

January 2012

NORTH DAKOTA UNIVERSITY SYSTEM LONG-TERM LIABILITIES**OVERVIEW**

As of July 1, 2010, the North Dakota University System had \$328.8 million of long-term liabilities as reported in the University System annual financial report. These liabilities are categorized as follows:

- Bonds payable - Represents the amount of outstanding bonds issued by each institution for auxiliary building projects and infrastructure. The bonds are generally repaid from income and fees from the related auxiliary service. Bonds issued for "state-funded" projects are not recorded as liabilities to the campus because the bonds are issued through the State Building Authority. A general fund appropriation is provided to the University System office for payments to the Industrial Commission related to bonds issued for "state-funded" projects at institutions.
- Notes payable - Represents the amount campuses owe to GE Capital Public Finance, Inc., for energy improvements through a performance contract.
- Capital leases - Represents the lease obligation of certain property and equipment leased by institutions.
- Special assessments - Relates to special assessments levied by a political subdivision for improvements made to roads and infrastructure owned by the political subdivision that is adjacent to or on campus property.
- Compensated absences - Represents the amount of accumulated unpaid annual leave, payable portion of accumulated sick leave, and compensatory time earned and vested by employees.

LONG-TERM LIABILITIES OF EACH CAMPUS

The schedule below details the long-term liability balance of each University System institution and the University System office as of July 1, 2010.

Long-Term Liability Balance at Each University System Institution (as of July 1, 2010)						
	Bonds Payable¹	Notes Payable	Capital Leases	Special Assessments	Compensated Absences	Total
Bismarck State College	\$3,915,000	\$581,845	\$2,225,336	\$224,313	\$847,464	\$7,793,958
Dakota College at Bottineau	56,000	140,657	20,428	0	165,026	382,111
Dickinson State University	575,000	19,400	0	0	682,158	1,276,558
Lake Region State College	675,000	473,994	0	0	370,007	1,519,001
Mayville State University	5,859,113	6,341,240	578,210	348,691	371,888	13,499,142
Minot State University	15,240,875	339,404	123,983	0	919,682	16,623,944
State College of Science	780,000	95,590	88,478	171,700	911,754	2,047,522
North Dakota State University	111,110,000	0	26,781,496	328,034	13,614,271	151,833,801
University of North Dakota	70,138,500	0	42,188,378	255,277	9,368,448	121,950,603
Valley City State University	3,085,000	323,478	0	26,869	432,331	3,867,678
Williston State College	256,000	0	272,550	0	189,537	718,087
University System office	6,958,000 ²	0	0	0	298,142	7,256,142
Total	\$218,648,488	\$8,315,608	\$72,278,859	\$1,354,884	\$28,170,708	\$328,768,547

¹Detail regarding outstanding bonds payable for each campus is attached as an appendix.

²Relates to bonds issued for the ConnectND project.

CHANGES IN UNIVERSITY SYSTEM LONG-TERM LIABILITIES SINCE 2001

The schedule below details long-term liabilities accrued by the University System since 2001, including the amount of liabilities added and retired each year.

University System Long-Term Liabilities ¹						
	Bonds Payable	Notes Payable	Capital Leases	Special Assessments	Compensated Absences	Total
July 1, 2001, balance	\$56,499,840	\$3,504,962	\$24,146,534	\$597,866	\$14,931,615	\$99,680,817
Additions	14,310,000	2,259,320	11,830,389	358,953	1,269,841	\$30,028,503
Retirements	8,509,044	1,457,374	5,795,407	69,543	491,946	\$16,323,314
July 1, 2002, balance	\$62,300,796	\$4,306,908	\$30,181,516	\$887,276	\$15,709,510	\$113,386,006
Additions	38,110,000	2,763,593	9,773,957	738,798	1,705,799	\$53,092,147
Retirements	13,267,296	452,335	8,276,187	181,700	128,802	\$22,306,320
July 1, 2003, balance	\$87,143,500	\$6,618,166	\$31,679,286	\$1,444,374	\$17,286,507	\$144,171,833
Additions	40,995,000	3,566,957	9,317,585	148,416	1,306,241	\$55,334,199
Retirements	5,446,596	727,468	6,947,880	128,877	132,998	\$13,383,819
July 1, 2004, balance	\$122,691,904	\$9,457,655	\$34,048,991	\$1,463,913	\$18,459,750	\$186,122,213
Additions	14,625,000	0	10,361,688	194,058	965,863	\$26,146,609
Retirements	5,474,541	970,876	5,792,571	143,887	70,506	\$12,452,381
July 1, 2005, balance	\$131,842,363	\$8,486,779	\$38,618,108	\$1,514,084	\$19,355,107	\$199,816,441
Additions	77,360,000	0	12,689,682	10,439	2,255,155	\$92,315,276
Retirements	12,027,091	903,859	6,305,890	146,781	119,267	\$19,502,888
July 1, 2006, balance	\$197,175,272	\$7,582,920	\$45,001,900	\$1,377,742	\$21,490,995	\$272,628,829
Additions	22,835,000	0	7,120,393	633,448	644,299	\$31,233,140
Retirements	29,385,066	972,189	6,041,011	222,560	257,010	\$36,877,836
July 1, 2007, balance	\$190,625,206	\$6,610,731	\$46,081,282	\$1,788,630	\$21,878,284	\$266,984,133
Additions	12,000,000	0	10,626,204	828,429	2,032,010	\$25,486,643
Retirements	7,667,850	1,036,239	6,868,210	976,247	243,328	\$16,791,874
July 1, 2008, balance	\$194,957,356	\$5,574,492	\$49,839,276	\$1,640,812	\$23,666,966	\$275,678,902
Additions	9,750,000	0	27,849,186	69,093	2,084,410	\$39,752,689
Retirements	18,908,460	2,331,314	9,799,149	177,937	43,465	\$31,260,325
July 1, 2009, balance	\$185,798,896	\$3,243,178	\$67,889,313	\$1,531,968	\$25,707,911	\$284,171,266
Additions	41,410,000	6,108,318	19,731,901	400	2,462,797	\$69,713,416
Retirements	8,560,408	1,035,888	15,342,355	177,484	0	\$25,116,135
July 1, 2010, balance	\$218,648,488	\$8,315,608	\$72,278,859	\$1,354,884	\$28,170,708	\$328,768,547

¹The information presented in the table reflects long-term liabilities of University System institutions and the University System office and does not include long-term liabilities of related entities such as university foundations.

ATTACH:1