



North Dakota Legislative Council

Legislative Audit and Fiscal Review Committee

LC# 27.9192.01000

March 2026

SUMMARY OF MAJOR ITEMS IN AUDIT REPORTS FOR THE MARCH 24, 2026, MEETING

This memorandum summarizes major items in audit reports to be presented at the March 24, 2026, Legislative Audit and Fiscal Review Committee meeting.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (JUNE 30, 2025)

Audit purpose: The purpose of this audit was to test internal controls and compliance in order to express an opinion on the financial statements of North Dakota, but not to express an opinion on internal controls.

Findings:

- **North Dakota University System construction project accounting** - Dickinson State University, Mayville State University, Minot State University, North Dakota State University, University of North Dakota, North Dakota State College of Science, Valley City State University, and Williston State College did not fully report funds received from the Strategic Investment and Improvements Fund as revenue in the year received.
- **North Dakota University System monitoring of service organizations** - Core Technology Services, North Dakota State University, and the University of North Dakota did not sufficiently monitor service organizations that processed room and board billings, accounts payable transactions, general ledger transactions, bookstore transactions, and amortization calculations.

Observations/potential questions relating to the audit report:

- None.

**NORTH DAKOTA UNIVERSITY SYSTEM
(JUNE 30, 2025)**

Audit purpose: The purpose of this audit was to test internal control over financial reporting and on compliance and other matters based on an audit of the financial statements.

Findings:

- **Material audit adjustments** - The State Auditor reported multiple institutions did not properly account for revenue in the year in which the revenue was received. Dickinson State University, Mayville State University, Minot State University, North Dakota State University, University of North Dakota, North Dakota State College of Science, Valley City State University, and Williston State College did not fully report funds received from the Strategic Investment and Improvements Fund as revenue in the year received.
- **Insufficient monitoring of service organizations** - The State Auditor reported Core Technology Services, North Dakota State University, and the University of North Dakota did not properly evaluate internal controls of service organizations contracted for various tasks, including room and board billings, bookstore transactions, and amortization calculations.
- **Improper bank reconciliations** - The State Auditor reported Dakota College at Bottineau, Dickinson State University, and Williston State College did not properly complete bank reconciliations in a timely manner.
- **Improper investment reconciliations and recording** - The State Auditor reported Bismarck State College did not properly account for bond proceeds for the multipurpose athletic center project.

Observations/potential questions relating to the audit report:

- Would more shared services prevent some of the turnover-related issues at the smaller institutions?

STATE FAIR (SEPTEMBER 30, 2024)

Audit purpose: The purpose of the audit was to obtain reasonable assurance about whether the financial statements of the North Dakota State Fair Association (association), and of its discretely presented component unit, the North Dakota State Fair Foundation (foundation), are free from material misstatement.

As part of obtaining reasonable assurance about whether the association's financial statements are free from material misstatement, the transactions of the association were tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

Findings:

- The independent auditor's report includes an unmodified opinion regarding the association.
- The independent auditor's report includes an adverse opinion regarding the discretely presented component unit, the foundation. The financial statements for the foundation were not included in the financial statements of the association as required by generally accepted accounting principles.
- The Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* identified one deficiency in internal control considered to be a material weakness:

Audit finding 2024-001 - Financial Statement Presentation.

Finding - The Independent Auditor's Schedule of Findings and Responses identified a deficiency in internal control considered to be a material weakness. For financial reporting purposes, the association excluded the foundation, a component unit of the association. Exclusion of the component unit's financial statements results in a departure from generally accepted accounting principles and causes the primary entity's financial statements to be misleading or incomplete.

Recommendation - The auditor recommends that management report the foundation as a discretely presented component unit in the association's financial statements. Management agreed with the finding.

- There were no instances of noncompliance or other matters of the association that are required to be reported under *Government Auditing Standards* identified in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

Other information:

- A prior audit finding (2023-001) identified a material weakness in the foundation's internal control. The auditor identified, for financial reporting purposes, the association excluded the foundation, a component unit of the association. Exclusion of the component unit's financial statements results in a departure from generally accepted accounting principles and causes the primary entity's financial statements to be misleading or incomplete. The auditor recommended that management report the foundation as a discretely presented component unit in the association's financial statements. Management agreed with the finding.
- The association receives premium appropriations from the State of North Dakota. These premium appropriations are restricted for the purpose of providing premiums to fair exhibition winners. Premium appropriations expended for the year ended September 30, 2024, totaled \$321,416.

Audit cost:

- The association paid Eide Bailly, LLP \$27,233 for the September 30, 2024, audit.

Potential questions relating to the audit report:

- None.

**OFFICE OF THE STATE AUDITOR
(JUNE 30, 2025 AND 2024)**

Audit purpose: The purpose of the audit was to obtain reasonable assurance about whether the financial statements of Office of the State Auditor (State Auditor) are free from material misstatement.

As part of obtaining reasonable assurance about whether the State Auditor's financial statements are free from material misstatement, the transactions of the State Auditor were tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

The State Auditor was determined to be subject to a single audit and was tested for compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the agency's major federal program for the year ended June 30, 2025. There was no single audit applicable to fiscal year 2024.

Findings:

- An unmodified opinion was issued on the State Auditor's financial statements.
- An unmodified opinion was issued on the State Auditor's compliance with the requirements of a major federal program.
- There were no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.
- There were no deficiencies in internal control considered to be material weaknesses identified by the auditor.

Prior audit findings:

- None.

Other information:

- **Management's discussion and analysis omitted** - The State Auditor has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), and is considered to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Audit cost:

- The Legislative Council contracted with Eide Bailly, LLP for \$27,000 to perform the audit, compared to \$23,000 for the prior biennium's audit.
- The State Auditor contracted with Eide Bailly, LLP for \$10,000 to perform the 2025 single audit.

Observations/potential questions relating to the audit report:

- The management's discussion and analysis section is required by GASB. Why did the State Auditor choose not to prepare the management's discussion and analysis section?

LEGISLATIVE ASSEMBLY (JUNE 30, 2025 AND 2024)

Audit purpose: The purpose of the audit was to obtain reasonable assurance about whether the financial statements of the Legislative Assembly are free from material misstatement.

As part of obtaining reasonable assurance about whether the Legislative Assembly's financial statements are free from material misstatement, the transactions of the Legislative Assembly were tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

Findings:

- An unmodified opinion was issued on the Legislative Assembly's financial statements.
- There were no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.
- There were no deficiencies in internal control considered to be material weaknesses identified by the auditor.

Prior audit findings:

- There were no prior audit findings related to the financial statements of the Legislative Assembly.

Audit cost:

- The Legislative Assembly contracted with Eide Bailly, LLP for \$3,500 to perform the June 2025 and 2024 audit. Eide Bailly, LLP performed the June 2023 and 2022 audit for \$3,000.

Observations/potential questions relating to the audit report:

- On page 20, the Statement of Appropriations and Disbursements for the 2023-25 Biennium provides a summary of appropriations, carryover funds, and disbursements for the Legislative Assembly during the 2023-25 biennium.
- On page 21, the Schedule of Disbursements by Object for the Fiscal Years Ended June 30, 2025 and 2024, provides a detailed breakdown of the Legislative Assembly's salaries and wages, operating expenses, and capital assets expenditures for the 2023-25 biennium.

**LEGISLATIVE COUNCIL
(JUNE 30, 2025 AND 2024)**

Audit purpose: The purpose of the audit was to obtain reasonable assurance about whether the financial statements of the Legislative Council are free from material misstatement.

As part of obtaining reasonable assurance about whether the Legislative Council's financial statements are free from material misstatement, the transactions of the Legislative Council were tested for compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

Findings:

- An unmodified opinion was issued on the Legislative Council's financial statements.
- There were no findings identified in the audit report.
- There were no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Prior audit findings:

- There was one prior audit finding (2022-001) related to accounts payable during the 2021-23 biennium. The amount of the adjustment was not material and shifted an expenditure from fiscal year 2023 to fiscal year 2022 for financial statement purposes. Management has reviewed its internal processes to ensure transactions are properly accounted for and reflected on its balance sheet.

Audit cost:

- The Legislative Council contracted with Eide Bailly, LLP for \$9,000 to perform the audit, compared to \$8,000 for the prior biennium's audit.

Observations/potential questions relating to the audit report:

- None.

WORKFORCE SAFETY AND INSURANCE (JUNE 30, 2025 AND 2024)

Audit purpose: The purpose of this audit was to determine that financial transactions including expenditures were made in accordance with law and appropriation requirements.

Findings:

- No audit findings were identified, and an unmodified opinion was issued. There were no audit findings in the prior year audit report.

Audit cost:

- Workforce Safety and Insurance contracted with Eide Bailly, LLP to complete the June 2025 audit at a cost of \$69,900, an increase of \$2,650 from the June 2024 audit at a cost of \$67,250.

Observations/potential questions relating to the audit report:

- Information on the Workforce Safety and Insurance Fund surplus can be found on page 45. The June 30, 2025, fund surplus of \$1.17 billion equals 127 percent of the estimated actuarial discounted reserve liability of \$920 million. Workforce Safety and Insurance granted a 50 percent dividend credit in 2025, the maximum amount statutorily allowed.
- Under the management's discussion and analysis on page 7, why did the incurred loss and loss adjustment expenses increase by \$36 million (41 percent) in fiscal year 2025, while the total number of claims decreased by 503 (3 percent)?

HOUSING FINANCE AGENCY (JUNE 30, 2025 AND 2024)

Audit purpose: The purpose of this audit was to determine that financial statements are free from material misstatement and to determine compliance for each major federal program.

Findings:

- Financial statement audit - No findings were discovered, and an unmodified opinion was issued on the agency's financial statements.
- Compliance for each major federal program - The agency complied, in all material respects, with the requirements of federal programs. However, a significant deficiency in internal control over compliance was noted in the report related to an instance in which an escrow account surplus was not returned to the borrower within 30 days after the loan had been paid off. The agency identified a software error and implemented corrective action.

Other information:

- **Outstanding bonds** - The Housing Finance Agency had outstanding bonds totaling \$2.46 billion on June 30, 2025, an increase of \$520 million compared to the prior year. The bond proceeds are used to purchase home mortgages from local banks allowing the banks to offer more favorable financing terms to qualifying homebuyers.

Audit cost:

- Brady, Martz & Associates, P.C., conducted the audit of the Housing Finance Agency at a cost of \$63,782 for the June 30, 2025, audit compared to \$55,375 for the June 30, 2024, audit.

Observations/potential questions relating to the audit report:

- None.

HOUSING INCENTIVE FUND (JUNE 30, 2025 AND 2024)

Audit purpose: The purpose of this audit was to determine that financial statements are free from material misstatement.

Findings:

- No findings were discovered, and an unmodified opinion was issued on the fund's financial statements.

Other information:

- **Fund balance** - The balance of the Housing Incentive Fund decreased from \$15.3 million on June 30, 2024, to \$9.4 million on June 30, 2025, primarily because funding was distributed as projects were completed. The Legislative Assembly transferred \$13.75 million from the General Fund to the Housing Incentive Fund for the 2023-25 biennium, and the transfer was completed in fiscal year 2024.
- **Grant commitments** - Grant commitments that were awarded by not yet paid totaled \$7.2 million on June 30, 2025, compared to \$7.0 million on June 30, 2024.

Audit cost:

- Brady, Martz & Associates, P.C., conducted the audit of the Housing Incentive Fund at a cost of \$6,017 for the June 30, 2025, audit compared to \$5,320 for the June 30, 2024, audit.

Observations/potential questions relating to the audit report:

- None.

**JOB SERVICE NORTH DAKOTA
(JUNE 30, 2025 AND 2024)**

Audit purpose: The purpose of this audit was to determine that financial transactions including expenditures were made in accordance with law and appropriation requirements.

Findings:

- No audit findings were identified, and an unmodified opinion was issued. There were no audit findings in the prior year audit report.

Audit cost:

- Job Service North Dakota contracted with Brady, Martz & Associates, P.C., at a cost of \$93,450 to complete the June 2025 audit, an increase of \$3,150 from the June 2024 audit cost of \$90,300.

Observations/questions related to the audit:

- Information on the balance of the Unemployment Insurance Trust Fund can be found on page 8. The June 30, 2025, balance of the fund was \$318.1 million, a decrease of \$2.7 million from the June 30, 2024, balance of \$320.8 million.
- The audit summary prepared by Brady, Martz & Associates, P.C., is on page 71.

**RETIREMENT AND INVESTMENT OFFICE
(JUNE 30, 2025 AND 2024)**

Audit purpose: The purpose of this audit was to determine that financial statements are free from material misstatement.

Findings:

- No findings were discovered, and an unmodified opinion was issued on the agency's financial statements.

Other information:

- **Fund growth** - The net position of the funds administered by the Retirement and Investment Office was \$25.7 billion on June 30, 2025, and \$22.4 billion on June 30, 2024. The value of the funds increased by \$3.3 billion, or 14.7 percent, from June 30, 2024, to June 30, 2025, which was primarily related to changes in the Legacy Fund including deposits of \$718 million and net investment income of \$1.4 billion during fiscal year 2025.
- **Net pension liability** - The net pension liability of the Teachers' Fund for Retirement was \$1.28 billion on June 30, 2025, and \$1.41 billion on June 30, 2024. As noted on page 13, net investment gains and losses are being phased into the actuarial value of the assets over the next 4 years, and these losses will put adverse pressure on the actuarial results in future years based on the July 2025 actuarial analysis.

Audit cost:

- The Retirement and Investment Office contracted with UHY, LLP for the June 30, 2025, audit of the Retirement and Investment Office at a cost of \$130,175, compared to a cost of \$123,600 for the June 30, 2024, audit.

Observations/potential questions relating to the audit report:

- None.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM (JUNE 30, 2025 AND 2024)

Audit purpose: The purpose of this audit was to determine that financial transactions including expenditures on the Public Employees Retirement System (PERS) financial statements were made in accordance with law and appropriation requirements. An unmodified opinion was issued.

Findings:

- No audit findings were identified. No audit findings were identified in the prior audit report.

Audit cost:

- The Public Employees Retirement System contracted with UHY International Ltd., to complete the June 2025 audit at cost of \$109,400. The June 2024 audit was completed by UHY International Ltd., for \$123,600. The Public Employees Retirement System contracted with CliftonLarsonAllen LLP at a cost of \$118,848 to complete the June 2023 audit, and \$115,391 to complete the June 2022 audit. These amounts include costs to audit schedules of employer allocations, other postemployment benefits, and pension schedules.

Observations/potential questions relating to the audit report:

- On the bottom of page 4, net position for all trust funds administered by PERS increased \$583.4 million from fiscal year 2024 to fiscal year 2025, primarily due to investment returns and a \$65 million transfer of oil and gas tax revenue collections to the main system defined benefit plan approved by the Legislative Assembly. The net position for all trust funds increased by \$478.6 million from fiscal year 2023 to fiscal year 2024 primarily due to investment returns and transfers to the main system defined benefit plan (\$135 million) and the Highway Patrolmen's defined benefit plan (\$3 million), as approved by the Legislative Assembly.
- On page 10, why did underwriting losses for the Uniform Group Insurance Program increase from \$51,175 in fiscal year 2024 to \$207,028 in fiscal year 2025?
- On pages 12 and 13, the Statement of Fiduciary Net Position includes information on investment totals held for each trust fund administered by PERS during fiscal year 2025. Similar information for fiscal year 2024 is provided on pages 14 and 15.
- On pages 16 and 17, the statement of changes in fiduciary net position includes detailed changes for each major retirement plan administered by PERS.
- On page 27, the investment rate of return for each retirement plan is listed for fiscal years 2025 and 2024. Historical investment returns are included on page 66.
- On pages 38 through 44, note 8 provides a description of each retirement plan administered by PERS.
- On page 45, note 9 provides the net pension liability and funded ratio for the PERS defined benefit, Highway Patrolmen's defined benefit, and Job Service North Dakota defined benefit plans as of June 30, 2025, and June 30, 2024.
- Information on the PERS Health Insurance Reserve Fund is included in note 14 on page 54.
- On pages 71 and 72, a schedule of PERS consulting expenses is provided for fiscal years 2025 and 2024. Total consulting expenses increased \$13,389, (1.2 percent), from \$1,086,396 during fiscal year 2024, to \$1,099,785 during fiscal year 2025.

**CENTER FOR DISTANCE EDUCATION
(JUNE 30, 2025 AND 2024)**

Audit purpose: The purpose of this audit was to identify any errors, internal control weaknesses, or potential violations of law for significant or high-risk functions of the agency. An opinion was not issued on this audit report. No errors, internal control weakness, or potential violations of law were identified.

Findings:

- None.

Observations/potential questions relating to the audit report:

- For the 2021-23 biennium, the audit of the Center for Distance Education (CDE) was included in the audit of the Department of Career and Technical Education (CTE) performed by the State Auditor's office. The Legislative Assembly, in Senate Bill No. 2269 (2023), provided the statutory changes necessary to transfer supervisory authority of CDE from CTE to the Department of Public Instruction.
- In September 2024, the Emergency Commission and Budget Section approved a \$2.5 million increase in other funds spending authority (\$600,000 in funding reimbursed by the Department of Public Instruction from the federal Elementary and Secondary School Emergency Relief Fund and \$1.9 million from course enrollment revenue) for cybersecurity training and expenses related to increased course enrollments. Was this increase in enrollment a one-time event, and what caused the increase?
- In June 2025, the Emergency Commission and Budget Section approved an increase of \$250,000 in other funds authority to accept and expend a passthrough grant from the Department of Public Instruction to be used for digital courses and student scholarships. How much of the funding was spent on scholarships versus digital courses, and what was the nature of the digital courses?

**SECURITIES DEPARTMENT
(JUNE 30, 2025, 2024, AND 2023)**

Audit purpose: The purpose of the audit was to determine if there are any errors, internal control weaknesses, or potential violations of law for significant and high-risk functions for the agency.

Findings:

- Performance-based salary increases paid without performance evaluations - The audit found the Securities Department provided performance-based salary increases without performing employee evaluations. Section 15 of Senate Bill No. 2393 (2023) provides compensation increases for state employees be based on documented performance. Performance bonuses were awarded to two employees despite the lack of annual performance reviews.

Other information:

- The Securities Department was merged into the Insurance Department effective July 1, 2025.

Observations/potential questions relating to the audit report:

- Pursuant to North Dakota Century Code Section 10-04-03, any balance in excess of \$1 million in the Securities Special Fund is required to be transferred to the General Fund at the end of each fiscal year. What was the cause of the reduction in the amounts transferred for fiscal years 2025 (\$11.5 million) and 2024 (\$10.7 million) compared to the amount transferred for fiscal year 2023 (\$12.6 million)?

**COMMISSION ON LEGAL COUNSEL FOR INDIGENTS
(JUNE 30, 2025, 2024, 2023, AND 2022)**

Audit purpose: The purpose of this audit was to identify any errors, internal control weaknesses, or potential violations of law in high-risk or significant functions of the agency.

No errors, internal control weakness, or potential violations of law for significant and high-risk functions were identified.

Findings:

- None.

Observations/potential questions relating to the audit report:

- None.

**ETHICS COMMISSION
(JUNE 30, 2025, 2024, 2023, AND 2022)**

Audit purpose: The purpose of the audit was to determine if there are any errors, internal control weaknesses, or potential violations of law for significant and high-risk functions for the agency.

The agency's transactions were tested and included in the state's basic financial statements on which an unmodified opinion was issued.

Findings:

- None.

Observations/potential questions relating to the audit report:

- Did the agency encounter any challenges during its physical relocation to the Capitol, and was the \$25,000 in one-time funding sufficient to cover all relocation expenses?

**OFFICE OF ADMINISTRATIVE HEARINGS
(JUNE 30, 2025, 2024, 2023, AND 2022)**

Audit purpose: The purpose of the audit was to determine if there are any errors, internal control weaknesses, or potential violations of law for significant and high-risk functions for the agency.

The agency's transactions were tested and included in the state's basic financial statements on which an unmodified opinion was issued.

Findings:

- None.

Observations/potential questions relating to the audit report:

- Why was the \$17,200 in funding (derived from the federal State Fiscal Recovery Fund), which was continued into the 2023-25 biennium for developing a web-based document management system, never spent?

**PRIVATE INVESTIGATIVE AND SECURITY BOARD
(JANUARY 1, 2019 TO JUNE 30, 2025)**

Audit purpose: Conducted pursuant to Senate Bill No. 2051 (2025), the purpose of this audit was to determine whether the Private Investigative and Security Board has proper revenue collection and licensing processes in place, and whether there are opportunities to use public resources more efficiently relating to legal expenses.

Findings:

- **Lack of policies and procedures (2025-01)** - The board does not have documented policies, procedures, or an established system of internal control.
- **Licensing process inefficiencies (2025-02)** - The State Auditor reported filing and tracking systems for applications and renewals were insufficient. Due to a backlog of applications and registrations, the database tracking these records was not maintained, preventing an accurate listing of licensees and registrants. Additionally, meeting minutes had not been prepared for 31 board meetings and \$2,755 in stale-dated checks were not deposited in a timely manner.
- **Potential time savings for issuing pocket cards (2025-03)** - The board manually issues new pocket cards annually, requiring up to 425 hours of processing time each year.
- **Changes to renewal period and late fees (2025-04)** - The State Auditor reported the current time frame for the September 30 renewal deadline appears impractical based on the number of applicants and adds to the processing backlog.
- **Utilizing the Attorney General's office for legal services (2025-05)** - The average contracted legal services rate from a lead attorney was \$241 per hour compared to the Attorney General's office average hourly rate of \$127.

Audit findings included in the board's 2017-18 financial audit:

- **Segregation of duties (2018-001)** - The board had one employee responsible for most accounting functions, including collecting money, issuing and signing checks, recording receipts and disbursements, maintaining the general ledger, and preparing financial reports, which was identified as a significant deficiency. The auditor recommended separating duties as much as possible. The board indicated further segregation of duties was not feasible as they did not have adequate staff.
- **Design and monitoring of internal controls (2018-002 and 2018-003)** - The board had no formal system of internal controls and no process for monitoring whether internal controls were functioning as designed, which the auditor identified as a material weakness. The board indicated they did not believe this to be necessary because bank statements and reconciliations are regularly monitored.

Observations/potential questions relating to the audit report:

- Senate Bill No. 2051 (2025) provided for an increase of 50 percent for most fees charged by the Private Investigative and Security Board.
- During the audit period, the board incurred \$275,173 in legal expenses and recouped \$253,745 through settlements, stipulation agreements, and fines.

**STATE HISTORICAL SOCIETY FOUNDATION
(JUNE 30, 2025)**

Audit purpose: The purpose of the audit was to obtain reasonable assurance about whether the financial statements of the State Historical Society Foundation are free from material misstatement.

Revenues, expenditures, and appropriation information was not prepared by the State Historical Society in accordance with generally accepted accounting principles, so an opinion is not applicable. The agency's transactions were tested and included in the state's basic financial statements on which an unmodified opinion was issued.

Findings:

- There were no findings identified in the current audit report, and an unqualified opinion was issued on the fund's financial statements. There were no findings identified in the prior audit.

Observations/potential questions relating to the audit report:

- On page 4, donation revenue increased significantly during fiscal year 2025 compared to fiscal year 2024.
- On page 12, note 7 provides a list of donor restricted funds held by the State Historical Society of North Dakota Foundation.