

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

**QUARTERLY FINANCIAL REPORT  
(Unaudited)**

**For period ended December 31, 2015**



| <b>Board of University and School Lands</b>                  |                          |                          |
|--|--------------------------|--------------------------|
| <b>Quarterly Comparative Financial Schedules (Unaudited)</b> |                          |                          |
| <b>Schedule of Net Assets</b>                                |                          |                          |
| <b>Assets by Trust:</b>                                      | <b>December 31, 2015</b> | <b>December 31, 2014</b> |
| Common Schools   | \$3,305,709,738          | \$3,284,083,446          |
| North Dakota State University                                | 53,987,629               | 53,631,557               |
| School for the Blind   | 7,463,658                | 7,342,172                |
| School for the Deaf  | 17,736,254               | 18,104,536               |
| State Hospital   | 12,269,670               | 12,827,495               |
| Ellendale *  | 8,337,210                | 8,252,380                |
| Valley City State University                                 | 9,521,353                | 8,890,554                |
| Mayville State University                                    | 6,170,058                | 6,302,902                |
| Youth Correctional Center                                    | 24,497,787               | 21,626,905               |
| State College of Science                                     | 13,975,014               | 14,240,099               |
| School of Mines **   | 15,929,942               | 16,161,526               |
| Veterans Home  | 4,564,463                | 4,750,570                |
| University of North Dakota                                   | 25,359,353               | 25,675,942               |
| Capitol Building   | 6,616,929                | 5,574,555                |
| Strategic Investment and Improvements                        | 367,515,181              | 1,843,722,076            |
| Coal Development   | 68,149,554               | 67,179,321               |
| Indian Cultural Education Trust                              | 1,112,140                | 1,162,870                |
| School Construction Assistance Loan Fund                     | 150,817,781              | -                        |
| Total  | <u>\$4,099,733,714</u>   | <u>\$5,399,528,906</u>   |
| <br>   |                          |                          |
| <b>Assets by Type:</b>                                       |                          |                          |
| Cash   | \$20,576,699             | \$924,470,595            |
| Receivables  | 16,564,856               | 23,809,658               |
| Investments  | 3,824,047,465            | 4,066,847,943            |
| Office Building (Net of Depreciation)                        | 632,377                  | 676,340                  |
| Farm Loans   | 11,918,354               | 14,495,416               |
| Energy Construction Loans                                    | 1,319,976                | 1,386,734                |
| Energy Development Impact Loans                              | 13,636,425               | 7,140,413                |
| School Construction Loans (Coal)                             | 49,740,027               | 28,542,978               |
| School Construction Loans (SCLAP)                            | 149,979,240              | 141,140,598              |
| Due to/from Other Trusts and Agencies                        | 11,318,295               | 191,018,231              |
| Total  | <u>\$4,099,733,714</u>   | <u>\$5,399,528,906</u>   |

**\* 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

|                                       | December 31, 2015 | December 31, 2014 |
|---------------------------------------|-------------------|-------------------|
| <b>Balance Sheet</b>                  |                   |                   |
| <b>Assets:</b>                        |                   |                   |
| Cash                                  | \$8,154,179       | (\$149,171)       |
| Interest Receivable                   | 14,466,178        | 22,470,039        |
| Investments                           | 3,465,140,679     | 3,427,436,012     |
| Farm Loans                            | 11,918,354        | 14,495,416        |
| Energy Construction Loans             | 1,319,976         | 1,386,734         |
| Due from Other Agencies               | 11,159,020        | 20,908,854        |
| Office Building (Net of Depreciation) | 632,377           | 676,340           |
| Total Assets                          | \$3,512,790,763   | \$3,487,224,224   |
| <b>Liabilities:</b>                   |                   |                   |
| Unclaimed Property Claimant Liability | \$7,207,867       | \$8,326,146       |
| Due to Other Trusts                   | -                 | -                 |
| Due to Other Funds                    | 60,768            | 76,407            |
| Accounts Payable                      | -                 | -                 |
| Total Liabilities                     | \$7,268,635       | \$8,402,553       |
| <b>Equity:</b>                        |                   |                   |
| Fund Balance                          | 3,642,517,856     | 3,318,620,250     |
| Net Income/(Loss)                     | (136,995,728)     | 160,201,421       |
| Total Liabilities and Equity          | \$3,512,790,763   | \$3,487,224,224   |
| <b>Income Statement</b>               |                   |                   |
| <b>Income:</b>                        |                   |                   |
| Investment Income                     | \$42,808,874      | \$39,549,726      |
| Realized Gain/(Loss)                  | (8,789,505)       | 118,764,045       |
| Unrealized Gain/(Loss)                | (222,082,679)     | (168,694,984)     |
| Royalties - Oil and Gas               | 46,312,638        | 96,039,997        |
| Royalties - Coal                      | 697,193           | 1,481,351         |
| Royalties - Aggregate                 | 376,817           | 1,092,665         |
| Bonuses - Oil and Gas                 | 4,953,369         | 9,495,201         |
| Bonuses - Coal                        | -                 | -                 |
| Rents - Surface                       | 8,544,647         | 9,884,796         |
| Rents - Mineral                       | 109,844           | 147,643           |
| Rents - Coal                          | 2,500             | 2,100             |
| Rents - Office Building               | -                 | 58,276            |
| Gain/Loss on Sale of Land - OREO      | -                 | -                 |
| Sale of Capital Asset                 | -                 | -                 |
| Tobacco Settlement Income             | -                 | -                 |
| Oil Extraction Tax Income             | 35,786,605        | 78,349,440        |
| Unclaimed Property Income             | 7,760,753         | 6,964,712         |
| Total Income                          | (83,518,944)      | 193,134,968       |
| <b>Expenses and Transfers:</b>        |                   |                   |
| Investment Expense                    | 2,994,323         | 1,683,484         |
| In-Lieu and 5% County Payments        | -                 | -                 |
| Administrative Expense                | 1,482,461         | 1,250,063         |
| Transfers to Beneficiaries            | 49,000,000        | 30,000,000        |
| Total Expense and Transfers           | 53,476,784        | 32,933,547        |
| Net Income/(Loss)                     | (\$136,995,728)   | \$160,201,421     |

**Board of University and School Lands**

**Quarterly Comparative Financial Statements (Unaudited)**

**Capitol Building Trust**

|                                     | <u>December 31, 2015</u>  | <u>December 31, 2014</u>  |
|-------------------------------------|---------------------------|---------------------------|
| <b><u>Balance Sheet</u></b>         |                           |                           |
| <b>Assets:</b>                      |                           |                           |
| Cash                                | \$154,816                 | \$956,299                 |
| Interest Receivable                 | -                         | -                         |
| Investments                         | 6,462,114                 | 4,603,070                 |
| Due from other Trusts and Agencies  | -                         | -                         |
| <b>Total Assets</b>                 | <b><u>\$6,616,930</u></b> | <b><u>\$5,559,369</u></b> |
| <b>Liabilities:</b>                 |                           |                           |
| Due to Other Trusts and Agencies    | \$0                       | \$0                       |
| <b>Equity:</b>                      |                           |                           |
| Fund Balance                        | 5,903,878                 | 4,998,848                 |
| Net Income                          | <u>713,052</u>            | <u>560,521</u>            |
| <b>Total Liabilities and Equity</b> | <b><u>\$6,616,930</u></b> | <b><u>\$5,559,369</u></b> |
| <b><u>Income Statement</u></b>      |                           |                           |
| <b>Income:</b>                      |                           |                           |
| Investment Income                   | (\$2,666)                 | \$5,430                   |
| Rents - Surface                     | 131,115                   | 118,279                   |
| Rents - Mineral                     | 27,683                    | 20,659                    |
| Royalties - Oil and Gas             | 573,107                   | 556,292                   |
| Bonuses - Oil and Gas               | 317                       | 560                       |
| Royalties - Coal                    | -                         | -                         |
| Royalties - Aggregate               | -                         | -                         |
| Unrealized Gain/(Loss)              | -                         | -                         |
| <b>Total Income</b>                 | <b><u>729,556</u></b>     | <b><u>701,220</u></b>     |
| <b>Expenses and Transfers:</b>      |                           |                           |
| Investment Expense                  | -                         | -                         |
| In-Lieu and 5% County Payments      | -                         | -                         |
| Administrative Expense              | 16,504                    | 14,699                    |
| Transfers to Facility Management    | -                         | 126,000                   |
| <b>Total Expense and Transfers</b>  | <b><u>16,504</u></b>      | <b><u>140,699</u></b>     |
| <b>Net Income/(Loss)</b>            | <b><u>\$713,052</u></b>   | <b><u>\$560,521</u></b>   |

**Board of University and School Lands**

**Quarterly Comparative Financial Statements (Unaudited)**

**Coal Development Trust**

|                                       | <u>December 31, 2015</u>   | <u>December 31, 2014</u>   |
|---------------------------------------|----------------------------|----------------------------|
| <b><u>Balance Sheet</u></b>           |                            |                            |
| <b>Assets:</b>                        |                            |                            |
| Cash                                  | \$131,674                  | \$1,651                    |
| Interest Receivable                   | 446,827                    | 340,200                    |
| Investments                           | 4,035,327                  | 30,976,913                 |
| Coal Impact Loans                     | 13,636,425                 | 7,140,413                  |
| School Construction Loans             | 49,740,027                 | 28,542,978                 |
| Due from other Trusts and Agencies    | 530,916                    | 590,553                    |
| <b>Total Assets</b>                   | <b><u>\$68,521,196</u></b> | <b><u>\$67,592,708</u></b> |
| <b>Liabilities:</b>                   |                            |                            |
| Accounts Payable                      | \$371,641                  | \$413,387                  |
| <b>Equity:</b>                        |                            |                            |
| Fund Balance                          | 67,371,341                 | 66,393,006                 |
| Net Income                            | 778,214                    | 786,315                    |
| <b>Total Liabilities and Equity</b>   | <b><u>\$68,521,196</u></b> | <b><u>\$67,592,708</u></b> |
| <b><u>Income Statement</u></b>        |                            |                            |
| <b>Income:</b>                        |                            |                            |
| Investment Income                     | \$58,291                   | \$149,670                  |
| Interest on School Construction Loans | 394,159                    | 291,600                    |
| Realized Gain/(Loss)                  | (36,025)                   | (2,776)                    |
| Unrealized Gain/(Loss)                | (44,487)                   | (68,331)                   |
| Coal Severance Tax Income             | 485,566                    | 495,646                    |
| <b>Total Income</b>                   | <b>857,504</b>             | <b>865,809</b>             |
| <b>Expenses and Transfers:</b>        |                            |                            |
| Investment                            | 8,367                      | 23,834                     |
| Administrative                        | 1,126                      | 1,342                      |
| Transfers to General Fund             | 69,797                     | 54,318                     |
| <b>Total Expense and Transfers</b>    | <b>79,290</b>              | <b>79,494</b>              |
| <b>Net Income/(Loss)</b>              | <b><u>\$778,214</u></b>    | <b><u>\$786,315</u></b>    |

## Board of University and School Lands

### Quarterly Comparative Financial Statements (Unaudited)

#### Indian Cultural Trust

|                                | December 31, 2015 | December 31, 2014 |
|--------------------------------|-------------------|-------------------|
| <b>Balance Sheet</b>           |                   |                   |
| <b>Assets:</b>                 |                   |                   |
| Cash                           | \$3,234           | \$1,589           |
| Interest Receivable            | 1,506             | 4,182             |
| Investments                    | 1,107,401         | 1,157,099         |
| Total Assets                   | \$1,112,141       | \$1,162,870       |
| <b>Liabilities:</b>            |                   |                   |
| Due to Other Funds             | -                 | -                 |
| Accounts Payable               | -                 | -                 |
| Total Liabilities              | -                 | -                 |
| <b>Equity:</b>                 |                   |                   |
| Fund Balance                   | 1,173,978         | 866,465           |
| Net Income (Loss)              | (61,837)          | 296,405           |
| Total Liabilities and Equity   | \$1,112,141       | \$1,162,870       |
| <b>Income Statement</b>        |                   |                   |
| <b>Income:</b>                 |                   |                   |
| Investment Income              | \$13,661          | \$11,860          |
| Realized Gain/(Loss)           | (2,847)           | 32,344            |
| Unrealized Gain/(Loss)         | (71,711)          | (47,295)          |
| Rents - Surface                | -                 | -                 |
| Donations                      | -                 | 300,000           |
| Total Income                   | (60,897)          | 296,909           |
| <b>Expenses and Transfers:</b> |                   |                   |
| Investment Expense             | 940               | 504               |
| In-Lieu and 5% County Payments | -                 | -                 |
| Administrative Expense         | -                 | -                 |
| Transfers to Beneficiary       | -                 | -                 |
| Total Expense and Transfers    | 940               | 504               |
| Net Income/(Loss)              | (\$61,837)        | \$296,405         |

## Board of University and School Lands

### Quarterly Comparative Financial Statements (Unaudited)

#### Strategic Investment and Improvements Fund

|   | December 31, 2015 | December 31, 2014 |
|---|-------------------|-------------------|
| <b>Balance Sheet</b>                                  |                   |                   |
| <b>Assets:</b>  |                   |                   |
| Cash  | \$12,084,454      | \$919,494,839     |
| Interest Receivable                                   | 843,632           | 917,392           |
| Investments   | 354,587,095       | 611,155,245       |
| School Construction Loans                             | -                 | 141,140,598       |
| Due from other Trusts or Agencies                     | -                 | 169,932,211       |
| Total Assets  | \$367,515,181     | \$1,842,640,285   |
| <b>Liabilities:</b>                                   |                   |                   |
| Accounts Payable                                      | \$0               | \$0               |
| <b>Equity:</b>  |                   |                   |
| Fund Balance  | 793,726,995       | 1,417,244,646     |
| Net Income  | (426,211,814)     | 425,395,639       |
| Total Liabilities and Equity                          | \$367,515,181     | \$1,842,640,285   |
| <b>Income Statement</b>                               |                   |                   |
| <b>Income:</b>  |                   |                   |
| Investment Income                                     | \$939,173         | \$1,106,339       |
| Realized Gain/(Loss)                                  | 18,919            | -                 |
| Unrealized Gain/(Loss)                                | (841,539)         | -                 |
| Interest on School Construction Loans                 | -                 | 790,409           |
| Interest on Medical Facility Loans                    | 52,909            | 60,067            |
| Royalties - Oil and Gas                               | 27,622,106        | 40,530,586        |
| Bonuses - Oil and Gas                                 | 3,844,412         | 2,446,829         |
| Royalties - Coal                                      | 51,769            | 151,331           |
| Rents - Mineral                                       | 56,120            | 49,218            |
| Tax Income - Oil Extraction & Production Distribution | 533               | 398,327,866       |
| Total Income  | 31,744,402        | 443,462,645       |
| <b>Expenses and Transfers:</b>                        |                   |                   |
| Administrative  | 539,312           | 457,496           |
| Investment Expense                                    | -                 | 3,035             |
| Transfers to General Fund                             | -                 | -                 |
| Transfer to Commerce Department                       | 4,400,000         | 3,500,000         |
| Transfer to Human Services Department                 | -                 | -                 |
| Transfers to Legacy Fund                              | -                 | 14,106,475        |
| Transfer to State Treasurer's Office                  | -                 | -                 |
| Transfer to Department of Transportation              | 237,000,000       | -                 |
| Transfer to BND (SB 2012)                             | 49,891,582        | -                 |
| Transfer to NDSU (HB 1020)                            | 3,000,000         | -                 |
| Transfer to Industrial Commission (HB 1014)           | 13,125,322        | -                 |
| Transfer to School Construction Assistance Loan Fund  | 150,000,000       | -                 |
| Total Expense and Transfers                           | 457,956,216       | 18,067,006        |
| Net Income/(Loss)                                     | (\$426,211,814)   | \$425,395,639     |

As of December 31, 2015, the SIIF had a fund balance of \$367,515,181. The fund balance is made up of two parts. The assigned fund balance is that portion of the fund that has either been set aside until potential title disputes related to certain riverbed leases have been resolved, dedicated to various loan programs established by the legislature, or appropriated to be spent during the 2013-15 and 2015-2017 bienniums. The unassigned fund balance is the portion of the fund that is unencumbered, and is thus available to be spent or dedicate to other programs as the legislature deems appropriate. The unassigned balance of the fund was \$101,369,412 on December 31, 2015.