

DEPARTMENT OF TRUST LANDS

BIENNIAL REPORT 2021-2023



NORTH
Dakota
Be Legendary.

| Trust Lands



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DEPARTMENT OF TRUST LANDS

2021-2023 BIENNIAL REPORT

DEAR GOVERNOR BURGUM AND SECRETARY HOWE:

It has been a pleasure serving as North Dakota's Commissioner of University and School Lands the past twenty-one months. The beauty and productivity of North Dakota's lands and natural resources are amazing!

The Department's mission is to prudently manage the Land Board's assets for the long-term benefit of North Dakota public K-12 education and other critical state institutions. By that standard we had a successful biennium as evidenced by the following highlights:

- Common Schools Trust Fund K-12 distributions increased \$79 million (19%) from FY21-23 \$421 million to FY23-25 \$500 million
- Common Schools Trust Fund balance increased \$560 million (+10%) from FY22 \$5.66 billion to FY23 \$6.22 billion
- Combined other permanent funds balance increased \$29 million (+9%) from FY22 \$316 million to FY23 \$345 million
- Annual royalty revenues increased \$25 million (+5%) from FY22 \$483 million to a record breaking FY23 \$508 million
- Biennial investment income increased \$85 million (+31%) from \$272 million FY19-21 to \$357 million FY21-23
- Extensive buildout of our investment program for a more diversified, sophisticated portfolio
- Successful completion of the ordinary high water mark acreage adjustment project on-time and under budget
- New minerals system went live January 2023
- Achieved numerous royalty settlements totaling tens of millions of dollars
- Success in reducing litigation so we can focus more on our mission
- Record unclaimed property receipts and payouts

These achievements are only possible through the tireless work of our committed and talented team, which we are very thankful for!

Being fully staffed with three additional team members approved by the Legislature, we are prepared for an exciting and successful next biennium. Goals include new revenue streams, an enhanced customer portal, continued reduced litigation, and even stronger investment returns.

We look forward to working together with the Land Board to achieve these goals for the long-term support of the trusts and their beneficiaries!

Sincerely,



JOSEPH A. HERINGER, COMMISSIONER



MISSION

The mission of the Board of University and School Lands is to manage assets of the permanent trusts prudently and professionally to preserve the purchasing power of the funds, maintain stable distributions to fund beneficiaries, and manage all other assets and programs entrusted to the Board in accordance with the North Dakota Constitution and applicable state law.

VISION

The Department of Trust Lands is known nationally for superior management of its assets and programs.

HISTORY

The history of school trust lands is one of extraordinary vision on the part of this nation's founding fathers. The idea was simple: generate income from land to supplement public school funding. The original thirteen states had sovereign authority over all lands within their borders. This land provided a tax base for the support of education and other governmental functions. In contrast, the federal government owned vast areas or territories that later became states. This land was immune from taxation. As a result, states created from these public lands would not have been on an "equal footing" with the original thirteen states. Congress, therefore, made land grants to the newly admitted states to equalize their tax base status with that of the original thirteen.

To ensure that land would be available for the school land grants to the new states, Congress established a practice of reserving certain sections in every township within the territories for the support of the schools. Thus, the first enactment for the sale of the public lands in the "western territory," the Land Ordinance of 1785, provided for setting apart section 16 of every township for the maintenance of the public schools. For example, when Ohio was admitted into the Union by the Enabling Act of April 30, 1802, it was granted section 16 in every township for the use of schools.

This basic pattern was followed for subsequent states, although the specific terms of the school land reservations and grants have differed over time. For virtually every state, the school land grants are found in the state's admission or enabling act. The grants have varied in terms of the number of sections granted per township, in the wording of the purpose of the grant (e.g., "for the use of schools," "for the support of common schools"), and in the extent of explicit restrictions placed upon the state.

In 1889, Congress passed the Enabling Act "to provide for the division of Dakota [Territory] into two states, and to enable the people of North Dakota, South Dakota, Montana, and Washington to form constitutions and state governments, and to be admitted into the union on an equal footing with the original states, and to make donations of public lands to such states."

Act of February 22, 1889, Ch. 180, 25 Statutes at Large 676. Section 10 of this Act granted sections 16 and 36 in every township to the new states "for the support of common schools." In cases where portions of sections 16 and 36 had been sold prior to statehood, indemnity or "in lieu" selections were allowed. In North Dakota, this grant of land totaled nearly 2.6 million acres. The Enabling Act provided further land grants to the State of North Dakota for the support of colleges, universities, the state capitol, and other public institutions. Revenues are generated through the prudent management of trust assets, which assets include approximately 706,600 surface acres and nearly 2.6 million mineral acres. Article IX, Section 2 of the North Dakota Constitution provides that the "net proceeds of all fines for violation of state laws and all other sums which may be added by law, must be faithfully used and applied each year for the benefit of the common schools of the state and no part of the fund must ever be diverted, even temporarily, from this purpose or used for any purpose other than the maintenance of common schools as provided by law."

To Thomas Jefferson (Jefferson) education for all the children of the United States was the key to creating a strong democracy. Jefferson's idea was to look for a way to fund education by using the land to generate funding. With approval of the Enabling Act in 1889, Congress granted North Dakota the ability to become a state. The Board is part of that Act, making it an agency that predates statehood.

The Enabling Act, the North Dakota Constitution, and statutes passed over the last 130 years, have defined the role of the Board and its beneficiaries.

The Department serves as the administrative agency of the Board and the Commissioner of University and School Lands (Commissioner). Along with being responsible for the management and stewardship of educational trusts, the Department oversees mineral acres and other assets utilized for the benefit of public schools and other institutions in North Dakota. The Department operates the state's Undeclared Property Division and the Energy Infrastructure and Impact Office (EIIO).

INVESTMENTS

The mission of the Investments Division is to preserve the purchasing power of the trust funds and maintain stable distributions to fund beneficiaries, including North Dakota public schools.

The Investment Policy Statement governs how funds are managed and follows the industry-standard Prudent Investor Rule – to invest using the same judgement and care that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it.

Successful institutional portfolio management begins with a thoughtful strategic asset allocation, constructed using portfolio management theory. North Dakota Trust Lands has built a diversified multi-asset portfolio designed to withstand market volatility. The asset mix includes traditional equity and fixed income as well as alternative asset classes, such as private markets and absolute return.

We seek excess returns by investing with managers who have a proven track record of consistent outperformance. Our manager selection and investment decision-making process combines qualitative research and quantitative analysis. The goal of our target portfolio is to compound superior risk-adjusted returns in perpetuity.

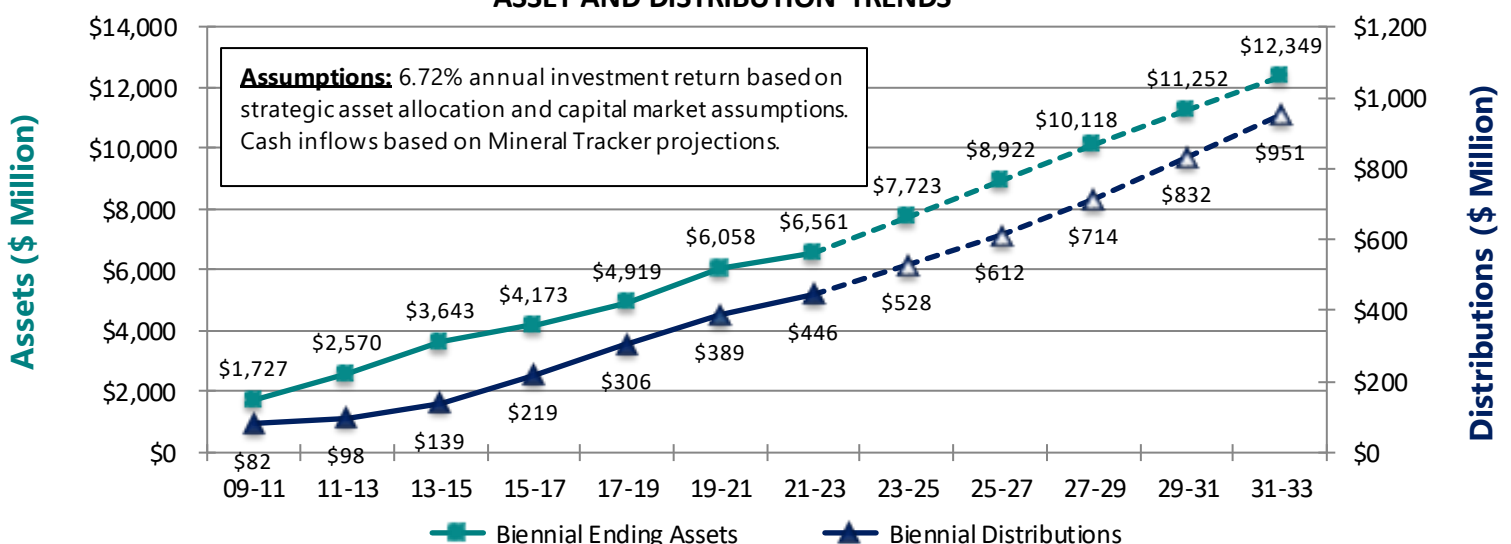
Through this approach to risk management and manager selection, the Investment Division serves as long-term stewards of capital for the State of North Dakota. As of June 30, 2023, net investable assets for the Department totaled \$8.35 billion.

Fiscal years 2022 and 2023 were back-to-back record-breaking years in oil and gas royalty revenues totaling nearly \$1 billion. The uncorrelated revenue stream provided a valuable hedge as the investment portfolio witnessed volatility due to rising interest rates and uncertainty around global inflation. The investment portfolio returned -4.99% and 6.14% in fiscal years 2022 and 2023, respectively.

Beneficiaries continue to realize growing distributions. In the 2021-23 biennium, Common Schools Trust Fund (CSTF) distributions totaled \$421 million. In the 2023-25 biennium, CSTF distributions will total \$500 million. This is an 18.7% increase and equates to nearly 20% of the state's per student funding for K-12 public education.

The Board manages seventeen additional funds for the State and other beneficiaries. Two funds are private purpose trust funds: the Indian Cultural Education Trust and the Theodore Roosevelt Presidential Library and Museum Endowment Fund. The remaining funds of the Department are governmental funds.

13 PERMANENT TRUST FUNDS ASSET AND DISTRIBUTION TRENDS



INDIAN CULTURAL EDUCATION TRUST

The Indian Cultural Education Trust was created in 2003 to generate income to benefit Indian culture (N.D.C.C. ch. 15-68). Present assets are managed for the benefit of the Mandan, Hidatsa, and Arikara Nation Cultural Education Foundation. This trust's assets are managed, and distributions determined, in the same manner as the permanent trust funds.

THEODORE ROOSEVELT LIBRARY AND MUSEUM ENDOWMENT FUND

The Theodore Roosevelt Presidential Library and Museum Endowment Fund (TR Fund) was created under N.D.C.C. § 54-07-12 to generate income to be used for the operation and maintenance of the library and museum, after the Theodore Roosevelt Presidential Library Foundation has raised or secured binding pledges of \$100 million. The TR Fund is managed through an agreement between the Office of the North Dakota Governor and the Board. In May of 2019 the first deposit, totaling \$15 million, was made to the Board for the TR Fund.

CAPITOL BUILDING FUND

The Capitol Building Fund was established by N.D.C.C. § 48-10-02 pursuant to Article IX of the North Dakota Constitution. Section 12 of the Enabling Act authorized the land grant for "public buildings at the capital of said states" N.D.C.C. § 48-10-02 defines the fund, outlines its purposes, and assigns management of the land and the fund's investment to the Board. Unlike the permanent trust funds created under Article IX, this fund is fully expendable and is subject to legislative appropriation each biennium.

STRATEGIC INVESTMENT AND IMPROVEMENTS FUND

The Strategic Investment and Improvements Fund (SIIF) is financed by the revenues earned from sovereign mineral acres, including those formerly owned by the Bank of North Dakota (BND) and State Treasurer and minerals located under navigable rivers and lakes (N.D.C.C. ch. 15-08.1, § 61-33-07). The SIIF also receives a portion of the oil and gas production and extraction taxes (N.D.C.C. § 57-51.1-07.5). This fund may be appropriated by the legislature for one-time expenditures relating to improving state infrastructure or for initiatives to improve the efficiency and effectiveness of state government (N.D.C.C. § 15-08.1-08).

COAL DEVELOPMENT TRUST FUND

The Coal Development Trust Fund was established by N.D.C.C. ch. 57-62, pursuant to Article X, § 21 of the North Dakota Constitution. The Fund receives 30 percent of the coal severance tax. This fund is held in trust and is administered by the Board for loans to coal impacted counties, cities, and school districts as provided by N.D.C.C. § 57-62-03, and for loans to school districts pursuant to N.D.C.C. ch. 15.1-36. Any balance not loaned is invested according to Board policies. The income earned by this fund is transferred to the State General Fund each year.

SURFACE MANAGEMENT

The North Dakota Department of Trust Land's Surface Division manages approximately 706,000 acres of surface estate throughout the state for the benefit of the various trusts under the control of the Board of University and School Lands as outlined in the North Dakota Constitution.

The Surface Division consists of 6 full time staff members and 8-10 part time field staff. Surface Division staff manage daily demands faced by land managers in addition to learning about new management opportunities and continually working to ensure the land functions for the benefit of the trusts. Examples include:

- Interactions with lease and encumbrance holders
- Inspections
- Permanent Improvements Cost Share
- Weed and Pest Management
- Grazing Management Plans
- Reviewing and Issuing Encumbrances (pipelines, electric lines, roads, well pads, etc.)
- Construction Aggregate Leases and Prospecting
- Reclamation Activities

The major source of surface income from these lands is generated through agricultural leases (grassland, crop, and hay land uses) with significant revenue also generated through encumbrances (pipelines, electric lines, etc) and construction aggregate leases. During the 2021-2023 biennium, a total of approximately \$29.8 million was generated through the Surface Division.

State trust lands are leased for agricultural purposes to farmers and ranchers. The land is leased in a series of auctions held each fall and spring with the minimum bid set by the Commissioner based upon the Board's Fair Market Value Minimum Rent Policy. All auctions are open to the public and the lease is awarded to the highest bidder. The Surface Division manages over 4,400 active agricultural leases. Agricultural leasing interest continues to be high with over 99% of tracts offered successfully leased. During the 2021-23 biennium, agricultural leasing revenue increased \$1.2 million (6.5%) over the prior biennium for a total of \$19.8 million.

During the 2021-23 biennium, encumbrance agreements generated over \$9.2 million in revenue for the trusts. There were 234 encumbrances granted by the Commissioner on behalf of the Board during this biennium including the first Geological Carbon Storage Agreement approved by the Board. Surface minerals such as gravel and scoria generated approximately \$800,000 in royalties for the trusts.

The surface acres are inspected by trained field inspectors at least once during the five-year agricultural lease period. Routine inspections allow for early detection of noxious and invasive weed species and allow for increased proactive responsiveness to any changes in land integrity. Reclamation inspections also occur where encumbrances have been granted. Those inspections identify whether the disturbed and reclaimed area is meeting the agreement re-vegetation standards, providing for noxious and invasive weed control, or experiencing erosion. The surface inspection program generates approximately 1,500 tract inspections on an annual basis.

During the 2021-23 biennium, the Trusts received 12.08 acres through right-of-way reversions and conveyed 0.46 acres through public purpose sales. The Department also performed a No-Net Loss Land Sale in which 480 pasture acres were conveyed through public sale in consideration for 240 acres of more valuable cropland. No-Net Loss Land Sales allow for the sale of Trust Lands while maintaining the trust's assets by receiving land as payment that is equal or greater in value and revenue generation.



**SURFACE ACRES BY COUNTY
AS OF JUNE 30, 2023**

COUNT Y	ACRES	COUNT Y	ACRES	COUNT Y	ACRES
Adams	17,097.52	Grand Forks	1,274.77	Ramsey	2,056.50
Barnes	2,803.32	Grant	33,049.65	Ransom	1,120.00
Benson	12,005.78	Griggs	1,741.24	Renville	1,910.12
Billings	30,922.04	Hettinger	10,132.50	Richland	400
Bottineau	3,271.94	Kidder	28,643.79	Rolette	6,226.08
Bowman	29,310.48	LaMoure	1,435.72	Sargent	1,128.17
Burke	16,116.21	Logan	9,410.68	Sheridan	25,826.44
Burleigh	27,904.28	McHenry	22,720.10	Sioux	23,411.56
Cass	40	McIntosh	6,209.87	Slope	23,605.98
Cavalier	556.47	McKenzie	64,586.70	Stark	6,150.13
Dickey	3,981.51	McLean	20,890.99	Stutsman	15,627.81
Divide	20,778.96	Mercer	15,113.05	Towner	8,076
Dunn	25,673.31	Morton	18,101.82	Walsh	160
Eddy	10,294.81	Mountrail	32,445.59	Ward	10,798.98
Emmons	13,533.97	Nelson	2,694.45	Wells	5,251.89
Foster	3,111.51	Oliver	7,588.41	Williams	38,382.45
Golden Valley	28,983.55	Pierce	13,694.52	Total	706,251.60

**SURFACE ACRES BY TRUST FUND
AS OF JUNE 30, 2023**

TRUST FUND	ACRES
Common Schools	631,480.40
School for the Blind	3,481.69
Capitol Building	10,034.45
School for the Deaf	4,830.44
Ellendale State College	4,919.00
State Hospital	2,206.11
ND Youth Correctional Center	3,584.42
School of Mines ¹	3,330.38
North Dakota State University	15,040.23
Veterans Home	2,753.69
U.N.D.	8,897.98
Valley City State University	640
ND State College of Science	3,712.94
Mayville State University	640
Valley City/Mayville ²	6,825.89
Farm Loan Poo ³	3,714.00
Indian Cultural Education	160
TOTAL	706,251.62

¹ The benefits of the original grant to the School of Mines are distributed to the University of North Dakota.

² Receipts from acreage held jointly by Valley City and Mayville State Universities are allocated 62.5% to Valley City and 37.5% to Mayville.

³ Receipts from this acreage are allocated to the permanent trusts that have an interest in the Board's Farm Loan Pool.

MINERALS MANAGEMENT

The Minerals Management Division oversees nearly 2.6 million mineral acres held in trust by the Board. The Division's responsibilities include mineral ownership management; the administration of oil and gas, coal, potash, and other mineral leasing; the evaluation of well participation for royalty collection; and mineral ownership, leasehold, and well participation data management. The Division is also active in helping to protect the sovereignty of state minerals from infringement by the federal government. The main goal of the Division is to responsibly manage and develop mineral resources owned in Trust for the people of North Dakota to provide funding for K-12 public education and other critical state institutions.

Oil and gas leasing generates the vast majority of Department revenues through royalties and lease bonus payments. During the 2021-23 biennium, the Minerals Management Division offered 1,219 oil and gas leases, generating over \$8.2 million in bonus payments. As of the end of the biennium, the Department manages 8,309 oil and gas leases covering 702,075 net mineral acres and has an interest in roughly 49.3% of the 17,787 producing oil and gas wells in North Dakota.

The Department continues to periodically monitor its portfolio so it can accurately manage its resources. An independent mineral valuation establishes an opinion of value using fair market determinations in conjunction with directives provided by the Board's Minerals Valuation Policy that was adopted on June 25, 2020. The updated June 30, 2023, evaluation has appraised the value of all Land Board oil and gas mineral rights at \$2.57 billion.

Under North Dakota law, the Board is vested with the authority to manage state-owned minerals, including the oil, gas, and related hydrocarbons, within the beds of the State's navigable waters. The Sixty-Fifth Legislative Assembly's adoption of Senate Bill 2134, codified as N.D.C.C. ch. 61-33.1, sought to establish state ownership of minerals below the ordinary high-water mark of the historical Missouri riverbed channel (Historical OHWM) inundated by Pick-Sloan Missouri basin project dams. Senate Bill 2211 of the Sixty-Sixth Legislative Assembly amended N.D.C.C. ch. 61-33.1 relating to the ownership of mineral rights of land subject to inundation by the dams. Under N.D.C.C. § 61-33.1-03(8), the Board contracted with Kadrmas, Lee & Jackson, Inc. (KLJ) "to analyze the final review findings and determine the acreage on a quarter-quarter basis or government lot basis above and below the [Historical OHWM] as delineated by the final review findings of the industrial commission." KLJ provided the Department with a Final Report for Acreage Determination along the Ordinary High-Water Mark as adopted by the North Dakota Industrial Commission Order No. 29129. On behalf of the Board, the Department completed the refunding of royalty proceeds outlined in N.D.C.C. § 61-33.1-04(1) ahead of schedule.

The Department has continued its multi-division effort to design and build a comprehensive land management system with significant development focusing on mineral management. To better serve the public, the Department has also begun work on the design and development of a new web portal. Once completed, lessees and other interested parties will be able to better access department records, nominate lands for leasing, submit various types of applications, review certain public records, and make payments electronically. The goal is for the Department to provide a simplified global experience that will further the Governor's Red Tape Reduction initiative, reduce wait times, and conserve resources.



THE HISTORY OF THE ENERGY INFRASTRUCTURE AND IMPACT OFFICE

The Energy Infrastructure and Impact Office (EIO) is a division within the Department of Trust Lands (Department). EIO provides financial assistance to local units of government impacted by oil and gas activity. The office has been a part of the Department since 1977 and was formerly known as the Energy Development Impact Office created under N.D.C.C. ch. 57-62 with funding being distributed from the Energy Development Impact Fund. Over the course of the past 45 years, the EIO has dispersed over \$626 million in funding as appropriated by the Legislative Assembly.

During the 2021 - 2023 biennium

The Legislature did not appropriate funding for the program.

Prior to 2019, the Energy Development Impact Fund received a portion of the oil and gas gross production taxes collected by the State of North Dakota. During the 2019-2021 biennium, under House Bill No. 1013, the Legislative Assembly transferred \$2,000,000 from the Strategic Investment and Improvement fund to the Energy Development Impact Fund for grant distribution.

The last grant paid out was on December 19, 2022 to the Mohall Airport Authority.

Highlights and success stories over the past 45 years

- Prior to the most recent oil boom, most of the funding was distributed to counties and townships experiencing hardships due to oil development. This mostly included funds to fix roads damaged by increased usage. The EIO Program was able to assist struggling communities in western North Dakota experiencing unimaginable growth.
- July 25, 2013 - three counties (Bowman, Dunn, Mountrail) were each awarded \$1 Million dollars to conduct a dust control pilot program due to rapid development in western North Dakota. During this trial pilot project, valuable information was obtained on how to control dust from county and township roads, which was shared with other western counties.
- August 15, 2013 - \$6.8 million was awarded to school districts to address teacher housing, security issues, and portable classrooms.
- November 13, 2013 - the City of New Town was awarded \$99,337 for a new rescue truck to assist with the increase of traffic accidents.
- September 25, 2014 - Watford City was awarded \$410,000 for additional staff and personnel housing. This was a new use of funding to help the city manage immediate emergency response and staffing needs.
- April 28, 2015 - Dunn County was awarded a grant for significant safety issues which included a blind intersection that needed to be addressed immediately due to the increase of traffic.
- October 29, 2015 - three local district health units were awarded funds to assist with infrastructure needs including software, equipment, staffing, and building needs due to the influx of people in the area caused by oil and gas activity.
- December 16, 2015 - seven critical access hospitals were awarded \$5 million for Uncompensated Care Financial Assistance. This was to help the hospitals with bed debt expenses and provide them financial assistance to continue operations.
- February 23, 2017 - the Domestic Violence and Rape Crisis Center in Dickinson and the Family Crisis Shelter in Williston were awarded almost \$2 million to assist with construction costs associated with rapid growth.
- January 31, 2019 - the City of Stanley was awarded \$60,000 for civil warning sirens necessitated by growth.
- July 29, 2020 - Williston PSD #1 was awarded \$500,000 for the ASB Innovation Academy. The total project was estimated to cost \$14 million.

Successful projects funded through EIO grants

Fire & EMS

- New ambulance and fire halls with training rooms and lodging, new rescue trucks with updated extrication equipment, new ambulances with power cot loaders.

K-12 Schools

- Adequate housing for teachers, portable classrooms, security systems, and additional classroom space due to construction additions or new schools being built.

Airports

- Williston Basin International Airport and Minot International Airport received millions in funding to build new airports. Dickinson Airport received funding for several expansion projects. Smaller airports like New Town and Watford City received funding for runway reconstruction.

Townships

- Millions of dollars were awarded to fix roads damaged by heavy oil traffic. EIO emphasized the need to award grants based on safety issues.

Law Enforcement

- New features such as bullet proof vests, radio upgrades, in-car cameras, training, software upgrades, vehicles, and overtime was awarded to help keep officers safe. Funding was also provided for sexual assault nurse examiners and to combat sex trafficking.

Counites & Cities

- Major sewer and water projects including sewer lagoon expansions, water and wastewater expansions, and wastewater treatment facility improvements. Major road projects including dust control, paving, graveling, culvert repair, and addressing terrible road conditions. Infrastructure projects to support new schools. Emergency sirens, disaster evacuation shelters, and trailer supplies to assist in rapid population growth.

Higher Education

- New security systems were installed at Dickinson State and Minot State Universities for student safety.

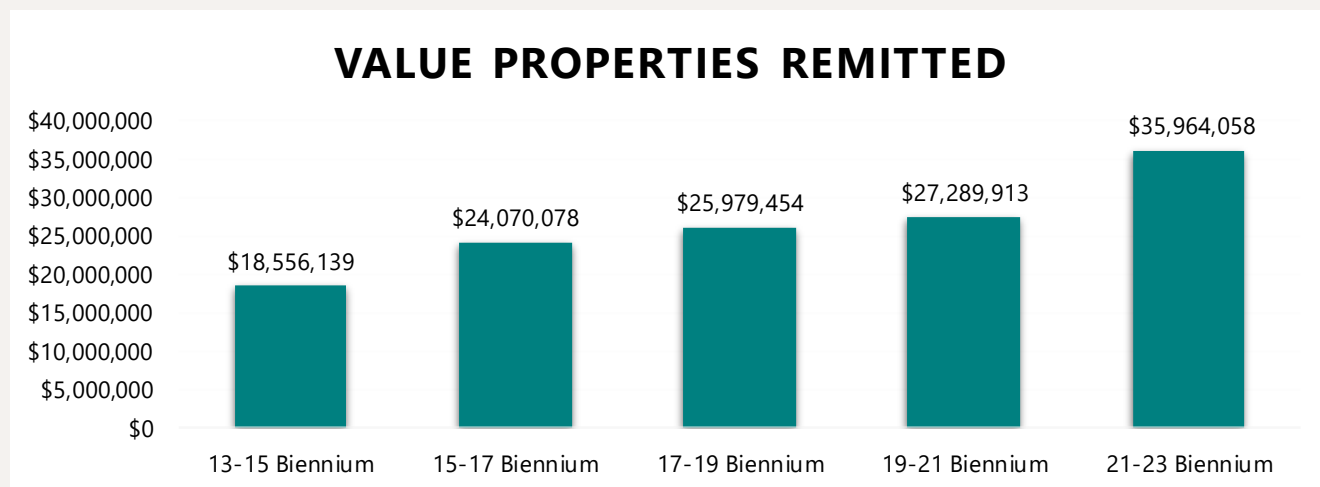
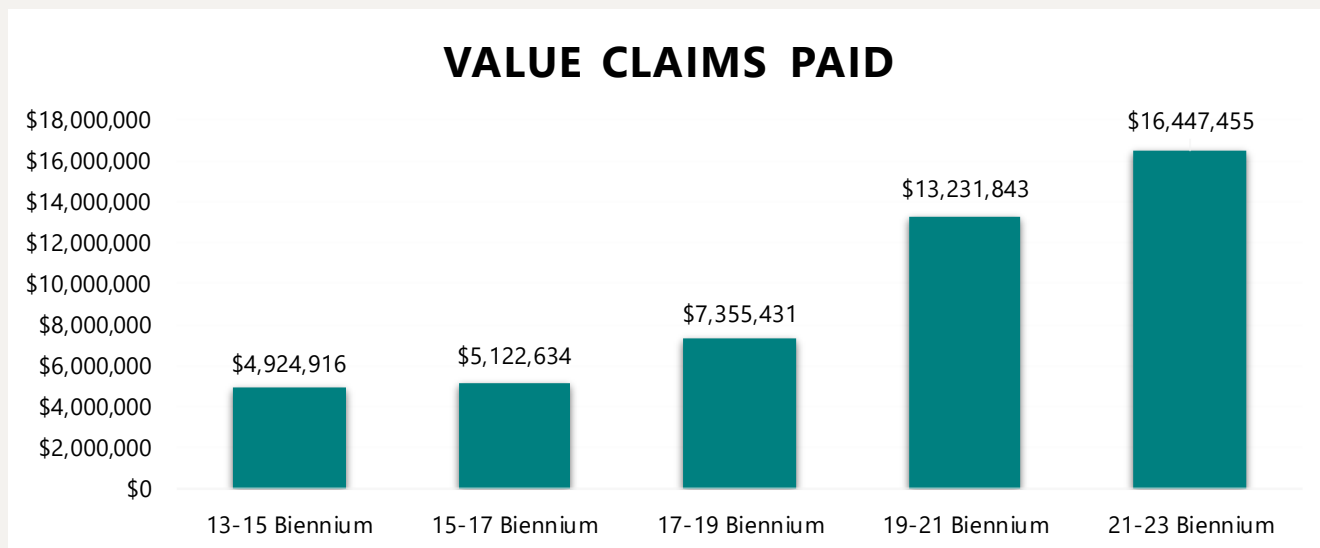
2000 to 2020 distributions of funding

- | | |
|-----------------|--|
| ▪ \$199,791,650 | City Infrastructure and equipment |
| ▪ \$148,207,500 | Airports |
| ▪ \$70,585,204 | Road projects for townships and counites |
| ▪ \$63,498,744 | K-12 Schools |
| ▪ \$26,196,205 | Fire Districts |
| ▪ \$23,041,607 | EMS Districts |
| ▪ \$21,625,000 | Social Departments |
| ▪ \$17,119,500 | Law Enforcement |
| ▪ \$4,000,000 | Higher Education |

UNCLAIMED PROPERTY

The Unclaimed Property Division (Division) administers and enforces the Uniform Unclaimed Property Act (currently N.D.C.C. ch. 47-30.2) which has been in effect since 1975. The program's objectives are to reunite lost and abandoned property with its rightful owner and to safeguard this property from being used for personal gain by non-owners. The property is maintained to the credit of the CSTF with revenue earned on the investment of properties benefiting school funding.

The 2021-23 biennium saw a total of 31,927 claims paid, resulting in \$16,447,455 returned to owners. Abandoned property reported to the Department totaled \$35,964,058 from the receipt of 7,047 holder reports.



The 68th Legislative Assembly amended the Revised Uniform Unclaimed Property Act (RUUPA) in HB1360 to close a gap in N.D.C.C. 47-30.2. This amendment provides the Division additional tools necessary to enforce compliance with the law. In addition, the Division was granted an additional FTE for the Claims Processing team to keep up with increasing workload.

In May 2023, the Division reached the milestone of \$100 Million dollars returned to owners since its inception!

Also, during the biennium, the division joined a nationwide effort called SURCH (States Unclaimed Retirement Clearing House). This program is a collaboration between the National Association of State Treasurers (NAST), the National Association of Unclaimed Property Administrators (NAUPA) and the US Department of Labor (DOL) to facilitate state collection of unclaimed private sector retirement plan checks to overcome ERISA pre-emption of state laws.

FINANCIAL REPORTS

Eide Bailly completed its review of the Department's financial statements for the fiscal year ending on June 30, 2023, below are the final audited totals.

BOARD OF UNIVERSITY AND SCHOOL LANDS COMPARATIVE FINANCIAL POSITION		
ASSETS BY TRUST		
	JUNE 30, 2022	JUNE 30, 2023
Common Schools	5,655,342,224	6,216,075,290
North Dakota State University	85,566,674	93,393,280
School for the Blind	14,847,119	16,042,699
School for the Deaf	22,917,263	24,275,662
State Hospital	15,272,724	15,904,892
Ellendale*	27,560,418	30,495,975
Valley City State University	14,954,586	16,763,975
Mayville State University	10,824,101	12,206,232
Youth Correctional Center	30,637,018	33,297,895
State College of Science	21,086,601	22,361,869
School of Mines **	26,185,834	28,348,203
Veterans Home	5,628,357	5,856,370
University of North Dakota	41,134,947	46,083,826
Capitol Building	6,772,498	7,480,758
Strategic Investment and Improvements	1,045,209,168	1,650,446,264
Coal Development	70,463,180	71,822,634
Indian Cultural Education Trust	1,329,798	1,372,630
Theodore Roosevelt Presidential Library	52,343,946	52,963,919
TOTAL	\$7,148,076,456	\$8,345,192,373

* Ellendale Trust - The following entries are equal beneficiaries of the Ellendale Trust

Dickinson State University | Minot State University | Dakota College at Bottineau | School for the Blind | Veterans Home State Hospital | State College of Science - Wahpeton

** School of Mines - Benefits of the original grant to the School of Mines are distributed to the University of North Dakota.

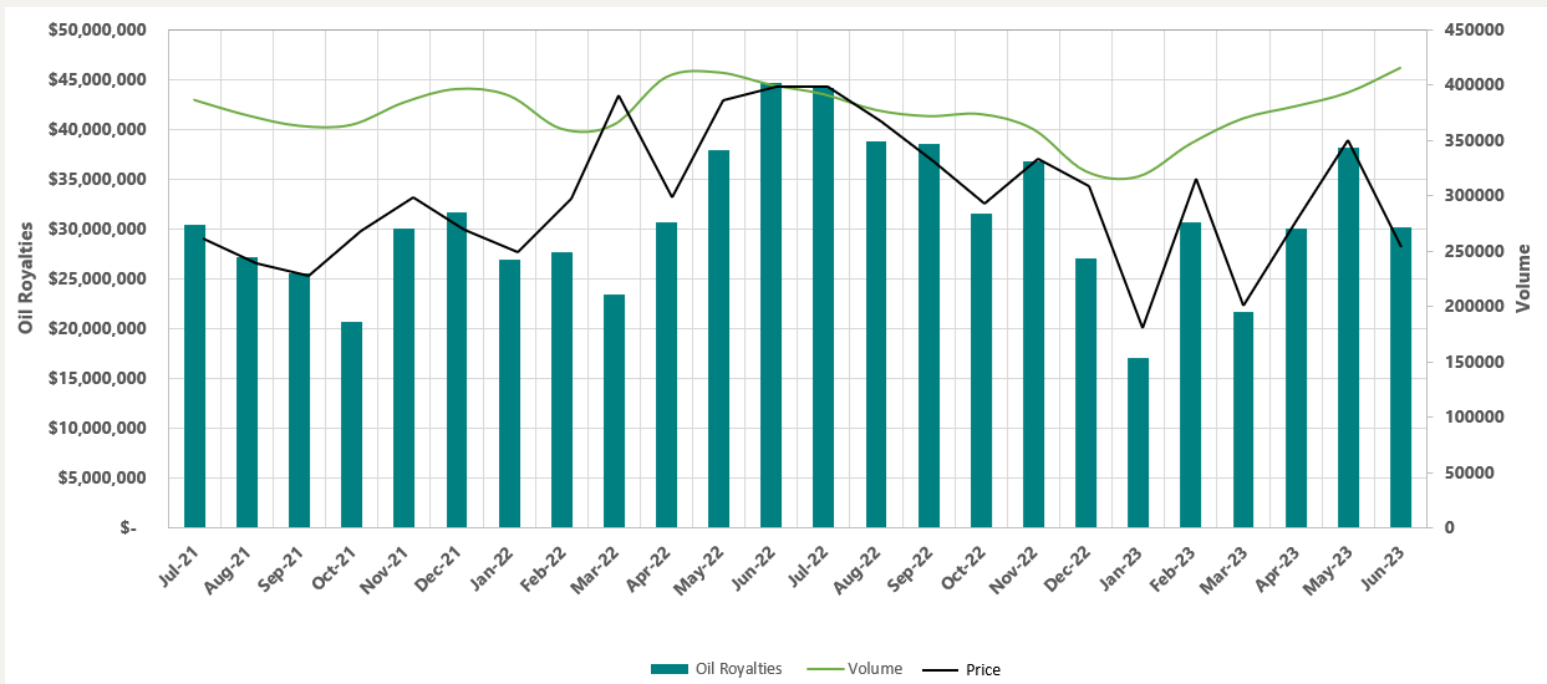
ASSETS BY TYPE		
	JUNE 30, 2022	JUNE 30, 2023
Cash	\$573,243,145	\$809,289,314
Investments	6,224,127,603	7,367,294,479
Receivable	101,868,305	70,346,833
Farm Loans	4,602,174	2,453,833
School Construction Loans (Coal)	27,190,349	24,983,735
Energy Development Impact Loans	9,007,400	8,193,622
Due to/from Other Trusts and Agencies	245,939,472	92,389,783
Accounts Payable	(37,901,992)	(29,759,226)
TOTAL	\$7,148,076,456	\$8,345,192,373
Cash	\$573,243,145	\$809,289,314
Investments	6,224,127,603	7,367,294,479

REVENUE COMPLIANCE

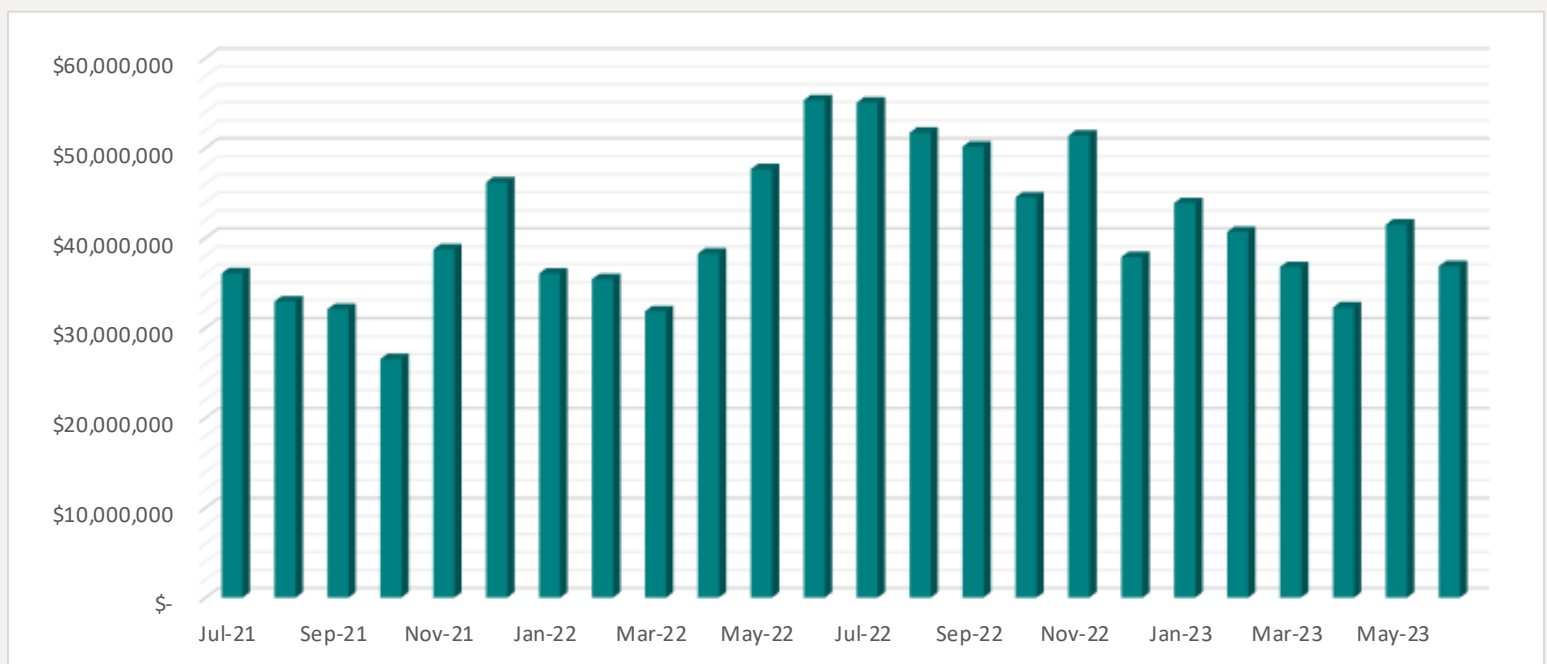
The Department’s Revenue Compliance Division is responsible for developing and implementing procedures to ensure the timely and accurate accounting of all royalties, bonuses, rentals, and other revenues received. A significant amount of time is dedicated to evaluating the accounting and collection of oil and gas royalties.

During the 2021-23 biennium the Department generated record breaking oil & gas royalties totaling nearly \$1 billion.

OIL & GAS ROYALTY PRODUCTION VOLUME & MARKET PRICE



OIL & GAS ROYALTY CASH COLLECTED





NORTH
Dakota
Be Legendary.

| Trust Lands