

NORTH DAKOTA
BOARD OF UNIVERSITY AND SCHOOL LANDS

QUARTERLY FINANCIAL REPORT
(Unaudited)

For period ended December 31, 2018



Board of University and School Lands		
Quarterly Comparative Financial Schedules (Unaudited)		
Schedule of Net Assets		
Assets by Trust:	December 31, 2018	December 31, 2017
Common Schools	\$4,160,621,380	\$4,215,227,543
North Dakota State University	66,381,737	68,720,429
School for the Blind	11,297,859	11,039,272
School for the Deaf	19,904,705	21,245,374
State Hospital	13,743,823	14,682,522
Ellendale *	20,158,801	20,336,643
Valley City State University	11,938,519	12,206,918
Mayville State University	7,227,733	7,579,895
Youth Correctional Center	21,849,706	22,317,199
State College of Science	15,919,136	16,889,644
School of Mines **	19,769,109	20,063,791
Veterans Home	5,066,160	5,443,324
University of North Dakota	31,067,163	31,982,301
Capitol Building	5,334,281	3,637,980
Strategic Investment and Improvements	715,468,318	265,565,580
Coal Development	70,381,461	70,119,538
Indian Cultural Education Trust	1,203,165	1,299,718
Total	\$5,197,333,056	\$4,808,357,671
 Assets by Type:		
Cash	\$72,013,512	\$38,693,667
Receivables	11,422,949	13,519,679
Investments ***	4,923,668,433	4,673,746,187
Office Building (Net of Depreciation)	455,931	514,223
Farm Loans	12,549,626	7,451,291
Energy Construction Loans	1,010,016	1,069,167
Energy Development Impact Loans	11,623,980	12,317,945
School Construction Loans (Coal)	44,670,542	47,391,757
Due to/from Other Trusts and Agencies	119,918,067	13,653,755
Total	\$5,197,333,056	\$4,808,357,671

*** Ellendale Trust**

The following entities are equal beneficiaries of the Ellendale Trust:

Dickinson State University	School for the Blind	State College of Science - Wahpeton
Minot State University	Veterans Home	
Dakota College at Bottineau	State Hospital	

**** School of Mines**

Benefits of the original grant to the School of Mines are distributed to the University of North Dakota.

***** Investments**

Includes cash available for loans, investments, abandoned stock and claimant liability.

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Combined Permanent Trusts

	December 31, 2018	December 31, 2017
Balance Sheet		
Assets:		
Cash	\$42,919,866	\$37,464,316
Interest Receivable	8,277,688	11,963,065
Investments	4,345,258,974	4,406,611,573
Farm Loans	12,549,626	7,451,291
Energy Construction Loans	1,010,016	1,069,167
Due from Other Agencies	12,023,355	13,574,179
Office Building (Net of Depreciation)	455,931	514,223
Total Assets	\$4,422,495,456	\$4,478,647,814
Liabilities:		
Unclaimed Property Claimant Liability	\$17,510,901	\$10,875,980
Due to Other Trusts	-	-
Due to Other Funds	38,727	36,980
Accounts Payable	-	-
Total Liabilities	17,549,628	10,912,960
Equity:		
Fund Balance	4,571,686,280	4,172,739,955
Net Income/(Loss)	(166,740,452)	294,994,899
Total Liabilities and Equity	\$4,422,495,456	\$4,478,647,814
Income Statement		
Income:		
Investment Income	\$70,801,399	\$60,472,947
Realized Gain/(Loss)	(24,914,796)	54,589,168
Unrealized Gain/(Loss)	(281,973,071)	149,136,332
Royalties - Oil and Gas	86,189,526	61,366,064
Royalties - Coal	223,170	156,492
Royalties - Aggregate	22,735	35,838
Bonuses - Oil and Gas	272,831	885,389
Bonuses - Coal	-	-
Rents - Surface	8,160,456	8,358,592
Rents - Mineral	21,090	90,753
Rents - Coal	36,500	1,700
Rents - Office Building	-	-
Gain/Loss on Sale of Land - OREO	-	-
Sale of Capital Asset	-	-
Oil Extraction Tax Income	49,873,383	34,990,325
Unclaimed Property Income	9,590,350	10,034,247
Total Income	(81,696,427)	380,117,847
Expenses and Transfers:		
Investment Expense	3,499,057	3,590,148
In-Lieu and 5% County Payments	-	-
Administrative Expense	1,502,961	1,489,130
Operating Expense - Building	42,007	43,670
Transfers to Beneficiaries	80,000,000	80,000,000
Total Expense and Transfers	85,044,025	85,122,948
Net Income/(Loss)	(\$166,740,452)	\$294,994,899

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Capitol Building Trust

	December 31, 2018	December 31, 2017
Balance Sheet		
Assets:		
Cash	\$102,333	\$430,646
Interest Receivable	32,760	9,981
Investments	5,199,187	3,197,352
Total Assets	\$5,334,280	\$3,637,979
Liabilities:		
Due to Other Trusts and Agencies	\$0	\$0
Equity:		
Fund Balance	4,723,483	5,089,876
Net Income	610,797	(1,451,897)
Total Liabilities and Equity	\$5,334,280	\$3,637,979
Income Statement		
Income:		
Investment Income	\$68,977	\$25,295
Realized Gain(Loss)	3,542	502
Unrealized Gain/(Loss)	15,748	(1,966)
Rents - Surface	80,680	106,410
Rents - Mineral	240	2,540
Royalties - Oil and Gas	453,643	322,555
Bonuses - Oil and Gas	-	8,320
Royalties - Coal	-	(763)
Royalties - Aggregate	-	748,619
Total Income	622,830	1,211,512
Expenses and Transfers:		
Investment Expense	864	510
In-Lieu and 5% County Payments	-	-
Administrative Expense	11,169	12,899
Transfers to Facility Management	-	2,650,000
Total Expense and Transfers	12,033	2,663,409
Net Income/(Loss)	\$610,797	(\$1,451,897)

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Coal Development Trust

	December 31, 2018	December 31, 2017
<u>Balance Sheet</u>		
Assets:		
Cash	\$112,198	\$36,728
Interest Receivable	509,573	830,916
Investments	13,386,049	9,462,617
Coal Impact Loans	11,623,980	12,317,945
School Construction Loans	44,670,542	47,391,757
Due from other Trusts and Agencies	263,736	265,252
Total Assets	\$70,566,078	\$70,305,215
Liabilities:		
Accounts Payable	\$184,615	\$185,677
Equity:		
Fund Balance	69,591,292	69,080,947
Net Income	790,171	1,038,591
Total Liabilities and Equity	\$70,566,078	\$70,305,215
<u>Income Statement</u>		
Income:		
Investment Income	\$140,367	\$60,123
Interest on School Construction Loans	401,303	778,987
Realized Gain/(Loss)	9,552	1,592
Unrealized Gain/(Loss)	41,811	(11,169)
Coal Severance Tax Income	252,985	252,619
Total Income	846,018	1,082,152
Expenses and Transfers:		
Investment	2,344	1,490
Administrative	831	492
Transfers to General Fund	52,672	41,579
Total Expense and Transfers	55,847	43,561
Net Income/(Loss)	\$790,171	\$1,038,591

Board of University and School Lands

Quarterly Comparative Financial Statements (Unaudited)

Strategic Investment and Improvements Fund

December 31, 2018

December 31, 2017

Balance Sheet

Assets:

Cash	\$28,875,932	\$759,661
Interest Receivable	2,601,642	713,387
Investments	576,175,154	264,092,533
Due from other Trusts or Agencies	107,815,591	-
Total Assets	\$715,468,319	\$265,565,581

Liabilities:

Accounts Payable	\$0	\$0
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Equity:

Fund Balance	354,701,097	372,661,563
Net Income	360,767,222	(107,095,982)
Total Liabilities and Equity	\$715,468,319	\$265,565,581

Income Statement

Income:

Investment Income	\$3,480,747	\$1,611,780
Realized Gain/(Loss)	250,773	42,783
Unrealized Gain/(Loss)	1,288,549	(313,923)
Interest on Fuel Prod Facility	100,433	69,024
Royalties - Oil and Gas	54,660,721	32,378,640
Bonuses - Oil and Gas	2,140,464	318,083
Royalties - Coal	185,228	22,321
Rents - Mineral	44,006	35,438
Tax Income - Oil Extraction & Production Distribution	424,606,047	-
Total Income	486,756,968	34,164,146

Expenses and Transfers:

Administrative	436,941	354,835
Investment Expense	33,335	48,298
Transfers to General Fund	124,000,000	124,000,000
Transfer to State Highway Patrol	358,000	-
Transfer to Commerce Department (SB 2018)	1,000,000	-
Transfer to Adjutant General	300,000	-
Transfer to Health Department (SB 2018)	75,736	-
Transfer from NDSU - Vet Diag Lab (HB 1020)	(214,266)	-
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 Energy Impact Fund	-	3,000,000
Transfer to Attorney General (HB1024/SB 2191)	-	16,022,000
Transfer to Industrial Commission (SB 2014)	-	4,000,000
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)
Total Expense and Transfers	125,989,746	141,260,128
Net Income/(Loss)	\$360,767,222	(\$107,095,982)

Strategic Investment and Improvements Fund

As of December 31, 2018, the SIIF had a fund balance of \$715,468,319. 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 \$469,286,680 on December 31, 2018.

Note: *As of January 31, 2019, the unassigned balance was \$491,802,917 excluding oil and gas production distribution, oil extraction tax distribution, and January investments. The Fuel Production Facility Guarantee Loan closed during January resulting in an increase in assets.*

Board of University and School Lands

Quarterly Comparative Fiduciary Statements (Unaudited)

Indian Cultural Trust

	December 31, 2018	December 31, 2017
<u>Fiduciary Net Position</u>		
Assets:		
Cash	\$ 3,183	\$ 2,315
Interest receivable	1,285	2,331
Investments	1,198,696	1,295,072
Total Assets	1,203,164	1,299,718
Liabilities:		
Accounts payable	-	-
Total Liabilities	-	-
Net Position:		
Net position restricted	1,203,164	1,299,718
Total Net Position	\$ 1,203,164	\$ 1,299,718
<u>Changes in Fiduciary Net Position</u>		
Additions:		
Contributions:		
Donations	\$ -	\$ -
Total Contributions	-	-
Investment Income:		
Net change in fair value of investments	(84,871)	16,141
Interest	19,525	17,714
Less investment expense	(957)	44,056
Net Investment Income	(66,303)	77,911
Miscellaneous Income	-	-
Total Additions	(66,303)	77,911
Deductions:		
Payments in accordance with Trust agreement	-	-
Administrative expenses	240	1,045
Total Deductions	240	1,045
Change in net position held in Trust for:		
Private-Purpose	(66,543)	76,866
Total Change in Net Position	(66,543)	76,866
Net Position - Beginning of Year	1,269,707	1,223,831
Net Position - December 31, 2018	\$ 1,203,164	\$ 1,300,697