

**NORTH DAKOTA
BOARD OF UNIVERSITY AND SCHOOL LANDS**

**QUARTERLY FINANCIAL REPORTS
(Unaudited)**

For period ended December 31, 2011



Board of University and School Lands
Quarterly Comparative Financial Schedules (Unaudited)

Schedule of Net Assets

| Assets by Trust: | December 31, 2011 | December 31, 2010 | Assets by Type: | December 31, 2011 | December 31, 2010 |
|---------------------------------------|------------------------|------------------------|---------------------------------------|------------------------|------------------------|
| Common Schools | \$1,653,575,109 | \$1,443,443,199 | Cash | \$2,791,976 | \$5,454,452 |
| North Dakota State University | 26,596,560 | 21,048,883 | Receivables | 18,088,213 | 17,296,608 |
| School for the Blind | 3,324,414 | 2,998,122 | Investments | 1,985,551,674 | 1,715,134,322 |
| School for the Deaf | 9,598,817 | 7,745,232 | Farm Real Estate | 931,760 | - |
| State Hospital | 9,167,465 | 8,301,666 | Office Building (Net of Depreciation) | 618,255 | 656,429 |
| Ellendale * | 4,744,054 | 3,561,595 | Farm Loans | 40,672,236 | 42,904,394 |
| Valley City State University | 4,474,205 | 4,148,141 | Energy Construction Loans | 2,293,037 | 986,108 |
| Mayville State University | 3,078,667 | 2,643,433 | Developmentally Disabled Loans | - | 792,247 |
| Youth Correctional Center | 10,803,372 | 9,466,700 | Energy Development Impact Loans | 8,704,435 | 4,571,182 |
| State College of Science | 8,604,468 | 7,931,871 | School Construction Loans | 27,138,273 | 29,104,534 |
| School of Mines ** | 10,097,907 | 8,486,411 | Due from Other Trusts and Agencies | 13,976,391 | 7,877,549 |
| Veterans Home | 3,145,768 | 2,931,969 | | | |
| University of North Dakota | 13,226,360 | 11,285,718 | | | |
| Capitol Building | 3,410,790 | 3,184,545 | | | |
| Strategic Investment and Improvements | 271,879,508 | 223,336,515 | | | |
| Coal Development | 64,387,240 | 63,628,838 | | | |
| Indian Cultural Education Trust | 651,546 | 634,987 | | | |
| Total | \$2,100,766,250 | \$1,824,777,825 | Total | \$2,100,766,250 | \$1,824,777,825 |

Strategic Investment and Improvements Fund

The Lands and Minerals Trust was renamed to the Strategic Investment and Improvements Fund (SIIF) effective July 1, 2011. It is the intent of the Legislative Assembly that this fund be used for one-time expenditures relating to improving state infrastructure.

The SIIF has an assigned fund balance of \$82,378,244.81 as of November 30, 2011. This designation was made by the Board to indicate that these funds should not be transferred out of the SIIF until potential title disputes related to certain riverbed leases have been resolved.

*** Ellendale Trust**

The following entities are equal beneficiaries of the Ellendale Trust:

| | |
|-----------------------------|-------------------------------------|
| Dickinson State University | School for the Blind |
| Minot State University | Veterans Home |
| Dakota College at Bottineau | 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.

Board of University and School Lands
Quarterly Comparative Financial Statements (Unaudited)

Combined Permanent Trusts

Comparative Balance Sheet

| Assets: | December 31, 2011 | December 31, 2010 |
|---------------------------------------|------------------------|------------------------|
| Cash | \$3,065,556 | \$5,683,438 |
| Interest Receivable | 17,054,914 | 15,994,800 |
| Accounts Receivable | - | - |
| Investments | 1,686,888,906 | 1,463,940,876 |
| Farm Loans | 40,672,236 | 42,904,394 |
| Farm Real Estate | 931,760 | - |
| Energy Construction Loans | 2,293,037 | 986,108 |
| Due from Other Agencies | 13,799,167 | 7,708,972 |
| Due from Other Trusts | - | - |
| Office Building (Net of Depreciation) | 618,255 | 656,429 |
| Developmentally Disabled Loans | - | 792,247 |
| Total Assets | <u>\$1,765,323,831</u> | <u>\$1,538,667,264</u> |
| Liabilities: | | |
| Unclaimed Property Claimant Liability | \$4,701,766 | \$4,479,091 |
| Due to Other Trusts | - | - |
| Due to Other Funds | - | - |
| Accounts Payable | 184,884 | 195,217 |
| Total Liabilities | <u>4,886,650</u> | <u>4,674,308</u> |
| Equity: | | |
| Fund Balance | 1,727,400,987 | 1,296,982,142 |
| Net Income/(Loss) | 33,036,194 | 237,010,814 |
| Total Liabilities and Equity | <u>\$1,765,323,831</u> | <u>\$1,538,667,264</u> |

Comparative Income Statement

| Income: | December 31, 2011 | December 31, 2010 |
|--------------------------------|-------------------|--------------------|
| Investment Income | \$27,534,057 | \$22,775,848 |
| Realized Gain/(Loss) | 16,914,439 | 13,344,155 |
| Unrealized Gain/(Loss) | (87,158,492) | 129,660,016 |
| Royalties - Oil and Gas | 34,049,142 | 22,871,744 |
| Royalties - Coal | 2,036,705 | 1,261,230 |
| Royalties - Aggregate | 39,151 | 36,392 |
| Bonuses - Oil and Gas | 18,683,901 | 37,284,927 |
| Bonuses - Coal | - | 40,000 |
| Rents - Surface | 5,233,016 | 4,928,613 |
| Rents - Mineral | 197,764 | 268,812 |
| Rents - Office Building | - | 11,800 |
| Sale of Capital Asset | - | - |
| Tobacco Settlement Income | - | - |
| Oil Extraction Tax Income | 36,577,706 | 21,025,805 |
| Unclaimed Property Income | 3,179,076 | 3,974,023 |
| Total Income | <u>57,286,465</u> | <u>257,483,365</u> |
| Expenses and Transfers: | | |
| Investment Expense | 1,236,851 | 1,114,637 |
| In-Lieu and 5% County Payments | - | - |
| Administrative Expense | 1,013,420 | 857,914 |
| Transfers to Beneficiaries | 22,000,000 | 18,500,000 |
| Total Expense and Transfers | <u>24,250,271</u> | <u>20,472,551</u> |
| Net Income/(Loss) | <u>33,036,194</u> | <u>237,010,814</u> |

Indian Cultural Trust

Comparative Balance Sheet

| Assets: | December 31, 2011 | December 31, 2010 |
|------------------------------|-------------------|-------------------|
| Cash | \$2,449 | \$4,110 |
| Interest Receivable | 1,939 | 1,461 |
| Investments | 647,158 | 629,415 |
| Total Assets | <u>\$651,546</u> | <u>\$634,986</u> |
| Liabilities: | | |
| Due to Other Funds | - | - |
| Accounts Payable | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> |
| Equity: | | |
| Fund Balance | 667,591 | 562,643 |
| Net Income (Loss) | (16,045) | 72,343 |
| Total Liabilities and Equity | <u>\$651,546</u> | <u>\$634,986</u> |

Comparative Income Statement

| Income: | December 31, 2011 | December 31, 2010 |
|--------------------------------|-------------------|-------------------|
| Investment Income | \$10,175 | \$9,344 |
| Realized Gain/(Loss) | 6,589 | 5,921 |
| Unrealized Gain/(Loss) | (34,382) | 57,506 |
| Rents - Surface | 2,000 | - |
| Bonuses - Oil and Gas | - | - |
| Total Income | <u>(16,618)</u> | <u>72,771</u> |
| Expenses and Transfers: | | |
| Investment Expense | 427 | 428 |
| In-Lieu and 5% County Payments | - | - |
| Administrative Expense | - | - |
| Transfers to Beneficiary | - | - |
| Total Expense and Transfers | <u>427</u> | <u>428</u> |
| Net Income/(Loss) | <u>(\$16,045)</u> | <u>72,343</u> |

Board of University and School Lands
Quarterly Comparative Financial Statements (Unaudited)

| Coal Development Trust | | | Strategic Investment and Improvements Fund | | |
|---------------------------------------|---------------------|---------------------|---|----------------------|----------------------|
| Comparative Balance Sheet | | | Comparative Balance Sheet | | |
| Assets: | December 31, 2011 | December 31, 2010 | Assets: | December 31, 2011 | December 31, 2010 |
| Cash | \$1,085 | \$4,055 | Cash | \$28,841,592 | \$170,468 |
| Interest Receivable | 428,974 | 752,090 | Interest Receivable | 588,610 | 532,115 |
| Investments | 27,937,249 | 29,028,399 | Investments | 242,449,309 | 222,633,935 |
| Coal Impact Loans | 8,704,435 | 4,571,182 | Due from other Trusts or Agencies | - | - |
| School Construction Loans | 27,138,273 | 29,104,534 | Total Assets | \$271,879,511 | \$223,336,518 |
| Due from other Trusts and Agencies | 590,747 | 561,925 | | | |
| Total Assets | \$64,800,763 | \$64,022,185 | Liabilities: | | |
| Liabilities: | | | Accounts Payable | \$0 | \$0 |
| Accounts Payable | \$413,523 | \$393,347 | Equity: | | |
| Equity: | | | Fund Balance | 249,074,434 | 148,836,319 |
| Fund Balance | 63,449,566 | 62,449,194 | Net Income | 22,805,077 | 74,500,199 |
| Net Income | 937,674 | 1,179,644 | Total Liabilities and Equity | \$271,879,511 | \$223,336,518 |
| Total Liabilities and Equity | \$64,800,763 | \$64,022,185 | | | |
| Comparative Income Statement | | | Comparative Income Statement | | |
| Income: | December 31, 2011 | December 31, 2010 | Income: | December 31, 2011 | December 31, 2010 |
| Investment Income | \$222,945 | \$241,480 | Investment Income | \$262,515 | \$781,658 |
| Interest on School Construction Loans | 283,361 | 486,541 | Royalties - Oil and Gas | 12,506,873 | 7,068,749 |
| Realized Gain/(Loss) | 52,009 | 108,946 | Bonuses - Oil and Gas | 10,356,004 | 66,606,002 |
| Unrealized Gain/(Loss) | (95,489) | (129,175) | Royalties - Coal | (1,207) | 411,572 |
| Coal Severance Tax Income | 491,911 | 486,830 | Bonuses - Coal | - | 800 |
| Total Income | 954,737 | 1,194,622 | Rents - Mineral | 80,560 | 214,937 |
| Expenses and Transfers: | | | Total Income | 23,204,745 | 75,083,718 |
| Investment | 15,107 | 13,305 | Expenses and Transfers: | | |
| Administrative | 1,956 | 1,673 | Administrative | 298,106 | 291,069 |
| Transfers to General Fund | - | - | DD Loan Payments (Net) | 101,562 | 75,749 |
| Total Expense and Transfers | 17,063 | 14,978 | Transfers to General Fund | - | 216,701 |
| Net Income/(Loss) | \$937,674 | \$1,179,644 | Total Expense and Transfers | 399,668 | 583,519 |
| | | | Net Income/(Loss) | \$22,805,077 | \$74,500,199 |

| Capitol Building Trust | | | Comparative Income Statement | | |
|-------------------------------------|--------------------|--------------------|-------------------------------------|-------------------|-------------------|
| Comparative Balance Sheet | | | Comparative Income Statement | | |
| Assets: | December 31, 2011 | December 31, 2010 | Income: | December 31, 2011 | December 31, 2010 |
| Cash | \$166,262 | \$3,754 | Investment Income | \$7,972 | \$19,045 |
| Interest Receivable | 13,777 | 16,141 | Rents - Surface | 55,245 | 71,605 |
| Investments | 3,230,752 | 3,164,651 | Rents - Mineral | 3,077 | 3,108 |
| Due from other Trusts and Agencies | - | - | Royalties - Oil and Gas | 88,264 | 95,449 |
| Total Assets | \$3,410,791 | \$3,184,546 | Bonuses - Oil and Gas | - | 82,695 |
| Liabilities: | | | Royalties - Coal | - | 84,456 |
| Due to Other Trusts and Agencies | \$0 | \$0 | Unrealized Gain/(Loss) | - | - |
| Equity: | | | Total Income | 154,558 | 356,358 |
| Fund Balance | 3,367,501 | 2,938,226 | Expenses and Transfers: | | |
| Net Income | 43,290 | 246,320 | Investment Expense | - | - |
| Total Liabilities and Equity | \$3,410,791 | \$3,184,546 | In-Lieu and 5% County Payments | - | - |
| | | | Administrative Expense | 11,268 | 10,038 |
| | | | Transfers to Facility Management | 100,000 | 100,000 |
| | | | Total Expense and Transfers | 111,268 | 110,038 |
| | | | Net Income/(Loss) | \$43,290 | \$246,320 |