

# Industrial Commission of North Dakota

## Biennial Report July 1, 2023 to June 30, 2025



Governor Kelly Armstrong, Chairman  
Attorney General Drew H. Wrigley  
Agriculture Commissioner Doug Goehring



North Dakota Industrial Commission 2023-2025 Biennial Report  
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## INDUSTRIAL COMMISSION OF NORTH DAKOTA

### **Administration**

State Capitol 14<sup>th</sup> Floor, 600 E Boulevard Avenue Dept 405, Bismarck, ND 58505-0840  
Phone: 701-328-3722 [www.ndic.nd.gov](http://www.ndic.nd.gov)

### **Bank of North Dakota**

1200 Memorial Highway, Bismarck, ND 58504  
Phone: 701-328-5600 [www.bnd.nd.gov](http://www.bnd.nd.gov)

### **Building Authority**

1200 Memorial Highway, Bismarck, ND 58504  
Phone: 701-328-7100 [www.ndic.nd.gov/building-authority](http://www.ndic.nd.gov/building-authority)

### **Clean Sustainable Energy Authority**

State Capitol 14<sup>th</sup> Floor, 600 E Boulevard Avenue Dept 405, Bismarck, ND 58505-0840  
Phone: 701-328-3722 [www.ndic.nd.gov](http://www.ndic.nd.gov)

### **Department of Mineral Resources**

1016 E Calgary, Bismarck, ND 58503 [www.dmr.nd.gov](http://www.dmr.nd.gov)

#### **Geological Survey**

Maps & Publication Orders ..... [www.dmr.nd.gov/ndgs/](http://www.dmr.nd.gov/ndgs/)  
Phone: 701-328-8000 Fax: 701-328-8010 [www.dmr.nd.gov/ndgs/](http://www.dmr.nd.gov/ndgs/)

#### **Oil and Gas Division**

Phone: 701-328-8020 [www.dmr.nd.gov/dmr/oilgas](http://www.dmr.nd.gov/dmr/oilgas)

### **Housing Finance Agency**

Physical Address: 2624 Vermont Avenue, Bismarck, ND 58502-1535  
Phone: 800/292-8621 [www.ndhfa.org](http://www.ndhfa.org)

### **Lignite Research, Development & Marketing Program**

State Capitol 14<sup>th</sup> Floor, 600 E Boulevard Avenue Dept 405, Bismarck, ND 58505-0840  
Phone: 701-328-3722 [www.ndic.nd.gov/lignite-research-program](http://www.ndic.nd.gov/lignite-research-program)

### **Mill & Elevator**

1823 Mill Rd, Grand Forks, ND 58203 [www.ndmill.com](http://www.ndmill.com)  
Phone: 800-538-7721

### **Oil and Gas Research Program**

State Capitol 14<sup>th</sup> Floor, 600 E Boulevard Avenue Dept 405, Bismarck, ND 58505-0840  
Phone: 701-425-1237 [www.ndic.nd.gov/oil-gas-reseach-program](http://www.ndic.nd.gov/oil-gas-reseach-program)

### **Outdoor Heritage Fund**

State Capitol 14<sup>th</sup> Floor, 600 E Boulevard Avenue Dept 405, Bismarck, ND 58505-0840  
Phone: 701-328-3722 [www.ndic.nd.gov/research-grant-programs-0/outdoor-heritage-fund](http://www.ndic.nd.gov/research-grant-programs-0/outdoor-heritage-fund)

### **Pipeline Authority**

State Capitol 14<sup>th</sup> Floor, 600 E Boulevard Avenue Dept 405, Bismarck, ND 58505-0840  
Phone: 701-220-6227 [www.ndic.nd.gov/ndpa](http://www.ndic.nd.gov/ndpa)

### **Public Finance Authority**

1200 Memorial Highway, PO Box 5509, Bismarck, ND 58506-5509 [www.pfa.nd.gov//](http://www.pfa.nd.gov//)  
Phone: 701-328-7100

### **Renewable Energy Program**

State Capitol 14<sup>th</sup> Floor, 600 E Boulevard Avenue Dept 405, Bismarck, ND 58505-0840  
Phone: 701-328-3722 [www.ndic.nd.gov/research-grant-programs-0/renewable-energy-program](http://www.ndic.nd.gov/research-grant-programs-0/renewable-energy-program)

### **Student Loan Trust**

State Capitol 14<sup>th</sup> Floor, 600 E Boulevard Avenue Dept 405, Bismarck, ND 58505-0840  
Phone: 701-328-3722 [www.ndic.nd.gov/student-loan-trust](http://www.ndic.nd.gov/student-loan-trust)

### **Transmission Authority**

State Capitol 14<sup>th</sup> Floor, 600 E Boulevard Avenue Dept 405, Bismarck, ND 58505-0840  
Phone: 406-489-3881 [www.ndic.nd.gov/north-dakota-transmission-authority](http://www.ndic.nd.gov/north-dakota-transmission-authority)

## **The Industrial Commission of North Dakota**

The Legislature created the Industrial Commission of North Dakota (“Industrial Commission” “Commission”) in 1919 to conduct and manage, on behalf of the State, certain utilities, industries, enterprises and business projects established by state law. Through the years the Industrial Commission’s responsibilities have evolved from oversight of the State-owned Bank and Mill to the current oversight of 16 different agencies and programs.

### **Organizational Structure**

The Industrial Commission of North Dakota is made up of the Governor, Attorney General and Agriculture Commissioner. From July of 2023 to December of 2024, Governor Doug Burgum, Attorney General Drew H. Wrigley and Agriculture Commissioner Doug Goehring served on the Commission. From December of 2024 through June of 2025, Governor Kelly Armstrong, Attorney General Drew H. Wrigley, and Agriculture Commissioner Doug Goehring served on the Commission. The Governor serves as Chairman of the Commission and the Governor plus one member is a quorum for the transaction of business. The Attorney General serves as general counsel. The Commission meets generally on at least a monthly basis to act on items presented by the Commission agencies. The Industrial Commission met 28 times during the 2023-2025 biennium. As of June 30, 2025, The Industrial Commission Administrative Office had five employees and was overseen by Executive Director Karen Tyler. The administrative offices are located on the 14<sup>th</sup> Floor of the State Capitol, 600 East Boulevard, Bismarck, North Dakota and contact information is listed at the end of this section. The Commission also contracts with outside consultants for administration of programs as needed.

### **Statutory Responsibilities**

As the management authority for all utilities, industries, enterprises, and business projects owned, administered, and operated by the State, the Commission has under its jurisdiction the Bank of North Dakota, the North Dakota Mill and Elevator Association, the North Dakota Housing Finance Agency, the Public Finance Authority, the North Dakota Student Loan Trust, the North Dakota Building Authority, the North Dakota Transmission Authority, and the North Dakota Pipeline Authority. In addition to the business entities, the Commission also has regulatory responsibilities through the Department of Mineral Resources which is comprised of the North Dakota Oil and Gas Division and the North Dakota Geological Survey. The Commission also oversees numerous grant programs which include the Clean Sustainable Energy Authority, the Lignite Research, Development and Marketing Program, the Oil and Gas Research Program, the Outdoor Heritage Fund, the Renewable Energy Program, and other short term grant programs approved by the Legislature. During the 23-25 Biennium the Administrative office assisted the Transmission Authority Director with the administration of the federal IIJA Grid Resiliency grant program. The statutory reference for the Industrial Commission is N.D.C.C. Chapter 54-17.

### **Major Programs and Activities**

The programs and activities of the Industrial Commission are carried out through the agencies and programs that are overseen by the Commission. The following pages of this biennial report summarize these various programs and agencies. In addition, the Industrial Commission has oversight of the Farm Finance Agency. The Farm Finance Agency issued no bonds during the 2023-2025 biennium. There was no usage of the Agency as other programs offered by the Bank of North Dakota were a better source of financing for North Dakota farmers and ranchers. The Legislature has also directed that the Industrial Commission, through the Bank of

North Dakota to have oversight of numerous loan programs/funds including: Ag PACE Fund, Beginning Farmer Revolving Loan Fund, Infrastructure Revolving Loan Fund, Medical Facility Infrastructure Loan Program, ND Guaranteed Student Loan Program, School Construction Assistance Program, and Addiction Counselor Internship Loan Program. The Commission also has oversight of the Housing Incentive Fund through the Housing Finance Agency. A brief summary of each of these Programs/Funds along with relevant financial information are included as a part of this biennial report or with the audit of the agency that administers the fund. (Copies of the complete audits of these Programs/Funds are available from the Bank of North Dakota, Housing Finance Agency or from the State Auditor.) Other than the Housing Incentive Fund, the Programs and Funds are administered by the Bank of North Dakota.

**Key Legislation Passed During 2025 Legislative Session Related to the Industrial Commission** Several bills were passed during the 2025 legislative session related to the Commission agencies and programs. (See each of the agency/program comments regarding legislation that impacted the agency or program.) The primary bill for the Commission in regard to its appropriation and the appropriations of the agencies under its jurisdiction was Senate Bill 2014. The 2025 Legislative Assembly also continued support for the federal IIJA Grid Resiliency Grant Program, appropriated \$25 million in SIIF funding for Enhanced Oil Recovery projects funded through the Commission's Oil and Gas Research Program, and established a new grant program through the Research and Technology Park at NDSU that is focused on autonomous technologies in the agriculture and defense industries.

**Key Responsibilities Added To or Deleted from Industrial Commission during the Biennium**  
Additional responsibilities were added to the Industrial Commission agencies/programs and thus to the oversight of the Commission by the 2025 Legislative Assembly. Those responsibilities have been noted in the summaries by the agencies on the following pages.

#### Major Accomplishments and Activities

The Industrial Commission accomplishments and activities are reflected in the information provided by each of the Industrial Commission agencies/programs.

**Trends in Direction for the Industrial Commission/Short and Long Range Plans and Goals**  
The Commission activities are carried out through the Commission agencies and programs and are reflected under each agency/program. The Administrative Office selected a vendor for the development of a new grant management software system, and the development process began during the 23-25 biennium. The Commission will continue to seek out technology solutions and practices that will fulfill the missions for each research program and implement new grant programs as established by the Legislature, continue the regulation of oil and gas development as directed under the law, the development of infrastructure for oil and gas, support the construction of a west to east natural gas pipeline through the capacity purchase program of the Pipeline Authority, support development of renewable energy and lignite resources and the funding of projects that enhance conservation practices per the Legislature's directives. In addition, the Commission through its agencies will work to promote economic development and serve as the State's bank through the Bank of North Dakota, assist with the financing of public infrastructure for political subdivisions and State building projects, work to meet the affordable housing needs throughout the State, and add value to North Dakota farmers through the North Dakota Mill.

Additional information about the Industrial Commission is available at:

Industrial Commission of North  
Dakota State Capitol – 14<sup>th</sup> Floor,  
600 East Boulevard  
Bismarck, North Dakota  
58505  
701-328-3722  
[www.nd.gov/ndic/](http://www.nd.gov/ndic/)



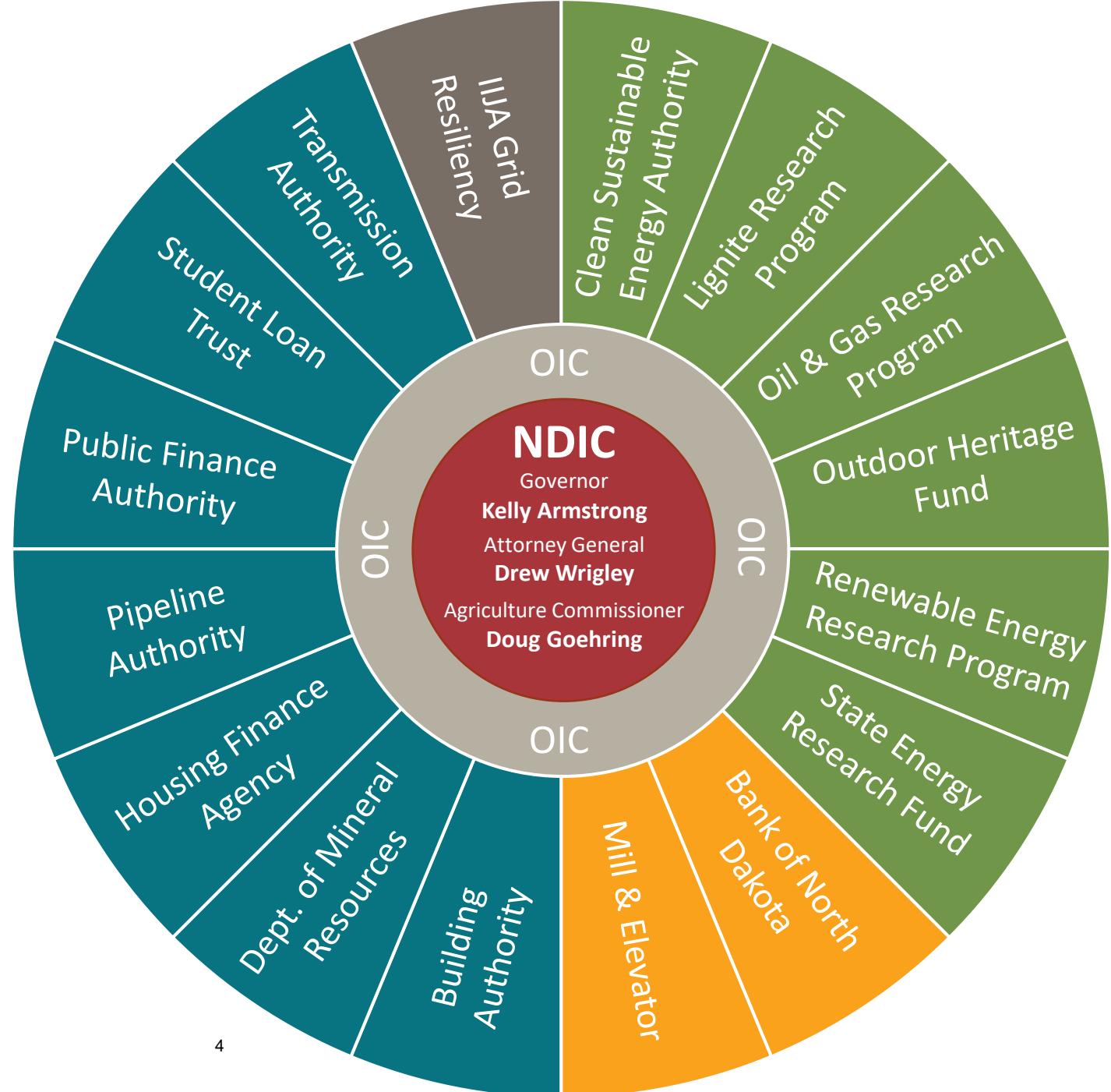
## Industrial Commission

### Industries, Agencies, and Programs

#### Legend

- Commission
- IC Admin Office
- Agency Role
- IC Grant Program
- State-Owned Enterprise
- Other Grant Program

January 2025



**Budget Appropriation for Industrial Commission Administrative Office and Public Finance Authority**

**INDUSTRIAL COMMISSION**

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$23,698,119	(\$21,835,425)	\$1,862,694
Operating expenses	5,119,958	(924,889)	4,195,069
Capital assets	0	1,250,000	1,250,000
Grants	0	8,623,893	8,623,893
Grants - bond payments	<u>22,040,721</u>	<u>97,839,192</u>	<u>119,879,913</u>
Total all funds	\$50,858,798	\$84,952,771	\$135,811,569
Less estimated income	<u>24,369,185</u>	<u>107,017,528</u>	<u>131,386,713</u>
Total general fund	\$26,489,613	(\$22,064,757)	\$4,424,856
Full-time equivalent positions	108.25	(98.50)	9.75

**(The Department of Mineral Resources budget, which had historically been combined with the Administrative Office and Public Finance budget was removed and became a separate section of HB 1014 during the 2023 legislative session)**

## **Bank of North Dakota**

### **History**

Bank of North Dakota ('BND', 'the Bank') was formed by the North Dakota State Legislature on February 25, 1919. Chapter 6-09 of the North Dakota Century Code (NDCC) defines the purpose and powers of BND as well as the role of the ND Industrial Commission in the operation of the Bank.

BND's mission today is the same as when the Bank was formed, "To deliver quality, sound financial services that promote agriculture, commerce and industry in North Dakota."

### **Organizational Structure**

BND President, Don Morgan, reports to the ND Industrial Commission. The BND Advisory Board, appointed by the ND Governor as described in 6-09-02.1, also provides oversight of the Bank.

Reporting directly to BND President Morgan are: (BND Organizational Chart attached).

Chief Financial Officer/ SVP of Accounting & Treasury– Rob Pfennig  
Chief Credit Officer/ SVP of Credit Administration – Kirby Evanger  
Chief Risk Officer/ SVP of Risk Management – Christy Steffenhagen  
Chief Banking & Innovation Officer / SVP Banking & Innovation– Alison Anderson  
Chief Administration Officer/ SVP Human Resources and Communication– Lori Leingang  
Chief Business Development Officer/SVP of Business Development– Kelvin Hullet  
Chief Lending Officer/SVP of Lending– Craig Hanson  
Executive Vice President – Rick Geloff

Bank of North Dakota is legislatively authorized 187 full-time equivalent employees.

### **Statutory/Constitutional Responsibilities**

Bank of North Dakota's purpose, powers and responsibilities are defined in NDCC 6-09.

### **Major Programs and Activities**

#### **Operations Programs**

- Check clearing/Image cash letters
- Automated Clearing House
- Wire transfers
- Cash management

#### **Customer Service Programs**

- Checking, savings and certificate of deposit accounts
- Coin and currency services for financial institutions
- Merchant services for state agencies, boards, commissions, and higher education institutions

## **Lending/Business Development**

BND's loan portfolio as of December 31, 2024, is well diversified and as a percentage of the entire portfolio, it is comprised as follows: commercial loans 66%, student loans 16%, agricultural loans 13%, and residential loans 5%.

## **Financial Institutions Market**

The Bank plays a major role in financing economic development in the state by partnering with local financial institutions to expand their lending capacity to grow their community's economic base. A variety of commercial and agricultural loan programs allow for a great deal of flexibility when building the best deal.

- Business startup (Beginning Entrepreneur and Business Development)
- Economic development incentive (PACE, Flex PACE, Affordable Housing Flex PACE, Match)
- Value-added equity and irrigation (Ag PACE)
- Beginning Farmer – Real estate and Chattel
- Bank Stock financing
- Commercial loans (Loan Participations, Business Development, Accelerated Growth)
- Agriculture loans (Family Farm, Farm Operating, Established Farmer Real Estate, Ag PACE, Biofuels PACE)

## **Education Market Programs**

An educated workforce is critical to a healthy economy, so student loans are available to fill funding gaps when savings, scholarships and federal student loans don't meet a student's needs.

- ND State –Sponsored Student Loan Program
  - DEAL for students attending a post-secondary education program
  - DEAL One Loan to help North Dakota residents consolidate and refinance all their student loans, including federal loans, into one loan
  - DEAL Consolidation Loan so borrowers can consolidate all DEAL loans into one loan
  - As of April 1, 2024, BND student loan program applies to North Dakota residents attending eligible in-state or out-of-state schools or out-of-state residents who attend approved North Dakota schools only.
- Administer and act as Trustee for College SAVE, North Dakota's 529 Plan
- Provide education materials for high schools to help students and families plan for life after high school

## **Residential Loans**

In an effort to increase efficiency in state government, the transition of all residential originations to North Dakota Housing Finance Agency occurred on August 1, 2021 and the transition of nearly all residential servicing and collections occurred on October 1 2021. As a result, the residential loan portfolio will continue to decline with paydowns.

## **Disaster Relief Programs**

BND's disaster relief programs are created in response to needs that have been identified by local financial institutions, economic developers and other key stakeholders and are not covered by federal relief programs. The Bank introduced the 2024 Ag Disaster Relief Program in January of 2025 to assist North Dakota farmers and ranchers statewide negatively impacted by extreme weather events, wildfires, inflationary input costs and volatility in commodity prices.

- 2024 Ag Disaster Relief program funded 244 loans for \$86 million as September 30, 2025.

## **Legislatively Directed Loan Programs**

The Bank administers nearly \$1.2 billion in assets and loans as directed by North Dakota Legislature. These programs provide low-interest, long term loans to state and local government agencies to finance projects, resulting in significant cost savings to the taxpayers of North Dakota. There are 25 programs:

- School Construction Assistance Revolving Loan Fund
- Infrastructure Revolving Loan Fund
- Legacy Infrastructure Loan Fund
- Water Infrastructure Revolving Loan Fund
- Clean Sustainable Energy Fund
- Agriculture Diversification and Development Fund
- State Institutions
- Medical Facility Infrastructure
- Rebuilders Permanent Loan Fund
- Trust Lands
- Value Added Loan Guarantee
- Innovation Loan Fund (LIFT)
- Health Information Technology
- Addiction Counselor Internship
- Bulk Propane Storage Tank Revolving Loan Fund (*new July 1, 2023*)
- PACE/Ag PACE (6 total)
- Beginning Farmer
- COVID-19 PACE Recovery
- Long Term Care
- State Water – Resources Trust Fund
- Rural Workforce Initiative to Support Housing, R-WISH (*New November, 2024*)

## **Treasury Services Programs**

- Investments
- Bond accounting and safekeeping
- Corporate trust

## Key Legislation Passed During the 2025 ND Legislative Assembly Impacting BND

- **SB 2018: Innovation Loan Fund**

The Legacy Investment for Technology Fund (LIFT) is a loan fund established for the purpose of providing financing for commercialization of intellectual property within the State of ND. SB2018 appropriated \$10 million from the Strategic Improvement Investment Fund to LIFT which is administered by BND.

- **SB 2014: Rail Revolving Loan Fund**

SB 2014 directed the department of transportation to transfer any outstanding loans and remaining balances from the rail fund to the rail revolving loan fund on July 1, 2025. BND shall administer the fund. The department of transportation shall review and approve the project before the Bank may issue a loan. Principal and Interest paid on the loans is to be deposited into the fund. The Bank may use a portion of the interest as a service fee to pay administrative costs not to exceed one-half of one percent of the outstanding loans.

### **North Dakota Pipeline**

North Dakota pipeline authority may borrow up to \$60 million through a line of credit at the Bank. The authority may borrow an additional \$40 million to increase the total allowable line of credit to \$100 million if the authority enters a capacity purchase agreement by December 31, 2026, related to a pipeline project to transport natural gas from the Western area of the state to the eastern area of the state. The North Dakota Pipeline authority is to provide at least one report to the budget section regarding the status of any pipeline capacity agreements by December 31, 2026.

### **Theodore Roosevelt Presidential Library**

Up to \$5 million of the Bank's current earnings to the parks and recreation department for an interest rate buydown on the line of credit for the Theodore Roosevelt presidential library project. The interest rate buydown may not exceed the amount needed to buy down the interest rate on the outstanding balance of the line of credit from the prevailing interest rate charged to North Dakota governmental entities of two percent.

- **SB 2188: Clean Sustainable Energy Authority**

The clean sustainable energy authority was created by the 2021 Legislative Assembly to support research and development of technological advancements through financial support for the large-scale development and commercialization of projects, that reduce environmental impacts and increase sustainability of energy production and delivery. SB 2188 continues the authorization of a \$390 million line of credit, to be used for clean sustainable energy authority to make loans or loan guarantees, until June 30, 2029. SB 2188 also appropriated \$50 million from the Strategic Investment and Improvements Fund, of which \$40 million to be used to repay a portion of the Clean Sustainable Energy Authority line of credit and \$10 million to be used to provide Clean Sustainable Energy Authority grants.

- **HB 1020: Water Infrastructure**

HB 1020 provides an additional \$40 million for the existing Water Infrastructure Revolving Loan Fund.<sup>-</sup> The department of water resources may also request a line of credit from the Bank not to exceed \$100 million to provide local cost-share loans for projects approved by the state water commission for the Water Infrastructure Revolving Loan Fund

Department of Water Resources may request a line of credit from the Bank not to exceed \$260 million to provide up to \$50 million for the southwest pipeline project and two hundred ten million dollars for water projects across the state.

- **HB 1619: Long-term Care Facility Infrastructure Loan Fund**

HB 1619 created the Long-term Care Facility Infrastructure Loan Fund to provide loans to nursing and basic care facilities for renovation projects or the construction of new facilities. BND shall administer the Long-term Care Facility Infrastructure Loan Fund. HB 1619 appropriated \$15 million from the Strategic Investment and Improvements Fund to the Long-term Care Facility Infrastructure Loan Fund.

- **SB 2327: Agriculture Diversification and Development Fund**

The Agriculture Innovation Fund provides grants, loans and buydowns for projects that aid in the diversification and value-added businesses in the agriculture economy in North Dakota. The program is jointly administered by BND and the Office of the Agriculture Commissioner. SB 2327 appropriated \$15 million from the general fund to the Agriculture Diversification and Development Fund.

- **SB 2342: Agriculture Diversification and Development Fund**

SB 2342 allows the agriculture diversification and development committee (as described above) to develop a value-added milk processing facility incentive program to provide grants. If the committee approves a grant under this Act, the agriculture commissioner may borrow up to \$5 million through a line of credit from the Bank.

- **HB 1332: Agriculture Diversification and Development Fund**

The agricultural diversification and development committee shall develop a value-added agriculture production facility incentive program to provide grants. To be eligible the production facility must be located within the state; be a new construction project, have capital investment of at least \$350 million and leverage regional agricultural producer capital investment to support the facilities operations; have a competing offer from at least one other midwestern state; produce a new agriculture product or variant of an existing agriculture product to provide a domestic supply of the product and diversify the market for agriculture products and have an estimated economic contribution of at least \$20 million when fully operations based on an economic analysis conducted by the Bank. If the committee approves a grant under this Act, the agriculture commissioner may borrow up to \$30 million through a line of credit from the Bank.

**Lines of Credit:**

- **HB 1015: State Hospital Project**

The office of management and budget may borrow up to \$100 million through a line of credit from the Bank for costs associated with the construction of a new state hospital.

- **HB 1018: Military Gallery Expansion**

The state historical society may borrow \$20 million through a line of credit for the military gallery expansion project.

- **HB 1019 Theodore Roosevelt presidential Library**

The parks and recreation department may have access to the sum of \$70 million through a line of credit to provide reimbursement of construction costs associated with building the Theodore Roosevelt presidential library, including fixtures, furnishing, exhibit structures, supplies and materials.

- **SB 2018 North Dakota Development Fund**

The department of commerce may borrow up to \$25 million through a line of credit from the Bank. Proceeds must be transferred to the North Dakota Development fund for programs under chapter 10-30.5.

- **HB 1012: Child Welfare Technology Project**

The department of health and human services may borrow up to \$8,411,218 through a line of credit from the Bank for costs associated with a child welfare technology Project.

- **HB 1577: Department of Environmental Quality**

The department of environmental quality may borrow up to \$9.7 million through a line of credit from the Bank for the purpose of providing wastewater infrastructure grants. Of the total appropriated in this section, the department of environmental quality shall provide grants of \$7.8 million and \$1.9 million to entities with eligible wastewater infrastructure project. If an entity awarded funding under this section receives federal funding for the same wastewater infrastructure project, the entity shall remit the federal funding to the department of environmental quality for the repayment.

- **HB 1487: Office of Management and Budget – Minot Building**

The office of management and budget may borrow up to \$5.6 million through a line of credit from the Bank of North Dakota the proceeds of which are appropriate to the office of management and budget for the purpose of constructing a facility in Minot to lease to other state agencies.

- **SB 2265: Department of Veterans' Affairs**

The department of veterans' affairs may borrow up to \$3 million through a line of credit from the Bank of North Dakota the proceeds of which are appropriated to the department of veterans' affairs, for the purpose of providing a grant to a nonprofit organization for construction costs associated with the construction of a welcome center, parking lot, and related infrastructure at a veterans' national cemetery in the state.

## **Major Accomplishments and Activities**

- The Bank set a record net income of \$200.4 million in 2024, up \$7.7 million from 2023. The asset size set a record as well - \$10.8 billion. The return on investment was 15.8%, total return to the state was \$335 million or 4.29%.
- Efficiency ratio of 15.12% was reported for 2024. The efficiency ratio measures a bank's overhead costs as a percentage of its revenue, the lower the ratio, the better. BND's efficiency ratio has historically been three to four times better than the state average.
- The total loan portfolio grew by \$384 million to \$6.1 billion in 2024.
- Standard & Poor's (S&P) affirmed the Bank's credit rating as A+/Stable in its annual review in January 2025.
- In 2024, BND transferred \$20 million to the Statewide Interoperable Radio Network, \$26.5 million to buydown programs and \$3.1 million to other state programs. During 2023, the Bank transferred \$140 million to the General Fund, \$30.5 million to buydown programs, \$52 million to the Infrastructure Revolving Loan Fund and \$5.7 million to other state programs.
- BND welcomed a new President & CEO in July 2024, continuing to advance the Bank's mission and ensure long-term institutional strength.
- BND is a provider of liquidity to the state of North Dakota. The investment portfolio of \$4 billion ensures the state can meet its obligations in all economic environments.
- BND multiplies the economic impact in the state. Most often, BND participates in a loan with a local financial institution at 50%. This results in BND's \$5 billion commercial and agriculture portfolios becoming \$10 billion of lending in the state's economy.
- The Rural Workforce Initiative to Support Housing (R-WISH) pilot was launched in 2024 after Industrial Commission approval. It supports communities of 20,000 residents or fewer by financing market-rate workforce housing tied to business expansion or relocation. R-WISH leverages BND capital alongside Housing Finance Agency programs and local partners, demonstrating effective public-private collaboration.
- “Smart with my Money” Financial Literacy Initiative: BND launched a statewide financial literacy effort offering free tools—including a financial personality assessment and personalized education resources. Accessible through the ND Education Portal (PowerSchool), the initiative supports all ages and aims to make North Dakota the most financially literate state by 2027. Partners include Department of Public Instruction and multiple state agencies.
- STAND report released: BND published STAND (Sustain. Transform. Authenticate. North Dakota), highlighting North Dakota's strategy to balance economic growth in energy and agriculture with long-term sustainability. Commissioned by the 68th Legislative Assembly, the report outlines how North Dakota advances innovation through public-private partnerships and reinvestment of energy tax revenues rather than regulatory mandates.
- SMART (Strategically based, Market driven, Analyze thoroughly, Reward results, Transformative) Recruitment and Retention Plan approved by the Industrial

Commission ensuring compensation practices align with strategic goals in a way that is competitive and fiscally responsible.

- The Industrial Commission approved a new BND Capital Policy and Capital Guideline, refining the framework for financing requests and supporting the Bank's mission while ensuring regulatory alignment, safety, and soundness.
- Renovation of the Bank of North Dakota building and updates are underway, including a new drive-up window, ensuring safety, security and customer service.
- BND continues to develop its Enterprise Risk Management program, including the evaluation of key risk indicators. The program strengthens the Bank's capital planning framework and supports long-term resilience.
- Ongoing improvements continue to strengthen BND's cybersecurity posture and protect state and customer data.
- Implementation of the new Commercial Center platform began in 2024, with full deployment in Q4 2025.

### **Trends in Direction for BND/Short and Long-Range Plans and Goals**

Bank of North Dakota's Core Value statement: *We are* North Dakota proud *with a* passionate mission focus, *engaging in* creative solutions and there when needed, with integrity **and** purpose. The Bank stays focused on its mission "To deliver quality, sound financial services that promote agriculture, commerce and industry in North Dakota."

In 2024-2025, The Bank of North Dakota began implementing the Entrepreneurial Operating System (EOS) as an organization. The EOS model assists the board and management to achieve growth by establishing a clear vision, building a strong leadership team and ensuring execution through discipline and accountability. As a vision-traction organization, BND's strategic plan is not a one-time planning event but a multi-phased approach that is evaluated quarterly for its relevancy and focus on building repeatable processes.

BND's four-year strategic plan focuses on key businesses areas including:

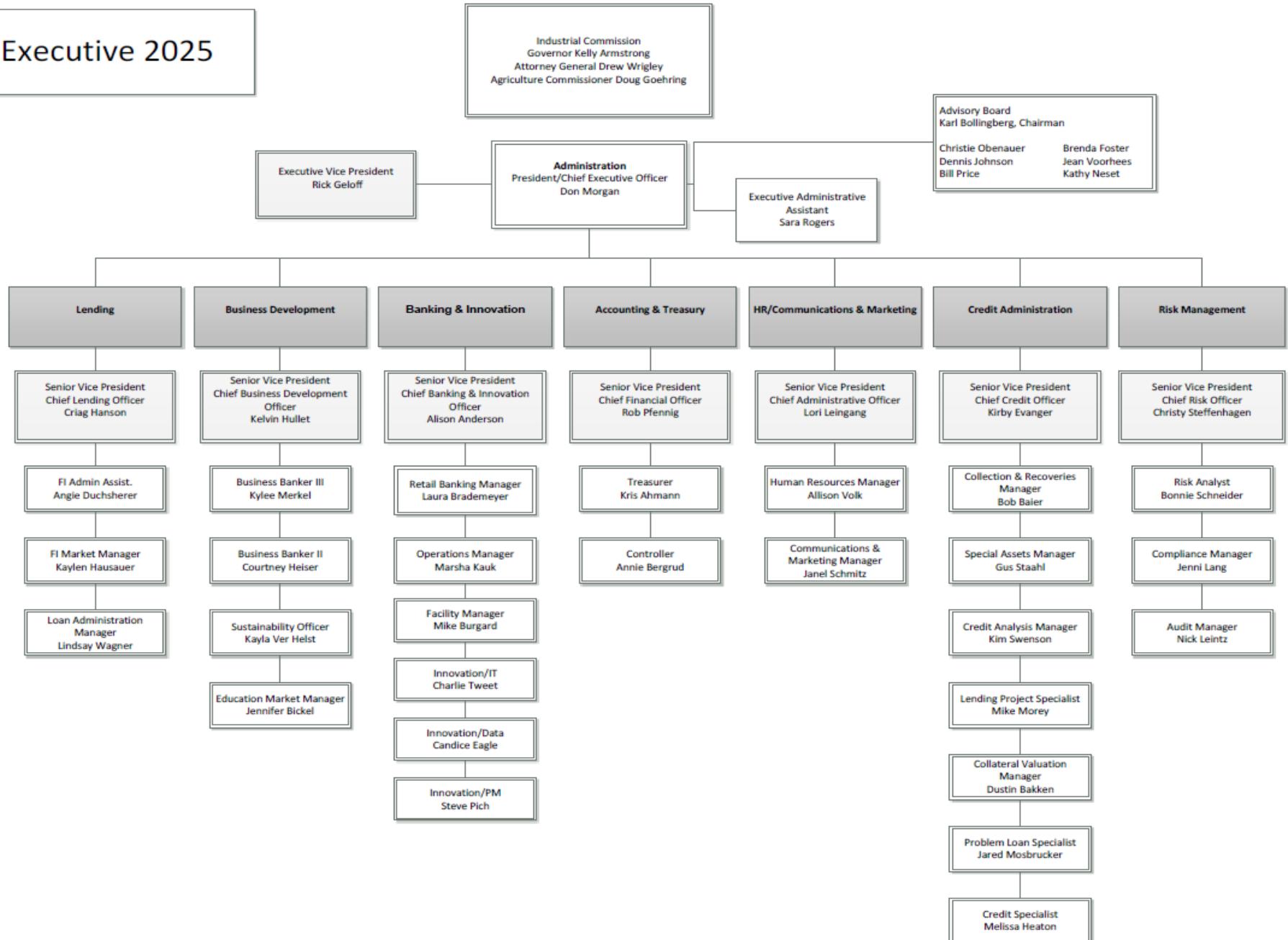
- Strong Banking and managing growth, risk and return.
- Strong Relationships and ensuring connects with key audiences such as local financial institutions, legislators, economic developers and other state agencies with an economic development growth mandate.
- Talent Management to ensure the Bank is attracting and retaining the best talent in key areas of the organization.
- Focusing on Fintech to ensure BND and local financial institutions are educated and engaged in the technological evolution of banking and financing.
- Maintaining BND's focus on its 106-year mission of supporting agriculture, commerce and industry in the state.
- BND creates a multi-year Information Technology Plan and submits that plan to ND IT in accordance with NDCC 54-59.

### **Resources and Publications Available from BND**

Bank of North Dakota publishes an annual report, quarterly performance highlights and a Financing Economic Development report annually. All annual reports, as well as a summary of services, are on the Bank's website at [www.bnd.nd.gov](http://www.bnd.nd.gov).

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# Executive 2025



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**BANK OF NORTH DAKOTA**  
**BALANCE SHEETS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(In Thousands)**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and due from banks	\$ 390,195	\$ 402,587
Federal funds sold	<u>16,540</u>	<u>37,470</u>
 Cash and cash equivalents	 <u>406,735</u>	 <u>440,057</u>
Debt securities		
Available-for-sale debt securities, at fair value (amortized cost 2024 - \$4,287,999, 2023 - \$4,004,801, net of allowance for credit losses 2024 - \$0, 2023 - \$0)	4,202,501	3,869,666
Loans held for investment	6,142,955	5,758,740
Less allowance for credit losses	<u>(106,535)</u>	<u>(99,865)</u>
 6,036,420	 <u>5,658,875</u>	
Interest receivable	85,431	72,954
Bank premises, equipment, and software, net	8,661	9,149
Other restricted stock, at cost	27,687	7,243
Other assets	<u>69,043</u>	<u>86,684</u>
 Total assets	 <u>\$10,836,478</u>	 <u>\$ 10,144,628</u>
<b>LIABILITIES AND EQUITY</b>		
Deposits		
Non-interest bearing	\$ 615,171	\$ 664,010
Interest bearing	<u>8,074,996</u>	<u>8,045,138</u>
 8,690,167	 <u>8,709,148</u>	
 Federal funds purchased	370,327	323,010
Short and long-term debt	480,000	25,000
Other liabilities	<u>25,074</u>	<u>28,183</u>
 Total liabilities	 <u>9,565,568</u>	 <u>9,085,341</u>
Equity		
Capital	2,000	2,000
Capital surplus	72,000	72,000
Undivided profits	<u>1,217,443</u>	<u>1,068,297</u>
Accumulated other comprehensive loss	<u>(20,533)</u>	<u>(83,010)</u>
 Total equity	 <u>1,270,910</u>	 <u>1,059,287</u>
 Total liabilities and equity	 <u>\$10,836,478</u>	 <u>\$ 10,144,628</u>

**BANK OF NORTH DAKOTA**  
**STATEMENTS OF INCOME**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(In Thousands)**

	<b>2024</b>	<b>2023</b>
<b>INTEREST INCOME</b>		
Loans, including fees	\$ 307,887	\$ 262,165
Securities	140,949	100,335
Federal funds sold	<u>1,207</u>	<u>2,713</u>
Total interest income	<b>450,043</b>	<b>365,213</b>
<b>INTEREST EXPENSE</b>		
Deposits	181,061	100,255
Federal funds purchased		
and repurchase agreements	20,034	13,678
Short and long-term debt	<u>8,899</u>	<u>23,268</u>
Total interest expense	<b>209,994</b>	<b>137,201</b>
<b>NET INTEREST INCOME</b>	<b>240,049</b>	228,012
<b>PROVISION FOR CREDIT LOSSES</b>	<b>10,702</b>	<b>7,507</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES</b>	<b>229,347</b>	220,505
<b>NONINTEREST INCOME</b>		
Service fees and other	<u>8,713</u>	<u>6,697</u>
Total noninterest income	<b>8,713</b>	<b>6,697</b>
<b>NONINTEREST EXPENSE</b>		
Salaries and benefits	21,749	19,564
Data processing	7,765	7,466
Occupancy and equipment	858	828
Other operating expenses	<u>7,253</u>	<u>6,605</u>
Total noninterest expenses	<b>37,625</b>	<b>34,463</b>
<b>NET INCOME</b>	<b>\$ 200,435</b>	<b>\$ 192,739</b>

## **North Dakota Building Authority**

The North Dakota Building Authority (“Building Authority”) was created by the Legislature in 1985 for the purpose of acquiring, owning, constructing, reconstructing, extending, rehabilitating or improving buildings, related structures, parking facilities, equipment, improvements, real and personal property and interests therein primarily for the use of the State of North Dakota and its agencies and instrumentalities. Since the Building Authority was created it has provided financing for projects totaling over \$248,000,000 -- including projects on all the North Dakota University System campuses, some of the North Dakota Extension Service Centers, State Penitentiary and Missouri River Correctional Center in Bismarck, Youth Correctional Center in Mandan, James River Correctional Center in Jamestown, Developmental Center at Grafton, State Hospital at Jamestown, Job Service North Dakota Service Centers, Veterans Home, Information Technology Department (ConnectND), Attorney General’s Office, Office of Management and Budget, North Dakota Parks and Recreation, and North Dakota Historical Society.

### **Organizational Structure**

The North Dakota Building Authority Act provides that the Industrial Commission shall be the North Dakota Building Authority. The Commission has appointed three Authorized Officers to oversee the financing of the projects approved by the Legislature. Currently the Commission’s Executive Director, the Director of the Office of Management and Budget and the Public Finance Authority Executive Director serve as the Authority’s Authorized Officers. The Building Authority provides the Legislature with another option as it considers how to pay the costs of projects declared by the Legislature to be in the public interest. It works in the following manner:

- The Legislature determines whether a project is in the public interest of the State and passes legislation authorizing the specific projects and authorizes the Building Authority to issue evidences of indebtedness (generally these are tax exempt lease revenue bonds payable from biennial appropriations).
- The Building Authority, working with the appropriate agencies, issues its bonds to acquire funds for the authorized projects. A financing agreement in the form of either a lease or a loan is entered into between the Agency and the Authority.
- The state or agency repays the bonds from the payments made under the financing agreements. The financing agreements run from the Building Authority to the various state agencies utilizing the projects. The financing agreements are renewed every two years with rental funds provided from a legislative appropriation in each biennium.

### **Statutory/Constitutional Responsibilities**

North Dakota Century Code 54-17.2 is the statutory source for the North Dakota Building Authority.

### **Major Programs and Activities**

The sole activity of the North Dakota Building Authority is to provide financing for the projects determined by the Legislature to be in the State’s public interest. These financings require the Authority to provide ongoing continuing disclosure to the financial community including national rating agencies. The Authority is also responsible for the collection of the payments from the state agencies which then are passed through to the Bank of North Dakota which serves as the Trustee for the bond issues. The North Dakota Public Finance Authority provides the accounting, continuing disclosure, loan payments and other miscellaneous administration and for the Building Authority.

### **Key Legislation Passed During 2025-2027 Legislative Session Related to North Dakota Building Authority**

Bonding was not authorized for the 2025-2027 biennium.

### **Key Responsibilities Added To or Deleted from North Dakota Building Authority during the Biennium**

There were no additional statutory responsibilities added or deleted from the Building Authority for the 2025-2027 biennium.

### **Major Accomplishments and Activities**

The Authority continued to make payments on outstanding bonds in a timely manner and provide the required continuing disclosure.

The North Dakota Building Authority currently has a bond rating of Aa2 by Moody's and AA by Standard & Poor's.

### **Trends in Direction for North Dakota Building Authority/Short and Long Range Plans and Goals**

The Building Authority on a continual basis monitors the national bond market to determine if savings can be obtained from the refinancing of outstanding Building Authority bond issues.

### **Resources and Publications Available from the North Dakota Building Authority**

The most recent official statements for bond offerings made by the North Dakota Building Authority are available [www.ndic.nd.gov/building-authority](http://www.ndic.nd.gov/building-authority)

North Dakota Building Authority  
1200 Memorial Highway  
Bismarck, North Dakota 58504  
701-328-7100  
[www.ndic.nd.gov/building-authority](http://www.ndic.nd.gov/building-authority)

**NORTH DAKOTA BUILDING AUTHORITY**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2025 and 2024**  
**(In Thousands)**

ASSETS	2025	2024
<b>CURRENT ASSETS - RESTRICTED</b>		
Cash and cash equivalents at the Bank of North Dakota	\$ 35	\$ 64
Investments at the Bank of North Dakota	235	235
Loans receivable	4,617	4,462
Loan interest receivable	299	283
	<hr/>	<hr/>
Total restricted current assets	<b>5,186</b>	<b>5,044</b>
<b>NONCURRENT ASSETS - RESTRICTED</b>		
Loans receivable	<b>92,285</b>	<b>96,902</b>
	<hr/>	<hr/>
Total restricted noncurrent assets	<b>92,285</b>	<b>96,902</b>
	<hr/>	<hr/>
Total assets	<b>\$ 97,471</b>	<b>\$ 101,946</b>
	<hr/>	<hr/>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 6	\$ 6
Bonds payable	3,385	3,230
Interest payable	327	341
	<hr/>	<hr/>
Total current liabilities	<b>3,718</b>	<b>3,577</b>
	<hr/>	<hr/>
<b>NONCURRENT LIABILITIES</b>		
Bonds payable	<b>93,753</b>	<b>98,369</b>
	<hr/>	<hr/>
Total liabilities	<b>\$ 97,471</b>	<b>\$ 101,946</b>
	<hr/>	<hr/>
<b>NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>
	<hr/>	<hr/>

**NORTH DAKOTA BUILDING AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2025 and 2024**  
**(In Thousands)**

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	<b>2025</b>	<b>2024</b>
<b>OPERATING REVENUES</b>		
Loan interest	\$ 2,725	\$ 2,951
Other	68	68
	<b><u>2,793</u></b>	<b><u>3,019</u></b>
<b>OPERATING EXPENSES</b>		
Interest expense	2,762	2,996
Operating	38	34
	<b><u>2,800</u></b>	<b><u>3,030</u></b>
<b>OPERATING LOSS</b>	<b>(7)</b>	<b>(11)</b>
<b>NONOPERATING REVENUE</b>		
Investment interest	7	11
<b>CHANGE IN NET POSITION</b>	-	-
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	-	-
<b>TOTAL NET POSITION, END OF YEAR</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

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## **North Dakota Department of Mineral Resources**

### **History**

#### **1895 – Creation of the North Dakota Geological Survey (NDGS)**

The North Dakota Geological Survey and the position of State Geologist were created by an act of the North Dakota Legislature in 1895, six years after statehood.

During the first half of the 20th Century, the NDGS focused their studies on the coal and clay resources of North Dakota. With the discovery of oil near Tioga in 1951, the NDGS grew rapidly to both research the geology of the petroleum-bearing formations and regulate the exploration, and production of the resource.

#### **1981 – Creation of the Oil and Gas Division (OGD)**

The Oil and Gas Division was established by the 1981 Legislature to assume the oil and gas regulatory duties of the NDGS. In 1989 the State Legislature moved the NDGS from the jurisdiction of the Board of Higher Education to the Industrial Commission. Regulation of geophysical exploration was added to the duties of the OGD on July 1, 1997.

#### **2005 – Creation of the Department of Mineral Resources (DMR)**

The 2003 (58th) Legislature passed an amended Industrial Commission appropriations bill, calling for a merger of the NDGS and the OGD to be accomplished by July 1, 2005. On July 1, 2005, legislation passed during the 2005 (59th) Legislative Session placed the NDGS and the OGD into the newly created Department of Mineral Resources (DMR).

Regulation of underground gathering pipelines was added to the duties of the OGD in 2013. The Oil and Gas Division was approved by the EPA for primacy over Class VI injection wells on April 24, 2018. Regulation of Underground Storage of Oil and Gas was added in 2021.

The Department of Mineral Resources offices are located in Bismarck. The NDGS also operates the Johnsrud Paleontology Laboratory and the Geologic Time Gallery in the North Dakota Heritage Center as well as the Wilson M. Laird Core and Sample Library located on the campus of the University of North Dakota in Grand Forks. The OGD operates field offices in Williston, Dickinson, and Minot.

## **Statutory/Constitutional Responsibilities**

### **Oil and Gas Division Enabling Legislation:**

NDCC 32-40.2	Environmental Audits-Violations
NDCC 38-08	Control of Gas and Oil Resources
NDCC 38-08.1	Geophysical Exploration
NDCC 38-22	Carbon Dioxide Underground Storage

### **North Dakota Geological Survey Enabling Legislation:**

NDCC 54-17.4	Geological Survey
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### **Ancillary Enabling Legislation Relevant to DMR Functions:**

NDCC 23.1-01-02	Environmental Review Advisory Counsel
NDCC 23.1-08-13	Solid Waste Management and Land Protection: Preconstruction Site Review
NDCC 23.1-11-10	Ground Water Protection: Wellhead Protection Program
NDCC 38-11.1	Oil and Gas Damage Compensation
NDCC 38-11.2	Subsurface Exploration Damages
NDCC 38-12	Regulation, Development, and Production of Subsurface Minerals Exploration
NDCC 38-12.1	Data – Coal
NDCC 38-14.1	Surface Mining and Reclamation Operations
NDCC 38-19	Geothermal Resource Development Regulation
NDCC 38-21	Exploration Fund
NDCC 38-23	High-Level Radioactive Waste
NDCC 38-24	Underground Storage and Retrieval of Nonhydrocarbons
NDCC 38-25	Underground Storage of Oil and Gas
NDCC 54-17.3	Paleontological Resource Protection
NDCC 61-28	Control, Prevention, and Abatement of Pollution of Surface Waters

## **Major Programs and Activities**

### **Department of Mineral Resources**

DMR is the primary source of information regarding the geology of ND and is responsible for enforcement of statutes, rules and regulations of the North Dakota Industrial Commission. The DMR maintains the state's core and sample library in Grand Forks, coordinates the State Fossil and State Mineral Collection, and disseminates geological information via the internet, maps, publications, presentations, tours, and field trips.

### **Oil & Gas Division**

The major activity of the OGD is to encourage and promote the development, production, and utilization of oil and gas in the state in such a manner as will prevent waste, maximize economic recovery, and fully protect the correlative rights of all owners to the end that landowners, royalty owners, producers, and the general public realize the greatest possible good from these vital natural resources. This includes but is not limited to the permitting of geophysical exploration, permitting wells, establishing well spacing for producing reservoirs, production reporting, inspection of facilities, approving Class II enhanced oil recovery operations, Class II disposal of oil field brines and other wastes, proper construction, monitoring, and abandonment of underground gathering pipelines, Class VI underground storage of carbon dioxide, underground storage of oil and natural gas, ensuring proper plugging and site reclamation of all wells, and conducting hearings on oil and gas matters.

### **Geological Survey**

The NDGS serves as the primary source of geological information in the state. The NDGS regulates oil well core and drill samples (plus other subsurface samples), coal exploration, geothermal resources, paleontology resources, subsurface minerals, high-level radioactive waste, underground storage of nonhydrocarbons, and Class III injection wells for solution mining of subsurface minerals. Various non-regulatory activities include geologic mapping, oil and gas studies, mineral studies, paleontology, surface and glacial studies, mapping of landslides and other geologic hazards, environmental studies, public outreach programs, evaluation of the occurrence and economic value of mineral resources on state lands for the Department of North Dakota Trust Lands, and the geologic suitability and impact on fossil resources of construction projects such as municipal and special waste facilities, transmission and pipeline corridors. NDGS determines the geologic suitability of all proposed landfills, reviews a variety of highway improvement projects as well as pipeline and transmission line corridors, and coordinates the State Fossil and State Mineral collections.

## 2025 Legislative Session Outcome for the DMR

- ◆ **HB1009:**  
Funds pipeline restoration and reclamation program and postproduction royalty oversight program.
- ◆ **HB1038:**  
State radar data pathfinder program
- ◆ **HB1429:**  
Amended 12.1-17-07 and 07.1 to include remotely piloted aircraft in harassment and stalking definitions.
- ◆ **HB1459:**  
Amended 38-12-01 to define critical minerals and rare earth minerals, created a new section in 38-12 declaring a policy for critical minerals and rare earth minerals, and amended 47-10-24 to define minerals in leases and conveyances.
- ◆ **SB2069:**  
Amended 46-05-09 relating to publication requirements for legal notices
- ◆ **SB2302:**  
Amended 15-05-09 to allow leasing of state lands containing critical minerals and rare earth elements.
- ◆ **SB2360:**  
Provides that Legislative Management shall consider studying the feasibility of developing geothermal energy in ND.
- ◆ **HRC3016:**  
Recognizes the benefits of enhanced oil recovery and encourages ND and federal government to maintain favorable policies supporting the development of carbon capture technology and utilization of carbon dioxide as a commodity for advancing energy security.
- ◆ **SB2014: DMR Budget**  
SIIF one-time funding of rare earth elements study (\$400,000); paleontology excavation project (\$150,000); and oil and gas litigation (\$3,000,000).  
Provides funding from AWPSRF for reclamation specialist positions and related operating expenses (\$799,926).  
Creates a new subdivision to 38-08-04.5 to allow administrative expenses subject to legislative appropriation.  
Provides the carryover of SLFR (ARPA) funds for abandoned oil well conversation to water supply (\$431,500).  
Provides the carryover of SIIF for ordinary high water mark possible litigation expenses (\$341,295). Provides the carryover of Initial Grant funds for abandoned well reclamation program (\$223,406).

- ◆ **SB2323:**  
Decreases the Abandoned Oil and Gas Well Plugging and Site Restoration Fund limit to \$50 million after June 30, 2027.

## **Pending 2025 Rule Changes to North Dakota Administrative Code:**

- ◆ **43-02-03-18:**  
**Drilling units-well locations:** Allow for larger drilling units for deeper horizontal wells.
- ◆ **43-02-03-28:**  
**Safety regulation:** Director can shut in well if serious threat to the environment.
- ◆ **43-02-03-29:**  
**Well and lease equipment and gas gathering pipelines:** Require prior notification of gas pipeline installation, include GIS shape file and design drawing including associated above ground equipment.
- ◆ **43-02-03-48.1:**  
**Central production facility-commingling of production:** Remove requirement of hearing for diverse ownership commingling; allow Director approval.
- ◆ **43-02-03-49:**  
**Oil production equipment, dikes, and seals;** Oil vessels diking added.
- ◆ **43-02-03-88.1:**  
**Special procedures for increased density wells, pooling, flaring exemption, underground injection, commingling, converting mineral wells to freshwater wells, and unopposed recovery of a risk penalty applications;** adds unopposed risk penalty case.

## **Key Responsibilities Added or Removed from the DMR during the 2023-25 Biennium**

- ◆ Expand work with Infrastructure and Investment and Jobs Act (IIJA) grants to continue plugging and reclaiming orphaned wells.

## Major Accomplishments and Activities

### Geological Survey

As it has done for the last two biennium, the Geological Survey led the nation in the exploration of critical minerals in coal and coal-associated rocks as well as in the identification of landslides utilizing aerial imagery, LiDAR, and drones.

- ♦ **Geological Survey Reports and Presentations:**

NDGS scientists published 921 maps, reports, and articles on various aspects of North Dakota's geology during this biennium, the vast majority of these (744) were landslide maps. In addition, the NDGS gave 212 presentations, tours, and field trips to more than 7,554 people. Only a small number of these were virtual presentations, continuing the trend of the previous biennium.

- ♦ **Surface and Bedrock Geologic Mapping**

NDGS geologists completed 11 surface geology maps (quadrangles) in Cass and Burleigh Counties and one bedrock geologic map of Cass County and deployed the first of its kind online interactive geologic map data viewer that facilitates public access to all available geologic maps for the state. Supporting continued interest in developing proppant sand resources closer to the heart of activity in the Bakken, one report on the proppant potential of windblown sand in southern Williams County was published supporting the opening of new sand mining operations in the area. Statewide gravity and aeromagnetic geophysical maps were also published during this biennium supporting continued interest in metallic mineral exploration primarily in eastern North Dakota.

- ♦ **Landslide Mapping**

Continuing from the previous biennium, Survey geologists using lidar differencing techniques to identify recently active areas, mapped 45,815 landslides in 744 quadrangles, bringing the multi-year landslide mapping effort to a total of 79,945. County scale landslide map compilations were also completed in nine selected counties supporting county emergency managers and mitigation planners.

- ♦ **Engineering Geologic Mapping**

A new engineering geologic mapping program was initiated this biennium focusing on mapping the shallow soft glacial lake clays of the Brenna Formation throughout the Red River Valley. NDGS geologists completed 15 county scale engineering geologic maps that depict the extent, depth, and thickness of this problematic unit, supporting the engineering community and construction industry in eastern North Dakota.

- ♦ **Permits and Reviews**

During the 23-25 biennium, the Geological Survey issued 143 permits for the geothermal, coal exploration, subsurface mineral, and paleontological resource regulatory programs. The Geological Survey completed 544 geotechnical reviews of infrastructure projects (roads, bridges, pipelines, transmission lines, proposed wind farms, data centers, etc.). In addition, Survey paleontologists evaluated the paleontological resource significance of 1,124 ND Trust Land's mineral tracts.

- ♦ **Subsurface Geology:**

Eight of the Survey publications this biennium focused on North Dakota's subsurface geology including the Prairie, Bakken, Three Forks, Mission Canyon, Charles, and Opeche Formations. Three of these were oil and gas studies, two of which focused on development potential within the Three Forks Formation and the third examined a horizontal, unconventional oil play in the Mission Canyon-Charles Formations of Burke County. Additionally, three maps were published on the potash potential of the potash-containing members of the Prairie Formation in northwestern North Dakota. Isopach maps of each member were presented along with potassium chloride concentrations as estimated from log analysis at various locations within the 100K maps in the Garrison, Parshall, and Williston areas. The Subsurface Section also gave a combined 12 presentations at professional conferences and events, 10 of which focused on oil and gas resources within the state.

- ♦ **Core Library:**

A total of 53,780 feet of core was studied by industry and academia in the core library during the 2023-25 biennium. Another 11,083 feet of core was shipped to core workshops and commercial labs for analysis by industry. A total of 157 professionals and students visited the core library to examine core. These visitors represented 24 different organizations ranging from universities to government agencies to multiple oil and gas companies. Industry submitted 4,072 feet of core, which is down from 13,621 feet of core submitted during the previous biennium. Core photography totaled 69,863 feet which was comprised of 38,203 feet of singles photography (individual core pieces) and 31,660 feet of tripod photography (multiple boxes of core samples), generating 58,000 core photographs for the subscription website. The additional core photography brought the total number of core photos on the website to approximately 430,000.

- ♦ **Mineral Studies:**

While the NDGS continued to collect lignite samples from various surficial localities during the 2023-25 biennium, the emphasis of the multi-biennium critical minerals project went underground. The NDGS modeled the subsurface occurrence of two kaolinitic source beds for critical minerals (the Bear Den Member of the Golden Valley Formation and the Rhame bed of the Slope Formation) and with it developed a drilling program with an aim to intercept these source beds and underlying coals. A total of 53 holes were drilled in a Phase I drilling program resulting in 28 cores collected, 262 core samples analyzed, over 5,000 pxrf analyses obtained, and a comprehensive report. The data generated will further our understanding of how critical minerals move through rock, be used to refine our models, and will guide future drilling phases of the project.

- ♦ **Paleontology:**

Eight public fossil digs were conducted this biennium near the towns of Medora, South Heart, Huff, and Walhalla. NDGS paleontologists also undertook five fossil excavations across the state. An exhibit on *Eoarctos*, an early fossil bear from North Dakota, was opened in the ND Heritage Center in July 2023. A temporary geology and fossil exhibit was installed in the Minot Public Library from October 31 through November 29, 2024. On May 22, 2025, the fossil exhibit in the Walhalla Public Library was updated to include a scale model of the full skeleton of the mosasaur (swimming reptile) species *Jormungandr*, which was first discovered in the Pembina Gorge.

## **Oil & Gas Division**

- ◆ **Technologies:**

NorthSTAR, the Oil and Gas Division's E-file tracking and reporting system for operator forms and data was built out to suit the needs of the Division. This module is complete and awaiting placement in NDIT environment as part of an Enterprise Infrastructure Migration project.

- ◆ **Statistics:**

The OGD issued 1,996 permits, up 389 from the last biennium; heard approximately 1,700 cases docketed for hearing and regulated an average drilling rig count of 36 rigs consistent with the last biennium. This resulted in North Dakota having an average of 18,945 producing wells for the biennium and reaching a new all-time high of 19,547 producing wells reported in July 2025. These sites were supported by more than 300,000 OGD inspections during the biennium by agency field staff.

## Looking Ahead: Focus Areas & Goals for the Biennium

### Trends:

- Identifiable trends include increasing the functionality of the DMR websites as a means of accessing information and making data available. Transition of website and modernization of the platform is included in the Enterprise Infrastructure Migration project with NDIT. The Department continues to see steady levels of well permitting, core and sample library visits, office visits, requests for digital data and well file information, and hearing case load.
- Oil & Gas permitting trends include longer laterals and “U” shaped laterals in 2025. At this time, there are 100 permitted 4-mile laterals, 23-”U” shaped laterals and 1208 3-mile laterals. Additionally, more operators utilizing an additional string of casing to prevent water flows from the Inyan Kara Formation.

### Short- and Long-Range Goals

#### Mineral Resources

##### Information Technology

- Enhance Cybersecurity: Implement robust security measures to protect our data and systems from threats.
- Improve Operational Efficiency: Streamline processes and adopt automation to increase productivity and reduce costs.
- Drive Innovation: Invest in emerging technologies to create new business opportunities and improve service offerings.
- Enhance Customer Experience: Utilize technology to provide seamless and personalized experiences for our customers.
- Develop IT Talent: Foster a culture of continuous learning and development to build a highly skilled and motivated IT workforce.
- Create an internal intranet platform for all DMR users.

#### Human Resources

- Establish a Comprehensive Training Framework: Launch a centralized, user-friendly platform to house all training materials, making them easily accessible for staff across the department. The platform will support cross-training opportunities, enabling employees to build broader skillsets and enhance operational flexibility across teams.
- Enhance Individual Performance Plan: Building on the implementation of our new goal-focused performance plan, we will continue to evolve this framework into a dynamic and interactive tool. The enhanced system will support continuous feedback, align individual goals with departmental priorities, and empower DMR staff to actively engage in their professional development throughout the biennium.
- Advance Succession Planning: Initiate a comprehensive, department-wide succession planning framework to ensure continuity of leadership and critical expertise across all divisions. This effort will identify key roles, assess future talent needs, and develop internal pathways for career progression, strengthening organizational resilience and long-term capacity.

## **Public Information/Outreach**

- ◆ Develop a Comprehensive Public Outreach Strategy:
  - ◆ Maximize DMR's presence at career fairs, exhibits, and conferences, ensuring consistent, professional representation at all public events.
  - ◆ Continue expanding our social media outreach to share timely updates, educational content, and agency initiatives with stakeholders and the general public.
  - ◆ Emphasize and elevate the DMR brand across all platforms and internal communications to reinforce identity, trust, and recognition.

## **Geological Survey**

### **Resource Evaluations**

- ◆ Framework studies of petroleum geology.
- ◆ Temperature profiles of the basin to determine geothermal gradients for petroleum maturation zones and deep geothermal potential.
- ◆ Evaluation of produced water disposal zones.
- ◆ Evaluation of the salt deposits including the potash potential of the Prairie Formation.
- ◆ Assessments of the critical mineral concentrations in ND lignites.
- ◆ Shallow and deep gas evaluations.
- ◆ Evaluation of Sand and Gravel Deposits.

### **Geologic Mapping**

- ◆ Detailed surface mapping and mineral resource mapping – statewide.
- ◆ Mineral resource mapping on state-owned land.
- ◆ Mapping of landslides and other hazards using drones and LiDAR.
- ◆ Methods of evaluating information on surface geology.
- ◆ Computerize geologic databases.
- ◆ County scale bedrock geologic mapping-statewide.

### **Paleontology Activities**

- ◆ Design and create paleontological exhibits for museums and visitor centers across ND.
- ◆ Continue to expand and improve the public fossil dig program.
- ◆ Continue to explore options for an interactive fossil preparation lab in North Dakota

## **Public Information/Outreach**

- ◆ Participate in Geologic presentations, tours, and field trips.
- ◆ Release of new publications from all areas of the department

## **Oil and Gas Resources**

### **Technology**

- ◆ Continue development of enhancements to NorthSTAR system.
- ◆ Continue implementing and upgrading a GIS database for the reporting and management of GIS shapefiles for underground gathering pipelines.

## **Administrative**

- ♦ Collaborate with other state agencies, research organizations, startups, and industry to develop policy and procedure for identifying state-of-the-art pipeline monitoring systems.
- ♦ Review and update all current Memorandum of Understanding (MOU) documents and/or develop new MOUs with other state or federal agencies.
- ♦ Continue with scanning and updating historical case files, scanning new information, and scanning central tank battery files.
- ♦ Create and update policies on administrative waivers and variances allowed by rules.

## **Public Information/Outreach**

- ♦ Continue to provide production summary webinars through the Oil and Gas website in addition to broadening the audience to include podcast format.
- ♦ Encourage beneficial use of surplus gas to reduce gas flaring emissions.
- ♦ Promote the use of produced water for hydraulic fracture stimulations.
- ♦ Provide hearing exhibits live through video streaming.

## **Resources and Publications Available from the Department**

More than, 5,817 Survey publications are listed on the NDGS Homepage at

<https://www.dmr.nd.gov/dmr/ndgs/publications> .

Most of these publications are linked to downloadable pdfs.

♦

New publications are listed in the back of the DMR Newsletter (Geo News), issued twice a year.

♦

The Oil and Gas Division presents the Director's Cut; a monthly press briefing/publication featuring updates from the Oil and Gas Division and the Pipeline Authority. To access video recordings, presentation slide decks and the current Director's Cut schedule, visit our website:

<https://www.dmr.nd.gov/dmr/oilgas/directorscut>

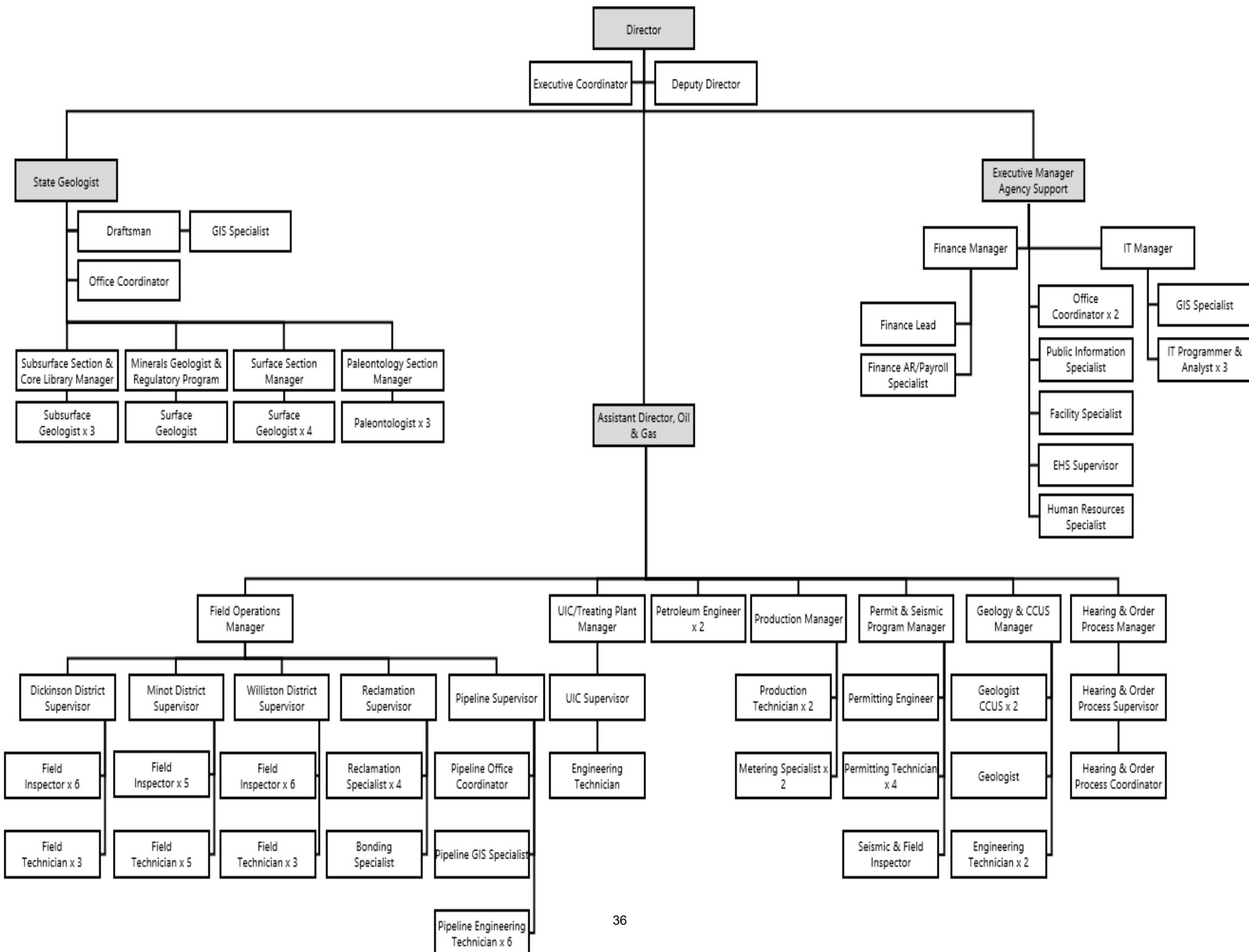
♦

The Oil and Gas Division publishes the monthly N.D. Oil and Gas Production Report online on our website: <https://www.dmr.nd.gov/oilgas/mprindex.asp>

♦

Additional information about the Oil and Gas Division is available on the agency homepage:

<https://www.dmr.nd.gov/dmr/oilgas>



## **History**

### **North Dakota Housing Finance Agency**

Created by an initiated measure passed during the 1980 general election, the North Dakota Housing Finance Agency (the Agency) was established to develop, coordinate and issue tax-exempt bonds to generate funds that could be used by North Dakota residents in financing home purchases. The Agency's authority was expanded to administer regulatory oversight and contractual compliance for federal- and state-funded construction and rehabilitation in addition to rental assistance for multifamily housing.

## **Statutory/Constitutional Responsibilities**

The Agency operates under the authority of the North Dakota Industrial Commission. State statute (NDCC 54-17) authorizes the Agency to operate single- and multifamily housing finance programs, a secondary mortgage program, home improvement and grant programs to encourage housing availability for persons of low- to moderate-income, and to assist developing communities in addressing unmet housing needs or alleviating housing shortages. To finance these programs, the Industrial Commission is authorized to issue revenue bonds with the principal and interest being paid by revenues generated from the housing finance programs.

## **Major Programs and Activities**

### **Homeownership**

The Agency provides a robust financing system accomplished through public-private partnerships with local lenders, real estate agents, homebuilders, and community organizations. In-state, personalized loan servicing by the Agency elevates citizen success. Since the Agency was founded, over 56,000 mortgage loans totaling more than \$ 6.2 billion have been purchased.

- FirstHome™ offers affordable mortgages to first-time buyers.
- HomeAccess helps special needs buyers including single-parent, elderly, disabled and/or veteran households by providing assistance similar to FirstHome.
- North Dakota Roots offers households who may have previously owned a home or whose income exceeds the limits of the FirstHome program with an affordable mortgage.

Households who purchase a home using one of the Agency's mortgage loan programs can also receive down payment and closing cost assistance.

### **Multifamily Housing Development and Gap Financing**

NDHFA works with development partners to create and preserve affordable multifamily housing in urban and rural communities. Federal and state funded programs administered by the agency provide equity, low-interest loans, and tax-exempt bond financing to reduce market rate debt, which results in more affordable rents for low- to moderate-income wage earners, older adults, persons with disabilities and individuals experiencing or at risk of homelessness.

Additionally, the agency provides zero-interest financing to support the work of local community land trusts and gap financing to local non-profit or local government organizations to promote speculative single-family home construction in rural communities.

### **Multifamily Housing Oversight**

The Agency is responsible for monitoring the long-term compliance of almost 10,000 housing units statewide receiving development or rehabilitation assistance, project-based rental assistance,

and monthly payments for housing assistance vouchers. Annual file reviews and periodic on-site inspections ensure properties adhere to the regulations of the associate state and/or federal housing contracts for periods of 20 to 30 years.

Programs the Agency administers includes: the state's Housing Incentive Fund (HIF); the Internal Revenue Service's Low Income Housing Tax Credit (LIHTC); and HUD's HOME Investment Partnership Program (HOME) and National Housing Trust Fund (HTF), Neighborhood Stabilization Program, Performance-Based Contract Administration, Moderate Rehabilitation Program and Affordable Housing Disposition Program.

### **Collaboration**

The Agency, in collaboration with the ND Department of Health and Human Services (NDHHS) and other housing and supportive service partners, is breaking down silos by working with local communities, state, tribal and federal agencies, and non-profit and faith-based organizations to help alleviate housing shortages and address housing instability. NDHFA is active with the ND Behavioral Health Council, Olmstead Commission, Department of Justice Settlement Agreement and ND Department of Corrections to promote streamlined delivery of services and access to housing and supportive services.

### **Homeless/Underserved**

Bridging local, state, and federal resources to address short-term and chronic homelessness by focusing on youth, recidivism and aging in place, with the intent of providing upstream services to citizens in need. The Agency serves as the Continuum of Care coordinator and collaborative applicant and administers the federal Emergency Solutions Grant and the state ND Homeless Grant.

### **Legislation Passed During the 2023 Legislative Session Directly Related to the Agency**

HB 1062 – Section 2 amended Subsection 8 of section 54-17-07.3 of NDCC to remove the wording “All loans with a loan to value ratio exceeding eighty percent and not guaranteed by a federal agency must be insured by an approved mortgage insurance company”. Section 3 amended Section 54-17-07.9 of NDCC states that the executive director or other staff as designated by the executive director may execute certain documents on behalf of the Industrial Commission acting as the North Dakota Housing Finance Agency.

HB 1014 – Section 6(2) – appropriated \$13,750,000 from the general fund to the housing incentive fund. Section 7 – would transfer \$82,068 from other funds from the new and vacant FTE funding pool for one full-time equivalent position if the agency exceeded \$435,000,000 in loan production by fiscal year end June 30, 2024.

Other than routine appropriations, there was no other legislation passed specific to the Agency.

### **Responsibilities Added or Deleted During the Biennium**

In 2023, Emergency Solutions Grant and ND Homeless Grant administration were transferred from the Department of Commerce.

### **Accomplishments and Activities during the Biennium**

#### **Homeownership Program Stats**

During the biennium, the Agency purchased 3,653 mortgage loans totaling \$797,770,160. Of these loans, 58 percent received down payment and closing cost assistance. The Agency also purchased

434 North Dakota Roots loans totaling \$120,933,684 during the biennium; 62 percent received down payment and closing cost assistance.

### **Housing Incentive Fund Allocated**

During the 2023-2025 Legislative Session, \$13,750,000 was allocated to HIF as one-time funding from the state's general fund. Legislative changes included removal of the ten percent set-aside to prevent homelessness and adding new construction, rehabilitation, preservation, or acquisition of a single-family housing project in developing community or community land trust project. \$1,750,000 was set aside for funding single-family projects and \$12,000,000 was set aside for multi-family activities.. The allocation will improve single-family homeownership opportunities in communities with populations 20,000 and below, increase the capacity of local community land trust organizations, and support multifamily housing options for low- to moderate-income households, address the needs of the state's aging population, persons with disabilities, and individuals and families at risk of becoming or experiencing homelessness.

### **Multifamily Funding Committed**

In the biennium, NDHFA provided commitments of state and federal funding for over \$31 million to create or rehabilitate 857 multifamily affordable housing units.

### **Multifamily Revenue Bonds Issued**

NDHFA issued a total of \$15,500,000 in Tax-Exempt Multifamily Revenue Bonds for one multifamily project: Lashkowitz Riverfront Four, and \$6,000,000 Taxable Multifamily Revenue Bond for Lashkowitz Riverfront Nine. The project developed by Fargo Housing and Redevelopment Authority, demolished the existing 248-unit public housing complex known as the Lashkowitz Highrise and is replacing it with the new construction of 110 units to be developed as a twin 4 percent/9 percent transaction.. Multifamily revenue bonds are always issued in conjunction with other affordable financing resources.

### **Statewide Housing Trends and Agency Outlook**

The 2024 Statewide Housing Needs Assessment, conducted by North Dakota State University's Center for Social Research in partnership with NDHFA, provides updated insight into the state's population and housing trends through 2027.

North Dakota's population continues to grow moderately, increasing by about 3.6% since 2022, with the most significant growth projected among individuals age 65 and older, up 22% by 2027. Rural areas are expected to experience continued population decline, while urban centers such as Fargo and Bismarck remain the primary areas of growth.

Despite income gains, half of all households earn less than \$75,000 annually, and 19% are considered extremely low income. Housing affordability remains a pressing issue: 39% of renters are cost burdened, and affordable options for low-income households are limited. Nearly one-third of the state's affordable housing stock predates 2000, underscoring the need for preservation and reinvestment.

Homelessness has also increased, with 6,208 individuals served in 2023, a 35% rise since 2020. Children now represent one in four of those experiencing homelessness, and individuals with mental health or chronic health conditions account for a growing share.

Based on projected population and household growth, the state will need to add approximately 20,400 housing units by 2027, a 6% increase from 2022, with the strongest needs in the Fargo, Bismarck, Williston, and Minot regions.

To sustain economic growth and community stability, NDHFA must balance preserving aging affordable housing with developing new units that meet the needs of low- to moderate-income households, seniors, and individuals at risk of homelessness.

### **Short and Long-Range Plans and Goals**

The Agency remains committed to supporting communities of all sizes in addressing their unmet housing needs. The Agency will continue its work as North Dakota's central clearinghouse for housing information, technical assistance and financial resources. It will also continue its active role in helping to address the housing needs of the state's most vulnerable people through collaborative efforts with housing partners. The Agency will continue to look for ways to streamline assistance, identify additional funding opportunities, and incentivize partners to seek innovative ideas.

### **Summary of Expenditures and Revenues for the 2023-2025 Biennium**

	<b>23-25 Appropriation as Adjusted</b>	<b>23-25 Expenditures</b>
Salaries and Wages	12,626,787	11,821,105
Operating	10,903,883	8,279,206
Capital assets	20,000	19,363
Grants	54,305,110	53,428,566
HFA Contingency	100,000	-
General Fund Transfers - HIF	<u>13,750,000</u>	<u>13,750,000</u>
<b>Total</b>	<b>\$ 91,705,780</b>	<b>\$ 87,298,240</b>

### **Resources and Publications Available**

The Agency publishes an annual report, newsletter, and numerous housing-related publications. The most recent audit, official statements, and bond disclosure information are available as printed copies or online at [www.ndhousing.nd.gov](http://www.ndhousing.nd.gov).

## Industrial Commission

Governor Kelly Armstrong, Chairman  
Agriculture Commissioner Doug Goehring  
Attorney General Drew H. Wrigley

## North Dakota Housing Finance Agency

Brandon Dettlaff  
Executive Director

## North Dakota Housing Finance Agency Advisory Board

Ninetta Wandler, Chairwoman  
Lisa Rotvold  
Jim Farnsworth  
Kevin Hanson  
Larry Nygard  
Joe Sheehan

**Administrative Services**  
Anita Hoffman  
Director

**Operations**  
Kayla Axtman  
Chief Financial Officer

**Homeownership**  
Terri Mollman-Larson  
Director

**Community Housing and Grants Management**  
Jennifer Henderson  
Director

NDHFA business divisions supports the day-to-day operations of the Agency providing sustainable resource management and planning through the following segments: Finance, Information Technology, Human Resources, Accounting, Administration, Risk Management, Public Affairs and Communications.

Through a network of lending and real estate partners, NDHFA provides low-cost financing, down payment and closing cost assistance, and homebuyer education. Servicing and origination departments have helped more than 50,000 North Dakota households achieve and succeed in homeownership.

Community Housing and Grants Management is responsible for addressing North Dakota's evolving housing needs, including homelessness, workforce and special needs housing, and low- to moderate-income households. The division also provides technical assistance to communities, administers rental subsidies, and ensures housing across the state remains safe, accessible, and affordable.

**NORTH DAKOTA HOUSING FINANCE AGENCY**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2025 AND 2024**  
(In Thousands)

	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS - UNRESTRICTED</b>		
Cash and cash equivalents	\$ 19,731	\$ 16,135
Due from State Agencies	294	331
Receivables		
Interest		
Loans	1	1
Investments	29	31
Due from HUD	375	438
Other	838	1,616
Current portion of service release premium	1,468	1,272
Prepaid expenses	110	104
Total unrestricted current assets	<u>22,846</u>	<u>19,928</u>
<b>CURRENT ASSETS - RESTRICTED</b>		
Cash and cash equivalents	501,559	271,866
Receivables		
Current portion of loans receivable, net of allowance	46,605	40,820
Interest		
Loans	8,988	6,827
Investments	2,369	2,083
Other	147	-
Total restricted current assets	<u>559,668</u>	<u>321,596</u>
Total current assets	<u>582,514</u>	<u>341,524</u>
<b>NONCURRENT ASSETS - UNRESTRICTED</b>		
Service release premium, net	9,547	8,476
Equipment, net	75	96
Lease assets, net	-	220
Total unrestricted noncurrent assets	<u>9,622</u>	<u>8,792</u>
<b>NONCURRENT ASSETS - RESTRICTED</b>		
Loans receivable, net of current portion and allowance	2,177,663	1,851,688
Investments	49,153	53,837
Total restricted noncurrent assets	<u>2,226,816</u>	<u>1,905,525</u>
Total noncurrent assets	<u>2,236,438</u>	<u>1,914,317</u>
Total assets	<u>2,818,952</u>	<u>2,255,841</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflow - pension	1,981	3,713
Deferred outflow - OPEB	72	116
Total deferred outflows of resources	<u>2,053</u>	<u>3,829</u>

**NORTH DAKOTA HOUSING FINANCE AGENCY**  
**STATEMENTS OF NET POSITION - CONTINUED**  
**JUNE 30, 2025 AND 2024**  
**(In Thousands)**

	<u>2025</u>	<u>2024</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Due to HUD	\$ 23	\$ 13
Due to state agencies	571	519
Other	726	2,017
Current portion of compensated absences	121	380
Current portion of bonds payable, net of premium	73,800	65,667
Accrued interest	43,296	32,765
Funds held in trust	<u>23,888</u>	<u>20,148</u>
	<u>142,425</u>	<u>121,509</u>
<b>NONCURRENT LIABILITIES</b>		
Rebate due to IRS	84	-
Net pension liability	4,848	4,972
Net OPEB liability	204	244
Financial derivative instrument	(16,316)	(20,762)
Compensated absences, net of current portion	361	-
Bonds payable, net of current portion and premium	<u>2,389,994</u>	<u>1,872,601</u>
	<u>2,379,175</u>	<u>1,857,055</u>
<b>Total liabilities</b>	<u>2,521,600</u>	<u>1,978,564</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflow - pension	2,254	3,864
Deferred inflow - OPEB	30	30
Financial derivative instrument	<u>16,316</u>	<u>20,762</u>
	<u>18,600</u>	<u>24,656</u>
<b>NET POSITION</b>		
Net investment in capital assets	75	92
Restricted for debt service	255,575	235,456
Unrestricted	<u>25,155</u>	<u>20,902</u>
	<u>\$ 280,805</u>	<u>\$ 256,450</u>

**NORTH DAKOTA HOUSING FINANCE AGENCY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**  
(In Thousands)

	<u>2025</u>	<u>2024</u>
<b>OPERATING REVENUES</b>		
Mortgage interest income	\$ 83,643	\$ 63,706
Investment income	26,105	21,152
Gain (loss) on sale of investments	-	(9)
Fee income	5,160	4,602
<b>Total revenues</b>	<u>114,908</u>	<u>89,451</u>
<b>OPERATING EXPENSES</b>		
Interest expense	74,356	54,623
Agency grants	1,657	1,413
Administrative and operating expenses	15,779	13,662
Pension expense	332	512
OPEB expense	35	47
Amortization	220	213
Depreciation	33	33
<b>Total expenses</b>	<u>92,412</u>	<u>70,503</u>
<b>OPERATING INCOME</b>	<u>22,496</u>	<u>18,948</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Federal grants	29,711	20,648
Non-federal grants	1,469	5,060
Investment income (loss)	490	338
Federal grants	(29,711)	(20,648)
<b>Total nonoperating revenues (expenses)</b>	<u>1,959</u>	<u>5,398</u>
<b>INCOME BEFORE TRANSFERS</b>	<u>24,455</u>	<u>24,346</u>
<b>TRANSFERS</b>		
Transfer to Industrial Commission	(100)	(100)
<b>CHANGE IN NET POSITION</b>	<u>24,355</u>	<u>24,246</u>
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<u>256,450</u>	<u>232,204</u>
<b>TOTAL NET POSITION, END OF YEAR</b>	<u>\$ 280,805</u>	<u>\$ 256,450</u>

**NORTH DAKOTA HOUSING FINANCE AGENCY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**  
(In Thousands)

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 452,358	\$ 320,618
Proceeds from sale of loans receivable	145	703
Interfund mortgages loan purchases and sales	(461,668)	(279,531)
Payment of grants	(1,583)	(1,023)
Payments to service providers		
State agencies	(6,245)	(6,146)
Mortgage loan purchases	(208,683)	(270,105)
Other	(12,635)	(11,000)
Payments to employees	(5,851)	(5,378)
Net cash provided (used) by operating activities	<u>(244,162)</u>	<u>(251,862)</u>
<b>NONCAPITAL FINANCING ACTIVITIES</b>		
Principal payments on bonds payable	(135,665)	(126,840)
Proceeds from bond issuance	669,204	472,107
Interest paid on loans and bonds	(63,819)	(45,897)
Proceeds from federal grants	29,711	20,648
Proceeds from non-federal grants	1,469	5,060
Payment of federal grants	(29,711)	(20,648)
Transfers to Industrial Commission	(100)	(100)
Net cash provided (used) by noncapital financing activities	<u>471,089</u>	<u>304,330</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of equipment	(12)	(8)
Principal payments on lease payable	(224)	(218)
Interest paid on lease payable	(4)	(9)
Net cash used for capital and related financing activities	<u>(240)</u>	<u>(235)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(496)	-
Proceeds from sale of investments	6,683	5,843
Interest received from investments	415	470
Net cash provided (used) by for investing activities	<u>6,602</u>	<u>6,313</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>233,289</b>	<b>58,546</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>288,001</b>	<b>229,455</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 521,290</u></b>	<b><u>\$ 288,001</u></b>
<b>CASH AND CASH EQUIVALENTS - UNRESTRICTED</b>	<b>\$ 19,731</b>	<b>\$ 16,135</b>
<b>CASH AND CASH EQUIVALENTS - RESTRICTED</b>	<b>501,559</b>	<b>271,866</b>
	<b><u>\$ 521,290</u></b>	<b><u>\$ 288,001</u></b>

**NORTH DAKOTA HOUSING FINANCE AGENCY**  
**STATEMENTS OF CASH FLOWS - CONTINUED**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**  
**(In Thousands)**

	<u>2025</u>	<u>2024</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 22,496	\$ 18,948
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	33	33
Amortization		
Original issue discounts and premiums	(8,013)	(7,375)
Service release premium	2,062	1,658
Leased asset	220	213
Fair value (increases) decreases of investments	(1,428)	694
Reclassification of interest income/expense to other activities	74,069	53,939
Effect on cash flows due to changes in:		
Deferred outflow - pension	1,732	1,853
Deferred outflow - OPEB	44	50
Deferred inflows - pension	(1,610)	848
Deferred inflows - OPEB	-	17
Effect on cash flows due to changes in:		
Due from HUD	63	406
Due from State Agencies	37	(331)
Other receivables	631	6
Service release premium	(3,329)	(2,959)
Prepaid expenses	(5)	(5)
Loan interest receivable	(2,161)	(1,730)
Loans receivable	(331,760)	(316,383)
Due to HUD	10	(17)
Due to State Agencies	52	86
Rebate due to IRS	84	-
Other liabilities	(1,067)	(606)
Compensated absences	102	4
Funds held in trust	3,740	1,324
Net pension liability	(164)	(2,535)
Net cash used by operating activities	<u>\$ (244,162)</u>	<u>\$ (251,862)</u>
<b>Non-cash disclosures:</b>		
Increase (decrease) in fair value of investments	\$ 1,504	\$ (775)

**NORTH DAKOTA HOUSING INCENTIVE FUND**  
**BALANCE SHEETS**  
**JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$ 9,414,275</u>	<u>\$ 15,385,792</u>
Total assets	<u>\$ 9,414,275</u>	<u>\$ 15,385,792</u>
<b>LIABILITIES</b>		
Due to state agencies	<u>\$ 18,336</u>	<u>\$ 85,641</u>
Total liabilities	<u>18,336</u>	<u>85,641</u>
<b>FUND BALANCE</b>		
Restricted for affordable multifamily housing	<u>9,395,939</u>	<u>15,300,151</u>
Total fund balance	<u>9,395,939</u>	<u>15,300,151</u>
Total liabilities and fund balance	<u>\$ 9,414,275</u>	<u>\$ 15,385,792</u>

**NORTH DAKOTA HOUSING INCENTIVE FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>REVENUES</b>		
Project payments	\$ 816,697	\$ 169,576
Interest income	27,838	-
<b>Total revenues</b>	<u>844,535</u>	<u>169,576</u>
<b>EXPENDITURES</b>		
Current:		
Administrative and operating expenses	533,277	288,401
Grant expenses (recaptured funds)	388,073	240,674
Grant expenses	5,827,397	6,652,935
<b>Total expenditures</b>	<u>6,748,747</u>	<u>7,182,010</u>
Revenue over (under) expenditures	<u>(5,904,212)</u>	<u>(7,012,434)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(5,904,212)</u>	<u>(7,012,434)</u>
<b>TRANSFERS</b>		
Transfers from FHLB Member Impact Fund	-	1,300,000
Transfers from General Fund	-	<u>13,750,000</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(5,904,212)</u>	8,037,566
<b>TOTAL FUND BALANCE, BEGINNING OF YEAR</b>	<u>15,300,151</u>	<u>7,262,585</u>
<b>TOTAL FUND BALANCE, END OF YEAR</b>	<u>\$ 9,395,939</u>	<u>\$ 15,300,151</u>

# Lignite Research, Development and Marketing Program

## History

The Lignite Research, Development and Marketing Program (LRP) evolved from legislation passed in 1987. The 1987 legislation authorized a 2-cent per ton tax to be used to fund the LRP. Potential funding was increased in 1990 when North Dakota voters approved a constitutional amendment that allows up to 50% of the revenue in the state's coal trust fund to be used for lignite research, development and marketing. In 1995, the North Dakota Legislature increased the percentage of revenue to come from the state's coal trust fund for lignite research, development and marketing to 70%. In 2007 the Legislature authorized that a portion of the Coal Conversion Tax be transferred to the Lignite Research Fund through July 31, 2018, and the 2018 sunset date was repealed by the 2017 Legislature (SB 2031) making this funding available indefinitely. The North Dakota Legislature made a one-time appropriation of \$5 million from the General Fund to the Lignite Research Program in 2015 to support development of the next generation of lignite-based utilization system that incorporates CO<sub>2</sub> capture into the process. In 2017, the North Dakota Legislature added seed funding for an Advanced Energy Technology fund with \$3 million from the Strategic Investment and Improvements Fund (SIIIF), authorized use of 15% of the Coal Severance Tax, and added the ability to access funding from the Renewable Energy Fund for projects that obtain approval from the Renewable Energy Council (SB 2014). The 2017 Legislature also authorized an additional \$3 million from the SIIIF (HB 1152). In 2019, the \$3 million appropriation from the SIIIF was replaced by House Bill 1066 called "Project Prairie Dog", and the funding was increased to \$10 million per biennium. The 2021 legislature extended the additional \$10 million appropriation with House Bill 1015.

## Organizational Structure

The Lignite Research, Development and Marketing Program is a partnership between the private and public sectors. The Lignite Research Council (LRC), whose members are recommended by the Lignite Energy Council and appointed by the Governor, consists of representatives from the mining industry, utility industry, labor, lignite ownership, legislators, federal, state, political subdivision and local agencies and the research community. The North Dakota Industrial Commission (NDIC) administers the Program, approves or disapproves research, development and marketing projects and activities, accepts and distributes funds and enters into contracts. The Lignite Research Council is an advisory group to the North Dakota Industrial Commission. The LRC provides advice on policy and guidelines and provides recommendations on project funding. The Chairman of the LRC is Jonathan Fortner, having been appointed to the position in March 2025. Michael Holmes was appointed as a technical advisor to the Commission in January 2017 and has held that position since that time.

## Statutory Responsibilities

North Dakota Century Code 54-17.5 is the statutory authority for the Lignite Research, Development and Marketing Program. NDCC 54-17.5-01 states in part:

*...The legislative assembly further finds and declares that it is an essential governmental function and public purpose to assist with the development and wise use of North Dakota's vast lignite resources by supporting a lignite research, development and marketing program that promotes economic, efficient, and clean uses of lignite and products derived from lignite in order to maintain and enhance development of North Dakota lignite*

*and its products; support educational activities relating to the lignite industry; preserve and create jobs involved in the production and utilization of North Dakota lignite; ensure economic stability, growth, and opportunity in the lignite industry; and maintain a stable and competitive tax base for our state's lignite industry for the general welfare of North Dakota. The legislative assembly further finds and declares that development of North Dakota's lignite resources must be conducted in an environmentally sound manner that protects our state's air, water and soil resources as specified by applicable federal and state law.*

### **Major Programs and Activities**

The Lignite Research, Development and Marketing Program is broken down into four areas:

**Research:** The Research Program funds small research projects that are focused on environmental issues, combustion, reclamation, byproducts and beneficiation. These funds are matched by private industrial investment, and where possible, leveraged with Federal funding. The primary area of focus during this period was carbon management (carbon capture, utilization, and storage), with emphasis also on the feasibility of "new options" for lignite utilization. In addition to the carbon management projects, there were several projects related to Rare Earth Element and Critical Mineral recovery from lignite and ash, evaluation of greenhouse agriculture integrated into a power plant, development of carbon materials, and improvements in mine reclamation, to name a few.

**Development (Demonstration):** The Development Program, often referred to as the Demonstration Program, provides funding for those projects that are taking the next step from research and are on the pathway to performing demonstration projects. The development program and the entire LRP is the epitome of a state and industry partnership with cooperation among Government agencies, elected Leadership and the Lignite Industry. A major part of the Development Program has historically been a focus on the lignite power plant of the future using the latest technology developments to provide clean, affordable, reliable, and resilient energy to a rapidly growing region. The cooperation and vision have continued and was expanded to include development of options to sustain use of the existing power production assets in North Dakota. The Advanced Energy Technology (AET) program was initiated to encompass these broader development efforts and continues the focus on late-stage evaluation of technologies under consideration for commercial application in North Dakota.

**Marketing and education:** The Marketing Program primarily funds a matching public affairs program. This program is responsible for developing and implementing a successful marketing plan that helps preserve and enhance lignite markets. The educational component of this program provides matching funds for projects that educate students, college professors, and teachers (k through 12) about lignite and the workforce opportunities in the lignite industry.

**Feasibility Studies:** The Feasibility Studies Program funds are utilized for projects that do not require a match. Included in this funding are monies set aside to assist with work being done to coordinate the Development Program projects.

### **Key Legislation Passed During Last Biennium Related to the Lignite Research Program**

House Bill 1014 includes authority for \$4.5 million of the Program's funding to be used for research and development, marketing and litigation without a match requirement. The bill provides funding and the structure to enhance Lignite Research Program efforts critical

to preserving existing lignite production and industry jobs or that will lead to development of lignite and its products and create new lignite industry jobs and economic growth for the general welfare of this state. These funds also will allow continuation of the support of technology development efforts for carbon capture, utilization, and storage using the “next generation” of technologies that were initiated through support from prior North Dakota Legislative Assemblies.

House Bill 1592 codified the membership of the Lignite Research Council into Century Code. NDCC 54-17.5-02 contains the membership of the LRC and prescribes the creation and function of an executive committee. Previously, the LRC membership was created by Executive Order from the Governor.

### **Key Responsibilities Added to or Deleted from Lignite Research Program During the Biennium**

There were no key responsibilities directly added to or directly deleted from the Lignite Research Program during the 2023-2025 biennium.

### **Major Accomplishments and Activities**

Under the research program each dollar in state funds has generated more than twenty dollars in total research funds. State dollars are leveraged with industry investments as well as funding from the United States Department of Energy (DOE) for research and development projects. These funds were utilized for research to solve critical challenges facing the lignite industry, including advanced technology options for lignite-based power, CO<sub>2</sub> capture, utilization, and storage, and investigation of additional value-added opportunities for lignite and ash use. Research projects during this biennium included several projects related to Rare Earth Elements and critical mineral recovery from lignite and ash, evaluation of greenhouse agriculture integrated into a power plant, development of carbon materials, and improvements in mine reclamation, to name a few. These efforts are beneficial in enhancing development of new products, markets, and industry.

Under the development (demonstration) program, funding has been provided to expand efforts to assist with developing new projects with cost-effective clean coal technologies to meet demands for additional energy in the region while maintaining North Dakota’s existing lignite-fired power fleet. During this biennium, investments in carbon capture, utilization, and storage technology developments have led to commercial interest in capture of CO<sub>2</sub> from North Dakota power plants for geologic storage and/or use in enhanced oil recovery in the Williston Basin. Commercial application of the technology in North Dakota would provide two major benefits to the State, including the critical value of extending the life of our plants and providing a source of CO<sub>2</sub> for producing additional oil from conventional wells that are nearing the end of economic viability without enhanced oil recovery with CO<sub>2</sub>. A project sponsored by Minnkota Electric Cooperative was awarded \$20 million in funding from the Lignite Research Program (over \$40 million total project size) to perform an engineering study and evaluate the commercial viability of CCUS at the Milton R Young Station (industry leads of Minnkota Power Cooperative and ALLETE). A similar study was initiated to evaluate the viability of carbon management at the Coal Creek Energy Park. Both projects include evaluation of the potential for geologic storage of the CO<sub>2</sub> adjacent to the plants as an option in addition to the potential for use in enhanced oil recovery. This work is complementary to the CO<sub>2</sub> utilization and storage work performed in the Plains CO<sub>2</sub> Reduction Partnership project that is also supported by the LRP.

Under the marketing program, the focus during this latest period has been on enhancing the image of lignite-based power in the region served by the North Dakota lignite industry, as well as development of strategies for increased lignite use. This effort is cost shared by industry. The marketing program has been in existence since 1996. Originally started as the Partners for Affordable Energy Program, it was transformed to the Coalition for a Secure Energy Future in 2013. Currently the program uses a mixture of media and grassroots marketing to promote the benefits of coal-based electricity. The education portion of the marketing program continues as well with the annual teacher's workshop remaining a key focus.

A list of the research projects completed and ongoing is available on the North Dakota Industrial Commission's website [www.ndic.nd.gov](http://www.ndic.nd.gov).

### **Trends in Direction for LRP/Short- and Long-Range Plans and Goals**

As directed by the North Dakota Legislature, the goals of the Lignite Research, Development and Marketing Program continue to be:

- Help solve problems for the state's **existing** facilities so the state can maintain jobs, economic activity and tax revenue. This work is being done under the research and development program areas.
- Assist with developing **new** lignite-fired power plants that will create additional jobs, tax revenues and business volume. This work is being done under the development (demonstration) program. These projects are being developed with new clean coal technologies.
- Help provide favorable marketing strategies for increased use of coal-based electricity. This work is being done under the marketing program.
- Help to develop projects that utilize lignite in new ways to meet the nation's growing energy needs as well as assure national energy security.
- Focus efforts using the appropriations of additional funding for Advanced Energy Technology projects to develop technologies for use on enhancing and preserving the existing North Dakota power plants and to develop the next generation of lignite-based technologies that incorporate CO<sub>2</sub> capture.

### **Resources and Publications Available from the Lignite Research, Development and Marketing Program**

A short summary of all the research projects completed with funding from the Lignite Research, Development and Marketing Program is available on the LRP's website at [www.ndic.nd.gov](http://www.ndic.nd.gov). Copies of research reports are available by contacting the Industrial Commission at the address noted on the back of this biennial report.

## **North Dakota Mill and Elevator Association**

### **History**

The North Dakota Mill and Elevator Association (“NDM”; “Mill”) began operating October 22, 1922 as a value-added market for wheat produced in North Dakota. In the early 1900’s, the flour mills and grain exchange in Minneapolis were the primary wheat markets for North Dakota farmers and elevators. After freight costs to Minneapolis were deducted from Minneapolis market prices, North Dakota farmers received a low price for their wheat. The North Dakota Mill came into existence to solve this problem.

The NDM facilities include ten milling units, a terminal elevator and a packing warehouse to prepare bagged products for shipment. All Mill facilities are located in Grand Forks and have been paid for from operating profits.

With ten milling units, NDM produces and ships 60,500 cwt. of milled products daily across the United States and around the world. In addition, the Mill ships over 16,500 cwt. of food grade bran and wheat midds daily. NDM cleans, processes, and mills 130,000 bushels of top quality North Dakota wheat daily. On an annual basis, the Mill adds value to 42 million bushels of spring and durum wheat.

The terminal elevator has a storage capacity for 5.2 million bushels of wheat. The terminal elevator currently transfers wheat to the ten milling units and provides wheat storage to farmers and country elevators.

The milling units operate 24 hours daily, on a three-shift basis, six and seven days a week. Eighty percent of the Mill’s flour and semolina is shipped in bulk rail cars and trucks. Twenty percent of our finished products are packaged in 5-, 10-, 25-, and 50-pound bags and large tote bags for shipment via boxcars and trucks.

NDM receives no funds or financial assistance from the State of North Dakota to subsidize the milling operations. Selling value-added milled wheat products to bakery and pasta customers as well as retail and food service suppliers generates all operating funds. Since 1971, NDM has transferred over 50% of its profits to the General Fund.

### **Mission Statement**

The mission statement for the North Dakota Mill was adopted on August 22, 1997. The mission of the North Dakota Mill is to promote and provide support to North Dakota agriculture, commerce, and industry. Provide superior quality, consistency, and service to our customers. Grow the business and provide a profit to our owners – the citizens of North Dakota. Conduct our business with the highest integrity so that our employees, customers, suppliers, and owners are proud to be associated with the North Dakota Mill.

## **Program Objectives**

The North Dakota Mill will:

1. Purchase and mill more than 42,000,000 bushels per year of North Dakota grown spring and durum wheat.
2. Realize profits to maintain the facilities in top operating condition.
3. Return a portion of the profits to the General Fund.

## **Services Provided**

The North Dakota Mill:

1. Seeks to be the leader in quality and service for the milling industry.
2. Manufacturer flour to bakery specifications from hard red spring wheat.
3. Manufacturer durum flour and semolina to pasta manufacturer's specifications from hard amber durum.
4. Seeks to develop new, value-added products to enhance the growth and profitability of the North Dakota Mill.

## **Major Accomplishments**

1. Gross sales reached \$980,488,000 for the two years ended June 30, 2025.
2. During the biennium, the Mill shipped 36,281,000 hundredweight of flour.
3. Mill operations provided more than \$715,907,000 to the region in direct economic impact and \$1,660,903,000 in secondary economic impact for a total economic impact of \$2,376,810,000 during the biennium.

## **Legislation Passed During the 2025 Legislative Session Related to the North Dakota Mill and Elevator**

Legislation was passed appropriating funds for operating expenses and for the transfer of funds to the Industrial Commission.

## **Trends in Direction for the Mill/Short and Long Range Plans and Goals**

The North Dakota Mill intends to continue to promote North Dakota agriculture, grow the business, and look for opportunities wherever we may find them.

The North Dakota Mill has developed a strategic plan, which includes the following strategic thrusts:

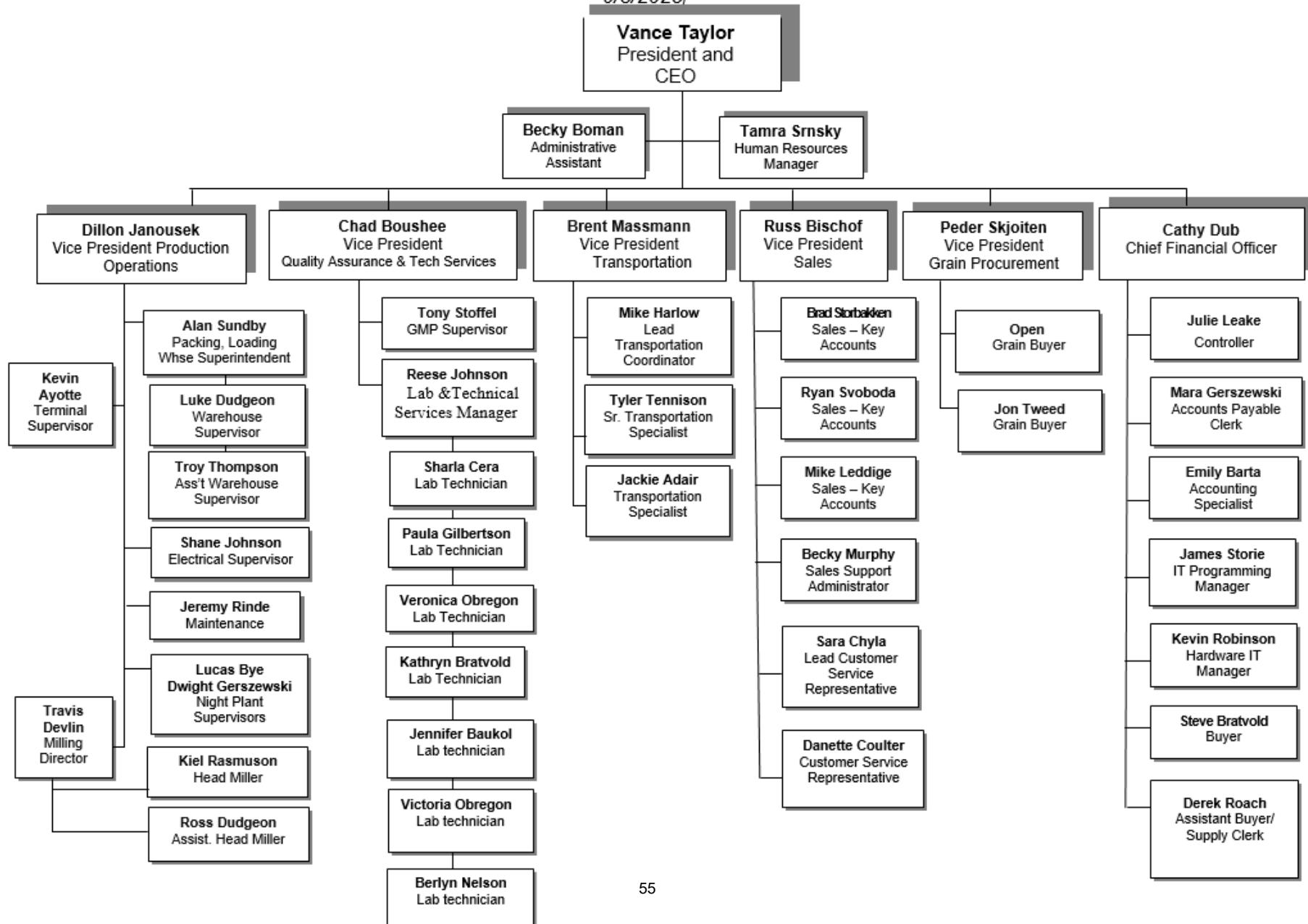
1. Promote and Support North Dakota Agriculture, Commerce, and Industry
2. Identify and Respond to Emerging Issues in the Flour Milling Industry
3. Maximize Profit Potential
4. Grow our Customer Base
5. Invest in our Employees

## **Resources Available from the North Dakota Mill and Elevator**

Additional information about the North Dakota Mill and Elevator Association is available on its website at [www.ndmill.com](http://www.ndmill.com).

## NORTH DAKOTA MILL ORGANIZATION CHART

9/3/2025/



**FINANCIAL STATEMENTS**  
**Comparative Statement of Net Position**

<b>ASSETS</b>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 225	\$ 225
Receivables, net (note 4)	72,781,832	78,287,566
Inventories (note 5)	34,988,115	36,762,897
Notes receivable	2,117,647	2,117,647
Hedging derivative instruments	268,150	
Prepaid expense	2,062,035	2,168,804
Total current assets	<u>\$ 112,218,004</u>	<u>\$ 119,336,939</u>
<b>Noncurrent assets:</b>		
Notes receivable	\$ 2,117,647	\$ 4,235,294
Patronage capital credits	711,622	711,030
Other assets	275,000	275,000
Capital assets, net (note 6)	215,899,969	200,432,580
Total noncurrent assets	<u>218,804,238</u>	<u>205,653,904</u>
Total assets	<u>\$ 331,022,242</u>	<u>\$ 324,990,843</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Accumulated decrease in fair value of hedging derivative instruments		\$ 2,636,375
Derived from pensions	\$ 5,761,620	10,964,652
Derived from other post-employment benefits	237,869	392,279
Total deferred outflows of resources	<u>\$ 5,999,489</u>	<u>\$ 13,993,306</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Checks issued in excess of cash	\$ 1,951,040	\$ 2,493,651
Accounts payable and other liabilities (note 7)	22,445,492	23,521,740
Due to state general fund	12,679,845	9,877,705
Due to ag products utilization fund	1,334,721	1,039,758
Hedging derivative instruments		2,636,375
Short term notes payable	32,860,281	43,154,738
Long-term liabilities - current portion		
Compensated absences	486,625	112,957
Notes payable	7,305,314	6,541,954
Lease liability	8,000,720	7,666,395
Total current liabilities	<u>\$ 87,064,038</u>	<u>\$ 97,045,273</u>
Noncurrent liabilities:		
Net other post-employment benefit liability	\$ 590,019	\$ 744,814
Net pension liability	14,678,760	15,569,905
Long-term liabilities - noncurrent portion		
Compensated absences	1,222,645	1,159,084
Notes payable	50,998,453	52,308,312
Lease liability	27,499,820	25,003,906
Total noncurrent liabilities	<u>94,989,697</u>	<u>94,785,821</u>
Total liabilities	<u>\$ 182,053,735</u>	<u>\$ 191,831,094</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Accumulated increase in fair value of hedging derivative instruments	\$ 268,150	
Derived from pensions	7,260,092	\$ 12,290,634
Derived from other post-employment benefits	84,907	71,063
Total deferred inflows of resources	<u>\$ 7,613,149</u>	<u>\$ 12,361,697</u>
<b>NET POSITION</b>		
Invested in capital assets	\$ 143,121,951	\$ 134,075,746
Unrestricted	4,232,894	715,609
Total net position	<u>\$ 147,354,845</u>	<u>\$ 134,791,355</u>

The accompanying notes are an integral part of the financial statements.

**Comparative Statement of Revenues, Expenses, and  
Changes in Net Position**

	June 30, 2025	June 30, 2024
<b>OPERATING REVENUES</b>		
Sales (net of sales deductions of \$100,114,382 and \$94,092,579, respectively)	\$ 375,958,257	\$ 410,323,096
Total operating revenues	<u>\$ 375,958,257</u>	<u>\$ 410,323,096</u>
<b>OPERATING EXPENSES</b>		
Material cost	\$ 289,413,323	\$ 334,686,222
Wages and benefits	27,373,932	25,188,009
Repairs and maintenance	5,229,674	4,002,370
Operating supplies	2,198,779	1,382,683
Utilities	5,804,713	5,237,682
Insurance	2,555,790	2,537,442
Outside services	2,519,889	2,212,962
Office supplies	72,303	63,285
Computer expense	444,399	417,656
Communications	66,023	68,665
Travel and entertainment	212,854	203,077
Employee expense	225,410	219,193
Safety expense	300,726	113,367
Postage and mailing	39,791	44,768
Advertising	191,488	158,244
Dues and subscriptions	234,271	196,921
Legal and professional	100,422	43,563
Depreciation	8,259,297	8,136,823
Total operating expenses	<u>\$ 345,241,084</u>	<u>\$ 384,912,932</u>
Operating income	<u>\$ 30,717,173</u>	<u>\$ 25,410,164</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	\$ 334,682	\$ 514,044
Interest expense	(4,378,369)	(5,211,483)
Disposal of assets	(37,023)	(32,118)
Miscellaneous income	105,987	132,440
Other expense	(50,039)	(17,880)
Total nonoperating expenses	<u>\$ (4,022,762)</u>	<u>\$ (4,614,997)</u>
Gain before transfers	<u>\$ 26,694,411</u>	<u>\$ 20,795,167</u>
Transfer to state general fund	\$ (12,679,845)	\$ (9,877,705)
Transfer to ag products utilization fund	(1,334,721)	(1,039,758)
Transfer to Industrial Commission	(116,355)	(120,000)
Change in net position	<u>\$ 12,563,490</u>	<u>\$ 9,757,704</u>
Total net position - beginning of year	\$ 134,791,355	\$ 125,033,651
Total net position - ending	<u>\$ 147,354,845</u>	<u>\$ 134,791,355</u>

The accompanying notes are an integral part of the financial statements.

## Comparative Statement of Cash Flows

	June 30, 2025	June 30, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 484,132,333	\$ 509,581,858
Payments to suppliers	(300,198,996)	(435,690,847)
Payments to employees	(26,695,320)	(24,143,893)
Net cash provided (used) by operating activities	<u>\$ 58,238,017</u>	<u>\$ 49,747,118</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Proceeds from noncapital debt	\$ 237,684,989	\$ 234,929,522
Principal paid on noncapital debt	(251,916,891)	(253,251,830)
Interest paid on noncapital debt	(3,227,836)	(4,487,903)
Ag promotion	(50,039)	(17,880)
Transfer to Industrial Commission	(116,355)	(120,000)
Transfer to state general fund	(9,877,705)	(8,188,175)
Transfer to ag products utilization fund	(1,039,758)	(861,913)
Net cash provided (used) by noncapital financing activities	<u>\$ (28,543,595)</u>	<u>\$ (31,998,179)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from capital debt	\$ 6,313,467	\$ 18,788,756
Principal paid on capital debt and leases	(11,641,935)	(8,887,731)
Interest paid on capital debt and leases	(3,030,002)	(1,780,746)
Acquisition and construction of capital assets	(21,340,305)	(25,871,730)
Net cash used by capital and related financing activities	<u>\$ (29,698,775)</u>	<u>\$ (17,751,451)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income on investments	\$ 4,353	\$ 2,512
Net cash provided by investing activities	<u>\$ 4,353</u>	<u>\$ 2,512</u>
Net increase in cash and cash equivalents	\$ (0)	\$ 0
Cash and cash equivalents, beginning	225	225
Cash and cash equivalents, ending	<u>\$ 225</u>	<u>\$ 225</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income	\$ 30,717,173	\$ 25,410,164
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	17,585,544	17,277,206
Pension and OPEB expense	708,458	1,577,319
Interest expense paid on lease activities	1,881,472	1,074,234
Other nonoperating income	436,313	643,964
Decrease (Increase) in receivables, net	5,505,735	2,404,569
Decrease (Increase) in notes receivable	2,117,647	2,117,647
Decrease (Increase) in inventories	1,774,781	9,273,828
Decrease (Increase) in prepaid expense	106,569	(145,501)
Decrease (Increase) in patronage capital credits	(592)	(22,559)
Increase (Decrease) in accounts payable	(2,532,129)	(9,396,504)
Increase (Decrease) in accrued payroll	946,378	561,943
Increase (Decrease) in other liabilities	(33,108)	65,953
Increase (Decrease) in accrued sick and vacation pay	437,228	93,914
Decrease (Increase) in deferred outflows for pension and OPEB	(1,413,452)	(1,189,059)
Total adjustments	<u>\$ 27,520,844</u>	<u>\$ 24,336,954</u>
Net cash provided by operating activities	<u>\$ 58,238,017</u>	<u>\$ 49,747,118</u>
<b>SUPPLEMENTAL DISCLOSURE ON NON CASH TRANSACTIONS</b>		
Assets acquired through lease	\$ 11,550,523	\$ 13,701,027
Total non cash transactions	<u>\$ 11,550,523</u>	<u>\$ 13,701,027</u>

The accompanying notes are an integral part of the financial statements.

**SUPPLEMENTARY INFORMATION**  
**Schedule of Appropriations**  
**For the Biennium Ended June 30, 2025**

OBJECT	2023-2025	2024	2025	Balance June 30, 2025
	Final Appropriation	Expenses/ Transfers	Expenses/ Transfers	
Salaries and wages	\$ 54,752,308	\$ 24,705,835	\$ 27,643,355	\$ 2,403,118
Operating expenses	42,391,653	17,137,440	20,510,962	4,743,251
Agriculture promotion	500,000	17,880	50,039	432,081
Contingency	500,000			500,000
<b>TOTAL</b>	<b>\$ 98,143,961</b>	<b>\$ 41,861,155</b>	<b>\$ 48,204,356</b>	<b>\$ 8,078,450</b>
<b>SOURCE</b>				
Special fund authority	\$ 98,143,961	\$ 41,861,155	\$ 48,204,356	\$ 8,078,450
<b>TOTAL</b>	<b>\$ 98,143,961</b>	<b>\$ 41,861,155</b>	<b>\$ 48,204,356</b>	<b>\$ 8,078,450</b>

2023-2025 Appropriation amounts come directly from the North Dakota Session Laws, Chapter 14, House Bill 1014.

The following is a reconciliation of the GAAP expenses from the Statement of Revenues, Expenses and Changes in Net Position to the Schedule of Appropriations:

	2024	2025
Total operating expenses	\$ 384,912,932	\$ 345,241,084
Adjustments:		
Material cost	(334,686,222)	(289,413,323)
Depreciation	(8,136,823)	(8,259,297)
Change in compensated absences	(93,914)	(437,228)
Pension expense	(328,958)	718,655
OPEB expense	(59,302)	(12,004)
Demurrage	235,562	316,430
Agriculture promotion	17,880	50,039
Expenses per schedule of appropriations	<b>\$ 41,861,155</b>	<b>\$ 48,204,356</b>

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## **Oil and Gas Research Program/Fund**

### **History**

The Oil and Gas Research Council (“Council”) and Oil and Gas Research Fund (“Fund”) were established in 2003. The Fund was initially funded with a \$50,000 continuing appropriation during the 2003-2005 biennium. In subsequent biennia the funding from oil and gas revenues was increased as follows: 2005-2007 \$1.3 million; 2007-2009 biennium \$3 million; 2009-2011 and 2011-2013 biennia \$4 million; and in the 2013-2015, 2015-2017 and 2017-2019 biennia \$10 million. For the 2019-2021 biennium the funding level was increased to \$16,000,000 with the legislative directive that \$6,000,000 be used for a specific project/study. For the 2021-2023 biennium the funding level was increased from \$10,000,000 to \$14,500,000. Included in that appropriation was a legislative directive to expend \$500,000 on a hydrogen energy development study to be conducted by the Energy and Environmental Research Center (EERC). In addition, the Legislature appropriated \$9,500,000 from the Strategic Investment and Improvements Fund to the Oil and Gas Research Fund with the authorization to contract with the EERC to do a *“Field Study to Determine the Feasibility of Developing Salt Caverns for Hydrocarbon Storage in Western North Dakota.”* During the 2023-2025 biennium, funding for the Oil and Gas Research Fund was increased to \$20.5 million, which includes \$17.5 million from oil and gas taxes and a \$3 million appropriation from SIIF for a legislative-directed project to detect and prevent pipeline leaks (iPipe 3.0). The 2025 Legislative Assembly appropriated \$25 million from SIIF to the Oil and Gas Research Fund for Enhanced Oil Recovery (EOR) projects, in addition to the \$17.5 million stream from oil and gas taxes.

### **Organizational Structure**

By statute, the Council is appointed by the Governor. It is made up of individuals representing the oil and gas industry, individuals representing local jurisdictions and two non-voting members (State Geologist and Director of the Oil and Gas Division.) The Office of the Industrial Commission provides the administrative support for the Council and maintains the financial records of the Council and the Fund. Brent Brannan has been retained as a consultant to provide technical support for the Oil and Gas Research Program (“Program”). The Council reviews and makes recommendations to the Commission on all grant applications and policies. The Commission then acts on the Council’s recommendations.

### **Statutory Responsibilities**

The Program shall:

- Promote efficient, economic and environmentally sound exploration, development and use of North Dakota’s oil and gas resources.
- Preserve and create jobs involved in the exploration, production and utilization of North Dakota’s oil and gas resources.
- Ensure economic stability, growth and opportunity in the oil and gas industry.
- Encourage and promote the use of new technologies and ideas that will have a positive economic and environmental impact on oil and gas exploration, development and production in North Dakota.
- Promote public awareness of the benefits and opportunities provided by the North Dakota oil and gas industry.

## **Major Programs and Activities**

The Program's mission statement continues to be: "To promote the growth of the oil and gas industry through research and education".

Each dollar expended on the projects has been matched at a minimum on a one-to-one basis. The monies spent from the Fund for the Pipeline Authority and Program administration are not matched.

## **Legislation Passed During the 2025 Legislative Session Related to the Program/Fund**

HB 1014 included an appropriation of \$25 million from SIIF to the Oil and Gas Research Fund for Enhanced Oil Recovery (EOR) projects.

## **Major Accomplishments and Activities**

During the 2023-2025 biennium the Program awarded funding for several projects including but not limited to:

- Field Study to Determine the Feasibility of Developing Salt Caverns - EERC
- Expansion of the intelligent Pipeline Integrity Program (iPIPE)
- NDIC Funding to Support Research of Petroleum Engineering Program at University of North Dakota – Petroleum Engineering Program, University of North Dakota
- North Dakota Petroleum Foundation and Education Program – North Dakota Petroleum Foundation
- Well Site Thief Hatch Methane Detectors – Vareberg Engineering
- Agricultural Carbon Capture in Western North Dakota – ND Natural Resources Trust
- Project Polar Bear – EERC
- Maximizing Lateral Well Oil Production from Conventional Carbonate Mission Canyon Reservoirs in North Dakota – Cobra Oil and Gas Corporation
- Injection Testing with Propane to Inform Future Bakken CO2 EOR Pilot - EERC

Information on each project funded under this Program is available on the Industrial Commission/ Oil and Gas Research Program website at

<https://www.dmr.nd.gov/ogr/>

## **Trends in Direction for the Program/Short and Long Range Plans and Goals**

The awareness of the Program has increased, and the Council/Commission is seeing research projects that focus on new areas of development, well site efficiencies, as well as identifying techniques that enhance oil development in North Dakota. The Program continues to develop public and private partnerships, and educational programs that promote safety in the oil fields. In addition, the Council continues to support priorities related to gas storage, enhanced oil recovery, water challenges, and opportunities to explore conventional reservoirs.

## Outdoor Heritage Fund

### History

The Outdoor Heritage Fund (OHF) and Outdoor Heritage Fund Advisory Board (Board) were established by the Legislature 2013. The OHF initially received a continuing appropriation of up to \$30,000,000 from oil and gas production tax revenue. The Legislature amended the appropriation to \$40,000,000 per biennium effective July 1, 2015. The amount for transfer to the Fund during the 2017-2019 biennium was capped at \$10,000,000 and \$15,000,000 for the 2019-2021, 2021-2023 and 2023-2025 biennia.

### Organization Structure

By statute the Board is appointed by the Governor and is made up of 12 voting members and 4 ex-officio members. The voting members on the Board include:

- 4 representatives of the agricultural community, including 1 member from each of these organizations:
  - North Dakota Farm Bureau,
  - North Dakota Farmers Union,
  - North Dakota Stockmen's Association, and
  - North Dakota Grain Growers Association.
- 2 representatives of the energy industry, including 1 member from each of the following organizations:
  - North Dakota Petroleum Council, and
  - Lignite Energy Council.
- 4 representatives from the conservation community at large of statewide conservation groups,
- 1 representative from the business community from the Greater North Dakota Chamber, and
- 1 representative from the North Dakota Recreation and Park Association.

Ex-officio members include a representative from each of the following organizations:

- North Dakota Game and Fish Department,
- North Dakota Parks and Recreation,
- North Dakota State Forester, and
- North Dakota Soil Conservation Districts.

The Industrial Commission (Commission) administers the program. Prior to any project receiving funding from the Commission, the Board must make a favorable recommendation for funding. A minimum match of 25% is required. Higher priority is given to applications with higher levels of matching funds. The match can be in-kind or cash.

### Statutory Responsibilities

The statutory authority for the OHF is found in North Dakota Century Code 54-17.8. The OHF has 4 directives given by statute:

- **A:** Provide access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;
- **B:** Improve, maintain, and restore water quality, soil conditions, plant diversity, animal systems, and to support other practices of stewardship to enhance farming and ranching;

- **C:** Develop, enhance, conserve, and restore wildlife and fish habitat on private and public lands; and
- **D:** Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.

Projects that are funded through the OHF must meet at least one of these directives. Eligible recipients of OHF funding are: state agencies, tribal governments, political subdivisions, and nonprofit organizations.

### **Major Programs and Activities**

The Commission awarded \$21.8 million of OHF funds for 36 projects in the 2023-2025 biennium.

### **Key Legislation Passed During the 2023 Legislative Session Related to the OHF**

The total amount of funding available per biennium was limited to \$15,000,000 for the 2025-2027 biennium.

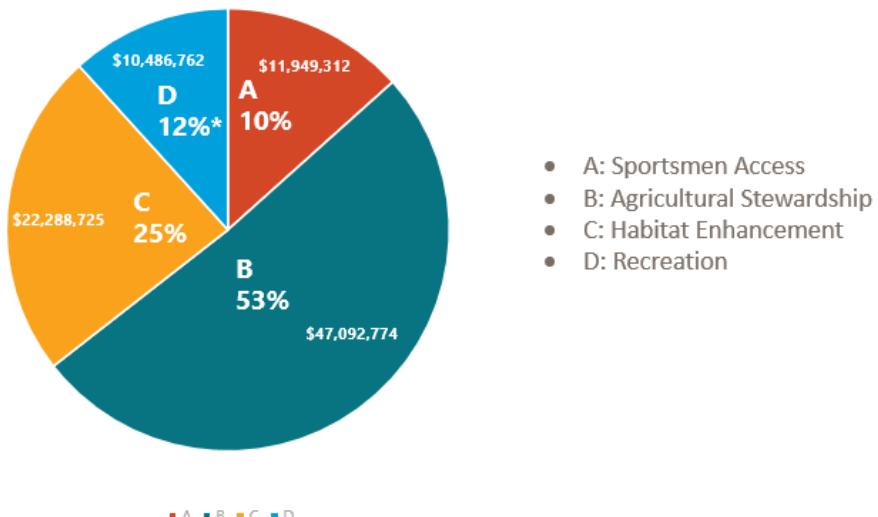
### **Key Responsibilities Added To or Deleted from the OHF for the 2023-2025 Biennium**

The continuing appropriation authorization for the OHF was capped at \$15,000,000 from oil and gas production tax revenues for the 2025-2027 biennium.

### **Major Accomplishments and Activities**

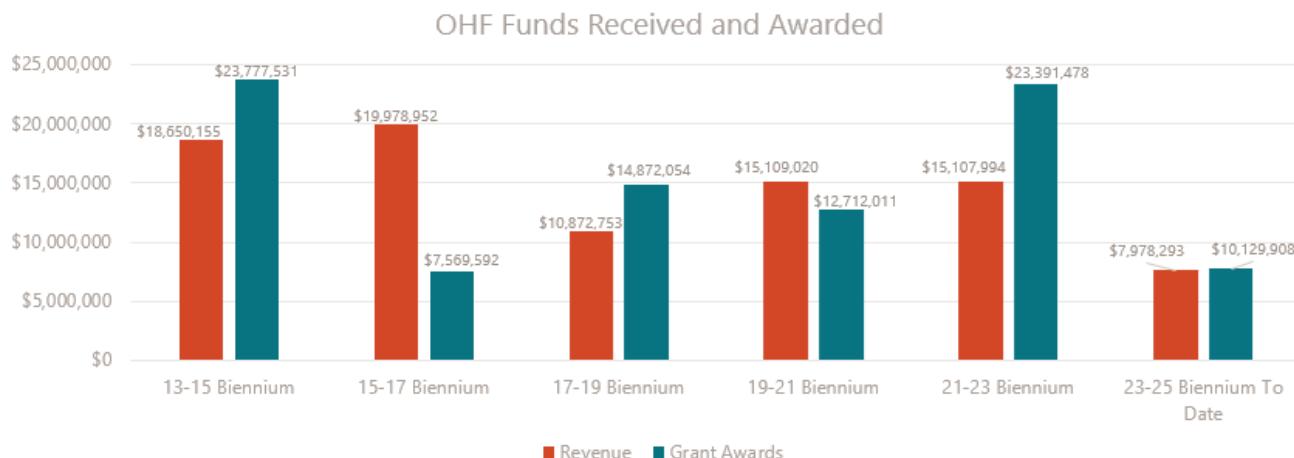
As of June 30, 2025, the Commission has awarded funding for 260 projects totaling over \$103.4 million.

## OHF FUNDING BY DIRECTIVE



# OHF FUNDS RECEIVED AND AWARDED

- The Industrial Commission has awarded funding for 260 projects for a total of \$103,465,782
- Since its inception, the fund has received a total of \$87,648,277 in income
  - Approx. \$4,349,890 of commitments have been returned to date



## Trends in Direction for OHF/Short and Long Range Plans and Goals

The Commission is in the process of installing and deploying grants management software that will enable program participants to file applications and reports online. The program will be going live at the beginning of 2026.

The OHF will continue to seek out and fund worthwhile projects that support its overall goals and meet the four directives established by statute.

## Resources and Publications Available from the OHF

The status of and summaries of all the projects funded from the OHF are available on the Industrial Commission/Outdoor Heritage Fund website at [www.ndic.nd.gov](http://www.ndic.nd.gov)

## **North Dakota Pipeline Authority**

### **History**

The North Dakota Pipeline Authority (“Pipeline Authority” “Authority”) was created by the Legislature in 2007 and became effective on April 11, 2007. The North Dakota Industrial Commission is the North Dakota Pipeline Authority. Since its inception the Authority’s mission has been to diversify and expand the North Dakota economy by facilitating development of pipeline facilities to support production, transportation, and utilization of North Dakota energy-related commodities.

### **Organizational Structure**

The Industrial Commission is the North Dakota Pipeline Authority. During the 2023-2025 biennium, Justin J. Kringstad served as Pipeline Authority Director, and continues to serve in that capacity. The Pipeline Authority Director reports to the Industrial Commission. Day to day oversight is provided by the Industrial Commission Executive Director with the assistance of the Director of the Department of Mineral Resources and the President of the North Dakota Petroleum Council. The Authority has no other staff. Contracts and financial reporting are administered by the Industrial Commission Administrative Office. No appropriation was made by the Legislature for the North Dakota Pipeline Authority. The Legislature has established the Pipeline Authority Administrative Fund and the Industrial Commission transferred a total of \$600,000 from the Oil and Gas Research Fund to the Pipeline Authority Administrative Fund for the operations of the Authority and authorized studies.

### **Statutory Responsibilities**

Statutory authority for the Pipeline Authority is found in Chapter 54-17.7 of the North Dakota Century Code. The statute states that the purpose of the Authority is to diversify and expand the North Dakota economy by facilitating development of pipeline facilities to support the production, transportation, and utilization of North Dakota energy-related commodities. The Authority may participate in a pipeline facility through financing, planning, development, acquisition, leasing, rental, joint ownership, or other arrangements including the right to capacity in any pipeline system or systems. Section 54-17.7-04 N.D.C.C. delineates the powers of the Authority.

Before the Authority may exercise its power to construct pipeline facilities, it must follow a process defined by statute to ensure public participation and comment. In particular, the Authority must publish a notice describing the need for the pipeline facilities. Entities interested in constructing the facilities or furnishing services to satisfy the identified needs have 180 days to respond by filing a notice of intent. If the Authority receives a notice of intent from an interested entity, it may not exercise its powers to construct unless the Authority makes a finding that doing so would be in the public interest. In making such a finding, the Authority shall consider the economic impact to the state, economic feasibility, technical performance, reliability, past performance, and the likelihood of successful completion and ongoing operation.

### **Major Programs and Activities and Trends in Direction for the Pipeline Authority**

In fulfilling the mission of diversifying and expanding the North Dakota economy by facilitating development of pipeline facilities to support the production, transportation and utilization of North Dakota energy-related commodities, the Authority is in continual contact with local and out of state companies, governmental agencies, and trade associations. Major activities of the Authority are detailed in the 2024 and 2025 Annual Reports and include the following:

- Pipeline Authority Crude Oil, Natural Gas, and Natural Gas Liquids Forecast Modeling – (Ongoing)
- Pipeline Authority Production and Transportation Analytics – (Ongoing)
- North Dakota Freight Advisory Committee – (Ongoing)
- Clean Sustainable Energy Authority Technical Review Committee (Ongoing)
- Managing the Pipeline Capacity Bridge Program (Ongoing)
- Bakken Drilling Economics Study – (Ongoing)
- Pipeline Authority Websites – Ongoing updates and content additions
- Monthly Updates – Monthly publication updating interested parties on pipeline related activities
- Presentations – On demand informational and outreach presentations to industry and citizen groups

## Legislation Passed During the 2025 Session

During the 2023 legislative session, action was taken on House Bill 1014 to update the Pipeline Authority statute, enhancing the agency's ability to acquire and manage capacity positions on new or expanding pipeline systems. That legislation authorized up to \$60 million in financial support through a line of credit from the Bank of North Dakota to help facilitate new energy transportation infrastructure.

Building upon that foundation, the 2025 legislative session Senate Bill 2014 amended subsection 4 of section 54-17.7-04 of the North Dakota Century Code to expand the Authority's borrowing capacity. The updated statutory language now reads:

- a. *(1) The authority may borrow up to sixty million dollars through a line of credit from the Bank.*  
*(2) In addition to the borrowing under paragraph 1, the authority may borrow up to forty million dollars through a line of credit from the Bank to provide total borrowing of up to one hundred million dollars under this subdivision. The borrowing under this paragraph is available only if the authority enters a capacity purchase agreement by December 31, 2026, related to a pipeline project to transport natural gas from the western area of the state to the eastern area of the state.*
- d. *The authority shall repay the line of credit from amounts available. If the amounts available on June 30, 2027, are not sufficient to repay the line of credit, the authority shall notify the director of the office of management and budget, and the director of the office of management and budget shall transfer funds from the strategic investment and improvements fund to the Bank for the repayment pursuant to section 6 - 09.7 - 05 based on the amount certified by the Bank.*

This legislative change increases the maximum borrowing authority from \$60 million to \$100 million per biennium, contingent upon the Pipeline Authority entering a capacity purchase agreement tied to a project that enhances natural gas transportation between western and eastern North Dakota.

The legislative intent of this amendment was to ensure that future funding through the Authority directly supports projects extending natural gas delivery and reliability to underserved regions of the state, particularly eastern North Dakota.

With this expanded financial mechanism, the Pipeline Authority is well positioned to play a more

active role in facilitating large-scale pipeline capacity acquisitions and infrastructure expansion, working collaboratively with industry and state partners to advance long-term energy reliability and market access across North Dakota.

### **Activities During the 2025-2027 Biennium**

For the 2025-2027 biennium, the Pipeline Authority will focus significant effort on negotiating and finalizing a capacity agreement with WBI Energy under the expanded funding authority approved in 2023 and 2025. This work will establish the State of North Dakota as an anchor capacity holder on a new intrastate natural gas transmission system connecting western and eastern North Dakota.

Once the state's capacity position is secured, the Authority will work with interested parties to release portions of this capacity in short-term increments or permanent assignments, ensuring the capacity is used efficiently to enhance transportation reliability for growing upstream needs and to provide greater volumes of North Dakota-sourced natural gas for end-use customers.

In parallel, the Authority will continue its broader efforts to analyze well performance, produce production forecasts, and assess transportation needs for crude oil, natural gas, and natural gas liquids (NGLs) across the Williston Basin. Updated forecasts will be issued regularly to reflect evolving market conditions and energy price trends.

The Authority will also remain engaged in early-stage discussions on hydrogen blending, gas storage, and other emerging infrastructure concepts that could further strengthen the state's midstream capabilities.

The Pipeline Authority Director will continue participating on the Clean Sustainable Energy Authority's technical committee and maintain the organization's long-standing commitment to industry and public information sharing through briefings, webinars, and reports to policymakers, stakeholders, and community groups.

Copies of the annual reports issued by the Authority are also posted on the Industrial Commission website and provide additional detail on the work done since the Authority was established in 2007.

### **Resources**

Copies of the Pipeline Authority monthly updates, presentations, webinars, natural gas study, annual reports, and newsletters are available on the Pipeline Authority's websites: [www.pipeline.nd.gov](http://www.pipeline.nd.gov) ; [www.northdakotapipelines.com](http://www.northdakotapipelines.com)

**NORTH DAKOTA PIPELINE AUTHORITY**  
**BALANCE SHEET**  
**June 30, 2025**

**ASSETS**

Current Assets:

Cash	<u>\$174,825</u>
Total Assets	<u>\$174,825</u>

**LIABILITIES**

Current Liabilities:

Accounts Payable	<u>\$0</u>
Total Liabilities	<u>\$0</u>

**NET POSITION**

Unrestricted	<u>\$174,825</u>
Total Net Position	<u>\$174,825</u>

**NORTH DAKOTA PIPELINE AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN NET POSITION**  
**For Fiscal Year Ended June 30, 2025**

**Expenditures:**

Consulting Services	\$177,655
Legal	<u>\$35</u>
Total Expenditures	\$177,690
Revenues Under Expenditures	<u>(\$177,690)</u>

**Other Financing Sources:**

Interest Income	\$2,865
Transfers In	<u>\$0</u>
Total Other Financing Sources	\$2865
<b>Change in Net Position</b>	<b>\$174,825</b>
Net Position Beginning of Year	<u>\$292,970</u>
Net Position End of Year	<u>\$118,145</u>

# NORTH DAKOTA PIPELINE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

## **Note 1**

The Pipeline Authority receives no General Fund dollars. The Industrial Commission upon the recommendation of the Oil and Gas Research Council authorized the transfer of \$600,000 from the Oil and Gas Research Fund to the Pipeline Authority Administrative Fund during the 2021-2023 biennium. No additional transfers were made during the 2023-2025 biennium. The Pipeline Authority Administrative Fund must be maintained as a special fund and all monies transferred into the Fund are appropriated on a continuing basis and must be used and disbursed solely for the purpose of defraying the administrative costs incurred by the Pipeline Authority.

## **Note 2 – Commitments**

Subsequent to June 30, 2025, the Pipeline Authority's administrative services commitment extends to June 30, 2026, in the amount of \$188,400 which reflects the PA Executive Director monthly contract fee over the time period.

## **North Dakota Public Finance Authority**

The North Dakota Municipal Bond Bank was established on July 1, 1975, for the purpose of making loans to political subdivisions of the State through the purchase of municipal securities. In 2005 the North Dakota Municipal Bond Bank was renamed the North Dakota Public Finance Authority (“PFA”). Initially, employees of the Bank of North Dakota (“BND”) managed the day-to-day affairs of the PFA in addition to their duties at the BND. As the workload of the PFA grew, the Industrial Commission decided that the PFA should have its own full-time staff. On July 1, 1989, the Industrial Commission relocated the PFA outside the BND and established a separate budget for the PFA. On July 21, 1989, the first full-time Executive Officer was hired to manage the PFA. On August 1, 2001, the PFA, at the direction of the Industrial Commission, once again co-located with the BND.

BND is the sole depository for all of PFA’s operating funds. BND’s Trust Department has served as Trustee, Registrar, and/or Paying Agent for numerous PFA bond issues. BND also provides letters of credit that provide the reserves for the PFA’s Capital Financing Program and Industrial Development Program.

The PFA has an Advisory Board made up of three individuals that are appointed by the Industrial Commission. The PFA primarily utilizes its Advisory Board in the loan approval process. However, the PFA also seeks the advice of the Board in major policy and strategic planning decisions.

### **Organizational Chart**

DeAnn Ament - Executive Director  
Benita Eberts - Business Manager  
Karla Zander – Fiscal Officer

### **Statutory Responsibilities**

The PFA was established for the purpose of making loans to political subdivisions of the State through the purchase of municipal securities which, in the opinion of the Attorney General of North Dakota, are properly eligible for purchase by the PFA. Subject to credit and program requirements, a loan can be made by the PFA to a political subdivision for any purpose for which the political subdivision has the legal authority to borrow money through the issuance of municipal securities, with the exception that certain types of municipal securities issued under N.D.C.C. ch. 40-57 (MIDA bonds) may not be purchased by the PFA.

The PFA, which is under the operation, control and management of the Industrial Commission of North Dakota, is a self-supporting state agency. The costs and expenses of operation of the PFA are financed with earnings on program assets and fees paid by participating political subdivisions.

Obligations of the PFA, which are issued to provide funds to purchase municipal securities, do not constitute a debt or liability of the State or a pledge of the faith or credit of the State. All obligations of the PFA are payable solely from revenues or program assets pledged or available for their payment as authorized by law. The PFA has no authority to incur any indebtedness or liability on behalf of or payable by the State.

The PFA is required by statute (N.D.C.C. § 6-09.4-10(1)) to establish and maintain a reserve fund for its bonds. The Legislative Assembly has made a non-binding pledge to the PFA to replenish the reserve fund if it is depleted by the default of a political subdivision. Section 6-09.4-10(4) provides

that "there shall be appropriated by the legislative assembly and paid to the PFA for deposit in the reserve fund, such sum, if any, as shall be certified by the industrial commission as necessary to restore the fund to an amount equal to the required debt service reserve." Because future Legislative Assemblies are not legally obligated or required to appropriate moneys certified as necessary by the Industrial Commission, this statutory provision is referred to as a "moral obligation." All bonds issued by the PFA under any of its programs prior to 2011 are moral obligation bonds unless the Industrial Commission approves a resolution to allow the PFA to issue bonds under section 40-57 as a conduit issuer. The State Revolving Fund Program bonds issued after 2010 do not contain the moral obligation provision. There has never been the need to request an appropriation for the reserve fund.

## **Major Programs**

### **Capital Financing Program**

Under its Capital Financing Program (CFP), the PFA makes loans for the purpose of financing projects or improvements for which political subdivisions are legally authorized to borrow money through the issuance of municipal securities. Subject to credit requirements and certain program requirements, financing is available in any dollar amount.

The interest rates payable by a political subdivision are market rates which are set through a competitive bid process when the PFA issues and sells its bonds to fund a loan. The interest rates paid by the PFA on its bonds are the same rates a political subdivision will pay on its municipal securities sold to the PFA.

Standard & Poor's Rating Group has assigned a rating of "AA-" to the Capital Financing Program.

In 2011, the Industrial Commission approved utilizing the CFP to offer low-interest, disaster loans to political subdivisions impacted by natural disasters. Any North Dakota political subdivision that is within a county that has received a Presidential Public Disaster Declaration or a gubernatorial executive order or proclamation of a state disaster or emergency is eligible to apply. The political subdivision must show the ability to repay the financing either from Federal or State government disaster payments or from tax receipts. The interest rate payable by a political subdivision is the 1-month FHLB plus 1.9% adjusted monthly with a floor of 2.25%.

### **State Revolving Fund Program**

The State Revolving Fund Program (SRF Program) was established in 1990 to enable North Dakota to receive federal capitalization grants as authorized under the Clean Water Act. In 1998, the SRF Program was amended to enable the State to receive capitalization grants as authorized under the Safe Drinking Water Act. The SRF Program grants, received from the United States Environmental Protection Agency, are to be used to make below-market interest rate loans to political subdivisions for the purpose of financing authorized projects, to establish reserve funds, and for other purposes under the Clean Water Act and the Safe Drinking Water Act. Authorized projects under the Clean Water Act include wastewater treatment facilities and nonpoint source pollution control projects. Authorized projects under the Safe Drinking Water Act include public water systems. The SRF Program is administered jointly by the North Dakota Department of Environmental Quality and the PFA.

The interest rates on SRF Program loans are set by the Department of Environmental Quality in consultation with the PFA. The interest rates are fixed for the term of a loan. Currently, the interest rate for most tax-exempt SRF Program loans is 1.5%. SRF loans made with American Recovery and Reinvestment Act "ARRA" funds are at .5% and/or have a loan forgiveness component. The Bipartisan Infrastructure Law "BIL" Lead Service Line funds are at a .5% interest rate and have a loan forgiveness component.

Moody's Investors Service, Inc. assigns a rating of "Aaa" to the North Dakota SRF Program, which is Moody's highest rating. Standard & Poor's has also assigned its' highest rating, an "AAA" to the North Dakota SRF Program.

### **School Construction Financing Program**

The School Construction Financing Program (SCFP) provides loans to school districts which have construction projects approved by the Department of Public Instruction. Under the SCFP, school districts have the opportunity to pool their construction loan needs each year, thereby sharing the cost of issuance. As with the CFP, the interest rates paid by the PFA on its bonds are the same rates a school will pay on its municipal securities sold to the PFA. No loans were issued during the 2023-2025 biennium under this program and there are no loans outstanding as of June 30, 2025.

### **Industrial Development Bond Program**

Under its Industrial Development Bond Program (IDB), the PFA makes loans to manufacturers that qualify as small issue manufacturers. Qualified small issue manufacturers are defined within the Internal Revenue Code as "Any facility which is used in the manufacturing or production of tangible personal property including the process resulting in a change in the condition of such property." Within that definition, the qualifying organizations must also meet a capital spending requirement (\$20,000,000 over a six-year period). Qualifying borrowers are allowed to obtain tax- exempt financing to expand its existing facility, purchase manufacturing equipment, or construct a new facility.

The interest rates paid by a qualifying manufacturer are market rates which are set through a competitive bid process when the PFA issues and sells its program bonds to fund the loan. The interest rates paid by the PFA on its program bonds are the same rates the manufacturer will pay on its loan to the PFA. The Standard and Poor's Rating Group has assigned a rating of "AA-" to the PFA's IDB Program.

### **Legacy Fund Infrastructure Program Bonds**

The 2021 Legislature authorized the issuance of bonds to allocate to legislatively approved state infrastructure projects and programs. Upon request by BND, funds are transferred to BND for disbursement to funded projects and programs. Bond payments will be funded by capitalized interest, earnings on unspent bond proceeds and transfers from ND Legacy Fund earnings. The Legacy Bonds have ratings of "AA" by Standard & Poor's Global Ratings and "Aa2" by Moody's Investors Service, Inc.

## **Key Legislation Passed During the 2025 ND Legislative Assembly Impacting PFA**

### **HB 1176 Legacy Fund Earnings – State Treasurer – Transfers**

Section 5. subsection 2.a. The first one hundred two million six hundred twenty-four thousand dollars or an amount equal to the amount appropriated from the legacy sinking and interest fund for the debt service payments for a biennium, whichever is less, to the legacy sinking and interest fund under section 6-09.4-10.1.

### **HB 1537 – Relating to Service During Term of Loan**

Section 3. An agreement made before January 1, 2025, and in violation of subsection 2 is voidable only at the option of the public finance authority or other state agency or enterprise upon thirty days written notice from the public finance authority or other state agency or enterprise to the parties of the agreement. This subsection does not apply to litigation commenced before January 1, 2025.

### **Major Accomplishments and Activities During 23-25 Biennium**

During the 23-25 biennium, there were no bonds issued under the CFP. From the inception through June 30, 2025, the total cumulative amount of bonds issued under the CFP General Bond Resolution was \$264,125,000 and the total outstanding amount of bonds under the CFP General Bond Resolution was \$97,830,000.

During the 2023-2025 biennium, the PFA did not approve any Disaster Financing CFP loans. As of June 30, 2025, \$20,824,737 had been advanced to 27 political subdivisions and there are no loans outstanding. The total cumulative amount of PFA bonds issued to fund the Disaster Loan Program was \$14,405,612 and the bonds are paid in full.

There were no bonds issued under the IDB Program during the 2023-2025 biennium. As of June 30, 2025, the total cumulative amount of bonds issued under the Industrial Development Bond Program was \$4,860,000 and the total bonds outstanding under the IDB Program are \$490,000.

The loans to borrowers under the SRF Program can be separated into Clean Water (CWSRF) and Drinking Water (DWSRF) loans. Under the CWSRF Program, the PFA closed \$185,160,000 of loans to 27 political subdivisions during the 23-25 biennium. As of June 30, 2025, the cumulative amount of the 373 loans closed under the CWSRF Program was \$1,231,744,241. Under the DWSRF Program, the PFA closed \$113,063,300 of loans to 33 political subdivisions during the 23-25 biennium. As of June 30, 2025, the cumulative amount of the 352 loans closed under the DWSRF Program was \$946,676,730.

During the 23-25 biennium, the PFA issued \$200,920,000 of bonds under the SRF Program. The cumulative amount of SRF Program Bonds issued under the PFA's SRF Program Master Trust Indenture is \$969,615,000. This total includes \$283,220,000 of the 1990, 1993, 1995, 1996, 1998, 2000, 2001, 2003, 2004, 2005, 2008, 2011 and 2015 SRF Program Bonds which have been advance refunded and are no longer considered to be outstanding. As of June 30, 2025, the total amount of SRF Program Bonds outstanding was \$381,440,000.

The \$710,115,000 of bond proceeds from the two original bond issues in the 21-23 biennium were transferred to BND to allocate to the Fargo Diversion Project, Resources Trust Fund, Infrastructure Revolving Loan Fund, Highway Fund and NDSU Agriculture Products Development Facility. There were no Legacy Fund Infrastructure Program Bonds (Legacy Bonds) issued during the 23-25 biennium. The total amount of Legacy Bonds outstanding as of June 30, 2025, was \$652,625,000.

### **Trends in Direction for Public Finance Authority/Short and Long Range Plans and Goals**

The PFA's continues to carry out the Mission, "To develop rural and urban North Dakota by providing political subdivisions and other qualifying organizations access to flexible and competitive financing options for their local qualifying projects."

In 2025 and beyond, the PFA anticipates working with the Department of Emergency Services to develop the policies, procedures and assist with the administration of the State Hazard Mitigation Revolving Fund (SHMRF).

In 2026 the PFA will issue SRF leveraged bonds to fund current and future loan commitments.

## **Resources**

Copies of the Public Finance Authority's most recent audited financial statements and official statements are available on the PFA's website.

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Manager [dament@nd.gov](mailto:dament@nd.gov)  
(701) 426-5723

Benita Eberts, Business  
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(701) 328-7120

Karla Zander, Fiscal Officer  
[kkzander@nd.gov](mailto:kkzander@nd.gov)  
(701) 328-7110

North Dakota Public Finance Authority Website:  
[www.nd.gov/pfa](http://www.nd.gov/pfa)

## **Renewable Energy Program**

### **History**

The Renewable Energy Council (Council) and Renewable Energy Program (Program) were established in 2007. The Program initially received a continuing appropriation of \$3,000,000 from the General Fund and \$17,000,000 was appropriated from any special funds that were received for the Program. The 2007 Legislature also established the Biomass Incentive and Research Fund/Program and provided an appropriation of up to \$2,000,000 with \$1,000,000 to come from the Beginning Farmer Revolving Loan Fund and \$1,000,000 from the BioFuels PACE Fund. The 2009 Legislature rolled the Biomass Incentive and Research Fund/Program into the Renewable Energy Program and appropriated \$3,000,000 from the General Fund for the Renewable Energy Program. In 2011 the Legislature appropriated \$1,500,000 from the General Fund for the Program. In 2013, the Legislature established a continuous funding source for the program through a biennial appropriation of up to 5% of the amount credited to the Resources Trust Fund, not to exceed \$3,000,000. The percentage of 5% was reduced to 3% in 2017, although the \$3,000,000 limit was kept in place.

### **Organization Structure**

By statute the Renewable Energy Council is appointed by the Governor and is made up of seven members consisting of one member with a substantial interest in the agriculture industry, one member with a substantial interest in the biodiesel industry, one member with substantial interest in the wind industry, one member with a substantial interest in the biomass industry, one member with substantial interest in the ethanol industry, one member with a substantial interest in advanced biofuel and sugar-based biofuel, and the Commerce Commissioner who shall serve as Chairman. The law also provides that the Industrial Commission shall contract with the Department of Commerce to provide technical assistance to the Council and the Commission in carrying out the purposes of the program. Prior to any project receiving funding from the Industrial Commission, the Renewable Energy Council must make a favorable recommendation for funding. As per statute, each application/project must provide some level of matching funds. By policy the Commission has required a dollar-for-dollar match.

### **Statutory Responsibilities**

The statutory authority for the Renewable Energy Program is found in North Dakota Century Code 54-63. In general terms the mission of the Renewable Energy Program is to provide financial assistance for renewable energy education, research, development and marketing projects. By policy the Commission has stated that the Program shall foster the development of renewable energy and related industrial use technologies, including, but not limited to, wind, biofuels, biomass, biomaterials, solar, hydroelectric, geothermal, and renewable hydrogen through research, development, demonstration and commercialization, demonstrate to the general public the importance of the state renewable energy industry, to encourage and promote the wise and efficient use of renewable energy and materials or products, to develop the State's renewable energy resources and to support research and educational activities concerning the renewable energy and materials or products industries.

### **Major Programs and Activities**

The Renewable Energy Program has established policies which outline the process by which applicants can seek funding for renewable energy projects. Note below under major

accomplishments the activity that has taken place during the 2023-2025 biennium for the Renewable Energy Program.

### **Key Legislation Passed During the 2025 Legislative Session Related to the Renewable Energy Program**

No legislation passed pertaining to the Renewable Energy Council.

### **Key Responsibilities Added To or Deleted from the Renewable Energy Program for the 2023-2025 Biennium**

There were no key responsibilities added or deleted for the Renewable Energy Program for the 2023-2025 biennium.

### **Major Accomplishments and Activities**

During the 2023-2025 biennium the Program awarded funding for several projects including but not limited to:

- Smart Holistic Zero Waste Utilization Paradigm (SHOWUP) for Reusing Thermosets and Effectively Recovering Fibers – UND
- Prairie Horizon Carbon Management Hub – EERC
- Regional Electric Vehicle Infrastructure Resiliency Plan – EERC
- ACS NewCarbon RNG Project – NewCarbon Feedstocks, LLC
- Accelerating the Waste-to-Fuels Commercialization for the Sandwich Gasifier – Singularity Energy Technologies
- Producing Silicon Anode Materials for Li-ion Batteries
- Improving Renewable Energy Resources with Hydrogen Offtake – BWR Innovations LLC

### **Trends in Direction for Renewable Energy Program/Short and Long Range Plans and Goals**

The Program will continue to seek out and fund worthwhile projects that support its overall goals to foster the growth of the renewable energy industry.

### **Resources and Publications Available from the Renewable Energy Program**

The status of and summaries of all the research projects funded from the Renewable Energy Fund are available on the Industrial Commission/Renewable Energy Program website at [www.ndid.nd.gov](http://www.ndid.nd.gov)

## **North Dakota Student Loan Trust**

In 1971 the Legislature authorized the Industrial Commission to “acquire and hold in one or more trusts (1) all unpaid United States government guaranteed or reinsured student loans and (2) North Dakota guaranteed student loans, belonging to the State of North Dakota or to any of its agencies . . .” (NDCC 54-17-24). The creation of the North Dakota Student Loan Trust (“Trust”) enabled the State of North Dakota to obtain low-cost funds (through the sale of tax-exempt bonds) and use those funds for purchasing student loans originated or acquired by the Bank of North Dakota. Since 1971 the Industrial Commission has issued over \$900,000,000 in student loan bonds. The Student Loan Trust had \$1,000,000 in bonds outstanding as of June 30, 2025.

### **Organizational Structure**

The Industrial Commission has named the Industrial Commission’s Executive Director, Karen Tyler, and the Public Finance Authority Executive Director, DeAnn Ament, as Authorized Officers for the Student Loan Trust. The Student Loan Trust is composed of funds held under two General Bond Resolutions. These General Bond Resolutions determine the use and flow of funds within the Student Loan Trust. The Bank of North Dakota (“Bank”) is the sole provider of student loans to the Trust, services the student loans held by the Trust and serves as the Trustee for the Trust. The Bank and the Trust work closely together. Rob Pfennig, Chief Financial Officer is the primary contact at the Bank.

### **Statutory/Constitutional Responsibilities**

The statutory responsibilities of the Student Loan Trust are set forth in North Dakota Century Code 54-17-24 and NDCC 54-17-25.

### **Major Programs and Activities**

The Trust is a liquidity provider for the Bank and provides an alternative for the Bank should the Bank determine a need to reduce its student loan portfolio.

The Trust has in the past provided funds for the North Dakota Student Loan Guarantee Agency as needed. The Trust has also provided funds for the Dakota Education Alternative Loans (a supplemental state guaranteed program).

### **Key Legislation Passed During 2025 Legislative Session Related to the Student Loan Trust**

No legislation was passed related to the Trust.

### **Key Responsibilities Added To or Deleted from Student Loan Trust for the 2023-2025 Biennium**

No additional responsibilities were added or deleted to the Trust for the 2023-2025 biennium.

### **Major Accomplishments and Activities**

During the 2023-2025 biennium the Trust expended funding for servicing/trustee costs for Bank of North Dakota services.

No additional student loans were purchased from the Bank.

**Trends in Direction for SLT/Short and Long Range Plans and Goals**

The net position of the Trust as of June 30, 2025 is \$1,169,000. The Trust along with the Bank will continue to monitor student loan programs to determine whether additional loan programs are needed to assist North Dakota students with pursuing higher education opportunities.

**Resources and Publications Available from the Student Loan Trust**

The most recent official statement for bond offerings made by the Trust is available at the Industrial Commission Administrative Office at the address noted in this biennial report.

## **North Dakota Transmission Authority**

### **ND Transmission Authority Function and Organization**

At the request of the North Dakota Industrial Commission (Commission), the North Dakota Transmission Authority (Authority) was created by the North Dakota Legislative Assembly in 2005. Since its inception, the Authority's mission has been to facilitate the development of transmission infrastructure in North Dakota. The Authority was established to serve as a catalyst for new investment in transmission by facilitating, financing, developing and/or acquiring transmission to accommodate new lignite and wind energy development. The Authority is a builder of last resort, meaning private business would have the first opportunity to invest in and/or build additional needed transmission.

### **Organizational Structure**

By statute the Authority membership is comprised of the members of the Commission. Vigesaa was appointed Transmission Authority Executive Director for the 2023-2025 biennium and his appointment was extended for the 2025-2027 biennium. The Transmission Authority Executive Director works closely with the Executive and Deputy Director of the Commission, Karen Tyler and Jordan Kannianen. The Authority has no other staff and received \$300,00 General Fund appropriation for this biennium report.

### **Statutory Responsibilities**

Statutory authority for the Authority is found in Chapter 17-05 of the North Dakota Century Code Section 17-05-05 N.D.C.C. delineates the powers of the Authority to: 1) make grants or loans or to borrow money; 2) issue up to \$800 million in revenue bonds; 3) enter into lease-sale contracts; 4) own, lease, rent and dispose of transmission facilities; 5) enter contracts to construct, maintain and operate transmission facilities; 6) investigate, plan, prioritize and propose transmission corridors; and 7) participate in regional transmission organizations.

Before the Authority may exercise its power to construct transmission facilities, it must follow a process defined by statute to ensure public participation and comment. In particular, the Authority must publish a notice describing the need for the transmission project. Entities interested in constructing the facilities or furnishing services to satisfy the identified needs have 180 days to respond by filing a notice of intent. If the Authority receives a notice of intent from an interested entity, it may not exercise its powers to construct unless the Authority makes a finding that doing so would be in the public interest. In making such a finding, the Authority shall consider the economic impact to the state, economic feasibility, technical performance, reliability, past performance, and the likelihood of successful completion and ongoing operation.

To enhance the Authority's bonding program, up to 30% of the cost of a project may be financed by selling bonds that include the moral obligation of the State of North Dakota. This means that up to \$240 million of the Authority's total \$800 million bonding authority may be sold with the moral obligation of the State. The moral obligation component will enhance the marketability of the Authority's bonds.

### **Major Programs and Activities**

The North Dakota Transmission Authority (NDTA) supports and promotes a reliable and resilient electric transmission grid for our state and nation. Elements of a strong and reliable grid include, sound transmission planning (by incumbent utilities and the regional transmission organizations), high performing maintenance & operations plans, technology enhancements and thoughtful policy

development. The NDTA monitors and supports electric transmission activities of the incumbent electric transmission owners, RTOs, as well as transmission and generation developers. The ultimate purpose is to ensure adequate transmission capacity for grid stability and export capacity. The NDTA supports state agencies with information and expertise with respect to electric transmission development, from the ND Grid Resiliency Plan (as part of the ND State Energy Plan) to electric load and transmission capacity studies to support economic development initiatives.

The NDTA works with industry and elected officials at the state/federal levels to ensure that legislation and public policy are designed to take advantage of moving electricity generated from North Dakota's abundant energy resources to local, regional, and national markets.

#### **Legislation Passed During the 2025 Legislative Session Related to the Authority**

The 69<sup>th</sup> ND Legislature provided \$400,000 of funding for the NDTA in the NDIC budget.

The 69th ND Legislature approved a 15% match for the DOE Formula Grid Resiliency Grant for FY24, FY25 & FY26 totaling \$1,782,794.

The 69<sup>th</sup> ND Legislature passed the following bills related to transmission & generation:

**HB1025** AN ACT to provide for a legislative management study relating to advanced nuclear energy; and to provide an appropriation. Vigesaa was selected by the NDIC to serve on this committee.

**HB1258** AN ACT to amend and reenact subsection 2 of section 49-22-16 of the of the North Dakota Century Code, relating to energy conversion and transmission facility siting; and to provide for retroactive application.

**HB1579** AN ACT to provide for a legislative management study relating to the impact of large energy consumers on the state's electrical grid.

#### **Summary of Responsibilities Added or Deleted During the Biennium**

No new roles were added legislatively, however the NDTA has new responsibilities in hosting a new IIJA DOE Grid Resiliency Grant Program.

#### **Accomplishments and Activities during the Biennium including Trends and Goals**

**Nexus HVDC Transmission Project:** The NDTA supported the sale of the HVDC line from Great River Energy to Rainbow Energy through a \$150 million bond financing mechanism. The financing package was a critical component of the successful sale of and retention of the Coal Creek Station, retaining jobs and importantly ensuring grid reliability and stability for North Dakota and the Upper Midwest. The NDTA monitors the timely payments

**Transmission Capacity and Large Load Impact on North Dakota:** The NDTA commissioned a study entitled "Future-Proofing North Dakota's Electrical Infrastructure to Enable Expansion in an Evolving Energy Landscape. The study work was completed by the Energy & Environmental Research Center in collaboration with Power Systems Engineering.

**IIJA DOE Grid Resiliency Grant:** The NDTA applied for and was successfully awarded a \$7,499,037 DOE Grid Resiliency Grant on May 23, 2023. The ND Legislature had previously approved a 15% match (\$1,124,856) for the grant program. ND was one of the first states to submit its application and will also be on the front end of executing subawards to stakeholders in late 2023. Ten grant awards have been made to Investor-Owned Utilities, Electric Cooperatives and Municipal Utilities.

**Regional Transmission Organizations:** The NDTA monitors activities of both MISO and SPP, primarily through WebEx committee meetings (several each week). Grid reliability, resource adequacy, generation interconnection queues and transmission planning are topics of particular interest to the NDTA.

The NDTA has been interested and supportive of the Joint Targeted Interconnection Queue, projects that are beneficial to transmission/generation on the “seams” of MISO & SPP.

**Midwest Electric Reliability Organization (MRO):** The NDTA follows the activities and initiatives of the MRO. The MRO provides regional winter/summer grid assessments. The NDTA finds these assessments useful in its presentations about grid reliability trends. The MRO provides education and support for its member utilities on topics of grid reliability from cyber & physical security to relay settings.

**Transmission Project Support:** There are several large electric transmission projects approved for construction and several projects in the study phase; all of which are supported by the NDTA:

1. JETx – 345kV line from Jamestown – Ellendale (MDU/Otter Tail Power)
2. Roundup to Kummer Ridge 345kV line (Basin Electric in McKenzie Electric Territory)
3. Leland Olds to Tioga 345kV line (Basin Electric)
4. Wheelock to SK 230kV line (Basin Electric)
5. Tande to SK 230kV line (Basin Electric)
6. Bison (Fargo) to Big Stone 345kV (study phase-Xcel/Otter Tail)
7. HVDC Modernization Project Center to Duluth (Minnesota Power – Allete)
8. North Plains Connector 525kV HVDC Coal Strip, MT to St Anthony ND to Center ND

**Outreach Programs:** The NDTA seeks opportunities to be engaged with incumbent utilities, independent transmission owners/developers and policy makers/regulators to ensure that grid reliability and expansion is positioned to promote health, safety, growth and prosperity for ND citizens and industry. Grid reliability and capacity is vital for economic growth. The NDTA makes itself available to present information to industry, associations, agencies, policy makers and the public.

### **Overall Evaluation of Program**

The electric generation transformation, public policy activity and economic growth underscores the value of North Dakota’s voice and focus on grid reliability. The electric grid development and management extends beyond our state’s borders, so our involvement in RTOS, the MRO as well as developers/transmission owners is vital to building bridges to market while maintaining a reliable electric grid. North Dakota has rich energy resources including our traditional coal generation, natural gas, oil, wind, critical minerals, and geological formations for carbon sequestration. North Dakota is positioned well to be a key player in the world energy market.

### **Resources and Publications Available**

The Transmission Authority Annual Reports, studies and publications are available on the Industrial Commission website at <http://www.nd.gov/ndic/ic-public>.

**NORTH DAKOTA TRANSMISSION AUTHORITY**  
**BALANCE SHEET**  
**JUNE 30, 2025 and 2024**

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Current Assets - Restricted		
Cash	\$ 2,581,617	\$ 1,875,476
Investments	12,493,634	22,801,203
Interest Receivable	82,329	55,234
Loans Receivable - Current Portion	5,425,000	5,241,667
Total Current Assets	<u>\$ 20,582,580</u>	<u>\$ 29,973,580</u>
Noncurrent Assets - Restricted		
Investments	\$ 10,548,180	-
Loans Receivable - Noncurrent Portion	106,171,867	112,088,533
Total Noncurrent Assets	<u>\$ 116,720,047</u>	<u>\$ 112,088,533</u>
Total Assets	<u><u>\$ 137,302,627</u></u>	<u><u>\$ 142,062,113</u></u>
<b>Liabilities</b>		
Current Liabilities		
Bond Interest Payable	\$ 396,121	\$ 412,983
Prepaid Loan Interest	488,273	505,135
Bond Payable - Current Portion	5,900,000	5,700,000
Total Current Liabilities	<u>\$ 6,784,394</u>	<u>\$ 6,618,118</u>
Noncurrent Liabilities		
Bond Payable - Noncurrent Portion	\$ 128,000,000	133,900,000
Total Noncurrent Liabilities	<u>\$ 128,000,000</u>	<u>\$ 133,900,000</u>
Total Liabilities	<u><u>\$ 134,784,394</u></u>	<u><u>\$ 140,518,118</u></u>
<b>Net Position</b>		
Restricted for Debt Service	\$ 2,518,233	\$ 1,543,995
Total Net Position	<u>\$ 2,518,233</u>	<u>\$ 1,543,995</u>
Total Liabilities and Net Position	<u><u>\$ 137,302,627</u></u>	<u><u>\$ 142,062,113</u></u>

**NORTH DAKOTA TRANSMISSION AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>Operating Revenues</b>		
Loan Interest Income	\$ 4,938,938	\$ 5,134,779
<b>Total Operating Revenues</b>	<u>\$ 4,938,938</u>	<u>\$ 5,134,779</u>
<b>Operating Expenses</b>		
Interest Expense	\$ 4,938,938	\$ 5,134,779
Bond Administrative Expenses	9,180	9,455
<b>Total Operating Expenses</b>	<u>\$ 4,948,118</u>	<u>\$ 5,144,234</u>
<b>Nonoperating Revenues</b>		
Investment Income	\$ 983,418	\$ 1,194,491
<b>Total Nonoperating Revenues</b>	<u>\$ 983,418</u>	<u>\$ 1,194,491</u>
<b>Net Income</b>	\$ 974,238	\$ 1,185,036
Total Net Position, Beginning of Year	1,543,995	358,959
Total Net Position, End of Year	<u>\$ 2,518,233</u>	<u>\$ 1,543,995</u>

The following pages contain financial information taken directly from the independent audit reports pertaining to BND's Legislatively Directed loan programs. Full audit reports can be provided upon request.

## Ag PACE Fund

Section 6-09.13 of the North Dakota Century Code (“NDCC”) established the Agriculture Partnership in Assisting Community Expansion (“Ag PACE”) Fund (“Fund”). The Fund is revolving and all moneys transferred into the Fund, interest on Fund moneys and payments to the Fund are appropriated for the purposes of the Fund. The Bank of North Dakota (“Bank”) supervises and administers the Ag PACE Fund. The purpose of the Ag PACE Fund/Program is to provide interest buydown on loans to on-farm businesses. The program funds are used to reduce the interest rate on loans which have been approved by a local lender and the Bank. The Bank’s participation may not exceed 80% nor be less than 50% of the total loan.

Loans eligible for the buydown are loans to on-farm North Dakota businesses that are using the proceeds to purchase real property or equipment, expand their facility, acquire working capital or inventory, purchase irrigation equipment, purchase equity shares in a value-added ag-processing business or purchase capital improvements for retention of livestock or dairy operations. The loan funds cannot be used to refinance any existing debt.

Ag PACE recognizes two rates: Yield Rate and Borrowing Rate. The yield rate is the rate charged by the lead lender for the loan. The borrowing rate is the rate charged to the borrower. The Interest Differential is the difference between the yield rate and the borrowing rate. This difference is paid to the lead lender under an agreement among the lead lender, the borrower and the Bank on behalf of the Ag PACE Fund.

The Ag PACE Fund provides buydown dollars, to the extent available, to reduce the borrower’s interest rate by a maximum of 4% and may not be less than one percent (1%). The maximum buydown amount per borrower may not exceed a biennium cap of \$20,000 with a lifetime cap of \$60,000. In order to receive buydown funds in excess of \$20,000, the applicant must have a net worth of less than \$1,500,000.

Ag PACE loans are made by a lead lender in participation with Bank of North Dakota. Currently there are 554 Ag PACE loans outstanding. The total principal outstanding is \$73,384,840, of which Bank of North Dakota participates in \$36,817,504. The remaining amount of buydown interest to be paid by this Fund on these loans is \$5,675,117. Of the total outstanding amount, there were 109 loans totaling \$20,869,071 made during the year ended June 30, 2025, in comparison to 107 loans totaling \$20,141,260 made during the year ended June 30, 2024, and 104 loans totaling \$18,034,208 made during the year ended June 30, 2023. Loans funded in the year ended June 30, 2025 will require \$2,107,634 in buydown interest during the life of the loans. There are 3 pending loan commitments totaling \$275,000 as of June 30, 2025.

During the year ended June 30, 2025, the Bank of North Dakota transferred \$2,000,000 to the Ag PACE Fund. During the year ended June 30, 2024, the Bank of North Dakota transferred \$3,000,000 to the Ag PACE Fund. During the year ended June 30, 2023, the Bank of North Dakota transferred \$3,500,000 to the Ag PACE Fund. Additional transfers of \$1,000,000 from PACE was made during the year ended June 30, 2025. Additional transfers of \$1,000,000 from PACE and \$3,000,000 to Beginning Farmer were made throughout the year ended June 30, 2023.

The Fund Balance represents funds available to the Ag PACE Fund. Fund balance increased by \$1,307,329, or 20%, from 2024 to 2025 primarily due to net transfers in to the Fund. Fund balance increased by \$1,614,426, or 33%, from 2023 to 2024 primarily due to net transfers in to the Fund.

**AG PACE FUND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash deposits	\$ 2,087,993	\$ 1,089,055
Cash deposits for buy downs committed	<u>5,675,117</u>	<u>5,366,726</u>
Total assets	<u><b>7,763,110</b></u>	<u><b>6,455,781</b></u>
<b>LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE</b>	<u><b>7,763,110</b></u>	<u><b>6,455,781</b></u>
Total liabilities and fund balance	<u><b>\$ 7,763,110</b></u>	<u><b>\$ 6,455,781</b></u>
	<b>2025</b>	<b>2024</b>
REVENUES	\$ -	\$ -
EXPENDITURES - Buydown interest	<u>1,692,671</u>	<u>1,385,574</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(1,692,671)</u>	<u>(1,385,574)</u>
TRANSFERS IN	<u>3,000,000</u>	<u>3,000,000</u>
TRANSFERS OUT	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>1,307,329</u>	<u>1,614,426</u>
FUND BALANCE, BEGINNING OF YEAR	<u>6,455,781</u>	<u>4,841,355</u>
FUND BALANCE, END OF YEAR	<u><b>\$ 7,763,110</b></u>	<u><b>\$ 6,455,781</b></u>

**AG PACE FUND****STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****JUNE 30, 2025 AND 2024****(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
REVENUES	\$ -	\$ -
EXPENDITURES		
Buydown interest	<u>1,692,671</u>	1,385,574
EXPENDITURES OVER REVENUES	<u>(1,692,671)</u>	(1,385,574)
OTHER FINANCING SOURCES		
Transfers in	<u>3,000,000</u>	3,000,000
Transfers out	<u>-</u>	-
NET CHANGE IN FUND BALANCE	<u>1,307,329</u>	1,614,426
FUND BALANCE, BEGINNING OF YEAR	<u>6,455,781</u>	4,841,355
FUND BALANCE, END OF YEAR	<u>\$ 7,763,110</u>	\$ 6,455,781

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## **Beginning Farmer Revolving Loan Fund**

(Dollars in Thousands)

The Beginning Farmer Revolving Loan Fund (“Fund”) is authorized in Section 6-09.8 of the North Dakota Century Code. The purpose of the Fund is to make or participate in loans to North Dakota beginning farmers for the purchase of agricultural real estate, equipment, and livestock. The Fund is a revolving fund, and all moneys transferred into the Fund, interest upon moneys in the Fund and payments to the Fund of principal and interest on loans made from the Fund are appropriated for the purpose of providing loans and to supplement the interest rate on loans to beginning farmers.

The Bank of North Dakota (BND) supervises and administers the Fund and the loans made by the Fund. Four programs have been established under the Fund, including two direct loan programs and two interest buy-down programs.

### **Beginning Farmer Real Estate Loans**

Prior to 1989, most of the loans made by the Fund were made to beginning farmers in conjunction with the Federal Land Bank of St. Paul. These loans were secured by a second mortgage on agricultural real estate and may not exceed the lesser of 35% of the appraised value of the real estate or \$100 per borrower. On June 1, 2011 the remaining 41 loans totaling \$1,348 were sold to BND. Subsequent to 1988, a direct real estate loan may not exceed 75% of the current appraised value of the farm real estate on which the Fund receives a first mortgage as security. The total loan amount was increased from \$100 to \$150 in 1999, to \$250 in 2005, to \$400 in 2009 and to \$500 in 2013, and to \$750 in 2018. The borrower is restricted to a lifetime cap of \$750 under this program. The term of the loan may not exceed 30 years. A loan must have either a fixed rate at 1% below the Bank of North Dakota’s then current base rate for ten years or 1% below the Bank’s then current base rate for the first five years with a maximum rate of six percent per year and variable at one percent below the Bank’s current base rate for the second five years. During the second five years, the variable rate must be adjusted annually on the anniversary date. The rate during the remaining term of the loan floats at the Bank’s base rate as in effect at that time.

Currently the Beginning Farmer Real Estate loans are being funded directly by BND. The loans are restricted to the same terms as indicated above. The Fund provides buydown funds, to the extent available, to reduce the borrower’s interest rate by 2% for the first five years of the loan. The borrower is limited to \$750 in total loans.

### **Beginning Farmer Chattel Loans Originated out of the Fund**

There are two components to this program. These loans are made in conjunction with a lead lender. A participation loan for the purchase of equipment or livestock may not exceed 80% of the agricultural collateral on which the Fund receives a first security interest as collateral. The Fund is required to participate in at least 50% of the total loan, and not more than 80%, with the balance to be retained by the lead lender. The total loan amount was increased from \$250 to \$400 in 2009, from \$400 to \$500 in 2013, and from \$500 to \$750 in 2018. The borrower is restricted to a lifetime cap of \$750 under this program for the purchase of equipment or livestock. The term of the loan may not exceed seven years. The interest rate on the Fund's share of the chattel loan will be fixed at 1% below the Bank of North Dakota's then current base rate for the first five years of the loan with maximum interest rate of 6% and variable at 1% below the Bank's then current base rate adjusted annually for the next two years.

The lead lender's interest rate of the chattel loan will be set according to prevailing market rates but may not exceed 2% over the Bank of North Dakota's base rate on variable rate loans and 3.5% over the corresponding Federal Home Loan Bank Advance Rate on fixed rate loans. Interest buy down funds, to the extent they are available, are used to reduce the lead lender's rate by 4% subject to a minimum rate of 1% to the borrower.

### **Beginning Farmer Revolving Fund Prepaid Interest**

The prepaid interest at the Bank of North Dakota is being utilized to buy down the interest rate on 385 loans with outstanding principal balances of \$127,123 as of June 30, 2025. The prepaid interest at other lead lenders is being utilized to buy down the interest rate on loans made by participating banks involved with the chattel loan program. As of June 30, 2025, there are 1,301 beginning farmer loans with outstanding principal balances of \$220,636.

### **Beginning Farmer Revolving Fund Balance Summary**

Cash available to provide interest buy down to beginning farmers for both chattel and real estate purchases was \$3,896 as of June 30, 2025. There was a \$15,000 appropriation from BND's undivided profits for the biennium July 1, 2023, through June 30, 2025 for interest buy down purposes to beginning farmers, of which \$12,500 was transferred to the Fund, \$8,000 was transferred from Beginning Farmer to Pace during the year ended June 30, 2025. During the period ended June 30, 2024, \$2,500 was transferred in from the Bank's undivided profits.

### **Envest Loans Funded by BND and a Lead Lender**

Section 6-09-15.5 of the North Dakota Century Code authorizes BND to provide interest buydown on value-added agriculture equity loans (Envest) made for investment in a feedlot or dairy operation. The legislation began August 1, 2007 and states that no more than \$1,000 can be transferred from the Fund during a biennium. There were no new Envest loans made during the year ended June 30, 2025.

For further information regarding the Beginning Farmer Revolving Loan Fund contact the Bank of North Dakota Loan Department or go to the Bank of North Dakota's website <https://bnd.nd.gov/ag>.

**Beginning Farmer Revolving Loan Fund**  
**BALANCE SHEETS**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash deposits at the Bank of North Dakota	\$ 3,896	\$ 2,390
Prepaid interest, current portion	<u>3,122</u>	<u>2,709</u>
Total current assets	<u>7,018</u>	<u>5,099</u>
<b>Noncurrent Assets</b>		
Prepaid interest	<u>12,891</u>	<u>13,391</u>
Total noncurrent assets	<u>12,891</u>	<u>13,391</u>
Total assets	<u><u>\$ 19,909</u></u>	<u><u>\$ 18,490</u></u>
<b>FUND BALANCE</b>	<u><u>\$ 19,909</u></u>	<u><u>\$ 18,490</u></u>

**Beginning Farmer Revolving Loan Fund****STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****JUNE 30, 2025 AND 2024****(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
OPERATING REVENUES	<u>\$</u> <u>-</u>	<u>\$</u> <u>-</u>
OPERATING EXPENDITURES		
Buy-down interest	<u>3,090</u>	2,930
Audit expenses	<u>-</u>	8
	<u><b>3,090</b></u>	<u><b>2,938</b></u>
OPERATING LOSS	<b>(3,090)</b>	(2,938)
NONOPERATING REVENUES		
Income from cash deposits	<u>9</u>	<u>9</u>
LOSS BEFORE TRANSFERS	<b>(3,081)</b>	<b>(2,929)</b>
TRANSFERS		
Transfer from Bank of North Dakota	<u>12,500</u>	2,500
Transfer to PACE	<u>(8,000)</u>	<u>-</u>
NET TRANSFERS IN	<u>4,500</u>	2,500
CHANGE IN FUND BALANCE	<b>1,419</b>	(429)
FUND BALANCE, BEGINNING OF YEAR	<b><u>18,490</u></b>	<b><u>18,919</u></b>
FUND BALANCE, END OF YEAR	<b><u>\$ 19,909</u></b>	<b><u>\$ 18,490</u></b>

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## **Water Infrastructure Revolving Loan Fund**

(Dollars In Thousands)

The Water Infrastructure Revolving Loan Fund was established by North Dakota Century Code Section 6-09-49 to provide loans to political subdivisions, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority for essential infrastructure projects. The Bank shall manage and administer the infrastructure revolving loan fund and the loans made from the fund. The Bank may deduct one-half of one percent of the outstanding loan balance as a service fee for administering the Fund.

The maximum amount of a loan may not exceed the cost of the project. The interest rate for this program has been set at the same rate as the revolving loan fund established under chapters 61-28.1 and 61-28.2. Amortized payments over the term of to be determined by the ND Department of Water Resources or the useful life of the project.

In accordance with House Bill 1431 of the 2021 Legislative Session, the Bank of North Dakota transferred all outstanding loans and moneys in the community water facility loan fund and all outstanding loans and moneys in the infrastructure revolving loan fund within the resources trust fund to the water infrastructure revolving loan fund on July 1, 2021.

The carrying value and bank balance of the Fund's cash deposits as of June 30, 2025 and 2024 was \$5,297 and \$17,875, respectively. Of the bank amounts, none were covered by depository insurance and all are uncollateralized. These monies are deposited in the Bank of North Dakota and are guaranteed by the State of North Dakota (NDCC Section 6-09-10).

As of June 30, 2025, there are fifty-five loans outstanding totaling \$70,986 with an allowance for credit loss of \$887 for net loans of \$70,099. As of June 30, 2024, there were fifty-four loans outstanding totaling \$47,738 with an allowance for credit losses of \$549 for net loans of \$47,189.

For the years ended June 30, 2025, 2024, and 2023 interest expense on loans was \$1,230, \$1,104, and \$1,415, respectively. The interest expense on loans was due to principal extended on a line of credit from Bank of North Dakota to support loan fundings by the Authority. As of June 30, 2025, 2024, and 2023 the balance outstanding at year end was \$29,203, \$15,000, and \$35,000, respectively.

For the year ended June 30, 2025, interest expense on loans was \$12. The interest expense on loans was due to principal extended on a line of credit from Bank of North Dakota to support loan fundings by the Fund.

House Bill 1024 of the 2025 Legislative Session authorizes the transfer of \$10,000 from the General Fund to the Department of Water Resources. The Department of Water Resources transferred these funds to Water Infrastructure Revolving Loan Fund for the repayment of the line of credit of \$10,000. This act is declared to be an emergency measure.

**Water Infrastructure Revolving Loan Fund**  
**BALANCE SHEETS**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash deposits at the Bank of North Dakota	\$ 5,297	\$ 17,875
Loans, current portion	<u>3,029</u>	2,840
Interest receivable	<u>592</u>	274
Total current assets	<u><u>8,918</u></u>	20,989
<b>Noncurrent Assets</b>		
Loans, net of allowance for credit losses of \$887 in 2025 and \$549 in 2024	<u><u>67,070</u></u>	44,349
Total assets	<u><u>\$ 75,988</u></u>	<u><u>\$ 65,338</u></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Due to the Bank of North Dakota	\$ 86	\$ 57
<b>NET POSITION</b>		
Unrestricted	<u><u>75,902</u></u>	65,281
Total liabilities and net position	<u><u>\$ 75,988</u></u>	<u><u>\$ 65,338</u></u>

**Water Infrastructure Revolving Loan Fund**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

	<b>2025</b>	<b>2024</b>
<b>OPERATING REVENUES</b>		
Interest on loans	<b>\$ 1,236</b>	<b>\$ 876</b>
<b>OPERATING EXPENSES</b>		
Int Exp on line of credit	12	-
Administrative fees	<b>305</b>	215
Audit expenses	-	11
Provision for credit loss	<b>338</b>	<b>(51)</b>
Total operating expenses	<b>655</b>	175
<b>OPERATING INCOME</b>	<b>581</b>	701
<b>NONOPERATING REVENUES</b>		
Interest on deposits	<b>40</b>	<b>133</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>621</b>	834
<b>TRANSFERS IN</b>	<b>10,000</b>	-
<b>CHANGE IN NET POSITION</b>	<b>10,621</b>	834
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b>65,281</b>	<b>64,447</b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$ 75,902</b>	<b>\$ 65,281</b>

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## **Infrastructure Revolving Loan Fund**

(Dollars in Thousands)

Section 6-09-49 of the North Dakota Century Code (“NDCC”) established the Infrastructure Revolving Loan Fund (“Fund”) effective July 1, 2015. The purpose of the Fund is to provide loans to political subdivisions for essential infrastructure projects. Eligible infrastructure projects may include new or replacement of existing water treatment plants, wastewater treatment plants, sewer lines and water lines, storm water and transportation infrastructure, including curb and gutter construction, and other infrastructure needs as established by the Bank of North Dakota. The Bank administers the Fund and all loans made by the Fund.

House Bill 1443 of the 2015 Legislative Session authorized a transfer of \$50,000 from the Strategic Investment and Improvements Fund (SIIF) to the Fund. It also authorized the Bank of North Dakota to transfer the sum of \$100,000, or so much of the sum as may be necessary, from the Bank’s current earnings and undivided profits to the Fund. All monies transferred to the Fund, interest upon monies in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement. As of June 30, 2024, the fund has received \$100,000 in transfers from the Bank.

House Bill 1431 of the 2021 Legislative Session authorized Legacy Bond Fund proceeds issued by the Public Finance Authority to be appropriated to the Bank of North Dakota for allocation of up to \$50,000 to the Fund during the biennium beginning July 1, 2021, and ending June 30, 2023. As of June 30, 2024, the Fund received \$50,000.

Senate Bill 2330 of the 2023 Legislative Session authorized up to \$150,000 of Legacy funds to be used to purchase loans from the Infrastructure Revolving Loan Fund. As of June 30, 2025, the Fund transferred 23 loans for \$94,559 to the Legacy Infrastructure Revolving Loan Fund.

Loans made by the Fund may not exceed fifteen million dollars, must have an interest rate that does not exceed two percent, and must have a repayment schedule that does not exceed thirty years. Effective July 1, 2021, loans made by the Fund must have an interest rate starting at two percent per year and increasing by one percent every five years, up to a maximum rate of five percent as enacted by House Bill 1431 of the 2021 Legislative Session.

As of June 30, 2025, there were 111 loans outstanding for \$199,864 with an allowance for credit losses of \$2,498 for net loans of \$197,366. As of June 30, 2024, there were 106 loans outstanding for \$175,097 with an allowance for credit losses of \$2,189 for net loans of \$172,908.

There were 18 outstanding commitments for \$36,056 as of June 30, 2025.

# INFRASTRUCTURE REVOLVING LOAN FUND

## STATEMENTS OF NET POSITION

JUNE 30, 2025 AND 2024

(Dollars in Thousands)

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 38,884	\$ 60,591
Loans, current portion	16,724	13,899
Interest receivable	642	689
	<hr/> <u>56,250</u>	<hr/> <u>75,179</u>
<b>Noncurrent Assets</b>		
Loans, net of allowance for credit losses of \$2,498 in 2025 and \$2,189 in 2024	<hr/> <u>180,642</u>	<hr/> <u>159,009</u>
	<hr/> <u><b>\$ 236,892</b></u>	<hr/> <u><b>\$ 234,188</b></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
	<hr/> <u><b>\$ 239</b></u>	<hr/> <u><b>\$ 217</b></u>
<b>NET POSITION</b>		
Unrestricted	<hr/> <u><b>236,653</b></u>	<hr/> <u><b>233,971</b></u>
	<hr/> <u><b>\$ 236,892</b></u>	<hr/> <u><b>\$ 234,188</b></u>

**INFRASTRUCTURE REVOLVING LOAN FUND**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
<b>OPERATING REVENUES</b>		
Interest on loans	\$ <b>3,682</b>	\$ 3,247
<b>OPERATING EXPENSES</b>		
Administrative fees	<b>962</b>	906
Other expenses	-	6
Provision for credit loss	<b>309</b>	477
<b>Total Operating Expenses</b>	<b>1,271</b>	1,389
<b>OPERATING INCOME</b>	<b>2,411</b>	1,858
<b>NONOPERATING REVENUES</b>		
Investment income	<b>271</b>	245
<b>INCOME BEFORE TRANSFERS</b>	<b>2,682</b>	2,103
<b>TRANSFERS IN</b>		
Transfers from Bank of North Dakota	-	52,000
Transfers from Legacy Bond Fund	<b>-</b>	<b>23,258</b>
<b>NET TRANSFERS IN</b>	<b>-</b>	<b>75,258</b>
<b>CHANGE IN NET POSITION</b>	<b>2,682</b>	77,361
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b>233,971</b>	156,610
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$ 236,653</b>	<b>\$ 233,971</b>

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## **Medical Facility Infrastructure Loan Program**

(Dollars in Thousands)

The Medical Facility Infrastructure Loan Program was established by NDCC Section 6-09-47 effective May 3, 2013, to provide loans to medical facilities to conduct construction that improves the health care infrastructure in North Dakota or improves access to existing nonprofit health care providers in North Dakota. The Bank of North Dakota administers the Fund and all loans made by the Fund. The Fund was established by a fifty-million-dollar loan from the State of North Dakota's Strategic Investment and Improvements Fund (SIIF).

The 2015 North Dakota Legislature passed Senate Bill 2012 that made the Fund a revolving fund and eliminated the repayment requirement to SIIF. All moneys transferred into the Fund, interest on moneys in the Fund and collections of principal and interest on loans from the Fund are appropriated to the Bank for Fund administration on a continuing basis.

Loans made by the Fund may not exceed the lesser of fifteen million dollars or 75% of the actual cost of the project, must have an interest rate equal to 1%, and must have a repayment schedule of no longer than 25 years. A recipient of a loan under the Fund must complete the financed construction project within 24 months of approval of the loan.

There were two loans for \$8,750 made by the Fund during the year ended June 30, 2025. There were no new loans during the years ended June 30, 2024, and 2023. As of June 30, 2025, there were ten loans outstanding totaling \$47,005 with an allowance for loan losses of \$1,175 for net loans of \$45,030.

There were three pending loan commitments totaling \$7,573 as of June 30, 2025.

# **MEDICAL FACILITY INFRASTRUCTURE LOAN FUND**

## **STATEMENTS OF NET POSITION**

**JUNE 30, 2025 AND 2024**

**(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 5,420	\$ 11,678
Loans, current portion	2,501	2,082
Interest receivable	28	24
	<hr/> <b>7,949</b>	<hr/> <b>13,784</b>
Noncurrent Assets		
Loans, net of allowance for loan losses of \$1,175 in 2025 and \$1,012 in 2024	<hr/> <b>43,329</b>	<hr/> <b>37,380</b>
	<hr/> <b>\$ 51,278</b>	<hr/> <b>\$ 51,164</b>
<b>LIABILITIES</b>		
Current Liabilities	<hr/> <b>\$ 57</b>	<hr/> <b>\$ 51</b>
<b>NET POSITION</b>		
Unrestricted	<hr/> <b>51,221</b>	<hr/> <b>51,113</b>
	<hr/> <b>\$ 51,278</b>	<hr/> <b>\$ 51,164</b>

**MEDICAL FACILITY INFRASTRUCTURE LOAN FUND**  
**STATEMENTS OF EXPENSES, REVENUES AND CHANGES IN NET POSITION**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
<b>OPERATING REVENUES</b>		
Interest on loans	<u>\$ 421</u>	<u>\$ 416</u>
<b>OPERATING EXPENSES</b>		
Administrative fees	<u>211</u>	208
Other expenses	<u>-</u>	6
Provision for loan loss	<u>163</u>	<u>(170)</u>
<b>OPERATING INCOME</b>	<b>47</b>	372
<b>NONOPERATING REVENUES</b>		
Investment income	<u>61</u>	<u>63</u>
<b>CHANGE IN NET POSITION</b>	<b>108</b>	435
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b><u>51,113</u></b>	<b><u>50,678</u></b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b><u>\$ 51,221</u></b>	<b><u>\$ 51,113</u></b>

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## **North Dakota Guaranteed Student Loan Program**

Section 15-62.1 of the North Dakota Century Code ("NDCC") designates the Bank of North Dakota ("Bank") as the agency for the administration of the North Dakota Guaranteed Student Loan Program ("Program"). The Program shall expend monies received and interest on the reserve funds established pursuant to this section of the NDCC as may be necessary to implement and administer the Program. The Program has been designated to act as a guarantor of private student loans made pursuant to the Higher Education Act of 1965, as amended ("Act"), and certain other student loans if the North Dakota Industrial Commission determines that student loans made under the terms of certain federal programs are no longer meeting the needs of North Dakota students, or are no longer available. On March 31, 2016, all the Program's Federal Family Education Loan Program (FFELP) guarantees were transferred to Great Lakes Higher Education. Prior to the transfer, the Program was comprised of three components — an Agency Operating Fund (AOF), property of the Program, an Alternative Loan Fund, also property of the Program and a Federal Student Loan Reserve Fund (FSLRF), the net position of which was property of the Federal Government. On March 31, 2016 the transfer of the FFELP guarantees to Great Lakes resulted in the net position of the Agency Operating Fund being transferred to the alternative Loan Fund and the net position of the FSLRF being transferred to the Department of Education.

The Program is responsible for processing loans submitted for guarantee, issuing loan guarantees, paying lender claims for loans and collecting loans on which default claims have been paid. Program funds may also be used for application processing, loan disbursement, enrollment and repayment status management, default aversion activities, default collection activities, school and lender training, financial aid awareness and related outreach activities, compliance monitoring and other student financial aid and related activities as selected by the Program.

Effective October 1, 2017, the Program changed its fiscal year end from September 30 to December 31 to coincide with the fiscal year end of the Bank rather than the fiscal year end of the U.S. Department of Education, which was previously required prior to the transfer of all federal student loan guarantees.

### *Credit Loss Expense (Recovery)*

Credit loss expense (recovery) was (\$0.3) million during the year ended December 31, 2024, (\$0.08) million during the year ended December 31, 2023, and \$1.7 million during the year ended December 31, 2022. The decrease from 2023 to 2024 and 2022 to 2023 was primarily due to the decrease in the student loan portfolio.

### *Alternative Loan Fund*

State law requires that the Program must maintain a reserve fund on deposit with the Bank for all outstanding Alternative Loans. The fund level may be no less than the Bank's historical default rate. The Statement of Net Position indicates that the Alternative Loan Fund has adequate resources to provide for new loan guarantees, claim payments to lenders, and continuing obligations.

Alternative Loan Fund guarantees during the years ending December 31, 2024, 2023, and 2022 were \$55 million, \$69 million, and \$83 million, respectively.

For further information regarding the North Dakota Guaranteed Student Loan Program contact the Bank of North Dakota.

**North Dakota Guaranteed Student Loan Program**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and cash equivalents		
Unrestricted	\$ 49,297,968	\$ 49,650,952
Receivables		
Administrative fee	<u>53,836</u>	-
<b>TOTAL ASSETS</b>	<b><u>\$ 49,351,804</u></b>	<b><u>\$ 49,650,952</u></b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Due to BND	\$ 196,561	\$ 5,000
Collections payable	<u>238,666</u>	<u>433,846</u>
Total current liabilities	<u>435,227</u>	<u>360,117</u>
<b>NONCURRENT LIABILITIES</b>		
Allowance for future credit losses	<u>25,639,435</u>	<u>27,639,180</u>
Total liabilities	<u>26,074,662</u>	<u>28,078,026</u>
<b>NET POSITION - UNRESTRICTED</b>	<b><u>23,277,142</u></b>	<b><u>21,572,926</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 49,351,804</u></b>	<b><u>\$ 49,650,952</u></b>

**North Dakota Guaranteed Student Loan Program**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<b>2024</b>	<b>2023</b>
<b>OPERATING REVENUES</b>		
Administrative fee	\$ 2,053,980	\$ 1,584,786
<b>OPERATING EXPENSES</b>		
Service and administrative expense	947,254	821,374
Credit loss recovery	<u>(300,187)</u>	<u>(78,729)</u>
	<b><u>647,067</u></b>	<b><u>742,645</u></b>
<b>OPERATING INCOME</b>	<b>1,406,913</b>	842,141
<b>NONOPERATING REVENUES</b>		
Interest income	<u>297,303</u>	<u>281,018</u>
<b>CHANGE IN NET POSITION</b>	<b>1,704,216</b>	1,123,159
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b><u>21,572,926</u></b>	<b><u>20,449,767</u></b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b><u>\$ 23,277,142</u></b>	<b><u>\$ 21,572,926</u></b>

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## **PACE Fund**

Section 6-09.14 of the North Dakota Century Code (“NDCC”) established the Partnership in Assisting Community Expansion (“PACE”) Fund (“Fund”). The Fund is revolving and all moneys transferred into the Fund, interest on Fund moneys and payments to the Fund are appropriated for the purposes of the Fund. The Bank of North Dakota (“Bank”) supervises and administers the PACE Fund. The purpose of the PACE Fund is to buy down the interest rate on loans made by a lead financial institution in participation with the Bank. The Bank’s participation may not exceed 80% nor be less than 50% of the total loans. If the lenders approve the loan and there is evidence of the community’s commitment and ability to fund its portion of the buydown the Fund’s participation in the buydown is approved as part of the Bank’s loan approval process.

The PACE programs recognize two rates: Yield Rate and Borrowing Rate. The yield rate is the rate charged by the lead lender for the loan. The borrowing rate is the rate charged to the borrower. The Interest Differential is the difference between the yield rate and the borrowing rate. This difference is paid to the lead lender under an agreement among the lead lender, the borrower, the community (if required) and the Bank on behalf of the PACE Fund. The PACE Fund provides buydown dollars, to the extent available, to reduce the borrower’s interest rate by a maximum of 5% and may not be less than 1%.

### *PACE Program*

Loans eligible for the buydown are loans to new or expanding North Dakota businesses using the proceeds to purchase real property or equipment, expand their facility, or fund permanent working assets. The loan funds cannot be used to refinance any existing debt or for the relocation of business within North Dakota. The community shall determine the amount of the interest rate buydown and apply to the Bank for participation from the PACE Fund. The funds for the community’s portion of the buydown may come from local development corporation contributions, community funds, future dedicated tax programs, or any other community source. The maximum amount from the Fund in the interest rate buydown may not exceed \$500,000 per borrower in any biennium. The communities within the state are given a percentage factor to determine the PACE Fund’s maximum participation in the interest rate reduction. These funds are on deposit with BND’s Trust Department which has been appointed to act as agent for the interest rate reduction fund.

### *Flex PACE Program*

Flex PACE was designed to provide interest buydown to non-PACE qualifying businesses where the community determines eligibility and accountability standards. Flex PACE targets essential community businesses without the job creation requirement. The communities within the state are given a percentage factor to determine the PACE Fund’s maximum participation in the interest rate reduction. The maximum buydown amount from the Fund in the interest rate buydown may not exceed \$500,000 per borrower in any biennium. These funds are on deposit with BND’s Trust Department which has been appointed to act as agent for the interest rate reduction fund.

### *Biofuels PACE Program*

In compliance with NDCC 17-03, Biofuels PACE was created to provide interest buydown to qualified North Dakota businesses which are defined as biodiesel, ethanol, and green diesel production facilities and livestock operations. The maximum interest buydown per borrower for each eligible use is \$500,000 for a biodiesel, ethanol or green diesel project, and \$250,000 for a livestock operation. The Biofuels PACE Loan Program does not require a community interest buydown match or job creation. Recipients of Biofuels PACE are not eligible for regular PACE or Flex PACE funds.

### *Medical PACE Program*

The Medical PACE Program provides interest buydown to assist in the financing of critical access hospital medical infrastructure throughout North Dakota. The maximum interest buydown amount does not apply to the Medical PACE Program nor does the community percentage factor. Loan proceeds may be used to finance the purchase of land, the purchase of equipment, or to purchase, lease, erect, or improve any structure or facility to the extent that the governing board of the health care facility has authority to authorize such activity.

PACE loans are made by a lead financial institution in participation with the Bank. Currently, there are 93 PACE loans outstanding. The total principal outstanding is \$139,163,889. These loans will require \$8,704,437 in buydown interest during the life of the loans. There were 13 loans totaling \$68,115,149 made in 2025 and 9 loans totaling \$70,288,885 made in 2024. There are 3 loan commitments outstanding as of June 30, 2025 that total \$6,824,540 and will use \$1,378,335 of interest buydown.

Flex PACE loans are made by a lead financial institution in participation with the Bank. Currently, there are 1,285 Flex PACE loans outstanding. The total principal outstanding is \$460,648,841. These loans will require \$52,309,019 in buydown interest during the life of the loans. There were 216 loans totaling \$188,036,762 made during 2025 and 178 loans totaling \$121,793,392 made during 2024. There are 65 loan commitments outstanding as of June 30, 2025 that total \$66,337,995 and will use \$8,338,183 of interest buydown.

BioFuels PACE loans are made by a lead financial institution in participation with the Bank. Currently, there are 83 BioFuels PACE loans outstanding. The total principal outstanding is \$19,601,072. These loans will require \$3,966,836 in buydown interest during the life of the loans. There were 11 loans totaling \$10,824,132 made during 2025 and 8 loans totaling \$5,172,854 made during 2024. There is 1 loan commitment outstanding as of June 30, 2025 that totals \$370,181 and will use \$47,284 of interest buydown.

Medical PACE loans are made by a lead financial institution in participation with the Bank. Currently, there are 3 Medical PACE loans outstanding. The total principal outstanding is \$11,822,892. There were no loans made during 2024 and 2025. There are no loan commitments outstanding as of June 30, 2025.

As of June 30, 2025, \$3,098,159 is available of PACE interest buydown; \$5,770,578 is available for Flex PACE interest buydown; \$239,982 is available for BioFuels PACE interest buydown, and \$0 is available for Medical PACE interest buydown.

During the year ended June 30, 2025, the Bank of North Dakota transferred \$17,000,000 to PACE and \$5,000,000 to Flex PACE from its current earnings and undivided profits. Additional transfers were made throughout the year, including \$8,000,000 from Beginning Farmer to PACE, \$17,500,000 from PACE to Flex PACE, \$1MM from PACE to Ag PACE, and \$500,000 from Flex PACE to Biofuels PACE.

During the year ended June 30, 2024, the Bank of North Dakota transferred \$2,000,000 to PACE, \$1,000,000 to Biofuels PACE, and \$15,000,000 to Flex PACE from its current earnings and undivided profits. Additional transfers were made throughout the year, including \$1,000,000 from PACE to Affordable Housing.

During the year ended June 30, 2023, the Bank of North Dakota transferred \$18,500,000 to PACE, \$750,000 to Biofuels PACE, and \$8,000,000 to Flex PACE from its current earnings and undivided profits. Additional transfers were made throughout the year, including \$11,500,000 from PACE to Flex PACE, \$600,000 from PACE to Biofuels, \$1,000,000 from PACE to Ag PACE, \$500,000 from PACE to Affordable Housing, and \$400,000 from PACE to Beginning Farmer.

For further information regarding the PACE Fund, Flex PACE or the BioFuels PACE contact the Bank of North Dakota.

**PACE FUND**  
**BALANCE SHEETS**  
**JUNE 30, 2025 AND 2024**  
(Dollars in Thousands)

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash deposits at the Bank of North Dakota	<u>\$ 92,210,366</u>	<u>\$ 82,917,007</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accrued interest payable	<u>\$ 1,722,985</u>	<u>\$ 1,528,716</u>
<b>FUND BALANCE</b>		
Committed for interest buydown	<u>83,055,617</u>	<u>81,388,291</u>
Committed for future interest buydown	<u>7,431,764</u>	<u>-</u>
Total fund balance	<u><b>90,487,381</b></u>	<u>81,388,291</u>
Total liabilities and fund balance	<u><b>\$ 92,210,366</b></u>	<u><b>\$ 82,917,007</b></u>

**PACE FUND****STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****JUNE 30, 2025 AND 2024****(Dollars in Thousands)**


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	<b>2025</b>	<b>2024</b>
<b>REVENUES</b>		
Interest income	\$ <b>969,168</b>	\$ 639,398
<b>EXPENDITURES</b>		
Buydown interest	<b>20,870,078</b>	18,515,888
<b>EXPENDITURES OVER REVENUES</b>	<b>(19,900,910)</b>	(17,876,490)
<b>OTHER FINANCING SOURCES</b>		
Transfers in, net of interfund transfers	<b>30,000,000</b>	18,000,000
Transfers out, net of interfund transfers	<b>(1,000,000)</b>	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>9,099,090</b>	123,510
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>81,388,291</b>	81,264,781
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 90,487,381</b>	<b>\$ 81,388,291</b>

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## **Rebuilders Loan Program**

The North Dakota Legislature appropriated \$50,000,000 for the Rebuilders Loan Program during its special session held in November 2011. The Industrial Commission approved the Rebuilders Loan Guidelines on 11/21/2011. The first \$30,000,000 for this program was transferred from Bank of North Dakota's undivided profits. The remaining \$20,000,000 was funded from the General Fund.

The purpose of this Fund is to help owners of homes damaged in the 2011 floods in Barnes, Benson, Burleigh, McHenry, Morton, Ramsey, Renville, Richland and Ward Counties. Residents with flood-damaged homes that have been granted a tax assessment reduction in 2011 are eligible to apply for a loan of up to \$30,000 at a 1% interest rate for 20 years. Payments were not required for 24 months, however interest accrued during this time. Applications were not accepted after September 30, 2012.

The Legislature amended the Rebuilders Loan Program in its 2013 Session to include the rebuilding of non-owner-occupied property and federal emergency management agency temporary housing units located in a community-approved group housing site in the disaster- impacted community. There is no deferral of principal and interest payments for a loan for non- owner-occupied property. Applications were not accepted after September 30, 2013. A supplemental loan up to \$20,000 may have been made to a homeowner who has received an initial loan under certain conditions. Supplemental loan applications were not accepted after December 31, 2013.

After June 30, 2013, repayments to the Program shall be transferred to replenish \$30,000,000 of the Bank's undivided profits. On an annual basis, the Bank shall transfer repayments to the State Treasurer for deposit in the State General Fund in any amount exceeding the \$30,000,000 used to replenish the Bank's undivided profits.

The North Dakota Legislature amended the Program in its 2019 Session to provide up to \$3,750,000 from the principal payments received to North Dakota residents affected by river flooding in the state in the winter and spring of 2019. The application period was open until September 30, 2020.

The North Dakota Legislature amended the Fund in its 2021 Session to create the Rebuilders Permanent Loan Fund. This Fund merged the SARS-CoV-2 Small Employer Loan Fund with the Rebuilders Loan Fund. All assets and liabilities of the Small Employer Loan Fund were transferred to the Fund as of July 1, 2021.

The Small Employer Loan Fund was established by Bank of North Dakota to assist local financial institutions and certified development corporations in providing loans to assist very small North Dakota businesses in their recovery from the negative impacts caused by the COVID-19 pandemic. The Fund is available to North Dakota businesses with an employee count of 10 full-time equivalents or less. Eligible borrowers may use the proceeds to support working capital needs, recurring expenses and replenish inventory. Additionally, the funds may be used to term out COVID-19 related bridge loans or credit card debt originated on or after March 13, 2020, not to exceed 20% of the maximum loan amount.

The Bank of North Dakota administers the loan fund. The Bank may deduct a service fee for administering the fund for the Bank and originating financial institutions.

Noncurrent liabilities were \$9,465, \$11,535, and \$13,720 for the years ended June 30, 2025, 2024, and 2023, respectively. Noncurrent liabilities consist of funds due to the North Dakota General Fund.

There were no transfers in the Fund during the years ended June 30, 2025 and 2024.

There are currently 1,584 loans outstanding. As of June 30, 2025, the gross amount of outstanding loans is \$24,076 with an allowance for credit losses of \$2,136 for net loans of \$21,940. As of June 30, 2024, the gross amount of outstanding loans is \$29,599 with an allowance for credit losses of \$2,622 for net loans of \$26,977.

# REBUILDERS PERMANENT LOAN FUND

## STATEMENTS OF NET POSITION

JUNE 30, 2025 AND 2024

(Dollars in Thousands)

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash deposits at the Bank of North Dakota	\$ 16,747	\$ 13,544
Loans, current portion	4,022	4,183
Interest receivable	<u>28</u>	<u>31</u>
Total current assets	<u><u>20,797</u></u>	<u><u>17,758</u></u>
<b>NONCURRENT ASSETS</b>		
Loans, net of allowance for credit losses of \$2,136 in 2025 and \$ 2,622 in 2024	<u><u>17,918</u></u>	<u><u>22,794</u></u>
Total noncurrent assets	<u><u>17,918</u></u>	<u><u>22,794</u></u>
Total assets	<u><u><b>\$ 38,715</b></u></u>	<u><u><b>\$ 40,552</b></u></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Due to the Bank of North Dakota	\$ 22	\$ 27
Service fee payable	<u>4</u>	<u>5</u>
Total current liabilities	<u><u>26</u></u>	<u><u>32</u></u>
<b>NONCURRENT LIABILITIES</b>		
Due to the State of North Dakota General Fund	<u><u>9,465</u></u>	<u><u>11,535</u></u>
Total noncurrent liabilities	<u><u>9,465</u></u>	<u><u>11,535</u></u>
Total liabilities	<u><u>9,491</u></u>	<u><u>11,567</u></u>
<b>NET POSITION - UNRESTRICTED</b>	<u><u><b>29,224</b></u></u>	<u><u><b>28,985</b></u></u>
Total liabilities and net position	<u><u><b>\$ 38,715</b></u></u>	<u><u><b>\$ 40,552</b></u></u>

# REBUILDERS PERMANENT LOAN FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 JUNE 30, 2025 AND 2024  
 (Dollars in Thousands)

	<u>2025</u>	<u>2024</u>
<b>OPERATING REVENUES</b>		
Interest on loans	<u>\$ 266</u>	<u>\$ 324</u>
<b>OPERATING EXPENSES</b>		
Administrative Fee	76	93
Loan Fee	-	-
Service fees	113	134
Other expenses	-	19
Provision for credit loss	<u>(69)</u>	<u>(423)</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>120</u>	<u>(177)</u>
<b>OPERATING INCOME</b>	<u>146</u>	501
<b>NONOPERATING REVENUES</b>		
Investment Income	<u>93</u>	71
<b>NONOPERATING INCOME</b>	<u>93</u>	71
<b>TRANSFERS IN</b>	-	-
<b>CHANGE IN NET POSITION</b>	<u>239</u>	572
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<u>28,985</u>	<u>28,413</u>
<b>TOTAL NET POSITION, END OF YEAR</b>	<u><u>\$ 29,224</u></u>	<u><u>\$ 28,985</u></u>

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## **School Construction Assistance Revolving Loan Fund**

(Dollars in Thousands)

Section 15.1-36 of the North Dakota Century Code (“NDCC”) established the School Construction Assistance Revolving Loan Fund (“Fund”). The purpose of the Fund is to provide low-interest school construction loans. The board of a school district may propose a new construction or remodeling project with a cost of at least one million dollars and an expected utilization of at least thirty years. Loan applications are reviewed and approved by the Superintendent of Public Instruction. The Bank of North Dakota administers the Fund and all loans made by the Fund.

As of June 30, 2016, the Fund was a special revolving fund in the State Treasury administered by the North Dakota Department of Trust Lands (“Department”) and was presented in the Department’s annual financial statements. Senate Bill 2272 of the 2017 North Dakota Legislature amended the Fund to be administered by the Bank of North Dakota. The Fund was transferred from the State Treasury to the Bank on January 3, 2017. All moneys transferred to the Fund, interest upon money in the Fund, and repayment of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and loan disbursement.

The 2021 North Dakota Legislature passed Senate Bill 2014 that allowed the Bank of North Dakota to utilize funding from the School Construction Assistance Revolving Loan Fund to repay up to \$2,500, or so much of the sum as may be necessary, to provide the Bank of North Dakota with interest rate buydowns associated with the Bank’s on-balance-sheet school construction loans.

The carrying value and bank balance of the Fund’s cash deposits was \$79,860 and \$78,716 as of June 30, 2025 and 2024, respectively. Of the bank amounts, none were covered by depository insurance and all are uncollateralized. These monies are deposited in the Bank of North Dakota and are guaranteed by the State of North Dakota (NDCC Section 6-09-10).

As of June 30, 2025, there were 66 loans outstanding totaling \$319,125 with an allowance for loan losses of \$3,191 for net loans of \$315,934. As June 30, 2024, there were 64 loans outstanding totaling \$315,251 with an allowance for loan losses of \$3,153 for net loans of \$312,098. As of June 30, 2023, there were 56 loans outstanding totaling \$276,770 with an allowance for loan losses of \$2,768 for net loans of \$274,002.

There were five pending loan commitments totaling \$25,332 as of June 30, 2025.

The 2023 North Dakota Legislature passed Senate Bill 2284 to transfer the sum of \$75,000 from the Foundation Aid Stabilization Fund during the biennium beginning July 1, 2023 and ending June 30, 2025. The full \$75,000 was transferred in July of 2023.

Net position of the Fund as of June 30, 2025, 2024, and 2023 was \$397,766, \$392,526, and \$313,321, respectively.

**SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND**  
**STATEMENTS OF NET POSITION JUNE 30, 2025 AND 2024**  
(Dollars in Thousands)

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	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 79,860	\$ 78,716
Loans, current portion	<u>34,004</u>	32,321
Interest receivable	<u>1,972</u>	2,108
Total current assets	<u><u>115,836</u></u>	113,145
Noncurrent Assets		
Loans, net of allowance for loan losses of \$3,191 in 2025 and \$3,153 in 2024.	<u>281,930</u>	279,777
Total noncurrent assets	<u><u>281,930</u></u>	279,777
Total assets	<u><u>397,766</u></u>	392,922
Total assets and deferred outflows	<u><u>\$ 397,766</u></u>	<u><u>\$ 392,922</u></u>
<b>LIABILITIES</b>	<u><u>\$ 402</u></u>	<u><u>\$ 395</u></u>
<b>NET POSITION</b>		
Unrestricted	<u>397,364</u>	392,527
Total liabilities and net position	<u><u>\$ 397,766</u></u>	<u><u>\$ 392,922</u></u>

**SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEARS ENDED**  
**JUNE 30, 2025 AND 2024**  
(Dollars in Thousands)

	<b>2025</b>	<b>2024</b>
OPERATING REVENUES		
Interest on loans	<u>\$ 6,051</u>	<u>\$ 5,608</u>
OPERATING EXPENSES		
Administrative fees	<u>1,618</u>	<u>1,519</u>
Other expenses	<u>-</u>	<u>6</u>
Provision for loan loss	<u>38</u>	<u>385</u>
OPERATING INCOME	<b>4,395</b>	3,698
NONOPERATING REVENUES		
Investment income	<u>442</u>	<u>508</u>
INCOME BEFORE TRANSFERS	<b>4,837</b>	4,206
NET TRANSFERS IN (OUT)		
Transfer from SIIF	<u>-</u>	<u>75,000</u>
CHANGE IN NET POSITION	<b>4,837</b>	79,206
TOTAL NET POSITION, BEGINNING OF YEAR	<b>392,527</b>	313,321
TOTAL NET POSITION, END OF YEAR	<b><u>\$ 397,364</u></b>	<b><u>\$ 392,527</u></b>

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## **Addiction Counselor Internship Loan Program**

Section 43-45-05.4 of the North Dakota Century Code established the Addiction Counselor Internship Loan Program effective July 1, 2015. The purpose of the Program is to provide loans to qualified individuals participating in a paid or unpaid internship at a licensed substance abuse treatment facility in North Dakota in order to obtain licensure as an addition counselor. The Bank of North Dakota administers the Program and all loans made by the Program.

The Program was established by a \$200,000 transfer from the North Dakota Student Loan Trust. All monies transferred into the Fund, interest upon monies in the Fund and payments to the Fund of principal and interest on loans are appropriated to the Bank of North Dakota for Program administration on a continuing basis.

Loans made by the Program may not exceed \$7,500, must accrue at the Bank of North Dakota's current base rate, but may not exceed 6%, and must have a repayment schedule of no longer than ten years.

There were four loans totaling \$22,500 made during the fiscal year 2025, there was one loan totaling \$7,500 made during the fiscal year 2024. As of June 30, 2025, there are fifteen loans outstanding totaling \$77,711 with an allowance for loan losses of \$7,771 for net loans of \$69,940.

Funds available for investment in loans for the year ended June 30, 2025 were \$115,212.

**ADDICTION COUNSELOR INTERNSHIP LOAN PROGRAM**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2025 AND 2024**

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	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 115,212	\$ 121,602
Loans, current portion	9,631	8,442
Interest receivable	<u>1,072</u>	<u>1,753</u>
Total current assets	<b><u>125,915</u></b>	<b><u>131,797</u></b>
Noncurrent Assets		
Loans, net of allowance for loan losses of \$7,771 in 2025 and \$3,262 in 2024	<u>60,309</u>	<u>53,539</u>
Total assets	<b><u>186,224</u></b>	<b><u>185,336</u></b>
<b>LIABILITIES</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>NET POSITION</b>		
Unrestricted	<b><u>186,224</u></b>	<b><u>185,336</u></b>
Total liabilities and net position	<b><u>\$ 186,224</u></b>	<b><u>\$ 185,336</u></b>

**ADDICTION COUNSELOR INTERNSHIP LOAN PROGRAM**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

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	<b>2025</b>	<b>2024</b>
<b>OPERATING REVENUES</b>		
Interest on loans	\$ 4,708	\$ 4,152
Late fees	<u>25</u>	<u>-</u>
<b>OPERATING EXPENSES</b>		
Audit expense	-	6,365
Small balance adjustment	8	-
Provision for loan loss	<u>4,509</u>	<u>(339)</u>
<b>OPERATING INCOME/(LOSS)</b>	<b>216</b>	(1,874)
<b>NONOPERATING REVENUES</b>		
Investment income	<u>672</u>	<u>699</u>
<b>CHANGE IN NET POSITION</b>	<b>888</b>	(1,175)
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b><u>185,336</u></b>	<b><u>186,511</u></b>
<b>TOTAL NET POSITION, END OF YEAR</b>	<b><u>\$ 186,224</u></b>	<b><u>\$ 185,336</u></b>

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## **COVID-19 PACE Recovery Program**

The COVID-19 PACE Recovery Program (CPR) was created in May of 2020 with the purpose to assist local financial institutions in providing low interest loans and grants to support North Dakota businesses in their economic recovery due to negative impacts from the COVID-19 pandemic.

The North Dakota Emergency Commission approved federal Coronavirus Aid, Relief, and Economic Security (CARES) Act dollars of up to \$200 million to be utilized for interest rate buydowns. In September of 2020, the North Dakota Budget Section reduced the original commitment of \$200 million to

\$50 million to be used between the two programs, CPR I and CPR II. An additional \$20 million was approved to be used between the CPR I and CPR II programs in October of 2020 by the North Dakota Budget Section. Applications were accepted through November 30, 2020 for both the CPR I and CPR II programs.

COVID-19 PACE Recovery Program loans are made by a lead lender in participation with Bank of North Dakota. There were no loans originated during the years ended June 30, 2025, 2024, and 2023. Currently there are 206 loans outstanding. The total principal outstanding is \$125,114,154 of which BND participates in \$95,366,869. The remaining amount of buydown interest to be paid by this Fund on these loans is \$1,505,321. The program is no longer accepting applications. There are no pending loan commitments.

COVID-19 PACE Recovery Program grants were funded to businesses with a location in North Dakota and that were current on all financial obligations as of March 13, 2020. To qualify the applicant must have sustained a minimum 20% year-over-year gross revenue loss between April 1, 2019 to September 30, 2019 when compared to the same period in 2020. No grant expenditures were disbursed during the years ended June 30, 2025, 2024, 2023.

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash deposits at the Bank of North Dakota	\$ -	\$ -
Cash deposits at the Bank of North Dakota for buydowns committed	<u>11,906,457</u>	<u>19,515,480</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 11,906,457</u></u>	<u><u>\$ 19,515,480</u></u>
<b>LIABILITIES</b>		
<b>FUND BALANCE</b>		
Committed	<u>11,906,457</u>	<u>19,515,480</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 11,906,457</u></u>	<u><u>\$ 19,515,480</u></u>

**Covid-19 PACE Recovery Program**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2025 AND 2024**

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	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash deposits at the Bank of North Dakota	\$ -	\$ -
Cash deposits at the Bank of North Dakota for buydowns committed	<u>1,505,321</u>	<u>6,046,243</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,505,321</u></u>	<u><u>\$ 6,046,243</u></u>
<b>LIABILITIES</b>		
<b>FUND BALANCE</b>		
Committed	<u>1,505,321</u>	<u>6,046,243</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 1,505,321</u></u>	<u><u>\$ 6,046,243</u></u>

**Covid-19 PACE Recovery Program**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**JUNE 30, 2025 AND 2024**

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	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash deposits at the Bank of North Dakota	\$ -	\$ -
Cash deposits at the Bank of North Dakota for buydowns committed	<u>1,505,321</u>	<u>6,046,243</u>
TOTAL ASSETS	<u><u>\$ 1,505,321</u></u>	<u><u>\$ 6,046,243</u></u>

	<u>2025</u>	<u>2024</u>
<b>LIABILITIES</b>		
FUND BALANCE		
Committed	<u>1,505,321</u>	<u>6,046,243</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,505,321</u></u>	<u><u>\$ 6,046,243</u></u>

	<u>2023</u>	<u>2022</u>
REVENUES	\$ -	\$ -
<b>EXPENDITURES</b>		
Buydown interest	7,609,023	8,663,409
Grant Expenditures	-	-
Other Expenses	<u>-</u>	<u>16,000</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>\$ (7,609,023)</u>	<u>\$ (8,679,409)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	6,100
Transfers (out)	<u>-</u>	<u>(1,272,820)</u>

NET CHANGE IN FUND BALANCE	<b>(7,609,023)</b>	(9,946,129)
FUND BALANCE, BEGINNING OF YEAR	<b><u>19,515,480</u></b>	<u>29,461,609</u>
FUND BALANCE, END OF YEAR	<b><u>\$ 11,906,457</u></b>	<u>\$ 19,515,480</u>

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## **Legacy Investment for Technology Fund (LIFT)**

(Dollars in Thousands)

The Innovation Technology Loan Fund (Legacy Investment for Technology Fund) was established by North Dakota Century Code (NDCC) Section 6-09.18 for the purpose of providing financing for commercialization of intellectual property within the State of North Dakota. Industries eligible for loans include advanced computing and data management, agriculture technology, autonomous and unmanned vehicles and related technology, energy, health care, value-added agriculture, value-added energy, and any other industry or area identified by the committee that will contribute to the diversification of the state's economy. The Fund was established with a fifteen-million-dollar appropriation from the Bank of North Dakota and was renamed to Legacy Investment for Technology Fund in 2023.

Loans made by the Fund must have an interest rate of zero percent for the first three years of the loan, two percent for the next two years of the loan, and an interest rate equal to a standard Bank of North Dakota loan for all subsequent years.

There were five new loans for \$1,998 with advances totaling \$6,411 made by the Fund during the year ended June 30, 2025. There were seventeen new loans for \$10,633 with advances totaling \$6,273 made by the Fund during the year ended June 30, 2024. There were ten new loans for \$7,099 with advances totaling \$4,894 made by the Fund during the year ended June 30, 2023. As of June 30, 2025, the gross amount of outstanding loans is \$32,650 with an allowance for loan losses of \$8,163 for net loans of \$24,487.

There were five pending loan commitments totaling \$2,347 as of June 30, 2025.

There were no transfer for the year ended June 30, 2025. For the year ended June 30, 2024, the Fund received \$10,000 in transfers from the Strategic Investment and Improvements Fund. There were no transfer for the year ended June 30, 2023.

Net position of the Fund at June 30, 2025 was \$30,107.

# Legacy Investment for Technology Fund (LIFT)

## STATEMENTS OF NET POSITION

JUNE 30, 2025 AND 2024

(Dollars In Thousands)

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	<b>5,565</b>	10,688
Loans, current portion	<b>6,601</b>	5,002
Interest receivable	<b>71</b>	24
	<hr/> <b>12,237</b>	<hr/> 15,714
<b>Total current assets</b>	<hr/> <b>12,237</b>	<hr/> 15,714
<b>Noncurrent Assets</b>		
Loans, net of allowance for loan losses of \$8,163 in 2025 and \$4,129 in 2024	<b>17,886</b>	18,392
Fees receivable	<b>26</b>	-
	<hr/> <b>17,912</b>	<hr/> 15,714
<b>Total noncurrent assets</b>	<hr/> <b>17,912</b>	<hr/> 15,714
<b>Total assets</b>	<hr/> <b>\$ 30,149</b>	<hr/> \$ 34,106
<b>LIABILITIES</b>		
<b>Current Liabilities</b>	<hr/> <b>\$ 42</b>	<hr/> \$ 34
<b>NET POSITION</b>		
Unrestricted	<hr/> <b>30,107</b>	<hr/> 34,072
<b>Total liabilities and net position</b>	<hr/> <b>\$ 30,149</b>	<hr/> \$ 34,106

**Legacy Investment for Technology Fund (LIFT)**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2025 and 2024**  
(Dollars In Thousands)

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	<b>2025</b>	<b>2024</b>
<b>OPERATING REVENUES</b>		
Interest on loans	\$ 310	\$ 180
<b>OPERATING EXPENSES</b>		
Administrative fees to Bank of North Dakota	158	125
Administrative fees to Department of Commerce	123	110
Provision for loan loss	<u>4,034</u>	<u>2,089</u>
<b>OPERATING LOSS</b>	<b>(4,005)</b>	<b>(2,144)</b>
<b>NONOPERATING REVENUES</b>		
Investment income	<u>40</u>	<u>55</u>
<b>NONOPERATING INCOME</b>	<b><u>40</u></b>	<b><u>55</u></b>
<b>LOSS BEFORE TRANSFERS</b>	<b>(3,965)</b>	<b>(2,089)</b>
<b>TRANSFERS</b>		
Transfers from Strategic Investment and Impovements Fund	<u>-</u>	<u>10,000</u>
<b>CHANGE IN NET POSITION</b>	<b>(3,965)</b>	<b>7,911</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b><u>34,072</u></b>	<b><u>26,161</u></b>
<b>NET POSITION, END OF YEAR</b>	<b><u>\$ 30,107</u></b>	<b><u>\$ 34,072</u></b>

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## **Clean Sustainable Energy Authority**

(Dollars in Thousands)

The Clean Sustainable Energy Authority was established by Bank of North Dakota to support research, development, and technological advancements through partnerships and financial support for the large scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and increase sustainability of energy production and delivery. The purpose of the financial support is to enhance the production of clean sustainable energy, to make the state a world leader in the production of clean sustainable energy, and to diversify and grow the state's economy.

Loans made by the Authority may be up to fifty percent of project costs, with a minimum loan amount of ten million. The interest rate established for this program has been set at two percent. The maximum term of a loan for this program must be approved by the Industrial Commission based on a recommendation from the Authority.

There were two new loans for \$38,500 with advances of \$19,405 made by the Authority during the year ended June 30, 2025. For the year ended June 30, 2024, there was one loan for \$34,000 with advances of \$10,223. For the year ended June 30, 2023, there were two loans for \$55,000 with advances of \$20,012. As of June 30, 2025, there were six loans outstanding totaling \$61,001 with an allowance for credit losses of \$3,050, for net loans of \$57,951.

There were five pending loan commitments totaling \$299,500 as of June 30, 2025.

The Authority has entered into a revolving line of credit with Bank of North Dakota that provides up to \$390,000 to be extended by Bank of North Dakota to the Industrial Commission. Borrowings under the line of credit are to be used to support loans or loan guarantees issued from the Clean Sustainable Energy Fund. Borrowings under the line of credit bear interest at one month FHLB plus 1.4%, with a minimum floor of 1.75%. As of June 30, 2025, 2024, and 2023, the Authority had \$29,203, \$15,000, and \$35,000, respectively outstanding on the line of credit.

All monies transferred to the Authority, interest upon monies in the Authority, and payments to the Authority of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursements. Net position of the Authority was \$24,946, \$26,223, and (\$2,827) as of June 30, 2025, 2024, and 2023, respectively.

**CLEAN SUSTAINABLE ENERGY AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025 AND 2024**  
(Dollars in Thousands)

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	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$        15	\$        1,271
Loans, current portion	7,043	7,159
Interest receivable	78	103
	<b>7,136</b>	8,533
<b>Total current assets</b>	<b>7,136</b>	8,533
<b>Noncurrent Assets</b>		
Loans, net of allowance for credit losses of \$3,050 in 2025 and \$2,237 in 2024	<b>50,908</b>	35,341
	<b>50,908</b>	35,341
<b>Total assets</b>	<b>\$        58,044</b>	\$        43,874
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accrued Int Payable	\$        3,844	\$        2,614
Admin Fee Payable	51	37
	<b>3,895</b>	2,651
<b>Total Current Liabilities</b>	<b>3,895</b>	2,651
<b>Noncurrent Liabilities</b>		
Other Liabilities, due to BND	<b>29,203</b>	15,000
	<b>29,203</b>	15,000
<b>Total Noncurrent Liabilities</b>	<b>29,203</b>	15,000
<b>NET POSITION</b>		
Unrestricted	<b>24,946</b>	26,223
	<b>24,946</b>	26,223
<b>Total liabilities and net position</b>	<b>\$        58,044</b>	\$        43,874

**CLEAN SUSTAINABLE ENERGY AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
<b>OPERATING REVENUES</b>		
Interest on loans	<b>\$ 923</b>	\$ 781
<b>OPERATING EXPENSES</b>		
Administrative fees	168	136
Interest expense loans	1,230	1,105
Other Expenses	-	8
Provision for credit loss	<b>813</b>	486
Total Operating Expenses	<b>2,211</b>	1,735
<b>OPERATING LOSS</b>	<b>(1,288)</b>	(954)
<b>NONOPERATING REVENUES</b>		
Investment income	<b>11</b>	4
<b>LOSS BEFORE TRANSFERS</b>	<b>(1,277)</b>	(950)
<b>TRANSFERS IN</b>		
Transfers from SIIF	-	<b>30,000</b>
<b>CHANGE IN NET POSITION</b>	<b>(1,277)</b>	29,050
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<b>26,223</b>	(2,827)
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$ 24,946</b>	<b>\$ 26,223</b>

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## North Dakota Student Loan Trust

(Dollars in Thousands)

### History

In 1971 the Legislature authorized the Industrial Commission to “acquire and hold in one or more trusts (1) all unpaid United States government guaranteed or reinsured student loans and (2) North Dakota guaranteed student loans, belonging to the State of North Dakota or to any of its agencies . . .” (NDCC 54-17-24). The creation of the North Dakota Student Loan Trust (“Trust”) enabled the State of North Dakota to obtain low-cost funds (through the sale of tax-exempt bonds) and use those funds for purchasing student loans originated or acquired by the Bank of North Dakota. Since 1971 the Industrial Commission has issued over \$900,000 in student loan bonds. The Student Loan Trust had \$1,000 in bonds outstanding as of June 30, 2025.

### Organizational Structure

The Industrial Commission has named the Industrial Commission’s Executive Director, Karen Tyler, and the Public Finance Authority Executive Director, DeAnn Ament, as Authorized Officers for the Student Loan Trust. The Student Loan Trust is composed of funds held under two General Bond Resolutions. These General Bond Resolutions determine the use and flow of funds within the Student Loan Trust. The Bank of North Dakota (“Bank”) is the sole provider of student loans to the Trust, services the student loans held by the Trust and serves as the Trustee for the Trust. The Bank and the Trust work closely together. Rob Pfennig, Chief Financial Officer is the primary contact at the Bank.

### Statutory/Constitutional Responsibilities

The statutory responsibilities of the Student Loan Trust are set forth in North Dakota Century Code 54-17-24 and NDCC 54-17-25.

### Major Programs and Activities

The Trust is a liquidity provider for the Bank and provides an alternative for the Bank should the Bank determine a need to reduce its student loan portfolio.

The Trust has in the past provided funds for the North Dakota Student Loan Guarantee Agency as needed. The Trust has also provided funds for the Dakota Education Alternative Loans (a supplemental state guaranteed program).

### Key Legislation Passed During 2025 Legislative Session Related to the Student Loan Trust

North Dakota Legislature did not pass any legislation impacting the Trust in the 2023 or 2025 sessions.

### Key Responsibilities Added To or Deleted from Student Loan Trust for the 2021-2023 Biennium

Other than appropriations, no other additional responsibilities were added or deleted to the Trust for the 2021-2023 biennium.

### Major Accomplishments and Activities

During the 2021-2023 biennium the Trust expended funding for the Industrial Commission Administrative Office and for servicing/trustee costs for Bank of North Dakota services.

No additional student loans were purchased from the Bank.

**Trends in Direction for SLT/Short and Long Range Plans and Goals**

No transfers were made during the fiscal years 2025, 2024, and 2023. The current net position of the Trust as of June 30, 2025 is \$1,169. The Trust along with the Bank will continue to monitor student loan programs to determine whether additional loan programs are needed to assist North Dakota students with pursuing higher education opportunities.

**Resources and Publications Available from the Student Loan Trust**

The most recent official statement for bond offerings made by the Trust is available at the Industrial Commission Administrative Office at the address noted in this biennial report.

**NORTH DAKOTA STUDENT LOAN TRUST**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS - UNRESTRICTED</b>		
Due from other state agencies	\$ 6	\$ 5
Interest receivable	<u>2</u>	<u>2</u>
Total unrestricted current assets	<u>8</u>	<u>7</u>
<b>CURRENT ASSETS - RESTRICTED</b>		
Cash and cash equivalents	784	743
Investments	1,000	1,000
Student loans receivable	<u>48</u>	<u>53</u>
Total restricted current assets	<u>1,832</u>	<u>1,796</u>
<b>NONCURRENT ASSETS - UNRESTRICTED</b>		
Student loans receivable	<u>334</u>	<u>388</u>
Total assets	<u>\$ 2,174</u>	<u>\$ 2,191</u>

**NORTH DAKOTA STUDENT LOAN TRUST**  
**STATEMENT OF NET POSITION – Page 2**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<u>2025</u>	<u>2024</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Due to other state agencies	\$ 4	\$ 5
Accrued fees payable - related party	<u>1</u>	<u>1</u>
 Total current liabilities	 <u>5</u>	 <u>6</u>
<b>NONCURRENT LIABILITIES</b>		
Bonds payable	1,000	1,000
 Total noncurrent liabilities	 <u>1,000</u>	 <u>1,000</u>
 Total liabilities	 <u>1,005</u>	 <u>1,006</u>
<b>NET POSITION</b>		
Restricted for debt service	832	796
Unrestricted	<u>337</u>	<u>389</u>
 Total net position	 <u>1,169</u>	 <u>1,185</u>
 Total liabilities and net position	 <u>\$ 2,174</u>	 <u>\$ 2,191</u>

**NORTH DAKOTA STUDENT LOAN TRUST**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<u>2025</u>	<u>2024</u>
<b>OPERATING REVENUES</b>		
Interest on student loans	\$ 24	\$ 27
Total operating revenues	<u>24</u>	<u>27</u>
<b>OPERATING EXPENSES</b>		
Interest	54	61
Service fees	4	4
Bond related expenses	<u>11</u>	<u>10</u>
Total operating expenses	<u>69</u>	<u>75</u>
<b>OPERATING (LOSS)</b>	(45)	(48)
<b>NONOPERATING REVENUE</b>		
Investment income	<u>29</u>	<u>25</u>
<b>CHANGE IN NET POSITION</b>	(16)	(23)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>1,185</u>	<u>1,208</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 1,169</u>	<u>\$ 1,185</u>

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## **Ag Diversification and Development Fund**

(Dollars in Thousands)

The Ag Diversification and Development Fund (Fund) was established by N.D.C.C. § 4.1-01.1-07. The Ag Diversification and Development Committee works in coordination with North Dakota Department of Agriculture and Bank of North to issue loans, interest rate buydowns or grants to support new or expanding value-added agricultural businesses that demonstrate financial feasibility, enhance profitability for farmers and ranchers, create jobs, and grow the state's economy.

Moneys in the fund are appropriated to the Bank of North Dakota on a continuing basis for loan and interest buydown disbursements and moneys in the fund are appropriated to the agricultural commissioner on a continuing bases for grants. The agriculture diversification and development committee shall designate the amount available from the fund for loans, interest rate buydowns, and grants.

The carrying value and bank balance of the Fund's cash deposits as of June 30, 2025, was \$6,957. Of the bank amounts, none were covered by depository insurance and all are uncollateralized. These monies are deposited in the Bank of North Dakota and are guaranteed by the State of North Dakota (NDCC Section 6-09-10).

For the year ended June 30, 2025, there were no transfers to the Fund. For the year ended June 30, 2024, the Fund received \$7,500 in transfers from the general fund in the state treasury. For the year ended June 30, 2023, there were no transfers to the Fund.

The fund balance represents funds available to the Fund. Fund balance was \$8,104 and \$14,543 as of June 30, 2025 and June 30, 2024, respectively.

**AG DIVERSIFICATION AND DEVELOPMENT FUND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Current Assets		
Cash deposits at the Bank of North Dakota	\$ 6,957	\$ 11,247
Prepaid interest, current portion	<u>1,673</u>	<u>838</u>
Total current assets	<u><b>8,630</b></u>	<u>12,085</u>
Noncurrent Assets		
Prepaid interest	<u>4,209</u>	<u>2,458</u>
Total assets	<u><b>\$ 12,839</b></u>	<u>\$ 14,543</u>
<b>LIABILITIES</b>		
	<u><b>\$ 12,839</b></u>	<u>\$ 14,543</u>

**AG DIVERSIFICATION AND DEVELOPMENT FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
OPERATING REVENUES	\$ -	\$ -
OPERATING EXPENDITURES		
Buy-down interest	1,529	611
Grant expenses	<u>175</u>	<u>450</u>
Total Operating Expenditures	<b><u>1,704</u></b>	<b><u>1,061</u></b>
OPERATING LOSS	<b>(1,704)</b>	(1,061)
NONOPERATING REVENUES		
Investment income	- -	- -
LOSS BEFORE TRANSFERS	<b>(1,704)</b>	(1,061)
TRANSFERS IN		
Transfer from General Fund	- -	<u>7,500</u>
CHANGE IN FUND BALANCE	<b>(1,704)</b>	6,439
FUND BALANCE, BEGINNING OF YEAR	<b><u>14,543</u></b>	<b><u>8,104</u></b>
FUND BALANCE, END OF YEAR	<b><u>\$ 12,839</u></b>	<b><u>\$ 14,543</u></b>

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## **Bulk Propane Storage Tank RLF**

(Dollars in Thousands)

Section 6-09-52 of the North Dakota Century Code (NDCC) established the Bulk Propane Storage Tank Revolving Loan Fund (the Fund), effective July 1, 2023. The Fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to propane retailers to purchase and install storage containers to be used for the bulk storage of propane. The Bank shall administer the Fund.

The Fund was established by a five million dollar transfer from the North Dakota Strategic Investment and Improvements Fund. All monies transferred into the fund, interest upon monies in the fund, and payments to the fund of principal and interest on loans are appropriated to the Bank of North Dakota for Fund administration on a continuing basis.

Loans made by the Fund may not exceed five hundred thousand dollars or eighty-five percent of the actual cost of the project, must accrue at an interest rate equal to two percent, and must have a repayment schedule of no longer than fifteen years.

The carrying value and bank balance of the Fund's cash deposits at June 30, 2025 were \$4,136. Of the bank amounts, none were covered by depository insurance and all are uncollateralized. These monies are deposited in the Bank of North Dakota and are guaranteed by the State of North Dakota (NDCC Section 6-09-10).

There were two loans totaling \$312 made during the fiscal year 2025. There were five loans totaling \$730 made during the fiscal year 2024. As of June 30, 2025, there are seven loans outstanding totaling \$936 with an allowance for loan losses of \$23 for net loans of \$913.

For the year ended June 30, 2024, the Fund received \$5,000 in transfers from Strategic Investment and Improvements Fund.

Net position of the Fund was \$5,049 and \$5,017 as of June 30, 2025 and 2024, respectively.

**BULK PROPANE STORAGE TANK RLF**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,136	\$ 4,341
Loans, current portion	77	57
Interest receivable	<u>1</u>	<u>1</u>
Total current assets	<u><u>4,214</u></u>	<u><u>4,399</u></u>
<b>Noncurrent Assets</b>		
Loans, net of allowance for credit losses of \$23 in 2025 and \$17 in 2024	<u>836</u>	<u>619</u>
Total assets	<u><u>\$ 5,050</u></u>	<u><u>\$ 5,018</u></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>
<b>NET POSITION</b>		
Unrestricted	<u>5,049</u>	<u>5,017</u>
Total liabilities and net position	<u><u>\$ 5,050</u></u>	<u><u>\$ 5,018</u></u>

**BULK PROPANE STORAGE TANK RLF**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<u>2025</u>	<u>2024</u>
<b>OPERATING REVENUES</b>		
Interest on loans	\$ <u>15</u>	\$ <u>8</u>
<b>OPERATING EXPENSES</b>		
Administrative fees	<u>2</u>	1
Provision for credit loss	<u>6</u>	17
Total Operating Expenses	<u>8</u>	18
<b>OPERATING INCOME</b>	<u>7</u>	(10)
<b>NONOPERATING REVENUES</b>		
Investment income	<u>25</u>	27
<b>INCOME BEFORE TRANSFERS</b>	<u>32</u>	17
<b>TRANSFERS IN</b>		
Transfers from Strategic Investment and Improvements Fund	<u>-</u>	5,000
<b>NET TRANSFERS IN</b>	<u>-</u>	5,000
<b>CHANGE IN NET POSITION</b>	<u>32</u>	5,017
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	<u>5,017</u>	-
<b>TOTAL NET POSITION, END OF YEAR</b>	<u>\$ <u>5,049</u></u>	<u>\$ <u>5,017</u></u>

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## **Legacy Infrastructure RLF**

(Dollars in Thousands)

Section 6-09-49.1 of the North Dakota Century Code (NDCC) established the Legacy Infrastructure Revolving Loan Fund (the Fund), effective July 1, 2021. The purpose of the Fund is to provide loans to political subdivisions, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority for eligible infrastructure projects. Eligible infrastructure projects may include new or replacement of existing water treatment plants, wastewater treatment plants, sewer lines and water lines, storm water and transportation infrastructure, including curb and gutter construction, and other infrastructure needs as established by the Bank of North Dakota. The Bank administers the Fund and all loans made by the Fund.

Senate Bill 2330 of the 2023 Legislative Session authorized a transfer of up to \$150,000 from the Legacy Fund to the Fund. The Bank of North Dakota shall transfer all payments of principal and interest paid on loans made from the Legacy Infrastructure Loan Fund to the Legacy Fund. The Bank of North Dakota may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs, which may not exceed one-half of one percent of the amount of outstanding loans. As of June 30, 2025, the Fund has up to \$58,655 available for transfer.

Loans made by the Fund may not exceed twenty million dollars per applicant, must have an interest rate that does not exceed two percent, and must have a repayment schedule that does not exceed thirty years.

The carrying value and bank balance of the Fund's cash deposits at June 30, 2025 were \$3,520. Of the bank amounts, none were covered by depository insurance and all are uncollateralized. These monies are deposited in the Bank of North Dakota and are guaranteed by the State of North Dakota (NDCC Section 6-09-10).

There were fourteen loans totaling \$45,390 transferred from the Infrastructure Revolving Loan Fund during fiscal year 2025. There were nine loans totaling \$49,169 transferred from the Infrastructure Revolving Loan Fund during fiscal year 2024. As of June 30, 2025 there are twenty-three loans totaling \$89,324 with an allowance for loan losses of \$1,117 for net loans of \$88,207.

For the year ended June 30, 2025, the Fund received \$42,176 in transfers from the Legacy Fund. For the year ended June 30, 2024, the Fund received \$49,169 in transfers from the Legacy Fund.

Net position of the Fund as of June 30, 2025 and 2024 was \$92,225 and \$49,465, respectively.

**LEGACY INFRASTRUCTURE RLF**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,520	\$ 2,175
Loans, current portion	5,790	2,402
Interest receivable	<u>620</u>	<u>324</u>
Total current assets	<u><b>9,930</b></u>	<u>4,901</u>
<b>Noncurrent Assets</b>		
Loans, net of allowance for credit losses of \$1,117 in 2025 and \$594 in 2024	<u>82,417</u>	<u>44,564</u>
Total assets	<u><b>\$ 92,347</b></u>	<u>\$ 49,465</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
	<u><b>\$ 122</b></u>	<u>128</u>
<b>NET POSITION</b>		
Unrestricted	<u>92,225</u>	<u>49,337</u>
Total liabilities and net position	<u><b>\$ 92,347</b></u>	<u>\$ 49,465</u>

**LEGACY INFRASTRUCTURE RLF**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**JUNE 30, 2025 AND 2024**  
**(Dollars in Thousands)**

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	<b>2025</b>	<b>2024</b>
<b>OPERATING REVENUES</b>		
Interest on loans	<u>\$ 1,577</u>	<u>888</u>
<b>OPERATING EXPENSES</b>		
Administrative fees	<u>353</u>	<u>128</u>
Provision for credit loss	<u>523</u>	<u>594</u>
 Total Operating Expenses	 <u>876</u>	 <u>722</u>
<b>OPERATING INCOME</b>	<b>701</b>	166
<b>NONOPERATING REVENUES</b>		
Investment income	<u>11</u>	<u>2</u>
<b>INCOME BEFORE TRANSFERS</b>	<b>712</b>	168
<b>TRANSFERS IN</b>		
Transfers from Legacy Bond Fund	<u>42,176</u>	<u>49,169</u>
<b>NET TRANSFERS IN</b>	<b>42,176</b>	49,169
<b>CHANGE IN NET POSITION</b>	<b>42,888</b>	49,337
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>49,337</b>	-
<b>NET POSITION, END OF YEAR</b>	<b><u>\$ 92,225</u></b>	<b><u>\$ 49,337</u></b>

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## **Rural Workforce Initiative to Support Housing**

(Dollars in Thousands)

Bank of North Dakota established the Rural Workforce Initiative to Support Housing (the Program), effective July 1, 2024. The Program was established to support rural communities with construction of market rate housing for workforce when a company is locating or expanding in a community of 20,000 and under in population. The program is designed to support projects that are challenged because of the disproportionate costs comparable to attainable market rents; project must demonstrate that traditional financing terms are unfeasible. The program may provide equity or other financing alternatives. The Bank shall administer the Program.

The maximum amount a loan made by the Program shall be limited to the lesser of 20% of the project costs, the matching contribution from the company, or a maximum of \$3,500.

The carrying value and bank balance of the Fund's cash deposits at June 30, 2025 were \$0. Of the bank amounts, none were covered by depository insurance and all are uncollateralized. These monies are deposited in the Bank of North Dakota and are guaranteed by the State of North Dakota (NDCC Section 6-09-10).

There were two loans totaling \$4,748 made during the fiscal year 2025. As of June 30, 2025, there are two loans outstanding totaling \$4,748 with an allowance for loan losses of \$142 for net loans of \$4,606.

There was one pending loan commitment totaling \$1,830 as of June 30, 2025.

Bank of North Dakota will transfer up to \$10,000, or so much as may be necessary. For the year ended June 30, 2025, the Fund received \$4,784 in transfers from Bank of North Dakota. As of June 30, 2025, the Program has up to \$5,216 available for transfer.

Net position of the Fund was \$4,606 as of June 30, 2025.

**RURAL WORKFORCE INITIATIVE TO SUPPORT HOUSING**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**  
**(Dollars in Thousands)**

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<u>2025</u>		
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$	-
Loans, current portion	-	-
Interest receivable	-	-
Total current assets	-	-
Noncurrent Assets		
Loans, net of allowance for credit losses of \$142 in 2025	<u>4,606</u>	
Total assets	<u>\$ 4,606</u>	
<b>LIABILITIES</b>		
Current Liabilities	\$	-
NET POSITION		
Unrestricted	<u>4,606</u>	
Total liabilities and net position	<u>\$ 4,606</u>	

**RURAL WORKFORCE INITIATIVE TO SUPPORT HOUSING**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**JUNE 30, 2025**  
**(Dollars in Thousands)**

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	<u>2025</u>
<b>OPERATING REVENUES</b>	
Interest on loans	\$ _____ -
<b>OPERATING EXPENSES</b>	
Administrative fees	- -
Other expenses	- -
Provision for credit loss	<u>142</u>
 Total Operating Expenses	 <u>142</u>
<b>OPERATING INCOME</b>	<b>(142)</b>
<b>NONOPERATING REVENUES</b>	
Investment income	_____ -
<b>INCOME BEFORE TRANSFERS</b>	<b>(142)</b>
<b>TRANSFERS IN</b>	
Transfers from Bank of North Dakota	<u>4,748</u>
<b>NET TRANSFERS IN</b>	<b><u>4,748</u></b>
<b>CHANGE IN NET POSITION</b>	<b>4,606</b>
<b>TOTAL NET POSITION, BEGINNING OF YEAR</b>	_____ -
<b>TOTAL NET POSITION, END OF YEAR</b>	<b>\$ <u>4,606</u></b>

Karen Tyler, Executive Director  
Jordan Kanninen, Deputy Executive Director  
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