

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

**QUARTERLY FINANCIAL REPORT
(Unaudited)**

For period ended September 30, 2017



Board of University and School Lands		
Quarterly Comparative Financial Schedules (Unaudited)		
Schedule of Net Assets		
Assets by Trust:	September 30, 2017	September 30, 2016
Common Schools	\$4,051,088,513	\$3,622,204,899
North Dakota State University	65,443,386	58,650,705
School for the Blind	10,518,747	8,050,303
School for the Deaf	20,438,613	18,848,048
State Hospital	14,117,549	13,059,664
Ellendale *	19,167,056	16,837,831
Valley City State University	11,569,236	10,276,255
Mayville State University	7,264,942	6,585,493
Youth Correctional Center	20,764,415	18,716,735
State College of Science	16,189,395	14,864,379
School of Mines **	19,109,867	16,884,034
Veterans Home	5,221,880	4,833,439
University of North Dakota	29,870,747	27,085,867
Capitol Building	4,286,617	6,876,241
Strategic Investment and Improvements	256,355,995	347,884,968
Coal Development	69,599,478	68,682,287
Indian Cultural Education Trust	1,259,113	1,173,931
School Construction Assistance Loan Fund	-	152,719,351
Total	<u>\$4,622,265,549</u>	<u>\$4,414,234,430</u>
Assets by Type:		
Cash	33,965,758	11,337,487
Receivables	14,264,461	17,512,945
Investments	4,494,227,432	4,165,942,655
Office Building (Net of Depreciation)	529,410	588,448
Farm Loans	7,524,416	9,107,504
Energy Construction Loans	1,074,339	1,266,907
Energy Development Impact Loans	12,487,745	13,152,566
School Construction Loans (Coal)	47,562,667	43,438,688
School Construction Loans (SCLAP)	-	143,155,537
Due to/from Other Trusts and Agencies	10,629,321	8,731,693
Total	<u>\$4,622,265,549</u>	<u>\$4,414,234,430</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

	September 30, 2017	September 30, 2016
Balance Sheet		
Assets:		
Cash	\$31,189,017	\$2,139,104
Interest Receivable	13,182,197	15,776,796
Investments	4,237,627,063	3,808,522,449
Farm Loans	7,524,416	9,107,504
Energy Construction Loans	1,074,339	1,266,907
Due from Other Agencies	10,541,841	8,563,177
Office Building (Net of Depreciation)	529,410	588,448
Total Assets	\$4,301,668,283	\$3,845,964,385
Liabilities:		
Unclaimed Property Claimant Liability	\$10,875,980	\$9,030,676
Due to Other Trusts	-	-
Due to Other Funds	27,957	36,058
Accounts Payable	-	-
Total Liabilities	10,903,937	9,066,734
Equity:		
Fund Balance	4,172,739,955	3,720,729,900
Net Income/(Loss)	118,024,391	116,167,751
Total Liabilities and Equity	\$4,301,668,283	\$3,845,964,385
Income Statement		
Income:		
Investment Income	\$23,578,447	\$17,460,461
Realized Gain/(Loss)	37,001,633	119,331,340
Unrealized Gain/(Loss)	59,974,888	(26,090,028)
Royalties - Oil and Gas	15,383,616	11,368,810
Royalties - Coal	(46,243)	194,731
Royalties - Aggregate	5,000	9,795
Bonuses - Oil and Gas	741,280	578,653
Bonuses - Coal	-	-
Rents - Surface	633,494	862,254
Rents - Mineral	65,889	71,434
Rents - Coal	1,700	2,500
Rents - Office Building	-	-
Gain/Loss on Sale of Land - OREO	-	-
Sale of Capital Asset	-	-
Tobacco Settlement Income	-	-
Oil Extraction Tax Income	15,173,103	13,216,110
Unclaimed Property Income	(771,699)	577,677
Total Income	151,741,108	137,583,737
Expenses and Transfers:		
Investment Expense	966,809	1,097,726
In-Lieu and 5% County Payments	-	-
Administrative Expense	715,033	718,260
Operating Expense - Building	34,875	-
Transfers to Beneficiaries	32,000,000	19,600,000
Total Expense and Transfers	33,716,717	21,415,986
Net Income/(Loss)	\$118,024,391	\$116,167,751

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Capitol Building Trust

	<u>September 30, 2017</u>	<u>September 30, 2016</u>
Balance Sheet		
Assets:		
Cash	\$324,793	\$5,468
Interest Receivable	8,865	10,603
Investments	3,952,959	6,860,170
Total Assets	<u>\$4,286,617</u>	<u>\$6,876,241</u>
Liabilities:		
Due to Other Trusts and Agencies	\$0	\$0
Equity:		
Fund Balance	5,089,876	6,219,543
Net Income	(803,259)	656,698
Total Liabilities and Equity	<u>\$4,286,617</u>	<u>\$6,876,241</u>
Income Statement		
Income:		
Investment Income	\$14,062	\$518,769
Realized Gain(Loss)	(14)	874
Unrealized Gain/(Loss)	2,946	(3,687)
Rents - Surface	(797)	-
Rents - Mineral	1,840	3,960
Royalties - Oil and Gas	114,894	140,221
Bonuses - Oil and Gas	7,720	3,040
Royalties - Coal	(763)	-
Royalties - Aggregate	63,316	504
Total Income	<u>203,204</u>	<u>663,681</u>
Expenses and Transfers:		
Investment Expense	91	263
In-Lieu and 5% County Payments	-	-
Administrative Expense	6,372	6,720
Transfers to Facility Management	1,000,000	-
Total Expense and Transfers	<u>1,006,463</u>	<u>6,983</u>
Net Income/(Loss)	<u>(\$803,259)</u>	<u>656,698</u>

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Coal Development Trust

	September 30, 2017	September 30, 2016
Balance Sheet		
Assets:		
Cash	\$10,119	\$1,227
Interest Receivable	452,500	307,222
Investments	8,998,967	11,614,068
Coal Impact Loans	12,487,745	13,152,566
School Construction Loans	47,562,667	43,438,688
Due from other Trusts and Agencies	291,600	561,718
Total Assets	\$69,803,598	\$69,075,489
Liabilities:		
Accounts Payable	\$204,120	\$393,202
Equity:		
Fund Balance	69,080,947	68,204,180
Net Income	518,531	478,107
Total Liabilities and Equity	\$69,803,598	\$69,075,489
Income Statement		
Income:		
Investment Income	\$27,103	\$34,461
Interest on School Construction Loans	401,913	248,308
Realized Gain/(Loss)	(40)	1,612
Unrealized Gain/(Loss)	4,731	(6,800)
Coal Severance Tax Income	126,722	236,525
Total Income	560,429	514,106
Expenses and Transfers:		
Investment	117	886
Administrative	202	3,049
Transfers to General Fund	41,579	32,064
Total Expense and Transfers	41,898	35,999
Net Income/(Loss)	\$518,531	\$478,107

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Indian Cultural Trust

	September 30, 2017	September 30, 2016
Balance Sheet		
Assets:		
Cash	\$3,266	\$2,322
Interest Receivable	2,681	1,954
Investments	1,253,166	1,169,656
Total Assets	\$1,259,113	\$1,173,932
Liabilities:		
Due to Other Funds	-	-
Accounts Payable	-	-
Total Liabilities	-	-
Equity:		
Fund Balance	1,223,830	1,140,104
Net Income (Loss)	35,283	33,828
Total Liabilities and Equity	\$1,259,113	\$1,173,932
Income Statement		
Income:		
Investment Income	\$6,906	\$5,318
Realized Gain/(Loss)	10,941	36,713
Unrealized Gain/(Loss)	17,734	(7,876)
Rents - Surface	-	-
Donations	-	-
Total Income	35,581	34,155
Expenses and Transfers:		
Investment Expense	279	327
In-Lieu and 5% County Payments	-	-
Administrative Expense	19	-
Transfers to Beneficiary	-	-
Total Expense and Transfers	298	327
Net Income/(Loss)	\$35,283	\$33,828

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Strategic Investment and Improvements Fund

	September 30, 2017	September 30, 2016
Balance Sheet		
Assets:		
Cash	\$2,438,562	\$307,017
Interest Receivable	618,218	734,904
Investments	253,299,215	346,843,046
Due from other Trusts or Agencies	-	-
Total Assets	\$256,355,995	\$347,884,967
Liabilities:		
Accounts Payable	\$0	\$0
Equity:		
Fund Balance	372,661,563	354,359,176
Net Income	(116,305,568)	(6,474,209)
Total Liabilities and Equity	\$256,355,995	\$347,884,967
Income Statement		
Income:		
Investment Income	\$698,541	\$979,257
Realized Gain/(Loss)	(1,175)	46,012
Unrealized Gain/(Loss)	115,863	(193,485)
Interest on Fuel Prod Facility	39,167	24,980
Royalties - Oil and Gas	7,593,928	6,664,770
Bonuses - Oil and Gas	267,169	4,651,853
Royalties - Coal	(14,257)	49,791
Rents - Mineral	18,679	38,027
Tax Income - Oil Extraction & Production Distribution	-	-
Total Income	8,717,915	12,261,205
Expenses and Transfers:		
Administrative	177,412	226,476
Investment Expense	11,076	8,938
Transfer from State Historical Society (HB 1024)	(22,105)	-
Transfer from Legal Counsel of Indigents (HB 1024)	(189,000)	-
Transfer from NDIC - Core Library (HB 1014)	(329,290)	-
Transfer from Political Subdivision Allocation Fund (SB 2013)	(7,660,518)	-
Transfers to General Fund	124,000,000	-
Transfer to Public Service Commission (HB 1008)	100,000	-
Transfer to Department of Corrections (SB 2015)	935,907	-
Transfer to Department of Agriculture (HB 1009)	1,000,000	-
Transfer to State Treasurer's Office	-	-
Transfer to Department of Transportation	-	3,500,000
Transfer to Energy Impact Fund	3,000,000	-
Transfer to NDSU (HB 1020)	-	15,000,000
Transfer to Industrial Commission (SB 2014)	4,000,000	-
Transfer to School Construction Assistance Loan Fund	-	-
Total Expense and Transfers	125,023,483	18,735,414
Net Income/(Loss)	(116,305,568)	(6,474,209)

As of September 30, 2017, the SIIF had a fund balance of \$256,355,955. 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 or dedicated to various loan programs established by the legislature. 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 (\$400,577,739) on September 30, 2017.

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

School Construction Assistance Loan Fund

	<u>September 30, 2017</u>	<u>September 30, 2016</u>
Balance Sheet		
Assets:		
Cash	\$0	\$8,882,348
Interest Receivable	-	681,466
Investments	-	143,155,537
Total Assets	<u>\$0</u>	<u>\$152,719,351</u>
Liabilities:		
Total Liabilities	<u>-</u>	<u>-</u>
Equity:		
Fund Balance	-	152,138,889
Net Income (Loss)	-	580,462
Total Liabilities and Equity	<u>\$0</u>	<u>\$152,719,351</u>
Income Statement		
Income:		
Investment Income	\$0	\$580,462
Transfers from SIF	-	-
Total Income	<u>-</u>	<u>580,462</u>
Expenses and Transfers:		
Administrative Expense	-	-
Total Expense and Transfers	<u>-</u>	<u>-</u>
Net Income/(Loss)	<u>\$0</u>	<u>\$580,462</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.