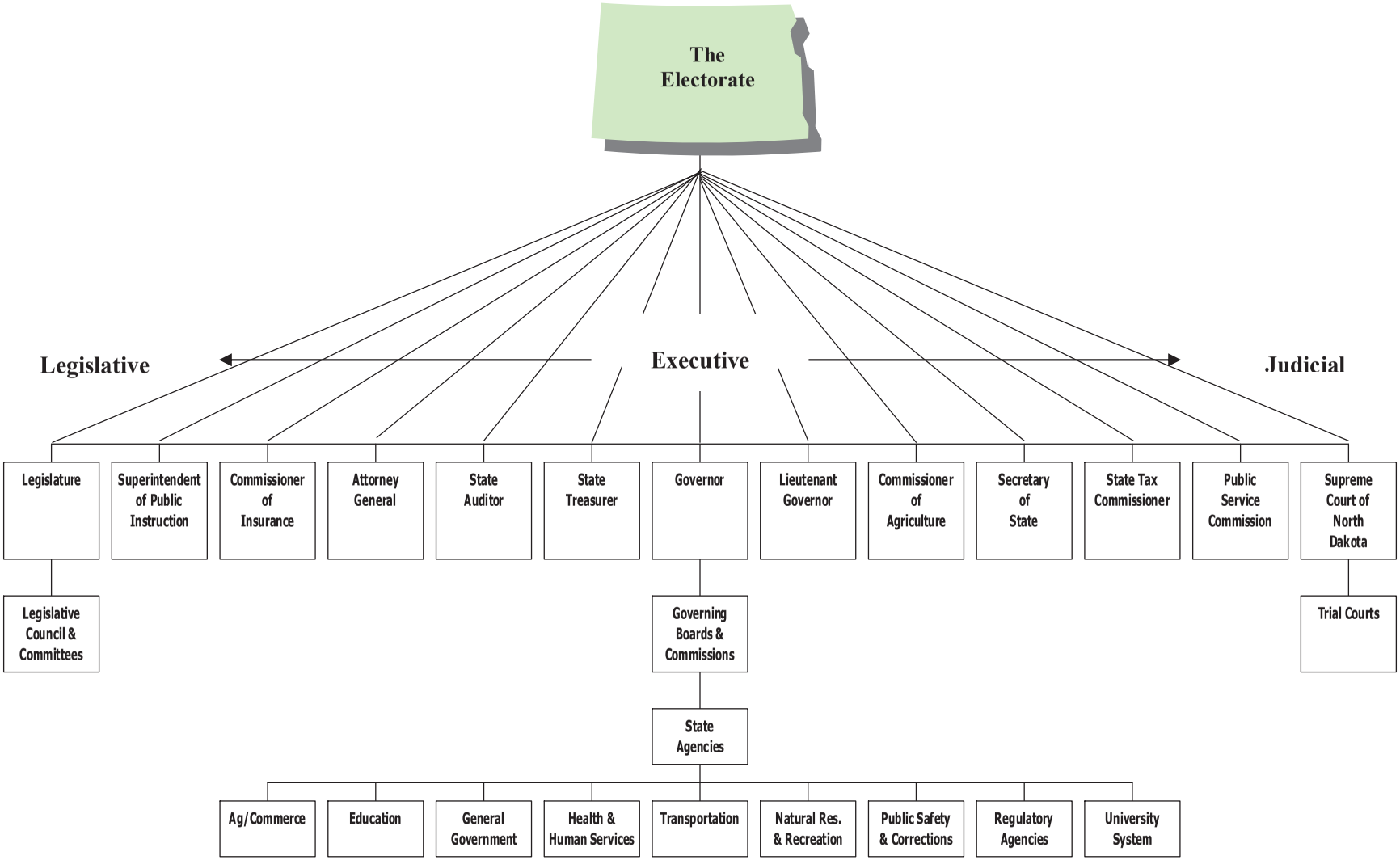
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

STATE OF NORTH DAKOTA ORGANIZATIONAL CHART



NORTH DAKOTA
PRINCIPAL STATE OFFICIALS
June 30, 2019

ELECTED OFFICIALS

Doug Burgum, Governor
Brent Sanford, Lieutenant Governor
Alvin A. Jaeger, Secretary of State
Wayne Stenehjem, Attorney General
Julie Fedorchak, Public Service Commissioner
Randel Christmann, Public Service Commissioner
Brian Kroshus, Public Service Commissioner
Doug Goehring, Commissioner of Agriculture
Josh Gallion, State Auditor
Jon Godfread, Commissioner of Insurance
Kirsten Baesler, Superintendent of Public Instruction
Ryan Rauschenberger, Tax Commissioner
Kelly Schmidt, State Treasurer

LEGISLATIVE

Lawrence R. Klemin, Speaker of the House
Chet Pollert, House Majority Leader
Joshua A. Boschee, House Minority Leader
Lt. Gov. Brent Sanford, President of the Senate
Rich Wardner, Senate Majority Leader
Joan Heckaman, Senate Minority Leader

JUDICIAL

Gerald W. VandeWalle, Chief Justice, North Dakota Supreme Court
Daniel J. Crothers, Justice
Lisa K Fair McEvers, Justice
Jerod Tufte, Justice
Jon Jensen, Justice



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Financial Section

STATE AUDITOR
Joshua C. Gallion

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Independent Auditor's Report

The Honorable Doug Burgum, Governor
of the State of North Dakota

Members of the Legislative Assembly
of the State of North Dakota

Report on the Financial Statements

We have audited the accompanying 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, 2019, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following state entities and discretely presented component units:

- Addiction Counselor Internship Loan Program
- Bank of North Dakota
- Beginning Farmer Revolving Loan Fund
- Building Authority
- College SAVE
- Community Water Facility Loan Fund
- Comprehensive Health Association of North Dakota
- Department of Trust Lands
- North Dakota Development Fund
- Guaranteed Student Loan Program
- Housing Finance Agency
- Housing Incentive Fund
- Infrastructure Revolving Loan Fund
- Job Service North Dakota
- Mandan Remediation Trust
- Medical Facility Infrastructure Loan Program
- PACE and AG PACE Funds
- Public Employees Retirement System
- Public Finance Authority
- Rebuilders Loan Program
- Retirement and Investment Office
- School Construction Assistance Revolving Loan Fund
- State Fair Association
- State Historical Society of North Dakota Foundation
- Student Loan Trust
- Workforce Safety and Insurance

The financial statements of the above entities reflect total assets, net position or fund balance, and revenues of the government-wide financial statements and fund financial statements as follows:

	Percent of Assets	Percent of Net Position or Fund Balance	Percent of Revenues
Government-Wide Financial Statements			
Governmental Activities	29%	30%	18%
Business-Type Activities	82%	61%	51%
Aggregate Discretely Presented Component Units	100%	100%	100%
Fund Financial Statements			
Major Governmental Funds			
General Fund	0%	0%	0%
Federal Fund	1%	0%	1%
State Special Revenue Fund	74%	76%	46%
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	94%	97%	76%

The financial statements for these entities were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for these entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the North Dakota University System's discretely presented component units (foundations) were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements 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, 2019, 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 States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the 2019 financial statements have been restated to correct misstatements. Our opinion is not modified with respect this matter.

As discussed in Note 2 to the financial statements, Housing Finance changed its method of accounting for bond premiums and discounts from the straight-line method to the effective interest rate method. Our opinion is not modified with respect to this matter.

The actuary for the North Dakota Public Employees Retirement System has determined that the Fund's unfunded actuarial accrued liability is approximately $1.187 billion as of July 1, 2019. The funding for the actuarial accrued liability is predicated on employer and employee funding rates mandated by North Dakota statutes. The actuary has determined that the current statutory rates are insufficient compared to the actuarially determined contribution rate needed to fund the actuarial accrued liability. Note 6 identifies the net pension liability as calculated using GASB 67 and 68 requirements. Our opinion is not modified with respect to this 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 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. Our opinion is not modified with respect to this matter.

As described in Note 22 to the financial statements, the State of North Dakota adopted the provisions of GASB 83 *Certain Asset Retirement Obligations* and GASB 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to this matter.

Other Matters

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, 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.

Other 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 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements listed in the table of contents 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. Such 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 to 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 and individual fund financial statements and schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2019 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, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the State of North Dakota's (the State's) Comprehensive Annual 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, 2019. 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 $24.7 billion (reported as net position), an increase of $2.3 billion from the previous year. The net position of governmental activities increased by 11.4% while the net position of the business-type activities showed an increase of 5.2%.

As a result of implementing GASB Statement 68, *Accounting and Financial Reporting for Pensions*, the State recorded $27.5 million net pension asset, $380.3 million deferred outflows of resources, $887.5 million net pension liability, and $82.5 million deferred inflows of resources for the primary government. The State had a slight increase in net pension liability during the year of $24.6 million or 2.9%.

Fund Level:
As of the close of fiscal year 2019 the State's governmental funds reported combined ending fund balances of $15.7 billion, an increase of $1.96 billion. Of this amount, $108.4 million is non-spendable, primarily for Permanent Trust Funds. Spendable fund balance consists of $6.5 billion restricted for specific purposes such as common schools, highway projects, and state education aid, $1.5 billion committed and $374.6 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 $7.2 billion, which is primarily made up of the legacy fund with a balance of $6.2 billion.

The enterprise funds reported net position at year-end of $4.1 billion, an increase of $201.8 million during the year.

Long-term Debt:
The State's total debt (bonds, certificates of participation, and notes payable) increased approximately 7.8% during the fiscal year to $2.8 billion, an increase of $200 million, which represents the net difference between new issuances and payments. During the year the State issued $389 million in bonds, $97 million in certificates of participation, and $6.4 billion in notes.

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

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 5 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 agency 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 $24.7 billion at the end of fiscal year 2019. Net position increased $2.3 billion from the prior fiscal year.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	$16,972,671	$14,981,436	11,346,654	$10,822,219	25,434,033	$22,897,146
Capital Assets	5,237,060	5,027,823	1,631,300	1,528,012	6,868,360	6,555,834
Total Assets	22,209,731	20,009,259	12,977,954	12,350,231	32,302,393	29,452,980
Deferred Outflows of Resources	293,718	330,883	114,216	121,445	407,934	452,328
Long-Term Liabilities Outstanding	798,562	796,635	4,245,686	3,966,548	5,044,248	4,763,183
Other Liabilities	1,029,509	984,009	4,687,353	4,564,120	2,831,570	2,641,620
Total Liabilities	1,828,071	1,780,644	8,933,039	8,530,668	7,875,818	7,404,803
Deferred Inflows of Resources	63,215	43,280	35,002	23,066	98,217	66,346
Net Position						
Net Investment in Capital Assets	5,185,682	4,988,839	1,246,741	1,214,133	6,432,423	6,202,972
Restricted	6,639,786	6,355,103	972,887	924,611	7,612,673	7,279,713
Unrestricted	8,786,695	7,172,276	1,904,501	1,779,198	10,691,196	8,951,474
Total Net Position	$20,612,163	$18,516,218	$4,124,129	$3,917,942	24,736,292	$22,434,159

The largest component (43%) 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 thirty-one percent (31%) 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-six percent (26%) of the State's net position reflects its investment in capital assets such as land, buildings, equipment, intangibles (software), 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 below was 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	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	378,032	$344,920	1,854,857	$1,890,738	2,232,889	$2,235,658
Operating Grants & Contributions	2,121,703	2,156,382	410,791	363,266	2,532,494	2,519,648
Capital Grants & Contributions	107	95	19,926	4,769	20,033	4,864
General Revenues:						
Income Taxes	604,088	452,793	-	-	604,088	452,793
Sales Taxes	1,435,130	1,326,249	-	-	1,435,130	1,326,249
Oil, Gas and Coal Taxes	2,586,570	2,196,877	-	-	2,586,570	2,196,877
Other Taxes	110,715	100,127	-	-	110,715	100,127
Investment Earnings	360,264	380,165	-	-	360,264	380,165
Tobacco Settlement	20,752	55,305	-	-	20,752	55,305
Other	231,745	163,996	5,162	2,922	236,907	166,918
Total Revenues	7,849,106	7,176,909	2,290,736	2,261,695	10,139,842	9,438,604
Expenses						
General Government	1,183,234	1,034,864	-	-	1,183,234	1,034,864
Education	1,238,989	1,208,514	-	-	1,238,989	1,208,514
Health and Human Services	1,947,263	1,930,265	-	-	1,947,263	1,930,265
Regulatory	61,213	60,782	-	-	61,213	60,782
Public Safety and Corrections	230,667	241,144	-	-	230,667	241,144
Agriculture and Commerce	99,247	95,412	-	-	99,247	95,412
Natural Resources	261,308	230,195	-	-	261,308	230,195
Transportation	443,629	444,530	-	-	443,629	444,530
Interest on Long Term Debt	1,952	2,503	-	-	1,952	2,503
Bank of North Dakota	-	-	98,931	86,073	98,931	86,073
Housing Finance	-	-	52,715	46,083	52,715	46,083
Loan Programs	-	-	12,666	13,320	12,666	13,320
State Lottery	-	-	26,175	23,215	26,175	23,215
Unemployment Compensation	-	-	84,206	115,487	84,206	115,487
University System	-	-	1,198,989	1,178,669	1,198,989	1,178,669
Workforce Safety and Insurance	-	-	297,497	270,197	297,497	270,197
Other	-	-	594,491	632,912	594,491	632,912
Total Expenses	5,467,502	5,248,209	2,365,670	2,365,956	7,833,172	7,614,165
Increase (decrease) in Net Position Before Contributions, Loss & Transfers	2,381,604	1,928,700	(74,934)	(104,261)	2,306,670	1,824,439
Contributions to Permanent Fund Principal	11,014	4,393	-	-	11,014	4,393
Transfers	(290,718)	(367,497)	277,019	285,002	(13,699)	(82,495)
Change in Net Position	2,101,900	1,565,596	202,085	180,741	2,203,985	1,746,337
Net Position - Beginning	18,516,218	16,973,696	3,917,941	3,744,940	22,434,159	20,718,636
Prior Period Adjustment *	(5,955)	(23,074)	4,103	(7,740)	(1,852)	(30,814)
Net Position- Ending	$20,612,163	$18,516,218	$4,124,129	$3,917,941	$24,736,292	$22,434,159

* More detailed information regarding the prior period adjustments can be found in Note 2.

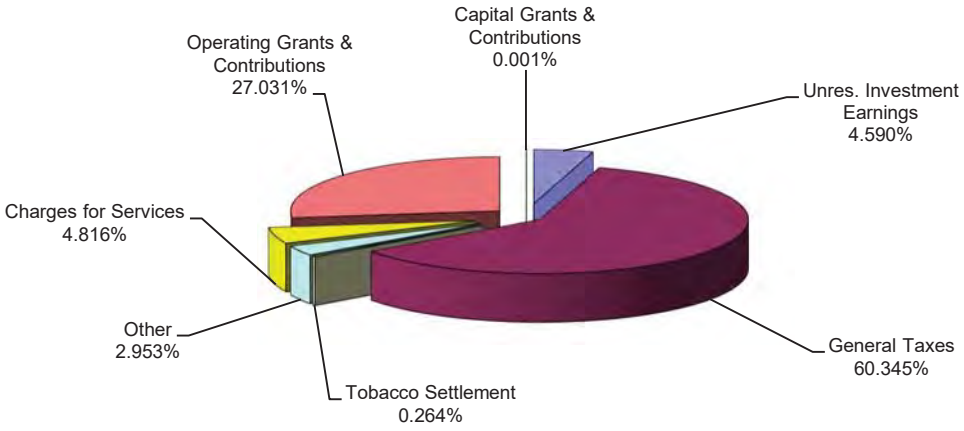
Governmental Activities

Governmental Activities increased the State's net position by $2.1 billion. Revenues increased 9.4%, with the largest dollar increase in the State's revenues for fiscal year 2019 coming from oil, gas, and coal, taxes, an increase of $390 million. The increase in sales and use tax is due to growth in taxable sales and purchases as a result of a strong economy and the taxation of internet sales as a result of the US Supreme Court decision. Corporation and Individual Income Tax both increased showing growth in the economy, growth in oil activity, and increased wages and salaries. Oil and Gas production tax and Oil Extraction tax increased due to strong oil prices leading to production growth.

Expenses for governmental activities remained relatively consistent.

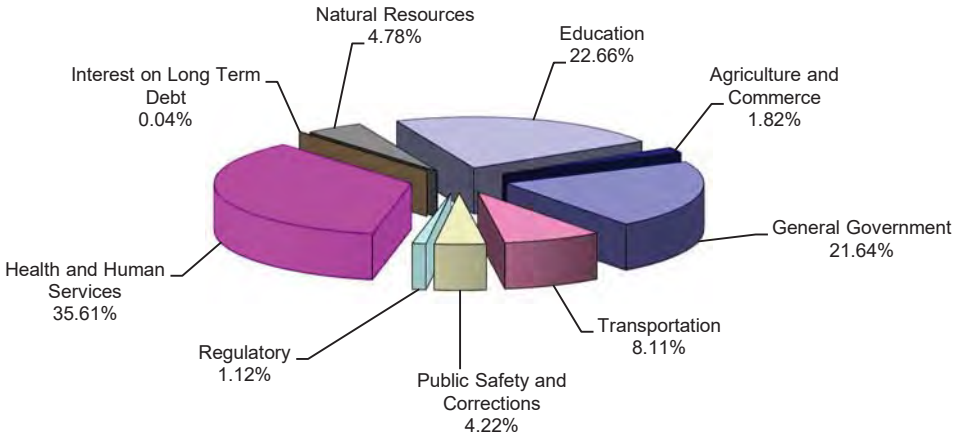
The following chart depicts revenues of the governmental activities for the fiscal year:

Revenues - Governmental Activities
Fiscal Year Ending June 30, 2019



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

Expenditures - Governmental Activities
Fiscal Year Ending June 30, 2019



Business-type Activities

Net position of the business-type activities increased by $202 million during the fiscal year.

Workforce Safety and Insurance's (WSI) net position increased $89.4 million. Policyholder count increased by 319 policies in fiscal year 2019. WSI's financial position remains stable. Earned premium net of discounts and reinsurance totaled $238 million, $232 million, and $233 million for fiscal years 2019, 2018, and 2017, respectively. WSI re-entered the Securities Lending arena in fiscal year 2016. Total income for fiscal year 2019 was $145 thousand, compared to fiscal year 2018 which had earnings of $200 thousand with related expense of $40 thousand. Total claims filed for fiscal year 2019 totaled 19,913. This is an increase of 83 from previous fiscal year 2018 total of 19,830. A strong investment return in the past three years has contributed to the positive change in net position.

The Bank of North Dakota net position increased $27.6 million. The loan portfolio decreased by $332,000 to $4.5 million at December 31, 2018. Total assets increased by .2% to $7 million. The increase was largely attributable to investment purchases offset by the sale of federal student loan portfolio. Interest-bearing deposits totaled $4.2 billion at December 31, 2018 compared to $4.1 billion at December 31, 2017. This fluctuation is due to state deposits and the economic status of the state. The Bank has a tier one capital leverage ratio of 12.48% as of December 31, 2018. The leverage ratio is a measure of strength. Well capitalized per federal regulations requires this percentage to be a minimum of 5%.

The University System's net position increased $8.5 million. Net position increased due to a 3% increase in grants and contracts and a 7% increase in total assets. Increases in non-current assets was due primarily to an increase of $45.1 million in other long-term investments as well as an increase of $37.8 million in restricted cash which represents unspent certificate of participation proceeds for the new steam plant and infrastructure improvements at UND.

Housing Finance net position increase of $12.1 million as a result of the year's program operations and financing activities. Included in this number is an increase in the prior year's net position of $4.1 million due to a prior period adjustment with regards to implementing the effective interest method in amortizing bond premium.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

Governmental Funds

As the State completed the year, its governmental funds reported combined fund balances of $15.7 billion, an increase of $2 billion from the prior fiscal year. Of the $15.7 billion in net position, $108 million is non-spendable, $6.5 billion is restricted, $1.5 billion is committed, $375 million is assigned, and $7.2 billion is unassigned. These fund balance categories are a result of GASB Statement 54. Note 1U 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 $7.2 billion, non-spendable was $6.6 million, $279 thousand was restricted, and $348 million was committed for expenditure by various governmental functions.

Total General Fund balance increased during the fiscal year by $917 million. Revenues decreased approximately 7.6%, largely due to a decrease in oil, gas, and coal taxes of $477 million. Increases of revenue were individual and corporate income tax of $135 million and sales and use tax of $121 million. As there was a slight decrease in the general fund revenues, revenues for the overall state had increased and was previously explained with the increase in net position for governmental activities.

General fund expenditures remained relatively consistent with a slight overall decrease of $2 million.

The State Special Revenue ending fund balance increased by $1 billion resulting in $8.1 billion fund balance. Revenues increased by 38.5% in the state special revenue fund primarily due to an increase in oil, gas, and coal taxes due to strong oil prices leading to production growth as previously discussed. Special fund expenditures increased by 6.4% primarily due to an increase in Health and Human Services spending, as they received additional funding for Medicaid expansion in their special fund.

The June 30 Federal Fund balance of $10.7 million consists primarily of non-spendable items such as prepaids and inventory and unavailable revenue for those revenues to be received later than the time period used for revenue recognition. Expenditures and revenues in the federal fund remained relatively consistent from prior years with an increase of 5% in expenditures and a 3% increase in revenues with no significant changes in FY19 from prior year. The federal fund balance decreased by $5.5 million due to a larger increase in federal fund expenditures than revenues.

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 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, 2019, was the second year of the 2017-19 budget cycle. The original budget increased $205.4 million. 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.

At the beginning of the 2017-19 budget cycle, there was an increase in the original budget of $79.9 million due to the authorized carryover of general fund appropriation authority from the 2015-17 biennium, a $7.2 million increase for capital construction carryover, and a $11.4 million increase for Theodore Roosevelt Presidential Library carryover.

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, $21 million, the Department of

Transportation, $25 million, the Industrial Commission, $2.4 million, the Department of Human Services, $11.7 million, Legislative Council, $4.6 million, the Department of Commerce, $2.9 million, the Adjutant General, $2 million and Office of Management & Budget, $3.7 million.

Of the $7.2 million in capital construction carryover dollars, $1.3 million was for the Attorney General; $2.2 million was for the Secretary of State; $3.7 million was for the Parks and Recreation and various smaller amounts for several other state agencies.

During the 2019 Legislative Session the legislature increased budgets by $19.2 million in several agencies for different reasons. The Governor's office received an increase in general fund budget of $15 million to deposit into a fund to establish funding for the Theodore Roosevelt Presidential Library and Museum. Other increases were $1 million for the Bank of North Dakota for Loan interest payments in relation to protest costs and the Tax Department of $1.3 million for the Homestead tax and disabled veterans credit.

Also, during the Legislative Session and increase of $52.6 million was for several Universities with the largest being for North Dakota State University of $28 million, University of North Dakota for $9 million, Bismarck State College of $8.9 million for different capital projects at each university.

Other items appropriated during the 2019 legislative session was $13 million for the Department of Transportation for the purpose of road maintenance and $28 million for the Department of Commerce to defray the expenses relating to the beyond visual line of sight unmanned aircraft system program.

There were no expenditures in excess of general fund authority. The difference between the final amended budget and actual spending was $51.9 million below final budgeted estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: At the end of the fiscal year 2019, the State had invested $6.4 billion, net of accumulated depreciation, in a broad range of capital assets. Depreciation charges for this fiscal year totaled $226 million.

(Net of Depreciation, Expressed in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018*	2019	2018	2019	2018*
Land and Land Improvements	$161,050	$159,143	$24,099	$24,099	$185,149	$183,242
Building & Building Improvements	411,708	402,500	1,139,160	1,142,194	1,550,868	1,544,694
Equipment	168,030	158,485	172,127	176,252	340,157	334,737
Intangibles						
Software	244,549	148,569	1,982	3,043	246,531	151,612
Other	9,684	10,025	8,441	8,420	18,125	18,445
Infrastructure	2,588,639	2,019,522	118,542	115,892	2,707,181	2,135,414
Construction in Progress	1,653,401	2,127,056	166,949	58,112	1,820,350	2,185,168
Total	$5,237,061	$5,025,300	$1,631,300	$1,528,012	$6,868,361	$6,553,312

* Beginning capital asset balances were adjusted for certain reclassifications.

The total increase in the State's investments in capital assets for the current fiscal year was 4.8% in terms of net book value. However, actual expenditures to purchase or construct capital assets were approximately $1.3 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, 2019.

The State does have a number of revenue bonds outstanding at June 30, 2019. Current state statutes empower certain state agencies and the Building Authority, a component unit of the State, 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.

The Bank of North Dakota has advances from the Federal Home Loan Bank in the amounts of $1.1 billion. The advances have a fixed rate of interest, ranging from 1.61 percent to 5.56 percent.

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

State of North Dakota's Outstanding Debt
(Expressed in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018 Restated	2019	2018 Restated
Revenue Bonds	$29,950	$40,429	$1,525,285	$1,242,368	$1,555,235	$1,282,797
Certificate of Participation	-	-	96,843	-	96,843	-
Notes Payable	21,897	22,247	1,120,787	1,289,686	1,142,684	1,311,933
Total	$51,847	$62,676	$2,742,915	$2,532,054	$2,794,762	$2,594,730

The State's total debt increased approximately 7.8% 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 2019 publication. The report depicts an economy in recovery, but at a slow pace due to low commodity prices and slow employment growth.

North Dakota's outlook is linked tightly to two major industries, energy and agriculture. Oil production per rig has risen by more than 25 percent per rig in the last year. Additionally, overall production is at an all-time high averaging over 1.44 million barrels per day. This nation-leading gain has put the Bakken at the forefront among all shale oil plays for output per rig. The higher productivity will lift output and improve profits. The most recent average price per barrel of oil was at $50.25, which is slightly over the estimated price of $48.50 used for budgeting purposes.

The trade war with China has had an adverse impact on commodity prices in North Dakota, but the cancellation of a round a of tariff hikes will lead to an increase in the purchase of farm commodities and will lift prices.

North Dakota's job growth dropped slightly from the national level in year-to-date growth, but still grew by a modest 0.3%. Unemployment is still low in North Dakota with the jobless rate at a historic low of 2.4%. Although employment is declining slightly in the mining industry due to increased productivity, the

construction and manufacturing industries continue to increase their hiring and goods employment is at a more than three year high.

Median household income and per capita income for North Dakota are both ahead of the national average. For 2019, median household income in North Dakota was $66,605 compared to $63,179 for the U.S. Per capita income for 2019 was $55,452 for North Dakota, while $54,446 for the U.S.

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.

Basic Financial Statements

STATE OF NORTH DAKOTA

Statement of Net Position
June 30, 2019

	Primary Government			Component Units (GASB Based)
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	$ 270,986,685	$ 724,241,415	$ 995,228,100	$ 15,605,709
Investments	12,539,561,402	4,028,874,532	16,568,435,934	818,362
Accounts Receivable - Net	148,202,363	124,079,450	272,281,813	232,795
Taxes Receivable - Net	609,569,080	-	609,569,080	-
Interest Receivable - Net	44,922,497	70,068,820	114,991,317	80,999
Intergovernmental Receivable - Net	222,311,091	28,079,713	250,390,804	-
Internal Receivable	2,885,291,087	-	-	-
Due from Component Units	-	34,963,635	34,963,635	-
Due from Primary Government	-	-	-	61,000
Prepaid Items	11,280,631	4,715,769	15,996,400	-
Inventory	24,747,168	34,356,247	59,103,415	-
Loans and Notes Receivable - Net	188,060,261	4,774,052,611	4,962,112,872	10,857,772
Pension Assets	27,458,900	-	27,458,900	-
Other Assets	-	48,167,473	48,167,473	161,200
Restricted Assets:				
Cash and Cash Equivalents	279,367	216,254,000	216,533,367	80,867,016
Investments	-	55,778,382	55,778,382	985,939,000
Interest Receivable - Net	-	4,488,000	4,488,000	5,933,000
Loans and Notes Receivable - Net	-	1,198,534,000	1,198,534,000	-
Capital Assets:				
Nondepreciable	1,814,451,711	191,047,765	2,005,499,476	1,115,389
Depreciable, Net	3,422,608,774	1,440,252,108	4,862,860,882	6,836
Total Assets	22,209,731,017	12,977,953,920	32,302,393,850	1,101,679,078
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Bond Refunding	2,130,000	3,988,193	6,118,193	3,802,000
Financial Derivative Instrument	-	7,886,000	7,886,000	-
Unrealized Loss on Interest Rate Swap	-	2,545,000	2,545,000	-
Derived from Pensions	283,360,544	96,933,074	380,293,618	113,000
Derived from OPEB	8,226,972	2,863,884	11,090,856	-
Total Deferred Outflows of Resources	293,717,516	114,216,151	407,933,667	3,915,000

*** An internal payable balance remains in the Total column because certain Business-Type Activities have different fiscal year ends than the Governmental Activities. As internal balances are reported separately as internal receivables and internal payables, those lines, as well as the total assets and total liabilities, do not crossfoot.**

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Net Position
June 30, 2019

	Primary Government			Component Units (GASB Based)
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts Payable	324,984,357	59,939,338	384,923,695	724,556
Accrued Payroll	58,163,221	41,607,116	99,770,337	2,587
Securities Lending Collateral	264,798,011	6,178,872	270,976,883	-
Interest Payable	1,375,537	18,968,484	20,344,021	4,802,000
Intergovernmental Payable	214,668,082	6,176,602	220,844,684	-
Tax Refunds Payable	134,827,724	-	134,827,724	-
Internal Payable	-	3,114,964,554	229,673,467	-
Due to Component Units	-	36,808,983	36,808,983	-
Contract Retainage Payable	23,382,205	3,445,240	26,827,445	-
Federal Funds Purchased	-	271,505,000	271,505,000	-
Other Deposits	-	933,175,958	933,175,958	-
Amounts Held In Custody for Others	-	20,993,981	20,993,981	-
Unearned Revenue	7,309,467	136,482,443	143,791,910	49,809
Financial Derivative Instrument	-	7,886,000	7,886,000	-
Other Liabilities	-	29,220,333	29,220,333	136,668
Long-Term Liabilities				
Due within one year	26,492,478	1,030,736,584	1,057,229,062	26,981,001
Due in more than one year	81,831,083	2,976,289,829	3,058,120,912	523,014,340
Net Pension Liability	658,978,231	228,512,880	887,491,111	279,000
Net OPEB Liability	31,260,024	10,146,883	41,406,907	-
Total Liabilities	1,828,070,420	8,933,039,080	7,875,818,413	555,989,961
DEFERRED INFLOWS OF RESOURCES				
Grant Received Prior to Time Requirements	-	140,783	140,783	-
Increase in Fair Value of Hedging Derivatives	-	15,750	15,750	-
Unrealized Gain on Interest Rate Swap	-	12,846,000	12,846,000	-
Derived from Pensions	61,146,519	21,308,001	82,454,520	21,000
Derived from OPEB	2,068,442	691,441	2,759,883	-
Total Deferred Inflows of Resources	63,214,961	35,001,975	98,216,936	21,000
NET POSITION				
Net Investment in Capital Assets	5,185,682,467	1,246,740,894	6,432,423,361	6,836
Restricted for:				
General Government	7,732,114	-	7,732,114	-
Education	5,353,280,164	-	5,353,280,164	-
Health and Human Services	25,165,341	-	25,165,341	-
Regulatory Purposes	73,989,399	-	73,989,399	-
Public Safety & Corrections	3,984,296	-	3,984,296	-
Agriculture and Commerce	61,938,107	-	61,938,107	-
Cultural and Natural Resources	455,693,018	-	455,693,018	-
Transportation	542,536,563	-	542,536,563	-
Capital Projects	-	84,464	84,464	534,286
Debt Service	782,977	191,273,713	192,056,690	98,810,000
Loan Purposes	-	42,860,355	42,860,355	420,857,000
Pledged Assets	-	470,185,000	470,185,000	-
Unemployment Compensation	-	224,309,763	224,309,763	-
Pension Benefits	27,458,900	-	27,458,900	-
Permanent Fund and University System - Nonexpendable	76,551,281	18,384,451	94,935,732	2,401,493
University System - Expendable	-	23,875,071	23,875,071	-
Other	10,673,456	1,914,774	12,588,230	-
Unrestricted	8,786,695,069	1,904,500,531	10,691,195,600	26,973,502
Total Net Position	$ 20,612,163,152	$ 4,124,129,016	$ 24,736,292,168	$ 549,583,117

The Accompanying Notes are an Integral Part of the Financial Statements

Statement of Activities

For the Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 1,183,233,944	$ 37,185,115	$ 2,853,268	$ -
Education	1,238,988,634	7,147,934	572,362,721	-
Health and Human Services	1,947,263,363	80,627,617	1,095,465,447	-
Regulatory	61,213,248	29,490,252	5,428,477	106,834
Public Safety and Corrections	230,666,579	32,002,961	47,981,758	-
Agriculture and Commerce	99,247,117	32,809,364	24,395,640	-
Natural Resources	261,307,506	38,390,527	41,401,335	-
Transportation	443,629,333	120,377,945	331,814,341	-
Interest on Long Term Debt	1,952,361	-	-	-
Total Governmental Activities	5,467,502,085	378,031,715	2,121,702,987	106,834
Business-Type Activities:				
Bank of North Dakota	98,931,503	251,626,000	-	-
Housing Finance	52,714,991	49,362,786	15,331,000	-
Loan Programs	12,665,669	13,095,470	187,656	-
State Lottery	26,174,686	35,511,058	12,952	-
Unemployment Compensation	84,205,911	114,657,558	4,442,751	-
University System	1,198,989,180	540,691,218	249,838,061	19,925,817
Workforce Safety & Insurance	297,497,091	249,787,742	137,014,666	-
Other	594,491,102	600,125,017	3,963,745	-
Total Business-Type Activities	2,365,670,133	1,854,856,849	410,790,831	19,925,817
Total Primary Government	$ 7,833,172,218	$ 2,232,888,564	$ 2,532,493,818	$ 20,032,651
Component Units (GASB Based):	$ 31,204,053	$ 6,669,587	$ 43,890,125	$ 6,000

General Revenues:

Taxes:

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

Unrestricted Investment Earnings

Tobacco Settlement

Miscellaneous

Contributions to Perm Fund Principal

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning of Year, as restated

Net Position, Ending

The Accompanying Notes are an Integral Part of the Financial Statements

Net (Expense) Revenue and Change in Net Position			
Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	(GASB Based)
$ (1,143,195,561)		$ (1,143,195,561)	
(659,477,979)		(659,477,979)	
(771,170,299)		(771,170,299)	
(26,187,685)		(26,187,685)	
(150,681,860)		(150,681,860)	
(42,042,113)		(42,042,113)	
(181,515,644)		(181,515,644)	
8,562,953		8,562,953	
(1,952,361)		(1,952,361)	
(2,967,660,549)		(2,967,660,549)	
	152,694,497	152,694,497	
	11,978,795	11,978,795	
	617,457	617,457	
	9,349,324	9,349,324	
	34,894,398	34,894,398	
	(388,534,084)	(388,534,084)	
	89,305,317	89,305,317	
	9,597,660	9,597,660	
-	(80,096,636)	(80,096,636)	
(2,967,660,549)	(80,096,636)	(3,047,757,185)	
			$ 19,361,659
604,088,632	-	604,088,632	-
1,435,129,762	-	1,435,129,762	-
2,586,569,876	-	2,586,569,876	-
110,714,853	-	110,714,853	-
360,264,138	-	360,264,138	-
20,752,400	-	20,752,400	-
231,745,021	5,162,713	236,907,734	-
11,014,244	-	11,014,244	-
(290,718,287)	277,018,465	(13,699,822)	-
5,069,560,639	282,181,178	5,351,741,817	-
2,101,900,090	202,084,542	2,303,984,632	19,361,659
18,510,263,062	3,922,044,474	22,432,307,536	530,221,458
$ 20,612,163,152	$ 4,124,129,016	$ 24,736,292,168	$ 549,583,117

The Accompanying Notes are an Integral Part of the Financial Statements

Statement of Net Assets
Component Units - University System Foundation
FASB Basis
June 30, 2019

	Major University System Foundation	Nonmajor University System Foundation
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 47,590,336	$ 13,461,594
Receivable from Primary Institution	4,614,889	105,189
Investments	11,614,494	21,303,497
Accounts Receivable - Net	6,468,139	1,089,515
Unconditional Promises to Give - Net	16,705,679	766,858
Net investment in Direct Financing Leases	1,166,959	-
Inventory	1,102,034	-
Other Assets	1,231,103	72,854
Total Current Assets	90,493,633	36,799,507
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	948,080	-
Investments:		
Investments, Net of Current Portion	505,986,449	35,211,972
Investments, Restricted	5,345,576	-
Investments Held In Trust	29,541,323	3,975,639
Beneficial Interest In Trust	17,089,739	-
Charitable Gift Annuity Investments	6,054,740	-
Charitable Remainder Trust Account Investments	18,589,642	-
Real Estate and Equipment Held for Investment - Net	18,862,316	-
Other Long-Term Investments	42,685,791	1,077,974
Contracts for Deed & Notes Receivable, Net of Current Portion	775,488	-
Long-Term Pledges Receivable	43,391,788	4,858,985
Other Receivables	41,643	-
Receivable from Primary Institution	32,577,967	116,666
Net investment in Direct Financing Leases, Net of Current Portion	12,548,962	-
Other noncurrent assets	2,396,351	438,191
Notes Receivable - Net	6,800,000	-
Capital Assets - Net	138,175,166	15,865,080
Total Noncurrent Assets	881,811,021	61,544,507
Total Assets	972,304,654	98,344,014
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	3,448,816	139,651
Payable to Primary Institution	4,196,437	940,871
Accrued Payroll	1,094,051	2,692
Gift Annuities & Life Income Agreements	2,846,496	41,602
Unearned Revenue	9,996,982	205,000
Deposits Held in Custody for Others	-	513,847
Other Liabilities	761,715	2,334
Current Potion of Long-Term Liabilities	4,325,873	184,009
Total Current Liabilities	26,670,370	2,030,006
Noncurrent Liabilities:		
Deposits	3,493,349	-
Gift Annuities & Life Income Agreements, Net of Current Portion	18,386,578	535,620
Obligations Under Split-Interest Agreement	5,765,744	-
Investments Held on Behalf of Institutions	19,530,490	3,461,792
Other Liabilities	518,548	-
Long-Term Liabilities	53,837,701	6,478,962
Total Noncurrent Liabilities	101,532,410	10,476,374
Total Liabilities	128,202,780	12,506,380
Net Assets		
With Donor Restriction	619,301,132	74,191,322
Without Donor Restriction	224,800,742	11,646,312
Total Net Asset	844,101,874	85,837,634
Total Liabilities and Net Assets	$ 972,304,654	$ 98,344,014

STATE OF NORTH DAKOTA

Statement of Revenues, Expenses and Changes in Fund Net Assets
Component Units - University System Foundation
FASB Basis
For the Fiscal Year Ended June 30, 2019

	Major University System Foundation	Nonmajor University System Foundation
Support and Revenue		
Gifts and Contributions	$ 73,141,480	$ 12,054,848
Investment Income	28,669,601	5,749,043
Grant Revenue	4,000,000	57,192
Net Realized and Unrealized Gains (Losses) on Investment Securities	(16,528,866)	512,538
Program and Event Income	51,783,186	9,716,644
Other Income	5,244,530	2,197,698
Total Support and Revenue	146,309,931	30,287,963
EXPENSES		
Program Services	$ 36,410,374	$ 6,195,778
Supporting Services	53,428,586	11,573,023
Fund Raising Expense	6,521,620	351,382
Total Expenses	96,360,580	18,120,183
Changes in Net Assets	$ 49,949,351	$ 12,167,780
Total Net Assets - Beginning of Year , as Restated	$ 794,152,523	$ 73,669,854
Total Net Assets - End of Year	$ 844,101,874	$ 85,837,634

The Accompanying Notes are an Integral Part of the Financial Statements

Balance Sheet
Governmental Funds
June 30, 2019

	General	Special Revenue Federal	Special Revenue State	Nonmajor Governmental Funds	Total
ASSETS					
Cash Deposits at the Bank of ND	$ 663,747,439	$ -	$ 1,843,623,832	$ 535,467	$ 2,507,906,738
Cash and Cash Equivalents	259,013,921	-	11,485,703	85,943	270,585,567
Restricted Cash and Cash Equivalents	279,367	-	-	-	279,367
Investments at the Bank of ND	-	3,000,000	348,859,722	663,000	352,522,722
Investments	6,432,592,580	-	6,072,577,514	25,054,157	12,530,224,251
Accounts Receivable - Net	19,482,766	28,127,793	100,206,225	50	147,816,834
Taxes Receivable - Net	465,267,091	-	144,188,613	113,376	609,569,080
Interest Receivable - Net	28,251,970	487	16,445,853	166,742	44,865,052
Intergovernmental Receivable - Net	15,333	206,780,575	15,141,337	-	221,937,245
Due from Other Funds	134,754,527	33,178,374	17,281,524	15	185,214,440
Prepaid Items	3,670,676	1,367,359	2,150,155	-	7,188,190
Inventory	2,955,107	10,964,480	10,704,928	-	24,624,515
Loans and Notes Receivable - Net	12,657	159,491	134,911,755	52,976,356	188,060,259
Total Assets	8,010,043,434	283,578,559	8,717,577,161	79,595,106	17,090,794,260
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 8,010,043,434	$ 283,578,559	$ 8,717,577,161	$ 79,595,106	$ 17,090,794,260
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	89,555,411	132,401,790	101,661,904	12,754	323,631,859
Accrued Payroll	35,232,695	6,743,753	13,361,044	-	55,337,492
Securities Lending Collateral	20,149,968	-	242,997,902	1,613,262	264,761,132
Interest Payable	119,075	37,193	892,052	-	1,048,320
Intergovernmental Payable	3,810,005	24,794,365	186,063,712	-	214,668,082
Tax Refunds Payable	127,228,508	-	7,599,216	-	134,827,724
Due to Other Funds	29,933,029	87,899,061	73,748,038	153,563	191,733,691
Contract Retainage Payable	427,215	10,574,975	12,380,015	-	23,382,205
Unearned Revenues	-	7,115,543	143,014	-	7,258,557
Total Liabilities	306,455,906	269,566,680	638,846,897	1,779,579	1,216,649,062
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	117,092,106	3,322,254	15,188,839	-	135,603,199
Unpaid Penalty and Interest	-	-	821,125	-	821,125
Total Deferred Inflows of Resources	117,092,106	3,322,254	16,009,964	-	136,424,324
Fund Balances:					
Nonspendable					
Inventory	2,955,107	10,964,480	10,704,928	-	24,624,515
Long - Term Receivables	12,657	-	-	-	12,657
Prepaid Expenditures	3,670,676	1,367,359	2,150,155	-	7,188,190
Permanent Trust Fund	-	-	-	76,551,281	76,551,281
Restricted	279,367	-	6,487,770,608	783,831	6,488,833,806
Committed	348,222,819	-	1,187,484,830	480,415	1,536,188,064
Assigned	-	-	374,609,779	-	374,609,779
Unassigned	7,231,354,796	(1,642,214)	-	-	7,229,712,582
Total Fund Balances	7,586,495,422	10,689,625	8,062,720,300	77,815,527	15,737,720,874
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 8,010,043,434	$ 283,578,559	$ 8,717,577,161	$ 79,595,106	$ 17,090,794,260

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, 2019

Total Fund Balances-Governmental Funds		$ 15,737,720,874
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 $8,727,933,679 and the accumulated depreciation is $3,585,109,020.		5,142,824,659
Other assets not available in the current period and therefore are not reported in the governmental funds:		
Net Pension Asset		27,458,900
Deferred outflows of resources are not reported in the governmental funds:		
Loss on bond refunding	2,130,000	
Related to OPEB	7,783,323	
Related to pensions	268,166,879	
Total Deferred Outflows		278,080,202
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.		135,552,289
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.		99,423,127
Voluntary termination benefits for employees are accrued in the statement of net position.		(252,229)
Deferred inflows of resources are not reported in the governmental funds:		
Unpaid penalty and interest	821,125	
Related to OPEB	(1,948,438)	
Related to pensions	(58,110,438)	(59,237,751)
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	(29,950,302)	
Notes Payable	(21,897,374)	
Accrued Interest on Long-Term Liabilities	(327,217)	
Compensated Absences	(43,820,507)	
Capital Leases	(1,100,140)	
Other Postemployment Benefit Obligation, net	(29,612,684)	
Net Pension Liability	(621,722,680)	
Claims and Judgments	(976,015)	
Total Long-Term Liabilities		(749,406,919)
Net Position of Governmental Activities		$ 20,612,163,152

The Accompanying Notes are an Integral Part of the Financial Statements

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	General	Special Revenue Federal	Special Revenue State	Nonmajor Governmental Funds	Total
REVENUES					
Individual and Corporate Income Taxes	$ 591,881,213	$ -	$ 3,021,058	$ -	$ 594,902,271
Sales and Use Taxes	1,138,028,146	-	309,011,020	-	1,447,039,166
Oil, Gas, and Coal Taxes	776,111,047	-	1,808,773,920	1,576,908	2,586,461,875
Business and Other Taxes	63,568,228	-	49,923,683	-	113,491,911
Licenses, Permits and Fees	19,042,705	11,941	189,564,629	9,820	208,629,095
Intergovernmental	2,119,118	1,692,379,718	23,572,053	4,300,620	1,722,371,509
Sales and Services	9,890,045	11,169,825	66,877,236	8,460	87,945,566
Royalties and Rents	26,858,926	5,222	401,654,333	-	428,518,481
Fines and Forfeits	5,835,226	-	25,808,726	-	31,643,952
Interest and Investment Income	335,563,131	9,039	231,271,103	1,658,885	568,502,158
Tobacco Settlement	5,235	-	20,747,165	-	20,752,400
Commodity Assessments	-	-	24,055,725	-	24,055,725
Miscellaneous	2,386,263	3,369,272	20,468,301	38,046	26,261,882
Total Revenues	2,971,289,283	1,706,945,017	3,174,748,952	7,592,739	7,860,575,991
EXPENDITURES					
Current:					
General Government	164,583,432	1,834,519	46,374,817	86,009	212,878,777
Education	737,454,807	166,317,662	332,662,026	-	1,236,434,495
Health and Human Services	735,377,421	1,041,196,492	124,639,746	104,278	1,901,317,937
Regulatory	19,563,616	4,626,480	19,827,210	-	44,017,306
Public Safety and Corrections	152,233,412	39,960,685	13,879,523	-	206,073,620
Agriculture and Commerce	21,791,393	22,267,187	53,232,173	-	97,290,753
Natural Resources	16,027,296	26,633,333	197,473,679	-	240,134,308
Transportation	528,583	222,738,307	135,990,048	-	359,256,938
Intergovernmental - Revenue Sharing	4,224,146	-	960,259,692	-	964,483,838
Capital Outlay	28,352,926	149,456,474	163,548,079	-	341,357,479
Debt Service:					
Principal	458,386	336,069	24,569	10,020,000	10,839,024
Interest and Other Charges	491,070	7,901	6,918	1,567,650	2,073,539
Total Expenditures	1,881,086,488	1,675,375,109	2,047,918,480	11,777,937	5,616,158,014
Revenues over (under) Expenditures	1,090,202,795	31,569,908	1,126,830,472	(4,185,198)	2,244,417,977
OTHER FINANCING SOURCES (USES)					
Capital Lease Acquisitions	22,628	157,986	3,644	-	184,258
Sale of Capital Assets	90,878	175,801	874,360	-	1,141,039
Transfers In	217,633,703	1,416,938	59,380,642	7,305,907	285,737,190
Transfers Out	(390,563,836)	(38,821,800)	(145,013,334)	(2,056,507)	(576,455,477)
Total Other Financing Sources (Uses)	(172,816,627)	(37,071,075)	(84,754,688)	5,249,400	(289,392,990)
Net Change in Fund Balances	917,386,168	(5,501,167)	1,042,075,784	1,064,202	1,955,024,987
Fund Balances - Beginning of Year, as restated	6,669,109,254	16,190,792	7,020,644,516	76,751,325	13,782,695,887
Fund Balances - End of Year	$ 7,586,495,422	$ 10,689,625	$ 8,062,720,300	$ 77,815,527	$ 15,737,720,874

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, 2019

Net Change in Fund Balances-Total Governmental Funds		$ 1,955,024,987
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	341,419,925	
Depreciation expense	(130,992,989)	
Excess of capital outlay over depreciation expense		210,426,936
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.		(410,695)
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.		20,000
Some of the assets acquired this year were financed through capital leases. The amount financed is reported in the governmental funds as a source of financing. However, capital leases are reported as long-term liabilities in the statement of net position.		(184,258)
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.		(4,274,800)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds is reported with governmental activities		1,720,272
Bonds proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		-
Note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		-
Voluntary termination benefits do not require current financial resources and therefore are not reported as expenditures in the governmental funds.		(57,423)
The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds.		(6,177,042)
Deferred outflows of resources do not provide current financial resources		
Amortization of deferred loss on bond refunding	(489,000)	
Related to OPEB	367,864	
Related to pension	(34,253,261)	
Total deferred outflows		(34,374,397)
Deferred pension inflows are not considered current cash expenses and are not reported as an expenditure in the funds		
Unpaid penalty and interest	172,661	
Related to OPEB	(117,623)	
Related to pension	(18,538,387)	
Total deferred outflows		(18,483,349)
The net OPEB liability relating to retirement plans		770,605
The net pension liability relating to retirement plans		(14,112,165)
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	10,478,700	
Note payments	349,665	
Capital lease payments	469,356	
Total long-term debt repayment		11,297,721
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	86,183	
Compensated Absences	187,416	
Claims and Judgments	440,099	
Total additional expenditures		713,698
Change in Net Position of Governmental Activities		$ 2,101,900,090

The Accompanying Notes are an Integral Part of the Financial Statements

Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
ASSETS							
Current Assets:							
Cash Deposits at the Bank of ND		$ 7,430,000	$ 202,193,296	$ 2,871,189	$ 149,752,740	$ 362,247,225	$ 32,772,230
Cash and Cash Equivalents		-	10,177,641	-	204,371,774	214,549,415	401,118
Investments at the Bank of ND		-	140,589,569	-	1,000,000	141,589,569	341,583
Investments		-	116,091	2,060,882,106	50,590,202	2,111,588,399	9,337,152
Accounts Receivable - Net		807,000	23,091,748	26,566,996	73,613,706	124,079,450	385,529
Interest Receivable - Net		108,000	-	10,666,901	3,219,919	13,994,820	54,952
Intergovernmental Receivable - Net		530,000	26,643,518	-	906,195	28,079,713	373,846
Due from Other Funds		6,000	18,650,505	-	1,090,547	19,747,052	8,944,643
Due from Component Units		-	10,813,618	-	-	10,813,618	-
Prepaid Items		63,000	-	395,608	4,257,161	4,715,769	4,092,441
Inventory		-	6,986,515	-	27,369,732	34,356,247	122,653
Loans and Notes Receivable - Net		-	6,180,651	-	22,685,253	28,865,904	-
Other Assets		764,000	5,549,973	-	18,685	6,332,658	-
Restricted Cash at the Bank of ND		15,076,000	-	-	4,848,918	19,924,918	-
Restricted Cash and Cash Equivalents		216,029,000	-	-	225,000	216,254,000	-
Restricted Investments at the Bank of ND		-	-	-	1,000,000	1,000,000	-
Restricted Investments		7,335,000	-	-	-	7,335,000	-
Restricted Interest Receivable - Net		4,488,000	-	-	-	4,488,000	-
Restricted Loans Receivable - Net		27,954,000	-	-	162,000	28,116,000	-
Total Current Assets		280,590,000	450,993,125	2,101,382,800	545,111,832	3,378,077,757	56,826,147
Noncurrent Assets:							
Restricted Cash at the Bank of ND		-	40,343,773	-	-	40,343,773	-
Restricted Investments at the Bank of ND		-	7,831,721	-	-	7,831,721	-
Restricted Investments		42,133,000	6,310,382	-	-	48,443,382	-
Investments at the Bank of ND		-	100,681,000	-	-	100,681,000	-
Investments		-	10,941,133	-	-	10,941,133	-
Due from Component Units		-	24,150,017	-	-	24,150,017	-
Loans and Notes Receivable - Net		-	21,073,874	-	352,338,833	373,412,707	-
Restricted Loans Receivable - Net		1,170,418,000	-	-	-	1,170,418,000	-
Other Noncurrent Assets		5,321,000	390,197	-	5,818,618	11,529,815	-
Capital Assets:							
Nondepreciable		-	159,702,786	4,152,336	24,743,643	188,598,765	154,838
Depreciable, Net		13,000	1,306,247,796	13,634,392	112,556,920	1,432,452,108	94,080,986
Total Noncurrent Assets		1,217,885,000	1,677,672,679	17,786,728	495,458,014	3,408,802,421	94,235,824
Bank Related Assets:							
Cash and Cash Equivalents	$ 509,692,000					$ 509,692,000	
Investments	1,906,345,000					1,906,345,000	
Interest Receivable - Net	56,074,000					56,074,000	
Due from Other Funds	117,359,000					117,359,000	
Loans and Notes Receivable - Net	4,371,774,000					4,371,774,000	
Other Assets	30,305,000					30,305,000	
Capital Assets:							
Nondepreciable	2,449,000					2,449,000	
Depreciable, Net	7,800,000					7,800,000	
Total Bank Related Assets	7,001,798,000					7,001,798,000	
Total Assets	7,001,798,000	1,498,475,000	2,128,665,804	2,119,169,528	1,040,569,846	13,788,678,178	151,061,971
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Loss on Bond Refunding	-	-	3,988,193	-	-	3,988,193	-
Financial Derivative Instrument	-	7,886,000	-	-	-	7,886,000	-
Unrealized Loss on Interest Rate Swap	2,545,000	-	-	-	-	2,545,000	-
Derived from Pensions	6,889,000	1,677,000	66,901,629	12,296,330	9,169,115	96,933,074	15,193,665
Derived from OPEB	158,000	51,000	2,005,931	313,963	334,990	2,863,884	443,649
Total Deferred Outflows of Resources	9,592,000	9,614,000	72,895,753	12,610,293	9,504,105	114,216,151	15,637,314

Statement of Net Position
Proprietary Funds
June 30, 2019

	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		1,490,000	29,162,197	5,282,939	24,004,202	59,939,338	1,403,149
Accrued Payroll		-	40,692,136	-	914,980	41,607,116	2,573,500
Securities Lending Collateral		-	-	6,100,164	78,708	6,178,872	36,879
Interest Payable		16,337,000	2,314,599	-	12,358	18,663,957	2,576
Intergovernmental Payable		94,000	469,475	-	6,295,197	6,858,672	-
Due to Other Funds		17,000	4,224,063	208,849	86,817,361	91,267,273	394,458
Due to Component Units		-	4,043,735	-	-	4,043,735	-
Contract Retainage Payable		-	3,445,240	-	-	3,445,240	-
Other Deposits		-	6,837,543	-	-	6,837,543	-
Amounts Held in Custody for Others		14,941,000	-	-	6,052,981	20,993,981	-
Claims/Judgments Payable		-	-	130,913,280	822,043	131,735,323	1,213,316
Dividends Payable		-	-	113,235,072	-	113,235,072	-
Compensated Absences Payable		237,000	2,710,196	1,399,626	176,807	4,523,629	215,050
Notes Payable		-	1,224,581	-	-	1,224,581	-
Capital Leases Payable		-	3,283,858	-	-	3,283,858	10,078
Bonds Payable		39,830,000	10,617,051	-	120,000	50,567,051	-
Unearned Revenue		343,000	20,584,992	115,278,892	275,559	136,482,443	-
Other Current Liabilities		-	-	-	112,936	112,936	-
Total Current Liabilities		73,289,000	129,609,666	372,418,822	125,683,132	701,000,620	5,849,006
Noncurrent Liabilities:							
Intergovernmental Payable		9,000	4,588,300	-	-	4,597,300	-
Due to Component Units		-	32,704,248	-	-	32,704,248	-
Claims/Judgments Payable		-	-	960,030,720	-	960,030,720	6,912,322
Compensated Absences Payable		107,000	28,176,277	227,846	1,261,378	29,772,501	2,220,248
Notes Payable		-	16,026,980	-	-	16,026,980	-
Capital Leases Payable		-	33,683,962	-	-	33,683,962	8,209
Bonds Payable		1,222,566,000	327,922,572	-	2,576,794	1,553,065,366	-
Financial Derivative Instrument		7,886,000	-	-	-	7,886,000	-
Net Pension Liability		4,000,000	162,113,629	25,710,589	19,536,662	211,360,880	37,255,551
Net OPEB Liability		190,000	7,146,892	1,158,959	841,032	9,336,883	1,647,340
Other Noncurrent Liabilities		4,463,000	244,632	-	18,273,765	22,981,397	-
Total Noncurrent Liabilities		1,239,221,000	612,607,492	987,128,114	42,489,631	2,881,446,237	48,043,670
Bank Related Liabilities:							
Interest Payable	291,008					291,008	
Due to Other Funds	1,235,992					1,235,992	
Due to Component Units	61,000					61,000	
Federal Funds Purchased	271,505,000					271,505,000	
Deposits Held for Other Funds	3,924,082,422					3,924,082,422	
Other Deposits	845,736,578					845,736,578	
Other Liabilities	6,126,000					6,126,000	
Long Term Liabilities:							
Due within one year	725,485,000					725,485,000	
Due in more than one year	379,113,000					379,113,000	
Net Pension Liability	17,152,000					17,152,000	
Net OPEB Liability	810,000					810,000	
Total Bank Related Liabilities	6,171,598,000					6,171,598,000	
Total Liabilities	6,171,598,000	1,312,510,000	742,217,158	1,359,546,936	168,172,763	9,754,044,857	53,892,676
DEFERRED INFLOWS OF RESOURCES							
Grants Received Prior to Time Requirements	-	-	140,783	-	-	140,783	-
Increase in Fair Value of Hedging Derivatives	-	-	-	-	15,750	15,750	-
Unrealized Gain on Interest Rate Swap	12,846,000	-	-	-	-	12,846,000	-
Derived from Pensions	1,115,000	324,000	16,550,754	1,622,059	1,696,188	21,308,001	3,036,081
Derived from OPEB	61,000	11,000	499,230	79,889	40,322	691,441	120,004
Total Deferred Inflows of Resources	14,022,000	335,000	17,190,767	1,701,948	1,752,260	35,001,975	3,156,085
NET POSITION							
Net Investment in Capital Assets	10,249,000	13,000	1,083,192,671	17,786,728	135,499,495	1,246,740,894	94,217,537
Restricted for:							
Capital Projects	-	-	84,464	-	-	84,464	-
Debt Service	-	183,913,000	6,981,713	-	379,000	191,273,713	-
Loan Purposes	-	-	42,860,355	-	-	42,860,355	-
Pledged Assets	470,185,000	-	-	-	-	470,185,000	-
Unemployment Compensation	-	-	-	-	224,309,763	224,309,763	-
University System-Nonexpendable	-	-	18,384,451	-	-	18,384,451	-
University System-Expendable	-	-	23,875,071	-	-	23,875,071	-
Other	-	-	484,714	-	1,430,060	1,914,774	-
Unrestricted	345,336,000	11,318,000	266,290,193	752,744,209	518,530,610	1,894,219,012	15,432,987
Total Net Position	$ 825,770,000	$ 195,244,000	$ 1,442,153,632	$ 770,530,937	$ 880,148,928	$ 4,113,847,497	$ 109,650,524

Reconciliation of the Proprietary Funds Statement of Net Position to the Statement of Net Position
June 30, 2019

Total Net Position - Enterprise Funds	4,113,847,497
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	10,281,519
Net Position of Business-Type Activities	4,124,129,016

The Accompanying Notes are an Integral Part of the Financial Statements

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES							
Sales and Services	$ 7,170,000	$ 3,174,786	$ 98,958,588	$ 246,897,583	$ 757,057,340	$ 1,113,258,297	$ 101,117,013
Auxiliary Sales Pledges for Bonds	-	-	100,912,581	-	-	100,912,581	-
Tuition and Fees	-	-	333,909,568	-	-	333,909,568	-
Grants and Contributions	-	-	154,845,048	-	-	154,845,048	-
Royalties and Rents	-	-	-	1,530,450	174,763	1,705,213	-
Fines and Forfeits	-	-	-	1,359,709	-	1,359,709	-
Interest and Investment Income	244,456,000	46,188,000	-	-	5,991,350	296,635,350	-
Miscellaneous	-	-	1,509,536	-	98,523	1,608,059	288,989
Total Operating Revenues	251,626,000	49,362,786	690,135,321	249,787,742	763,321,976	2,004,233,825	101,406,002
OPERATING EXPENSES							
Cost of Sales and Services	-	-	20,927,199	-	204,331,145	225,258,344	829,488
Salaries and Benefits	18,934,000	4,229,000	760,667,749	28,163,423	25,669,490	837,663,662	37,320,095
Operating	29,223,000	6,450,000	283,819,293	891,342	390,926,167	711,309,802	48,599,368
Claims	-	-	-	147,666,582	86,283,810	233,950,392	2,463,449
Scholarships and Fellowships	-	-	41,698,185	-	-	41,698,185	-
Interest	49,902,000	27,159,000	-	-	31,000	77,092,000	-
Depreciation	813,000	5,000	72,583,004	1,459,046	7,862,962	82,723,012	11,955,444
Miscellaneous	-	-	-	-	40,866	40,866	49,379
Total Operating Expenses	98,872,000	37,843,000	1,179,695,430	178,180,393	715,145,440	2,209,736,263	101,217,223
Operating Income (Loss)	152,754,000	11,519,786	(489,560,109)	71,607,349	48,176,536	(205,502,438)	188,779
NONOPERATING REVENUES (EXPENSES)							
Grants and Contracts	-	14,870,000	43,708,272	-	801,525	59,379,797	-
Gifts	-	-	40,263,025	-	-	40,263,025	-
Interest and Investment Income	-	461,000	11,021,716	137,014,666	7,798,409	156,295,791	751,930
Interest Expense	-	-	(11,404,436)	(4,047,780)	(2,053,048)	(17,505,264)	(18,388)
Dividends Expense	-	-	-	(115,189,458)	-	(115,189,458)	-
Gain (Loss) on Sale of Capital Assets	-	-	4,370,608	-	-	4,370,608	880,859
Tax Revenue	-	-	5,400,945	-	-	5,400,945	-
Grant Expense	-	(14,868,000)	(6,805,972)	-	-	(21,673,972)	-
Other	-	-	(671,572)	-	(272,729)	(944,301)	-
Total Nonoperating Revenues (Expenses)	-	463,000	85,882,586	17,777,428	6,274,157	110,397,171	1,614,401
Income (Loss) Before Contributions and Transfers	152,754,000	11,982,786	(403,677,523)	89,384,777	54,450,693	(95,105,267)	1,803,180
Capital Grants and Contributions	-	-	19,925,817	-	-	19,925,817	110,106
Transfers In	-	168,214	396,130,013	-	27,303,832	423,602,059	-
Transfer Out	(125,153,000)	(38,000)	(3,909,266)	-	(17,483,328)	(146,583,594)	-
Changes in Net Position	27,601,000	12,113,000	8,469,041	89,384,777	64,271,197	201,839,015	1,913,286
Total Net Position - Beginning of Year, as restated	798,169,000	183,131,000	1,433,684,591	681,146,160	815,877,731	3,912,008,482	107,737,238
Total Net Position - End of Year	$ 825,770,000	$ 195,244,000	$ 1,442,153,632	$ 770,530,937	$ 880,148,928	$ 4,113,847,497	$ 109,650,524

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, 2019

Net Change in Net Position-Total Enterprise Funds	$ 201,839,015
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	245,527
Change in Net Position of Business-Type Activities	$ 202,084,542

The Accompanying Notes are an Integral Part of the Financial Statements



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STATE OF NORTH DAKOTA

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds		
	Bank of North Dakota	Housing Finance	University System
Cash Flows from Operating Activities:			
Receipts from Customers and Users	$ 10,324,000	$ 188,503,786	$ 197,871,200
Receipts from Tuition and Fees	-	-	331,698,479
Interest Income on Loans	-	-	-
Receipts from Loan Principal Repayments	-	-	6,022,354
Receipts from Federal and Local Agencies	-	396,000	-
Receipts from Other Funds	-	-	-
Receipts from Grants and Contracts	-	-	166,922,014
Receipts from Others	-	-	1,580,958
Payments to Other Funds	-	(155,000)	-
Payments for Loan Funds	-	-	(1,059,790)
Payments for Scholarships and Fellowships	-	-	(41,217,457)
Payments to Suppliers	(19,724,000)	(381,944,000)	(293,692,496)
Payments to Employees	(15,472,000)	(3,565,000)	(740,553,794)
Claim Payments	-	-	-
Payments to Others	-	(609,000)	-
Other	-	-	-
Net Cash Provided by (Used for) Operating Activities	(24,872,000)	(197,373,214)	(372,428,532)
Cash Flows from Noncapital Financing Activities:			
Proceeds from Bonds	-	389,022,000	-
Proceeds from Sale of Notes and Other Borrowings	6,377,000,000	-	-
Principal Payments - Bonds	-	(89,660,000)	-
Principal Payments - Notes and Other Borrowings	(6,537,133,000)	-	-
Interest Payments - Bonds	-	(23,474,000)	-
Interest Payments - Notes and Other Borrowings	(25,128,000)	-	-
Tax Collections	-	-	5,400,947
Transfers In	-	18,214	19,692,377
Transfers Out	(125,153,000)	112,000	(3,813,267)
Net Decrease in Non-Interest Bearing Deposits	12,332,000	-	-
Net Increase in Interest Bearing Deposits	152,529,000	-	-
Payments of Interest on Deposits	(16,948,000)	-	-
Interest Paid on Federal Funds and Reverse Repurchase Agreements	(4,692,000)	-	-
Net Increase in Federal Funds and Reverse Repurchase Agreements	(28,270,000)	-	-
Collection of Advances Made	3,394,000	-	-
Loan Proceeds from Due To Other Funds	-	37,353,000	191,365,125
Principal Payments on Due To Other Funds	-	(37,353,000)	(191,391,524)
Grants and Gifts Received for Other than Capital Purposes	-	14,870,000	77,897,871
State Appropriations	-	-	366,565,139
Agency Fund Cash Decrease	-	-	(1,062,184)
Grants Given for Other than Capital Purposes	-	(14,868,000)	(6,805,973)
Net Cash Provided by (Used for) Noncapital Financing Activities	(192,069,000)	276,020,214	457,848,511
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(143,000)	(7,000)	(145,055,540)
Proceeds from Sale of Capital Assets	-	-	5,886,832
Proceeds from Sale of Notes and Other Borrowings	-	-	96,844,950
Principal Payments - Bonds	-	-	-
Principal Payments - Notes and Other Borrowings	-	-	(20,538,565)
Interest Payments - Bonds	-	-	-
Interest Payments - Notes and Other Borrowings	-	-	(11,627,313)
Capital Appropriations	-	-	16,233,975
Payment of Bond Issue Costs	-	-	-
Payment on Capital Leases	-	-	-
Interest Payments - Capital Leases	-	-	-
Capital Grants and Gifts Received	-	-	13,639,009
Insurance Proceeds	-	-	844,171
Net Cash Provided by (Used for) Capital and Related Financing Activities	(143,000)	(7,000)	(43,772,481)
Cash Flows from Investing Activities:			
Proceeds from Sale and Maturities of Investment Securities	860,602,000	4,055,000	138,521,062
Purchase of Investment Securities	(1,113,034,000)	(33,108,000)	(144,690,121)
Net Increase In Investments	-	-	-
Interest and Dividends on Investments	42,910,000	353,000	9,550,520
Proceeds from Sale of Other Real Estate	3,859,000	-	-
Net Decrease in Loans	36,204,000	-	-
Disbursements for Loans and Loan Purchases	-	-	-
Receipt of Loan Principal Repayments	-	-	-
Proceeds from Collection of Loans and Notes Receivable	283,647,000	-	-
Loan Income Received	197,991,000	-	-
Net Cash Provided by (Used for) Investing Activities	312,179,000	(28,700,000)	3,381,461

The Accompanying Notes are an Integral Part of the Financial Statements

(Continued on Next Page)

Business-Type Activities - Enterprise Funds			Governmental Activities
Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
$ 139,384,437	$ 837,406,413	$ 1,373,489,836	$ 4,886,600
-	-	331,698,479	-
-	59,178	59,178	-
-	1,859,981	7,882,335	-
-	-	396,000	-
-	-	-	96,391,628
-	-	166,922,014	-
64,398,472	505,500	66,484,930	-
(4,376,386)	(405,663)	(4,937,049)	(3,178,609)
-	(10,368,931)	(11,428,721)	-
-	-	(41,217,457)	-
-	(657,244,488)	(1,352,604,984)	(51,349,397)
(23,598,115)	(28,644,472)	(811,833,381)	(31,990,767)
(159,829,638)	(76,989,129)	(236,818,767)	(301,814)
(4,365,989)	(745,532)	(5,720,521)	-
-	5,468,931	5,468,931	-
11,612,781	70,901,788	(512,159,177)	14,457,641
-	-	389,022,000	-
-	43,000,000	6,420,000,000	-
-	-	(89,660,000)	-
-	(32,655,860)	(6,569,788,860)	-
-	(30,000)	(23,504,000)	-
-	(1,742,224)	(26,870,224)	-
-	-	5,400,947	-
-	27,007,832	46,718,423	-
-	(27,804,453)	(156,658,720)	-
-	-	12,332,000	-
-	-	152,529,000	-
-	-	(16,948,000)	-
-	-	(4,692,000)	-
-	-	(28,270,000)	-
-	-	3,394,000	-
-	-	228,718,125	-
-	(2,908,021)	(231,652,545)	-
-	801,525	93,569,396	-
-	-	366,565,139	-
-	-	(1,062,184)	-
-	-	(21,673,973)	-
-	5,668,799	547,468,524	-
(3,458,899)	(23,476,053)	(172,140,492)	(16,888,212)
-	-	5,886,832	4,198,005
-	-	96,844,950	-
-	(120,000)	(120,000)	-
-	-	(20,538,565)	-
-	(57,200)	(57,200)	-
-	-	(11,627,313)	-
-	-	16,233,975	-
-	(16,500)	(16,500)	-
-	-	-	(11,328)
-	-	-	(2,901)
-	-	13,639,009	-
-	-	844,171	-
(3,458,899)	(23,669,753)	(71,051,133)	(12,704,436)
44,500,000	32,546,588	1,080,224,650	620,742
(53,509,687)	(23,404,936)	(1,367,746,744)	-
-	1,519,418	1,519,418	-
-	6,248,391	59,061,911	324,679
-	-	3,859,000	-
-	-	36,204,000	-
-	(91,716,500)	(91,716,500)	-
-	11,732,000	11,732,000	-
-	7,903,277	291,550,277	-
-	5,202,180	203,193,180	-
(9,009,687)	(49,969,582)	227,881,192	945,421

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, 2019

	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	95,095,000	49,940,000	45,028,959
Cash and Cash Equivalents at June 30, 2018	414,597,000	188,595,000	207,685,751
Cash and Cash Equivalents at June 30, 2019	$ 509,692,000	$ 238,535,000	$ 252,714,710
Reconciliation:			
Current:			
Cash Deposits at the Bank of North Dakota	-	7,430,000	202,193,296
Cash and Cash Equivalents	509,692,000	-	10,177,641
Restricted Cash Deposits at the Bank of North Dakota	-	15,076,000	
Restricted Cash and Cash Equivalents	-	216,029,000	-
Noncurrent:			
Restricted Cash Deposits At The Bank of North Dakota	-	-	40,343,773
Cash and Cash Equivalents	$ 509,692,000	$ 238,535,000	$ 252,714,710
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	152,754,000	11,519,786	(489,560,109)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	813,000	5,000	72,583,008
Amortization/Accretion	-	(4,125,000)	-
Reclassification of Interest Revenue\Expense	(198,015,000)	27,106,000	-
(Gain) Loss on Sale of Student Loans	(1,620,000)	-	-
(Gain) Loss on Sale of Real Estate	(705,000)	-	
Net Increase in Fair Value of Investments	4,942,000	(384,000)	-
Interest Received on Program Loans	-	-	-
Dividend Credit Applied to Receivable	-	-	-
Receipt of Loan Principal Repayments	-	-	-
Provision for Losses	12,000,000	-	-
Other	-	-	2,596,270
Deferred Outflows	-	240,000	8,176,521
Deferred Inflows	-	123,000	3,986,671
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	(220,990,000)	(113,314)
(Increase) Decrease in Interest Receivable	-	(815,000)	-
(Increase) Decrease in Due From	3,308,000	3,000	-
(Increase) Decrease in Intergovernmental Receivable	-	(378,000)	-
(Increase) Decrease in Notes Receivable	-	-	17,317,086
(Increase) Decrease in Prepaid Items	-	(34,000)	-
(Increase) Decrease in Inventories	-	-	(87,885)
(Increase) Decrease in Other Assets	(1,494,000)	(2,251,000)	(2,967,941)
Increase (Decrease) in Accounts Payable	-	-	7,202,014
Increase (Decrease) in Interest Payable	-	-	-
Increase (Decrease) in Claims\Judgments Payable	-	-	-
Increase (Decrease) in Intergovernmental Payable	-	(1,000)	-
Increase (Decrease) in Accrued Payroll	-	-	3,488,050
Increase (Decrease) in Compensated Absences Payable	-	(6,000)	(445,692)
Increase (Decrease) in Amounts Held for Others	-	2,804,000	-
Increase (Decrease) in Other Deposits	-	-	443,083
Increase (Decrease) in Due To	(4,000)	3,000	-
Increase (Decrease) in Unavailable Revenue	-	-	124,190
Increase (Decrease) in Net Pension Liability	-	94,000	5,047,817
Increase (Decrease) in Net OPEB Liability			(218,301)
Increase (Decrease) in Other Liabilities	3,149,000	(10,287,000)	-
Increase (Decrease) in Dividends Payable	-	-	-
Total Adjustments	(177,626,000)	(208,893,000)	117,131,577
Net Cash Provided by (Used for) Operating Activities	$ (24,872,000)	$ (197,373,214)	$ (372,428,532)
Noncash Transactions:			
Net Change in Fair Value of Investments	(4,942,000)	439,000	702,180
Transfers from Net Position to Transfers Payable	128,614,000	-	-
Change in Securities Lending Collateral	-	-	-
Investment Income	-	-	-
Dividends Credited to Premium Billing	-	-	-
Accounts Receivable Premium Reduction	-	-	-
Assets Acquired Through Capital Lease	-	-	10,461,093
Assets Acquired Through Special Assessments	-	-	52,899
Expenses Paid by Capital Lease	-	-	4,444,582
Value Received on Trade of Capital Asset	-	-	-
Gifts of Capital Assets	-	-	167,424
Total Noncash Transactions	$ 123,672,000	$ 439,000	$ 15,828,178

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
(855,805)	2,931,252	192,139,406	2,698,626
3,726,994	356,267,180	1,170,871,925	30,474,722
$ 2,871,189	$ 359,198,432	$ 1,363,011,331	$ 33,173,348
2,871,189	149,752,740	362,247,225	32,772,230
-	204,371,774	724,241,415	401,118
-	5,073,918	20,149,918	-
-	-	216,029,000	-
-	-	40,343,773	-
$ 2,871,189	$ 359,198,432	$ 1,363,011,331	$ 33,173,348
71,607,349	48,176,536	(205,502,438)	188,779
1,459,046	7,862,962	82,723,016	11,955,444
-	-	(4,125,000)	-
-	(4,326,825)	(175,235,825)	-
-	-	(1,620,000)	-
-	-	(705,000)	-
-	-	4,558,000	-
-	(1,449,000)	(1,449,000)	-
(115,189,458)	-	(115,189,458)	-
-	139,000	139,000	-
-	(1,637,212)	10,362,788	-
(249,236)	80,392	2,427,426	-
2,049,607	(1,196,540)	9,269,588	2,791,412
884,518	76,389	5,070,578	1,279,146
1,992,015	24,491,418	(194,619,881)	(125,147)
-	(6,348)	(821,348)	-
-	197,271	3,508,271	(195,177)
-	543,230	165,230	186,270
-	447,517	17,764,603	-
(10,166)	(1,035,176)	(1,079,342)	(461,643)
-	429,101	341,216	(43,028)
-	(254,652)	(6,967,593)	
(56,491)	(3,134,351)	4,011,172	182,411
-	-	-	(1,035,645)
41,558,000	(1,162,413)	40,395,587	(992,442)
-	(587,814)	(588,814)	-
-	(584,249)	2,903,801	(74,026)
79,788	(68,965)	(440,869)	10,774
-	681,137	3,485,137	-
-	-	443,083	
(10,500)	(135,227)	(146,727)	(528,458)
693,283	(24,107)	793,366	
847,905	3,236,079	9,225,801	1,352,704
(30,921)	54,618	(194,604)	(33,733)
-	89,017	(7,048,983)	-
5,988,042	-	5,988,042	-
(59,994,568)	22,725,252	(306,656,739)	14,268,862
$ 11,612,781	$ 70,901,788	$ (512,159,177)	$ 14,457,641
20,290,869	380,634	16,870,683	204,741
-	-	128,614,000	-
871,080	-	871,080	(61,956)
116,580,928	-	116,580,928	-
109,201,416	-	109,201,416	-
(109,201,416)	-	(109,201,416)	-
-	-	10,461,093	-
-	-	52,899	-
-	-	4,444,582	-
-	16,806	16,806	-
-	-	167,424	-
$ 137,742,877	$ 397,440	$ 278,079,495	$ 142,785

The Accompanying Notes are an Integral Part of the Financial Statements

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS				
Cash Deposits at the Bank of ND	$ 35,545,632	$ -	$ 5,908,823	$ 30,631,347
Cash and Cash Equivalents	70,823	-	823,050	5,796,824
Receivables:				
Contributions Receivable	40,883,547	-	-	-
Accounts Receivable - Net	-	-	185,538	11,033,893
Taxes Receivable - Net	-	-	-	46,901,827
Interest Receivable - Net	22,399,850	709,148	2,170	124
Due from Other Funds	294	-	25	-
Total Receivables	63,283,691	709,148	187,733	57,935,844
Investments, at Fair Value:				
Investments at the Bank of ND	-	-	21,740	29,887,602
Equities	1,495,354,621	142,080,410	-	-
Equity Pool	1,936,989,934	-	-	-
Fixed Income Pool	1,416,295,685	85,590,715	1,317,953	141,619
Cash and Cash Pool	56,555,925	1,744,282	-	-
Real Estate Pool	1,037,033,167	43,804,676	-	-
Mutual Funds	136,367,609	-	456,003,055	-
Total Investments	6,078,596,941	273,220,083	457,342,748	30,029,221
Invested Securities Lending Collateral	18,737,223	936,877	39,457	-
Capital Assets (Net of Depreciation)	981,301	-	-	-
Total Assets	6,197,215,611	274,866,108	464,301,811	$ 124,393,236
DEFERRED OUTFLOWS OF RESOURCES				
Derived from Pensions	709,618	-	-	
Total deferred outflows of resources	709,618	-	-	
LIABILITIES				
Accounts Payable	5,889,757	110,089	1,346,717	-
Accrued Payroll	160,737	-	-	-
Securities Lending Collateral	18,737,223	936,877	39,457	-
Intergovernmental Payable	-	-	-	75,829,927
Tax Refunds Payable	-	-	-	4,051
Due to Other Funds	27,656	-	-	-
Due to Fiduciary Funds	86	-	-	-
Amounts Held in Custody for Others	14,795	-	-	48,559,258
Compensated Absences Payable	122,228	-	-	-
Total Liabilities	24,952,482	1,046,966	1,386,174	$ 124,393,236
DEFERRED INFLOWS OF RESOURCES				
Derived from Pensions	104,071	-	-	
Total deferred inflows of resources	104,071	-	-	
NET Position				
Net Position Restricted for:				
Pension Benefits	6,171,845,799	-	-	
Other Employee Benefits	1,022,877	-	-	
External Investment Pool Participants	-	273,819,142	-	
Other Purposes	-	-	462,915,637	
Total Net Position Restricted for Pension Benefits and Other Purposes	$ 6,172,868,676	$ 273,819,142	$ 462,915,637	

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2019

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
ADDITIONS			
Contributions:			
Employer	$ 186,605,926	$ -	$ -
Employee	179,354,548	-	-
From Participants	-	-	47,864,276
Transfers from Other Funds	405,963	-	-
Transfers from Other Plans	1,521,518	-	-
Donations	-	-	4,554
Total Contributions	367,887,955	-	47,868,830
Investment Income:			
Net Change in Fair Value of Investments	202,935,625	9,340,012	(30,027,421)
Interest and Dividends	132,458,629	6,143,404	11,781,512
Less Investment Expense	15,219,295	654,932	3,160
Net Investment Income	320,174,959	14,828,484	(18,249,069)
Securities Lending Activity:			
Securities Lending Income	442,229	24,837	1,141
Less Securities Lending Expense	44,927	4,964	-
Net Securities Lending Income	397,302	19,873	1,141
Repurchase Service Credit	9,681,637	-	-
Miscellaneous Income (Expense)	1,257,926	-	2,957
Total Additions	699,399,779	14,848,357	29,623,859
DEDUCTIONS			
Benefits Paid to Participants	423,427,940	-	-
Refunds	17,739,919	-	-
Prefunded Credit Applied	11,497,890	-	-
Transfer to Other Plans	405,963	-	-
Payments in Accordance with Trust Agreements	-	-	40,035,794
Administrative Expenses	6,775,498	-	3,450,294
Total Deductions	459,847,210	-	43,486,088
Redemption of Units at $1.00 Per Unit	-	(1,915,480)	-
Change in Net Position Held in Trust for:			
Pension Benefits	239,334,759	-	-
Other Employee Benefits	217,810	-	-
External Investment Pool Participants	-	12,932,877	-
Other Purposes	-	-	(13,862,229)
Total Change in Net Position	239,552,569	12,932,877	(13,862,229)
Net Position - Beginning of Year	5,933,316,107	260,886,265	476,777,866
Net Position - End of Year	$ 6,172,868,676	$ 273,819,142	$ 462,915,637

The Accompanying Notes are an Integral Part of the Financial Statements

Combining Statement of Net Position
Component Units - Proprietary Funds
(Excludes FASB Based Component Units)
June 30, 2019

	CHAND	Historical Foundation	Public Finance Authority	ND Development Fund	State Fair Foundation	Total
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 2,504,961	$ 424,307	$ -	$ 12,472,141	$ 204,300	$ 15,605,709
Accounts Receivable - Net	1,771	231,024	-	-	-	232,795
Interest Receivable - Net	-	-	-	80,999	-	80,999
Due from Primary Government	-	-	31,000	-	-	31,000
Loans and Notes Receivable - Net	-	-	-	6,838,143	-	6,838,143
Restricted Cash and Cash Equivalents	-	-	80,856,000	-	11,016	80,867,016
Restricted Investments	-	-	102,678,000	-	-	102,678,000
Restricted Interest Receivable - Net	-	-	5,933,000	-	-	5,933,000
Total Current Assets	2,506,732	655,331	189,498,000	19,391,283	215,316	212,266,662
Noncurrent Assets:						
Restricted Investments	-	-	883,261,000	-	-	883,261,000
Investments	-	468,362	-	350,000	-	818,362
Due from Primary Government	-	-	30,000	-	-	30,000
Loans and Notes Receivable - Net	-	-	-	2,909,629	1,110,000	4,019,629
Other Noncurrent Assets	-	161,200	-	-	-	161,200
Capital Assets:						
Nondepreciable	-	-	-	-	1,115,389	1,115,389
Depreciable, Net	-	3,098	-	3,738	-	6,836
Total Noncurrent Assets	-	632,660	883,291,000	3,263,367	2,225,389	889,412,416
Total Assets	2,506,732	1,287,991	1,072,789,000	22,654,650	2,440,705	1,101,679,078
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on bond refunding	-	-	3,802,000	-	-	3,802,000
Derived from Pensions	-	-	113,000	-	-	113,000
Total Deferred Outflows of Resources	-	-	3,915,000	-	-	3,915,000
LIABILITIES						
Current Liabilities:						
Accounts Payable	575,842	8,878	113,000	13,836	13,000	724,556
Accrued Payroll	-	2,587	-	-	-	2,587
Interest Payable	-	-	4,802,000	-	-	4,802,000
Intergovernmental Payable	-	-	3,000	-	-	3,000
Compensated Absences Payable	-	13,594	-	-	-	13,594
Notes Payable	-	-	-	-	4,407	4,407
Bonds Payable	-	-	26,960,000	-	-	26,960,000
Unearned Revenue	2,332	47,477	-	-	-	49,809
Total Current Liabilities	578,174	72,536	31,878,000	13,836	17,407	32,559,953
Noncurrent Liabilities:						
Notes Payable	-	-	-	-	74,340	74,340
Bonds Payable	-	-	522,940,000	-	-	522,940,000
Net Pension Liability	-	-	279,000	-	-	279,000
Other Noncurrent Liabilities	-	136,668	-	-	-	136,668
Total Noncurrent Liabilities	-	136,668	523,219,000	-	74,340	523,430,008
Total Liabilities	578,174	209,204	555,097,000	13,836	91,747	555,989,961
DEFERRED INFLOWS OF RESOURCES						
Derived from Pensions	-	-	21,000	-	-	21,000
Total Deferred Inflows of Resources	-	-	21,000	-	-	21,000
Net Position						
Net Investment in Capital Assets	-	3,098	-	3,738	-	6,836
Restricted for:						
Capital Projects	-	534,286	-	-	-	534,286
Debt Service	-	-	98,810,000	-	-	98,810,000
Loan Purposes	-	-	420,857,000	-	-	420,857,000
Endowment Funds-Nonexpendable	-	246,001	-	-	2,155,492	2,401,493
Unrestricted	1,928,558	295,402	1,919,000	22,637,076	193,466	26,973,502
Total Net Position	$ 1,928,558	$ 1,078,787	$ 521,586,000	$ 22,640,814	$ 2,348,958	$ 549,583,117

Combining Statement of Activities
Component Units - Proprietary Funds
(Excludes FASB Based Component Units)
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue	Change in Net Position	Net Position Beginning of Year	Net Position End of Year
CHAND	$ 3,257,033	$ 2,365,881	$ 40,875	-	$ (850,277)	$ (850,277)	$ 2,778,835	$ 1,928,558
Historical Foundation	484,650	154,223	127,985	-	(202,442)	(202,442)	1,281,229	1,078,787
Public Finance Authority	25,639,000	3,265,000	43,609,000	-	21,235,000	21,235,000	500,351,000	521,586,000
ND Development Fund	1,778,003	839,945	51,819	-	(886,239)	(886,239)	23,527,053	22,640,814
State Fair Foundation	45,367	44,538	60,446	6,000	65,617	65,617	2,283,341	2,348,958
Total Component Units	$ 31,204,053	$ 6,669,587	$ 43,890,125	$ 6,000	$ 19,361,659	$ 19,361,659	$ 530,221,458	$ 549,583,117

The Accompanying Notes are an Integral Part of the Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019

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. 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, 2019, 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 component units' columns of government-wide financial statements include the financial data of these entities.

MAJOR COMPONENT UNITS

Comprehensive Health Association (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, 2018, and their report has been previously issued under a separate cover.

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, 2019, and their report has been previously issued under a separate cover.

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, 2018, and their report has been previously issued under a separate cover.

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, 2019, and their report has been previously issued under a separate cover.

North Dakota State Fair Foundation – The mission of the North Dakota State Fair Foundation is to develop lifelong relationships with donors to secure philanthropic gifts that will enhance and support the work of the North Dakota State Fair. The Fund of the North Dakota State Fair Foundation were audited by other independent auditors for the fiscal year ended September 30, 2018, 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 the 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.

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

Building Authority
600 E. Boulevard Ave., 14th Floor
Bismarck, ND 58505-0840

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

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

Public Finance Authority
1200 Memorial Highway
Bismarck ND 58504

North Dakota Development Fund, Inc.
1600 E. Century Ave., #2
Bismarck, ND 58503

North Dakota State Fair Foundation
P.O. Box 1796
Minot, ND 58702-1796

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.

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, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, 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

MESUREMENT 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 (agency funds are excluded as they have no measurement focus) 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.

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.

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.

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, flexcomp plan, 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 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, 3442 East Century Avenue, 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.

Agency Funds account for assets held by the State as an agent for other governmental units, or other organizations, and do not involve measurement of results of operations. Examples of funds in this category include state agency 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, and it does not budget by fund. 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 2017-2019 biennium, there were general, federal and other funds supplemental appropriations totaling $790,712,092.

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.

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, 2019.

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 statements of net position. 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.

The Agent lends securities of the type on loan at June 30, 2019, 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 loans State’s loans was approximately 71 days as of June 30, 2019. Cash open collateral is invested in a short term investment pool, which had an interest sensitivity of 3 days 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.

Other government fund inventories and prepaid items are reflected as a reservation of fund balance on the balance sheet.

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.

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 and infrastructure 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, interest costs on self-constructed assets are not capitalized. In business-type activities, interest costs (if material) on self-constructed assets are also included in the cost. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. 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:

Assets	Years
Buildings	10-50
Infrastructure	10-50
Furniture, Automobiles, and Equipment	3-20
Intangibles	3-99

L. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow of resources represents a consumption of net position 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. LEASE COMMITMENTS

The State leases land, office facilities, office and computer equipment, and other assets. Leases are classified according to GASB 62. Many of these leases have fiscal funding clauses; however, these clauses have no effect on classifying these leases for accounting purposes. Leases which represent acquisitions are classified as capital leases, and the related assets and liabilities are recorded in the financial statements at the inception of the lease. Other leases are classified as operating leases with the lease payments recorded as expenditures or expenses during the life of the lease.

N. 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.

O. 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.

P. 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.

Q. 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.

R. NET PENSION LIABLITY

For purposes of measuring the net pension liability 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 (NHPRS), Retirement Plan for the Employees of Job Service North Dakota (JSND) 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.

S. 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.

T. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent an acquisition of net position 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.

U. 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.

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 nine and half 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, 2019 was $118,647,704.

V. 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 capitalized 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.

W. 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

The changes to beginning net position are summarized in the following table (expressed in thousands):

	Government-wide Gov't Activities	Business-type Activities	Internal Service Funds
June 30, 2018, net position, as previously reported	$ 18,516,218	$ 3,917,941	$ 103,786
Prior period adjustments:			
Correction of Errors	(5,955)	-	3,951
Change in Accounting Method:			
Housing Finance	-	4,103	-
June 30, 2018, net position, as restated	$ 18,510,263	$ 3,922,044	$ 107,737

A. CORRECTION OF ERRORS

The beginning net position of the Government-wide governmental activities were restated due to an understatement of expenses of $3.431 million and an overstatement of construction in progress of $2.524 million in the prior year. The Internal Service funds were restated for an overstatement of expenses of $3.951 million in the prior year.

B. CHANGE IN ACCOUNTING METHOD

In previous years, Housing Finance accounted for bond premiums and discounts under the straight-line method. In 2019, Housing Finance changed its method of accounting for bond premiums and discounts to the effective interest rate method. As a result of the differences in methods, a prior period adjustment of $4.103 million was recorded to the Business-type activities to decrease premiums on bond funds and increase net position as of July 1, 2018.

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, 2019, the bank balance of the primary government's deposits was $510,777,595. Of the bank amount, $195,278,000 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, 2019. Their uninsured and uncollateralized deposits totaled $195.3 million and $23 thousand, and their bank deposits totaled $196.1 million and $11.4 million, respectively.

At June 30, 2019, the bank balance of the major component units' deposits was $96,472,725. Of the bank amount, $93,328,141 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, 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, 2019: 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 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, 2019, 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
Asset Backed Securities	$ 446,612	$ 347	$ 71,850	$ 200,301	$ 174,114
Collateralized Bonds	2,716	-	-	250	2,466
Commercial Mortgage-Backed	1,593,442	898	1,330,199	3,321	259,024
Commercial Paper	1,596	1,596	-	-	-
Corporate Bonds	2,125,640	50,551	1,295,853	461,676	317,560
Corporate Convertible Bonds	21,761	721	12,187	2,443	6,410
Government Agencies	1,113,361	2,764	904,890	20,234	185,473
Government Bonds	1,179,573	151,185	621,219	198,690	208,479
Government Issued CMB	101,527	16	6,696	34,673	60,142
Government Mortgage-Backed	792,718	12	7,010	21,930	763,766
Repurchase Agreements	(20,003)	(20,003)	-	-	-
Index-Linked Government Bonds	621,740	12,957	156,146	299,495	153,142
Municipal/Provincial Bonds	69,316	600	46,630	5,942	16,144
Non-Government-Backed CMOs	113,409	29	6,677	9,251	97,452
Short Term Bills and Notes	41,996	41,996	-	-	-
Short Term Investments Funds	443,676	443,676	-	-	-
Pooled Investments	1,440,048	6,003	744,939	469,107	219,999
Total Debt Securities	$ 10,089,128	$ 693,348	$ 5,204,296	$ 1,727,313	$ 2,464,171

Major Component Units

Investment Type	Total Fair Value	Less Than 1 Year	1 - 6 Years	6 - 10 Years	More Than 10 Years
Commercial Paper	$ 16,294	$ 16,294	$ -	$ -	$ -
Corporate Notes	24,829	16,284	8,545	-	-
Government Agencies	10,604	3,759	6,845	-	-
Government Bonds	35,662	15,107	20,555	-	-
Short Term Bills and Notes	11,092	11,092	-	-	-
Total Debt Securities	$ 98,481	$ 62,536	$ 35,945	$ -	$ -

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 IOs valued at $18.8 million and POs valued at $0.0 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, 2019 (expressed in thousands):

	Amount	Percent
Federal Agency		
Federal Home Loan Bank	$ 353,171	19.1%
Small Business Administration	269,264	14.5%
Farm Credit	267,650	14.4%
Freddie Mac	165,635	8.9%
Fannie Mae	79,707	4.3%
Mortgage-backed		
Fannie Mae	344,003	18.6%
Freddie Mac	313,416	16.9%
Others less than 5%	60,960	3.3%
	$ 1,853,806	100.0%

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.

As of June 30, 2019, 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	$446,613	$279,687	$41,178	$17,393	$9,776	$4,941	$2,391	$7,297	$1,876	$ -	$1,319	$80,755
Collater-alized Bonds	2,716	2,716	-	-	-	-	-	-	-	-	-	-
Commercial Mortgage-Backed	1,450,171	1,392,549	7,294	1,824	4,246	5,529	2,848	306	-	387	257	34,931
Commercial Paper	1,596	-	-	1,596	-	-	-	-	-	-	-	-
Corporate Bonds	2,125,695	14,493	159,098	743,927	917,139	186,146	86,172	9,884	233	-	878	7,725
Corporate Convertible Bonds	21,761	-	-	547	1,349	7,289	1,275	3,452	-	-	-	7,849
Government Agencies	856,543	681,575	153,143	6,939	14,265	-	-	621	-	-	-	-
Government Bonds	619,601	4,969	480,492	5,775	62,881	15,590	36,281	-	-	-	-	13,613
Government Mortgage Backed	501,405	-	496,988	200	2,798	-	703	-	-	-	-	716
Government Issued CMB	45,306	-	45,306	-	-	-	-	-	-	-	-	-
Index Linked Government Bonds	582,630	-	582,630	-	-	-	-	-	-	-	-	-
Municipal/ Provincial Bonds	68,327	10,177	30,815	14,233	4,036	2,271	2,887	-	-	-	-	3,908
Non-Government Backed CMOs	113,410	27,925	12,069	11,629	3,249	1,567	2,128	3,747	1,395	-	207	49,494
Repurchase Agreements	(20,003)	-	(20,003)	-	-	-	-	-	-	-	-	-
Short-Term Investment Funds	162,200	29	3,622	38,374	-	-	-	-	-	-	-	120,175
Pooled Investments	1,790,942	308,955	308,294	619,775	109,788	42,433	34,479	-	-	-	-	367,218
Total Credit Risk Debt Securities	8,768,913	$2,723,075	$2,300,926	$1,462,212	$1,129,527	$265,766	$169,164	$25,307	$3,504	$387	$2,661	$686,384
US Gov't & Agencies**	1,266,484											
Mutual Funds	53,850											
Total Debt Securities	$10,089,247											

Major Component Units

	Total Fair Value	AAA	AA	A	BBB
Commercial Paper	$ 16,294	$ -	$ -	$ 16,294	$ -
Short Term Bills & Notes	11,092	-	-	11,092	-
Government Agencies	10,604	-	10,604	-	-
Corporate Notes	24,829	-	3,054	18,425	3,350
Total Credit Risk Debt Securities	$ 62,819	$ -	$ 13,658	$ 45,811	$ 3,350
US Gov't & Agencies	35,662				
Total Debt Securities	$ 98,481				

*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.

**US government agency securities explicitly guaranteed by the US government are categorized here. Credit ratings of US government agency securities that are only implicitly guaranteed by the US government are categorized accordingly in the main body of this table. Implicitly guaranteed agency securities included in the *Asset Backed, Commercial Mortgage Backed, Gov't Issued Commercial & Gov't Mortgage Backed, Gov't Agencies, Gov't Bonds, Index Linked Gov't Bonds and Short Term Bills and Notes* categories are issued by FNMA, FHLB, FHLMC, FAMC and TVA.

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, 2019, foreign currency risk exposure on investments managed by the Department of Trust Lands and State Investment Board were as follows (expressed in thousands).

Primary Government (includes Pension and Investment Trust Funds)

Currency	Short-Term	Debt	Equity	Real Estate	Total
Argentine peso	$ 82	$ 1,011	$ -	$ -	$ 1,093
Australian dollar	20,277	(843)	126,934	-	146,368
Brazilian real	214	8,641	20,718	-	29,573
British pound sterling	7,752	17,256	341,167	-	366,175
Canadian dollar	3,374	81	120,160	-	123,615
Chilean peso	53	11,352	1,221	-	12,626
Chinese yuan renminbi	(3)	-	20,306	-	20,303
Columbian peso	195	8,677	443	-	9,315
Czech koruna	-	3,485	1,154	-	4,639
Danish krone	108	-	49,607	-	49,715
Egyptian pound	-	-	59	-	59
Euro	(12,041)	23,143	662,270	5,815	679,187
Hong Kong dollar	792	-	179,766	-	180,558
Hungarian forint	172	520	4,217	-	4,909
Indian rupee	-	-	18,332	-	18,332
Indonesian rupiah	56	8,131	6,124	-	14,311
Israeli shekel	-	-	3,125	-	3,125
Japanese yen	16,211	-	403,087	-	419,298
Kenyan shiling	-	-	1,283	-	1,283
Malaysian ringgit	210	11,720	2,925	-	14,855
Mexican peso	37	23,006	6,852	-	29,895
New Israeli shekel	118	-	2,219	-	2,337
New Taiwan dollar	25	-	4,570	-	4,595
New Zealand dollar	(40)	7,022	1,960	-	8,942
Norwegian krone	621	17,144	18,640	-	36,405
Peruvian neuvo sol	-	-	138	-	138
Philippine peso	-	-	1,261	-	1,261
Polish zloty	(50)	9,715	4,076	-	13,741
Russian ruble	-	2,288	1,674	-	3,962
Singapore dollar	351	-	15,257	-	15,608
South African rand	323	457	19,327	-	20,107
South Korean won	177	6,934	33,448	-	40,559
Swedish krona	1,268	14,696	74,848	-	90,812
Swiss franc	960	-	168,230	-	169,190
Taiwan dollar	-	-	22,284	-	22,284
Thai baht	312	-	11,270	-	11,582
Turkish lira	89	-	2,327	-	2,416
UAE dirham	-	-	296	-	296
International commingled funds (various currencies)	-	-	995,814	28,930	1,024,744
Total international investment securities	$ 41,643	$ 174,436	$ 3,347,389	$ 34,745	$ 3,598,213

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, 2019, 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 $17.0 million for the year ended June 30, 2019. At June 30, 2019, the State investment portfolio had the notional futures shown below (expressed in thousands).

Futures	Notional Value
Cash and cash equivalent derivative futures	
Long	$ 188,152
Short	(657,304)
Equity derivative futures	
Long	808,005
Short	-
Fixed income derivative futures	
Long	352,611
Short	(141,400)
Total futures	$ 550,064

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 $3.3 million. At June 30, 2019, the State had the following option balances (expressed in thousands):

Options	Fair Value
Cash & Other Options	
Call	$ (10)
Put	1
Fixed Income Options	
Call	(38)
Put	(241)
Total options	$ (288)

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 $(18.6) million for the year ended June 30, 2019. The maximum loss that would be recognized at June 30, 2019, if all counterparties failed to perform as contracted is $3.0 million. Swap fair values are determined by a third party pricing source. At June 30, 2019, the States' investment portfolio had the swap fair value balances as shown below (expressed in thousands).

Credit Default Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date	Fair Value
Bank of America/Aa2 (2 contracts)	$ (430)	2021 - 2025	$ (32)
Citibank/A1 (34 contracts)	(2,535)	2019 - 2024	(172)
Credit Suisse First Boston/A1 (8 contracts)	(43,200)	2022 - 2024	931
Deutsche Bank/A3 (2 contracts)	2,000	2059	(16)
Goldman Sachs/A3 (4 contracts)	(1,900)	2020 - 2024	(28)
HSBC Bank/Aa3 (2 contracts)	(1,550)	2019	2
JP Morgan Chase/Aa2 (2 contracts)	(400)	2019 - 2024	1
Morgan Stanley/A3 (2 contracts)	(245)	2024	2
Total credit default swaps	$ (48,260)		$ 688

Interest Rate Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date Range	Fair Value
Citigroup Global Markets/A1 (24 contracts)	$ 84,455	2020 - 2049	$ (3,427)
Credit Suisse First Boston/A1 (39 contracts)	128,462	2019 - 2049	12
JP Morgan Chase/Aa2 (119 contracts)	447,530	2020 - 2048	(14,715)
Total Interest Rate Swaps	$ 660,447		$ (18,130)

Total Return Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date	Fair Value
Credit Suisse International/A1 (2 contracts)	$ 4,800	2041	$ (23)
Total Return Swaps	$ 4,800		$ (23)

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 $91 thousand. At June 30, 2019, the States' investment portfolio included the currency forwards balances shown below (expressed in thousands).

Currency	Cost	Purchases	Sales	Fair Value
Argentine peso	$ 15	$ 15	$ -	$ 15
Australian dollar	(1,472)	-	(1,472)	(1,484)
Brazilian real	(18)	-	(18)	(30)
British pound sterling	(8,241)	15,387	(23,628)	(8,279)
Canadian dollar	(8,460)	9,960	(18,420)	(8,491)
Columbian peso	186	186	-	195
Euro	(61,622)	37,046	(98,668)	(62,411)
Great Britain pound sterling	475	475	-	475
Japanese yen	(17,609)	13,100	(30,709)	(18,046)
Mexican peso	6	2,818	(2,812)	38
South African rand	(13)	1,608	(1,621)	-
United States dollar	96,753	177,348	(80,595)	96,753
Total forwards subject to currency risk				$ (1,265)

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, 2019, 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	$ (257,941)	$ 162,528	$ (525,813)	$ 105,344	$ -	$ -
Total	$ (257,941)	$ 162,528	$ (525,813)	$ 105,344	$ -	$ -

	Total Fair Value	3 Months or Less	3 to 6 Months	6 to 12 Months	1-5 Years	Greater Than 5 Years
Options on futures	$ (279)	$ (279)	$ -	$ -	$ -	$ -
Swaps - interest rate contracts	(18,130)	-	5	293	(536)	(17,892)
Swaps - credit contracts	688	(1)	2	5	776	(94)
Total	$ (17,721)	$ (280)	$ 7	$ 298	$ 240	$ (17,986)

Mill and Elevator Derivative Financial Instruments – The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2019, and the changes in fair value of such derivative instruments for the year then ended as reported in the State's financial statements are $15,750, classified as derivative instrument (one contract equals 5,000 bushels) and $15,750, 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 margin requirement is $0.60 per bushel, unless the market price changes the limit for two consecutive days, then the margin requirement is $0.90 per bushel. 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, 2019.

Month	Number of Contracts	Average Cost	Fair Value	Average Cost	Market Value
Sept 2019	-5	$ 5.5288	$ 5.5425	$ (142,062)	$ (138,562)
Dec 2019	286	5.7122	5.6750	8,186,301	8,115,250
Mar 2020	133	5.7949	5.8100	3,850,638	3,863,650
May 2020	73	5.6847	5.8875	2,076,900	2,148,938
July 2020	10	6.0000	5.9650	300,000	298,250
				$ 14,271,777	$ 14,287,526

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 rate A by the Standard & Poor's Rating Service. RJ O'Brien is a privately held business and is not rated 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, 2019, the table below shows the hedge ratio by futures month going forward:

Period	Hedge Ratio
Sept 2019	1.0
Dec 2019	1.0
Mar 2020	1.0
May 2020	1.1
July 2020	1.0
Net Position	1.0

C. SECURITIES LENDING

The following represents the balances relating to the securities lending transactions at June 30, 2019 (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	$ 13,215	$ -	$ 13,513
US government securities	139,981	440,015	142,683
US corporate fixed income securities	69,821	174	71,305
US equities	54,224	4,847	55,105
Global government fixed income securities	1,565	-	1,667
Global agency securities	4,267	47	4,482
Global government securities	100	-	107
Global equities	1,934	-	2,025
Lent for non-cash collateral:			
US agency securities	200	202	-
US government securities	449,143	17,968	-
US corporate fixed income securities	65,151	65,750	-
US equities	215,850	213,840	-
Global agency securities	44	-	-
Global equities	17,900	18,960	-
Total	$ 1,033,395	$ 761,803	$ 290,887

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 market value and is based on the set spending rate, currently four percent, applied to the average market 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. WSC give departments authority to spend all investment income earned on the endowment funds. Net appreciation on investments are available for expenditure and consist of the following at June 30, 2019:

		Reflected in net position as:
North Dakota State University	$ 233,027	Expendable scholarships & fellowships
University of North Dakota	937,935	Non-expendable scholarships & fellowships
Williston State College	2,731	Non-expendable scholarships & fellowships
Total NDUS	$ 1,173,693	

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, 2019 are approximately $185.2 million and $6.1 million respectively.

NORTH DAKOTA STATE FAIR FOUNDATION

The North Dakota State Fair Association Foundation had the following activity in their endowment as of September 30, 2018.

Beginning endowment	$ 2,149,492
Endowment contributions	6,000
Ending endowment	$ 2,155,492

E. RECEIVABLES

Receivables at June 30, 2019, consist of the following (expressed in thousands):

	General	Federal	State	Other Governmental Funds	Bank of North Dakota	Housing Finance
Receivables:						
Accounts	$ 29,814	$ 47,981	$ 144,909	$ -	$ -	$ 807
Less Allowance	(10,331)	(19,853)	(44,703)	-	-	-
Taxes	591,338	-	146,756	113	-	-
Less Allowance	(126,071)	-	(2,567)	-	-	-
Interest	28,252	-	24,162	167	56,074	4,596
Less Allowance	-	-	(7,716)	-	-	-
Intergovernmental	15	206,781	15,141	-	-	530
Less Allowance	-	-	-	-	-	-
Current Loans and Notes	-	-	13,972	52,976	698,557	27,954
Less Allowance	-	-	(594)	-	-	-
Noncurrent Loans and Notes	13	159	121,534	-	3,765,967	1,170,418
Less Allowance	-	-	-	-	(92,750)	-
Net Receivables	$ 513,030	$ 235,068	$ 410,894	$ 53,256	$ 4,427,848	$ 1,204,305

	University System	Workforce Safety & Insurance	Other Enterprise Funds	Internal Service Funds	Major Component Units	Total
Receivables:						
Accounts	$ 29,960	$ 34,567	$ 98,380	$ 386	$ 239	$ 387,043
Less Allowance	(6,868)	(8,000)	(24,766)	-	(6)	(114,527)
Taxes	-	-	-	-	-	738,207
Less Allowance	-	-	-	-	-	(128,638)
Interest	-	10,667	3,220	55	6,014	133,207
Less Allowance	-	-	-	-	-	(7,716)
Intergovernmental	26,643	-	906	374	-	250,390
Less Allowance	-	-	-	-	-	-
Current Loans and Notes	6,999	-	22,847	-	6,838	830,143
Less Allowance	(818)	-	-	-	-	(1,412)
Noncurrent Loans and Notes	24,884	-	359,945	-	13,356	5,456,276
Less Allowance	(3,810)	-	(7,606)	-	(9,336)	(113,502)
Net Receivables	$ 76,990	$ 37,234	$ 452,926	$ 815	$ 17,105	$ 7,429,471

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, 2019, the State had no reverse repurchase agreements outstanding and did not participate in reverse repurchase agreements during the fiscal year.

G. INTERFUND ACCOUNTS AND TRANSFERS

DUE FROM OTHER FUNDS/DUE TO OTHER FUNDS

Interfund balances at June 30, 2019, consist of the following (expressed in thousands):

Due To General Fund From:	
Federal Fund	$ 73,490
State Fund	28,357
Bank of North Dakota	821
Nonmajor Enterprise Funds	31,336
All Others	751
Total Due To General Fund	$ 134,755

Included in the Nonmajor Enterprise Funds amount is a loan to the Rebuilder's Loan Program for $15,153,282. This is not expected to be repaid within one year.

Due To Federal Fund From:		Due To State Fund From:	
General Fund	$ 7,032	General Fund	$ 5,140
State Fund	26,129	Federal Fund	11,184
All Others	17	Internal Service Funds	191
Total Due To Federal Fund	$ 33,178	Nonmajor Enterprise Funds	531
		All Others	236
		Total Due To State Fund	$ 17,282

Due To Internal Service Funds From:		Due To Bank of North Dakota From:	
General Fund	$ 3,992	State Fund	$ 52,081
State Fund	2,541	Nonmajor Enterprise Funds	62,969
University System	1,186	University System	2,229
All Others	1,226	All Others	80
	$ 8,945	Total Due To Bank of North Dakota	$ 117,359

Included in the Nonmajor Enterprise Funds amount is a loan to the Rebuilder's Loan Program for $10,288,000, of which $8,410,000 is not expected to be repaid within one year.

Due To University System From:	
General Fund	$ 12,192
Federal Fund	2,493
State Fund	3,122
Nonmajor Enterprise Funds	756
All Others	88
Total Due To University System	$ 18,651
Due To All Other Funds From:	
All Other	$ 1,095

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, 2019.

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

Due From's		$ 331,265
General Fund/Bank of ND	634	
Bank of ND/ Mill and Elevator	(7,812)	
Bank of ND/Rebuilder's Loan	(952)	
Bank of ND/University System	(756)	
Bank of ND/Guaranteed Student Loan	(171)	
Governmental Agencies/Bank of ND	(37,606)	
Bank of ND/Enterprise Funds	57	
Total Differences		(46,606)
Due To's		$ 284,659

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, Beginning Farmer Revolving Loan and Community Water Facility Loan, all of 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, 2019, follows (expressed in thousands):

	General	Special Revenue Federal	Special Revenue State	Non-major Governmental	Housing Finance	University System	Non-major Enterprise	Total
Transfers Out								
General	$ -	$ 1,399	$ 3,719	$ 2,172	$ -	$ 383,016	$ 258	$ 390,564
Special Revenue - Federal	253	-	38,288	281	-	-	-	38,822
Special Revenue – State	130,260	18	-	1,253	168	13,114	200	145,013
Non-major Governmental	953	-	1,104	-	-	-	-	2,057
Bank of North Dakota	70,000	-	12,403	-	-	-	42,750	125,153
Housing Finance	-	-	38	-	-	-	-	38
University System	-	-	214	3,599	-	-	96	3,909
Non-major Enterprise	16,168	-	1,315	-	-	-	-	17,483
Total	$ 217,634	$ 1,417	$ 57,081	$ 7,305	$ 168	$ 396,130	$ 43,304	$ 723,039

(Transfers In do not agree to the statements due to the timing differences noted below.)
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, 2019, legislatively-mandated transfers were made to the general fund of $8,600,000 from the State Lottery, $7,568,325 from Mill and Elevator, $4,824,460 from the Insurance Regulatory Trust Fund, $124,000,000 from the Tax Relief fund, $124,000,000 from Strategic Investment and Improvement Fund, $70,000,000 from the Bank of North Dakota, $455,263,216 from the Legacy Fund and $1,249,063 from the multi-state tax audit fund.

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

		$ (709,339)
Differences:		
Special Rev - Ag PACE / Bank of North Dakota	1,500	
Special Rev - PACE / Bank of North Dakota	(700)	
PACE / Beginning Farmer Revolving Loan	1,500	
Infrastructure Revolving Loan Fund / Bank of North Dakota	(16,000)	
Total Differences		(13,700)
Transfers Out		$ (723,039)

The above timing differences of $13,700,000 result from transactions between agencies that have different fiscal year ends. Those agencies with a different fiscal year end include: Bank of North Dakota, and Nonmajor Enterprise Fund Beginning Farmer Revolving Loan fund, both of which have a December year end. This difference is also the total net transfers on the Government-wide Statement of Activities.

H. CAPITAL ASSETS

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

Primary Government

Description	Balance July 1, 2018*	Increases	Decreases	Balance June 30, 2019
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	$ 159,143	$ 2,217	$ (310)	$ 161,050
Construction in Progress	2,127,056	283,716	(757,371)	1,653,401
Total Capital Assets Not Being Depreciated	2,286,199	285,933	(757,681)	1,814,451
Capital Assets Being Depreciated:				
Buildings and Improvements	703,603	27,214	(384)	730,433
Equipment	325,079	34,726	(21,985)	337,820
Intangibles				
Software	253,801	114,933	(123)	368,611
Other	38,133	1,100	-	39,233
Infrastructure	4,980,686	652,354	(7,295)	5,625,745
Total Capital Assets Being Depreciated	6,301,302	830,327	(29,787)	7,101,842
Less Accumulated Depreciation for:				
Buildings and Improvements	(301,103)	(17,905)	283	(318,725)
Equipment	(166,594)	(21,477)	18,281	(169,790)
Intangibles				
Software	(105,232)	(18,949)	119	(124,062)
Other	(28,108)	(1,441)	-	(29,549)
Infrastructure	(2,961,164)	(83,185)	7,243	(3,037,106)
Total Accumulated Deprecation	(3,562,201)	(142,957)	25,926	(3,679,232)
Total Capital Assets Being Depreciated, Net	2,739,101	687,370	(3,861)	3,422,610
Governmental Activities Capital Assets, Net	$ 5,025,300	$ 973,303	$ (761,542)	$ 5,237,061

* Beginning capital asset balances were adjusted for certain reclassifications and prior period adjustment.

Description	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Business-Type Activities:				
Capital Assets Not Being Depreciated				
Land	$ 24,099	$ -	$ -	$ 24,099
Construction in Progress	58,112	131,190	(22,353)	166,949
Total Capital Assets Not Being Depreciated	82,211	131,190	(22,353)	191,048
Capital Assets Being Depreciated:				
Buildings and Improvements	1,779,784	40,387	(2,633)	1,817,538
Equipment	531,930	27,930	(17,629)	542,231
Intangibles				
Software	28,875	127	(79)	28,923
Other	21,870	2,219	(51)	24,038
Infrastructure	228,788	8,849	-	237,637
Total Capital Assets Being Depreciated	2,591,247	79,512	(20,392)	2,650,367
Less Accumulated Depreciation for:				
Buildings and Improvements	(637,590)	(42,966)	2,178	(678,378)
Equipment	(355,678)	(30,175)	15,749	(370,104)
Intangibles				
Software	(25,832)	(1,290)	181	(26,941)
Other	(13,450)	(2,201)	54	(15,597)
Infrastructure	(112,896)	(6,199)	-	(119,095)
Total Accumulated Deprecation	(1,145,446)	(82,831)	18,162	(1,210,115)
Total Capital Assets Being Depreciated, Net	1,445,801	(3,319)	(2,230)	1,440,252
Business-Type Activities Capital Assets, Net	$ 1,528,012	$ 127,871	$ (24,583)	$ 1,631,300

Major Component Units

Description	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital Assets Not Being Depreciated				
Land	$ 7,352	$ -	$ -	$ 7,352
Construction in Progress	-	4,928	-	4,928
Total Capital Assets Not Being Depreciated	7,352	4,928	-	12,280
Capital Assets Being Depreciated:				
Buildings and Improvements	177,952	3,957	(12,678)	169,231
Equipment	47,548	6,551	(1,533)	52,566
Intangibles	78	-	-	78
Infrastructure	1,209	-	-	1,209
Total Capital Assets Being Depreciated	226,787	10,508	(14,211)	223,084
Less Accumulated Depreciation for:				
Buildings and Improvements	(71,810)	(5,207)	5,088	(71,929)
Equipment	(21,233)	(3,691)	1,486	(23,438)
Intangibles	(78)	-	-	(78)
Infrastructure	(574)	(48)	-	(622)
Total Accumulated Deprecation	(93,695)	(8,946)	6,574	(96,067)
Total Capital Assets Being Depreciated, Net	133,092	1,562	(7,637)	127,017
Major Component Unit Capital Assets, Net	$ 140,444	$ 6,490	$ (7,637)	$ 139,297

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

Governmental Activities:	
General Government	$ 9,562
Education	690
Health and Human Services	16,452
Regulatory	640
Public Safety and Corrections	13,545
Agriculture and Commerce	135
Natural Resources	16,993
Transportation	84,940
Total Governmental Activities Depreciation Expense	$ 142,957

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

Project Description:

Governmental Activities	Amount Authorized	Amount Expended Through June 30, 2019	Balance Authorized
Attorney General	$ 1,822	$ 697	$ 1,125
Office of Management and Budget	400	63	337
Secretary of State	2,197	1,350	847
Department of Health	979	498	481
Department of Human Services	4,189	2,292	1,897
Industrial Commission	5,650	247	5,403
Financial Institutions	436	395	41
Adjutant General	47,920	18,381	29,539
Game and Fish	931	38	893
Department of Transportation	1,872,362	1,627,409	244,953
Parks & Recreation	4,088	2,013	2,075
ND School for the Deaf	133	18	115
Total Governmental Activities	$ 1,941,107	$ 1,653,401	$ 287,706

Business-Type Activities	Amount Authorized	Amount Expended Through June 30, 2019	Balance Authorized
Mill and Elevator	$ 28,775	$ 23,671	$ 5,104
University System*	327,535	145,358	182,177
Workforce Safety and Insurance	29,534	9,678	19,856
Total Business-Type Activities	$ 385,844	$ 178,707	$ 207,137

*Interest expense related to capital asset debt was approximately $15.4 million in fiscal year 2019, of which approximately $4.0 million was capitalized and included in construction in progress.

I. OPERATING LEASES

PAYMENTS ON OPERATING LEASES

The State is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the resulting expenditures are recognized as incurred. Lease expenditures for the year ended June 30, 2019, amounted to $20.9 million for governmental activities and $17.1 million for business-type activities.

Future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2019, for all fund types are as follows (expressed in thousands):

Year Ending June 30	Governmental Activities	Business-type Activities
2020	$ 11,496	$ 11,633
2021	8,907	9,410
2022	4,709	5,985
2023	4,065	3,880
2024	2,773	1,561
2025-2029	4,876	1,503
2030-2034	749	473
2035-2039	-	47
Total Minimum Lease Payments	$ 37,575	$ 34,492

J. CAPITAL LEASES

The State is obligated under certain leases accounted for as capital leases. In the government-wide and proprietary fund statements, capital assets and a corresponding liability are recorded at the inception of the lease. The liability is reduced by payments of principal, with a portion of the payment allocated to interest expense. For capital leases in governmental funds, other financing sources and expenditures are recorded at lease inception. Lease payments are recorded as debt service expenditures.

The schedule below lists the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2019 (expressed in thousands):

Year Ending June 30	Governmental Activities	Business-type Activities	Major Component Units
2020	$ 527	$ 7,123	$ 128
2021	457	6,577	128
2022	136	6,279	128
2023	70	5,948	127
2024	16	5,544	127
2025-2029	-	16,422	638
2030-2034	-	12,111	574
2035-2039	-	5,143	-
2040-2044	-	3,239	-
2045-2049	-	2,594	-
2050-2054	-	825	-
Total Minimum Lease Payments	1,206	71,805	1,850
Less: Amount Representing Interest	(87)	(17,445)	(533)
Present Value of Future Minimum Lease Payments	$ 1,119	$ 54,360	$ 1,317

The historical costs of assets acquired under capital leases, and included as capital assets on the government-wide Statement of Net Position at June 30, 2019, is as follows (expressed in thousands):

	Governmental Activities	Business-Type Activities	Major Component Units
Infrastructure	$ -	$ 60	$ -
Buildings	-	52,430	1,979
Intangibles	-	156	-
Equipment	2,381	16,204	-
Less: Accumulated Depreciation	(1,755)	(18,247)	(1,027)
Total	$ 626	$ 50,603	$ 952

K. 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.

L. 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, 2019, 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 B, the 2012 Series A and the 2017 Series A bonds 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 2010 Series B, the 2012 Series A and the 2017 Series A bonds are not subject to optional and/or extraordinary optional redemption prior to maturity upon the occurrence of certain events. The 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 2019 were $6.3 million. For fiscal year 2019, principal and interest paid by the Authority on the bonds was $6.3 million. The total principal and interest remaining to be paid as of June 30, 2019, is $30.8 million payable through December 2030.

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.

Department of Transportation

The North Dakota Department of Transportation (NDDOT) is authorized pursuant to NDCC 24-02-40.1, to issue grant and revenue anticipation bonds for the purpose of financing certain qualified federal aid transportation projects. The Series 2005 Bonds are limited obligations of NDDOT, payable solely from the Trust Estate, consisting primarily of federal transportation funds and pledged state highway funds. The Series 2005 Bonds will not be deemed or construed as creating an indebtedness of the State within the meaning of the State Constitution or laws of the State concerning or limiting the creation of indebtedness of the State. The total principal and interest remaining to be paid on the bonds is $5.3 million payable through June 2020. For the current year principal and interest paid and total net pledged revenues before interest expense were $5.3 million and $5.3 million, respectively. The funds pledged for the NDDOT 2005 bond issue consist of state funds in the State Highway Fund from the following sources: Highway Tax Distribution Fund, fee and permit revenues, interest revenue and miscellaneous sales of scrap materials and obsolete equipment. The pledged funds do not include any funding deposited into the State Highway Fund from the State General Fund. The proportion of the specific revenue stream pledged was 98.5% in 2019.

Interest on the Series 2005 Bonds is payable on June 1 and December 1, of each year. Bonds maturing on or after June 1, 2016, are subject to redemption prior to maturity at the option of NDDOT, at a redemption price equal to 100% of the principal amount plus accrued interest.

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 LIBOR 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 2019, revenue pledged and total principal and interest paid by Student Loan Trust were $46,000 and $30,000, respectively

Housing Finance

Housing Finance Bonds were issued to provide financing to purchase mortgage loans to finance multifamily 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 $1.25 billion maturing at various times from July 1, 2019 through January 1, 2050. 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 $104.1 million and $23.5 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.

The Agency also had multifamily revenue bonds in the amount of $9.25 million that mature on August 1, 2020. The bonds have been issued to pay a portion of the cost of acquiring, rehabilitation and equipping a 186 unit multifamily residential rental property located in Fargo, North Dakota. The bonds will be payable solely from the revenues and other

money assigned to secure that payment, which include payments required by the loan agreement. Such payment shall cover the entire principal and interest payment for the bond.

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 2019 were $19.4 million. Principal and interest paid for the current fiscal year were $19.4 million, with total remaining principal and interest of $357.88 million payable through fiscal year 2044.

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, 2029 are not subject to optional redemption prior to maturity except under extraordinary circumstances. 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 2019 were $24.7 million. Principal and interest paid for the current fiscal year were $44.4 million, with total remaining principal and interest of $734.0 million payable through June 2045.

Revenue Bonds outstanding (expressed in thousands):

Primary Government

	Maturities	Interest Rates	Balance 6/30/19	
Governmental-Type Activities:				
Building Authority	2020-2031	1.50-6.25	$ 24,858	
Department of Transportation	2020	3.00-5.00	5,092	
Business-Type Activities:				
Student Loan Trust	6/1/2029	3.10	1,000	1)
Housing Finance:				
Homeownership	2020-2050	0.20-5.25	1,253,146	1)
Multifamily Revenue	2021	2.125	9,250	
University System:				
BSC—Bismarck	2020-2033	2.00-4.00	7,768	
MaSU—Mayville	2020-2030	1.25-6.63	3,426	
MiSU–Minot	2020-2041	2.00-6.60	11,581	
NDSCS—Wahpeton	2020-2037	3.76	7,335	
NDSU—Fargo	2020-2047	1.50-5.00	132,725	2)
UND—Grand Forks	2020-2044	0.75-4.25	84,512	
VCSU—Valley City	2020-2040	2.80-7.05	5,185	
Williston State College	2020-2041	6.81	7,660	
State Fair Association	2020-2029	3.00	1,697	
Total Revenue Bonds Payable—Primary Government			$ 1,555,235	

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

2) At June 30, 2019, NDSU had pledged $14.7 million of assets as collateral for bonds payable issued at the Research I and Research II buildings.

Major Component Units

	Maturities	Interest Rates	Balance 6/30/19
Public Finance Authority	2020-2045	0.24-8.25	$ 549,900
University System Foundation	2020-2040	0.75-5.25	46,230
Total Revenue Bonds Payable— Major Component Units			$ 596,130

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
2020	$ 9,460	$ 1,133	2020	$ 46,768	$45,728
2021	4,620	678	2021	65,636	47,744
2022	4,550	475	2022	55,387	46,103
2023	3,180	298	2023	55,900	44,661
2024	2,870	148	2024	55,359	43,143
2025-2029	1,899	255	2025-2029	266,900	192,383
2030-2034	1,433	24	2030-2034	266,345	150,435
2035-2039	-		2035-2039	258,873	105,879
2040-2044	-		2040-2044	234,198	62,278
2045-2049	-		2045-2049	189,571	20,119
2050-2054	-		2050-2054	8,070	195
Bond Premium	1,938	(1,938)	Bond Premium	22,278	(22,278)
Total	$ 29,950	$ 1,073		$1,525,285	$ 736,390

Major Component Units

	Principal	Interest
2020	$ 28,020	$24,007
2021	28,842	23,564
2022	29,648	22,323
2023	31,645	21,010
2024	29,549	19,686
2025-2029	144,517	75,168
2030-2034	150,958	43,501
2035-2039	84,094	14,130
2040-2044	12,304	2,451
2045-2049	4,358	219
Bond Premium	52,195	(52,195)
Total	$596,130	$193,864

2. NOTES PAYABLE

The following is a schedule of notes payable outstanding at June 30, 2019 (expressed in thousands):

Primary Government

	Maturities	Interest Rates	Balance 6/30/19
Governmental Activities:			
Office of Management and Budget	2020-2022	2.43-2.65	$ 12,246
Department of Human Services	2020	3.44-5.55	9,651
Proprietary Activities:			
Bank of North Dakota	2020-2029	1.61-5.56	1,103,375 [1)]
University System	2020-2035	1.75-5.15	17,412
Total Revenue Bonds Payable— Primary Government			$ 1,142,684

Major Component Units

	Maturities	Interest Rates	Balance 6/30/19
University System Foundation	2020-2036	2.43-4.35	$ 9,995
State Fair Foundation	2020-2022	4.22	79
Total Revenue Bonds Payable— Major Component Units			$ 10,074

1) These notes payable represent FHLB long-term advances. The advances must be secured by minimum qualifying collateral maintenance levels. Residential, student, agriculture and commercial loans with carrying values of $1.47 billion are currently being used as security to meet these minimum levels.

Short Term Borrowings:

The Bank of North Dakota issued short-term debt to fund loans on a short-term basis.

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 $85,066 as of June 30, 2019. In addition, borrowings are collateralized by $30,673 of loans receivable and $136 of cash and investments. The Agency borrowed and paid back $37.3 million during the year ended June 30, 2019.

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
2020	$ 10,363	$ 589	2020	$ 725,584	$ 14,142
2021	730	279	2021	28,899	12,052
2022	748	261	2022	102,206	10,517
2023	766	243	2023	62,489	7,318
2024	786	224	2024	116,942	5,217
2025-2029	4,229	817	2025-2029	77,940	5,179
2030-2034	4,275	268	2030-2034	6,560	180
2035-2039	-	-	2035-2039	167	3
Total	$ 21,897	$ 2,681		$1,120,787	$ 54,608

Major Component Units

	Principal	Interest
2020	$ 4	$ 447
2021	822	516
2022	178	496
2023	624	473
2024	8,096	238
2025-2029	20	15
2030-2034	117	60
2035-2039	145	31
2040-2044	68	3
Total	$ 10,074	$ 2,279

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 have interest rates ranging from 3.55 to 5.0 percent and 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. Beginning in fiscal year 2019, UND will make semi-annual interest-only payments through fiscal year 2040. The semi-annual interest-only payments in fiscal years 2019 and 2020 are for capitalized interest paid with bond proceeds. 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. Beginning in fiscal year 2019, UND will make semi-annual interest-only payments through fiscal year 2023. The semi-annual interest-only payments in fiscal years 2019 and 2020 are for capitalized interest paid with bond proceeds. The first principal payment will be due in 2024. The certificates mature in fiscal year 2041.

The following is a schedule of certificates of participation outstanding at June 30, 2019 (expressed in thousands):

Primary Government

	Maturities	Interest Rates	Balance 6/30/19
Proprietary Activities:			
University System	2024-2057	3.55 – 5.00	$ 96,843

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
2020	$ -	$ 4,240	2030-2034	$ 2,663	$ 20,654
2021	-	4,240	2035-2039	9,051	19,625
2022	-	4,240	2040-2044	11,796	17,135
2023	-	4,240	2049-2049	18,367	13,971
2024	105	4,240	2050-2054	31,780	8,638
2025-2029	1,811	21,069	2055-2059	21,270	1,877
			Total	$ 96,843	$ 124,169

Changes in General Long-Term Liabilities

Changes in Long-Term Liabilities for the year ended June 30, 2019, are summarized as follows (expressed in thousands):

Primary Government

	Beginning Balance Restated	Additions	Reductions*	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Notes Payable	$ 22,247	$ -	$ (350)	$ 21,897	$ 10,364
Bonds Payable	40,429	-	(10,479)	29,950	9,460
Capital Leases Payable	1,415	184	(480)	1,119	479
Compensated Absences	46,433	34,224	(34,401)	46,256	4,133
Claims/Judgments Payable	10,534	3,284	(4,716)	9,102	2,056
Net Pension Liability (Note 6)	643,513	15,466	-	658,979	-
Net OPEB Liability (Note 7)	32,064	-	(804)	31,260	-
Total Long-Term Liabilities	$ 796,635	$ 53,158	$ (51,230)	$ 798,563	$ 26,492
Business-Type Activities*:					
Notes Payable	$ 1,289,686	$ 6,414,380	$ (6,583,279)	$ 1,120,787	$ 725,584
Bonds Payable	1,242,368	389,023	(106,106)	1,525,285	52,332
Certificates of Participation	-	96,843	-	96,843	-
Capital Leases Payable	40,058	22,390	(8,089)	54,359	4,806
Intergovernmental Payable	5,494	230	(445)	5,279	682
Compensated Absences	35,912	4,229	(4,622)	35,519	5,705
Dividends Payable	107,247	113,235	(107,247)	113,235	113,235
Claims/Judgments Payable	1,051,370	98,417	(58,021)	1,091,766	131,735
Net Pension Liability (Note 6)	219,348	9,165	-	228,513	-
Net OPEB Liability (Note 7)	10,303	-	(156)	10,147	-
Total Long-Term Liabilities	$ 4,001,786	$ 7,147,912	$ (6,867,965)	$ 4,281,733	$ 1,034,079

Major Component Units*

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Notes Payable	$ 19,175	$ 1,612	$ (10,713)	$ 10,074	$ 822
Bonds Payable	473,779	155,398	(33,047)	596,130	30,372
Capital Leases Payable	1,379	-	(62)	1,317	65
Intergovernmental Payable	565	103	(44)	624	34
Compensated Absences	21	-	(7)	14	14
Net Pension Liability (Note 6)	266	13	-	279	-
Total Long-Term Liabilities	$ 495,185	$ 157,126	$ (43,873)	$ 608,438	$ 31,307

* Bonds payable reductions include amortization of premium and discount. Payments of long term debt (notes payable, bonds payable and capital leases payable) for governmental activities includes payments on capital leases payable for internal service funds of $11,324 and amortization of bond premiums of $459.

**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	$ 160	$ 56	$ 9,995	$ 817
Bonds Payable	18,495	1,765	46,230	3,412
Capital Leases Payable	17,392	1,522	1,317	64
Intergovernmental Payable	-	-	621	32
Total	$ 36,047	$ 3,343	$ 58,163	$ 4,325

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 $18,287 of capital leases payable, $2,435,298 of compensated absences and $8,125,638 of claims and judgments. Other governmental activities compensated absences generally have been liquidated by the General Fund (66.4%), the Highway Fund (15.5%), the Federal Fund (7.5%), and other various funds. Other governmental activities claims and judgments have all been liquidated by the Petroleum Release Compensation Fund.

M. 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 has an arbitrage rebate payable to the federal government of approximately $93,000 at June 30, 2019. These amounts are reported in the Government-wide and Proprietary Fund Type financial statements as an intergovernmental payable.

N. 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.

O. 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.

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.

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 employs two senior private debt funds, commonly referred to as direct lenders, which are structured as custom managed accounts that are not eligible for redemptions during remaining investment lives of 2 to 3 years, and the unfunded commitments totaled $146.2 million as of June 30, 2019.

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 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 $339.9 million in unfunded private equity commitments as of June 30, 2019.

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.

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 includes these types of investments in its private equity asset class. As of June 30, 2019, unfunded commitments in one of its two distressed debt funds totaled $76.9 million. The fund is not eligible for redemptions. The other fund is eligible for redemptions with quarterly liquidity and 60 days notice, and has no unfunded commitment.

Mezzanine Debt – This strategy is a hybrid of debt and equity financing. It is basically 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 2-5 years, and unfunded commitments of $8.5 million as of June 30, 2019.

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, with 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, 2019.

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 10 different real estate funds in the portfolio. Three of those funds are open-ended vehicles that accept redemption requests quarterly with a 30-90 day notification period. The remaining seven funds are closed-ended limited partnerships that are not eligible for redemptions. Those seven funds have a combined unfunded commitment of $114.4 million as of June 30, 2019.

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 2-7 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, 2019, include both open and closed-ended funds. The open-ended funds have no unfunded commitments and are eligible for redemptions quarterly with 90 days notice. There may be a 3-12 month queue for receiving redemptions. The closed-ended funds have unfunded commitments of $243.9 million at June 30, 2019 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.

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 6/30/19	Level 1	Level 2	Level 3
Short term securities:				
Commercial paper	$ 1,596	$ -	$ 1,596	$ -
Short term bills and notes	475,691	143,721	331,970	-
Total short term securities	477,287	143,721	333,566	-
Fixed income investments:				
Asset backed securities	424,218	-	416,713	7,505
Bank loans	4,372	-	4,372	-
Collateralized bonds	2,716		2,716	-
Collateralized mortgage obligations	41,484	-	41,484	-
Commercial mortgage-backed	286,647	-	284,331	2,316
Corporate bonds	2,121,267	-	2,117,557	3,710
Corporate convertible bonds	21,761	-	20,995	766
Funds - Fixed Income ETF	214,881	214,881	-	-
Government Agencies	1,302,793	1,189,140	113,653	-
Government Bonds	988,727	196	988,531	-
Government MBS	1,547,300	-	1,547,300	-
Government - issued Commercial Mortgage-Backed	101,527	-	101,527	-
Index Linked Government Bonds	584,015	-	584,015	-
Municipal / Provincial Bonds	36,474	-	36,474	-
Non- Government Backed C.M.O.s	63,752	-	57,495	6,257
Other Fixed Income	1,034	31	1,003	-
Collateralized Debt	17,035	-	17,035	-
Total fixed income investments	7,760,003	1,404,248	6,335,201	20,554
Equity Investments:				
Common stock	4,869,128	4,869,062	2	64
Convertible equity	4,897	2,081	2,816	-
Funds - Equities ETF	409,492	409,492	-	-
Preferred stock	20,979	20,979	-	-
Rights / Warrants	776	776	-	-
Stapled securities	4,520	4,520	-	-
Total equity investments	5,309,792	5,306,910	2,818	64
Other Investments:				
Currency	20,439	20,439	-	-
FX Contracts	1	1	-	-
Global Tactical Asset Allocation MF	826,883	826,883	-	-
Master Limited Partnership	94,989	94,989	-	-
REITs	8,268	8,268	-	-
Real Estate	10,194	-	-	10,194
Swaps	12,846	-	12,846	-
Total other investments	973,620	950,580	12,846	10,194
Derivative Investments:				
Exchange cleared swaps	(17,168)	-	(17,168)	-
Options	(288)	(279)	(9)	-
Swaps	10,134	-	10,134	-
Grain future contracts	16	16	-	-
Total derivative investments	(7,306)	(263)	(7,043)	-
Total investments measured at fair value	$ 14,513,396	$ 7,805,196	$ 6,677,388	$ 30,812

INVESTMENTS MEASURED AT THE NET ASSET VALUE (NAV)	Fair Value 6/30/19	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
Commingled Funds - Debt	$ 1,393,182	$ -	Daily, monthly	1 - 15 days
Commingled Funds - Equities	2,493,252	-	Daily, monthly	1 - 15 days
Commingled Funds - Fixed Income	274,430	-	Daily	< 5 days
Distressed Debt	235,686	76,921	Quarterly, not eligible	60 days
Long / short	223,575	-	Monthly	15 days
Mezzanine Debt	496	8,499	Not eligible	Not eligible
Private Credit	290,157	146,200	Not eligible	Not eligible
Private Equity	229,364	339,869	Not eligible	Not eligible
Real Assets	2,514,758	358,278	Quarterly, not eligible	30 - 90 days
Private Debt Fund	61,356	91,500		
Total investments measured at the NAV	7,716,256	$ 1,021,267		
Total investments	$ 22,229,652			

Major Component Units

INVESTMENTS MEASURED AT FAIR VALUE	Fair Value 6/30/19	Level 1	Level 2	Level 3
Short term securities				
Certificates of deposit	$ 11,092	$ -	$ 11,092	$ -
Short term bills and notes	41,123	-	41,123	-
Total short term securities	52,215	-	52,215	-
Fixed income investments:				
Gov't Agencies	46,266	46,266	-	-
Other Fixed Income	94	94	-	-
Total fixed income investments	46,360	46,360	-	-
Equity Investments:				
Stock	22	22	-	-
Other equities	330	330	-	-
Total equity investments	352	352	-	-
Other Investments:				
Mineral acres	22	-	-	22
Total other Investments	22	-	-	22
Total investments	$ 98,949	$ 46,712	$ 52,215	$ 22

NOTE 4 - NET POSITION

The government-wide Governmental Activities Statement of Net Position reports $6,639,785,616 of restricted net position, of which $1,032,862,011 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 $6,238,912,872 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.

Governmental Fund Balance By Purpose
(Expressed in Thousands)

	General	Special Revenue Federal	Special Revenue State	Nonmajor Governmental	Total
Fund Balances:					
Nonspendable					
Inventory	$ 2,955	$ 10,965	$ 10,705	$ -	$ 24,625
Long - Term Receivables	12	-	-	-	12
Prepaid Expenditures	3,671	1,367	2,150	-	7,188
Permanent Trust fund for Veteran's Postwar	-	-	-	6,337	6,337
Permanent Trust fund for Coal Development	-	-	-	70,214	70,214
Total Nonspendable	6,638	12,332	12,855	76,551	108,376
Restricted for:					
Distribution to Common Schools	-	-	4,919,178		4,919,178
State Education Aid	-	-	430,679	-	430,679
Lignite Research	-	-	30,294	-	30,294
Water Projects and Energy Conservation	-	-	419,654		419,654
Well Plugging and Site Reclamation	-	-	22,132	-	22,132
Agriculture and Commerce	-	-	62,749	-	62,749
Natural Resources	-	-	30,259	-	30,259
Highway Projects	-	-	513,571	-	513,571
Transportation	-	-	25,611	-	25,611
Petroleum Tank Release Compensation	-	-	6,069		6,069
Debt Services	-	-	-	784	784
Capital Improvement Projects	279	-	-	-	279
Other	-	-	27,575	-	27,575
Total Restricted	279	-	6,487,771	784	6,488,834
Committed to:					
Strategic Investments & Improvements	-	-	905,001	-	905,001
Oil & Gas Impact Grants	-	-	29,187	-	29,187
Partnership in Assisting Community Expansion	-	-	58,438	-	58,438
Human Services & Health Operations	-	-	27,474	-	27,474
Outdoor Heritage Grants	-	-	30,552	-	30,552
Water Development & Management Projects	-	-	48,149	-	48,149
Oil & Gas Research	-	-	11,848	-	11,848
Judicial & Legal	-	-	12,974	-	12,974
Public Safety & Corrections	20,295	-	2,486	-	22,781
Agriculture & Commerce	6,025	-	5,630	-	11,655
State Rail & Special Roads	-	-	15,069	-	15,069
Insurance Regulatory Operations	-	-	6,393	-	6,393
Park & Recreation Operations	-	-	6,786	-	6,786
Tax Relief	182,300	-	-	-	182,300
Stabilization	118,646	-	-	-	118,646
Theodore Roosevelt Presidential Library & Museum	15,051	-	-	-	15,051
Veteran's Postwar	-	-	-	398	398
Other	5,906	-	27,497	83	33,486
Total Committed	348,223	-	1,187,484	481	1,536,188
Assigned to:					
Education	-	-	3,374	-	3,374
Human Services & Health Operations	-	-	119,250	-	119,250
Judicial & Legal	-	-	11,048	-	11,048
Correction & Rehabilitation Operations	-	-	5,935	-	5,935
Strategic Investments & Improvements	-	-	229,325	-	229,325
Agriculture & Commerce	-	-	2,345	-	2,345
Other	-	-	3,333	-	3,333
Total Assigned	-	-	374,610	-	374,610
Unassigned	7,231,355	(1,642)	-	-	7,229,713
Total Fund Balances	$ 7,586,495	$ 10,690	$ 8,062,720	$ 77,816	$ 15,737,721

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, 400 East Broadway, Suite 505, Bismarck, North Dakota 58501.

At June 30, 2019, the number of participating political subdivisions in PERS was:

Cities	94
Counties	50
School Districts	125
Other	85
Total Participating Local Political Subdivisions	354

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.

Responsibility for administration of the three defined benefit pension plans and the defined contribution 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; two members of the legislative assemble appointed by a chairman of the legislative management, three members elected by the active membership of the NDPERS system; and one member elected by the retired public employees.

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

The monthly pension benefit for National Guard 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 National Guard/Law Enforcement, 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 National Guard/Law Enforcement, 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 changed to the greater of (i) lump sum payment of accumulated contributions, and (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 Board in the North Dakota Administrative Code.

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

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.

Members that made a qualifying election under Senate Bill 2015 to move from the Defined Contribution Plan back to the Defined Benefit Plan have a 2% increase on employee contributions. 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 for both the PERS plan as well as the defined contribution plan.

Member contributions are set by state statue 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 statue 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 Contributions	Employer Contributions
PERS*		
Members first enrolled prior to 1/1/20	7.00%	7.12%
Members first enrolled after to 1/1/20	7.00%	8.26%
Members returning to the Defined Benefit Plan as a result of Senate Bill 2015	9.00%	7.12%
Judges Retirement System	8.00%	17.52%
Law Enforcement with previous service		
State – BCI Plan	6.00%	9.81%
State – National Guard	5.50%	9.81%
Political subdivisions	5.50%	9.81%
Law Enforcement without previous service	5.50%	7.93%

*Members making the election to move from the Defined Contribution Plan back to the Defined Benefit Plan as a result of Senate Bill 2015 pay a 9.00% employee contribution.

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, 400 East Broadway, Suite 505, Bismarck, North Dakota 58501.

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 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 member s 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 13.3% and the employer rate is 19.7%.

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, 400 East Broadway, Suite 505, Bismarck, North Dakota 58501.

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 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

Employees' contributions are established at 7% of total 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. 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, 3442 East Century Avenue, P.O. Box 7100, Bismarck, North Dakota 58507-7100.

At June 30, 2019, the number of participating employer units in TFFR was:

Type	Number
Public School Districts	175
County Superintendents	6
Special Education Units	19
Vocational Education Units	4
Other	9
Total	213

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 statues 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.

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 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 statue.

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:	12,300	136	189	8,918
Terminated Employees:				
Vested	6,755	31	1	1,657
Nonvested	6,512	11	-	1,035
Active Employees:				
Vested	17,119	71	7	7,936
Nonvested	6,635	73	-	3,239
Total plan membership	49,321	322	197	22,785
Date of annual valuation	July 1, 2019	July 1, 2019	July 1, 2019	July 1, 2019

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 contribution. 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, 2019:

	Target Allocation			
	PERS and NDHPRS	JSND	TFFR	RHIC*
Domestic equities	30.0%	6.0%	0.0%	39.0%
International equities	21.0%	14.0%	0.0%	21.0%
Private equity	7.0%	6.0%	0.0%	0.0%
Domestic fixed income	23.0%	74.0%	0.0%	40.0%
International fixed income	0.0%	0.0%	0.0%	0.0%
Global real assets	19.0%	0.0%	18.0%	0.0%
Global equity	0.0%	0.0%	58.0%	0.0%
Global fixed income	0.0%	0.0%	23.0%	0.0%
Cash equivalents	0.0%	0.0%	1.0%	0.0%
Total	100.00%	100.00%	100.00%	100.00%

*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 investments, net of pension plan investment expense, was as follows for June 30, 2019:

PERS	5.69%
NDHPRS	5.39%
JSND	7.00%
TFFR	5.46%
RHIC*	6.75%

*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.

REALIZED GAINS AND LOSSES

Realized gains and losses on sales of investments are components of net change in fair value of investments and are computed as described in note 1. For the year ended June 30, 2019, the following are the net realized gains (losses):

PERS	$78,102,906
NDHPRS	2,079,637
JSND	2,901,971
TFFR	66,548,800
Retiree Health Insurance Credit (RHIC)	7,871,283
Defined Contribution Plan	230,794
Deferred Compensation Plan	6,454,352

C. FUNDING STATUS AND PROGRESS

NET PENSION LIABILITY OF THE PLANS

The components of the net pension liability of the Plans at June 30, 2019 were as follows (expressed in thousands):

	PERS	NDHPRS	JSND	TFFR
Total pension liability	$ 4,269,340	$ 106,315	$ 66,197	$ 3,993,424
Plan fiduciary net position	(3,096,731)	(81,415)	(97,203)	(2,616,171)
Net pension liability (asset)	$ 1,172,609	$ 24,900	$ (31,006)	$ 1,377,253
Plan fiduciary net position as a percentage of the total pension liability	72.53%	76.58%	146.84%	65.50%

ACTUARIAL ASSUMPTIONS

PERS

The total pension liability was determined by an actuarial valuation as of July 1, 2019, 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: 2.50%

Salary Increase: 4.00% to 20.00% including inflation

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

Investment Rate of Return: 7.75%

Mortality Rates: Mortality rates for active members, inactive members and healthy retirees were based on the RP-2000 Combined Healthy Mortality Table, set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table, set back one year for males (no setback for females) multiplied by 125%.

Other Notes: The calculation of Final Average Salary was changed for members who terminate after December 31,2019.

The interest rate on member contributions will decrease from 7.25% to 7.00% effective January 1, 2020.

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 7.75% to 7.50% beginning with the actuarial valuation as of July 1, 2019. The economic assumptions (excluding salary increases) were updated beginning with the actuarial valuation as of July 1, 2017 based on a review performed by GRS. All other actuarial assumptions were adopted by the Board based on an experience study covering the period July 1, 2009 through June 30, 2014.

The employer rates to the System are the statutory/Board approved contribution rates of 7.12% of payroll for the Main System (8.26% for members enrolled on or after January 1, 2020), 17.52% for the Judges System, 9.81% for the Public Safety with prior Main System, and 7.93%for the Public Safety without prior Main System service System.

HPRS

The total pension liability was determined by an actuarial valuation as of July 1, 2019, 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: 2.50%

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 tale of rates that specify to the type of eligible condition

Investment Rate of Return: 7.75%

Mortality Rates: Mortality rates for active members, inactive members and healthy retirees were based on the RP-2000 Combined Healthy Mortality Table, set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table, set back one year for males (no setback for females) multiplied by 125%.

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

The economic assumptions (excluding salary increases) were updated beginning with the actuarial valuation as of July 1, 2017 based on a review performed by GRS. The investment return assumption was decreased from 7.75% to 7.50% beginning with the actuarial valuation as of July 1, 2019. All other actuarial assumptions were adopted by the Board based on experience study covering the period July 1, 2009 through June 30, 2014.

The employer rate to the System is the statutory contribution rate of 19.70% payroll.

JSND

The total pension liability was determined by an actuarial valuation as of July 1, 2019, 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: 2.50%

Salary Increase: 3.50%

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

Investment Rate of Return: 4.75%

Cost of Living Adjustment: 2.50%

Mortality Rates: Mortality rates for active members, inactive members and healthy retirees were based on the RP-2000 Combined Healthy Mortality Table, set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table, set back one year for males, (no setback for females) multiplied by 125%.

Other Notes: There were no benefit changes during the year.
The economic assumptions (excluding salary increases) were updated beginning with the actuarial valuation as of July 1, 2017 based on a review performed by GRS. The investment return assumption was decreased from 5.70% to 4.75% beginning with the actuarial valuation as of July 1, 2018. All other actuarial assumptions were adopted by the Board based on experience study covering the period July 1, 2009 through June 30, 2014.

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, 2019, using the following actuarial assumptions:

Actuarial Cost Method: Entry Age Normal

Asset Valuation Method: 5 year smoothed market

Inflation: 2.75%

Salary Increase (Payroll Growth): 4.25% - 14.50%; varying by service, including inflation and productivity.

Retirement Age: In the 2015 valuation, rates of retirement were changed to better reflect anticipated future experience. In the 2010 valuation, expected retirement ages of plan members were adjusted to more closely reflect actual experience.

Investment Rate of Return: 7.75%, net of investments expense.

Cost of Living Adjustment: None

Mortality Rates: In the 2015 valuation, assumed life expectancies were adjusted as a result of adopting the RP-2014 mortality tables with generational improvement. In prior years, those assumptions were based on percentages of GRS post termination non-disabled tables and RP-2000 disabled-life tables.

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, 2019 is summarized in the following tables:

PERS and NDHPRS Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	6.25%
International equity	6.95%
Private equity	10.15%
Domestic fixed income	2.11%
International fixed income	0.00%
Global real assets	5.41%
Cash equivalents	0.00%

JSND Asset Class	Long-Term Expected Real Rate of Return
Domestic equities	4.75%
Core fixed income	1.91%
Limited duration fixed income	1.13%
Global equity	5.31%
Diversified short-term fixed income	1.66%
Short-term corporate fixed income	0.49%
US high yield	3.49%
Emerging market debt	4.68%

TFFR Asset Class	Long-Term Expected Real Rate of Return
Global equity	6.90%
Global fixed income	2.10%
Global real assets	5.40%
Cash equivalents	0.00%

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 7.50%; the municipal bond rate is 3.13%; and the resulting Single Discount Rate is 7.50%.

For HPRS, the discount rate used to measure the total pension liability was 7.50% as of June 30, 2019.

For JSND, the discount rate was 4.75% as of June 30, 2019. 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, 2019 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, 2019. 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, 2019.

For TFFR, the discount rate was 7.75% as of June 30, 2019. 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, 2019 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, 2019. 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, 2019.

SENSITIVITY OF NET PENSION LIABILITY

The following presents the net pension liability of the Plans as of June 30, 2019, calculated using the discount rate of 7.50% for PERS, 7.50% for NDHPRS, 4.75% for JSND and 7.75% 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

Net Pension Liability (Asset) As of June 30, 2019	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
PERS	$ 1,697,748,658	$ 1,172,608,884	$ 731,651,266

Net Pension Liability (Asset) As of June 30, 2019	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
NDHPRS	$ 38,662,943	$ 24,899,511	$ 13,491,914

Net Pension Liability (Asset) As of June 30, 2019	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
JSND	$ (24,292,823)	$ (31,006,306)	$ (36,982,989)

Net Pension Liability (Asset) As of June 30, 2019	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
TFFR	$ 1,859,994,289	$ 1,377,253,104	$ 976,082,834

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, 2019*

	JSND	NDHPRS
Total pension liability (asset)		
Service cost	$ 80,344	$ 2,738,268
Interest	3,500,344	7,203,350
Change of benefit terms	-	-
Difference betw een expected and actual experience	(310,124)	(621,359)
Changes of assumptions	5,811,755	-
Benefit payments, including refund of employee contributions	(4,582,577)	(4,981,377)
Net change in total pension liability (asset)	4,499,742	4,338,882
Total pension liability (asset) - beginning	63,629,469	94,047,078
Total pension liability (asset) - ending (a)	$ 68,129,211	$ 98,385,960
Plan fiduciary net position		
Contributions - employer	$ -	$ 2,152,970
Contributions - employee	32,987	1,453,533
Contributions - service credit repurchase	-	281,573
Contributions - other	-	-
Net investment income	2,918,585	6,716,338
Benefit payments, including refund of employee contributions	(4,582,577)	(4,981,377)
Administrative expense	(46,295)	(30,353)
Net change in plan fiduciary net position	(1,677,300)	5,592,684
Plan fiduciary net position - beginning	97,265,411	73,336,316
Plan fiduciary net position - ending (b)	$ 95,588,111	$ 78,929,000
Net pension liability (asset) - ending (a) - (b)	$(27,458,900)	$ 19,456,960
Plan fiduciary net position as a percentage of the total pension liability (asset)	140.30%	80.22%
Covered employee payroll	$ 416,652	$ 10,737,297
Plan net pension liability (asset) as a percentage of covered employee payroll	-6590.37%	181.21%

*The 2019 information presented has a measurement date of June 30, 2018.

JOB SERVICE NORTH DAKOTA (JSND)

Net Pension Asset

At June 30, 2019, the State recorded a net pension asset of $27,458,900 for all of the Job Service North Dakota pension plan. The net pension asset was measured as of June 30, 2018 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2019 the State recognized pension expense of $4,706,520. At June 30, 2019 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	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	4,385,421	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-
Employer contributions subsequent to the measurement date	-	-	-	-
Total	$ 4,385,421	$ -	$ -	$ -

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
2020	$ 1,993,919	$ -
2021	1,120,271	-
2022	771,955	-
2023	499,276	-
Total	$ 4,385,421	$ -

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 4.75 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 (3.75 percent) or 1-percentage-point higher (5.75 percent) than the current rate:

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
State’s proportionate share of the net pension asset	$ (20,228,759)	$ (27,458,900)	$ (33,588,893)

NORTH DAKOTA HIGHWAY PATROLMEN'S RETIREMENT SYSTEM (NDHPRS)

Net Pension Liability

At June 30, 2019, the State recorded a net pension liability of $19,456,960 for all of the North Dakota Highway Patrolmen's Retirement System pension plan. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2019 the State recognized pension expense of $3,195,876. At June 30, 2019 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	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	$ 482,350	$ (588,441)	$ -	$ -
Changes of assumptions	3,215,897	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	(256,395)	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-
Employer contributions subsequent to the measurement date	2,091,097	-	-	-
Total	$ 5,789,344	$ (844,836)	$ -	$ -

$2,091,097 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, 2020.

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
2020	$ 1,539,866	$ -
2021	992,841	-
2022	17,556	-
2023	359,233	-
2024	(34,678)	-
Thereafter	(21,407)	-
Total	$ 2,853,411	$ -

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 7.75 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 (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
State's proportionate share of the net pension liability	$ 32,041,790	$ 19,456,960	$ 8,997,526

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.

At June 30, 2019, the State recorded a net pension liability of $859,160,104 for all of the PERS system. The net pension liability was measured as of June 30, 2018 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, 2018 the State's proportion was 50.3787 percent, which is an decrease of 1.5011 percent from the prior year.

The State's discrete component unit, North Dakota Public Finance Authority, also participates in. At June 30, 2019, the discrete component units recorded a net pension liability of $279,000 for all of the PERS system. The net pension liability was measured as of June 30, 2018 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, 2018 the discrete component unit's proportion was 0.01655 percent, which is an increase of 0.0003 percent from the prior year.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2019 the State recognized pension expense of $136,402,760 and the component unit recognized pension expense of $44,000. At June 30, 2019 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	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	$ 2,602,369	$ (32,189,349)	$ 1,000	$ (10,000)
Changes of assumptions	316,975,734	(12,634,626)	101,000	(4,000)
Net difference between projected and actual earnings on pension plan investments	-	(4,461,712)	-	(1,000)
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,550,810	(31,532,267)	1,000	(6,000)
Employer contributions subsequent to the measurement date	39,165,627	-	10,000	-
Total	$ 368,294,540	$ (80,817,954)	$ 113,000	$ (21,000)

$39,165,627 and $10,000 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, 2020.

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
2020	$ 82,916,014	$ 27,000
2021	71,473,057	23,000
2022	58,230,810	19,000
2023	33,405,549	12,000
2024	2,285,529	1,000
Total	$ 248,310,959	$ 82,000

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 6.32 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 (5.32 percent) or 1-percentage-point higher (7.32 percent) than the current rate:

	1% Decrease (5.32%)	Current Discount Rate (6.32%)	1% Increase (7.32%)
State's proportionate share of the net pension liability	$ 1,174,961,646	$ 859,160,104	$ 595,594,274
Component's proportionate share of the net pension liability	380,000	279,000	196,000

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, 2019, the State recorded a net pension liability of $8,874,047 for all of the TFFR. The net pension liability was measured as of June 30, 2018 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, 2018 the State's proportion was 0.66579 percent, which is an increase of 0.01285 percent from the prior year.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2019 the State recognized pension expense of $860,981. At June 30, 2019 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	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	$ 24,084	$ (241,349)	$ -	$ -
Changes of assumptions	488,856	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	(30,681)	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	769,172	(519,700)	-	-
Employer contributions subsequent to the measurement date	542,201	-	-	-
Total	$ 1,824,313	$ (791,730)	$ -	$ -

$542,201 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, 2020.

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
2020	$ 367,023	$ -
2021	242,971	-
2022	25,346	-
2023	(104,696)	-
2024	(36,924)	-
Thereafter	(3,338)	-
Total	$ 490,382	$ -

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 8 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 (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
State's proportionate share of the net pension liability	$ 11,982,530	$ 8,874,047	$ 6,288,754

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, 2019.

Pension Plan	Net Pension Asset	Deferred Outflows of Resources Pension	Net Pension Liability	Deferred Inflows of Resources Pension	Pension Expense
Job Service North Dakota	$ 27,458,900	$ 4,385,421	$ -	$ -	$ 4,706,520
ND Highway Patrolmen's Retirement System	-	5,789,344	19,456,960	844,836	3,195,876
ND Public Employees' Retirement System	-	368,294,540	859,160,104	80,817,954	136,402,760
ND Teachers' Fund for Retirement	-	1,824,313	8,874,047	791,730	860,981
Total	$ 27,458,900	$ 380,293,618	$ 887,491,111	$ 82,454,520	$ 145,166,137

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. Employees under the judicial branch or the Board of Higher Education and State Institutional under jurisdiction of the Board of Higher Education are not eligible to participate in the plan. The 2013 Legislative Assembly passed legislation to expand eligibility to the plan to include all new state employees hired on or after October 1, 2013 through July 31, 2017. The Defined Contribution Plan had 99 participants as of June 30, 2019.

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 $504,381 for the year ended June 30, 2019.

The Board, or vendors contracted by the Board, has exclusive authority to invest and manage the assets of the Defined Contribution Retirement Plan. State statute allows each participating employee to direct the investment of the individual's employer and employee contributions and earnings to one or more investment options within the available categories of investment as established by the Board.

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 TIAA-CREF, Denver Regional Office, 1700 Broadway, Suite 770, Denver, Colorado 80290 or by calling 800-842-2009.

All benefits vest immediately to the participant. The plan requires employee and employer contributions be based on a classification system and years of service based on the schedule shown below.

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 $42.3 million to TIAA-CREF during the fiscal year ending June 30, 2019.

NOTE 7 - POST-RETIREMENT

A. IMPLICIT SUBSIDY UNFUNDED PLAN

The Implicit Subsidy Unfunded Plan provides health insurance coverage to eligible retirees who are not eligible for Medicare. The premiums for this coverage are set under North Dakota Century Code 54-52.1-02 as a percent of the active member single and family plan rates and are paid by the retiree. The premiums for this coverage are not age-rated. Currently, the premiums for this group do not cover the costs of the coverage; therefore, the costs of this group are being subsidized through the active group rates. This subsidy is not funded in advance and there is no guarantee that the subsidy for the 2017-19 biennium will continue in the future.

A retiree must be receiving a retirement allowance from PERS, ND TFFR or TIAA-CREF to be eligible for the retiree health care coverage. Effective July 1, 2015, eligibility for this coverage is limited to employees who retired prior to July 2015 and/or former Legislators.

OPEB Liability

The total net OPEB liability of the plan as of June 30, 2019, determined using a June 30, 2018 measurement date is $3,604,136.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions:

Mortality Rates: RP-2014 using mortality scale MP-2017.

Withdrawal Rates: Rates of withdrawal from active service before retirement other than death, rates of disability and expected retirement ages developed on the basis of an investigation of actual plan experience.

Interest Rate: 6.56% per annum, net of investment expense

Inflation: 3% per annum

Expenses: Prior year expense, adjusted for inflation

B. 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.

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.

Employee membership is as follows:

Retirees receiving benefit	12,471
Active participants	23,997
Total Membership	36,468

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, 2019 is as follows (expressed in thousands):

	RHIC
Total OPEB liability	$ 217,831
Plan fiduciary net position	(137,512)
Net OPEB liability (asset)	$ 80,319
RHIC fiduciary net position as a percentage of the total OPEB liability	63.13%

Actuarial Assumptions

Actuarial Cost Method: Entry Age Normal

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

RHIC Inflation: 2.50%

Salary Increase: Not applicable

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

Mortality Rates: Mortality rates for active members, inactive members and healthy retirees were based on the RP-2000 Combined Healthy Mortality Table set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Retiree Mortality Table set back one year for males (not setback for females), multiplied by 125%.

Other Notes: Beginning 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 benefit changes during the year.

The economic assumptions (excluding salary increases) and the asset smoothing method were updated beginning with the actuarial valuation as of July 1, 2017 based on a review performed by GRS. The investment return assumption was decreased from 7.50% to 7.25% beginning with the actuarial valuation as of July 1, 2019. All other actuarial valuations were adopted by the Board based on an experience study covering the period July 1, 2009 through June 30, 2014.

The employer rate to the System is the statutory contribution rate of 1.14% of payroll.

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, 2019 is summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	6.00%
Small Cap Domestic Equities	7.30%
International equities	6.95%
Core-Plus Fixed Income	2.07%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25%. 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, 2019 HPRS 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 Plans as of June 30, 2019, calculated using the single discount rate of 7.25%, 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:

Net OPEB Liability (Asset) As of June 30, 2019	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
RHIC	$ 102,516,136	$ 80,318,738	$ 61,317,668

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.

C. 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, 2019, the State reported a liability of $39,954,215 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, 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, 2018, the State's proportion was 50.731122 percent, which is a decrease of 0.814717 percent from the prior year.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2019 the State recognized OPEB expense of $4,823,458. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	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	$ 1,194,625	$ (826,631)	$ -	$ -
Changes of assumptions	3,281,357	(13,235)	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(848,561)	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	248,071	(1,071,456)	-	-
Employer contributions subsequent to the measurement date	6,362,621	-	-	-
Total	$ 11,086,674	$ (2,759,883)	$ -	$ -

$6,362,621 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, 2020.

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

Year ended June 30:

	Primary Government	Component Units
2020	$ 138,742	$ -
2021	138,742	-
2022	138,742	-
2023	241,891	-
2024	600,348	-
Thereafter	705,705	-
Total	$ 1,964,170	$ -

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, 2019, calculated using the discount rate of 7.50%, 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
State's proportionate share of the net OPEB liability	$ 50,163,026	$ 39,954,215	$ 31,204,243

D. 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, 2019. 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, 2019. Requests to obtain or review the actuary report should be addressed to the Finance Manager – P.O. 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 actuary 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, 2018, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	169
Terminated employees entitled to benefits but not yet receiving them	0
Current vested employees	14
Total	183

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

The Employer reported a liability of $1,452,692 at June 30, 2019 for its net OPEB liability. The net OPEB liability was measured as of July 1, 2019, 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, 2019, the Employer recognized OPEB expense of $45,710. 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	4,182	-
Total	$ 4,182	$ -

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:

	July 1, 2019
Inflation	none
Salary increases	5%
Discount rate	2.98% per annum

Mortality rates were based on the RP-2014 Total Dataset Mortality Table adjusted to based year 2006, projected with Scale MP-2017.

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, 2019, calculated using the discount rate of 2.98%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.98 percent) or 1-percentage-point higher (3.98 percent) than the current rate:

Net OPEB Liability As of June 30, 2019	1% Decrease (1.98%)	Current Discount Rate (2.98%)	1% Increase (3.98%)
Met Life	$ 1,633,126	$ 1,452,692	$ 1,302,885

Schedule of Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/18	$ 1,490,632	$ -	$ 1,490,632
Changes for the Year:			
Service cost	3,672	-	3,672
Interest	42,038	-	42,038
Benefit changes	-	-	-
Experience losses (gains)	-	-	-
Changes of assumptions	-	-	-
Contributions - Employer		83,650	(83,650)
Benefits paid	(83,650)	(83,650)	-
Administrative expenses	-	-	-
Net changes	(37,940)	-	(37,940)
Balances at 6/30/19	$ 1,452,692	$ -	$ 1,452,692

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, 2018.

E. 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, 2019.

OPEB Plan	Deferred Outflows of Resources - OPEB	Net OPEB Liability	Deferred Inflows of Resources - OPEB	OPEB Expense
ND Public Employees' Retirement System	$ 11,086,674	$ 39,954,215	$ 2,759,883	$ 4,823,458
JSND Met Life Insurance Benefit	4,182	1,452,692	-	45,710
Total	$ 11,090,856	$ 41,406,907	$ 2,759,883	$ 4,869,168

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 lessor of $19,000 or 100% of gross annual compensation for calendar year 2019. Participation in the plan is optional. The deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency.

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 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	$ 108,758	86%
Other Jurisdictions	17,635	14%
Total Value	$ 126,393	100%

The deferred compensation plan had 12,934 participants as of June 30, 2019.

NOTE 9 - PERS UNIFORM GROUP INSURANCE PROGRAM

The PERS Uniform Group Insurance Program, an enterprise fund, contracts with Sanford Health Plan to provide health care insurance to the employees of the State of North Dakota, or any of its political subdivision, institutions, departments or agencies. The contract for the 2017-2019 biennium provides for an accounting of premiums paid and claims incurred during the biennium. The final gain or loss is determined two years after the end of the biennium, which for the 2017-2019 biennium will occur in 2021. In the event of a loss, the system does not have any risk.

The System again entered into a similar contract with Sanford Health Plan for the 2019-2021 biennium. The contract for the 2019-2021 biennium provides for an accounting of premiums paid and claims incurred during the biennium. The final gain or loss is determined two years after the end of the biennium, which for the 2019-2021 biennium will occur in 2023. In the event of a loss, the system does not have any risk. No other insurance contracts have a gain sharing provision.

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, 2019, was as follows (expressed in thousands):

	Home-Ownership Bond Funds
Condensed Statement of Net Position	
Current assets – other	$ 262,372
Noncurrent assets – other	1,207,583
Total Assets	1,469,955
Deferred outflow of resources	7,886
Current liabilities – other	72,717
Noncurrent liabilities – other	1,221,211
Total Liabilities	1,293,928
Net position – restricted	183,913
Total Net Position	$ 183,913
Condensed Statement of Revenues, Expenses and Change in Fund Net Position	
Operating revenues	$ 46,167
Operating expenses	(36,115)
Operating income	10,052
Change in net position	10,052
Total net position, beginning of year, restated	173,892
Equity transfer out	(31)
Total net position, end of year	$ 183,913
Condensed Statement of Cash Flows	
Net cash used by operating activities	$ (201,611)
Net cash used for noncapital financing activities	267,010
Net cash from investing activities	(22,204)
Net change in cash and cash equivalents	43,195
Cash and cash equivalents, beginning of year	170,531
Cash and cash equivalents, end of year	$ 213,726

NOTE 11 - MAJOR COMPONENT UNIT TRANSACTIONS

BISMARCK STATE COLLEGE AND BISMARCK STATE COLLEGE FOUNDATION

On January 25, 2007, BSC and BSC Foundation entered into a 15-year lease agreement to facilitate the construction of a Mechanical Maintenance 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 $1.4 million debt service retirement. Upon payment of all the bonds, BSC will have the option to purchase the premises for $100. On August 15, 2013, an addendum was made to the lease agreement to facilitate an addition to the facility.

On October 19, 2007, BSC and BSC Foundation 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.

BSC Foundation's financial statements include these transactions as a receivable from BSC and a long-term liability. BSC's financial statements include the capitalized asset and a long-term liability due to BSC Foundation.

	BSC	BSC Foundation
NECE Building	$ 9,548,989	$ 10,846,116
Accumulated Depreciation	(2,920,019)	(2,920,019)
Net Value of NECE Building	$ 6,628,970	$ 7,926,097

On September 26, 2014, BSC and Student Housing, LLC (a wholly owned subsidiary of BSC Foundation) 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 College 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 October 14, 2014, BSC and Student Housing, LLC (a wholly owned subsidiary of BSC Foundation) entered into a Memorandum of Understanding (MOU) which sets forth the essential terms of an Apartment Master Lease agreement to be entered into between LLC and BSC, under which LLC will lease to BSC space in the student housing complex to be constructed by LLC on BSC property according to the terms and conditions of the Ground Lease. The 5-year renewable Apartment Master Lease Agreement will address quarterly rent payments by BSC and responsibilities for maintenance, repairs and insurance of the facilities and improvements during the term of the lease.

On August 13, 2015, BSC and Student Housing, LLC entered into a 5-year lease agreement to operate student housing services in the two newly constructed housing units (Ritchie Hall and Gate City Bank Hall). 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 an operating lease on BSC financial statements and Student Housing, LLC financial statements includes the capitalized asset.

In fiscal year 2019, BSC purchased a building located in Bismarck, North Dakota from the BSC foundation for $8.2 million. The building will house the BSC nursing school.

As of July 1, 2018, the BSC Foundation gained control of the Bismarck State College National Alumni Association. The BSC Alumni Association financial statements are included in the consolidated financial statements of the Major University System Foundation component units. The change in reporting entity has been applied retroactively to the July 1, 2018 beginning net assets.

DICKINSON STATE UNIVERSITY AND DICKINSON STATE UNIVERSITY FOUNDATION

Arbitration - The Dickinson State University Foundation (DSUF) has ownership interest and/or management responsibilities in various real estate projects by way of its membership in Dickinson Investments, LLC (Dickinson Investments) and other entities. DSUF is involved in a dispute with another member of Dickinson Investments, Granville Brinkman and other Brinkman entities (Respondent). An arbitration claim was filed on December 26, 2013. On September 30, 2014, the arbitrator awarded the Respondent a buy-out of their equity interest in the amount of $1.260 million. The Respondent was also awarded repayment of a note, prejudgment interest and attorneys' fees and costs. DSUF and Dickinson Investments are jointly and severally liable for the buyout amount.

On October 28, 2014, the arbitrator issued a final arbitration award and ordered:
a) prejudgment interest at 6% would commence December 26, 2013,
b) the amount of attorney fees and costs to be repaid was $233,420,
c) the note prepayment amount was $133,600
d) the parties shared responsibility for arbitration fees and expenses totaling $67,620.

The final award exceeds $1.7 million. Although DSUF has an equity interest of about 6 percent in Dickinson Investments, the arbitrator has ruled that it is jointly and severally liable for the entire award, except the $133,600 loan for which Dickinson Investments is responsible.

Receivership - At the request of the NDUS Chancellor, on November 21, 2014, the North Dakota Attorney General petitioned the state district court for the appointment of a receiver. On December 3, 2014, the court appointed a receiver for DSUF. The court order included the following directives:

- The receiver shall take immediate possession, custody, and control of all assets owned or held by DSUF;
- The DSUF board of directors shall be temporarily suspended and have no authority to act on behalf of DSUF;
- The receiver shall gather, protect and oversee DSUF's corporate and charitable assets;
- The receiver shall report to the court; and
- The receiver shall have all the authority necessary to continue the day-to-day activities of the DSUF.

The receiver filed interim reports on a regular basis through September 2016. In the seventh interim report, dated August 31, 2015, the receiver recommended that DSUF be dissolved. This recommendation was based on an inability to negotiate a mutually acceptable settlement of the outstanding Brinkman judgment against DSUF. The report indicates that dissolution should foremost prioritize DSUF obligations to honor restrictions placed on DSUF assets by donors, then address claims made by creditors, employees, and other interested parties. However, DSUF accounting reports indicated that the foundation had total net restricted assets in an amount less than total permanently and temporarily restricted donations.

The Office of Attorney General requested the commencement of dissolution for DSUF. On August 30, 2017, Stark County District Court Judge William Herauf issued an Order that, in part, approved a settlement reached between the Attorney General and the DSUF's major creditors. The Order also resolved all claims against the DSUF, allowing for the distribution of assets and final closure of the issues surrounding the DSUF.

On June 20, 2017, a settlement agreement was signed by the SBHE, DSU and five financial institutions whereby an amount of $3.1 million will be paid to the financial institutions to repay the outstanding debt related to the Biesiot Activities Center. The 2017 North Dakota Legislative Assembly provided an appropriation to Dickinson State University for the settlement amount. The settlement was paid in July 2017 consistent with the terms of the settlement agreement.

DSUF's Restated Articles of Incorporation state that upon dissolution, remaining assets shall be distributed to the SBHE for the exclusive use and benefit of the Dickinson State University or its direct successors in interest. The receiver recommended that all remaining net assets of DSUF be directed to be turned over to a new 501(c)(3) tax-exempt Foundation in keeping with DSUF's Restated Articles of Incorporation.

There is a cash reserve account remaining in excess of $300,000 pending the outcomes of resolving claims from the U.S. Internal Revenue Service relating to Charitable Remainder Trusts. All tax returns have been filed by the court appointed Receiver. The U.S. Internal Revenue Service has approved one of the returns and the remainder of the returns are pending review. Once all returns are approved, any remaining cash will be distributed to the DSU Heritage Foundation and a final Receiver's report will be filed to obtain Court approval of the final distribution and closing the receivership dissolution action.

Financial Audit

In fiscal year 2013, The DSUF's independent auditors issued a qualified opinion on the DSUF financial statements because they were unable to form an opinion regarding the proper amount and classification of unrestricted and temporarily restricted net assets. In fiscal year 2014, the DSUF's independent auditors were unable to issue an audit opinion on the DSUF financial statements as a result of the aforementioned arbitration and the overall condition of the DSUF financial records. An audit has not performed since fiscal year 2014.

Additionally, it has been reported that DSUF may have used endowment funds as collateral to obtain financing and to meet monthly operating expenses of the foundation and one of its real estate projects.

NORTH DAKOTA STATE UNIVERSITY AND NDSU RESEARCH AND TECHNOLOGY PARK, INC.

On December 30, 1999, North Dakota State University (NDSU), through the State of North Dakota and North Dakota State Board of Higher Education, entered into a ground lease, whereby the NDSU Research and Technology Park (RTP), Inc. (component unit) leases 40 acres of land for $1 per year for the next seventy-five years.

On July 1, 2002, NDSU and the 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.

During fiscal year 2017, NDSU and the RTP entered into renewed agreements, whereby NDSU leases the Research Buildings #1 and #2 through June 30, 2032. During fiscal year 2019, total annual rent of $312,000 was paid by NDSU for these two buildings, in addition to the $1.8 million of principal and interest paid by NDSU directly to the bond trustee. NDSU reimbursed the RTP $30,556 for property insurance on the two buildings and directly pays the utility costs under these agreements. The annual rent will be re-adjusted by mutual agreement every two years. These agreements are subject to funding and legislative appropriations.

NDSU FOUNDATION

Fargodome Lease and Improvements

In fiscal year 2006, the Foundation financed the construction and equipping of office space, locker rooms, meetings rooms, and related facilities in the Fargodome for use by NDSU through the sale of revenue bonds issued by Cass County. The Foundation has leased the space in the Fargodome from the City of Fargo and subleased the space, furniture, fixtures and equipment to NDSU. Under the agreement, NDSU will pay rent to the NDSUFAA for use of the premises. The amount of the rent is tied to the $3.5 million debt service retirement plus the Fargodome annual space rent and all costs incurred by the Foundation incident to the lease, less any contributions received by the Foundation for the project. Under this agreement in fiscal year 2019, the Foundation paid the debt service and other fees on behalf of NDSU in the amount of $331,606.

The facility is included in long-term investments and the debt is included in long-term liabilities on the financial reports of the Foundation. NDSU has also recorded a capital asset and a capital lease payable, reflected as "Due to Component Units" by NDSU, of $443,947 as of June 30, 2019. Since the foundation is a discretely presented component unit of the University System and the component unit and the University System are reporting the same assets and debt for the Fargodome improvements, a reclassification entry was made to ending balances in the component unit consolidating financial statements to show the appropriate due from primary institution.

Renaissance Hall

The former Northern School Supply building was donated to the Foundation by NDSU alum in December of 2001. During fiscal year 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 $412,000 in fiscal year 2019 for debt service under this agreement. As of June 30, 2019 the outstanding balance on the bonds, reflected as “Due to Component Units” by NDSU, is $3.8 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 20-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 entire amount of the previously issued bonds. During fiscal year 2019, NDSU paid $774,000 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, 2019, the outstanding balance on the bonds, reflected as “Due to Component Units” by NDSU, is $8.65 million.

Other Transactions

The Foundation provides meeting space rental and database support service to NDSU for an annually negotiated fee. NDSU paid the foundation $679,000 for the fiscal year ending December 31, 2018.

In addition to the debt service payments on the Fargodome, Renaissance, Barry and Klai Halls, NDSU reimburses the Foundation for other operating expenses related to those buildings, such as property insurance, flood insurance, boiler inspection fees, real estate taxes and bond administrative fees. Those costs totaled $104,000 during the fiscal year ending December 31, 2018.

The Foundation’s fiscal year end is December 31, NDSU 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

The UND Aerospace Foundation (UND AF) recorded expenses reimbursed to UND for salaries, building rent, aircraft rental, and goods and services under an operating agreement aggregating $13.9 million in fiscal year 2019. 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 reimbursed to UND represent actual costs incurred and are included in training expenses in the consolidated statements of activities.

The UND AF recorded revenue for service and hangar, CRJ, 360-degree tower, and aircraft rental to UND of $3.9 million in fiscal year 2019, which is included in program and event revenue in the Statement of Revenue, Expenses and Changes in Fund Net Assets for Component Units (FASB Basis) – University System Foundation.

As of June 30, 2019, the UND AF had recorded accounts payable to UND of $2.3 million for reimbursable costs and services. As of June 30, 2019, the UND AF had recorded accounts receivable from UND of approximately $813,000, which are included in accounts receivable in the statement of net assets for component units (FASB Basis) – University System Foundation.

The 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. For the first fifteen years of the sublease,

UND will pay the Foundation's monthly minimum payment of $12,672, beginning on October 1, 2003, subject to actual cost adjustments. At the end of the 15 years of the sublease, rent will be adjusted based upon the interest rate adjustments of the debt incurred by the Foundation in the construction of the hangar. Under this noncancelable sublease with UND, UND AF will receive future minimum rentals of $1.9 million over the next five years.

UNIVERSITY OF NORTH DAKOTA AND RE ARENA, INC.

RE Arena Inc. and UND, enter into an annual operating agreement from July 1, 2017 to June 30, 2020. 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 the UND, and (ii) RE Arena Inc. collects all sponsorship sales revenue from the UND athletic events at the arena, RE Arena, Inc. retains 64 percent of such sponsorship revenue, net of direct costs, and remits 36 percent to the 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 the UND athletic events.

RE Arena, Inc. 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 fiscal year 2019, gross tickets sales were $4.9 million of which RE Arena, Inc. recognized revenue of $2.5 million with a net due to UND $2.4 million. Gross ticket sales for the next athletic season year are recorded in deferred revenue at gross by RE Arena, Inc. for a total of $2.9 million.

RE Arena, Inc. recognized net sponsorship (advertising) revenue of approximately $746,000 and the net due UND in sponsorship (advertising) income of approximately $419,000. In addition, RE Arena, Inc. allocated approximately $670,000 of net income to UND Athletic Department for the year ended May 31, 2019. RE Arena, Inc. expensed $1.0 million to UND for utilities, maintenance staff, phone service and other expenses.

At the end of the fiscal year RE Arena, Inc. owes UND $713,000 for the annual operating agreement and monthly services.

Amounts are reported on the accrual basis of accounting, which may or may not be the same as that used by UND. RE Arena Inc.'s fiscal year end is May 31st, UND's fiscal year end is June 30th. Amounts may differ between entity financial statement because of timing differences due to different year ends.

UNIVERSITY OF NORTH DAKOTA AND UNIVERSITY OF NORTH DAKOTA FOUNDATION

UND is leasing space in the Gorecki Alumni Center in the amount of $75,000 per year. Additional rental payments consisting of UND's share of the operating and maintenance costs for space used in the Gorecki Alumni Center are calculated annually.

During the year ended June 30, 2019, UND provided approximately $1.5 million of institutional support for event and database support, annual giving campaign and shared positions. The UND Alumni Association and Foundation (Foundation) manages UND's endowment investments and charged them $387,600 in investment management fees during the year ended June 30, 2019. These fees and support are reported as operations, fees and miscellaneous revenue on the Statement of Revenue, Expenses and Changes in Fund Net Assets for Component Units (FASB Basis) – University System Foundation.

The Foundation has other receivables with UND related to the construction of the EERC and Minot Center for Family Practice for $3.8 million and $2.0 million, respectively. The Foundation has accounts payable due to UND related to miscellaneous services and payments of approximately $463,000.

The Foundation is leasing 45,000 square feet of land for the Gorecki Alumni Center from UND. Starting in 2016, the rate is $0.10 per square foot, per year. The cost in fiscal year 2019 was $4,500.

On July 24, 2002, the 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 Energy and Environmental Research Center (EERC) of UND. The Foundation recorded a receivable from UND of $8.6 million under the direct-financing lease arrangement. On October 18, 2012, the Foundation issued refunding lease revenue bonds in the amount of $6.4 million to refund its outstanding Lease Revenue Bonds, Series 2002. The 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 and principal

are due through fiscal year 2027 and as of June 30, 2019 was $3.8 million. The bonds are secured by a lease with UND. The terms for the repayment are the same as the payment terms of the related bonds. During fiscal year ended June 30, 2019, the Foundation recorded payment of principal and interest of $405,000 and $157,000, respectively. The interest is included in operations, fees and miscellaneous income on the statement of activities.

On October 24, 2003, the Foundation issued $4.4 million of tax-exempt lease revenue bonds to finance the purchase of land and the construction of a facility for the Minot Center for Family Practice in Minot, North Dakota. The center is a department of the School of Medicine & Health Sciences at UND. The Foundation recorded a receivable from UND of $4.4 million due under the direct-financing lease agreement. In June 2008, the $3.7 million remaining balance of the 2003 bonds were financed with Lease Revenue Refunding Bonds, series 2008. In April 2018, the $2.2 million remaining balance of the 2008 bonds was refinanced with Lease Revenue Bonds, Series 2018. The interest rate is fixed at 3.5% until 2028. Payments of $133,333 are required semi-annually through 2028. The bonds are secured by a lease with UND. Annual principal and semiannual interest payments as of June 30, 2019 was $2.0 million.

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

BANK OF NORTH DAKOTA

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 of credit, elements of credit risk 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	$ 861,421
Financial standby letters of credit	412,614
Guarantees provided	9,490

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 three months 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 seventeen months to twenty nine 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 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, 2018 were $106,834,000.

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, 2018 were $3,525,000.

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 $302,255,000 at December 31, 2018. 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, 2018.

INFRASTRUCTURE REVOLVNG LOAN PROGRAM

In the normal course of business, the Loan Fund makes various commitments that are not reflected in the financial statements. These commitments include commitments to extend credit of $38,955,000 at June 30, 2019.

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 $524,000 at June 30, 2019.

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 $53,474,000 at June 30, 2019.

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 $269,344,000 at December 31, 2018.

NOTE 13 - INTEREST RATE SWAP

BANK OF NORTH DAKOTA

The Bank has an outstanding interest rate swap agreement with a notional amount totaling $350 million to convert variable rate federal funds into fixed-rate instruments over the term of the contract.

On June 5, 2014 ("June 2014 Swap") the Bank entered into a swap agreement which matures on June 1, 2029, and the swap's notional amount is $50,000,000. Under the terms of the swap, the Bank pays the counterparty a fixed payment of 2.861% and receives a variable payment based on the USD-FEDERAL FUNDS-H.15 interest rate.

On April 14, 2015 ("April 2015 Swap") the Bank entered into a swap agreement which matures on May 1, 2030, and the swap's notional amount is $50,000,000. Under the terms of the swap, the Bank pays the counterparty a fixed payment of 1.920% and receives a variable payment based on the USD-FEDERAL FUNDS-H.15 interest rate.

On August 11, 2016 ("August 2016 Swap") the Bank entered into a swap agreement which matures on September 1, 2031, and the swap's notional amount is $50,000,000. Under the terms of the swap, the Bank pays the counterparty a fixed payment of 1.483% and receives a variable payment based on the USD-1 MONTH LIBOR-BBA interest rate.

On April 5, 2017 ("April 2017 Swap") the Bank entered into a swap agreement which matures on May 1, 2032, and the swap's notional amount is $50,000,000. Under the terms of the swap, the Bank pays the counterparty a fixed payment of 2.390% and receives a variable payment based on the USD-1 MONTH LIBOR-BBA interest rate.

On June 15, 2017 (“June 2017 Swap”) the Bank entered into a swap agreement which matures on July 1, 2032, and the swap’s notional amount is $50,000,000. Under the terms of the swap, the Bank pays the counterparty a fixed payment of 1.985% and receives a variable payment based on the USD-FEDERAL FUNDS-H.15 interest rate.

On March 27, 2018 (“March 2018 Swap”) the Bank entered into a swap agreement which matures on April 1, 2033, and the swap’s notional amount is $50,000,000. Under the terms of the swap, the Bank pays the counterparty a fixed payment of 2.468% and receives a variable payment based on the USD-FEDERAL FUNDS-H.15 interest rate.

On June 28, 2018 (“June 2018 Swap”) the Bank entered into a swap agreement which matures on July 1, 2033, and the swap’s notional amount is $50,000,000. Under the terms of the swap, the Bank pays the counterparty a fixed payment of 2.515% and receives a variable payment based on the USD-FEDERAL FUNDS-H.15 interest rate.

At December 31, 2018, the June 2014, March 2018 and June 2018 swaps has a negative fair values of $2,180,000, $45,000 and $320,000, respectively, because interest rates have declined since the swap was executed. The April 2015, August 2016, April 2017 and June 2017 swaps has a positive fair values of $2,492,000, $6,240,000, $1,404,000 and $2,710,000, respectively, because interest rates have increased since the swap was executed.

At December 31, 2018, the Bank was not exposed to material credit risk because each counterparty is required to fully collateralize the fair value of the swaps within $250,000 of daily mark-to-market valuations by depositing funds with the other counterparty.

Amongst all swap counterparties for the transactions noted above, the Bank holds a net $12,150,000 in cash pledged under collateral arrangements related to the interest rate swaps at December 31, 2018, to satisfy the collateral requirements. The Bank is exposed to interest rate risk on its swap agreements.

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 LIBOR-BBA interest rates decrease.

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, 2018:

		Fair Value		Changes in Fair Value	
	Notional Amount	Classification	Amount	Classification	Amount
June 2014 Swap	$ 50,000,000	Oher liabilities	$ (2,180,000)	Deferred outflow	$ 1,921,000
April 2015 Swap	50,000,000	Other assets	2,492,000	Deferred inflow	1,598,000
August 2016 Swap	50,000,000	Other assets	6,240,000	Deferred inflow	1,018,000
April 2017 Swap	50,000,000	Other assets	1,404,000	Deferred inflow	1,530,000
June 2017 Swap	50,000,000	Other assets	2,710,000	Deferred inflow	1,930,000
March 2018 Swap	50,000,000	Oher liabilities	(45,000)	Deferred outflow	(45,000)
June 2018 Swap	50,000,000	Oher liabilities	(320,000)	Deferred outflow	(320,000)

Using rates as of December 31, 2018, the interest expense of the variable rate federal funds, variable rate 1 month LIBOR and the net swap payments are as follows. As rates vary, the federal fund and 1 month LIBOR interest expense and the net swap payments will vary.

	Pay Fixed	Receive Variable		
Year Ended December 31:	Contract Interest	Federal Fund Interest	1-Month LIBOR Interest	Interest Rate Swap, net
2019	$ 7,811,000	$ 6,000,000	$ 2,520,000	$ (709,000)
2020	7,811,000	6,000,000	2,520,000	(709,000)
2021	7,811,000	6,000,000	2,520,000	(709,000)
2022	7,811,000	6,000,000	2,520,000	(709,000)
2023	7,811,000	6,000,000	2,520,000	(709,000)
2024-2028	39,065,000	30,000,000	12,600,000	(3,535,000)
2029-2033	22,219,000	16,800,000	7,560,000	(2,141,000)
	$ 100,339,000	$ 76,800,000	$ 32,760,000	$ (9,221,000)

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. The Agency cash flow hedges are pay-fixed. 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) 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, 2019, the Agency no swaps with a positive fair value. 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 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 Bank of New York Mellon, the 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, 2019, the Agency owed the swap providers a fixed rate on the notional amount of the swaps of $2,566,000 and the swap providers owed the Agency a variable rate on the notional amounts of $1657,000 making the net payment that the Agency owed the swap providers $909,000.

Due to the difference in the variable rate indices, the swaps had a net negative fair value of $7,886,000 as of June 30, 2019. 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 outflow at June 30, 2019. 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 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, 2019. If a change occurs that results in the rates' moving to convergence, the expected cost savings may not be realized.

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 terminations 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, 2019 are as follows:

1.	Bond Series	2008 B	2014 B	2015 C	2015 E
2.	Issuance Date	3/26/2008	6/24/2014	6/25/2015	5/1/2016
3.	Maturity Date	7/1/2038	7/1/2044	1/1/2046	7/1/2036
4.	Notional Amount	$5,000	$27,055,000	$17,700,000	$25,000,000
5.	Variable-rate Bonds	$5,000	$27,055,000	$17,700,000	$25,000,000
6.	Fixed Rate	4.725%	2.890%	2.486%	2.257%
7.	LIBOR Percentage	100.00%	65.80%	66.20%	66.40%
8.	Additional Percentage	0.00%	0.17%	0.10%	0.22%
9.	Bonds Variable-rate	2.36000%	1.97000%	2.63000%	N/A
10.	Fair Value	$(127,000)	$(839,000)	$(465,000)	$(590,000)
11.	Percentage of LIBOR	2.39800%	1.74788%	1.68748%	1.81227%
12.	Synthetic Rate	4.68700%	3.11212%	3.42852%	0.44473%
13.	Actual Synthetic Rate	4.92102%	2.77968%	3.17451%	2.39800%
14.	Change in Fair Value	$(128,000)	$348,000	$(635,000)	$(946,000)
15.	Optional Termination Date	1/1/2020	N/A	7/1/2020	7/1/2020

1.	Bond Series	2015 F	2017 C	2017 H	2018 C
2.	Issuance Date	12/8/2015	5/10/2017	12/21/2017	6/14/2018
3.	Maturity Date	1/1/2047	7/1/2047	7/1/2039	1/1/2049
4.	Notional Amount	$21,000	$20,545,000	$28,250,000	$9,355,000
5.	Variable-rate Bonds	$21,000	$20,545,000	$28,250,000	$9,355,000
6.	Fixed Rate	2.320%	2.783%	2.266%	3.515%
7.	LIBOR Percentage	100.00%	100.00%	66.40%	100.00%
8.	Additional Percentage	0.00%	0.00%	0.09%	0.00%
9.	Bonds Variable-rate	2.38000%	2.37408%	1.92000%	2.38000%
10.	Fair Value	$(183,000)	$(1,138,000)	$(1,188,000)	$(1,121,000)
11.	Percentage of LIBOR	2.39800%	2.39800%	1.68227%	2.39800%
12.	Synthetic Rate	2.30200%	2.75858%	2.50373%	3.49700%
13.	Actual Synthetic Rate	2.28243%	2.69555%	2.22250%	3.40774%
14.	Change in Fair Value	$1,199,000	$1,684,000	$1,367,000	$839,000
15.	Optional Termination Date	1/1/2025	7/1/2027	7/1/2023	7/1/2027

1.	Bond Series	2019 B	2019 E
2.	Issuance Date	2/13/2019	6/25/2019
3.	Maturity Date	1/1/2043	1/1/2050
4.	Notional Amount	$25,000	$12,000
5.	Variable-rate Bonds	$25,000	$12,000
6.	Fixed Rate	2.693%	3.171%
7.	LIBOR Percentage	70.00%	100.00%
8.	Additional Percentage	0.00%	0.00%
9.	Bonds Variable-rate	2.30000%	2.30000%
10.	Fair Value	$(1,417,000)	$(818,000)
11.	Percentage of LIBOR	1.67860%	2.39800%
12.	Synthetic Rate	3.31390%	3.07300%
13.	Actual Synthetic Rate	3.08702%	3.43035%
14.	Change in Fair Value	$(1,417,000)	$(818,000)
15.	Optional Termination Date	1/1/2024	7/1/2028

Using rates as of June 30, 2019, 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, 2019. 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 Principal	Variable-Rate Bond Interest	Interest Rate Swap, Net	Total
2020	$ 2,545	$ 3,694	$ 1,810	$ 8,049
2021	2,335	3,637	1,799	7,771
2022	2,130	3,585	1,789	7,504
2023	1,945	3,538	1,780	7,263
2024	1,775	3,495	1,773	7,043
2025-2029	22,865	16,445	8,387	47,697
2030-2034	34,765	14,392	6,586	55,743
2035-2039	61,750	10,067	3,991	75,808
2040-2044	47,005	4,013	1,518	52,536
2045-2049	12,900	665	219	13,784
2050-2054	1,710	14	5	1,729
	$ 191,725	$ 63,545	$ 29,657	$ 284,927

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, loans to political subdivisions in the state for infrastructure, single-family and multifamily mortgage loans, and the agricultural industry. 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.

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 $1,000,000 per occurrence. The limit of liability of such reinsurance contract is no less than $1,000,000 during each twelve month period.

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 2019, a total of $147,666,582 in claims was recognized. The liability of $1,090,944,000 is the present value of the unpaid claim liability discounted at 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 statutory liability of the State is limited to a total of $250,000 per person and $1,000,000 per occurrence. 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 lessor 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, 2018 and 2019:

Fiscal Year	Beginning Balance	Current Year Claims and Changes In Estimates	Claims Payments	Ending Balance
2018	$ 4,076,985	$ 923,270	$ (743,861)	$ 4,256,394
2019	4,256,394	(175,718)	(313,674)	3,767,002

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. WCP pays separately for this coverage. Since the inception of WCP on July 1, 2001, forty claims exceeded coverage by $10,687,695.

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.

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, 2018 and 2019:

Fiscal Year	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2018	$ 5,358,784	$ 2,945,274	$ (3,422,372)	$ 4,861,686
2019	4,861,686	2,639,167	(3,142,217)	4,358,636

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 1,161 policies to participating entities for a total building and content coverage of $15.2 billion. The Bonding Fund is used to provide fidelity bonding of public employees and officials. The Fund has issued 1,892 policies to participating entities. The total coverage for the Bonding Fund is $674.9 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 $1.0 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, 2019 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, 2019, coverage extended to the following employers:

Annual Premium	
$250 - $5,000	19,350
$5,001 - $50,000	4,312
$50,001 - $100,000	424
Over $100,000	381
Total Employers	24,467

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 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 4.5% discount to report this liability at its present value. A 5% discount rate has been used in prior years; however, in 2019, the rate was reduced to 4.5% discount. The result of the discount rate decrease, increased liabilities by $44.3 million.

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, 2019, 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	$ 1,602,041	$ 1,726,416	$ 1,821,531
Present value basis, discounted at 4.5%	1,013,686	1,090,944	1,151,057

WSI has adjusted the estimated liability for unpaid loss and loss adjustment expense to the actuary's 4.5 percent discounted expected value of $1,090,944,000 at June 30, 2019.

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 2019 calendar year has two coverage levels, with retention limits of $10 million and $20 million. For the year ended June 30, 2019 WSI recorded ceded losses of $1,037,258 and ceded premiums of ($184,860).

For accident years December 1, 1999 to December 1, 2002, Munich Re provided treaty excess of loss reinsurance to WSI. In fiscal year 2019, Munich Re and WSI agreed to commute the remaining liabilities under these treaties. As a result of this commutation, cash increased by $50.5 million and approximately $40 million of ceded liabilities were assumed by WSI.

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	
	2019	2018	2019	2018	2019	2018
Unpaid claims and claims adjustment expenses at the beginning of the year	$ 1,879	$ 1,138	$ 106	$ 66	$ 1,049,386	$ 1,085,768
Incurred claims and claims adjustment expenses:						
Provision for current fiscal year	2,953	2,352	39	87	186,815	193,275
Change in provision for prior fiscal year	(610)	(117)	-	-	(89,573)	(77,547)
Payments and claims and adjustment expenses attributable to:						
Current fiscal year insured events	(3,217)	(832)	59	19	(42,252)	(42,068)
Prior fiscal years' insured events	(327)	(662)	(106)	(66)	(103,685)	(118,153)
Total Payments	(3,544)	(1,494)	(47)	(47)	(145,937)	(160,221)
Change in provision for discount	-	-	-	-	90,253	8,111
Total unpaid claims and claims adjustment expenses at the end of the year	$ 678	$ 1,879	$ 98	$ 106	$ 1,090,944	$ 1,049,386

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. As of June 30, 2019, the total outstanding balance on these contracts was:

Lignite Research Program	$ 20,567,049
Lignite Vision 21 Program	1,367,678
Oil and Gas Research Program	5,753,306
Renewable Energy Program	2,774,012
Outdoor Heritage Fund Program	24,450,922

In addition to the contracts above, the Commission has authorized projects totaling $9,945,360 for which there is no signed contract.

MILL AND ELEVATOR

As of June 30, 2019, the Mill had commitments to purchase 4,645,817 bushels of spring wheat and 601,675 bushels of durum.

SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND

As of June 30, 2019, the Fund had five outstanding commitments totaling $38,910,000 to extend credit.

HOUSING INCENTIVE FUND

The Fund makes various commitments relating to construction projects to meet unmet housing needs across North Dakota. The Fund had $583,147 of signed commitments for construction projects as of June 30, 2019. The Fund had an $3,910,047 of HIF funds awarded for construction projects as of June 30, 2019. The total paid on these commitments as of June 30, 2019 was $3,326,900.

DEPARTMENT OF HUMAN SERVICES

As of June 30, 2019, the Department of Human Services had significant commitments for the purchase of various types of services totaling $444,725,081.

NORTH DAKOTA LOTTERY

The Lottery contracts with a third party to provide an online gaming system and related services through June 30, 2022. Total payment for these services during the year ended June 30, 2019 were $3.8 million based on 10.473% of ticket sales. The Lottery's future obligation through June 30, 2022 is based on 10.473% of ticket sales, there is no minimum fee or retainer fee.

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION

At June 30, 2019, the North Dakota Department of Transportation (Special Revenue Fund) had non-construction contract commitments of approximately $90.6 million. Construction commitments at June 30, 2019, totaled approximately $372.2 million, of which $231.7 million represents federal programs which are cost reimbursable. These commitments will be funded with future appropriations as work is performed.

NORTH DAKOTA DEVELOPMENT FUND

The board of directors has approved equity investments, loans, grants, and guaranty of collections at June 30, 2019, for which funds have not been disbursed or written agreements entered into in the amount of $5,203,735.

NORTH DAKOTA SOYBEAN COUNCIL

As of June 30, 2019, the North Dakota Soybean Council had significant commitments of approximately $3.3 million. This amount mainly consists of grants for the research and development of soybeans.

STATE WATER COMMISSION

As of June 30, 2019, the State Water Commission had long-term commitments of $309,719,281 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):

	Original Issue	Paid To Date	Amount To Be Paid
LRSC	$ 68	$ 68	$ -
MaSU	82	-	82
MiSU	9,012	7,943	1,069
NDSCS	13,139	13,130	9
NDSU	61,946	56,203	5,743
UND	112,993	43,594	69,399
VCSU	1,390	891	499
WSC	8,432	321	8,111
Total	$ 207,062	122,150	$ 84,912

OTHER CONSTRUCTION COMMITMENTS

That State has entered into construction commitments. As of June 30, 2019, the following commitment exists on other construction contracts, in thousands:

Office of Management and Budget	$ 15
Secretary of State	643
School for the Deaf	115
State Health Department	65
Department of Human Services	1,897
Industrial Commission	5,403
Financial Institutions	20
Adjutant General	29,539
Game and Fish	893
Parks and Recreation	20
Department of Transportation	244,945

B. LITIGATION

The estimated loss in all of the litigation against the State in which a loss to the State that is reasonably possible to result in an unfavorable outcome is estimated to be $5 million.

C. 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, 2018, was completed and issued in March of 2019. As a result of this audit, approximately $1.9 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 $495.93 million as of June 30, 2019. The State recognized revenue of $20.75 million of tobacco settlement revenue during the year ended June 30, 2019. 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 – TERMINATION BENEFITS

PRIMARY GOVERNMENT (EXCLUDING UNIVERSITY SYSTEMS)

On June 29, 2018, the State offered a Voluntary Separation Incentive Program (VSIP) to state agencies as a tool to assist them when planning for the 2019-21 biennium budget. Agencies independently determined whether or not it is beneficial to offer the program to their employees. This was determined based on each agency's budget planning process and specific business objectives. Under the VSIP, employees were given two options. The first option was to receive lump sum equal to three (3) month's salary and payment equivalent to three (3) months of health insurance at the actual cost of the current health insurance benefit as of VSIP program start date. Participating part-time employees will receive a pro-rated amount based on their current average monthly rate of pay over the last three months. The second option was to remain on payroll for three (3) months after separation date and receive salary and currently enrolled benefits as if still actively working during this time. Participating part-time employees will receive a pro-rated amount based on their current average monthly rate of pay over the last three months. The separation agreement of program participants must be no later than April 30, 2019. In total, 218 employees from 18 state agencies elected to participate in the VSIP for a total cost of $4.6 million in fiscal year 2019. The terms for these agreements range a payment one to three months. The State recorded a liability at June 30, 2019 of $252,000 for future payments.

UNIVERSITY SYSTEMS

Termination benefits are benefits provided to employees who are involuntarily or voluntarily terminated, as a result of budget reductions. Termination benefits agreements may include contract buyouts, retirement incentives, severance lump-sum payouts and continuing healthcare coverage for a designated period of time or a combination of these benefits. The agreement terms vary by institution. The outstanding liability is measured at the discounted present value and projected increases in health insurance rates.

The University Systems entered into voluntary termination agreements with 109 employees for a cost of $4.2 million in fiscal year 2019. The terms for these agreements range from one month to eighteen months. The University Systems recorded a liability at June 30, 2019 of $2.1 million for future payments.

During the same time-period, The University Systems entered into involuntary separation agreements with 10 employees for a cost of $146,000. The payments of benefits were for a one-month time period and there is no future liability for these arrangements at June 30, 2019.

In fiscal year 2019, NDUS incurred $718,000 in expenses related to voluntary termination agreements entered into in prior fiscal years for 26 employees. The terms for these agreements range from three month to thirty-eight months. At June 30, 2019, the liability for future payments was $456,000.

NOTE 21 - SUBSEQUENT EVENTS

BANK OF NORTH DAKOTA

In May and October 2019 the Bank entered into interest rate swaps with Goldman Sachs, which resulted in a total fixed rate funding commitment of $100 million for 15 years. These transactions were completed to hedge fixed rate loan exposure, primarily in mortgage and DEAL loans. The Bank also has seven other interest rate swaps for the same purpose with a notional amount of $50 million each with Goldman Sachs (3), Wells Fargo (3) and SunTrust Bank (1). As of October 31, 2019, the market value position of all interest rate swap transactions was a net loss of $35.3 million.

The 2015 Legislature authorized a transfer of up to $100 million from the Bank to fund an Infrastructure Loan Fund for North Dakota cities and counties. They also transferred an additional $50 million from the Strategic Investment and

Improvement Fund to this same revolving loan fund. So far, the Bank has committed to $186 million of infrastructure loans. The legislation mandated that the money from the Strategic Investment and Improvement Fund be used to fund the initial $50 million of commitments and the drawdown of up to $100 million from the Bank to fund activity over the initial $50 million. As of October 31, 2019, the Bank has transferred $48 million of its capital to fund its portion of the Infrastructure Loan Fund. In the 2019 Legislature, legislation passed to add up to $40 million of additional contribution from the Strategic Investment and Improvement Fund should oil tax collections exceed $755 million. Oil tax collections exceeded $780 million, which resulted in an additional contribution of $25 million to the Infrastructure Loan Fund. That $25 million will be spent prior to drawing the remaining $52 million from the Bank's retained earnings.

The 2019 Legislature allowed the Reinsurance Association to establish a credit line at the Bank in the amount of $25 million to provide reimbursements to member insurers. As of October 31, 2019, the Reinsurance Association has not applied for this line of credit.

NORTH DAKOTA HOUSING FINANCE AGENCY

The Agency issued Series 2019F Homeownership Revenue Bonds totaling $80 million. The bonds have an interest rate ranging from 1.15% to 3.75% and mature between July 1, 2020 and January 1, 2050.

UNIVERSITY SYSTEMS

On August 21, 2019, WSC issued tax exempt certificates of participation series 2019 totaling $7.3 million. The proceeds will fund an infrastructure and energy improvement project, including renovations to existing heating, ventilation, controls and deferred maintenance improvements to buildings located on WSC's campus. WSC entered into a lease-purchase agreement on August 1, 2019, with Johnson Controls, Inc. (JCI). JCI will construct the project and provide operations and maintenance assistance through August 1, 2048. The certificates of participation were rated BBB by Standard and Poor's.

On October 1, 2019, the University of North Dakota issued $71.5 million, Series 2019A Housing and Auxiliary Facilities Revenue Bonds. The proceeds will be used to demolish the current student union building and to construct a new student union building. The bond payments commence on April 1, 2020 and mature on April 1, 2050. The security for the bonds is pledged revenues from net housing and auxiliary facilities system and pledged fees. The bonds were issued with a Moody's Investor Services rating of Aa3 with a stable outlook.

PUBLIC FINANCE AUTHORITY

Subsequent to year end, the Agency issued $2.515 million of bonds payable for its capital financing program. The bonds have an interest rate ranging from 1.75% to 4.0% and mature between 2020 and 2024.

REBUILDERS LOAN PROGRAM

As of October 31, 2019, the outstanding loans total $25.5 million to 1,184 borrowers. The 2019 legislature allowed an additional $3.75 million in rebuilders loans for severe flooding in northwestern North Dakota. As a result, an additional 5 loans totaling $375,000 have been applied for under this program.

NOTE 22 - NEW PRONOUNCEMENTS

The State implemented the following new pronouncement for fiscal year 2019:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). This Statement establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for AROs. It also establishes disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant

termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement is effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

The State will implement the following new pronouncements for fiscal years ending after 2019:

GASB Statement No. 84, *Fiduciary Activities*, provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 90, *Majority Equity Interests*, establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement provides guidance for reporting when a government has majority equity interest in legally separate organizations. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. If government's holding of that equity interest meets the definition of an investment, as defined by GASB No. 72, the equity interest should be reported as an investment and measured using the equity method and not as a component unit of the government. If a government's holding of a majority interest in a legally separate organization does not meet the definition of an investment, the holding of the majority equity interest results in the government being financially accountable for the organization and therefore, the government should report the legally separate organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

Management has not yet determined the effect these Statements will have on the State's financial statements.

Required Supplementary Information

STATE OF NORTH DAKOTA

Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Biennium Ended June 30, 2019

	Approved Budget 2017-2019 Biennium	Appropriation Adjustments 2017-2019 Biennium	Adjusted Budget 2017-2019 Biennium	Actual Biennium To Date Thru 6-30-19	Difference Uncollected/ Unspent Thru 6-30-19
Budgetary Fund Balance, July 1	$ 30,890,381	$ -	$ 30,890,381	$ 217,617,800	$ 186,727,419
Resources (Inflows):					
Sales and Use Tax	1,701,747,285	70,528,921	1,772,276,206	1,786,479,717	14,203,511
Income Tax	800,816,415	146,904,486	947,720,901	1,018,161,523	70,440,622
Financial Institutions Tax	-	-	-	-	-
Oil And Gas Production Tax	163,000,000	49,147,128	212,147,128	215,022,128	2,875,000
Oil Extraction Tax	237,000,000	(49,147,128)	187,852,872	187,852,872	(0)
Insurance Premium Tax	129,637,121	(19,311,224)	110,325,897	115,544,049	5,218,152
Cigarette, Cigar and Tobacco Tax	53,247,000	(1,394,452)	51,852,548	52,381,863	529,315
Wholesale Liquor Tax	18,083,000	(131,425)	17,951,575	17,768,453	(183,122)
Coal Conversion Tax	39,564,000	3,655,227	43,219,227	44,572,709	1,353,482
Gaming Tax	7,301,480	(73,159)	7,228,321	9,156,498	1,928,177
Lottery	15,000,000	(400,000)	14,600,000	15,900,000	1,300,000
Department Fees and Collections	81,983,864	2,899,574	84,883,438	81,466,893	(3,416,545)
Mineral Leasing Fees	30,500,000	8,372,687	38,872,687	42,197,590	3,324,903
Motor Vehicle Excise Tax	220,003,000	19,977,388	239,980,388	239,039,038	(941,350)
Interest on Public Funds	8,000,000	1,471,168	9,471,168	11,319,365	1,848,197
Gas Tax Administration	2,016,120	-	2,016,120	2,016,120	-
Transfers In	821,916,604	101,489,848	923,406,452	1,074,569,845	151,163,393
Total Revenue Inflows	4,329,815,889	333,989,039	4,663,804,928	4,913,448,662	249,643,734
					-
Amounts Available for Appropriation	4,360,706,270	333,989,039	4,694,695,309	5,131,066,462	436,371,153
Charges to Appropriations (Outflows):					
General Government:					
Governor's Office	4,007,758	15,000,000	19,007,758	18,618,908	388,850
Secretary of State	5,520,282	2,200,620	7,720,902	6,503,661	1,217,241
Secretary of State Public Printing	288,450	-	288,450	258,942	29,508
Office of Management and Budget	31,220,260	3,754,817	34,975,077	30,912,455	4,062,622
Information Technology	20,532,334	-	20,532,334	20,508,160	24,174
State Auditor	9,498,608	16,000	9,514,608	9,260,450	254,158
State Treasurer	1,747,399	20,000	1,767,399	1,657,326	110,073
Attorney General	44,795,840	1,620,065	46,415,905	45,604,153	811,752
Tax Department	51,264,499	2,191,623	53,456,122	51,772,543	1,683,579
Legislative Assembly	14,159,170	1,308,157	15,467,327	14,048,930	1,418,397
Legislative Council	11,891,138	4,601,140	16,492,278	10,110,101	6,382,177
Supreme Court	102,257,770	-	102,257,770	99,313,437	2,944,333
Legal Counsel for Indigents	17,983,876	-	17,983,876	16,712,744	1,271,132
Education:					
Public Instruction	1,435,601,984	700,711	1,436,302,695	1,423,630,252	12,672,443
Land Department	-	1,325,500	1,325,500	1,325,425	75
State Library	5,618,301	-	5,618,301	5,607,869	10,432
School for the Deaf	7,488,526	209,115	7,697,641	7,487,736	209,905
School for the Blind	4,394,146	-	4,394,146	4,394,026	120
Vocational Education	29,556,283	-	29,556,283	29,145,924	410,359
Health & Human Services:					
Dept. of Health	43,474,460	90,000	43,564,460	41,868,220	1,696,240
Veteran's Home	5,951,439	234,679	6,186,118	5,990,029	196,089
Indian Affairs Commission	1,112,111	-	1,112,111	1,080,134	31,977
Veteran's Affairs	1,155,162	-	1,155,162	1,093,826	61,336
Dept. of Human Services-Management	57,120,407	28,964,777	86,085,184	80,270,665	5,814,519
Dept. of Human Services-Program and Policy	1,058,183,935	(28,594,352)	1,029,589,583	1,018,798,922	10,790,661
Dept. of Human Services-Centers	113,316,558	2,123,236	115,439,794	113,622,209	1,817,585
Dept. of Human Services-Institutions	84,610,450	9,167,940	93,778,390	89,177,552	4,600,838
Dept. of Human Services-County Social Service	26,000,000	-	26,000,000	19,312,317	6,687,683
Protection and Advocacy	2,958,999	-	2,958,999	2,958,983	16
Job Service	545,793	-	545,793	437,493	108,300
Regulatory:					
Industrial Commission	25,408,987	2,628,086	28,037,073	26,618,928	1,418,145
Labor Commission	2,303,986	-	2,303,986	1,892,463	411,523
Public Service Commission	6,630,762	-	6,630,762	6,179,154	451,608
Securities Commissioner	2,184,714	-	2,184,714	2,023,634	161,080
Public Safety and Corrections:					
Highway Patrol	42,527,428	-	42,527,428	41,019,557	1,507,871
Corrections & Rehab	214,336,704	-	214,336,704	208,430,637	5,906,067
Adjutant General	25,886,422	2,965,369	28,851,791	27,640,437	1,211,354
Agriculture & Commerce:					
Department of Commerce	31,342,680	31,678,450	63,021,130	30,952,990	32,068,140
Department of Agriculture	9,109,101	3,900	9,113,001	9,103,944	9,057
State Fair	515,665	-	515,665	515,665	-
Racing Commision	379,621	-	379,621	379,620	1
Natural Resources:					
Historical Society	16,673,644	1,113,136	17,786,780	17,137,752	649,028
Council on the Arts	1,564,876	-	1,564,876	1,561,846	3,030
Parks and Recreation	14,654,276	5,358,616	20,012,892	17,049,176	2,963,716
Transportation:					
Aeronautics Commission	900,000	-	900,000	900,000	-
Department of Transportation		38,016,031	38,016,031	23,569,851	14,446,180
Transfers Out	723,587,837	78,741,128	802,328,965	743,371,125	58,957,840
Total Charges to Appropriations	4,310,262,641	205,438,744	4,515,701,385	4,329,830,171	185,871,214
Ending Budgetary Fund Balance	$ 50,443,629	$ 128,550,295	$ 178,993,924	$ 801,236,291	$ 622,242,367

Required Supplemental Information
Budgetary Comparison Schedule
Budget to GAAP Reconciliation
General Fund
For the Biennium Ended June 30, 2019

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	4,913,448,662
Backing out 2018 activity	(2,348,637,808)
Differences-Budget to GAAP:	
The period of availability for revenue recognition for budget purposes differs from the GAAP basis.	(439,454,229)
Funds considered General funds for GAAP but not for Budget	1,061,092,980
Certain due from other funds are recorded under GAAP, but not Budget	2,826,630
Reimbursement activity between state agencies is eliminated only for GAAP	(398,277)
Proceeds are recorded for new capital leases on GAAP, but not for Budget	22,628
Repayment received on loan receivable are revenue for Budget to GAAP	135,906
Total revenues, capital lease acquisitions, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	$ 3,189,036,492
Uses/Outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	4,329,830,171
Backing out Expenditures from FY2018	(2,166,017,840)
Differences-Budget to GAAP:	
Estimated liabilities are recorded as expenditures for GAAP but not for Budget	576,389
Funds considered General funds for GAAP but not for Budget	103,110,583
New capital leases are recorded as expenditures for GAAP, but not for Budget	22,628
Certain due to other funds are recorded under GAAP, but not for Budget	4,128,392
Total expenditures, sale of capital assets, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	$ 2,271,650,323

STATE OF NORTH DAKOTA

Required Supplemental Information
Budgetary Comparison Schedule
Federal Fund
For the Biennium Ended June 30, 2019

	Approved Budget 2017-2019 Biennium	Appropriation Adjustments 2017-2019 Biennium	Adjusted Budget 2017-2019 Biennium	Actual Biennium To Date Thru 6-30-19	Difference Uncollected/ Unspent Thru 6-30-19
Budgetary Fund Balance, July 1	$ -	$ -	$ -	-	$ -
Resources (Inflows):					
Other Budgeted Income	3,733,229,262	74,010,488	3,807,239,750	3,282,287,101	(524,952,649)
Total Revenue Inflows	3,733,229,262	74,010,488	3,807,239,750	3,282,287,101	(524,952,649)
Amounts Available for Appropriation	3,733,229,262	74,010,488	3,807,239,750	3,282,287,101	524,952,649
Charges to Appropriations (Outflows):					
General Government:					
Secretary of State	402,655	53,000	455,655	455,344	311
Information Technology	2,875,000	-	2,875,000	284,428	2,590,572
State Auditor	1,463,285	-	1,463,285	1,147,134	316,151
Attorney General	16,953,660	(5,676,808)	11,276,852	6,936,884	4,339,968
Tax Department	125,000	-	125,000	22,341	102,659
Supreme Court	1,339,138	-	1,339,138	1,081,431	257,707
Education:					
Public Instruction	288,306,970	18,000,000	306,306,970	291,375,175	14,931,795
State Library	2,155,708	124,500	2,280,208	1,976,693	303,515
School for the Deaf	351,993	-	351,993	187,006	164,987
Vocational Education	9,461,692	478,156	9,939,848	9,332,107	607,741
Health & Human Services:					
Dept. of Health	119,132,089	174,000	119,306,089	104,947,332	14,358,757
Veteran's Affairs	2,091,571	-	2,091,571	1,024,864	1,066,707
Dept. of Human Services-Management	125,979,264	65,210,501	191,189,765	127,907,600	63,282,165
Dept. of Human Services-Program and Policy	2,003,389,340	(17,984,235)	1,985,405,105	1,803,974,927	181,430,178
Dept. of Human Services-Centers	68,285,042	(415,288)	67,869,754	55,597,316	12,272,438
Dept. of Human Services-Institutions	30,666,923	6,189,820	36,856,743	33,760,701	3,096,042
Protection and Advocacy	3,488,601	-	3,488,601	3,046,792	441,809
Job Service	53,851,918	645,000	54,496,918	41,809,219	12,687,699
Regulatory:					
Insurance Department	619,326	-	619,326	537,072	82,254
Industrial Commission	238,004	-	238,004	223,625	14,379
Labor Commission	439,916	-	439,916	439,870	46
Public Service Commission	10,731,348	-	10,731,348	8,123,369	2,607,979
Public Safety and Corrections:					
Highway Patrol	6,421,209	-	6,421,209	6,418,217	2,992
Corrections & Rehab	10,539,317	-	10,539,317	9,426,932	1,112,385
Adjutant General	163,109,179	7,211,842	170,321,021	79,889,966	90,431,055
Agriculture & Commerce:					
Department of Commerce	48,207,071	-	48,207,071	42,177,583	6,029,488
Department of Agriculture	12,089,336	-	12,089,336	7,900,807	4,188,529
Natural Resources:					
Historical Society	3,155,795	-	3,155,795	1,661,915	1,493,880
Council on the Arts	1,675,407	-	1,675,407	1,441,747	233,660
Game and Fish	38,222,467	-	38,222,467	34,357,377	3,865,090
Parks and Recreation	5,477,782	-	5,477,782	2,525,992	2,951,790
Water Commission	27,473,887	-	27,473,887	17,449,957	10,023,930
Transportation:					
Aeronautics Commission	1,025,000	-	1,025,000	842,403	182,597
Department of Transportation	673,484,369	-	673,484,369	584,002,975	89,481,394
Total Charges to Appropriations	3,733,229,262	74,010,488	3,807,239,750	3,282,287,101	524,952,649.00
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, 2019

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	3,282,287,101
Backing out 2018 activity	(1,614,312,923)
Differences-Budget to GAAP:	
The period of availability for revenue recognition for budget purposes differs from the GAAP basis.	40,721,564
Total revenues, capital lease acquisitions, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	$ 1,708,695,742
Uses/Outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	3,282,287,101
Backing out Expenditures from FY2018	(1,614,312,923)
Differences-Budget to GAAP:	
Estimated liabilities are recorded as expenditures for GAAP but not for Budget	45,234,389
New Loans issued are expenditures for Budget but not for GAAP	(13,956,048)
GAAP, but not Budget expenditures are reduced by year end inventory balances	17,444,559
Intrafund activity eliminated for GAAP	(12,994,884)
Certain due to other funds are recorded under GAAP, but not for Budget	10,494,715
Total expenditures, sale of capital assets, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	$ 1,714,196,909

STATE OF NORTH DAKOTA

Required Supplemental Information
Budgetary Comparison Schedule
State Fund
For the Biennium Ended June 30, 2019

	Approved Budget 2017-2019 Biennium	Appropriation Adjustments 2017-2019 Biennium	Adjusted Budget 2017-2019 Biennium	Actual Biennium To Date Thru 6-30-19	Difference Uncollected/ Unspent Thru 6-30-19
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -	$ -
Resources (Inflows):					
Other Budgeted Income	3,061,198,974	511,262,860	3,572,461,834	2,555,572,232	(1,016,889,602)
Total Revenue Inflows	3,061,198,974	511,262,860	3,572,461,834	2,555,572,232	(1,016,889,602)
Amounts Available for Appropriation	3,061,198,974	511,262,860	3,572,461,834	2,555,572,232	(1,016,889,602)
Charges to Appropriations (Outflows):					
General Government:					
Governor's Office	-	265,918.00	265,918.00	203,128.00	62,790.00
Secretary of State	2,835,500.00	970,673.00	3,806,173.00	1,750,021.00	2,056,152.00
Office of Management & Budget	11,234,087.00	3,448,629.00	14,682,716.00	9,777,337.00	4,905,379.00
Information Technology	221,691,988.00	-	221,691,988.00	136,894,190.00	84,797,798.00
State Auditor	1,948,202.00	-	1,948,202.00	1,615,347.00	332,855.00
State Treasurer	-	8,100,000.00	8,100,000.00	7,965,000.00	135,000.00
Attorney General	31,260,660.00	7,750,944.00	39,011,604.00	30,212,202.00	8,799,402.00
Administrative Hearings	2,918,634.00	-	2,918,634.00	2,566,703.00	351,931.00
Legislative Council	70,000.00	-	70,000.00	49,232.00	20,768.00
Supreme Court	1,982,701.00	-	1,982,701.00	586,627.00	1,396,074.00
Legal Counsel for Indigents	2,946,747.00	(76,759.00)	2,869,988.00	1,989,420.00	880,568.00
Education:					
Public Instruction	609,240,095.00	-	609,240,095.00	607,515,326.00	1,724,769.00
Land Department	238,481,273.00	61,552,792.00	300,034,065.00	69,060,346.00	230,973,719.00
State Library	91,852.00	-	91,852.00	91,783.00	69.00
School for the Deaf	2,846,451.00	23,495.00	2,869,946.00	1,669,050.00	1,200,896.00
School for the Blind	1,214,747.00	-	1,214,747.00	866,839.00	347,908.00
Vocational Education	2,631,974.00	-	2,631,974.00	2,050,107.00	581,867.00
Health & Human Services:					
Dept. of Health	38,887,869.00	(378,723.00)	38,509,146.00	32,941,090.00	5,568,056.00
Veteran's Home	18,740,593.00	278,281.00	19,018,874.00	17,191,292.00	1,827,582.00
Veteran's Affiars	-	80,000.00	80,000.00		80,000.00
Dept. of Human Services-Management	3,500,294.00	12,088,236.00	15,588,530.00	11,138,485.00	4,450,045.00
Dept. of Human Services-Program and Policy	167,768,179.00	(16,677,838.00)	151,090,341.00	115,103,327.00	35,987,014.00
Dept. of Human Services-Centers	14,447,889.00	(6,267.00)	14,441,622.00	14,253,090.00	188,532.00
Dept. of Human Services-Institutions	25,143,851.00	(65,854.00)	25,077,997.00	25,077,995.00	2.00
Dept. of Human Services-County Social Service	134,700,000.00	-	134,700,000.00	134,699,998.00	2.00
Job Service	1,047,238.00	-	1,047,238.00	497,347.00	549,891.00
Regulatory:					
Insurance Department	25,174,104.00	-	25,174,104.00	24,176,602.00	997,502.00
Industrial Commission	22,055,202.00	(1,261.00)	22,053,941.00	19,547,959.00	2,505,982.00
Public Service Commission	1,689,668.00	-	1,689,668.00	599,682.00	1,089,986.00
Finanacial Institutions	8,409,912.00	-	8,409,912.00	8,052,433.00	357,479.00
Securities Commission	170,000.00	-	170,000.00	78,289.00	91,711.00
Public Safety and Corrections:					
Highway Patrol	11,918,069.00	(1,575,108.00)	10,342,961.00	8,427,456.00	1,915,505.00
Corrections & Rehab	28,724,843.00	-	28,724,843.00	23,077,966.00	5,646,877.00
Adjutant General	35,359,301.00	4,258,574.00	39,617,875.00	22,827,488.00	16,790,387.00
Agriculture & Commerce:					
Department of Commerce	20,678,587.00	2,047,060.00	22,725,647.00	11,777,280.00	10,948,367.00
Department of Agriculture	10,118,340.00	1,500,000.00	11,618,340.00	8,667,524.00	2,950,816.00
Racing Commission	162,557.00	-	162,557.00	116,832.00	45,725.00
Natural Resources:					
Historical Society	1,000,000.00	1,757,943.00	2,757,943.00	2,086,919.00	671,024.00
Council of Arts	111,515.00	-	111,515.00	50,025.00	61,490.00
Game and Fish	45,753,755.00	2,384,550.00	48,138,305.00	38,182,161.00	9,956,144.00
Parks and Recreation	13,561,798.00	(47,237.00)	13,514,561.00	10,847,976.00	2,666,585.00
Water Commission	694,699,588.00	96,295,369.00	790,994,957.00	414,743,806.00	376,251,151.00
Transportation:					
Aeronautics Commission	8,960,412.00	2,500,000.00	11,460,412.00	8,640,851.00	2,819,561.00
Department of Transportation	597,020,499.00	324,789,443.00	921,809,942.00	727,905,701.00	193,904,241.00
Total Charges to Appropriations	3,061,198,974.00	511,262,860.00	3,572,461,834.00	2,555,572,232.00	1,016,889,602.00
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, 2019

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	2,555,572,232
Backing out 2018 activity	(1,262,622,176)
Differences-Budget to GAAP:	
The period of availability for revenue recognition for budget purposes differs from the GAAP basis.	1,942,057,542
Total revenues, capital lease acquisitions, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	$ 3,235,007,598
Uses/Outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	2,555,572,232
Backing out Expenditures from FY2018	(1,262,622,176)
Differences-Budget to GAAP:	
Estimated liabilities are recorded as expenditures for GAAP but not for Budget	1,453,088,464
New Loans issued are expenditures for Budget but not for GAAP	(6,012,616)
GAAP, but not Budget expenditures are reduced by year end inventory balances	(1,240,407)
Intrafund activity eliminated for GAAP	(546,166,097)
Certain due to other funds are recorded under GAAP, but not for Budget	312,414
Total expenditures, sale of capital assets, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	$ 2,192,931,814

Note To Required Supplemental Information - Budgetary Reporting

For the Biennium Ended June 30, 2019

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 2017-2019 Biennium Budget and Actual Detail (Budgetary Basis) For the Fiscal Year Ended June 30, 2019." This budget information is available through the Office of Management and Budget, 600 East Boulevard Ave Dept. 110, Bismarck, ND 58505. For the 2017-2019 biennium there were general, federal, and special fund supplemental appropriations of $790,712,092.

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, 2018, for the General Fund, Federal Fund, and State Fund is on the previous pages.

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
2019	50.378759%	$859,160	$569,979	$1,496,340	150.74%	63.53%
2018	51.879909%	833,182	588,960	1,415,199	141.47%	62.65%
2017	53.421343%	520,338	566,915	1,290,070	91.78%	71.10%
2016	54.824190%	365,845	494,732	1,300,271	73.95%	77.70%
2015	55.154588%	348,760	477,406	1,258,398	73.05%	78.17%

*Complete data for this schedule is not available prior to 2015. 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
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%
2015	37,076	(37,571)	(495)	494,732	7.59%

*Complete data for this schedule is not available prior to 2015.

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
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%
2015	100.00%	9,766	9,348	65,667	104.47%	87.05%

*Complete data for this schedule is not available prior to 2015. 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
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%
2015	2,002	(2,002)	-	10,146	19.73%

*Complete data for this schedule is not available prior to 2015.

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
2019	100.00%	$(27,459)	$471	$95,588	(6,590.37)%	140.30%
2018	100.00%	(33,636)	563	97,265	(5,974.42)%	152.86%
2017	100.00%	(35,329)	565	96,534	(6,252.92)%	157.72%
2016	100.00%	(32,893)	674	96,283	(4,880.27)%	151.89%
2015	100.00%	(32,650)	753	97,697	(4,335.99)%	150.20%

*Complete data for this schedule is not available prior to 2015. 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
2019	$ -	$ -	$ -	$ 417	0.00%
2018	-	-	-	471	0.00%
2017	-	-	-	563	0.00%
2016	-	-	-	565	0.00%
2015	-	-	-	674	0.00%

*Complete data for this schedule is not available prior to 2015.

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
2019	0.665791%	$8,874	$4,397	$16,849	201.82%	65.50%
2018	0.652945%	8,968	4,294	15,413	208.85%	63.20%
2017	0.666339%	9,762	4,329	14,155	225.50%	59.20%
2016	0.678409%	8,873	4,173	14,531	212.63%	62.10%
2015	0.616525%	6,460	3,576	12,891	180.65%	66.60%

*Complete data for this schedule is not available prior to 2015. 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
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%
2015	532	(532)	-	4,173	12.75%

*Complete data for this schedule is not available prior to 2015.

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
2019	0.507311%	$39,954	$563,479	$64,888	7.09%	61.89%
2018	0.515458%	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
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.

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)

	2019	2018	2017	2016
Total pension liability (asset)				
Service cost	$ 172,184	$ 164,018	$ 113,148	$ 126,444
Interest	294,701	279,835	269,771	243,285
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	(210,896)	(65,346)	(3,612)	15,915
Changes of assumptions	(464,473)	125,225	741,492	108,139
Benefit payments, including refund of employee contributions	(197,758)	(182,522)	(162,992)	(149,664)
Net change in total pension liability (asset)	(406,242)	321,210	957,807	344,119
Total pension liability (asset) - beginning	4,675,582	4,354,372	3,396,565	3,052,446
Total pension liability (asset) - ending (a)	$ 4,269,340	$ 4,675,582	$ 4,354,372	$ 3,396,565
Plan fiduciary net position				
Contributions - employer	$ 81,588	$ 80,727	$ 78,934	$ 77,080
Contributions - employee	78,213	77,486	76,007	74,219
Contributions - service credit repurchase	7,220	19,985	11,805	9,179
Contributions - other	-	-	-	-
Net investment income	159,824	249,165	311,761	11,334
Transfers from other plans	(5)	(24)	32	23,575
Benefit payments, including refund of employee contributions	(197,758)	(182,522)	(162,992)	(149,664)
Administrative expense	(2,531)	(2,473)	(2,607)	(2,538)
Net change in plan fiduciary net position	126,551	242,344	312,940	43,185
Plan fiduciary net position - beginning	2,970,180	2,727,836	2,414,896	2,371,711
Plan fiduciary net position - ending (b)	$ 3,096,731	$ 2,970,180	$ 2,727,836	$ 2,414,896
Net pension liability (asset) - ending (a) - (b)	$ 1,172,609	$ 1,705,402	$ 1,626,536	$ 981,669
Plan fiduciary net position as a percentage of the total pension liability (asset)	72.53%	63.53%	62.65%	71.10%
Covered employee payroll	$ 1,098,416	$ 1,075,958	$ 1,063,372	$ 1,048,548
Plan net pension liability (asset) as a percentage of covered employee payroll	106.75%	158.50%	152.96%	93.62%

Notes to Schedule:

*Complete data for this schedule is not available prior to 2014.

Benefit Changes: There were no changes made in the plan provisions since the prior valuation.

Changes of Assumptions: There were no changes made in the actuarial assumptions since the July 1, 2017 valuation.

2015	2014
$ 104,158	$ 94,611
236,420	218,719
2	-
4,396	25,783
(76,152)	-
(134,930)	(119,886)
133,894	219,227
2,918,552	2,699,325
$ 3,052,446	$ 2,918,552
$ 70,842	$ 61,661
68,392	59,394
6,652	8,325
-	-
81,537	316,630
-	-
(134,930)	(119,886)
(2,365)	(2,211)
90,128	323,913
2,281,583	1,957,670
$ 2,371,711	$ 2,281,583
$ 680,735	$ 636,969
77.70%	78.18%
$ 973,536	$ 888,452
69.92%	71.69%

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)

	2019	2018	2017	2016
Total pension liability (asset)				
Service cost	$ 2,818	$ 2,738	$ 2,701	$ 2,226
Interest	7,527	7,203	6,951	6,311
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	(68)	(621)	22	40
Changes of assumptions	3,043	-	1,257	3,946
Benefit payments, including refund of employee contributions	(5,391)	(4,981)	(4,806)	(4,713)
Net change in total pension liability (asset)	7,929	4,339	6,125	7,810
Total pension liability (asset) - beginning	98,386	94,047	87,922	80,112
Total pension liability (asset) - ending (a)	$ 106,315	$ 98,386	$ 94,047	$ 87,922
Plan fiduciary net position				
Contributions - employer	$ 2,091	$ 2,153	$ 2,156	$ 2,127
Contributions - employee	1,412	1,453	1,456	1,436
Contributions - service credit repurchase	168	282	249	-
Contributions - other	-	-	-	-
Net investment income	4,251	6,716	8,500	317
Benefit payments, including refund of employee contributions	(5,391)	(4,981)	(4,806)	(4,713)
Administrative expense	(44)	(30)	(30)	(32)
Net change in plan fiduciary net position	2,487	5,593	7,525	(865)
Plan fiduciary net position - beginning	78,929	73,336	65,811	66,676
Plan fiduciary net position - ending (b)	$ 81,416	$ 78,929	$ 73,336	$ 65,811
Net pension liability (asset) - ending (a) - (b)	$ 24,899	$ 19,457	$ 20,711	$ 22,111
Plan fiduciary net position as a percentage of the total pension liability (asset)	76.58%	80.22%	77.98%	74.85%
Covered employee payroll	$ 10,354	$ 10,737	$ 10,629	$ 10,527
Plan net pension liability (asset) as a percentage of covered employee payroll	240.48%	181.21%	194.84%	210.04%

Notes to Schedule:

*Complete data for this schedule is not available prior to 2014.

Benefit Changes: There were no changes made in the plan provisions since the prior valuation.

Changes of Assumptions: There were no changes made in the actuarial assumptions since the July 1, 2017 valuation.

2015	2014
$ 2,038	$ 1,894
6,008	5,750
-	-
984	(300)
395	-
(4,746)	(3,784)
4,679	3,560
75,433	71,873
$ 80,112	$ 75,433
$ 2,002	$ 1,865
1,352	1,243
97	87
-	-
2,335	9,240
(4,746)	(3,784)
(31)	(28)
1,009	8,623
65,667	57,044
$ 66,676	$ 65,667
$ 13,436	$ 9,766
83.23%	87.05%
$ 6	$ 9,348
132.44%	104.47%

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)

	2019	2018	2017	2016
Total pension liability (asset)				
Service cost	$ 70	$ 80	$ 56	$ 71
Interest	3,130	3,501	4,130	4,281
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	(505)	(310)	(1,648)	(2,007)
Changes of assumptions	-	5,812	4,421	70
Benefit payments, including refund of employee contributions	(4,627)	(4,583)	(4,534)	(4,601)
Net change in total pension liability (asset)	(1,932)	4,500	2,425	(2,186)
Total pension liability (asset) - beginning	68,129	63,629	61,204	63,390
Total pension liability (asset) - ending (a)	$ 66,197	$ 68,129	$ 63,629	$ 61,204
Plan fiduciary net position				
Contributions - employer	$ -	$ -	$ -	$ -
Contributions - employee	29	33	39	44
Contributions - service credit repurchase	-	-	-	-
Contributions - other	-	-	-	-
Net investment income	6,230	2,919	5,239	4,840
Benefit payments, including refund of employee contributions	(4,627)	(4,583)	(4,534)	(4,601)
Administrative expense	(17)	(46)	(13)	(32)
Net change in plan fiduciary net position	1,615	(1,677)	731	251
Plan fiduciary net position - beginning	95,588	97,265	96,534	96,283
Plan fiduciary net position - ending (b)	$ 97,203	$ 95,588	$ 97,265	$ 96,534
Net pension liability (asset) - ending (a) - (b)	$ (31,006)	$ (27,459)	$ (33,636)	$ (35,330)
Plan fiduciary net position as a percentage of the total pension liability (asset)	146.84%	140.30%	152.86%	157.72%
Covered employee payroll	$ 417	$ 417	$ 499	$ 567
Plan net pension liability (asset) as a percentage of covered employee payroll	-7443.56%	-6590.37%	-6746.56%	-6256.45%

Notes to Schedule:

*Complete data for this schedule is not available prior to 2014.

Benefit Changes: There were no changes made in the plan provisions since the prior valuation.

Changes of Assumptions: The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2018 actuarial valuation:

- The investment return assumption was lowered from 5.7 to 4.75 percent.

All other actuarial assumptions used in the July 1, 2018 are the same as the last actuarial valuation as of July 1, 2017.

2015	2014
$ 128	$ 88
5,026	5,107
-	-
(1,806)	(1,607)
(310)	-
(4,694)	(4,595)
(1,656)	(1,007)
65,046	66,053
$ 63,390	$ 65,046
$ -	$ -
50	56
-	-
-	-
3,260	11,888
(4,694)	(4,595)
(30)	(31)
(1,414)	7,318
97,697	90,379
$ 96,283	$ 97,697
$ (32,893)	$ (32,651)
151.89%	150.20%
$ 791	$ 843
-4160.24%	-3874.93%

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)

	2019	2018	2017	2016
Total pension liability (asset)				
Service cost	$ 77,756	$ 78,041	$ 75,476	$ 68,239
Interest	296,876	287,375	276,412	265,440
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	(23,495)	(27,939)	(10,749)	(8,093)
Changes of assumptions	-	-	-	-
Benefit payments, including refund of employee contributions	(221,228)	(207,979)	(196,516)	(185,969)
Net change in total pension liability (asset)	129,909	129,498	144,623	139,617
Total pension liability (asset) - beginning	3,863,515	3,734,017	3,589,394	3,449,777
Total pension liability (asset) - ending (a)	$ 3,993,424	$ 3,863,515	$ 3,734,017	$ 3,589,394
Plan fiduciary net position				
Contributions - employer	$ 89,445	$ 86,676	$ 86,059	$ 82,840
Contributions - employee	82,429	79,878	79,309	76,343
Contributions - service credit repurchase	1,917	2,181	2,553	2,768
Contributions - other	159	194	236	45
Net investment income	135,043	211,345	266,688	8,239
Benefit payments, including refund of employee contributions	(221,228)	(207,979)	(196,516)	(185,969)
Administrative expense	(2,251)	(2,129)	(2,173)	(1,852)
Net change in plan fiduciary net position	85,514	170,166	236,156	(17,586)
Plan fiduciary net position - beginning	2,530,657	2,360,491	2,124,335	2,141,921
Plan fiduciary net position - ending (b)	$ 2,616,171	$ 2,530,657	$ 2,360,491	$ 2,124,335
Net pension liability (asset) - ending (a) - (b)	$ 1,377,253	$ 1,332,858	$ 1,373,526	$ 1,465,059
Plan fiduciary net position as a percentage of the total pension liability (asset)	65.50%	65.50%	63.20%	59.20%
Covered employee payroll	$ 701,528	$ 679,809	$ 674,971	$ 649,725
Plan net pension liability (asset) as a percentage of covered employee payroll	196.10%	196.10%	203.50%	225.50%

Notes to Schedule:

*Complete data for this schedule is not available prior to 2014.
**Restated in 2015 due to GASB 68 implementation.

Changes of Assumptions: In 2015, amounts reported as changes of assumptions resulted primarily from a decrease in the investment return assumption from 8% to 7.75% and an updated mortality improvement scale.

2015	2014
$ 60,618	$ 56,752
249,064	237,821
-	-
2,209	9,347
171,325	-
(172,239)	(162,259)
310,977	141,661
3,138,800	2,997,139
$ 3,449,777	$ 3,138,800
$ 78,422	$ 62,355
72,268	56,555
1,601	2,034
172	48
73,205	294,246
(172,239)	(162,259)
(1,923)	(1,586)
51,506	251,393
2,090,415	1,839,584
$ 2,141,921	$ 2,090,977
$ 1,307,856	$ 1,047,823
62.10%	66.60%
$ 615,105	$ 580,053
212.60%	180.60%

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)

	2019	2018	2017
Total OPEB liability (asset)			
Service cost	$ 3,828	$ 3,767	$ 3,430
Interest	15,217	14,485	14,327
Change of benefit terms	-	-	-
Difference betw een expected and actual experience	(1,374)	2,732	(2,231)
Changes of assumptions	5,002	-	8,861
Benefit payments, including refund of employee contributions	(11,505)	(11,016)	(10,014)
Net change in total OPEB liability (asset)	11,168	9,968	14,373
Total OPEB liability (asset) - beginning	206,663	196,695	182,322
Total OPEB liability (asset) - ending (a)	$ 217,831	$ 206,663	$ 196,695
Plan fiduciary net position			
Contributions - employer	$ 12,977	$ 12,834	$ 12,576
Contributions - employee	16	16	16
Contributions - service credit repurchase	377	747	464
Contributions - other	-	-	-
Net investment income	8,178	8,211	12,074
Benefit payments, including refund of employee contributions	(11,505)	(11,016)	(10,014)
Administrative expense	(437)	(480)	(443)
Net change in plan fiduciary net position	9,606	10,312	14,673
Plan fiduciary net position - beginning	127,906	117,594	102,921
Plan fiduciary net position - ending (b)	$ 137,512	$ 127,906	$ 117,594
Net OPEB liability (asset) - ending (a) - (b)	$ 80,319	$ 78,757	$ 79,101
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	63.13%	61.89%	59.78%
Covered employee payroll	$ 1,115,858	$ 1,094,217	$ 1,081,841
Plan net OPEB liability (asset) as a percentage of covered employee payroll	7.20%	7.20%	7.31%

Notes to Schedule:

*Complete data for this schedule is not available prior to 2017.

Benefit Changes: There were no changes made in the plan provisions since the prior valuation.

Changes of Assumptions: There were no changes made in the actuarial assumptions since the July 1, 2017 valuation

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)

	2019	2018
Total OPEB liability (asset)		
Service cost	$ 4	$ 4
Interest	42	43
Change of benefit terms	-	-
Difference betw een expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments, including refund of employee contributions	(84)	(80)
Net change in total OPEB liability (asset)	(38)	(33)
Total OPEB liability (asset) - beginning	1,491	1,524
Total OPEB liability (asset) - ending (a)	$ 1,453	$ 1,491
Plan fiduciary net position		
Contributions - employer	$ 84	$ 80
Contributions - employee	-	-
Contributions - service credit repurchase	-	-
Contributions - other	-	-
Net investment income	-	-
Benefit payments, including refund of employee contributions	(84)	(80)
Administrative expense	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	$ -	$ -
Net OPEB liability (asset) - ending (a) - (b)	$ 1,453	$ 1,491
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	0.00%	0.00%
Covered employee payroll	n/a	n/a
Plan net OPEB liability (asset) as a percentage of covered employee payroll	n/a	n/a

*Complete data for this schedule is not available prior to 2018.

Required Supplementary Information
Schedule of Employer Contributions
Last 10 Fiscal Years*
(Dollars in thousands)

ND Public Employees Retirement System

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$127,129	$125,714	$116,564	$124,336	$107,514	$107,864	$97,985	$91,458	$82,910	$54,158
Contribution in relation to the actuarially determined contribution	81,588	80,727	78,934	77,081	70,843	61,661	48,847	38,006	32,278	30,253
Contribution deficiency (excess)	$45,541	$44,987	$37,630	$47,255	$36,671	$46,203	$49,138	$53,452	$50,632	$23,905
Covered payroll	1,098,416	1,075,958	1,063,372	1,048,548	973,536	888,452	800,878	804,169	769,710	697,737
Contributions as a percentage of covered payroll	7.43%	7.50%	7.42%	7.35%	7.28%	6.94%	6.10%	4.73%	4.19%	4.34%

Highway Patrolmen's Retirement System

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$2,936	$2,949	$3,060	$2,307	$2,201	$2,348	$2,191	$2,171	$1,744	$1,313
Contribution in relation to the actuarially determined contribution	2,091	2,153	2,156	2,127	2,002	1,865	1,586	1,423	1,286	1,197
Contribution deficiency (excess)	$845	$796	$904	$180	$199	$483	$605	$748	$458	$116
Covered payroll	10,354	10,737	10,629	10,527	10,146	9,348	8,167	8,002	7,738	7,009
Contributions as a percentage of covered payroll	20.20%	20.05%	20.28%	20.21%	19.73%	19.95%	19.42%	17.78%	16.62%	17.08%

Required Supplementary Information
Schedule of Employer Contributions
Last 10 Fiscal Years*
(Dollars in thousands)

Job Service North Dakota

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contribution in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	417	417	499	565	791	843	1,011	1,163	1,266	1,487
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%

ND Teachers' Fund for Retirement

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$90,778	$88,307	$89,231	$84,724	$71,168	$59,513	$52,396	$69,374	$65,113	$52,053
Contribution in relation to the actuarially determined contribution	89,445	86,676	86,059	82,840	78,422	62,355	59,301	46,126	44,545	39,837
Contribution deficiency (excess)	$1,333	$1,631	$3,172	$1,884	$(7,254)	$(2,842)	$(6,905)	$23,248	$20,568	$12,216
Covered payroll	701,528	679,809	674,971	649,725	615,105	580,053	551,656	527,156	509,091	482,868
Contributions as a percentage of covered payroll	12.75%	12.75%	12.75%	12.75%	12.75%	10.75%	10.75%	10.75%	8.75%	8.75%

Required Supplementary Information
Schedule of Employer Contributions
Last 10 Fiscal Years*
(Dollars in thousands)

Retiree Health Insurance Credit Plan

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$12,707	$12,252	11,696	7,544	6,439	7,014	7,411	7,263	7,053	7,199
Contribution in relation to the actuarially determined contribution	12,977	12,835	12,575	12,350	11,479	10,710	9,960	9,388	8,930	8,393
Contribution deficiency (excess)	$(270)	$(583)	$(879)	$(4,806)	$(5,040)	$(3,696)	$(2,549)	$(2,125)	$(1,877)	$(1,194)
Covered payroll	1,115,858	1,094,217	1,081,841	1,142,375	1,052,657	1,001,204	914,368	824,855	828,978	793,634
Contributions as a percentage of covered payroll	1.16%	1.17%	1.16%	1.08%	1.09%	1.07%	1.09%	1.14%	1.08%	1.06%

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2019

PERS

Benefit Changes	The interest rate earned on member contributions will decrease from 7.25 percent to 7.00 percent effective January 1, 2020 (based on the adopted decrease in the investment return assumption). New Main System and Public Safety members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System will increase from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2018.
Changes of Assumptions	The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019 actuarial valuation: • The investment return assumption was lowered from 7.75 to 7.5 percent for the July 1, 2019 valuation All other actuarial assumptions used in the July 1, 2019 are the same as the last actuarial valuation as of July 1, 2018.

HPRS

Benefit Changes	There were no changes made in the plan provisions since the prior valuation.
Changes of Assumptions	The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019 actuarial valuation: • The investment return assumption was lowered from 7.75 to 7.5 percent for the July 1, 2019 valuation All other actuarial assumptions used in the July 1, 2019 are the same as the last actuarial valuation as of July 1, 2018.

JSND

Benefit Changes	There were no changes made in the plan provisions since the prior valuation.
Changes of Assumptions	There were no changes made in in the actuarial assumptions since the July 1, 2019 valuation.

RHIC

Benefit Changes	Beginning 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
Changes of Assumptions	The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019 actuarial valuation: • The investment return assumption was lowered from 7.5 to 7.25 percent for the July 1, 2019 valuation All other actuarial assumptions used in the July 1, 2019 are the same as the last actuarial valuation as of July 1, 2018.

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2019

Schedule of Employer Contributions

PERS

Valuation Date	July 1, 2019
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level Percentage of Payroll, Open Period Assumed annual payroll growth of 3.75% (3.25% for Judges)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year smoothed marked
Inflation	2.50%
Salary Increases	4.00% to 20.00% including inflation
Investment Rate of Return	7.75%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	For June 30, 2019 and June 30, 2018, mortality rates for active members, inactive members and healthy retirees were based on the RP-2000 Combined Healthy Mortality Table, set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table, set back one year for males (no setback for females) multiplied by 125%.
Other Notes	Main System and Public Safety members hired on and after January 1, 2020 are to have a 1.75% benefit multiplier. The economic assumptions (excluding salary increases) and the asset smoothing method were updated beginning with the actuarial valuation as of July 1, 2017 based on a review performed by GRS. All other actuarial assumptions were adopted by the Board based on an experience study covering the period July 1, 2009, through June 30, 2014. The employer rates to the System are the statutory/Board approved contribution rates of 7.12% of payroll for the Main System, 17.52% for the Judges System, 9.81% for Public Safety with prior Main service System, and 7.93% for the Public Safety without prior Main System service System.

HPRS

Valuation Date	July 1, 2019
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level Percentage of Payroll, Open Period Assumed annual payroll growth of 3.75%
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year smoothed marked
Inflation	2.50%

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2019

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	7.75%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	For June 30, 2019, mortality rates for active members, inactive members and healthy retirees were based on the RP-2000 Combined Healthy Mortality Table, set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table, set back one year for males (no setback for females) multiplied by 125%.
Other Notes	There were no benefit changes during the year. The economic assumptions (excluding salary increases) and the asset smoothing method were updated beginning with the actuarial valuation as of July 1, 2017 based on a review performed by GRS. All other actuarial assumptions were adopted by the Board based on an experience study covering the period July 1, 2009, through June 30, 2014. The employer rate to the System is the statutory contribution rate of 19.70%of payroll.

JSND

Valuation Date	July 1, 2019
Actuarial Cost Method	Frozen Initial Liability (Aggregate since no initial Liability remains)
Amortization Method	Not Applicable
Asset Valuation Method	5-Year smoothed marked
Inflation	2.50%
COLA	2.50%
Salary Increases	3.50%
Investment Rate of Return	4.75%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	For June 30, 2019, mortality rates for active members, inactive members and healthy retirees were based on the RP-2000 Combined Healthy Mortality Table, set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table, set back one year for males (no setback for females) multiplied by 125%.
Other Notes	There were no benefit changes during the year. The economic assumptions (excluding salary increases) were updated beginning with the actuarial valuation as of July 1, 2017 based on a review performed by GRS. The Board approved lowering the investment return assumption from 5.70% to 4.75% beginning with the July 1, 2018, actuarial valuation. All other actuarial assumptions were adopted by the Board based on an experience study covering the period July 1, 2009 through June 30, 2014 The System has assets in excess of the present value of future benefits. Therefore, no employer contributions are being made

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2019

TFFR:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization Period	24 years
Asset valuation method	5-year smoothed market
Inflation	2.75%; decreased from 3% prior to July 1, 2015.
Salary increases	4.25% - 14.5%, including inflation and productivity; 4.5% - 14.75% prior to July 1, 2015.
Investment rate of return	7.75%, net of investment expenses, including inflation. Rate was decreased from 8% beginning July 1, 2015.
Retirement age	In the 2015 valuation, rates of retirement were changed to better reflect anticipated future experience. In the 2010 valuation, expected retirement ages of plan members were adjusted to more closely reflect actual experience.
Mortality	In the 2015 valuation, assumed life expectancies were adjusted as a result of adopting the RP-2014 mortality tables with generational improvement. In prior years, those assumptions were based on percentages of GRS post termination non-disabled tables and RP-2000 disabled-life tables.

RHIC

Valuation Date	July 1, 2019
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level Percentage of Payroll, 40-year closed Period (beginning July 1, 1990) for fiscal year 2019 contribution. Assumed annual payroll growth of 3.75%
Remaining Amortization Period	12 years remaining as of July 1, 2018
Asset Valuation Method	5-Year smoothed marked
Inflation	2.50%
Salary Increases	Not Applicable
Investment Rate of Return	7.50%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	For June 30, 2019 and June 30, 2018, mortality rates for active members, inactive members and healthy retirees were based on the RP-2000 Combined Healthy Mortality Table, set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table, set back one year for males (no setback for females) multiplied by 125%.
Other Notes	There were no benefit changes during the year. The economic assumptions (excluding salary increases) and the asset smoothing method were updated beginning with the actuarial valuation as of July 1, 2017 based on a review

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2019

performed by GRS. All other actuarial assumptions were adopted by the Board based on an experience study covering the period July 1, 2009, through June 30, 2014.

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
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%
2015	3.61%	3.66%	3.41%	3.56%	0.00%
2014	16.29%	16.20%	13.46%	16.35%	0.00%
2013	13.52%	13.38%	12.07%	13.60%	0.00%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Met Life Insurance Plan:

Actuarial cost method — Entry age normal actuarial cost method was used in the valuation.

Changes of assumptions — The following changes were made to the actuarial assumptions and methods effecting July 1, 2018

- The benefits valued were changed from retiree medical and life benefits to life benefits only.
- The discount rate is 2.98 percent based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2018, compared to the prior Statement No. 45 discount rate of 4.5%.
- The funding method was changed from Projected Unit Credit to Entry Age Normal.
- Mortality was updated from table RP-2-14 adjusted to 2006 and projected using scale MP-2015 to table RP-2014 adjusted to 2006 and projected using scale MP-2017.



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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 than 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.

BUILDING AUTHORITY
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.

DEPARTMENT OF TRANSPORTATION
949 - Department of Transportation Debt Service Fund
Account for accumulation of resources for, and the payment of, principal and interest on bonds issued by the Department of Transportation.

STATE OF NORTH DAKOTA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Perm Trust Fund			Debt Service Funds			
	Coal Development Trust Fund	Veteran's Postwar Trust Fund	Total	Building Authority	Dept. of Trans.	Total	Total Nonmajor Governmental Funds
ASSETS							
Cash Deposits at the Bank of ND	$ 279,990	$ 134,646	$ 414,636	$ 35,000	$ 85,831	$ 120,831	$ 535,467
Cash and Cash Equivalents	-	85,943	85,943	-	-	-	85,943
Investments at the Bank of ND	-	-	-	663,000	-	663,000	663,000
Investments	18,540,107	6,514,050	25,054,157	-	-	-	25,054,157
Accounts Receivable - Net	-	50	50	-	-	-	50
Taxes Receivable - Net	113,376	-	113,376	-	-	-	113,376
Interest Receivable - Net	154,655	12,087	166,742	-	-	-	166,742
Due from Other Funds	-	15	15	-	-	-	15
Loans and Notes Receivable - Net	52,976,356	-	52,976,356	-	-	-	52,976,356
Total Assets	72,064,484	6,746,791	78,811,275	698,000	85,831	783,831	79,595,106
DEFERRED OUTFLOWS OF RESOURCES							
Total Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 72,064,484	$ 6,746,791	$ 78,811,275	$ 698,000	$ 85,831	$ 783,831	$ 79,595,106
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	1,633	11,121	12,754	-	-	-	12,754
Securities Lending Collateral	1,613,262	-	1,613,262	-	-	-	1,613,262
Due to Other Funds	153,238	325	153,563	-	-	-	153,563
Total Liabilities	1,768,133	11,446	1,779,579	-	-	-	1,779,579
DEFERRED INFLOWS OF RESOURCES							
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund Balances:							
Nonspendable	70,213,873	6,337,408	76,551,281	-	-	-	76,551,281
Restricted	-	-	-	698,000	85,831	783,831	783,831
Committed	82,478	397,937	480,415	-	-	-	480,415
Total Fund Balances	70,296,351	6,735,345	77,031,696	698,000	85,831	783,831	77,815,527
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 72,064,484	$ 6,746,791	$ 78,811,275	$ 698,000	$ 85,831	$ 783,831	$ 79,595,106

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019

				Debt Service Funds			
	Coal Development Trust Fund	Veteran's Post War Trust Fund	Total	Building Authority	Dept. of Trans.	Total	Total Nonmajor Governmental Funds
REVENUES							
Oil, Gas, and Coal Taxes	$ 1,576,908	$ -	$ 1,576,908	$ -	$ -	$ -	$ 1,576,908
Licenses, Permits and Fees	-	9,820	9,820	-	-	-	9,820
Intergovernmental	-	-	-	-	4,300,620	4,300,620	4,300,620
Sales and Services	-	8,460	8,460	-	-	-	8,460
Interest and Investment Income	1,224,477	430,274	1,654,751	3,000	1,134	4,134	1,658,885
Miscellaneous	-	38,046	38,046	-	-	-	38,046
Total Revenues	2,801,385	486,600	3,287,985	3,000	4,301,754	4,304,754	7,592,739
EXPENDITURES							
Current:							
General Government	39,819	46,190	86,009	-	-	-	86,009
Health and Human Services	-	104,278	104,278	-	-	-	104,278
Debt Service:							
Principal	-	-	-	5,200,000	4,820,000	10,020,000	10,020,000
Interest and Other Charges	-	-	-	1,072,000	495,650	1,567,650	1,567,650
Total Expenditures	39,819	150,468	190,287	6,272,000	5,315,650	11,587,650	11,777,937
Revenues over (under) Expenditures	2,761,566	336,132	3,097,698	(6,269,000)	(1,013,896)	(7,282,896)	(4,185,198)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	6,291,000	1,014,907	7,305,907	7,305,907
Transfers Out	(2,056,507)	-	(2,056,507)	-	-	-	(2,056,507)
Total Other Financing Sources (Uses)	(2,056,507)	-	(2,056,507)	6,291,000	1,014,907	7,305,907	5,249,400
Net Change in Fund Balances	705,059	336,132	1,041,191	22,000	1,011	23,011	1,064,202
Fund Balances - Beginning of Year	69,591,292	6,399,213	75,990,505	676,000	84,820	760,820	76,751,325
Fund Balances - End of Year	$ 70,296,351	$ 6,735,345	$ 77,031,696	$ 698,000	$ 85,831	$ 783,831	$ 77,815,527



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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

907 – School Construction Assistance Revolving Loan Fund
Fund used to provide low-interest school construction loans.

934 – Infrastructure Revolving Loan Fund
Fund used to provide loans to political subdivisions for essential infrastructure projects.

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.

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 Loan Program
Fund used to make loans to North Dakota 2011 flood-damaged homeowners to provide financial assistance needed to repair their home.

BEGINNING FARMER REVOLVING LOAN

973 - Beginning Farmer Revolving Loan Fund
Fund used to make loans to North Dakota beginning farmers for the purchase of agricultural real estate.

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 - Community Water Facility 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.

ROUGHRIDER INDUSTRIES
926 - Roughrider Industries
Accounts for the revenues and expenses associated with the operation, manufacture and sale of products made by the prison inmates.

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.

Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2019

	Addiction Counselor Internship Loan	Beginning Farmer Revolving Loan	Bonding	Community Water Facility Loan	Edutech	Fire and Tornado	Guaranteed Student Loan	HIT Planning Loan Fund	Infrastructure Revolving Loan Fund
ASSETS									
Current Assets:									
Cash Deposits at the Bank of ND	$ 79,910	$ 5,548,000	$ 136,008	$ 14,005,000	$ 1,038,844	$ 243,813	$ 42,124,746	$ -	$ 5,573,000
Cash and Cash Equivalents	-	-	1,621,474	-	-	2,270,428	-	-	-
Investments at the Bank of ND	-	-	-	-	-	-	-	-	-
Investments	-	-	1,968,177	-	-	20,414,695	-	-	-
Accounts Receivable - Net	-	-	134,891	-	55,980	16,359	-	-	-
Interest Receivable - Net	1,081	-	28,111	275,000	-	146,703	-	3,399	761,000
Intergovernmental Receivable - Net	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	12,000	-	773,515	-	-
Prepaid Items	-	2,449,000	-	-	-	304,945	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Loans and Notes Receivable - Net	9,978	-	-	744,000	-	-	-	1,205,166	4,449,000
Other Assets	-	-	-	-	-	-	-	-	-
Restricted Cash at the Bank of ND	-	-	-	-	-	-	131,595	4,717,323	-
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-
Restricted Investments at the Bank of ND	-	-	-	-	-	-	-	-	-
Restricted Loans Receivable - Net	-	-	-	-	-	-	-	-	-
Total Current Assets	90,969	7,997,000	3,888,661	15,024,000	1,106,824	23,396,943	43,029,856	5,925,888	10,783,000
Noncurrent Assets:									
Loans and Notes Receivable - Net	100,482	-	-	20,314,000	-	-	-	3,386,324	80,111,000
Other Noncurrent Assets	-	3,912,000	-	-	-	-	-	-	-
Capital Assets:									
Nondepreciable	-	-	-	-	-	-	-	-	-
Depreciable, Net	-	-	-	-	33,428	-	-	-	-
Total Noncurrent Assets	100,482	3,912,000	-	20,314,000	33,428	-	-	3,386,324	80,111,000
Total Assets	191,451	11,909,000	3,888,661	35,338,000	1,140,252	23,396,943	43,029,856	9,312,212	90,894,000
DEFERRED OUTFLOWS OF RESOURCES									
Derived from Pensions	-	-	11,566	-	-	274,243	-	-	-
Derived from OPEB	-	-	359	-	-	9,517	-	-	-
Total Deferred Outflows of Resources	-	-	11,925	-	-	283,760	-	-	-
LIABILITIES									
Current Liabilities:									
Accounts Payable	-	-	131	-	2,106	57,879	-	6,251	-
Accrued Payroll	-	-	4,643	-	-	61,887	-	-	-
Securities Lending Collateral	-	-	8,340	-	-	70,368	-	-	-
Interest Payable	-	-	1,195	-	-	8,163	-	-	-
Intergovernmental Payable	-	-	-	-	-	7,062	4,487,595	-	-
Due to Other Funds	-	-	17	27,000	1,252	-	728,338	-	97,000
Amounts Held in Custody for Others	-	-	-	-	-	-	-	-	-
Claims/Judgments Payable	-	-	144,209	-	-	677,834	-	-	-
Compensated Absences Payable	-	-	18	-	-	1,115	-	-	-
Bonds Payable	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	112,936	-	-	-
Total Current Liabilities	-	-	158,553	27,000	3,358	997,244	5,215,933	6,251	97,000
Noncurrent Liabilities:									
Compensated Absences Payable	-	-	341	-	-	21,191	-	-	-
Bonds Payable	-	-	-	-	-	-	-	-	-
Net Pension Liability	-	-	25,521	-	-	609,339	-	-	-
Net Pension OPEB	-	-	312	-	-	8,166	-	-	-
Other Noncurrent Liabilities	-	-	-	-	-	-	18,273,765	-	-
Total Noncurrent Liabilities	-	-	26,174	-	-	638,696	18,273,765	-	-
Total Liabilities	-	-	184,727	27,000	3,358	1,635,940	23,489,698	6,251	97,000
DEFERRED INFLOWS OF RESOURCES									
Increase in Fair Value of Hedging Derivatives	-	-	-	-	-	-	-	-	-
Derived from Pensions	-	-	1,519	-	-	35,861	-	-	-
Derived from OPEB	-	-	48	-	-	1,351	-	-	-
Total Deferred Inflows of Resources	-	-	1,567	-	-	37,212	-	-	-
Net Position									
Net Investment in Capital Assets	-	-	-	-	-	-	-	-	-
Restricted for:									
Debt Service	-	-	-	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Unrestricted	191,451	11,909,000	3,714,292	35,311,000	1,136,894	22,007,551	19,540,158	9,305,961	90,797,000
Total Net Position	$ 191,451	$ 11,909,000	$ 3,714,292	$ 35,311,000	$ 1,136,894	$ 22,007,551	$ 19,540,158	$ 9,305,961	$ 90,797,000

Interoperable Radio Network Fund	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Loan Program	Roughrider Industries	School Construction Assistance Loan Fund	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Total
$ 8,854,907	$ 5,343,000	$ 1,754,988	$ 3,602,289	$ 742,345	$ 10,581,007	$ 34,467,000	$ 5,754,186	$ 9,870,335	$ -	$ 33,362	$ 149,752,740
-	-	-	2,867,344	-	500	-	-	390,040	-	197,221,988	204,371,774
-	-	-	-	-	-	-	1,000,000	-	-	-	1,000,000
-	-	-	28,207,330	-	-	-	-	-	-	-	50,590,202
336,629	-	39,350,917	248,238	-	578,938	-	139,725	361,439	-	32,390,590	73,613,706
-	25,000	-	-	24,653	-	791,000	-	-	-	1,163,972	3,219,919
-	-	-	-	-	-	-	-	-	-	906,195	906,195
45,511	-	-	-	-	249,521	-	-	-	10,000	-	1,090,547
-	-	1,419,783	-	-	18,868	-	52,480	12,085	-	-	4,257,161
-	-	25,394,997	-	-	1,974,735	-	-	-	-	-	27,369,732
-	1,812,000	-	-	1,874,109	-	12,591,000	-	-	-	-	22,685,253
-	-	15,750	-	-	2,935	-	-	-	-	-	18,685
-	-	-	-	-	-	-	-	-	-	-	4,848,918
-	-	-	-	-	-	-	-	-	225,000	-	225,000
-	-	-	-	-	-	-	-	-	1,000,000	-	1,000,000
-	-	-	-	-	-	-	-	-	162,000	-	162,000
9,237,047	7,180,000	67,936,435	34,925,201	2,641,107	13,406,504	47,849,000	6,946,391	10,633,899	1,397,000	231,716,107	545,111,832
-	42,781,000	-	-	22,056,027	-	182,774,000	-	-	816,000	-	352,338,833
-	-	476,558	-	-	-	-	-	1,430,060	-	-	5,818,618
-	-	24,122,965	-	-	-	-	620,678	-	-	-	24,743,643
70,846	-	85,721,571	393,539	-	1,585,764	-	24,743,405	8,367	-	-	112,556,920
70,846	42,781,000	110,321,094	393,539	22,056,027	1,585,764	182,774,000	25,364,083	1,438,427	816,000	-	495,458,014
9,307,893	49,961,000	178,257,529	35,318,740	24,697,134	14,992,268	230,623,000	32,310,474	12,072,326	2,213,000	231,716,107	1,040,569,846
-	-	6,724,416	-	-	873,233	-	847,530	438,127	-	-	9,169,115
-	-	266,283	-	-	25,996	-	19,496	13,339	-	-	334,990
-	-	6,990,699	-	-	899,229	-	867,026	451,466	-	-	9,504,105
-	-	16,930,064	102,427	7,262	267,142	-	45,022	1,026,694	-	5,559,224	24,004,202
-	-	537,584	84,825	-	145,625	-	-	80,416	-	-	914,980
-	-	-	-	-	-	-	-	-	-	-	78,708
-	-	-	-	-	-	-	-	-	3,000	-	12,358
-	-	-	-	-	-	-	-	-	-	1,800,540	6,295,197
14,934	57,000	52,443,576	9,779	24,488,884	16,504	247,000	-	8,618,497	21,000	46,580	86,817,361
-	-	-	6,052,981	-	-	-	-	-	-	-	6,052,981
-	-	-	-	-	-	-	-	-	-	-	822,043
-	-	100,465	5,209	-	-	-	70,000	-	-	-	176,807
-	-	-	-	-	-	-	120,000	-	-	-	120,000
-	-	-	-	-	9,375	-	-	266,184	-	-	275,559
-	-	-	-	-	-	-	-	-	-	-	112,936
14,934	57,000	70,011,689	6,255,221	24,496,146	438,646	247,000	235,022	9,991,791	24,000	7,406,344	125,683,132
-	-	1,091,292	53,053	-	-	-	34,532	60,969	-	-	1,261,378
-	-	-	-	-	-	-	1,576,794	-	1,000,000	-	2,576,794
-	-	14,040,992	-	-	2,142,082	-	1,670,191	1,048,537	-	-	19,536,662
-	-	615,199	-	-	93,854	-	77,560	45,941	-	-	841,032
-	-	-	-	-	-	-	-	-	-	-	18,273,765
-	-	15,747,483	53,053	-	2,235,936	-	3,359,077	1,155,447	1,000,000	-	42,489,631
14,934	57,000	85,759,172	6,308,274	24,496,146	2,674,582	247,000	3,594,099	11,147,238	1,024,000	7,406,344	168,172,763
-	-	15,750	-	-	-	-	-	-	-	-	15,750
-	-	1,242,649	-	-	260,984	-	88,566	66,609	-	-	1,696,188
-	-	25,946	-	-	6,160	-	4,879	1,938	-	-	40,322
-	-	1,284,345	-	-	267,144	-	93,445	68,547	-	-	1,752,260
-	-	109,844,536	393,539	-	1,585,764	-	23,667,289	8,367	-	-	135,499,495
-	-	-	-	-	-	-	-	-	379,000	-	379,000
-	-	-	-	-	-	-	-	-	-	224,309,763	224,309,763
-	-	-	-	-	-	-	-	1,430,060	-	-	1,430,060
9,292,959	49,904,000	(11,639,825)	28,616,927	200,988	11,364,007	230,376,000	5,822,667	(130,420)	810,000	-	518,530,610
$ 9,292,959	$ 49,904,000	$ 98,204,711	$ 29,010,466	$ 200,988	$ 12,949,771	$ 230,376,000	$ 29,489,956	$ 1,308,007	$ 1,189,000	$ 224,309,763	$ 880,148,928

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, 2019

	Addiction Counselor Internship Loan	Beginning Farmer Revolving Loan	Bonding	Community Water Facility Loan	Edutech	Fire and Tornado	Guaranteed Student Loan	HIT Planning Loan Fund	Infrastructure Revolving Loan Fund
OPERATING REVENUES									
Sales and Services	$ -	$ -	$ 1,270	$ -	$ 238,250	$ 2,439,402	$ 7,111,290	$ -	$ -
Royalties and Rents	-	-	-	-	-	-	-	-	-
Interest and Investment Income	6,128	-	-	653,000	-	-	-	59,397	1,452,000
Miscellaneous	-	-	10,119	-	-	-	-	-	-
Total Operating Revenues	6,128	-	11,389	653,000	238,250	2,439,402	7,111,290	59,397	1,452,000
OPERATING EXPENSES									
Cost of Sales and Services	-	-	-	-	-	-	-	-	-
Salaries and Benefits	-	-	23,960	-	-	355,420	-	-	-
Operating	5,700	2,283,000	3,799	115,000	89,953	457,616	7,579,087	27,276	612,000
Claims	-	-	38,535	-	-	2,039,364	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	50,923	-	-	-	-
Miscellaneous	-	6,000	3,180	-	-	29,523	-	-	-
Total Operating Expenses	5,700	2,289,000	69,474	115,000	140,876	2,881,923	7,579,087	27,276	612,000
Operating Income (Loss)	428	(2,289,000)	(58,085)	538,000	97,374	(442,521)	(467,797)	32,121	840,000
NONOPERATING REVENUES (EXPENSES)									
Grants and Contracts	-	-	-	-	-	-	-	-	-
Interest and Investment Income	117	5,000	202,386	14,000	-	1,405,852	50,948	-	19,000
Interest Expense	-	-	(3,563)	-	-	(38,158)	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	117	5,000	198,823	14,000	-	1,367,694	50,948	-	19,000
Income (Loss) Before Contributions and Transfers	545	(2,284,000)	140,738	552,000	97,374	925,173	(416,849)	32,121	859,000
Transfers In	-	2,750,000	-	-	-	-	-	-	24,000,000
Transfer Out	-	-	-	-	-	-	-	-	-
Change in Net Position	545	466,000	140,738	552,000	97,374	925,173	(416,849)	32,121	24,859,000
Total Net Position - Beginning of Year	190,906	11,443,000	3,573,554	34,759,000	1,039,520	21,082,378	19,957,007	9,273,840	65,938,000
Total Net Position - End of Year	$ 191,451	$ 11,909,000	$ 3,714,292	$ 35,311,000	$ 1,136,894	$ 22,007,551	$ 19,540,158	$ 9,305,961	$ 90,797,000

Interoperable Radio Network Fund	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Loan Program	Roughrider Industries	School Construction Assistance Loan Fund	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Total
$ 5,183,547	$ -	$ 245,597,327	$ 332,091,694	$ -	$ 7,281,329	$ -	$ 6,944,615	$ 35,511,058	$ -	$ 114,657,558	$ 757,057,340
-	-	-	-	-	174,763	-	-	-	-	-	174,763
-	458,000	-	-	277,825	-	3,015,000	-	-	70,000	-	5,991,350
-	-	-	6,094	-	82,310	-	-	-	-	-	98,523
5,183,547	458,000	245,597,327	332,097,788	277,825	7,538,402	3,015,000	6,944,615	35,511,058	70,000	114,657,558	763,321,976
-	-	200,567,398	-	-	3,763,747	-	-	-	-	-	204,331,145
26,629	-	19,088,505	976,168	-	2,164,281	-	1,947,148	1,087,379	-	-	25,669,490
297,413	240,000	7,987,181	338,706,818	91,595	773,084	1,436,000	5,097,401	25,085,244	38,000	-	390,926,167
-	-	-	-	-	-	-	-	-	-	84,205,911	86,283,810
-	-	-	-	-	-	-	-	-	31,000	-	31,000
23,156	-	5,644,673	294,577	-	192,870	-	1,654,700	2,063	-	-	7,862,962
-	-	-	2,163	-	-	-	-	-	-	-	40,866
347,198	240,000	233,287,757	339,979,726	91,595	6,893,982	1,436,000	8,699,249	26,174,686	69,000	84,205,911	715,145,440
4,836,349	218,000	12,309,570	(7,881,938)	186,230	644,420	1,579,000	(1,754,634)	9,336,372	1,000	30,451,647	48,176,536
-	-	-	-	-	-	-	801,525	-	-	-	801,525
12,364	8,000	9,246	1,519,418	421	-	69,000	12,954	12,952	14,000	4,442,751	7,798,409
-	-	(1,753,116)	-	(201,011)	-	-	(57,200)	-	-	-	(2,053,048)
-	-	56,511	(325,000)	-	-	-	(4,240)	-	-	-	(272,729)
12,364	8,000	(1,687,359)	1,194,418	(200,590)	-	69,000	753,039	12,952	14,000	4,442,751	6,274,157
4,848,713	226,000	10,622,211	(6,687,520)	(14,360)	644,420	1,648,000	(1,001,595)	9,349,324	15,000	34,894,398	54,450,693
-	-	-	-	-	-	-	257,832	-	296,000	-	27,303,832
-	-	(8,140,828)	-	-	-	-	-	(9,342,500)	-	-	(17,483,328)
4,848,713	226,000	2,481,383	(6,687,520)	(14,360)	644,420	1,648,000	(743,763)	6,824	311,000	34,894,398	64,271,197
4,444,246	49,678,000	95,723,328	35,697,986	215,348	12,305,351	228,728,000	30,233,719	1,301,183	878,000	189,415,365	815,877,731
$ 9,292,959	$ 49,904,000	$ 98,204,711	$ 29,010,466	$ 200,988	$ 12,949,771	$ 230,376,000	$ 29,489,956	$ 1,308,007	$ 1,189,000	$ 224,309,763	$ 880,148,928

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2019

	Addiction Counselor Internship Loan Program	Beginning Farmer Revolving Loan	Bonding	Community Water Facility Loan	Edutech	Fire and Tornado	Guaranteed Student Loan	HIT Planning Loan Fund	Infrastructure Revolving Loan Fund
Cash Flows from Operating Activities:									
Receipts from Customers and Users	$ -	$ -	$ 46,387	$ -	$ 224,521	$ 2,423,043	$ 6,574,700	$ -	$ -
Interest Income on Loans	-	-	-	-	-	-	-	59,178	-
Receipts from Loan Principal Repayments	-	-	-	-	-	-	671,812	1,188,169	-
Receipts from Others	-	-	-	-	-	-	-	-	-
Payments to Other Funds	-	-	(6)	-	-	(2,431)	-	-	-
Payments for Loan Funds	-	-	-	-	-	-	(9,628,279)	(740,652)	-
Payments to Suppliers	-	(2,908,000)	(7,114)	(116,000)	(99,917)	(463,309)	(811,123)	(25,617)	-
Payments to Employees	-	-	(21,611)	-	-	(338,319)	-	-	-
Claim Payments	-	-	-	-	-	(3,240,312)	-	-	-
Payments to Others	(5,700)	(6,000)	-	-	-	-	-	-	(336,000)
Other	-	-	-	-	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	(5,700)	(2,914,000)	17,656	(116,000)	124,604	(1,621,328)	(3,192,890)	481,078	(336,000)
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	-	2,750,000	-	-	-	-	-	-	24,000,000
Transfers Out	-	-	-	-	-	-	-	-	-
Principal Payments on Due To Other Funds	-	-	-	-	-	-	-	-	-
Grants Received	-	-	-	-	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	-	2,750,000	-	-	-	-	-	-	24,000,000
Cash Flows from Capital and Related Financing Activities:									
Acquisition and Construction of Capital Assets	-	-	-	-	-	-	-	-	-
Principal Payments - Bonds	-	-	-	-	-	-	-	-	-
Interest Payments - Bonds	-	-	-	-	-	-	-	-	-
Payment of Bond Issue Costs	-	-	-	-		-	-		-
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	-	-	-	-	-	-	-	-
Cash Flows from Investing Activities:									
Proceeds from Sale and Maturities of Investment Securities	-	-	-	-	-	-	-	-	-
Purchase of Investment Securities	-	-	(185,793)	-	-	(19,143)	-	-	-
Net Increase In Investments	-	-	-	-	-	-	-	-	-
Interest and Dividends on Investments	117	5,000	275,138	14,000	-	1,643,959	50,948	-	19,000
Disbursements for Loans and Loan Purchases	(7,500)	-	-	-	-	-	-	-	(33,761,000)
Receipt of Loan Principal Repayments	-	-	-	820,000	-	-	-	-	-
Proceeds from Collection of Loans and Notes Receivable	20,923	-	-	-	-	-	-	-	3,206,000
Loan Income Received	4,877	-	-	659,000	-	-	-	-	1,242,000
Net Cash Provided by (Used for) Investing Activities	18,417	5,000	89,345	1,493,000	-	1,624,816	50,948	-	(29,294,000)
Net Change in Cash:									
Net Increase (Decrease) in Cash and Cash Equivalents	12,717	(159,000)	107,001	1,377,000	124,604	3,488	(3,141,942)	481,078	(5,630,000)
Cash and Cash Equivalents at June 30, 2018	67,193	5,707,000	1,650,481	12,628,000	914,240	2,510,753	45,398,283	4,236,245	11,203,000
Cash and Cash Equivalents at June 30, 2019	$ 79,910	$ 5,548,000	$ 1,757,482	$ 14,005,000	$ 1,038,844	$ 2,514,241	$ 42,256,341	$ 4,717,323	$ 5,573,000
Reconciliation:									
Current:									
Cash Deposits at the Bank of North Dakota	79,910	5,548,000	136,008	14,005,000	1,038,844	243,813	42,124,746	-	5,573,000
Cash and Cash Equivalents	-	-	1,621,474	-	-	2,270,428	-	-	-
Restricted Cash Deposits at the Bank of North Dakota	-	-	-	-	-	-	131,595	4,717,323	-
Cash and Cash Equivalents	$ 79,910	$ 5,548,000	$ 1,757,482	$ 14,005,000	$ 1,038,844	$ 2,514,241	$ 42,256,341	$ 4,717,323	$ 5,573,000

(Continued on Next Page)

Interoperable Radio	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Loan Program	Roughrider Industries	School Construction Assistance Revolving Loan	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Total
$ 5,558,798	$ -	$ 322,293,634	$ 332,725,716	$ -	$ 7,551,805	$ -	$ 6,866,357	$ 26,618,695	$ 216,000	$ 126,306,757	$ 837,406,413
-	-	-	-	-	-	-	-	-	-	-	59,178
-	-	-	-	-	-	-	-	-	-	-	1,859,981
-	-	-	-	-	-	-	-	-	-	505,500	505,500
-	-	-	-	(136,868)	(266,358)	-	-	-	-	-	(405,663)
-	-	-	-	-	-	-	-	-	-	-	(10,368,931)
(481,506)	-	(278,113,542)	(338,720,640)	-	(4,622,453)	(864,000)	(5,020,463)	(15,898,454)	(39,000)	(9,053,350)	(657,244,488)
(29,157)	-	(18,196,123)	(992,190)	-	(1,924,714)	-	(1,768,229)	(940,047)	-	(4,434,082)	(28,644,472)
-	-	-	-	-	-	-	-	-	-	(73,748,817)	(76,989,129)
-	-	-	-	(150,650)	-	-	-	(212,485)	-	(34,697)	(745,532)
-	(234,000)	-	5,702,931	-	-	-	-	-	-	-	5,468,931
5,048,135	(234,000)	25,983,969	(1,284,183)	(287,518)	738,280	(864,000)	77,665	9,567,709	177,000	39,541,311	70,901,788
-	-	43,000,000	-	-	-	-	-	-	-	-	43,000,000
-	-	(32,655,860)	-	-	-	-	-	-	-	-	(32,655,860)
-	-	-	-	-	-	-	-	-	(30,000)	-	(30,000)
-	-	(1,742,224)	-	-	-	-	-	-	-	-	(1,742,224)
-	-	-	-	-	-	-	257,832	-	-	-	27,007,832
-	-	(10,859,953)	(325,000)	-	-	-	-	(8,042,500)	(8,577,000)	-	(27,804,453)
-	-		-	(2,908,021)	-	-	-	-	-	-	(2,908,021)
-	-	-	-	-	-	-	801,525	-	-	-	801,525
-	-	(2,258,037)	(325,000)	(2,908,021)	-	-	1,059,357	(8,042,500)	(8,607,000)	-	5,668,799
(51,557)	-	(22,619,060)	-	-	(502,371)	-	(303,065)	-	-	-	(23,476,053)
-	-	-	-	-	-	-	(120,000)	-	-	-	(120,000)
-	-	-	-	-	-	-	(57,200)	-	-	-	(57,200)
-	-	-	-	-	-	-	(16,500)	-	-		(16,500)
(51,557)	-	(22,619,060)	-	-	(502,371)	-	(496,765)	-	-	-	(23,669,753)
-	-	-	18,876,588	-	-	-	-	-	13,670,000	-	32,546,588
-	-	-	(17,200,000)	-	-	-	-	-	(6,000,000)	-	(23,404,936)
-			1,519,418	-	-	-	-	-	-		1,519,418
12,364	8,000	9,246	-	421	-	69,000	12,954	8,780	18,000	4,101,464	6,248,391
-	(1,922,000)	-	-	-	-	(56,026,000)	-	-	-	-	(91,716,500)
-	-	-	-	-	-	10,912,000	-	-	-	-	11,732,000
-	1,615,000	-	-	3,061,354	-	-	-	-	-	-	7,903,277
-	458,000	-	-	279,303	-	2,559,000	-	-	-	-	5,202,180
12,364	159,000	9,246	3,196,006	3,341,078	-	(42,486,000)	12,954	8,780	7,688,000	4,101,464	(49,969,582)
5,008,942	(75,000)	1,116,118	1,586,823	145,539	235,909	(43,350,000)	653,211	1,533,989	(742,000)	43,642,775	2,931,252
3,845,965	5,418,000	638,870	4,882,810	596,806	10,345,598	77,817,000	5,100,975	8,726,386	967,000	153,612,575	356,267,180
$ 8,854,907	$ 5,343,000	$ 1,754,988	$ 6,469,633	$ 742,345	$ 10,581,507	$ 34,467,000	$ 5,754,186	$ 10,260,375	$ 225,000	$ 197,255,350	$ 359,198,432
8,854,907	5,343,000	1,754,988	3,602,289	742,345	10,581,007	34,467,000	5,754,186	9,870,335	-	33,362	149,752,740
-	-	-	2,867,344	-	500	-	-	390,040	-	197,221,988	204,371,774
-	-	-	-	-	-	-	-		225,000	-	5,073,918
$ 8,854,907	$ 5,343,000	$ 1,754,988	$ 6,469,633	$ 742,345	$ 10,581,507	$ 34,467,000	$ 5,754,186	$ 10,260,375	$ 225,000	$ 197,255,350	$ 359,198,432

Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)
For the Fiscal Year Ended June 30, 2019

	Addiction Counselor Internship Loan Program	Beginning Farmer Revolving Loan	Bonding	Community Water Facility Loan	Edutech	Fire and Tornado	Guaranteed Student Loan	HIT Planning Loan Fund	Infrastructure Revolving Loan Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:									
Operating Income (Loss)	$ 428	$ (2,289,000)	$ (58,085)	$ 538,000	$ 97,374	$ (442,521)	$ (467,797)	$ 32,121	$ 840,000
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:									
Depreciation	-	-	-	-	50,923	-	-	-	-
Reclassification of Interest Revenue\Expense	-	-	-	(653,000)	-	-	-	-	-
Interest Received on Program Loans	-	-	-	-	-	-	-	-	(1,452,000)
Receipt of Loan Principal Repayments	-	-	-	-	-	-	-	-	-
Provision for Losses	-	-	-	-	-	-	(2,206,467)	-	244,000
Other	-	-	-	-	-	-	-	-	-
Deferred Outflows	-	-	747	-	-	37,766	-	-	-
Deferred Inflows	-	-	630	-	-	13,670	-	-	-
Change in Assets and Liabilities:									
(Increase) Decrease in Accounts Receivable	-	-	34,998	-	(1,810)	(16,359)	(536,590)	-	-
(Increase) Decrease in Interest Receivable	(6,128)	-	-	-	-	-	-	(220)	-
(Increase) Decrease in Due From	-	-	-	-	(12,000)	-	-	-	32,000
(Increase) Decrease in Intergovernmental Receivable	-	-	-	-	-	-	-	-	-
(Increase) Decrease in Notes Receivable	-	-	-	-	-	-	-	447,517	-
(Increase) Decrease in Prepaid Items	-	(625,000)	-	-	-	(75,638)	-	-	-
(Increase) Decrease in Inventories	-	-	-	-	-	-	-	-	-
(Increase) Decrease in Other Assets	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	-	-	13	-	(2,513)	31,080	-	1,660	-
Increase (Decrease) in Claims\Judgments Payable	-	-	38,535	-	-	(1,200,948)	-	-	-
Increase (Decrease) in Intergovernmental Payable	-	-	(6)	-	-	-	-	-	-
Increase (Decrease) in Accrued Payroll	-	-	2,732	-	-	5,951	-	-	-
Increase (Decrease) in Compensated Absences Payable	-	-	(2,309)	-	-	(32,080)	-	-	-
Increase (Decrease) in Amounts Held for Others	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Due To	-	-	-	(1,000)	(7,370)	(2,431)	54,269	-	-
Increase (Decrease) in Unavailable Revenue	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Pension Liability	-	-	1,218	-	-	(6,905)	-	-	-
Increase (Decrease) in Net OPEB Liability	-	-	(817)	-	-	(20,451)	-	-	-
Increase (Decrease) in Other Liabilities	-	-	-	-	-	87,538	(36,305)	-	-
Total Adjustments	(6,128)	(625,000)	75,741	(654,000)	27,230	(1,178,807)	(2,725,093)	448,957	(1,176,000)
Net Cash Provided by (Used for) Operating Activities	$ (5,700)	$ (2,914,000)	$ 17,656	$ (116,000)	$ 124,604	$ (1,621,328)	$ (3,192,890)	$ 481,078	$ (336,000)
Noncash Transactions:									
Net Change in Fair Value of Investments	$ -	$ -	$ 77,443	$ -	$ -	$ 303,191	$ -	$ -	$ -
Value Received on Trade of Capital Asset	-	-	-	-	-	-	-	-	-
Total Noncash Transactions	$ -	$ -	$ 77,443	$ -	$ -	$ 303,191	$ -	$ -	$ -

Interoperable Radio	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Loan Program	Roughrider Industries	School Construction Assistance Revolving Loan	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Total
$ 4,836,349	$ 218,000	$ 12,309,570	$ (7,881,938)	$ 186,230	$ 644,420	$ 1,579,000	$ (1,754,634)	$ 9,336,372	$ 1,000	$ 30,451,647	$ 48,176,536
23,156	-	5,644,673	294,577	-	192,870	-	1,654,700	2,063	-	-	7,862,962
-	(458,000)	-	-	(277,825)	-	(3,015,000)	-	-	77,000	-	(4,326,825)
-	-	-	-	-	-	-	-	-	3,000	-	(1,449,000)
-	-	-	-	-	-	-	-	-	139,000	-	139,000
-	6,000	-	-	(199,745)	-	519,000	-	-	-	-	(1,637,212)
-	-	80,392	-	-	-	-	-	-	-	-	80,392
-	-	(923,980)	-	-	114,207	-	(457,581)	32,301	-	-	(1,196,540)
-	-	-	-	-	33,366	-	3,225	25,498	-	-	76,389
132,004	-	9,870,451	5,651,886	-	-	-	(78,258)	(8,858)	-	9,443,954	24,491,418
	-	-	-	-	-	-	-	-	-	-	(6,348)
243,246	-	-	-	-	(157,972)	-	-	-	-	91,997	197,271
-	-	-	-	-	-	-	-	-	-	543,230	543,230
-	-	-	-	-	-	-	-	-	-	-	447,517
-	-	(332,794)	-	-	(2,163)	-	1,782	(1,363)	-	-	(1,035,176)
-	-	523,865	-	-	(94,764)	-	-	-	-	-	429,101
-	-	(28,614)	-	-	(16,522)	-	-	(209,516)	-	-	(254,652)
(57)	-	(2,972,232)	3,734	3,822	(46,593)	-	(2,698)	263,719	-	(414,286)	(3,134,351)
-	-	-	-	-	-	-	-	-	-	-	(1,162,413)
-	-	-	33	-	-	-	-	-	-	(587,841)	(587,814)
(2,528)	-	(626,312)	784	-	35,050	-	-	74	-	-	(584,249)
-	-	(29,053)	(16,807)	-	-	-	7,757	3,527	-	-	(68,965)
-	-	-	681,137	-	-	-	-	-	-	-	681,137
(184,035)	-	-	(17,589)	-	564	53,000	-	755	(44,000)	12,610	(135,227)
-	-	-	-	-	(24,107)	-	-	-	-	-	(24,107)
-	-	2,471,727	-	-	59,788	-	625,812	84,439	-	-	3,236,079
-	-	-	-	-	(2,844)	-	77,560	1,170	-	-	54,618
-	-	(3,724)	-	-	2,980	-	-	37,528	1,000	-	89,017
211,786	(452,000)	13,674,399	6,597,755	(473,748)	93,860	(2,443,000)	1,832,299	231,337	176,000	9,089,664	22,725,252
$ 5,048,135	$ (234,000)	$ 25,983,969	$ (1,284,183)	$ (287,518)	$ 738,280	$ (864,000)	$ 77,665	$ 9,567,709	$ 177,000	$ 39,541,311	$ 70,901,788
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 380,634
-	-	-	-	-	-	-	16,806	-	-	-	16,806
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,806	$ -	$ -	$ -	$ 397,440

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 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.

Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Central Services	Fleet Services	Information Technology Department	Risk Management	Total
ASSETS					
Current Assets:					
Cash Deposits at the Bank of ND	$ 1,288,687	$ 16,605,745	$ 14,061,790	$ 816,008	$ 32,772,230
Cash and Cash Equivalents	400	-	-	400,718	401,118
Investments at the Bank of ND	-	-	-	341,583	341,583
Investments	-	-	-	9,337,152	9,337,152
Accounts Receivable - Net	5,493	196,264	183,154	618	385,529
Interest Receivable - Net	-	-	-	54,952	54,952
Intergovernmental Receivable - Net	70,330	30,074	273,442	-	373,846
Due from Other Funds	107,473	2,274,764	6,550,450	11,956	8,944,643
Prepaid Items	31,424	53,870	3,956,347	50,800	4,092,441
Inventory	122,653	-	-	-	122,653
Total Current Assets	1,626,460	19,160,717	25,025,183	11,013,787	56,826,147
Noncurrent Assets:					
Capital Assets:					
Nondepreciable	-	154,838	-	-	154,838
Depreciable, Net	242,144	89,408,306	4,430,536	-	94,080,986
Total Noncurrent Assets	242,144	89,563,144	4,430,536	-	94,235,824
Total Assets	1,868,604	108,723,861	29,455,719	11,013,787	151,061,971
DEFERRED OUTFLOWS OF RESOURCES					
Derived from Pensions	489,583	1,190,799	13,257,849	255,434	15,193,665
Derived from OPEB	12,924	36,261	387,657	6,807	443,649
Total Deferred Outflow of Resources	502,507	1,227,060	13,645,506	262,241	15,637,314
LIABILITIES					
Current Liabilities:					
Accounts Payable	191,756	843,006	266,359	102,028	1,403,149
Accrued Payroll	81,395	185,958	2,267,836	38,311	2,573,500
Securities Lending Collateral	-	-	-	36,879	36,879
Interest Payable	-	-	-	2,576	2,576
Due to Other Funds	6,369	299,035	75,247	13,807	394,458
Claims/Judgments Payable	-	-	-	1,213,316	1,213,316
Compensated Absences Payable	2,519	5,976	201,704	4,851	215,050
Capital Leases Payable	10,078	-	-	-	10,078
Total Current Liabilities	292,117	1,333,975	2,811,146	1,411,768	5,849,006
Noncurrent Liabilities:					
Claims/Judgments Payable	-	-	-	6,912,322	6,912,322
Compensated Absences Payable	55,471	60,869	2,054,495	49,413	2,220,248
Capital Leases Payable	8,209	-	-	-	8,209
Net Pension Liability	1,127,529	2,902,132	32,629,873	596,017	37,255,551
Net OPEB Liability	49,402	127,252	1,444,572	26,114	1,647,340
Total Noncurrent Liabilities	1,240,611	3,090,253	36,128,940	7,583,866	48,043,670
Total Liabilities	1,532,728	4,424,228	38,940,086	8,995,634	53,892,676
DEFERRED INFLOWS OF RESOURCES					
Derived from Pensions	107,286	289,171	2,576,043	63,581	3,036,081
Derived from OPEB	5,159	7,754	103,515	3,576	120,004
Total Deferred Inflow of Resources	112,445	296,925	2,679,558	67,157	3,156,085
NET POSITION					
Net Investment in Capital Assets	223,857	89,563,143	4,430,537	-	94,217,537
Unrestricted	502,081	15,666,625	(2,948,956)	2,213,237	15,432,987
Total Net Position	$ 725,938	$ 105,229,768	$ 1,481,581	$ 2,213,237	$ 109,650,524

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2019

	Central Services	Fleet Services	Information Technology Department	Risk Management	Total
OPERATING REVENUES					
Sales and Services	$ 2,169,124	$ 29,619,795	$ 65,354,963	$ 3,973,131	$ 101,117,013
Miscellaneous	-	288,989	-	-	288,989
Total Operating Revenues	2,169,124	29,908,784	65,354,963	3,973,131	101,406,002
OPERATING EXPENSES					
Cost of Sales and Services	829,488	-	-	-	829,488
Salaries and Benefits	1,144,460	2,971,567	32,675,073	528,995	37,320,095
Operating	415,134	15,400,527	32,122,915	660,792	48,599,368
Claims	-	-	-	2,463,449	2,463,449
Depreciation	50,833	9,151,796	2,752,815	-	11,955,444
Miscellaneous	-	49,379	-	-	49,379
Total Operating Expenses	2,439,915	27,573,269	67,550,803	3,653,236	101,217,223
Operating Income (Loss)	(270,791)	2,335,515	(2,195,840)	319,895	188,779
NONOPERATING REVENUES (EXPENSES)					
Interest and Investment Income	-	-	-	751,930	751,930
Interest Expense	(2,901)	-	-	(15,487)	(18,388)
Gain (Loss) on Sale of Capital Assets	(2,276)	922,416	(39,281)	-	880,859
Total Nonoperating Revenues (Expenses)	(5,177)	922,416	(39,281)	736,443	1,614,401
Income (Loss) Before Contributions and Transfers	(275,968)	3,257,931	(2,235,121)	1,056,338	1,803,180
Capital Grants and Contributions	-	110,106	-	-	110,106
Changes in Net Position	(275,968)	3,368,037	(2,235,121)	1,056,338	1,913,286
Total Net Position - Beginning of Year, as restated	1,001,906	101,861,731	3,716,702	1,156,899	107,737,238
Total Net Position - End of Year	$ 725,938	$ 105,229,768	$ 1,481,581	$ 2,213,237	$ 109,650,524

STATE OF NORTH DAKOTA

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019

	Central Services	Fleet Services	Information Technology	Risk Management	Total
Cash Flows from Operating Activities:					
Receipts from Customers and Users	$ 702,444	$ 45,154	$ 2,422,509	$ 1,716,493	$ 4,886,600
Receipts from Other Funds	1,482,929	29,950,352	62,706,545	2,251,802	96,391,628
Payments to Other Funds	-	(4,335)	-	(3,174,274)	(3,178,609)
Payments to Suppliers	(1,156,023)	(15,487,938)	(33,974,685)	(730,751)	(51,349,397)
Payments to Employees	(1,013,997)	(2,446,448)	(28,077,036)	(453,286)	(31,990,767)
Claim Payments	-	-	-	(301,814)	(301,814)
Net Cash Provided by (Used for) Operating Activities	15,353	12,056,785	3,077,333	(691,830)	14,457,641
Cash Flows from Noncapital Financing Activities:					
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(132,855)	(13,747,304)	(3,008,053)	-	(16,888,212)
Proceeds from Sale of Capital Assets	-	4,198,005	-	-	4,198,005
Payment on Capital Leases	(11,328)	-	-	-	(11,328)
Interest Payments - Capital Leases	(2,901)	-	-	-	(2,901)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(147,084)	(9,549,299)	(3,008,053)	-	(12,704,436)
Cash Flows from Investing Activities:					
Proceeds from Sale and Maturities of Investment Securities	-	-	-	620,742	620,742
Interest and Dividends on Investments	-	-	-	324,679	324,679
Net Cash Provided by (Used for) Investing Activities	-	-	-	945,421	945,421
Net Change in Cash:					
Net Increase (Decrease) in Cash and Cash Equivalents	(131,731)	2,507,486	69,280	253,591	2,698,626
Cash and Cash Equivalents at June 30, 2018	1,420,818	14,098,259	13,992,510	963,135	30,474,722
Cash and Cash Equivalents at June 30, 2019	$ 1,289,087	$ 16,605,745	$ 14,061,790	$ 1,216,726	$ 33,173,348
Reconciliation:					
Cash Deposits at the Bank of North Dakota	1,288,687	16,605,745	14,061,790	816,008	32,772,230
Cash and Cash Equivalents	400	-	-	400,718	401,118
Cash and Cash Equivalents	$ 1,289,087	$ 16,605,745	$ 14,061,790	$ 1,216,726	$ 33,173,348
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	(270,791)	2,335,515	(2,195,840)	319,895	188,779
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	50,833	9,151,796	2,752,815	-	11,955,444
Deferred Outflows	88,987	(12,825)	2,660,967	54,283	2,791,412
Deferred Inflows	59,791	89,308	1,088,321	41,726	1,279,146
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	46,051	(118,219)	(52,361)	(618)	(125,147)
(Increase) Decrease in Due From	(11,387)	235,015	(413,853)	(4,952)	(195,177)
(Increase) Decrease in Intergovernmental Receivable	(23,962)	(30,074)	240,306	-	186,270
(Increase) Decrease in Prepaid Items	7,943	(13,944)	(443,573)	(12,069)	(461,643)
(Increase) Decrease in Inventories	(43,028)	-	-	-	(43,028)
Increase (Decrease) in Accounts Payable	142,980	(24,090)	-	63,521	182,411
Increase In Interest Payable	-	-	(1,035,645)	-	(1,035,645)
Increase (Decrease) in Claims/Judgments Payable	-	-	-	(992,442)	(992,442)
Increase (Decrease) in Accrued Payroll	(2,497)	(7,022)	(65,064)	557	(74,026)
Increase (Decrease) in Compensated Absences Payable	(9,652)	1,776	16,357	2,293	10,774
Increase (Decrease) in Due To	(10,698)	(4,335)	(372,552)	(140,873)	(528,458)
Increase (Decrease) In Net OPEB Liability	(4,638)	12,725	(39,298)	(2,522)	(33,733)
Increase (Decrease) In Net Pension Liability	(4,579)	441,159	936,753	(20,629)	1,352,704
Total Adjustments	286,144	9,721,270	5,273,173	(1,011,725)	14,268,862
Net Cash Provided by (Used for) Operating Activities	$ 15,353	$ 12,056,785	$ 3,077,333	$ (691,830)	$ 14,457,641
Noncash Transactions:					
Net Change in Fair Value of Investments	$ -	$ -	$ -	$ 204,741	$ 204,741
Decrease in Securities Lending Collateral	-	-	-	(61,956)	(61,956)
Total Noncash Transactions	$ -	$ -	$ -	$ 142,785	$ 142,785

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.

937 - Department of Public Instruction Thordarson Scholarship Trust Fund
Fund used to provide scholarship grants to students enrolled in courses offered by the independent study division.

988 - School for the Deaf Scholarship Trust Fund
Account for funds donated to provide scholarships to deaf students.

989 - School for the Deaf Student Trust Funds
Accounts for funds donated to the School for the Deaf for the benefit of the students.

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.

Agency Funds

BONDING
402 - Sales and Use Tax Deposit Fund
Accounts for cash received in lieu of a surety bond for sales tax permit holders.

403 - Motor Fuel Cash Bond Deposit Fund
Accounts for cash received in lieu of a surety bond for motor vehicle fuel dealers.

939 - Public Service Commission Trustee Account
Accounts for savings certificates posted in lieu of performance bonds for surface mining activities and grain elevator insolvency cases.

942 - Agriculture Cash and Investment
Accounts for securities or bonds in lieu of a surety bond relating to the operation of livestock dealers, auction markets and dairy plants.

944 - Cash Bonds
Accounts for the financial resources for the plugging of abandoned oil and gas wells and the reclamation of abandoned oil and gas well sites.

945 - Insurance Company Deposits
Accounts for securities of domestic insurance companies required by the NDCC to keep on deposit with the Insurance Commissioner securities in a value equal to the policies they have in force.

947 - District Court Bond Fund
Accounts for bail bonds posted for civil and criminal court cases.

PAYROLL
461 - OMB Unemployment/Payroll Clearing Fund
Accounts for employers and employees payroll taxes and other deductions such as, insurance and credit union deductions, etc.

CHILD SUPPORT
463 - Child Support Disbursement Unit Fund
Accounts for all child support payments received by the state disbursement unit.

STUDENT AND OTHER
406 - Drivers License Trust Fund
Accounts for cash received from a motor vehicle operator involved in an accident and has no automobile liability policy and the driver was negligent.

946 - District Court Collection Fund
Accounts for collections for third parties.

STUDENT AND OTHER cont.
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.

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.

TAX COLLECTION
434 - City Lodging Tax Suspense
Accounts for city lodging tax collected by the State Tax Commissioner.

435 - City Sales Tax Suspense
Accounts for city sales and use taxes collected by the State Tax Commission.

437 - City Motor Vehicle Rental Tax
Accounts for city motor vehicle rental tax collected by the state tax commissioner.

438 - City Restaurant and Lodge Tax Suspense
A city 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 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 collecting the tax.

Combining Statement of Fiduciary Net Position
Pension, Investment and Private-Purpose Trust Funds
June 30, 2019

	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	$ 200,509	$ 114,690	$ -	$ 2,113	$ 445,409	$ 936,159
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables:						
Contributions Receivable	1,037,149	105,171	-	2,430	505,782	1,050,419
Accounts Receivable - Net	-	-	-	-	-	-
Interest Receivable - Net	-	-	254,928	237	-	22
Due from Other Funds	-	-	-	-	-	294
Total Receivables	1,037,149	105,171	254,928	2,667	505,782	1,050,735
Investments, at Fair Value:						
Investments at the Bank of ND	-	-	-	-	-	-
Equities	-	-	-	-	-	-
Equity Pool	-	-	47,339,840	19,094,960	-	84,480,446
Fixed Income Pool	2,066,180	234,950	18,311,705	77,780,193	-	51,472,649
Cash and Cash Pool	2,327,401	193,159	480,015	409,888	-	9,404
Real Estate Pool	-	-	15,024,209	-	-	-
Mutual Funds	121,999,475	14,368,134	-	-	-	-
Total Investments	126,393,056	14,796,243	81,155,769	97,285,041	-	135,962,499
Invested Securities Lending Collateral	-	-	264,646	-	-	-
Capital Assets (Net of Depreciation)	262,359	3,544	4,822	3,027	131,180	50,134
Total Assets	127,893,073	15,019,648	81,680,165	97,292,848	1,082,371	137,999,527
DEFERRED OUTFLOWS OF RESOURCES						
Derived from Pensions	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-
LIABILITIES						
Accounts Payable	16,071	8	-	89,602	24,592	478,706
Accrued Payroll	40,921	-	-	-	20,569	-
Securities Lending Collateral	-	-	264,646	-	-	-
Due to Other Funds	4,859	94	-	-	2,801	-
Due to Fiduciary Funds	-	-	-	-	-	86
Amounts Held in Custody for Others	14,795	-	-	-	-	-
Compensated Absences Payable	31,811	-	-	-	11,532	-
Total Liabilities	108,457	102	264,646	89,602	59,494	478,792
DEFERRED INFLOWS OF RESOURCES						
Derived from Pensions	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
NET POSITION						
Net Position Restricted for:						
Pension Benefits	127,784,616	15,019,546	81,415,519	97,203,246	-	137,520,735
Other Employee Benefits	-	-	-	-	1,022,877	-
External Investment Pool Participants	-	-	-	-	-	-
Other Purposes	-	-	-	-	-	-
Total Net Position Restricted for Pension Benefits and Other Purposes	$ 127,784,616	$ 15,019,546	$ 81,415,519	$ 97,203,246	$ 1,022,877	$ 137,520,735

(Continued on Next Page)

Pension and Other Employee Benefit Trust Funds			Investment Trust Funds				
Public Employees Retirement	Teachers Retirement	Total	City of Bismarck	ND Association of Counties	City of Grand Forks	City of Fargo	Total
$ 13,541,711	$ 20,305,041	$ 35,545,632	$ -	$ -	$ -	$ -	$ -
70,823	-	70,823	-	-	-	-	-
13,105,664	25,076,932	40,883,547	-	-	-	-	-
-	-	-	-	-	-	-	-
9,617,806	12,526,857	22,399,850	449,660	4,028	182,168	73,292	709,148
-	-	294	-	-	-	-	-
22,723,470	37,603,789	63,283,691	449,660	4,028	182,168	73,292	709,148
-	-	-	-	-	-	-	-
-	1,495,354,621	1,495,354,621	71,526,231	2,221,513	45,891,784	22,440,882	142,080,410
1,786,074,688	-	1,936,989,934	-	-	-	-	-
690,878,383	575,551,625	1,416,295,685	46,561,116	3,918,313	17,653,044	17,458,242	85,590,715
18,110,399	35,025,659	56,555,925	438,861	189,199	668,378	447,844	1,744,282
566,845,153	455,163,805	1,037,033,167	28,183,950	-	11,200,354	4,420,372	43,804,676
-	-	136,367,609	-	-	-	-	-
3,061,908,623	2,561,095,710	6,078,596,941	146,710,158	6,329,025	75,413,560	44,767,340	273,220,083
9,977,140	8,495,437	18,737,223	516,530	21,196	259,956	139,195	936,877
521,286	4,949	981,301	-	-	-	-	-
3,108,743,053	2,627,504,926	6,197,215,611	147,676,348	6,354,249	75,855,684	44,979,827	274,866,108
-	709,618	709,618	-	-	-	-	-
-	709,618	709,618	-	-	-	-	-
1,844,752	3,436,026	5,889,757	74,101	1,765	22,169	12,054	110,089
99,247	-	160,737	-	-	-	-	-
9,977,140	8,495,437	18,737,223	516,530	21,196	259,956	139,195	936,877
11,948	7,954	27,656	-	-	-	-	-
-	-	86	-	-	-	-	-
-	-	14,795	-	-	-	-	-
78,885	-	122,228	-	-	-	-	-
12,011,972	11,939,417	24,952,482	590,631	22,961	282,125	151,249	1,046,966
-	104,071	104,071	-	-	-	-	-
-	104,071	104,071	-	-	-	-	-
3,096,731,081	2,616,171,056	6,171,845,799	-	-	-	-	-
-	-	1,022,877	-	-	-	-	-
-	-	-	147,085,717	6,331,288	75,573,559	44,828,578	273,819,142
-	-	-	-	-	-	-	-
$ 3,096,731,081	$ 2,616,171,056	$ 6,172,868,676	$ 147,085,717	$ 6,331,288	$ 75,573,559	$ 44,828,578	$ 273,819,142

Combining Statement of Fiduciary Net Position
Pension, Investment and Private-Purpose Trust Funds (Continued)
June 30, 2019

	Private-Purpose Trust Funds			
	Student and Cultural Donations	Mandan Remediation Trust	College SAVE	Total
ASSETS				
Cash Deposits at the Bank of ND	$ 126,454	$ 5,782,369	$ -	$ 5,908,823
Cash and Cash Equivalents	13,278	-	809,772	823,050
Receivables:				
Contributions Receivable	-	-	-	-
Accounts Receivable - Net	-	-	185,538	185,538
Interest Receivable - Net	2,170	-	-	2,170
Due from Other Funds	25	-	-	25
Total Receivables	2,195	-	185,538	187,733
Investments, at Fair Value:				
Investments at the Bank of ND	21,740	-	-	21,740
Equities	-	-	-	-
Equity Pool	-	-	-	-
Fixed Income Pool	1,317,953	-	-	1,317,953
Cash and Cash Pool	-	-	-	-
Real Estate Pool	-	-	-	-
Mutual Funds	-	-	456,003,055	456,003,055
Total Investments	1,339,693	-	456,003,055	457,342,748
Invested Securities Lending Collateral	39,457	-	-	39,457
Capital Assets (Net of Depreciation)	-	-	-	-
Total Assets	1,521,077	5,782,369	456,998,365	464,301,811
DEFERRED OUTFLOWS OF RESOURCES				
Derived from Pensions	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
LIABILITIES				
Accounts Payable	524	7,842	1,338,351	1,346,717
Accrued Payroll	-	-	-	-
Securities Lending Collateral	39,457	-	-	39,457
Due to Other Funds	-	-	-	-
Due to Fiduciary Funds	-	-	-	-
Amounts Held in Custody for Others	-	-	-	-
Compensated Absences Payable	-	-	-	-
Total Liabilities	39,981	7,842	1,338,351	1,386,174
DEFERRED INFLOWS OF RESOURCES				
Derived from Pensions	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
NET POSITION				
Net Position Restricted for:				
Pension Benefits	-	-	-	-
Other Employee Benefits	-	-	-	-
External Investment Pool Participants	-	-	-	-
Other Purposes	1,481,096	5,774,527	455,660,014	462,915,637
	$ 1,481,096	$ 5,774,527	$ 455,660,014	$ 462,915,637



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Combining Statement of Changes in Fiduciary Net Position
Pension, Investment and Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2019

	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:						
Employer	$ -	$ 504,381	$ 2,090,886	$ -	$ -	$ 12,977,460
Employee	11,208,573	495,881	1,411,619	29,159	5,550,283	15,859
From Participants	-	-	-	-	-	-
Transfers from Other Funds	400,000	5,963	-	-	-	-
Transfers from Other Plans	1,521,518	-	-	-	-	-
Donations	-	-	-	-	-	-
Total Contributions	13,130,091	1,006,225	3,502,505	29,159	5,550,283	12,993,319
Investment Income:						
Net Change in Fair Value of Investments	6,252,160	4,619	2,678,760	3,497,989	-	5,197,140
Interest and Dividends	1,466	794,206	1,784,059	3,043,292	945	3,373,208
Less Investment Expense	-	8,009	217,565	311,651	-	391,416
Net Investment Income	6,253,626	790,816	4,245,254	6,229,630	945	8,178,932
Securities Lending Activity:						
Securities Lending Income	-	-	5,647	-	-	-
Less Securities Lending Expense	-	-	-	-	-	-
Net Securities Lending Income	-	-	5,647	-	-	-
Repurchase Service Credit	-	-	167,824	-	-	377,329
Miscellaneous Income (Expense)	324,784	8,339	(41)	-	772,629	(857)
Total Additions	19,708,501	1,805,380	7,921,189	6,258,789	6,323,857	21,548,723
DEDUCTIONS						
Benefits Paid to Participants	5,975,993	1,049,355	5,341,256	4,626,846	5,460,799	1,031
Refunds	-	-	49,859	-	-	7,180
Prefunded Credit Applied	-	-	-	-	-	11,497,890
Transfer to Other Plans	-	-	-	-	75,000	-
Payments in Accordance with Trust Agreements	-	-	-	-	-	-
Administrative Expenses	916,616	8,535	43,555	16,808	570,248	437,349
Total Deductions	6,892,609	1,057,890	5,434,670	4,643,654	6,106,047	11,943,450
Purchase (Redemption) of Units at $1.00 Per Unit	-	-	-	-	-	-
Change in Net Position Held in Trust for:						
Pension Benefits	12,815,892	747,490	2,486,519	1,615,135	-	9,605,273
Other Employee Benefits	-	-	-	-	217,810	-
External Investment Pool Participants	-	-	-	-	-	-
Other Purposes	-	-	-	-	-	-
Net Position - Beginning of Year	114,968,724	14,272,056	78,929,000	95,588,111	805,067	127,915,462
Net Position - End of Year	$ 127,784,616	$ 15,019,546	$ 81,415,519	$ 97,203,246	$ 1,022,877	$ 137,520,735

(Continued on Next Page)

Pension and Other Employee Benefit Trust Funds			Investment Trust Funds				
Public Employees Retirement	Teachers Retirement	Total	City of Bismarck	ND Association of Counties	City of Grand Forks	City of Fargo	Total
$ 81,588,318	$ 89,444,881	$ 186,605,926	$ -	$ -	$ -	$ -	$ -
78,213,580	82,429,594	179,354,548	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	405,963	-	-	-	-	-
-	-	1,521,518	-	-	-	-	-
-	-	-	-	-	-	-	-
159,801,898	171,874,475	367,887,955	-	-	-	-	-
100,603,577	84,701,380	202,935,625	5,162,288	286,310	2,672,275	1,219,139	9,340,012
67,026,499	56,434,954	132,458,629	3,332,349	145,905	1,630,647	1,034,503	6,143,404
8,017,853	6,272,801	15,219,295	374,121	10,924	181,246	88,641	654,932
159,612,223	134,863,533	320,174,959	8,120,516	421,291	4,121,676	2,165,001	14,828,484
211,869	224,713	442,229	11,959	578	6,832	5,468	24,837
-	44,927	44,927	2,392	117	1,366	1,089	4,964
211,869	179,786	397,302	9,567	461	5,466	4,379	19,873
7,219,697	1,916,787	9,681,637	-	-	-	-	-
(5,641)	158,713	1,257,926	-	-	-	-	-
326,840,046	308,993,294	699,399,779	8,130,083	421,752	4,127,142	2,169,380	14,848,357
185,644,486	215,328,174	423,427,940	-	-	-	-	-
11,782,488	5,900,392	17,739,919	-	-	-	-	-
-	-	11,497,890	-	-	-	-	-
330,963	-	405,963	-	-	-	-	-
-	-	-	-	-	-	-	-
2,531,304	2,251,083	6,775,498	-	-	-	-	-
200,289,241	223,479,649	459,847,210	-	-	-	-	-
-	-	-	(1,000,000)	-	1,049,520	(1,965,000)	(1,915,480)
126,550,805	85,513,645	239,334,759	-	-	-	-	-
-	-	217,810	-	-	-	-	-
-	-	-	7,130,083	421,752	5,176,662	204,380	12,932,877
-	-	-	-	-	-	-	-
2,970,180,276	2,530,657,411	5,933,316,107	139,955,634	5,909,536	70,396,897	44,624,198	260,886,265
$ 3,096,731,081	$ 2,616,171,056	$ 6,172,868,676	$ 147,085,717	$ 6,331,288	$ 75,573,559	$ 44,828,578	$ 273,819,142

Combining Statement of Changes in Fiduciary Net Position
Pension, Investment and Private-Purpose Trust Funds (Continued)
For the Fiscal Year Ended June 30, 2019

	Private-Purpose Trust Funds			
	Student and Cultural Donations	Mandan Remediation Trust	College SAVE	Total
ADDITIONS				
Contributions:				
Employer	$ -	$ -	$ -	$ -
Employee	-	-	-	-
From Participants	-	-	47,864,276	47,864,276
Transfers from Other Funds	-	-	-	-
Transfers from Other Plans	-	-	-	-
Donations	4,554	-	-	4,554
Total Contributions	4,554	-	47,864,276	47,868,830
Investment Income:				
Net Change in Fair Value of Investments	16,210	-	(30,043,631)	(30,027,421)
Interest and Dividends	34,771	6,145	11,740,596	11,781,512
Less Investment Expense	3,160	-	-	3,160
Net Investment Income	47,821	6,145	(18,303,035)	(18,249,069)
Securities Lending Activity:				
Securities Lending Income	1,141	-	-	1,141
Less Securities Lending Expense	-	-	-	-
Net Securities Lending Income	1,141	-	-	1,141
Repurchase Service Credit	-	-	-	-
Miscellaneous Income (Expense)	2,957	-	-	2,957
Total Additions	56,473	6,145	29,561,241	29,623,859
DEDUCTIONS				
Benefits Paid to Participants	-	-	-	-
Refunds	-	-	-	-
Prefunded Credit Applied	-	-	-	-
Transfer to Other Plans	-	-	-	-
Payments in Accordance with Trust Agreements	40,334	166,972	39,828,488	40,035,794
Administrative Expenses	1,202	89,230	3,359,862	3,450,294
Total Deductions	41,536	256,202	43,188,350	43,486,088
Purchase (Redemption) of Units at $1.00 Per Unit	-	-	-	-
Change in Net Position Held in Trust for:				
Pension Benefits	-	-	-	-
Other Employee Benefits	-	-	-	-
External Investment Pool Participants	-	-	-	-
Other Purposes	14,937	(250,057)	(13,627,109)	(13,862,229)
Net Position - Beginning of Year	1,466,159	6,024,584	469,287,123	476,777,866
Net Position - End of Year	$ 1,481,096	$ 5,774,527	$ 455,660,014	$ 462,915,637

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019

	Bonding	Payroll	Child Support	Student and Other	Tax Collection	Total
ASSETS						
Cash Deposits at the Bank of ND	$ 6,208,485	$ 46,185	$ 3,062,965	$ 3,393,457	$ 17,920,255	$ 30,631,347
Cash and Cash Equivalents	5,181,350	-	190,243	425,231	-	5,796,824
Investments at the Bank of ND	29,837,602	-	-	50,000	-	29,887,602
Investments	141,619	-	-	-	-	141,619
Accounts Receivable - Net	-	11,033,893	-	-	-	11,033,893
Taxes Receivable - Net	-	-	-	-	46,901,827	46,901,827
Interest Receivable - Net	-	-	-	124	-	124
Total Assets	$ 41,369,056	$ 11,080,078	$ 3,253,208	$ 3,868,812	$ 64,822,082	$ 124,393,236
LIABILITIES						
Intergovernmental Payable	-	11,009,397	-	-	64,820,530	75,829,927
Tax Refunds Payable	2,500	-	-	-	1,551	4,051
Amounts Held in Custody for Others	41,366,556	70,681	3,253,208	3,868,812	1	48,559,258
Total Liabilities	$ 41,369,056	$ 11,080,078	$ 3,253,208	$ 3,868,812	$ 64,822,082	$ 124,393,236

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019

	June 30 2018	Additions	Deductions	June 30 2019
Bonding				
ASSETS				
Cash Deposits at the Bank of ND	$ 6,475,159	$ 379,277	$ 645,951	$ 6,208,485
Cash and Cash Equivalents	6,037,077	6,388,601	7,244,328	5,181,350
Investments at the Bank of ND	29,791,148	967,347	920,893	29,837,602
Investments	141,619	-	-	141,619
Total Assets	$ 42,445,003	$ 7,735,225	$ 8,811,172	$ 41,369,056
LIABILITIES				
Tax Refunds Payable	11,000	2,500	11,000	2,500
Amounts Held in Custody for Others	42,434,003	7,675,225	8,742,672	41,366,556
Total Liabilities	$ 42,445,003	$ 7,677,725	$ 8,753,672	$ 41,369,056
Payroll				
ASSETS				
Cash Deposits at the Bank of ND	213,729	126,162,165	126,329,709	46,185
Accounts Receivable - Net	10,297,613	11,033,893	10,297,613	11,033,893
Total Assets	$ 10,511,342	$ 137,196,058	$ 136,627,322	$ 11,080,078
LIABILITIES				
Intergovernmental Payable	10,457,993	11,009,396	10,457,992	11,009,397
Amounts Held in Custody for Others	53,349	125,201,979	125,184,647	70,681
Total Liabilities	$ 10,511,342	$ 136,211,375	$ 135,642,639	$ 11,080,078
Child Support				
ASSETS				
Cash Deposits at the Bank of ND	3,142,926	131,331,542	131,411,503	3,062,965
Cash and Cash Equivalents	203,129	-	12,886	190,243
Accounts Receivable - Net	1	-	1	-
Total Assets	$ 3,346,056	$ 131,331,542	$ 131,424,390	$ 3,253,208
LIABILITIES				
Amounts Held in Custody for Others	3,346,056	134,756,166	134,849,014	3,253,208
Total Liabilities	$ 3,346,056	$ 134,756,166	$ 134,849,014	$ 3,253,208

	June 30 2018	Additions	Deductions	June 30 2019
Student and Other				
ASSETS				
Cash Deposits at the Bank of ND	$ 5,962,686	$ 3,975,618	$ 6,544,847	$ 3,393,457
Cash and Cash Equivalents	633,711	3,399,887	3,608,367	425,231
Investments at the Bank of ND	50,000	-	-	50,000
Interest Receivable - Net	62	124	62	124
Total Assets	$ 6,646,459	$ 7,375,629	$ 10,153,276	$ 3,868,812
LIABILITIES				
Amounts Held in Custody for Others	6,646,459	7,375,629	10,153,276	3,868,812
Total Liabilities	$ 6,646,459	$ 7,375,629	$ 10,153,276	$ 3,868,812
Tax Collection				
ASSETS				
Cash Deposits at the Bank of ND	18,472,678	326,511,760	327,064,183	17,920,255
Taxes Receivable - Net	40,948,498	46,901,827	40,948,498	46,901,827
Total Assets	$ 59,421,176	$ 373,413,587	$ 368,012,681	$ 64,822,082
LIABILITIES				
Intergovernmental Payable	59,417,287	397,127,572	391,724,329	64,820,530
Tax Refunds Payable	3,888	1,551	3,888	1,551
Amounts Held in Custody of Others	1	-	-	1
Total Liabilities	$ 59,421,176	$ 397,129,123	$ 391,728,217	$ 64,822,082
Total -All Agency Funds				
ASSETS				
Cash Deposits at the Bank of ND	34,267,178	588,360,362	591,996,193	30,631,347
Cash and Cash Equivalents	6,873,917	9,788,488	10,865,581	5,796,824
Investments at the Bank of ND	29,841,148	967,347	920,893	29,887,602
Investments	141,619	-	-	141,619
Accounts Receivable - Net	10,297,614	11,033,893	10,297,614	11,033,893
Taxes Receivable - Net	40,948,498	46,901,827	40,948,498	46,901,827
Interest Receivable - Net	62	124	62	124
Total Assets	$ 122,370,036	$ 657,052,041	$ 655,028,841	$ 124,393,236
LIABILITIES				
Intergovernmental Payable	69,875,280	408,136,968	402,182,321	75,829,927
Tax Refunds Payable	14,888	4,051	14,888	4,051
Amounts Held in Custody for Others	52,479,868	275,008,999	278,929,609	48,559,258
Total Liabilities	$ 122,370,036	$ 683,150,018	$ 681,126,818	$ 124,393,236

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Schedule 1 -- Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013
Governmental Activities				
Net Investment in Capital Assets	$ 1,450,350,320	$ 1,640,080,874	$ 1,943,226,802	$ 2,331,214,264
Restricted	1,984,324,201	2,470,400,337	3,094,031,766	3,786,154,729
Unrestricted	1,772,441,595	2,537,062,796	3,635,538,536	5,597,014,917
Total Governmental Activities Net Position	**$ 5,207,116,116**	**$ 6,647,544,007**	**$ 8,672,797,104**	**$ 11,714,383,910**
Business-Type Activities				
Net Investment in Capital Assets	644,108,459	706,459,639	752,357,235	792,067,993
Restricted	445,609,412	452,312,013	569,991,053	632,431,958
Unrestricted	749,258,206	916,758,798	957,796,166	1,019,582,872
Total Business-Type Activities Net Position	**$ 1,838,976,077**	**$ 2,075,530,450**	**$ 2,280,144,454**	**$ 2,444,082,823**
Primary Government				
Net Investment in Capital Assets	2,094,458,779	2,346,540,513	2,695,584,037	3,123,282,257
Restricted	2,429,933,613	2,922,712,350	3,664,022,819	4,418,586,687
Unrestricted	2,521,699,801	3,453,821,594	4,593,334,702	6,616,597,789
Total Primary Government Net Position	**$ 7,046,092,193**	**$ 8,723,074,457**	**$ 10,952,941,558**	**$ 14,158,466,733**

2014	2015	2016	2017	2018	2019
$ 2,502,234,624	$ 3,622,722,021	$ 4,299,696,899	$ 4,759,286,304	$ 4,988,838,700	$ 5,185,682,467
4,976,564,822	6,254,673,532	6,246,873,312	6,224,908,099	6,355,103,413	6,639,785,616
7,109,867,360	6,812,545,677	5,781,826,861	5,989,501,438	7,172,275,944	8,786,695,069
$ 14,588,666,806	**$ 16,689,941,230**	**$ 16,328,397,072**	**$ 16,973,695,841**	**$ 18,516,218,057**	**$ 20,612,163,152**
844,395,270	1,023,384,933	1,155,758,401	1,223,438,996	1,214,133,386	1,246,740,894
600,269,799	485,012,106	533,664,273	888,080,253	924,610,477	972,887,591
1,287,315,405	1,439,859,232	1,528,847,402	1,633,421,219	1,779,197,611	1,904,500,531
$ 2,731,980,474	**$ 2,948,256,271**	**$ 3,218,270,076**	**$ 3,744,940,468**	**$ 3,917,941,474**	**$ 4,124,129,016**
3,346,629,894	4,646,106,954	5,455,455,300	5,982,725,300	6,202,972,086	6,432,423,361
5,576,834,621	6,739,685,638	6,780,537,585	7,112,988,352	7,279,713,890	7,612,673,207
8,397,182,765	8,252,404,909	7,310,674,263	7,622,922,657	8,951,473,555	10,691,195,600
$ 17,320,647,280	**$ 19,638,197,501**	**$ 19,546,667,148**	**$ 20,718,636,309**	**$ 22,434,159,531**	**$ 24,736,292,168**

Schedule 2 -- Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013
Expenses				
Governmental Activities:				
General Governmental	$ 393,432,224	$ 507,512,750	$ 617,152,026	$ 889,332,121
Education	849,337,255	830,649,191	843,780,168	875,991,527
Health and Human Services	1,149,201,916	1,244,163,316	1,271,569,970	1,318,899,711
Regulatory	26,187,266	28,419,774	33,988,310	44,813,739
Public Safety and Corrections	284,846,465	242,521,440	303,602,543	209,732,547
Agriculture and Commerce	85,327,633	98,038,471	91,653,406	93,212,834
Natural Resources	81,304,271	117,862,905	132,679,303	114,752,488
Transportation	463,845,880	468,695,689	796,123,086	595,646,719
Interest on Long Term Debt	11,773,684	10,461,658	9,063,514	8,454,110
Total Governmental Activities Expenses	3,345,256,594	3,548,325,193	4,099,612,325	4,150,835,796
Business-Type Activities:				
Bank of North Dakota	80,132,606	77,556,546	71,996,932	68,887,617
Housing Finance	62,931,910	69,824,036	56,046,981	48,368,304
Loan Programs	6,315,852	6,898,226	8,092,864	8,756,357
State Lottery	18,177,724	17,068,826	18,877,249	19,713,987
Unemployment Compensation	137,473,630	108,482,422	89,236,878	118,377,072
University System	963,820,452	1,008,539,618	1,047,949,521	1,080,816,602
Workers Compensation	218,185,899	300,297,491	359,216,200	448,535,174
Other	188,406,517	237,373,095	523,164,269	279,389,712
Total Business-Type Activities Expenses	1,675,444,590	1,826,040,260	2,174,580,894	2,072,844,825
Total Primary Government Expenses	**$ 5,020,701,184**	**$ 5,374,365,453**	**$ 6,274,193,219**	**$ 6,223,680,621**
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Governmental	20,683,111	26,863,061	30,255,507	32,815,967
Education	5,440,633	6,985,958	7,515,580	6,086,567
Health and Human Services	31,858,461	36,563,927	36,100,539	38,381,590
Regulatory	23,963,949	22,122,244	30,312,566	32,359,807
Public Safety and Corrections	12,310,270	14,456,950	26,263,919	26,614,392
Agriculture and Commerce	29,530,575	29,861,552	31,026,427	35,652,945
Natural Resources	30,854,355	24,772,981	31,017,855	26,356,862
Transportation	90,768,728	96,023,474	111,125,056	120,821,133
Operating Grants and Contributions	2,025,395,367	2,015,949,905	2,012,322,201	1,867,800,810
Capital Grants and Contributions	63,034,991	12,768,330	18,099,423	5,353,007
Total Governmental Activities Program Revenues	2,333,840,440	2,286,368,382	2,334,039,074	2,192,243,080
Business-Type Activities:				
Charges for Services:				
Bank of North Dakota	138,081,000	140,043,000	145,038,000	161,080,000
Housing Finance	48,814,007	54,190,469	49,583,855	42,649,030
Loan Programs	6,013,058	5,989,229	6,185,948	7,538,124
State Lottery	24,498,988	23,085,242	26,587,851	27,999,486
Unemployment Compensation	115,951,800	119,074,810	126,040,929	127,174,321
University System	418,085,075	438,741,616	468,992,991	486,262,379
Workers Compensation	157,710,330	193,150,136	253,677,520	320,237,794
Other	201,085,424	246,210,771	278,124,295	289,981,947
Operating Grants and Contributions	412,398,322	449,392,800	601,695,091	370,855,633
Capital Grants and Contributions	19,762,204	14,258,261	20,975,446	19,865,857
Total Business-Type Activities Program Revenues	1,542,400,208	1,684,136,334	1,976,901,926	1,853,644,571
Total Primary Government Program Revenues	**$ 3,876,240,648**	**$ 3,970,504,716**	**$ 4,310,941,000**	**$ 4,045,887,651**
Net (Expense)/Revenue				
Governmental Activities	(1,011,416,154)	(1,261,956,811)	(1,765,573,251)	(1,958,592,716)
Business-Type Activities	(133,044,382)	(141,903,926)	(197,678,968)	(219,200,254)
Total Primary Government Net Expense	**$ (1,144,460,536)**	**$ (1,403,860,737)**	**$ (1,963,252,219)**	**$ (2,177,792,970)**
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Individual and Corporate Income Taxes	379,938,009	605,526,736	658,905,496	863,018,492
Sales and Use Taxes	885,445,674	1,121,730,307	1,543,140,897	1,654,186,763
Oil, Gas and Coal Taxes	633,445,059	1,059,467,528	1,670,059,257	2,518,921,322
Business and Other Taxes	62,075,915	69,733,806	71,974,295	83,470,020
Unrestricted Investment Earnings	33,925,667	21,330,843	15,500,793	17,967,764
Tobacco Settlement	23,559,384	30,453,643	22,265,336	22,332,577
Miscellaneous	150,818,789	158,447,124	170,544,538	206,709,383
Contributions to Permanent Fund Principal	11,203,425	999,110	12,469,733	13,722,930
Special Items	-	-	-	-
Extraordinary Item	-	-	-	-
Transfers	(350,496,669)	(365,304,396)	(368,204,484)	(409,585,575)
Total Governmental Activities	1,829,915,253	2,702,384,702	3,796,655,862	4,970,743,676
Business-Type Activities:				
Miscellaneous	-	-	1,940,000	39,166,106
Special Items	-	-	-	(14,728,630)
Transfers	324,785,928	376,538,823	390,214,559	358,701,147
Total Business-Type Activities	324,785,928	376,538,823	392,154,559	383,138,623
Total Primary Government	**$ 2,154,701,181**	**$ 3,078,923,525**	**$ 4,188,810,421**	**$ 5,353,882,299**
Change in Net Position				
Governmental Activities	818,499,099	1,440,427,891	2,031,082,611	3,012,150,960
Business-Type Activities	191,741,546	234,634,897	194,475,591	163,938,369
Total Primary Government	**$ 1,010,240,645**	**$ 1,675,062,788**	**$ 2,225,558,202**	**$ 3,176,089,329**

2014	2015	2016	2017	2018	2019
$ 1,283,916,089	$ 1,171,207,640	$ 1,055,377,601	$ 955,118,609	$ 1,034,864,058	$ 1,183,233,944
1,075,062,067	1,415,255,393	1,175,550,087	1,214,358,440	1,208,513,849	1,238,988,634
1,433,598,932	1,706,333,172	1,776,822,167	1,851,801,955	1,930,264,975	1,947,263,363
54,727,821	66,743,817	69,084,070	76,261,665	60,781,953	61,213,248
243,149,474	249,290,966	227,617,802	238,515,283	241,143,887	230,666,579
96,055,152	106,455,113	106,845,611	100,774,792	95,411,926	99,247,117
119,395,831	236,079,321	321,992,458	286,546,075	230,194,737	261,307,506
1,066,103,806	603,812,692	679,070,102	529,532,248	444,530,511	443,629,333
7,601,561	7,154,580	1,334,285	2,677,665	2,502,540	1,952,361
5,379,610,733	5,562,332,694	5,413,694,183	5,255,586,732	5,248,208,436	5,467,502,085
76,366,749	71,053,171	85,822,027	88,791,813	86,073,174	98,931,503
40,901,946	37,510,475	40,245,934	40,997,193	46,083,037	52,714,991
12,759,106	11,366,158	17,322,830	13,172,549	13,320,203	12,665,669
19,264,562	20,359,788	26,038,434	20,637,595	23,214,880	26,174,686
113,988,509	144,920,974	225,358,209	156,930,938	115,486,597	84,205,911
1,129,869,106	1,170,159,474	1,211,438,892	1,204,936,394	1,178,669,412	1,198,989,180
418,500,961	377,926,363	366,662,703	254,467,332	270,197,345	297,497,091
269,600,028	549,799,020	569,432,422	571,077,157	632,911,836	594,491,102
2,081,250,967	2,383,095,423	2,542,321,451	2,351,010,971	2,365,956,484	2,365,670,133
$ 7,460,861,700	**$ 7,945,428,117**	**$ 7,956,015,634**	**$ 7,606,597,703**	**$ 7,614,164,920**	**$ 7,833,172,218**
38,080,695	37,107,914	36,278,126	33,728,302	33,504,205	37,185,115
6,064,710	6,806,001	7,071,212	7,530,807	6,987,309	7,147,934
39,915,016	64,507,593	42,982,802	43,283,756	48,201,500	80,627,617
45,384,490	25,862,700	52,583,727	29,390,590	31,489,459	29,490,252
28,552,402	30,428,332	24,446,658	23,272,409	30,370,076	32,002,961
36,600,243	31,198,196	38,222,183	35,559,194	40,756,601	32,809,364
29,681,837	33,895,342	35,142,635	35,392,128	33,128,741	38,390,527
120,058,651	132,160,558	122,699,922	124,378,227	120,482,453	120,377,945
2,083,789,612	1,888,797,868	1,755,539,596	2,221,211,526	2,156,381,884	2,121,702,987
11,045,879	1,388,033	3,416,338	1,205,837	94,772	106,834
2,439,173,535	2,252,152,537	2,118,383,199	2,554,952,776	2,501,397,000	2,499,841,536
155,548,000	175,117,000	207,836,000	223,476,000	221,210,000	251,626,000
36,150,366	34,386,013	36,286,659	37,984,271	39,821,469	49,362,786
7,548,651	10,365,115	12,212,352	11,530,798	7,391,511	13,095,470
27,051,014	27,212,010	35,736,460	27,744,572	31,520,906	35,511,058
133,701,408	127,328,232	147,802,377	193,118,386	162,161,260	114,657,558
507,302,753	517,570,660	537,645,053	546,737,253	549,206,645	540,691,218
318,779,835	339,806,696	308,682,776	244,720,318	239,542,884	249,787,742
276,895,777	554,752,747	573,829,155	577,288,875	639,883,523	600,125,017
439,950,824	312,136,231	298,603,154	380,842,641	363,266,299	410,790,831
18,703,628	36,923,275	29,609,083	32,025,992	4,769,350	19,925,817
1,921,632,256	2,135,597,979	2,188,243,069	2,275,469,106	2,258,773,847	2,285,573,497
$ 4,360,805,791	**$ 4,387,750,516**	**$ 4,306,626,268**	**$ 4,830,421,882**	**$ 4,760,170,847**	**$ 4,785,415,033**
(2,940,437,198)	(3,310,180,157)	(3,295,310,984)	(2,700,633,956)	(2,746,811,436)	(2,967,660,549)
(159,618,711)	(247,497,444)	(354,078,382)	(75,541,865)	(107,182,637)	(80,096,636)
$ (3,100,055,909)	**$ (3,557,677,601)**	**$ (3,649,389,366)**	**$ (2,776,175,821)**	**$ (2,853,994,073)**	**$ (3,047,757,185)**
700,867,920	732,975,064	414,964,865	418,040,178	452,792,812	604,088,632
1,756,777,615	1,804,380,378	1,348,342,960	1,236,701,340	1,326,248,557	1,435,129,762
3,335,934,782	2,734,507,198	1,457,361,212	1,490,398,754	2,196,877,038	2,586,569,876
82,437,250	92,936,834	99,295,506	98,374,118	100,127,079	110,714,853
130,011,232	117,643,232	64,347,477	489,070,430	380,164,919	360,264,138
23,652,803	21,789,723	22,776,760	21,599,800	55,305,183	20,752,400
198,533,139	161,725,312	119,545,563	119,134,899	163,996,339	231,745,021
14,251,211	16,382,336	15,637,987	11,895,026	4,393,122	11,014,244
-	-	(4,948,596)	-	-	-
-	-	-	(38,379,966)	-	-
(424,008,500)	(542,713,254)	(603,556,908)	(503,278,766)	(367,497,321)	(290,718,287)
5,818,457,452	5,139,626,823	2,933,766,826	3,343,555,813	4,312,407,728	5,069,560,639
1,857,975	9,562,071	93,003	4,846,618	2,921,705	5,162,713
-	-	-	-	-	-
455,888,029	535,979,992	611,332,622	598,094,515	285,002,133	277,018,465
457,746,004	545,542,063	611,425,625	602,941,133	287,923,838	282,181,178
$ 6,276,203,456	**$ 5,685,168,886**	**$ 3,545,192,451**	**$ 3,946,496,946**	**$ 4,600,331,566**	**$ 5,351,741,817**
2,878,020,254	1,829,446,666	(361,544,158)	642,921,857	1,565,596,292	2,101,900,090
298,127,293	298,044,619	257,347,243	527,399,268	180,741,201	202,084,542
$ 3,176,147,547	**$ 2,127,491,285**	**$ (104,196,915)**	**$ 1,170,321,125**	**$ 1,746,337,493**	**$ 2,303,984,632**

Schedule 3 -- Fund Balances, Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

	2010
General Fund	
Reserved	$ 4,990,240
Unreserved	834,021,114
Total General Fund	**839,011,354**
All Other Governmental Funds	
Reserved	2,201,584,878
Unreserved, Reported in:	
Special Revenue Funds	1,525,108,012
Total All Other Governmental Funds	**3,726,692,890**
Total Fund Balances, Governmental Funds	**$ 4,565,704,244**

Note: Due to GASB Statement 54, a new table is included below for 2011 going forward.

	2011	2012	2013	2014
General Fund				
Nonspendable	$ 4,628,040	$ 498,042,684	$ 1,355,179,441	$ 2,447,681,621
Restricted	-	-	-	-
Commited	682,696,887	996,737,740	840,061,206	1,365,420,166
Unassigned	712,046,495	1,412,091,095	2,142,277,489	1,421,552,566
Total General Fund	**1,399,371,422**	**2,906,871,519**	**4,337,518,136**	**5,234,654,353**
All Other Governmental Funds				
Nonspendable	81,757,950	82,345,060	85,991,097	88,250,884
Restricted	2,371,817,130	3,003,088,539	3,679,248,354	4,913,528,772
Commited	1,055,012,373	682,600,401	1,200,571,048	1,628,346,627
Assigned	124,052,099	66,930,266	64,730,555	224,403,093
Unassigned	(3,205,875)	(3,797,855)	(6,075,964)	-
Total All Other Governmental Funds	**3,629,433,677**	**3,831,166,411**	**5,024,465,090**	**6,854,529,376**
Total Fund Balances, Governmental Funds	**$ 5,028,805,099**	**$ 6,738,037,930**	**$ 9,361,983,226**	**$ 12,089,183,729**

2015	2016	2017	2018	2019
$ 3,465,933,483	$ 3,908,797,255	$ 4,761,588,134	$ 5,551,216	$ 6,638,440
-	-	-	8,990,891	279,367
1,332,805,458	997,494,805	364,544,853	411,711,769	348,222,819
1,061,519,282	421,702,619	353,772,107	6,242,855,378	7,231,354,796
5,860,258,223	**5,327,994,679**	**5,479,905,094**	**6,669,109,254**	**7,586,495,422**
179,976,824	197,452,648	208,038,662	216,171,493	101,738,203
6,037,108,398	6,000,049,002	5,996,248,585	6,124,510,110	6,488,554,439
1,230,446,562	617,111,539	480,910,925	398,555,411	1,187,965,245
-	79,512,397	228,964,056	381,732,051	374,609,779
(8,477,525)	(3,376,686)	(3,146,889)	-	(1,642,214)
7,439,054,259	**6,890,748,900**	**6,911,015,339**	**7,120,969,065**	**8,151,225,452**
$ 13,299,312,482	**$ 12,218,743,579**	**$ 12,390,920,433**	**$ 13,790,078,319**	**$ 15,737,720,874**

Schedule 4 -- Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

	2010	2011	2012	2013
Revenues				
Individual and Corporate Income Taxes	$ 380,068,970	$ 602,185,856	$ 643,107,392	$ 845,590,604
Sales and Use Taxes	883,265,443	1,120,803,578	1,542,807,423	1,652,264,305
Oil, Gas, and Coal Taxes	633,497,612	1,058,519,977	1,670,529,100	2,518,629,175
Business and Other Taxes	62,344,622	70,417,133	72,084,077	80,514,313
Licenses, Permits and Fees	143,516,524	154,090,944	183,303,744	191,268,529
Intergovernmental	1,692,074,692	1,610,019,463	1,753,469,275	1,428,170,719
Sales and Services	47,993,528	53,599,656	51,864,186	51,333,672
Royalties and Rents	407,051,277	328,289,031	392,165,022	389,989,643
Fines and Forfeits	13,282,502	16,213,841	18,151,711	23,770,098
Interest and Investment Income	181,825,499	270,760,984	74,621,630	250,383,144
Tobacco Settlement	32,839,602	30,453,643	31,277,903	31,344,429
Commodity Assessments	19,558,592	23,111,279	19,710,327	28,572,996
Miscellaneous	11,870,275	7,622,389	25,651,998	56,131,404
Total Revenues	4,509,189,138	5,346,087,774	6,478,743,788	7,547,963,031
Expenditures				
Current:				
General Government	118,135,852	174,560,163	193,919,196	316,117,619
Education	849,104,680	830,379,618	842,666,213	874,348,965
Health and Human Services	1,147,503,138	1,240,584,657	1,267,415,392	1,316,596,317
Regulatory	22,114,812	25,371,933	30,249,484	35,368,070
Public Safety and Corrections	276,719,107	233,108,649	292,979,177	199,319,379
Agriculture and Commerce	85,141,016	97,880,158	91,516,274	92,435,869
Natural Resources	73,359,931	110,413,413	123,117,235	105,696,650
Transportation	425,930,371	430,542,156	753,087,144	550,383,353
Intergovernmental - Revenue Sharing	273,118,311	326,572,267	415,775,866	570,905,886
Capital Outlay	155,148,376	233,071,350	358,083,597	428,030,196
Debt Service:				
Principal	30,513,501	16,869,266	18,282,996	17,421,039
Interest and Other Charges	12,318,072	10,659,235	9,736,260	8,744,962
Total Expenditures	3,469,107,167	3,730,012,865	4,396,828,834	4,515,368,305
Revenue over (under) Expenditures	1,040,081,971	1,616,074,909	2,081,914,954	3,032,594,726
Other Financing Sources (Uses)				
Bonds and Notes Issued	-	2,575,000	-	-
Refunding Bonds Issued	-	5,337,000	20,004,000	-
Payment to Refund Bond Escrow Agent	-	-	-	-
Payment of Refunded Bonds	-	(4,940,000)	(25,041,000)	-
Capital Lease Acquisitions	166,951	1,402,326	147,344	282,145
Sale of Capital Assets	471,890	539,837	284,974	641,170
Other	-	-	-	-
Transfers In	474,985,111	566,165,036	1,162,122,470	398,824,628
Transfers Out	(825,481,779)	(931,469,432)	(1,530,199,911)	(808,397,373)
Total Other Financing Sources (Uses)	(349,857,827)	(360,390,233)	(372,682,123)	(408,649,430)
Extraordinary Item	-	-	-	-
Net Changes in Fund Balances	**$ 690,224,144**	**$ 1,255,684,676**	**$ 1,709,232,831**	**$ 2,623,945,296**
Debt Service as a Percentage of Noncapital Expenditures	**1.2%**	**1.3%**	**<1%**	**<1%**

2014	2015	2016	2017	2018	2019
$ 736,426,799	$ 714,657,090	$ 424,229,756	$ 397,563,377	$ 459,742,512	$ 594,902,271
1,747,358,775	1,790,646,715	1,353,955,780	1,227,777,645	1,308,380,507	1,447,039,166
3,336,441,100	2,734,607,036	1,457,086,135	1,489,177,632	2,198,245,617	2,586,461,875
85,216,692	93,445,691	99,743,017	99,358,473	100,050,115	113,491,911
205,896,279	215,706,207	207,163,123	201,347,912	209,425,979	208,629,095
1,433,023,985	1,626,610,762	1,643,431,832	1,718,291,215	1,666,435,743	1,722,371,509
54,206,137	81,988,980	57,382,857	56,713,042	59,147,530	87,945,566
474,293,031	398,048,916	237,379,524	256,351,062	358,554,090	428,518,481
23,022,332	26,167,673	22,979,377	25,792,953	27,794,757	31,643,952
515,486,326	149,053,816	63,615,120	863,607,155	668,469,231	568,502,158
33,896,173	30,512,364	31,872,848	25,677,716	55,305,183	20,752,400
24,788,270	23,662,092	25,007,037	27,771,103	25,879,090	24,055,725
37,337,036	17,176,577	43,591,538	19,059,502	32,577,808	26,261,882
8,707,392,935	7,902,283,919	5,667,437,944	6,408,488,787	7,170,008,162	7,860,575,991
391,604,389	690,034,696	363,410,801	375,462,221	196,145,504	212,878,777
1,073,921,730	1,116,260,493	1,174,928,314	1,212,413,715	1,205,816,564	1,236,434,495
1,430,474,509	1,707,702,397	1,774,061,712	1,830,146,819	1,895,273,724	1,901,317,937
47,317,516	58,625,606	60,161,098	66,319,143	50,990,125	44,017,306
230,055,951	237,542,738	216,354,458	221,427,867	217,079,519	206,073,620
95,791,431	106,304,742	106,791,473	100,053,823	93,502,803	97,290,753
107,874,535	185,712,117	307,669,526	270,375,075	210,225,132	240,134,308
1,015,136,123	550,382,661	613,815,927	446,115,824	369,478,453	359,256,938
887,469,331	811,392,745	693,793,125	574,300,791	826,616,477	964,483,838
250,938,968	648,582,253	770,056,268	585,432,696	339,847,100	341,357,479
18,094,333	35,744,666	63,766,311	11,576,381	16,169,612	10,839,024
7,999,247	7,915,666	4,544,267	2,809,155	2,532,662	2,073,539
5,556,678,063	6,156,200,780	6,149,353,280	5,696,433,510	5,423,677,675	5,616,158,014
3,150,714,872	1,746,083,139	(481,915,336)	712,055,277	1,746,330,487	2,244,417,977
-	-	-	-	42,812,909	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(20,347,000)	-
52,526	244,493	149,891	1,728,159	175,968	184,258
336,557	49,910	5,712,951	27,150	19,343	1,141,039
-	-	-	-	-	-
104,808,196	1,176,200,047	838,882,833	346,374,625	291,318,581	285,737,190
(528,711,650)	(1,718,913,302)	(1,443,399,242)	(849,628,391)	(658,815,902)	(576,455,477)
(423,514,371)	(542,418,852)	(598,653,567)	(501,498,457)	(344,836,101)	(289,392,990)
-	-	-	(38,379,966)		
$ 2,727,200,501	**$ 1,203,664,287**	**$ (1,080,568,903)**	**$ 172,176,854**	**$ 1,401,494,386**	**$ 1,955,024,987**
<1%	**<1%**	**<1%**	**1.3%**	**<1%**	**<1%**

Schedule 5
Taxable Sales by Industry
Last Ten Calendar Years

	Calendar Year			
	2009	2010	2011	2012
Mining and Oil Extraction	$ 704,397,852	$ 1,491,748,626	$ 3,609,963,576	$ 5,117,138,306
Construction	429,559,387	494,291,922	702,237,062	1,073,180,098
Manufacturing	649,627,740	711,340,542	995,535,882	1,270,236,581
Transportation, Communications, And Public Utilities	489,144,528	390,215,115	577,280,642	652,478,635
Wholesale	2,413,689,772	3,367,800,790	4,394,667,162	5,987,059,129
Retail	4,334,670,425	4,686,288,902	5,448,304,958	6,348,806,735
Services	1,542,498,356	1,724,349,874	2,490,644,719	3,135,679,592
Accommodation and Food Service	1,179,623,344	1,271,280,053	1,471,737,060	1,706,097,731
Miscellaneous				
Total	$ 11,743,211,404	$ 14,137,315,824	$ 19,690,371,061	$ 25,290,676,807
Effective Tax Rate	4.97%	4.98%	4.86%	5.08%

Source: ND State Tax Department

Schedule 6
Sales Tax Revenue Payers by Industry
Calendar Years 2009 and 2018
(Dollars are in Millions)

	Calendar Year 2009			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	7,977	28.8%	$ 202.18	34.0%
Wholesale Trade	4,409	15.9%	81.45	13.7%
Services	7,709	27.8%	65.02	11.0%
Transportation, Communications, And Public Utilities	436	1.6%	28.40	4.8%
Manufacturing	2,450	8.8%	138.14	23.3%
Construction	1,772	6.4%	38.53	6.5%
Miscellaneous	2,693	9.7%	35.59	6.0%
Mining and Oil Extraction	266	1.0%	3.78	0.6%
Total	27,712	100.0%	593.09	100.0%

Source: ND State Tax Department

Calendar Year					
2013	2014	2015	2016	2017	2018
$ 4,374,052,860	$ 5,194,104,870	$ 3,195,799,670	$ 1,270,571,326	$ 1,933,586,774	$ 2,798,102,134
985,079,023	965,197,436	893,628,575	788,360,652	572,742,527	581,608,306
1,334,723,444	1,527,873,493	1,256,620,179	955,191,364	940,433,285	1,073,576,742
569,453,738	630,444,105	566,226,446	359,835,574	325,778,272	520,830,231
6,434,467,781	7,391,400,913	5,339,698,317	3,564,195,615	3,971,599,479	4,849,827,096
6,569,146,675	6,900,590,520	6,634,790,900	6,137,317,234	6,039,261,375	6,253,114,138
3,441,014,994	3,684,213,017	3,176,227,835	2,547,155,903	2,411,082,485	2,420,785,043
1,756,625,375	1,928,607,097	1,839,842,915	1,705,940,154	1,706,215,062	1,765,283,726
$ 25,464,563,890	$ 28,222,431,451	$ 22,902,834,837	$ 17,328,567,822	$ 17,900,699,259	$ 20,263,127,416
5.08%	5.00%	5.35%	5.42%	5.06%	5.12%

Calendar Year 2018			
Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
9,469	28.8%	316.45	30.5%
5,140	15.6%	242.44	23.3%
9,290	28.3%	121.29	11.7%
486	1.5%	26.04	2.5%
2,723	8.3%	53.68	5.2%
2,144	6.5%	29.08	2.8%
3,004	9.1%	109.45	10.5%
589	1.8%	139.91	13.5%
32,845	100.0%	$ 1,038.34	100.0%

Schedule 7
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities				
Revenue bonds	$ 232,102	$ 219,221	$ 197,021	$ 180,757
Capital leases	2,842	2,964	1,928	1,068
Notes Payable	19,493	8,563	7,428	6,211
Total Governmental Activities	254,437	230,748	206,377	188,036
Business-type Activities				
Revenue bonds	1,301,368	1,193,816	1,069,257	919,506
Certificates of Participation	-	-	-	-
Capital leases	72,461	75,649	73,211	61,796
Notes payable	412,095	403,509	481,735	415,856
Total Business-Type Activities	1,785,924	1,672,974	1,624,203	1,397,158
Total Primary Government	$ 2,040,361	$ 1,903,722	$ 1,830,580	$ 1,585,194
Debt as a Percentage of Personal Income [1]	7.5%	7.1%	6.2%	4.8%
Amount of Debt per Capita [1]	$ 3,103	$ 2,863	$ 2,714	$ 2,313

[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						
2014	2015	2016	2017	2018	2019
$ 163,031	$ 129,345	$ 64,049	$ 54,105	$ 40,429	$ 29,950
667	600	467	1,695	1,415	1,118
4,981	4,412	3,891	2,181	22,248	21,897
168,679	134,357	68,407	57,981	64,092	52,965
901,527	884,086	1,040,019	1,019,125	1,242,368	1,525,285
-	-	-	-	-	96,843
44,774	41,224	38,533	41,425	40,058	54,359
484,763	665,792	747,186	1,299,860	1,289,686	1,120,787
1,431,064	1,591,102	1,825,738	2,360,410	2,572,112	2,797,274
$ 1,599,743	$ 1,725,459	$ 1,894,145	$ 2,418,391	$ 2,636,204	$ 2,850,239
4.1%	4.3%	4.4%	5.8%	6.4%	6.9%
$ 2,279	$ 2,383	$ 2,560	$ 3,195	$ 3,478	$ 3,760

Schedule 8
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Requirements		Coverage
				Principal	Interest	
	BUILDING AUTHORITY BONDS					
2010	11,026,000	-	11,026,000	10,360,000	4,005,000	0.77
2011	9,570,000	-	9,570,000	6,243,000	3,656,000	0.97
2012	11,298,000	-	11,298,000	7,106,000	3,211,000	1.10
2013	8,394,000	-	8,394,000	5,806,000	2,655,000	0.99
2014	9,176,000	-	9,176,000	6,825,000	2,336,000	1.00
2015	8,163,000	-	8,163,000	6,130,000	2,080,000	0.99
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
	Pledged revenues include interest and lease payments.					
	WATER COMMISSION BONDS					
2010	9,658,200	-	9,658,200	5,055,000	4,685,748	0.99
2011	9,425,473	-	9,425,473	5,227,642	4,645,491	0.95
2012	9,761,020	-	9,761,020	5,541,961	4,372,017	0.98
2013	9,863,578	-	9,863,578	5,760,272	4,142,814	1.00
2014	16,615,188	-	16,615,188	5,990,528	3,911,439	1.68
2015	8,783,565	-	8,783,565	13,343,592	3,318,972	0.53
2016	45,840,868	-	45,840,868	52,525,000	1,309,125	0.85
	Pledged revenues inlcude user fees, interest, and Tobacco Settlement funds.					
	INFORMATION TECHNOLOGY BONDS					
2010	48,633,238	38,453,612	10,179,626	1,716,372	790,686	4.06
2011	49,841,497	41,956,029	7,885,468	10,537,178	324,831	0.73
2012	53,268,445	47,300,345	5,968,100	694,550	89,028	7.62
2013	58,427,069	52,478,918	5,948,151	736,600	39,805	7.66
2014	60,619,327	53,925,234	6,694,093	711,950	14,239	9.22
	Pledged revenues include user fees.					
	DEPARTMENT OF TRANSPORTATION BONDS					
2010	5,750,480	-	5,750,480	3,355,000	2,397,783	1.00
2011	5,271,363	-	5,271,363	3,465,000	1,854,138	0.99
2012	5,345,315	-	5,345,315	3,595,000	1,726,615	1.00
2013	5,344,822	-	5,344,822	3,725,000	1,597,010	1.00
2014	5,320,012	-	5,320,012	3,865,000	1,451,535	1.00
2015	5,318,070	-	5,318,070	4,015,000	1,303,070	1.00
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
	Pledged revenues include interest and federal (intergovernmental revenues and tranfers from fund 002), highway fund appropriations, and transfers from Highway fund (200).					

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Requirements		Coverage
				Principal	Interest	
	STUDENT LOAN TRUST					
2010	1,630,000	925,000	705,000	1,000,000	535,000	0.46
2011	1,406,000	923,000	483,000	9,000,000	288,000	0.05
2012	1,168,000	770,000	398,000	2,000,000	39,000	0.20
2013	976,000	658,000	318,000	2,200,000	24,000	0.14
2014	868,000	559,000	309,000	-	9,000	34.33
2015	732,000	487,000	245,000	-	9,000	27.22
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
	Pledged revenues include federal revenues, and loan and investment interest.					
	HOUSING FINANCE AGENCY					
2010	72,564,000	26,958,000	45,606,000	354,181,000	37,499,000	0.12
2011	74,163,000	46,020,000	28,143,000	247,099,000	36,352,000	0.10
2012	62,386,855	42,874,000	19,512,855	246,535,000	36,562,000	0.07
2013	55,452,870	36,480,000	18,972,870	209,045,000	29,902,000	0.08
2014	48,261,366	28,677,687	19,583,679	189,830,000	22,360,000	0.09
2015	46,104,013	25,535,000	20,569,013	136,385,000	18,303,000	0.13
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
	Pledged revenues include income and proceeds from mortgage loan activity.					
	UNIVERSITY SYSTEM					
2010	663,347,234	823,053,516	(159,706,282)	25,067,090	12,968,810	(4.20)
2011	777,992,712	937,253,706	(159,260,994)	19,435,268	14,390,104	(4.71)
2012	708,136,180	979,701,772	(271,565,592)	27,187,867	15,553,703	(6.35)
2013	729,800,506	1,012,017,963	(282,217,457)	43,206,702	12,842,418	(5.04)
2014	750,780,897	1,051,848,696	(301,067,799)	42,458,545	11,650,094	(5.56)
2015	758,127,326	1,090,845,378	(332,718,052)	45,904,456	13,702,718	(5.58)
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)

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, 2019

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)
2009	664,968	26,687,878	40,134	4.1%	349,561
2010	674,518	29,450,250	43,661	3.8%	358,674
2011	684,830	33,306,563	48,635	3.5%	379,433
2012	701,380	39,449,209	56,245	3.1%	411,710
2013	722,908	40,296,443	55,742	2.9%	427,109
2014	738,658	42,991,436	58,202	2.7%	444,658
2015	754,859	42,002,831	55,643	2.8%	437,078
2016	755,548	41,404,978	54,801	3.1%	417,150
2017	755,393	41,277,100	54,643	2.6%	414,039
2018	760,077	42,147,700	55,542	2.6%	417,578

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

	2018			2009		
Industry	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	82,500	1	19.04%	77,900	1	21.25%
Educational and Health Services	63,700	2	14.70%	53,300	2	14.54%
Retail Trade	46,900	3	10.82%	42,600	3	11.62%
Leisure and Hospitality	40,200	4	9.28%	34,000	4	9.27%
Professional and Business Services	34,600	5	7.98%	29,300	5	7.99%
Construction	25,900	6	5.98%	20,900	7	5.70%
Manufacturing	25,900	7	5.98%	23,500	6	6.41%
Financial Activities	24,300	8	5.61%	20,200	8	5.51%
Wholesale Trade	23,900	9	5.51%	20,100	9	5.48%
Transportation, Warehousing and Utilities	23,400	10	5.40%	15,000	11	4.09%
Logging and Mining	20,700	11	4.78%	7,000	13	1.91%
Other Services	15,200	12	3.51%	15,300	10	4.17%
Information	6,200	13	1.43%	7,500	12	2.05%
Total	433,400		100%	366,600		100%

Source: Job Service North Dakota: Current Employment Statistics Program.

Schedule 13
Education Enrollment
Last Ten Academic Years

Public School Enrollment

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Kindergarten	7,446	8,236	8,575	8,822	9,033	8,925	8,841	9,271	9,324	9,620
Grades 1-3	21,592	22,229	23,796	24,859	25,960	26,585	26,320	26,316	26,663	27,208
Grades 4-6	20,788	20,932	22,008	22,810	23,751	24,513	25,244	26,076	26,580	26,622
Grades 7-8	14,662	14,740	14,750	14,920	15,299	15,642	16,115	16,511	16,845	17,561
Grades 9-12	30,241	29,641	30,063	30,245	30,235	30,405	30,343	30,771	31,430	31,847
Total Enrollment	94,729	95,778	99,192	101,656	104,278	106,070	106,863	108,945	110,842	112,858
Special Education Students	13,170	13,123	13,268	13,399	13,675	13,988	14,429	15,175	15902	NA

Source: Department of Public Instruction

University System Full-Time Equivalent Student Enrollment

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Bismarck State College	3,208	3,209	2,990	2,955	2,909	2,912	2,860	2,646	2,611	2,598
Dakota College at Bottineau	540	524	474	502	518	459	490	527	590	596
Dickinson State University	2,054	1,959	1,454	1,201	1,176	1,070	1,114	1,128	1,090	1,093
Lake Region State College	921	988	973	943	978	981	971	995	1,005	974
Mayville State University	704	704	759	749	798	796	782	784	817	801
Minot State University	3,002	2,795	2,731	2,710	2,600	2,570	2,591	2,467	2,483	2,399
ND State College Of Science	2,217	2,366	2,354	2,295	2,272	2,305	2,298	2,253	2,126	2,076
North Dakota State University	12,708	12,606	12,707	12,797	12,934	12,834	12,782	12,784	12,394	11,704
University of North Dakota	12,018	12,319	12,728	12,606	12,420	12,455	12,180	11,964	11,585	11,164
Valley City State University	957	1,011	995	975	990	1,031	1,044	1,086	1,096	1,164
Williston State College	570	608	537	593	579	738	756	763	806	783
Total	38,899	39,089	38,702	38,326	38,174	38,151	37,870	37,398	36,603	35,352

Source: North Dakota University System, Fall Enrollment Reports

Schedule 14
State Employees by State Agency
Last Ten Fiscal Years

EXECUTIVE BRANCH	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Adjutant General	174	172	174	178	177	170	155	155	155	155
Aeronautics Commission	6	6	6	6	6	6	7	7	7	7
Bank of North Dakota	177	177	177	177	180	180	182	183	190	190
Barley Council	6	5	5	5	5	5	5	5	5	1
Beef Commission	2	2	2	2	2	2	2	3	3	3
Career and Technical Education	34	34	34	34	34	29	27	27	25	25
Corn Council	3	3	4	5	6	6	6	6	6	3
Council on the Arts	5	5	5	5	5	5	5	5	5	5
Department of Agriculture	72	75	75	76	77	77	77	77	73	74
Department of Commerce	68	68	68	68	70	69	69	69	54	66
Department of Corrections and Rehabilitation	704	705	739	812	813	834	838	845	845	895
Department of Emergency Services	60	65	64	68	70	76	79	79	79	76
Department of Environmental Quality	0	0	0	0	0	0	0	0	0	2
Department of Financial Institutions	29	29	29	29	29	29	30	31	30	30
Department of Human Services	2,222	2,232	2,201	2,201	2,203	2,215	2,216	2,218	2,163	2,140
Department of Public Instruction	99	101	99	99	99	100	100	92	92	94
Department of Transportation	1,057	1,066	1,066	1,081	1,084	1,082	1,081	1,081	1,047	1,008
Department of Trust Lands	21	23	26	28	31	34	34	33	30	30
Game and Fish Department	20	157	157	158	158	164	163	163	163	164
Highway Patrol	194	194	198	198	213	215	215	204	204	204
Historical Society	63	63	66	73	72	73	80	80	77	78
Indian Affairs Commission	4	4	4	5	5	5	5	5	5	4
Industrial Commission	60	68	73	93	93	114	113	114	106	108
Information Technology Department	339	341	335	326	341	354	350	352	346	447
Job Service North Dakota	309	309	309	252	239	238	182	182	182	182
Milk Marketing Board	6	6	6	6	6	6	6	6	6	4
ND Department of Health	346	341	345	352	354	365	366	368	360	365
ND Horse Racing Commission	2	2	2	2	2	2	2	2	2	2
ND Housing Finance Agency	46	46	46	46	46	40	41	41	41	42
ND Mill and Elevator Association	130	131	130	131	134	135	142	147	153	151
ND Vision Services/School for the Blind	32	33	33	33	33	33	32	32	30	30
North Dakota University System	7,579	7,775	7,756	7,763	7,904	8,028	8,012	7,532	7,290	7,207
Office of Administrative Hearings	7	7	7	7	5	5	5	5	5	5
Office of Management and Budget	133	135	134	134	134	132	124	123	117	118

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXECUTIVE BRANCH, Continued										
Office of the Attorney General	202	202	205	214	217	248	253	253	240	249
Office of the Governor	18	18	18	18	18	18	18	19	17	17
Office of the Insurance Commissioner	46	45	49	49	49	49	49	49	46	46
Office of the Labor Commissioner	12	12	12	13	13	15	15	15	14	14
Office of the State Auditor	56	56	56	55	55	61	62	62	57	57
Office of the State Tax Commissioner	133	133	133	134	134	134	135	135	132	132
Office of the State Treasurer	7	7	8	8	8	8	8	8	7	7
Oilseed Council	1	1	1	1	1	2	1	1	1	1
Parks and Recreation Department	52	53	53	53	55	65	66	65	63	62
Protection and Advocacy	28	29	29	29	28	28	28	28	28	29
Public Employees Retirement System	33	33	33	33	33	33	35	35	35	35
Public Service Commission	45	46	43	44	44	46	46	47	47	47
Retirement and Investment Office	17	18	18	18	19	19	19	19	19	20
School for the Deaf	50	50	50	50	50	51	51	51	51	51
Secretary of State	28	28	31	31	31	34	34	34	32	32
Securities Department	9	9	9	9	9	9	9	9	10	9
Seed Department	30	30	30	30	30	30	30	31	31	30
Soybean Council	5	5	6	7	7	8	8	8	7	6
State Fair Association	28	27	27	27	28	27	27	26	27	28
State Library	30	30	30	30	30	31	30	30	29	29
State Radio	0	0	0	0	0	0	0	0	0	0
Veteran's Affairs Department	7	7	8	8	8	8	9	9	9	7
Veterans Home	98	116	114	117	118	120	116	118	120	119
Water Commission	86	87	87	88	90	95	96	96	93	93
Wheat Commission	8	8	8	8	8	8	8	8	8	6
Workforce Safety and Insurance	241	251	251	254	256	266	265	265	265	267
LEGISLATIVE BRANCH										
Legislative Council	34	34	34	34	36	36	37	36	36	36
JUDICIAL BRANCH										
Judiciary Branch	372	342	344	362	363	364	392	392	355	363
Total State Employees	**15,685**	**16,052**	**16,062**	**16,177**	**16,368**	**16,639**	**16,598**	**16,118**	**15,675**	**15,706**

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Office of the Tax Commissioner										
Number of returns filed electronically [1]	242,792	289,387	319,759	352,150	383,906	412,559	428,347	391,234	460,464	447,690
Education										
Department of Public Instruction										
Public School Enrollment [2]	94,729	95,778	99,192	101,656	104,278	106,070	106,863	108,945	110,842	112,858
North Dakota University System										
Full Tme Equivalent Student Enrollment [3]	38,899	39,089	38,702	38,326	38,174	38,151	37,870	37,398	36,603	35,352
Health and Human Services										
North Dakota Department of Health										
Number of Autopsies Performed in ND [4]	300	323	367	365	261	258	244	234	239	NA
Air Quality - Percent of Facilities in Compliance [4]	99	100	99	99	99	100	100	100	99	NA
Public Water Systems - Percent of Facilities in Compliance [4]	96	95	96	96	95	96	98	99	98	NA
Department of Human Services										
Number of TANF Caseloads	4,238	3,668	3,329	3,032	2,773	2,515	2,367	2,313	2,206	1,968
Number of Medicaid Recipients	84,529	88,618	90,453	91,382	105,539	114,364	122,374	123,766	124,371	122,304
Regulatory										
Office of the Insurance Commissioner										
Licensed Insurance Agents [4]	49,157	50,392	52,417	55,241	61,142	65,671	74,118	75,769	79,899	70,650
Public Service Commission										
Weighing and Measuring Devices Inspected	10,465	10,673	7,437	9,559	5,892	5,446	6,136	5,172	5,183	4,653
Weights and Measures Quality Assurance Inspections	0	0	0	0	166	249	216	207	160	79
Gas Pipeline Safety Inspections	67	61	53	83	127	72	81	82	78	42
Gas Pipeline Safety Inspection-Person Days	88	97	97	138	162	124	134	150	191	122
Public Safety and Corrections										
Department of Corrections and Rehabilitation										
Average Daily Adult Prison Population [4]	1,497	1,460	1,477	1,553	1,617	1,767	1,794	1,813	1,709	NA
Office of the Attorney General-Bureau of Investigations										
Criminal Cases Opened [4]	410	366	422	355	478	449	558	514	339	NA
Drug Cases Opened [3]	447	421	375	403	380	387	544	446	278	NA
Office of the Attorney General-Crime Laboratory										
Toxicology Alcohol Blood and Breath Analyses [4]	7,576	7,583	7,918	7,421	6,523	6,472	5,472	5,201	4,298	NA
Methamphetamine/Amphetamine Samples Processed [4]	964	745	1,381	2,387	2,942	4,527	4,669	3,932	4,077	NA
Office of the Adjutant General										
Assigned National Guard [5]	4,349	4,375	4,363	4,210	4,167	4,006	3,980	4,032	4,002	4,094
Agriculture and Commerce										
Department of Agriculture										
Pounds of Pesticide Waste Collected	215,594	189,996	290,932	248,354	310,754	384,857	137,297	180,692	340,074	521,584
Department of Commerce										
Net Job Growth from Nonfarm Employment [4]	9,300	20,600	32,400	15,400	16,800	-7,700	-19,300	-3,700	2,600	NA
New Private Sector Businesses [4]	667	1,627	2,301	1,414	984	397	-51	-255	-110	NA
Natural Resources										
Game and Fish Department										
Registered Boats [4]	56,128	47,527	62,799	69,381	53,558	61,328	67,026	57,220	60,660	NA
Hunting and Fishing Licenses Issued	326,333	330,833	321,086	359,734	357,488	354,728	356,548	351,704	343,709	NA
Department of Parks and Recreation										
Park Visitations [4]	1,057,922	1,099,714	1,191,483	1,067,054	1,187,022	1,211,150	1,182,628	1,196,868	1,211,744	NA
Camping Nights [4]	50,749	55,018	67,425	66,533	68,480	71,075	73,316	71,555	72,831	NA
Snowmobile Registrations [4]	5,278	11,872	3,354	11,763	3,743	8,958	2,779	8,767	2,762	NA
OHV Registrations [4]	16,335	10,841	21,862	12,198	26,200	12,753	25,316	13,673	27,148	NA
Transportation										
Department of Transportation										
Registered Vehicles [4]	945,282	1,048,240	1,063,203	1,110,241	1,159,317	1,168,252	1,160,042	1,159,040	1,184,472	NA
Licensed Drivers	483,097	490,146	502,807	513,838	527,541	545,027	555,935	561,667	561,333	566,015
Unemployment Compensation										
Job Service North Dakota										
Number of Covered Workers [4]	358,674	379,433	411,710	427,109	444,658	437,078	417,150	414,039	417,578	NA
Workforce Safety and Insurance										
Number of Claims Filed	19,384	21,693	24,643	25,835	26,395	24,798	21,227	20,045	19,830	19,913
Number of Covered Workers	340,117	348,743	369,996	402,771	418,234	435,993	427,899	408,107	405,367	409,559

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	632,393	631,940	631,921	631,939	631,997	632,039	631,794	631,806	631,806	631,806
ND University System										
Buildings	522	522	512	512	528	528	534	534	516	516
Buildings Square Footage	14,700,708	14,700,708	15,019,252	15,019,252	15,852,457	15,852,457	16,299,100	16,299,100	16,571,905	16,571,905
Health and Human Services										
Dept. of Human Services										
Buildings	74	74	74	64	63	63	63	63	63	63
Public Safety and Corrections										
Department of Corrections and Rehabilitation										
Buildings	72	72	72	69	71	71	71	70	70	70
Office of the Adjutant General										
Headquarters, Camp and Armory Buildings	282	282	283	268	280	298	298	302	330	327
Natural Resources										
Game and Fish Department										
Wildlife Management Areas	192	199	201	201	204	201	200	201	201	201
Boats, ATV's, Snowmobiles, Tractors,Othe	429	443	446	463	462	460	472	491	493	498
Dept. of Parks and Recreation										
Park/Recreational Sites	15	15	15	15	15	15	15	15	15	15
Park Maintanenace Vehicles/Equipment	255	262	291	304	305	305	363	392	364	409
Transportation										
Department of Transportation										
Lane Miles Maintained	8,517	8,518	8,504	8,509	8,509	8,563	8,614	8,614	8,614	8,622
Fleet Vehicles	3,493	3,564	3,567	3,600	3,652	3,664	3,726	3,740	3,541	3,406
Heavy Equipment	463	471	500	434	441	448	441	445	479	480
Buildings	85	94	123	126	142	158	159	162	164	165

Sources: The State agencies listed above provided the data for their agency

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1 Net Earned Required Contribution and Investment Revenues	$ 214	$ 202	$ 195	$ 140	$ 133	$ 70	$ 173	$ 101	$ 42	$ 204
2 Unallocated Expenses	34	25	28	22	33	36	67	26	21	25
3 Estimated Incurred Claims and Expense, End of Policy Year	49	22	4	(115)	39	94	26	21	87	39
4 Paid (Cumulative) as of:										
End of Policy Year	(148)	(179)	(202)	(157)	(32)	(35)	(77)	(86)	(19)	(59)
One Year Later	(148)	(179)	(202)	(157)	(32)	(35)	(77)	(86)	(19)	
Two Years Later	(148)	(179)	(202)	(157)	(32)	(35)	(77)	(86)		
Three Years Later	(148)	(179)	(202)	(157)	(32)	(35)	(77)			
Four Years Later	(148)	(179)	(202)	(157)	(32)	(35)				
Five Years Later	(148)	(179)	(202)	(157)	(32)					
Six Years Later	(148)	(179)	(202)	(157)						
Seven Years Later	(148)	(179)	(202)							
Eight Years Later	(148)	(179)								
Nine Years Later	(148)									
5 Reestimated Incurred Claims and Expenses:										
End of Policy Year	49	22	4	(115)	39	94	26	(21)	87	39
One Year Later	49	22	4	(115)	39	94	26	(21)	87	
Two Years Later	49	22	4	(115)	39	94	26	(21)		
Three Years Later	49	22	4	(115)	39	94	26			
Four Years Later	49	22	4	(115)	39	94				
Five Years Later	49	22	4	(115)	39					
Six Years Later	49	22	4	(115)						
Seven Years Later	48	22	4							
Eight Years Later	48	22								
Nine Years Later	48									
6 Increase in Estimated Incurred Claims and Expense From End of Policy Year	0	0	0	0	0	0	0	0	0	0

Schedule 17
Claims Development Information
Last Ten Fiscal Years
(Expressed In Thousands)

Fire and Tornado Fund

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1 Net Earned Required Contribution and Investment Revenues	$ 8,099	$ 4,709	$ 3,031	$ 4,103	$ 5,388	$ (2,124)	$ 2,908	$ 4,765	$ 3,567	$ 3,845
2 Unallocated Expenses	1,344	1,340	849	768	915	800	912	1,348	1,118	874
3 Estimated Incurred Claims and Expense, End of Policy Year	3,386	4,663	1,162	1,501	998	1,141	3,039	4,750	2,352	2,953
4 Paid (Cumulative) as of:										
End of Policy Year	1,670	2,571	958	1,106	562	9,378	8,890	3,805	8,318	3,218
One Year Later	3,381	4,191	1,225	1,871	1,067	1,553	3,117	4,466	1,158	
Two Years Later	3,569	4,360	1,318	1,905	1,080	1,564	3,119	4,466		
Three Years Later	3,569	4,492	1,691	1,905	1,080	1,564	3,119			
Four Years Later	3,569	4,492	1,691	1,905	1,080	1,564				
Five Years Later	4,944	4,492	1,691	1,905	1,080					
Six Years Later	4,946	4,492	1,691	1,905						
Seven Years Later	4,946	4,492	1,691							
Eight Years Later	4,946	4,492								
Nine Years Later	4,946									
5 Reestimated Incurred Claims and Expenses:										
End of Policy Year	3,386	4,663	1,162	1,501	998	1,516	3,039	4,750	2,352	2,953
One Year Later	4,323	4,502	1,550	2,009	1,146	1,725	3,292	4,692	3,153	
Two Years Later	4,873	4,528	1,549	2,012	1,122	1,723	3,229	4,634		
Three Years Later	4,865	4,520	1,711	2,012	1,122	1,723	3,226			
Four Years Later	4,864	4,520	1,711	2,012	1,122	1,723				
Five Years Later	4,944	4,516	1,711	2,012	1,122					
Six Years Later	4,946	4,516	1,711	2,012						
Seven Years Later	4,946	4,516	1,711							
Eight Years Later	4,946	4,516								
Nine Years Later	4,946									
6 Increase in Estimated Incurred Claims and Expense From End of Policy Year	1,559	(147)	549	511	125	582	191	(58)	0	0

Schedule 17
Claims Development Information
Last Ten Fiscal Years
(Expressed In Thousands)

Workforce Safety & Insurance

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1 Net Earned Required Contribution and Investment Revenues	$ 289	$ 357	$ 341	$ 443	$ 502	$ 408	$ 377	$ 396	$ 343	$ 386
2 Unallocated Expenses	33	30	33	52	41	41	43	47	44	45
3 Estimated Incurred Claims and Expense, End Of Policy Year	160	192	230	300	338	315	229	198	193	187
4 Paid (Cumulative) as of:										
End of Policy Year	31	39	44	53	65	61	41	40	42	42
One Year Later	52	65	87	99	111	102	74	65	68	
Two Years Later	60	76	102	117	128	120	84	73		
Three Years Later	65	85	111	128	140	132	84			
Four Years Later	69	90	116	136	148	140				
Five Years Later	73	94	120	142	154					
Six Years Later	76	96	123	146						
Seven Years Later	77	98	125							
Eight Years Later	78	100								
Nine Years Later	79									
5 Reestimated Incurred Claims and Expenses:										
End of Policy Year	160	192	230	300	338	315	229	198	192	187
One Year Later	151	192	258	293	321	283	204	177	179	
Two Years Later	195	193	344	288	299	271	191	164		
Three Years Later	193	187	241	272	291	267	174			
Four Years Later	142	174	228	266	285	265				
Five Years Later	139	181	221	261	277					
Six Years Later	137	174	214	253						
Seven Years Later	134	171	206							
Eight Years Later	132	164								
Nine Years Later	126									
6 Increase in Estimated Incurred Claims and Expense From End of Policy Year	(34)	(28)	(24)	(47)	(61)	(50)	(54)	(34)	(14)	-

Schedule 18
Agricultural Production

Value of Export Shares of Agricultural Commodities - 2017 - 2018

	2017 Dollars (Mil.)	2017 % of U.S.	2018 Dollars (Mil.)	2018 % of U.S.
Wheat	1,060.9	17.02	950.2	17.63
Soybeans and Products	1,244.7	4.91	1,153.5	5.20
Other Oil Seeds and Products	600.4	28.77	550.2	26.01
Vegetables Fresh and Processed	244.3	18.70	238.5	3.44
Grain Products	190.3	4.65	191.7	4.54
Vegtable Oils	189.8	6.40	177.4	6.41
Feeds and Other Feed Grains	239.5	2.77	241.0	2.65
Corn	251.3	2.76	337.7	2.71
Other Plant Products	174.9	1.01	185.8	1.07
Beef, Veal and Pork	128.0	0.93	145.5	0.67
Other Livestock Products	41.2	1.35	44.3	1.47
Hides and Skins	23.1	1.22	18.0	1.23
Dairy Products	8.5	0.16	8.3	0.15
Poultry Products	2.8	0.13	3.8	0.18
Total	$ 4,399.7	3.19%	$ 4,245.9	3.06%

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 (oilstock), 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.

2019 Crop Rank Among States

North Dakota Ranks	Crop Description	North Dakota Produces
1st	Canola	86%
	Flaxseed	85%
	Pinto Beans	61%
	Durum Wheat	55%
	Spring Wheat	51%
	Dry Edible Peas	50%
	Navy Beans	40%
	All Dry Edible Beans	29%
	Honey Production	25%
	All Wheat	19%
	Oats	15%

Source: North Dakota Agricultural Statistics August 2018

NORTH Dakota

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2020 CAFR

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



Photo Credit: ND Tourism

STATE OF NORTH DAKOTA

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED

June 30, 2020

Prepared by the Office of Management and Budget

State of North Dakota
Office of Management and Budget
Fiscal Management Division
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This CAFR is also available at our Fiscal Management website:
https://www.nd.gov/omb/agency/financial/comprehensive-annual-financial-report-cafr/cafr-reports

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
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Introductory Section



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December 10, 2020

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 Comprehensive Annual Financial Report (CAFR) of the State of North Dakota for the fiscal year ended June 30, 2020. This report has been prepared by the Office of Management and Budget. The financial statements contained in the CAFR 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 CAFR 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 accounting principles generally accepted in the United States of America. 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 (SAO) 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, 2020 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 SAO 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, 2020, 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 U.S. Code of Federal Regulations Part 200). 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 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 CAFR 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. Statement No. 61 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 departments' financial plan for the next two years. Changes to the appropriation are limited to Emergency Commission authorization, initiative, allotment, or referendum action.

The State does not budget by fund nor does it 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 key role in the state's economy. The USDA's National Agricultural Statistics Service reports that for 2019 crop production, North Dakota led the nation in production of all dry edible beans, pinto beans, canola, flaxseed, honey, oats, non-oil sunflower, Durum wheat, and spring wheat. North Dakota also ranked second in the production of black beans, navy beans, lentils, dry edible peas, all sunflowers, oil sunflowers, and all wheat.

The energy industry plays an important role in the state's economy. The development of wind and coal resources, the production of ethanol and bio-diesel, and oil and natural gas extraction all contribute to the state's economy. North Dakota reached an all-time high for oil production which averaged over 1.52 million barrels of oil produced per day in November 2019. North Dakota's current crude oil production ranks second in the nation, behind first-ranked Texas. Oil prices have rebounded since the crash of oil prices at the end of fiscal year 2020 when North Dakota producers were receiving prices below $15 per barrel. Prices averaged around $50 per barrel at the start of the 2019-21 biennium before the crash. In September 2020, the actual average price per barrel for North Dakota oil was $32.83, below the estimated price of $48.00 used for budgeting purposes.

According to the United States Census Bureau, the state's estimated population for 2019 was approximately 762,000 people, which is an all-time high. Health care and social assistance jobs account for the highest percent of employment in the state. Other leading areas of employment are retail trade, accommodation and food services, educational services, construction and manufacturing. The unemployment rate for the state in October 2020 was 4.0%, compared to 6.6% for the United States.

A listing of the state's 20 largest employers demonstrates the diversity of the economy. Top employers include: health care providers, the state university system, the U.S military, manufacturers, financial and insurance companies, U.S postal service, information technology companies, mining, energy producers, and retail companies.

Uncertainty within international markets, resulted in a decrease in exporting in North Dakota in 2019. The United States Census Bureau showed that North Dakota's exports were down overall by about $1.1 billion for a total of $6.7 billion in 2019. This represents a decrease of 14.5% over 2018.

LONG-TERM FINANCIAL PLANNING

The long-term financial plan for the state of North Dakota was outlined by Governor Burgum as part of the 2019-21 executive budget address, presented to the legislature in December 2018. The Governor's long-term financial plan includes the following key components:

- Balancing ongoing revenues and expenses of state government
- Rebuilding reserves.
- Ensuring solvency for the state pension fund.

North Dakota is required by its Constitution to have a balanced budget. However, ongoing revenues and ongoing expenses have not always been in balance. In those instances where ongoing revenues did not meet the obligations of ongoing expenses of state government, one-time transfers from accumulated reserves and fund balances were used to fill the gap. In nearly all cases, those accumulated reserves and fund balances were directly attributable to oil and natural gas extraction and production tax revenue. In the 2019-21 biennium executive budget, the governor laid out a financial plan that not only balanced ongoing revenues and expenses but did so by adding transparency to the use of oil tax revenue. In the executive budget, the state general fund allocation of oil and gas taxes increased from $400 million to $1 billion per biennium, but no transfers from accumulated fund balances were proposed. Both the 2013-15 and 2015-17 biennium budgets included general fund revenues and transfers in excess of $1 billion that were directly funded from oil and gas tax revenue.

The legislature did not approve the proposed transfer of $1 billion per biennium from oil tax revenues to the general fund, opting to continue it at the level of $400 million per biennium. The legislature instead chose to balance the general fund budget with transfers from accumulated oil tax revenues. Although this approach provides less transparency and obscures the state's ongoing revenue and expense structure, it ensures overall revenue sources are adequate to fund ongoing government expenses. It provides a conservative approach to funding the budget as the accumulated balances transferred to the general fund are balances on hand at the start of the biennium and not dependent on forecasted tax revenues.

The state's rainy-day fund, the Budget Stabilization Fund, was nearly depleted during the 2015-17 biennium economic downturn. The 2019-21 executive budget proposed to fully replenish this fund to its maximum balance allowed by law, which is 15% of general fund appropriations. This included a proposed transfer of over $300 million from the Strategic Investment and Improvements Fund. 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.

The legislature did not approve the transfer of $300 million to the Budget Stabilization Fund. However, the revenue forecast adopted by the legislature proved so conservative that actual revenues ended the biennium $250 million higher than predicted. North Dakota law requires any end of biennium balance in the general fund in excess of $65 million to be transferred to the Budget Stabilization Fund. As a result, $548 million was transferred to the Budget Stabilization Fund, pushing the balance above $660 million. It reached its $726 million cap in March 2020 with a statutorily required transfer of oil tax revenues. Although state tax revenues have been negatively impacted by the COVID-19 pandemic, other state revenues such as Legacy fund earnings have been unaffected. It is anticipated the state will finish the 2019-21 biennium with total revenues that exceed the original forecast and without accessing the budget stabilization fund to offset a revenue shortfall.

Another component of the state's long-term financial plan is ensuring the solvency of the state's pension fund. The governor proposed restoring solvency to the fund through a combination of policy proposals that reformed the benefit and funding structure, along with a one-time cash infusion into the fund. The proposed one-time cash infusion was a transfer of $265 million at the beginning of the 2019-21 biennium from the Strategic Investment and Improvements Fund to the Public Employees Retirement Fund.

Although the legislature did not approve the proposed cash infusion of $265 million, the legislature did adopt separate proposals that reformed the benefit structure and had a positive impact on the long-term actuarial projections for the fund.

The backbone of the state's financial plan is a revenue forecasting process 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 state's Tax Department and Office of Management and Budget develop 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. The statutory maximum balance for the budget stabilization fund is 15.0 percent of the state general fund budget.

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. The 2017-19 biennium ended with revenues exceeding the forecast and resulted in the transfer of $548 million to the budget stabilization fund. The balance of the budget stabilization fund is estimated to be over $726 million by June 30, 2021 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 percent of oil extraction tax collections. The foundation aid stabilization fund is expected to have a June 30, 2021 balance in excess of $443 million.

MAJOR INITIATIVES

Major initiatives proposed by Governor Doug Burgum and approved by the legislature for the 2019-21 biennium include:

- Investing in infrastructure and other priorities;
- Continued funding of Medicaid expansion;
- Investing in behavioral health issues;
- Transitioning the cost of county social services to the state; and
- Building reserves and filling the rainy-day fund.

INFRASTRUCTURE INVESTMENTS

The 2019-21 biennial budget includes funding to rebuild and repair roads throughout the state, for water supply and flood control, capital projects for state parks and grants for airports. Funding for infrastructure improvements includes:

- $613.9 million to rebuild and repair state highways;
- $97.8 million for city road projects;
- $53.2 million dedicated to the repair and rebuilding of county and township roads;
- $6.8 million for projects across the state park system;
- $40 million in grant funds to two communities in oil country for airports; and
- $968.2 million for water-related projects, including $128.0 million for water supply, $37.2 million for rural water supply, $197.0 million for flood control, $27.1 million for general water projects, $65.1 million for state-owned water projects and $74.0 million for other new projects.

TAX RELIEF

The legislature approved, and the Governor signed into law, a tax relief package that provides:

- $173.7 million for a state-paid economic assistance and social services pilot program for the 2019-21 biennium;
- $15.8 million for the homestead tax credit program; and
- $8.4 million for the disabled veteran's property tax credit.

EDUCATION

K-12 education initiatives include:

- $2.10 billion in state funding for K-12 schools through integrated funding formula;
- $3 million in grants to districts experiencing rapid enrollment growth;
- $56.5 million to assist districts in the provision of transportation services;
- $24 million to go towards special education contracts; and

Higher Education initiatives include:

- $10.7 million for the UND Healthcare Workforce Initiative.
- $9.4 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.
- $458.4 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, 2021, there will be a total ending balance of approximately $2.36 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 2019-21 biennium totals $4.84 billion

AWARDS AND ACKNOWLEDGEMENTS

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 comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 28th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual 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 2019-2021 budget. In order 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 Office of Management and Budget. Their dedication and efforts are greatly appreciated. We also extend our gratitude to the numerous individuals from virtually all the state agencies and institutions, especially the Office of the State Auditor, for their assistance.

Sincerely,



Joe Morrissette
Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of North Dakota

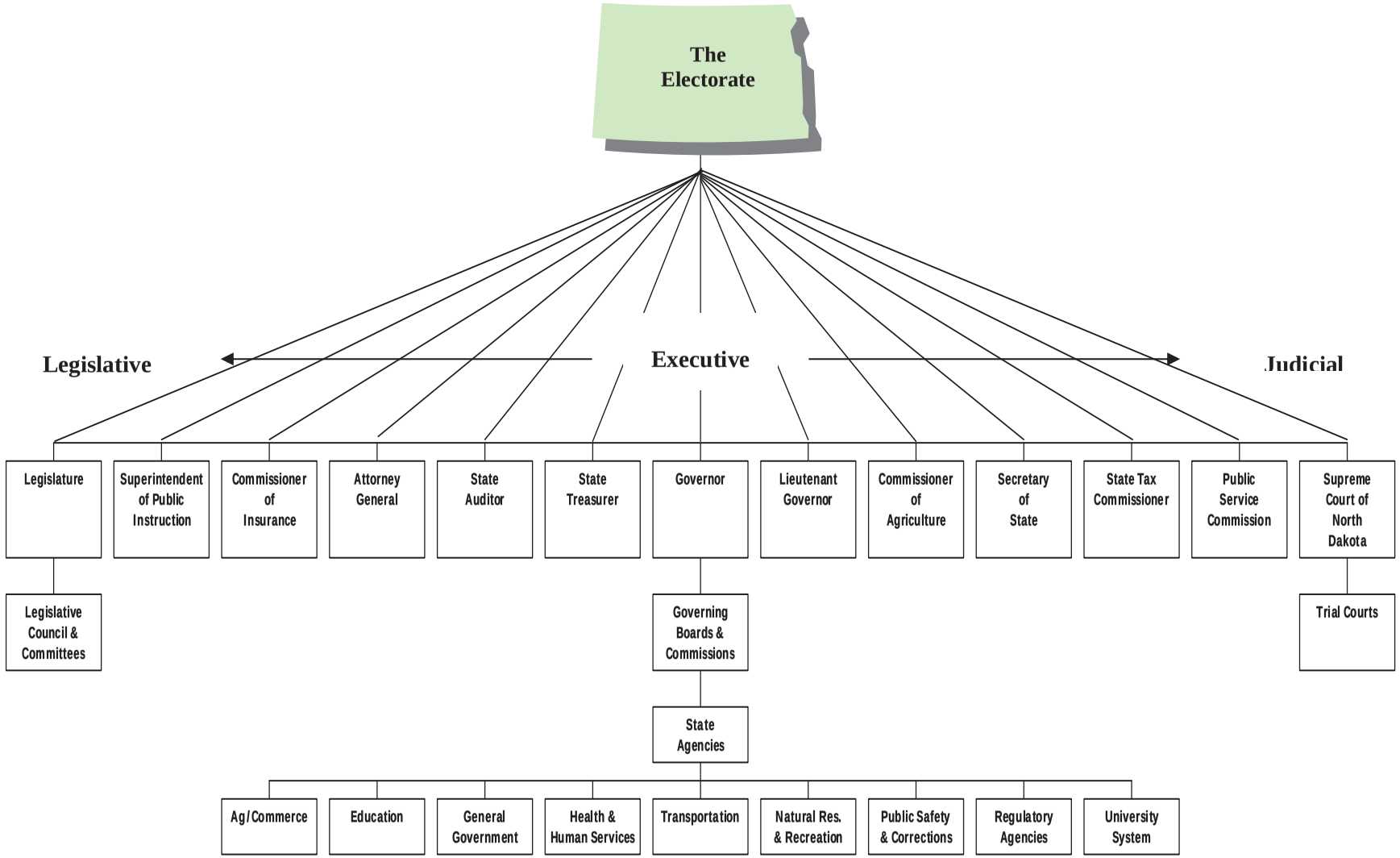
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019



Executive Director/CEO

STATE OF NORTH DAKOTA ORGANIZATIONAL CHART



NORTH DAKOTA
PRINCIPAL STATE OFFICIALS
June 30, 2020

ELECTED OFFICIALS

Doug Burgum, Governor
Brent Sanford, Lieutenant Governor
Alvin A. Jaeger, Secretary of State
Wayne Stenehjem, Attorney General
Julie Fedorchak, Public Service Commissioner
Randel Christmann, Public Service Commissioner
Brian Kroshus, Public Service Commissioner
Doug Goehring, Commissioner of Agriculture
Josh Gallion, State Auditor
Jon Godfread, Commissioner of Insurance
Kirsten Baesler, Superintendent of Public Instruction
Ryan Rauschenberger, Tax Commissioner
Kelly Schmidt, State Treasurer

LEGISLATIVE

Lawrence R. Klemin, Speaker of the House
Chet Pollert, House Majority Leader
Joshua A. Boschee, House Minority Leader
Lt. Gov. Brent Sanford, President of the Senate
Rich Wardner, Senate Majority Leader
Joan Heckaman, Senate Minority Leader

JUDICIAL

Jon Jensen, Chief Justice, North Dakota Supreme Court
Gerald W. VandeWalle, Justice
Daniel J. Crothers, Justice
Lisa K Fair McEvers, Justice
Jerod Tufte, Justice



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Financial Section

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Independent Auditor's Report

The Honorable Doug Burgum, Governor
of the State of North Dakota

Members of the Legislative Assembly
of the State of North Dakota

Report on the Financial Statements

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following state entities and discretely presented component units:

- Addiction Counselor Internship Loan Program
- Bank of North Dakota
- Beginning Farmer Revolving Loan Fund
- Building Authority
- College SAVE
- Community Water Facility Loan Fund
- Comprehensive Health Association of North Dakota
- Covid Pace Recovery Program
- Department of Trust Lands
- North Dakota Development Fund
- Guaranteed Student Loan Program
- Housing Finance Agency
- Housing Incentive Fund
- Infrastructure Revolving Loan Fund
- Innovation Technology Fund
- Job Service North Dakota
- Mandan Remediation Trust
- Medical Facility Infrastructure Loan Program
- PACE and AG PACE Funds
- Public Employees Retirement System
- Public Finance Authority
- Rebuilders Loan Program
- Retirement and Investment Office
- School Construction Assistance Revolving Loan Fund
- Small Employer Loan Fund
- State Fair Association
- State Historical Society of North Dakota Foundation
- Student Loan Trust
- Workforce Safety and Insurance

The financial statements of the above entities reflect total assets, net position or fund balance, and revenues of the government-wide financial statements and fund financial statements as follows:

	Percent of Assets	Percent of Net Position or Fund Balance	Percent of Revenues
Government-Wide Financial Statements			
Governmental Activities	25%	27%	4%
Business-Type Activities	81%	64%	62%
Aggregate Discretely Presented Component Units	100%	100%	100%
Fund Financial Statements			
Major Governmental Funds			
General Fund	0%	0%	0%
Federal Fund	1%	51%	1%
State Special Revenue Fund	73%	75%	16%
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	93%	97%	83%

The financial statements for these entities were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for these entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the North Dakota University System's discretely presented component units (foundations) were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements 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, 2020, 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 States of America.

Emphasis of Matter

The actuary for the North Dakota Public Employees Retirement System has determined that the Fund's unfunded actuarial accrued liability is approximately $1.456 billion as of July 1, 2020. The funding for the actuarial accrued liability is predicated on employer and employee funding rates mandated by North Dakota statutes. The actuary has determined that the current statutory rates are insufficient compared to the actuarially determined contribution rate needed to fund the actuarial accrued liability. Note 6 identifies the net pension liability as calculated using GASB 67 and 68 requirements. Our opinion is not modified with respect to this 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 22 to the financial statements, the State of North Dakota adopted the provisions of GASB 95 *Postponement of the Effective Dates of Certain Authoritative Guidance.* Our opinion is not modified with respect to this matter.

Other Matters

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, 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.

Other 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 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements listed in the table of contents 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. Such 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 to 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 and individual fund financial statements and schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020 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 10, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the State of North Dakota's (the State's) Comprehensive Annual 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, 2020. 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 $26.1 billion (reported as net position), an increase of $1.4 billion from the previous year. The net position of governmental activities increased by 4.6% while the net position of the business-type activities showed an increase of 10.8%.

As a result of implementing GASB Statement 68, *Accounting and Financial Reporting for Pensions*, the State recorded $31 million net pension asset, $290.1 million deferred outflows of resources, $603.9 million net pension liability, and $337.5 million deferred inflows of resources for the primary government. The State decreased its net pension liability by $283.6 million during the year.

Fund Level:
As of the close of fiscal year 2020 the State's governmental funds reported combined ending fund balances of $16.5 billion, an increase of $760 million. Of this amount, $109.5 million is non-spendable, primarily for Permanent Trust Funds. Spendable fund balance consists of $6.4 billion restricted for specific purposes such as common schools, highway projects, and state education aid, $1.9 billion committed and $419.7 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 $7.7 billion, which is primarily made up of the legacy fund with a balance of $7 billion.

The enterprise funds reported net position at year-end of $4.6 billion, an increase of $446.7 million during the year.

Long-term Debt:
The State's total debt (bonds, certificates of participation, and notes payable) decreased approximately 12.2% during the fiscal year to $2.5 billion, a decrease of $341 million, which represents the net difference between new issuances and payments. During the year the State issued $269 million in bonds, $7.3 million in certificates of participation, and $6.3 billion in notes.

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

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 agency 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 $26.1 billion at the end of fiscal year 2020. Net position increased $1.4 billion from the prior fiscal year.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	$18,654,826	$16,972,671	$11,623,390	$11,346,654	$27,051,115	$25,434,033
Capital Assets	5,462,056	5,237,060	1,683,761	1,631,300	7,145,817	6,868,360
Total Assets	24,116,882	22,209,731	13,307,151	12,977,954	34,196,932	32,302,393
Deferred Outflows of Resources	227,184	293,718	122,739	114,216	349,923	407,934
Long-Term Liabilities Outstanding	576,130	798,562	3,783,572	4,245,686	4,359,702	5,044,248
Other Liabilities	1,966,512	1,029,509	4,979,632	4,687,353	3,719,043	2,831,570
Total Liabilities	2,542,642	1,828,071	8,763,204	8,933,039	8,078,745	7,875,818
Deferred Inflows of Resources	252,367	63,215	96,983	35,002	349,350	98,217
Net Position						
Net Investment in Capital Assets	5,427,965	5,185,682	1,243,098	1,246,741	6,671,063	6,432,423
Restricted	6,543,042	6,639,786	1,374,339	972,887	7,917,381	7,612,673
Unrestricted	9,578,050	8,786,695	1,952,266	1,904,501	11,530,316	10,691,196
Total Net Position	$21,549,057	$20,612,163	$4,569,703	$4,124,129	$26,118,760	$24,736,292

The largest component (44%) 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 thirty percent (30%) 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-six percent (26%) of the State's net position reflects its investment in capital assets such as land, buildings, equipment, intangibles (software), 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 below was 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	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	$347,155	$378,032	$2,214,200	$1,854,857	$2,561,355	$2,232,889
Operating Grants & Contributions	2,028,277	2,121,703	596,060	410,791	2,624,337	2,532,494
Capital Grants & Contributions	2	107	17,502	19,926	17,504	20,033
General Revenues:						
Income Taxes	513,419	604,088	-	-	513,419	604,088
Sales Taxes	1,364,665	1,435,130	-	-	1,364,665	1,435,130
Oil, Gas and Coal Taxes	1,949,036	2,586,570	-	-	1,949,036	2,586,570
Other Taxes	107,173	110,715	-	-	107,173	110,715
Investment Earnings	333,528	360,264	-	-	333,528	360,264
Tobacco Settlement	21,159	20,752	-	-	21,159	20,752
Other	190,047	231,745	3,577	5,162	193,624	236,907
Total Revenues	6,854,461	7,849,106	2,831,339	2,290,736	9,685,800	10,139,842
Expenses						
General Government	1,034,053	1,183,234	-	-	1,034,053	1,183,234
Education	1,288,935	1,238,989	-	-	1,288,935	1,238,989
Health and Human Services	2,077,950	1,947,263	-	-	2,077,950	1,947,263
Regulatory	78,442	61,213	-	-	78,442	61,213
Public Safety and Corrections	249,751	230,667	-	-	249,751	230,667
Agriculture and Commerce	107,574	99,247	-	-	107,574	99,247
Natural Resources	217,546	261,308	-	-	217,546	261,308
Transportation	429,801	443,629	-	-	429,801	443,629
Interest on Long Term Debt	1,691	1,952	-	-	1,691	1,952
Bank of North Dakota	-	-	103,391	98,931	103,391	98,931
Housing Finance	-	-	56,537	52,715	56,537	52,715
Loan Programs	-	-	16,396	12,666	16,396	12,666
State Lottery	-	-	18,929	26,175	18,929	26,175
Unemployment Compensation	-	-	611,219	84,206	611,219	84,206
University System	-	-	1,227,858	1,198,989	1,227,858	1,198,989
Workforce Safety and Insurance	-	-	220,279	297,497	220,279	297,497
Other	-	-	616,265	594,491	616,265	594,491
Total Expenses	$5,485,743	$5,467,502	$2,870,874	$2,365,670	$8,356,617	$7,833,172
Increase (decrease) in Net Position Before Contributions, Loss & Transfers	1,368,718	2,381,604	(39,535)	(74,934)	1,329,183	2,306,670
Contributions to Permanent Fund Principal	9,516	11,014	-	-	9,516	11,014
Transfers	(440,249)	(290,718)	485,109	277,019	44,860	(13,699)
Change in Net Position	937,985	2,101,900	445,574	202,085	1,383,559	2,203,985
Net Position - Beginning	20,612,163	18,516,218	4,124,129	3,917,941	24,736,292	22,434,159
Prior Period Adjustment *	(1,091)	(5,955)	-	4,103	(1,091)	(1,852)
Net Position- Ending	$21,549,057	$20,612,163	$4,569,703	$4,124,129	$26,118,760	$24,736,292

* More detailed information regarding the prior period adjustments can be found in Note 2.

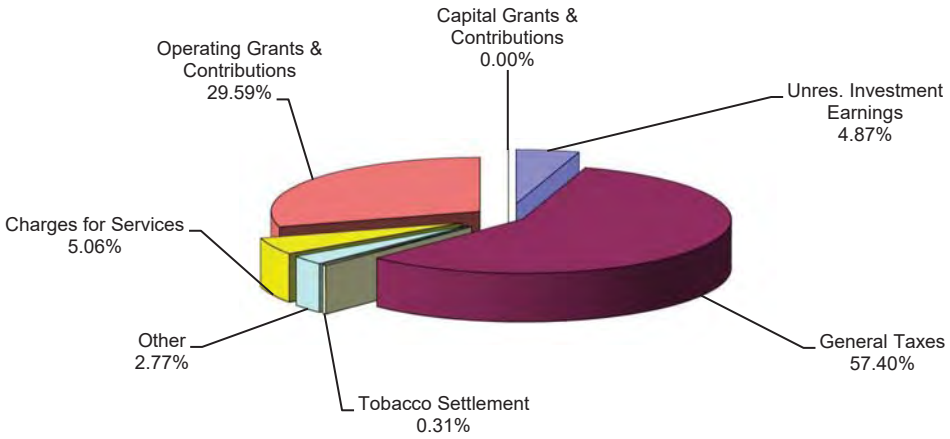
Governmental Activities

Governmental Activities increased the State's net position by $938 million. Revenues decreased 12.7%, with the largest dollar decrease in the State's revenues for fiscal year 2020 coming from oil, gas, and coal, taxes, a decrease of $637.5 million. The decrease in individual and corporate income taxes is due to the change in the due date for the 2019 tax returns from April 15 to July 15, 2020 as a federal and state response to the global pandemic. Oil and Gas production tax and Oil Extraction tax decreases due to very weak oil prices and production declines associated with the nationwide recession caused by the global pandemic.

Expenses for governmental activities remained relatively consistent.

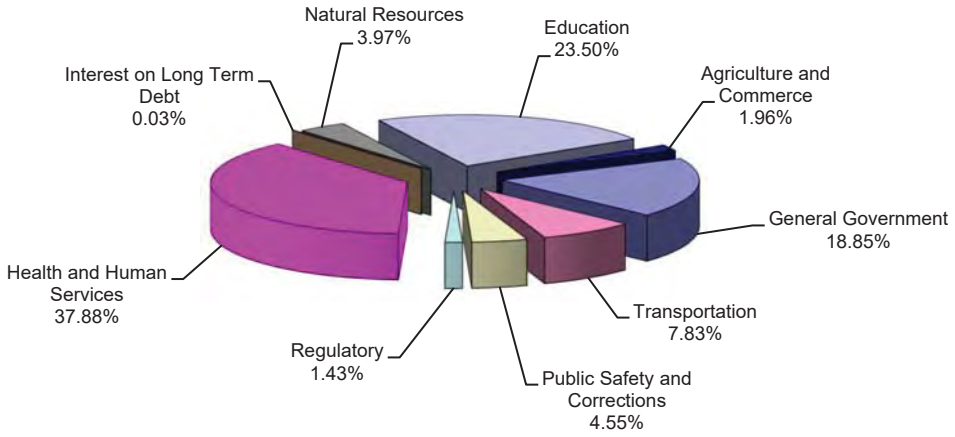
The following chart depicts revenues of the governmental activities for the fiscal year:

Revenues - Governmental Activities
Fiscal Year Ending June 30, 2020



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

Expenditures - Governmental Activities
Fiscal Year Ending June 30, 2020



Business-type Activities

Net position of the business-type activities increased by $446.7 million during the fiscal year.

Workforce Safety and Insurance's (WSI) net position increased $135.6 million. Fiscal year 2020 shows decreases in earned premiums, incurred losses, and the number of filed claims. There was a slight increase in the number of policy holders. Policyholder count increased by 107 policies in fiscal year 2020. WSI's financial position remains stable. Earned premium net of discounts and reinsurance totaled $221 million, $238 million, and $232 million for fiscal years 2020, 2019, and 2018, respectively. Total claims filed for fiscal year 2020 totaled 18,813. This is a decrease of 1,100 from the previous fiscal year 2019 total of 19,913. A dividend credit of 50% was declared in fiscal year 2020, 2019 and 2018. Net earned premium from fiscal year 2020 of $221 million is slightly down from the fiscal year 2019 total of $238 million. The strong investment return in the past three years has contributed to the positive change in net position.

The Bank of North Dakota net position increased $96.2 million. The loan portfolio decreased by $55,000 to $4.4 billion at December 31, 2019. Interest-bearing deposits totaled $4.5 billion at December 31, 2019 compared to $4.2 billion at December 31, 2018. This fluctuation is due to state deposits and the economic status of the state. The Bank has a tier one capital leverage ratio of 13.60% as of December 31, 2019. The leverage ratio is a measure of strength. Well capitalized per federal regulations requires this percentage to be a minimum of 5%.

The University System's net position decreased $11.6 million. The University system saw a decrease in revenues and an increase in expenditures which attributed to their decrease in net position. Grants and contracts (operating revenues) decreased mainly due to reduced National Science Foundation grants at NDSU and federal awards at UND. The decrease in sales and services of educational department and auxiliary enterprises revenues are attributed to Covid-19 related closures of the institutions in the third and fourth quarters of FY20. The largest increases of operating expenses for the University system was Scholarships and fellowships, CARES act aid to students, and cost of sales and services. Scholarships and fellowships increased primarily due to the implementation of a new waiver for a freshman academic award. CARES act aid was new for FY20 and was used to provide monetary aid to students impacted by the Covid-19 pandemic. Cost of sales and services increased primarily as a result of timing of internal billings to other operating departments at UND.

Housing Finance net position increase of $15.5 million as a result of the year's program operations and financing activities. Operating revenues in FY20 were up as a result of higher mortgage interest income due to a larger mortgage loan receivable balance. Also, investment interest rates were slightly higher due to debt service reserve funds being invested in mortgage backed securities which have typically earned higher rates of interest than currently available GICs and Money Market accounts. Operating expenses were up from prior year operating expenses due to higher interest expenses with regards to a larger bonds payable balance. Also, administrative and operating expenses were lower than the prior year.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

Governmental Funds

As the State completed the year, its governmental funds reported combined fund balances of $16.5 billion, an increase of $760 million from the prior fiscal year. Of the $16.5 billion in net position, $109 million is non-spendable, $6.4 billion is restricted, $1.9 billion is committed, $420 million is assigned, and $7.7 billion is unassigned. These fund balance categories are a result of GASB Statement 54. Note 1U 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 $7.7 billion, non-spendable was $6.2 million, and $1.1 billion was committed for expenditure by various governmental functions.

Total General Fund balance increased during the fiscal year by $1.1 billion. Revenues increased approximately 4.7%, due to an increase in oil, gas, and coal taxes of $313 million. This increase was 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 reason we saw an increase from FY19 was because in FY19 these general fund distributions would have already been met in FY18 so there would not have been as many revenues in the general fund for FY19. As there was an increase in the general fund revenues, revenues for the overall state had decreased and was previously explained with the increase in net position for governmental activities.

General fund expenditures increased by $161.1 million or 8.6% with the largest increases in Education and Health and Human Services. However, total expenditures for the Governmental funds remained relatively consistent. The increase in Education primarily came from an increase in state student aid from the general fund in FY20. In the previous biennium these expenses would have been paid for with special funds. The increase in Health and Human Services was also due to reallocating more expenses to the general fund in the first year of the biennium.

The State Special Revenue ending fund balance decreased by $380 million resulting in $7.7 billion fund balance. Revenues decreased by 41.6% in the state special revenue fund primarily due to a decrease in oil, gas, and coal taxes of $949.8 million due to weak oil prices and production decline as previously discussed. This decrease was also due to the increase in the general fund oil, gas, and coal revenues in FY20 as oil gas and coal taxes are first allocated to the general fund as previously explained. Special fund expenditures decreased by 13.7% primarily due to a decrease in Education and Health and Human Services spending. Decreases to the special funds was previously discussed under the general fund expenditures.

The June 30 Federal Fund balance of $11.9 million consists primarily of non-spendable items such as prepaids and inventory. Revenues increased by $204.8 million and expenditures increased by $186.1 million primarily due to the increase in federal funding for the global pandemic. The federal fund balance increased by $1.2 million due to additional funding for the state to combat the global pandemic.

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 in the net position of the proprietary funds are discussed under "Business-type Activities" above.

General Fund Budgetary Highlights:

The general fund budgetary revenues and other financing sources were $8.2 million or 5.1% higher than the final budget, primarily because of actual sales tax and department collections were more than the final budgeted amount. The State has a biennial appropriated budget. The fiscal year ending June 30, 2020, was the first year of the 2019-21 budget cycle. The original budget increased $128.6 million. 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, $55.1 million, the Department of Human Services, $5.8 million, Secretary of State, $1.3 million, the Department of Commerce, $33.1 million, the Parks and Recreation department, $2.1 million, the Department of Transportation, $13 million, Legislative Council and Assembly, $4.7 million, and Office of Management & Budget, $3.6 million.

Of the $6.4 million in capital construction carryover dollars, $5.5 million was for the Department of Human Services and $804 thousand for the Department of Transportation.

There were no expenditures in excess of general fund authority.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: At the end of the fiscal year 2020, the State had invested $6.7 billion, net of accumulated depreciation, in a broad range of capital assets. Depreciation charges for this fiscal year totaled $252 million.

(Net of Depreciation, Expressed in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019*	2020	2019	2020	2019*
Land and Land Improvements	$163,127	$161,050	$25,552	$24,099	$188,679	$185,149
Building & Building Improvements	421,917	411,708	1,143,267	1,139,160	1,565,184	1,550,868
Equipment	174,539	168,030	165,976	172,127	340,515	340,157
Intangibles						
Software	229,560	244,549	754	1,982	230,314	246,531
Other	9,676	9,684	10,031	8,441	19,707	18,125
Infrastructure	2,971,697	2,588,639	118,047	118,542	3,089,744	2,707,181
Construction in Progress	1,491,541	1,652,309	220,134	166,949	1,711,675	1,819,258
Total	$5,462,057	$5,235,969	$1,683,761	$1,631,300	$7,145,818	$6,867,269

* Beginning capital asset balances were adjusted for certain reclassifications.

The total increase in the State's investments in capital assets for the current fiscal year was 4.1% in terms of net book value. However, actual expenditures to purchase or construct capital assets were approximately $1.1 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, 2020.

The State does have a number of revenue bonds outstanding at June 30, 2020. Current state statutes empower certain state agencies and the Building Authority, a component unit of the State, 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.

The Bank of North Dakota has advances from the Federal Home Loan Bank in the amounts of $631 million. The advances have a fixed rate of interest, ranging from 1.61 percent to 5.56 percent.

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

State of North Dakota's Outstanding Debt
(Expressed in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenue Bonds	$19,730	$29,950	$1,666,599	$1,525,285	$1,686,329	$1,555,235
Certificate of Participation	-	-	104,120	96,843	104,120	96,843
Notes Payable	14,817	21,897	648,266	1,120,787	663,083	1,142,684
Total	$34,547	$51,847	$2,418,985	$2,742,915	$2,453,532	$2,794,762

The State's total debt decreased approximately 12.2% 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 2020 publication. The report depicts an economy in recovery, coming out of the COVID-19 recession, but at a slow pace mostly due to the effects the massive drop in oil prices had on employment.

North Dakota's outlook is linked tightly to two major industries, energy and agriculture. The oil industry will prove one of the worst economic casualties from the pandemic, which led to the plummet in price and the decrease for demand. Oil production per rig has risen slightly by 3 percent per rig in the last year. The most recent North Dakota average price per barrel of oil was at $33.00, which is below the estimated price of $48.00 used for budgeting purposes. On the agriculture side, the demand for crops remained intact throughout the pandemic, but the closure of the U.S./Canada border continues to expound the decline seen in exports and commodity prices are expected to remain low.

North Dakota's job growth has taken a hit because of the pandemic. At the end of September the job count was 7.3% lower than it was in January. Unemployment in North Dakota is at 5.2%, which is more than double what it was for the same time frame in 2019. The positive is that the tight labor market could be an attractive draw to job seekers from other states.

Median household income and per capita income for North Dakota are both ahead of the national average. For 2020, median household income in North Dakota was $70,031 compared to $68,703 for the U.S. Per capita income for 2019 was $57,232 for North Dakota, while $56,490 for the U.S.

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.

Basic Financial Statements

STATE OF NORTH DAKOTA

Statement of Net Position
June 30, 2020

	Primary Government			Component Units (GASB Based)
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	$ 95,005,764	$ 672,801,057	$ 767,806,821	$ 21,198,438
Investments	13,444,761,427	4,200,024,737	17,644,786,164	-
Accounts Receivable - Net	128,572,020	147,843,778	276,415,798	166,142
Taxes Receivable - Net	475,616,473	-	475,616,473	-
Interest Receivable - Net	47,537,684	70,688,451	118,226,135	140,860
Intergovernmental Receivable - Net	297,613,719	33,720,267	331,333,986	-
Internal Receivable	3,908,767,620	-	681,667,023	-
Due from Component Units	-	31,077,783	31,077,783	-
Due from Primary Government	-	-	-	60,000
Prepaid Items	10,927,427	4,663,895	15,591,322	-
Inventory	25,451,386	36,517,254	61,968,640	-
Loans and Notes Receivable - Net	185,615,938	4,827,952,831	5,013,568,769	11,569,573
Pension Assets	31,006,306	-	31,006,306	-
Other Assets	-	40,675,586	40,675,586	-
Restricted Assets:				
Cash and Cash Equivalents	3,949,863	217,316,000	221,265,863	83,592,057
Investments	-	48,739,124	48,739,124	978,234,000
Interest Receivable - Net	-	5,143,000	5,143,000	5,570,000
Loans and Notes Receivable - Net	-	1,286,226,000	1,286,226,000	-
Capital Assets:				
Nondepreciable	1,654,668,491	245,686,004	1,900,354,495	1,115,389
Depreciable, Net	3,807,388,097	1,438,075,293	5,245,463,390	1,360
Total Assets	24,116,882,215	13,307,151,060	34,196,932,678	1,101,647,819
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Bond Refunding	1,764,000	3,865,270	5,629,270	3,116,000
Decrease in Fair Value of Hedging Derivatives	-	735,025	735,025	-
Financial Derivative Instrument	-	16,132,000	16,132,000	-
Unrealized Loss on Interest Rate Swap	-	24,839,000	24,839,000	-
Derived from Pensions	216,147,924	73,962,614	290,110,538	83,000
Derived from OPEB	9,271,857	3,205,523	12,477,380	-
Total Deferred Outflows of Resources	227,183,781	122,739,432	349,923,213	3,199,000

*** 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.**

The Accompanying Notes are an Integral Part of the Financial Statements

STATE OF NORTH DAKOTA

Statement of Net Position
June 30, 2020

	Primary Government			Component Units (GASB Based)
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts Payable	337,234,576	67,536,949	404,771,525	655,780
Accrued Payroll	60,831,029	42,415,521	103,246,550	-
Securities Lending Collateral	244,750,650	6,572,871	251,323,521	-
Interest Payable	1,311,019	23,939,072	25,250,091	4,537,000
Intergovernmental Payable	132,405,765	11,201,802	143,607,567	-
Tax Refunds Payable	145,372,981	-	145,372,981	-
Internal Payable	-	3,227,100,597	-	-
Due to Component Units	-	33,723,482	33,723,482	-
Due to Primary Government	-	-	-	102,855
Contract Retainage Payable	17,223,179	3,048,764	20,271,943	-
Federal Funds Purchased	-	365,335,000	365,335,000	-
Other Deposits	-	976,110,478	976,110,478	-
Amounts Held In Custody for Others	-	24,981,398	24,981,398	-
Unearned Revenue	1,027,382,988	128,825,883	1,156,208,871	42,066
Financial Derivative Instrument	-	16,867,025	16,867,025	-
Other Liabilities	-	51,973,184	51,973,184	-
Long-Term Liabilities				
Due within one year	12,646,480	737,727,178	750,373,658	25,669,591
Due in more than one year	84,118,600	2,880,878,099	2,964,996,699	494,831,749
Net Pension Liability	448,957,000	154,931,269	603,888,269	191,000
Net OPEB Liability	30,408,110	10,035,644	40,443,754	-
Total Liabilities	2,542,642,377	8,763,204,216	8,078,745,996	526,030,041
DEFERRED INFLOWS OF RESOURCES				
Grant Received Prior to Time Requirements	-	174,808	174,808	-
Unrealized Gain on Interest Rate Swap	-	8,381,000	8,381,000	-
Derived from Pensions	249,838,840	87,646,067	337,484,907	103,000
Derived from OPEB	2,528,058	781,316	3,309,374	-
Total Deferred Inflows of Resources	252,366,898	96,983,191	349,350,089	103,000
NET POSITION				
Net Investment in Capital Assets	5,427,964,743	1,243,098,375	6,671,063,118	1,360
Restricted for:				
General Government	5,851,361	-	5,851,361	-
Education	5,276,169,697	-	5,276,169,697	-
Health and Human Services	20,141,144	-	20,141,144	-
Regulatory Purposes	85,030,225	-	85,030,225	-
Public Safety & Corrections	9,450,751	-	9,450,751	-
Agriculture and Commerce	63,178,488	-	63,178,488	-
Cultural and Natural Resources	477,274,736	-	477,274,736	-
Transportation	484,944,367	-	484,944,367	-
Capital Projects	-	1,340,114	1,340,114	-
Debt Service	787,977	206,832,514	207,620,491	114,641,000
Loan Purposes	-	36,732,214	36,732,214	428,761,000
Pledged Assets	-	829,880,000	829,880,000	-
Unemployment Compensation	-	262,917,778	262,917,778	-
Pension Benefits	31,006,306	-	31,006,306	-
Permanent Fund and University System - Nonexpendable	77,298,335	17,387,728	94,686,063	2,155,492
University System - Expendable	-	17,310,462	17,310,462	-
Other	11,908,521	1,937,845	13,846,366	-
Unrestricted	9,578,050,070	1,952,266,055	11,530,316,125	33,154,926
Total Net Position	$ 21,549,056,721	$ 4,569,703,085	$ 26,118,759,806	$ 578,713,778

The Accompanying Notes are an Integral Part of the Financial Statements

Statement of Activities
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 1,034,052,808	$ 31,944,485	$ 10,297,523	$ -
Education	1,288,935,269	10,566,897	279,997,311	-
Health and Human Services	2,077,950,367	47,748,086	1,247,736,146	-
Regulatory	78,441,824	37,130,755	14,506,117	1,939
Public Safety and Corrections	249,751,212	20,811,638	73,411,717	-
Agriculture and Commerce	107,574,065	38,228,838	25,113,442	-
Natural Resources	217,545,757	44,662,134	39,733,823	-
Transportation	429,801,053	116,062,224	337,481,474	-
Interest on Long Term Debt	1,691,314	-	-	-
Total Governmental Activities	5,485,743,669	347,155,057	2,028,277,553	1,939
Business-Type Activities:				
Bank of North Dakota	103,391,326	279,302,000	-	-
Housing Finance	56,536,682	58,096,789	13,945,000	-
Loan Programs	16,395,752	17,114,318	363,934	-
State Lottery	18,929,003	24,505,932	10,770	-
Unemployment Compensation	611,219,223	452,421,028	197,406,210	-
University System	1,227,857,663	528,517,702	256,301,231	17,501,749
Workforce Safety & Insurance	220,279,394	230,442,756	125,237,317	-
Other	616,265,019	623,799,925	2,795,633	-
Total Business-Type Activities	2,870,874,062	2,214,200,450	596,060,095	17,501,749
Total Primary Government	$ 8,356,617,731	$ 2,561,355,507	$ 2,624,337,648	$ 17,503,688
Component Units (GASB Based):	$ 37,614,001	$ 6,792,716	$ 46,030,733	$ -

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 Restated
Net Position, Ending

The Accompanying Notes are an Integral Part of the Financial Statements

Net (Expense) Revenue and Change in Net Position			
Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	(GASB Based)
$ (991,810,800)		$ (991,810,800)	
(998,371,061)		(998,371,061)	
(782,466,135)		(782,466,135)	
(26,803,013)		(26,803,013)	
(155,527,857)		(155,527,857)	
(44,231,785)		(44,231,785)	
(133,149,800)		(133,149,800)	
23,742,645		23,742,645	
(1,691,314)		(1,691,314)	
(3,110,309,120)		(3,110,309,120)	
	175,910,674	175,910,674	
	15,505,107	15,505,107	
	1,082,500	1,082,500	
	5,587,699	5,587,699	
	38,608,015	38,608,015	
	(425,536,981)	(425,536,981)	
	135,400,679	135,400,679	
	10,330,539	10,330,539	
-	(43,111,768)	(43,111,768)	
(3,110,309,120)	(43,111,768)	(3,153,420,888)	
			$ 15,209,448
513,419,336	-	513,419,336	-
1,364,664,641	-	1,364,664,641	-
1,949,036,077	-	1,949,036,077	-
107,173,491	-	107,173,491	-
333,528,092	-	333,528,092	-
21,159,397	-	21,159,397	-
190,047,481	3,576,763	193,624,244	-
-	-	-	15,000,000
9,515,851	-	9,515,851	-
(440,249,767)	485,109,074	44,859,307	-
4,048,294,599	488,685,837	4,536,980,436	15,000,000
937,985,479	445,574,069	1,383,559,548	30,209,448
20,611,071,242	4,124,129,016	24,735,200,258	548,504,330
$ 21,549,056,721	$ 4,569,703,085	$ 26,118,759,806	$ 578,713,778

Statement of Net Assets
Component Units
FASB Basis
June 30, 2020

	Major University System Foundation	Nonmajor University System Foundation	State Historical Society Foundation
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 98,895,593	$ 8,661,416	$ 735,833
Receivable from Primary Institution	3,632,031	70,823	-
Investments	27,093,981	23,570,626	-
Accounts Receivable - Net	5,693,026	649,129	-
Notes receivable	2,800,000	50,153	-
Unconditional Promises to Give - Net	22,323,206	841,947	86,601
Net investment in Direct Financing Leases	1,216,210	-	-
Inventory	1,509,420	-	-
Other Assets	1,583,369	75,692	-
Total Current Assets	164,746,836	33,919,786	822,434
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	8,202,625	676,488	-
Investments:			
Investments, Net of Current Portion	537,319,052	40,613,348	474,870
Investments, Restricted	3,338,119	-	-
Investments Held In Trust	24,342,250	3,397,723	-
Beneficial Interest In Trust	16,632,251	-	-
Charitable Gift Annuity Investments	5,770,428	-	-
Charitable Remainder Trust Account Investments	17,679,102	-	-
Real Estate and Equipment Held for Investment - Net	18,318,303	-	-
Other Long-Term Investments	22,549,851	225,641	-
Contracts for Deed & Notes Receivable, Net of Current Portion	711,940	-	-
Unconditional Promises to Give - Net	-	-	93,719
Long-Term Pledges Receivable	67,959,703	4,015,159	-
Other Receivables	36,198	-	-
Receivable from Primary Institution	29,433,834	47,458	-
Net investment in Direct Financing Leases, Net of Current Portion	11,332,752	-	-
Other noncurrent assets	2,190,540	2,570,019	159,169
Notes Receivable - Net	8,684,000	-	-
Capital Assets - Net	143,591,569	22,518,676	1,764
Total Noncurrent Assets	918,092,517	74,064,512	729,522
Total Assets	1,082,839,353	107,984,298	1,551,956
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	3,240,306	220,666	7,295
Compensated Absences Payable	-	-	14,371
Payable to Primary Institution	4,063,398	364,019	-
Accrued Payroll	1,350,817	3,235	6,105
Gift Annuities & Life Income Agreements	2,630,123	58,088	-
Unearned Revenue	13,031,609	152,500	40,016
Other Liabilities	2,100,269	2,334	-
Current Potion of Long-Term Liabilities	7,151,067	1,807,530	-
Total Current Liabilities	33,567,589	2,608,372	67,787
Noncurrent Liabilities:			
Deposits	18,634,032	682,852	-
Investments Held on Behalf of Institutions	-	3,397,723	-
Gift Annuities & Life Income Agreements, Net of Current Portion	15,838,279	-	-
Obligations Under Split-Interest Agreement	6,314,921	-	-
Loan Payable	-	-	55,825
Other Liabilities	497,531	-	136,668
Long-Term Liabilities	56,481,306	13,943,252	-
Total Noncurrent Liabilities	97,766,069	18,023,827	192,493
Total Liabilities	131,333,658	20,632,199	260,280
Net Assets			
With Donor Restriction	228,331,461	6,088,873	598,544
Without Donor Restriction	723,174,234	81,263,226	693,132
Total Net Asset	951,505,695	87,352,099	1,291,676
Total Liabilities and Net Assets	$ 1,082,839,353	$ 107,984,298	$ 1,551,956

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, 2020

	Major University System Foundation	Nonmajor University System Foundation	State Historical Society Foundation
Support and Revenue			
Gifts and Contributions	$ 131,964,588	$ 4,789,250	$ 569,745
Investment Income	14,874,731	4,094,810	17,647
Grant Revenue	-	565,281	3,000
Net Realized and Unrealized Gains (Losses) on Investment Securities	21,407,185	229,568	(11,828)
Program and Event Income	50,502,816	9,764,053	216,961
Other Income	5,874,718	2,454,562	21,804
Total Support and Revenue	224,624,038	21,897,524	817,329
EXPENSES			
Program Services	$ 55,147,203	$ 6,530,559	$ 242,525
Supporting Services	54,872,901	11,543,738	349,404
Fund Raising Expense	7,200,113	308,762	12,511
Total Expenses	117,220,217	18,383,059	604,440
Changes in Net Assets	$ 107,403,821	$ 3,514,465	$ 212,889
Total Net Assets - Beginning of Year , as Restated	$ 844,101,874	$ 83,837,634	$ 1,078,787
Total Net Assets - End of Year	$ 951,505,695	$ 87,352,099	$ 1,291,676

The Accompanying Notes are an Integral Part of the Financial Statements

Balance Sheet
Governmental Funds
June 30, 2020

	General	Special Revenue Federal	Special Revenue State	Nonmajor Governmental Funds	Total
ASSETS					
Cash Deposits at the Bank of ND	$ 846,820,271	$ 1,061,629,395	$ 1,703,392,900	$ 519,276	$ 3,612,361,842
Cash and Cash Equivalents	82,771,999	143,661	11,585,231	124,728	94,625,619
Restricted Cash and Cash Equivalents	396	3,949,467	-	-	3,949,863
Investments at the Bank of ND	-	-	370,542,861	813,000	371,355,861
Investments	7,664,627,711	-	5,743,243,624	27,880,534	13,435,751,869
Accounts Receivable - Net	16,785,809	30,615,898	80,897,446	9	128,299,162
Taxes Receivable - Net	395,233,860	-	80,251,668	108,435	475,593,963
Interest Receivable - Net	29,511,672	-	17,886,690	83,141	47,481,503
Intergovernmental Receivable - Net	754,834	285,351,295	11,084,607	-	297,190,736
Due from Other Funds	106,624,956	29,655,189	21,663,381	22,596	157,966,122
Prepaid Items	3,074,488	1,704,705	2,026,441	-	6,805,634
Inventory	3,072,480	11,746,896	10,484,014	-	25,303,390
Loans and Notes Receivable - Net	47,884	233,524	135,700,874	49,633,656	185,615,938
Total Assets	9,149,326,360	1,425,030,030	8,188,759,737	79,185,375	18,842,301,502
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 9,149,326,360	$ 1,425,030,030	$ 8,188,759,737	$ 79,185,375	$ 18,842,301,502
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	77,913,242	171,009,681	85,329,950	35,772	334,288,645
Accrued Payroll	36,106,021	8,010,779	13,355,856	89	57,472,745
Securities Lending Collateral	35,033,119	-	209,001,449	698,744	244,733,312
Interest Payable	152,036	-	926,970	-	1,079,006
Intergovernmental Payable	980,186	29,301,817	102,123,762	-	132,405,765
Tax Refunds Payable	140,767,800	-	4,605,181	-	145,372,981
Due to Other Funds	32,084,797	166,253,373	67,309,667	3,435,081	269,082,918
Contract Retainage Payable	412,430	7,278,479	9,532,270	-	17,223,179
Unearned Revenues	-	1,027,213,442	124,356	-	1,027,337,798
Total Liabilities	323,449,631	1,409,067,571	492,309,461	4,169,686	2,228,996,349
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	97,098,515	4,053,938	13,372,766	-	114,525,219
Unpaid Penalty and Interest	-	-	624,074	-	624,074
Total Deferred Inflows of Resources	97,098,515	4,053,938	13,996,840	-	115,149,293
Fund Balances:					
Nonspendable					
Inventory	3,072,480	11,746,896	10,484,014	-	25,303,390
Long - Term Receivables	47,882	-	-	-	47,882
Prepaid Expenditures	3,074,488	1,704,705	2,026,441	-	6,805,634
Permanent Trust Fund	-	-	-	77,298,335	77,298,335
Restricted	396	-	6,410,260,955	703,000	6,410,964,351
Committed	1,066,688,590	-	839,955,053	292,354	1,906,935,997
Assigned	-	-	419,726,973	-	419,726,973
Unassigned	7,655,894,378	(1,543,080)	-	(3,278,000)	7,651,073,298
Total Fund Balances	8,728,778,214	11,908,521	7,682,453,436	75,015,689	16,498,155,860
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 9,149,326,360	$ 1,425,030,030	$ 8,188,759,737	$ 79,185,375	$ 18,842,301,502

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, 2020

Total Fund Balances-Governmental Funds		$ 16,498,155,860
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 $9,106,776,885 and the accumulated depreciation is $5,369,262,003.		5,369,262,003
Other assets not available in the current period and therefore are not reported in the governmental funds:		
Net Pension Asset		31,006,306
Deferred outflows of resources are not reported in the governmental funds:		
Loss on bond refunding	1,764,000	
Related to OPEB	8,724,462	
Related to pensions	204,202,961	
Total Deferred Outflows		214,691,423
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.		114,480,029
Prepaid items are paid from current available financial resources in the funds, but are capitalized in the statement of net position.		-
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.		96,308,421
Voluntary termination benefits for employees are accrued in the statement of net position.		-
Deferred inflows of resources are not reported in the governmental funds:		
Unpaid penalty and interest	624,074	
Related to OPEB	(2,386,736)	
Related to pensions	(235,782,684)	(237,545,346)
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	(19,730,000)	
Notes Payable	(14,817,054)	
Accrued Interest on Long-Term Liabilities	(226,283)	
Compensated Absences	(48,355,608)	
Intergovernmental Payable	-	
Capital Leases	(754,014)	
Other Postemployment Benefit Obligation	(28,773,636)	
Net Pension Liability	(423,656,679)	
Claims and Judgments	(988,701)	
Total Long-Term Liabilities		(537,301,975)
Net Position of Governmental Activities		$ 21,549,056,721

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, 2020

	General	Special Revenue Federal	Special Revenue State	Nonmajor Governmental Funds	Total
REVENUES					
Individual and Corporate Income Taxes	$ 512,136,793	$ -	$ 2,315,773	$ 21,564	$ 514,474,130
Sales and Use Taxes	1,086,925,545	509	296,024,221	-	1,382,950,275
Oil, Gas, and Coal Taxes	1,088,938,940	-	858,927,685	1,547,095	1,949,413,720
Business and Other Taxes	63,503,629	-	44,401,252	-	107,904,881
Licenses, Permits and Fees	9,211,701	11,166	196,646,107	12,225	205,881,199
Intergovernmental	1,045,932	1,906,682,078	23,390,758	4,299,811	1,935,418,579
Sales and Services	2,368,530	2,330,463	58,942,056	6,780	63,647,829
Royalties and Rents	25,015,395	8,958	325,278,959	-	350,303,312
Fines and Forfeits	3,876,152	-	24,864,432	-	28,740,584
Interest and Investment Income (Loss)	314,687,504	356,201	(48,554,201)	1,333,097	267,822,601
Tobacco Settlement	-	-	21,159,397	-	21,159,397
Commodity Assessments	-	-	23,180,351	-	23,180,351
Miscellaneous	2,560,862	2,399,615	26,987,546	62,350	32,010,373
Total Revenues	3,110,270,983	1,911,788,990	1,853,564,336	7,282,922	6,882,907,231
EXPENDITURES					
Current:					
General Government	163,257,932	6,909,223	51,341,711	92,939	221,601,805
Education	827,123,764	183,650,225	275,791,586	-	1,286,565,575
Health and Human Services	793,264,051	1,177,119,396	66,416,412	180,009	2,036,979,868
Regulatory	22,561,097	13,906,726	30,157,124	12,000	66,636,947
Public Safety and Corrections	162,223,308	55,534,933	10,724,588	-	228,482,829
Agriculture and Commerce	24,578,826	22,563,146	59,119,543	-	106,261,515
Natural Resources	16,052,286	20,351,739	160,536,050	-	196,940,075
Transportation	13,262,292	160,060,907	157,003,138	-	330,326,337
Intergovernmental - Revenue Sharing	3,892,217	-	802,042,365	-	805,934,582
Capital Outlay	14,695,700	216,757,904	148,993,746	3,266,000	383,713,350
Debt Service:					
Principal	887,832	4,566,484	5,652,057	9,460,000	20,566,373
Interest and Other Charges	376,097	44,804	264,565	1,114,650	1,800,116
Total Expenditures	2,042,175,402	1,861,465,487	1,768,042,885	14,125,598	5,685,809,372
Revenues over (under) Expenditures	1,068,095,581	50,323,503	85,521,451	(6,842,676)	1,197,097,859
OTHER FINANCING SOURCES (USES)					
Bonds and Notes Issued	2,825,172	-	518,928	-	3,344,100
Capital Lease Acquisitions	65,787	80,040	-	-	145,827
Sale of Capital Assets	-	197,000	72,769	-	269,769
Transfers In	484,023,503	149,969	72,760,005	6,209,594	563,143,071
Transfers Out	(412,727,251)	(49,531,616)	(539,140,017)	(2,166,756)	(1,003,565,640)
Total Other Financing Sources (Uses)	74,187,211	(49,104,607)	(465,788,315)	4,042,838	(436,662,873)
Net Change in Fund Balances	1,142,282,792	1,218,896	(380,266,864)	(2,799,838)	760,434,986
Fund Balances - Beginning of Year	7,586,495,422	10,689,625	8,062,720,300	77,815,527	15,737,720,874
Fund Balances - End of Year	$ 8,728,778,214	$ 11,908,521	$ 7,682,453,436	$ 75,015,689	$ 16,498,155,860

The Accompanying Notes are an Integral Part of the Financial Statements

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, 2020

Net Change in Fund Balances-Total Governmental Funds		$ 760,434,986
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	385,288,320	
Depreciation expense	(157,280,216)	
Excess of capital outlay over depreciation expense		228,008,104
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.		(498,854)
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.		20,000
Some of the assets acquired this year were financed through capital leases. The amount financed is reported in the governmental funds as a source of financing. However, capital leases are reported as long-term liabilities in the statement of net position.		(145,827)
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.		(21,072,260)
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		(3,114,702)
Bonds proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		-
Note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		(3,344,100)
Voluntary termination benefits do not require current financial resources and therefore are not reported as expenditures in the governmental funds.		252,229
The pension assets resulting from contributions in excess of annual required contribution are not financial resources and, therefore, are not reported in the funds.		3,547,406
Deferred outflows of resources do not provide current financial resources		
Amortization of deferred loss on bond refunding	(366,000)	
Related to OPEB	941,139	
Related to pension	(63,963,918)	
Total deferred outflows		(63,388,779)
Deferred pension inflows are not considered current cash expenses and are not reported as an expenditure in the funds		
Unpaid penalty and interest	(197,051)	
Related to OPEB	(438,298)	
Related to pension	(177,672,246)	
Total deferred outflows		(178,307,595)
The net OPEB liability relating to retirement plans		839,048
The net pension liability relating to retirement plans		198,066,001
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	10,220,302	
Note payments	10,424,420	
Capital lease payments	491,953	
Total long-term debt repayment		21,136,675
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	100,934	
Compensated Absences	(4,535,101)	
Claims and Judgments	(12,686)	
Total additional expenditures		(4,446,853)
Change in Net Position of Governmental Activities		$ 937,985,479

The Accompanying Notes are an Integral Part of the Financial Statements

Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Bank of North Dakota	Housing Finance	University System	Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
ASSETS							
Current Assets:							
Cash Deposits at the Bank of ND		$ 11,155,000	$ 203,038,145	$ 3,227,247	$ 229,424,060	$ 446,844,452	$ 33,511,676
Cash and Cash Equivalents		-	16,756,221	-	157,670,836	174,427,057	380,145
Investments at the Bank of ND		-	141,933,281	-	1,000,000	142,933,281	252,100
Investments		-	116,082	2,121,884,601	51,213,683	2,173,214,366	9,009,559
Accounts Receivable - Net		666,000	28,588,360	25,196,893	93,392,525	147,843,778	272,859
Interest Receivable - Net		33,000	-	10,554,243	3,429,208	14,016,451	53,345
Intergovernmental Receivable - Net		232,000	22,258,613	-	11,229,654	33,720,267	422,982
Due from Other Funds		3,000	31,252,494	44,778	83,327,289	114,627,561	11,940,796
Due from Component Units		-	11,240,570	-	-	11,240,570	-
Prepaid Items		63,000	-	429,747	4,171,148	4,663,895	4,121,793
Inventory		-	6,983,840	-	29,533,414	36,517,254	147,996
Loans and Notes Receivable - Net		-	5,401,296	-	27,788,533	33,189,829	-
Other Assets		820,000	2,702,564	-	-	3,522,564	-
Restricted Cash at the Bank of ND		17,399,000	-	-	6,097,884	23,496,884	-
Restricted Cash and Cash Equivalents		216,924,000	-	-	392,000	217,316,000	-
Restricted Investments at the Bank of ND		-	-	-	1,000,000	1,000,000	-
Restricted Interest Receivable - Net		5,143,000	-	-	-	5,143,000	-
Restricted Loans Receivable - Net		30,160,000	-	-	142,000	30,302,000	-
Total Current Assets		282,598,000	470,271,466	2,161,337,509	699,812,234	3,614,019,209	60,113,251
Noncurrent Assets:							
Restricted Cash at the Bank of ND		-	65,158,930	-	-	65,158,930	-
Restricted Investments at the Bank of ND		-	3,598,418	-	-	3,598,418	-
Restricted Investments		44,619,000	4,120,124	-	-	48,739,124	-
Investments at the Bank of ND		-	105,346,000	-	-	105,346,000	-
Investments		-	10,684,371	-	-	10,684,371	-
Due from Component Units		-	19,837,213	-	-	19,837,213	-
Loans and Notes Receivable - Net		-	16,830,112	-	417,976,890	434,807,002	-
Restricted Loans Receivable - Net		1,255,924,000	-	-	-	1,255,924,000	-
Other Noncurrent Assets		5,607,000	197,040	-	6,279,982	12,084,022	-
Capital Assets:							
Nondepreciable		-	211,970,886	3,733,538	27,532,580	243,237,004	180,060
Depreciable, Net		17,000	1,303,342,892	14,804,769	112,586,632	1,430,751,293	92,614,525
Total Noncurrent Assets		1,306,167,000	1,741,085,986	18,538,307	564,376,084	3,630,167,377	92,794,585
Bank Related Assets:							
Cash and Cash Equivalents	$ 498,374,000					$ 498,374,000	-
Investments	2,016,126,000					2,016,126,000	-
Interest Receivable - Net	56,672,000					56,672,000	-
Due from Other Funds	72,211,000					72,211,000	-
Loans and Notes Receivable - Net	4,359,956,000					4,359,956,000	-
Other Assets	25,069,000					25,069,000	-
Capital Assets:							
Nondepreciable	2,449,000					2,449,000	-
Depreciable, Net	7,324,000					7,324,000	-
Total Bank Related Assets	7,038,181,000					7,038,181,000	
Total Assets	7,038,181,000	1,588,765,000	2,211,357,452	2,179,875,816	1,264,188,318	14,282,367,586	152,907,836
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Loss on Bond Refunding	-	-	3,865,270	-	-	3,865,270	-
Decrease in Fair Value of Hedging Derivatives	-	-	-	-	735,025	735,025	-
Financial Derivative Instrument	-	16,132,000	-	-	-	16,132,000	-
Unrealized Loss on Interest Rate Swap	24,839,000	-	-	-	-	24,839,000	-
Derived from Pensions	5,438,000	1,289,000	51,059,905	9,020,136	7,155,573	73,962,614	11,944,963
Derived from OPEB	185,000	57,000	2,245,434	349,616	368,473	3,205,523	547,395
Total Deferred Outflows of Resources	30,462,000	17,478,000	57,170,609	9,369,752	8,259,071	122,739,432	12,492,358

Statement of Net Position
Proprietary Funds
June 30, 2020

	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		843,000	28,764,937	5,588,924	32,340,088	67,536,949	3,111,285
Accrued Payroll		318,569	41,070,422	-	1,026,530	42,415,521	3,358,284
Securities Lending Collateral		-	-	6,492,798	80,073	6,572,871	17,338
Interest Payable		19,287,000	4,181,642	-	15,286	23,483,928	5,730
Intergovernmental Payable		19,000	288,722	-	11,235,215	11,542,937	-
Due to Other Funds		13,431	3,382,182	189,977	83,895,415	87,481,005	343,886
Due to Component Units		-	4,202,575	-	-	4,202,575	-
Contract Retainage Payable		-	3,048,764	-	-	3,048,764	-
Other Deposits		-	8,781,258	-	-	8,781,258	-
Amounts Held in Custody for Others		17,399,000	-	-	7,582,398	24,981,398	-
Claims/Judgments Payable		-	-	123,575,040	1,165,234	124,740,274	1,523,912
Dividends Payable		-	-	107,034,501	-	107,034,501	-
Compensated Absences Payable		9,000	2,796,635	1,512,146	182,589	4,500,370	280,470
Notes Payable		-	4,459,734	-	-	4,459,734	-
Capital Leases Payable		-	3,409,857	-	-	3,409,857	21,455
Bonds Payable		32,672,000	14,424,307	-	125,000	47,221,307	-
Unearned Revenue		77,000	24,081,959	104,215,341	451,583	128,825,883	-
Other Current Liabilities		-	-	-	113,068	113,068	-
Total Current Liabilities		70,638,000	142,892,994	348,608,727	138,212,479	700,352,200	8,662,360
Noncurrent Liabilities:							
Intergovernmental Payable		-	4,100,041	-	-	4,100,041	-
Due to Component Units		-	29,490,907	-	-	29,490,907	-
Claims/Judgments Payable		-	-	906,216,960	-	906,216,960	7,161,179
Compensated Absences Payable		311,000	30,618,493	246,163	1,320,507	32,496,163	3,074,435
Notes Payable		-	12,701,669	-	-	12,701,669	-
Capital Leases Payable		-	32,390,732	-	-	32,390,732	58,251
Bonds Payable		1,299,308,000	405,020,000	-	2,439,534	1,706,767,534	-
Financial Derivative Instrument		16,132,000	-	-	735,025	16,867,025	-
Net Pension Liability		2,760,000	109,414,120	17,419,152	13,306,997	142,900,269	25,300,321
Net OPEB Liability		189,000	7,036,908	1,145,698	850,038	9,221,644	1,634,474
Other Noncurrent Liabilities		4,693,000	98,684	-	17,258,432	22,050,116	-
Total Noncurrent Liabilities		1,323,393,000	630,871,554	925,027,973	35,910,533	2,915,203,060	37,228,660
Bank Related Liabilities:							
Interest Payable	348,897					348,897	-
Due to Other Funds	2,351,103					2,351,103	-
Due to Component Units	30,000					30,000	-
Federal Funds Purchased	365,335,000					365,335,000	-
Deposits Held for Other Funds	4,215,117,092					4,215,117,092	-
Other Deposits	873,972,908					873,972,908	-
Other Liabilities	29,810,000					29,810,000	-
Long Term Liabilities:							
Due within one year	446,020,000					446,020,000	-
Due in more than one year	186,205,000					186,205,000	-
Net Pension Liability	12,031,000					12,031,000	-
Net OPEB Liability	814,000					814,000	-
Total Bank Related Liabilities	6,132,035,000					6,132,035,000	
Total Liabilities	6,132,035,000	1,394,031,000	773,764,548	1,273,636,700	174,123,012	9,747,590,260	45,891,020
DEFERRED INFLOWS OF RESOURCES							
Grants Received Prior to Time Requirements	-	-	174,808	-	-	174,808	-
Unrealized Gain on Interest Rate Swap	8,381,000	-	-	-	-	8,381,000	-
Derived from Pensions	6,200,000	1,479,000	63,409,087	9,352,752	7,205,228	87,646,067	14,056,156
Derived from OPEB	47,000	13,000	597,281	90,647	33,388	781,316	141,322
Total Deferred Inflows of Resources	14,628,000	1,492,000	64,181,176	9,443,399	7,238,616	96,983,191	14,197,478
NET POSITION							
Net Investment in Capital Assets	9,773,000	17,000	1,076,215,390	18,538,308	138,554,677	1,243,098,375	92,714,878
Restricted for:							
Capital Projects	-	-	1,340,114	-	-	1,340,114	-
Debt Service	-	196,441,000	9,904,514	-	487,000	206,832,514	-
Loan Purposes	-	-	36,732,214	-	-	36,732,214	-
Pledged Assets	829,880,000	-	-	-	-	829,880,000	-
Unemployment Compensation	-	-	-	-	262,917,778	262,917,778	-
University System-Nonexpendable	-	-	17,387,728	-	-	17,387,728	-
University System-Expendable	-	-	17,310,462	-	-	17,310,462	-
Other	-	-	503,776	-	1,434,069	1,937,845	-
Unrestricted	82,327,000	14,262,000	271,188,139	887,627,161	687,692,237	1,943,096,537	12,596,818
Total Net Position	$ 921,980,000	$ 210,720,000	$ 1,430,582,337	$ 906,165,469	$ 1,091,085,761	$ 4,560,533,567	$ 105,311,696

Reconciliation of the Proprietary Funds Statement of Net Position to the Statement of Net Position
June 30, 2020

Total Net Position - Enterprise Funds	4,560,533,567
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	9,169,518
Net Position of Business-Type Activities	4,569,703,085

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	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	$ 23,352,000	$ 5,577,789	$ 91,122,711	$ 225,934,953	$ 1,110,277,887	$ 1,456,265,340	$ 107,361,149
Auxiliary Sales Pledges for Bonds	-	-	90,781,941	-	-	90,781,941	-
Tuition and Fees	-	-	338,541,806	-	-	338,541,806	-
Federal Funds	-	-	-	-	192,440,864	192,440,864	-
Grants and Contributions	-	-	140,501,308	-	-	140,501,308	-
Royalties and Rents	-	-	-	814,651	140,474	955,125	-
Fines and Forfeits	-	-	-	1,470,895	-	1,470,895	-
Interest and Investment Income	255,950,000	52,519,000	-	-	7,274,455	315,743,455	-
Miscellaneous	-	-	1,891,367	2,222,257	7,097,244	11,210,868	88,341
Total Operating Revenues	279,302,000	58,096,789	662,839,133	230,442,756	1,317,230,924	2,547,911,602	107,449,490
OPERATING EXPENSES							
Cost of Sales and Services	-	-	24,927,372	-	189,626,228	214,553,600	1,037,366
Salaries and Benefits	18,802,000	4,210,000	780,356,789	27,437,163	26,771,606	857,577,558	42,879,039
Operating	25,042,000	5,769,000	260,150,718	1,709,918	422,096,607	714,768,243	53,030,789
Claims	-	-	-	88,374,676	613,319,463	701,694,139	4,649,014
Scholarships and Fellowships	-	-	54,303,073	-	-	54,303,073	-
Interest	58,871,000	33,055,000	-	-	23,000	91,949,000	-
Depreciation	624,000	7,000	72,345,493	2,096,953	8,552,359	83,625,805	11,346,238
Miscellaneous	-	-	-	-	194,988	194,988	46,664
Total Operating Expenses	103,339,000	43,041,000	1,192,083,445	119,618,710	1,260,584,251	2,718,666,406	112,989,110
Operating Income (Loss)	175,963,000	15,055,789	(529,244,312)	110,824,046	56,646,673	(170,754,804)	(5,539,620)
NONOPERATING REVENUES (EXPENSES)							
Grants and Contracts	-	13,490,000	60,856,768	-	751,973	75,098,741	-
Gifts	-	-	43,357,846	-	-	43,357,846	-
Interest and Investment Income	-	455,000	11,585,309	125,237,317	7,371,839	144,649,465	545,515
Interest Expense	-	-	(15,347,271)	(4,163,241)	(1,948,816)	(21,459,328)	(22,241)
Dividends Expense	-	-	-	(96,424,944)	-	(96,424,944)	-
Gain (Loss) on Sale of Capital Assets	-	-	(4,547,141)	-	2,057	(4,545,084)	532,268
Tax Revenue	-	-	6,179,877	-	-	6,179,877	-
Grant Expense	-	(13,490,000)	(12,179,705)	-	-	(25,669,705)	-
Other	(15,000,000)	-	(6,603,358)	-	246,541	(21,356,817)	-
Total Nonoperating Revenues (Expenses)	(15,000,000)	455,000	83,302,325	24,649,132	6,423,594	99,830,051	1,055,542
Income (Loss) Before Contributions and Transfers	160,963,000	15,510,789	(445,941,987)	135,473,178	63,070,267	(70,924,753)	(4,484,078)
Capital Grants and Contributions	-	-	17,501,749	-	-	17,501,749	145,250
Transfers In	-	9,211	419,893,943	161,354	163,494,417	583,558,925	-
Transfer Out	(64,753,000)	(44,000)	(3,025,000)	-	(15,627,851)	(83,449,851)	-
Changes in Net Position	96,210,000	15,476,000	(11,571,295)	135,634,532	210,936,833	446,686,070	(4,338,828)
Total Net Position - Beginning of Year, as restated	825,770,000	195,244,000	1,442,153,632	770,530,937	880,148,928	4,113,847,497	109,650,524
Total Net Position - End of Year	$ 921,980,000	$ 210,720,000	$ 1,430,582,337	$ 906,165,469	$ 1,091,085,761	$ 4,560,533,567	$ 105,311,696

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, 2020

Net Change in Net Position-Total Enterprise Funds	$ 446,686,070
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	(1,112,001)
Change in Net Position of Business-Type Activities	$ 445,574,069

The Accompanying Notes are an Integral Part of the Financial Statements



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STATE OF NORTH DAKOTA

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Bank of North Dakota	Housing Finance	University System
Cash Flows from Operating Activities:			
Receipts from Customers and Users	$ 4,541,000	$ 270,510,789	$ 180,606,365
Receipts from Tuition and Fees	-	-	342,257,626
Interest Income on Loans	-	-	-
Receipts from Loan Principal Repayments	-	-	5,879,419
Receipts from Federal and Local Agencies	-	56,000	-
Receipts from Other Funds	-	-	-
Receipts from Grants and Contracts	-	-	132,869,515
Receipts from Others	-	-	1,914,428
Payments to Other Funds	-	(111,923,000)	-
Payments for Loan Funds	-	-	(9,400,960)
Payments for Scholarships and Fellowships	-	-	(45,103,168)
Payments to Suppliers	(12,510,000)	(199,256,000)	(285,375,966)
Payments to Employees	(17,418,000)	(3,706,000)	(767,546,430)
Claim Payments	-	-	-
Payments to Others	-	(36,000)	(649,014)
Other	-	-	-
Net Cash Provided by (Used for) Operating Activities	(25,387,000)	(44,354,211)	(444,548,185)
Cash Flows from Noncapital Financing Activities:			
Proceeds from Bonds	-	185,204,000	-
Proceeds from Sale of Notes and Other Borrowings	6,330,775,000	-	-
Principal Payments - Bonds	-	(109,720,000)	-
Principal Payments - Notes and Other Borrowings	(6,803,181,000)	-	-
Interest Payments - Bonds	-	(30,104,000)	-
Interest Payments - Notes and Other Borrowings	(30,041,000)	-	-
Tax Collections	-	-	6,179,879
Transfers In	-	9,211	26,492,498
Transfers Out	(79,753,000)	(44,000)	(2,353,577)
Net Decrease in Non-Interest Bearing Deposits	60,904,000	-	-
Net Increase in Interest Bearing Deposits	258,369,000	-	-
Payments of Interest on Deposits	(27,189,000)	-	-
Principal Payments on Advances	-	-	-
Interest Paid on Federal Funds and Reverse Repurchase Agreements	(6,461,000)	-	-
Net Increase in Federal Funds and Reverse Repurchase Agreements	93,830,000	-	-
Collection of Advances Made	963,000	-	-
Loan Proceeds from Due To Other Funds	-	13,566,000	190,497,872
Principal Payments on Due To Other Funds	-	(13,566,000)	(192,057,709)
Grants and Gifts Received for Other than Capital Purposes	-	13,490,000	97,124,527
State Appropriations	-	-	380,204,441
Agency Fund Cash Decrease	-	-	816,356
Grants Given for Other than Capital Purposes	-	(13,490,000)	(12,179,705)
Net Cash Provided by (Used for) Noncapital Financing Activities	(201,784,000)	45,345,211	494,724,582
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(147,000)	(11,000)	(129,972,054)
Proceeds from Sale of Capital Assets	-	-	3,855,857
Proceeds from Sale of Notes and Other Borrowings	-	-	94,784,190
Principal Payments - Bonds	-	-	-
Principal Payments - Notes and Other Borrowings	-	-	(19,508,893)
Interest Payments - Bonds	-	-	-
Interest Payments - Notes and Other Borrowings	-	-	(13,753,146)
Capital Appropriations	-	-	14,701,908
Capital Contributions	-	-	-
Payment of Bond Issue Costs	-	-	-
Payment on Capital Leases	-	-	-
Interest Payments - Capital Leases	-	-	-
Capital Grants and Gifts Received	-	-	14,959,786
Insurance Proceeds	-	-	694,010
Net Cash Provided by (Used for) Capital and Related Financing Activities	(147,000)	(11,000)	(34,238,342)
Cash Flows from Investing Activities:			
Proceeds from Sale and Maturities of Investment Securities	1,210,073,000	26,665,000	116,281,669
Purchase of Investment Securities	(1,297,020,000)	(21,027,000)	(112,108,952)
Net Increase In Investments	-	-	-
Interest and Dividends on Investments	53,763,000	325,000	12,120,081
Proceeds from Sale of Other Real Estate	5,565,000	-	-
Net Decrease in Loans	35,178,000	-	-
Disbursements for Loans and Loan Purchases	-	-	-
Receipt of Loan Principal Repayments	-	-	-
Proceeds from Collection of Loans and Notes Receivable	-	-	-
Loan Income Received	208,441,000	-	-
Net Cash Provided by (Used for) Investing Activities	216,000,000	5,963,000	16,292,798

The Accompanying Notes are an Integral Part of the Financial Statements

(Continued on Next Page)

Business-Type Activities - Enterprise Funds			Governmental Activities
Workforce Safety and Insurance	Other Enterprise Funds	Total	Internal Service Funds
$ 129,978,186	$ -	$ 585,636,340	$ 3,691,929
-	-	342,257,626	-
-	-	-	-
-	-	5,879,419	-
-	-	56,000	-
-	-	-	100,838,160
-	-	132,869,515	-
278,004	-	2,192,432	-
(3,432,588)	-	(115,355,588)	(3,045,474)
-	-	(9,400,960)	-
-	-	(45,103,168)	-
-	(1,093,000)	(498,234,966)	(52,571,781)
(24,016,478)	-	(812,686,908)	(38,954,529)
(153,040,051)	-	(153,040,051)	(999,810)
(7,596,833)	-	(8,281,847)	-
-	-	-	-
(57,829,760)	(1,093,000)	(573,212,156)	8,958,495
-	-	185,204,000	-
-	-	6,330,775,000	-
-	-	(109,720,000)	-
-	-	(6,803,181,000)	-
-	-	(30,104,000)	-
-	-	(30,041,000)	-
-	-	6,179,879	-
44,778	75,000,000	101,546,487	-
-	-	(82,150,577)	-
-	-	60,904,000	-
-	-	258,369,000	-
-	-	(27,189,000)	-
-	(2,700,000)	(2,700,000)	-
-	-	(6,461,000)	-
-	-	93,830,000	-
-	-	963,000	-
-	-	204,063,872	-
-	-	(205,623,709)	-
-	-	110,614,527	-
-	-	380,204,441	-
-	-	816,356	-
-	-	(25,669,705)	-
44,778	72,300,000	410,630,571	-
(2,848,533)	-	(132,978,587)	(12,588,702)
-	-	3,855,857	3,294,537
-	-	94,784,190	-
-	-	-	-
-	-	(19,508,893)	-
-	-	-	-
-	-	(13,753,146)	-
-	-	14,701,908	-
-	-	-	145,250
-	-	-	-
-	-	-	(17,147)
-	-	-	(6,257)
-	-	14,959,786	-
-	-	694,010	-
(2,848,533)	-	(37,244,875)	(9,172,319)
63,000,000	-	1,416,019,669	664,264
(2,010,427)	-	(1,432,166,379)	-
-	-	-	-
-	115,000	66,323,081	268,033
-	-	5,565,000	-
-	-	35,178,000	-
-	(56,649,000)	(56,649,000)	-
-	12,903,000	12,903,000	-
-	-	-	-
-	3,562,000	212,003,000	-
60,989,573	(40,069,000)	259,176,371	932,297

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, 2020

	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	(11,318,000)	6,943,000	32,230,853
Cash and Cash Equivalents at June 30, 2019	509,692,000	238,535,000	252,722,443
Cash and Cash Equivalents at June 30, 2020	$ 498,374,000	$ 245,478,000	$ 284,953,296
Reconciliation:			
Current:			
Cash Deposits at the Bank of North Dakota	-	11,155,000	203,038,145
Cash and Cash Equivalents	498,374,000	-	16,756,221
Restricted Cash Deposits at the Bank of North Dakota	-	17,399,000	
Restricted Cash and Cash Equivalents	-	216,924,000	-
Noncurrent:			
Restricted Cash Deposits At The Bank of North Dakota	-	-	65,158,930
Cash and Cash Equivalents	$ 498,374,000	$ 245,478,000	$ 284,953,296
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	175,963,000	15,055,789	(529,244,312)
Adjustments to Reconcile Operating			
Income to Net Cash Provided by Operating Activities:			
Depreciation	624,000	7,000	72,345,493
Amortization/Accretion	-	(4,407,000)	-
Reclassification of Interest Revenue\Expense	(197,435,000)	32,869,000	-
(Gain) Loss on Sale of Real Estate	(2,264,000)	-	
Net Increase in Fair Value of Investments	(16,505,000)	(583,000)	-
Interest Received on Program Loans	-	-	-
Dividend Credit Applied to Receivable	-	-	-
Receipt of Loan Principal Repayments	-	-	-
Provision for Losses	6,000,000	-	-
Other	-	-	(5,580,950)
Deferred Outflows	-	382,000	15,602,220
Deferred Inflows	-	1,156,000	46,999,153
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	(87,586,000)	3,314,156
(Increase) Decrease in Interest Receivable	-	(469,000)	-
(Increase) Decrease in Due From	982,000	2,000	-
(Increase) Decrease in Intergovernmental Receivable	-	298,000	-
(Increase) Decrease in Notes Receivable	-	-	(3,322,882)
(Increase) Decrease in Prepaid Items	-	2,000	-
(Increase) Decrease in Inventories	-	-	2,679
(Increase) Decrease in Other Assets	(15,633,000)	(1,838,000)	3,040,563
Increase (Decrease) in Accounts Payable	-	-	(2,880,188)
Increase (Decrease) in Interest Payable	-	-	-
Increase (Decrease) in Claims\Judgments Payable	-	-	-
Increase (Decrease) in Intergovernmental Payable	-	7,000	-
Increase (Decrease) in Accrued Payroll	-	-	580,105
Increase (Decrease) in Compensated Absences Payable	-	(24,000)	2,528,657
Increase (Decrease) in Amounts Held for Others	-	2,459,000	-
Increase (Decrease) in Other Deposits	-	-	1,914,438
Increase (Decrease) in Due To	(6,000)	315,000	-
Increase (Decrease) in Unavailable Revenue	-	-	2,962,176
Increase (Decrease) in Net Pension Liability	-	(1,241,000)	(52,699,509)
Increase (Decrease) in Net OPEB Liability			(109,984)
Increase (Decrease) in Other Liabilities	22,887,000	(759,000)	-
Increase (Decrease) in Dividends Payable	-	-	-
Total Adjustments	(201,350,000)	(59,410,000)	84,696,127
Net Cash Provided by (Used for) Operating Activities	$ (25,387,000)	$ (44,354,211)	$ (444,548,185)
Noncash Transactions:			
Net Change in Fair Value of Investments	16,505,000	790,000	(266,871)
Transfers from Net Position to Transfers Payable	80,109,000	-	-
Reduction in pension and OPEB liability	-	-	-
Reinstatement of Debt Expense	-	-	-
Change in Securities Lending Collateral	-	-	-
Investment Income	-	-	-
Dividends Credited to Premium Billing	-	-	-
Accounts Receivable Premium Reduction	-	-	-
Assets Acquired Through Capital Lease	-	-	660,816
Assets Acquired Through Special Assessments	-	-	9,808
Expenses Paid by Capital Lease	-	-	2,060,399
Value Received on Trade of Capital Asset	-	-	-
Gifts of Capital Assets	-	-	4,072,500
Total Noncash Transactions	$ 96,614,000	$ 790,000	$ 6,536,652

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
356,058	31,138,000	59,349,911	718,473
2,871,189	34,467,000	1,038,287,632	33,173,348
$ 3,227,247	$ 65,605,000	$ 1,097,637,543	$ 33,891,821
3,227,247	65,605,000	283,025,392	33,511,676
-	-	515,130,221	380,145
-	-	17,399,000	-
-	-	216,924,000	-
-	-	65,158,930	-
$ 3,227,247	$ 65,605,000	$ 1,097,637,543	$ 33,891,821
110,824,046	(1,287,000)	(228,688,477)	(5,539,620)
2,096,953	-	75,073,446	11,346,238
-	-	(4,407,000)	-
-	(13,000)	(164,579,000)	-
-	-	(2,264,000)	-
-	-	(17,088,000)	-
-	-	-	-
(96,424,944)	-	(96,424,944)	-
-	-	-	-
-	1,141,000	7,141,000	-
(12,170)	-	(5,593,120)	-
3,219,960	-	19,204,180	3,144,862
7,797,985	-	55,953,138	11,041,144
1,493,184	-	(82,778,660)	68,958
-	-	(469,000)	-
(133,203)	-	850,797	(3,045,400)
-	-	298,000	(43,727)
-	-	(3,322,882)	-
(34,139)	-	(32,139)	(29,352)
-	-	2,679	(25,345)
-	-	(14,430,437)	-
(48,579)	-	(2,928,767)	232,180
-	-	-	1,475,956
(61,152,000)	-	(61,152,000)	559,453
-	-	7,000	-
-	-	580,105	784,784
130,837	-	2,635,494	919,605
-	-	2,459,000	-
-	-	1,914,438	-
(18,870)	7,000	297,130	36,852
(11,063,551)	-	(8,101,375)	-
(8,291,437)	-	(62,231,946)	(11,955,230)
(13,261)	-	(123,245)	(12,863)
-	-	22,128,000	-
(6,200,571)	-	(6,200,571)	-
(168,653,806)	1,135,000	(343,582,679)	14,498,115
$ (57,829,760)	$ (152,000)	$ (572,271,156)	$ 8,958,495
27,195,370	-	44,223,499	266,729
-	-	80,109,000	-
-	-	-	-
-	-	-	-
392,634	-	392,634	(16,541)
99,164,295	-	99,164,295	-
102,625,515	-	102,625,515	-
(102,625,515)	-	(102,625,515)	-
-	-	660,816	-
-	-	9,808	-
-	-	2,060,399	-
-	-	-	-
-	-	4,072,500	-
$ 126,752,299	$ -	$ 230,692,951	$ 250,188

The Accompanying Notes are an Integral Part of the Financial Statements

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS				
Cash Deposits at the Bank of ND	$ 37,840,044	$ -	$ 5,877,831	$ 43,975,323
Cash and Cash Equivalents	74,910	-	1,269,314	4,729,138
Receivables:				
Contributions Receivable	36,282,981	-	-	-
Accounts Receivable - Net	-	-	493,019	11,884,341
Taxes Receivable - Net	-	-	-	33,091,555
Interest Receivable - Net	22,924,460	676,798	86,444	150
Due from Other Funds	291	-	16	-
Due from Fiduciary Funds	9,250	-	-	-
Total Receivables	59,216,982	676,798	579,479	44,976,046
Investments, at Fair Value:				
Investments at the Bank of ND	-	-	21,862	29,958,537
Equities	1,500,306,819	139,173,961	-	-
Equity Pool	1,952,520,744	-	-	-
Fixed Income Pool	1,478,873,466	88,994,710	1,249,929	137,635,344
Cash and Cash Pool	46,919,407	2,340,076	-	-
Real Estate Pool	1,068,688,739	44,192,973	-	-
Mutual Funds	148,945,821	-	535,837,198	-
Total Investments	6,196,254,996	274,701,720	537,108,989	167,593,881
Invested Securities Lending Collateral	16,782,942	797,457	46,379	-
Capital Assets (Net of Depreciation)	377,659	-	-	-
Total Assets	6,310,547,533	276,175,975	544,881,992	$ 261,274,388
DEFERRED OUTFLOWS OF RESOURCES				
Derived from Pensions	549,008	-	-	
Total deferred outflows of resources	549,008	-	-	
LIABILITIES				
Accounts Payable	8,200,492	240,861	1,758,518	-
Accrued Payroll	170,382	-	-	-
Securities Lending Collateral	16,782,942	797,457	46,379	-
Intergovernmental Payable	-	-	-	72,304,762
Tax Refunds Payable	-	-	-	43,847
Due to Other Funds	29,000	-	-	-
Due to Fiduciary Funds	9,336	-	-	-
Amounts Held in Custody for Others	38,644	-	-	188,925,779
Compensated Absences Payable	152,262	-	-	-
Total Liabilities	25,383,058	1,038,318	1,804,897	$ 261,274,388
DEFERRED INFLOWS OF RESOURCES				
Derived from Pensions	536,950	-	-	
Total deferred inflows of resources	536,950	-	-	
NET Position				
Net Position Restricted for:				
Pension Benefits	6,284,154,064	-	-	
Other Employee Benefits	1,022,469	-	-	
External Investment Pool Participants	-	275,137,657	-	
Other Purposes	-	-	543,077,095	
Total Net Position Restricted for Pension Benefits and Other Purposes	6,285,176,533	275,137,657	543,077,095	

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2020

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
ADDITIONS			
Contributions:			
Employer	$ 194,585,515	$ -	$ -
Employee	187,458,388	-	-
From Participants	-	-	50,856,817
Transfers from Other Funds	643,721	-	-
Transfers from Other Plans	1,459,268	-	-
Donations	-	-	7,774
Total Contributions	384,146,892	-	50,864,591
Investment Income:			
Net Change in Fair Value of Investments	91,169,691	4,535,778	63,786,582
Interest and Dividends	129,200,156	5,834,133	13,688,585
Less Investment Expense	15,912,587	699,718	3,040
Net Investment Income	204,457,260	9,670,193	77,472,127
Securities Lending Activity:			
Securities Lending Income	302,303	19,905	691
Less Securities Lending Expense	33,911	3,979	-
Net Securities Lending Income	268,392	15,926	691
Repurchase Service Credit	13,758,858	-	-
Miscellaneous Income	1,093,974	-	3,068
Total Additions	603,725,376	9,686,119	128,340,477
DEDUCTIONS			
Benefits Paid to Participants	450,959,410	-	-
Refunds	20,741,287	-	-
Prefunded Credit Applied	12,312,461	-	-
Transfer to Other Plans	643,721	-	-
Payments in Accordance with Trust Agreements	-	-	44,621,389
Administrative Expenses	6,760,640	-	3,557,630
Total Deductions	491,417,519	-	48,179,019
Redemption of Units at $1.00 Per Unit	-	(8,367,604)	-
Change in Net Position Held in Trust for:			
Pension Benefits	112,308,265	-	-
Other Employee Benefits	(408)	-	-
External Investment Pool Participants	-	1,318,515	-
Other Purposes	-	-	80,161,458
Total Change in Net Position	112,307,857	1,318,515	80,161,458
Net Position - Beginning of Year	6,172,868,676	273,819,142	462,915,637
Net Position - End of Year	$ 6,285,176,533	$ 275,137,657	$ 543,077,095

The Accompanying Notes are an Integral Part of the Financial Statements

Combining Statement of Net Position
Component Units - Proprietary Funds
(Excludes FASB Based Component Units)
June 30, 2020

	CHAND	Public Finance Authority	ND Development Fund	State Fair Foundation	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 1,267,526	$ -	$ 19,652,156	$ 278,756	$ 21,198,438
Accounts Receivable - Net	166,142	-	-	-	166,142
Interest Receivable - Net	-	-	140,860	-	140,860
Due from Primary Government	-	30,000	-	-	30,000
Loans and Notes Receivable - Net	-	-	4,606,141	-	4,606,141
Restricted Cash and Cash Equivalents	-	83,581,000	-	11,057	83,592,057
Restricted Investments	-	94,120,000	-	-	94,120,000
Restricted Interest Receivable - Net	-	5,570,000	-	-	5,570,000
Total Current Assets	1,433,668	183,301,000	24,399,157	289,813	209,423,638
Noncurrent Assets:					
Restricted Investments	-	884,114,000	-	-	884,114,000
Due from Primary Government	-	30,000	-	-	30,000
Loans and Notes Receivable - Net	-	-	6,928,432	35,000	6,963,432
Capital Assets:					
Nondepreciable	-	-	-	1,115,389	1,115,389
Depreciable, Net	-	-	1,360	-	1,360
Total Noncurrent Assets	-	884,144,000	6,929,792	1,150,389	892,224,181
Total Assets	1,433,668	1,067,445,000	31,328,949	1,440,202	1,101,647,819
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on bond refunding	-	3,116,000	-	-	3,116,000
Derived from Pensions	-	83,000	-	-	83,000
Total Deferred Outflows of Resources	-	3,199,000	-	-	3,199,000
LIABILITIES					
Current Liabilities:					
Accounts Payable	591,095	37,000	6,185	21,500	655,780
Interest Payable	-	4,537,000	-	-	4,537,000
Notes Payable	-	-	-	4,591	4,591
Bonds Payable	-	25,665,000	-	-	25,665,000
Unearned Revenue	42,066	-	-	-	42,066
Total Current Liabilities	633,161	30,239,000	6,185	26,091	30,904,437
Noncurrent Liabilities:					
Due to Primary Government	-	-	102,855	-	102,855
Notes Payable	-	-	-	69,749	69,749
Bonds Payable	-	494,762,000	-	-	494,762,000
Net Pension Liability	-	191,000	-	-	191,000
Total Noncurrent Liabilities	-	494,953,000	102,855	69,749	495,125,604
Total Liabilities	633,161	525,192,000	109,040	95,840	526,030,041
DEFERRED INFLOWS OF RESOURCES					
Derived from Pensions	-	103,000	-	-	103,000
Total Deferred Inflows of Resources	-	103,000	-	-	103,000
Net Position					
Net Investment in Capital Assets	-	-	1,360	-	1,360
Restricted for:					
Debt Service	-	114,641,000	-	-	114,641,000
Loan Purposes	-	428,761,000	-	-	428,761,000
Endowment Funds-Nonexpendable	-	-	-	2,155,492	2,155,492
Unrestricted	800,507	1,947,000	31,218,549	(811,130)	33,154,926
Total Net Position	$ 800,507	$ 545,349,000	$ 31,219,909	$ 1,344,362	$ 578,713,778

Combining Statement of Activities
Component Units - Proprietary Funds
(Excludes FASB Based Component Units)
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue	General Revenues: Payments from State of North Dakota	Change in Net Position	Net Position Beginning of Year, as Restated	Net Position End of Year
CHAND	$ 3,357,828	$ 2,193,640	$ 36,137	$ (1,128,051)	$ -	$ (1,128,051)	$ 1,928,558	$ 800,507
Public Finance Authority	25,659,000	3,606,000	45,816,000	23,763,000	-	23,763,000	521,586,000	545,349,000
ND Development Fund	7,495,022	985,940	88,177	(6,420,905)	15,000,000	8,579,095	22,640,814	31,219,909
State Fair Foundation	1,102,151	7,136	90,419	(1,004,596)	-	(1,004,596)	2,348,958	1,344,362
Total Component Units	$ 37,614,001	$ 6,792,716	$ 46,030,733	$ 15,209,448	$ 15,000,000	$ 30,209,448	$ 548,504,330	$ 578,713,778

The Accompanying Notes are an Integral Part of the Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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. 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, 2020, 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 component units' columns of government-wide financial statements include the financial data of these entities.

MAJOR COMPONENT UNITS

Comprehensive Health Association (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, 2019, and their report has been previously issued under a separate cover.

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, 2019, and their report has been previously issued under a separate cover.

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, 2020, and their report has been previously issued under a separate cover.

North Dakota State Fair Foundation – The mission of the North Dakota State Fair Foundation is to develop lifelong relationships with donors to secure philanthropic gifts that will enhance and support the work of the North Dakota State Fair. The Fund of the North Dakota State Fair Foundation were audited by other independent auditors for the fiscal year ended September 30, 2019, 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, 2020, 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
600 E. Boulevard Ave., 14th Floor
Bismarck, ND 58505-0840

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

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

Public Finance Authority
1200 Memorial Highway
Bismarck ND 58504

North Dakota Development Fund, Inc.
1600 E. Century Ave., #2
Bismarck, ND 58503

North Dakota State Fair Foundation
P.O. Box 1796
Minot, ND 58702-1796

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.

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, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, 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 (agency funds are excluded as they have no measurement focus) 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.

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.

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.

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, 3442 East Century Avenue, 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.

Agency Funds account for assets held by the State as an agent for other governmental units, or other organizations, and do not involve measurement of results of operations. Examples of funds in this category include state agency 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, and it does not budget by fund. 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 2019-2021 biennium, there were general, federal and other funds supplemental appropriations totaling $1,157,610,655.

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.

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, 2020.

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 statements of net position. 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.

The Agent lends securities of the type on loan at June 30, 2020, 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 loans State’s loans was approximately 232 days as of June 30, 2020. 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.

Other government fund inventories and prepaid items are reflected as a reservation of fund balance on the balance sheet.

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.

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 and infrastructure 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, interest costs on self-constructed assets are not capitalized. In business-type activities, interest costs (if material) on self-constructed assets are also included in the cost. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. 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:

Assets	Years
Buildings	10-50
Infrastructure	10-50
Furniture, Automobiles, and Equipment	3-20
Intangibles	3-99

L. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow of resources represents a consumption of net position 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. LEASE COMMITMENTS

The State leases land, office facilities, office and computer equipment, and other assets. Leases are classified according to GASB 62. Many of these leases have fiscal funding clauses; however, these clauses have no effect on classifying these leases for accounting purposes. Leases which represent acquisitions are classified as capital leases, and the related assets and liabilities are recorded in the financial statements at the inception of the lease. Other leases are classified as operating leases with the lease payments recorded as expenditures or expenses during the life of the lease.

N. 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.

O. 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.

P. 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.

Q. 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.

R. NET PENSION LIABILITY

For purposes of measuring the net pension liability 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) 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.

S. 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.

T. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent an acquisition of net position 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.

U. 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.

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, 2020 was $726,903,611.

V. 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 capitalized 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.

W. 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

The changes to beginning net position are summarized in the following table (expressed in thousands):

	Government-wide Gov't Activities	Component Units (GASB Based)	Component Units (FASB Based) State Historical Society Foundation
June 30, 2019, net position, as previously reported	$ 20,612,163	$ 549,583	$ -
Prior period adjustments:			
Correction of Errors	(1,092)	(1,079)	1,079
June 30, 2019, net position, as restated	$ 20,611,071	$ 548,504	$ 1,079

A. CORRECTION OF ERRORS

The beginning net position of the Government-wide governmental activities were restated due to an overstatement of construction in progress of $1.092 million. The Component Units (GASB Based) net position was reduced $1.079 million to reclassify the State Historical Society of North Dakota Foundation from the GASB component units to the FASB component units statements, as the Foundation is accounted for under the FASB basis.

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, 2020, the bank balance of the primary government's deposits was $444,521,116. Of the bank amount, $196,738,000 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, 2020. Their uninsured and uncollateralized deposits totaled $196.7 million and $789 thousand, and their bank deposits totaled $198.3 million and $18.3 million, respectively.

At June 30, 2020, the bank balance of the major component units' deposits was $104,790,495. Of the bank amount, $103,233,156 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, 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, 2020: 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 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, 2020, 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
Asset Backed Securities	$ 589,018	$ 104	$ 122,916	$ 224,913	$ 241,085
Collateralized Bonds	4,629	-	-	217	4,412
Commercial Mortgage-Backed	1,469,713	2,588	1,147,870	9,476	309,779
Commercial Paper	33,978	33,978	-	-	-
Corporate Bonds	2,594,421	77,669	1,506,387	519,710	490,655
Corporate Convertible Bonds	10,372	-	4,709	1,825	3,838
Government Agencies	1,325,176	2,104	1,123,729	14,240	185,103
Government Bonds	744,158	8,206	225,629	260,951	249,372
Government Issued CMB	62,317	-	7,526	36,243	18,548
Government Mortgage-Backed	1,038,933	6	6,682	40,851	991,394
Index-Linked Government Bonds	741,322	-	273,179	235,025	233,118
Municipal/Provincial Bonds	74,929	3,299	39,190	6,448	25,992
Non-Government-Backed CMOs	154,304	-	2,745	7,555	144,004
Short Term Bills and Notes	83,048	83,048	-	-	-
Pooled Investments	1,562,242	27,553	1,029,329	253,684	251,676
Total Debt Securities	$ 10,488,560	$ 238,555	$ 5,489,891	$ 1,611,138	$ 3,148,976

Major Component Units

Investment Type	Total Fair Value	Less Than 1 Year	1 - 6 Years	6 - 10 Years	More Than 10 Years
Commercial Paper	$ 4,799	$ 4,799	$ -	$ -	$ -
Corporate Notes	17,868	13,321	4,547	-	-
Government Agencies	8,445	4,871	3,574	-	-
Government Bonds	30,239	15,614	14,625	-	-
Short Term Bills and Notes	11,916	11,916	-	-	-
Total Debt Securities	$ 73,267	$ 50,521	$ 22,746	$ -	$ -

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 no PO's and held IOs valued at $24.4 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, 2020 (expressed in thousands):

	Amount	Percent
Federal Agency		
Federal Home Loan Bank	$ 244,471	12.3%
Small Business Administration	221,472	11.2%
Farm Credit	346,450	17.5%
Freddie Mac	30,079	1.5%
Fannie Mae	65,192	3.3%
Mortgage-backed		
Fannie Mae	626,574	31.6%
Freddie Mac	391,742	19.8%
Others less than 5%	56,487	2.8%
	$ 1,982,467	100.0%

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.

As of June 30, 2020, 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	$589,018	$304,991	$63,388	$44,998	$53,475	$7,508	$1,424	$6,123	$1,707	$ -	$1,102	$104,302
Collateralized Bonds	4,629	2,633	-	-	-	-	-	-	-	-	-	1,996
Commercial Mortgage-Backed	1,342,022	1,249,542	7,606	9,032	7,509	3,243	4,082	1,685	-	-	-	59,323
Commercial Paper	33,978	-	-	-	-	-	-	-	-	-	-	33,978
Corporate Bonds	2,594,484	17,276	142,871	827,216	1,271,177	217,674	74,559	27,311	286	1,105	485	14,524
Corporate Convertible Bonds	10,372	-	-	175	915	2,635	923	2,639	-	-	20	3,065
Government Agencies	1,126,216	964,702	134,804	9,712	15,581	-	-	1,417	-	-	-	-
Government Bonds	138,680	2,479	10,350	1,725	61,137	34,417	10,249	-	3,286	-	921	14,116
Government Mortgage Backed	728,275	-	711,156	1,023	5,240	-	8,463	-	-	-	-	2,393
Government Issued CMB	46,648	2,044	44,604	-	-	-	-	-	-	-	-	-
Municipal/ Provincial Bonds	73,940	8,156	34,144	18,328	4,206	1,866	-	-	481	-	634	6,125
Non-Government Backed CMOs	154,305	39,374	10,663	15,644	16,227	2,154	2,049	1,991	1,168	-	152	64,883
Short-Term Investment Funds	186,988	-	6,098	-	-	-	-	-	-	-	-	180,890
Pooled Investments	1,781,834	380,144	247,731	656,131	116,280	18,038	26,709	-	-	-	-	336,801
Total Credit Risk Debt Securities	8,811,389	$2,971,341	$1,413,415	$1,583,984	$1,551,747	$287,535	$128,458	$41,166	$6,928	$1,105	$3,314	$822,396
US Gov't & Agencies**	1,627,559											
Mutual Funds	230,607											
Total Debt Securities	$10,669,555											

Major Component Units

	Total Fair Value	AA	A	BBB
Commercial Paper	$ 4,799	$ -	$ 4,799	$ -
Short Term Bills & Notes	11,916	-	11,916	-
Government Agencies	8,445	8,445	-	-
Corporate Notes	17,868	631	14,148	3,089
Total Credit Risk Debt Securities	43,028	$ 9,076	$ 30,863	$ 3,089
US Gov't & Agencies	30,239			
Total Debt Securities	$ 73,267			

*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.

**US government agency securities explicitly guaranteed by the US government are categorized here. Credit ratings of US government agency securities that are only implicitly guaranteed by the US government are categorized accordingly in the main body of this table. Implicitly guaranteed agency securities included in the *Asset Backed, Commercial Mortgage Backed, Gov't Issued Commercial & Gov't Mortgage Backed, Gov't Agencies, Gov't Bonds, Index Linked Gov't Bonds and Short Term Bills and Notes* categories are issued by FNMA, FHLB, FHLMC, FAMC and TVA.

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, 2020, foreign currency risk exposure on investments managed by the Department of Trust Lands and State Investment Board were as follows (expressed in thousands).

Primary Government (includes Pension and Investment Trust Funds)

Currency	Short-Term	Debt	Equity	Real Estate	Total
Argentine peso	$ 205	$ 416	$ -	$ -	$ 621
Australian dollar	(453)	1,223	111,338	-	112,108
Brazilian real	458	6,357	12,581	-	19,396
British pound sterling	(25,312)	45,405	336,997	-	357,090
Canadian dollar	(690)	2,269	91,259	-	92,838
Chilean peso	-	8,666	791	-	9,457
Chinese yuan renminbi	278	-	5,612	-	5,890
Columbian peso	452	8,022	219	-	8,693
Czech koruna	-	7,109	716	-	7,825
Danish krone	64	-	87,564	-	87,628
Egyptian pound	-	-	67	-	67
Euro	(30,138)	53,910	665,166	613	689,551
Hong Kong dollar	138	-	211,749	-	212,787
Hungarian forint	243	7,127	2,436	-	9,806
Indian rupee	-	-	13,013	-	13,013
Indonesian rupiah	55	394	7,867	-	8,316
Israeli shekel	-	-	4,453	-	4,453
Japanese yen	2,616	-	473,961	-	476,577
Kenyan shiling	-	-	1,213	-	1,213
Malaysian ringgit	203	8,667	2,276	-	11,146
Mexican peso	(24)	20,270	5,326	-	25,572
New Israeli shekel	-	-	3,463	-	3,463
New Taiwan dollar	23	-	8,138	-	8,161
New Zealand dollar	101	1,665	2,126	-	3,892
Norwegian krone	133	128	15,223	-	15,484
Peruvian neuvo sol	-	-	10	-	10
Philippine peso	-	-	971	-	971
Polish zloty	(47)	9,741	943	-	10,637
Qatari riyal	-	-	86		86
Russian ruble	(52)	2,256	1,171	-	3,375
Saudi Arabian riyal	-	-	886		886
Singapore dollar	276	-	17,330	-	17,606
South African rand	1,098	412	6,235	-	7,745
South Korean won	-	9,078	28,524	-	37,602
Swedish krona	37	-	100,280	-	100,317
Swiss franc	1,618	-	208,642	-	210,260
Taiwan dollar	-	-	24,638	-	24,638
Thai baht	-	-	6,401	-	6,401
Turkish lira	-	-	791	-	791
UAE dirham	-	-	57		57
International commingled funds (various currencies)	-	-	980,048	35,004	1,015,052
Total international investment securities	$ (47,818)	$ 193,115	$ 3,440,567	$ 35,617	$ 3,621,481

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, 2020, 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 $65.4 million for the year ended June 30, 2020. At June 30, 2020, the State investment portfolio had the notional futures shown below (expressed in thousands).

Futures	Notional Value
Cash and cash equivalent derivative futures	
Long	$ -
Short	(258,482)
Equity derivative futures	
Long	1,064,665
Short	-
Fixed income derivative futures	
Long	262,374
Short	(1,703,654)
Total futures	$ (635,097)

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 $5.3 million. At June 30, 2020, the State had the following option balances (expressed in thousands):

Options	Fair Value
Cash & Other Options	
Call	$ 201
Put	537
Fixed Income Options	
Call	(146)
Put	(70)
Total options	$ 522

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 $(22.5) million for the year ended June 30, 2020. The maximum loss that would be recognized at June 30, 2020, if all counterparties failed to perform as contracted is $3.0 million. Swap fair values are determined by a third party pricing source.

At June 30, 2020, the States' investment portfolio had the swap fair value balances as shown below (expressed in thousands).

Credit Default Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date	Fair Value
Bank of America / Aa2 (5 contracts)	$ (3,730)	2021 - 2025	$ (71)
Citibank / Aa3 (34 contracts)	3,715	2020 - 2024	(262)
Citigroup Global Markets / A1 (2 contracts)	(400)	2024	(9)
Credit Suisse First Boston / A1 (9 contracts)	(3,675)	2020 - 2024	(114)
Deutsche Bank / A3 (2 contracts)	2,000	2059	(15)
Goldman Sachs / A3 (4 contracts)	(1,700)	2023 - 2024	(55)
JP Morgan Chase / Aa2 (4 contracts)	(25,515)	2025 - 2029	852
Morgan Stanley / A3 (5 contracts)	2,555	2024 - 2025	(35)
Total credit default swaps	$ (26,750)		$ 291

Interest Rate Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date Range	Fair Value
Citigroup Global Markets / A1 (16 contracts)	$ 112,251	2020 - 2050	$ 443
Credit Suisse First Boston / A1 (22 contracts)	185,220	2020 - 2050	714
JP Morgan Chase / Aa2 (100 contracts)	367,049	2020 - 2045	4,871
Total Interest Rate Swaps	$ 664,520		$ 6,028

Total Return Swaps

Counterparty/Moody's Rating	Notional Amount	Expiration Date	Fair Value
Credit Suisse International / A1 (2 contracts)	$ 2,764	2041	$ 2
Total Return Swaps	$ 2,764		$ 2

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 $2.0 million. At June 30, 2020, the States' investment portfolio included the currency forwards balances shown below (expressed in thousands).

Currency	Cost	Purchases	Sales	Fair Value
Australian dollar	$ (722)	$ -	$ (722)	$ (737)
Brazilian real	2	20	(18)	(2)
British pound sterling	(39,156)	4,970	(44,126)	(39,408)
Canadian dollar	(569)	-	(569)	(579)
Columbian peso	174	174	-	167
Euro	(59,294)	41,056	(100,350)	(60,502)
Russian ruble	(136)	1,216	(1,352)	(52)
United States dollar	99,701	147,137	(47,436)	99,701
Total forwards subject to currency risk				$ (1,412)

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, 2020, 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	$ (1,699,762)	$ (265,954)	$ (1,175,326)	$ (86,077)	$ (172,405)	$ -
Margined Options - interest rate contracts	(3)	(3)	-	-	-	-
Total	$ (1,699,765)	$ (265,957)	$ (1,175,326)	$ (86,077)	$ (172,405)	$ -

	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	$ 731	$ (7)	$ -	$ -	$ -	$ -	$ 738
Options on futures	(209)	(209)	-	-	-	-	-
Swaps - interest rate contracts	6,028	7	(2)	472	5,826	250	(525)
Swaps - credit contracts	291	-	(3)	-	396	(87)	(15)
Total	$ 6,841	$ (209)	$ (5)	$ 472	$ 6,222	$ 163	$ 198

Mill and Elevator Derivative Financial Instruments – The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2020, and the changes in fair value of such derivative instruments for the year then ended as reported in the State's financial statements are $735,025, classified as derivative instrument (one contract equals 5,000 bushels) and $735,025, 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 margin requirement is $0.60 per bushel, unless the market price changes the limit for two consecutive days, then the margin requirement is $0.90 per bushel. 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, 2020.

Month	Number of Contracts	Average Cost	Fair Value	Average Cost	Market Value
Sept 2020	275	$ 5.4175	$ 5.2025	$ 7,450,163	$ 7,153,438
Dec 2020	319	5.5250	5.3350	8,816,463	8,509,325
Mar 2021	130	5.6424	5.4700	3,686,663	3,555,500
				$ 19,953,289	$ 19,218,263

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. RJ O'Brien is a privately held business and is not rated 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, 2020, the table below shows the hedge ratio by futures month going forward:

Period	Hedge Ratio
Sept 2020	1.0
Dec 2020	1.1
March 2021	1.0
Net Position	1.1

C. SECURITIES LENDING

The following represents the balances relating to the securities lending transactions at June 30, 2020 (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	$ 11,977	$ 5,954	$ 12,222
US government securities	150,111	18,498	153,276
US corporate fixed income securities	38,791	-	39,470
US equities	31,478	2,242	32,001
Global government fixed income securities	205	-	214
Global government securities	827	-	875
Global equities	29,051	116	31,010
Lent for non-cash collateral:			
Market value of securities on loan against non-cash collateral	145,780	121,679	-
Total	$ 408,220	$ 148,489	$ 269,068

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 market value and is based on the set spending rate, currently four percent, applied to the average market 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. WSC give departments authority to spend all investment income earned on the endowment funds.

Net appreciation on investments are available for expenditure and consist of the following at June 30, 2020:

		Reflected in net position as:
North Dakota State University	$ 294,201	Expendable scholarships & fellowships
University of North Dakota	911,679	Non-expendable scholarships & fellowships
Williston State College	4,217	Non-expendable scholarships & fellowships
Total NDUS	$ 1,210,097	

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, 2020 are approximately $184.6 million and $7.3 million respectively.

NORTH DAKOTA STATE FAIR FOUNDATION

The North Dakota State Fair Association Foundation had the following activity in their endowment as of September 30, 2019.

Beginning endowment	$ 2,155,492
Endowment contributions	-
Ending endowment	$ 2,155,492

E. RECEIVABLES

Receivables at June 30, 2020, consist of the following (expressed in thousands):

	General	Federal	State	Other Governmental Funds	Bank of North Dakota	Housing Finance
Receivables:						
Accounts	$ 26,906	$ 48,860	$ 117,371	$ 9	$ -	$ 666
Less Allowance	(10,120)	(18,244)	(36,474)	-	-	-
Taxes	533,784	-	83,515	108	-	-
Less Allowance	(138,550)	-	(3,263)	-	-	-
Interest	29,512	-	27,014	83	56,672	5,176
Less Allowance	-	-	(9,127)	-	-	-
Intergovernmental	755	285,351	11,085	-	-	232
Less Allowance	-	-	-	-	-	-
Current Loans and Notes	-	-	12,060	49,634	852,400	30,160
Less Allowance	-	-	(646)	-	-	-
Noncurrent Loans and Notes	48	234	124,287	-	3,603,246	1,255,924
Less Allowance	-	-	-	-	(95,690)	-
Net Receivables	$ 442,335	$ 316,201	$ 325,822	$ 49,834	$ 4,416,628	$ 1,292,158

	University System	Workforce Safety & Insurance	Other Enterprise Funds	Internal Service Funds	Major Component Units	Total
Receivables:						
Accounts	$ 35,819	$ 32,197	$ 119,177	$ 273	$ 166	$ 381,444
Less Allowance	(7,231)	(7,000)	(25,784)	-	-	(104,853)
Taxes	-	-	-	-	-	617,407
Less Allowance	-	-	-	-	-	(141,813)
Interest	-	10,554	3,429	53	5,711	138,204
Less Allowance	-	-	-	-	-	(9,127)
Intergovernmental	22,259	-	11,230	423	-	331,335
Less Allowance	-	-	-	-	-	-
Current Loans and Notes	6,208	-	27,789	-	4,606	982,857
Less Allowance	(807)	-	-	-	-	(1,453)
Noncurrent Loans and Notes	20,021	-	427,173	-	25,677	5,456,610
Less Allowance	(3,191)	-	(9,196)	-	(18,713)	(126,790)
Net Receivables	$ 73,078	$ 35,751	$ 553,818	$ 749	$ 17,447	$ 7,523,821

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, 2020, the State had and average daily balance of $3,000 of repurchase agreements with a 0.00% interest rate and a 3.04% weighted average interest rate paid during the year.

G. INTERFUND ACCOUNTS AND TRANSFERS

DUE FROM OTHER FUNDS/DUE TO OTHER FUNDS

Interfund balances at June 30, 2020, consist of the following (expressed in thousands):

Due To General Fund From:	
Federal Fund	$ 61,866
State Fund	18,778
Bank of North Dakota	870
Nonmajor Enterprise Funds	24,888
All Others	223
Total Due To General Fund	$ 106,625

Included in the Nonmajor Enterprise Funds amount is a loan to the Rebuilder's Loan Program for $15,302,692. This is not expected to be repaid within one year.

Due To Federal Fund From:		Due To State Fund From:	
General Fund	$ 5,074	General Fund	$ 4,170
State Fund	24,390	Federal Fund	16,456
All Others	191	Internal Service Funds	172
Total Due To Federal Fund	$ 29,655	Nonmajor Enterprise Funds	634
		All Others	231
		Total Due To State Fund	$ 21,663

Due To Internal Service Funds From:	
General Fund	$ 4,389
State Fund	5,080
University System	987
Federal Fund	1,098
All Others	387
	$ 11,941

Due To Bank of North Dakota From:	
State Fund	$ 13,752
Nonmajor Enterprise Funds	56,223
University System	2,231
All Others	5
Total Due To Bank of North Dakota	$ 72,211

Included in the Nonmajor Enterprise Funds amount is a loan to the Rebuilder's Loan Program for $9,324,000, of which $7,555,000 is not expected to be repaid within one year.

Due To University System From:	
General Fund	$ 17,324
Federal Fund	4,206
State Fund	5,354
Bank of North Dakota	1,021
Building Authority	3,278
All Others	69
Total Due To University System	$ 31,252

Due To All Other Funds From:	
All Other	$ 83,408

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, 2020.

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

Due From's		$ 356,755
General Fund/Bank of ND	159	
Bank of ND/ Mill and Elevator	1,135	
Bank of ND/Rebuilder's Loan	(2,972)	
Bank of ND/University System	(1,077)	
Bank of ND/Guaranteed Student Loan	1,092	
Governmental Agencies/Bank of ND	2,126	
Bank of ND/Enterprise Funds	2,079	
Total Differences		2,542
Due To's		$ 359,297

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, Beginning Farmer Revolving Loan and Community Water Facility Loan, all of 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, 2020, follows (expressed in thousands):

	General	Special Revenue Federal	Special Revenue State	Non-major Governmental	Bank of North Dakota	Housing Finance	University System	Workforce Safety & Insurance	Non-major Enterprise	Total
Transfers Out										
General	$ -	$ 263	$ 10,883	$ 1,800	$ -	$ -	$ 399,511	$ -	$ 271	$ 412,728
Special Revenue - Federal	5,128	-	43,285	286	-	-	671	161	-	49,531
Special Revenue – State	398,290	7	-	1,184	-	9	19,512	-	120,138	539,140
Non-major Governmental	1,082	-	1,084	-	-	-	-	-	-	2,166
Bank of North Dakota	35,000	-	16,753	-	-	-	200	-	12,800	64,753
Housing Finance	-	-	44	-	-	-	-	-	-	44
University System	-	-	-	2,940	-	-	-	-	85	3,025
Non-major Enterprise	9,524	-	3,404	-	2,700	-	-	-	-	15,628
Total	$ 449,024	$ 270	$ 75,453	$ 6,210	$ 2,700	$ 9	$ 419,894	$ 161	$ 133,294	$ 1,087,015

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

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, 2020, legislatively-mandated transfers were made to the general fund of $4,100,000 from the State Lottery, $5,423,841 from Mill and Elevator, $5,247,806 from the Insurance Regulatory Trust Fund, $8,600,000 from the Tax Relief fund, $382,200,000 from Strategic Investment and Improvement Fund, $70,000,000 from the Bank of North Dakota and $7,754,324 from the Securities Department Special Fund.

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

		$ (1,146,702)
Differences:		
General Fund / Bank of North Dakota	35,000	
Special Rev - Ag PACE / Bank of North Dakota	250	
Special Rev - PACE / Bank of North Dakota	(1,450)	
PACE / Beginning Farmer Revolving Loan	(1,200)	
Special Revenue / Bank of North Dakota	7	
Small Employer Loan Fund / Bank of North Dakota	20,000	
Innovation Loan Fund / Bank of North Dakota	9,900	
School Construction Assistance Loan Fund / Bank of North Dakota	(2,700)	
Federal fund	(120)	
Total Differences		59,687
Transfers Out		$ (1,087,015)

The above timing differences of $59,687,000 result from transactions between agencies that have different fiscal year ends. Those agencies with a different fiscal year end include: Bank of North Dakota, and Nonmajor Enterprise Fund Beginning Farmer Revolving Loan fund, both of which have a December year end. This difference is also the total net transfers on the Government-wide Statement of Activities.

H. CAPITAL ASSETS

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

Primary Government

Description	Balance July 1, 2019*	Increases	Decreases	Balance June 30, 2020
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	$ 161,050	$ 2,133	$ (56)	$ 163,127
Construction in Progress	1,652,309	309,868	(470,636)	1,491,541
Total Capital Assets Not Being Depreciated	1,813,359	312,001	(470,692)	1,654,668
Capital Assets Being Depreciated:				
Buildings and Improvements	730,433	29,557	(417)	759,573
	337,843	31,398	(15,742)	353,499
Intangibles				
Software	368,611	11,868	(698)	379,781
Other	39,210	639	(527)	39,322
Infrastructure	5,625,745	483,237	(6)	6,108,976
Total Capital Assets Being Depreciated	7,101,842	556,699	(17,390)	7,641,151
Less Accumulated Depreciation for:				
Buildings and Improvements	(318,725)	(19,198)	267	(337,656)
Equipment	(169,790)	(21,751)	12,604	(178,937)
Intangibles				
Software	(124,062)	(26,853)	694	(150,221)
Other	(29,549)	(647)	527	(29,669)
Infrastructure	(3,037,106)	(100,178)	5	(3,137,279)
Total Accumulated Deprecation	(3,679,232)	(168,627)	14,097	(3,833,762)
Total Capital Assets Being Depreciated, Net	3,422,610	388,072	(3,293)	3,807,389
Governmental Activities Capital Assets, Net	$ 5,235,969	$ 700,073	$ (473,985)	$ 5,462,057

* Beginning capital asset balances were adjusted for certain reclassifications and prior period adjustment.

Description	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Business-Type Activities:				
Capital Assets Not Being Depreciated				
Land	$ 24,099	$ 1,453	$ -	$ 25,552
Construction in Progress	166,949	109,541	(56,356)	220,134
Total Capital Assets Not Being Depreciated	191,048	110,994	(56,356)	245,686
Capital Assets Being Depreciated:				
Buildings and Improvements	1,817,538	54,951	(15,850)	1,856,639
Equipment	542,231	25,304	(12,563)	554,972
Intangibles				
Software	28,923	71	(9)	28,985
Other	24,038	4,353	(678)	27,713
Infrastructure	237,637	5,726	-	243,363
Total Capital Assets Being Depreciated	2,650,367	90,405	(29,100)	2,711,672
Less Accumulated Depreciation for:				
Buildings and Improvements	(678,378)	(43,564)	8,570	(713,372)
Equipment	(370,104)	(29,792)	10,900	(388,996)
Intangibles				
Software	(26,941)	(1,299)	9	(28,231)
Other	(15,597)	(2,749)	664	(17,682)
Infrastructure	(119,095)	(6,221)	-	(125,316)
Total Accumulated Deprecation	(1,210,115)	(83,625)	20,143	(1,273,597)
Total Capital Assets Being Depreciated, Net	1,440,252	6,780	(8,957)	1,438,075
Business-Type Activities Capital Assets, Net	$ 1,631,300	$ 117,774	$ (65,313)	$ 1,683,761

Major Component Units

Description	Balance July 1, 2019*	Increases	Decreases	Balance June 30, 2020
Capital Assets Not Being Depreciated				
Land	$ 7,074	$ -	$ -	$ 7,074
Construction in Progress	4,928	146	(4,928)	146
Total Capital Assets Not Being Depreciated	12,002	146	(4,928)	7,220
Capital Assets Being Depreciated:				
Buildings and Improvements	177,181	9,023	(14,536)	171,668
Equipment	49,389	10,740	(4,631)	55,498
Intangibles	78	-	-	78
Infrastructure	12,642	-	-	12,642
Total Capital Assets Being Depreciated	239,290	19,763	(19,167)	239,886
Less Accumulated Depreciation for:				
Buildings and Improvements	(71,929)	(5,417)	-	(77,346)
Equipment	(23,413)	(4,291)	3,402	(24,302)
Intangibles	(78)	-	-	(78)
Infrastructure	(622)	(50)	-	(672)
Total Accumulated Deprecation	(96,042)	(9,758)	3,402	(102,398)
Total Capital Assets Being Depreciated, Net	143,248	10,005	(15,765)	137,488
Major Component Unit Capital Assets, Net	$ 155,250	$ 10,151	$ (20,693)	$ 144,708

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

Governmental Activities:	
General Government	$ 8,252
Education	1,022
Health and Human Services	24,667
Regulatory	1,087
Public Safety and Corrections	14,147
Agriculture and Commerce	143
Natural Resources	17,756
Transportation	101,553
Total Governmental Activities Depreciation Expense	$ 168,627

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

Project Description:

Governmental Activities	Amount Authorized	Amount Expended Through June 30, 2020	Balance Authorized
Attorney General	$ 1,789	$ 729	$ 1,060
Office of Management and Budget	2,041	410	1,631
Secretary of State	3,127	1,433	1,694
Legislative Assembly	841	107	734
Department of Health	2,256	1,663	593
Department of Human Services	36,038	15,052	20,986
Industrial Commission	5,650	3,058	2,592
Environmental Quality	578	227	351
Highway Patrol	1,729	132	1,597
Corrections and Rehab	102	51	51
Adjutant General	41,434	19,437	21,997
Game and Fish	363	18	345
Department of Transportation	1,639,206	1,446,726	192,480
Parks & Recreation	6,181	2,132	4,049
ND School for the Deaf	57	-	57
Total Governmental Activities	$ 1,741,392	$ 1,491,175	$ 250,217

Business-Type Activities	Amount Authorized	Amount Expended Through June 30, 2020	Balance Authorized
Mill and Elevator	$ 35,500	$ 25,007	$ 10,493
University System*	448,910	195,227	253,683
Workforce Safety and Insurance	35,640	11,876	23,764
Total Business-Type Activities	$ 520,050	$ 232,110	$ 287,940

*Interest expense related to capital asset debt was approximately $20.5 million in fiscal year 2020, of which approximately $5.2 million was capitalized and included in construction in progress.

I. OPERATING LEASES

PAYMENTS ON OPERATING LEASES

The State is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the resulting expenditures are recognized as incurred. Lease expenditures for the year ended June 30, 2020, amounted to $17.9 million for governmental activities and $15.6 million for business-type activities.

Future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2020, for all fund types are as follows (expressed in thousands):

Year Ending June 30	Governmental Activities	Business-type Activities
2021	$ 14,535	$ 11,523
2022	6,280	7,639
2023	5,186	5,550
2024	3,363	2,987
2025	3,187	1,270
2026-2030	2,861	1,382
2031-2035	385	473
2036-2040	-	47
Total Minimum Lease Payments	$ 35,797	$ 30,871

J. CAPITAL LEASES

The State is obligated under certain leases accounted for as capital leases. In the government-wide and proprietary fund statements, capital assets and a corresponding liability are recorded at the inception of the lease. The liability is reduced by payments of principal, with a portion of the payment allocated to interest expense. For capital leases in governmental funds, other financing sources and expenditures are recorded at lease inception. Lease payments are recorded as debt service expenditures.

The schedule below lists the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2020 (expressed in thousands):

Year Ending June 30	Governmental Activities	Business-type Activities	Major Component Units
2021	$ 511	$ 6,847	$ 128
2022	190	6,607	128
2023	125	6,231	128
2024	69	5,889	128
2025	16	6,114	127
2026-2030	-	19,211	638
2031-2035	-	9,583	446
2036-2040	-	2,648	-
2041-2045	-	1,609	-
2046-2050	-	1,866	-
2051-2055	-	838	-
Total Minimum Lease Payments	911	67,443	1723
Less: Amount Representing Interest	(77)	(15,781)	(470)
Present Value of Future Minimum Lease Payments	$ 834	$ 51,662	$ 1,253

The historical costs of assets acquired under capital leases, and included as capital assets on the government-wide Statement of Net Position at June 30, 2020, is as follows (expressed in thousands):

	Governmental Activities	Business-Type Activities	Major Component Units
Infrastructure	$ -	$ 60	$ -
Buildings	-	52,425	1,979
Intangibles	-	156	-
Equipment	2,415	16,050	-
Less: Accumulated Depreciation	(1,805)	(19,451)	(1,093)
Total	$ 610	$ 49,240	$ 886

K. 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.

L. 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, 2020, 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 B, the 2012 Series A and the 2017 Series A bonds 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 2010 Series B, the 2012 Series A and the 2017 Series A bonds are not subject to optional and/or extraordinary optional redemption prior to maturity upon the occurrence of certain events. The Building Authority issued 2020 Series A Facilities Improvement bonds which principal and interest are payable in semiannual payments. The Authority shall issue bonds to refund the note on or before maturity. 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 2020 were $2.0 million. For fiscal year 2020, 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, 2020, is $23.1 million payable through December 2030.

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.

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 LIBOR 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 2020, revenue pledged and total principal and interest paid by Student Loan Trust were $44,000 and $25,000, respectively

Housing Finance

Housing Finance Bonds were issued to provide financing to purchase mortgage loans to finance multifamily 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 $1.33 billion maturing at various times from July 1, 2020 through January 1, 2051. 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 $100.5 million and $30.0 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 2020 were $21.7 million. Principal and interest paid for the current fiscal year were $21.7 million, with total remaining principal and interest of $452.63 million payable through fiscal year 2047.

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, 2029 are not subject to optional redemption prior to maturity except under extraordinary circumstances. 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 2020

were $27.0 million. Principal and interest paid for the current fiscal year were $52.2 million, with total remaining principal and interest of $684.2 million payable through June 2045.

Revenue Bonds outstanding (expressed in thousands):

Primary Government

	Maturities	Interest Rates	Balance 6/30/20	
Governmental-Type Activities:				
Building Authority	2021-2031	1.50-6.25	$ 19,730	
Business-Type Activities:				
Student Loan Trust	6/1/2029	0.86	1,000	1)
Housing Finance:				
Homeownership	2021-2051	0.20-4.50	1,331,980	1)
University System:				2)
BSC—Bismarck	2021-2033	2.00-4.00	7,274	
MaSU—Mayville	2021-2030	1.25-6.63	3,046	
MiSU–Minot	2021-2041	2.00-6.60	11,187	
NDSCS—Wahpeton	2021-2037	3.76	7,035	
NDSU—Fargo	2021-2047	1.50-5.00	126,277	
UND—Grand Forks	2021-2050	0.75-5.00	161,497	
VCSU—Valley City	2021-2046	2.80-7.05	8,313	
Williston State College	2021-2041	5.40-7.25	7,425	
State Fair Association	2021-2029	3.00	1,565	
Total Revenue Bonds Payable—Primary Government			$ 1,686,329	

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

2) At June 30, 2020, NDSU had pledged $13.4 million of assets as collateral for bonds payable issued at the Research I and Research II buildings.

The MiSU and VCSU bonds as well as the BSC 2012 bond issue contain a provision that in the event of default, outstanding amounts become immediately due if the institutions are unable to make payment.

The MaSU, NDSCS, NDSU, UND and WSC bonds contain a provision that the bond owners or a court appointed trustee may purse 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.

MiSU 2010 bond issue contains a provision that terminates the bond issue at a redemption price equal to 104 percent of the outstanding principal amount plus accrued interest upon the occurrence of one or more of the following events:

- Enactment of legislation or the adoption of final regulations that would deem or render the bonds not qualified for Build America Bonds.
- The federal government discontinues the Build America Bond program retroactively applied to bonds issued prior to determination
- A written opinion by bond counsel that the bonds aren't qualified Build America Bonds

Major Component Units

	Maturities	Interest Rates	Balance 6/30/20
Public Finance Authority	2021-2045	0.24-8.25	$ 520,427
University System Foundation	2021-2040	0.75-5.25	47,501
Total Revenue Bonds Payable— Major Component Units			$ 567,928

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
2021	$ 4,620	$ 697	2021	$ 43,279	$ 52,232
2022	6,314	474	2022	59,631	52,292
2023	3,180	298	2023	60,614	50,808
2024	2,870	148	2024	57,851	49,187
2025	160	71	2025	57,323	47,606
2026-2030	875	202	2026-2030	290,684	212,934
2031-2035	200	6	2031-2035	290,503	167,650
2036-2040	-	-	2036-2040	287,031	119,414
2041-2045	-	-	2041-2045	273,981	70,731
2046-2050	-	-	2046-2050	219,862	21,105
2051-2046	-	-	2051-2046	4,270	99
Bond Premium	1,511	(1,511)	Bond Premium	21,570	(21,570)
Total	$ 19,730	$ 385		$1,666,599	$ 822,488

Major Component Units

	Principal	Interest
2021	$ 29,555	$22,764
2022	29,916	22,355
2023	29,211	21,031
2024	29,850	19,698
2025	29,274	18,330
2026-2030	142,055	68,444
2031-2035	151,767	36,741
2036-2040	63,455	10,252
2041-2045	11,783	1,916
2046-2050	2,216	55
Bond Premium	48,846	(48,846)
Total	$567,928	172,740

2. NOTES PAYABLE

The following is a schedule of notes payable outstanding at June 30, 2020 (expressed in thousands):

Primary Government

	Maturities	Interest Rates	Balance 6/30/20
Governmental Activities:			
Office of Management and Budget	2021-2034	2.43	$ 11,534
Department of Human Services	2021-2035	3.00	2,202
Health Department	2021-2035	3.65	595
Environmental Quality	2021-2035	3.65	486
Proprietary Activities:			
Bank of North Dakota	2021-2024	1.61-5.56	631,000 [1]
University System	2021-2035	1.75-5.15	17,266
Total Revenue Bonds Payable—Primary Government			$ 663,083

Major Component Units

	Maturities	Interest Rates	Balance 6/30/20
University System Foundation	2021-2036	1.00-4.35	$ 14,333
State Fair Foundation	2021-2022	4.22	74
Total Revenue Bonds Payable—Major Component Units			$ 14,407

[1] These notes payable represent FHLB long-term advances. The advances must be secured by minimum qualifying collateral maintenance levels. Residential, student, agriculture and commercial loans with carrying values of $1.36 billion are currently being used as security to meet these minimum levels.

Short Term Borrowings:

The Bank of North Dakota issued short-term debt to fund loans on a short-term basis.

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 $85.1 million as of June 30, 2020. In addition, borrowings are collateralized by $46.8 million of loans receivable and $147,000 of cash and investments. The Agency borrowed and paid back $13.6 million during the year ended June 30, 2020.

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
2021	$ 875	$ 383	2021	$ 449,511	$ 6,101
2022	900	361	2022	79,317	5,178
2023	925	338	2023	54,338	2,460
2024	967	314	2024	48,517	949
2025	996	288	2025	15,763	153
2026-2030	5,434	1,033	2026-2030	820	48
2031-2035	4,720	290	2031-2035	-	-
Total	$ 14,817	$ 3,007		$ 648,266	$ 14,889

Major Component Units

	Principal	Interest
2021	$ 820	$ 70
2022	1,365	42
2023	6,245	24
2024	1,352	21
2025	1,106	18
2026-2030	3,333	42
2031-2035	152	-
2036-2040	34	-
Total	$ 14,407	$ 217

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 semi-annual interest-only payments in fiscal years 2019 and 2020 are for capitalized interest paid with bond proceeds. 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 semi-annual interest-only payments in fiscal years 2019 and 2020 are for capitalized interest paid with bond proceeds. The first principal payment will be due in 2024. The certificates mature in fiscal year 2041.

On August 22, 2019, Williston State College (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 will make an interest only payment with semi-annual principal and interest payment beginning FY2021 through FY2048.

The following is a schedule of certificates of participation outstanding at June 30, 2020 (expressed in thousands):

Primary Government

	Maturities	Interest Rates	Balance 6/30/20
Proprietary Activities:			
University System	2022-2057	3.55 – 5.00	$ 104,120

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
2021	$ -	$ 4,495	2031-2035	$ 4,465	$ 21,512
2022	120	4,493	2036-2040	11,781	19,970
2023	175	4,489	2041-2045	14,249	17,043
2024	240	4,484	2046-2050	22,347	13,240
2025	345	4,476	2051-2055	32,535	7,286
2026-2030	2,875	22,127	2056-2060	14,988	978
			Total	$ 104,120	$ 124,593

Changes in General Long-Term Liabilities

Changes in Long-Term Liabilities for the year ended June 30, 2020, are summarized as follows (expressed in thousands):

Primary Government

	Beginning Balance	Additions	Reductions*	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Notes Payable	$ 21,897	$ 3,344	$ (10,424)	$ 14,817	$ 875
Bonds Payable	29,950	-	(10,220)	19,730	4,620
Capital Leases Payable	1,119	224	(509)	834	471
Compensated Absences	46,256	37,681	(32,226)	51,711	4,328
Claims/Judgments Payable	9,102	4,662	(4,090)	9,674	2,353
Net Pension Liability (Note 6)	658,979	-	(210,022)	448,957	-
Net OPEB Liability (Note 7)	31,260	-	(852)	30,408	-
Total Long-Term Liabilities	$ 798,563	$ 45,911	$ (268,343)	$ 576,131	$ 12,647
Business-Type Activities*:					
Notes Payable	$ 1,120,787	$ 6,345,486	$ (6,818,007)	$ 648,266	$ 449,507
Bonds Payable	1,525,285	269,445	(128,131)	1,666,599	49,021
Certificates of Participation	96,843	7,277	-	104,120	-
Capital Leases Payable	54,359	2,220	(4,917)	51,662	4,758
Intergovernmental Payable	5,279	617	(1,455)	4,441	341
Compensated Absences	35,519	6,110	(3,407)	38,222	5,530
Dividends Payable	113,235	107,035	(113,235)	107,035	107,035
Claims/Judgments Payable	1,091,766	90,079	(150,888)	1,030,957	124,740
Net Pension Liability (Note 6)	228,513	-	(73,582)	154,931	-
Net OPEB Liability (Note 7)	10,147	-	(111)	10,036	-
Total Long-Term Liabilities	$ 4,281,733	$ 6,828,269	$ (7,293,733)	$ 3,816,269	$ 740,932

Major Component Units*

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Notes Payable	$ 10,074	$ 7,586	$ (3,253)	$ 14,407	$ 820
Bonds Payable	596,130	7,180	(35,382)	567,928	31,901
Capital Leases Payable	1,317	-	(64)	1,253	68
Intergovernmental Payable	624	-	(78)	546	32
Compensated Absences	14	-	(14)	-	-
Net Pension Liability (Note 6)	279	-	(88)	191	-
Total Long-Term Liabilities	$ 608,438	$ 14,766	$ (38,879)	$ 584,325	$ 32,821

Assets pledged as collateral totaled $13.4 million for the year ended June 30, 2020.

* Bonds payable reductions include amortization of premium and discount of $570,000.

**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	$ 105	$ 57	$ 14,333	$ 816
Bonds Payable	16,730	1,800	47,501	6,236
Capital Leases Payable	15,861	1,348	1,253	68
Intergovernmental Payable	-	-	546	32
Total	$ 32,696	$ 3,205	$ 63,633	$ 7,152

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 $79,705 of capital leases payable, $3,354,904 of compensated absences and $8,685,091 of claims and judgments. In addition, payments on long term debt (notes payable, bonds payable and capital leases payable) for capital leases payable for internal service funds of $17,148 is included above along with additions to capital leases for internal service funds of $78,566.

Other governmental activities compensated absences generally have been liquidated by the General Fund (66.9%), the Highway Fund (13.1%), the Federal Fund (9.2%), and other various funds. Other governmental activities claims and judgments have all been liquidated by the Petroleum Release Compensation Fund.

The General Fund, federal fund, state fund, and internal service funds that account for the salaries, wages, and employer pension contributions of the related employees will liquidate the net pension and other post-employment benefit liabilities.

M. 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, 2020.

N. 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.

O. 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.

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.

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 employs two senior private debt funds, commonly referred to as direct lenders, which are structured as custom managed accounts that are not eligible for redemptions during remaining investment lives of 1 to 2 years, and the unfunded commitments totaled $191.2 million as of June 30, 2020.

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 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 $333.3 million in unfunded private equity commitments as of June 30, 2020.

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.

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 includes these types of investments in its private equity asset class. As of June 30, 2020, unfunded commitments in one of its two distressed debt funds totaled $90.6 million. The fund is not eligible for redemptions. The other fund is eligible for redemptions with quarterly liquidity and 60 days notice, and has no unfunded commitment.

Mezzanine Debt – This strategy is a hybrid of debt and equity financing. It is basically 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 1-4 years, and unfunded commitments of $8.5 million as of June 30, 2020.

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, with 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, 2020.

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 9 different real estate funds in the portfolio. Four of those funds are open-ended vehicles that accept redemption requests quarterly with a 30-90 day notification period. Two of the four open-ended funds had unfunded commitments totaling $45 million as of June 30, 2020. The remaining five funds are closed-ended limited partnerships that are not eligible for redemptions. Those five funds have a combined unfunded commitment of $85.1 million as of June 30, 2020.

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 1-6 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, 2020, include both open and closed-ended funds. The open-ended funds have no unfunded commitments and are eligible for redemptions quarterly with 90 days notice. There may be a 3-12 month queue for receiving redemptions. The closed-ended funds have unfunded commitments of $116.3 million at June 30, 2020 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.

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 6/30/20	Level 1	Level 2	Level 3
Short term securities:				
Commercial paper	$ 33,978	$ -	$ 33,978	$ -
Short term bills and notes	83,056	24,408	58,648	-
Total short term securities	117,034	24,408	92,626	-
Fixed income investments:				
Asset backed securities	570,810	-	570,810	-
Bank loans	898	-	898	-
Collateralized bonds	2,633	-	2,633	-
Collateralized mortgage obligations	38,896	-	38,896	-
Commercial mortgage-backed	322,768	-	322,768	-
Corporate bonds	2,592,301	-	2,589,972	2,329
Corporate convertible bonds	10,197	-	10,197	-
Funds - Fixed Income ETF	512,474	512,474	-	-
Government Agencies	1,052,303	957,847	91,274	3,182
Government Bonds	768,626	149	768,477	-
Government MBS	2,146,924	-	2,146,924	-
Government - issued Commercial Mortgage-Backed	62,317	-	62,317	-
Index Linked Government Bonds	590,366	-	590,366	-
Municipal / Provincial Bonds	42,223	-	42,223	-
Non- Government Backed C.M.O.s	110,132	-	110,132	-
Other Fixed Income	99	90	9	-
Collateralized Debt	18,985	-	18,985	-
Total fixed income investments	8,842,952	1,470,560	7,366,881	5,511
Equity Investments:				
Common stock	4,849,564	4,849,392	171	1
Convertible equity	15,812	15,812	-	-
Funds - Equities ETF	330,407	330,407	-	-
Preferred stock	2,345	2,345	-	-
Rights / Warrants	257	257	-	-
Stapled securities	2,666	2,666	-	-
Total equity investments	5,201,051	5,200,879	171	1
Other Investments:				
Currency	6,109	6,109	-	-
Global Tactical Asset Allocation MF	453,360	453,360	-	-
Master Limited Partnership	45,373	45,373	-	-
REITs	6,551	6,551	-	-
Real Estate	9,857	-	-	9,857
Swaps	8,381	-	8,381	
Total other investments	529,631	511,393	8,381	9,857
Derivative Investments:				
Exchange cleared swaps	6,806	-	6,806	-
Options	522	(209)	731	-
Swaps	(9,192)	-	(9,192)	-
Grain future contracts	735	735	-	-
Total derivative investments	(1,129)	526	(1,655)	-
Total investments measured at fair value	$ 14,689,539	$ 7,207,766	$ 7,466,404	$ 15,369

INVESTMENTS MEASURED AT THE NET ASSET VALUE (NAV)	Fair Value 6/30/20	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
Commingled Funds - Debt	$ 1,457,557	$ -	Daily, monthly	1 - 15 days
Commingled Funds - Equities	2,518,836	-	Daily, monthly	1 - 15 days
Commingled Funds - Fixed Income	181,067	-	Daily	< 5 days
Distressed Debt	245,445	90,604	Quarterly, not eligible	60 days
Long / short	263,941	-	Monthly	15 days
Mezzanine Debt	229	8,499	Not eligible	Not eligible
Private Credit	413,775	191,200	Not eligible	Not eligible
Private Equity	290,360	332,373	Not eligible	Not eligible
Real Assets	2,610,045	246,371	Quarterly, not eligible	30 - 90 days
Private Debt Fund	152,350	91,500		
Total investments measured at the NAV	8,133,605	$ 960,547		
Total investments	$ 22,823,144			

Major Component Units

INVESTMENTS MEASURED AT FAIR VALUE	Fair Value 6/30/20	Level 1	Level 2	Level 3
Short term securities				
Certificates of deposit	$ 11,916	$ -	$ 11,916	$ -
Short term bills and notes	22,667	-	22,667	-
Total short term securities	34,583	-	34,583	-
Fixed income investments:				
Gov't Agencies	38,684	38,684	-	-
Other Fixed Income	107	107	-	-
Total fixed income investments	38,791	38,791	-	-
Equity Investments:				
Stock	18	18	-	-
Other equities	350	350	-	-
Total equity investments	368	368	-	-
Other Investments:				
Mineral acres	42	20	-	22
Total other Investments	42	20	-	22
Total investments	$ 73,784	$ 39,179	$ 34,583	$ 22

NOTE 4 - NET POSITION

The government-wide Governmental Activities Statement of Net Position reports $6,543,041,908 of restricted net position, of which $1,002,448,576 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 $7,025,756,767 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.

Governmental Fund Balance By Purpose
(Expressed in Thousands)

	General	Special Revenue Federal	Special Revenue State	Nonmajor Governmental	Total
Fund Balances:					
Nonspendable					
Inventory	$ 3,073	$ 11,747	$ 10,484	$ -	$ 25,304
Long - Term Receivables	48	-	-	-	48
Prepaid Expenditures	3,074	1,705	2,026	-	6,805
Permanent Trust fund for Veteran's Postwar	-	-	-	6,548	6,548
Permanent Trust fund for Coal Development	-	-	-	70,750	70,750
Total Nonspendable	6,195	13,452	12,510	77,298	109,455
Restricted for:					
Distribution to Common Schools	-	-	4,892,120	-	4,892,120
State Education Aid	-	-	375,937	-	375,937
Lignite Research	-	-	26,087	-	26,087
Water Projects and Energy Conservation	-	-	434,817	-	434,817
Well Plugging and Site Reclamation	-	-	26,158	-	26,158
Agriculture and Commerce	-	-	63,990	-	63,990
Natural Resources	-	-	33,398	-	33,398
Highway Projects	-	-	450,138	-	450,138
Transportation	-	-	34,402	-	34,402
Petroleum Tank Release Compensation	-	-	6,336	-	6,336
Debt Services	-	-	-	703	703
Other	-	-	66,878	-	66,878
Total Restricted	-	-	6,410,261	703	6,410,964
Committed to:					
Strategic Investments & Improvements	-	-	538,216	-	538,216
Oil & Gas Impact Grants	-	-	8,966	-	8,966
Partnership in Assisting Community Expansion	-	-	59,662	-	59,662
Human Services & Health Operations	-	-	51,009	-	51,009
Outdoor Heritage Grants	-	-	32,860	-	32,860
Water Development & Management Projects	-	-	28,445	-	28,445
Oil & Gas Research	-	-	18,199	-	18,199
Judicial & Legal	-	-	13,144	-	13,144
Public Safety & Corrections	19,421	-	2,884	-	22,305
Agriculture & Commerce	4,437	-	10,164	-	14,601
State Rail & Special Roads	-	-	18,142	-	18,142
Insurance Regulatory Operations	-	-	5,904	-	5,904
Park & Recreation Operations	-	-	10,216	-	10,216
Economic Assistance & Social Services	2,990	-	-	-	2,990
Tax Relief	290,474	-	-	-	290,474
Stabilization	726,926	-	-	-	726,926
Theodore Roosevelt Presidential Library & Museum	14,919	-	-	-	14,919
Veteran's Postwar	-	-	-	292	292
Other	7,522	-	42,144	-	49,666
Total Committed	1,066,689	-	839,955	292	1,906,936

	General	Special Revenue Federal	Special Revenue State	Nonmajor Governmental	Total
Assigned to:					
Education	$ -	$ -	$ 3,730	$ -	$ 3,730
Human Services & Health Operations	-	-	154,636	-	154,636
Judicial & Legal	-	-	9,557	-	9,557
Correction & Rehabilitation Operations	-	-	6,946	-	6,946
Strategic Investments & Improvements	-	-	229,325	-	229,325
Agriculture & Commerce	-	-	2,036	-	2,036
Environmental Quality	-	-	891	-	891
Securities Regulations	-	-	2,107	-	2,107
Other	-	-	10,499	-	10,499
Total Assigned	-	-	419,727	-	419,727
Unassigned	7,655,894	(1,543)	-	(3,278)	7,651,073
Total Fund Balances	$ 8,728,778	$ 11,909	$ 7,682,453	$ 75,015	$ 16,498,155

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, 400 East Broadway, Suite 505, Bismarck, North Dakota 58501.

At June 30, 2020, the number of participating political subdivisions in PERS was:

Cities	98
Counties	51
School Districts	129
Other	86
Total Participating Local Political Subdivisions	364

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.

Responsibility for administration of the three defined benefit pension plans and the defined contribution 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; two members of the legislative assemble appointed by a chairman of the legislative management, three members elected by the active membership of the NDPERS system; and one member elected by the retired public employees.

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

The monthly pension benefit for National Guard 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 changed to the greater of (i) lump sum payment of accumulated contributions, and (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 Board in the North Dakota Administrative Code.

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

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.

Members that made a qualifying election under Senate Bill 2015 to move from the Defined Contribution Plan back to the Defined Benefit Plan have a 2% increase on employee contributions. 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 for both the PERS plan as well as the defined contribution plan.

Member contributions are set by state statue 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 statue 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 Contributions	Employer Contributions
PERS		
Members first enrolled prior to 1/1/20	7.00%	7.12%
Members first enrolled after to 1/1/20	7.00%	8.26%
Members returning to the Defined Benefit Plan as a result of Senate Bill 2015	9.00%	7.12%
Judges Retirement System	8.00%	17.52%
Law Enforcement with previous service		
State – BCI Plan	6.00%	9.81%
State – National Guard	5.50%	9.81%
Political subdivisions	5.50%	9.81%
Law Enforcement without previous service	5.50%	7.93%

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, 400 East Broadway, Suite 505, Bismarck, North Dakota 58501.

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 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 13.3% and the employer rate is 19.7%.

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, 400 East Broadway, Suite 505, Bismarck, North Dakota 58501.

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 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. 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, 3442 East Century Avenue, P.O. Box 7100, Bismarck, North Dakota 58507-7100.

At June 30, 2020, the number of participating employer units in TFFR was:

Type	Number
Public School Districts	174
County Superintendents	6
Special Education Units	20
Vocational Education Units	4
Other	9
Total	213

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 statues 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.

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 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 statue.

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:	12,945	133	181	9,036
Terminated Employees:				
Vested	7,135	26	1	1,715
Nonvested	6,708	17	-	1,132
Active Employees:				
Vested	17,174	74	5	8,216
Nonvested	7,315	80	-	3,131
Total plan membership	51,277	330	187	23,230
Date of annual valuation	July 1, 2020	July 1, 2020	July 1, 2020	July 1, 2020

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, 2020:

	Target Allocation			
	PERS and NDHPRS	JSND	TFFR	RHIC*
Domestic equities	30.0%	6.0%	0.0%	39.0%
International equities	21.0%	14.0%	0.0%	21.0%
Private equity	7.0%	6.0%	0.0%	0.0%
Domestic fixed income	23.0%	74.0%	0.0%	40.0%
International fixed income	0.0%	0.0%	0.0%	0.0%
Global real assets	19.0%	0.0%	18.0%	0.0%
Global equity	0.0%	0.0%	58.0%	0.0%
Global fixed income	0.0%	0.0%	23.0%	0.0%
Cash equivalents	0.0%	0.0%	1.0%	0.0%
Total	100.00%	100.00%	100.00%	100.00%

*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, 2020:

PERS	3.57%
NDHPRS	3.28%
JSND	3.09%
TFFR	3.37%
RHIC*	5.37%

*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.

REALIZED GAINS AND LOSSES

Realized gains and losses on sales of investments are components of net change in fair value of investments and are computed as described in note 1. For the year ended June 30, 2020, the following are the net realized gains (losses):

PERS	$59,815,789
NDHPRS	1,578,933
JSND	1,125,627
TFFR	50,611,877
Retiree Health Insurance Credit (RHIC)	9,822,393
Defined Contribution Plan	(5,049)
Deferred Compensation Plan	5,491,243

C. FUNDING STATUS AND PROGRESS

NET PENSION LIABILITY OF THE PLANS

The components of the net pension liability of the Plans at June 30, 2020 were as follows (expressed in thousands):

	PERS	NDHPRS	JSND	TFFR
Total pension liability	$ 6,379,800	$ 178,229	$ 64,129	$ 4,181,036
Plan fiduciary net position	(3,154,351)	(82,185)	(95,251)	(2,650,532)
Net pension liability (asset)	$ 3,225,449	$ 96,044	$ (31,122)	$ 1,530,504
Plan fiduciary net position as a percentage of the total pension liability	49.44%	46.11%	148.53%	63.40%

ACTUARIAL ASSUMPTIONS

PERS

The total pension liability was determined by an actuarial valuation as of July 1, 2020, 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: 2.25%

Salary Increase: 3.50% to 17.75% including inflation

Retirement Age: Age-based tale 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.

Other Notes: The interest rates on member contributions will decrease from 7.00% to 6.50% effective January 1, 2021.

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 7.50% to 7.00% beginning with the actuarial valuation as of July 1, 2020. Other updates to actuarial assumptions since July 1, 2019 valuation include changes to mortality tables used for the valuation as well as changes to the rates on annual salary increase, separation for active membership, disability, and retirement. The actuary assumptions were based on an experience review for the period July 1, 2014 to July 1, 2019.

The employer rates to the System are the statutory/Board approved contribution rates of 7.12% of payroll for the Main System (8.26% for members enrolled on or after January 1, 2020), 17.52% for the Judges System, 9.81% for the Public Safety with prior Main System, and 7.93% for the Public Safety without prior Main System service System.

HPRS

The total pension liability was determined by an actuarial valuation as of July 1, 2020, 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: 2.25%

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 tale 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 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 MP-2019 scale.

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

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 employer rate to the System is the statutory contribution rate of 19.70% payroll.

JSND

The total pension liability was determined by an actuarial valuation as of July 1, 2020, 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: 2.25%

Salary Increase: 3.50%

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

Investment Rate of Return: 4.25%

Cost of Living Adjustment: 2.25%

Mortality Rates: 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: There were no benefit changes during the year.

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 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, 2020, using the following actuarial assumptions:

Actuarial Cost Method: Entry Age Normal

Asset Valuation Method: 5 year smoothed market

Inflation: 2.30%

Salary Increase (Payroll Growth): 3.80% - 14.80%; varying by service, including inflation and productivity.

Retirement Age: In the 2020 and 2015 valuations, rates of retirement were changed to better reflect anticipated future experience.

Investment Rate of Return: 7.75%, net of investments expense.

Cost of Living Adjustment: None

Mortality Rates: For the July 1, 2020, 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 PubNS-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019. The pre-retirement mortality table was updated to the Pub T-2010 Employee table projected with generational improvement using Scale MP-2019.The actuarial assumptions used were based on the results of an experience study dated March 19, 2020.

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, 2020 is summarized in the following tables:

PERS and NDHPRS Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	6.30%
International equity	6.85%
Private equity	9.75%
Domestic fixed income	1.25%
International fixed income	0.00%
Global real assets	5.01%
Cash equivalents	0.00%

JSND Asset Class	Long-Term Expected Real Rate of Return
Domestic equities	5.50%
Core fixed income	7.00%
Limited duration fixed income	-0.34%
Global equity	5.24%
Diversified short-term fixed income	-0.21%
Short-term corporate fixed income	-0.89%
US high yield	3.11%
Emerging market debt	5.26%

TFFR Asset Class	Long-Term Expected Real Rate of Return
Global equity	6.90%
Global fixed income	1.30%
Global real assets	5.00%
Cash equivalents	0.00%

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 7.00%; the municipal bond rate is 2.45%; and the resulting Single Discount Rate is 4.64%.

For HPRS, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.45%; and the resulting Single Discount Rate is 4.09%.

For JSND, the discount rate was 4.25% as of June 30, 2020. 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, 2020 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, 2020. 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, 2020.

For TFFR, the discount rate was 7.25% as of June 30, 2020. 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, 2020 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, 2020. 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, 2020.

SENSITIVITY OF NET PENSION LIABILITY

The following presents the net pension liability of the Plans as of June 30, 2020, calculated using the discount rate of 4.64% for PERS, 4.09% for NDHPRS, 4.25% 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

Net Pension Liability (Asset) As of June 30, 2020	1% Decrease (3.64%)	Current Discount Rate (4.64%)	1% Increase (5.64%)
PERS	$ 4,199,073,080	$ 3,225,449,178	$ 2,429,510,424

Net Pension Liability (Asset) As of June 30, 2020	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
NDHPRS	$ 127,280,387	$ 96,044,891	$ 71,396,917

Net Pension Liability (Asset) As of June 30, 2020	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
JSND	$ (24,661,696)	$ (31,122,000)	$ (36,644,730)

Net Pension Liability (Asset) As of June 30, 2020	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
TFFR	$ 2,038,548,355	$ 1,530,503,462	$ 1,108,292,065

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, 2020*

	JSND	NDHPRS
Total pension liability (asset)		
Service cost	$ 70,295	$ 2,818,006
Interest	3,129,175	7,527,064
Change of benefit terms	-	-
Difference betw een expected and actual experience	(504,895)	(67,748)
Changes of assumptions	-	3,042,863
Benefit payments, including refund of employee contributions	(4,626,846)	(5,391,115)
Net change in total pension liability (asset)	(1,932,271)	7,929,070
Total pension liability (asset) - beginning	68,129,211	98,385,960
Total pension liability (asset) - ending (a)	$ 66,196,940	$ 106,315,030
Plan fiduciary net position		
Contributions - employer	$ -	$ 2,090,886
Contributions - employee	29,159	1,411,619
Contributions - service credit repurchase	-	167,824
Transfers and other income	-	(41)
Net investment income	6,229,630	4,250,901
Benefit payments, including refund of employee contributions	(4,626,846)	(5,391,115)
Administrative expense	(16,808)	(43,555)
Net change in plan fiduciary net position	1,615,135	2,486,519
Plan fiduciary net position - beginning	95,588,111	78,929,000
Plan fiduciary net position - ending (b)	$ 97,203,246	$ 81,415,519
Net pension liability (asset) - ending (a) - (b)	$(31,006,306)	$ 24,899,511
Plan fiduciary net position as a percentage of the total pension liability (asset)	146.84%	76.58%
Covered employee payroll	$ 416,552	$ 10,354,210
Plan net pension liability (asset) as a percentage of covered employee payroll	-7443.56%	240.48%

*The 2020 information presented has a measurement date of June 30, 2019.

JOB SERVICE NORTH DAKOTA (JSND)

Net Pension Asset

At June 30, 2020, the State recorded a net pension asset of $31,006,306 for all of the Job Service North Dakota pension plan. The net pension asset was measured as of June 30, 2019 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2020 the State recognized pension expense of ($115,473). At June 30, 2020 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	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	953,488	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-
Employer contributions subsequent to the measurement date	-	-	-	-
Total	$ 953,488	$ -	$ -	$ -

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
2021	$ 760,767	$ -
2022	412,451	-
2023	139,772	-
2024	(359,502)	-
Total	$ 953,488	$ -

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 4.75 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 (3.75 percent) or 1-percentage-point higher (5.75 percent) than the current rate:

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
State's proportionate share of the net pension asset	$ (24,292,823)	$ (31,006,306)	$ (36,982,989)

NORTH DAKOTA HIGHWAY PATROLMEN'S RETIREMENT SYSTEM (NDHPRS)

Net Pension Liability

At June 30, 2020, the State recorded a net pension liability of $24,899,511 for all of the North Dakota Highway Patrolmen's Retirement System pension plan. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2020 the State recognized pension expense of $5,175,123. At June 30, 2020 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	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	$ 338,360	$ (497,866)	$ -	$ -
Changes of assumptions	4,888,671	-	-	-
Net difference between projected and actual earnings on pension plan investments	482,560	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-
Employer contributions subsequent to the measurement date	2,174,943	-	-	-
Total	$ 7,884,534	$ (497,866)	$ -	$ -

$2,174,943 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, 2021.

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
2021	$ 1,868,778	$ -
2022	893,493	-
2023	1,235,170	-
2024	841,261	-
2025	373,023	-
Total	$ 5,211,725	$ -

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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
State's proportionate share of the net pension liability	$ 38,662,943	$ 24,899,511	$ 13,491,914

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.
At June 30, 2020, the State recorded a net pension liability of $570,357,613 for all of the PERS system. The net pension liability was measured as of June 30, 2019 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, 2019 the State's proportion was 48.64006 percent, which is a decrease of 1.7386 percent from the prior year.

The State's discrete component unit, North Dakota Public Finance Authority, also participates in. At June 30, 2020, the discrete component units recorded a net pension liability of $191,000 for all of the PERS system. The net pension liability was measured as of June 30, 2019 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, 2019 the discrete component unit's proportion was 0.0163 percent, which is a decrease of 0.0002 percent from the prior year.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2020 the State recognized pension expense of $96,673,459 and the component unit recognized pension expense of $33,000. At June 30, 2020 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	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	$ 517,488	$ (107,445,622)	$ -	$ (35,000)
Changes of assumptions	220,089,297	(190,130,988)	71,000	(61,000)
Net difference between projected and actual earnings on pension plan investments	10,456,445	-	3,000	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,438,589	(38,266,380)	1,000	(7,000)
Employer contributions subsequent to the measurement date	40,229,883	-	8,000	-
Total	$ 279,731,702	$ (335,842,990)	$ 83,000	$ (103,000)

$40,229,883 and $8,000 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, 2021.

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
2021	$ 10,405,080	$ 4,000
2022	(2,736,072)	-
2023	(27,614,228)	(7,000)
2024	(58,297,057)	(18,000)
2025	(18,098,894)	(7,000)
Total	$ (96,341,171)	$ (28,000)

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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
State's proportionate share of the net pension liability	$ 827,189,964	$ 570,357,613	$ 354,495,803
Component's proportionate share of the net pension liability	274,000	191,000	121,000

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, 2020, the State recorded a net pension liability of $8,631,145 for all of the TFFR. The net pension liability was measured as of June 30, 2019 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, 2019 the State's proportion was 0.6270 percent, which is a decrease of 0.0391 percent from the prior year.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2020 the State recognized pension expense of $946,221. At June 30, 2020 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	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	$ 12,325	$ (311,502)	$ -	$ -
Changes of assumptions	306,765	-	-	-
Net difference between projected and actual earnings on pension plan investments	121,492	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	565,271	(832,549)	-	-
Employer contributions subsequent to the measurement date	534,961	-	-	-
Total	$ 1,540,814	$ (1,144,051)	$ -	$ -

$534,961 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, 2021.

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
2021	$ 214,223	$ -
2022	9,381	-
2023	(119,043)	-
2024	(54,068)	-
2025	(95,236)	-
Thereafter	(93,455)	-
Total	$ (138,198)	$ -

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 7.75 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 (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
State's proportionate share of the net pension liability	$ 11,656,448	$ 8,631,145	$ 6,117,040

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, 2020.

Pension Plan	Net Pension Asset	Deferred Outflows of Resources Pension	Net Pension Liability	Deferred Inflows of Resources Pension	Pension Expense
Job Service ND	$ 31,006,306	$ 953,488	$ -	$ -	$ (115,473)
ND Highway Patrolmen's Retirement System	-	7,884,534	24,899,511	497,866	5,175,123
ND Public Employees' Retirement System	-	279,731,702	570,357,613	335,842,990	96,673,459
ND Teachers' Fund for Retirement	-	1,540,814	8,631,145	1,144,051	946,221
Total	$ 31,006,306	$ 290,110,538	$ 603,888,269	$ 337,484,907	$ 102,679,330

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. Employees under the judicial branch or the Board of Higher Education and State Institutional under jurisdiction of the Board of Higher Education are not eligible to participate in the plan. The 2013 Legislative Assembly passed legislation to expand eligibility to the plan to include all new state employees hired on or after October 1, 2013 through July 31, 2017. The Defined Contribution Plan had 93 participants as of June 30, 2020.

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 $479,861 for the year ended June 30, 2020.

The Board, or vendors contracted by the Board, has exclusive authority to invest and manage the assets of the Defined Contribution Retirement Plan. State statute allows each participating employee to direct the investment of the individual's employer and employee contributions and earnings to one or more investment options within the available categories of investment as established by the Board.

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 TIAA-CREF, Denver Regional Office, 1700 Broadway, Suite 770, Denver, Colorado 80290 or by calling 800-842-2009.

All benefits vest immediately to the participant. The plan requires employee and employer contributions be based on a classification system and years of service based on the schedule shown below.

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 $43.2 million to TIAA-CREF during the fiscal year ending June 30, 2020.

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.

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.

Employee membership is as follows:

Retirees receiving benefit	13,092
Active participants	23,495
Total Membership	36,587

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, 2020 is as follows (expressed in thousands):

	RHIC
Total OPEB liability	$ 229,741
Plan fiduciary net position	(145,621)
Net OPEB liability (asset)	$ 84,120
RHIC fiduciary net position as a percentage of the total OPEB liability	63.38%

Actuarial Assumptions

Actuarial Cost Method: Entry Age Normal

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

RHIC Inflation: 2.25%

Salary Increase: Not applicable

Investment Rate of Return: 6.50%, net of investments expense, including inflation.

Mortality Rates: Pub-2010 Health 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: RHIC is for the most part a closed plan. There were no benefit changes during the year. The employer rate to the System is the statutory contribution rate of 1.14% of payroll.

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, 2020 is summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	6.10%
Small Cap Domestic Equities	7.00%
International equities	6.45%
Core-Plus Fixed Income	1.15%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5%. 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, 2020 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, 2020, calculated using the single discount rate of 6.50%, 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:

Net OPEB Liability (Asset) As of June 30, 2020	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
RHIC	$ 110,324,972	$ 84,119,757	$ 61,959,773

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, 2020, the State reported a liability of $39,178,151 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, 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, 2019, the State's proportion was 49.7783 percent, which is a decrease of 0.9528 percent from the prior year.

Deferred Inflows and Outflows of Resources

For the year ended June 30, 2020 the State recognized OPEB expense of $5,016,590. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	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	$ 967,707	$ (1,223,546)	$ -	$ -
Changes of assumptions	4,668,419	-	-	-
Net difference between projected and actual earnings on OPEB plan investments	43,532	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	327,912	(2,085,828)	-	-
Employer contributions subsequent to the measurement date	6,469,810	-	-	-
Total	$ 12,477,380	$ (3,309,374)	$ -	$ -

$6,469,810 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, 2021.

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

Year ended June 30:

	Primary Government	Component Units
2021	$ 230,787	$ -
2022	230,787	-
2023	331,497	-
2024	313,854	-
2025	705,441	-
Thereafter	885,830	-
Total	$ 2,698,196	$ -

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, 2020, calculated using the discount rate of 7.25%, 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
State's proportionate share of the net OPEB liability	$ 49,309,306	$ 39,178,151	$ 30,497,557

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, 2020. 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, 2020. Requests to obtain or review the actuary report should be addressed to the Finance Manager – P.O. 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 actuary 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, 2020, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	155
Terminated employees entitled to benefits but not yet receiving them	-
Current vested employees	5
Total	160

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

The Employer reported a liability of $1,265,603 at June 30, 2020 for its net OPEB liability. The net OPEB liability was measured as of July 1, 2020, 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, 2020, the Employer recognized OPEB expense of $(108,390). 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	$ -	$ -

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:

	July 1, 2020
Inflation	none
Salary increases	5%
Discount rate	2.66% per annum

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

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, 2020, calculated using the discount rate of 2.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66 percent) or 1-percentage-point higher (3.66 percent) than the current rate:

Net OPEB Liability As of June 30, 2020	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Met Life	$ 1,410,912	$ 1,265,603	$ 1,143,427

Schedule of Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Net Position (b)**	**Net OPEB Liability (a) - (b)**
Balances at 6/30/19	$ 1,452,692	$ -	$ 1,452,692
Changes for the Year:			
Service cost	821	-	821
Interest	36,570	-	36,570
Benefit changes	-	-	-
Experience losses (gains)	(192,150)	-	(192,150)
Changes of assumptions	46,369	-	46,369
Contributions - Employer		78,699	(78,699)
Benefits paid	(78,699)	(78,699)	-
Administrative expenses	-	-	-
Net changes	(187,089)	-	(187,089)
Balances at 6/30/20	$ 1,265,603	$ -	$ 1,265,603

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, 2020.

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, 2020.

OPEB Plan	Deferred Outflows of Resources - OPEB	Net OPEB Liability	Deferred Inflows of Resources - OPEB	OPEB Expense
ND Public Employees' Retirement System	$ 12,477,380	$ 39,178,151	$ 3,309,374	$ 5,016,590
JSND Met Life Insurance Benefit	-	1,265,603	-	(108,390)
Total	$ 12,477,380	$ 40,443,754	$ 3,309,374	$ 4,908,200

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 lessor of $19,500 or 100% of gross annual compensation for calendar year 2020. Participation in the plan is optional. The deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency.

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 14,044 active participants as of June 30, 2020.

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	$ 121,097	87%
Other Jurisdictions	18,186	13%
Total Value	$ 139,283	100%

NOTE 9 - PERS UNIFORM GROUP INSURANCE PROGRAM

The PERS Uniform Group Insurance Program, an enterprise fund, contracts with Sanford Health Plan to provide health care insurance to the employees of the State of North Dakota, or any of its political subdivision, institutions, departments or agencies. The contract for the 2017-2019 biennium provides for an accounting of premiums paid and claims incurred during the biennium. The final gain or loss is determined two years after the end of the biennium, which for the 2017-2019 biennium will occur in 2021. In the event of a loss, the system does not have any risk. For this period premiums exceed claims, therefore, a gain of $6.8 million will be returned to the system and is included as a receivable as of June 30, 2020.

The System again entered into a similar contract with Sanford Health Plan for the 2019-2021 biennium. The contract for the 2019-2021 biennium provides for an accounting of premiums paid and claims incurred during the biennium. The final gain or loss is determined two years after the end of the biennium, which for the 2019-2021 biennium will occur in 2023. In the event of a loss, the system does not have any risk. No other insurance contracts have a gain sharing provision.

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, 2020, was as follows (expressed in thousands):

	Home-Ownership Bond Funds
Condensed Statement of Net Position	
Current assets – other	$ 266,052
Noncurrent assets – other	1,295,238
Total Assets	1,561,290
Deferred outflow of resources	16,132
Current liabilities – other	65,541
Noncurrent liabilities – other	1,315,440
Total Liabilities	1,380,981
Net position – restricted	196,441
Total Net Position	$ 196,441
Condensed Statement of Revenues, Expenses and Change in Fund Net Position	
Operating revenues	$ 53,507
Operating expenses	(41,208)
Operating income	12,299
Change in net position	12,299
Total net position, beginning of year, restated	183,913
Equity transfer out	229
Total net position, end of year	$ 196,441
Condensed Statement of Cash Flows	
Net cash used by operating activities	$ (50,486)
Net cash from noncapital financing activities	56,252
Net cash from investing activities	(2,568)
Net change in cash and cash equivalents	3,198
Cash and cash equivalents, beginning of year	213,726
Cash and cash equivalents, end of year	$ 216,924

NOTE 11 - MAJOR COMPONENT UNIT TRANSACTIONS

BISMARCK STATE COLLEGE AND BISMARCK STATE COLLEGE FOUNDATION

On January 25, 2007, BSC and BSC Foundation entered into a 15-year lease agreement to facilitate the construction of a Mechanical Maintenance 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 $1.4 million debt service retirement. Upon payment of all the bonds, BSC will have the option to purchase the premises for $100. On August 15, 2013, an addendum was made to the lease agreement to facilitate an addition to the facility.

On October 19, 2007, BSC and BSC Foundation 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.

BSC Foundation's financial statements include these transactions as a receivable from BSC and a long-term liability. BSC's financial statements include the capitalized asset and a long-term liability due to BSC Foundation.

	BSC	BSC Foundation
NECE Building	$ 9,548,989	$ 10,846,116
Accumulated Depreciation	(2,552,561)	(3,198,124)
Net Value of NECE Building	$ 6,996,428	$ 7,647,992

On September 26, 2014, BSC and Student Housing, LLC (a wholly owned subsidiary of BSC Foundation) 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 College 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 October 14, 2014, BSC and Student Housing, LLC (a wholly owned subsidiary of BSC Foundation) entered into a Memorandum of Understanding (MOU) which sets forth the essential terms of an Apartment Master Lease agreement to be entered into between LLC and BSC, under which LLC will lease to BSC space in the student housing complex to be constructed by LLC on BSC property according to the terms and conditions of the Ground Lease. The 5-year renewable Apartment Master Lease Agreement will address quarterly rent payments by BSC and responsibilities for maintenance, repairs and insurance of the facilities and improvements during the term of the lease.

On August 13, 2015, BSC and Student Housing, LLC entered into a 5-year lease agreement to operate student housing services in the two newly constructed housing units (Ritchie Hall and Gate City Bank Hall). 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 an operating lease on BSC financial statements and Student Housing, LLC financial statements includes the capitalized asset.

In fiscal year 2019, BSC purchased a building located in Bismarck, North Dakota from the BSC foundation for $8.2 million. The building will house the BSC nursing school.

As of July 1, 2018, the BSC Foundation gained control of the Bismarck State College National Alumni Association. The BSC Alumni Association financial statements are included in the consolidated financial statements of the Major University System Foundation component units. The change in reporting entity has been applied retroactively to the July 1, 2018 beginning net assets.

DICKINSON STATE UNIVERSITY AND DICKINSON STATE UNIVERSITY FOUNDATION

Arbitration - The Dickinson State University Foundation (DSUF) has ownership interest and/or management responsibilities in various real estate projects by way of its membership in Dickinson Investments, LLC (Dickinson Investments) and other entities. DSUF is involved in a dispute with another member of Dickinson Investments, Granville Brinkman and other Brinkman entities (Respondent). An arbitration claim was filed on December 26, 2013. On September 30, 2014, the arbitrator awarded the Respondent a buy-out of their equity interest in the amount of $1.260 million. The Respondent was also awarded repayment of a note, prejudgment interest and attorneys' fees and costs. DSUF and Dickinson Investments are jointly and severally liable for the buyout amount.

On October 28, 2014, the arbitrator issued a final arbitration award and ordered:
a) prejudgment interest at 6% would commence December 26, 2013,
b) the amount of attorney fees and costs to be repaid was $233,420,
c) the note prepayment amount was $133,600
d) the parties shared responsibility for arbitration fees and expenses totaling $67,620.

The final award exceeds $1.7 million. Although DSUF has an equity interest of about 6 percent in Dickinson Investments, the arbitrator has ruled that it is jointly and severally liable for the entire award, except the $133,600 loan for which Dickinson Investments is responsible.

Receivership - At the request of the NDUS Chancellor, on November 21, 2014, the North Dakota Attorney General petitioned the state district court for the appointment of a receiver. On December 3, 2014, the court appointed a receiver for DSUF. The court order included the following directives:

- The receiver shall take immediate possession, custody, and control of all assets owned or held by DSUF;
- The DSUF board of directors shall be temporarily suspended and have no authority to act on behalf of DSUF;
- The receiver shall gather, protect and oversee DSUF's corporate and charitable assets;
- The receiver shall report to the court; and
- The receiver shall have all the authority necessary to continue the day-to-day activities of the DSUF.

The receiver filed interim reports on a regular basis through September 2016. In the seventh interim report, dated August 31, 2015, the receiver recommended that DSUF be dissolved. This recommendation was based on an inability to negotiate a mutually acceptable settlement of the outstanding Brinkman judgment against DSUF. The report indicates that dissolution should foremost prioritize DSUF obligations to honor restrictions placed on DSUF assets by donors, then address claims made by creditors, employees, and other interested parties. However, DSUF accounting reports indicated that the foundation had total net restricted assets in an amount less than total permanently and temporarily restricted donations.

The Office of Attorney General requested the commencement of dissolution for DSUF. On August 30, 2017, Stark County District Court Judge William Herauf issued an Order that, in part, approved a settlement reached between the Attorney General and the DSUF's major creditors. The Order also resolved all claims against the DSUF, allowing for the distribution of assets and final closure of the issues surrounding the DSUF.

On June 20, 2017, a settlement agreement was signed by the SBHE, DSU and five financial institutions whereby an amount of $3.1 million will be paid to the financial institutions to repay the outstanding debt related to the Biesiot Activities Center. The 2017 North Dakota Legislative Assembly provided an appropriation to Dickinson State University for the settlement amount. The settlement was paid in July 2017 consistent with the terms of the settlement agreement.

DSUF's Restated Articles of Incorporation state that upon dissolution, remaining assets shall be distributed to the SBHE for the exclusive use and benefit of the Dickinson State University or its direct successors in interest. The receiver recommended that all remaining net assets of DSUF be directed to be turned over to a new 501(c)(3) tax-exempt Foundation in keeping with DSUF's Restated Articles of Incorporation.

There is a cash reserve account remaining in excess of $300,000 pending the outcomes of resolving claims from the U.S. Internal Revenue Service relating to Charitable Remainder Trusts. All tax returns have been filed by the court appointed Receiver. The U.S. Internal Revenue Service has approved one of the returns and the remainder of the returns are pending review. Once all returns are approved, any remaining cash will be distributed to the DSU Heritage Foundation and a final Receiver's report will be filed to obtain Court approval of the final distribution and closing the receivership dissolution action.

The receivership was closed effective August 6, 2020 through the Court's approval of the Final Receiver's report. The final tax returns have been filed and final fees were paid. The final check was issued to the Dickinson State University Heritage Foundation on August 7, 2020 in the amount of $337,402. The Receiver has been discharged and the case was closed by the Stark County District Court.

Financial Audit

In fiscal year 2013, The DSUF's independent auditors issued a qualified opinion on the DSUF financial statements because they were unable to form an opinion regarding the proper amount and classification of unrestricted and temporarily restricted net assets. In fiscal year 2014, the DSUF's independent auditors were unable to issue an audit opinion on the DSUF financial statements as a result of the aforementioned arbitration and the overall condition of the DSUF financial records. An audit has not performed since fiscal year 2014.

Additionally, it has been reported that DSUF may have used endowment funds as collateral to obtain financing and to meet monthly operating expenses of the foundation and one of its real estate projects.

NORTH DAKOTA STATE UNIVERSITY AND NDSU RESEARCH AND TECHNOLOGY PARK, INC.

On December 30, 1999, North Dakota State University (NDSU), through the State of North Dakota and North Dakota State Board of Higher Education, entered into a ground lease, whereby the NDSU Research and Technology Park (RTP), Inc. (component unit) leases 40 acres of land for $1 per year for the next seventy-five years.

On July 1, 2002, NDSU and the 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.

During fiscal year 2017, NDSU and the RTP entered into renewed agreements, whereby NDSU leases the Research Buildings #1 and #2 through June 30, 2032. During fiscal year 2020, total annual rent of $312,000 was paid by NDSU for

these two buildings, in addition to the $1.8 million of principal and interest paid by NDSU directly to the bond trustee. NDSU reimbursed the RTP $30,556 for property insurance on the two buildings and directly pays the utility costs under these agreements. The annual rent will be re-adjusted by mutual agreement every two years. These agreements are subject to funding and legislative appropriations.

During fiscal year 2020, NDSU and the RTP entered into an agreement where the RTP creates, maintains, and operates makerspace at the Park to help recruit and educate future leaders in the STEM fields. Under the agreement NDSU will pay the RTP $90,000 per year. During fiscal 2020, the first year of the agreement, NDSU paid the RTP $45,000 for this service.

NDSU FOUNDATION

Fargodome Lease and Improvements

In fiscal year 2006, the Foundation financed the construction and equipping of office space, locker rooms, meetings rooms, and related facilities in the Fargodome for use by NDSU through the sale of revenue bonds issued by Cass County. The Foundation has leased the space in the Fargodome from the City of Fargo and subleased the space, furniture, fixtures and equipment to NDSU. Under the agreement, NDSU will pay rent to the NDSUFAA for use of the premises. The amount of the rent is tied to the $3.5 million debt service retirement plus the Fargodome annual space rent and all costs incurred by the Foundation incident to the lease, less any contributions received by the Foundation for the project. Under this agreement in fiscal year 2020, the Foundation paid the debt service and other fees on behalf of NDSU in the amount of $331,587.

The facility is included in long-term investments and the debt is included in long-term liabilities on the financial reports of the Foundation. NDSU has also recorded a capital asset and a capital lease payable, reflected as “Due to Component Units” by NDSU, of $131,000 as of June 30, 2020. Since the foundation is a discretely presented component unit of the University System and the component unit and the University System are reporting the same assets and debt for the Fargodome improvements, a reclassification entry was made to ending balances in the component unit consolidating financial statements to show the appropriate due from primary institution.

Renaissance Hall

The former Northern School Supply building was donated to the Foundation by NDSU alum in December of 2001. During fiscal year 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 $413,000 in fiscal year 2020 for debt service under this agreement. As of June 30, 2020, the outstanding balance on the bonds, reflected as “Due to Component Units” by NDSU, is $3.6 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 20-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 entire amount of the previously issued bonds. During fiscal year 2020, NDSU paid $158,000 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, 2020, the outstanding balance on the bonds, reflected as “Due to Component Units” by NDSU, is $8.15 million.

Other Transactions

The Foundation provides meeting space rental and database support service to NDSU for an annually negotiated fee. NDSU paid the foundation $384,000 for the fiscal year ending December 31, 2019.

In addition to the debt service payments on the Fargodome, Renaissance, Barry and Klai Halls, NDSU reimburses the Foundation for other operating expenses related to those buildings, such as property insurance, flood insurance, boiler inspection fees, real estate taxes and bond administrative fees. Those costs totaled $158,432 during the fiscal year ending December 31, 2019.

Based on an agreement that began January 1, 2015, and automatically renewed annually since then, NDSU pays $87,592 of annual building rent to the Foundation for use the Criminal Justice and Public Policy building next to the NDSU main campus. This rent was paid again by NDSU during the fiscal year ending June 30, 2020.

The Foundation’s fiscal year end is December 31, NDSU 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

The UND Aerospace Foundation (UND AF) recorded expenses reimbursed to UND for salaries, building rent, aircraft rental, and goods and services under an operating agreement aggregating $9.9 million in fiscal year 2020. 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 reimbursed to UND represent actual costs incurred and are included in training expenses in the consolidated statements of activities.

The UND AF recorded revenue for service and hangar, CRJ, 360-degree tower, and aircraft rental to UND of $2.9 million in fiscal year 2020, which is included in program and event revenue in the Statement of Revenue, Expenses and Changes in Fund Net Assets for Component Units (FASB Basis) – University System Foundation.

As of June 30, 2020, the UND AF had recorded accounts payable to UND of $2.1 million for reimbursable costs and services. As of June 30, 2020, the UND AF had recorded accounts receivable from UND of approximately $1.2 million, which are included in accounts receivable in the statement of net assets for component units (FASB Basis) – University System Foundation.

The 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. For the first fifteen years of the sublease, UND will pay the Foundation’s monthly minimum payment of $12,672, beginning on October 1, 2003, subject to actual cost adjustments. At the end of the 15 years of the sublease, rent will be adjusted based upon the interest rate adjustments of the debt incurred by the Foundation in the construction of the hangar. Under this noncancelable sublease with UND, UND AF will receive future minimum rentals of $1.7 million over the next five years.

UNIVERSITY OF NORTH DAKOTA AND RE ARENA, INC.

RE Arena Inc. and UND, enter into an annual operating agreement from July 1, 2017 to June 30, 2020. 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 the UND, and (ii) RE Arena Inc. collects all sponsorship sales revenue from the UND athletic events at the arena, RE Arena, Inc. retains 64 percent of such sponsorship revenue, net of direct costs, and remits 36 percent to the 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 the UND athletic events.

RE Arena, Inc. 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 fiscal year 2020, gross tickets sales were $4.8 million of which RE Arena, Inc. recognized revenue of $2.5 million with a net due to UND $2.3 million. Gross ticket sales for the next athletic season year are recorded in deferred revenue at gross by RE Arena, Inc. for a total of $2.8 million.

RE Arena, Inc. recognized net sponsorship (advertising) revenue of approximately $903,000 and the net due UND in sponsorship (advertising) income of approximately $473,000. In addition, RE Arena, Inc. did not allocate any portion of their net income to the UND Athletic Department. RE Arena, Inc. expensed approximately $944,000 to UND for utilities, maintenance staff, phone service and other expenses At the end of the fiscal year RE Arena, Inc. did not have an accounts payable balance to UND for monthly services.

Amounts are reported on the accrual basis of accounting, which may or may not be the same as that used by UND. RE Arena Inc.'s fiscal year end is May 31st, UND's fiscal year end is June 30th. Amounts may differ between entity financial statement because of timing differences due to different year ends.

UNIVERSITY OF NORTH DAKOTA AND UNIVERSITY OF NORTH DAKOTA FOUNDATION

UND is leasing space in the Gorecki Alumni Center in the amount of $75,000 per year. Additional rental payments consisting of UND's share of the operating and maintenance costs for space used in the Gorecki Alumni Center are calculated annually.

During the year ended June 30, 2020, UND provided approximately $2.0 million of institutional support for event and database support, annual giving campaign and shared positions. The UND Alumni Association and Foundation (Foundation) manages UND's endowment investments and charged them $281,000 in investment management fees during the year ended June 30, 2020. These fees and support are reported as operations, fees and miscellaneous revenue on the Statement of Revenue, Expenses and Changes in Fund Net Assets for Component Units (FASB Basis) – University System Foundation.

The Foundation has other receivables with UND related to the renovation of an existing building for the Energy and Environmental Research Center (EERC) and the construction of the Minot Center for Family Practice for $3.4 million and $1.8 million, respectively. The Foundation has accounts payable due to UND related to miscellaneous services and payments of approximately $235,000.

The Foundation is leasing 45,000 square feet of land for the Gorecki Alumni Center from UND. Starting in 2016, the rate is $0.10 per square foot, per year. The cost in fiscal year 2020 was $4,500.

On July 24, 2002, the 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 Energy and Environmental Research Center (EERC) of UND. The Foundation recorded a receivable from UND of $8.6 million under the direct-financing lease arrangement. On October 18, 2012, the Foundation issued refunding lease revenue bonds in the amount of $6.4 million to refund its outstanding Lease Revenue Bonds, Series 2002. The 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 and principal are due through fiscal year 2027 and as of June 30, 2020 was $3.4 million. The bonds are secured by a lease with UND. The terms for the repayment are the same as the payment terms of the related bonds. During fiscal year ended June 30, 2020, the Foundation recorded payment of principal and interest of $415,000 and $146,000, respectively. The interest is included in operations, fees and miscellaneous income on the statement of activities.

On October 24, 2003, the Foundation issued $4.4 million of tax-exempt lease revenue bonds to finance the purchase of land and the construction of a facility for the Minot Center for Family Practice in Minot, North Dakota. The center is a department of the School of Medicine & Health Sciences at UND. The Foundation recorded a receivable from UND of $4.4 million due under the direct-financing lease agreement. In June 2008, the $3.7 million remaining balance of the 2003 bonds were financed with Lease Revenue Refunding Bonds, series 2008. In April 2018, the $2.2 million remaining balance of the 2008 bonds was refinanced with Lease Revenue Bonds, Series 2018. The interest rate is fixed at 3.5% until 2028. Payments of $133,333 are required semi-annually through 2028. The bonds are secured by a lease with UND. Annual principal and semiannual interest payments as of June 30, 2020 was $266,669.

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

BANK OF NORTH DAKOTA

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 of credit, elements of credit risk 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	$ 911,809
Financial standby letters of credit	415,755
Guarantees provided	7,889

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 three months 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 seventeen months to twenty nine 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 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, 2019 were $108,645,000.

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, 2019 were $3,950,000.

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 $303,160,000 at December 31, 2019. 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, 2019.

INFRASTRUCTURE REVOLVING LOAN PROGRAM

In the normal course of business, the Loan Fund makes various commitments that are not reflected in the financial statements. These commitments include commitments to extend credit of $44,929,000 at June 30, 2020.

MEDICAL FACILITY INFRASTRUCTURE LOAN FUND

The Fund's exposure to loan loss is represented by the contractual amount of these commitments. There were two pending loan commitments totaling $4,300,000 as of June 30, 2020.

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 $73,784,000 at June 30, 2020.

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 $57,420,000 at June 30, 2020.

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 $221,875,000 at December 31, 2019.

NOTE 13 - INTEREST RATE SWAP

BANK OF NORTH DAKOTA

The Bank has outstanding interest rate swap agreements with a notional amount $545,000,000 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 LIBOR
April 5, 2017	May 1, 2032	$50,000,000	2.39%	1 Month LIBOR
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 3, 2019	November 1, 2034	$50,000,000	1.38%	Fed Funds
December 5, 2019	October 1, 2023	$45,000,000	1.33%	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, 2019:

		Fair Value		Changes in Fair Value	
Swap	Notional Amount	Classification	Amount	Classification	Amount
June 2014	$ 50,000,000	Other liabilities	$ (5,468,000)	Deferred outflow	$ (3,288,000)
April 2015	50,000,000	Other liabilities	(1,278,000)	Deferred outflow	(3,770,000)
Aug 2016	50,000,000	Other assets	1,722,000	Deferred inflow	(4,518,000)
April 2017	50,000,000	Other liabilities	(3,173,000)	Deferred outflow	(4,577,000)
June 2017	50,000,000	Other liabilities	(1,600,000)	Deferred outflow	(4,310,000)
March 2018	50,000,000	Other liabilities	(4,493,000)	Deferred outflow	(4,448,000)
June 2018	50,000,000	Other liabilities	(4,826,000)	Deferred outflow	(4,506,000)
April 2019	50,000,000	Other liabilities	(4,001,000)	Deferred outflow	(4,001,000)
Sept 2019	50,000,000	Other assets	4,003,000	Deferred inflow	4,003,000
Oct 2019	50,000,000	Other assets	2,462,000	Deferred inflow	2,462,000
Dec 2019	45,000,000	Other assets	194,000	Deferred inflow	194,000

At December 31, 2019, 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 LIBOR-BBA interest rates decrease.

Using rates as of December 31, 2019, the interest expense of the variable rate federal funds, variable rate 1 month LIBOR and the net swap payments are as follows. As rates vary, the federal fund and 1 month LIBOR interest expense and the net swap payments will vary.

	Pay Fixed	Receive Variable		
Year Ended December 31:	Contract Interest	Federal Fund Interest	1-Month LIBOR Interest	Interest Rate Swap, net
2020	$ 10,856,000	$ 6,898,000	$ 1,800,000	$ 2,158,000
2021	10,856,000	6,898,000	1,800,000	2,158,000
2022	10,856,000	6,898,000	1,800,000	2,158,000
2023	10,706,000	6,724,000	1,800,000	2,183,000
2024	10,258,000	6,200,000	1,800,000	2,258,000
2025-2029	51,300,000	31,000,000	9,000,000	11,300,000
2030-2034	27,024,000	18,535,000	3,600,000	4,888,000
	$ 131,856,000	$ 83,153,000	$ 21,600,000	$ 27,103,000

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. The Agency cash flow hedges are pay-fixed. 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) 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, 2020, the Agency no swaps with a positive fair value. 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 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 Bank of New York Mellon, the 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, 2020, the Agency owed the swap providers a fixed rate on the notional amount of the swaps of $2,418,000 and the swap providers owed the Agency a variable rate on the notional amounts of $148,000 making the net payment that the Agency owed the swap providers $2,270,000.

Due to the difference in the variable rate indices, the swaps had a net negative fair value of $16,132,000 as of June 30, 2020. 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 outflow at June 30, 2020. 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 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, 2020. If a change occurs that results in the rates' moving to convergence, the expected cost savings may not be realized.

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 terminations 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, 2020 are as follows:

1.	Bond Series	2014 B	2015 C	2015 E	2015 F
2.	Issuance Date	6/24/2014	6/23/2015	5/1/2016	12/8/2015
3.	Maturity Date	7/1/2044	1/1/2046	7/1/2036	1/1/2047
4.	Notional Amount	$27,055,000	$17,700,000	$25,000,000	$21,000
5.	Variable-rate Bonds	$27,055,000	$17,700,000	$25,000,000	$21,000
6.	Fixed Rate	2.890%	2.486%	2.257%	2.320%
7.	LIBOR Percentage	65.80%	66.20%	66.40%	100.00%
8.	Additional Percentage	0.17%	0.10%	0.22%	0.00%
9.	Bonds Variable-rate	0.17000%	0.86000%	N/A	0.17000%
10.	Fair Value	$(877,000)	$(678,000)	$(590,000)	$(1,516,000)
11.	Percentage of LIBOR	0.27676%	0.20741%		0.16225%
12.	Synthetic Rate	2.78324%	3.13859%	2.25700%	2.32775%
13.	Actual Synthetic Rate	2.80395%	3.18580%		2.29989%
14.	Change in Fair Value	($38,000)	$(213,000)	$ -	$(1,333,000)
15.	Optional Termination Date	N/A	7/1/2020	7/1/2020	1/1/2025

1.	Bond Series	2017 C	2017 H	2018 C	2019 B
2.	Issuance Date	5/10/2017	12/21/2017	6/14/2018	2/13/2019
3.	Maturity Date	7/1/2047	7/1/2039	1/1/2049	1/1/2043
4.	Notional Amount	$20,545,000	$28,250,000	$9,355,000	$25,000
5.	Variable-rate Bonds	$20,545,000	$28,250,000	$9,355,000	$25,000
6.	Fixed Rate	2.783%	2.266%	3.515%	2.693%
7.	LIBOR Percentage	100.00%	66.40%	100.00%	70.00%
8.	Additional Percentage	0.00%	0.09%	0.00%	0.00%
9.	Bonds Variable-rate	0.17296%	0.13000%	0.1700%	0.53000%
10.	Fair Value	$(3,278,000)	$(2,500,000)	$(2,089,000)	$(2,129,000)
11.	Percentage of LIBOR	0.16225%	0.19773%	0.16225%	0.11358%
12.	Synthetic Rate	2.79321%	2.19827%	3.52275%	3.10893%
13.	Actual Synthetic Rate	2.74003%	2.25303%	3.47950%	3.09063%
14.	Change in Fair Value	$(2,140,000)	$(1,312,000)	$(968,000)	$(712,000)
15.	Optional Termination Date	7/1/2027	7/1/2023	7/1/2027	1/1/2024

1.	Bond Series	2019 E
2.	Issuance Date	6/25/2019
3.	Maturity Date	1/1/2050
4.	Notional Amount	$12,000
5.	Variable-rate Bonds	$12,000
6.	Fixed Rate	3.171%
7.	LIBOR Percentage	100.00%
8.	Additional Percentage	0.00%
9.	Bonds Variable-rate	0.1700%
10.	Fair Value	$(2,475,000)
11.	Percentage of LIBOR	0.16225%
12.	Synthetic Rate	3.17875%
13.	Actual Synthetic Rate	3.22608%
14.	Change in Fair Value	$(1,657,000)
15.	Optional Termination Date	7/1/2028

Using rates as of June 30, 2020, 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, 2020. 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 Principal	Variable-Rate Bond Interest	Interest Rate Swap, Net	Total
2021	$ 1,820	$ 470	$ 4,510	$ 6,800
2022	1,670	467	4,474	6,611
2023	1,530	465	4,440	6,435
2024	1,405	462	4,409	6,276
2025	2,330	459	4,367	7,156
2026-2030	24,865	2,219	20,215	47,299
2031-2035	38,985	2,067	16,451	57,503
2036-2040	60,005	1,451	10,004	71,460
2041-2045	42,245	452	3,553	46,250
2046-2050	9,310	33	562	9,905
2051-2055	260	-	-	260
	$ 184,425	$ 8,545	$ 72,985	$ 265,955

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, loans to political subdivisions in the state for infrastructure, 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 provide financing for commercialization of intellectual technology within the State and the agricultural industry. 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.

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 $1,000,000 per occurrence. The limit of liability of such reinsurance contract is no less than $1,000,000 during each twelve month period.

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 2020, a total of $88,374,676 in claims was recognized. The liability of $1,029,792,000 is the present value of the unpaid claim liability discounted at 4.5% 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 statutory liability of the State is limited to a total of $250,000 per person and $1,000,000 per occurrence. 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 lessor 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, 2019 and 2020:

Fiscal Year	Beginning Balance	Current Year Claims and Changes In Estimates	Claims Payments	Ending Balance
2019	$ 4,256,394	$ (175,718)	$ (313,674)	$ 3,767,002
2020	3,767,002	979,298	(999,937)	3,746,363

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. WCP pays separately for this coverage. Since the inception of WCP on July 1, 2001, forty-four claims exceeded coverage by $13,414,266.

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.

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, 2019 and 2020:

Fiscal Year	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2019	$ 4,861,686	$ 2,639,167	$ (3,142,217)	$ 4,358,636
2020	4,358,636	3,669,716	(3,089,624)	4,938,728

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 1,175 policies to participating entities for a total building and content coverage of $16.5 billion. The Bonding Fund is used to provide fidelity bonding of public employees and officials. The Fund has issued 1,890 policies to participating entities. The total coverage for the Bonding Fund is $728.7 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, 2020 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, 2020, coverage extended to the following employers:

Annual Premium	
$250 - $5,000	19,734
$5,001 - $50,000	4,124
$50,001 - $100,000	370
Over $100,000	346
Total Employers	24,574

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 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 4.5% 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, 2020, 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	$ 1,511,964	$ 1,629,797	$ 1,708,841
Present value basis, discounted at 4.5%	956,774	1,029,792	1,079,890

WSI has adjusted the estimated liability for unpaid loss and loss adjustment expense to the actuary's 4.5 percent discounted expected value of $1,029,792,000 at June 30, 2020.

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 2020 calendar year has two coverage levels, with retention limits of $10 million and $20 million. For the year ended June 30, 2020 WSI recorded ceded losses of $4,703,825 and ceded premiums of ($680,864).

For accident years December 1, 1999 to December 1, 2002, Munich Re provided treaty excess of loss reinsurance to WSI. In fiscal year 2020, Munich Re and WSI agreed to commute the remaining liabilities under these treaties. As a result of this commutation, cash increased by $50.5 million and approximately $40 million of ceded liabilities were assumed by WSI.

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	
	2020	2019	2020	2019	2020	2019
Unpaid claims and claims adjustment expenses at the beginning of the year	$ 678	$ 1,879	$ 98	$ 106	$ 1,090,944	$ 1,049,386
Incurred claims and claims adjustment expenses:						
Provision for current fiscal year	2,576	2,953	(2)	39	176,999	186,815
Change in provision for prior fiscal year	30	(610)	-	-	(88,508)	(89,573)
Payments and claims and adjustment expenses attributable to:						
Current fiscal year insured events	(2,253)	(3,217)	136	59	(41,898)	(42,252)
Prior fiscal years' insured events	-	(327)	(98)	(106)	(143,212)	(103,685)
Total Payments	(2,253)	(3,544)	38	(47)	(185,110)	(145,937)
Change in provision for discount	-	-	-	-	35,467	90,253
Total unpaid claims and claims adjustment expenses at the end of the year	$ 1,031	$ 678	$ 134	$ 98	$ 1,029,792	$ 1,090,944

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, 2020, the total outstanding balance on these contracts was $76.4 million.

MILL AND ELEVATOR

As of June 30, 2020, the Mill had commitments to purchase 2,723,592 bushels of spring wheat and 605,896 bushels of durum.

JOB SERVICE NORTH DAKOTA

As of June 30, 2020, the Agency has commitments to pay $1,202,226 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.

SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND

As of June 30, 2020, the Fund had one outstanding commitment totaling $10,000,000 to extend credit.

HOUSING INCENTIVE FUND

The Fund makes various commitments relating to construction projects to meet unmet housing needs across North Dakota. The Fund had $1,971,308 of signed commitments for construction projects as of June 30, 2020. The Fund had an $5,935,047 of HIF funds awarded for construction projects as of June 30, 2020. The total paid on these commitments as of June 30, 2020 was $3,963,739.

DEPARTMENT OF HUMAN SERVICES

As of June 30, 2020, the Department of Human Services had significant commitments for the purchase of various types of services totaling $415,639,614.

NORTH DAKOTA LOTTERY

The Lottery contracts with a third party to provide an online gaming system and related services through June 30, 2022. Total payment for these services during the year ended June 30, 2020 were $2.8 million based on 10.473% of ticket sales. The Lottery's future obligation through June 30, 2022 is based on 10.473% of ticket sales, there is no minimum fee or retainer fee.

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION

At June 30, 2020, the North Dakota Department of Transportation (Special Revenue Fund) had non-construction contract commitments of approximately $65.1 million. Construction commitments at June 30, 2020 totaled approximately $344.7 million, of which $188.6 million represents federal programs which are cost reimbursable. These commitments will be funded with future appropriations as work is performed.

NORTH DAKOTA DEVELOPMENT FUND

The board of directors has approved equity investments, loans, grants, and guaranty of collections at June 30, 2020, for which funds have not been disbursed or written agreements entered into in the amount of $2,985,186.

SMALL EMPLOYER LOAN FUND

The fund has 72 pending loan commitments totaling $2.8 million as of June 30, 2020.

INNOVATION TECHNOLOGY FUND

The fund has 3 pending loan commitments totaling $2.35 million as of June 30, 2020.

NORTH DAKOTA SOYBEAN COUNCIL

As of June 30, 2020, the North Dakota Soybean Council had significant commitments of approximately $3.6 million. This amount mainly consists of grants for the research and development of soybeans.

STATE WATER COMMISSION

As of June 30, 2020, the State Water Commission had long-term commitments of $366,839,730 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):

	Original Issue	Paid To Date	Amount To Be Paid
BSC	$ 561	$ 525	$ 36
DCB	807	58	749
DSU	607	412	195
LRSC	3,004	545	2,459
MaSU	124	-	124
MiSU	405	67	338
NDSCS	14,451	13,763	688
NDSU	76,168	26,539	49,629
UND	202,190	114,928	87,262
VCSU	18,310	2,257	16,053
WSC	8,432	5,640	2,792
Total	$ 325,059	164,734	$ 160,325

OTHER CONSTRUCTION COMMITMENTS

That State has entered into construction commitments. As of June 30, 2020, the following commitment exists on other construction contracts, in thousands:

Office of Management and Budget	$ 1,615
Secretary of State	214
Legislative Assembly	727
School for the Deaf	57
Health Department	207
Environmental Quality	332
Department of Human Services	20,986
Industrial Commission	2,592
Highway Patrol	1,597
Corrections and Rehab	51
Adjutant General	21,997
Game and Fish	345
Parks and Recreation	236
Department of Transportation	186,272

B. LITIGATION

The estimated loss in all of the litigation against the State in which a loss to the State that is reasonably possible to result in an unfavorable outcome is estimated to be $500,000.

C. 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, 2018, was completed and issued in March of 2019. As a result of this audit, approximately $1.9 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 $517.21 million as of June 30, 2020. The State recognized revenue of $21.16 million of tobacco settlement revenue during the year ended June 30, 2020. 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 – TERMINATION BENEFITS

UNIVERSITY SYSTEMS

Termination benefits are benefits provided to employees who are involuntarily or voluntarily terminated, as a result of budget reductions. Termination benefits agreements may include contract buyouts, retirement incentives, severance lump-sum payouts and continuing healthcare coverage for a designated period of time or a combination of these benefits. The agreement terms vary by institution. The outstanding liability is measured at the discounted present value and projected increases in health insurance rates.

The University Systems entered into voluntary termination agreements with 79 employees for a cost of $3.2 million in fiscal year 2020. The terms for these agreements range from one month to eighteen months. The University Systems recorded a liability at June 30, 2020 of $2.3 million for future payments.

During the same time-period, the University Systems entered into involuntary separation agreements with 28 employees for a cost of $559,000. The terms for these agreements range from one month to two months There is no future liability for these arrangements at June 30, 2020.

In fiscal year 2020, the University System incurred $2.2 million in expenses related to voluntary termination agreements entered into in prior fiscal years for 64 employees. The terms for these agreements range from one month to thirty-eight months. At June 30, 2020, the liability for future payments was $214,000.

NOTE 21 - SUBSEQUENT EVENTS

BUILDING AUTHORITY

Subsequent to year end, the Authority issued $88.585 million of bonds payable. The bonds have an interest rate of 5.00% and mature between 2021 and 2040.

BANK OF NORTH DAKOTA

In March of 2020, the COVID pandemic began to spread throughout the world causing major disruptions to world travel and commerce. This pandemic greatly impacted North Dakota businesses, particularly restaurants, bars, hotels, and airlines. It also impacted the energy industry as oil and gas prices plummeted due to the reduction in travel. BND started 2020 with a monthly Provision for Credit Loss of $400,000. Once the pandemic hit, economic factors within the model changed and BND increased that expense to $1 million per month in March and then increased the provision again in July to $2 million per month. In total, BND anticipates adding $16.8 million to Allowance for Credit Loss in 2020, compared to our original estimate of $4.8 million.

The 2015 Legislature authorized a transfer of up to $100 million from BND to fund an Infrastructure Loan Fund for ND Cities and Counties. They also transferred an additional $50 million from the Strategic Investment and Improvement Fund to this same revolving loan fund. So far, BND has committed to $198 million of infrastructure loans. The legislation mandated that the money from the Strategic Investment and Improvement Fund be used to fund the initial $50 million of commitments and the drawdown of up to $100 million from BND to fund activity over the initial $50 million. As of October 31, 2020, BND has transferred $48 million of its capital to fund its portion of the Infrastructure Loan Fund. In the 2019 Legislature, legislation passed to add up to $40 million of additional contribution from the Strategic Investment and Improvement Fund should oil tax collections exceed $755 million. Oil tax collections exceeded $780 million, which resulted in an additional contribution of $25 million to the Infrastructure Loan Fund. That $25 million will be spent prior to drawing the remaining $52 million from BND's retained earnings.

The 2019 Legislature allowed the Reinsurance Association to establish a credit line at the Bank in the amount of $25 million to provide reimbursements to member insurers. As of October 31, 2020, the Reinsurance Association has not applied for this line of credit.

Fuel Production Guarantee Program – The 2019 legislature approved $50 million from the Strategic Investment and Improvement Fund to be used to guarantee loans made under this program. BND received loan applications from 3 borrowers totaling $29.8 million due to the impact the pandemic had on ethanol production facilities in ND

SMALL EMPLOYER LOAN FUND

Subsequent to year end, the fund received applications for loans under this fund of approximately $27.2 million.

COVID-19 PACE RECOVERY PROGRAM

As of November 30, 2020, the Bank of North Dakota has received 227 applications totaling $223.5 million with an interest rate buydown of $28.3 million for program I and 753 applications totaling $18.5 million in grants under program II.

NORTH DAKOTA HOUSING FINANCE AGENCY

The Agency issued Series 2020B Housing Finance Program Bonds totaling $125 million. The bonds have an interest rate ranging from 0.20% to 2.05% and mature between 2021 and 2033. The Agency also issued Series 2015F Housing Finance Program Bonds totaling $25 million. The bonds have an interest rate of 2.32% and mature between 2021 and 2048.

UNIVERSITY SYSTEMS

On July 2, 2020, VCSU issued $3.2 million, Series 2020 Housing and Auxiliary Facilities Revenue Bonds. The bonds were issued in December 2019 and are included in these financial statements and notes. The proceeds are held in escrow and were used to refund the existing 2010 bonds on July 2, 2020. The bonds are collateralized by net housing and auxiliary facilities systems and mature in 2046.

NOTE 22 - NEW PRONOUNCEMENTS

The State implemented the following new pronouncement for fiscal year 2020:

GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which provided temporary relief to governments in light of the COVID-19 pandemic to postpone the effective dates of certain pronouncements.

The State will implement the following new pronouncements for fiscal years ending after 2020:

GASB Statement No. 84, *Fiduciary Activities*, provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to

recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

GASB Statement No. 90, *Majority Equity Interests*, establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement provides guidance for reporting when a government has majority equity interest in legally separate organizations. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. If government's holding of that equity interest meets the definition of an investment, as defined by GASB No. 72, the equity interest should be reported as an investment and measured using the equity method and not as a component unit of the government. If a government's holding of a majority interest in a legally separate organization does not meet the definition of an investment, the holding of the majority equity interest results in the government being financially accountable for the organization and therefore, the government should report the legally separate organization as a component unit. This Statement is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 92, *Omnibus 2020*, provides additional guidance to improve consistency of authoritative literature by addressing practice issues identified during the application of certain GASB statements. This statement provides accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activity of public entity risk pools, fair value measurements and derivative instruments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR), most notable, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. This statement provides exceptions and clarifications regarding hedging derivative instruments for such transactions that result from the replacement of IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The statement provides definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement

are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 96, *Subscription-Based Information* Arrangements provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, a government generally should recognize a right-to use subscription asset—an intangible asset—and a corresponding subscription liability. The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* provides additional guidance for determining whether a primary government is financially accountable for a potential component unit. This Statement requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities,* be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans,* or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* respectively. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

Management has not yet determined the effect these Statements will have on the State's financial statements.

Required Supplementary Information

STATE OF NORTH DAKOTA

Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Approved Budget 2019-2021 Biennium	Appropriation Adjustments 2019-2021 Biennium	Adjusted Budget 2019-2021 Biennium	Actual Biennium To Date Thru 6-30-20	Difference Uncollected/ Unspent Thru 6-30-20
Budgetary Fund Balance, July 1	$ 65,000,000	$ -	$ 65,000,000	$ 801,236,291	$ 736,236,291
Resources (Inflows):					
Sales and Use Tax	1,868,262,000	-	1,868,262,000	970,559,564	(897,702,436)
Income Tax	935,573,000	-	935,573,000	443,660,636	(491,912,364)
Financial Institutions Tax	-	-	-	-	-
Oil And Gas Production Tax	198,930,000	-	198,930,000	209,211,929	10,281,929
Oil Extraction Tax	201,070,000	-	201,070,000	141,402,989	(59,667,011)
Insurance Premium Tax	72,944,050	-	72,944,050	52,582,711	(20,361,339)
Cigarette, Cigar and Tobacco Tax	47,838,000	-	47,838,000	25,203,505	(22,634,495)
Wholesale Liquor Tax	18,703,000	-	18,703,000	9,115,734	(9,587,266)
Coal Conversion Tax	41,438,000	-	41,438,000	21,098,724	(20,339,276)
Gaming Tax	7,511,200	-	7,511,200	12,304,238	4,793,038
Lottery	12,245,000	-	12,245,000	4,100,000	(8,145,000)
Department Fees and Collections	91,521,566	-	91,521,566	37,871,865	(53,649,701)
Mineral Leasing Fees	38,000,000	-	38,000,000	23,718,886	(14,281,114)
Motor Vehicle Excise Tax	249,951,800	-	249,951,800	119,506,814	(130,444,986)
Interest on Public Funds	10,000,000	-	10,000,000	11,272,315	1,272,315
Gas Tax Administration	1,991,024	-	1,991,024	995,906	(995,118)
Transfers In	1,026,981,000	-	1,026,981,000	467,285,900	(559,695,100)
Total Revenue Inflows	4,822,959,640	-	4,822,959,640	2,549,891,716	(2,273,067,924)
					-
Amounts Available for Appropriation	4,887,959,640	-	4,887,959,640	3,351,128,007	(1,536,831,633)
Charges to Appropriations (Outflows):					
General Government:					
Governor's Office	4,492,106	9,459	4,501,565	2,022,271	2,479,294
Secretary of State	5,365,785	1,258,207	6,623,992	2,977,601	3,646,391
Secretary of State Public Printing	257,278	-	257,278	190,892	66,386
Office of Management and Budget	33,215,852	3,487,004	36,702,856	15,597,752	21,105,104
Information Technology	28,565,311	15,000	28,580,311	18,148,322	10,431,989
State Auditor	10,122,860	(13,928)	10,108,932	4,441,437	5,667,495
State Treasurer	1,746,370	20,000	1,766,370	808,710	957,660
Attorney General	45,804,596	198,890	46,003,486	21,179,258	24,824,228
Tax Department	54,071,616	-	54,071,616	26,782,489	27,289,127
Legislative Assembly	15,825,515	814,987	16,640,502	4,775,710	11,864,792
Legislative Council	13,045,074	3,897,587	16,942,661	5,375,672	11,566,989
Supreme Court	107,503,043	-	107,503,043	49,647,464	57,855,579
Legal Counsel for Indigents	18,384,627	-	18,384,627	9,039,756	9,344,871
Ethics Commission	517,155	-	517,155	164,864	352,291
Education:					
Public Instruction	1,721,361,137	859,729	1,722,220,866	806,647,102	915,573,764
State Library	5,781,419	-	5,781,419	2,711,593	3,069,826
School for the Deaf	7,528,850	209,115	7,737,965	3,671,612	4,066,353
School for the Blind	4,717,989	-	4,717,989	2,203,838	2,514,151
Vocational Education	40,064,988	-	40,064,988	19,189,237	20,875,751
Health & Human Services:					
Dept. of Health	36,360,590	(10,197)	36,350,393	14,925,902	21,424,491
Dept. of Environmental Quality	12,480,922	-	12,480,922	4,599,734	7,881,188
Veteran's Home	5,679,324	-	5,679,324	218,690	5,460,634
Indian Affairs Commission	1,098,639	-	1,098,639	523,432	575,207
Veteran's Affairs	1,416,430	50,000	1,466,430	604,670	861,760
Dept. of Human Services-Management	64,690,274	4,923,593	69,613,867	37,124,152	32,489,715
Dept. of Human Services-Program and Policy	1,182,910,545	2,179,226	1,185,089,771	555,091,520	629,998,251
Dept. of Human Services-Centers	127,690,608	(3,232,924)	124,457,684	68,355,325	56,102,359
Dept. of Human Services-Institutions	87,372,060	7,528,264	94,900,324	47,510,600	47,389,724
Dept. of Human Services-County Social Service	-	1,000	1,000	76	924
Protection and Advocacy	3,312,565	-	3,312,565	1,474,751	1,837,814
Job Service	430,624	-	430,624	206,716	223,908
Regulatory:					
Industrial Commission	27,449,198	-	27,449,198	12,307,787	15,141,411
Labor Commission	2,395,169	-	2,395,169	1,055,597	1,339,572
Public Service Commission	6,714,928	-	6,714,928	2,830,306	3,884,622
Public Safety and Corrections:					
Highway Patrol	44,295,405	-	44,295,405	23,339,035	20,956,370
Corrections & Rehab	229,678,076	2,258,920	231,936,996	114,935,511	117,001,485
Adjutant General	27,571,197	1,034,626	28,605,823	11,875,462	16,730,361
Agriculture & Commerce:					
Department of Commerce	40,191,721	30,834,701	71,026,422	19,904,333	51,122,089
Department of Agriculture	10,910,429	1,400	10,911,829	4,505,084	6,406,745
State Fair	542,833	-	542,833	271,417	271,416
Racing Commision	399,072	-	399,072	183,765	215,307
Natural Resources:					
Historical Society	18,965,691	659,035	19,624,726	8,733,252	10,891,474
Council on the Arts	1,606,204	12,480	1,618,684	723,110	895,574
Parks and Recreation	14,343,129	2,937,368	17,280,497	7,903,109	9,377,388
Transportation:					
Aeronautics Commission	500,000	-	500,000	479,616	20,384
Department of Transportation	2,500,000	13,000,000	15,500,000	12,782,676	2,717,324
Transfers Out	773,685,962	55,708,401	829,394,363	399,099,258	430,295,105
Total Charges to Appropriations	4,843,563,166	128,641,943	4,972,205,109	2,347,140,466	2,625,064,643
Ending Budgetary Fund Balance	$ 44,396,474	$ (128,641,943)	$ (84,245,469)	$ 1,003,987,541	$ 1,088,233,010

Required Supplemental Information
Budgetary Comparison Schedule
Budget to GAAP Reconciliation
General Fund
For the Fiscal Year Ended June 30, 2020

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	2,549,891,716
Differences-Budget to GAAP:	
The period of availability for revenue recognition for budget purposes differs from the GAAP basis.	(41,428,409)
Funds considered General funds for GAAP but not for Budget	1,093,615,792
Certain due from other funds are recorded under GAAP, but not Budget	(6,511,787)
Reimbursement activity between state agencies is eliminated only for GAAP	(390,558)
Proceeds are recorded for new capital leases on GAAP, but not for Budget	65,787
Repayment received on loan receivable are revenue for Budget to GAAP	1,942,904
Total revenues, capital lease acquisitions, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	$ 3,597,185,445
Uses/Outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	2,347,140,466
Differences-Budget to GAAP:	
Estimated liabilities are recorded as expenditures for GAAP but not for Budget	(1,302,811)
Funds considered General funds for GAAP but not for Budget	105,139,800
New capital leases are recorded as expenditures for GAAP, but not for Budget	65,787
Certain due to other funds are recorded under GAAP, but not for Budget	3,859,411
Total expenditures, sale of capital assets, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	$ 2,454,902,653

STATE OF NORTH DAKOTA

Required Supplemental Information
Budgetary Comparison Schedule
Federal Fund
For the Fiscal Year Ended June 30, 2020

	Approved Budget 2019-2021 Biennium	Appropriation Adjustments 2019-2021 Biennium	Adjusted Budget 2019-2021 Biennium	Actual Biennium To Date Thru 6-30-20	Difference Uncollected/ Unspent Thru 6-30-20
Budgetary Fund Balance, July 1	$ -	$ -	$ -	-	$ -
Resources (Inflows):					
Other Budgeted Income	3,860,384,849	746,373,634	4,606,758,483	1,888,466,071	(2,718,292,412)
Total Revenue Inflows	3,860,384,849	746,373,634	4,606,758,483	1,888,466,071	(2,718,292,412)
Amounts Available for Appropriation	3,860,384,849	746,373,634	4,606,758,483	1,888,466,071	2,718,292,412
Charges to Appropriations (Outflows):					
General Government:					
Governor's Office	-	18,085	18,085	18,083	2
Secretary of State	3,000,000	3,000,000	6,000,000	589,964	5,410,036
Office of Management and Budget	-	119,700	119,700	57,502	62,198
Information Technology	2,078,179	66,868,226	68,946,405	755,568	68,190,837
State Auditor	1,337,614	13,903	1,351,517	618,680	732,837
State Treasurer	-	10,898,581	10,898,581	3,932,546	6,966,035
Attorney General	15,052,872	2,832,872	17,885,744	4,811,772	13,073,972
Tax Department	125,000	81,601	206,601	26,257	180,344
Legislative Assembly	-	2,000,000	2,000,000	20,081	1,979,919
Legislative Council	-	100,000	100,000	1,221	98,779
Supreme Court	1,659,596	26,383	1,685,979	782,470	903,509
Education:					
Public Instruction	322,916,553	54,393,798	377,310,351	165,702,940	211,607,411
Land Department	-	120,000	120,000	17,061	102,939
State Library	2,287,102	420,000	2,707,102	1,144,294	1,562,808
School for the Deaf	100,512	-	100,512	34,014	66,498
Vocational Education	11,498,147	-	11,498,147	5,108,098	6,390,049
Health & Human Services:					
Dept. of Health	102,021,319	117,102,326	219,123,645	67,171,043	151,952,602
Dept. of Environmental Quality	28,085,602	(1,110,256)	26,975,346	10,333,891	16,641,455
Veteran's Home	-	321,428	321,428	252,916	68,512
Veteran's Affairs	1,377,157	2,860	1,380,017	711,568	668,449
Dept. of Human Services-Management	95,048,395	51,306,162	146,354,557	61,386,458	84,968,099
Dept. of Human Services-Program and Policy	2,093,626,737	113,238,999	2,206,865,736	1,029,740,105	1,177,125,631
Dept. of Human Services-Centers	57,430,698	(1,218,592)	56,212,106	25,328,930	30,883,176
Dept. of Human Services-Institutions	29,584,449	(944,468)	28,639,981	18,175,429	10,464,552
Dept. of Human Services-County Social Service	-	285,000	285,000	17,093	267,907
Protection and Advocacy	3,994,135	-	3,994,135	1,704,979	2,289,156
Job Service	64,364,900	-	64,364,900	23,455,409	40,909,491
Regulatory:					
Insurance Department	177,500	21,832,700	22,010,200	277,266	21,732,934
Industrial Commission	238,004	66,351,512	66,589,516	166,158	66,423,358
Labor Commission	480,681	49,000	529,681	311,441	218,240
Public Service Commission	10,894,458	-	10,894,458	3,659,651	7,234,807
Public Safety and Corrections:					
Highway Patrol	6,610,415	404,094	7,014,509	2,876,767	4,137,742
Corrections & Rehab	16,663,970	6,078,598	22,742,568	7,601,191	15,141,377
Adjutant General	105,408,847	101,699,897	207,108,744	59,574,334	147,534,410
Agriculture & Commerce:					
Department of Commerce	44,070,416	84,065,554	128,135,970	22,421,168	105,714,802
Department of Agriculture	12,213,665	9,095,000	21,308,665	4,923,889	16,384,776
Racing Commision	-	1,000	1,000	-	1,000
Natural Resources:					
Historical Society	3,194,252	20,000	3,214,252	703,579	2,510,673
Council on the Arts	1,675,407	421,700	2,097,107	1,114,727	982,380
Game and Fish	36,873,632	502,993	37,376,625	15,334,191	22,042,434
Parks and Recreation	7,321,876	96,547	7,418,423	1,443,593	5,974,830
Water Commission	39,123,284	-	39,123,284	15,544,798	23,578,486
Transportation:					
Aeronautics Commission	935,000	-	935,000	18,850	916,150
Department of Transportation	738,914,475	35,878,431	774,792,906	330,596,096	444,196,810
Total Charges to Appropriations	3,860,384,849	746,373,634	4,606,758,483	1,888,466,071	2,718,292,412.00
Ending Budgetary Fund Balance	$ -	$ -	$ -	$ -	$ -

Required Supplemental Information
Budgetary Comparison Schedule
Budget to GAAP Reconciliation
Federal Fund
For the Fiscal Year ended June 30, 2020

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	1,888,466,071
Differences-Budget to GAAP:	
The period of availability for revenue recognition for budget purposes differs from the GAAP basis.	23,749,928
Total revenues, capital lease acquisitions, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	$ 1,912,215,999
Uses/Outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	1,888,466,071
Differences-Budget to GAAP:	
Estimated liabilities are recorded as expenditures for GAAP but not for Budget	63,478,807
New Loans issued are expenditures for Budget but not for GAAP	(1,924,917)
GAAP, but not Budget expenditures are reduced by year end inventory balances	20,922,389
Intrafund activity eliminated for GAAP	(61,788,705)
Certain due to other funds are recorded under GAAP, but not for Budget	1,843,458
Total expenditures, sale of capital assets, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	$ 1,910,997,103

STATE OF NORTH DAKOTA

Required Supplemental Information
Budgetary Comparison Schedule
State Fund
For the Fiscal Year Ended June 30, 2020

	Approved Budget 2019-2021 Biennium	Appropriation Adjustments 2019-2021 Biennium	Adjusted Budget 2019-2021 Biennium	Actual Biennium To Date Thru 6-30-20	Difference Uncollected/ Unspent Thru 6-30-20
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -	$ -
Resources (Inflows):					
Other Budgeted Income	3,236,641,019	282,595,078	3,519,236,097	1,121,500,763	(2,397,735,334)
Total Revenue Inflows	3,236,641,019	282,595,078	3,519,236,097	1,121,500,763	(2,397,735,334)
Amounts Available for Appropriation	3,236,641,019	282,595,078	3,519,236,097	1,121,500,763	(2,397,735,334)
Charges to Appropriations (Outflows):					
General Government:					
Governor's Office	-	232,448.00	232,448.00	175,145.00	57,303.00
Secretary of State	12,431,641.00	-	12,431,641.00	9,106,010.00	3,325,631.00
Office of Management & Budget	17,136,515.00	(398,606.00)	16,737,909.00	6,203,404.00	10,534,505.00
Information Technology	318,954,155.00	43,555,133.00	362,509,288.00	93,140,172.00	269,369,116.00
State Auditor	2,835,564.00	-	2,835,564.00	949,790.00	1,885,774.00
State Treasurer	35,000.00	-	35,000.00	13,083.00	21,917.00
Attorney General	24,051,368.00	690,846.00	24,742,214.00	9,669,158.00	15,073,056.00
Tax Department	-	5,642.00	5,642.00	5,642.00	-
Administrative Hearings	2,830,664.00	-	2,830,664.00	1,279,026.00	1,551,638.00
Legislative Assembly	140,000.00	-	140,000.00	54,360.00	85,640.00
Legislative Council	70,000.00	-	70,000.00	30,565.00	39,435.00
Supreme Court	1,452,701.00	-	1,452,701.00	220,351.00	1,232,350.00
Legal Counsel for Indigents	1,990,035.00	-	1,990,035.00	412,037.00	1,577,998.00
Education:					
Public Instruction	494,637,190.00	-	494,637,190.00	248,987,261.00	245,649,929.00
Land Department	10,458,401.00	42,589,772.00	53,048,173.00	24,228,434.00	28,819,739.00
State Library	87,259.00	-	87,259.00	31,651.00	55,608.00
School for the Deaf	2,599,846.00	116,912.00	2,716,758.00	767,985.00	1,948,773.00
School for the Blind	1,332,815.00	-	1,332,815.00	475,271.00	857,544.00
Vocational Education	3,204,974.00	-	3,204,974.00	965,389.00	2,239,585.00
Health & Human Services:					
Dept. of Health	21,897,914.00	3,562,000.00	25,459,914.00	10,106,916.00	15,352,998.00
Dept. of Environmental Quality	18,147,972.00	1,197,914.00	19,345,886.00	6,066,841.00	13,279,045.00
Veteran's Home	19,275,822.00	165,500.00	19,441,322.00	11,715,321.00	7,726,001.00
Dept. of Human Services-Management	8,758,351.00	6,940,217.00	15,698,568.00	1,621,905.00	14,076,663.00
Dept. of Human Services-Program and Policy	138,941,401.00	36,250,525.00	175,191,926.00	33,116,143.00	142,075,783.00
Dept. of Human Services-Centers	19,579,837.00	(1,531,395.00)	18,048,442.00	5,385,959.00	12,662,483.00
Dept. of Human Services-Institutions	27,490,636.00	(126,686.00)	27,363,950.00	7,181,647.00	20,182,303.00
Dept. of Human Services-County Social Service	173,700,000.00	-	173,700,000.00	80,433,044.00	93,266,956.00
Job Service	890,670.00	-	890,670.00	98,629.00	792,041.00
Regulatory:					
Insurance Department	28,557,203.00	(344,350.00)	28,212,853.00	13,394,517.00	14,818,336.00
Industrial Commission	17,755,786.00	972,251.00	18,728,037.00	9,268,369.00	9,459,668.00
Public Service Commission	1,714,018.00	-	1,714,018.00	348,426.00	1,365,592.00
Finanacial Institutions	9,135,872.00	-	9,135,872.00	3,761,205.00	5,374,667.00
Securities Commission	2,757,119.00	-	2,757,119.00	1,166,888.00	1,590,231.00
Public Safety and Corrections:					
Highway Patrol	10,588,283.00	80,000.00	10,668,283.00	832,530.00	9,835,753.00
Corrections & Rehab	25,291,919.00	935,907.00	26,227,826.00	9,233,147.00	16,994,679.00
Adjutant General	15,076,195.00	34,076,372.00	49,152,567.00	5,184,177.00	43,968,390.00
Agriculture & Commerce:					
Department of Commerce	14,352,877.00	2,660,636.00	17,013,513.00	4,167,936.00	12,845,577.00
Department of Agriculture	18,108,741.00	250,000.00	18,358,741.00	5,221,420.00	13,137,321.00
Racing Commission	165,965.00	-	165,965.00	60,664.00	105,301.00
Natural Resources:					
Historical Society	85,000.00	-	85,000.00	-	85,000.00
Council of Arts	63,515.00	62,500.00	126,015.00	32,707.00	93,308.00
Game and Fish	48,430,000.00	2,270,311.00	50,700,311.00	19,469,668.00	31,230,643.00
Parks and Recreation	21,369,977.00	654,276.00	22,024,253.00	5,696,355.00	16,327,898.00
Water Commission	929,030,807.00	(33,136,750.00)	895,894,057.00	155,064,791.00	740,829,266.00
Transportation:					
Aeronautics Commission	47,896,082.00	2,362,337.00	50,258,419.00	3,922,168.00	46,336,251.00
Department of Transportation	723,330,929.00	138,501,366.00	861,832,295.00	332,234,656.00	529,597,639.00
Total Charges to Appropriations	3,236,641,019.00	282,595,078.00	3,519,236,097.00	1,121,500,763.00	2,397,735,334.00
Ending Budgetary Fund Balance	$ -	$ -	$ -	$ -	$ -

Required Supplemental Information
Budgetary Comparison Schedule
Budget to GAAP Reconciliation
State Fund
For the Fiscal Year ended June 30, 2020

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	1,121,500,763
Differences-Budget to GAAP:	
The period of availability for revenue recognition for budget purposes differs from the GAAP basis.	805,415,275
Total revenues, capital lease acquisitions, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	$ 1,926,916,038
Uses/Outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	1,121,500,763
Differences-Budget to GAAP:	
Estimated liabilities are recorded as expenditures for GAAP but not for Budget	1,716,307,056
New Loans issued are expenditures for Budget but not for GAAP	1,661,972
GAAP, but not Budget expenditures are reduced by year end inventory balances	283,442
Intrafund activity eliminated for GAAP	(531,624,509)
Certain due to other funds are recorded under GAAP, but not for Budget	(945,822)
Total expenditures, sale of capital assets, and transfers as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	$ 2,307,182,902

Note To Required Supplemental Information - Budgetary Reporting

For the Fiscal Year Ended June 30, 2020

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 2019-2021 Biennium Budget and Actual Detail (Budgetary Basis) For the Fiscal Year Ended June 30, 2020." This budget information is available through the Office of Management and Budget, 600 East Boulevard Ave Dept. 110, Bismarck, ND 58505. For the 2019-2021 biennium there were general, federal, and special fund supplemental appropriations of $1,157,610,655.

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, 2020, for the General Fund, Federal Fund, and State Fund is on the previous pages.

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
2020	48.640060%	$570,358	$569,875	$1,506,252	100.08%	72.53%
2019	50.378759%	859,160	569,979	1,496,340	150.74%	63.53%
2018	51.879909%	833,182	588,960	1,415,199	141.47%	62.65%
2017	53.421343%	520,338	566,915	1,290,070	91.78%	71.10%
2016	54.824190%	365,845	494,732	1,300,271	73.95%	77.70%
2015	55.154588%	348,760	477,406	1,258,398	73.05%	78.17%

*Complete data for this schedule is not available prior to 2015. 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
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%
2015	37,076	(37,571)	(495)	494,732	7.59%

*Complete data for this schedule is not available prior to 2015.

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
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%
2015	100.00%	9,766	9,348	65,667	104.47%	87.05%

*Complete data for this schedule is not available prior to 2015. 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
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%
2015	2,002	(2,002)	-	10,146	19.73%

*Complete data for this schedule is not available prior to 2015.

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
2020	100.00%	$ (31,006)	$417	$97,203	(7,443.56) %	146.84%
2019	100.00%	(27,459)	471	95,588	(6,590.37) %	140.30%
2018	100.00%	(33,636)	563	97,265	(5,974.42) %	152.86%
2017	100.00%	(35,329)	565	96,534	(6,252.92) %	157.72%
2016	100.00%	(32,893)	674	96,283	(4,880.27) %	151.89%
2015	100.00%	(32,650)	753	97,697	(4,335.99) %	150.20%

*Complete data for this schedule is not available prior to 2015. 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
2020	$ -	$ -	$ -	$ 386	0.00%
2019	-	-	-	417	0.00%
2018	-	-	-	471	0.00%
2017	-	-	-	563	0.00%
2016	-	-	-	565	0.00%
2015	-	-	-	674	0.00%

*Complete data for this schedule is not available prior to 2015.

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
2020	0.626693%	$8,631	$4,252	$16,395	202.99%	65.50%
2019	0.665791%	8,874	4,397	16,849	201.82%	65.50%
2018	0.652945%	8,968	4,294	15,413	208.85%	63.20%
2017	0.666339%	9,762	4,329	14,155	225.50%	59.20%
2016	0.678409%	8,873	4,173	14,531	212.63%	62.10%
2015	0.616525%	6,460	3,576	12,891	180.65%	66.60%

*Complete data for this schedule is not available prior to 2015. 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
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%
2015	532	(532)	-	4,173	12.75%

*Complete data for this schedule is not available prior to 2015.

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
2020	49.778349%	$39,178	$561,580	$68,451	6.98%	63.13%
2019	50.731122%	39,954	563,479	64,888	7.09%	61.89%
2018	51.545839%	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
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.

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)

	2020	2019	2018	2017
Total pension liability (asset)				
Service cost	$ 135,139	$ 172,184	$ 164,018	$ 113,148
Interest	317,129	294,701	279,835	269,771
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	213,457	(210,896)	(65,346)	(3,612)
Changes of assumptions	1,663,289	(464,473)	125,225	741,492
Benefit payments, including refund of employee contributions	(218,554)	(197,758)	(182,522)	(162,992)
Net change in total pension liability (asset)	2,110,460	(406,242)	321,210	957,807
Total pension liability (asset) - beginning	4,269,340	4,675,582	4,354,372	3,396,565
Total pension liability (asset) - ending (a)	$ 6,379,800	$ 4,269,340	$ 4,675,582	$ 4,354,372
Plan fiduciary net position				
Contributions - employer	$ 85,504	$ 81,588	$ 80,727	$ 78,934
Contributions - employee	81,478	78,213	77,486	76,007
Contributions - service credit repurchase	10,819	7,220	19,985	11,805
Contributions - other	-	-	-	-
Net investment income	101,106	159,824	249,165	311,761
Transfers from other plans	(3)	(5)	(24)	32
Benefit payments, including refund of employee contributions	(218,554)	(197,758)	(182,522)	(162,992)
Administrative expense	(2,730)	(2,531)	(2,473)	(2,607)
Net change in plan fiduciary net position	57,620	126,551	242,344	312,940
Plan fiduciary net position - beginning	3,096,731	2,970,180	2,727,836	2,414,896
Plan fiduciary net position - ending (b)	$ 3,154,351	$ 3,096,731	$ 2,970,180	$ 2,727,836
Net pension liability (asset) - ending (a) - (b)	$ 3,225,449	$ 1,172,609	$ 1,705,402	$ 1,626,536
Plan fiduciary net position as a percentage of the total pension liability (asset)	49.44%	72.53%	63.53%	62.65%
Covered payroll	$ 1,167,768	$ 1,098,416	$ 1,075,958	$ 1,063,372
Plan net pension liability (asset) as a percentage of covered payroll	276.21%	106.75%	158.50%	152.96%

*Complete data for this schedule is not available prior to 2014.

2016	2015	2014
$ 126,444	$ 104,158	$ 94,611
243,285	236,420	218,719
-	2	-
15,915	4,396	25,783
108,139	(76,152)	-
(149,664)	(134,930)	(119,886)
344,119	133,894	219,227
3,052,446	2,918,552	2,699,325
$ 3,396,565	$ 3,052,446	$ 2,918,552
$ 77,080	$ 70,842	$ 61,661
74,219	68,392	59,394
9,179	6,652	8,325
-	-	-
11,334	81,537	316,630
23,575	-	-
(149,664)	(134,930)	(119,886)
(2,538)	(2,365)	(2,211)
43,185	90,128	323,913
2,371,711	2,281,583	1,957,670
$ 2,414,896	$ 2,371,711	$ 2,281,583
$ 981,669	$ 680,735	$ 636,969
77.70%	77.70%	78.18%
$ 973,536	$ 973,536	$ 888,452
69.92%	69.92%	71.69%

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)

	2020	2019	2018	2017
Total pension liability (asset)				
Service cost	$ 2,878	$ 2,818	$ 2,738	$ 2,701
Interest	7,869	7,527	7,203	6,951
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	729	(68)	(621)	22
Changes of assumptions	66,142	3,043	-	1,257
Benefit payments, including refund of employee contributions	(5,704)	(5,391)	(4,981)	(4,806)
Net change in total pension liability (asset)	71,914	7,929	4,339	6,125
Total pension liability (asset) - beginning	106,315	98,386	94,047	87,922
Total pension liability (asset) - ending (a)	$ 178,229	$ 106,315	$ 98,386	$ 94,047
Plan fiduciary net position				
Contributions - employer	$ 2,177	$ 2,091	$ 2,153	$ 2,156
Contributions - employee	1,470	1,412	1,453	1,456
Contributions - service credit repurchase	205	168	282	249
Contributions - other	-	-	-	-
Net investment income	2,667	4,251	6,716	8,500
Benefit payments, including refund of employee contributions	(5,705)	(5,391)	(4,981)	(4,806)
Administrative expense	(46)	(44)	(30)	(30)
Net change in plan fiduciary net position	768	2,487	5,593	7,525
Plan fiduciary net position - beginning	81,416	78,929	73,336	65,811
Plan fiduciary net position - ending (b)	$ 82,184	$ 81,416	$ 78,929	$ 73,336
Net pension liability (asset) - ending (a) - (b)	$ 96,045	$ 24,899	$ 19,457	$ 20,711
Plan fiduciary net position as a percentage of the total pension liability (asset)	46.11%	76.58%	80.22%	77.98%
Covered payroll	$ 11,410	$ 10,354	$ 10,737	$ 10,629
Plan net pension liability (asset) as a percentage of covered payroll	841.78%	240.48%	181.21%	194.84%

*Complete data for this schedule is not available prior to 2014.

2016	2015	2014
$ 2,226	$ 2,038	$ 1,894
6,311	6,008	5,750
-	-	-
40	984	(300)
3,946	395	-
(4,713)	(4,746)	(3,784)
7,810	4,679	3,560
80,112	75,433	71,873
$ 87,922	$ 80,112	$ 75,433
$ 2,127	$ 2,002	$ 1,865
1,436	1,352	1,243
-	97	87
-	-	-
317	2,335	9,240
(4,713)	(4,746)	(3,784)
(32)	(31)	(28)
(865)	1,009	8,623
66,676	65,667	57,044
$ 65,811	$ 66,676	$ 65,667
$ 22,111	$ 13,436	$ 9,766
83.23%	83.23%	87.05%
$ 6	$ 6	$ 9,348
132.44%	132.44%	104.47%

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)

	2020	2019	2018	2017
Total pension liability (asset)				
Service cost	$ 57	$ 70	$ 80	$ 56
Interest	3,038	3,130	3,501	4,130
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	(1,122)	(505)	(310)	(1,648)
Changes of assumptions	540	-	5,812	4,421
Benefit payments, including refund of employee contributions	(4,582)	(4,627)	(4,583)	(4,534)
Net change in total pension liability (asset)	(2,069)	(1,932)	4,500	2,425
Total pension liability (asset) - beginning	66,197	68,129	63,629	61,204
Total pension liability (asset) - ending (a)	$ 64,128	$ 66,197	$ 68,129	$ 63,629
Plan fiduciary net position				
Contributions - employer	$ -	$ -	$ -	$ -
Contributions - employee	27	29	33	39
Contributions - service credit repurchase	-	-	-	-
Contributions - other	-	-	-	-
Net investment income	2,621	6,230	2,919	5,239
Benefit payments, including refund of employee contributions	(4,582)	(4,627)	(4,583)	(4,534)
Administrative expense	(19)	(17)	(46)	(13)
Net change in plan fiduciary net position	(1,953)	1,615	(1,677)	731
Plan fiduciary net position - beginning	97,203	95,588	97,265	96,534
Plan fiduciary net position - ending (b)	$ 95,250	$ 97,203	$ 95,588	$ 97,265
Net pension liability (asset) - ending (a) - (b)	$ (31,122)	$ (31,006)	$ (27,459)	$ (33,636)
Plan fiduciary net position as a percentage of the total pension liability (asset)	148.53%	146.84%	140.30%	152.86%
Covered payroll	$ 315	$ 417	$ 417	$ 499
Plan net pension liability (asset) as a percentage of covered employee payroll	-9892.34%	-7443.56%	-6590.37%	-6746.56%

*Complete data for this schedule is not available prior to 2014.

2016	2015	2014
$ 71	$ 128	$ 88
4,281	5,026	5,107
-	-	-
(2,007)	(1,806)	(1,607)
70	(310)	-
(4,601)	(4,694)	(4,595)
(2,186)	(1,656)	(1,007)
63,390	65,046	66,053
$ 61,204	$ 63,390	$ 65,046
$ -	$ -	$ -
44	50	56
-	-	-
-	-	-
4,840	3,260	11,888
(4,601)	(4,694)	(4,595)
(32)	(30)	(31)
251	(1,414)	7,318
96,283	97,697	90,379
$ 96,534	$ 96,283	$ 97,697
$ (35,330)	$ (32,893)	$ (32,651)
157.72%	151.89%	150.20%
$ 567	$ 791	$ 843
-6256.45%	-4160.24%	-3874.93%

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)

	2020	2019	2018	2017
Total pension liability (asset)				
Service cost	$ 80,591	$ 77,756	$ 78,041	$ 75,476
Interest	306,791	296,876	287,375	276,412
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	(20,732)	(23,495)	(27,939)	(10,749)
Changes of assumptions	51,813	-	-	-
Benefit payments, including refund of employee contributions	(230,851)	(221,228)	(207,979)	(196,516)
Net change in total pension liability (asset)	187,612	129,909	129,498	144,623
Total pension liability (asset) - beginning	3,993,424	3,863,515	3,734,017	3,589,394
Total pension liability (asset) - ending (a)	$ 4,181,036	$ 3,993,424	$ 3,863,515	$ 3,734,017
Plan fiduciary net position				
Contributions - employer	$ 93,032	$ 89,445	$ 86,676	$ 86,059
Contributions - employee	85,735	82,429	79,878	79,309
Contributions - service credit repurchase	2,175	1,917	2,181	2,553
Contributions - other	159	159	194	236
Net investment income	86,206	135,043	211,345	266,688
Benefit payments, including refund of employee contributions	(230,851)	(221,228)	(207,979)	(196,516)
Administrative expense	(2,095)	(2,251)	(2,129)	(2,173)
Net change in plan fiduciary net position	34,361	85,514	170,166	236,156
Plan fiduciary net position - beginning	2,616,171	2,530,657	2,360,491	2,124,335
Plan fiduciary net position - ending (b)	$ 2,650,532	$ 2,616,171	$ 2,530,657	$ 2,360,491
Net pension liability (asset) - ending (a) - (b)	$ 1,530,504	$ 1,377,253	$ 1,332,858	$ 1,373,526
Plan fiduciary net position as a percentage of the total pension liability (asset)	63.40%	65.50%	65.50%	63.20%
Covered payroll	$ 729,661	$ 701,528	$ 679,809	$ 674,971
Plan net pension liability (asset) as a percentage of covered payroll	209.80%	196.10%	196.10%	203.50%

*Complete data for this schedule is not available prior to 2014.

**Restated in 2015 due to GASB 68 implementation.

2016	2015	2014
$ 68,239	$ 60,618	$ 56,752
265,440	249,064	237,821
-	-	-
(8,093)	2,209	9,347
-	171,325	-
(185,969)	(172,239)	(162,259)
139,617	310,977	141,661
3,449,777	3,138,800	2,997,139
$ 3,589,394	$ 3,449,777	$ 3,138,800
$ 82,840	$ 78,422	$ 62,355
76,343	72,268	56,555
2,768	1,601	2,034
45	172	48
8,239	73,205	294,246
(185,969)	(172,239)	(162,259)
(1,852)	(1,923)	(1,586)
(17,586)	51,506	251,393
2,141,921	2,090,415	1,839,584
$ 2,124,335	$ 2,141,921	$ 2,090,977
$ 1,465,059	$ 1,307,856	$ 1,047,823
59.20%	62.10%	66.60%
$ 649,725	$ 615,105	$ 580,053
225.50%	212.60%	180.60%

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)

	2020	2019	2018	2017
Total OPEB liability (asset)				
Service cost	$ 4,042	$ 3,828	$ 3,767	$ 3,430
Interest	15,498	15,217	14,485	14,327
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	315	(1,374)	2,732	(2,231)
Changes of assumptions	4,372	5,002	-	8,861
Benefit payments, including refund of employee contributions	(12,317)	(11,505)	(11,016)	(10,014)
Net change in total OPEB liability (asset)	11,910	11,168	9,968	14,373
Total OPEB liability (asset) - beginning	217,831	206,663	196,695	182,322
Total OPEB liability (asset) - ending (a)	$ 229,741	$ 217,831	$ 206,663	$ 196,695
Plan fiduciary net position				
Contributions - employer	$ 13,392	$ 12,977	$ 12,834	$ 12,576
Contributions - employee	16	16	16	16
Contributions - service credit repurchase	557	377	747	464
Net investment income	6,905	8,178	8,211	12,074
Benefit payments, including refund of employee contributions	(12,317)	(11,505)	(11,016)	(10,014)
Administrative expense	(454)	(437)	(480)	(443)
Other	10	-	-	-
Net change in plan fiduciary net position	8,109	9,606	10,312	14,673
Plan fiduciary net position - beginning	137,512	127,906	117,594	102,921
Plan fiduciary net position - ending (b)	$ 145,621	$ 137,512	$ 127,906	$ 117,594
Net OPEB liability (asset) - ending (a) - (b)	$ 84,120	$ 80,319	$ 78,757	$ 79,101
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	63.38%	63.13%	61.89%	59.78%
Covered payroll	$ 1,139,971	$ 1,115,858	$ 1,094,217	$ 1,081,841
Plan net OPEB liability (asset) as a percentage of covered employee payroll	7.38%	7.20%	7.20%	7.31%

*Complete data for this schedule is not available prior to 2017.

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)

	2020	2019	2018
Total OPEB liability (asset)			
Service cost	$ -	$ 4	$ 4
Interest	37	42	43
Change of benefit terms	-	-	-
Difference between expected and actual experience	(192)	-	-
Changes of assumptions	46	-	-
Benefit payments, including refund of employee contributions	(78)	(84)	(80)
Net change in total OPEB liability (asset)	(187)	(38)	(33)
Total OPEB liability (asset) - beginning	1,453	1,491	1,524
Total OPEB liability (asset) - ending (a)	$ 1,266	$ 1,453	$ 1,491
Plan fiduciary net position			
Contributions - employer	$ 78	$ 84	$ 80
Contributions - employee	-	-	-
Contributions - service credit repurchase	-	-	-
Contributions - other	-	-	-
Net investment income	-	-	-
Benefit payments, including refund of employee contributions	(78)	(84)	(80)
Administrative expense	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	$ -	$ -	$ -
Net OPEB liability (asset) - ending (a) - (b)	$ 1,266	$ 1,453	$ 1,491
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	0.00%	0.00%	0.00%
Covered payroll	n/a	n/a	n/a
Plan net OPEB liability (asset) as a percentage of covered payroll	n/a	n/a	n/a

*Complete data for this schedule is not available prior to 2018.

Required Supplementary Information
Schedule of Employer Contributions
Last 10 Fiscal Years*
(Dollars in thousands)

ND Public Employees Retirement System

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	$140,537	$127,129	$125,714	$116,564	$124,336	$107,514	$107,864	$97,985	$91,458	$82,910
Contribution in relation to the actuarially determined contribution	85,504	81,588	80,727	78,934	77,081	70,843	61,661	48,847	38,006	32,278
Contribution deficiency (excess)	$55,033	$45,541	$44,987	$37,630	$47,255	$36,671	$46,203	$49,138	$53,452	$50,632
Covered payroll	1,167,768	1,098,416	1,075,958	1,063,372	1,048,548	973,536	888,452	800,878	804,169	769,710
Contributions as a percentage of covered payroll	7.32%	7.43%	7.50%	7.42%	7.35%	7.28%	6.94%	6.10%	4.73%	4.19%

Highway Patrolmen's Retirement System

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	$3,256	$2,936	$2,949	$3,060	$2,307	$2,201	$2,348	$2,191	$2,171	$1,744
Contribution in relation to the actuarially determined contribution	2,177	2,091	2,153	2,156	2,127	2,002	1,865	1,586	1,423	1,286
Contribution deficiency (excess)	$1,079	$845	$796	$904	$180	$199	$483	$605	$748	$458
Covered payroll	11,410	10,354	10,737	10,629	10,527	10,146	9,348	8,167	8,002	7,738
Contributions as a percentage of covered payroll	19.08%	20.20%	20.05%	20.28%	20.21%	19.73%	19.95%	19.42%	17.78%	16.62%

Required Supplementary Information
Schedule of Employer Contributions
Last 10 Fiscal Years*
(Dollars in thousands)

Job Service North Dakota

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contribution in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	386	417	417	499	565	791	843	1,011	1,163	1,266
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%

ND Teachers' Fund for Retirement

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	$93,688	$90,778	$88,307	$89,231	$84,724	$71,168	$59,513	$52,396	$69,374	$65,113
Contribution in relation to the actuarially determined contribution	93,032	89,445	86,676	86,059	82,840	78,422	62,355	59,301	46,126	44,545
Contribution deficiency (excess)	$656	$1,333	$1,631	$3,172	$1,884	$(7,254)	$(2,842)	$(6,905)	$23,248	$20,568
Covered payroll	729,661	701,528	679,809	674,971	649,725	615,105	580,053	551,656	527,156	509,091
Contributions as a percentage of covered payroll	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	10.75%	10.75%	10.75%	8.75%

Required Supplementary Information
Schedule of Employer Contributions
Last 10 Fiscal Years*
(Dollars in thousands)

Retiree Health Insurance Credit Plan

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	$12,145	$12,707	$12,252	11,696	7,544	6,439	7,014	7,411	7,263	7,053
Contribution in relation to the actuarially determined contribution	13,392	12,977	12,835	12,575	12,350	11,479	10,710	9,960	9,388	8,930
Contribution deficiency (excess)	$(1,247)	$(270)	$(583)	$(879)	$(4,806)	$(5,040)	$(3,696)	$(2,549)	$(2,125)	$(1,877)
Covered payroll	1,139,971	1,115,858	1,094,217	1,081,841	1,142,375	1,052,657	1,001,204	914,368	824,855	828,978
Contributions as a percentage of covered payroll	1.17%	1.16%	1.17%	1.16%	1.08%	1.09%	1.07%	1.09%	1.14%	1.08%

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2020

ND Public Employees Retirement System

Benefit Changes	The interest rate earned on member contributions will decrease from 7.00 percent to 6.50 percent effective January 1, 2021 (based on the adopted decrease in the investment return assumption). New Main System and Public Safety members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System will increase from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2019.
Changes of Assumptions	The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2020 actuarial valuation: • The investment return assumption was lowered from 7.5 to 7.0 percent for the July 1, 2020 valuation • The assumed rate of price inflation was lowered from 2.5 to 2.25 percent for the July 1, 2020 valuation • The assumed rate of total payroll growth was updated for the July 1, 2020 valuation • Mortality table updates were made for the July 1, 2020 valuation All other actuarial assumptions used in the July 1, 2020 are the same as the last actuarial valuation as of July 1, 2019.

Highway Patrolmen's Retirement System

Benefit Changes	For members who terminate employment after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019, or the average salary earned in the three highest periods of twelve consecutive months employed during the last one hundred eighty months of employment.
Changes of Assumptions	The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2020 actuarial valuation: • The investment return assumption was lowered from 7.5 to 7.0 percent for the July 1, 2020 valuation • The assumed rate of price inflation was lowered from 2.5 to 2.25 percent for the July 1, 2020 valuation • The assumed rate of total payroll growth was lowered from 3.75 to 3.5 percent for the July 1, 2020 valuation • Mortality table updates were made for the July 1, 2020 valuation All other actuarial assumptions used in the July 1, 2020 are the same as the last actuarial valuation as of July 1, 2019.

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2020

Job Service North Dakota

Benefit Changes	There were no changes made in the plan provisions since the prior valuation.
Changes of Assumptions	The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2020 actuarial valuation: • The investment return assumption was lowered from 4.75 to 4.25 percent for the July 1, 2020 valuation • The assumed rate of price inflation was lowered from 2.5 to 2.25 percent for the July 1, 2020 valuation • The assumed cost of living adjustment was lowered from 2.5 to 2.25 percent for the July 1, 2020 valuation • Mortality table updates were made for the July 1, 2020 valuation All other actuarial assumptions used in the July 1, 2020 are the same as the last actuarial valuation as of July 1, 2019.

ND Teachers' Fund for Retirement

Changes of Assumptions	In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the investment return assumption from 7.75% to 7.25%, the inflation assumption lowered from 2.75% to 2.30%, lower individual salary increases, and an updated mortality improvement scale. In 2015, amounts reported as changes of assumptions resulted primarily from a decrease in the investment return assumption from 8% to 7.75% and an updated mortality improvement scale.

Retiree Health Insurance Credit Plan

Benefit Changes	Beginning 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
Changes of Assumptions	The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2020 actuarial valuation: • The investment return assumption was lowered from 7.25 to 6.5 percent for the July 1, 2020 valuation • The assumed rate of price inflation was lowered from 2.5 to 2.25 percent for the July 1, 2020 valuation • The assumed rate of total payroll growth was lowered from 3.75 to 3.5 percent for the July 1, 2020 valuation • Mortality table updates were made for the July 1, 2020 valuation All other actuarial assumptions used in the July 1, 2020 are the same as the last actuarial valuation as of July 1, 2019.

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2020

Schedule of Employer Contributions

PERS

Valuation Date	July 1, 2020
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level Percentage of Payroll, Open Period Assumed annual payroll growth of 3.75% (3.25% for Judges)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year smoothed marked
Inflation	2.50%
Salary Increases	4.00% to 20.00% including inflation
Investment Rate of Return	7. 5%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	For June 30, 2020, mortality rates for active members, inactive members and healthy retirees were based on the RP-2000 Combined Healthy Mortality Table, set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table, set back one year for males (no setback for females) multiplied by 125%.
Other Notes	The calculation of Final Average Salary was changed for members who terminate after December 31, 2019. The interest rate on member contributions will decrease from 7.25% to 7.00% effective January 1, 2020. 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 7.75% to 7.50%beginning with the actuarial valuation as of July 1, 2019. The economic assumptions (excluding salary increases) were updated beginning with the actuarial valuation as of July 1, 2017 based on a review performed by GRS. The employer rates to the System are the statutory/Board approved contribution rates of 7.12% of payroll for the Main System (8.26% for members enrolled on or after January 1, 2020), 17.52% for the Judges System, 9.81% for Public Safety with prior Main System service System and 7 93% for Public Safety without prior Main System service System.

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2020

HPRS

Valuation Date	July 1, 2020
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level Percentage of Payroll, Open Period Assumed annual payroll growth of 3.75%
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year smoothed marked
Inflation	2.50%
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	7.5%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	For June 30, 2020, mortality rates for active members, inactive members and healthy retirees were based on the RP-2000 Combined Healthy Mortality Table, set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table, set back one year for males (no setback for females) multiplied by 125%.
Other Notes	There were no benefit changes during the year. The economic assumptions (excluding salary increases) and the asset smoothing method were updated beginning with the actuarial valuation as of July 1, 2017 based on a review performed by GRS. The investment return assumption was decreased from 7.75% to 7.50% beginning with the actuarial valuation as of July 1, 2019. All other actuarial assumptions were adopted by the Board based on an experience study covering the period July 1, 2009, through June 30, 2014. The employer rate to the System is the statutory contribution rate of 19.70% of payroll.

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2020

JSND

Valuation Date	July 1, 2019
Actuarial Cost Method	Frozen Initial Liability (Aggregate since no initial Liability remains)
Amortization Method	Not Applicable
Asset Valuation Method	5-Year smoothed marked
Inflation	2.50%
COLA	2.50%
Salary Increases	3.50%
Investment Rate of Return	4.75%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	For June 30, 2020, mortality rates for active members, inactive members and healthy retirees were based on the RP-2000 Combined Healthy Mortality Table, set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table, set back one year for males (no setback for females) multiplied by 125%.
Other Notes	There were no benefit changes during the year. The economic assumptions (excluding salary increases) were updated beginning with the actuarial valuation as of July 1, 2017 based on a review performed by GRS. The Board approved lowering the investment return assumption from 5.70% to 4.75% beginning with the July 1, 2018, actuarial valuation. All other actuarial assumptions were adopted by the Board based on an experience study covering the period July 1, 2009 through June 30, 2014. The System has assets in excess of the present value of future benefits. Therefore, no employer contributions are being made

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2020

TFFR:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization Period	23 years
Asset valuation method	5-year smoothed market
Inflation	2.30%; decrease from 2.75% prior to 7/1/2020 and from 3% prior to 7/1/2015.
Salary increases	3.80% - 14.80% including inflation and productivity; 4.25% - 14.5% prior to 7/1/2020; 4.5% - 14.75% prior to 7/1/2015.
Investment rate of return	7.25%, net of investment expenses, including inflation; rate decreased from 7.75 beginning 7/1/2020 and decreased from 8% beginning 7/1/2015.
Retirement age	In the 2020 and 2015 valuation, rates of retirement were changed to better reflect anticipated future experience.
Mortality	In the 2020 valuation, the PubT-2010 pre-retirement, retiree and contingent survivor tables were adopted and for disabled members, PubNS-2010 tables were adopted; all with generational improvement. In the 2015 valuation, assumed life expectancies were adjusted as a result of adopting the RP-2014 mortality tables with generational improvement. In prior years, those assumptions were based on percentages of GRS post termination non-disabled tables and RP-2000 disabled-life tables.

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2020

RHIC

Valuation Date	July 1, 2020
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	N/A
Remaining Amortization Period	20 years
Asset Valuation Method	5-Year smoothed marked
Inflation	2.50%
Salary Increases	Not Applicable
Investment Rate of Return	7.50%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	For June 30, 2020, mortality rates for active members, inactive members and healthy retirees were based on the RP-2000 Combined Healthy Mortality Table, set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table, set back one year for males (no setback for females) multiplied by 125%.
Other Notes	Beginning 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 economic assumptions (excluding salary increases) and the asset smoothing method were updated beginning with the actuarial valuation as of July 1, 2017 based on a review performed by GRS. All other actuarial assumptions were adopted by the Board based on an experience study covering the period July 1 2009 through June 30 2014 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
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%
2015	3.61%	3.66%	3.41%	3.56%	0.00%
2014	16.29%	16.20%	13.46%	16.35%	0.00%
2013	13.52%	13.38%	12.07%	13.60%	0.00%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Required Supplementary Information
Information About the State's Pension and Other Post Employment Benefit Plans
For the Fiscal Year Ended June 30, 2020

Met Life Insurance Plan:

Actuarial Cost Method	Entry age normal actuarial cost method was used in the valuation.
Changes of Assumptions	The following changes were made to the actuarial assumptions and methods effecting July 1, 2020:

- The discount rate is 2.66 percent based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2020, compared to the prior discount rate of 2.98%.
- Mortality was updated from table RP-2-14 adjusted to 2006 and projected using scale MP-2017 to table RP-2014 adjusted to 2006 and projected using scale MP-2019.

Combining Financial Statements

Nonmajor Governmental Funds

Permanent Fund

A permanent fund is used to report resources that are legally restricted to the extent than 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.

Capital Projects Fund

A capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

BUILDING AUTHORITY
960 - Building Authority Capital Projects Fund Account for the acquisition or construction of buildings primarily for use by the State and making any improvements connected to those buildings.

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.

BUILDING AUTHORITY
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.

DEPARTMENT OF TRANSPORTATION
949 - Department of Transportation Debt Service Fund
Account for accumulation of resources for, and the payment of, principal and interest on bonds issued by the Department of Transportation.

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Perm Trust Fund			Debt Service Funds			Capital Proj. Fund	
	Coal Development Trust Fund	Veteran's Postwar Trust Fund	Total	Building Authority	Dept. of Trans.	Total	Building Authority	Total Nonmajor Governmental Funds
ASSETS								
Cash Deposits at the Bank of ND	$ 298,876	$ 174,400	$ 473,276	$ 46,000	$ -	$ 46,000	$ -	$ 519,276
Cash and Cash Equivalents	-	124,728	124,728	-	-	-	-	124,728
Investments at the Bank of ND	-	150,000	150,000	663,000	-	663,000	-	813,000
Investments	21,477,021	6,403,513	27,880,534	-	-	-	-	27,880,534
Accounts Receivable - Net	-	9	9	-	-	-	-	9
Taxes Receivable - Net	106,105	2,330	108,435	-	-	-	-	108,435
Interest Receivable - Net	71,364	11,777	83,141	-	-	-	-	83,141
Due from Other Funds	22,510	86	22,596	-	-	-	-	22,596
Loans and Notes Receivable - Net	49,633,656	-	49,633,656	-	-	-	-	49,633,656
Total Assets	71,609,532	6,866,843	78,476,375	709,000	-	709,000	-	79,185,375
DEFERRED OUTFLOWS OF RESOURCES								
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 71,609,532	$ 6,866,843	$ 78,476,375	$ 709,000	$ -	$ 709,000	$ -	$ 79,185,375
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	3,041	26,731	29,772	6,000	-	6,000	-	35,772
Accrued Payroll	89	-	89	-	-	-	-	89
Securities Lending Collateral	698,744	-	698,744	-	-	-	-	698,744
Due to Other Funds	157,081	-	157,081	-	-	-	3,278,000	3,435,081
Total Liabilities	858,955	26,731	885,686	6,000	-	6,000	3,278,000	4,169,686
DEFERRED INFLOWS OF RESOURCES								
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
Fund Balances:								
Nonspendable	70,750,577	6,547,758	77,298,335	-	-	-	-	77,298,335
Restricted			-	703,000	-	703,000	-	703,000
Committed	-	292,354	292,354	-	-	-	-	292,354
Unassigned	-	-	-	-	-	-	(3,278,000)	(3,278,000)
Total Fund Balances	70,750,577	6,840,112	77,590,689	703,000	-	703,000	(3,278,000)	75,015,689
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 71,609,532	$ 6,866,843	$ 78,476,375	$ 709,000	$ -	$ 709,000	$ -	$ 79,185,375

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Perm Trust Fund			Debt Service Funds			Capital Proj. Fund	
	Coal Development Trust Fund	Veteran's Post War Trust Fund	Total	Building Authority	Dept. of Trans.	Total	Building Authority	Total Nonmajor Governmental Funds
REVENUES								
Individual and Corporate Income Taxes	$ -	$ 21,564	$ 21,564	$ -	$ -	$ -	$ -	$ 21,564
Oil, Gas, and Coal Taxes	1,547,095	-	1,547,095	-	-	-	-	1,547,095
Licenses, Permits and Fees	-	12,225	12,225	-	-	-	-	12,225
Intergovernmental	-	-	-	-	4,299,811	4,299,811	-	4,299,811
Sales and Services	-	6,780	6,780	-	-	-	-	6,780
Interest and Investment Income	1,088,712	236,149	1,324,861	7,000	1,236	8,236	-	1,333,097
Miscellaneous	-	62,350	62,350	-	-	-	-	62,350
Total Revenues	2,635,807	339,068	2,974,875	7,000	4,301,047	4,308,047	-	7,282,922
EXPENDITURES								
Current:								
General Government	38,647	54,292	92,939	-	-	-	-	92,939
Health and Human Services	-	180,009	180,009	-	-	-	-	180,009
Regulatory	-	-	-	-	-	-	12,000	12,000
Capital Outlay	-	-	-	-	-	-	3,266,000	3,266,000
Debt Service:								
Principal	-	-	-	4,400,000	5,060,000	9,460,000	-	9,460,000
Interest and Other Charges	-	-	-	860,000	254,650	1,114,650	-	1,114,650
Total Expenditures	38,647	234,301	272,948	5,260,000	5,314,650	10,574,650	3,278,000	14,125,598
Revenues over (under) Expenditures	2,597,160	104,767	2,701,927	(5,253,000)	(1,013,603)	(6,266,603)	(3,278,000)	(6,842,676)
OTHER FINANCING SOURCES (USES)								
Transfers In	22,510	-	22,510	5,258,000	929,084	6,187,084	-	6,209,594
Transfers Out	(2,165,444)	-	(2,165,444)	-	(1,312)	(1,312)	-	(2,166,756)
Total Other Financing Sources (Uses)	(2,142,934)	-	(2,142,934)	5,258,000	927,772	6,185,772	-	4,042,838
Net Change in Fund Balances	454,226	104,767	558,993	5,000	(85,831)	(80,831)	(3,278,000)	(2,799,838)
Fund Balances - Beginning of Year	70,296,351	6,735,345	77,031,696	698,000	85,831	783,831	-	77,815,527
Fund Balances - End of Year	$ 70,750,577	$ 6,840,112	$ 77,590,689	$ 703,000	$ -	$ 703,000	$ (3,278,000)	$ 75,015,689

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

907 – School Construction Assistance Revolving Loan Fund
Fund used to provide low-interest school construction loans.

909 – Small Employer Loan Fund (SELF)
The Small Employer Loan Fund was established by Bank of North Dakota to assist local financial institutions and certified development corporations in providing loans to assist very small North Dakota businesses in their recovery from the negative impacts caused by the COVID-19 pandemic.

459 (914) – Innovation Technology Loan 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.

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.

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 Loan Program
Fund used to make loans to North Dakota 2011 flood-damaged homeowners to provide financial assistance needed to repair their home.

BEGINNING FARMER REVOLVING LOAN

973 - Beginning Farmer Revolving Loan Fund
Fund used to make loans to North Dakota beginning farmers for the purchase of agricultural real estate.

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 - Community Water Facility 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.

ROUGHRIDER INDUSTRIES
926 - Roughrider Industries
Accounts for the revenues and expenses associated with the operation, manufacture and sale of products made by the prison inmates.

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.

Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2020

	Addiction Counselor Internship Loan	Beginning Farmer Revolving Loan	Bonding	Community Water Facility Loan	Edutech	Fire and Tornado	Guaranteed Student Loan
ASSETS							
Current Assets:							
Cash Deposits at the Bank of ND	$ 83,603	$ 6,264,000	$ 107,271	$ 15,779,000	$ 1,071,186	$ 175,960	$ 43,948,984
Cash and Cash Equivalents	-	-	1,699,313	-	-	2,272,830	-
Investments at the Bank of ND	-	-	-	-	-	-	-
Investments	-	-	2,070,528	-	-	20,491,470	-
Accounts Receivable - Net	-	-	146,972	-	5,690	4,802	-
Interest Receivable - Net	405	-	23,492	272,000	-	135,522	-
Intergovernmental Receivable - Net	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	616,392
Prepaid Items	-	2,362,000	-	-	-	342,065	-
Inventory	-	-	-	-	-	-	-
Loans and Notes Receivable - Net	9,453	-	-	618,000	-	-	-
Restricted Cash at the Bank of ND	-	-	-	-	-	-	52,413
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-
Restricted Investments at the Bank of ND	-	-	-	-	-	-	-
Restricted Loans Receivable - Net	-	-	-	-	-	-	-
Total Current Assets	93,461	8,626,000	4,047,576	16,669,000	1,076,876	23,422,649	44,617,789
Noncurrent Assets:							
Loans and Notes Receivable - Net	97,304	-	-	19,212,000	-	-	-
Other Noncurrent Assets	-	4,339,000	-	-	-	-	-
Capital Assets:							
Nondepreciable	-	-	-	-	-	-	-
Depreciable, Net	-	-	-	-	-	-	-
Total Noncurrent Assets	97,304	4,339,000	-	19,212,000	-	-	-
Total Assets	190,765	12,965,000	4,047,576	35,881,000	1,076,876	23,422,649	44,617,789
DEFERRED OUTFLOWS OF RESOURCES							
Decrease in Fair Value of Hedging Derivatives	-	-	-	-	-	-	-
Derived from Pensions	-	-	-	-	-	-	-
Derived from OPEB	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-
LIABILITIES							
Current Liabilities:							
Accounts Payable	-	-	280	-	2,923	453	-
Accrued Payroll	-	-	-	-	14,858	-	-
Securities Lending Collateral	-	-	5,807	-	-	74,266	-
Interest Payable	-	-	1,458	-	-	13,828	-
Intergovernmental Payable	-	-	-	-	-	12,331	5,794,413
Due to Other Funds	-	-	-	25,000	4,144	-	1,723,075
Amounts Held in Custody for Others	-	-	-	-	-	-	-
Claims/Judgments Payable	-	-	134,068	-	-	1,031,166	-
Compensated Absences Payable	-	-	-	-	-	-	-
Bonds Payable	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	112,936	-
Total Current Liabilities	-	-	141,613	25,000	21,925	1,244,980	7,517,488
Noncurrent Liabilities:							
Compensated Absences Payable	-	-	-	-	-	-	-
Bonds Payable	-	-	-	-	-	-	-
Financial Derivative Instrument	-	-	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-	-
Net Pension OPEB	-	-	-	-	-	-	-
Other Noncurrent Liabilities	-	-	-	-	-	-	17,258,432
Total Noncurrent Liabilities	-	-	-	-	-	-	17,258,432
Total Liabilities	-	-	141,613	25,000	21,925	1,244,980	24,775,920
DEFERRED INFLOWS OF RESOURCES							
Derived from Pensions	-	-	-	-	-	-	-
Derived from OPEB	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Net Position							
Net Investment in Capital Assets	-	-	-	-	-	-	-
Restricted for:							
Debt Service	-	-	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Unrestricted	190,765	12,965,000	3,905,963	35,856,000	1,054,951	22,177,669	19,841,869
Total Net Position	$ 190,765	$ 12,965,000	$ 3,905,963	$ 35,856,000	$ 1,054,951	$ 22,177,669	$ 19,841,869

(Continued on Next Page)

HIT Planning Loan Fund	Infrastructure Revolving Loan Fund	Interoperable Radio Network Fund	Innovation Loan Fund	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Loan Program	Roughrider Industries
$ -	$ 27,453,000	$ 27,002,572	$ 4,686,000	$ 3,910,000	$ 225	$ 4,914,119	$ 333,942	$ 11,244,102
-	-	-	-	-	-	2,727,932	-	500
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	28,651,685	-	-
-	-	306,848	-	-	46,585,657	7,226,484	-	544,644
2,520	751,000	-	-	29,000	-	-	29,123	-
-	-	-	-	-	-	-	-	9,044
-	-	50,698	-	-	-	52,724	-	148,426
-	-	-	-	-	1,391,154	-	-	7,187
-	-	-	-	-	27,441,721	-	-	2,091,693
1,090,006	5,534,000	-	-	1,953,000	-	-	1,721,074	-
6,045,471	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
7,137,997	33,738,000	27,360,118	4,686,000	5,892,000	75,418,757	43,572,944	2,084,139	14,045,596
2,207,362	91,610,000	-	5,026,000	44,149,000	-	-	19,753,224	-
-	-	-	-	-	506,913	-	-	-
-	-	-	-	-	26,791,078	-	-	-
-	-	3,739,935	-	-	83,676,908	151,212	-	1,407,923
2,207,362	91,610,000	3,739,935	5,026,000	44,149,000	110,974,899	151,212	19,753,224	1,407,923
9,345,359	125,348,000	31,100,053	9,712,000	50,041,000	186,393,656	43,724,156	21,837,363	15,453,519
-	-	-	-	-	735,025	-	-	-
-	-	-	-	-	5,477,082	-	-	681,484
-	-	-	-	-	298,037	-	-	29,091
-	-	-	-	-	6,510,144	-	-	710,575
4,679	-	1,304,423	-	-	17,180,640	157,551	9,485	286,076
-	-	10,331	-	-	660,224	79,111	-	174,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	166,500	-	-	-	-	-	-
-	118,000	3,401	6,000	59,000	53,645,624	8,920	21,655,134	-
-	-	-	-	-	-	7,582,398	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	106,199	6,390	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	11,607
-	-	-	-	-	-	-	-	132
4,679	118,000	1,484,655	6,000	59,000	71,592,687	7,834,370	21,664,619	471,815
-	-	-	-	-	1,153,573	65,086	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	735,025	-	-	-
-	-	-	-	-	9,880,043	-	-	1,476,694
-	-	-	-	-	631,127	-	-	94,330
-	-	-	-	-	-	-	-	-
-	-	-	-	-	12,399,768	65,086	-	1,571,024
4,679	118,000	1,484,655	6,000	59,000	83,992,455	7,899,456	21,664,619	2,042,839
-	-	-	-	-	5,310,157	-	-	848,115
-	-	-	-	-	19,716	-	-	6,009
-	-	-	-	-	5,329,873	-	-	854,124
-	-	3,739,934	-	-	110,467,986	151,212	-	1,407,923
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
9,340,680	125,230,000	25,875,464	9,706,000	49,982,000	(6,886,514)	35,673,488	172,744	11,859,208
$ 9,340,680	$ 125,230,000	$ 29,615,398	$ 9,706,000	$ 49,982,000	$ 103,581,472	$ 35,824,700	$ 172,744	$ 13,267,131

Combining Statement of Net Position
Nonmajor Enterprise Funds (Continued)
June 30, 2020

	School Construction Assistance Loan Fund	Small Employer Loan Fund	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Total
ASSETS							
Current Assets:							
Cash Deposits at the Bank of ND	$ 65,605,000	$ 5,593,000	$ 5,626,409	$ 5,263,456	$ -	$ 362,231	$ 229,424,060
Cash and Cash Equivalents	-	-	-	194,323	-	150,775,938	157,670,836
Investments at the Bank of ND	-	-	1,000,000	-	-	-	1,000,000
Investments	-	-	-	-	-	-	51,213,683
Accounts Receivable - Net	-	-	378,686	756,937	-	37,435,805	93,392,525
Interest Receivable - Net	1,185,000	13,000	-	-	-	988,146	3,429,208
Intergovernmental Receivable - Net	-	-	-	-	-	11,220,610	11,229,654
Due from Other Funds	-	-	-	-	16,000	82,443,049	83,327,289
Prepaid Items	-	-	54,024	14,718	-	-	4,171,148
Inventory	-	-	-	-	-	-	29,533,414
Loans and Notes Receivable - Net	16,030,000	833,000	-	-	-	-	27,788,533
Restricted Cash at the Bank of ND	-	-	-	-	-	-	6,097,884
Restricted Cash and Cash Equivalents	-	-	-	-	392,000	-	392,000
Restricted Investments at the Bank of ND	-	-	-	-	1,000,000	-	1,000,000
Restricted Loans Receivable - Net	-	-	-	-	142,000	-	142,000
Total Current Assets	82,820,000	6,439,000	7,059,119	6,229,434	1,550,000	283,225,779	699,812,234
Noncurrent Assets:							
Loans and Notes Receivable - Net	222,941,000	12,283,000	-	-	698,000	-	417,976,890
Other Noncurrent Assets	-	-	-	1,434,069	-	-	6,279,982
Capital Assets:							
Nondepreciable	-	-	741,502	-	-	-	27,532,580
Depreciable, Net	-	-	23,601,590	9,064	-	-	112,586,632
Total Noncurrent Assets	222,941,000	12,283,000	24,343,092	1,443,133	698,000	-	564,376,084
Total Assets	305,761,000	18,722,000	31,402,211	7,672,567	2,248,000	283,225,779	1,264,188,318
DEFERRED OUTFLOWS OF RESOURCES							
Decrease in Fair Value of Hedging Derivatives	-	-	-	-	-	-	735,025
Derived from Pensions	-	-	659,376	337,631	-	-	7,155,573
Derived from OPEB	-	-	26,369	14,976	-	-	368,473
Total Deferred Outflows of Resources	-	-	685,745	352,607	-	-	8,259,071
LIABILITIES							
Current Liabilities:							
Accounts Payable	-	7,000	46,963	434,662	-	12,904,953	32,340,088
Accrued Payroll	-	-	-	88,006	-	-	1,026,530
Securities Lending Collateral	-	-	-	-	-	-	80,073
Interest Payable	-	-	-	-	-	-	15,286
Intergovernmental Payable	-	-	-	-	-	5,261,971	11,235,215
Due to Other Funds	296,000	-	-	4,161,040	49,000	2,141,077	83,895,415
Amounts Held in Custody for Others	-	-	-	-	-	-	7,582,398
Claims/Judgments Payable	-	-	-	-	-	-	1,165,234
Compensated Absences Payable	-	-	70,000	-	-	-	182,589
Bonds Payable	-	-	125,000	-	-	-	125,000
Unearned Revenue	-	-	-	439,976	-	-	451,583
Other Current Liabilities	-	-	-	-	-	-	113,068
Total Current Liabilities	296,000	7,000	241,963	5,123,684	49,000	20,308,001	138,212,479
Noncurrent Liabilities:							
Compensated Absences Payable	-	-	31,534	70,314	-	-	1,320,507
Bonds Payable	-	-	1,439,534	-	1,000,000	-	2,439,534
Financial Derivative Instrument	-	-	-	-	-	-	735,025
Net Pension Liability	-	-	1,227,840	722,420	-	-	13,306,997
Net Pension OPEB	-	-	78,434	46,147	-	-	850,038
Other Noncurrent Liabilities	-	-	-	-	-	-	17,258,432
Total Noncurrent Liabilities	-	-	2,777,342	838,881	1,000,000	-	35,910,533
Total Liabilities	296,000	7,000	3,019,305	5,962,565	1,049,000	20,308,001	174,123,012
DEFERRED INFLOWS OF RESOURCES							
Derived from Pensions	-	-	662,696	384,260	-	-	7,205,228
Derived from OPEB	-	-	5,019	2,644	-	-	33,388
Total Deferred Inflows of Resources	-	-	667,715	386,904	-	-	7,238,616
Net Position							
Net Investment in Capital Assets	-	-	22,778,558	9,064	-	-	138,554,677
Restricted for:							
Debt Service	-	-	-	-	487,000	-	487,000
Unemployment Compensation	-	-	-	-	-	262,917,778	262,917,778
Other	-	-	-	1,434,069	-	-	1,434,069
Unrestricted	305,465,000	18,715,000	5,622,378	232,572	712,000	-	687,692,237
Total Net Position	$ 305,465,000	$ 18,715,000	$ 28,400,936	$ 1,675,705	$ 1,199,000	$ 262,917,778	$ 1,091,085,761



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Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2020

	Addiction Counselor Internship Loan	Beginning Farmer Revolving Loan	Bonding	Community Water Facility Loan	Edutech	Fire and Tornado	Guaranteed Student Loan
OPERATING REVENUES							
Sales and Services	$ -	$ -	$ 1,190	$ -	$ 262,757	$ 1,632,692	$ 9,851,734
Federal Funds	-	-	-	-	-	-	-
Royalties and Rents	-	-	-	-	-	-	-
Interest and Investment Income	4,934	-	-	620,000	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Operating Revenues	4,934	-	1,190	620,000	262,757	1,632,692	9,851,734
OPERATING EXPENSES							
Cost of Sales and Services	-	-	-	-	-	-	-
Salaries and Benefits	-	-	-	-	192,987	-	-
Operating	5,800	2,381,000	-	109,000	118,285	523,917	9,648,584
Claims	-	-	-	-	-	2,100,240	-
Interest	-	-	-	-	-	-	-
Depreciation	-	-	-	-	33,428	-	-
Miscellaneous	-	6,000	4,477	-	-	184,511	-
Total Operating Expenses	5,800	2,387,000	4,477	109,000	344,700	2,808,668	9,648,584
Operating Income (Loss)	(866)	(2,387,000)	(3,287)	511,000	(81,943)	(1,175,976)	203,150
NONOPERATING REVENUES (EXPENSES)							
Grants and Contracts	-	-	-	-	-	-	-
Interest and Investment Income	180	13,000	181,515	34,000	-	1,071,277	98,561
Interest Expense	-	-	(4,023)	-	-	(39,601)	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	-
Other	-	-	17,466	-	-	314,418	-
Total Nonoperating Revenues (Expenses)	180	13,000	194,958	34,000	-	1,346,094	98,561
Income (Loss) Before Contributions and Transfers	(686)	(2,374,000)	191,671	545,000	(81,943)	170,118	301,711
Transfers In	-	5,000,000	-	-	-	-	-
Transfer Out	-	(1,570,000)	-	-	-	-	-
Change in Net Position	(686)	1,056,000	191,671	545,000	(81,943)	170,118	301,711
Total Net Position - Beginning of Year	191,451	11,909,000	3,714,292	35,311,000	1,136,894	22,007,551	19,540,158
Total Net Position - End of Year	$ 190,765	$ 12,965,000	$ 3,905,963	$ 35,856,000	$ 1,054,951	$ 22,177,669	$ 19,841,869

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HIT Planning Loan Fund	Infrastructure Revolving Loan Fund	Interoperable Radio Network Fund	Innovation Loan Fund	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Loan Program	Roughrider Industries
$ -	$ -	$ 5,917,643	$ -	$ -	$ 232,497,239	$ 368,911,371	$ -	$ 7,621,113
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	140,474
55,808	1,857,000	-	-	454,000	-	-	250,713	-
-	-	-	-	-	-	7,022,619	-	74,625
55,808	1,857,000	5,917,643	-	454,000	232,497,239	375,933,990	250,713	7,836,212
-	-	-	-	-	185,566,053	-	-	4,060,175
-	-	92,392	-	-	19,858,652	937,444	-	2,343,856
21,089	628,000	5,008,338	295,000	389,000	8,231,782	368,489,120	131,869	869,089
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	537,225	-	-	5,764,291	297,190	-	247,789
-	-	-	-	-	-	-	-	-
21,089	628,000	5,637,955	295,000	389,000	219,420,778	369,723,754	131,869	7,520,909
34,719	1,229,000	279,688	(295,000)	65,000	13,076,461	6,210,236	118,844	315,303
-	-	-	-	-	-	-	-	-
-	66,000	42,751	1,000	13,000	11,496	716,498	2,322	-
-	-	-	-	-	(1,702,182)	-	(149,410)	-
-	-	-	-	-	-	-	-	2,057
-	-	-	-	-	32,837	(112,500)	-	-
-	66,000	42,751	1,000	13,000	(1,657,849)	603,998	(147,088)	2,057
34,719	1,295,000	322,439	(294,000)	78,000	11,418,612	6,814,234	(28,244)	317,360
-	33,138,000	20,000,000	10,000,000	-	-	-	-	-
-	-	-	-	-	(6,041,851)	-	-	-
34,719	34,433,000	20,322,439	9,706,000	78,000	5,376,761	6,814,234	(28,244)	317,360
9,305,961	90,797,000	9,292,959	-	49,904,000	98,204,711	29,010,466	200,988	12,949,771
$ 9,340,680	$ 125,230,000	$ 29,615,398	$ 9,706,000	$ 49,982,000	$ 103,581,472	$ 35,824,700	$ 172,744	$ 13,267,131

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds (Continued)
For the Fiscal Year Ended June 30, 2020

	School Construction Assistance Loan Fund	Small Employer Loan Fund	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Total
OPERATING REVENUES							
Sales and Services	$ -	$ -	$ 6,655,189	$ 24,505,932	$ -	$ 452,421,027	$ 1,110,277,887
Federal Funds	-	-	-	-	-	192,440,864	192,440,864
Royalties and Rents	-	-	-	-	-	-	140,474
Interest and Investment Income	3,956,000	13,000	-	-	63,000	-	7,274,455
Miscellaneous	-	-	-	-	-	-	7,097,244
Total Operating Revenues	3,956,000	13,000	6,655,189	24,505,932	63,000	644,861,891	1,317,230,924
OPERATING EXPENSES							
Cost of Sales and Services	-	-	-	-	-	-	189,626,228
Salaries and Benefits	-	-	2,258,558	1,087,718	-	-	26,771,607
Operating	1,282,000	1,300,000	4,800,201	17,838,533	26,000	-	422,096,607
Claims	-	-	-	-	-	611,219,222	613,319,462
Interest	-	-	-	-	23,000	-	23,000
Depreciation	-	-	1,669,683	2,753	-	-	8,552,359
Miscellaneous	-	-	-	-	-	-	194,988
Total Operating Expenses	1,282,000	1,300,000	8,728,442	18,929,004	49,000	611,219,222	1,260,584,251
Operating Income (Loss)	2,674,000	(1,287,000)	(2,073,253)	5,576,928	14,000	33,642,669	56,646,673
NONOPERATING REVENUES (EXPENSES)							
Grants and Contracts	-	-	751,973	-	-	-	751,973
Interest and Investment Income	115,000	2,000	20,123	10,770	7,000	4,965,346	7,371,839
Interest Expense	-	-	(53,600)	-	-	-	(1,948,816)
Gain on Sale of Capital Assets	-	-	-	-	-	-	2,057
Other	-	-	(5,680)	-	-	-	246,541
Total Nonoperating Revenues (Expenses)	115,000	2,000	712,816	10,770	7,000	4,965,346	6,423,594
Income (Loss) Before Contributions and Transfers	2,789,000	(1,285,000)	(1,360,437)	5,587,698	21,000	38,608,015	63,070,267
Transfers In	75,000,000	20,000,000	271,417	-	85,000	-	163,494,417
Transfer Out	(2,700,000)	-	-	(5,220,000)	(96,000)	-	(15,627,851)
Change in Net Position	75,089,000	18,715,000	(1,089,020)	367,698	10,000	38,608,015	210,936,833
Total Net Position - Beginning of Year	230,376,000	-	29,489,956	1,308,007	1,189,000	224,309,763	880,148,928
Total Net Position - End of Year	$ 305,465,000	$ 18,715,000	$ 28,400,936	$ 1,675,705	$ 1,199,000	$ 262,917,778	$ 1,091,085,761



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Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2020

	Addiction Counselor Internship Loan Program	Beginning Farmer Revolving Loan	Bonding	Community Water Facility Loan	Edutech	Fire and Tornado
Cash Flows from Operating Activities:						
Receipts from Customers and Users	$ -	$ -	$ (10,891)	$ -	$ 325,047	$ 1,644,249
Receipts from Tuition and Fees	-	-	-	-	-	-
Interest Income on Loans	-	-	-	-	-	-
Receipts from Loan Principal Repayments	-	-	-	-	-	-
Receipts from Federal and Local Agencies	-	-	-	-	-	-
Receipts from Other Funds	-	-	-	-	-	5,269
Receipts from Others	-	-	-	-	-	-
Payments to Other Funds	-	-	(17)	-	-	-
Payments for Loan Funds	-	-	-	-	-	-
Payments to Suppliers	-	(2,721,000)	(4,328)	(111,000)	(114,576)	(618,463)
Payments to Employees	-	-	(20,477)	-	(178,129)	(84,193)
Claim Payments	-	-	(10,141)	-	-	(1,931,419)
Payments to Others	(5,800)	(6,000)	-	-	-	-
Other	-	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	(5,800)	(2,727,000)	(45,854)	(111,000)	32,342	(984,557)
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	-	5,000,000	-	-	-	-
Transfers Out	-	(1,570,000)	-	-	-	-
Principal Payments on Due To Other Funds	-	-	-	-	-	-
Grants Received	-	-	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	-	3,430,000	-	-	-	-
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	-	-	-	-	-	-
Principal Payments - Bonds	-	-	-	-	-	-
Interest Payments - Bonds	-	-	-	-	-	-
Payment of Bond Issue Costs	-	-	-	-		-
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	-	-	-	-	-
Cash Flows from Investing Activities:						
Proceeds from Sale and Maturities of Investment Securities	-	-	-	-	-	-
Purchase of Investment Securities	-	-	(169,200)	-	-	(256,886)
Interest and Dividends on Investments	180	13,000	264,156	34,000	-	1,175,992
Disbursements for Loans and Loan Purchases	(15,000)	-	-	-	-	-
Receipt of Loan Principal Repayments	-	-	-	1,228,000	-	-
Proceeds from Collection of Loans and Notes Receivable	19,940	-	-	-	-	-
Loan Income Received	4,373	-	-	623,000	-	-
Net Cash Provided by (Used for) Investing Activities	9,493	13,000	94,956	1,885,000	-	919,106
Net Change in Cash:						
Net Increase (Decrease) in Cash and Cash Equivalents	3,693	716,000	49,102	1,774,000	32,342	(65,451)
Cash and Cash Equivalents at June 30, 2019	79,910	5,548,000	1,757,482	14,005,000	1,038,844	2,514,241
Cash and Cash Equivalents at June 30, 2020	$ 83,603	$ 6,264,000	$ 1,806,584	$ 15,779,000	$ 1,071,186	$ 2,448,790
Reconciliation:						
Current:						
Cash Deposits at the Bank of North Dakota	83,603	6,264,000	107,271	15,779,000	1,071,186	175,960
Cash and Cash Equivalents	-	-	1,699,313	-	-	2,272,830
Restricted Cash Deposits at the Bank of North Dakota	-	-	-	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	-	-
Noncurrent:						
Cash and Cash Equivalents	$ 83,603	$ 6,264,000	$ 1,806,584	$ 15,779,000	$ 1,071,186	$ 2,448,790

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Guaranteed Student Loan	HIT Planning Loan Fund	Infrastructure Revolving Loan Fund	Interoperable Radio	Innovation Technology Loan Fund	Medical Facility Infrastructure Loan Fund	Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Loan Program	Roughrider Industries
$ 9,929,675	$ -	$ -	$ 5,942,236	$ -	$ -	$ 292,490,482	$ 363,409,819	$ -	$ 8,076,918
-	-	-		-	-	-	-	-	-
-	56,687	-	-	-	-	-	-	-	-
586,834	1,294,122	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	3,199
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	(128,816)	(79,152)
(8,453,833)	-	-	-	-	-	-	-	-	-
(416,181)	(22,661)	-	(3,548,947)	-	-	(263,146,535)	(368,434,855)	-	(5,032,243)
-	-	-	(82,061)	-	-	(18,129,739)	(929,945)	-	(2,204,759)
-	-	-	-	-	-	-	-	-	-
-	-	(447,000)	-	(24,000)	-	-	-	(126,916)	-
-	-	-	-	-	(231,000)	-	7,022,619	-	-
1,646,495	1,328,148	(447,000)	2,311,228	(24,000)	(231,000)	11,214,208	1,067,638	(255,732)	763,963
-	-	-	-	-	-	21,000,000	-	-	-
-	-	-	-	-	-	(17,693,289)	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(1,752,921)	-	-	-
-	-	33,138,000	20,000,000	10,000,000	-	-	-	-	-
-	-	-	-	-	-	(8,146,516)	(112,500)	-	-
-	-	-	-	-	-		-	(2,988,408)	-
-	-	-	-	-	-	-	-	-	-
-	-	33,138,000	20,000,000	10,000,000	-	(6,592,726)	(112,500)	(2,988,408)	-
-	-	-	(4,206,314)	-	-	(6,387,741)	(54,863)	-	(100,868)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-
-	-	-	(4,206,314)	-	-	(6,387,741)	(54,863)	-	(100,868)
-	-	-	-	-	-	-	(231,645,900)	-	-
-	-	-	-	-	-	-	231,201,545	-	-
98,561	-	66,000	42,751	1,000	13,000	11,496	716,498	2,321	-
-	-	(19,211,000)	-	(5,291,000)	(3,489,000)	-	-	(300,000)	-
-	-	-	-	-	-	-	-	-	-
-	-	6,467,000	-	-	1,824,000	-	-	2,887,172	-
-	-	1,867,000	-	-	450,000	-	-	246,244	-
98,561	-	(10,811,000)	42,751	(5,290,000)	(1,202,000)	11,496	272,143	2,835,737	-
1,745,056	1,328,148	21,880,000	18,147,665	4,686,000	(1,433,000)	(1,754,763)	1,172,418	(408,403)	663,095
42,256,341	4,717,323	5,573,000	8,854,907	-	5,343,000	1,754,988	6,469,633	742,345	10,581,507
$ 44,001,397	$ 6,045,471	$ 27,453,000	$ 27,002,572	$ 4,686,000	$ 3,910,000	$ 225	$ 7,642,051	$ 333,942	$ 11,244,602
43,948,984	-	27,453,000	27,002,572	4,686,000	3,910,000	225	4,914,119	333,942	11,244,102
-	-	-	-	-	-	-	2,727,932	-	500
52,413	6,045,471	-	-	-	-	-	-	-	-
-	-	-		-	-	-	-	-	-
$ 44,001,397	$ 6,045,471	$ 27,453,000	$ 27,002,572	$ 4,686,000	$ 3,910,000	$ 225	$ 7,642,051	$ 333,942	$ 11,244,602

STATE OF NORTH DAKOTA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)
For the Fiscal Year Ended June 30, 2020

	School Construction Assistance Revolving Loan	Small Employer Loan Fund	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Total
Cash Flows from Operating Activities:							
Receipts from Customers and Users	$ -	$ -	$ 6,416,228	$ 17,696,628	$ 193,000	$ 14,173,344	$ 720,286,735
Receipts from Tuition and Fees	-	-	-	-	-	-	-
Interest Income on Loans	-	-	-	-	-	-	56,687
Receipts from Loan Principal Repayments	-	-	-	-	-	-	1,880,956
Receipts from Federal and Local Agencies	-	-	-	-	-	194,195,564	194,195,564
Receipts from Other Funds	-	-	-	-	-	-	8,468
Receipts from Others	-	-	-	-	-	388,108	388,108
Payments to Other Funds	-	-	-	-	-	-	(207,985)
Payments for Loan Funds	-	-	-	-	-	-	(8,453,833)
Payments to Suppliers	(1,093,000)	-	(4,799,805)	(11,800,247)	(31,000)	(9,944,992)	(671,839,833)
Payments to Employees	-	-	(1,947,482)	(979,478)	-	(2,895,006)	(27,451,269)
Claim Payments	-	-	-	-	-	(248,662,452)	(250,604,012)
Payments to Others	-	(152,000)	-	(4,009)	-	1,487,081	721,356
Other	-	-	-	-	-	-	6,791,619
Net Cash Provided by (Used for) Operating Activities	(1,093,000)	(152,000)	(331,059)	4,912,894	162,000	(51,258,353)	(34,227,439)
Cash Flows from Noncapital Financing Activities:							
Proceeds from Sale of Notes and Other Borrowings	-	-	-	-	-	-	21,000,000
Principal Payments - Notes and Other Borrowings	-	-	-	-	-	-	(17,693,289)
Interest Payments - Bonds	-	-	-	-	(25,000)	-	(25,000)
Interest Payments - Notes and Other Borrowings	-	-	-	-	-	-	(1,752,921)
Transfers In	75,000,000	20,000,000	271,417	-	71,000	-	163,480,417
Transfers Out	-	-	-	(9,720,000)	(48,000)	-	(19,597,016)
Principal Payments on Due To Other Funds	-	-	-	-	-	-	(2,988,408)
Grants Received	-	-	751,973	-	-	-	751,973
Net Cash Provided by (Used for) Noncapital Financing Activities	72,300,000	20,000,000	1,023,390	(9,720,000)	(2,000)	-	140,475,756
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	-	-	(648,691)	(3,450)	-	-	(11,401,927)
Principal Payments - Bonds	-	-	(120,000)	-	-	-	(120,000)
Interest Payments - Bonds	-	-	(53,600)	-	-	-	(53,600)
Payment of Bond Issue Costs	-	-	(17,940)	-	-		(17,940)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	-	(840,231)	(3,450)	-	-	(11,593,467)
Cash Flows from Investing Activities:							
Proceeds from Sale and Maturities of Investment Securities	-	-	-	-	1,000,000	-	(230,645,900)
Purchase of Investment Securities	-	-	-	-	(1,000,000)	-	229,775,459
Interest and Dividends on Investments	115,000	2,000	20,123	7,960	7,000	5,141,172	7,732,210
Disbursements for Loans and Loan Purchases	(56,649,000)	(14,258,000)	-	-	-	-	(99,213,000)
Receipt of Loan Principal Repayments	12,903,000	1,000	-	-	-	-	14,132,000
Proceeds from Collection of Loans and Notes Receivable	-	-	-	-	-	-	11,198,112
Loan Income Received	3,562,000	-	-	-	-	-	6,752,617
Net Cash Provided by (Used for) Investing Activities	(40,069,000)	(14,255,000)	20,123	7,960	7,000	5,141,172	(60,268,502)
Net Change in Cash:							
Net Increase (Decrease) in Cash and Cash Equivalents	31,138,000	5,593,000	(127,777)	(4,802,596)	167,000	(46,117,181)	34,386,348
Cash and Cash Equivalents at June 30, 2019	34,467,000	-	5,754,186	10,260,375	225,000	197,255,350	359,198,432
Cash and Cash Equivalents at June 30, 2020	$ 65,605,000	$ 5,593,000	$ 5,626,409	$ 5,457,779	$ 392,000	$ 151,138,169	$ 393,584,780
Reconciliation:							
Current:							
Cash Deposits at the Bank of North Dakota	65,605,000	5,593,000	5,626,409	5,263,456	-	362,231	229,424,060
Cash and Cash Equivalents	-	-	-	194,323	-	150,775,938	157,670,836
Restricted Cash Deposits at the Bank of North Dakota	-	-	-		-	-	6,097,884
Restricted Cash and Cash Equivalents	-	-		-	392,000	-	392,000
Noncurrent:							
Cash and Cash Equivalents	$ 65,605,000	$ 5,593,000	$ 5,626,409	$ 5,457,779	$ 392,000	$ 151,138,169	$ 393,584,780

(Continued on Next Page)

Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)
For the Fiscal Year Ended June 30, 2020

	Addiction Counselor Internship Loan Program	Beginning Farmer Revolving Loan	Bonding	Community Water Facility Loan	Edutech	Fire and Tornado
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:						
Operating Income (Loss)	$ (866)	$ (2,387,000)	$ (3,287)	$ 511,000	$ (81,943)	$ (1,175,976)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation	-	-	-	-	33,428	-
Reclassification of Interest Revenue\Expense	-	-	-	(620,000)	-	-
Interest Received on Program Loans	-	-	-	-	-	-
Receipt of Loan Principal Repayments	-	-	-	-	-	-
Provision for Losses	-	-	-	-	-	-
Other	-	-	-	-	-	-
Deferred Outflows	-	-	11,925	-	-	-
Deferred Inflows	-	-	(1,567)	-	-	-
Change in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	-	-	(12,081)	-	50,290	11,557
(Increase) Decrease in Interest Receivable	(4,934)	-	-	-	-	-
(Increase) Decrease in Due From	-	-	-	-	12,000	-
(Increase) Decrease in Intergovernmental Receivable	-	-	-	-	-	-
(Increase) Decrease in Notes Receivable	-	-	-	-	-	-
(Increase) Decrease in Prepaid Items	-	(340,000)	-	-	-	(37,120)
(Increase) Decrease in Inventories	-	-	-	-	-	-
(Increase) Decrease in Other Assets	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	-	-	149	-	816	(57,426)
Increase (Decrease) in Claims\Judgments Payable	-	-	(10,141)	-	-	353,332
Increase (Decrease) in Intergovernmental Payable	-	-	-	-	-	5,269
Increase (Decrease) in Accrued Payroll	-	-	(4,643)	-	14,858	(61,887)
Increase (Decrease) in Compensated Absences Payable	-	-	(359)	-	-	(22,306)
Increase (Decrease) in Amounts Held for Others	-	-	-	-	-	-
Increase (Decrease) in Due To	-	-	(17)	(2,000)	2,893	-
Increase (Decrease) in Net Pension Liability	-	-	(25,521)	-	-	-
Increase (Decrease) in Net OPEB Liability	-	-	(312)	-	-	-
Increase (Decrease) in Other Liabilities	-	-	-	-	-	-
Total Adjustments	(4,934)	(340,000)	(42,567)	(622,000)	114,285	191,419
Net Cash Provided by (Used for) Operating Activities	$ (5,800)	$ (2,727,000)	$ (45,854)	$ (111,000)	$ 32,342	$ (984,557)
Noncash Transactions:						
Net Change in Fair Value of Investments	$ -	$ -	$ (64,316)	$ -	$ -	$ 123,080
Reduction in pension and OPEB liability	-	-	-	-	-	(370,957)
Reinstatement of Debt Expense	-	-	-	-	-	-
Value Received on Trade of Capital Asset	-	-	-	-	-	-
Total Noncash Transactions	$ -	$ -	$ (64,316)	$ -	$ -	$ (247,877)

Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)
For the Fiscal Year Ended June 30, 2020

	Guaranteed Student Loan	HIT Planning Loan Fund	Infrastructure Revolving Loan Fund	Interoperable Radio	Infrastructure Revolving Loan Fund	Medical Facility Infrastructure Loan Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities:						
Operating Income (Loss)	$ 203,150	$ 34,719	$ 1,229,000	$ 279,688	$ (295,000)	$ 65,000
Adjustments to Reconcile Operating						
Income to Net Cash Provided by Operating Activities:						
Depreciation	-	-	-	537,225	-	-
Reclassification of Interest Revenue\Expense	-	-	-	-	-	(454,000)
Interest Received on Program Loans	-	-	(1,857,000)	-	-	-
Receipt of Loan Principal Repayments	-	-	-	-	-	-
Provision for Losses	1,308,001	-	160,000	-	265,000	156,000
Other	-	-	-	-	-	-
Deferred Outflows	-	-	-	-	-	-
Deferred Inflows	-	-	-	-	-	-
Change in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	157,123	-	-	29,782	-	-
(Increase) Decrease in Interest Receivable	-	879	-		-	-
(Increase) Decrease in Due From	-	-	21,000	(5,187)	-	2,000
(Increase) Decrease in Intergovernmental Receivable	-	-	-	-	-	-
(Increase) Decrease in Notes Receivable	-	1,294,122	-	-	-	-
(Increase) Decrease in Prepaid Items	-	-	-	-	-	-
(Increase) Decrease in Inventories	-	-	-	-	-	-
(Increase) Decrease in Other Assets	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	-	(1,572)	-	1,304,422	-	-
Increase (Decrease) in Claims\Judgments Payable	-	-	-	-	-	-
Increase (Decrease) in Intergovernmental Payable	-	-	-	166,500	-	-
Increase (Decrease) in Accrued Payroll	-	-	-	10,331	-	-
Increase (Decrease) in Compensated Absences Payable	-	-	-	-	-	-
Increase (Decrease) in Amounts Held for Others	-	-	-	-	-	-
Increase (Decrease) in Due To	57,403	-	-	(11,533)	6,000	-
Increase (Decrease) in Net Pension Liability	-	-	-	-	-	-
Increase (Decrease) in Net OPEB Liability	-	-	-	-	-	-
Increase (Decrease) in Other Liabilities	(79,182)	-	-	-	-	-
Total Adjustments	1,443,345	1,293,429	(1,676,000)	2,031,540	271,000	(296,000)
Net Cash Provided by (Used for) Operating Activities	$ 1,646,495	$ 1,328,148	$ (447,000)	$ 2,311,228	$ (24,000)	$ (231,000)
Noncash Transactions:						
Net Change in Fair Value of Investments	$ -	$ -	$ -	$ -	$ -	$ -
Reduction in pension and OPEB liability	-	-	-	-	-	-
Reinstatement of Debt Expense	-	-	-	-	-	-
Value Received on Trade of Capital Asset	-	-	-	-	-	-
Total Noncash Transactions	$ -	$ -	$ -	$ -	$ -	$ -

Mill and Elevator	PERS Uniform Group Insurance	Rebuilders Loan Program	Roughrider Industries	School Construction Assistance Revolving Loan	Infrastructure Revolving Loan Fund	State Fair	State Lottery Fund	Student Loan	Unemployment Compensation	Total
$ 13,076,461	$ 6,210,236	$ 118,844	$ 315,303	$ 2,674,000	$ (1,287,000)	$ (2,073,253)	$ 5,576,928	$ 14,000	$ 33,642,669	$ 56,646,673
5,764,291	297,190	-	247,789	-	-	1,669,683	2,753	-	-	8,552,359
-	-	(250,713)	-	(3,956,000)	(13,000)	-	-	67,000	-	(5,226,713)
-	-	-	-	-	-	-	-	-	-	(1,857,000)
-	-	-	-	-	-	-	-	138,000	-	138,000
-	-	(131,334)	-	140,000	1,141,000	-	-	-	-	3,038,667
83,576	-	-	-	-	-	-	-	-	-	83,576
(895,285)	-	-	188,654	-	-	181,281	98,859	-	-	(414,566)
-	-	-	586,980	-	-	574,270	318,356	-	-	1,478,039
(7,234,740)	(6,978,246)	-	159,323	-	-	(238,961)	(396,846)	-	(5,045,215)	(19,498,014)
-	-	-	-	-	-	-	-	-	-	(4,055)
-	-	-	-	-	-	-	-	-	(82,443,049)	(82,413,236)
-	-	-	-	-	-	-	-	-	(10,314,415)	(10,314,415)
-	-	-	-	-	-	-	-	-	-	1,294,122
28,630	-	-	11,681	-	-	(1,542)	(2,633)	-	-	(340,984)
(2,046,724)	-	-	(116,958)	-	-	-	-	-	-	(2,163,682)
(30,355)	(52,724)	-	2,935	-	-	-	150	-	-	(79,994)
(164,516)	55,124	7,471	18,934	-	-	1,938	(592,032)	-	7,345,730	7,919,038
-	-	-	-	-	-	-	-	-	-	343,191
-	(859)	-	-	-	-	-	-	-	3,461,430	3,632,340
529,060	(5,714)	-	28,375	-	-	-	7,590	-	-	517,970
68,015	13,214	-	-	-	-	(2,998)	9,345	-	-	64,911
-	1,529,417	-	-	-	-	-	-	-	-	1,529,417
-	-	-	(16,504)	49,000	7,000	-	42,543	(54,000)	2,094,497	2,175,282
2,027,123	-	-	(665,388)	-	-	(442,351)	(326,117)	-	-	567,746
-	-	-	476	-	-	874	206	-	-	1,244
8,672	-	-	2,363	-	-	-	173,792	(3,000)	-	102,645
(1,862,253)	(5,142,598)	(374,576)	448,660	(3,767,000)	1,135,000	1,742,194	(664,034)	148,000	(84,901,022)	(90,874,112)
$ 11,214,208	$ 1,067,638	$ (255,732)	$ 763,963	$ (1,093,000)	$ (152,000)	$ (331,059)	$ 4,912,894	$ 162,000	$ (51,258,353)	$ (34,227,439)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 58,764
-	-	-	-	-	-	-	-	-	-	(370,957)
-	-	149,410	-	-	-	-	-	-	-	149,410
-	-	-	-	-	-	17,405	-	-	-	17,405
$ -	$ -	$ 149,410	$ -	$ -	$ -	$ 17,405	$ -	$ -	$ -	$ (145,378)

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 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, 2020

	Central Services	Fleet Services	Information Technology Department	Risk Management	Total
ASSETS					
Current Assets:					
Cash Deposits at the Bank of ND	$ 1,099,378	$ 16,062,480	$ 15,834,316	$ 515,502	$ 33,511,676
Cash and Cash Equivalents	400	-	-	379,745	380,145
Investments at the Bank of ND	-	-	-	252,100	252,100
Investments	-	-	-	9,009,559	9,009,559
Accounts Receivable - Net	34,336	159,595	72,847	6,081	272,859
Interest Receivable - Net	-	-	-	53,345	53,345
Intergovernmental Receivable - Net	16,176	17,417	389,389	-	422,982
Due from Other Funds	211,753	2,373,522	9,347,791	7,730	11,940,796
Prepaid Items	1,183	149,611	3,838,209	132,790	4,121,793
Inventory	147,996	-	-	-	147,996
Total Current Assets	1,511,222	18,762,625	29,482,552	10,356,852	60,113,251
Noncurrent Assets:					
Capital Assets:					
Nondepreciable	25,222	154,838	-	-	180,060
Depreciable, Net	297,753	89,185,125	3,131,647	-	92,614,525
Total Noncurrent Assets	322,975	89,339,963	3,131,647	-	92,794,585
Total Assets	1,834,197	108,102,588	32,614,199	10,356,852	152,907,836
DEFERRED OUTFLOWS OF RESOURCES					
Derived from Pensions	350,511	950,385	10,397,456	246,611	11,944,963
Derived from OPEB	13,500	37,058	489,324	7,513	547,395
Total Deferred Outflow of Resources	364,011	987,443	10,886,780	254,124	12,492,358
LIABILITIES					
Current Liabilities:					
Accounts Payable	116,668	1,129,915	1,742,315	122,387	3,111,285
Accrued Payroll	87,165	209,837	3,022,287	38,995	3,358,284
Securities Lending Collateral	-	-	-	17,338	17,338
Interest Payable	-	-	-	5,730	5,730
Due to Other Funds	15,654	248,401	68,837	10,994	343,886
Claims/Judgments Payable	-	-	-	1,523,912	1,523,912
Compensated Absences Payable	5,011	6,227	264,364	4,868	280,470
Capital Leases Payable	21,455	-	-	-	21,455
Total Current Liabilities	245,953	1,594,380	5,097,803	1,724,224	8,662,360
Noncurrent Liabilities:					
Claims/Judgments Payable	-	-	-	7,161,179	7,161,179
Compensated Absences Payable	54,925	68,259	2,897,884	53,367	3,074,435
Capital Leases Payable	58,251	-	-	-	58,251
Net Pension Liability	730,526	2,144,546	22,041,571	383,678	25,300,321
Net OPEB Liability	46,665	137,090	1,426,210	24,509	1,634,474
Total Noncurrent Liabilities	890,367	2,349,895	26,365,665	7,622,733	37,228,660
Total Liabilities	1,136,320	3,944,275	31,463,468	9,346,957	45,891,020
DEFERRED INFLOWS OF RESOURCES					
Derived from Pensions	420,894	1,302,407	12,173,355	159,500	14,056,156
Derived from OPEB	5,413	14,725	118,124	3,060	141,322
Total Deferred Inflow of Resources	426,307	1,317,132	12,291,479	162,560	14,197,478
NET POSITION					
Net Investment in Capital Assets	243,269	89,339,962	3,131,647	-	92,714,878
Unrestricted	392,312	14,488,662	(3,385,615)	1,101,459	12,596,818
Total Net Position	635,581	103,828,624	(253,968)	1,101,459	105,311,696

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2020

	Central Services	Fleet Services	Information Technology Department	Risk Management	Total
OPERATING REVENUES					
Sales and Services	$ 2,445,312	$ 24,994,621	$ 75,909,845	$ 4,011,371	$ 107,361,149
Miscellaneous	-	88,341	-	-	88,341
Total Operating Revenues	2,445,312	25,082,962	75,909,845	4,011,371	107,449,490
OPERATING EXPENSES					
Cost of Sales and Services	1,037,366	-	-	-	1,037,366
Salaries and Benefits	988,973	2,962,021	38,566,492	361,553	42,879,039
Operating	480,089	14,853,129	37,055,458	642,113	53,030,789
Claims	-	-	-	4,649,014	4,649,014
Depreciation	130,337	9,192,457	2,023,444	-	11,346,238
Miscellaneous	-	46,664	-	-	46,664
Total Operating Expenses	2,636,765	27,054,271	77,645,394	5,652,680	112,989,110
Operating Loss	(191,453)	(1,971,309)	(1,735,549)	(1,641,309)	(5,539,620)
NONOPERATING REVENUES (EXPENSES)					
Interest and Investment Income	-	-	-	545,515	545,515
Interest Expense	(6,257)	-	-	(15,984)	(22,241)
Gain (Loss) on Sale of Capital Assets	(37,897)	570,165	-	-	532,268
Total Nonoperating Revenues (Expenses)	(44,154)	570,165	-	529,531	1,055,542
Loss Before Contributions and Transfers	(235,607)	(1,401,144)	(1,735,549)	(1,111,778)	(4,484,078)
Capital Grants and Contributions	145,250	-	-	-	145,250
Changes in Net Position	(90,357)	(1,401,144)	(1,735,549)	(1,111,778)	(4,338,828)
Total Net Position - Beginning of Year	725,938	105,229,768	1,481,581	2,213,237	109,650,524
Total Net Position - End of Year	$ 635,581	$ 103,828,624	$ (253,968)	$ 1,101,459	$ 105,311,696

STATE OF NORTH DAKOTA

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2020

	Central Services	Fleet Services	Information Technology	Risk Management	Total
Cash Flows from Operating Activities:					
Receipts from Customers and Users	$ 914,704	$ 177,708	$ 2,570,149	$ 29,368	$ 3,691,929
Receipts from Other Funds	1,551,045	24,855,822	70,449,290	3,982,003	100,838,160
Payments to Other Funds	-	28,378	-	(3,073,852)	(3,045,474)
Payments to Suppliers	(1,679,974)	(14,787,638)	(35,380,350)	(723,819)	(52,571,781)
Payments to Employees	(926,431)	(2,418,424)	(35,142,008)	(467,666)	(38,954,529)
Claim Payments	-	-	-	(999,810)	(999,810)
Net Cash Provided by (Used for) Operating Activities	(140,656)	7,855,846	2,497,081	(1,253,776)	8,958,495
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(170,499)	(11,693,648)	(724,555)	-	(12,588,702)
Proceeds from Sale of Capital Assets	-	3,294,537	-	-	3,294,537
Capital Contributions	145,250	-	-	-	145,250
Payment on Capital Leases	(17,147)	-	-	-	(17,147)
Interest Payments - Capital Leases	(6,257)	-	-	-	(6,257)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(48,653)	(8,399,111)	(724,555)	-	(9,172,319)
Cash Flows from Investing Activities:					
Proceeds from Sale and Maturities of Investment Securities	-	-	-	664,264	664,264
Interest and Dividends on Investments	-	-	-	268,033	268,033
Net Cash Provided by (Used for) Investing Activities	-	-	-	932,297	932,297
Net Change in Cash:					
Net Increase (Decrease) in Cash and Cash Equivalents	(189,309)	(543,265)	1,772,526	(321,479)	718,473
Cash and Cash Equivalents at June 30, 2019	1,289,087	16,605,745	14,061,790	1,216,726	33,173,348
Cash and Cash Equivalents at June 30, 2020	$ 1,099,778	$ 16,062,480	$ 15,834,316	$ 895,247	$ 33,891,821
Reconciliation:					
Cash Deposits at the Bank of North Dakota	$ 1,099,378	$ 16,062,480	$ 15,834,316	$ 515,502	$ 33,511,676
Cash and Cash Equivalents	400	-	-	379,745	380,145
Cash and Cash Equivalents	$ 1,099,778	$ 16,062,480	$ 15,834,316	$ 895,247	$ 33,891,821
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	$ (191,453)	$ (1,971,309)	$ (1,735,549)	$ (1,641,309)	$ (5,539,620)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	130,337	9,192,457	2,023,444	-	11,346,238
Deferred Outflows	138,496	239,617	2,758,727	8,022	3,144,862
Deferred Inflows	313,862	1,020,207	9,611,921	95,154	11,041,144
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(28,843)	36,669	66,595	(5,463)	68,958
(Increase) Decrease in Due From	(104,280)	(98,758)	(2,846,462)	4,100	(3,045,400)
(Increase) Decrease in Intergovernmental Receivable	54,154	12,657	(110,538)	-	(43,727)
(Increase) Decrease in Prepaid Items	30,241	(95,741)	118,138	(81,990)	(29,352)
Increase in Inventories	(25,345)	-	-	-	(25,345)
Increase (Decrease) in Accounts Payable	(75,088)	286,909	-	20,359	232,180
Increase In Interest Payable	-	-	1,475,956	-	1,475,956
Increase in Claims/Judgments Payable	-	-	-	559,453	559,453
Increase in Accrued Payroll	5,770	23,879	754,451	684	784,784
Increase in Compensated Absences Payable	1,945	7,641	906,048	3,971	919,605
Increase (Decrease) in Due To	9,285	(50,634)	81,014	(2,813)	36,852
Increase (Decrease) In Net OPEB Liability	(2,734)	9,838	(18,362)	(1,605)	(12,863)
Decrease In Net Pension Liability	(397,003)	(757,586)	(10,588,302)	(212,339)	(11,955,230)
Total Adjustments	50,797	9,827,155	4,232,630	387,533	14,498,115
Net Cash Provided by (Used for) Operating Activities	$ (140,656)	$ 7,855,846	$ 2,497,081	$ (1,253,776)	$ 8,958,495
Noncash Transactions:					
Net Change in Fair Value of Investments	$ -	$ -	$ -	$ 266,729	$ 266,729
Decrease in Securities Lending Collateral	-	-	-	(16,541)	(16,541)
Total Noncash Transactions	$ -	$ -	$ -	$ 250,188	$ 250,188

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.

937 - Department of Public Instruction Thordarson Scholarship Trust Fund
Fund used to provide scholarship grants to students enrolled in courses offered by the independent study division.

988 - School for the Deaf Scholarship Trust Fund
Account for funds donated to provide scholarships to deaf students.

989 - School for the Deaf Student Trust Funds
Accounts for funds donated to the School for the Deaf for the benefit of the students.

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.

Agency Funds

BONDING
402 - Sales and Use Tax Deposit Fund
Accounts for cash received in lieu of a surety bond for sales tax permit holders.

403 - Motor Fuel Cash Bond Deposit Fund
Accounts for cash received in lieu of a surety bond for motor vehicle fuel dealers.

904 – Grain Bonds
Accounts for bonds and proceeds from the sale of grain for the benefit of noncredit-sale receipt holders of insolvent warehousemen.

939 - Public Service Commission Trustee Account
Accounts for savings certificates posted in lieu of performance bonds for surface mining activities and grain elevator insolvency cases.

942 - Agriculture Cash and Investment
Accounts for securities or bonds in lieu of a surety bond relating to the operation of livestock dealers, auction markets and dairy plants.

944 - Cash Bonds
Accounts for the financial resources for the plugging of abandoned oil and gas wells and the reclamation of abandoned oil and gas well sites.

945 - Insurance Company Deposits
Accounts for securities of domestic insurance companies required by the NDCC to keep on deposit with the Insurance Commissioner securities in a value equal to the policies they have in force.

947 - District Court Bond Fund
Accounts for bail bonds posted for civil and criminal court cases.

PAYROLL
461 - OMB Unemployment/Payroll Clearing Fund
Accounts for employers and employees payroll taxes and other deductions such as, insurance and credit union deductions, etc.

CHILD SUPPORT
463 - Child Support Disbursement Unit Fund
Accounts for all child support payments received by the state disbursement unit.

STUDENT AND OTHER
406 - Drivers License Trust Fund
Accounts for cash received from a motor vehicle operator involved in an accident and has no automobile liability policy and the driver was negligent.

946 - District Court Collection Fund
Accounts for collections for third parties.

STUDENT AND OTHER cont.
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.

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.

TAX COLLECTION

434 - City Lodging Tax Suspense
Accounts for city lodging tax collected by the State Tax Commissioner.

435 - City Sales Tax Suspense
Accounts for city sales and use taxes collected by the State Tax Commission.

437 - City Motor Vehicle Rental Tax
Accounts for city motor vehicle rental tax collected by the state tax commissioner.

438 - City Restaurant and Lodge Tax Suspense
A city 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 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 collecting the tax.

Combining Statement of Fiduciary Net Position
Pension, Investment and Private-Purpose Trust Funds
June 30, 2020

	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	$ 250,648	$ 159,859	$ -	$ 7,644	$ 501,349	$ 821,581
Cash and Cash Equivalents	-	-	-	-	-	-
Receivables:						
Contributions Receivable	966,517	83,406	23,152	2,153	518,551	1,007,849
Accounts Receivable - Net	-	-	-	-	-	-
Interest Receivable - Net	-	-	261,434	43	-	252
Due from Other Funds	-	-	-	-	-	291
Due from Fiduciary Funds	-	-	-	-	-	-
Total Receivables	966,517	83,406	284,586	2,196	518,551	1,008,392
Investments, at Fair Value:						
Investments at the Bank of ND	-	-	-	-	-	-
Equities	-	-	-	-	-	-
Equity Pool	-	-	47,206,152	18,153,248	-	88,768,471
Fixed Income Pool	2,262,844	285,606	18,803,288	76,766,803	-	54,676,415
Cash and Cash Pool	3,048,553	224,680	478,953	418,439	-	792,184
Real Estate Pool	-	-	15,408,933	-	-	-
Mutual Funds	133,971,266	14,974,555	-	-	-	-
Total Investments	139,282,663	15,484,841	81,897,326	95,338,490	-	144,237,070
Invested Securities Lending Collatera	-	-	235,324	-	-	-
Capital Assets (Net of Depreciation)	100,808	1,034	2,551	991	50,404	17,873
Other Assets	-	-	-	-	-	-
Total Assets	140,600,636	15,729,140	82,419,787	95,349,321	1,070,304	146,084,916
DEFERRED OUTFLOWS OF RESOURCES						
Derived from Pensions	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-
LIABILITIES						
Accounts Payable	11,771	-	-	89,434	12,077	456,495
Accrued Payroll	33,653	-	-	-	18,495	-
Securities Lending Collatera	-	-	235,324	-	-	-
Due to Other Funds	4,537	98	-	-	2,580	-
Due to Fiduciary Funds	-	-	-	9,250	-	86
Amounts Held in Custody for Others	38,644	-	-	-	-	-
Compensated Absences Payable	33,884	-	-	-	14,683	-
Total Liabilities	122,489	98	235,324	98,684	47,835	456,581
DEFERRED INFLOWS OF RESOURCES						
Derived from Pensions	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
NET POSITION						
Net Position Restricted for:						
Pension Benefits	140,478,147	15,729,042	82,184,463	95,250,637	-	145,628,335
Other Employee Benefits	-	-	-	-	1,022,469	-
External Investment Pool Participants	-	-	-	-	-	-
Other Purposes	-	-	-	-	-	-
Total Net Position Restricted for Pension Benefits and Other Purposes	$ 140,478,147	$ 15,729,042	$ 82,184,463	$ 95,250,637	$ 1,022,469	$ 145,628,335

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Pension and Other Employee Benefit Trust Funds			Investment Trust Funds				
Public Employees Retirement	Teachers Retirement	Total	City of Bismarck	ND Association of Counties	City of Grand Forks	City of Fargo	Total
$ 15,038,753	$ 21,060,210	$ 37,840,044	$ -	$ -	$ -	$ -	$ -
74,910	-	74,910	-	-	-	-	-
12,756,310	20,925,043	36,282,981	-	-	-	-	-
-	-	-	-	-	-	-	-
9,952,954	12,709,777	22,924,460	439,245	2,397	173,444	61,712	676,798
-	-	291	-	-	-	-	-
9,250	-	9,250	-	-	-	-	-
22,718,514	33,634,820	59,216,982	439,245	2,397	173,444	61,712	676,798
-	-	-	-	-	-	-	-
-	1,500,306,819	1,500,306,819	70,827,263	2,333,077	44,329,418	21,684,203	139,173,961
1,798,392,873	-	1,952,520,744	-	-	-	-	-
716,340,916	609,737,594	1,478,873,466	49,572,009	4,158,311	18,205,059	17,059,331	88,994,710
18,246,467	23,710,131	46,919,407	868,050	199,407	835,449	437,170	2,340,076
587,027,616	466,252,190	1,068,688,739	28,563,097	-	11,321,424	4,308,452	44,192,973
-	-	148,945,821	-	-	-	-	-
3,120,007,872	2,600,006,734	6,196,254,996	149,830,419	6,690,795	74,691,350	43,489,156	274,701,720
8,953,451	7,594,167	16,782,942	395,882	23,481	217,847	160,247	797,457
200,849	3,149	377,659	-	-	-	-	-
-	-	-	-	-	-	-	-
3,166,994,349	2,662,299,080	6,310,547,533	150,665,546	6,716,673	75,082,641	43,711,115	276,175,975
-	549,008	549,008	-	-	-	-	-
-	549,008	549,008	-	-	-	-	-
3,454,006	4,176,709	8,200,492	144,674	3,651	64,791	27,745	240,861
118,234	-	170,382	-	-	-	-	-
8,953,451	7,594,167	16,782,942	395,882	23,481	217,847	160,247	797,457
13,824	7,961	29,000	-	-	-	-	-
-	-	9,336	-	-	-	-	-
-	-	38,644	-	-	-	-	-
103,695	-	152,262	-	-	-	-	-
12,643,210	11,778,837	25,383,058	540,556	27,132	282,638	187,992	1,038,318
-	536,950	536,950	-	-	-	-	-
-	536,950	536,950	-	-	-	-	-
3,154,351,139	2,650,532,301	6,284,154,064	-	-	-	-	-
-	-	1,022,469	-	-	-	-	-
-	-	-	150,124,990	6,689,541	74,800,003	43,523,123	275,137,657
-	-	-	-	-	-	-	-
$ 3,154,351,139	$ 2,650,532,301	$ 6,285,176,533	$ 150,124,990	$ 6,689,541	$ 74,800,003	$ 43,523,123	$ 275,137,657

Combining Statement of Fiduciary Net Position
Pension, Investment and Private-Purpose Trust Funds (Continued)
June 30, 2020

	Private-Purpose Trust Funds			
	Student and Cultural Donations	Mandan Remediation Trust	College SAVE	Total
ASSETS				
Cash Deposits at the Bank of ND	$ 134,034	$ 5,743,797	$ -	$ 5,877,831
Cash and Cash Equivalents	13,668	-	1,255,646	1,269,314
Receivables:				
Contributions Receivable	-	-	-	-
Accounts Receivable - Net	-	-	493,019	493,019
Interest Receivable - Net	3,181	83,263	-	86,444
Due from Other Funds	16	-	-	16
Due from Fiduciary Funds	-	-	-	-
Total Receivables	3,197	83,263	493,019	579,479
Investments, at Fair Value:				
Investments at the Bank of ND	21,862	-	-	21,862
Equities	-	-	-	-
Equity Pool	-	-	-	-
Fixed Income Pool	1,249,929	-	-	1,249,929
Cash and Cash Pool	-	-	-	-
Real Estate Pool	-	-	-	-
Mutual Funds	-	-	535,837,198	535,837,198
Total Investments	1,271,791	-	535,837,198	537,108,989
Invested Securities Lending Collatera	46,379	-	-	46,379
Capital Assets (Net of Depreciation)	-	-	-	-
Other Assets	-	-	-	-
Total Assets	1,469,069	5,827,060	537,585,863	544,881,992
DEFERRED OUTFLOWS OF RESOURCES				
Derived from Pensions	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
LIABILITIES				
Accounts Payable	330	9,698	1,748,490	1,758,518
Accrued Payroll	-	-	-	-
Securities Lending Collatera	46,379	-	-	46,379
Due to Other Funds	-	-	-	-
Due to Fiduciary Funds	-	-	-	-
Amounts Held in Custody for Others	-	-	-	-
Compensated Absences Payable	-	-	-	-
Total Liabilities	46,709	9,698	1,748,490	1,804,897
DEFERRED INFLOWS OF RESOURCES				
Derived from Pensions	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
NET POSITION				
Net Position Restricted for:				
Pension Benefits	-	-	-	-
Other Employee Benefits	-	-	-	-
External Investment Pool Participants	-	-	-	-
Other Purposes	1,422,360	5,817,362	535,837,373	543,077,095
	$ 1,422,360	$ 5,817,362	$ 535,837,373	$ 543,077,095



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STATE OF NORTH DAKOTA

Combining Statement of Changes in Fiduciary Net Position
Pension, Investment and Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2020

	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:						
Employer	$ -	$ 479,861	$ 2,176,902	$ -	$ -	$ 13,392,266
Employee	12,716,174	482,365	1,469,682	27,047	5,534,001	16,319
From Participants	-	-	-	-	-	-
Transfers from Other Funds	637,500	6,221	-	-	-	-
Transfers from Other Plans	1,454,944	4,324	-	-	-	-
Donations	-	-	-	-	-	-
Total Contributions	14,808,618	972,771	3,646,584	27,047	5,534,001	13,408,585
Investment Income:						
Net Change in Fair Value of Investments	4,681,216	(132,456)	1,150,890	149,250	-	3,791,934
Interest and Dividends	931	677,312	1,736,006	2,792,754	1,747	3,530,531
Less Investment Expense	-	8,520	222,946	320,937	-	417,596
Net Investment Income	4,682,147	536,336	2,663,950	2,621,067	1,747	6,904,869
Securities Lending Activity:						
Securities Lending Income	-	-	3,421	-	-	-
Less Securities Lending Expense	-	-	-	-	-	-
Net Securities Lending Income	-	-	3,421	-	-	-
Repurchase Service Credit	-	2,727	205,461	-	-	556,585
Miscellaneous Income (Expense)	112,600	8,870	(16)	-	806,837	9,580
Total Additions	19,603,365	1,520,704	6,519,400	2,648,114	6,342,585	20,879,619
DEDUCTIONS						
Benefits Paid to Participants	6,033,883	802,861	5,580,332	4,581,575	5,285,746	1,031
Refunds	-	-	124,254	-	-	4,614
Prefunded Credit Applied	-	-	-	-	-	12,312,461
Transfer to Other Plans	-	-	-	-	525,000	-
Payments in Accordance with Trust Agreements	-	-	-	-	-	-
Administrative Expenses	875,951	8,347	45,870	19,148	532,247	453,913
Total Deductions	6,909,834	811,208	5,750,456	4,600,723	6,342,993	12,772,019
Redemption of Units at $1.00 Per Unit	-	-	-	-	-	-
Change in Net Position Held in Trust for						
Pension Benefits	12,693,531	709,496	768,944	(1,952,609)	-	8,107,600
Other Employee Benefits	-	-	-	-	(408)	-
External Investment Pool Participants	-	-	-	-	-	-
Other Purposes	-	-	-	-	-	-
Net Position - Beginning of Year	127,784,616	15,019,546	81,415,519	97,203,246	1,022,877	137,520,735
Net Position - End of Year	$ 140,478,147	$ 15,729,042	$ 82,184,463	$ 95,250,637	$ 1,022,469	$ 145,628,335

(Continued on Next Page)

Pension and Other Employee Benefit Trust Funds			Investment Trust Funds				
Public Employees Retirement	Teachers Retirement	Total	City of Bismarck	ND Association of Counties	City of Grand Forks	City of Fargo	Total
$ 85,504,033	$ 93,032,453	$ 194,585,515	$ -	$ -	$ -	$ -	$ -
81,477,666	85,735,134	187,458,388	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	643,721	-	-	-	-	-
-	-	1,459,268	-	-	-	-	-
-	-	-	-	-	-	-	-
166,981,699	178,767,587	384,146,892	-	-	-	-	-
43,599,936	37,928,921	91,169,691	2,491,724	235,639	1,134,936	673,479	4,535,778
65,795,981	54,664,894	129,200,156	3,244,508	134,353	1,546,876	908,396	5,834,133
8,419,181	6,523,407	15,912,587	404,605	12,175	192,007	90,931	699,718
100,976,736	86,070,408	204,457,260	5,331,627	357,817	2,489,805	1,490,944	9,670,193
129,262	169,620	302,303	9,558	545	5,304	4,498	19,905
-	33,911	33,911	1,912	109	1,061	897	3,979
129,262	135,709	268,392	7,646	436	4,243	3,601	15,926
10,818,588	2,175,497	13,758,858	-	-	-	-	-
(2,580)	158,683	1,093,974	-	-	-	-	-
278,903,705	267,307,884	603,725,376	5,339,273	358,253	2,494,048	1,494,545	9,686,119
204,312,452	224,361,530	450,959,410	-	-	-	-	-
14,122,715	6,489,704	20,741,287	-	-	-	-	-
-	-	12,312,461	-	-	-	-	-
118,721	-	643,721	-	-	-	-	-
-	-	-	-	-	-	-	-
2,729,759	2,095,405	6,760,640	-	-	-	-	-
221,283,647	232,946,639	491,417,519	-	-	-	-	-
-	-	-	(2,300,000)	-	(3,267,604)	(2,800,000)	(8,367,604)
57,620,058	34,361,245	112,308,265	-	-	-	-	-
-	-	(408)	-	-	-	-	-
-	-	-	3,039,273	358,253	(773,556)	(1,305,455)	1,318,515
-	-	-	-	-	-	-	-
3,096,731,081	2,616,171,056	6,172,868,676	147,085,717	6,331,288	75,573,559	44,828,578	273,819,142
$ 3,154,351,139	$ 2,650,532,301	$ 6,285,176,533	$ 150,124,990	$ 6,689,541	$ 74,800,003	$ 43,523,123	$ 275,137,657

Combining Statement of Changes in Fiduciary Net Position
Pension, Investment and Private-Purpose Trust Funds (Continued)
For the Fiscal Year Ended June 30, 2020

	Private-Purpose Trust Funds			
	Student and Cultural Donations	Mandan Remediation Trust	College SAVE	Total
ADDITIONS				
Contributions:				
Employer	$ -	$ -	$ -	$ -
Employee	-	-	-	-
From Participants	-	-	50,856,817	50,856,817
Transfers from Other Funds	-	-	-	-
Transfers from Other Plans	-	-	-	-
Donations	7,774	-	-	7,774
Total Contributions	7,774	-	50,856,817	50,864,591
Investment Income:				
Net Change in Fair Value of Investments	(48,688)	-	63,835,270	63,786,582
Interest and Dividends	30,051	97,801	13,560,733	13,688,585
Less Investment Expense	3,040	-	-	3,040
Net Investment Income	(21,677)	97,801	77,396,003	77,472,127
Securities Lending Activity:				
Securities Lending Income	691	-	-	691
Less Securities Lending Expense	-	-	-	-
Net Securities Lending Income	691	-	-	691
Repurchase Service Credit	-	-	-	-
Miscellaneous Income (Expense)	3,068	-	-	3,068
Total Additions	(10,144)	97,801	128,252,820	128,340,477
DEDUCTIONS				
Benefits Paid to Participants	-	-	-	-
Refunds	-	-	-	-
Prefunded Credit Applied	-	-	-	-
Transfer to Other Plans	-	-	-	-
Payments in Accordance with Trust Agreements	45,953	28,743	44,546,693	44,621,389
Administrative Expenses	2,639	26,223	3,528,768	3,557,630
Total Deductions	48,592	54,966	48,075,461	48,179,019
Redemption of Units at $1.00 Per Unit	-	-	-	-
Change in Net Position Held in Trust for				
Pension Benefits	-	-	-	-
Other Employee Benefits	-	-	-	-
External Investment Pool Participants	-	-	-	-
Other Purposes	(58,736)	42,835	80,177,359	80,161,458
Net Position - Beginning of Year	1,481,096	5,774,527	455,660,014	462,915,637
Net Position - End of Year	$ 1,422,360	$ 5,817,362	$ 535,837,373	$ 543,077,095

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2020

	Bonding	Payroll	Child Support	Student and Other	Tax Collection	Total
ASSETS						
Cash Deposits at the Bank of ND	$ 6,301,468	$ 1,400,154	$ 4,943,739	$ 4,823,280	$ 26,506,682	$ 43,975,323
Cash and Cash Equivalents	4,374,657	-	-	354,481	-	4,729,138
Investments at the Bank of ND	29,908,537	-	-	50,000	-	29,958,537
Investments	137,635,344	-	-	-	-	137,635,344
Accounts Receivable - Net	-	11,374,561	509,780	-	-	11,884,341
Taxes Receivable - Net	-	-	-	-	33,091,555	33,091,555
Interest Receivable - Net	-	-	-	150	-	150
Total Assets	$ 178,220,006	$ 12,774,715	$ 5,453,519	$ 5,227,911	$ 59,598,237	$ 261,274,388
LIABILITIES						
Intergovernmental Payable	-	12,716,891	-	-	59,587,871	72,304,762
Tax Refunds Payable	33,482	-	-	-	10,365	43,847
Amounts Held in Custody for Others	178,186,524	57,824	5,453,519	5,227,911	1	188,925,779
Total Liabilities	$ 178,220,006	$ 12,774,715	$ 5,453,519	$ 5,227,911	$ 59,598,237	$ 261,274,388

STATE OF NORTH DAKOTA

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2020

	June 30 2019	Additions	Deductions	June 30 2020
Bonding				
ASSETS				
Cash Deposits at the Bank of ND	$ 6,208,485	$ 334,519	$ 241,536	$ 6,301,468
Cash and Cash Equivalents	5,181,350	5,842,151	6,648,844	4,374,657
Investments at the Bank of ND	29,837,602	991,687	920,752	29,908,537
Investments	141,619	137,533,725	40,000	137,635,344
Total Assets	$ 41,369,056	$ 144,702,082	$ 7,851,132	$ 178,220,006
LIABILITIES				
Tax Refunds Payable	2,500	33,482	2,500	33,482
Amounts Held in Custody for Others	41,366,556	144,702,076	7,882,108	178,186,524
Total Liabilities	$ 41,369,056	$ 144,735,558	$ 7,884,608	$ 178,220,006
Payroll				
ASSETS				
Cash Deposits at the Bank of ND	46,185	128,495,411	127,141,442	$ 1,400,154
Accounts Receivable - Net	11,033,893	11,374,561	11,033,893	11,374,561
Total Assets	$ 11,080,078	$ 139,869,972	$ 138,175,335	$ 12,774,715
LIABILITIES				
Intergovernmental Payable	11,009,397	12,716,890	11,009,396	12,716,891
Amounts Held in Custody for Others	70,681	128,836,079	128,848,936	57,824
Total Liabilities	$ 11,080,078	$ 141,552,969	$ 139,858,332	$ 12,774,715
Child Support				
ASSETS				
Cash Deposits at the Bank of ND	3,062,965	143,607,802	141,727,028	$ 4,943,739
Cash and Cash Equivalents	190,243	-	190,243	-
Accounts Receivable - Net	-	509,780	-	509,780
Total Assets	$ 3,253,208	$ 144,117,582	$ 141,917,271	$ 5,453,519
LIABILITIES				
Amounts Held in Custody for Others	3,253,208	136,465,786	134,265,475	5,453,519
Total Liabilities	$ 3,253,208	$ 136,465,786	$ 134,265,475	$ 5,453,519

	June 30 2019	Additions	Deductions	June 30 2020
Student and Other				
ASSETS				
Cash Deposits at the Bank of ND	$ 3,393,457	$ 6,108,590	$ 4,678,767	$ 4,823,280
Cash and Cash Equivalents	425,231	2,906,411	2,977,161	354,481
Investments at the Bank of ND	50,000	-	-	50,000
Interest Receivable - Net	124	150	124	150
Total Assets	$ 3,868,812	$ 9,015,151	$ 7,656,052	$ 5,227,911
LIABILITIES				
Amounts Held in Custody for Others	3,868,812	9,015,151	7,656,052	5,227,911
Total Liabilities	$ 3,868,812	$ 9,015,151	$ 7,656,052	$ 5,227,911
Tax Collection				
ASSETS				
Cash Deposits at the Bank of ND	17,920,255	334,109,782	325,523,355	$ 26,506,682
Taxes Receivable - Net	46,901,827	33,091,555	46,901,827	33,091,555
Total Assets	$ 64,822,082	$ 367,201,337	$ 372,425,182	$ 59,598,237
LIABILITIES				
Intergovernmental Payable	64,820,530	379,990,315	385,222,974	59,587,871
Tax Refunds Payable	1,551	10,365	1,551	10,365
Amounts Held in Custody of Others	1	-	-	1
Total Liabilities	$ 64,822,082	$ 380,000,680	$ 385,224,525	$ 59,598,237
Total -All Agency Funds				
ASSETS				
Cash Deposits at the Bank of ND	30,631,347	612,656,104	599,312,128	43,975,323
Cash and Cash Equivalents	5,796,824	8,748,562	9,816,248	4,729,138
Investments at the Bank of ND	29,887,602	991,687	920,752	29,958,537
Investments	141,619	137,533,725	40,000	137,635,344
Accounts Receivable - Net	11,033,893	11,884,341	11,033,893	11,884,341
Taxes Receivable - Net	46,901,827	33,091,555	46,901,827	33,091,555
Interest Receivable - Net	124	150	124	150
Total Assets	$ 124,393,236	$ 804,906,124	$ 668,024,972	$ 261,274,388
LIABILITIES				
Intergovernmental Payable	75,829,927	392,707,205	396,232,368	72,304,762
Tax Refunds Payable	4,051	43,847	4,051	43,847
Amounts Held in Custody for Others	48,559,258	419,019,092	278,652,573	188,925,779
Total Liabilities	$ 124,393,236	$ 811,770,144	$ 674,888,992	$ 261,274,388

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Schedule 1 -- Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014
Governmental Activities				
Net Investment in Capital Assets	$ 1,640,080,874	$ 1,943,226,802	$ 2,331,214,264	$ 2,502,234,624
Restricted	2,470,400,337	3,094,031,766	3,786,154,729	4,976,564,822
Unrestricted	2,537,062,796	3,635,538,536	5,597,014,917	7,109,867,360
Total Governmental Activities Net Position	**$ 6,647,544,007**	**$ 8,672,797,104**	**$ 11,714,383,910**	**$ 14,588,666,806**
Business-Type Activities				
Net Investment in Capital Assets	706,459,639	752,357,235	792,067,993	844,395,270
Restricted	452,312,013	569,991,053	632,431,958	600,269,799
Unrestricted	916,758,798	957,796,166	1,019,582,872	1,287,315,405
Total Business-Type Activities Net Position	**$ 2,075,530,450**	**$ 2,280,144,454**	**$ 2,444,082,823**	**$ 2,731,980,474**
Primary Government				
Net Investment in Capital Assets	2,346,540,513	2,695,584,037	3,123,282,257	3,346,629,894
Restricted	2,922,712,350	3,664,022,819	4,418,586,687	5,576,834,621
Unrestricted	3,453,821,594	4,593,334,702	6,616,597,789	8,397,182,765
Total Primary Government Net Position	**$ 8,723,074,457**	**$ 10,952,941,558**	**$ 14,158,466,733**	**$ 17,320,647,280**

2015	2016	2017	2018	2019	2020
$ 3,622,722,021	$ 4,299,696,899	$ 4,759,286,304	$ 4,988,838,700	$ 5,185,682,467	$ 5,427,964,743
6,254,673,532	6,246,873,312	6,224,908,099	6,355,103,413	6,639,785,616	6,543,041,908
6,812,545,677	5,781,826,861	5,989,501,438	7,172,275,944	8,786,695,069	9,578,050,070
$ 16,689,941,230	**$ 16,328,397,072**	**$ 16,973,695,841**	**$ 18,516,218,057**	**$ 20,612,163,152**	**$ 21,549,056,721**
1,023,384,933	1,155,758,401	1,223,438,996	1,214,133,386	1,246,740,894	1,243,098,375
485,012,106	533,664,273	888,080,253	924,610,477	972,887,591	1,374,338,655
1,439,859,232	1,528,847,402	1,633,421,219	1,779,197,611	1,904,500,531	1,952,266,055
$ 2,948,256,271	**$ 3,218,270,076**	**$ 3,744,940,468**	**$ 3,917,941,474**	**$ 4,124,129,016**	**$ 4,569,703,085**
4,646,106,954	5,455,455,300	5,982,725,300	6,202,972,086	6,432,423,361	6,671,063,118
6,739,685,638	6,780,537,585	7,112,988,352	7,279,713,890	7,612,673,207	7,917,380,563
8,252,404,909	7,310,674,263	7,622,922,657	8,951,473,555	10,691,195,600	11,530,316,125
$ 19,638,197,501	**$ 19,546,667,148**	**$ 20,718,636,309**	**$ 22,434,159,531**	**$ 24,736,292,168**	**$ 26,118,759,806**

Schedule 2 -- Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)

	2011	2012	2013	2014
Expenses				
Governmental Activities:				
General Governmental	$ 507,512,750	$ 617,152,026	$ 889,332,121	$ 1,283,916,089
Education	830,649,191	843,780,168	875,991,527	1,075,062,067
Health and Human Services	1,244,163,316	1,271,569,970	1,318,899,711	1,433,598,932
Regulatory	28,419,774	33,988,310	44,813,739	54,727,821
Public Safety and Corrections	242,521,440	303,602,543	209,732,547	243,149,474
Agriculture and Commerce	98,038,471	91,653,406	93,212,834	96,055,152
Natural Resources	117,862,905	132,679,303	114,752,488	119,395,831
Transportation	468,695,689	796,123,086	595,646,719	1,066,103,806
Interest on Long Term Debt	10,461,658	9,063,514	8,454,110	7,601,561
Total Governmental Activities Expenses	3,548,325,193	4,099,612,325	4,150,835,796	5,379,610,733
Business-Type Activities:				
Bank of North Dakota	77,556,546	71,996,932	68,887,617	76,366,749
Housing Finance	69,824,036	56,046,981	48,368,304	40,901,946
Loan Programs	6,898,226	8,092,864	8,756,357	12,759,106
State Lottery	17,068,826	18,877,249	19,713,987	19,264,562
Unemployment Compensation	108,482,422	89,236,878	118,377,072	113,988,509
University System	1,008,539,618	1,047,949,521	1,080,816,602	1,129,869,106
Workers Compensation	300,297,491	359,216,200	448,535,174	418,500,961
Other	237,373,095	523,164,269	279,389,712	269,600,028
Total Business-Type Activities Expenses	1,826,040,260	2,174,580,894	2,072,844,825	2,081,250,967
Total Primary Government Expenses	**$ 5,374,365,453**	**$ 6,274,193,219**	**$ 6,223,680,621**	**$ 7,460,861,700**
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Governmental	26,863,061	30,255,507	32,815,967	38,080,695
Education	6,985,958	7,515,580	6,086,567	6,064,710
Health and Human Services	36,563,927	36,100,539	38,381,590	39,915,016
Regulatory	22,122,244	30,312,566	32,359,807	45,384,490
Public Safety and Corrections	14,456,950	26,263,919	26,614,392	28,552,402
Agriculture and Commerce	29,861,552	31,026,427	35,652,945	36,600,243
Natural Resources	24,772,981	31,017,855	26,356,862	29,681,837
Transportation	96,023,474	111,125,056	120,821,133	120,058,651
Operating Grants and Contributions	2,015,949,905	2,012,322,201	1,867,800,810	2,083,789,612
Capital Grants and Contributions	12,768,330	18,099,423	5,353,007	11,045,879
Total Governmental Activities Program Revenues	2,286,368,382	2,334,039,074	2,192,243,080	2,439,173,535
Business-Type Activities:				
Charges for Services:				
Bank of North Dakota	140,043,000	145,038,000	161,080,000	155,548,000
Housing Finance	54,190,469	49,583,855	42,649,030	36,150,366
Loan Programs	5,989,229	6,185,948	7,538,124	7,548,651
State Lottery	23,085,242	26,587,851	27,999,486	27,051,014
Unemployment Compensation	119,074,810	126,040,929	127,174,321	133,701,408
University System	438,741,616	468,992,991	486,262,379	507,302,753
Workers Compensation	193,150,136	253,677,520	320,237,794	318,779,835
Other	246,210,771	278,124,295	289,981,947	276,895,777
Operating Grants and Contributions	449,392,800	601,695,091	370,855,633	439,950,824
Capital Grants and Contributions	14,258,261	20,975,446	19,865,857	18,703,628
Total Business-Type Activities Program Revenues	1,684,136,334	1,976,901,926	1,853,644,571	1,921,632,256
Total Primary Government Program Revenues	**$ 3,970,504,716**	**$ 4,310,941,000**	**$ 4,045,887,651**	**$ 4,360,805,791**
Net (Expense)/Revenue				
Governmental Activities	(1,261,956,811)	(1,765,573,251)	(1,958,592,716)	(2,940,437,198)
Business-Type Activities	(141,903,926)	(197,678,968)	(219,200,254)	(159,618,711)
Total Primary Government Net Expense	**$ (1,403,860,737)**	**$ (1,963,252,219)**	**$ (2,177,792,970)**	**$ (3,100,055,909)**
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Individual and Corporate Income Taxes	605,526,736	658,905,496	863,018,492	700,867,920
Sales and Use Taxes	1,121,730,307	1,543,140,897	1,654,186,763	1,756,777,615
Oil, Gas and Coal Taxes	1,059,467,528	1,670,059,257	2,518,921,322	3,335,934,782
Business and Other Taxes	69,733,806	71,974,295	83,470,020	82,437,250
Unrestricted Investment Earnings	21,330,843	15,500,793	17,967,764	130,011,232
Tobacco Settlement	30,453,643	22,265,336	22,332,577	23,652,803
Miscellaneous	158,447,124	170,544,538	206,709,383	198,533,139
Contributions to Permanent Fund Principal	999,110	12,469,733	13,722,930	14,251,211
Special Items	-	-	-	-
Extraordinary Item	-	-	-	-
Transfers	(365,304,396)	(368,204,484)	(409,585,575)	(424,008,500)
Total Governmental Activities	2,702,384,702	3,796,655,862	4,970,743,676	5,818,457,452
Business-Type Activities:				
Miscellaneous	-	1,940,000	39,166,106	1,857,975
Special Items	-	-	(14,728,630)	-
Transfers	376,538,823	390,214,559	358,701,147	455,888,029
Total Business-Type Activities	376,538,823	392,154,559	383,138,623	457,746,004
Total Primary Government	**$ 3,078,923,525**	**$ 4,188,810,421**	**$ 5,353,882,299**	**$ 6,276,203,456**
Change in Net Position				
Governmental Activities	1,440,427,891	2,031,082,611	3,012,150,960	2,878,020,254
Business-Type Activities	234,634,897	194,475,591	163,938,369	298,127,293
Total Primary Government	**$ 1,675,062,788**	**$ 2,225,558,202**	**$ 3,176,089,329**	**$ 3,176,147,547**

2015	2016	2017	2018	2019	2020
$ 1,171,207,640	$ 1,055,377,601	$ 955,118,609	$ 1,034,864,058	$ 1,183,233,944	$ 1,034,052,808
1,415,255,393	1,175,550,087	1,214,358,440	1,208,513,849	1,238,988,634	1,288,935,269
1,706,333,172	1,776,822,167	1,851,801,955	1,930,264,975	1,947,263,363	2,077,950,367
66,743,817	69,084,070	76,261,665	60,781,953	61,213,248	78,441,824
249,290,966	227,617,802	238,515,283	241,143,887	230,666,579	249,751,212
106,455,113	106,845,611	100,774,792	95,411,926	99,247,117	107,574,065
236,079,321	321,992,458	286,546,075	230,194,737	261,307,506	217,545,757
603,812,692	679,070,102	529,532,248	444,530,511	443,629,333	429,801,053
7,154,580	1,334,285	2,677,665	2,502,540	1,952,361	1,691,314
5,562,332,694	5,413,694,183	5,255,586,732	5,248,208,436	5,467,502,085	5,485,743,669
71,053,171	85,822,027	88,791,813	86,073,174	98,931,503	103,391,326
37,510,475	40,245,934	40,997,193	46,083,037	52,714,991	56,536,682
11,366,158	17,322,830	13,172,549	13,320,203	12,665,669	16,395,752
20,359,788	26,038,434	20,637,595	23,214,880	26,174,686	18,929,003
144,920,974	225,358,209	156,930,938	115,486,597	84,205,911	611,219,223
1,170,159,474	1,211,438,892	1,204,936,394	1,178,669,412	1,198,989,180	1,227,857,663
377,926,363	366,662,703	254,467,332	270,197,345	297,497,091	220,279,394
549,799,020	569,432,422	571,077,157	632,911,836	594,491,102	616,265,019
2,383,095,423	2,542,321,451	2,351,010,971	2,365,956,484	2,365,670,133	2,870,874,062
$ 7,945,428,117	**$ 7,956,015,634**	**$ 7,606,597,703**	**$ 7,614,164,920**	**$ 7,833,172,218**	**$ 8,356,617,731**
37,107,914	36,278,126	33,728,302	33,504,205	37,185,115	31,944,485
6,806,001	7,071,212	7,530,807	6,987,309	7,147,934	10,566,897
64,507,593	42,982,802	43,283,756	48,201,500	80,627,617	47,748,086
25,862,700	52,583,727	29,390,590	31,489,459	29,490,252	37,130,755
30,428,332	24,446,658	23,272,409	30,370,076	32,002,961	20,811,638
31,198,196	38,222,183	35,559,194	40,756,601	32,809,364	38,228,838
33,895,342	35,142,635	35,392,128	33,128,741	38,390,527	44,662,134
132,160,558	122,699,922	124,378,227	120,482,453	120,377,945	116,062,224
1,888,797,868	1,755,539,596	2,221,211,526	2,156,381,884	2,121,702,987	2,028,277,553
1,388,033	3,416,338	1,205,837	94,772	106,834	1,939
2,252,152,537	2,118,383,199	2,554,952,776	2,501,397,000	2,499,841,536	2,375,434,549
175,117,000	207,836,000	223,476,000	221,210,000	251,626,000	279,302,000
34,386,013	36,286,659	37,984,271	39,821,469	49,362,786	58,096,789
10,365,115	12,212,352	11,530,798	7,391,511	13,095,470	17,114,318
27,212,010	35,736,460	27,744,572	31,520,906	35,511,058	24,505,932
127,328,232	147,802,377	193,118,386	162,161,260	114,657,558	452,421,028
517,570,660	537,645,053	546,737,253	549,206,645	540,691,218	528,517,702
339,806,696	308,682,776	244,720,318	239,542,884	249,787,742	230,442,756
554,752,747	573,829,155	577,288,875	639,883,523	600,125,017	623,799,925
312,136,231	298,603,154	380,842,641	363,266,299	410,790,831	596,060,095
36,923,275	29,609,083	32,025,992	4,769,350	19,925,817	17,501,749
2,135,597,979	2,188,243,069	2,275,469,106	2,258,773,847	2,285,573,497	2,827,762,294
$ 4,387,750,516	**$ 4,306,626,268**	**$ 4,830,421,882**	**$ 4,760,170,847**	**$ 4,785,415,033**	**$ 5,203,196,843**
(3,310,180,157)	(3,295,310,984)	(2,700,633,956)	(2,746,811,436)	(2,967,660,549)	(3,110,309,120)
(247,497,444)	(354,078,382)	(75,541,865)	(107,182,637)	(80,096,636)	(43,111,768)
$ (3,557,677,601)	**$ (3,649,389,366)**	**$ (2,776,175,821)**	**$ (2,853,994,073)**	**$ (3,047,757,185)**	**$ (3,153,420,888)**
732,975,064	414,964,865	418,040,178	452,792,812	604,088,632	513,419,336
1,804,380,378	1,348,342,960	1,236,701,340	1,326,248,557	1,435,129,762	1,364,664,641
2,734,507,198	1,457,361,212	1,490,398,754	2,196,877,038	2,586,569,876	1,949,036,077
92,936,834	99,295,506	98,374,118	100,127,079	110,714,853	107,173,491
117,643,232	64,347,477	489,070,430	380,164,919	360,264,138	333,528,092
21,789,723	22,776,760	21,599,800	55,305,183	20,752,400	21,159,397
161,725,312	119,545,563	119,134,899	163,996,339	231,745,021	190,047,481
16,382,336	15,637,987	11,895,026	4,393,122	11,014,244	9,515,851
-	(4,948,596)	-	-	-	-
-	-	(38,379,966)	-	-	-
(542,713,254)	(603,556,908)	(503,278,766)	(367,497,321)	(290,718,287)	(440,249,767)
5,139,626,823	2,933,766,826	3,343,555,813	4,312,407,728	5,069,560,639	4,048,294,599
9,562,071	93,003	4,846,618	2,921,705	5,162,713	3,576,763
-	-	-	-	-	-
535,979,992	611,332,622	598,094,515	285,002,133	277,018,465	485,109,074
545,542,063	611,425,625	602,941,133	287,923,838	282,181,178	488,685,837
$ 5,685,168,886	**$ 3,545,192,451**	**$ 3,946,496,946**	**$ 4,600,331,566**	**$ 5,351,741,817**	**$ 4,536,980,436**
1,829,446,666	(361,544,158)	642,921,857	1,565,596,292	2,101,900,090	937,985,479
298,044,619	257,347,243	527,399,268	180,741,201	202,084,542	445,574,069
$ 2,127,491,285	**$ (104,196,915)**	**$ 1,170,321,125**	**$ 1,746,337,493**	**$ 2,303,984,632**	**$ 1,383,559,548**

Schedule 3 -- Fund Balances, Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

	2011	2012	2013	2014
General Fund				
Nonspendable	$ 4,628,040	$ 498,042,684	$ 1,355,179,441	$ 2,447,681,621
Restricted	-	-	-	-
Commited	682,696,887	996,737,740	840,061,206	1,365,420,166
Unassigned	712,046,495	1,412,091,095	2,142,277,489	1,421,552,566
Total General Fund	**1,399,371,422**	**2,906,871,519**	**4,337,518,136**	**5,234,654,353**
All Other Governmental Funds				
Nonspendable	81,757,950	82,345,060	85,991,097	88,250,884
Restricted	2,371,817,130	3,003,088,539	3,679,248,354	4,913,528,772
Commited	1,055,012,373	682,600,401	1,200,571,048	1,628,346,627
Assigned	124,052,099	66,930,266	64,730,555	224,403,093
Unassigned	(3,205,875)	(3,797,855)	(6,075,964)	-
Total All Other Governmental Funds	**3,629,433,677**	**3,831,166,411**	**5,024,465,090**	**6,854,529,376**
Total Fund Balances, Governmental Funds	**$ 5,028,805,099**	**$ 6,738,037,930**	**$ 9,361,983,226**	**$ 12,089,183,729**

2015	2016	2017	2018	2019	2020
$ 3,465,933,483	$ 3,908,797,255	$ 4,761,588,134	$ 5,551,216	$ 6,638,440	$ 6,194,850
-	-	-	8,990,891	279,367	396
1,332,805,458	997,494,805	364,544,853	411,711,769	348,222,819	1,066,688,590
1,061,519,282	421,702,619	353,772,107	6,242,855,378	7,231,354,796	7,655,894,378
5,860,258,223	**5,327,994,679**	**5,479,905,094**	**6,669,109,254**	**7,586,495,422**	**8,728,778,214**
179,976,824	197,452,648	208,038,662	216,171,493	101,738,203	103,260,391
6,037,108,398	6,000,049,002	5,996,248,585	6,124,510,110	6,488,554,439	6,410,963,955
1,230,446,562	617,111,539	480,910,925	398,555,411	1,187,965,245	840,247,407
-	79,512,397	228,964,056	381,732,051	374,609,779	419,726,973
(8,477,525)	(3,376,686)	(3,146,889)	-	(1,642,214)	(4,821,080)
7,439,054,259	**6,890,748,900**	**6,911,015,339**	**7,120,969,065**	**8,151,225,452**	**7,769,377,646**
$ 13,299,312,482	**$ 12,218,743,579**	**$ 12,390,920,433**	**$ 13,790,078,319**	**$ 15,737,720,874**	**$ 16,498,155,860**

Schedule 4 -- Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

	2011	2012	2013	2014
Revenues				
Individual and Corporate Income Taxes	$ 602,185,856	$ 643,107,392	$ 845,590,604	$ 736,426,799
Sales and Use Taxes	1,120,803,578	1,542,807,423	1,652,264,305	1,747,358,775
Oil, Gas, and Coal Taxes	1,058,519,977	1,670,529,100	2,518,629,175	3,336,441,100
Business and Other Taxes	70,417,133	72,084,077	80,514,313	85,216,692
Licenses, Permits and Fees	154,090,944	183,303,744	191,268,529	205,896,279
Intergovernmental	1,610,019,463	1,753,469,275	1,428,170,719	1,433,023,985
Sales and Services	53,599,656	51,864,186	51,333,672	54,206,137
Royalties and Rents	328,289,031	392,165,022	389,989,643	474,293,031
Fines and Forfeits	16,213,841	18,151,711	23,770,098	23,022,332
Interest and Investment Income	270,760,984	74,621,630	250,383,144	515,486,326
Tobacco Settlement	30,453,643	31,277,903	31,344,429	33,896,173
Commodity Assessments	23,111,279	19,710,327	28,572,996	24,788,270
Miscellaneous	7,622,389	25,651,998	56,131,404	37,337,036
Total Revenues	5,346,087,774	6,478,743,788	7,547,963,031	8,707,392,935
Expenditures				
Current:				
General Government	174,560,163	193,919,196	316,117,619	391,604,389
Education	830,379,618	842,666,213	874,348,965	1,073,921,730
Health and Human Services	1,240,584,657	1,267,415,392	1,316,596,317	1,430,474,509
Regulatory	25,371,933	30,249,484	35,368,070	47,317,516
Public Safety and Corrections	233,108,649	292,979,177	199,319,379	230,055,951
Agriculture and Commerce	97,880,158	91,516,274	92,435,869	95,791,431
Natural Resources	110,413,413	123,117,235	105,696,650	107,874,535
Transportation	430,542,156	753,087,144	550,383,353	1,015,136,123
Intergovernmental - Revenue Sharing	326,572,267	415,775,866	570,905,886	887,469,331
Capital Outlay	233,071,350	358,083,597	428,030,196	250,938,968
Debt Service:				
Principal	16,869,266	18,282,996	17,421,039	18,094,333
Interest and Other Charges	10,659,235	9,736,260	8,744,962	7,999,247
Total Expenditures	3,730,012,865	4,396,828,834	4,515,368,305	5,556,678,063
Revenue over (under) Expenditures	1,616,074,909	2,081,914,954	3,032,594,726	3,150,714,872
Other Financing Sources (Uses)				
Bonds and Notes Issued	2,575,000	-	-	-
Refunding Bonds Issued	5,337,000	20,004,000	-	-
Payment to Refund Bond Escrow Agent	-	-	-	-
Payment of Refunded Bonds	(4,940,000)	(25,041,000)	-	-
Capital Lease Acquisitions	1,402,326	147,344	282,145	52,526
Sale of Capital Assets	539,837	284,974	641,170	336,557
Other	-	-	-	-
Transfers In	566,165,036	1,162,122,470	398,824,628	104,808,196
Transfers Out	(931,469,432)	(1,530,199,911)	(808,397,373)	(528,711,650)
Total Other Financing Sources (Uses)	(360,390,233)	(372,682,123)	(408,649,430)	(423,514,371)
Extraordinary Item	-	-	-	-
Net Changes in Fund Balances	**$ 1,255,684,676**	**$ 1,709,232,831**	**$ 2,623,945,296**	**$ 2,727,200,501**
Debt Service as a Percentage of Noncapital Expenditures	**<1%**	**<1%**	**<1%**	**<1%**

2015	2016	2017	2018	2019	2020
$ 714,657,090	$ 424,229,756	$ 397,563,377	$ 459,742,512	$ 594,902,271	$ 514,474,130
1,790,646,715	1,353,955,780	1,227,777,645	1,308,380,507	1,447,039,166	1,382,950,275
2,734,607,036	1,457,086,135	1,489,177,632	2,198,245,617	2,586,461,875	1,949,413,720
93,445,691	99,743,017	99,358,473	100,050,115	113,491,911	107,904,881
215,706,207	207,163,123	201,347,912	209,425,979	208,629,095	205,881,199
1,626,610,762	1,643,431,832	1,718,291,215	1,666,435,743	1,722,371,509	1,935,418,579
81,988,980	57,382,857	56,713,042	59,147,530	87,945,566	63,647,829
398,048,916	237,379,524	256,351,062	358,554,090	428,518,481	350,303,312
26,167,673	22,979,377	25,792,953	27,794,757	31,643,952	28,740,584
149,053,816	63,615,120	863,607,155	668,469,231	568,502,158	267,822,601
30,512,364	31,872,848	25,677,716	55,305,183	20,752,400	21,159,397
23,662,092	25,007,037	27,771,103	25,879,090	24,055,725	23,180,351
17,176,577	43,591,538	19,059,502	32,577,808	26,261,882	32,010,373
7,902,283,919	5,667,437,944	6,408,488,787	7,170,008,162	7,860,575,991	6,882,907,231
690,034,696	363,410,801	375,462,221	196,145,504	212,878,777	221,601,805
1,116,260,493	1,174,928,314	1,212,413,715	1,205,816,564	1,236,434,495	1,286,565,575
1,707,702,397	1,774,061,712	1,830,146,819	1,895,273,724	1,901,317,937	2,036,979,868
58,625,606	60,161,098	66,319,143	50,990,125	44,017,306	66,636,947
237,542,738	216,354,458	221,427,867	217,079,519	206,073,620	228,482,829
106,304,742	106,791,473	100,053,823	93,502,803	97,290,753	106,261,515
185,712,117	307,669,526	270,375,075	210,225,132	240,134,308	196,940,075
550,382,661	613,815,927	446,115,824	369,478,453	359,256,938	330,326,337
811,392,745	693,793,125	574,300,791	826,616,477	964,483,838	805,934,582
648,582,253	770,056,268	585,432,696	339,847,100	341,357,479	383,713,350
35,744,666	63,766,311	11,576,381	16,169,612	10,839,024	20,566,373
7,915,666	4,544,267	2,809,155	2,532,662	2,073,539	1,800,116
6,156,200,780	6,149,353,280	5,696,433,510	5,423,677,675	5,616,158,014	5,685,809,372
1,746,083,139	(481,915,336)	712,055,277	1,746,330,487	2,244,417,977	1,197,097,859
-	-	-	42,812,909	-	3,344,100
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(20,347,000)	-	-
244,493	149,891	1,728,159	175,968	184,258	145,827
49,910	5,712,951	27,150	19,343	1,141,039	269,769
-	-	-	-	-	-
1,176,200,047	838,882,833	346,374,625	291,318,581	285,737,190	563,143,071
(1,718,913,302)	(1,443,399,242)	(849,628,391)	(658,815,902)	(576,455,477)	(1,003,565,640)
(542,418,852)	(598,653,567)	(501,498,457)	(344,836,101)	(289,392,990)	(436,662,873)
-	-	(38,379,966)			
$ 1,203,664,287	**$ (1,080,568,903)**	**$ 172,176,854**	**$ 1,401,494,386**	**$ 1,955,024,987**	**$ 760,434,986**
<1%	**1.3%**	**<1%**	**<1%**	**<1%**	**<1%**

Schedule 5
Taxable Sales by Industry
Last Ten Calendar Years

	Calendar Year			
	2010	2011	2012	2013
Mining and Oil Extraction	$ 1,491,748,626	$ 3,609,963,576	$ 5,117,138,306	$ 4,374,052,860
Construction	494,291,922	702,237,062	1,073,180,098	985,079,023
Manufacturing	711,340,542	995,535,882	1,270,236,581	1,334,723,444
Transportation, Communications, And Public Utilities	390,215,115	577,280,642	652,478,635	569,453,738
Wholesale	3,367,800,790	4,394,667,162	5,987,059,129	6,434,467,781
Retail	4,686,288,902	5,448,304,958	6,348,806,735	6,569,146,675
Services	1,724,349,874	2,490,644,719	3,135,679,592	3,441,014,994
Accommodation and Food Service	1,271,280,053	1,471,737,060	1,706,097,731	1,756,625,375
Miscellaneous				
Total	$ 14,137,315,824	$ 19,690,371,061	$ 25,290,676,807	$ 25,464,563,890
Effective Tax Rate	4.98%	4.86%	5.08%	5.08%

Source: ND State Tax Department

Schedule 6
Sales Tax Revenue Payers by Industry
Calendar Years 2010 and 2019
(Dollars are in Millions)

	Calendar Year 2010			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail Trade	7,922	27.6%	$ 233.38	33.2%
Wholesale Trade	4,731	16.5%	161.65	23.0%
Services	7,591	26.4%	86.05	12.2%
Transportation, Communications, And Public Utilities	454	1.6%	19.43	2.8%
Manufacturing	2,536	8.8%	35.42	5.0%
Construction	1,915	6.7%	23.73	3.4%
Miscellaneous	3,206	11.2%	69.92	9.9%
Mining and Oil Extraction	356	1.2%	74.29	10.6%
Total	28,711	100.0%	703.87	100.0%

Source: ND State Tax Department

Calendar Year					
2014	2015	2016	2017	2018	2019
$ 5,194,104,870	$ 3,195,799,670	$ 1,270,571,326	$ 1,933,586,774	$ 2,798,102,134	$ 3,099,269,900
965,197,436	893,628,575	788,360,652	572,742,527	581,608,306	618,279,202
1,527,873,493	1,256,620,179	955,191,364	940,433,285	1,073,576,742	1,167,694,348
630,444,105	566,226,446	359,835,574	325,778,272	520,830,231	607,973,352
7,391,400,913	5,339,698,317	3,564,195,615	3,971,599,479	4,849,827,096	4,972,679,709
6,900,590,520	6,634,790,900	6,137,317,234	6,039,261,375	6,253,114,138	6,686,103,548
3,684,213,017	3,176,227,835	2,547,155,903	2,411,082,485	2,420,785,043	2,537,470,588
1,928,607,097	1,839,842,915	1,705,940,154	1,706,215,062	1,765,283,726	1,834,041,363
$ 28,222,431,451	$ 22,902,834,837	$ 17,328,567,822	$ 17,900,699,259	$ 20,263,127,416	$ 21,523,512,010
5.00%	5.35%	5.42%	5.06%	5.12%	5.11%

Calendar Year 2019			
Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
10,559	30.4%	341.66	31.1%
5,476	15.8%	228.74	20.8%
9,436	27.2%	129.66	11.8%
463	1.3%	31.07	2.8%
3,030	8.7%	59.67	5.4%
2,141	6.2%	31.59	2.9%
3,022	8.7%	119.21	10.8%
607	1.7%	158.37	14.4%
34,734	100.0%	$ 1,099.97	100.0%

Schedule 7
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(dollars in thousands)

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities				
Revenue bonds	$ 219,221	$ 197,021	$ 180,757	$ 163,031
Capital leases	2,964	1,928	1,068	667
Notes Payable	8,563	7,428	6,211	4,981
Total Governmental Activities	230,748	206,377	188,036	168,679
Business-type Activities				
Revenue bonds	1,193,816	1,069,257	919,506	901,527
Certificates of Participation	-	-	-	-
Capital leases	75,649	73,211	61,796	44,774
Notes payable	403,509	481,735	415,856	484,763
Total Business-Type Activities	1,672,974	1,624,203	1,397,158	1,431,064
Total Primary Government	$ 1,903,722	$ 1,830,580	$ 1,585,194	$ 1,599,743
Debt as a Percentage of Personal Income [1]	7.1%	6.2%	4.8%	4.1%
Amount of Debt per Capita [1]	$ 2,863	$ 2,714	$ 2,313	$ 2,279

[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						
2015	2016	2017	2018	2019	2020
$ 129,345	$ 64,049	$ 54,105	$ 40,429	$ 29,950	$ 19,730
600	467	1,695	1,415	1,118	834
4,412	3,891	2,181	22,248	21,897	14,817
134,357	68,407	57,981	64,092	52,965	35,381
884,086	1,040,019	1,019,125	1,242,368	1,525,285	1,666,599
-	-	-	-	96,843	104,120
41,224	38,533	41,425	40,058	54,359	51,662
665,792	747,186	1,299,860	1,289,686	1,120,787	648,266
1,591,102	1,825,738	2,360,410	2,572,112	2,797,274	2,470,647
$ 1,725,459	$ 1,894,145	$ 2,418,391	$ 2,636,204	$ 2,850,239	$ 2,506,028
4.3%	4.4%	5.8%	6.4%	6.9%	6.1%
$ 2,383	$ 2,560	$ 3,195	$ 3,478	$ 3,760	$ 3,306

Schedule 8
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Requirements		Coverage
				Principal	Interest	
	BUILDING AUTHORITY BONDS					
2011	9,570,000	-	9,570,000	6,243,000	3,656,000	0.97
2012	11,298,000	-	11,298,000	7,106,000	3,211,000	1.10
2013	8,394,000	-	8,394,000	5,806,000	2,655,000	0.99
2014	9,176,000	-	9,176,000	6,825,000	2,336,000	1.00
2015	8,163,000	-	8,163,000	6,130,000	2,080,000	0.99
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
	Pledged revenues include interest and lease payments.					
	WATER COMMISSION BONDS					
2011	9,425,473	-	9,425,473	5,227,642	4,645,491	0.95
2012	9,761,020	-	9,761,020	5,541,961	4,372,017	0.98
2013	9,863,578	-	9,863,578	5,760,272	4,142,814	1.00
2014	16,615,188	-	16,615,188	5,990,528	3,911,439	1.68
2015	8,783,565	-	8,783,565	13,343,592	3,318,972	0.53
2016	45,840,868	-	45,840,868	52,525,000	1,309,125	0.85
	Pledged revenues inlcude user fees, interest, and Tobacco Settlement funds.					
	INFORMATION TECHNOLOGY BONDS					
2011	49,841,497	41,956,029	7,885,468	10,537,178	324,831	0.73
2012	53,268,445	47,300,345	5,968,100	694,550	89,028	7.62
2013	58,427,069	52,478,918	5,948,151	736,600	39,805	7.66
2014	60,619,327	53,925,234	6,694,093	711,950	14,239	9.22
	Pledged revenues include user fees.					
	DEPARTMENT OF TRANSPORTATION BONDS					
2011	5,271,363	-	5,271,363	3,465,000	1,854,138	0.99
2012	5,345,315	-	5,345,315	3,595,000	1,726,615	1.00
2013	5,344,822	-	5,344,822	3,725,000	1,597,010	1.00
2014	5,320,012	-	5,320,012	3,865,000	1,451,535	1.00
2015	5,318,070	-	5,318,070	4,015,000	1,303,070	1.00
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 tranfers from fund 002), highway fund appropriations, and transfers from Highway fund (200).					

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Requirements		Coverage
				Principal	Interest	
	STUDENT LOAN TRUST					
2011	1,406,000	923,000	483,000	9,000,000	288,000	0.05
2012	1,168,000	770,000	398,000	2,000,000	39,000	0.20
2013	976,000	658,000	318,000	2,200,000	24,000	0.14
2014	868,000	559,000	309,000	-	9,000	34.33
2015	732,000	487,000	245,000	-	9,000	27.22
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
	Pledged revenues include federal revenues, and loan and investment interest.					
	HOUSING FINANCE AGENCY					
2011	74,163,000	46,020,000	28,143,000	247,099,000	36,352,000	0.10
2012	62,386,855	42,874,000	19,512,855	246,535,000	36,562,000	0.07
2013	55,452,870	36,480,000	18,972,870	209,045,000	29,902,000	0.08
2014	48,261,366	28,677,687	19,583,679	189,830,000	22,360,000	0.09
2015	46,104,013	25,535,000	20,569,013	136,385,000	18,303,000	0.13
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
	Pledged revenues include income and proceeds from mortgage loan activity.					
	UNIVERSITY SYSTEM					
2011	777,992,712	937,253,706	(159,260,994)	19,435,268	14,390,104	(4.71)
2012	708,136,180	979,701,772	(271,565,592)	27,187,867	15,553,703	(6.35)
2013	729,800,506	1,012,017,963	(282,217,457)	43,206,702	12,842,418	(5.04)
2014	750,780,897	1,051,848,696	(301,067,799)	42,458,545	11,650,094	(5.56)
2015	758,127,326	1,090,845,378	(332,718,052)	45,904,456	13,702,718	(5.58)
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)

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, 2020

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)
2010	674,715	$29,344,600	$43,492	3.8%	358,674
2011	685,225	$32,882,200	$47,987	3.5%	379,433
2012	701,176	$38,859,800	$55,421	3.1%	411,710
2013	722,036	$38,860,600	$53,821	2.9%	427,109
2014	737,401	$41,526,200	$56,314	2.7%	444,658
2015	754,066	$40,600,600	$53,842	2.8%	437,078
2016	754,434	$39,622,200	$52,519	3.1%	417,150
2017	754,942	$39,774,600	$52,686	2.7%	414,039
2018	758,080	$42,147,700	$55,598	2.6%	417,578
2019	762,062	$43,819,100	$57,501	2.4%	422,826

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

	2019			2010		
Industry	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	83,000	1	18.89%	79,600	1	21.13%
Educational and Health Services	67,200	2	15.30%	57,100	2	15.15%
Retail Trade	45,500	3	10.36%	43,200	3	11.46%
Leisure and Hospitality	40,500	4	9.22%	34,300	4	9.10%
Professional and Business Services	32,800	5	7.47%	27,300	5	7.25%
Construction	28,100	6	6.40%	21,600	7	5.73%
Manufacturing	26,400	7	6.01%	22,600	6	6.00%
Financial Activities	24,800	8	5.65%	20,600	8	5.47%
Wholesale Trade	24,300	9	5.53%	21,100	9	5.60%
Transportation, Warehousing and Utilities	23,900	10	5.44%	16,000	11	4.25%
Logging and Mining	21,300	11	4.85%	10,700	13	2.84%
Other Services	15,400	12	3.51%	15,400	10	4.09%
Information	6,100	13	1.39%	7,300	12	1.94%
Total	439,300		100%	376,800		100%

Source: Job Service North Dakota: Current Employment Statistics Program.

Schedule 13
Education Enrollment
Last Ten Academic Years

Public School Enrollment

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Kindergarten	8,236	8,575	8,822	9,033	8,925	8,841	9,271	9,324	9,620	8,992
Grades 1-3	22,229	23,796	24,859	25,960	26,585	26,320	26,316	26,663	27,208	26,812
Grades 4-6	20,932	22,008	22,810	23,751	24,513	25,244	26,076	26,580	26,622	25,880
Grades 7-8	14,740	14,750	14,920	15,299	15,642	16,115	16,511	16,845	17,561	17,742
Grades 9-12	29,641	30,063	30,245	30,235	30,405	30,343	30,771	31,430	31,847	32,619
Total Enrollment	95,778	99,192	101,656	104,278	106,070	106,863	108,945	110,842	112,858	112,045
Special Education Students	13,123	13,268	13,399	13,675	13,988	14,429	15,175	15,902	16,459	NA

Source: Department of Public Instruction

University System Full-Time Equivalent Student Enrollment

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Bismarck State College	3,209	2,990	2,955	2,909	2,912	2,860	2,646	2,611	2,598	2,558
Dakota College at Bottineau	524	474	502	518	459	490	527	590	596	552
Dickinson State University	1,959	1,454	1,201	1,176	1,070	1,114	1,128	1,090	1,093	1,147
Lake Region State College	988	973	943	978	981	971	995	1,005	974	867
Mayville State University	704	759	749	798	796	782	784	817	801	801
Minot State University	2,795	2,731	2,710	2,600	2,570	2,591	2,467	2,483	2,399	2,273
ND State College Of Science	2,366	2,354	2,295	2,272	2,305	2,298	2,253	2,126	2,076	2,020
North Dakota State University	12,606	12,707	12,797	12,934	12,834	12,782	12,784	12,394	11,704	11,252
University of North Dakota	12,319	12,728	12,606	12,420	12,455	12,180	11,964	11,585	11,164	10,933
Valley City State University	1,011	995	975	990	1,031	1,044	1,086	1,096	1,164	1,160
Williston State College	608	537	593	579	738	756	763	806	783	703
Total	39,089	38,702	38,326	38,174	38,151	37,870	37,398	36,603	35,352	34,268

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

EXECUTIVE BRANCH	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Adjutant General	172	174	178	177	170	155	155	155	155	151
Aeronautics Commission	6	6	6	6	6	7	7	7	7	7
Bank of North Dakota	177	177	177	180	180	182	183	190	190	190
Barley Council	5	5	5	5	5	5	5	5	1	1
Beef Commission	2	2	2	2	2	2	3	3	3	4
Career and Technical Education	34	34	34	34	29	27	27	25	25	55
Corn Council	3	4	5	6	6	6	6	6	3	3
Council on the Arts	5	5	5	5	5	5	5	5	5	5
Department of Agriculture	75	75	76	77	77	77	77	73	74	78
Department of Commerce	68	68	68	70	69	69	69	54	66	62
Department of Corrections and Rehabilitation	705	739	812	813	834	838	845	845	895	899
Department of Emergency Services	65	64	68	70	76	79	79	79	76	68
Department of Environmental Quality	0	0	0	0	0	0	0	0	2	158
Department of Financial Institutions	29	29	29	29	29	30	31	30	30	31
Department of Human Services	2,232	2,201	2,201	2,203	2,215	2,216	2,218	2,163	2,140	2,223
Department of Public Instruction	101	99	99	99	100	100	92	92	94	89
Department of Transportation	1,066	1,066	1,081	1,084	1,082	1,081	1,081	1,047	1,008	985
Department of Trust Lands	23	26	28	31	34	34	33	30	30	29
Ethics Commission	0	0	0	0	0	0	0	0	0	2
Game and Fish Department	157	157	158	158	164	163	163	163	164	166
Highway Patrol	194	198	198	213	215	215	204	204	204	204
Historical Society	63	66	73	72	73	80	80	77	78	77
Indian Affairs Commission	4	4	5	5	5	5	5	5	4	4
Industrial Commission	68	73	93	93	114	113	114	106	108	108
Information Technology Department	341	335	326	341	354	350	352	346	447	400
Job Service North Dakota	309	309	252	239	238	182	182	182	182	173
Milk Marketing Board	6	6	6	6	6	6	6	6	4	4
ND Department of Health	341	345	352	354	365	366	368	360	365	205
ND Horse Racing Commission	2	2	2	2	2	2	2	2	2	2
ND Housing Finance Agency	46	46	46	46	40	41	41	41	42	43
ND Mill and Elevator Association	131	130	131	134	135	142	147	153	151	150
ND Vision Services/School for the Blind	33	33	33	33	33	32	32	30	30	29
North Dakota University System	7,775	7,756	7,763	7,904	8,028	8,012	7,532	7,290	7,207	7,192
Office of Administrative Hearings	7	7	7	5	5	5	5	5	5	5

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXECUTIVE BRANCH, Continued										
Office of Management and Budget	135	134	134	134	132	124	123	117	118	114
Office of the Attorney General	202	205	214	217	248	253	253	240	249	246
Office of the Governor	18	18	18	18	18	18	19	17	17	17
Office of the Insurance Commissioner	45	49	49	49	49	49	49	46	46	41
Office of the Labor Commissioner	12	12	13	13	15	15	15	14	14	14
Office of the State Auditor	56	56	55	55	61	62	62	57	57	59
Office of the State Tax Commissioner	133	133	134	134	134	135	135	132	132	123
Office of the State Treasurer	7	8	8	8	8	8	8	7	7	7
Oilseed Council	1	1	1	1	2	1	1	1	1	1
Parks and Recreation Department	53	53	53	55	65	66	65	63	62	62
Protection and Advocacy	29	29	29	28	28	28	28	28	29	29
Public Employees Retirement System	33	33	33	33	33	35	35	35	35	35
Public Service Commission	46	43	44	44	46	46	47	47	47	44
Retirement and Investment Office	18	18	18	19	19	19	19	19	20	20
School for the Deaf	50	50	50	50	51	51	51	51	51	51
Secretary of State	28	31	31	31	34	34	34	32	32	32
Securities Department	9	9	9	9	9	9	9	10	9	9
Seed Department	30	30	30	30	30	30	31	31	30	30
Soybean Council	5	6	7	7	8	8	8	7	6	6
State Fair Association	27	27	27	28	27	27	26	27	28	26
State Library	30	30	30	30	31	30	30	29	29	28
State Radio	0	0	0	0	0	0	0	0	0	0
Veteran's Affairs Department	7	8	8	8	8	9	9	9	7	7
Veterans Home	116	114	117	118	120	116	118	120	119	118
Water Commission	87	87	88	90	95	96	96	93	93	93
Wheat Commission	8	8	8	8	8	8	8	8	6	6
Workforce Safety and Insurance	251	251	254	256	266	265	265	265	267	265
LEGISLATIVE BRANCH										
Legislative Council	34	34	34	36	36	37	36	36	36	36
JUDICIAL BRANCH										
Judiciary Branch	342	344	362	363	364	392	392	355	363	363
Total State Employees	**16,052**	**16,062**	**16,177**	**16,368**	**16,639**	**16,598**	**16,118**	**15,675**	**15,706**	**15,681**

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Office of the Tax Commissioner										
Number of returns filed electronically [1]	289,387	319,759	352,150	383,906	412,559	428,347	391,234	460,464	447,690	417,060
Education										
Department of Public Instruction										
Public School Enrollment [2]	95,778	99,192	101,656	104,278	106,070	106,863	108,945	110,842	112,858	112,045
North Dakota University System										
Full Tme Equivalent Student Enrollment [3]	39,089	38,702	38,326	38,174	38,151	37,870	37,398	36,603	35,352	34,268
Health and Human Services										
North Dakota Department of Health										
Number of Autopsies Performed in ND [4]	323	367	365	261	258	244	234	239	176	NA
North Dakota Department of Environmental Quality										
Air Quality - Percent of Facilities in Compliance [4]	100	99	99	99	100	100	100	99	99	NA
Public Water Systems - Percent of Facilities in Compliance [4]	95	96	96	95	96	98	99	98	99	NA
Department of Human Services										
Number of TANF Caseloads	3,668	3,329	3,032	2,773	2,515	2,367	2,313	2,206	1,968	1,981
Number of Medicaid Recipients	88,618	90,453	91,382	105,539	114,364	122,374	123,766	124,371	122,304	119,763
Regulatory										
Office of the Insurance Commissioner										
Licensed Insurance Agents [4]	50,392	52,417	55,241	61,142	65,671	66,882	75,769	73,304	83,193	94,289
Public Service Commission										
Weighing and Measuring Devices Inspected	10,673	7,437	9,559	5,892	5,446	6,136	5,172	5,183	4,653	3,526
Weights and Measures Quality Assurance Inspections	0	0	0	166	249	216	207	160	79	180
Gas Pipeline Safety Inspections	61	53	83	127	72	81	82	78	42	49
Gas Pipeline Safety Inspection-Person Days	97	97	138	162	124	134	150	191	122	153
Public Safety and Corrections										
Department of Corrections and Rehabilitation										
Average Daily Adult Prison Population [4]	1,460	1,477	1,553	1,617	1,767	1,794	1,813	1,709	1,766	NA
Office of the Attorney General-Bureau of Investigations										
Criminal Cases Opened [4]	366	422	355	478	449	558	514	339	427	NA
Drug Cases Opened [3]	421	375	403	380	387	544	446	278	402	NA
Office of the Attorney General-Crime Laboratory										
Toxicology Alcohol Blood and Breath Analyses [4]	7,583	7,918	7,421	6,523	6,472	5,472	5,201	4,298	4,007	NA
Methamphetamine/Amphetamine Samples Processed [4]	745	1,381	2,387	2,942	4,527	4,669	3,932	4,077	3,284	NA
Office of the Adjutant General										
Assigned National Guard [5]	4,375	4,363	4,210	4,167	4,006	3,980	4,032	4,002	4,094	4,155
Agriculture and Commerce										
Department of Agriculture										
Pounds of Pesticide Waste Collected	189,996	290,932	248,354	310,754	384,857	137,297	180,692	340,074	521,584	114,597
Job Service North Dakota (JSND)										
Net Job Growth from Nonfarm Employment [4]	20,500	32,400	15,500	16,900	-7,600	-19,200	-3,500	3,200	4,300	NA
Source: Current Employment Statistics, BLS - JSND										
New Private Sector Businesses [4]	1,619	2,274	1,371	940	382	-67	-281	-172	336	NA
Source: Quarterly Census of Employment & Wages, BLS - JSND										
Game and Fish Department										
Registered Boats [4]	47,527	62,799	69,381	53,558	61,328	67,026	57,220	60,660	62,672	NA
Hunting and Fishing Licenses Issued	330,833	321,086	359,734	357,488	354,728	356,548	351,704	343,709	343,530	NA
Department of Parks and Recreation										
Park Visitations [4]	1,099,714	1,191,483	1,067,054	1,187,022	1,211,150	1,182,628	1,196,868	1,211,744	1,214,226	NA
Camping Nights [4]	55,018	67,425	66,533	68,480	71,075	73,316	71,555	72,831	72,979	NA
Snowmobile Registrations [4]	11,872	3,354	11,763	3,743	8,958	2,779	8,767	2,762	7,478	NA
OHV Registrations [4]	10,841	21,862	12,198	26,200	12,753	25,316	13,673	27,148	13,115	NA
Transportation										
Department of Transportation										
Registered Vehicles [4]	1,048,240	1,063,203	1,110,241	1,159,317	1,168,252	1,160,042	1,159,040	1,184,472	1,188,053	NA
Licensed Drivers	490,146	502,807	513,838	527,541	545,027	555,935	561,667	561,333	566,015	557,164
Unemployment Compensation										
Job Service North Dakota										
Number of Covered Workers [4]	379,433	411,710	427,109	444,658	437,078	417,150	414,039	417,578	422,826	NA
Workforce Safety and Insurance										
Number of Claims Filed	21,693	24,643	25,835	26,395	24,798	21,227	20,045	19,830	19,913	18,813
Number of Covered Workers	348,743	369,996	402,771	418,234	435,993	427,899	408,107	405,367	409,559	414,371

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	631,940	631,921	631,939	631,997	632,039	631,794	631,806	631,806	631,806	631,761
ND University System										
Buildings	522	512	512	528	528	534	534	516	516	470
Buildings Square Footage	14,700,708	15,019,252	15,019,252	15,852,457	15,852,457	16,299,100	16,299,100	16,571,905	16,571,905	16,682,484
Health and Human Services										
Dept. of Human Services										
Buildings	74	74	64	63	63	63	63	63	63	60
Public Safety and Corrections										
Department of Corrections and Rehabilitation										
Buildings	72	72	69	71	71	71	70	70	70	70
Office of the Adjutant General										
Headquarters, Camp and Armory Buildings	282	283	268	280	298	298	302	330	327	319
Natural Resources										
Game and Fish Department										
Wildlife Management Areas	199	201	201	204	201	200	201	201	201	202
Boats, ATV's, Snowmobiles, Tractors,Other	443	446	463	462	460	472	491	493	498	506
Dept. of Parks and Recreation										
Park/Recreational Sites	15	15	15	15	15	15	15	15	15	15
Park Maintanenace Vehicles/Equipment	262	291	304	305	305	363	392	364	409	420
Transportation										
Department of Transportation										
Roadway Miles Maintained	8,518	8,504	8,509	8,509	8,563	8,614	8,614	8,614	8,622	8,624
Fleet Vehicles	3,564	3,567	3,600	3,652	3,664	3,726	3,740	3,541	3,406	3,386
Heavy Equipment	471	500	434	441	448	441	445	479	480	489
Buildings	94	123	126	142	158	159	162	164	165	167

Sources: The State agencies listed above provided the data for their agency

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1 Net Earned Required Contribution and Investment Revenues	$ 202	$ 195	$ 140	$ 133	$ 70	$ 173	$ 101	$ 42	$ 204	$ 183
2 Unallocated Expenses	25	28	22	33	36	67	26	21	25	8
3 Estimated Incurred Claims and Expense, End of Policy Year	22	4	(115)	39	94	26	21	87	39	(1)
4 Paid (Cumulative) as of:										
End of Policy Year	(179)	(202)	(157)	(32)	(35)	(77)	(86)	(19)	(106)	(136)
One Year Later	(179)	(202)	(157)	(32)	(35)	(77)	(86)	(19)	(106)	
Two Years Later	(179)	(202)	(157)	(32)	(35)	(77)	(86)	(19)		
Three Years Later	(179)	(202)	(157)	(32)	(35)	(77)	(86)			
Four Years Later	(179)	(202)	(157)	(32)	(35)	(77)				
Five Years Later	(179)	(202)	(157)	(32)	(35)					
Six Years Later	(179)	(202)	(157)	(32)						
Seven Years Later	(179)	(202)	(157)							
Eight Years Later	(179)	(202)								
Nine Years Later	(179)									
5 Reestimated Incurred Claims and Expenses:										
End of Policy Year	22	4	(115)	39	94	26	(21)	87	39	(1)
One Year Later	22	4	(115)	39	94	26	(21)	87	39	
Two Years Later	22	4	(115)	39	94	26	(21)	87		
Three Years Later	22	4	(115)	39	94	26	(21)			
Four Years Later	22	4	(115)	39	94	26				
Five Years Later	22	4	(115)	39	94					
Six Years Later	22	4	(115)	39						
Seven Years Later	22	4	(115)							
Eight Years Later	22	4								
Nine Years Later	22									
6 Increase in Estimated Incurred Claims and Expense From End of Policy Year	0	0	0	0	0	0	0	0	0	0

Schedule 17
Claims Development Information
Last Ten Fiscal Years
(Expressed In Thousands)

Fire and Tornado Fund

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1 Net Earned Required Contribution and Investment Revenues	$ 4,709	$ 3,031	$ 4,103	$ 5,388	$ (2,124)	$ 2,908	$ 4,765	$ 3,567	$ 3,845	$ 2,704
2 Unallocated Expenses	1,340	849	768	915	800	912	1,348	1,118	874	541
3 Estimated Incurred Claims and Expense, End of Policy Year	4,663	1,162	1,501	998	1,141	3,039	4,750	2,352	2,953	2,576
4 Paid (Cumulative) as of:										
End of Policy Year	2,571	958	1,106	562	9,378	8,890	3,805	8,318	3,218	2,253
One Year Later	4,191	1,225	1,871	1,067	1,553	3,117	4,466	1,158	3,218	
Two Years Later	4,360	1,318	1,905	1,080	1,564	3,119	4,466	1,158		
Three Years Later	4,492	1,691	1,905	1,080	1,564	3,119	4,466			
Four Years Later	4,492	1,691	1,905	1,080	1,564	3,119				
Five Years Later	4,492	1,691	1,905	1,080	1,564					
Six Years Later	4,492	1,691	1,905	1,080						
Seven Years Later	4,492	1,691	1,905							
Eight Years Later	4,492	1,691								
Nine Years Later	4,492									
5 Reestimated Incurred Claims and Expenses:										
End of Policy Year	4,663	1,162	1,501	998	1,516	3,039	4,750	2,352	3,040	2,953
One Year Later	4,502	1,550	2,009	1,146	1,725	3,292	4,692	3,153	3,040	
Two Years Later	4,528	1,549	2,012	1,122	1,723	3,229	4,634	3,153		
Three Years Later	4,520	1,711	2,012	1,122	1,723	3,226	4,634			
Four Years Later	4,520	1,711	2,012	1,122	1,723	3,226				
Five Years Later	4,516	1,711	2,012	1,122	1,723					
Six Years Later	4,516	1,711	2,012	1,122						
Seven Years Later	4,516	1,711	2,012							
Eight Years Later	4,516	1,711								
Nine Years Later	4,516									
6 Increase in Estimated Incurred Claims and Expense From End of Policy Year	(147)	549	511	125	582	191	(58)	0	87	0

Schedule 17
Claims Development Information
Last Ten Fiscal Years
(Expressed In Thousands)

Workforce Safety & Insurance

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1 Net Earned Required Contribution and Investment Revenues	$ 357	$ 341	$ 443	$ 502	$ 408	$ 377	$ 396	$ 343	$ 386	$ 353
2 Unallocated Expenses	30	33	52	41	41	43	47	44	45	44
3 Estimated Incurred Claims and Expense, End Of Policy Year	192	230	300	338	315	229	198	193	187	177
4 Paid (Cumulative) as of:										
End of Policy Year	39	44	53	65	61	41	40	42	42	42
One Year Later	65	87	99	111	102	74	65	76	69	
Two Years Later	76	102	117	128	120	84	73	76		
Three Years Later	85	111	128	140	132	84	78			
Four Years Later	90	116	136	148	140	88				
Five Years Later	94	120	142	154	146					
Six Years Later	96	123	146	158						
Seven Years Later	98	125	148							
Eight Years Later	100	126								
Nine Years Later	101									
5 Reestimated Incurred Claims and Expenses:										
End of Policy Year	192	230	300	338	315	229	198	192	187	177
One Year Later	192	258	293	321	283	204	177	179	174	
Two Years Later	193	344	288	299	271	191	164	172		
Three Years Later	187	241	272	291	267	174	154			
Four Years Later	174	228	266	285	265	161				
Five Years Later	181	221	261	277	263					
Six Years Later	174	214	253	265						
Seven Years Later	171	206	236							
Eight Years Later	164	195								
Nine Years Later	155									
6 Increase in Estimated Incurred Claims and Expense From End of Policy Year	(37)	(36)	(63)	(73)	(52)	(68)	(44)	(22)	(12)	0

Schedule 18
Agricultural Production

Value of Export Shares of Agricultural Commodities - 2018 - 2019

	2018 Dollars (Mil.)	2018 % of U.S.	2019 Dollars (Mil.)	2019 % of U.S.
Wheat	950.2	17.63	1,077.2	17.29
Soybeans and Products	1,153.5	5.20	1,119.3	4.86
Other Oil Seeds and Products	550.2	26.01	563.2	29.67
Vegetables Fresh and Processed	238.5	3.44	208.8	2.90
Grain Products	191.7	4.54	176.9	4.42
Vegtable Oils	177.4	6.41	174.3	6.33
Feeds and Other Feed Grains	241.0	2.65	225.0	2.69
Corn	337.7	2.71	209.4	2.74
Other Plant Products	185.8	1.07	132.7	0.73
Beef, Veal and Pork	145.5	0.67	139.3	0.93
Other Livestock Products	44.3	1.47	38.0	1.10
Hides and Skins	18.0	1.23	12.4	1.19
Dairy Products	8.3	0.15	9.2	0.16
Poultry Products	3.8	0.18	2.6	0.13
Total	$ 4,245.9	3.06%	$ 4,088.3	3.06%

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 (oilstock), 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.

2020 Crop Rank Among States

North Dakota Ranks	Crop Description	North Dakota Produces
1st	Canola	85%
	Flaxseed	79%
	Pinto Beans	66%
	Spring Wheat	52%
	Sunflower Non-oil	49%
	Durum Wheat	47%
	All Dry Edible Beans	37%
	Honey Production	22%
	Oats	19%

Source: North Dakota Agricultural Statistics June 2020

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