

CAPITAL CONSTRUCTION SCHEDULE OF LEASE PAYMENTS AND OUTSTANDING PRINCIPAL BALANCES

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 Estimated Payments			
1985 Legislative Assembly approved: Developmental Center - Renovations (\$3,900,000) State Penitentiary - Phase II construction (\$7,500,000) State Hospital - Renovations (\$3,400,000)	1998 Series B North Dakota Building Authority refunding revenue bonds (4.5% to 5% - 13-year bonds) - Used to refinance 1991 Series A and 1992 Series A - The 1991 Series A issue was used to refund the 1986 Series A (2011).	\$17,275,000	\$11,340,000	\$2,756,510	\$2,018,514	\$1,895,834	\$4,595,000	\$2,695,000	\$0
1991 Legislative Assembly approved: Department of Human Services - Southeast Human Service Center (\$2,475,000)									
1989 Legislative Assembly approved: North Dakota State University - Computer Center (\$5,375,000) University of North Dakota - United Hospital north unit (\$1,720,000) State College of Science - Agricultural mechanics building (\$2,916,000) University of North Dakota - Abbott Hall addition (\$3,300,000)	2003 Series A North Dakota Building Authority refunding revenue bonds (2.35% to 4.07% - 7-year bonds) - Used to refund 1993 Series A refunding revenue bonds which were used to refinance 1990 Series A, B, and C (2010)	28,808,000	15,145,000 ¹	5,396,540	5,847,795	0	6,865,000	0	0

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 Estimated Payments			
Minot State University - Library (\$7,728,000) State Board of Higher Education - Selected handicapped accessibility projects (\$1,600,000) State Penitentiary - Phase III construction (\$5,000,000) Veterans' Home - Construction and remodeling (\$1,169,000) 1993 Legislative Assembly approved: North Dakota University System - Various capital construction projects, including handicapped accessibility projects and special assessments (\$8,423,061) Minot State University - Memorial Library renovation (\$2,550,000) Job Service North Dakota - Grand Forks office building (\$1,735,000) Adjutant General - Grand Forks Armory (\$375,000) Youth Correctional Center - Building demolition and asbestos removal (\$250,000)	2002 Series C lease revenue refunding bonds used to refund 1993 Series B North Dakota Building Authority revenue bonds (3% to 4.3% - 12-year bonds) (2014)	13,333,061 ²	10,665,000	1,986,663	2,285,223	2,394,120	7,995,000	6,150,000	4,180,000

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 Estimated Payments			
1995 Legislative Assembly approved: Bismarck State College - Science and Mathematics Center (\$8,060,000) University of North Dakota - Abbott Hall renovations (\$2,371,769) North Dakota State University - Emission control renovations on power plant (\$2,145,000) Dickinson State University - Klinefelter Hall renovations (\$2,750,000)	2002 Series D lease revenue refunding bonds used to refund 1995 Series A North Dakota Building Authority revenue bonds (3% to 4.5% - 15-year bonds) (2017)	15,326,769 ³	16,425,000	2,574,437	2,884,467	2,991,128	12,215,000	10,145,000	7,915,000
1997 Legislative Assembly approved: State College of Science - Bute Gym remodeling (\$1,700,000) Minot State University - Moore Hall renovation (\$4,000,000) Department of Corrections and Rehabilitation - Youth Correctional Center gymnasium renovation (\$1,400,000)	2006 Series A North Dakota Building Authority refunding revenue bonds (4.4% to 5.125% - 20-year bonds) - Used to refund 1998 Series A and 2000 Series A (2020)	10,782,500 ^{4,6}	9,750,000	1,935,119	1,946,503	1,675,000	9,750,000	8,430,000	7,330,000
1999 Legislative Assembly approved: North Dakota State University - Animal facility (\$2,207,500)									

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 Estimated Payments			
Youth Correctional Center - Pine Cottage (\$1,475,000) 1997 Legislative Assembly approved: University of North Dakota - Renovation and addition to the Ed James Wing of the medical school building (\$3,000,000)	1998 Series C North Dakota Building Authority revenue bonds (3.2% to 4.35% - 10-year bonds) (2008)	3,000,000 ⁵	3,400,000	735,031	725,645	0	1,020,000	0	0
1999 Legislative Assembly approved: Williston State College - Health and Wellness Center (\$3,000,000)	2006 Series B North Dakota Building Authority revenue refunding bonds (4.15% 16-year bonds) - Used to refund a portion of the 2001 Series A North Dakota Building Authority revenue bonds (2022)	10,850,000 ⁷	9,770,000	1,990,751	1,926,170	2,062,025	11,930,000	10,855,000	9,650,000
2001 Legislative Assembly approved: Minot State University - Old Main renovation (\$7,850,000)	Remaining 2001 Series A North Dakota Building Authority revenue bonds (4.13% to 4.35%) (2010)								
2001 Legislative Assembly approved: State Department of Health - Laboratory addition (\$2,700,000) Job Service North Dakota - Bismarck service delivery office (\$2,302,000)	2002 Series A North Dakota Building Authority revenue bonds (4% to 5.125% - 20-year bonds) (2022)	5,002,000 ⁸	6,035,000	627,983	899,554	1,001,446	5,480,000	5,250,000	4,475,000

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 Estimated Payments			
2003 Legislative Assembly approved: State Department of Health - Morgue and storage annex (\$960,000) Department of Corrections and Rehabilitation - James River Correctional Center food service/laundry renovations - Phase II (\$2,662,890) Dickinson State University - Murphy Hall - Phase I addition (\$5,882,047) Mayville State University - Steamline replacement - Phase II (\$1,355,000) Valley City State University - Graichen Gymnasium elevator and emergency exits (\$785,300)	2003 Series B North Dakota Building Authority revenue bonds (4.09% 20-year bonds) (2023)	11,645,237 ⁹	13,080,000 ¹⁰	1,709,859	1,970,723	2,045,871	12,070,000	10,930,000	9,680,000
2005 Legislative Assembly approved: Office of Management and Budget - Fire suppression system (\$3,155,000) Attorney General's office - Crime Laboratory addition and renovation (\$3,632,691)	2005 Series A North Dakota Building Authority revenue bonds (4.50% 20-year bonds) (2025)	28,848,248	37,955,000 ¹¹	0	1,025,257	6,082,677	37,955,000	37,955,000	34,500,000

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 Estimated Payments			
North Dakota State University - Hazardous material handling and storage facility (\$3,500,000)									
State College of Science - Electrical distribution (\$736,000)									
Dickinson State College - Murphy Hall (\$4,100,557)									
Minot State University - Bottineau - Thatcher Hall addition (\$2,500,000)									
Department of Corrections and Rehabilitation - James River Correctional Center ET Building improvements (\$980,000)									
Department of Corrections and Rehabilitation - James River Correctional Center programs building code improvements (\$584,000)									
North Central Research Center - Agronomy laboratory and greenhouse (\$440,000)									
Central Grasslands Research Center - Office addition (\$270,000)									
Main Research Center - Greenhouse complex (\$2,000,000)									

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 Estimated Payments			
State Historical Society - Chateau de Mores Interpretive Center (\$1,100,000)									
State Historical Society and Heritage Center - Research collections expansion (\$5,500,000)									
Parks and Recreation Department - Turtle River State Park administrative office (\$350,000)									
Total		\$144,870,815	\$133,565,000	\$19,712,893	\$21,529,851	\$20,148,101	\$109,875,000	\$92,410,000	\$77,730,000
Breakdown of payments									
General fund				\$17,467,525 ¹²	\$19,212,032 ¹²	\$18,301,696			
Agency contributions				2,245,368	2,317,819	1,846,405			
Total				\$19,712,893	\$21,529,851	\$20,148,101			

¹House Bill No. 1037 (1989) included a section stating that it was the intent of the Legislative Assembly that up to a total of \$4.4 million from non-general fund sources be used to assist in the retirement of the debt incurred to finance the construction projects. The non-general fund sources will be the college development foundation at the University of North Dakota, North Dakota State University, and State College of Science and an additional student fee at Minot State University. A listing of the \$4.4 million by each institution is:

Institution	Type of Facility	Total Contributions	Estimated Contributions Through the 2007-09 Biennium	Remaining Contributions
North Dakota State University	Computer technology transfer center	\$1,343,000	\$1,343,000	\$0 (Biennial contributions are \$55,375)
State College of Science	Agricultural mechanics technology facility	300,000	300,000	0 (Biennial contributions are \$31,250)
University of North Dakota	Abbott Hall addition	825,000	825,000	0 (Biennial contributions are \$28,125)
Minot State University	Library facility	1,932,000	1,932,000	0 (Biennial contributions are \$197,750)
Total		\$4,400,000	\$4,400,000	\$0

In addition to the \$5,375,000 appropriated from bond proceeds for the North Dakota State University computer center, House Bill No. 1037 also appropriated \$5,375,000 from federal or other funds. The total amount appropriated for the project was \$10,750,000.

House Bill No. 1669 (1989) appropriated up to \$6.2 million for State Penitentiary Phase III construction from loan notes less the insurance proceeds received in the Penitentiary's fire loss of \$1.2 million.

Senate Bill No. 2096 (1989) authorized the issuance of bonds in the amount of \$1,169,000 to match federal funds available to construct, modify, or alter the facilities at the Veterans' Home. Bond payments are to be made from the Veterans' Home improvement fund.

²House Bill No. 1020 (1993) included a section stating that up to a total of \$1,990,000 from non-general fund sources is to be used to assist in the retirement of the debt incurred to finance the construction projects. A listing of the \$1,990,000 by each entity is:

Institution/Agency	Type of Facility	Total Contributions	Contributions Made Through the 2003-05 Biennium	Remaining Contributions
Minot State University	Library renovation	\$255,000	\$255,000	\$0 (Biennial contributions were \$42,500)
Job Service North Dakota	Grand Forks office building	1,735,000		
Total		\$1,990,000	\$255,000	\$0

In addition to the \$2,550,000 appropriated from bond proceeds for the Minot State University Memorial Library renovation, House Bill No. 1020 also appropriated \$4,800,000 from federal or other funds. The total amount appropriated for the library renovation was \$7,350,000.

Job Service North Dakota makes the entire bond payment, principal and interest, on the \$1,735,000 for the Grand Forks office building.

³Senate Bill No. 2030 (1995) included a section stating that up to a total of \$2,206,769 from non-general fund sources is to be used to assist in the retirement of the debt incurred to finance the construction projects. A listing of the \$2,206,769 by each institution is:

Institution/Agency	Type of Facility	Total Contributions	Contributions Made Through the 2003-05 Biennium	Remaining Contributions
Bismarck State College	Science and mathematics center	\$1,060,000	\$1,060,000	\$0 (Biennial contributions were \$353,334)
University of North Dakota	Abbott Hall renovation	871,769	871,769	0 (Biennial contributions were \$290,590)
Dickinson State University	Klinefelter Hall renovation	275,000	275,000	0 (Biennial contributions were \$91,666)
Total		\$2,206,769	\$2,206,769	\$0 (Biennial contributions were \$353,334)

In addition to the \$2,371,769 appropriated from bond proceeds for the University of North Dakota Abbott Hall renovation, Senate Bill No. 2030 also appropriated \$1,771,769 from federal or other funds. The total amount appropriated for the renovation of Abbott Hall was \$4,143,538.

⁴Senate Bill No. 2003 (1997) included a section stating that up to a total of \$300,000 from non-general fund sources is to be used to assist in the retirement of the debt incurred to finance the renovation of Bute Gym. The bill also authorized an animal research facility at North Dakota State University and a renovation to the Ed James Wing of the medical school building at the University of North Dakota. The North Dakota State University project was delayed until the 1999 legislative session. The University of North Dakota project was handled through a separate bond issue (see 1998 Series C bond issue).

⁵In addition to the \$3 million appropriated from bond proceeds for the University of North Dakota renovation to the Ed James Wing of the medical school building, Senate Bill No. 2003 also appropriated any available funds received from federal, public, or private sources.

⁶House Bill No. 1022 (1999) authorized an animal research facility at North Dakota State University, renovation of Pine Cottage at the Youth Correctional Center, and the Health and Wellness Center addition at Williston State College. The Williston State College project is to be handled through a separate bond issue (see 2001 Series A bond issue).

In addition to the \$2,207,500 appropriated from bond proceeds for the North Dakota State University animal research facility, House Bill No. 1022 also appropriated \$2,207,500 of federal or other funds. The total amount appropriated for the animal research facility was \$4,415,000.

In addition to the \$1,475,500 appropriated from bond proceeds for the Youth Correctional Center Pine Cottage project, House Bill No. 1022 also appropriated \$500,000 of federal or other funds. The total amount appropriated for the Pine Cottage project was \$1,975,000.

⁷House Bill No. 1022 (1999) included a section stating that up to a total of \$3 million from non-general fund sources is to be used to assist in the retirement of the debt incurred to finance the Health and Wellness Center addition at Williston State College. Of the \$3 million, \$1.5 million is to be provided for the project before construction may begin, and the remaining \$1.5 million is to be paid in 10 annual payments of \$150,000. Because \$1.5 million was available prior to construction, the State Building Authority only bonded for \$3 million of the \$4.5 million project. Williston State College will have paid \$1,200,000 by the end of the 2007-09 biennium, with \$300,000 remaining.

Senate Bill No. 2023 (2001) included a section stating that \$2,299,000 must be available from non-general fund sources to assist in the retirement of the debt incurred to finance the renovation of Old Main. Minot State University's local responsibility is to be paid in 10 annual payments with each of the first two annual payments being \$315,000 and each of the remaining eight annual payments being \$208,625. Minot State University will have paid \$1,464,500 by the end of the 2007-09 biennium with \$834,500 remaining.

⁸Senate Bill No. 2023 (2001) included a section stating that \$2,302,000 (Job Service North Dakota) and \$1,755,000 (State Department of Health) must be available from non-general fund sources to assist in the retirement of the debt incurred to finance the two projects.

The State Department of Health received authority from the Emergency Commission to receive and spend federal funds in the amount of \$823,878 in the capital improvements line item for the laboratory addition. The request was needed to cover the increase in the per square footage costs of \$338,817 and for the 1,700 square feet of additional space at \$485,061.

⁹House Bill No. 1023 (2003) appropriated \$4,237,755 of special funds for the issuance of bonds for projects at the State Department of Health and the Department of Corrections and Rehabilitation. Of that amount, \$614,865 for the State Department of Health was paid for with bioterrorism program dollars rather than by bonding.

House Bill No. 1003 (2003) appropriated \$8,022,347 of special funds for the issuance of bonds for three University System projects by the State Building Authority. In addition, \$830,000 of capital bond payments from the 2001-03 biennium was used for bond issuance buydown. Dickinson State University will also provide \$250,000 during the 2005-07 biennium to assist in the retirement of the bonds, which is included in the agency contribution total for the 2005-07 biennium.

¹⁰The 2005-07 biennium payment on this bond issue is \$1,741,306. This bond issuance included funding for the 2003-05 biennium state facility energy improvement program capital project that was recommended to be funded with bond proceeds for the Department of Corrections and Rehabilitation in the amount of \$105,326. Bonds sold to finance the project under this program do not factor in the general fund lease payment limitation and will be repaid with resulting energy cost-savings.

This bond issuance does not include the \$20 million of bonding for the Information Technology Department for ConnectND. These bonds will be repaid from charges collected by the Information Technology Department from higher education and other state agencies for the ConnectND project. In September 2003 the Industrial Commission issued 2003 Series C bonds, totaling \$20 million, at an interest rate of 3.86 percent, for a period of 10 years with annual debt service of approximately \$2.7 million.

This bond issuance does not include the bonding of \$2 million authorized in Senate Bill No. 2416 (2003) for two State Historical Society projects (Chateau de Mores and Fort Abercrombie interpretive centers), which are to be paid from federal, local, or donated funds collected by the State Historical Society. The State Building Authority did not issue bonds for these projects because the State Historical Society did not have adequate funding for the debt service.

¹¹Senate Bill No. 2023 (2005) included a section stating that \$300,000 must be available from non-general fund sources to assist in the retirement of the debt incurred to finance the project costs associated with the construction of the State Historical Society projects. The State Historical Society's \$33,333 biennial payments (nine payments) began with the 2007-09 biennium.

This bond issuance also included funding for the 2005-07 biennium state facility energy improvement capital projects in the amount of \$2,331,554. Bonds sold to finance the projects under this program do not factor in the general fund lease payment limitation and will be repaid with resulting energy cost-savings. The debt service and principal balance for these energy conservation projects are not included in this schedule.

¹²North Dakota Century Code Section 54-17.2-23 provided that 10 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax be deposited in the capital construction fund for lease payments associated with capital construction projects. The 1993 Legislative Assembly repealed the provisions of the capital construction fund and increased the maximum that lease payments can total for a biennium from 10 percent to 12.5 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax. The 1995 Legislative Assembly decreased the maximum that lease payments can total for a biennium from 12.5 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax to 11 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax. The 1997 Legislative Assembly decreased the maximum that lease payments can total for a biennium from 11 percent of a 1 percent sales, use, and motor vehicle excise tax to 10 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax. The 2001 Legislative Assembly clarified the statute to provide that the computation for the authorized general fund lease payments for a biennium must be based on the projected sales, use, and motor vehicle excise tax collections presented to the Legislative Assembly at the close of the most recently adjourned regular legislative session.

SALES TAX LIMITATION - BOND PAYMENTS

The following table shows the projected fund portion of the bond payments for the 2007-09 through 2015-17 bienniums and what 10 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax is projected to generate (using the February 2007 revenue forecast for the 2007-09 biennium and the February 2009 legislative revenue forecast with a 4 percent growth in sales tax revenues for future bienniums and no prepayments of non-general fund amounts):

Biennium	Total Payments	Other Funds	General Fund	10 Percent of Equivalent of 1 Percent	Estimated Excess General Fund Resources Available for Bond Payments
2007-09	\$21,529,851*	\$2,317,819	\$19,212,032	\$22,893,398	\$3,397,506
2009-11	\$20,148,101*	\$1,846,405	\$18,301,696	\$26,043,960	\$7,742,264
2011-13	\$18,580,064*	\$1,542,866	\$17,037,198	\$27,085,718	\$10,048,520
2013-15	\$17,285,013*	\$970,980	\$16,314,033	\$28,169,147	\$11,855,114
2015-17	\$14,709,843*	\$841,032	\$13,868,811	\$29,295,913	\$15,427,102

*The future biennium bond payments do not reflect any other future bond issues that may be authorized by future Legislative Assemblies. The 1998 Series C and 2003 Series A bond issuances will be paid off during the 2007-09 biennium, and the 1998 Series B bond issuance will be paid off during the 2009-11 biennium.