



Annual Financial Report

June 30, 2025

NORTH DAKOTA UNIVERSITY SYSTEM

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INDEPENDENT AUDITOR'S REPORT

Members of the Legislative Assembly

State Board of Higher Education

Report on the Audit of the Financial Statements

Opinions

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

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

We did not audit the financial statements of the discretely presented component units. These statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the discretely presented component units, are based solely on the report of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Dakota University System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matters

Reporting Entity

As discussed in Note 1, the financial statements of the North Dakota University System are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the business-type activities and the aggregate discretely presented component units of the North Dakota University System that is attributable to the transactions of the North Dakota University System. They do not purport to, and do not, present fairly the financial position of the state of North Dakota, as of June 30, 2025, the changes in its financial position, or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Change in Accounting Principle

Also, as discussed in Note 1, the North Dakota University System adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our opinions are not modified with respect to this matter.

Error Correction

As discussed in Note 1 to the financial statements, the 2024 financial statements have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the North Dakota University System's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Dakota University System's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Employer's Share of Net Pension Liability, the Schedule of Employer Contributions for pensions, the Schedule of Employer's Share of Net OPEB Liability and the Schedule of Employer Contributions for OPEB be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively compare the North Dakota University System's basic financial statements. The Combining Financial Statements, Statement of Financial Position – Non-Major Component Units, Statement of Activities – Non-Major Component Units, and Schedule of Bonds Payable and Certificates of Participation - Primary Institution are presented for purposes of additional analysis 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 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 Financial Statements, Statement of Financial Position – Non-Major Component Units, Statement of Activities – Non-Major Component Units, and Schedule of Bonds Payable and Certificates of Participation - Primary Institution are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Financial Information for Revenue Producing Buildings but does not include the basic financial statements and our auditor's report, thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025, on our consideration of the North Dakota University System's internal control over financial reporting and on our tests of 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 North Dakota University System'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 North Dakota University System's internal control over financial reporting and compliance.

/S/

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

NORTH DAKOTA UNIVERSITY SYSTEM MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025

The North Dakota University System's (NDUS) discussion and analysis (MD&A) provides an overview of the System's financial activities for the year ended June 30, 2025 and should be read in conjunction with the accompanying financial statements and notes to the financial statements. The financial statements, notes, and the MD&A are the responsibility of management.

Activities from the eleven public post-secondary institutions, the North Dakota University System Office, and the component units are included in the accompanying financial statements. For a detailed listing of these entities, refer to Note 1 of the accompanying financial statements.

UNDERSTANDING THE FINANCIAL STATEMENTS

The Statement of Net Position reports the assets, deferred outflows, liabilities, deferred inflows and net position at a point in time. The Statement of Revenues, Expenses, and Changes in Net Position reports revenue and expense information. The Statement of Cash Flows summarizes transactions affecting cash and cash equivalents during the fiscal year. It also provides information about the ability of the NDUS to generate future cash flows necessary to meet its obligations and to evaluate its potential for additional financing.

Other non-financial factors, such as the condition of the campuses' infrastructure, changes in legislative funding and changes in student enrollments need to be considered in order to assess the overall health of the NDUS.

The Statement of Net Position is a financial snapshot of the NDUS at June 30, 2025. The statement aids readers in determining the assets available to continue operations; the liabilities owed to vendors, employees and lenders, and the net position of the NDUS.

Assets and liabilities are classified as current or noncurrent. Current assets can be converted to cash within one year of the statement date and are available to satisfy current liabilities. They include cash and cash equivalents, short-term investments and accounts receivable. Noncurrent assets are not convertible to cash within one year and include long-term investments and property, equipment and intangibles. Current liabilities are obligations that are due within one year. Noncurrent liabilities consist of long-term debt and other obligations with maturities greater than one year.

Net position is reported in three categories: investment in capital assets, restricted net position (both nonexpendable and expendable); and unrestricted net position. Net investment in capital assets consists of capital assets less the outstanding debt incurred during the construction or improvement of those assets. Restricted net position is limited in use due to constraints imposed by donors or by law. Unrestricted net position is assets that do not qualify as either invested in capital assets or restricted net position but may have Board or other campus designated restrictions on use.

Unrestricted net position encompasses core operational functions of the campuses. The balances consist of cash, investments, accounts receivable, inventories, and other non-liquid assets less liabilities for these functions. Operating cycles can create balance fluctuations during the fiscal year. Therefore, although some funds are not yet expended as of a particular point in time, they are generally designated for specific uses.

The Statement of Revenues, Expenses, and Changes in Net Position presents total operating and nonoperating revenues and expenses of the NDUS during the year.

Operating revenues include tuition and fees, grants and contracts, sales and services of educational departments and auxiliary enterprise revenues. Operating expenses include, salaries and wages, operating expenses, depreciation, scholarships and fellowships and cost of sales and services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Nonoperating revenues and expense are derived from non-exchange transactions and include state appropriations, non-operating grants and contracts, and institutional aid, insurance proceeds, investment income, gifts, interest on capital asset-related debt and gains or losses on capital assets. State appropriations are classified as nonoperating revenues although they are used to fund operating expenses in accordance with Government Accounting Standards Board (GASB) standards. Other nonoperating items include capital related appropriations, gifts, grants, and transfers.

The Statement of Cash Flows presents cash receipts and payments during the fiscal year. The statement presents sources of cash coming into the NDUS, how cash was expended, and the change in the cash balance during the year.

State appropriations are included in cash flows from noncapital financing activities in accordance with GASB standards, even though the campus budgets depend on this revenue for operations. Other noncapital financing activities includes gifts received from endowment and charitable gift annuities.

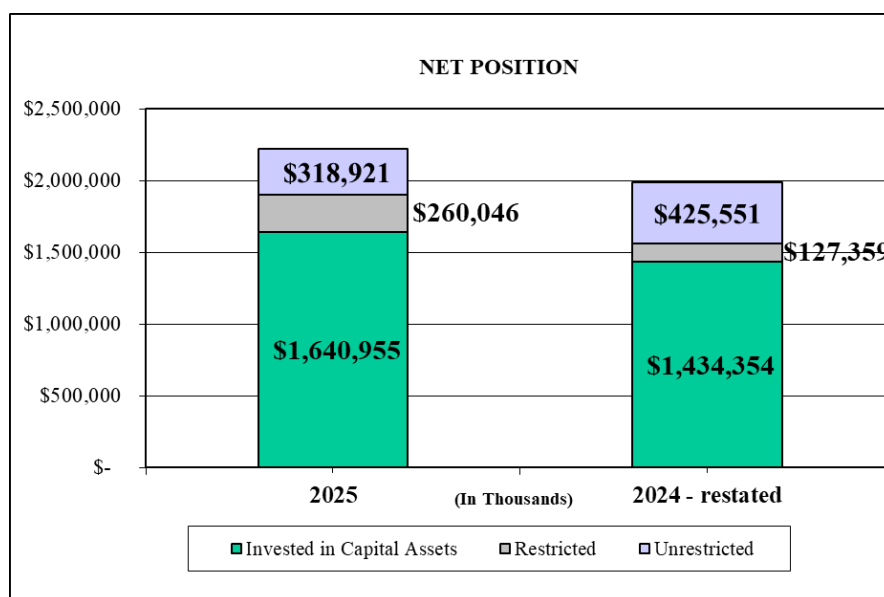
Cash flows from capital and related financing activities include all plant funds and related long-term debt activities (except depreciation and amortization), as well as capital gifts, grants and appropriations.

Purchases and sales of investments and income earned on investments are included in cash flows from investing activities.

FINANCIAL HIGHLIGHTS

Total assets and deferred outflows of resources were \$3.4 billion and total liabilities and deferred inflows were \$1.2 billion, resulting in a net position of \$2.2 billion. Net position increased \$232.7 million from fiscal year 2024.

The following graph illustrates the net position breakdown for fiscal years ending June 30, 2025 and 2024, as restated:



MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Invested in capital assets is the largest category of net position due to the significant size of the NDUS' physical infrastructure. Additional information explaining the increase in fiscal year 2025 from fiscal year 2024 is explained in the Capital Assets and Intangibles section on pages 13 and 14 of this MD&A.

STATEMENT OF NET POSITION

The following table shows the Condensed Statement of Net Position at June 30, 2025 and 2024, as restated:

	June 30 (in thousands)		Dollar	Percent
	2025	2024-restated	Change	Change
Current assets	\$ 730,702	\$ 862,218	\$ (131,516)	-15%
Capital assets, net	2,264,796	2,043,232	221,564	11%
Other noncurrent assets	359,789	153,367	206,422	135%
Total assets	3,355,287	3,058,817	296,470	10%
Deferred outflows of resources	63,837	121,269	(57,432)	-47%
Current liabilities	230,211	213,869	16,342	8%
Noncurrent liabilities	886,584	841,410	45,174	5%
Total liabilities	1,116,795	1,055,279	61,516	6%
Deferred inflows of resources	82,407	137,544	(55,137)	-40%
Invested in capital assets	1,640,955	1,434,354	206,601	14%
Restricted	260,046	127,359	132,687	104%
Unrestricted	318,921	425,551	(106,630)	-25%
Total Net Position	\$ 2,219,922	\$ 1,987,264	\$ 232,658	12%

Capital assets, net increased \$221.6 million or 11 percent and are discussed in more detail in a later section of this MD&A.

The increase in other noncurrent assets of \$206.4 million is mainly attributed to an increase of \$26.7 million at BSC, a \$73.6 million in restricted cash and cash equivalents at UND and an increase of \$99.9 million in restricted cash and cash equivalents at NDSU. BSC issued housing and auxiliary facilities revenue bonds in fiscal year 2025 and invested the proceeds in restricted investments. The investment balance at June 30, 2025 for these proceeds was approximately \$25.0 million. UND's restricted cash increased \$57.4 million due to funding received from the North Dakota Strategic Investment and Improvements Fund (SIIF) for a science, engineering and national security corridor. UND Alumni Association and Foundation issued \$31.5 million in revenue bonds and \$16.6 million of the proceeds is recorded in restricted cash and cash equivalents. NDSU's restricted cash increased \$99.9 million due to funding received from North Dakota SIIF for the center for engineering and computational sciences and the agricultural field lab. Cash balances at year-end may also fluctuate from year-to-year depending on operational needs and the accounts payable payment cycles.

Additionally, NDSU invested an additional \$6.0 million in certificates of deposit at the Bank of North Dakota and UND transferred \$3.1 million from gifts to investments managed by UND Alumni Association and Foundation on behalf of UND.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Deferred outflows of resources and deferred inflows of resources decreased \$57.4 million and \$55.1 million, respectively, due to changes in actuarial assumptions related to the pension liability. The amounts are actuarially determined each year by actuaries commissioned by the North Dakota Public Employees Retirement System (PERS).

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The following table shows a Condensed Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2025 and 2024.

	June 30 (in thousands)		Dollar	Percent
	2025	2024	Change	Change
Operating revenues	\$ 933,516	\$ 870,520	\$ 62,996	7%
Operating expenses	1,573,686	1,460,212	113,474	8%
Operating loss	(640,171)	(589,692)	(50,479)	9%
Nonoperating revenues, net of expenses	632,984	661,270	(28,286)	-4%
Income (loss) before capital grants, gifts, and transfer	(7,187)	71,578	(78,765)	-110%
Capital appropriations, grants and gifts	239,845	218,713	21,132	10%
Increase (loss) in net position	\$ 232,658	\$ 290,291	\$ (57,633)	-20%

Operating revenues and expenses fluctuations are discussed in later sections of this MD&A analysis.

Revenues

The following table shows revenues by source for the fiscal years ended June 30, 2025 and 2024:

	June 30 (in Thousands)		Dollar	Percent
	2025	2024	Change	Change
Operating revenues				
Student tuition and fees	\$ 365,852	\$ 370,739	\$ (4,887)	-1%
Grants and contracts	329,956	281,637	48,319	17%
Sales and services of education departments	112,480	103,175	9,305	9%
Auxiliary enterprises	124,329	114,001	10,328	9%
Other	899	968	(69)	-7%
Total operating revenues	933,516	870,520	62,996	7%
Nonoperating revenues, capital gifts and grants				
State appropriations	\$ 482,640	\$ 479,448	\$ 3,193	1%
Federal appropriations	8,746	7,516	1,230	16%
Federal grants and contracts	77,479	118,743	(41,264)	-35%
Gifts	77,789	64,041	13,748	21%
Endowment and investment income	21,456	17,782	3,674	21%
Insurance proceeds	1,578	620	958	155%
Tax revenues	6,515	6,620	(105)	-2%
State appropriations-capital assets	201,259	176,200	25,059	14%
Capital grants and gifts	38,586	42,513	(3,927)	-9%
Total	916,048	913,483	2,566	0%
Total Revenues	\$ 1,849,564	\$ 1,784,003	\$ 65,562	4%

Operating grants and contracts increased mainly due to increases at NDSU and UND. NDSU's awards increased \$4.7 million in the FARMS Innovation Engine, \$1.0 million for the North Dakota Forest Service and \$1.6 million

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

for the AG Experient Station, AG and Biosystems Engineering and Plant Science. UND EERC's awards increased 81 percent in fiscal year 2025.

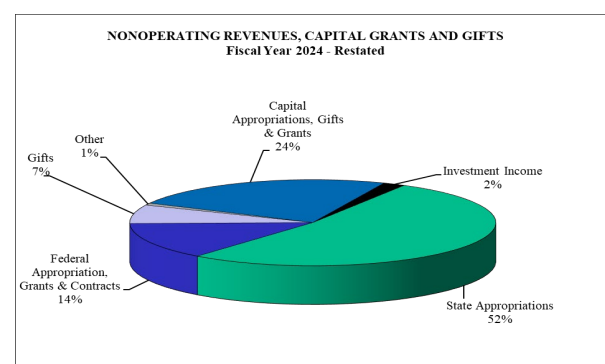
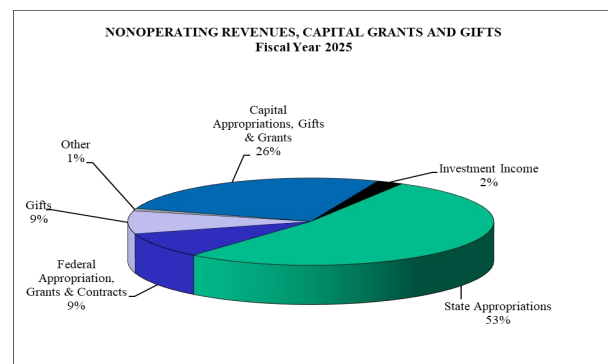
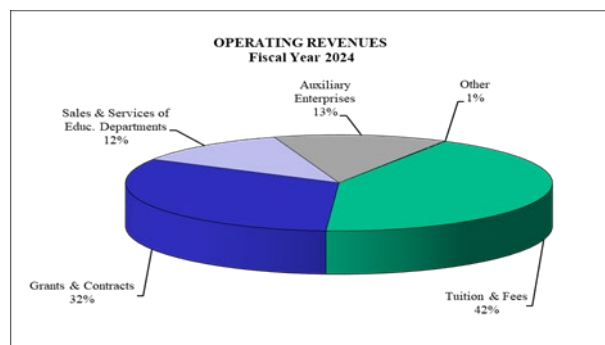
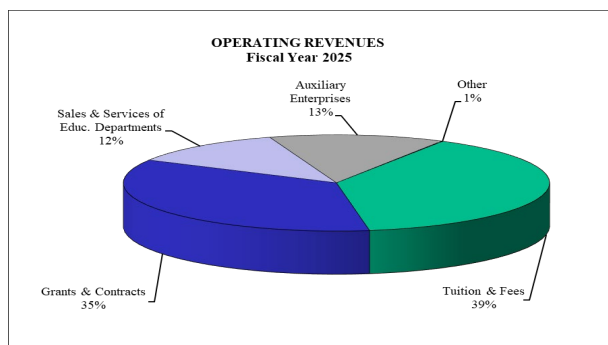
The increase in auxiliary revenue of \$10.3 million was the result of increased enrollments at BSC, NDSCS, NDSU and UND. The increase at BSC (\$825,000), NDSCS (\$1.5 million) and UND (\$4.3 million) are primarily the result of increased enrollments. The increase at NDSU (\$2.0 million) are primarily the result of increased rates for room and board as well as increased bookstore sales.

Federal grants and contracts (nonoperating revenues) decreased \$41.3 million or 35 percent due to a decrease in the Covid related stimulus grant revenue of \$54.3 million. In fiscal year 2025, \$24.8 million was recognized for these grants compared to \$79.1 million in fiscal year 2024. The fiscal year 2024 balance included \$25.0 million for the BSC Polytechnic Building, \$26.2 million for the MiSU Hartnett Hall remodel project and \$29.0 for the UND Merrifield project. The fiscal year 2025 decrease in nonoperating federal grants and contracts was partially offset by increases in Pell Grant revenue at NDSCS, NDSU and UND and increases in Pell Grant and Federal Supplemental Educational Opportunity Grant (SEOG) revenues at BSC and MiSU.

Gifts increased \$13.7 million or 21 percent, mainly due to the following:

- NDSCS: increase of \$2.5 million in departmental gifts and Challenge Grants activity, specifically the new Aviation program.
- NDSU: increase of \$4.4 million in gifts from the NDSU Foundation for student scholarships and \$901,000 for NDSU athletics.
- UND: increase of \$2.8 million in gifts from the UND Foundation and Alumni Association for student scholarships.

The following graphs depict sources of operating and nonoperating revenues for fiscal year 2025 and 2024:



MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Expenses

The following table shows expenses by natural classification for the fiscal years ended June 30, 2025 and 2024.

	June 30 (in Thousands)		Dollar	Percent
	June 30, 2025	June 30, 2024	Change	Change
Operating expenses				
Salaries and wages	\$ 954,167	\$ 912,268	\$ 41,899	5%
Operating expenses	404,451	349,452	54,999	16%
Information technology	21,073	19,943	1,130	6%
Depreciation expense	107,365	100,268	7,097	7%
Scholarships and fellowships	58,657	51,786	6,871	13%
HEERF Act Aid to Students	-	(7)	7	-100%
Cost of sales and services	27,973	26,503	1,469	6%
Total operating expenses	1,573,686	1,460,212	113,474	8%
Nonoperating expenses				
Interest on capital asset related debt	23,103	23,056	47	0%
Loss on sale of capital assets	1,011	3,708	(2,697)	-73%
General and special grant expenditures	11,695	23,060	(11,365)	-49%
Transfers to North Dakota Industrial Commission	5,096	6,343	(1,247)	-20%
Other nonoperating expense (revenue), net	2,315	(22,667)	24,982	-110%
Total nonoperating expenses	43,220	33,499	9,721	29%
Total expenses	\$ 1,616,906	\$ 1,493,712	\$ 123,194	8%

Operating expenses increased \$55.0 million or 16 percent in fiscal year 2025. The increase is primarily due to:

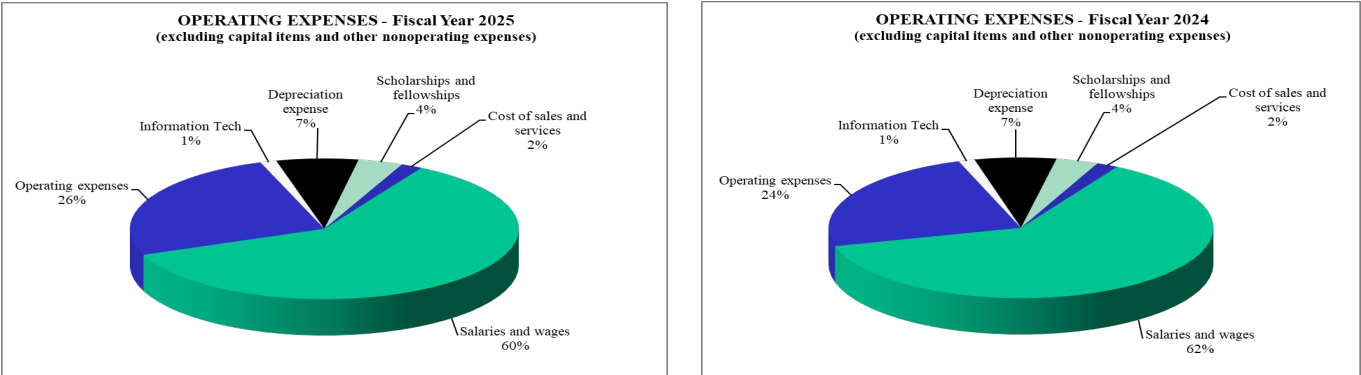
- Subcontracts expense increased \$24.5 million due to an increase in subcontracts at UND EERC.
- Contract services increased \$8.1 million as a result of:
 - Increased contract payments by the UND School of Medicine to the Rough Rider Network. The Rough Rider Network rural healthcare services throughout North Dakota,
 - Additional contract services for Enrollment Management and Academic departments at NDSCS,
 - Increased contract services at DSU for Dining, Residence Halls, the Nursing Program and the Agriculture and Athletic Departments.
- Team travel expense increased \$2.2 million. The increase is mostly due to additional team travel expense at NDSU. NDSU football had more regular season flights based on opponents' location in fiscal year 2025. Additionally, the team advanced to the FCS Championship in fiscal year 2025 and upon winning the championship, they traveled to Washington D.C. for a visit to the White House. In fiscal year, 2024, the team advanced to the semifinals. The baseball team, women's basketball, soccer, women's golf, wrestling, softball and men and women's track teams incurred additional flights due to opponents or tournament locations in fiscal year 2025.
- Non-capitalized equipment expenses increased \$4.0 million. The increase is mainly the result of increased equipment purchases at NDSU for residence life facilities.
- Other repairs expense at UND increased \$2.9 million due to increased Aerospace activities. Also, in fiscal year 2025, UND performed more maintenance on aircraft in house.
- Other operating expenses increased \$1.3 million in fiscal year 2025. The increase is primarily due to increased costs incurred by the North Dakota Forest Service for outside fire work professionals to assist with fire suppression efforts, fuels work and a pine tree project.

General and special grant expenditures decreased \$11.4 million or 49 percent in fiscal year 2025. Fiscal year 2024 experienced increased expenditures in the North Dakota Challenge Grant and Nursing Education Consortium payments, which typically are spent primarily in the first fiscal year of the biennium.

MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025

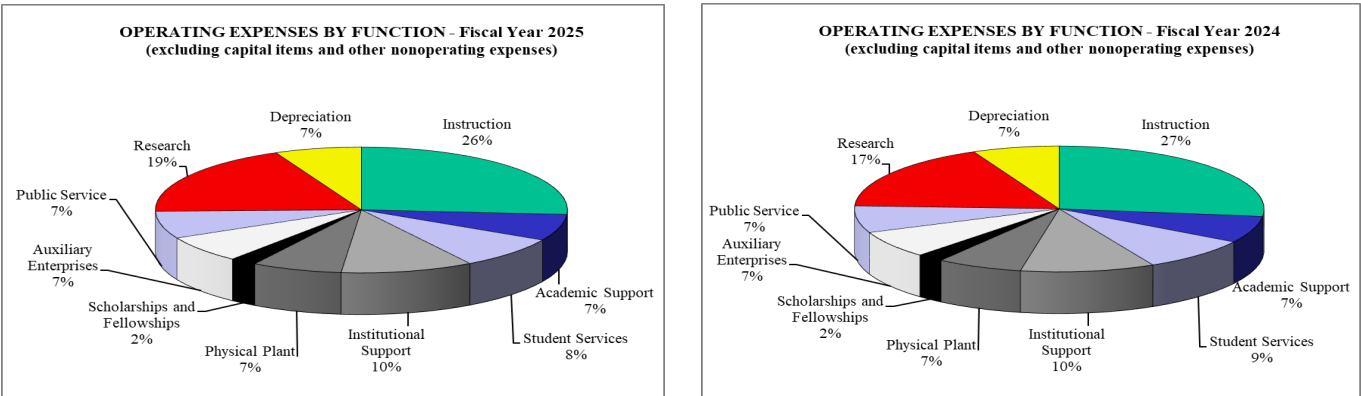
Other nonoperating expenses (revenue) decreased \$25.0 million or 110 percent in fiscal year 2025 compared to fiscal year 2024. In fiscal year 2024, the 2023 Legislative Assembly established a Capital Building Fund for \$24.0 million.

The following chart depicts the uses of operating funds according to natural classification for fiscal years 2025 and 2024:



The allocation of operating expenses among the natural classification categories has not changed significantly from fiscal year 2024.

The following chart illustrates operating expenses by function for fiscal years 2025 and 2024:



The allocation of expenses to functional areas has not changed significantly from the prior year.

Instructional expenses continue to represent the largest expenditure category. The instructional function includes all expenses related to instruction (e.g. classroom, distance education and continuing education) and instructional support.

Academic support includes libraries, academic deans, and other departments that directly support the academic unit of the campuses. Student services include all offices that provide a specific service to students, including career services, registration, admissions and counseling.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Institutional support includes staff that supports the institution as a whole (e.g. business office, IT support and president's office).

The physical plant function includes upkeep, maintenance and utilities for campus facilities.

Scholarships and fellowships include aid provided to students.

Auxiliary enterprises are self-supporting activities of the campuses, such as bookstore, food service and housing.

Depreciation represents the non-cash expense of capitalized assets over time.

Public service includes expenses for activities established primarily to provide non-instructional services that are beneficial to individuals and groups external to the institution.

All activities specifically organized to produce research, which is mostly federally funded, are included in the research function.

STATEMENT OF CASH FLOWS

The Condensed Statement of Cash Flows for the fiscal years ended June 30, 2025 and 2024 is shown below:

	June 30 (in thousands)	
	2025	2024
Cash flows from operating activities	\$ (515,782)	\$ (447,659)
Cash flows from noncapital financing activities	608,064	574,291
Cash flows from capital and related financing activities	(19,547)	21,847
Cash flows from investing activities	(16,955)	(79,232)
Increase in cash and cash equivalents during the year	<u>\$ 55,780</u>	<u>\$ 69,247</u>

Consistent with accounting standards, cash flows from state appropriations (excluding capital assets) are included in noncapital financing activities, even though they provide funding for operating activities. Cash received from state appropriations, excluding capital assets, was \$475.6 million in fiscal year 2025 and \$480.3 million in fiscal year 2024. If these amounts are added to the cash flows from operating activities, the result is a cash outflow of \$40.2 million in fiscal year 2025 and a cash inflow of \$32.6 million in fiscal year 2024.

CAPITAL ASSET AND LONG-TERM LIABILITIES HIGHLIGHTS

CAPITAL ASSETS AND INTANGIBLES

On June 30, 2025, the NDUS had \$2.3 billion invested in net capital assets and intangibles, which represents a net increase of \$225.6 million or 11 percent during the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

	June 30 (in thousands)	
	2025	2024-restated
Land	\$ 22,647	\$ 22,647
Land improvements/infrastructure	305,451	301,192
Buildings	2,447,520	2,258,703
Furniture, fixtures, and equipment	455,806	432,755
Library materials	81,464	81,626
Construction in progress	296,916	227,121
Capitalized software	24,391	24,381
Right-of-use on long-term leases	57,572	43,930
SBITAs	41,422	38,591
Other intangibles	2,291	2,273
Total	<u>3,735,480</u>	<u>3,433,219</u>
Total accumulated depreciation and amortization	<u>(1,470,684)</u>	<u>(1,390,064)</u>
Capital assets, net	<u>\$ 2,264,796</u>	<u>\$ 2,043,155</u>

Total additions to depreciable capital assets and intangibles in fiscal year 2025 were \$135.5 million.

Construction in progress for other projects underway totaled \$297.0 million at June 30, 2025. Major projects and their total project costs through June 30, 2025 include:

- BSC
 - Athletic Facility - \$15.0 million
- DSU
 - Ag Building and Rodeo Arena - \$10.5 million
- MaSU
 - Old Main Renovation - \$12.7 million
- MiSU
 - Hartnett Hall renovation - \$25.2 million
- NDSCS
 - Precision Ag Tech Center - \$13.1 million
- NDSU
 - Agriculture Products Development Center - \$82.8 million
 - AES Filed Lab Facility - \$39.7 million
 - Richard Offerdahl Engineering Complex - \$29.5
- UND
 - EERC MATEX Facility Construction - \$16.4 million
 - Stem Building - \$2.9 million
- WSC
 - Healthcare Training Facility - \$25.8 million

Outstanding commitments for these and other capital projects as of June 30, 2025 totaled \$237.2 million. More information about the System's capital assets is presented in Note 5 and Note 18 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

LONG-TERM LIABILITIES

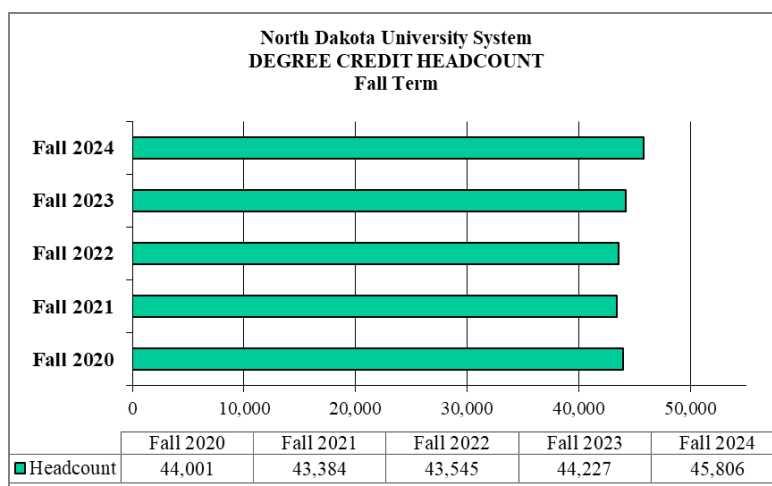
	2025	2024 - restated
Bonds payable	\$ 331,092	\$ 280,871
Certificates of participation	247,193	249,180
Notes payable	17,824	20,583
Leases payable	42,629	32,700
Special assessments	17,653	17,245
Compensated absences	76,561	73,009
Total Long-term liabilities	<u>\$ 732,952</u>	<u>\$ 673,588</u>

Long-term liabilities added in fiscal year 2025 totaled \$86.0 million and retirements totaled \$26.6 million.

OTHER HIGHLIGHTS

STUDENT ENROLLMENTS -

As illustrated in the chart below, Annual Degree Credit Headcount enrollment for fall 2024 increased by 1,579 or 3.6 percent compared to fall 2023 and increased by 1,805 or 4.1 percent compared to fall 2020.



Source: 2024 Fall Enrollment Report: Table 1-Total Headcounts, Full Time Equivalencies & Scheduled Credit Hours

Additional detailed enrollment data is contained in the 2024 NDUS Fall Enrollment Report.

STATE FUNDING

The 2023 Legislative Assembly approved a state general fund appropriation for all entities of the North Dakota University System of \$989.2 million for the 2023-25 biennium. This is an increase of \$176.2 million above the 2021-23 original appropriation. Of the total increases, \$117.4 million was base funding and \$58.8 million was changes in one-time funding items.

FINANCIAL CONTACT

The System's financial statements are designed to present users with a general overview of the System's finances and to demonstrate accountability. If you have questions about the report or need additional financial information, contact the System's Director of Financial Reporting at www.ndus.edu or State Capitol, 600 E. Boulevard, Department 215, Bismarck, ND 58505-0230.

NORTH DAKOTA UNIVERSITY SYSTEM
Financial Statements
June 30, 2025

STATEMENT OF NET POSITION

	Primary Institutions
ASSETS	
Current assets	
Cash and cash equivalents	\$ 281,477,127
Investments	288,783,256
Accounts receivable, net	37,343,149
Due from component units - investments held on behalf of the institutions	403,716
Due from component units	18,879,986
Due from State general fund	14,899,407
Grants and contracts receivables, net	72,936,470
Inventories	8,402,531
Lease receivable	33,285
Notes receivable, net	1,002,760
Other assets	6,540,075
Total current assets	<u>730,701,762</u>
Noncurrent assets	
Restricted cash and cash equivalents	218,237,942
Restricted investments	27,542,278
Endowment investments	575,525
Lease receivable	733,870
Notes receivable, net	8,947,372
Other long-term investments	74,830,096
Due from component units - investments held on behalf of the institutions	28,268,721
Due from component units	653,571
Other noncurrent assets	(246)
Capital assets, net	2,264,795,744
Total noncurrent assets	<u>2,624,584,873</u>
Total assets	<u>3,355,286,635</u>
Deferred outflows of resources	
Deferred outflows of resources	63,837,041
LIABILITIES	
Current liabilities	
Checks issued in excess of restricted cash	9,019,120
Accounts payable and accrued liabilities	85,755,858
Due to component units	755,576
Accrued payroll	50,422,642
Unearned revenue	39,070,744
Deposits	7,366,807
SBITA liabilities current portion	5,912,704
Long-term liabilities - current portion	
Due to component units	4,121,963
Due to others	27,785,400
Total current liabilities	<u>230,210,814</u>
Noncurrent liabilities	
Pension liability	167,703,593
OPEB liability	7,235,924
SBITA liabilities noncurrent portion	10,592,836
Other noncurrent liabilities	7,802
Long-term liabilities	
Due to component units	51,951,116
Due to others	649,092,953
Total noncurrent liabilities	<u>886,584,224</u>
Total liabilities	<u>1,116,795,038</u>
Deferred inflows of resources	
Deferred inflows of resources	82,406,627
NET POSITION	
Net investment in capital assets	1,640,955,136
Restricted for:	
Nonexpendable:	
Scholarships and fellowships	21,243,191
Expendable:	
Scholarships and fellowships	5,767,579
Research	11,922,820
Institutional	11,214,772
Loans	17,185,766
Capital projects	185,687,789
Debt service	4,765,143
Other	2,258,538
Unrestricted	318,921,275
Total net position	<u>\$ 2,219,922,009</u>

NORTH DAKOTA UNIVERSITY SYSTEM
FINANCIAL STATEMENTS
JUNE 30, 2025

STATEMENT OF FINANCIAL POSITION

FASB Basis	Component Units
ASSETS	
Current assets	
Cash and cash equivalents	\$ 95,379,810
Investments	93,315,921
Accounts receivable, net	2,134,631
Notes receivable	3,533,875
Grants receivable	1,831,485
Receivable from primary institution	3,626,626
Unconditional promises to give, net of allowance	33,907,052
Inventories	1,565,691
Current portion of net investment in direct financing leases	939,426
Other assets	35,426,925
Total current assets	<u>271,661,442</u>
Noncurrent assets	
Restricted cash and cash equivalents	22,466,191
Investments	
Investments, net of current portion	1,105,142,632
Investments, restricted	6,325,704
Investments held in trust	33,267,036
Beneficial interest in trust	20,685,804
Charitable gift annuity investments	6,493,568
Charitable remainder trust account investments	13,802,758
Real estate and equipment held for investment, net of accumulated depreciation	23,293,613
Other long-term investments	41,004,147
Total investments	<u>1,250,015,262</u>
Contracts for deed and notes receivable, net of current portions	381,972
Long term pledges receivable/ unconditional promises to give	65,217,458
Other receivables	9,834,451
Receivable from primary institution	46,942,485
Notes receivable, net	6,437,922
Net investment in direct financing leases, net of current portion	7,114,008
Other noncurrent assets	6,943,263
Capital assets, net	204,708,378
Total noncurrent assets	<u>1,620,061,390</u>
Total assets	<u>1,891,722,832</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	8,048,559
Payable to primary institutions	11,565,548
Accrued payroll	1,928,872
and life income agreements	2,775,486
Deferred revenue	14,191,738
Other current liabilities	1,785,299
Long-term liabilities--current portion	21,143,086
Total current liabilities	<u>61,438,588</u>
Noncurrent liabilities	
Deposits	23,268,824
Payable to primary institutions	1,056,723
Investments held on behalf of Institutions	4,159,935
Gift annuities and life income agreements, net of current portion	17,086,403
Obligations under split-interest agreement	8,593,939
Other noncurrent liabilities	1,088,674
Long-term liabilities	123,061,650
Total noncurrent liabilities	<u>178,316,148</u>
Total liabilities	<u>239,754,736</u>
NET ASSETS	
Without donor restrictions	326,038,546
With donor restrictions	1,325,929,550
Total net assets	<u>1,651,968,096</u>
Total liabilities and net assets	<u>\$ 1,891,722,832</u>

NORTH DAKOTA UNIVERSITY SYSTEM
Financial Statements
June 30, 2025

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Primary Institution
OPERATING REVENUES	
Student tuition and fees (net of scholarship allowances of \$108.1 million and bad debt allowance of \$1.9 million)	\$ 365,852,016
Federal grants and contracts	231,679,749
State grants and contracts	53,148,820
Nongovernmental grants and contracts	45,127,162
Sales and services of educational departments (net of bad debt allowance of \$266,000)	112,480,076
Auxiliary enterprises (net of scholarship allowances of \$1.6 million and bad debt allowance of \$608,000)	124,329,092
Other (net of bad debt allowance of \$212,000)	898,822
Total operating revenues	<u>933,515,737</u>
OPERATING EXPENSES	
Salaries and wages	954,167,090
Operating expenses	404,451,468
Information Technology	21,073,287
Depreciation expense	107,365,331
Scholarships and fellowships	58,656,678
Cost of sales and services	27,972,502
Total operating expenses	<u>1,573,686,356</u>
Operating income (loss)	<u>(640,170,619)</u>
NONOPERATING REVENUES (EXPENSES)	
State appropriations	482,639,708
Federal appropriations	8,746,139
Federal grants and contracts (net of bad debt allowance of \$23,000)	52,708,181
Federal grants and contracts stimulus	24,771,300
Local appropriations	-
Gifts	77,789,481
Endowment and investment income	21,456,367
Interest on capital asset - related debt	(23,102,858)
Gain (loss) on disposal of capital assets	(1,011,409)
Insurance proceeds	1,577,807
Tax revenues	6,514,729
General and special grant expenditures	(11,694,716)
Transfers to North Dakota Industrial Commission	(5,096,244)
Other nonoperating revenues (expenses)	(2,314,706)
Net nonoperating revenues (expenses)	<u>632,983,780</u>
Income (loss) before capital grants, gifts, and transfers	(7,186,840)
State appropriations - capital assets	201,259,059
Capital grants and gifts	38,585,523
Total other revenue	<u>239,844,582</u>
Increase (decrease) in net position	<u>232,657,743</u>
NET POSITION	
Net position - beginning of year, as restated	1,987,264,266
Net position - end of year	<u>\$ 2,219,922,009</u>

NORTH DAKOTA UNIVERSITY SYSTEM
FINANCIAL STATEMENTS
JUNE 30, 2025

STATEMENT OF ACTIVITIES

FASB BASIS	Component Units
Support and revenue	
Gifts and contributions	\$ 113,446,302
Investment income	57,401,559
Grant revenue	37,418
Net realized and unrealized gains (losses) on investment securities	38,734,762
Program and event income	70,292,863
Other income	12,791,559
Total support and revenue	<u>292,704,463</u>
Expenses	
Program services	89,109,303
Supporting services	62,316,581
Fundraising expense	9,367,676
Total operating expenses	<u>160,793,560</u>
Change in net assets	131,910,903
Net assets, beginning of year, as restated	<u>1,520,057,193</u>
Net assets, end of year	<u>\$ 1,651,968,096</u>

NORTH DAKOTA UNIVERSITY SYSTEM
FINANCIAL STATEMENTS
JUNE 30, 2025

STATEMENT OF CASH FLOWS

	Primary Institution
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	\$ 366,938,035
Grants and contracts	329,697,031
Payments to suppliers	(434,205,585)
Payments to employees	(952,295,146)
Payments for scholarships and fellowships	(58,656,684)
Loans issued to students	(1,437,921)
Collection of loans to students	1,805,651
Auxiliary enterprise charges	123,969,121
Sales and service of educational departments	110,718,247
Cash received/(paid) on deposits	1,287,011
Other receipts (payments)	(3,601,829)
Net cash used by operating activities	<u>(515,782,069)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	475,551,949
Federal appropriations	8,689,206
Grants and gifts received for other than capital purposes	127,498,632
Grants given for other than capital purposes	(11,694,717)
Federal stimulus revenues	6,110,195
Direct lending receipts	201,184,549
Direct lending disbursements	(200,694,360)
Transfers to Industrial Commission	(5,096,245)
Tax revenues	6,514,730
Net cash flows provided by noncapital financing activities	<u>608,063,939</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from issuance of debt	64,566,835
Capital appropriations	197,478,566
Capital grants and gifts received	43,358,744
Federal stimulus revenue capital	18,661,105
Proceeds from sale of capital assets	234,148
Proceeds from lease receivables	31,879
Purchases of capital assets	(287,363,718)
Insurance proceeds	1,577,809
Principal paid on capital debt and leases	(33,807,696)
Deposits with capital debt payment trustees	19,724
Interest paid on capital debt and lease	(24,304,102)
Net cash used by capital and related financing activities	<u>(19,546,706)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	147,479,448
Interest on investments	20,075,568
Purchase of investments	(184,509,597)
Net cash provided by investing activities	<u>(16,954,581)</u>
Net increase (decrease) in cash	55,780,583
CASH - BEGINNING OF YEAR	\$ 443,934,486
CASH - END OF YEAR	<u>\$ 499,715,069</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (640,170,619)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities	
Depreciation and amortization expense	107,365,331
Other nonoperating revenues (expenses)	(7,237,896)
Change in assets, deferred outflows, liabilities and deferred inflows	
Checks issued in excess of restricted cash	9,019,120
Accounts receivable adjusted for interest receivable	(257,233)
Grant & contract receivables	(269,811)
Inventories	390,298
Notes receivable	434,223
Other assets	2,738,429
Accounts payable and accrued liabilities adjusted for interest payable	7,211,588
Pension liability	(4,123,272)
OPEB liability	(1,132,654)
Net change in deferred outflows	57,231,784
Net change in deferred inflows	(55,098,858)
Accrued payroll	1,529,766
Compensated absences	3,476,279
Unearned revenue	1,824,442
Deposits	1,287,014
Net cash provided (used) by operating activities	<u>\$ (515,782,069)</u>
SUPPLEMENTAL DISCLOSURE ON NON CASH TRANSACTIONS	
Assets acquired through long-term leases	\$ 15,059,890
Assets acquired through note payable	(227,226)
Assets acquired through long-term software based IT arrangements	9,362,207
Assets acquired through special assessments	1,178,220
Gifts of capital assets	203,037
Net increase (decrease) in value of investments	17,571,419
Total non-cash transactions	<u>\$ 43,147,547</u>

NORTH DAKOTA UNIVERSITY SYSTEM
Financial Statements
JUNE 30, 2025

STATEMENT OF FINANCIAL POSITION- MAJOR COMPONENT UNITS

FASB BASIS	BSC Foundation June 30, 2025	MiSU Development Foundation June 30, 2025	NDSCS Foundation June 30, 2025	NDSU Foundation December 31, 2024	NDSU Research & Technology Park June 30, 2025	UND Aerospace Foundation June 30, 2025	UND Alumni Association & UND Foundation December 31, 2024
Assets							
Current assets							
Cash and cash equivalents	\$ 713,919	\$ 627,224	1,007,585	\$ 10,869,015	\$ 174,275	\$ 45,983,834	\$ 22,154,086
Investments	586,548	-	36,656,489	26,550,791	488,000	-	-
Accounts receivable, net	11,680	14,751	-	26,837	22,057	1,103,301	-
Notes Receivable	-	14,802	1,767,629	67,647	-	1,500,000	-
Grants Receivable	-	-	1,831,485	-	-	-	-
Receivable from primary institution	52,839	-	-	133,118	-	813,044	495,000
Unconditional promises to give, net of allowance	2,536,260	454,056	455	15,820,643	-	-	9,788,102
Inventories	-	-	-	-	-	962,473	1,600
Current portion of net investment in direct financing leases	-	-	-	-	939,426	-	-
Other assets	57,192	47,184	8,969	362,929	202,535	1,027,191	32,909,697
Total current assets	3,958,438	1,158,017	41,272,612	53,830,980	1,826,293	51,389,843	65,348,485
Noncurrent assets							
Restricted cash and cash equivalents	-	-	-	21,877,604	-	-	-
Investments							
Investments, net of current portion	46,041,792	45,973,742	-	537,145,309	719,315	-	443,992,917
Investments, restricted	-	-	-	-	-	-	-
Investments held in trust	5,838,277	4,159,935	-	-	-	-	23,268,824
Beneficial interest in trust	1,597,067	-	-	-	-	-	19,088,737
Charitable gift annuity investments	-	-	-	-	-	-	6,493,568
Charitable remainder trust account investments	-	-	-	-	-	-	13,802,758
Real estate and equipment held for investment, net of accumulated depreciation	192,960	-	-	23,100,653	-	-	-
Other long-term investments	46,606	-	-	17,878,457	-	424,991	13,249,743
Total investments	53,716,702	50,133,677	-	578,124,419	719,315	424,991	519,896,547
Contracts for deed and notes receivable, net of current portions	-	-	-	381,972	-	-	-
Long term pledges							
receivable/unconditional promises to give	1,541,219	1,009,895	2,145,784	29,910,205	-	284,000	27,873,955
Other receivables	-	-	-	-	-	-	9,834,451
Receivable from primary institution	365,790	-	-	-	-	-	30,835,000
Notes receivable, net	-	437,922	-	-	6,000,000	-	-
Net investment in direct financing leases, net of current portion	-	-	-	-	6,545,803	-	568,205
Other noncurrent assets	158,391	1,312,651	49,224	1,241,535	490,280	2,047,264	-
Capital assets, net	11,987,762	11,317,440	36,882,608	3,492,433	6,874,031	68,835,463	15,462,052
Total noncurrent assets	67,769,864	64,211,585	39,077,616	635,028,168	20,629,429	71,591,718	604,470,210
Total assets	71,728,302	65,369,602	80,350,228	688,859,148	22,455,722	122,981,561	669,818,695
LIABILITIES							
Current liabilities							
Accounts payable and accrued liabilities	187,469	203,448	1,803,756	895,659	70,114	513,607	781,132
Payable to primary institution	121,155	332,513	631,048	3,999,368	5,449	1,078,574	632,133
Accrued payroll	-	-	-	-	86,293	1,126,699	715,749
Current portion of gift annuities and life income agreements	353,385	101,240	-	942,013	-	-	1,378,848
Deferred revenue	-	-	65,613	-	20,000	5,205,161	2,346,625
Other current liabilities	1,034	-	-	1,300,029	-	151,516	-
Long-term liabilities-current portion	235,309	3,991,797	7,258,783	2,166,812	1,024,407	1,923,197	4,405,982
Total current liabilities	898,352	4,628,998	9,759,200	9,303,881	1,206,263	9,998,754	10,260,469
Noncurrent liabilities							
Deposits	-	-	-	-	-	-	23,268,824
Payable to primary institution	-	403,152	653,571	-	-	-	-
Investments held on behalf of institutions	-	4,159,935	-	-	-	-	-
Gift annuities and life income agreements, net of current portion	2,755,825	396,933	431,492	-	-	-	13,502,153
Obligations under split-interest agreement membership units	82,426	-	-	8,511,513	-	-	-
Other noncurrent liabilities	459,014	-	-	-	43,373	586,287	-
Long-term liabilities	3,647,639	737,610	-	29,813,216	13,002,927	3,690,302	60,930,696
Total noncurrent liabilities	6,944,904	5,697,630	1,085,063	38,324,729	13,046,300	4,276,589	97,701,673
Total liabilities	7,843,256	10,326,628	10,844,263	47,628,610	14,252,563	14,275,343	107,962,142
NET ASSETS							
Without donor restrictions	10,291,166	9,418,565	2,972,545	34,815,288	8,203,159	96,863,023	84,148,922
With donor restrictions	53,593,880	45,624,409	66,533,420	606,415,250	-	11,843,195	477,707,631
Total net assets	63,885,046	55,042,974	69,505,965	641,230,538	8,203,159	108,706,218	561,856,553
Total liabilities and net assets	\$ 71,728,302	65,369,602	80,350,228	\$ 688,859,148	\$ 22,455,722	\$ 122,981,561	\$ 669,818,695

STATEMENT OF FINANCIAL POSITION - MAJOR COMPONENT UNITS - Continued

FASB BASIS	RE Arena, Inc UND Arena Services, Inc. UND Sports Facilities, Inc. Arena Holdings Charitable LLC & Affiliates				
	May 31, 2024	Total Major Component Units	Non-major Component Units	Reclassifications	Total Component Units
ASSETS					
Current assets					
Cash and cash equivalents	\$ 7,013,770	\$ 88,543,708	\$ 6,836,102	\$ -	\$ 95,379,810
Investments	1,155,414	65,437,242	27,878,679	-	93,315,921
Accounts receivable, net	953,106	2,131,732	2,899	-	2,134,631
Notes receivable	-	3,350,078	183,797	-	3,533,875
Grants receivable	-	1,831,485	-	-	1,831,485
Receivable from primary institution	-	1,494,001	23,653	2,108,972	3,626,626
Unconditional promises to give, net of allowance	-	28,599,516	5,307,536	-	33,907,052
Inventories	595,413	1,559,486	6,205	-	1,565,691
Current portion of net investment in direct financing leases	-	939,426	-	-	939,426
Other assets	313,658	34,929,355	497,570	-	35,426,925
Total current assets	10,031,361	228,816,029	40,736,441	2,108,972	271,661,442
Noncurrent assets					
Restricted cash and cash equivalents	36,961	21,914,565	551,626	-	22,466,191
Investments:					
Investments, net of current portion	-	1,073,873,075	31,269,557	-	1,105,142,632
Investments, restricted	6,325,704	6,325,704	-	-	6,325,704
Investments held in trust	-	33,267,036	-	-	33,267,036
Beneficial interest in trust	-	20,685,804	-	-	20,685,804
Charitable gift annuity investments	-	6,493,568	-	-	6,493,568
Charitable remainder trust account investments	-	13,802,758	-	-	13,802,758
Real estate and equipment held for investment, net of accumulated depreciation	-	23,293,613	-	-	23,293,613
Other long-term investments	9,177,709	40,777,506	226,641	-	41,004,147
Total investments	15,503,413	1,218,519,064	31,496,198	-	1,250,015,262
Contracts for deed and notes receivable, net of current portions	-	381,972	-	-	381,972
Long term pledges					
receivable/unconditional promises to give	-	62,765,058	2,452,400	-	65,217,458
Other receivables	-	9,834,451	-	-	9,834,451
Receivable from primary institution	-	31,200,790	195,500	15,546,195	46,942,485
Notes receivable, net	-	6,437,922	-	-	6,437,922
Net investment in direct financing leases, net of current portion	-	7,114,008	-	-	7,114,008
Other noncurrent assets	148,793	5,448,138	1,495,125	-	6,943,263
Capital assets, net	53,312,202	208,163,991	14,199,554	(17,655,167)	204,708,378
Total noncurrent assets	69,001,369	1,571,779,959	50,390,403	(2,108,972)	1,620,061,390
Total assets	79,032,730	1,800,595,988	91,126,844	-	1,891,722,832
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	3,098,099	7,553,284	513,646	(18,371)	8,048,559
Payable to primary institution	4,646,073	11,446,313	100,864	18,371	11,565,548
Accrued payroll	-	1,928,741	131	-	1,928,872
Current portion of gift annuities and life income agreements	-	2,775,486	-	-	2,775,486
Deferred revenue	6,554,339	14,191,738	-	-	14,191,738
Other current liabilities	332,720	1,785,299	-	-	1,785,299
Long-term liabilities--current portion	-	21,006,287	136,799	-	21,143,086
Total current liabilities	14,631,231	60,687,148	751,440	-	61,438,588
Noncurrent liabilities					
Deposits	-	23,268,824	-	-	23,268,824
Payable to primary institution	-	1,056,723	-	-	1,056,723
Investments held on behalf of institutions	-	4,159,935	-	-	4,159,935
Gift annuities and life income agreements, net of current portion	-	17,086,403	-	-	17,086,403
Obligations under split-interest agreement membership units	-	8,593,939	-	-	8,593,939
Other noncurrent liabilities	-	1,088,674	-	-	1,088,674
Long-term liabilities	-	111,822,390	11,239,260	-	123,061,650
Total noncurrent liabilities	-	167,076,888	11,239,260	-	178,316,148
Total liabilities	14,631,231	227,764,036	11,990,700	-	239,754,736
NET ASSETS					
Without donor restrictions	64,401,499	311,114,167	14,924,379	-	326,038,546
With donor restrictions	-	1,261,717,785	64,211,765	-	1,325,929,550
Total net assets	64,401,499	1,572,831,952	79,136,144	-	1,651,968,096
Total liabilities and net assets	\$ 79,032,730	\$ 1,800,595,988	\$ 91,126,844	\$ -	\$ 1,891,722,832

NORTH DAKOTA UNIVERSITY SYSTEM
FINANCIAL STATEMENTS
JUNE 30, 2025

STATEMENT OF ACTIVITIES, Major Component Units

FASB BASIS

	BSC Foundation June 30, 2025	MiSU Development Foundation June 30, 2025	NDSCS Foundation June 30, 2025	NDSU Foundation December 31, 2024	NDSU Research & Technology Park June 30, 2025	UND Aerospace Foundation June 30, 2025	UND Alumni Association & Foundation December 31, 2024
Support and revenue							
Gifts and contributions	\$ 4,097,743	\$ 2,610,677	\$ 3,822,596	\$ 65,671,893	\$ 10,000	\$ 4,437,524	\$ 25,122,596
Investment income	5,461,300	4,506,311	3,992,103	30,188,057	441,715	1,580,682	3,218,750
Grant revenue	-	37,418	-	-	-	-	-
Net realized and unrealized gains (losses) on investment securities	-	-	-	20,113,680	-	-	17,430,973
Program and event income	46,043	-	12,483,512	-	-	37,686,112	6,168,170
Other income	477,528	1,720,863	234,008	2,562,965	1,345,681	522,300	-
Total support and revenue	10,082,614	8,875,269	20,532,219	118,536,595	1,797,396	44,226,618	51,940,489
Expenses							
Program services	3,307,214	3,889,685	7,034,971	40,584,813	1,524,583	-	19,247,767
Supporting services	879,092	784,753	1,507,100	6,858,431	779,223	29,916,744	1,994,028
Fundraising expense	97,981	560,536	91,200	5,356,736	-	86,866	2,376,328
Total expenses	4,284,287	5,234,974	8,633,271	52,799,980	2,303,806	30,003,610	23,618,123
Change in net assets	5,798,327	3,640,295	11,898,948	65,736,615	(506,410)	14,223,008	28,322,366
Net Assets, beginning of year, as restated	58,086,719	51,402,679	57,607,017	575,493,923	8,709,569	94,483,210	533,534,187
Net assets, end of year	\$ 63,885,046	\$ 55,042,974	\$ 69,505,965	\$ 641,230,538	\$ 8,203,159	\$ 108,706,218	\$ 561,856,553

NORTH DAKOTA UNIVERSITY SYSTEM
FINANCIAL STATEMENTS
JUNE 30, 2025

STATEMENT OF ACTIVITIES, Major Component Units - Continued

	RE Arena, Inc UND Arena Services, Inc. UND Sports Facilities, Inc. Arena Holdings Charitable LLC & Affiliates May 31, 2025	Total Major Component Units	Non-Major Component Units	Total Component Units
Support and revenue				
Gifts and contributions	\$ -	\$ 105,773,029	\$ 7,673,273	\$ 113,446,302
Investment income	914,340	50,303,258	7,098,301	57,401,559
Grant Revenue	-	37,418	-	37,418
Net realized and unrealized gains (losses) on investment securities	-	37,544,653	1,190,109	38,734,762
Program and event income	10,138,043	66,521,880	3,770,983	70,292,863
Other income	2,876,654	9,739,999	3,051,560	12,791,559
Total support and revenue	13,929,037	269,920,237	22,784,226	292,704,463
Expenses				
Program services	822,737	76,411,770	12,697,533	89,109,303
Supporting services	13,779,117	56,498,488	5,818,093	62,316,581
Fundraising expense	484,598	9,054,245	313,431	9,367,676
Total expenses	15,086,452	141,964,503	18,829,057	160,793,560
Change in Net Assets	(1,157,415)	127,955,734	3,955,169	131,910,903
Net Assets, Beginning of Year, as restated	65,558,914	1,444,876,218	75,180,975	1,520,057,193
Net Assets, End of Year	\$ 64,401,499	\$ 1,572,831,952	\$ 79,136,144	\$ 1,651,968,096

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, as summarized below, and the financial statements for the North Dakota University System (System) are in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) which is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles.

REPORTING ENTITY

The North Dakota State Board of Higher Education (SBHE) is the governing body for North Dakota's eleven publicly supported colleges and universities. In addition to these eleven institutions, the SBHE also oversees the Agricultural Research Centers, Agronomy Seed Farm, North Dakota Cooperative Extension Service, Northern Crops Institute, School of Medicine and Health Sciences, the State Forest Service, and the Upper Great Plains Transportation Institute. The SBHE was established in 1939 when the voters of North Dakota approved an initiated measure to add Article VIII to the State Constitution. The SBHE consists of ten members. The Governor, with the advice and consent of the Senate, appoints seven of the eight voting members. The eighth member is a full-time resident student appointed by the Governor. A ninth member is a faculty member (non-voting) selected by the state-wide Council of College Faculties. A tenth member is a staff member (non-voting) selected by the statewide Staff Senate. The SBHE is an entity of the executive branch of the government of the State of North Dakota. The colleges and universities governed by the SBHE are collectively known and referred to as the North Dakota University System hereafter referred to as the System. The Board appoints a Commissioner of Higher Education (Chancellor) to serve as the chief executive officer of the Board and of the System. The Chancellor and the Chancellor's staff must have their principal office in the State Capitol per the North Dakota Constitution. This office is referred to as the System Office or NDUSO. The North Dakota Legislature appropriates funds it deems necessary and as required by law for those agencies and institutions authorized to exist by the constitution and statutes. Separate general ledgers are maintained for the System Office and each institution on the PeopleSoft Finance Module. The financial statements presented here are also included in the comprehensive annual financial report of the State of North Dakota.

The System includes the following entities that were created by the North Dakota Constitution and/or North Dakota Century Code (NDCC). As stated above these entities are under the control and administration of the SBHE. Each entity receives a separate appropriation from the North Dakota Legislature as provided by North Dakota Constitutional Article VIII, S 6(6)(e) and state statute.

North Dakota University System Entities (Primary Institution)

North Dakota University System Office (NDUSO). Includes the NDUS System Office and Core Technology Services (CTS).

Bismarck State College (BSC)

Dakota College of Bottineau (DCB)

Dickinson State University (DSU)

Lake Region State College (LRSC)

Mayville State University (MaSU)

Minot State University (MiSU)

North Dakota State College of Science (NDSCS)

North Dakota State University (NDSU)

Agricultural Experiment Stations:

North Dakota State University Main Research Center

Dickinson Research Extension Center

Central Grasslands Research Extension Center

Hettinger Research Extension Center

Langdon Research Extension Center

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NOTES TO FINANCIAL STATEMENTS

North Central Research Extension Center
Williston Research Extension Center
Carrington Research Extension Center
Agronomy Seed Farm
Northern Crops Institute
Upper Great Plains Transportation Institute
North Dakota State University Cooperative Extension Service
North Dakota Forest Service
University of North Dakota (UND)
School of Medicine and Health Sciences
Valley City State University (VCSU)
Williston State College (WSC)

Component Units

The process of evaluating potential component units involved the application of criteria set forth in Governmental Accounting Standards Board Statement No. 14, The Financial Reporting Entity. In accordance with GASB Statement No. 14, a financial reporting entity consists of the primary institution, organizations for which the primary institution is financially accountable and other organizations for which the nature and significance of their relationship with the primary institution are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The definition of the reporting entity is based primarily on the criteria of financial accountability. The primary institution is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and it is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary institution. Governmental Accounting Standards Board (GASB) Statement No. 39, Determining Whether Certain Organizations Are Component Units, modifies and clarifies previously existing criteria of determining whether an organization should be reported as a component unit and how that component unit should be reported in the financial statements. The nature and significance of the organization's relationship and the extent of financial integration with the primary institution are now considered when determining potential component units. Governmental Accounting Standards Board Statement No. 61 amends the requirements established by GASB Statement No. 14 and GASB Statement No. 39 for inclusion of component units in the financial reporting entry. GASB Statement No. 61 requires a financial benefit or burden relationship in addition to a fiscal dependency.

As required by generally accepted accounting principles, the accompanying financial statements present the System (the primary institution) and its component units. The component units are included in the System's reporting entity because of the significance of their operational or financial relationships with the System.

The component units' financial statements are presented under Financial Accounting Standards Board (FASB) standards. As such, certain amounts reported on the primary institution financial statements (receivables from and payables to component units) are not reflected on the component units' financial statements. A reclassification column has been added to the consolidating component unit's statement of financial position to reflect material inter-entity balances between the primary institutions and the component units. Certain other amounts have been reclassified for consistent presentation. Detailed component unit financial statements may be obtained at the respective addresses listed below.

Blended Component Units

A component unit whose governing body is substantively the same as the governing body of the primary institution, a financial benefit/burden relationship exists and the entity provides services entirely or almost entirely to the primary institution or exclusively or almost exclusively benefits the primary institution even though it does not

provide services directly to it, is included in the primary institutions financial statements using the blending method.

North Dakota University System Foundation is considered a blended component unit. Although it is a legally separate, non-profit 501(c)(3) organization, NDUS Foundation is reported as if it were part of the primary institution because its sole purpose is to support the System. Some members of the SBHE serve on the Board of Trustees for the foundation. Complete financial statements may be obtained at the entity's administrative office at 600 E. Boulevard Ave. Dept. 215, Bismarck, ND 58505.

Discretely Presented Component Units

The following component units are legally separate entities; however, a fiscal dependency relationship exists whereby the entity does not have the ability to complete certain essential fiscal events without substantive approval from the primary institution or due to the nature and significance of the relationship to the System, exclusion would render the financial statements incomplete or misleading. Although the primary institution does not control the timing or amount of receipts from the component units, the majority of resources, or income thereon that the entities hold and invest are restricted by the donors to the activities of the primary institution or its constituents. Therefore, these entities are discretely presented in the accompanying financial statements using Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

Component units that are significant relative to the other component units and to the primary institution are considered "major" component units and are displayed in separate columns in the component unit section of the accompanying financial statements. Component units that are not significant relative to the other component units and to the primary institution are considered "non-major" component units and are displayed in a combined column in the component unit section of the accompanying financial statements.

Major Component Units

The **Bismarck State College Foundation (BSCF)** is a legally separate, non-profit organization established to assist in the development and advancement of BSC. The foundation acts primarily as a fundraising organization to supplement the resources that are available to the college. The foundation is managed by a 75-member board of directors as well as seven ex-officio members that are officers/employees of BSC. Financial statements may be obtained at their administrative office at 1255 Schafer Street, PO Box 5587, Bismarck, ND 58506-5587.

Minot State University Development Foundation (MiSUDF) is a legally separate non-profit organization established for the purpose of providing financial and other support to MiSU. MiSUDF receives, holds and manages contributions from alumni and private sources.

A board of directors comprising eleven voting members manages the MiSUDF. In addition, there are two ex-officio appointments from the Board of Regents and the Alumni Association, and three ex-officio members who are employees of MiSU. Financial statements for the foundation may be obtained at their administrative office at 500 University Avenue West, Minot, ND 58707.

North Dakota State College of Science Foundation (NDSCSF) is a legally separate non-profit entity established for the purpose of receiving and maintaining funds received from the public for the betterment of NDSCS. NDSCSF is managed by a 22-member board of directors as well as seven ex-officio members that are officers/employees of NDSCS. Financial statements for the foundation may be obtained at their administrative office at 800 Sixth Street North, Wahpeton, ND 58076-0002.

NDSU Foundation (NDSU Foundation) is a legally separate non-profit corporation established to raise, manage, distribute, and steward private resources to support the various priorities of NDSU. The NDSU Foundation engages

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NOTES TO FINANCIAL STATEMENTS

in development and outreach activities on behalf of NDSU. The NDSU Foundation is governed by an Executive Governing Board comprised of eleven voting members as well as two ex-officio members – the president of NDSU and the President/CEO of the foundation.

The NDSU Foundation's fiscal year-end is December 31. Financial statements and footnote disclosures are presented as of December 31, 2022. Financial statements may be obtained at their administrative office at 1241 N. University Drive, Fargo, ND 58102.

NDSU Research & Technology Park, Inc., (NDSU RTP) is a separate 501(c)3 non-profit organization developed to promote an economic environment dedicated to research and technology discovery for the benefit of NDSU, its faculty, staff and students, and the citizens of North Dakota. The NDSU RTP is governed by a Board of Directors. The President of NDSU serves as the president of the NDSU RTP board of directors. Financial statements may be obtained at their administrative office at 1854 NDSU Research Circle North, Fargo, ND 58102.

UND Aerospace Foundation (UND AF) is a nonprofit entity organized in 1985 to encourage and develop UND's John D. Odegard School of Aerospace Sciences. The UND AF's principal activities consist of developing and conducting training programs, research and development, and consulting services related to the aerospace industry. The UND AF's principal activities are located in Grand Forks, North Dakota and Mesa, Arizona. During fiscal year 2015, the UND AF formed a wholly-owned subsidiary, SunRay Property Holdings, LLC, to support its training programs in Arizona. During fiscal 2022, UND Aerospace Foundation formed a wholly-owned subsidiary, Blue Sky Property, LLC to support its training programs in Arizona.

The UND AF is governed by a board of directors consisting of three to nine voting members, including two or more persons who are active in the aerospace industry and/or graduates of UND with an interest in the aerospace industry, elected by the board. Non-voting members/representatives on the board include a senior manager of the UND AF elected by the board, the dean of the Odegard School of Aerospace Sciences and the president of UND. The UND AF benefits UND, financially and otherwise, through its promotion of the Odegard School and its programs and in the sharing of resources. Complete financial statements for the UND AF may be obtained at the entity's administrative office at 4275 University Ave Stop 9023, Grand Forks, ND 58202-9023.

The UND Alumni Association and Foundation (UND Foundation) is a nonprofit organization exclusively for the benefit of UND.

The UND Foundation fosters connections, inspires generosity, and advances the University of North Dakota. The organization receives, holds and manages contributions from alumni and private sources and engages in development and engagement activities on behalf of UND. The organization is supported primarily through donor contributions and earnings on investments.

The UND Foundation is governed by a board of directors. The financial statements for the UND Foundation may be obtained at the entity's administrative office at 3501 University Ave Stop 8157, Grand Forks, ND 58202-8157 or at undalumni.org.

During fiscal year 2025, the UND Foundation elected to change their fiscal year-end from June 30 to December 31.

RE Arena Inc. (REA), UND Arena Services Inc. (UAS), UND Sports Facilities Inc. (UNDSF) and Arena Holdings Charitable LLC (AHC) are related organizations with common board of directors and management organized for the benefit of UND.

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NOTES TO FINANCIAL STATEMENTS

These organizations operate and maintain a multipurpose sports and entertainment complex in Grand Forks, North Dakota. The complex is used primarily for UND athletics and activities. UND Sports Facilities Inc. (UNDSF) is the sole member of Arena Holdings Charitable LLC (AHC). REA conducts day-to-day operations of the arena through a contract with UAS. UAS is the legal manager of AHC. AHC is the lessee of the land from UND and is the titleholder of the complex. At the conclusion of the original 30-year lease (2030), the complex shall vest with UND.

UAS has a seven-member board with one member being the UND Vice President for Finance and Operations/Chief Operating Officer (VPFO/COO). REA has a five-member board with the President being the REA General Manager. The remaining four board members are board members of UAS with no UND employee represented on the board. AHC is a disregarded entity and does not have any board members. UNDSF has three board members, who also serve on the other boards, with one of the board members being UND VPFO/COO. All board members from all three entities have voting rights. A complete combined financial statement for these organizations may be obtained at Ralph Engelstad Arena, One Ralph Engelstad Arena Dr., Grand Forks, ND 58203.

Non-major Component Unit

DSU Heritage Foundation (DSUHF) is a not-for-profit corporation that was established to stimulate and foster support for Dickinson State University (DSU) by securing, managing and disbursing funds to benefit DSU and its students. DSUHF is managed by a twenty member board of directors. Financial statements for DSUHF may be obtained at their administrative office at 230 8th Avenue West, Dickinson, ND 58601

Williston State College Foundation (WSCF) is a legally separate that receives, holds and manages contributions from alumni and private sources. WSCF is managed by an 11-member board of directors. Financial statements for WSCF may be obtained at their administrative office at 721 East Highland Drive, Suite E, Williston, ND 58801.

INSIGNIFICANT COMPONENT UNITS

The following organizations are component units of the System but they have been deemed insignificant due to small total assets and revenues. Entities in this category had less than 1.0 percent each in total assets compared to total System assets and less than 10 percent in payments to or from the primary institution. Separate boards of directors control these entities. In addition, the institution does not exercise financial or administrative control over these entities and/or the entities' relationship with the primary institutions is not significant enough to warrant inclusion in the reporting entity's financial statements. The related organizations at June 30, 2025 were:

BSC:	Bismarck Innovations Foundation 1200 Edwards Avenue Bismarck, ND 58506-5587	DCB	DCB Foundation 105 Simrall Boulevard Bottineau, ND 58318
	Mystic Athletic Club 1500 Edwards Ave. PO Box 5587 Bismarck, ND 58505-5587		
LRSC:	Lake Region Community College Foundation 1801 College Drive North Devils Lake, ND 58301-1598	MiSU:	MiSU Alumni Association, Inc. Minot State University 500 University Ave W Minot, ND 58707
MaSU:	Mayville Mutual Aid Corporation 330 3 rd Street NE Mayville, ND 58257		Beaver Boosters, Inc Minot State University 500 University Ave W

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NOTES TO FINANCIAL STATEMENTS

	Mayville State University Foundation 330 3 rd Street NE Mayville, ND 58257	Minot, ND 58707
		UND: EERC Foundation Energy & Environmental Research Center 15 N 23 rd St., Ste9018 Grand Forks, ND 58202
NDSU	NDSU Research Foundation 1735 NDSU Research Park Drive Suite 124 Fargo, ND 58102	UND Center for Innovation Foundation 4200 James Ray Drive, Stop 8272 Grand Forks, ND 58203
	NDSU Team Makers Dept 1200 PO Box 6050 Fargo, ND 58102 - 6050	WSC Teton Booster Club PO BOX 100 Williston, ND 58802
VCSU:	VCSU Foundation 101 College Street SW Valley City, ND 58072	TrainND Foundation PO Box 4095 Williston, ND 58802

BASIS OF PRESENTATION

The financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, and Statement No. 35, Basic Financial Statements - and Management’s Discussion and Analysis - for Public Colleges and Universities, issued in June and November, 1999, as amended by GASB Statement Nos. 36, 37 and 38. The System follows the “business-type activities” (BTA) reporting requirements of GASB Statement No. 34 that provides a comprehensive one-line look at the System’s activities.

BASIS OF ACCOUNTING

The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting, whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and are presented to provide a comprehensive entity-wide perspective of the System’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position and cash flows.

FIDUCIARY FUNDS

The System accounts as custodial funds accounts for activities resulting from the System or its institutions acting as an agent or fiduciary for various organizations.

UNRESTRICTED NET POSITION

Unrestricted net position includes resources derived from student tuition and fees, sales and services, unrestricted gifts, royalties, and interest income.

Restricted and unrestricted resources are tracked using a fund accounting system and are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

restricted and unrestricted activities. When both restricted and unrestricted funds are available for expenditure, the decision for funding is transactional based within the departmental management system in place at each institution.

RESTRICTED ASSETS

The System, based on certain bond covenants, is required to establish and maintain prescribed amounts of resources that can be used only to service outstanding debt. Also, included are unspent bond proceeds that will be expended for construction of capital assets.

REVENUE AND EXPENSE RECOGNITION

The System presents its revenues and expenses as operating or nonoperating based on recognition definitions from GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting. Operating activities are those activities that are necessary and essential to the mission of the System.

Operating revenues include all charges to customers, grants received for student financial assistance, research contracts and grants, and interest earned on loans. Grants received for student financial assistance are considered operating revenues because they provide resources for student charges and such programs are necessary and essential to the mission of the System. Pell Grant revenues are considered non-operating revenues. Revenues from nonexchange transactions and state appropriations that represent subsidies or gifts to the System, as well as investment income, are considered nonoperating since these are either investing, capital or noncapital financing activities. Operating expenses are expense transactions incurred other than those related to investing, capital or noncapital financing activities. Revenues received for capital financing activities, as well as related expenses, are considered neither operating nor nonoperating activities and are presented after nonoperating activities.

BUDGETARY PROCESS

The State of North Dakota operates through a biennial appropriation. Legislation requires the SBHE to present a single unified budget request covering the needs of all the institutions under its control to the Governor through the Director of the Office of Management and Budget (OMB). The Governor is required by legislation to present his budget to the General Assembly at the beginning of each session. The General Assembly enacts the budget of the various institutions through the passage of specific appropriation acts. Before signing the appropriation acts, the Governor may veto or reduce any specific appropriation, subject to legislative override. Once passed and signed, the budget becomes the state's financial plan for the next two years.

The SBHE allocates contingency and capital emergency funding within guidelines provided by the General Assembly. Any funds received by the SBHE and entities of the System pursuant to federal acts, private grants, and other sources not deposited in the operating funds in the state treasury are appropriated for the biennial period. The SBHE has the authority to transfer funds between line items by notifying OMB in writing, with the exception that the SBHE may not approve transfers from any capital assets line item except as specifically provided by the General Assembly.

The North Dakota Constitution prohibits any transfers between institutions, even by the legislature. Institutions within the System do not use encumbrance accounting. The legal level of budgetary control is at the institutional line-item level, with administrative controls established at lower levels of detail in certain instances.

SBHE policy requires each college or university to submit a biennial budget for SBHE approval and annual budgets to be approved by the Chancellor. These budgets are prepared on an accrual basis and include activity relative to current funds and unexpended plant funds. These annual budgets are prepared within the framework of the legislative-approved appropriations and become each institution's financial plan for the coming year. The SBHE allows each institution's discretion in transferring funds between departments.

CASH AND CASH EQUIVALENTS

This classification includes cash on-hand, cash in-bank, regular and money market savings accounts, and certificates of deposit and time saving certificates (original maturity of 3 months or less). For purposes of the Statement of Cash Flows, the System considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents representing assets of the System's endowment, unspent bond proceeds and cash restricted by bond covenants are included in non-current restricted cash.

INVESTMENTS

Investments consist of certificates of deposit (maturity greater than three months), U.S. Treasuries, bonds, stocks and other securities held by trust departments or broker dealers and investments in real estate. Investments are reported at fair value for year-end financial reporting. Fair value is the amount at which an investment could be exchanged between two willing parties, which for financial reporting purposes is based on quoted market prices. The net increase (decrease) in the fair value of investments is recognized as a part of investment income. Investments are classified as investments, if the maturity date is more than three months to one year, or as Other Long-term Investments, if the maturity date is more than one-year from the date of the financial statements. Investments restricted by bond covenants, invested from bond proceeds or enabling legislation are classified as Restricted Investments. Investments held by endowment funds are classified as Endowment Investments.

Investments are measured at fair value using the hierarchy established by general accepted accounting principles. 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.

Fair values are based on the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

RECEIVABLES

Accounts receivables include tuition, fees, food service, room and board charges and apartment rent; accrued interest on investments; and Family Medicine Center revenues (UND). Grants and contracts receivables include federal and private grants and contracts revenue and state grants and other income due from other state agencies. Loan fund notes receivable represents amounts due from students for Perkins and other federal loans, and other institutional loans. Net receivables are shown on the basic financial statements. The allowances for doubtful accounts/notes are detailed in Note 3.

INVENTORIES

Inventories held for resale in auxiliaries (including food, books and other merchandise) and unrestricted physical plant, aerospace and pharmacy supplies are generally stated at the lower of cost (generally determined on the first-in, first-out, or moving weighted average method) or fair market value.

NOTES TO FINANCIAL STATEMENTS

CAPITAL AND INTANGIBLE ASSETS

Land, buildings, equipment, and other property are stated at historical cost, with the exception of property acquired prior to the following dates for the various institutions which are stated at appraised values: July 1, 1964 (MiSU, BSC, NDSCS, NDSU); July 1, 1965 (UND); July 1, 1966 (VCSU, DCB); July 1, 1969 (DSU); July 1, 1970 (MaSU); July 1, 1984 (WSC); and July 1, 1987 (LRSC). Professional consultants for the purposes of insurance and financial record keeping evaluated these assets. Library books and periodicals are stated at an estimated inventory value as of the following dates for the following institutions with subsequent additions at cost and deletions at average cost: June 30, 1973 (MaSU, VCSU); June 30, 1974 (UND, NDSCS, NDSU, DCB); June 30, 1976 (DSU); July 1, 1979 (MiSU); June 30, 1985 (BSC, LRSC); and June 30, 1990 (WSC).

Capital assets, including purchased software, with a unit cost of \$5,000 or greater and all library books, are recorded at cost at the date of acquisition, or if donated, at fair market value at the date of donation. Infrastructure assets are included in the financial statements and are depreciated. Depreciation is not allocated to the functional categories. Intangible assets, including right-to-use leased assets with a unit cost of \$25,000 and SBITA assets, with a unit cost of \$200,000 or more are recorded at cost at the date of acquisition, or if donated, at fair market value at the date of donation. Internally developed intangible assets with a unit cost of \$50,000 or more are recorded at cost and are amortized.

The composite method is used for library book depreciation. All books purchased during a year are consolidated and depreciated as a group of assets rather than individually. Expenses for construction in progress are capitalized as incurred. Interest expense relating to construction is capitalized, net of interest income earned on resources set aside for the construction or remodeling costs.

Certain reserves have been established by bond indenture for the repayment of revenue bond indebtedness. Such reserves are recorded in the appropriate restricted assets category (cash/investments) and as “net position restricted for debt service” on the Statement of Net Position.

Depreciation and intangible amortization are calculated using the straight-line method over the following estimated useful lives for the System and its component units. All institutions, except UND and NDSU, use the half-year convention.

Land Improvements	10 – 50 years
Infrastructure	20 – 60 years
Buildings	10 – 120 years
Equipment	3 – 20 years
Internally developed software	2 – 10 years
Right-to-use assets	2 – 30 years
Purchased software	3 – 5 years
Other Intangibles	3 – 20 years
Library Books	10 years

DEPOSITS

Money received in advance for the subsequent year’s residence hall, apartment reservations and flight training costs and funds held by an institution in a fiduciary capacity are classified as deposits.

COMPENSATED ABSENCES

The System records compensated absences liabilities in accordance with Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. An accrual is recorded for leave that 1) is attributable to services already rendered, 2) accumulates, and 3) is more likely than not to be used for time off or otherwise paid

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

in cash or settled through noncash means.

Compensated absences include annual leave, sick leave and other forms leave. Annual and sick leave are a part of permanent employees' compensation as set forth in NDCC section 54-06-14. In general, accrued annual leave cannot exceed 30 days at each calendar year end while accrued sick leave is not limited. Employees are entitled to earn leave based on tenure of employment, within a range from a minimum of one working day, to a maximum of two working days per month, established by the rules and regulations adopted by the employing unit. Employees are paid for all unused annual leave upon termination or retirement. Employees who vest at 10 years of credible service are paid one-tenth of their accumulated sick leave upon termination or retirement.

Other forms of leave are sabbatical leave, military, parental, funeral leave and jury duty. Sabbatical leave during which an employee is not required to perform any significant duties for the System is included in compensated absences liability. Military, parental, funeral leave and jury duty leave are recognized when the leave commences.

Compensated absences are measured and disclosed based on criteria, including the consideration of payout likelihood and the inclusion of certain fringe benefits. The System uses a LIFO methodology for sick leave and a Days Used methodology for annual leave.

PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OTHER POST-EMPLOYMENT BENEFITS

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.

SCHOLARSHIP ALLOWANCES

Student tuition and fees, and certain other revenues received from students are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship discounts and allowances are the difference between the System's state rates and charges and the amount actually paid by students and/or third parties making payments on behalf of students. Under this approach, scholarships, waivers and grants are considered as reductions in tuition and fee revenues rather than as expenses. Therefore, student tuition and fees and auxiliary revenues are presented net of scholarships applied to student's accounts.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The System has entered into subscription-based information technology arrangements (SBITAs) for:

- Athletic department software for recruiting, performance management and compliance,
- Cloud backup services software and web hosting software,
- Communications and call center software,
- Customer relationship management (CRM) software,
- Data analytics software,

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NOTES TO FINANCIAL STATEMENTS

- Desktop and server software subscriptions,
- Document management software,
- Effort reporting software,
- Electronic health records management software,
- Emergency management system software,
- Events and organizations management software,
- Facilities and heating plant control software,
- Food services operations software,
- Human resources recruiting, performance and compensation management software,
- Information technology security software,
- Intellectual property software,
- Medical residency program and clinical management software,
- Online learning and instructional design software,
- Procurement and contract management software,
- Program evaluation and reporting system,
- Project management software,
- Recreation department management software,
- Research management and compliance software,
- Scholarship funds and awards management software,
- Student, recruitment, engagement, and success software,
- Survey software,
- Transcript software.
- Video creation software,
- Wellness Center software,

SBITA right-to-use assets are recorded as capital assets, net and the corresponding liability is recorded as a SBITA liability in the Statement of Net Position. Additional information is provided in footnotes 5 and 7.

NET POSITION

Net position is classified according to external donor restrictions or availability of assets for satisfaction of System obligations. Restricted Net Position represent funds that have been restricted for specific purposes by donors or granting agencies for scholarships and fellowships, instructional department uses, loan funds, debt service and other. Unrestricted net position is all other funds available at the discretion of the System. Invested in capital assets represents the cost or gifted value of buildings, equipment, land improvements and infrastructure, less accumulated depreciation and related outstanding debt.

RESTATEMENT OF BEGINNING NET POSITION

Net Position, beginning of the year, as previously reported	\$ 1,894,741,567
Change in accounting method	(27,358,023)
Correction of error	119,880,722
Net Position, beginning of the year, as restated	<u>\$ 1,987,264,266</u>

There were two changes in accounting methods in fiscal year 2025. NDUS implemented GASB Statement No. 101, Compensated Absences in the year ended June 30, 2025. GASB Statement No. 101 enhances the accounting and financial reporting requirements for accounting for compensated absences. The adoption of GASB 101 resulted in a restatement to net position of \$35,178,355. UND changed the recognition of bond premium to the effective interest method for a restatement to net position of (\$7,820,332).

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

A correction of error was made to include \$119,880,705 of Strategic Investments and Improvements Funds (SIIF) that should have been recognized in the prior year.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The accompanying financial statements include estimates of such items as allowances for uncollectible accounts, scholarship allowances, accrued expenses and other liability accounts.

New Accounting Pronouncements

Accounting Standards Implemented

During fiscal year 2025, the System adopted the following standards:

- GASB Statement No. 101, Compensated Absences.
- GASB Statement No. 102, Certain Risk Disclosures.

Accounting Standards Issued but Not Yet Implemented

The System will implement the following new pronouncements for fiscal years ending after 2025:

- GASB Statement No. 103, Financial Reporting Model Improvements,
- GASB Statement No. 104, Certain Capital Needs

The effect that these GASB Statements will have on future financial statements has not yet been determined.

NOTE 2 – DEPOSITS AND INVESTMENTS

LIMITATIONS

North Dakota Century Code (NDCC) governs the deposit and investment policies of the System. NDCC Section 6-09-07 states, “All state funds...must be deposited in the Bank of North Dakota (BND) ...or must be deposited in accordance with constitutional and statutory provisions.”

In addition, NDCC Section 21-04-02 provides that public funds belonging to or in the custody of the state shall be deposited in the Bank of North Dakota. NDCC Section 15-10-12 allows the System to receive donations, gifts, grants and bequests. These funds must be used for the specific purpose for which they are donated or given and must be deposited in the Bank of North Dakota.

NDCC Sections 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 BND, 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 SBHE may invest such funds in direct obligations 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.

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NOTES TO FINANCIAL STATEMENTS

DEPOSITS

Cash and cash equivalents are as follows:

	June 30, 2025	
	Carrying Amount	Bank Balance
Cash Deposits at the Bank of North Dakota	\$ 480,614,956	\$ 473,813,485
Cash Deposits at institutions other than the Bank of North Dakota	18,944,141	19,660,698
Certificates of Deposit at the Bank of North Dakota	379,759,697	381,459,697
Certificates of Deposit at institutions other than the Bank of North Dakota	118,230	118,230
Total Bank Deposits	879,437,024	\$ 875,052,110
Cash on hand/petty cash	155,972	
Amounts credit risked as investments but reported as investments	(379,877,927)	
Total Cash and Cash Equivalents	\$ 499,715,069	

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the System's deposits may not be returned to it. The System does not specifically address policies concerning custodial credit risk and while the deposits in the Bank of North Dakota are backed by the State of North Dakota, they are deemed to be uninsured and uncollateralized by GASB definition. As of June 30, 2025, \$872.9 million of the System's bank balance of \$875.1 million was exposed to custodial credit risk as follows:

Statement of Net Position:

Uninsured and uncollateralized	\$855.6 million
Uninsured and collateral held by pledging bank not in system's name	\$ 17.3 million

Investments

Investments are reported at fair value (market). The balances at June 30, 2025 are:

Investment Type	Market Value	Maturities	Maturities
		Less than 1 year	1-5 years
US Treasuries	\$ 56	\$ 56	\$ -
Mutual Bond Funds	121,001	-	121,001
Money Market Mutual funds	309,971	309,971	-
Debt Securities Subtotal	\$ 431,028	\$ 310,027	\$ 121,001
Stocks	862,978		
Exchange Transfer Funds (ETF's)	1,035,281		
Certificates of Deposit - BND	379,759,697		
Certificates of Deposit - non-BND	118,231		
Investment in Real Estate	9,523,940		
Equity Securities Subtotal	391,300,127		
Total Investments	\$ 391,731,155		

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value investments. Per NDCC the System is limited to investing funds with the Bank of North Dakota, with the exception of gifts governed by

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NOTES TO FINANCIAL STATEMENTS

endowment agreements. Accordingly, the System does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Institutions choose terms based on maximizing return within the limits of their cash flow needs. Institutions rely on brokers to provide year-end market values. The investments are held with those brokers.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill their obligation. As of June 30, 2025, the system's debt portfolio (excluding US Treasuries and US Agencies) included Standard & Poor's quality ratings as follows:

	Market Value	Credit Quality Rating		
		AAA	BBB	Not Rated
Mutual bond funds	\$ 121,001	\$ -	\$ -	\$ 121,001
Money market mutual funds	309,971	6,835	303,136	-
Total	\$ 430,972	\$ 6,835	\$ 303,136	\$ 121,001

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair Value Hierarchy

In accordance with GASB Statement No. 72, assets 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 institution 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.

Fair values are based on the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The balances of assets measured at fair value on a recurring basis at June 30, 2025 are:

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Equity securities	\$ 862,978	\$ -	\$ -	\$ 862,978
US Treasuries	-	56	-	56
ETF funds	1,035,281	-	-	1,035,281
Mutual bond funds	121,001	-	-	121,001
Mutual funds	-	-	-	-
Real estate	-	-	9,523,946	9,523,946
Total	\$ 2,019,260	\$ 56	\$ 9,523,946	\$ 11,543,262

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

Real estate categorized as Level 3 represents land leases for commercial and residential development and are primarily valued using discounted cash flow techniques.

NOTE 3 – RECEIVABLES

Receivables consist of the following amounts:

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Student and general	\$ 45,237,862		\$ 45,237,862
Interest receivable	1,036,075		1,036,075
Allowance for doubtful accounts	(8,930,787)		(8,930,787)
Accounts receivable, net	<u>37,343,149</u>		<u>37,343,149</u>
Grants and contracts receivable	47,972,611		47,972,611
Due from other state agencies	24,963,859		24,963,859
Grants and contracts receivable, net	<u>72,936,470</u>		<u>72,936,470</u>
Student	1,106,865	9,721,129	10,827,995
Allowance for doubtful notes	(104,106)	(773,757)	(877,863)
Notes receivable, net	<u>\$ 1,002,760</u>	<u>\$ 8,947,372</u>	<u>\$ 9,950,132</u>

NOTE 4 – ENDOWMENT FUNDS

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. 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, 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, 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.

NDSU's endowment principal is held at a steady amount and all gains are recorded in restricted scholarship funds. The spending of endowment earnings is based on an annual evaluation. UND's distributions for spending from endowments each fiscal year are calculated once annually with the quarter ended December 31 unitized market value and is based on the set spending rate, currently 3.75 percent, applied to the average market value for the preceding twelve quarter average. All endowments in existence at December 31 for one year will receive a distribution spending allocation. The available amount is forecast to UND for planning purposes in February, and these distribution amounts will be available for spending in the upcoming fiscal year. Net appreciation on investments is available for expenditure and consists of the following at June 30, 2025.

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

Endowment funds reported herein do not include the Federal Land Grant Fund held by the Department of Trust Lands. The annual proceeds from assets held by the State Land Commissioner are deposited into each

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

college/university's operating fund at the State Treasury and are used for current operating purposes. BSC, LRSC and WSC do not participate in the proceeds allocated by the Department of Trust Lands. Total assets held by Department of Trust Lands and proceeds for the fiscal year ended June 30, 2025 are \$293.1 million and \$9.6 million, respectively.

NOTE 5 – CAPITAL AND INTANGIBLE ASSETS –

Capital asset activity for the year ended June 30, 2025 are as follows:

	Beginning				Ending
	Balance	Additions	Retirements	Transfers	Balance
Land	\$ 22,647,265	\$ -	\$ -	\$ -	\$ 22,647,265
Construction in progress	227,121,296	196,552,780	26,393	(126,731,917)	296,915,766
Total non-depreciable capital assets	249,768,561	196,552,780	26,393	(126,731,917)	319,563,031
Land improvements/infrastructure	301,192,224	2,692,973	16,348	1,582,171	305,451,020
Buildings	2,258,702,742	71,990,544	5,503,788	122,330,270	2,447,519,768
Furniture, fixtures, and equipment	432,753,935	33,238,682	13,005,687	2,819,476	455,806,406
Intangibles:					
Computer software	24,381,036	25,920	16,000	-	24,390,956
Websites	966,734	42,017	24,469	-	984,282
Right-of-use on leased assets	43,930,327	16,047,527	2,406,291	-	57,571,563
SBITA right-of-use intangible	37,572,036	10,731,955	7,940,435	885,160	41,248,716
SBITA development in process	1,019,190	39,045	-	(885,160)	173,075
Other	1,306,429	-	-	-	1,306,429
Library materials	81,625,578	696,710	858,171	-	81,464,117
Total depreciable capital assets	3,183,450,231	135,505,373	29,771,189	126,731,917	3,415,916,332
Less accumulated depreciation and amortization					
Land improvements/infrastructure	150,227,661	8,341,811	3,768	-	158,565,704
Buildings	814,393,103	55,370,133	5,200,771	-	864,562,465
Furniture, fixtures, and equipment	292,561,442	24,728,706	11,341,712	-	305,948,436
Intangibles:					
Computer software	23,363,308	114,006	40,468	-	23,436,846
Websites	851,829	29,536	-	-	881,365
Right-to-use leased assets	12,985,186	6,486,825	1,764,126	-	17,707,885
SBITA right-of-use accumulated amortization	18,634,820	11,123,396	7,536,623	-	22,221,593
Other	929,208	42,397	-	-	971,605
Library materials	76,117,372	1,128,521	858,172	-	76,387,720
Total accumulated depreciation and amortization	1,390,063,929	107,365,331	26,745,640	-	1,470,683,619
Total depreciable capital assets, net	1,793,386,302	28,140,043	3,025,549	126,731,917	1,945,232,713
Capital assets, net	\$ 2,043,154,863	\$ 224,692,823	\$ 3,051,942	\$ -	\$ 2,264,795,744

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

Construction in progress for the year ended June 30, 2025 was as follows:

	Total Amount Authorized	Expended (CIP Asset)	Capitalized Equipment	Expended (Non capitalized)	Remaining Authorized Balance
Bismarck State College	\$ 40,000,000	\$ 14,973,951	\$ -	\$ -	\$ 25,026,049
Dakota College of Bottineau	150,000	115,000	-	-	35,000
Dickinson State University	37,824,832	13,633,446	-	-	24,191,386
Lake Region State College	-	-	-	-	-
Mayville State University	52,254,901	12,661,930	-	74,448	39,518,523
Minot State University	33,522,003	25,687,161	94,152	1,045,610	6,695,080
North Dakota State College of Science	21,937,000	13,723,464	-	-	8,213,536
North Dakota State University	333,587,800	158,476,402	305,170	162,121	174,644,107
University of North Dakota	179,622,122	25,806,646	-	-	153,815,476
Valley City State University	43,285,461	996,850	-	-	42,288,611
Williston State College	43,913,939	30,840,916	193,339	138	12,879,546
Total	\$ 786,098,058	\$ 296,915,766	\$ 592,662	\$ 1,282,317	\$ 487,307,313

Additional information on SBITA right-of-use asset is provided in Note 7. Additional information on leased right-of-use assets is provided in Note 12.

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2025:

	Totals
Accounts payable	\$ 56,277,483
Due to other state agencies	7,198,815
Sales tax payable	38,720
Accrued interest	4,260,892
Contractor payable/retainage	16,008,557
Other liabilities	1,971,391
Total payables and accrued liabilities	\$ 85,755,858

NOTE 7 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGMENTS LIABILITIES (SBITAs)

The future subscription payments under SBITA agreements are as follows.

Fiscal Year	Principal	Interest	Total
2026	5,912,704	671,288	6,583,992
2027	4,854,383	427,537	5,281,921
2028	2,870,001	232,809	3,102,810
2029	1,893,463	116,620	2,010,083
2030	838,961	39,578	878,538
2031 - 2035	136,028	10,948	146,976
	\$ 16,505,540	\$ 1,498,780	\$ 18,004,321

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NOTES TO FINANCIAL STATEMENTS

NOTE 8 – LONG-TERM LIABILITIES

The changes in long-term liabilities during fiscal year 2025 are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion	Non-current Portion
Bonds payable	\$ 270,581,094	\$ 34,019,824	\$ 12,099,140	\$ 292,501,778	\$ 12,530,446	\$ 279,971,333
Bonds payable to Component Units	10,290,000	29,775,000	1,475,000	38,590,000	2,000,000	36,590,000
Certificates of articipation	249,179,612	-	1,987,108	247,192,504	2,111,936	245,080,568
Notes payable	17,181,794	914,721	3,252,578	14,843,937	2,860,469	11,983,469
Notes payable to Component Units	3,401,307	-	420,967	2,980,340	435,202	2,545,138
Leases payable	23,992,233	8,072,427	3,938,140	28,126,520	2,815,637	25,310,881
Leases payable with Component Units	8,707,539	7,498,794	1,703,592	14,502,741	1,686,761	12,815,978
Special assessments	17,244,944	1,178,220	770,473	17,652,691	683,801	16,968,888
Compensated absences, net	73,009,043	4,538,322	986,444	76,560,921	6,783,111	69,777,814
Total	\$ 673,587,566	\$ 85,997,308	\$ 26,633,442	\$ 732,951,432	\$ 31,907,363	\$ 701,044,069

NOTE 9 – BONDS PAYABLE

Revenue bonds are limited obligations of the 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. Amounts held by the trustee specifically for payment on bonds are reflected in Net Position, Restricted for Debt Service.

The summary of outstanding obligations of the institutions, as of June 30, 2025, is presented below and the detail is presented in the Supplementary Information section following these notes.

	Original Balances	Interest Rates	Balances Outstanding
Bismarck State College	\$ 42,441,353	2.0% - 5.25%	\$ 36,757,266
Dakota College at Bottineau	2,610,538	2.0% - 5.0%	2,364,652
Mayville State University	2,800,000	1.25% - 3.25%	1,196,492
Minot State University	7,668,816	0.40% - 3.00%	6,639,592
North Dakota State College of Science	6,506,892	3.00%	5,409,449
North Dakota State University	151,397,818	1.1% - 5.0%	93,868,105
University of North Dakota	219,362,995	0.75% - 5.045%	176,204,906
Valley City State University	5,858,248	3.0% - 4.0%	4,155,316
Williston State College	5,347,000	3.10%	4,496,000
Total Bonds Payable	\$ 443,993,660		\$ 331,091,778

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

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

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NOTES TO FINANCIAL STATEMENTS

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

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

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

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

Industrial Commission Bonds

For the 2023-2024 biennium, the System Office received an appropriation of \$11.2 million to act as the fiscal agent for the institutions on bond payments to the North Dakota Industrial Commission. During fiscal year 2025, the System Office paid \$5.1 million in general funds to the North Dakota Industrial Commission.

Scheduled Maturities of Bonds Payable

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 14,530,446	\$ 12,456,220	\$ 26,986,666
2027	15,587,604	11,931,190	27,518,794
2028	15,013,951	11,381,358	26,395,309
2029	15,589,350	10,843,132	26,432,482
2030	16,032,421	10,276,812	26,309,233
2031 - 2035	80,294,376	43,092,727	123,387,103
2036 - 2040	62,395,942	29,810,533	92,206,475
2041 - 2045	51,866,011	18,838,939	70,704,950
2046 - 2050	45,292,782	9,098,349	54,391,131
2051 - 2055	14,488,895	1,851,613	16,340,508
	<u>\$ 331,091,778</u>	<u>\$ 159,580,873</u>	<u>\$ 490,672,651</u>

NOTE 10 – CERTIFICATES OF PARTICIPATION

On September 1, 2018, 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 the Bank of North Dakota. The certificates have interest rates ranging from 4.0 to 5.0 percent and are subject to annual appropriations by the North Dakota Legislature as part of the general operating appropriations.

The Series 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 is 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 is due in 2024. The certificates mature in fiscal year 2041.

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NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Scheduled Maturities of Certificates of Participation

Fiscal Year	Principal	Interest	Total
2026	\$ 2,111,936	\$ 8,760,703	\$ 10,872,639
2027	2,244,327	8,727,653	10,971,980
2028	2,329,837	8,687,322	11,017,159
2029	2,375,705	8,641,264	11,016,969
2030	2,396,946	8,592,207	10,989,153
2031 - 2035	14,260,696	41,911,647	56,172,343
2036 - 2040	20,398,213	39,244,768	59,642,981
2041 - 2045	25,843,042	34,718,818	60,561,860
2046 - 2050	40,133,188	28,261,013	68,394,201
2051 - 2055	62,142,856	18,826,400	80,969,256
2056 - 2060	61,838,073	7,008,800	68,846,873
2061 - 2065	11,117,685	331,950	11,449,635
	<u>\$ 247,192,504</u>	<u>\$ 213,712,545</u>	<u>\$ 460,905,049</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 11 – NOTES PAYABLE

Institution	Original Balance	Maturity Date	Interest Rate	Outstanding Balance June 30, 2025
Lake Region State College	\$ 5,036,548	June 2027 and June 2032	3.27% - 5.15%	\$ 882,030
North Dakota State University	6,755,076	August 2025 through October 2030	Various from 1.00% to 4.74%	3,218,353
University of North Dakota	21,508,814	December 2025 through April 2037	Various from 1.03% to 4.88%	12,047,446
Williston State College	2,500,000	October 2034 and May 2035	5.25%	1,676,448
Total	\$ 35,800,438			\$ 17,824,277

LRSC has a note to Banc of America Public Capital Corp for a wind turbine and a note to Lake Region State College Foundation for an easement related to the wind turbine.

The LRSC note contains a provision that upon default or nonappropriation, the lender may transfer any collateral to the name of the lender, sell or otherwise dispose of any collateral.

NDSU has ten notes payable with Banc of America Public Capital Corp for various purchased and leased equipment and a note with the NDSU Foundation for Renaissance Hall.

The NDSU note to Banc of America Public Capital Corp contains a clause that upon default, the lender may declare all payments immediately due and payable and may retake possession or require return of equipment. The lender may then sell or lease the equipment. The NDSU Foundation for the Renaissance Hall Project note contains a nonappropriation clause. In the event of nonappropriation, NDSU may, upon prior written notice to the Foundation, terminate the lease at the end of the then current biennium. The Foundation may take any available remedy by law to enforce payment of the outstanding bonds.

UND has a note payable with Alerus Bank for a building purchased from the University of North Dakota Research Foundation in fiscal year 2013. UND has a note payable with Wells Fargo for a spectrometer and eight notes payable with Banc of America for aircraft and aircraft simulators. UND also has a notes payable with the UND Aerospace Foundation for an airport hangar and a note payable with for a camera system.

UND has a master agreement with Banc of America Public Capital Corp. In the event of default, the lender may declare all rental payments payable by UND to the end of the current fiscal biennium to be immediately due and payable. The lender may take possession of such equipment or require UND to promptly return such equipment to the lender who may then sell or lease the equipment.

The UND notes contain a provision that in the event of default, outstanding amounts become immediately due if the institution is unable to make payment.

WSC has a note payable to the Bank of North Dakota for construction of the Petroleum Safety and Technology Center and a note payable to the WSC Foundation for a bus.

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NOTES TO FINANCIAL STATEMENTS

Scheduled Maturities of Notes Payable

Fiscal Year	Principal	Interest	Total
2026	\$ 3,295,671	\$ 486,378	\$ 3,782,049
2027	3,380,366	410,803	3,791,169
2028	2,216,983	321,632	2,538,615
2029	1,684,122	265,628	1,949,750
2030	1,671,058	213,931	1,884,989
2031 - 2035	4,397,232	516,564	4,913,796
2036 - 2040	1,178,845	34,257	1,213,102
	<u>\$ 17,824,277</u>	<u>\$ 2,249,193</u>	<u>\$ 20,073,470</u>

NOTE 12 – LEASES PAYABLE

The institutions lease land, office space and equipment from external parties. Institutions record right-to-use assets and lease liabilities based on the present value of expected payments over the term of the leases. The expected payments are discounted using the interest rate charged in the lease, if available, or the System's incremental borrowing rate. The right-to-use assets are amortized over the shorter of the lease term or the underlying asset's useful life.

For leases featuring payments tied to an index or market rate, the valuation is based on the initial index or market rate. There are no leases subject to residual value guarantees or commitments under leases before the start of the lease term. Additionally, there were no sales-leaseback or lease-leaseback transactions in fiscal year 2025. NDSU has four subleases with three external parties by which NDSU subleases space in a NDSU Research & Technology Park building. NDSU recognized revenue of \$252,000 for the rent received on these subleases.

Leased assets by major class of underlying assets at June 30, 2025, are as follows:

Asset Class	Cost	Accumulated
		Amortization
Land	\$ 3,787,330	\$ 224,606
Buildings	6,506,500	1,888,959
Infrastructure	44,483,921	13,862,921
Equipment	2,793,811	1,731,399
	<u>\$ 57,571,563</u>	<u>\$ 17,707,886</u>

Scheduled Maturities of Lease Obligations

Fiscal Year	Principal	Interest	Total
2026	\$ 4,502,398	\$ 1,451,663	\$ 5,954,061
2027	4,243,219	1,295,569	5,538,788
2028	3,897,452	1,146,458	5,043,910
2029	3,783,403	1,007,825	4,791,228
2030	3,675,335	878,833	4,554,168
2031 - 2035	13,536,344	2,674,189	16,210,533
2036 - 2040	3,841,062	1,301,100	5,142,162
2041 - 2045	2,847,753	755,572	3,603,325
2046 - 2050	1,512,155	353,858	1,866,013
2051 - 2055	790,140	36,991	827,131
	<u>\$ 42,629,261</u>	<u>\$ 10,902,058</u>	<u>\$ 53,531,319</u>

NOTES TO FINANCIAL STATEMENTS**NOTE 13 – SPECIAL ASSESSMENTS**

The institutions receive special assessments from the city or county for improvements made to roads and infrastructure owned by the city or county that are adjacent to or on institution property.

Scheduled Maturities of Special Assessments

Fiscal Year	Principal	Interest	Total
2026	\$ 683,801	\$ 620,002	\$ 1,303,803
2027	704,732	596,410	1,301,142
2028	713,212	572,061	1,285,273
2029	723,300	546,929	1,270,229
2030	729,942	521,398	1,251,340
2031 - 2035	4,016,656	2,201,797	6,218,453
2036 - 2040	4,580,085	1,456,549	6,036,634
2041 - 2045	5,500,961	609,832	6,110,793
	<u>\$ 17,652,689</u>	<u>\$ 7,124,978</u>	<u>\$ 24,777,667</u>

NOTE 14 – DEFERRED OUTFLOWS AND DEFERRED INFLOWS

Deferred outflows and deferred inflows consist of the following at June 30, 2025:

Deferred Outflows

Pension	\$ 59,172,865
Other post employment retirement benefits	2,260,270
Deferred outflows from debt refunding	2,403,906
	<u>\$ 63,837,041</u>

Deferred Inflows

Pension	\$ 80,494,894
Other post employment retirement benefits	1,038,875
Lease receivable	767,152
Grant amounts received prior to meeting time r	103,775
Deferred inflows from debt refunding	1,931
	<u>\$ 82,406,627</u>

NOTE 15 – RETIREMENT BENEFITS

North Dakota Public Employees Retirement System (Main System)

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of eleven members. The Governor is responsible for appointing three other members in addition to the Chairman of the Board. Four members are appointed by legislative management, and the remaining three Board members are elected from active employees currently contributing to PERS.

Pension Benefits

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Member of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. The monthly 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 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three 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 three years of service for the Main System, 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 three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's 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 member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits 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 NDPERS in the North Dakota Administrative Code.

Refunds of Member Account Balance

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member 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 member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 8.12% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 9.26% of covered compensation

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25 and the maximum may not exceed the following:

- 1 to 12 months of service – Greater of one percent of monthly salary or \$25
- 13 to 24 months of service – Greater of two percent of monthly salary or \$25

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25 to 36 months of service – Greater of three percent of monthly salary or \$25

Longer than 36 months of service – Greater of four percent of monthly salary or \$25

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the System reported a liability of \$167.7 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The System's proportion of the net pension liability was based on their share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2024, the System's proportionate share was 8.97percent and increased 0.05 percent from measurement at June 30, 2023.

For the year ended June 30, 2025, the System recognized pension expense of \$6.2 million. At June 30, 2025, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 7,961,480	\$ -
Changes of assumptions	40,411,057	76,091,168
Net difference between projected and actual earnings on pension plan investments	-	1,533,207
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,645,848	2,870,519
Employer contributions subsequent to the measurement date	6,154,479	-
Total	<u>\$ 59,172,864</u>	<u>\$ 80,494,894</u>

Deferred outflows of resources of \$6.2 million are related employer contributions after the measurement date and will be recognized as a reduction of net pension liability in the fiscal year ended June 30, 2026.

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

Year ended June 30:

2026	\$ (19,944,546)
2027	3,457,989
2028	(9,894,721)
2029	(1,095,231)
2030	-
Thereafter	-

Actuarial assumptions. The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Inflation	2.25 percent
Salary increases	3.5 percent to 17.75 percent, including inflations
Investment rate of return	6.5 percent, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.9%	5.40%
International Equity	19.1%	7.00%
Private Equity	7%	8.50%
Domestic Fixed Income	23%	2.88%
International Fixed Income	0%	0.00%
Global Real Assets	19%	6.10%
Cash Equivalents	0%	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, which is the case for the PERS plan, 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).

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For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50 percent; the municipal bond rate is 3.97 percent; and the resulting Single Discount Rate is 6.50 percent.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

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

	1.0 percent Decrease 5.50 percent	Current Discount Rate 6.50 percent	1.0 percent Increase 7.50 percent
Employer's proportionate share of the net pension liability	\$ 236,974,540	\$167,703,593	\$ 110,213,271

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

NDUS RETIREMENT PLAN

Description of Plan

This is a privately administered defined contribution retirement plan which provides individual retirement fund contracts for eligible employees as defined by the SBHE in its approved retirement resolution with Teachers Insurance and Annuity Association of America (TIAA) as recordkeeper of the plan. All benefits vest immediately to the participant. The SBHE has the authority for establishing or amending plan provision and establishing or amending contribution requirements. Further information can be obtained by writing North Dakota University System Office, 600 E. Blvd, Bismarck, North Dakota 58505.

Funding Policy

The plan requires mandatory enrollment for permanent employees based upon their employment classification. Employee and employer contributions are based upon years of service as per the following schedule.

Class I: Teaching and research faculty with ranks of professor or associate professor, research personnel with equivalent rank, and executive and administrative staff.

Class II: Teaching and research faculty with ranks of assistant professor or instructor, research personnel and lecturers with equivalent rank, and professional staff.

Class III: A closed group of administrative assistants who elected participation in the Plan prior to January 1, 1965.

Class IV: A closed group of employees as established on June 30, 1980, otherwise eligible for participation in the Plan as Class I or Class II employees, who have elected to continue participation in the Teacher's Fund for Retirement (TFFR) as provided by the 1979 North Dakota Legislature.

Employment Class	Years of Service	Contributions by the Participant	Contributions by the Institution
I and III	0 thru 10	4.5%	12.5%
	over 10	5.0%	13.0%
II	0 thru 2	3.5%	7.5%
	3 thru 10	4.5%	12.5%

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	over 10	5.0%	13.0%
IV	Closed to new participants	4.0%	12.0%
President/Chancellor (additional employer contribution)	less than 3	0.0%	0.0%
	3 to less than 6	0.0%	4.0%
	6 yrs and over	0.0%	8.0%

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 System has no further liability once annual contributions are made. The System contributed \$52.8 million to TIAA during the fiscal years ending June 30, 2025.

NOTE 16 – POST-EMPLOYMENT BENEFITS

STATE GROUP HEALTH PLAN

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDAC Chapter 71-06 for more complete information.

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits from the PERS, the HPRS, 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 is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long term care plan premium expense. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis.

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.

OPEB Benefits

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 percent 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. 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.

Retiree health insurance credit benefits and death and disability benefits are set by 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 PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

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Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long term care plan premium expense. 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 insurance credit is also available for early retirement with reduced benefits.

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

At June 30, 2025, the System reported a liability of \$7.2 million for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The System's proportion of the net OPEB liability was based on the System's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2024, the System's proportion was 8.33 percent, which was a decrease of 1.62 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the System recognized OPEB expense of \$1.2 million. At June 30, 2025, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 89,296	\$ 55,613
Changes of assumptions	1,100,726	495,384
Net difference between projected and actual earnings on OPEB plan investments	-	270,643
Changes in proportion and differences between employer contributions and proportionate share of contributions	153,341	217,235
Employer contributions subsequent to the measurement date	916,905	-
Total	<u>\$ 2,260,268</u>	<u>\$ 1,038,875</u>

Deferred outflows of resources of \$917,000, related to OPEB resulting from employer contributions after the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026.

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

Year ended June 30:

2026	\$ 271,949
2027	622,181
2028	(403,160)
2029	(186,479)
2028	-
Thereafter	-

Actuarial assumptions. The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

Inflation	2.25 percent
Salary increases	Not applicable
Investment rate of return	5.75 percent, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the MortalityPub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103 percent for males and 101 percent for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117 percent for males and 112 percent for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92 percent for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	4.00%
Small Cap Domestic Equities	6%	6.00%
Domestic Fixed Income	35%	3.29%
International Equities	26%	7.00%

Discount rate. The discount rate used to measure the total OPEB liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed plan member and statutory rates described in this report. 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 the Employer'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, 2024, calculated using the discount rate of 5.75 percent, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate.

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

	1 percent Decrease 4.75 percent	Current Discount Rate 5.75 percent	1 percent Increase 6.75 percent
Employer's proportionate share of the net OPEB liability	\$ 9,889,551	\$ 7,235,792	\$ 5,000,690

NOTE 17 – TERMINATION BENEFITS

Termination benefits are benefits provided to employees who are involuntarily or voluntarily terminated, because 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 System entered into voluntary termination agreements with 19 employees for a cost of \$2.7 million in fiscal year 2025. The terms for these agreements range from one month to two and a half months. The System recorded a liability at June 30, 2025 of \$2.7 million for future payments. The System recorded a liability of \$221,000 for five voluntary termination agreements that were entered into in fiscal year 2025.

NOTE 18 – CONSTRUCTION COMMITMENTS AND FINANCING

The institutions have contracted for various construction projects as of June 30, 2025. Estimated costs to complete the various projects and the sources of anticipated funding are as follows:

Institution	Contracts Awarded	Expended Through June 30, 2025	Total Cost To Complete	Funding for Remaining Costs			
				Federal Sources	State Sources	Institutional Funds	Other Sources
BSC	\$ 41,747,841	\$ 16,216,336	\$ 25,531,505	\$ -	\$ -	\$ 15,531,505	\$ 10,000,000
DCB	-	-	-	-	-	-	-
DSU	30,190,821	13,789,250	16,401,571	-	10,374,126	-	6,027,444
LRSC	-	-	-	-	-	-	-
MaSU	45,478,078	12,367,038	33,111,040	-	33,111,040	-	-
MiSU	26,005,503	25,549,365	456,138	-	321,297	134,841	-
NDSCS	20,336,460	13,418,491	6,917,969	-	5,940,197	-	977,772
NDSU	289,922,714	179,895,357	110,027,357	0	43,333,708	151,211	66,542,438
UND	83,025,163	49,442,327	33,582,836	3,614,018	9,543,760	4,105,875	16,319,183
VCSU	14,365,075	13,560,692	804,383	-	259,400	544,983	-
WSC	40,036,542	29,668,571	10,367,971	-	7,571,324	-	2,796,647
Total	\$ 591,108,197	\$ 353,907,427	\$ 237,200,770	\$ 3,614,018	\$ 110,454,852	\$ 20,468,415	\$ 102,663,484

NOTE 19 – COMPONENT UNITS

Major Component Units Investments

Investments are reported at fair value (market) as follows:

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

Investment Type	Market Value	Maturities			
		Less than 1 year	1 year to 5 years	6 years to 10 years	More than 10 years
US Treasuries	\$ 14,236,562	\$ 6,834,242	\$ 6,772,789	\$ 607,204	\$ 22,327
US Agencies	1,503,008	9,994	1,493,014	-	-
Corporate Bonds	60,281,939	14,216,829	41,414,366	2,487,948	2,162,796
Mutual Bond Funds	279,293,989	24,368,556	29,260,496	78,714,104	146,950,833
Money Market Mutual Funds	10,013,247	9,942,536	-	-	70,711
Other	53,470	5,778	44,255	-	3,437
Subtotal	\$ 365,382,215	\$ 55,377,935	\$ 78,984,920	\$ 81,809,256	\$ 149,210,104
Equity Mutual Funds	499,176,559				
Investment in Real Estate	88,781,065				
Commodity Hedge and Limited Partnerships	177,984,614				
Stocks	25,987,013				
Certificate of Deposits	1,029,803				
Other	125,615,037				
Total Investments	\$ 1,283,956,306				

Interest Rate Risk

Bismarck State College Foundation employs multiple investment strategies including capital appreciation, local fixed income, and balanced portfolios.

MiSU Development Foundation's policy states that assets may be invested in a portfolio composed of equity, fixed income, professionally managed funds (mutual funds, variable annuities, etc.), alternative investment and cash equivalent strategies.

The NDSCS Foundation maintains securities with a stock brokerage firm. Securities investments that are bought and held principally for the purpose of selling them in the near term are classified as trading securities.

NDSU Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

The University of North Dakota Alumni Association and Foundation's investment strategy incorporates a diversified asset allocation approach and maintains, within defined limits, exposure to the equity, international equity, emerging markets, hedge funds, fixed income, commodities, real estate venture funds, natural resources, global distressed funds and private equity markets.

Custodial Credit Risk

BSC Foundation maintains its cash in bank deposit accounts which exceed federally insured limits. At June 30, 2025, the BSC Foundation had approximately \$408,400 in excess of the FDIC-insured limit of \$250,000.

The MiSU Development Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits as guaranteed by the FDIC. The Foundation has not experienced any losses in such accounts nor does the Foundation believe it is exposed to any significant credit risk in its cash accounts.

The NDSCS Foundation maintains cash balances at several financial institutions, and they may exceed federally insured limits. The Foundation monitors the health of these banking institutions. Historically, the Foundation has not experienced any credit losses.

The North Dakota State University Foundation had approximately \$10.1 million in excess of FDIC-insured limits at December 31, 2024. To date, the Foundation has not experienced losses in any of these accounts.

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

The NDSU Research & Technology Park and Subsidiary maintains its cash accounts and other deposits in various financial institutions and had approximately \$551,300 in excess of FDIC-insured limits at June 30, 2025.

The UND Alumni Association and Foundation places substantially all of their cash and liquid investments with high quality financial institutions and limits the amount of credit exposure to any one financial institution. At December 31, 2024, the Foundation had approximately \$9.1 million in excess of FDIC-insured limits.

REA Arena, Inc.'s cash balances may exceed FDIC limits at various times throughout the year at one financial institution. REA Arena, Inc. has obtained a \$4.0 million letter of credit effective through May 30, 2025, \$7.0 million effective May 30, 2025 through July 8, 2025 and for \$3.0 million effective July 8, 2025 through August 8, 2025 to insure cash balances in excess of FDIC insurance limits at this institution.

The major component units' investments are registered in the name of the component unit.

Major Component Units Capital Assets

Capital asset activity for the major component units for the year ended June 30, 2025 was as follows:

	Beginning			Ending
	Balance	Additions	Retirements	Balance
Land	\$ 14,033,521	\$ 64,557	\$ -	\$ 14,098,078
Construction in progress	20,014,158	18,999,768	440,180	38,573,746
Total non-depreciable capital assets	34,047,679	19,064,325	440,180	52,671,824
Land improvements/infrastructure	1,781,167	-	-	1,781,167
Buildings	231,729,895	1,239,947	21,255	232,948,587
Furniture, fixtures, and equipment	59,530,302	7,552,977	602,900	66,480,379
Total depreciable capital assets	293,041,364	8,792,924	624,155	301,210,133
Less accumulated depreciation				
Land improvements/infrastructure	893,044	33,743	-	926,787
Buildings	104,128,008	6,804,418	21,255	110,911,171
Furniture, fixtures, and equipment	30,587,951	3,754,728	462,671	33,880,008
Total accumulated depreciation	135,609,003	10,592,889	483,926	145,717,966
Total depreciable capital assets, net	157,432,361	(1,799,965)	140,229	155,492,167
Capital assets, net	\$ 191,480,040	\$ 17,264,360	\$ 580,409	\$ 208,163,991

MAJOR COMPONENT UNITS LONG-TERM LIABILITIES SUMMARY

	Beginning			Ending	Current	Noncurrent
	Balance	Additions	Retirements	Balance	Portion	Portion
Bonds Payable	\$ 48,240,597	\$ 29,775,000	\$ 3,441,036	\$ 74,574,561	\$ 5,440,159	\$ 69,134,402
Notes Payable	48,388,728	1,865,901	8,263,993	41,990,636	14,495,302	27,495,334
Special Assessments	515,957	241,762	37,356	720,363	44,219	676,144
Financed Leases	2,012,949	7,695,112	164,943	9,543,118	1,026,607	8,516,511
Other	6,000,000	-	-	6,000,000	-	6,000,000
Total	\$ 105,158,231	\$ 39,577,775	\$ 11,907,328	\$ 132,828,678	\$ 21,006,287	\$ 111,822,391

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NOTES TO FINANCIAL STATEMENTS

MAJOR COMPONENT UNITS BONDS PAYABLE

Bonds payable for the major component units at June 30, 2025 are as follows:

Component Unit	Maturity	Interest	Balance
	Date	Rate	Outstanding
	(Fiscal Year)		
BSC Foundation	2032-2040	4.27% - 5.30%	\$ 3,882,948
NDSU Foundation	2031-2037	3.00% - 4.00%	8,190,000
NDSU Research & Technology Park, Inc.	2026-2032	2.94% - 3.54%	7,755,000
UND Alumni Foundation	2027-2054	0.75% - 5.05%	54,746,613
Total			<u>\$ 74,574,561</u>

Scheduled Maturities of Major Component Bonds Payable

Fiscal Year	Principal	Interest	Total
2025	\$ 4,199,850	\$ 2,448,007	\$ 6,647,857
2026	6,050,048	2,743,500	8,793,548
2027	6,237,580	2,546,539	8,784,119
2028	5,668,473	2,893,755	8,562,228
2029	5,983,049	2,575,174	8,558,223
2030	6,315,352	2,240,292	8,555,644
2031 - 2035	14,501,891	7,613,024	22,114,915
2036 - 2040	6,138,318	5,569,624	11,707,942
2041 - 2045	5,490,000	4,210,000	9,700,000
2046 - 2050	7,010,000	2,655,250	9,665,250
2051 - 2055	6,980,000	719,250	7,699,250
	<u>\$ 74,574,561</u>	<u>\$ 36,214,415</u>	<u>\$ 110,788,976</u>

MAJOR COMPONENT UNITS NOTES PAYABLE

Detail of notes payable for the major component units is as follows:

Component Unit	Interest	Maturity Date	Balance
	Rate	(Fiscal Year)	Outstanding
MiSU Development Foundation	2.60% - 3.0%	2026-2029	\$ 4,729,407
NDSCS Foundation	2.25%	2027	7,258,783
NDSU Foundation	0.95% - 1.50%	2029 - 2034	23,342,000
UND Alumni Association & UND Foundation	2.00% - 4.35%	2036 - 2044	2,319,419
UND Aerospace Foundation	3.25% - 3.90%	2026 - 2032	4,341,027
Total Component Unit Notes Payable			<u>\$ 41,990,636</u>

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

Scheduled Maturities of Major Component Units Notes Payable

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,491,156	\$ 289,637	\$ 1,780,793
2026	17,305,819	619,329	17,925,148
2027	4,856,315	324,735	5,181,050
2028	5,118,520	261,503	5,380,023
2029	3,596,673	206,610	3,803,283
2030	3,443,387	163,721	3,607,108
2031 - 2035	5,103,497	366,399	5,469,896
2036 - 2040	558,847	170,172	729,019
2041 - 2045	516,422	52,654	569,076
	<u>\$ 41,990,636</u>	<u>\$ 2,454,760</u>	<u>\$ 44,445,396</u>

Scheduled Maturities of Major Component Units Lease Obligations

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 856,976	\$ 409,424	\$ 1,266,400
2026	1,074,652	420,336	1,494,988
2027	1,093,412	362,250	1,455,662
2028	1,153,863	301,799	1,455,662
2029	1,217,663	238,000	1,455,663
2030	1,284,996	170,666	1,455,662
2031 - 2035	2,335,712	206,067	2,541,779
2036 - 2040	30,158	91,842	122,000
2041 - 2045	36,253	85,747	122,000
2046 - 2050	43,579	78,421	122,000
2051 - 2055	52,387	69,613	122,000
2056 - 2060	62,974	59,026	122,000
2061 - 2065	75,701	46,299	122,000
2066 - 2070	91,000	31,000	122,000
2071 - 2075	109,392	12,608	122,000
2076 - 2080	24,400	-	24,400
	<u>\$ 9,543,118</u>	<u>\$ 2,583,098</u>	<u>\$ 12,126,216</u>

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NOTES TO FINANCIAL STATEMENTS

Reconciliation of Component Unit Receivable to and Payable from Primary Institution

A reconciliation of the receivables to and payables from balances between the Component Units and the Institutions is as follows:

Institutions Receivable from		Institutions Payable to	
Component Units - Current	\$ 18,879,986	Component Units - Current	\$ 755,573
Institutions Receivable		Institutions Long Term	
Component Units - Non-Current	653,571	Liability to Component	
Total Due from Component	19,533,557	Unit - Current Portion	4,121,963
Units			
Reconciling Differences:		Institutions Long Term	
Transactions with Component		Liability to Component Unit	
Units having fiscal year ends		- Non-Current Portion	51,951,116
other than June 30, 2025	(1,694,873)	Total Due to Component Units	56,828,655
Transactions in transit		Reconciling Differences:	
at June 30, 2025	(2,688,216)	Transactions with Component	
		Units having fiscal year ends	
Receivables from insignificant		other than June 30, 2025	(5,011,671)
component units	(2,106,364)		
		Transaction with insignificant component	
Other	(421,833)	units that are not discretely	
		presented	(145,174)
Total Component Unit Payable			
to Institutions	\$ 12,622,271	Transactions in transit	
		at June 30, 2025	(54,884)
		Other	(1,047,815)
		Total Receivable from	
		Institutions	\$ 50,569,111
		Component Unit Current	
		Receivable from	
		Institutions - Current	\$ 3,626,626
		Component Unit Non-Current	
		Receivable from	
		Institutions	46,942,485
		Total Component Unit Receivable	
		from Institutions	\$ 50,569,111

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NOTES TO FINANCIAL STATEMENTS

RESTATEMENT OF COMPONENT UNITS BEGINNING NET POSITION

Net assets, beginning of the year, as previously reported	\$ 1,489,280,915
Prior period adjustments:	
Change in reporting entity	30,776,278
Net assets, beginning of the year, as restated	<u>\$ 1,520,057,193</u>

SIGNIFICANT TRANSACTIONS AND DEVELOPMENTS

Bismarck State College Foundation (BSCF)

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

BSCF's financial statements include these transactions as a receivable from BSC and a long-term liability. BSC's financial statements include the capitalized assets and a long-term liability due to BSCF.

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

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

NDSU Research and Technology Park, Inc. (NDSU RTP)

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

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

During fiscal year 2017, NDSU and NDSU RTP entered into renewed agreements, whereby NDSU leases the Research Buildings I and II through May 1, 2022 and May, 2032. On May 1, 2022, NDSU and NDSU RTP entered into an annual service agreement for Research Building I to continue the services provided as the bonds related to Research Building I have been paid in full and NDSU exercised its option to terminate the Research Building I Lease and purchase Research Building I. During fiscal year 2025, total annual rent of \$402,000 was paid by NDSU

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NOTES TO FINANCIAL STATEMENTS

for these two buildings, in addition to the \$1.28 million of principal and interest paid by NDSU directly to the bond trustee. The annual rent will be re-adjusted by mutual agreement every two years. These agreements are subject to funding and legislative appropriations.

NDSU Foundation (The Foundation)

Renaissance Hall

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

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

Barry Hall Business Building and Klai Hall Architecture Building

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

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

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

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

payment of the bonds. As of June 30, 2025, the outstanding balance on the bonds, reflected as “Due to Component Units” by NDSU, is \$6.1 million.

Other Transactions

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

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

UND Aerospace Foundation (UND AF)

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

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

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

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

RE Arena, Inc. (REA)

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

REA may contract with UND for materials and personnel in service, utility and other areas and will reimburse UND based on separate agreements. Revenue and expense arrangements for all other UND events held at the arena will be negotiated on an event-by-event basis.

In REA’s fiscal year 2025, gross tickets sales were \$5.7 million of which REA recognized revenue of \$2.9 million, with a net paid to UND of \$2.7 million.

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NOTES TO FINANCIAL STATEMENTS

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

REA recognized net sponsorship (advertising) revenue of \$1.4 million and net paid to UND in sponsorship (advertising) income of \$1.4 million. REA allocated \$500,000 of net income to UND athletic department for the year ended May 31, 2025. REA paid \$1.2 million to UND for utilities, maintenance staff, phone service and other.

Amounts are reported on the accrual basis of accounting, which may or may not be the same as that used by UND. REA fiscal year end is May 31 and UND's fiscal year end is June 30. Amounts may differ between entity financial statements because of timing differences due to different year ends

UND Alumni Association and Foundation (UND Foundation)

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

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

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

On March 23, 2021, the UND Foundation financed the build of the College of Business and Public Administration building in part with First International Bank & Trust, in an amount up to \$30.0 million. On July 23, 2023 the UND Foundation modified the University Facilities Bonds, Series 2021 (College of Business and Public Administration Building) to allocate \$13.0 million of the \$30.0 million to finance the building of the Frederick "Fritz" Pollard, Jr. Athletic Center. The bonds are now secured by pledged receivables for both building projects. As of December 31, 2024, the outstanding balance on the bonds is \$23.4 million and the bonds mature on March 5, 2032. UND is not legally obligated for the payment of these bonds.

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

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

In fiscal year 2025, the Foundation changed its fiscal year end to December 31, UND's year end is June 30. Timing

NOTES TO FINANCIAL STATEMENTS

NOTE 22 – CONTINGENCIES

Amounts received and expended by the System under various federal and state programs are subject to audit by governmental agencies. In the opinion of management, audit adjustments, if any, will not have a significant effect on the financial position of the System.

In the normal course of its activities, the institutions of the System are party to various legal actions. Because, in the opinion of management and counsel, the risk of material loss in excess of insurance coverage for these items is remote, the outcome of the legal proceedings and claims is not expected to have a material effect on the financial position of the System. Therefore, an estimated liability has not been recorded.

NOTE 23 – RISK MANAGEMENT

The System is exposed to various risks of loss related to torts; theft, damage, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following programs have been established to address some of these risks and loss exposures.

Risk Management Fund

The Risk Management Fund (N.D.C.C. ch.32-12.2) was established by the 1995 North Dakota Legislature as a result of a court decision that eliminated the State's sovereign immunity. The Risk Management Division of the Office of Management and Budget administers the fund.

The Fund provides liability coverage and defense of a claim/lawsuit brought against the state of North Dakota, its agencies and employees acting within the scope of employment. The statutory caps on State liability will increase each year starting in fiscal year 2023 through fiscal year 2027 as follows:

- Fiscal year 2023: \$375,000 per person, \$1.0 million per occurrence
- Fiscal year 2024: \$406,250 per person and \$1.625 million per occurrence
- Fiscal year 2025: \$437,500 per person and \$1.75 million per occurrence
- Fiscal year 2026: \$468,750 per person and \$1.875 million per occurrence
- Fiscal year 2027: \$500,000 per person and \$2.0 million per occurrence.

The Fund is a risk retention pool that is funded by contributions paid by all State agencies, boards and commissions. The contributions are calculated by an actuary based on various factors, including the agency's loss history and number of full-time employees.

North Dakota Fire and Tornado and State Bonding Fund

The System also participates in the North Dakota Fire and Tornado Fund and State Bonding Fund. The System pays an annual premium to the Fire and Tornado Fund to cover property damage to personal property. Replacement cost coverage is determined in consultation with the Fire and Tornado Fund. The State Bonding Fund currently provides the System with blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

Risk Management Workers Compensation Program

The Risk Management Workers Compensation Program (N.D.C.C. § 65-04-03.1) was established by the 2001 North Dakota Legislature and created a single workers' compensation account for all state agencies. This cross-agency program is designed to save premium dollars through a deductible program while enhancing recovery of injured employees. The program is administered by the Risk Management Division of the Office of Management and Budget.

June 30, 2025

NOTES TO FINANCIAL STATEMENTS

Workers' compensation provides money and medical benefits to an employee who has an injury as a result of an accident, injury or occupational disease on-the-job. The question of negligence or fault is usually not at issue.

Workforce Safety & Insurance (WSI) continues to determine the level of compensation an injured worker and his or her care provider are entitled to receive; and will determine experience rates, dividends, assessments, and the premiums payable by State entities for workers' compensation coverage. Effective July 1, 2001, workers' compensation premiums are paid to the Risk Management Division rather than to WSI.

NOTE 24 – SUBSEQUENT EVENTS

UND signed a contract on November 4, 2025 to lease space at The Fieldhouse at Memorial Village in Grand Forks, North Dakota, comprising approximately 10,833 square feet for the purpose of operating the campus bookstore (via a separately negotiated contract with Follett). The lease is for an initial term of 120 months and the basic rent starts at \$249,159 per year for the first 36 months, with a two percent annual increase beginning in month 37. The cost of annual rent over the 10-year lease term is \$2,636,842. UND also pays additional rent for its proportionate share of common area and maintenance charges estimated at \$5.00 per square feet for calendar-year 2025 (approximately \$4,515 per month). There is no security deposit, and the lease includes three 5-year extension options at market rate rent. Rental payments are due 90 days after the delivery of the premises to UND, which is expected in the spring of 2026.

North Dakota University System
Required Supplementary Information (RSI)
June 30, 2025

Schedule of the NDUS Proportionate Share of Net Pension Liability - Last 10 Fiscal Years

	NDUS' Proportion of the Net Pension Liability	NDUS' Proportionate Share of the Net Pension Liability	NDUS Covered Employee Payroll	Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	8.97%	\$ 167,703,593	\$ 117,606,033	142.60%	68.02%
2024	8.91%	\$ 171,826,870	\$ 108,970,179	157.68%	65.31%
2023	8.80%	\$ 253,541,017	\$ 102,191,967	248.10%	54.47%
2022	8.70%	\$ 90,645,397	\$ 98,480,254	92.04%	78.26%
2021	8.96%	\$ 281,834,777	\$ 98,822,521	285.19%	48.91%
2020	9.34%	\$ 109,414,127	\$ 97,100,937	112.68%	71.66%
2019	9.61%	\$ 162,113,636	\$ 98,685,274	164.27%	61.89%
2018	9.77%	\$ 157,065,812	\$ 99,755,332	157.45%	61.98%
2017	10.34%	\$ 100,749,199	\$ 104,177,803	96.71%	70.46%
2016	11.08%	\$ 75,351,113	\$ 98,721,150	76.33%	77.15%

Schedule of the NDUS Contributions - Last 10 Fiscal Years

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Excess (Deficiency)	NDUS Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2025	\$ 6,154,480	\$ 6,154,480	\$ -	\$ 130,287,273	4.72%
2024	\$ 5,979,162	\$ 5,979,162	\$ -	\$ 117,606,033	5.08%
2023	\$ 5,712,363	\$ 5,712,363	\$ -	\$ 108,970,179	5.24%
2022	\$ 6,420,524	\$ 6,420,524	\$ -	\$ 102,191,967	6.28%
2021	\$ 6,808,541	\$ 6,808,541	\$ -	\$ 98,480,254	6.91%
2020	\$ 7,175,888	\$ 7,175,888	\$ -	\$ 98,822,521	7.26%
2019	\$ 7,268,591	\$ 7,268,591	\$ -	\$ 97,100,937	7.49%
2018	\$ 7,134,215	\$ 7,134,215	\$ -	\$ 98,685,274	7.23%
2017	\$ 7,546,708	\$ 7,546,708	\$ -	\$ 99,755,332	7.09%
2016	\$ 7,654,994	\$ 7,654,994	\$ -	\$ 104,177,803	7.26%

Notes to Required Supplementary Information for the Year Ended June 30, 2025

Change of benefit Terms

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

Changes of assumptions

All actuarial assumptions used in the actuarial valuation as of July 1, 2024 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2023.

North Dakota University System
Required Supplementary Information (RSI)
June 30, 2025

Schedule of the NDUS Proportionate Share of Net OPEB Liability - Last 10 Fiscal Years *

	NDUS' Proportion of the Net OPEB Liability	NDUS' Proportionate Share of the Net OPEB Liability	NDUS Covered Employee Payroll	Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	8.37%	\$ 7,235,924	\$ 86,816,143	8.33%	68.35%
2024	8.37%	\$ 8,368,581	\$ 84,140,480	9.95%	62.74%
2023	8.29%	\$ 9,952,456	\$ 85,602,614	11.63%	56.28%
2022	8.29%	\$ 4,608,336	\$ 90,336,572	5.10%	76.63%
2021	8.49%	\$ 7,143,672	\$ 96,809,287	7.38%	63.38%
2020	8.76%	\$ 7,036,909	\$ 97,762,911	7.20%	63.13%
2019	9.07%	\$ 7,146,894	\$ 99,296,140	7.20%	61.89%
2018	9.31%	\$ 7,365,193	\$ 100,731,452	7.31%	59.78%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
Complete data for this schedule is not available prior to 2018.

Schedule of the NDUS Contributions - Last 10 Fiscal Years *

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Excess (Deficiency)	NDUS Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2025	\$ 904,142	\$ 904,142	\$ -	\$ 130,287,273	0.69%
2024	\$ 920,112	\$ 920,112	\$ -	\$ 86,816,143	1.06%
2023	\$ 921,522	\$ 921,522	\$ -	\$ 84,140,480	1.10%
2022	\$ 1,036,573	\$ 1,036,573	\$ -	\$ 85,602,614	1.21%
2021	\$ 1,098,698	\$ 1,098,698	\$ -	\$ 90,336,572	1.22%
2020	\$ 1,157,241	\$ 1,157,241	\$ -	\$ 96,809,287	1.20%
2019	\$ 1,150,435	\$ 1,150,435	\$ -	\$ 97,762,911	1.18%
2018	\$ 1,148,790	\$ 1,148,790	\$ -	\$ 99,296,140	1.16%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
Complete data for this schedule is not available prior to 2018.

Notes to Required Supplementary Information for the Year Ended June 30, 2025

Change of benefit Terms

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 have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2023.

Changes of assumptions

All actuarial assumptions used in the actuarial valuation as of July 1, 2024 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2023.

NORTH DAKOTA UNIVERSITY SYSTEM
Supplementary Information
June 30, 2025

COMBINING STATEMENT OF NET POSITION

	North Dakota University System Office	Bismarck State College	Dakota College at Bottineau	Dickinson State University	Lake Region State College	Mayville State University	Minot State University
ASSETS							
Current assets							
Cash and cash equivalents	\$ 14,456,854	\$ 12,931,028	\$ 3,833,824	\$ 6,222,873	\$ 3,646,141	\$ 8,023,155	\$26,780,341
Investments	-	3,480,000	-	1,500,000	3,210,000	400,000	1,277,400
Accounts receivable, net	9	1,073,900	486,088	419,331	1,358,923	631,178	736,705
Due from component units - investments held on behalf of the institutions	-	-	-	-	-	-	-
Due from component units	-	120,466	2,725	867,127	16,848	1,211,336	260,057
Due from other NDUS institutions	272,089	148,356	707	6,161	203,237	102,716	219,094
Due from State general fund	1,372	-	78,467	-	-	9,551	27,984
Grants and contracts receivables, net	-	2,785,348	575,244	384,556	567,365	894,816	1,648,030
Inventories	-	636,448	132,669	-	301,313	163,715	17,316
Lease receivable	-	-	-	-	-	-	-
Notes receivable, net	-	5,491	4,928	(359,710)	24,200	28,761	146,903
Other assets	1,270,923	170,902	20,887	-	39,750	18,499	17,366
Total current assets	16,001,247	21,351,939	5,135,539	9,040,338	9,367,777	11,483,727	31,131,196
Noncurrent assets							
Restricted cash and cash equivalents	-	-	-	7,966,543	-	10,180,952	556,862
Restricted investments	56	24,982,620	-	-	-	-	-
Endowment investments	-	-	-	-	-	17,000	-
Lease receivable	-	-	-	-	-	-	-
Notes receivable, net	-	2,619	2,013	658,583	12,000	196,650	981,306
Other long-term investments	-	146,000	-	-	-	-	-
Due from component units - investments held on behalf of the institutions	-	-	-	375,904	-	-	4,100,110
Due from component units	-	-	-	-	-	-	-
Other noncurrent assets	-	-	-	-	-	-	-
Capital assets, net	4,587,173	111,727,770	23,416,737	60,887,803	11,182,062	34,471,376	87,314,249
Total noncurrent assets	4,587,229	136,859,009	23,418,750	69,888,833	11,194,062	44,865,978	92,952,527
Total assets	20,588,476	158,210,948	28,554,289	78,929,171	20,561,839	56,349,705	124,083,723
Deferred outflows of resources							
Deferred outflows	1,935,588	3,769,435	441,708	1,040,623	1,727,792	1,580,895	2,802,935
Total deferred outflows of resources	1,935,588	3,769,435	441,708	1,040,623	1,727,792	1,580,895	2,802,935
LIABILITIES							
Current liabilities							
Checks issued in excess of restricted cash	-	9,019,120	-	-	-	-	-
Accounts payable and accrued liabilities	3,167,586	3,177,321	350,735	2,997,505	479,500	680,122	1,634,908
Due to other NDUS institutions	84,399	27,884	73,666	27,246	144,850	57,959	69,789
Due to component units	-	5,406	-	-	-	(113,286)	10,050
Accrued payroll	850,205	1,932,893	327,873	1,076,344	975,612	842,125	2,477,435
Unearned revenue	-	1,384,683	568,728	423,566	830,470	342,871	2,861,532
Deposits	274,606	(113,133)	38,945	222,877	219,540	(10,473)	308,111
SBITA liabilities current portion	1,064,433	-	-	10,136	-	-	72,558
Long-term liabilities - current portion							
Due to component units	-	52,840	-	-	8,279	-	-
Due to others	236,312	1,267,781	187,364	584,674	561,638	387,084	1,027,482
Total current liabilities	\$ 5,677,541	\$ 16,754,795	\$ 1,547,311	\$ 5,342,348	\$ 3,219,889	\$ 2,186,402	\$ 8,461,865
Noncurrent liabilities							
Pension liability	5,227,848	8,927,021	1,145,656	3,062,761	3,817,041	4,273,315	7,728,304
OPEB liability	266,723	351,524	50,515	136,904	161,526	172,705	340,754
SBITA liabilities noncurrent portion	2,019,482	-	-	(10,585)	-	-	273,779
Other noncurrent liabilities	-	-	-	-	-	-	-
Long - term liabilities							
Due to component units	-	378,754	-	-	53,269	-	-
Due to others	2,424,860	39,866,129	3,394,882	4,778,958	1,476,348	1,888,720	12,350,693
Total noncurrent liabilities	9,938,913	49,523,428	4,591,053	7,968,038	5,508,184	6,334,740	20,693,530
Total liabilities	15,616,454	66,278,223	6,138,364	13,310,386	8,728,073	8,521,142	29,155,395
Deferred inflows of resources							
Deferred inflows of resources	2,766,222	4,252,360	544,364	1,820,338	1,817,047	2,550,324	3,673,102
Total deferred inflows of resources	2,766,222	4,252,360	544,364	1,820,338	1,817,047	2,550,324	3,673,102
NET POSITION							
Net investment in capital assets	1,450,651	89,344,243	20,064,423	55,849,151	10,168,965	33,200,626	76,193,754
Restricted for:							
Nonexpendable:							
Scholarships and fellowships	-	-	-	-	-	17,524	3,441,006
Expendable:							
Scholarships and fellowships	-	66,191	15,742	315,290	-	14,628	2,128,646
Research	-	-	-	-	-	-	-
Institutional	-	(74)	(1,877)	118,671	(130,849)	1,142,833	1,713,092
Loans	-	12,450	21,042	446,579	34,002	54,510	1,640,147
Capital projects	-	-	-	7,966,542	-	4,088,064	556,805
Debt service	-	(191,901)	12,970	8,867	217,016	321,318	-
Other	1,680,377	-	-	-	-	-	-
Unrestricted	1,010,360	2,218,891	2,200,969	133,970	1,455,377	8,019,631	8,384,711
Total net position	\$ 4,141,388	\$ 91,449,800	\$22,313,269	\$64,839,070	\$11,744,511	\$46,859,134	\$94,058,161

NORTH DAKOTA UNIVERSITY SYSTEM
Supplementary Information
June 30, 2025

COMBINING STATEMENT OF NET POSITION - continued

	North Dakota State College of Science	North Dakota State University	University of North Dakota	Valley City State University	Williston State College	Eliminations	Total
ASSETS							
Current assets							
Cash and cash equivalents	\$ 43,129,981	\$ 119,982,354	\$ 25,159,249	\$10,173,759	\$ 7,137,568	\$ -	\$ 281,477,127
Investments	4,675,244	33,000,367	240,000,000	993,612	246,633	-	288,783,256
Accounts receivable, net	1,629,689	5,677,836	24,207,486	661,454	401,980	58,570	37,343,149
Due from component units - investments held on behalf of the institutions	-	-	-	403,716	-	-	403,716
Due from component units	631,048	8,211,965	6,109,362	875,455	573,597	-	18,879,986
Due from other NDUS institutions	7,055	465,543	940,633	80,106	(25,772)	(2,419,925)	-
Due from State general fund	365,563	9,023,703	5,243,112	149,655	-	-	14,899,407
Grants and contracts receivables, net	797,153	25,734,339	38,604,330	124,592	820,697	-	72,936,470
Inventories	1,537,610	1,576,996	3,709,664	148,007	178,793	-	8,402,531
Lease receivable	-	29,052	4,233	-	-	-	33,285
Notes receivable, net	15,736	243,201	872,730	19,280	1,240	-	1,002,760
Other assets	-	3,611,808	1,267,020	55,727	67,193	-	6,540,075
Total current assets	52,789,079	207,557,164	346,117,819	13,685,363	9,401,929	(2,361,355)	730,701,762
Noncurrent assets							
Restricted cash and cash equivalents	7,425,000	101,511,635	82,314,632	234,219	8,048,099	-	218,237,942
Restricted investments	-	6,467	2,250,000	303,135	-	-	27,542,278
Endowment investments	-	459,110	-	47,216	52,199	-	575,525
Lease receivable	-	100,569	633,301	-	-	-	733,870
Notes receivable, net	22,976	609,839	6,400,024	57,840	3,522	-	8,947,372
Other long-term investments	-	70,472,471	3,611,625	600,000	-	-	74,830,096
Due from component units - investments held on behalf of the institutions	-	56,867	22,743,624	992,216	-	-	28,268,721
Due from component units	653,571	-	-	-	-	-	653,571
Other noncurrent assets	-	-	-	-	(246)	-	(246)
Capital assets, net	54,777,801	770,798,319	952,721,732	76,445,770	76,464,952	-	2,264,795,744
Total noncurrent assets	62,879,348	944,015,277	1,070,674,938	78,680,396	84,568,526	-	2,624,584,873
Total assets	115,668,427	1,151,572,441	1,416,792,757	92,365,759	93,970,455	(2,361,355)	3,355,286,635
Deferred outflows of resources							
Deferred outflows	3,257,527	19,420,517	25,831,644	1,536,579	491,798	-	63,837,041
Total deferred outflows of resources	3,257,527	19,420,517	25,831,644	1,536,579	491,798	-	63,837,041
LIABILITIES							
Current liabilities							
Checks issued in excess of restricted cash	-	-	-	-	-	-	9,019,120
Accounts payable and accrued liabilities	3,258,900	37,490,411	24,095,898	1,408,266	7,014,706	-	85,755,858
Due to other NDUS institutions	751,373	578,851	511,569	8,102	25,667	(2,361,355)	-
Due to component units	(3,216)	281	856,591	-	(250)	-	755,576
Accrued payroll	2,287,245	14,339,961	23,117,854	1,651,174	543,921	-	50,422,642
Unearned revenue	1,826,606	17,080,460	12,715,915	573,161	462,752	-	39,070,744
Deposits	499,407	942,849	5,202,913	87,577	(306,412)	-	7,366,807
SBITA liabilities current portion	-	1,595,415	3,170,162	-	-	-	5,912,704
Long-term liabilities - current portion							
Due to component units	-	2,108,972	1,951,872	-	-	-	4,121,963
Due to others	754,657	8,719,902	12,989,260	533,009	536,237	-	27,785,400
Total current liabilities	\$ 9,374,972	\$ 82,857,102	\$ 84,612,034	\$ 4,261,289	\$ 8,276,621	\$ (2,361,355)	\$ 230,210,814
Noncurrent liabilities							
Pension liability	8,654,624	52,241,082	67,655,210	3,669,713	1,301,018	-	167,703,593
OPEB liability	390,385	2,238,700	2,945,008	147,972	33,208	-	7,235,924
SBITA liabilities noncurrent portion	-	2,665,462	5,644,698	-	-	-	10,592,836
Other noncurrent liabilities	-	-	-	-	7,802	-	7,802
Long - term liabilities							
Due to component units	-	15,546,195	35,972,898	-	-	-	51,951,116
Due to others	8,043,714	120,573,304	431,920,554	9,344,523	13,030,268	-	649,092,953
Total noncurrent liabilities	17,088,723	193,264,743	544,138,368	13,162,208	14,372,296	-	886,584,224
Total liabilities	26,463,695	276,121,845	628,750,402	17,423,497	22,648,917	(2,361,355)	1,116,795,038
Deferred inflows of resources							
Deferred inflows of resources	4,210,863	25,607,649	32,334,927	1,759,400	1,070,031	-	82,406,627
Total deferred inflows of resources	4,210,863	25,607,649	32,334,927	1,759,400	1,070,031	-	82,406,627
NET POSITION							
Net investment in capital assets	49,151,011	660,681,115	513,767,229	67,580,859	63,503,109	-	1,640,955,136
Restricted for:							
Nonexpendable:							
Scholarships and fellowships	900	518,051	16,763,337	447,032	55,341	-	21,243,191
Expendable:							
Scholarships and fellowships	3,160	736,718	1,666,495	554,822	265,887	-	5,767,579
Research	-	7,183,411	4,739,409	-	-	-	11,922,820
Institutional	372,462	1,029,450	6,824,991	146,073	-	-	11,214,772
Loans	184,213	1,343,957	13,233,148	201,080	14,638	-	17,185,766
Capital projects	7,425,000	99,986,635	57,400,000	216,644	8,048,099	-	185,687,789
Debt service	(101,703)	1,525,000	2,527,489	303,135	142,952	-	4,765,143
Other	-	-	-	578,161	-	-	2,258,538
Unrestricted	31,216,353	96,259,125	164,616,974	4,691,635	(1,286,721)	-	318,921,275
Total net position	\$ 88,251,396	\$ 869,263,462	\$ 781,539,072	\$74,719,441	\$70,743,305	\$ -	\$ 2,219,922,009

NORTH DAKOTA UNIVERSITY SYSTEM
Supplementary Information
JUNE 30, 2025

	North Dakota University System Office	Bismarck State College	Dakota College of Bottineau	Dickinson State University	Lake Region State College	Mayville State University	Minot State University
OPERATING REVENUES							
Student tuition and fees (net of scholarship allowances of \$108.1 million and bad debt allowance of \$1.9 million)	\$ 4,833,986	\$ 14,220,580	\$ 2,605,348	\$ 6,314,419	\$ 4,326,963	\$ 4,302,232	\$ 13,635,909
Federal grants and contracts	37,500	3,173,788	464,053	64,218	789,623	4,505,930	7,944,220
State grants and contracts	-	631,670	327,995	12,962	697,275	270,242	2,509,262
Nongovernmental grants and contracts	100,500	981,719	118,330	13,000	80,682	48,918	389,660
Sales and services of educational departments (net of bad debt allowance of \$266,000)	1,922,254	4,067,070	86,174	533,850	981,033	1,583,875	2,169,694
Auxiliary enterprises (net of scholarship allowances of \$1.6 million and bad debt allowance of \$608,000)	6,000	6,076,760	1,609,366	2,918,608	2,383,812	2,068,261	3,545,995
Other (net of bad debt allowance of \$212,000)	-	458	18,877	97,374	987	2,499	76,276
Total operating revenues	6,900,240	29,152,045	5,230,143	9,954,431	9,260,375	12,781,957	30,271,016
OPERATING EXPENSES							
Salaries and wages	21,554,050	38,656,283	8,019,859	15,835,323	13,540,274	17,433,200	43,225,447
Operating expenses	10,703,091	13,173,205	3,463,452	7,637,090	4,156,430	6,032,732	15,369,426
Information Technology	3,562,672	930,409	111,669	430,918	319,979	464,692	442,656
Depreciation expense	4,633,625	3,676,359	847,919	2,691,030	1,230,957	1,960,190	4,517,412
Scholarships and fellowships	19,739,941	2,657,436	607,325	1,402,738	751,110	603,235	2,922,136
Cost of sales and services	-	1,923,092	317,316	47,285	1,034,925	729,852	165,271
Total operating expenses	60,193,379	61,016,784	13,367,540	28,044,384	21,033,675	27,223,901	66,642,348
Operating income (loss)	(53,293,139)	(31,864,739)	(8,137,397)	(18,089,953)	(11,773,300)	(14,441,944)	(36,371,332)
NONOPERATING REVENUES (EXPENSES)							
State appropriations	67,986,529	18,942,028	5,887,745	12,368,122	7,922,031	12,319,042	24,505,401
Federal appropriations	-	-	-	-	-	-	-
Federal grants and contracts (net of bad debt allowance of \$23,000)	-	4,768,288	1,042,629	2,326,248	1,562,832	1,936,746	4,539,212
Federal grants and contracts stimulus	-	7,916,083	-	-	-	-	(234,368)
Gifts	125,000	2,966,243	338,020	2,143,575	938,242	1,343,502	3,437,487
Endowment and investment income	126,564	253,166	192,796	222,108	88,776	488,675	677,524
Interest on capital asset - related debt	(212,672)	(1,537,791)	(112,015)	(131,766)	(53,966)	(52,819)	(329,712)
Gain (loss) on disposal of capital assets	(25,112)	(664)	10,063	-	16,322	(183,153)	(12,358)
Insurance proceeds	-	352,332	-	-	6,619	-	6,580
Tax revenues	-	-	-	-	-	(14,554)	-
General and special grant expenditures	(29,502,688)	-	-	-	-	-	-
Transfers to North Dakota Industrial Commission	(5,096,244)	-	-	-	-	-	-
Other nonoperating revenues (expenses)	1,700,265	(281,761)	(3,763)	7,585	(6,938)	221,435	(102,651)
Net nonoperating revenues (expenses)	35,101,642	33,377,924	7,355,475	16,935,872	10,473,918	16,058,874	32,487,115
Income (loss) before capital grants, gifts, and transfers	(18,191,497)	1,513,185	(781,922)	(1,154,081)	(1,299,382)	1,616,930	(3,884,217)
State appropriations - capital assets	-	11,377,401	2,759,685	19,603,293	762,061	17,303,678	2,397,150
Capital grants and gifts	-	761,827	258,440	25,000	-	-	237,180
Total other revenue	-	12,139,228	3,018,125	19,628,293	762,061	17,303,678	2,634,330
Increase (decrease) in net position	(18,191,497)	13,652,413	2,236,203	18,474,212	(537,321)	18,920,608	(1,249,887)
NET POSITION							
Net position - beginning of year, as restated	22,332,885	77,797,387	20,077,066	46,364,858	12,281,832	27,938,526	95,308,048
Net position - end of year	\$ 4,141,388	\$ 91,449,800	\$ 22,313,269	\$ 64,839,070	\$ 11,744,511	\$ 46,859,134	\$ 94,058,161

NORTH DAKOTA UNIVERSITY SYSTEM
Supplementary Information
JUNE 30, 2025

	North Dakota State College of Science	North Dakota State University	University of North Dakota	Valley City State University	Williston State College	Eliminations	Total
OPERATING REVENUES							
Student tuition and fees (net of scholarship allowances of \$108.1 million and bad debt allowance of \$1.9 million)	\$ 9,421,144	\$ 101,263,431	\$ 196,777,513	\$ 7,303,432	\$ 847,059	\$ -	\$ 365,852,016
Federal grants and contracts	966,969	83,274,412	131,947,528	700,803	692,734	(2,882,029)	231,679,749
State grants and contracts	970,080	13,031,673	37,491,410	264,915	471,882	(3,530,546)	53,148,820
Nongovernmental grants and contracts	88,007	10,839,256	32,270,408	105,928	90,754	-	45,127,162
Sales and services of educational departments (net of bad debt allowance of \$266,000)	3,587,173	43,182,975	51,934,609	1,058,081	2,664,900	(1,291,612)	112,480,076
Auxiliary enterprises (net of scholarship allowances of \$1.6 million and bad debt allowance of \$608,000)	11,115,577	49,282,532	39,827,882	3,148,264	2,397,921	(51,886)	124,329,092
Other (net of bad debt allowance of \$212,000)	159,545	376,985	147,363	3,777	14,681	-	898,822
Total operating revenues	26,308,495	301,251,264	490,396,713	12,585,200	7,179,931	(7,756,073)	933,515,737
OPERATING EXPENSES							
Salaries and wages	31,623,636	330,295,890	402,071,828	21,693,212	10,218,088	-	954,167,090
Operating expenses	13,291,287	111,451,933	214,648,166	6,429,555	5,035,216	(6,940,115)	404,451,468
Information Technology	496,065	5,749,922	7,506,975	593,328	464,426	(424)	21,073,287
Depreciation expense	3,800,186	35,411,366	42,349,465	3,427,943	2,818,879	-	107,365,331
Scholarships and fellowships	1,804,898	10,076,204	15,799,031	1,083,300	1,209,324	-	58,656,678
Cost of sales and services	3,749,195	9,248,367	9,837,128	466,246	454,131	(306)	27,972,502
Total operating expenses	54,765,267	502,233,682	692,212,593	33,693,584	20,200,064	(6,940,845)	1,573,686,356
Operating income (loss)	(28,456,772)	(200,982,418)	(201,815,880)	(21,108,384)	(13,020,133)	(815,228)	(640,170,619)
NONOPERATING REVENUES (EXPENSES)							
State appropriations	21,210,505	149,397,179	140,868,873	14,056,990	7,175,263	-	482,639,708
Federal appropriations	-	8,746,139	-	-	-	-	8,746,139
Federal grants and contracts (net of bad debt allowance of \$23,000)	4,272,660	14,923,339	13,620,113	2,274,439	1,441,675	-	52,708,181
Federal grants and contracts stimulus	-	2,386,472	14,727,197	-	(24,084)	-	24,771,300
Gifts	4,722,373	31,576,218	23,561,934	1,746,717	4,890,170	-	77,789,481
Endowment and investment income	1,326,651	5,589,597	11,557,858	919,565	13,087	-	21,456,367
Interest on capital asset - related debt	(145,844)	(4,042,198)	(15,652,150)	(369,909)	(462,016)	-	(23,102,858)
Gain (loss) on disposal of capital assets	(21,603)	(408,721)	(343,596)	(11,652)	(30,935)	-	(1,011,409)
Insurance proceeds	-	271,446	805,810	-	135,020	-	1,577,807
Tax revenues	-	500,000	6,029,283	-	-	-	6,514,729
General and special grant expenditures	-	-	-	-	-	17,807,972	(11,694,716)
Transfers to North Dakota Industrial Commission	-	-	-	-	-	-	(5,096,244)
Other nonoperating revenues (expenses)	(42,461)	(954,330)	(554,416)	(36,281)	(3,364)	(2,258,026)	(2,314,706)
Net nonoperating revenues (expenses)	31,322,281	207,985,142	194,620,906	18,579,869	13,134,816	15,549,946	632,983,780
Income (loss) before capital grants, gifts, and transfers	2,865,509	7,002,724	(7,194,974)	(2,528,515)	114,683	14,734,718	(7,186,840)
State appropriations - capital assets	19,179,815	72,327,814	66,114,922	2,124,595	1,213,186	(13,904,541)	201,259,059
Capital grants and gifts	1,851,965	18,577,345	12,010,211	1,255,466	4,438,266	(830,177)	38,585,523
Total other revenue	21,031,780	90,905,159	78,125,133	3,380,061	5,651,452	(14,734,718)	239,844,582
Increase (decrease) in net position	23,897,289	97,907,883	70,930,159	851,546	5,766,135	-	232,657,743
NET POSITION							
Net position - beginning of year, as restated	64,354,107	771,355,580	710,608,913	73,867,895	64,977,170	-	1,987,264,266
Net position - end of year	\$ 88,251,396	\$ 869,263,462	\$ 781,539,072	\$ 74,719,441	\$ 70,743,305	\$ -	\$ 2,219,922,009

NORTH DAKOTA UNIVERSITY SYSTEM

Supplementary Information

June 30, 2025

COMBINING STATEMENT OF CASH FLOWS

	North Dakota University System Office	Bismarck State College	Dakota College of Bottineau	Dickinson State University	Lake Region State College	Mayville State University	Minot State University
CASH FLOWS FROM OPERATING ACTIVITIES							
Student tuition and fees	\$ 4,832,684	\$ 13,996,700	\$ 2,673,163	\$ 6,322,453	\$ 4,406,927	\$ 2,621,614	\$ 13,648,105
Grants and contracts	45,000	12,307,874	809,135	(144,494)	1,442,698	5,165,936	11,065,088
Payments to suppliers	(13,146,370)	(8,212,410)	(5,271,037)	(5,731,254)	(5,438,859)	(8,349,012)	(16,305,901)
Payments to employees	(21,933,444)	(38,336,819)	(7,964,299)	(16,183,972)	(13,616,826)	(17,726,579)	(43,381,543)
Payments for scholarships and fellowships	(19,739,941)	(2,657,437)	(607,325)	(1,402,739)	(751,111)	(603,236)	(2,922,136)
Loans issued to students	-	-	-	(16,412)	-	(69,311)	(186,487)
Collection of loans to students	-	3,119	3,102	78,795	11,558	14,488	274,041
Auxiliary enterprise charges	6,000	6,039,193	1,573,567	2,895,650	2,327,325	2,150,701	3,495,847
Sales and service of educational departments	2,311,456	3,950,552	380,039	(400,550)	716,202	2,120,382	1,152,474
Cash received/(paid) on deposits	(105,060)	(218,080)	(7,227)	(24,870)	(12,298)	438,377	57,063
Other receipts (payments)	539,590	(385,224)	18,577	103,778	(5,703)	226,848	(3,366)
Net cash provided (used) by operating activities	(47,190,085)	(13,512,532)	(8,392,305)	(14,503,615)	(10,920,087)	(14,009,792)	(33,106,815)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
State appropriations	67,987,412	18,942,028	5,887,745	12,368,122	7,922,031	12,319,042	24,505,401
Federal appropriations	-	-	-	(56,934)	-	-	-
Grants and gifts received for other than capital purposes	125,000	7,729,876	1,380,650	4,981,450	2,365,505	3,265,621	7,976,700
Grants given for other than capital purposes	(29,502,688)	-	-	-	-	-	-
Federal stimulus revenues	-	875,020	-	-	-	-	(234,369)
Direct lending receipts	-	5,519,457	1,167,733	3,920,805	2,120,103	3,398,341	6,702,993
Direct lending disbursements	-	(5,519,457)	(1,160,697)	(3,920,805)	(2,120,103)	(3,398,341)	(6,721,570)
Transfers to Industrial Commission	(5,096,245)	-	-	-	-	-	-
Tax revenues	-	-	-	-	-	(14,554)	-
Net cash flows provided (used) by noncapital financing activities	33,513,479	27,546,924	7,275,431	17,292,638	10,287,536	15,570,109	32,229,155
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from issuance of debt	-	32,257,019	-	-	-	-	-
Capital appropriations	(974)	11,377,402	3,973,050	20,012,371	765,107	17,303,678	2,380,678
Capital grants and gifts received	-	761,828	258,440	328,563	(620)	-	1,923,166
Federal stimulus revenue capital	-	7,041,064	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	17,851	-	-
Proceeds from lease receivables	-	-	-	-	-	-	-
Purchases of capital assets	(1,124,463)	(33,097,580)	(3,162,732)	(12,437,688)	(217,700)	(11,618,294)	(2,878,841)
Insurance proceeds	-	352,333	-	-	6,619	-	6,580
Principal paid on capital debt and leases	(3,515,414)	(1,301,128)	(160,500)	(533,324)	(508,688)	(662,843)	(878,155)
Deposits with capital debt payment trustees	-	-	-	-	-	-	-
Interest paid on capital debt and lease	(212,673)	(1,301,356)	(117,559)	(131,766)	(53,966)	(52,820)	(346,252)
Net cash provided (used) by capital and related financing activities	(4,853,524)	16,089,582	790,699	7,238,156	8,603	4,969,721	207,176
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sales and maturities of investments	683,054	1,700,000	-	-	-	-	1,685,444
Interest on investments	126,507	257,544	192,799	222,110	88,777	487,986	456,743
Purchase of investments	-	(26,682,620)	-	-	45,000	-	(627,706)
Net cash provided (used) by investing activities	809,561	(24,725,076)	192,799	222,110	133,777	487,986	1,514,481
Net increase (decrease) in cash	(17,720,569)	5,398,898	(133,376)	10,249,289	(490,171)	7,018,024	843,997
CASH - BEGINNING OF YEAR	32,177,423	7,532,130	3,967,200	3,940,127	4,136,312	11,186,083	26,493,206
CASH - END OF YEAR	\$ 14,456,854	\$ 12,931,028	\$ 3,833,824	\$ 14,189,416	\$ 3,646,141	\$ 18,204,107	\$ 27,337,203

NORTH DAKOTA UNIVERSITY SYSTEM

Supplementary Information

June 30, 2025

	North Dakota University System Office	Bismarck State College	Dakota College of Bottineau	Dickinson State University	Lake Region State College	Mayville State University	Minot State University
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO							
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating income (loss)	\$ (53,293,139)	\$ (31,864,739)	\$ (8,137,397)	\$ (18,089,953)	\$ (11,773,300)	\$ (14,441,944)	\$ (36,371,332)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities							
Depreciation and amortization expense	4,633,625	3,676,359	847,919	2,691,030	1,230,957	1,960,190	4,517,412
Other nonoperating revenues (expenses)	1,700,269	(281,761)	(3,764)	7,585	(6,940)	221,434	(102,647)
Change in assets, deferred outflows, liabilities and deferred inflows							
Accounts receivable adjusted for interest receivable	387,897	(283,000)	322,143	(1,018,662)	(270,693)	(1,200,884)	143,904
Grant & contract receivables	(93,000)	7,520,695	(101,245)	(234,675)	(124,883)	340,845	221,944
Inventories	-	(34,069)	-	-	84,872	55,974	(7,865)
Notes receivable	-	3,228	3,467	65,356	(4,518)	(43,827)	84,755
Other assets	(1,160,679)	(103,921)	3,465	-	249	2,915	23,005
Checks issued in excess of restricted cash	-	9,019,120	-	-	-	-	-
Accounts payable and accrued liabilities adjusted for interest payable	1,119,394	(1,366,553)	(1,383,172)	2,367,067	(8,518)	(773,886)	(318,794)
Pension liability	(303,206)	340,129	(897)	(375,175)	123,686	(42,345)	(6,055)
OPEB liability	(59,034)	(36,143)	(8,128)	(43,518)	(1,793)	(39,988)	(54,830)
Net change in deferred outflows	2,033,237	2,296,565	351,565	1,262,536	1,077,512	1,337,110	2,371,560
Net change in deferred inflows	(1,781,952)	(2,533,663)	(361,215)	(1,192,048)	(1,125,148)	(1,602,058)	(2,436,666)
Accrued payroll	8,605	132,549	8,371	57,147	377,935	(977)	(155,178)
Compensated absences	(277,042)	120,028	65,865	(57,590)	(528,742)	54,879	125,074
Unearned revenue	-	100,724	7,945	82,155	41,536	(275,608)	(1,198,165)
Deposits	(105,060)	(218,080)	(7,227)	(24,870)	(12,299)	438,378	57,063
Net cash provided (used) by operating activities	\$ (47,190,085)	\$ (13,512,532)	(8,392,305)	\$ (14,503,615)	\$ (10,920,087)	\$ (14,009,792)	\$ (33,106,815)
SUPPLEMENTAL DISCLOSURE ON NON CASH TRANSACTIONS							
Assets acquired through long-term leases	\$ -	149,841	\$ -	-	130,401	\$ -	\$ 53,345
Assets acquired through note payable	171,916	-	-	-	-	-	(399,142)
Assets acquired through long-term software based IT arrangements	4,172,833	-	-	-	-	-	-
Assets acquired through special assessments	-	-	-	-	-	-	-
Gifts of capital assets	-	-	-	-	-	-	-
Net increases (decrease) in value of investments	-	-	-	-	-	-	229,638
Total non-cash transactions	\$ 4,344,749	\$ 149,841	\$ -	\$ -	\$ 130,401	\$ -	\$ (116,159)

NORTH DAKOTA UNIVERSITY SYSTEM

Supplementary Information

June 30, 2025

COMBINING STATEMENT OF CASH FLOWS -CONTINUED

	North Dakota State College of Science	North Dakota State University	University of North Dakota	Valley City State University	Williston State College	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Student tuition and fees	\$ 9,826,473	\$ 101,869,358	\$ 198,479,834	\$ 7,312,538	\$ 948,186	\$ -	\$ 366,938,035
Grants and contracts	1,887,135	111,277,434	189,471,254	1,258,759	1,523,787	(6,412,575)	329,697,031
Payments to suppliers	(16,072,243)	(119,052,119)	(234,067,504)	(7,205,413)	(2,294,308)	6,940,845	(434,205,585)
Payments to employees	(31,217,812)	(330,059,170)	(399,874,414)	(21,571,951)	(10,428,317)	-	(952,295,146)
Payments for scholarships and fellowships	(1,804,898)	(10,076,205)	(15,799,031)	(1,083,300)	(1,209,325)	-	(58,656,684)
Loans issued to students	-	(45,423)	(1,120,288)	-	-	-	(1,437,921)
Collection of loans to students	17,462	405,948	967,252	29,790	96	-	1,805,651
Auxiliary enterprise charges	11,029,344	49,257,264	39,877,735	3,133,071	2,235,310	(51,886)	123,969,121
Sales and service of educational departments	2,916,442	43,813,017	50,212,071	206,400	4,631,374	(1,291,612)	110,718,247
Cash received/(paid) on deposits	300,916	85,296	935,703	(155,095)	(7,714)	-	1,287,011
Other receipts (payments)	(406,415)	(653,514)	(764,656)	(27,763)	14,045	(2,258,026)	(3,601,829)
Net cash provided (used) by operating activities	(23,523,596)	(153,178,114)	(171,682,044)	(18,102,964)	(4,586,866)	(3,073,254)	(515,782,069)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
State appropriations	21,210,505	149,513,670	137,083,189	14,056,990	3,755,814	-	475,551,949
Federal appropriations	-	8,746,140	-	-	-	-	8,689,206
Grants and gifts received for other than capital purposes	8,995,034	45,157,798	35,608,212	4,021,157	5,891,629	-	127,498,632
Grants given for other than capital purposes	-	-	-	-	-	17,807,971	(11,694,717)
Federal stimulus revenues	-	2,386,472	3,083,072	-	-	-	6,110,195
Direct lending receipts	6,120,754	60,804,635	106,794,870	3,591,973	1,042,885	-	201,184,549
Direct lending disbursements	(6,120,754)	(60,804,635)	(106,293,140)	(3,591,973)	(1,042,885)	-	(200,694,360)
Transfers to Industrial Commission	-	-	-	-	-	-	(5,096,245)
Tax revenues	-	500,000	6,029,284	-	-	-	6,514,730
Net cash flows provided (used) by noncapital financing activities	30,205,539	206,304,080	182,305,487	18,078,147	9,647,443	17,807,971	608,063,939
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from issuance of debt	-	511,329	31,579,987	-	218,500	-	64,566,835
Capital appropriations	19,463,374	61,611,792	67,878,711	1,985,290	4,632,627	(13,904,540)	197,478,566
Capital grants and gifts received	1,851,965	18,605,867	15,747,120	274,325	4,438,267	(830,177)	43,358,744
Federal stimulus revenue capital	-	-	11,644,125	-	(24,084)	-	18,661,105
Proceeds from sale of capital assets	(21,603)	-	89,618	3,600	144,682	-	234,148
Proceeds from lease receivables	-	27,846	4,033	-	-	-	31,879
Purchases of capital assets	(14,465,574)	(101,412,549)	(65,899,341)	(13,569,607)	(27,479,349)	-	(287,363,718)
Insurance proceeds	-	271,447	805,811	-	135,019	-	1,577,809
Principal paid on capital debt and leases	(507,235)	(8,036,077)	(16,692,964)	(501,722)	(509,646)	-	(33,807,696)
Deposits with capital debt payment trustees	-	-	19,724	-	-	-	19,724
Interest paid on capital debt and lease	(148,508)	(4,208,160)	(16,863,400)	(377,623)	(490,019)	-	(24,304,102)
Net cash provided (used) by capital and related financing activities	6,172,419	(32,628,505)	28,313,424	(12,185,737)	(18,934,003)	(14,734,717)	(19,546,706)
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sales and maturities of investments	-	30,035,347	112,957,014	418,589	-	-	147,479,448
Interest on investments	1,308,132	5,724,602	10,277,715	919,565	13,088	-	20,075,568
Purchase of investments	-	(36,000,000)	(120,457,866)	(539,770)	(246,635)	-	(184,509,597)
Net cash provided (used) by investing activities	1,308,132	(240,051)	2,776,863	798,384	(233,547)	-	(16,954,581)
Net increase (decrease) in cash	14,162,494	20,257,410	41,713,730	(11,412,170)	(14,106,973)	-	55,780,583
CASH - BEGINNING OF YEAR	36,392,487	201,236,579	65,760,151	21,820,148	29,292,640	-	443,934,486
CASH - END OF YEAR	\$ 50,554,981	\$ 221,493,989	\$ 107,473,881	\$ 10,407,978	\$15,185,667	\$ -	\$ 499,715,069

NORTH DAKOTA UNIVERSITY SYSTEM

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June 30, 2025

	North Dakota State College of Science	North Dakota State University	University of North Dakota	Valley City State University	Williston State College	Eliminations	Total
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO							
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating income (loss)	\$ (28,456,772)	\$ (200,982,418)	\$ (201,815,880)	\$ (21,108,384)	#####	\$ (815,228)	\$ (640,170,619)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities							
Depreciation and amortization expense	3,800,186	35,411,366	42,349,465	3,427,943	2,818,879	-	107,365,331
Other nonoperating revenues (expenses)	87,613	(915,768)	(5,595,340)	(36,281)	(54,270)	(2,258,026)	(7,237,896)
Change in assets, deferred outflows, liabilities and deferred inflows							
Accounts receivable adjusted for interest receivable	(1,014,193)	402,111	(1,625,700)	(804,792)	2,036,535	2,668,101	(257,233)
Grant & contract receivables	(137,923)	4,120,998	(12,238,094)	187,111	268,416	-	(269,811)
Inventories	(195,396)	15,027	550,056	(24,892)	(53,409)	-	390,298
Notes receivable	21,096	358,008	(109,844)	33,453	23,049	-	434,223
Other assets	(653,571)	(114,731)	4,683,321	4,743	53,633	-	2,738,429
Checks issued in excess of restricted cash	-	-	-	-	-	-	9,019,120
Accounts payable and accrued liabilities adjusted for interest payable	1,665,505	7,357,301	(2,493,509)	177,630	3,537,224	(2,668,101)	7,211,588
Pension liability	(203,382)	(2,117,816)	(1,275,511)	90,260	(352,960)	-	(4,123,272)
OPEB liability	(48,616)	(414,590)	(389,861)	(10,293)	(25,860)	-	(1,132,654)
Net change in deferred outflows	3,033,499	18,616,229	23,116,271	1,026,185	709,515	-	57,231,784
Net change in deferred inflows	(2,993,495)	(17,513,941)	(21,958,929)	(1,076,080)	(523,663)	-	(55,098,858)
Accrued payroll	115,787	(531,913)	1,402,696	93,911	20,833	-	1,529,766
Compensated absences	502,031	2,209,844	1,302,748	(2,722)	(38,094)	-	3,476,279
Unearned revenue	653,119	836,883	1,480,362	74,337	21,154	-	1,824,442
Deposits	300,916	85,296	935,705	(155,093)	(7,715)	-	1,287,014
Net cash provided (used) by operating activities	\$ (23,523,596)	\$ (153,178,114)	\$ (171,682,044)	\$ (18,102,964)	\$ (4,586,866)	\$ (3,073,254)	\$ (515,782,069)
SUPPLEMENTAL DISCLOSURE ON NON CASH TRANSACTIONS							
Assets acquired through long-term leases	\$ 239,994	\$ 311,225	\$ 13,906,824	\$ 268,260	\$ -	\$ -	\$ 15,059,890
Assets acquired through note payable	-	-	-	-	-	-	(227,226)
Assets acquired through long-term software based IT arrangements	-	3,326,892	1,862,482	-	-	-	9,362,207
Assets acquired through special assessments	-	1,178,220	-	-	-	-	1,178,220
Gifts of capital assets	-	82,775	120,262	-	-	-	203,037
Net increases (decrease) in value of investments	1,835	(74,293)	17,414,239	-	-	-	17,571,419
Total non-cash transactions	\$ 241,829	\$ 4,824,819	\$ 33,303,807	\$ 268,260	\$ -	\$ -	\$ 43,147,547

NORTH DAKOTA UNIVERSITY SYSTEM

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Combining Statement of Financial Position -- Non-Major Component Units

FASB Basis	DSU		WSC	Total
	Heritage Foundation	Foundation		Non-major
	June 30, 2025	June 30, 2025		Component
Assets				
Current assets				
Cash and cash equivalents	\$ 557,231	\$ 6,278,871	\$	6,836,102
Investments	27,878,679	-		27,878,679
Accounts receivable, net	-	2,899		2,899
Notes receivable	-	183,797		183,797
Receivable from primary institution	-	23,653		23,653
Unconditional promises to give, net of allowance	4,967,536	340,000		5,307,536
Inventories	6,205	-		6,205
Other assets	143,349	354,221		497,570
Total current assets	33,553,000	7,183,441		40,736,441
Noncurrent assets				
Restricted cash and cash equivalents	-	551,626		551,626
Investments:				
Investments, net of current portion	-	31,269,557		31,269,557
Other long-term investments	-	226,641		226,641
Total investments	-	31,496,198		31,496,198
Long term pledges				
receivable/unconditional promises to give	-	2,452,400		2,452,400
Receivable from primary institution	-	195,500		195,500
Other noncurrent assets	362,387	1,132,738		1,495,125
Capital assets, net	627,908	13,571,646		14,199,554
Total noncurrent assets	990,295	49,400,108		50,390,403
Total assets	34,543,295	56,583,549		91,126,844
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	215,595	298,051		513,646
Payable to university	-	100,864		100,864
Accrued payroll	-	131		131
Long-term liabilities--current portion	-	136,799		136,799
Total current liabilities	215,595	535,845		751,440
Noncurrent liabilities				
Long-term liabilities	-	11,239,260		11,239,260
Total noncurrent liabilities	-	11,239,260		11,239,260
Total liabilities	215,595	11,775,105		11,990,700
NET ASSETS				
Without donor restrictions	2,288,779	12,635,600		14,924,379
With donor restrictions	32,038,921	32,172,844		64,211,765
Total net assets	34,327,700	44,808,444		79,136,144
Total liabilities and net assets	\$ 34,543,295	\$ 56,583,549	\$	91,126,844

COMBINING STATEMENT OF ACTIVITIES, Non-Major Component Units

FASB BASIS

	DSU Heritage Foundation June 30, 2025	WSC Foundation June 30, 2025	Total
Support and revenue			
Gifts and contributions	\$ 5,118,894	\$ 2,554,379	7,673,273
Investment income	2,481,921	4,616,380	7,098,301
Net realized and unrealized gains (losses) on investment securities	-	1,190,109	1,190,109
Program and event income	929,499	2,841,484	3,770,983
Other income	1,054,972	1,996,588	3,051,560
Total support and revenue	9,585,286	13,198,940	22,784,226
EXPENSES			
Program Services	4,219,488	8,478,045	12,697,533
Supporting services	1,500,945	4,317,148	5,818,093
Fundraising	313,431	-	313,431
Total expenses	6,033,864	12,795,193	18,829,057
Change in Net Assets	3,551,422	403,747	3,955,169
Net Assets, Beginning of Year, as restated	30,776,278	44,404,697	75,180,975
Net Assets, End of Year	\$ 34,327,700	\$ 44,808,444	\$ 79,136,144

North Dakota University System

Supplementary Information

June 30, 2025

SCHEDULE OF BONDS PAYABLE and CERTIFICATES OF PARTICIPATION- Primary Institutions

Issue	Original Balance	Original Discount (Premium)	Original Balance, Net of Discount (Premium)	Interest Rate	Installments	Balance Outstanding
Bonds Payable						
Bismarck State College						
2015 Housing & Auxiliary Facilities, due through 2030, collateralized by net revenues of housing & auxiliary system and College Fee.	\$ 3,005,000	\$ 59,569	\$ 3,064,569	2.0 - 3.0%	\$160,000 to \$275,000	\$ 1,184,856
2024 Housing & Auxiliary Facilities, due through 2054, collateralized by net revenues of housing & auxiliary system and College Fee.	30,000,000	2,257,019	32,257,019	4.0 - 5.25%	\$520,000 to \$1,920,000	32,181,785
2012 Housing & Auxiliary Facilities, due through 2033, collateralized by net revenues of housing & auxiliary system and College Fee.	7,000,000	119,765	7,119,765	2.0 - 4.0%	\$265,000 to \$475,000	3,390,626
Total BSC	<u>\$ 40,005,000</u>	<u>\$ 2,436,353</u>	<u>\$ 42,441,353</u>			<u>\$ 36,757,267</u>
Dakota College at Bottineau						
Dakota College of Bottineau Housing & Auxiliary Facilities Revenue Bonds Series 2022 due through the year 2026. Collateralized with revenues from auxiliaries.	2,480,000	130,538	2,610,538	2.0-5.0%	\$65,000 to \$145,000	\$ 2,364,652
Total DCB	<u>\$ 2,480,000</u>	<u>\$ 130,538</u>	<u>\$ 2,610,538</u>			<u>\$ 2,364,652</u>
Mayville State University						
2017 Facilities Revenue Bonds (2010 Refund), due through year 2030, collateralized by Housing and Facilities revenue, student fees, federal interest subsidy related to the bond interest payments and earnings on funds created under the indenture	2,800,000	-	2,800,000	1.25%-3.25%	\$185,000 to \$255,000	\$ 1,196,492
Total MaSU	<u>\$ 2,800,000</u>	<u>\$ -</u>	<u>\$ 2,800,000</u>			<u>\$ 1,196,492</u>
Minot State University						
2021 Student Services Facilities Revenue Refunding Bonds, Series 2021, refunded 2010 Wellness Bonds due August 1, 2040. Collateralized by student fees from Wellness Center, and net revenues from housing and student union	7,435,000	233,816	7,668,816	0.40-3.0%	\$320,000 to \$470,000	\$ 6,639,592
Total MiSU	<u>\$ 7,435,000</u>	<u>\$ 233,816</u>	<u>\$ 7,668,816</u>			<u>\$ 6,639,592</u>
North Dakota State College of Science						
2022 Housing Facilities Revenue Bonds, due through 2037, fixed rate collateralized by net housing and auxiliary facilities pledged revenues.	\$ 6,175,000	\$ 331,892	\$ 6,506,892	3.0%	\$320,000 to \$505,000	\$ 5,409,449
Total NDSCS	<u>\$ 6,175,000</u>	<u>\$ 331,892</u>	<u>\$ 6,506,892</u>			<u>\$ 5,409,449</u>
North Dakota State University						
2012A Housing & Auxiliaries Facilities Revenue Bonds, Maturity April 1, 2027, collateralized by auxiliary revenue	\$ 5,730,000	\$ 62,552	\$ 5,792,552	2.0-3.0%	\$455,956 to \$465,450	\$ 892,257
2014A Housing & Auxiliary Facilities Revenue Refunding Bonds Maturity April 1, 2034, collateralized by net revenues of housing and auxiliary services	8,340,000	108,914	8,448,914	2.0-4.0%	\$575,237 to \$581,250	4,446,938
2015A Housing & Auxiliary Facilities Refunding Bonds Maturity April 1, 2036 collateralized by net revenues of housing and auxiliary services.	21,195,000	2,185,340	23,380,340	3.0 - 5.0%	\$2,351,200 to \$2,351,200	6,774,878
2015B Housing & Auxiliary Facilities Bonds, Maturity April 1, 2035, collateralized by net revenues of housing and auxiliary services.	9,355,000	366,958	9,721,958	2.0 - 5.0%	\$524,659 to \$683,806	5,796,156
2016 Housing & Auxiliary Facilities Refunding Bonds, Maturity April 1, 2036, collateralized by net revenues of housing and auxiliary services.	10,405,000	310,288	10,715,288	2.0 - 4.0%	\$534,469 to \$611,575	6,643,691
2016 Research & Tech Park Taxable Lease Refunding Bonds, Maturity May 1, 2032, collateralized by lease revenues.	18,790,000	-	18,790,000	1.1 - 3.9%	\$1,254,452 to \$1,806,231	7,755,000
2017A Housing & Auxiliary Facilities Bonds, Maturity April 1, 2047, collateralized by net revenues of housing and auxiliary services.	48,770,000	1,522,948	50,292,948	2.0 - 5.0%	\$1,833,019 to \$2,182,350	43,446,543
2017B Housing & Auxiliary Facilities Refunding Bonds, Maturity April 1, 2039, collateralized by net revenues of housing and auxiliary services.	22,755,000	1,500,818	24,255,818	2.0 - 5.0%	\$1,539,325 to \$1,544,338	17,912,442
Total NDSU	<u>\$ 145,340,000</u>	<u>\$ 6,057,818</u>	<u>\$ 151,397,818</u>			<u>\$ 93,868,105</u>

North Dakota University System

Supplementary Information

June 30, 2025

SCHEDULE OF BONDS PAYABLE and CERTIFICATES OF PARTICIPATION- Primary Institutions - Continued

Issue	Original Balance	Original Discount (Premium)	Original Balance, Net of Discount (Premium)	Interest Rate	Installments	Balance Outstanding
University of North Dakota						
2009 Aerospace Hanger Revenue Bonds due through 2029, collateralized by revenue from flight operations and proceeds from any casualty insurance payments.	\$1,500,000	\$ -	\$1,500,000	4.25%	\$70,000 to \$71,500	\$ 356,000
2012 EERC Revenue Bonds, maturity June 1, 2027, variable interest rate.	\$6,405,000	\$ -	\$6,405,000	0.75-4.2%	\$520,000 to \$540,000	1,060,000
2014 Housing & Auxiliaries Facilities Revenue Bonds Maturity April 1, 2044 collateralized by net housing and auxiliary facilities system revenue.	\$27,305,000	\$302,110	\$27,607,110	3.0%-4.0%	\$770,000 to \$1,465,000	20,246,407
2015 Housing & Auxiliary Facilities Revenue Bonds due through 2035, collateralized by net housing and auxiliary facilities system revenues, debt service grants, and bond indenture earnings.	\$38,985,000	\$1,489,517	\$40,474,517	3.0-4.0%	\$1,925,000 to \$2,620,000	22,556,315
2019 Housing & Auxiliary Facilities Revenue Bonds due through 2050, collateralized by net housing and auxiliary facilities system revenues, debt service grants, and bond indenture earnings.	\$71,545,000	9,402,569	\$80,947,569	4.0-5.0%	\$855,000 to \$5,690,000	75,390,944
2020 NDBA Facility Improvement Bonds, Deferred Maintenance & Parking, Maturity December 1, 2040 payable from institution funds.	\$24,170,000	6,720,994	\$30,890,994	5%	\$880,000 to \$1,860,000	25,113,568
2024A UND AA&F Lease Revenue Bonds UND EERC Project, Maturity May 1, 2054 collateralized by property rental income	\$24,485,000	1,762,805	\$26,247,805	5%	\$705,000 to \$1,875,000	26,191,672
2024B UND AA&F Lease Revenue Bonds Taxable UND EERC Project, Maturity May 1, 2035 collateralized by property rental income	\$5,290,000	-	\$5,290,000	5.045%	\$35,000 to \$705,000	5,290,000
Total UND	<u>\$ 199,685,000</u>	<u>\$ 19,677,995</u>	<u>\$ 219,362,995</u>			<u>\$ 176,204,906</u>
Valley City State University						
2020 Housing & Auxiliary Facilities Revenue Bonds for the renovation of Snoeyenbos Hall Revenue Bonds auxiliary facilities system revenues, interest is variable and ranges from 3.35% to 4.0%	\$ 3,200,000	\$ 93,248	\$ 3,293,248	3.35% -4%	\$188,000	\$ 2,865,316
2013 Housing & Auxiliary Facilities Revenue Bonds due through 2033, collateralized by net housing and auxiliary facilities system revenues.	2,565,000	-	2,565,000	3% - 4%	\$40,000 to \$185,000	1,290,000
Total VCSU	<u>\$ 5,765,000</u>	<u>\$ 93,248</u>	<u>\$ 5,858,248</u>			<u>\$ 4,155,316</u>
Williston State College						
2021 Housing and Auxiliary Services, matures 2041 collateralized by net housing revenues. Interest rate is fixed.	\$ 5,347,000	\$ -	\$ 5,347,000	3.10%	\$120,000 to \$ 470,000	\$ 4,496,000
Total Bonds Payable						<u>\$ 331,091,779</u>
Cerificated of Participations						
University of North Dakota						
Series 2018A, Steam Plant, due through 2057, collateralized by lease revenue from state appropriations	\$76,575,000	3,126,530	\$79,701,530	4.0 - 5.0%	\$1,890,000 to \$7,745,000	\$ 79,967,792
Series 2018B, Steam Plant, due through 2041 collateralized by lease revenue from state appropriations	16,455,000	\$686,311	\$17,141,311	3.55 - 4.46%	\$300,000 to \$2,460,000	16,150,000
Series 2021A, New Housing, due through 2061, collateralized by rental payments and rights under the Lease-Purchase Agreement	133,010,000	8,311,572	\$141,321,572	4.0% - 5.0%	\$1,000,000 to \$11,065,000	131,451,953
Series 2021B, Wellness Center & Housing, due through 2034, collateralized by rental payments and rights under the Lease-Purchase Agreement	18,330,000	-	\$18,330,000	0.42 - 2.34%	\$1,345,000 to \$ 1,545,000	12,915,000
Total UND	<u>\$244,370,000</u>	<u>\$12,124,413</u>	<u>\$256,494,413</u>			<u>\$ 240,484,745</u>
Williston State College						
Series 2019, Energy conservation improvement projects due through 2048, subject to annual appropriations by the North Dakota Legislature as part of the general operating appropriations.	\$ 7,355,000	(77,592)	7,277,408	3.00%	\$120,000 to \$470,000	\$ 6,707,759
Total Certificates of Participation						<u>\$ 247,192,504</u>

NORTH DAKOTA UNIVERSITY SYSTEM

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June 30, 2025

Financial Information for Revenue Producing Buildings (Unaudited)

(as Required by ND Century Code 15-55-20)

	Bismarck State College	Dakota College of Bottineau	Dickinson State University	Lake Region State College	Mayville State University	Minot State University
Operating Revenues	\$ 6,540,523	\$ 1,703,444	\$ -	\$ -	\$ 451,915	\$ 6,019,999
Operating Expenses	6,878,106	1,503,960	-	-	189,261	4,818,418
Net Operating Revenues	(337,583)	199,484	-	-	262,654	1,201,581
Pledged Fees	555,150	-	-	-	-	476,795
Non Operating Revenue	643,900	221,626	-	-	-	-
Investment Income	505	-	-	-	-	237
Net Revenue Available for Debt Retirement	861,972	421,110	-	-	262,654	1,678,613
Current year Debt Service						
Principal	565,000	65,000	-	-	220,000	330,000
Interest	1,507,541	83,557	-	-	40,785	146,795
Total Debt Service	\$ 2,072,541	\$ 148,557	\$ -	\$ -	\$ 260,785	\$ 476,795

NORTH DAKOTA UNIVERSITY SYSTEM

Supplementary Information

June 30, 2025

Financial Information for Revenue Producing Buildings (Unaudited) - Continued

(as Required by ND Century Code 15-55-20)

	North Dakota State College of Science	North Dakota State University	University of North Dakota	Valley City State University	Williston State College	Total
Operating Revenues	\$ 11,238,253	\$ 49,278,499	\$ 40,025,159	3,746,014	\$ 763,042	\$ 119,766,848
Operating Expenses	8,096,407	41,661,312	32,802,645	3,025,105	609,347	99,584,561
Net Operating Revenues	3,141,846	7,617,187	7,222,514	720,909	153,695	20,182,287
Pledged Fees	391,761	5,966,301	7,962,567	186,823	90,000	15,629,397
Non Operating Revenue	77,524	4,792,035	-	728,768	116,000	6,579,853
Investment Income	8,258	11,183	24,957	710.8	-	45,851
Net Revenue Available for Debt Retirement	3,619,389	18,386,706	15,210,038	1,637,211	359,695	42,437,388
Current year Debt Service						
Principal	355,000	4,375,000	3,330,000	230,000	217,000	9,687,000
Interest	165,300	3,024,439	5,624,636	145,079	142,610	10,880,742
Total Debt Service	\$ 520,300	\$ 7,399,439	\$ 8,954,636	\$ 375,079	\$ 359,610	\$ 20,567,742