

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

**QUARTERLY FINANCIAL REPORT
(Unaudited)**

For period ended March 31, 2016



Board of University and School Lands		
Quarterly Comparative Financial Schedules (Unaudited)		
Schedule of Net Assets		
Assets by Trust:	March 31, 2016	March 31, 2015
Common Schools	3,368,290,148.00	\$3,384,702,117
North Dakota State University	54,823,546	55,250,095
School for the Blind	7,560,089	7,504,084
School for the Deaf	17,876,950	18,503,440
State Hospital	12,352,484	12,951,231
Ellendale *	8,424,353	8,578,061
Valley City State University	9,662,233	9,214,840
Mayville State University	6,229,238	6,441,810
Youth Correctional Center	24,906,607	22,315,102
State College of Science	14,079,687	14,583,382
School of Mines **	16,029,405	16,611,321
Veterans Home	4,602,599	4,789,613
University of North Dakota	25,603,796	26,331,118
Capitol Building	6,869,602	5,860,646
Strategic Investment and Improvements	335,741,776	989,542,358
Coal Development	68,600,643	67,727,100
Indian Cultural Education Trust	1,107,897	1,185,803
School Construction Assistance Loan Fund	151,297,786	-
Total	\$4,134,058,839	\$4,652,092,121
Assets by Type:		
Cash	19,208,176.00	87,949,074.00
Receivables	19,305,337	14,383,691
Investments	3,862,952,034	4,180,639,953
Office Building (Net of Depreciation)	617,722	662,029
Farm Loans	10,593,842	13,479,335
Energy Construction Loans	1,298,910	1,368,479
Energy Development Impact Loans	13,476,520	6,994,240
School Construction Loans (Coal)	49,740,027	33,547,978
School Construction Loans (SCLAP)	149,979,240	148,140,598
Due to/from Other Trusts and Agencies	6,887,031	164,926,744
Total	\$4,134,058,839	\$4,652,092,121

*** 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

	March 31, 2016	March 31, 2015
Balance Sheet		
Assets:		
Cash	\$9,915,623	\$6,374,492
Interest Receivable	16,571,605	12,931,561
Investments	3,531,928,211	3,545,487,685
Farm Loans	10,593,842	13,479,335
Energy Construction Loans	1,298,910	1,368,479
Due from Other Agencies	6,736,405	13,314,468
Office Building (Net of Depreciation)	617,722	662,029
Total Assets	\$3,577,662,318	\$3,593,618,049
Liabilities:		
Unclaimed Property Claimant Liability	\$7,207,867	\$8,326,146
Due to Other Trusts	-	-
Due to Other Funds	13,315	16,320
Accounts Payable	-	-
Total Liabilities	\$7,221,182	\$8,342,466
Equity:		
Fund Balance	3,642,517,856	3,318,620,250
Net Income/(Loss)	(72,076,720)	266,655,333
Total Liabilities and Equity	\$3,577,662,318	\$3,593,618,049
Income Statement		
Income:		
Investment Income	\$61,039,635	\$51,238,626
Realized Gain/(Loss)	(27,204,264)	134,931,131
Unrealized Gain/(Loss)	(154,280,941)	(132,498,264)
Royalties - Oil and Gas	70,492,779	141,233,573
Royalties - Coal	930,274	2,091,403
Royalties - Aggregate	413,300	1,283,939
Bonuses - Oil and Gas	5,224,620	12,392,333
Bonuses - Coal	-	-
Rents - Surface	11,374,115	13,115,697
Rents - Mineral	191,262	206,110
Rents - Coal	30,836	30,836
Rents - Office Building	58,970	58,276
Sale of Capital Asset	4,635,000	-
Tobacco Settlement Income	-	-
Oil Extraction Tax Income	45,824,053	98,247,503
Unclaimed Property Income	7,955,831	6,575,361
Total Income	26,685,470	328,906,524
Expenses and Transfers:		
Investment Expense	5,526,044	3,231,068
In-Lieu and 5% County Payments	-	-
Administrative Expense	1,996,146	1,730,624
Transfers to Beneficiaries	91,240,000	57,289,499
Total Expense and Transfers	98,762,190	62,251,191
Net Income/(Loss)	(\$72,076,720)	\$266,655,333

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Capitol Building Trust

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
<u>Balance Sheet</u>		
Assets:		
Cash	\$125,515	\$1,031,175
Interest Receivable	-	-
Investments	6,744,087	4,603,071
Due from other Trusts and Agencies	-	-
Total Assets	<u>\$6,869,602</u>	<u>\$5,634,246</u>
Liabilities:		
Due to Other Trusts and Agencies	\$0	\$0
Equity:		
Fund Balance	5,903,878	4,998,848
Net Income	965,724	635,398
Total Liabilities and Equity	<u>\$6,869,602</u>	<u>\$5,634,246</u>
<u>Income Statement</u>		
Income:		
Investment Income	\$45,479	\$5,471
Rents - Surface	140,165	128,381
Rents - Mineral	29,669	21,059
Royalties - Oil and Gas	765,255	795,201
Bonuses - Oil and Gas	396	560
Royalties - Coal	-	-
Royalties - Aggregate	10,000	10,000
Unrealized Gain/(Loss)	-	-
Total Income	<u>990,964</u>	<u>960,672</u>
Expenses and Transfers:		
Investment Expense	166	-
In-Lieu and 5% County Payments	-	-
Administrative Expense	22,574	19,274
Transfers to Facility Management	2,500	306,000
Total Expense and Transfers	<u>25,240</u>	<u>325,274</u>
Net Income/(Loss)	<u>\$965,724</u>	<u>\$635,398</u>

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Coal Development Trust

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
<u>Balance Sheet</u>		
Assets:		
Cash	\$1,105	\$2,309
Interest Receivable	629,827	486,000
Investments	4,602,539	26,538,971
Coal Impact Loans	13,476,520	6,994,240
School Construction Loans	49,740,027	33,547,978
Due from other Trusts and Agencies	<u>502,087</u>	<u>525,340</u>
Total Assets	<u><u>\$68,952,105</u></u>	<u><u>\$68,094,838</u></u>
Liabilities:		
Accounts Payable	\$351,461	\$367,738
Equity:		
Fund Balance	67,371,341	66,393,006
Net Income	<u>1,229,303</u>	<u>1,334,094</u>
Total Liabilities and Equity	<u><u>\$68,952,105</u></u>	<u><u>\$68,094,838</u></u>
<u>Income Statement</u>		
Income:		
Investment Income	\$69,987	\$223,300
Interest on School Construction Loans	577,159	437,400
Realized Gain/(Loss)	(35,948)	13,959
Unrealized Gain/(Loss)	(24,932)	18,933
Coal Severance Tax Income	<u>723,115</u>	<u>741,164</u>
Total Income	1,309,381	1,434,756
Expenses and Transfers:		
Investment	8,477	44,402
Administrative	1,804	1,942
Transfers to General Fund	<u>69,797</u>	<u>54,318</u>
Total Expense and Transfers	80,078	100,662
Net Income/(Loss)	<u><u>\$1,229,303</u></u>	<u><u>\$1,334,094</u></u>

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Indian Cultural Trust

	March 31, 2016	March 31, 2015
Balance Sheet		
Assets:		
Cash	\$4,688	\$3,589
Interest Receivable	2,210	1,033
Investments	1,101,000	1,181,181
Total Assets	\$1,107,898	\$1,185,803
Liabilities:		
Due to Other Funds	-	-
Accounts Payable	-	-
Total Liabilities	-	-
Equity:		
Fund Balance	1,173,978	866,465
Net Income (Loss)	(66,080)	319,338
Total Liabilities and Equity	\$1,107,898	\$1,185,803
Income Statement		
Income:		
Investment Income	\$19,379	\$15,690
Realized Gain/(Loss)	(8,718)	37,766
Unrealized Gain/(Loss)	(50,457)	(35,105)
Rents - Surface	2,000	2,000
Donations	-	300,000
Total Income	(37,796)	320,351
Expenses and Transfers:		
Investment Expense	1,736	1,012
In-Lieu and 5% County Payments	-	-
Administrative Expense	1	1
Transfers to Beneficiary	26,547	-
Total Expense and Transfers	28,284	1,013
Net Income/(Loss)	(\$66,080)	\$319,338

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Strategic Investment and Improvements Fund

	March 31, 2016	March 31, 2015
Balance Sheet		
Assets:		
Cash	\$9,112,899	\$75,894,240
Interest Receivable	814,724	917,392
Investments	325,814,152	611,219,453
School Construction Loans	-	148,140,598
Due from other Trusts or Agencies	-	151,454,674
Total Assets	\$335,741,775	\$987,626,357
Liabilities:		
Accounts Payable	\$0	\$0
Equity:		
Fund Balance	793,726,995	1,417,244,646
Net Income	(457,985,220)	(429,618,289)
Total Liabilities and Equity	\$335,741,775	\$987,626,357
Income Statement		
Income:		
Investment Income	\$1,796,908	\$1,121,562
Realized Gain/(Loss)	24,067	-
Unrealized Gain/(Loss)	482,856	-
Interest on School Construction Loans	-	790,409
Interest on Medical Facility Loans	-	94,338
Interest on Fuel Production Facility Loans	77,773	65,805
Royalties - Oil and Gas	41,900,125	62,153,403
Bonuses - Oil and Gas	5,581,541	3,445,327
Royalties - Coal	189,588	270,612
Rents - Mineral	103,969	88,147
Tax Income - Oil Extraction & Production Distribution	533	548,955,656
Total Income	50,157,360	616,985,259
Expenses and Transfers:		
Administrative	718,180	608,328
Investment Expense	7,496	3,825
Transfers to General Fund	-	520,000,000
Transfer to Commerce Department	4,400,000	3,500,000
Transfer to Human Services Department	-	4,450,000
Transfers to Legacy Fund	-	20,041,395
Transfer to State Treasurer's Office	-	298,000,000
Transfer to Department of Transportation	237,000,000	200,000,000
Transfer to BND (SB 2012)	99,891,582	-
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	508,142,580	1,046,603,548
Net Income/(Loss)	(\$457,985,220)	(\$429,618,289)

As of March 31, 2016, the SIIF had a fund balance of \$335,741,775. 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 uncommitted balance of the fund was \$119,571,143 on March 31, 2016.

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

School Construction Assistance Loan Fund

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
<u>Balance Sheet</u>		
Assets:		
Cash	\$48,346	\$0
Interest Receivable	1,270,200	-
Investments	149,979,239	-
Total Assets	<u>\$151,297,785</u>	<u>\$0</u>
Liabilities:		
Total Liabilities	<u>-</u>	<u>-</u>
Equity:		
Fund Balance	-	-
Net Income (Loss)	151,297,785	-
Total Liabilities and Equity	<u>\$151,297,785</u>	<u>\$0</u>
<u>Income Statement</u>		
Income:		
Investment Income	\$8	\$0
Transfers from SIIF	151,297,777	-
Total Income	151,297,785	0
Expenses and Transfers:		
Administrative Expense	-	-
Total Expense and Transfers	-	-
Net Income/(Loss)	<u>\$151,297,785</u>	<u>\$0</u>

The school construction assistance loan fund, created by the 64th Legislative Assembly, is a special revolving loan fund in the state treasury. The fund consists of \$150,000,000 from the Strategic Investment and Improvements fund which had been allocated by the 63rd Legislative Assembly for school construction loans. All interest or other earnings of the fund, and all repayments of loans collected by the fund will remain in the fund. The money in this fund is appropriated on a continuing basis for the purpose of providing low-interest school construction loans.