

Income and Inventory Report

Fiscal Year

2016-17

Annual review of income generated by state
trust lands

Colorado State
Board of Land
Commissioners

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2016-17

Introduction

The Colorado State Board of Land Commissioners (State Land Board) is pleased to present its annual Income and Inventory Report. As required by Section 36-1-153.5, C.R.S., this report details income generated by state trust lands in FY 2016-17, examines revenue trends, and contains a summary inventory of state trust land and mineral assets. Included in this report, Exhibit 1 provides detailed income statements for each of the eight trusts managed by the State Land Board. The statements include sources of revenue and allocated expenses for each trust for each of the past five fiscal years.

Summary

Total FY 2016-17 revenue for all trusts was \$119,402,334, a 13% decrease from the prior year. As anticipated, the majority of the decrease occurred in the oil & gas Bonus category due to the expiration of substantial bonus payments. Mineral royalties stabilized over the past year, and the State Land Board saw nominal recovery in these markets as oil and gas royalties posted their first yearly increases in two years. Coal royalties increased 200 percent during the year to \$6.6 million. Grazing revenue increased 6.3 percent due to the continuing implementation of new grazing rates that more accurately reflect current market rates. The State Land Board’s continuing efforts to diversify its revenue streams and lessen its dependence on volatile energy markets again brought successful outcomes:

- Commercial Vertical portfolio revenue increased close to 25 percent to \$2.9 million.
- Renewable Energy increased 19.4 percent to \$956,000 from \$600,000 four years ago; a 12% annual compound growth rate.

Table 1: Total Revenue - All Trusts
FY 2012-13 to FY 2016-17

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
MINERALS	\$106,572,213	\$155,207,099	\$167,151,516	\$108,382,341	\$95,158,225
SURFACE	\$13,672,347	\$13,366,687	\$15,759,020	\$18,157,566	\$17,242,793
COMMERCIAL	\$4,373,550	\$4,814,944	\$3,797,336	\$4,461,690	\$5,303,349
INTEREST INCOME	\$321,280	\$214,791	\$896,062	\$971,809	\$343,270
NON RE-INVESTED LAND SALES	\$0	\$0	\$3,750,892	\$5,302,996	\$1,354,697
TOTAL REVENUE	\$124,939,390	\$173,603,521	\$191,354,826	\$137,276,402	\$119,402,334

Background

The State Land Board manages an endowment of assets held in eight perpetual, intergenerational, public trusts for the financial support of Colorado’s public schools and other public institutions. The State Land Board’s mandate is to produce reasonable and consistent revenues over time and to promote and enhance sound stewardship of trust assets. State trust assets include 2.8 million acres of surface land and 4.0 million acres of mineral rights, as well as commercial properties, water rights and a variety of other physical improvements to properties.

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The State Land Board’s strategic plan targets increased diversification of uses of state trust assets to generate more consistent income over time, including new recreational uses, ecosystem services opportunities, water development, and commercial assets. Table 2 details FY 2016-17 gross revenues for each of the eight trusts.

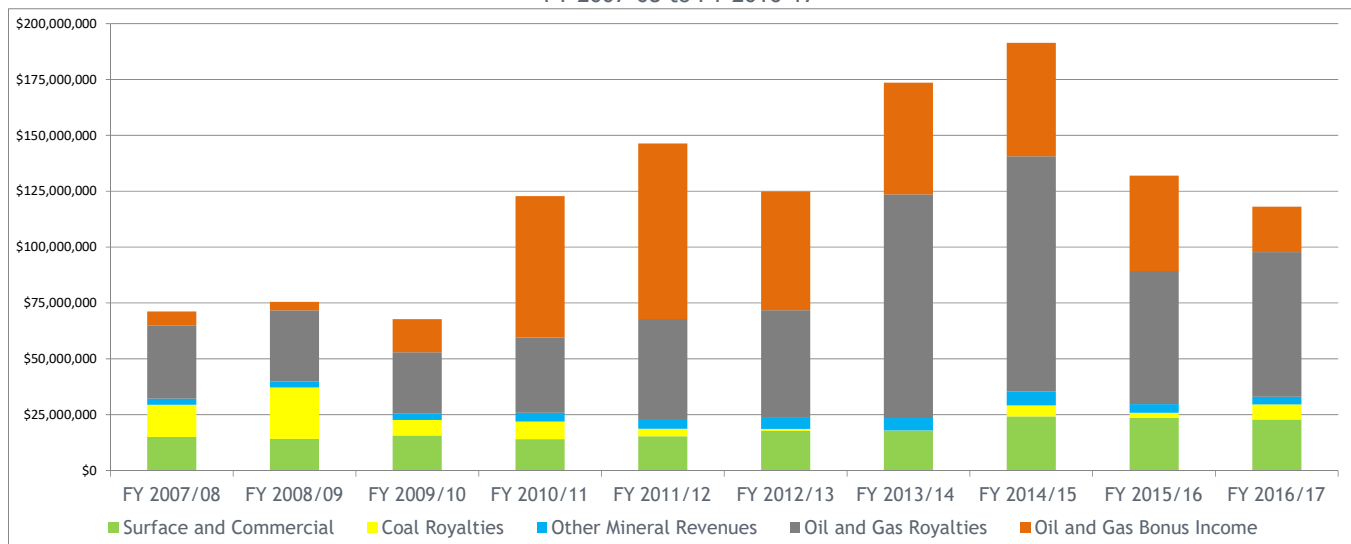
Table 2: Trust and Revenues
FY 2016-17

TRUST	BENEFICIARY	FY 2016-17 REVENUES	% of total
School Trust	Common Schools	\$118,356,860	99.12%
CSU Trust	Colorado State University	721,346	0.60%
Internal Improvements Trust	Colorado Parks and Wildlife	144,427	0.12%
CU Trust	University of Colorado	46,584	0.04%
Public Buildings Trust	Public Buildings	38,361	0.03%
Saline Trust	Colorado Parks and Wildlife	38,687	0.03%
Forest	Multiple	33,934	0.03%
Penitentiary Trust	Colorado Department of Corrections	18,100	0.02%
Hesperus Trust	Fort Lewis College	4,036	0.00%
TOTAL TRUST REVENUES		\$119,402,334	100.00%

Financial Trends

Total trust revenue has grown significantly during the past seven years, driven largely by Colorado’s Front Range oil and gas boom starting in FY 2010-11 and ending in FY 2014-15. Figure 1 illustrates the state trust revenue growth due to oil and gas. During the past ten years, four mineral asset classes (oil, gas, bonus and coal) generated more than 80 percent of revenue. Surface and commercial revenues, while not seeing the level of growth seen by mineral royalties, have shown steady improvement as well during the past decade and have grown at a 4.2 percent annual compound rate.

Figure 1: Trust Revenues
FY 2007-08 to FY 2016-17

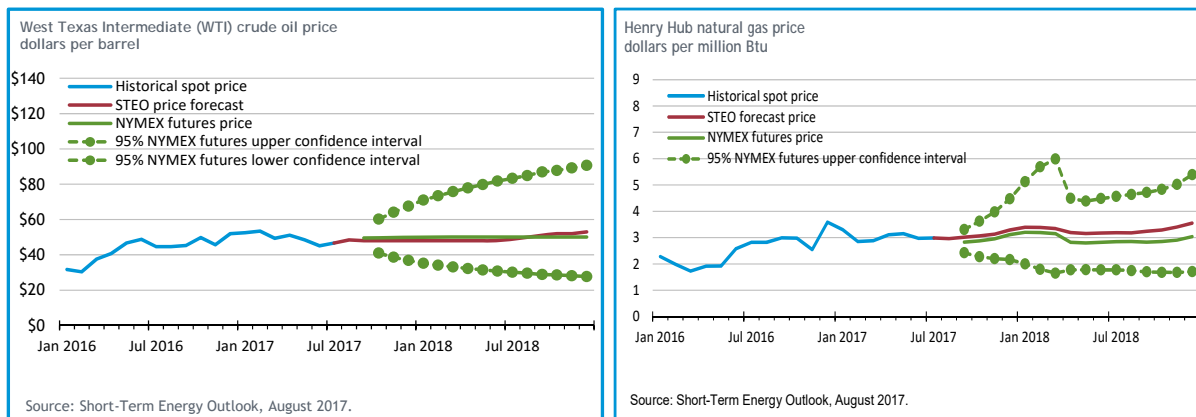


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Oil and Gas

The U.S. Energy Information Administration (EIA) projects that U.S. oil production will increase from an average of 8.9 million barrels per day (b/d) in 2016 to 9.3 million b/d in 2017 and to 9.9 million b/d in 2018, which would mark the highest annual average production in U.S. history and would represent an 11 percent increase during the two-year period. The previous production record of 9.6 million b/d was set in 1970. Starting in early 2016, oil prices have been on a generally increasing trend after the low in February 2016 of \$30 per barrel, recently returning to the \$45 - \$50 range. However, prices are still significantly lower than the 2015 average oil price. For the near term, West Texas Intermediate crude oil prices are forecasted to remain between \$40 and \$50 per barrel (Figure 2), which translates to \$30 to \$40 per barrel for Colorado sellers.

Figure 2: Oil and Gas Futures



U.S. natural gas production is forecast to average 73.5 billion cubic feet per day (Bcf/d) in 2017, a 1.2 Bcf/d increase from the 2016 level. 2018 production is forecast to be an average 77.4 Bcf/d. In July 2017, the natural gas spot price was \$2.98 per million British thermal units (MMBtu), about the same as in June 2017. Higher natural gas exports and growing domestic natural gas consumption in 2018 contribute to the forecast natural gas spot price rising from an annual average of \$3.06/MMBtu in 2017 to \$3.29/MMBtu in 2018. (Figure 2).

Despite forecasts of moderate production increases and stable-to-increasing prices, the State Land Board anticipates oil and gas revenue to fall in the future relative to the current year. Since a large portion of oil and gas revenues are generated by horizontal drilling and a high number of these wells were put in production two to four years ago, these wells are in the bottom of their production decline curves. Without new production (new wells) to offset these aging wells, revenue will decline. Forecasts for modest gains in oil prices will also result in reduced demand for oil and gas lease

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auctions in general and may impact the bonuses producers are willing to pay for exceptional leasing opportunities. Bonus revenue on the existing portfolio is expected to be reduced noticeably with the end of a large, multi-year bonus payment plan from 70 Ranch that concluded in FY 2016-17.

Surface

Agricultural (dry land and irrigated crop) rents increased substantially during the past five years resulting in a five-year annual compound growth rate of 16 percent. Adjusting the State Land Board's lease rate formula to more closely link rates to regional crop prices drove these rent results.

Grazing revenues increased more than 19 percent between FY 2015-16 and FY 2016-17. The implementation of new grazing rates to more closely reflect market prices drove the increase in revenues.

The State Land Board also saw revenue growth in several other lines of business during the past year. Recreation revenues were \$1.7 million in FY 2016-17, a 4 percent increase from the prior year. In addition, three commercial revenue categories experienced exceptional growth. Total commercial revenue grew 18.9 percent, comprised of 25 percent revenue growth on the vertical portfolio, 14 percent growth in ground lease revenue, and 19.4 percent growth in renewable energy revenue.

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Revenue by Source - FY 2016-17

MINERALS

In FY 2016-17, mineral revenues were \$95 million, a 12.2 percent decrease from the prior fiscal year. The main driver of the decrease was much lower total Bonus payments after the expiration of significant leases.

Oil and Gas

Combined oil and gas royalties increased from \$59 million in FY 2015-16 to \$64.7 million in FY 2016-17. Higher oil royalty revenues were due to oil prices strengthening from the low 30's per barrel in early 2016 to the upper 40's by the end of FY 2016-17. Oil production volume from state trust land has been relatively flat over the last two years.

Gas royalties increased 19 percent to \$20.7 million in FY 2016-17. This increase followed the rising price of natural gas combined higher production numbers than the previous year.

Bonus

Prospective oil and gas lessees make one-time payments (bonus considerations) during a lease auction for the right to explore for oil and gas. Operators pay bonuses, premiums paid in addition to any royalties paid on production, whether or not they ultimately develop the resources. The State Land Board earned \$8.3 million in standard bonus revenues in FY 2016-17. In addition, the State Land Board also earned the final 70 Ranch bonus payment of \$12 million.

Other Minerals

Coal royalties increased substantially from \$2.2 million in FY 2015-16 to \$6.7 million in FY 2016-17. This growth is entirely a result of the mining plan on Twenty Mile Coal mine as the operation moves off and on from State Land Board property.

Limestone production and resulting revenue decreased 13 percent from FY 2015-16 to FY 2016-17. The two state trust limestone leases produced 1.5 million tons from state trust land and paid royalties of \$695,000, approximately \$100,000 less than the prior fiscal year. The decline in revenues is due to slightly lower production combined with a royalties reporting issue. Revenue recorded in FY 2016-2017 represents only 11 months of production instead of 12.

Oil and Gas Rents

Oil and gas rent revenue is a rate paid by producers per surface acre impacted by exploration, production and transportation. Rent is paid annually for the entire term of the lease. Oil and gas rent revenue decreased by more than \$400,000 in FY 2016-17 as a result of a net decrease of approximately 150,000 acres under lease by producers. Many of the hundreds of leases issued to speculators in 2011 and 2012 were not developed into producing wells and expired having reached their five-year lease anniversary this year.

Table 3: Minerals Revenues
FY 2016-17

REVENUE	FY 2016-17	% Change from prior
MINERALS		
Oil Royalties	\$44,023,788	4.6%
Gas Royalties	\$20,714,628	18.5%
Coal Royalties	\$6,684,270	201.5%
Limestone Royalties	\$695,377	-13.2%
Other Mineral Royalties	\$406,371	-17.4%
Gravel Royalties	\$624,185	-18.0%
Bonus	\$20,292,014	-52.5%
Oil and Gas Rentals	\$1,185,520	-26.7%
Other Mineral Rentals	\$217,404	179.9%
Coal Rentals	\$57,714	-6.2%
Gravel Rentals	\$20,774	-9.4%
Water	\$236,180	128.8%
TOTAL MINERALS	\$95,158,225	-12.2%

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SURFACE

In FY 2016-17, total surface revenues were \$17.2 million, a decrease of five percent over the prior fiscal year. The decrease is largely attributable to several large Right-of-Way (ROW) agreements skewing the previous year's revenue.

Agriculture

In FY 2016-17, agricultural (dry land and irrigated crop) rent was essentially flat. Moving forward, it is expected this category will show minimal growth rates without the market presenting exceptionally high commodity prices over a sustained period. Agricultural leases rates are tied to a five-year moving average of commodity prices which dampens the effect of price swings in any single year.

Grazing

Grazing rent hit a record high \$8.3 million due in large part to a new multi-tier grazing rate formula. The tiered grazing rates are calculated as percentages of private grazing rates¹ relative to the ownership, scale, and quality of agricultural improvements (e.g. fences, stocks wells, etc.).

Other Surface

In FY 2016-17, ROW revenue was \$1.3 million, which is 45 percent less than the prior year. The actual number of signed leases was almost exactly the same as last year. The difference was a large decrease in the average amount of revenue per lease. The average lease payment decreased from \$174,000 in FY 2015-16 to \$48,000 in FY 2016-17.

Recreation revenue increased by four percent in FY 2016-17. This continues the recent strong growth in recreation. Recreation revenue has grown from \$980,000 in FY 2012-13 to \$1.7 million in FY 2016-17, 11.7 percent compound annual growth.

Table 4: Surface Revenues
FY 2016-17

REVENUE	FY 2016-17	% Change from prior
SURFACE		
Agricultural Rental	\$3,908,112	0.8%
Grazing Rental	\$8,348,545	6.3%
Other Surface Rental Income	\$1,351,048	-16.1%
Recreation	\$1,717,003	4.1%
Right of Way	\$1,301,113	-44.6%
SUA	\$500,447	-33.4%
Timber Sales	\$106,526	139.1%
Ecosystems	\$10,000	212.5%
Jackson/Larimer	\$0	-100.0%
TOTAL SURFACE	\$17,242,793	-5.0%

Table 5: Commercial Revenues
FY 2016-17

COMMERCIAL

Commercial revenues come from commercial office buildings (vertical assets), commercial ground leases, communication towers and renewable energy assets. Overall, commercial revenues experienced exceptional growth in FY 2016-17.

REVENUE	FY 2016-17	% Change from prior
COMMERCIAL		
Vertical	\$2,962,950	24.9%
Ground Lease	\$1,022,149	13.9%
Tower Sites	\$361,809	-7.4%
Renewable Energy	\$956,440	19.4%
TOTAL COMMERCIAL	\$5,303,349	18.9%

¹ Private grazing rates are established through a survey every three years.

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Commercial Office (Vertical)

In FY 2016-17, commercial office revenue income increased by 25 percent from the prior fiscal year. The main driver was the addition of a new commercial office building that added nearly \$260,000 in new annual revenue and \$250,000 in operating income. The portfolio as a whole had operating margins at 62%, an increase of 2% from the prior year.

Ground and Tower Lease

Historically, four individual leases account for the majority of the revenue in the ground lease category. The increase in FY 2016-17 is due to a large one-time payment (\$100,000) for a lease renewal. Tower lease revenues decreased due to lessee cancellation of a large lease.

Renewable Energy

Renewable Energy revenues were very strong coming in at a 19 percent increase over the previous year. FY 2015-2016 saw 10 new leases in the category, a 33% increase, resulting in the strong growth in revenues seen in FY 2016-2017.

INTEREST²

Interest revenues produced \$343,270 in FY 2016-17. Interest is generated from lease revenues held on deposit before they are distributed to beneficiaries. Exceptional income in this category in the previous two years makes this year's return to typical interest income look like a significant decline.

Table 6: Interest Revenues
FY 2016-17

REVENUE	FY 2016-17	% Change from prior
TOTAL INTEREST INCOME	\$343,270	-64.7%

NON-REINVESTED LAND SALES

The State Land Board has two years to reinvest proceeds received from the disposal of assets. In the event that the proceeds are not reinvested, they are deposited in the Public School Permanent Fund. In FY 2016-17, a total of \$1.3 million of prior land sales not reinvested in new assets was distributed to the Permanent Fund.

Table 7: Non-Reinvested Land Sales
FY 2016-17

REVENUE	FY 2016-17
TOTAL NON RE-INVESTED LAND SALES ²	\$1,354,697

² Does not include interest earned on the Permanent Fund.

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TRUST DISTRIBUTIONS

In FY 2016-17, total trust distribution to the beneficiaries was \$109 million, a 17 percent decrease from the prior year. After allocated costs and statutory fund transfers, the State Land Board distributed more than 95 percent of FY 2016-17 trust revenues to beneficiaries, a figure on par with previous years.

Table 8: Net Trust Distribution
FY 2016-17

TRUST	BENEFICIARY	FY 2016-17 Trust Distributions
School Trust	Common Schools	\$108,044,110
CSU Trust	Colorado State University	679,657
Internal Improvements Trust	Colorado Parks and Wildlife	138,274
Public Buildings Trust	Public Buildings	36,147
Hesperus Trust	Fort Lewis College	1,855
Penitentiary Trust	Colorado Department of Corrections	17,184
CU Trust	University of Colorado	44,610
Saline Trust	Colorado Parks and Wildlife	36,729
Forest	Multiple	31,624
TOTAL TRUST DISTRIBUTIONS		\$109,030,191

SCHOOL TRUST

In FY 2016-17, School Trust gross revenues were \$139.5 million, of which \$117 million was earned by the State Land Board leases, \$1.5 million was land sales proceeds that were not reinvested, and \$21 million was interest income earned on the Public School Permanent Fund managed by the State Treasurer's Office. Table 9 shows how statutes dictated the use of these revenues, with approximately \$81 million deposited into the Permanent Fund during the fiscal year, bringing the year-end balance in the Permanent Fund to approximately \$967 million.

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Figure 3: School Trust Revenue Flow Chart
FY 2016-17

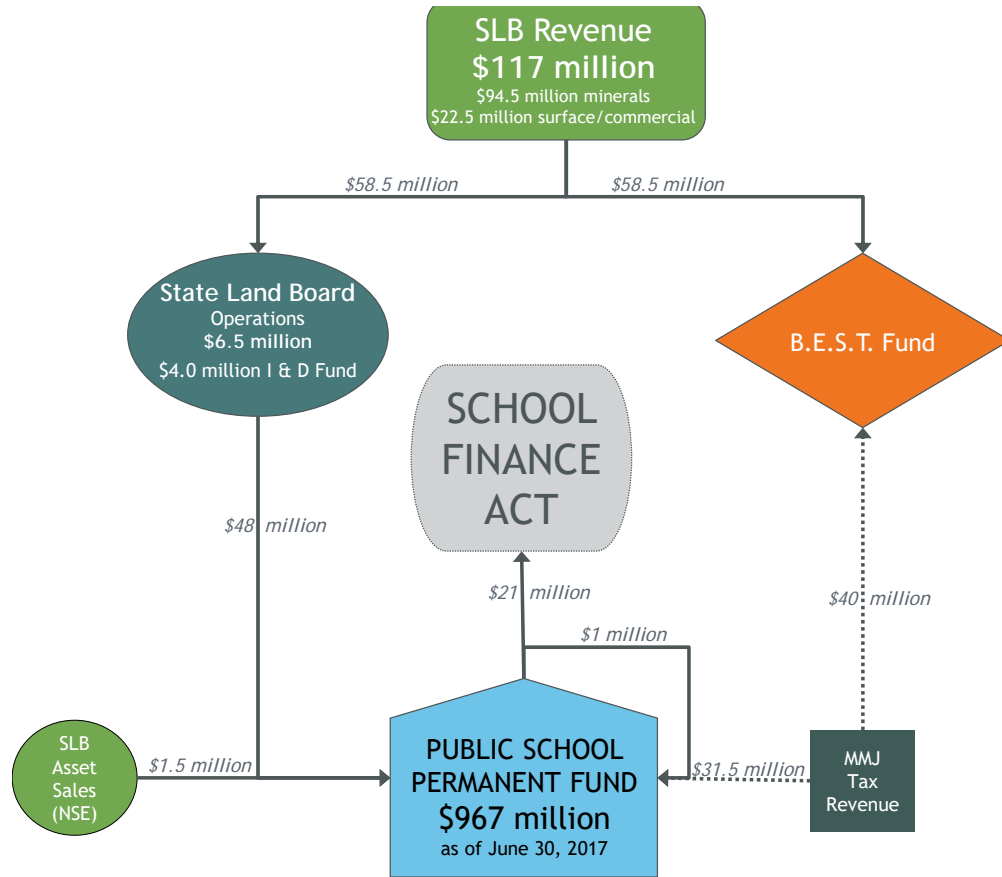


Table 9: School Trust Revenue Distribution
FY 2012-13 to FY 2016-17

	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Actual	5 Year Total
SCHOOL TRUST REVENUES						
Surface & Commercial	17,715,750	17,731,784	19,887,074	23,167,395	22,507,446	101,009,450
Minerals Revenues	105,611,785	154,103,595	165,866,645	107,694,000	94,494,716	627,770,742
Non-Reinvested Land Sales	-	-	3,750,892	5,302,996	1,354,697	10,408,585
TOTAL SLB Revenues	123,327,536	171,835,379	189,504,612	136,164,391	118,356,860	739,188,778
Permanent Fund Interest Income	21,738,351	21,610,649	22,448,806	22,486,730	21,260,018	109,544,554
TOTAL SCHOOL TRUST REVENUES	145,065,887	193,446,028	211,953,418	158,651,121	139,616,878	848,733,332
SCHOOL TRUST USES						
SLB Operating Expense (Long Bill)	5,179,435	5,332,877	6,379,960	6,602,080	6,335,219	29,829,571
SLB I&D Fund	1,250,000	-	5,000,000	-	3,977,531	10,227,531
TOTAL SLB Uses	6,429,435	5,332,877	11,379,960	6,602,080	10,312,750	40,057,102
BEST Allocation (50% of SLB Revenues)	61,663,768	85,917,690	92,876,860	65,430,698	58,501,081	364,390,097
School Finance Act (SLB Revs after BEST&SLB Uses)	36,203,931	-	-	-	-	36,203,931
School Finance Act (Interest on Perm Fund)	20,000,000	16,000,000	16,000,000	21,000,000	21,000,000	94,000,000
Total Education Uses	117,867,699	101,917,690	108,876,860	86,430,698	79,501,081	494,594,028
Permanent Fund Deposit	20,768,753	86,195,461	91,696,598	68,069,302	81,361,430	348,091,544
TOTAL SCHOOL TRUST USES	145,065,887	193,446,028	211,953,418	158,651,121	139,616,878	848,733,332
Tax Revenue (Section 39-28.8-305(1)(b), C.R.S.)	-	-	-	2,450,958	31,558,384	34,009,342
Permanent Fund Balance (as of June 30th)	640,987,352	727,182,813	817,637,532	885,548,293	966,909,723	

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INVENTORY

As of June 30, 2017, the State Land Board's land trust assets inventory was 2.8 million surface acres and 4.0 million subsurface acres. Table 10 shows the acreage held by each trust.

Table 10: Trust Inventory
As of June 30, 2017

TRUST	Surface	Subsurface
School	2,641,517	3,847,599
Multi-Beneficiary (Forest)	70,308	70,308
Internal Improvements	47,644	126
CSU	19,130	42,572
Saline	10,600	350
Penitentiary	6,847	9,912
Hesperus	6,279	6,279
Univ of Colorado	3,521	11,704
Other Trust	26	16
Public Buildings	48	6,199
Total	2,805,919	3,995,064

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EXHIBITS:

Exhibit 1 - Income Statements by Trust: income statements for each of the eight trusts, as well as a total trust income statement. These income statements are compiled on a cash basis.

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Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners
ALL TRUSTS
For FY 2012-13 to FY 2016-17
Cash Basis

REVENUE	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
MINERALS					
Oil Royalties	\$34,041,139	\$76,606,584	\$79,241,180	\$42,071,794	\$44,023,788
Gas Royalties	\$13,803,886	\$23,469,305	\$26,126,529	\$17,481,817	\$20,714,628
Coal Royalties	\$946,854	\$184,674	\$4,960,238	\$2,217,239	\$6,684,270
Limestone Royalties	\$839,248	\$805,107	\$917,260	\$800,886	\$695,377
Other Mineral Royalties	\$596,894	\$516,649	\$2,361,934	\$491,736	\$406,371
Sand and Gravel Royalties	\$164,534	\$722,921	\$592,107	\$761,652	\$624,185
Bonus	\$53,183,032	\$50,038,376	\$50,700,406	\$42,675,252	\$20,292,014
Oil and Gas Rentals	\$2,621,722	\$2,348,291	\$1,970,488	\$1,616,604	\$1,185,520
Other Mineral Rentals	\$168,695	\$325,481	\$62,659	\$77,667	\$217,404
Coal Rentals	\$89,289	\$69,844	\$59,634	\$61,554	\$57,714
Gravel Rentals	\$33,461	\$20,619	\$24,658	\$22,921	\$20,774
Water	\$83,460	\$99,247	\$134,423	\$103,219	\$236,180
TOTAL MINERALS	\$106,572,213	\$155,207,099	\$167,151,516	\$108,382,341	\$95,158,225
SURFACE					
Agricultural Rental	\$2,684,459	\$3,168,492	\$3,657,610	\$3,876,351	\$3,908,112
Grazing Rental	\$6,458,486	\$5,687,364	\$6,570,484	\$7,850,888	\$8,348,545
Other Surface Rental Income	\$1,429,854	\$1,338,616	\$1,771,424	\$1,609,849	\$1,351,048
Recreation	\$981,450	\$1,024,853	\$1,330,075	\$1,649,409	\$1,717,003
Right of Way	\$1,615,938	\$1,351,680	\$1,802,261	\$2,348,797	\$1,301,113
SUA	\$492,500	\$653,110	\$522,743	\$751,396	\$500,447
Land /Timber Sales	\$985	\$104,616	\$73,553	\$44,555	\$106,526
Ecosystems	\$0	\$15,469	\$3,200	\$3,200	\$10,000
TOTAL SURFACE	\$13,672,347	\$13,366,687	\$15,759,020	\$18,157,566	\$17,242,793
COMMERCIAL					
Vertical	\$2,884,474	\$2,745,932	\$2,099,478	\$2,372,291	\$2,962,950
Ground Lease	\$622,147	\$1,038,490	\$745,110	\$897,290	\$1,022,149
Tower Sites	\$265,548	\$346,549	\$302,614	\$390,892	\$361,809
Renewable Energy	\$601,382	\$683,974	\$650,134	\$801,217	\$956,440
TOTAL COMMERCIAL	\$4,373,550	\$4,814,944	\$3,797,336	\$4,461,690	\$5,303,349
INTEREST INCOME	\$321,280	\$214,791	\$896,062	\$971,809	\$343,270
NON-REINVESTED LAND SALES	\$0	\$0	\$3,750,892	\$5,302,996	\$1,354,697
TOTAL REVENUE	\$124,939,390	\$173,603,521	\$191,354,826	\$137,276,402	\$119,402,334
OPERATING EXPENSES	\$5,106,935	\$7,064,903	\$6,449,210	\$6,661,474	\$6,394,613
NET INCOME (LOSS)	\$119,832,455	\$166,538,618	\$184,905,617	\$130,614,928	\$113,007,722
Fund Transfers	\$1,250,000	\$0	\$5,000,000	\$0	\$3,977,531
Adjustments	145,980	-	-	-	-
TOTAL TRUST DISTRIBUTION	\$118,436,475	\$166,538,618	\$179,905,617	\$130,614,928	\$109,030,191

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Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners

SCHOOL TRUST

For FY 2012-13 to FY 2016-17

Cash Basis

REVENUE	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
MINERALS					
Oil Royalties	\$34,030,404	\$76,590,867	\$79,232,652	\$42,068,114	\$44,021,047
Gas Royalties	\$12,886,968	\$22,395,761	\$25,125,479	\$16,818,078	\$20,071,998
Coal Royalties	\$946,854	\$184,674	\$4,960,238	\$2,217,239	\$6,684,270
Limestone Royalties	\$839,248	\$804,787	\$917,260	\$800,886	\$695,377
Other Mineral Royalties	\$596,894	\$516,649	\$2,361,934	\$491,736	\$406,371
Sand and Gravel Royalties	\$164,534	\$722,921	\$592,107	\$761,652	\$624,185
Bonus	\$53,183,032	\$50,038,216	\$50,445,063	\$42,672,837	\$20,292,014
Oil and Gas Rentals	\$2,611,403	\$2,337,540	\$1,959,990	\$1,609,695	\$1,177,650
Other Mineral Rentals	\$168,695	\$325,481	\$62,659	\$77,667	\$217,404
Coal Rentals	\$66,832	\$66,831	\$59,634	\$61,554	\$57,714
Gravel Rentals	\$33,461	\$20,619	\$24,658	\$22,921	\$20,774
Water	\$83,460	\$99,247	\$124,971	\$91,621	\$225,912
TOTAL MINERALS	\$105,611,785	\$154,103,595	\$165,866,645	\$107,694,000	\$94,494,716
SURFACE					
Agricultural Rental	\$2,673,417	\$3,153,130	\$3,642,248	\$3,860,989	\$3,892,493
Grazing Rental	6,298,977	5,536,918	6,390,765	7,669,811	\$8,185,204
Other Surface Rental Income	1,417,391	1,320,607	1,711,745	1,618,643	\$1,288,406
Recreation	938,658	974,204	1,261,974	1,557,277	\$1,643,592
Right of Way	1,614,388	1,351,454	1,782,549	2,348,797	\$1,293,847
SUA	492,500	652,125	522,743	751,396	\$500,447
Land / Timber Sales	975	86,250	58,558	32,431	\$79,120
Ecosystems	-	15,469	3,200	3,200	\$5,500
TOTAL SURFACE	\$13,436,307	\$13,090,157	\$15,373,782	\$17,842,544	\$16,888,609
COMMERCIAL					
Vertical	\$2,517,553	\$2,387,895	\$1,945,310	\$2,286,107	\$2,962,950
Ground Lease	\$621,601	\$1,038,062	\$745,110	\$896,314	\$1,022,149
Tower Sites	\$265,548	\$346,549	\$302,614	\$390,892	\$361,809
Renewable Energy	\$601,382	\$683,974	\$644,534	\$799,217	\$952,600
TOTAL COMMERCIAL	\$4,006,084	\$4,456,480	\$3,637,567	\$4,372,530	\$5,299,509
INTEREST INCOME	\$273,360	\$185,148	\$875,725	\$952,322	\$319,329
NON-REINVESTED LAND SALES	\$0	\$0	\$3,750,892	\$5,302,996	\$1,354,697
TOTAL REVENUE	\$123,327,535	\$171,835,380	\$189,504,612	\$136,164,391	\$118,356,860
OPERATING EXPENSES	\$5,179,435	\$6,985,645	\$6,379,960	\$6,602,080	\$6,335,219
NET INCOME (LOSS)	\$118,148,100	\$164,849,734	\$183,124,652	\$129,562,312	\$112,021,641
DISTRIBUTIONS					
Fund Transfers	\$1,250,000	\$0	\$5,000,000	\$0	\$3,977,531
Adjustments	-	-	-	-	\$0
TOTAL TRUST DISTRIBUTION	\$116,898,100	\$164,849,734	\$178,124,652	\$129,562,312	\$108,044,110

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2016-17

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners
CSU TRUST
For FY 2012-13 to FY 2016-17
Cash Basis

REVENUE	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
MINERALS					
Oil Royalties	\$290	\$4,347	-	\$51	\$10
Gas Royalties	905,740	1,061,309	991,249	660,800	638,740
Coal Royalties	-	-	-	-	-
Limestone Royalties	-	320	-	-	-
Other Mineral Royalties	-	-	-	-	-
Sand and Gravel Royalties	-	-	-	-	-
Bonus	-	160	-	-	-
Oil and Gas Rentals	8,470	7,074	6,674	4,540	4,540
Other Mineral Rentals	-	-	-	-	-
Coal Rentals	8,826	-	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	-	-	-	-
TOTAL MINERALS	\$923,325	\$1,073,210	\$997,923	\$665,391	\$643,290
SURFACE					
Agricultural Rental	\$2,740	\$2,740	\$2,740	\$2,740	\$2,740
Grazing Rental	22,800	16,186	31,249	41,620	34,228
Other Surface Rental Income	-	6,726	11,241	2,181	19,037
Recreation	9,582	10,333	13,340	15,618	15,281
Right of Way	-	-	-	-	928
SUA	-	12	-	-	-
Land /Timber Sales	-	3,877	2,941	1,422	3,140
Ecosystems	-	-	-	-	-
TOTAL SURFACE	\$35,123	\$39,874	\$61,512	\$63,582	\$75,355
COMMERCIAL					
Vertical	\$468	\$1,581	\$0	\$0	\$0
Ground Lease	-	-	-	125	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	\$468	\$1,581	\$0	\$125	\$0
INTEREST INCOME	\$1,684	\$1,650	\$2,183	\$2,110	\$2,701
TOTAL REVENUE	\$960,599	\$1,116,315	\$1,061,618	\$731,207	\$721,346
OPERATING EXPENSES	\$39,782	\$44,399	\$37,584	\$37,534	\$41,688
NET INCOME (LOSS)	\$920,817	\$1,071,916	\$1,024,034	\$693,673	\$679,657
DISTRIBUTIONS					
TOTAL TRUST DISTRIBUTION	\$920,817	\$1,071,916	\$1,024,034	\$693,673	\$679,657

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2016-17

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners INTERNAL IMPROVEMENTS TRUST For FY 2012-13 to FY 2016-17 Cash Basis

REVENUE	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
MINERALS					
Oil Royalties	\$4,774	\$2,767	\$3,658	\$1,649	\$533
Gas Royalties	3,153	2,791	2,987	1,188	541
Coal Royalties	-	-	-	-	-
Limestone Royalties	-	-	-	-	-
Other Mineral Royalties	-	-	-	-	-
Sand and Gravel Royalties	-	-	-	-	-
Bonus	-	-	147,983	-	-
Oil and Gas Rentals	42	42	289	290	290
Other Mineral Rentals	-	-	-	-	-
Coal Rentals	-	-	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	-	-	-	-
TOTAL MINERALS	\$7,969	\$5,599	\$154,917	\$3,126	\$1,363
SURFACE					
Agricultural Rental	-	-	-	-	-
Grazing Rental	69,262	65,022	69,823	78,144	79,338
Other Surface Rental Income	3,974	2,241	21,448	2,704	13,349
Recreation	20,594	21,585	28,785	36,115	31,162
Right of Way	250	-	-	-	1,958
SUA	-	955	-	-	-
Land /Timber Sales	-	9,214	8,556	3,762	8,956
Ecosystems	-	-	-	-	4,000
TOTAL SURFACE	\$94,081	\$99,017	\$128,612	\$120,725	\$138,763
COMMERCIAL					
Vertical	366,203	356,456	154,168	86,184	-
Ground Lease	-	-	-	263	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	5,600	2,000	3,840
TOTAL COMMERCIAL	\$366,203	\$356,456	\$159,768	\$88,447	\$3,840
INTEREST INCOME	\$703	\$533	\$1,118	\$695	\$461
TOTAL REVENUE	\$468,956	\$461,606	\$444,415	\$212,993	\$144,427
OPERATING EXPENSES	\$23,292	\$23,190	\$18,272	\$7,836	\$6,153
NET INCOME (LOSS)	\$445,663	\$438,416	\$426,143	\$205,158	\$138,274
DISTRIBUTIONS					
TOTAL TRUST DISTRIBUTION	\$445,663	\$438,416	\$426,143	\$205,158	\$138,274

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2016-17

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners
PUBLIC BUILDINGS TRUST
For FY 2012-13 to FY 2016-17
Cash Basis

REVENUE	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
MINERALS					
Oil Royalties	\$5,671	\$8,603	\$4,871	\$1,981	\$2,198
Gas Royalties	8,025	9,444	6,814	1,750	3,349
Coal Royalties	-	-	-	-	-
Limestone Royalties	-	-	-	-	-
Other Mineral Royalties	-	-	-	-	-
Sand and Gravel Royalties	-	-	-	-	-
Bonus	-	-	104,160	2,415	-
Oil and Gas Rentals	1,032	1,560	1,960	2,080	2,240
Other Mineral Rentals	-	-	-	-	-
Coal Rentals	-	12	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	-	9,452	11,598	10,269
TOTAL MINERALS	\$14,728	\$19,619	\$127,257	\$19,824	\$18,055
SURFACE					
Agricultural Rental	-	-	-	-	-
Grazing Rental	10,439	10,439	-	-	-
Other Surface Rental Income	500	-	-	600	-
Recreation	-	-	-	-	-
Right of Way	-	-	-	-	-
SUA	-	-	-	-	-
Land /Timber Sales	-	500	-	-	-
Ecosystems	-	-	-	-	-
TOTAL SURFACE	\$10,939	\$10,939	\$0	\$600	\$0
COMMERCIAL					
Vertical	-	-	-	-	-
Ground Lease	-	-	-	-	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	-	-	-	-	-
INTEREST INCOME	\$45,347	\$27,282	\$16,941	\$16,429	\$20,305
TOTAL REVENUE	\$71,014	\$57,840	\$144,197	\$36,853	\$38,361
OPERATING EXPENSES	\$3,026	\$2,496	\$6,500	\$1,803	\$2,213
NET INCOME (LOSS)	\$67,988	\$55,344	\$137,697	\$35,050	\$36,147
DISTRIBUTIONS					
TOTAL TRUST DISTRIBUTION	\$67,988	\$55,344	\$137,697	\$35,050	\$36,147

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2016-17

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners
HESPERUS TRUST
For FY 2012-13 to FY 2016-17
Cash Basis

REVENUE	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
MINERALS					
Oil Royalties	-	-	-	-	-
Gas Royalties	-	-	-	-	-
Coal Royalties	-	-	-	-	-
Limestone Royalties	-	-	-	-	-
Other Mineral Royalties	-	-	-	-	-
Sand and Gravel Royalties	-	-	-	-	-
Bonus	-	-	-	-	-
Oil and Gas Rentals	775	775	775	-	-
Other Mineral Rentals	-	-	-	-	-
Coal Rentals	-	2,500	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	-	-	-	-
TOTAL MINERALS	\$775	\$3,275	\$775	\$0	\$0
SURFACE					
Agricultural Rental	-	-	-	-	-
Grazing Rental	20,360	19,406	37,678	9,352	3,862
Other Surface Rental Income	-	-	6,060	-	-
Recreation	-	-	-	-	-
Right of Way	-	-	-	-	-
SUA	-	-	-	-	-
Land /Timber Sales	-	251	61	52	-
Ecosystems	-	-	-	-	-
TOTAL SURFACE	\$20,360	\$19,657	\$43,799	\$9,404	\$3,862
COMMERCIAL					
Vertical	-	-	-	-	-
Ground Lease	-	-	-	-	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	\$0	\$0	\$0	\$0	\$0
INTEREST INCOME	\$35	\$25	\$44	\$40	\$174
TOTAL REVENUE	\$21,170	\$22,957	\$44,618	\$9,444	\$4,036
OPERATING EXPENSES	\$2,756	\$3,470	\$1,611	\$371	\$2,182
NET INCOME (LOSS)	\$18,414	\$19,487	\$43,007	\$9,073	\$1,855
DISTRIBUTIONS					
Fund Transfers	\$0	\$0	\$0	\$0	\$0
Adjustments	36	-	-	-	-
TOTAL TRUST DISTRIBUTION	\$18,378	\$19,487	\$43,007	\$9,073	\$1,855

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2016-17

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners PENITENTIARY TRUST For FY 2012-13 to FY 2016-17 Cash Basis

REVENUE	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
MINERALS					
Oil Royalties	-	-	-	-	-
Gas Royalties	-	-	-	-	-
Coal Royalties	-	-	-	-	-
Limestone Royalties	-	-	-	-	-
Other Mineral Royalties	-	-	-	-	-
Sand and Gravel Royalties	-	-	-	-	-
Bonus	-	-	3,200	-	-
Oil and Gas Rentals	-	1,300	800	-	800
Other Mineral Rentals	-	-	-	-	-
Coal Rentals	13,631	501	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	-	-	-	-
TOTAL MINERALS	\$13,631	\$1,801	\$4,000	\$0	\$800
SURFACE					
Agricultural Rental	\$0	\$0	\$0	\$0	\$0
Grazing Rental	7,115	7,115	7,589	8,278	8,959
Other Surface Rental Income	-	-	500	100	25
Recreation	-	5,479	7,928	8,021	8,256
Right of Way	1,300	-	19,712	-	-
SUA	-	-	-	-	-
Land /Timber Sales	10	-	5	26	-
Ecosystems	-	-	-	-	-
TOTAL SURFACE	\$8,425	\$12,595	\$35,734	\$16,426	\$17,240
COMMERCIAL					
Vertical	-	-	-	-	-
Ground Lease	-	-	-	-	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	-	-	-	-	-
INTEREST INCOME	\$2	\$10	\$0	\$40	\$60
TOTAL REVENUE	\$22,059	\$14,406	\$39,734	\$16,466	\$18,100
OPERATING EXPENSES	\$1,124	\$778	\$1,428	\$647	\$916
NET INCOME (LOSS)	\$20,935	\$13,628	\$38,306	\$15,819	\$17,184
DISTRIBUTIONS					
Fund Transfers	\$0	\$0	\$0	\$0	\$0
Adjustments	36	-	-	-	-
TOTAL TRUST DISTRIBUTION	\$20,899	\$13,628	\$38,306	\$15,819	\$17,184

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2016-17

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners

CU TRUST

For FY 2012-13 to FY 2016-17

Cash Basis

REVENUE	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
MINERALS					
Oil Royalties	-	-	-	-	-
Gas Royalties	-	-	-	-	-
Coal Royalties	-	-	-	-	-
Limestone Royalties	-	-	-	-	-
Other Mineral Royalties	-	-	-	-	-
Sand and Gravel Royalties	-	-	-	-	-
Bonus	-	-	-	-	-
Oil and Gas Rentals	-	-	-	-	-
Other Mineral Rentals	-	-	-	-	-
Coal Rentals	-	-	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	-	-	-	-
TOTAL MINERALS	\$0	\$0	\$0	\$0	\$0
SURFACE					
Agricultural Rental	\$8,302	\$12,622	12,622	12,622	12,879
Grazing Rental	15,194	17,794	16,128	20,235	18,814
Other Surface Rental Income	7,989	9,043	13,605	7,686	9,419
Recreation	344	593	653	4,813	603
Right of Way	-	-	-	-	1,082
SUA	-	17	-	-	-
Land /Timber Sales	-	4,523	3,431	1,659	3,664
Ecosystems	-	-	-	-	-
TOTAL SURFACE	\$31,829	\$44,593	\$46,439	\$47,015	\$46,461
COMMERCIAL					
Vertical	-	-	-	-	-
Ground Lease	546	428	-	145	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	\$546	\$428	\$0	\$0	\$0
INTEREST INCOME	\$124	\$106	\$0	\$94	\$123
TOTAL REVENUE	\$32,498	\$45,128	\$46,439	\$47,109	\$46,584
OPERATING EXPENSES	\$1,625	\$2,305	\$1,672	\$1,684	\$1,974
NET INCOME (LOSS)	\$30,873	\$42,823	\$44,768	\$45,425	\$44,610
DISTRIBUTIONS					
TOTAL TRUST DISTRIBUTION	\$30,873	\$42,823	\$44,768	\$45,425	\$44,610

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2016-17

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners
SALINE TRUST
For FY 2012-13 to FY 2016-17
Cash Basis

REVENUE	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
MINERALS					
Oil Royalties	-	-	-	-	-
Gas Royalties	-	-	-	-	-
Coal Royalties	-	-	-	-	-
Limestone Royalties	-	-	-	-	-
Other Mineral Royalties	-	-	-	-	-
Sand and Gravel Royalties	-	-	-	-	-
Bonus	-	-	-	-	-
Oil and Gas Rentals	-	-	-	-	-
Other Mineral Rentals	-	-	-	-	-
Coal Rentals	-	-	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	-	-	-	-
TOTAL MINERALS	-	-	-	-	-
SURFACE					
Agricultural Rental	-	-	-	-	-
Grazing Rental	14,337	14,483	17,252	17,027	18,139
Other Surface Rental Income	-	-	6,824	-	1,418
Recreation	12,271	12,658	17,395	17,599	18,109
Right of Way	-	226	-	-	-
SUA	-	-	-	-	-
Land /Timber Sales	-	-	-	149	480
Ecosystems	-	-	-	-	500
TOTAL SURFACE	\$26,608	\$27,367	\$41,472	\$34,774	\$38,646
COMMERCIAL					
Vertical	250	-	-	-	-
Ground Lease	-	-	-	-	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	\$250	\$0	\$0	\$0	\$0
INTEREST INCOME	\$17	\$18	\$49	\$43	\$41
TOTAL REVENUE	\$26,875	\$27,385	\$41,521	\$34,817	\$38,687
OPERATING EXPENSES	\$1,369	\$1,480	\$1,183	\$1,294	\$1,958
NET INCOME (LOSS)	\$25,506	\$25,905	\$40,337	\$33,524	\$36,729
DISTRIBUTIONS					
TOTAL TRUST DISTRIBUTION	\$25,506	\$25,905	\$40,337	\$33,524	\$36,729

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2016-17

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners
FOREST
For FY 2012-13 to FY 2016-17
Cash Basis

REVENUE	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
MINERALS					
Oil Royalties	-	-	-	-	-
Gas Royalties	-	-	-	-	-
Coal Royalties	-	-	-	-	-
Limestone Royalties	-	-	-	-	-
Other Mineral Royalties	-	-	-	-	-
Sand and Gravel Royalties	-	-	-	-	-
Bonus	-	-	-	-	-
Oil and Gas Rentals	-	-	-	-	-
Other Mineral Rentals	-	-	-	-	-
Coal Rentals	-	-	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	-	-	-	-
TOTAL MINERALS	\$0	\$0	\$0	\$0	\$0
SURFACE					
Agricultural Rental	-	-	-	-	-
Grazing Rental	-	-	-	6,422	-
Other Surface Rental Income	-	-	-	(16,830)	19,393
Recreation	-	-	-	9,965	-
Right of Way	-	-	-	-	3,298
SUA	-	-	-	-	-
Land /Timber Sales	-	-	-	5,055	11,166
Ecosystems	-	-	-	-	-
Jackson/Larimer	8,675	22,487	27,670	18,030	-
TOTAL SURFACE	\$8,675	\$22,487	\$27,670	\$22,642	\$33,857
COMMERCIAL					
Vertical	-	-	-	-	-
Ground Lease	-	-	-	443	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	\$0	\$0	\$0	\$443	\$0
INTEREST INCOME	\$8	\$19	\$2	\$36	\$77
TOTAL REVENUE	\$8,683	\$22,506	\$27,672	\$23,121	\$33,934
TOTAL OPERATING EXPENSES - Allocated	\$433	\$1,139	\$999	\$835	\$2,309
NET INCOME (LOSS)	\$8,250	\$21,367	\$26,673	\$22,286	\$31,624
DISTRIBUTIONS					
TOTAL TRUST DISTRIBUTION	\$8,250	\$21,367	\$26,673	\$22,286	\$31,624