

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

**QUARTERLY FINANCIAL REPORT
(Unaudited)**

For period ended December 31, 2016



Board of University and School Lands		
Quarterly Comparative Financial Schedules (Unaudited)		
Schedule of Net Assets		
Assets by Trust:	December 31, 2016	December 31, 2015
Common Schools	\$3,664,782,024	\$3,305,709,738
North Dakota State University	59,823,624	53,987,629
School for the Blind	9,246,710	7,463,658
School for the Deaf	19,116,679	17,736,254
State Hospital	13,234,365	12,269,670
Ellendale *	17,192,860	8,337,210
Valley City State University	10,502,130	9,521,353
Mayville State University	6,709,668	6,170,058
Youth Correctional Center	19,150,100	24,497,787
State College of Science	15,078,241	13,975,014
School of Mines **	17,307,795	15,929,942
Veterans Home	4,908,603	4,564,463
University of North Dakota	27,579,798	25,359,353
Capitol Building	6,075,758	6,616,929
Strategic Investment and Improvements	365,553,252	367,515,181
Coal Development	69,123,286	68,149,554
Indian Cultural Education Trust	1,181,980	1,112,140
School Construction Assistance Loan Fund	153,217,664	150,817,781
Total	\$4,479,784,537	\$4,099,733,714
Assets by Type:		
Cash	13,121,713	20,576,699
Receivables	18,364,825	16,564,856
Investments	4,229,003,459	3,824,047,465
Office Building (Net of Depreciation)	588,448	632,377
Farm Loans	8,813,838	11,918,354
Energy Construction Loans	1,255,818	1,319,976
Energy Development Impact Loans	12,988,494	13,636,425
School Construction Loans (Coal)	43,397,204	49,740,027
School Construction Loans (SCLAP)	143,012,155	149,979,240
Due to/from Other Trusts and Agencies	9,238,833	11,318,295
Accounts Payable	(250)	(5,474,238)
Total	\$4,479,784,537	\$4,099,733,714

*** 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, 2016	December 31, 2015
Balance Sheet		
Assets:		
Cash	\$2,784,044	\$8,154,179
Interest Receivable	15,729,582	14,466,178
Investments	3,855,456,676	3,465,140,679
Farm Loans	8,813,838	11,918,354
Energy Construction Loans	1,255,818	1,319,976
Due from Other Agencies	9,081,562	11,159,020
Office Building (Net of Depreciation)	588,448	632,377
Total Assets	\$3,893,709,968	\$3,512,790,763
Liabilities:		
Unclaimed Property Claimant Liability	\$9,030,676	\$7,207,867
Due to Other Trusts	-	-
Due to Other Funds	46,694	60,768
Accounts Payable	-	-
Total Liabilities	9,077,370	7,268,635
Equity:		
Fund Balance	3,720,729,900	3,642,517,856
Net Income/(Loss)	163,902,698	(136,995,728)
Total Liabilities and Equity	\$3,893,709,968	\$3,512,790,763
Income Statement		
Income:		
Investment Income	\$45,987,887	\$42,808,874
Realized Gain/(Loss)	132,578,094	(8,789,505)
Unrealized Gain/(Loss)	(48,019,687)	(222,082,679)
Royalties - Oil and Gas	41,749,814	46,312,638
Royalties - Coal	307,648	697,193
Royalties - Aggregate	264,337	376,817
Bonuses - Oil and Gas	684,981	4,953,369
Bonuses - Coal	-	-
Rents - Surface	8,055,521	8,544,647
Rents - Mineral	98,039	109,844
Rents - Coal	12,400	2,500
Rents - Office Building	52,735	-
Gain/Loss on Sale of Land - OREO	-	-
Sale of Capital Asset	-	-
Tobacco Settlement Income	-	-
Oil Extraction Tax Income	27,529,767	35,786,605
Unclaimed Property Income	9,010,716	7,760,753
Total Income	218,312,252	(83,518,944)
Expenses and Transfers:		
Investment Expense	3,719,887	2,994,323
In-Lieu and 5% County Payments	-	-
Administrative Expense	1,689,667	1,482,461
Transfers to Beneficiaries	49,000,000	49,000,000
Total Expense and Transfers	54,409,554	53,476,784
Net Income/(Loss)	\$163,902,698	(\$136,995,728)

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Capitol Building Trust

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Balance Sheet		
Assets:		
Cash	\$8,241	\$154,816
Interest Receivable	14,555	8,357
Investments	6,052,962	6,453,756
Total Assets	<u>\$6,075,758</u>	<u>\$6,616,929</u>
Liabilities:		
Due to Other Trusts and Agencies	\$0	\$0
Equity:		
Fund Balance	6,219,543	5,903,878
Net Income	(143,785)	713,051
Total Liabilities and Equity	<u>\$6,075,758</u>	<u>\$6,616,929</u>
Income Statement		
Income:		
Investment Income	\$540,353	\$17,965
Realized Gain(Loss)	1,310	436
Unrealized Gain/(Loss)	(24,676)	(21,068)
Rents - Surface	100,429	131,115
Rents - Mineral	3,960	27,683
Royalties - Oil and Gas	343,400	573,107
Bonuses - Oil and Gas	3,040	317
Royalties - Coal	-	-
Royalties - Aggregate	8,126	-
Total Income	<u>975,942</u>	<u>729,555</u>
Expenses and Transfers:		
Investment Expense	1,547	-
In-Lieu and 5% County Payments	-	-
Administrative Expense	18,180	16,504
Transfers to Facility Management	1,100,000	-
Total Expense and Transfers	<u>1,119,727</u>	<u>16,504</u>
Net Income/(Loss)	<u>(\$143,785)</u>	<u>\$713,051</u>

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Coal Development Trust

	December 31, 2016	December 31, 2015
Balance Sheet		
Assets:		
Cash	\$2,996	\$131,674
Interest Receivable	521,433	454,984
Investments	12,055,887	4,027,169
Coal Impact Loans	12,988,494	13,636,425
School Construction Loans	43,397,204	49,740,027
Due from other Trusts and Agencies	524,237	530,916
Total Assets	\$69,490,251	\$68,521,195
Liabilities:		
Accounts Payable	\$366,966	\$371,641
Equity:		
Fund Balance	68,204,180	67,371,341
Net Income	919,105	778,213
Total Liabilities and Equity	\$69,490,251	\$68,521,195
Income Statement		
Income:		
Investment Income	\$72,569	\$58,290
Interest on School Construction Loans	457,297	394,159
Realized Gain/(Loss)	2,412	(36,025)
Unrealized Gain/(Loss)	(42,480)	(44,487)
Coal Severance Tax Income	472,682	485,566
Total Income	962,480	857,503
Expenses and Transfers:		
Investment	3,081	8,367
Administrative	8,230	1,126
Transfers to General Fund	32,064	69,797
Total Expense and Transfers	43,375	79,290
Net Income/(Loss)	\$919,105	\$778,213

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Indian Cultural Trust

	December 31, 2016	December 31, 2015
Balance Sheet		
Assets:		
Cash	\$5,223	\$3,234
Interest Receivable	1,948	1,506
Investments	1,174,809	1,107,400
Total Assets	\$1,181,980	\$1,112,140
Liabilities:		
Due to Other Funds	-	-
Accounts Payable	-	-
Total Liabilities	-	-
Equity:		
Fund Balance	1,140,104	1,173,978
Net Income (Loss)	41,876	(61,838)
Total Liabilities and Equity	\$1,181,980	\$1,112,140
Income Statement		
Income:		
Investment Income	\$13,981	\$13,661
Realized Gain/(Loss)	40,763	(2,847)
Unrealized Gain/(Loss)	(14,643)	(71,711)
Rents - Surface	2,900	-
Donations	-	-
Total Income	43,001	(60,897)
Expenses and Transfers:		
Investment Expense	1,125	940
In-Lieu and 5% County Payments	-	-
Administrative Expense	-	1
Transfers to Beneficiary	-	-
Total Expense and Transfers	1,125	941
Net Income/(Loss)	\$41,876	(\$61,838)

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Strategic Investment and Improvements Fund

	December 31, 2016	December 31, 2015
Balance Sheet		
Assets:		
Cash	\$1,263,072	\$12,084,454
Interest Receivable	949,686	843,632
Investments	363,340,492	354,587,095
Due from other Trusts or Agencies	-	-
Total Assets	\$365,553,250	\$367,515,181
Liabilities:		
Accounts Payable	\$0	\$0
Equity:		
Fund Balance	354,359,176	793,726,995
Net Income	11,194,074	(426,211,814)
Total Liabilities and Equity	\$365,553,250	\$367,515,181
Income Statement		
Income:		
Investment Income	\$2,514,665	\$939,173
Realized Gain/(Loss)	68,829	18,919
Unrealized Gain/(Loss)	(1,208,728)	(841,539)
Interest on Fuel Prod Facility	41,911	52,909
Royalties - Oil and Gas	24,163,347	27,622,106
Bonuses - Oil and Gas	4,663,570	3,844,412
Royalties - Coal	69,467	51,769
Rents - Mineral	46,656	56,120
Tax Income - Oil Extraction & Production Distribution	-	533
Total Income	30,359,717	31,744,402
Expenses and Transfers:		
Administrative	594,223	539,312
Investment Expense	71,420	-
Transfers to General Fund	-	-
Transfer to Commerce Department	-	4,400,000
Transfer to Human Services Department	-	-
Transfers to Legacy Fund	-	-
Transfer to State Treasurer's Office	-	-
Transfer to Department of Transportation	3,500,000	237,000,000
Transfer to BND (SB 2012)	-	49,891,582
Transfer to NDSU (HB 1020)	15,000,000	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	19,165,643	457,956,216
Net Income/(Loss)	\$11,194,074	(\$426,211,814)

As of December 31, 2016, the SIF had a fund balance of \$365,553,250. 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 \$205,830,040 on December 31, 2016.

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

School Construction Assistance Loan Fund

	December 31, 2016	December 31, 2015
Balance Sheet		
Assets:		
Cash	\$9,058,137	\$48,342
Interest Receivable	1,147,622	790,200
Investments	143,012,154	149,979,239
Total Assets	<u>\$153,217,913</u>	<u>\$150,817,781</u>
Liabilities:		
Accounts Payable	<u>\$250</u>	<u>\$0</u>
Total Liabilities	<u>250</u>	<u>-</u>
Equity:		
Fund Balance	152,138,889	-
Net Income (Loss)	1,078,774	150,817,781
Total Liabilities and Equity	<u>\$153,217,913</u>	<u>\$150,817,781</u>
Income Statement		
Income:		
Investment Income	\$1,079,274	\$817,781
Transfers from SIIF	-	150,000,000
Total Income	<u>1,079,274</u>	<u>150,817,781</u>
Expenses and Transfers:		
Administrative Expense	<u>500</u>	<u>-</u>
Total Expense and Transfers	<u>500</u>	<u>-</u>
Net Income/(Loss)	<u>\$1,078,774</u>	<u>\$150,817,781</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.