

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

**QUARTERLY FINANCIAL REPORTS
(Unaudited)**

For period ended September 30, 2012



Board of University and School Lands

Quarterly Comparative Financial Schedules (Unaudited)

Schedule of Net Assets

Assets by Trust:	September 30, 2012	September 30, 2011
Common Schools	\$2,026,586,799	\$1,521,741,475
North Dakota State University	33,722,474	24,373,904
School for the Blind	4,720,516	2,900,384
School for the Deaf	12,136,871	8,761,555
State Hospital	10,266,006	8,611,865
Ellendale *	5,797,694	4,337,965
Valley City State University	5,683,955	4,161,781
Mayville State University	3,710,109	2,649,266
Youth Correctional Center	14,059,336	9,948,314
State College of Science	9,725,019	7,980,733
School of Mines **	11,387,264	9,402,156
Veterans Home	3,750,783	2,810,233
University of North Dakota	16,004,268	12,216,927
Capitol Building	2,663,389	3,344,068
Strategic Investment and Improvements	575,838,318	254,280,586
Coal Development	64,970,791	63,879,545
Indian Cultural Education Trust	710,243	614,363
Total	\$2,801,733,835	\$1,942,015,120
Assets by Type:		
Cash	\$9,298,712	\$118,094,989
Receivables	16,686,053	18,513,986
Investments	2,556,188,295	1,720,883,863
Office Building (Net of Depreciation)	697,213	630,313
Farm Real Estate	-	-
Farm Loans	31,158,971	40,465,162
Energy Construction Loans	2,244,024	1,592,150
Developmentally Disabled Loans	-	-
Energy Development Impact Loans	8,383,411	4,316,312
School Construction Loans	25,413,158	26,420,910
Due to/from Other Trusts and Agencies	151,663,998	11,097,435
Total	\$2,801,733,835	\$1,942,015,120

*** 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

	September 30, 2012	September 30, 2011
Balance Sheet		
Assets:		
Cash	\$6,295,690	\$4,155,954
Interest Receivable	16,122,005	17,861,295
Accounts Receivable	-	-
Investments	2,086,922,588	1,549,099,373
Farm Real Estate	-	-
Farm Loans	31,158,971	40,465,162
Energy Construction Loans	2,244,024	1,592,150
Due from Other Agencies	18,660,107	10,934,339
Due from Other Trusts	-	-
Office Building (Net of Depreciation)	697,213	630,313
Total Assets	\$2,162,100,598	\$1,624,738,586
Liabilities:		
Unclaimed Property Claimant Liability	\$4,428,596	\$4,701,766
Due to Other Trusts	-	-
Due to Other Funds	120,908	140,250
Accounts Payable	-	-
Total Liabilities	4,549,504	4,842,016
Equity:		
Fund Balance	2,041,671,742	1,727,400,987
Net Income/(Loss)	115,879,352	(107,504,417)
Total Liabilities and Equity	\$2,162,100,598	\$1,624,738,586
Income Statement		
Income:		
Investment Income	\$12,315,615	\$13,596,572
Realized Gain/(Loss)	9,006,710	5,217,132
Unrealized Gain/(Loss)	56,431,568	(153,402,726)
Royalties - Oil and Gas	12,830,964	9,069,886
Royalties - Coal	956,332	1,148,224
Royalties - Aggregate	43,787	3,110
Bonuses - Oil and Gas	6,153,324	8,859,346
Bonuses - Coal	-	-
Rents - Surface	932,600	798,219
Rents - Mineral	47,276	95,146
Rents - Office Building	-	-
Gain/Loss on Sale of Land - OREO	271	-
Sale of Capital Asset	-	-
Tobacco Settlement Income	-	-
Oil Extraction Tax Income	26,513,709	16,658,147
Unclaimed Property Income	332,081	(20,936)
Total Income	125,564,237	(97,977,880)
Expenses and Transfers:		
Investment Expense	303,501	188,408
In-Lieu and 5% County Payments	-	-
Administrative Expense	581,384	538,129
Transfers to Beneficiaries	8,800,000	8,800,000
Total Expense and Transfers	9,684,885	9,526,537
Net Income/(Loss)	\$115,879,352	(\$107,504,417)

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Capitol Building Trust

	<u>September 30, 2012</u>	<u>September 30, 2011</u>
<u>Balance Sheet</u>		
Assets:		
Cash	\$159,879	\$2,360,052
Interest Receivable	933	9,015
Investments	2,502,577	975,001
Due from other Trusts and Agencies	-	-
Total Assets	<u>\$2,663,389</u>	<u>\$3,344,068</u>
Liabilities:		
Due to Other Trusts and Agencies	\$0	\$0
Equity:		
Fund Balance	3,252,822	3,367,501
Net Income	<u>(589,433)</u>	<u>(23,433)</u>
Total Liabilities and Equity	<u>\$2,663,389</u>	<u>\$3,344,068</u>
<u>Income Statement</u>		
Income:		
Investment Income	\$1,067	\$4,270
Rents - Surface	-	-
Rents - Mineral	(25,225)	2,993
Royalties - Oil and Gas	41,382	25,279
Bonuses - Oil and Gas	-	-
Royalties - Coal	-	-
Unrealized Gain/(Loss)	-	-
Total Income	<u>17,224</u>	<u>32,542</u>
Expenses and Transfers:		
Investment Expense	-	-
In-Lieu and 5% County Payments	-	-
Administrative Expense	6,657	5,975
Transfers to Facility Management	<u>600,000</u>	<u>50,000</u>
Total Expense and Transfers	<u>606,657</u>	<u>55,975</u>
Net Income/(Loss)	<u>(\$589,433)</u>	<u>(\$23,433)</u>

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Coal Development Trust

	<u>September 30, 2012</u>	<u>September 30, 2011</u>
<u>Balance Sheet</u>		
Assets:		
Cash	\$1,651	\$797
Interest Receivable	266,282	308,692
Investments	30,746,380	32,669,739
Coal Impact Loans	8,383,411	4,316,312
School Construction Loans	25,413,158	26,420,910
Due from other Trusts and Agencies	533,031	543,655
Total Assets	<u>\$65,343,913</u>	<u>\$64,260,105</u>
Liabilities:		
Accounts Payable	\$373,122	\$380,558
Equity:		
Fund Balance	64,360,254	63,449,566
Net Income	610,537	429,981
Total Liabilities and Equity	<u>\$65,343,913</u>	<u>\$64,260,105</u>
<u>Income Statement</u>		
Income:		
Investment Income	\$86,433	\$122,439
Interest on School Construction Loans	115,381	119,725
Realized Gain/(Loss)	30,367	3,390
Unrealized Gain/(Loss)	138,288	(44,432)
Coal Severance Tax Income	242,766	232,037
Total Income	<u>613,235</u>	<u>433,159</u>
Expenses and Transfers:		
Investment	1,663	2,156
Administrative	1,035	1,022
Transfers to General Fund	-	-
Total Expense and Transfers	<u>2,698</u>	<u>3,178</u>
Net Income/(Loss)	<u>\$610,537</u>	<u>\$429,981</u>

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Indian Cultural Trust

	<u>September 30, 2012</u>	<u>September 30, 2011</u>
<u>Balance Sheet</u>		
Assets:		
Cash	\$1,207	\$5,647
Interest Receivable	1,586	2,154
Investments	707,451	606,563
Total Assets	<u>\$710,244</u>	<u>\$614,364</u>
Liabilities:		
Due to Other Funds	-	-
Accounts Payable	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Equity:		
Fund Balance	683,831	667,591
Net Income (Loss)	26,413	(53,227)
Total Liabilities and Equity	<u>\$710,244</u>	<u>\$614,364</u>
<u>Income Statement</u>		
Income:		
Investment Income	\$4,031	\$5,081
Realized Gain/(Loss)	3,096	2,070
Unrealized Gain/(Loss)	19,364	(60,335)
Rents - Surface	-	-
Bonuses - Oil and Gas	-	-
Total Income	<u>26,491</u>	<u>(53,184)</u>
Expenses and Transfers:		
Investment Expense	78	43
In-Lieu and 5% County Payments	-	-
Administrative Expense	-	-
Transfers to Beneficiary	-	-
Total Expense and Transfers	<u>78</u>	<u>43</u>
Net Income/(Loss)	<u>\$26,413</u>	<u>(\$53,227)</u>

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Strategic Investment and Improvements Fund

	<u>September 30, 2012</u>	<u>September 30, 2011</u>
<u>Balance Sheet</u>		
Assets:		
Cash	\$2,840,285	\$111,572,539
Interest Receivable	295,247	332,843
Investments	439,858,807	142,375,208
Due from other Trusts or Agencies	132,843,981	0
Total Assets	<u>\$575,838,320</u>	<u>\$254,280,590</u>
Liabilities:		
Accounts Payable	\$0	\$0
Equity:		
Fund Balance	387,713,205	249,074,434
Net Income	188,125,115	5,206,156
Total Liabilities and Equity	<u>\$575,838,320</u>	<u>\$254,280,590</u>
<u>Income Statement</u>		
Income:		
Investment Income	\$154,256	\$187,409
Royalties - Oil and Gas	5,221,639	3,215,214
Bonuses - Oil and Gas	6,138,643	2,165,744
Royalties - Coal	187,392	(139,530)
Bonuses - Coal	-	-
Rents - Mineral	28,477	33,505
Tax Income - Oil Extraction & Production Distribution	176,580,715	-
Total Income	<u>188,311,122</u>	<u>5,462,342</u>
Expenses and Transfers:		
Administrative	186,007	154,624
DD Loan Payments (Net)		101,562
Transfers to General Fund	-	-
Total Expense and Transfers	<u>186,007</u>	<u>256,186</u>
Net Income/(Loss)	<u>\$188,125,115</u>	<u>\$5,206,156</u>

The Strategic Investment and Improvements Fund (SIIF) has an assigned fund balance of \$104,320,735.91 as of August 31, 2012; this designation means that these funds should not be transferred out of the SIIF. The first \$98,070,735.91 of the assigned fund balance will be held until potential title disputes related to certain riverbed leases have been resolved. The remaining \$6,250,000 will be held to potentially fund 25% of the guarantee reserve fund for the Fuel Production Facility Loan Guarantee Program administered by the Bank of North Dakota (NDCC 6-09.7-05).