

NORTH DAKOTA
BOARD OF UNIVERSITY AND SCHOOL LANDS

Financial Position Report
(Unaudited)

For period ended March 31, 2019



Board of University and School Lands

Comparative Financial Position (Unaudited)

Schedule of Net Assets

Assets by Trust:	March 31, 2019	March 31, 2018
Common Schools	\$4,455,951,771	\$4,207,083,923
North Dakota State University	70,436,709	67,879,320
School for the Blind	12,169,286	11,014,156
School for the Deaf	20,965,315	20,849,183
State Hospital	14,453,476	14,391,209
Ellendale *	21,351,028	20,183,142
Valley City State University	12,665,081	12,114,986
Mayville State University	7,687,687	7,470,350
Youth Correctional Center	23,360,693	22,198,293
State College of Science	16,954,722	16,591,736
School of Mines **	21,080,907	19,945,326
Veterans Home	5,325,599	5,329,462
University of North Dakota	33,165,544	31,545,163
Capitol Building	6,717,792	3,933,502
Strategic Investment and Improvements	930,288,010	292,925,194
Coal Development	70,844,570	70,270,291
Indian Cultural Education Trust	1,254,363	1,260,835
Total	\$5,724,672,553	\$4,824,986,071

Assets by Type:	March 31, 2019	March 31, 2018
Cash	\$39,056,844	\$34,780,114
Receivables	15,925,236	14,234,894
Investments ***	5,458,884,844	4,693,595,812
Office Building (Net of Depreciation)	441,971	499,036
Farm Loans	9,319,890	7,243,766
Energy Construction Loans	987,731	1,047,724
Energy Development Impact Loans	11,446,733	12,146,680
School Construction Loans (Coal)	44,670,542	47,391,757
Due to/from Other Trusts and Agencies	143,938,762	14,046,288
Total	\$5,724,672,553	\$4,824,986,071

*** 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.

***** Investments**

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

Board of University and School Lands

Comparative Financial Position (Unaudited)

Combined Permanent Trusts	March 31, 2019	March 31, 2018
Balance Sheet		
Assets:		
Cash	\$34,916,543	\$34,096,998
Interest Receivable	10,985,847	12,648,476
Investments	4,660,975,112	4,397,978,885
Farm Loans	9,319,890	7,243,766
Energy Construction Loans	987,731	1,047,724
Due from Other Agencies	15,465,995	13,966,264
Office Building (Net of Depreciation)	441,971	499,036
Total Assets	\$4,733,093,089	\$4,467,481,149
Liabilities:		
Unclaimed Property Claimant Liability	\$17,510,901	\$10,875,980
Due to Other Trusts	-	-
Due to Other Funds	14,371	8,918
Accounts Payable	-	-
Total Liabilities	17,525,272	10,884,898
Equity:		
Fund Balance	4,571,686,280	4,172,739,955
Net Income/(Loss)	143,881,537	283,856,296
Total Liabilities and Equity	\$4,733,093,089	\$4,467,481,149
Income Statement		
Income:		
Investment Income	\$99,509,725	\$84,544,471
Realized Gain/(Loss)	(24,121,804)	35,279,098
Unrealized Gain/(Loss)	(1,646,649)	122,059,731
Royalties - Oil and Gas	117,009,739	103,439,630
Royalties - Coal	350,060	321,871
Royalties - Aggregate	33,970	40,838
Bonuses - Oil and Gas	674,167	1,090,894
Bonuses - Coal	-	-
Rents - Surface	12,175,590	11,044,257
Rents - Mineral	31,597	135,350
Rents - Coal	54,436	21,636
Rents - Office Building	49,320	49,320
Gain/Loss on Sale of Land - OREO	-	-
Sale of Capital Asset	-	-
Oil Extraction Tax Income	72,141,237	57,069,927
Unclaimed Property Income	9,467,496	9,664,234
Total Income	285,728,884	424,761,257
Expenses and Transfers:		
Investment Expense	6,898,697	6,225,312
In-Lieu and 5% County Payments	244,396	-
Administrative Expense	2,191,278	2,205,608
Operating Expense - Building	109,300	70,366
Transfers to Beneficiaries	132,403,676	132,403,675
Total Expense and Transfers	141,847,347	140,904,961
Net Income/(Loss)	\$143,881,537	\$283,856,296

Board of University and School Lands

Comparative Financial Position (Unaudited)

Capitol Building Trust

	March 31, 2019	March 31, 2018
Balance Sheet		
Assets:		
Cash	\$141,290	\$21,545
Interest Receivable	47,008	10,516
Investments	6,529,494	3,901,441
Total Assets	\$6,717,792	\$3,933,502
Liabilities:		
Due to Other Trusts and Agencies	\$0	\$0
Equity:		
Fund Balance	4,723,483	5,089,876
Net Income	1,994,309	(1,156,374)
Total Liabilities and Equity	\$6,717,792	\$3,933,502
Income Statement		
Income:		
Investment Income	\$107,561	\$38,516
Realized Gain(Loss)	10,341	1,901
Unrealized Gain/(Loss)	41,582	(5,763)
Rents - Surface	145,432	150,273
Rents - Mineral	640	6,559
Royalties - Oil and Gas	638,881	565,598
Bonuses - Oil and Gas	-	8,320
Royalties - Coal	-	(763)
Royalties - Aggregate	1,070,995	748,619
Total Income	2,015,432	1,513,260
Expenses and Transfers:		
Investment Expense	1,448	1,071
In-Lieu and 5% County Payments	3,383	-
Administrative Expense	16,292	18,563
Transfers to Facility Management	-	2,650,000
Total Expense and Transfers	21,123	2,669,634
Net Income/(Loss)	\$1,994,309	(\$1,156,374)

Board of University and School Lands

Comparative Financial Position (Unaudited)

Coal Development Trust

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
<u>Balance Sheet</u>		
Assets:		
Cash	\$113,064	\$2,226
Interest Receivable	729,390	831,705
Investments	13,810,360	9,817,896
Coal Impact Loans	11,446,733	12,146,680
School Construction Loans	44,670,542	47,391,757
Due from other Trusts and Agencies	248,268	266,747
Total Assets	<u>\$71,018,357</u>	<u>\$70,457,011</u>
Liabilities:		
Accounts Payable	\$173,788	\$186,722
Equity:		
Fund Balance	69,591,292	69,080,947
Net Income	1,253,277	1,189,342
Total Liabilities and Equity	<u>\$71,018,357</u>	<u>\$70,457,011</u>
<u>Income Statement</u>		
Income:		
Investment Income	\$223,716	\$94,010
Interest on School Construction Loans	590,303	778,987
Realized Gain/(Loss)	24,241	5,527
Unrealized Gain/(Loss)	100,346	(21,310)
Coal Severance Tax Income	372,981	380,207
Total Income	1,311,587	1,237,421
Expenses and Transfers:		
Investment	3,602	2,943
Administrative	2,036	3,557
Transfers to General Fund	52,672	41,579
Total Expense and Transfers	58,310	48,079
Net Income/(Loss)	<u>\$1,253,277</u>	<u>\$1,189,342</u>

Board of University and School Lands

Comparative Financial Position (Unaudited)

Strategic Investment and Improvements Fund

	March 31, 2019	March 31, 2018
Balance Sheet		
Assets:		
Cash	\$3,885,479	\$655,524
Interest Receivable	4,160,974	741,665
Investments	793,843,271	291,528,005
Due from other Trusts or Agencies	128,398,286	-
Total Assets	\$930,288,010	\$292,925,194
Liabilities:		
Accounts Payable	\$0	\$0
Equity:		
Fund Balance	354,701,097	372,661,563
Net Income	575,586,913	(79,736,369)
Total Liabilities and Equity	\$930,288,010	\$292,925,194
Income Statement		
Income:		
Investment Income	\$7,646,324	\$2,532,167
Realized Gain/(Loss)	1,006,230	147,639
Unrealized Gain/(Loss)	4,108,297	(586,867)
Interest on Fuel Prod Facility	100,445	102,037
Royalties - Oil and Gas	76,110,923	58,463,467
Bonuses - Oil and Gas	2,247,413	958,637
Royalties - Coal	374,841	78,163
Rents - Mineral	50,683	54,071
Tax Income - Oil Extraction & Production Distribution	613,224,139	-
Total Income	704,869,295	61,749,314
Expenses and Transfers:		
Administrative	667,764	540,969
Investment Expense	95,148	87,719
Transfers to General Fund	124,000,000	124,000,000
Transfer to State Highway Patrol	358,000	-
Transfer to Commerce Department (SB 2018)	4,000,000	-
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	129,282,382	141,485,683
Net Income/(Loss)	\$575,586,913	(\$79,736,369)

As of March 31, 2019, the SIIF had a fund balance of \$930,288,010. 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 \$663,065,779 on March 31, 2019, which includes \$37,472,918 of emergency spending authorized by the 66th Legilsative Assembly.

Note: As of May 22, 2019, the unassigned balance was \$683,721,637 excluding oil and gas production distribution, and oil extraction tax distribution.

Board of University and School Lands

Comparative Fiduciary Statements (Unaudited)

Indian Cultural Trust

	March 31, 2019	March 31, 2018
<u>Fiduciary Net Position</u>		
Assets:		
Cash	\$ 467	\$ 3,822
Interest receivable	2,016	2,532
Investments	1,251,880	1,254,481
Total Assets	1,254,363	1,260,835
Liabilities:		
Accounts payable	-	-
Total Liabilities	-	-
Net Position:		
Net position restricted	1,254,363	1,260,835
Total Net Position	\$ 1,254,363	\$ 1,260,835
<u>Changes in Fiduciary Net Position</u>		
Additions:		
Contributions:		
Donations	-	-
Total Contributions	\$ -	\$ -
Investment Income:		
Net change in fair value of investments	(7,705)	47,672
Interest	27,208	24,585
Less investment expense	(1,869)	(1,793)
Net Investment Income	17,634	70,464
Miscellaneous Income	2,900	2,926
Total Additions	20,534	73,390
Deductions:		
Payments in accordance with Trust agreement	34,676	34,676
Administrative expenses	1,202	1,710
Total Deductions	35,878	36,386
Change in net position held in Trust for:		
Private-Purpose	(15,344)	37,004
Total Change in Net Position	(15,344)	37,004
Net Position - Beginning of Year	1,269,707	1,223,831
Net Position - March 31	\$ 1,254,363	\$ 1,260,835