

Income
and
Inventory
Report

Fiscal Year

2017-18

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 2017-18

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 2017-18, 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 2017-18 revenue for all trusts was \$131,784,706, a 10% increase from the prior year, summarized in Table 1. All major income groups showed significant growth. A strong recovery in oil prices across the year contributed to the increase to total revenue, generating an additional \$12 million in oil royalty revenue over the prior year. Gas royalties also supported that growth, growing \$4.4 million. Growth in oil and gas royalties somewhat offset a decline in mineral bonus income and a decrease in coal royalties. Grazing revenue reached a record high again this year growing 5.7% over the previous year. Total Surface revenues had a very strong year increasing 19% from the prior year. Commercial portfolio revenue grew 35% over 2017, led by 46% growth in renewable energy revenue. The portfolio of commercial buildings also generated significant additional revenue this year.

Table 1: Total Revenue - All Trusts

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
MINERALS	\$155,207,099	\$167,151,516	\$108,382,341	\$95,158,225	\$103,530,996
SURFACE	\$13,366,687	\$15,759,020	\$18,157,566	\$17,242,793	\$20,495,161
COMMERCIAL	\$4,814,944	\$3,797,336	\$4,461,690	\$5,303,349	\$7,178,730
INTEREST INCOME	\$214,791	\$896,062	\$971,809	\$343,270	\$579,818
NON RE-INVESTED LAND SALES	\$0	\$3,750,892	\$5,302,996	\$1,354,697	\$0
TOTAL REVENUE	\$173,603,521	\$191,354,826	\$137,276,402	\$119,402,334	\$131,784,706

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.

The State Land Board’s strategic plan targets increased diversification of state trust assets to generate income that is more consistent over time, including new recreational uses, ecosystem services opportunities, water development and utilization of commercial assets. **Table 2** details FY 2017-18 gross revenues for each of the eight trusts.

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2017-18

Table 2: Trust and Revenues FY 2017-18

TRUST	BENEFICIARY	FY 2017-18 REVENUES	% of total
School Trust	Common Schools	\$129,789,483	98.49%
CSU Trust	Colorado State University	748,765	0.57%
Internal Improvements Trust	Colorado Parks and Wildlife	1,022,514	0.78%
CU Trust	University of Colorado	61,975	0.05%
Public Buildings Trust	Public Buildings	42,303	0.03%
Saline Trust	Colorado Parks and Wildlife	42,795	0.03%
Forest	Multiple	46,766	0.04%
Penitentiary Trust	Colorado Department of Corrections	17,790	0.01%
Hesperus Trust	Fort Lewis College	12,316	0.01%
TOTAL TRUST REVENUES		\$131,784,706	100.00%

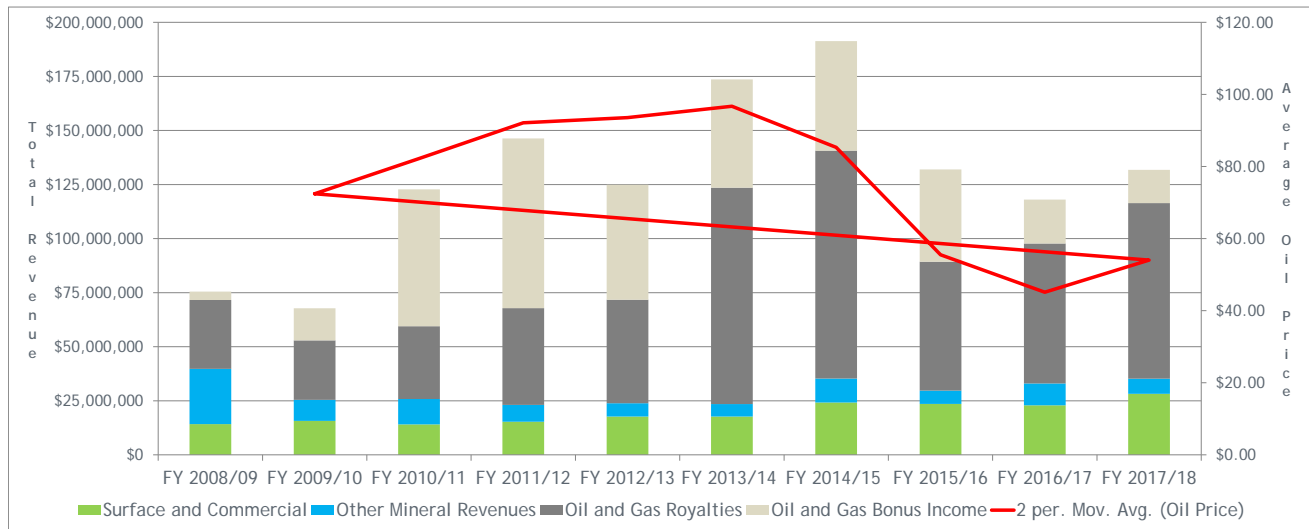
Financial Trends

Total trust revenue has grown significantly during the past eight years, driven largely by Colorado’s Front Range oil and gas boom starting in FY 2010-11. While there is significant variance between years, revenues have not fallen under \$100 million in that time. **Figure 1** shows state Trust revenue by general category as it changes over time. The solid red line represents the market average oil price using the axis to the right of the figure. The general correlation between oil price and State Land Board petroleum revenues emphasizes the effect the oil market has on Trust revenue. Over the last ten years, oil and gas royalties and mineral bonus revenue have been responsible for nearly 80 % of total State Land Board revenue.

The agency has and continues to focus on revenue diversification, especially in an environment where the future of mineral development is less certain than ever. Surface and Commercial revenues have doubled over the last ten years, from \$14 million to \$28 million, resulting in a 7.1% annualized growth rate. Surface and Commercial revenue are more directly controlled by staff efforts and can be a result of strategic action. Revenue growth can result from the activation or idling of additional property or finding creative ways to layer multiple revenue sources on a single property. Additionally, Surface and Commercial revenues are considerably less volatile than mineral revenues and actually express a negative correlation to oil and gas revenues, bringing further portfolio revenue diversification benefits.

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2017-18

Figure 1: Trust Revenues vs. Oil Price



Agricultural (dry land and irrigated crop) rents have seen measured growth during the past five years resulting in a five-year annual compound growth rate of 4.1%. Recent adjustment to the State Land Board’s lease rate formula to link agricultural land lease rates to regional crop prices drove these results.

Grazing revenues continued their strong performance during the past year, growing over 5%. Over a five year period, grazing revenues have grown 9% annually. Here, too, new grazing rates reflective of market prices drove the increase in revenues.

The State Land Board also saw revenue growth in several other surface lines of business during the past year. Recreation revenues grew 13.7% from the prior year. Total commercial revenue grew 35.4% as a result of 19% growth in commercial buildings revenue, 46.4% growth in ground lease revenue and 87% growth in renewable energy revenue.

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2017-18

Revenue by Source - FY 2017-18

MINERALS

In FY 2017-18, mineral revenues were \$103.5 million, a 9% increase from the prior fiscal year. Table 3 details mineral revenue results. The increase in revenue was driven by strong growth in both oil and gas royalties which more than compensated for lower growth in bonus revenues and coal royalties.

Oil and Gas

Combined oil and gas royalties increased from \$64.7 million in FY 2016-17 to \$81.2 million in FY 2017-18. Higher oil royalty revenues were due to oil prices recovering from the mid \$30's per barrel in August of 2017 to the upper \$50's by the end of FY 2017-18. While oil production volume from state trust land had been relatively flat over the previous two years, this year saw a 9% increase in production.

Gas royalties increased 21% to \$25 million in FY 2017-18. As opposed to oil prices, gas prices were relatively stable throughout the year so the increase was driven by increased production. Twenty three gas wells came on-line in October, and those wells were responsible for nearly the entire year-over-year growth in gas royalties. These 23 wells averaged a combined 16,000 mcf in monthly production.

Mineral Bonus

Prospective oil and gas lessees make one-time premium payments (bonus considerations) during the lease auction process to secure the right to explore geologically and geographically appealing places for oil and gas. Operators pay bonuses whether or not they ultimately develop the resources. If operators are successful in developing resources, bonuses are paid in addition to royalty payments outlined in mineral leases. The State Land Board earned \$15.3 million in bonus revenues in FY 2017-18.

Other Minerals

Coal royalties decreased substantially from \$6.7 million in FY 2016-17 to \$3.5 million in FY 2017-18. Coal royalties are dependent on one lease and its lessee's overarching plan to develop coal resources. State coal is part of a plan that encompasses additional federal and private coal resources, and as the operator moves production around their site, state resources may or may not be drawn upon.

Other hard rock and aggregate royalties were similar this year to last year.

Oil and Gas Rents

Table 3: Minerals Revenues
FY 2017-18

REVENUE	FY 2017-18	% Change from prior
MINERALS		
Oil Royalties	\$56,046,618	27.3%
Gas Royalties	\$25,154,539	21.4%
Coal Royalties	\$3,485,717	-47.9%
Limestone Royalties	\$696,124	0.1%
Other Mineral Royalties	\$407,318	0.2%
Gravel Royalties	\$625,167	0.2%
Bonus	\$15,343,624	-24.4%
Oil and Gas Rentals	\$1,296,410	9.4%
Other Mineral Rentals	\$80,053	-63.2%
Coal Rentals	\$74,026	28.3%
Gravel Rentals	\$19,394	-6.6%
Water	\$302,005	27.9%
TOTAL MINERALS	\$103,530,996	8.8%

Colorado State Board of Land Commissioners

Income & Inventory Report | FY 2017-18

Oil and gas rent revenue is a rate paid by petroleum producers for the acres of surface effected by exploration, production and transportation. Rent is paid annually for the entire term of the lease. Oil and gas rent revenue increased by more than \$100,000 in FY 2017-18 as a result of increasing activity in Colorado’s oil industry.

SURFACE

In FY 2017-18, total surface revenues were \$20.4 million, an increase of 19% over the prior fiscal year. The increases were broad based across most of the major asset classes. Table 4 provides details.

Agriculture

In FY 2017-18, agricultural (dry land and irrigated crop) rent was essentially flat. Moving forward, it is expected this category will show minimal growth in the absence of exceptional changes in agricultural commodity prices over a sustained period. Agricultural leases rates are tied to a 5-year moving average of commodity prices which dampens the effect of price swings in any single year.

Grazing

Grazing rent achieved another record high of \$8.8 million as a result of the multi-tier grazing rate formula introduced several years ago. 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 2017-18, right of way revenue was \$2.8 million, more than double the figure from last year. Two transactions alone combined to contribute nearly a million dollars to the increase.

Recreation revenue increased by 14% in FY 2017-18. This continues the recent strong growth in this line of business. Recreation revenue has grown from \$980,000 in FY 2013-14 to \$1.9 million in FY 2017-18, an 18.8% compound annual growth.

Surface Use Agreements (SUA) are payments for the use of surface state trust land for oil and gas development of state and non-state oil and gas resources, and can work in cooperation with rents mentioned previously. SUA revenues increased by over \$1 million in FY 2017-18 as a result of significant increases in per-lease rates.

Table 4: Surface Revenues
FY 2017-18

REVENUE	FY 2017-18	% Change from prior
SURFACE		
Agricultural Rental	\$3,866,369	-1.1%
Grazing Rental	\$8,826,661	5.7%
Other Surface Rental Income	\$1,425,348	5.5%
Recreation	\$1,951,707	13.7%
Right of Way	\$2,833,525	117.8%
SUA	\$1,559,502	211.6%
Timber Sales	\$2,049	-98.1%
Ecosystems	\$30,000	200.0%
TOTAL SURFACE	\$20,495,161	18.9%

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

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2017-18

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 2017-18 as detailed in Table 5.

Commercial Office (Vertical)

In FY 2017-18, commercial office revenue increased by 19% from the prior fiscal year. Several anticipated tenant improvements did not occur, decreasing budgeted expenses.

Ground and Tower Lease

Historically, four individual leases account for the majority of the revenue in the ground lease category. The increase in FY 2017-18 is due to the timing of two periodic lease payments totaling \$431,000. Separately, tower lease revenues are flat year over year.

Renewable Energy

Renewable Energy revenues grew 87% over the previous year as a result of two positive factors - additional leases and stronger rates per lease. Twenty new leases originated during the year, a 63% increase, and the average lease amount grew from \$30,000 to \$35,000 per lease.

Table 5: Commercial Revenues
FY 2017-18

REVENUE	FY 2017-18	% Change from prior
COMMERCIAL		
Vertical	\$3,530,976	19.2%
Ground Lease	\$1,495,940	46.4%
Tower Sites	\$359,828	-0.5%
Renewable Energy	\$1,791,986	87.4%
TOTAL COMMERCIAL	\$7,178,730	35.4%

INTEREST²

Interest revenues in FY 2017-18 grew by 69% from the previous year to \$579,818. Interest is generated from lease revenue and the proceeds of the sale of real estate held on deposit prior to those funds are distributed to beneficiaries.

² Interest earned on trust revenues prior to beneficiary distribution, only; does not include interest earned on the Permanent Fund.

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2017-18

TRUST DISTRIBUTIONS

The State Land Board is a cash funded agency, paying for its Legislature-allocated budget and statutorily permitted investments in asset management and improvements from operating revenue rather than tax funds. In FY 2017-18, trust distribution to trust beneficiaries net of expenses and investment totaled \$122 million or 93% of total trust revenues from the year. This proportion is similar to previous years, and is an 11% increase in dollars distributed in FY 2016-17. Table 6 details these results for each trust.

Table 6: Net Trust Distribution

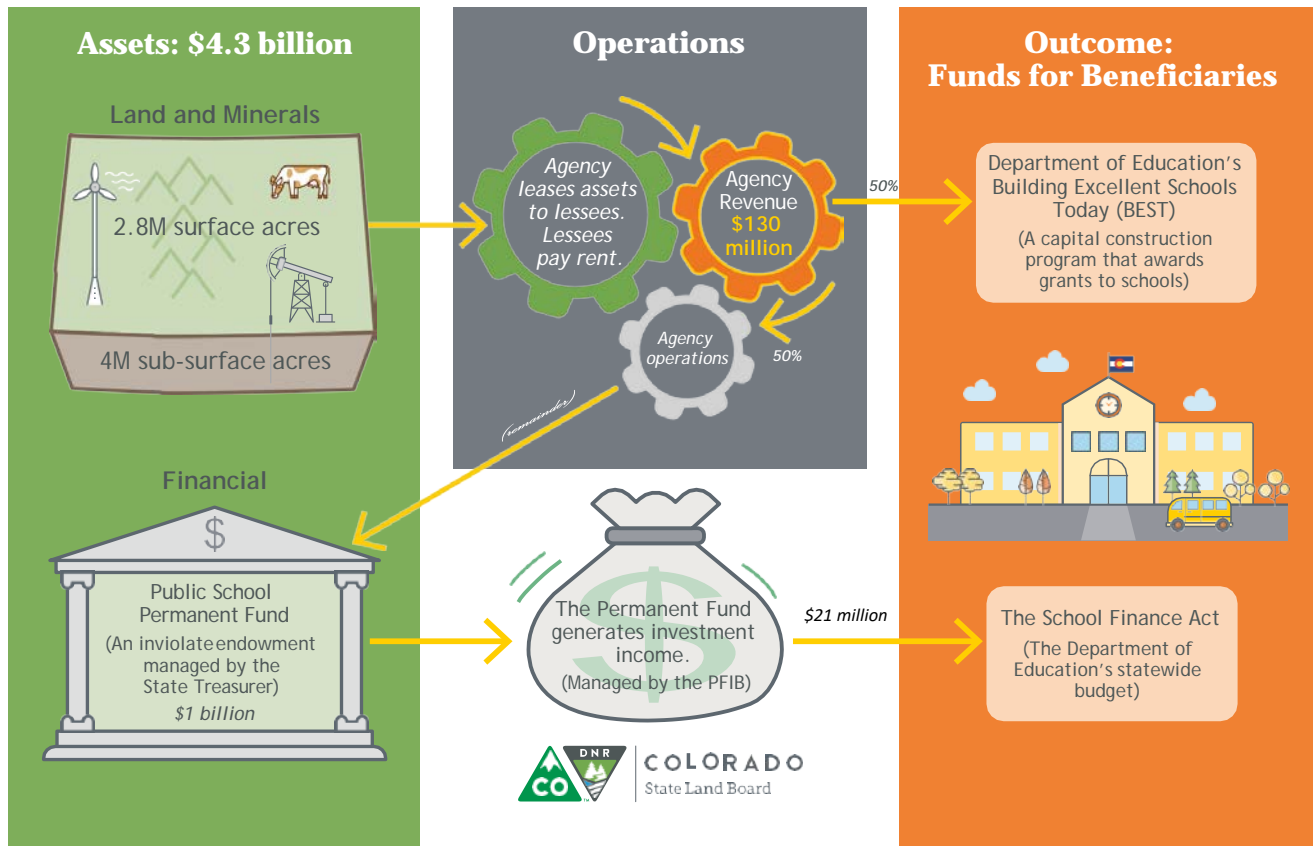
TRUST	BENEFICIARY	FY 2017-18 Trust Distributions
School Trust	Common Schools	\$120,426,094
CSU Trust	Colorado State University	708,351
Internal Improvements Trust	Colorado Parks and Wildlife	967,458
Public Buildings Trust	Public Buildings	39,881
Hesperus Trust	Fort Lewis College	11,536
Penitentiary Trust	Colorado Department of Corrections	16,722
CU Trust	University of Colorado	58,654
Saline Trust	Colorado Parks and Wildlife	40,227
Forest	Multiple	44,259
TOTAL TRUST DISTRIBUTIONS		\$122,313,182

SCHOOL TRUST

In FY 2017-18, School Trust gross revenues were \$155 million, of which \$130 million was earned by the State Land Board leases and \$25 million was interest income earned on the Public School Permanent Fund managed by the State Treasurer’s Office. **Figure 2**, below, provides context for the flow of funds to the Permanent Fund, BEST and the School Finance Act (SFA). **Table 7**, below, details how statutes determine the use of these revenues. State Land Board activities and Permanent Fund interest income (net of \$21 million supporting the SFA) resulted in a \$60 million deposit to the Permanent Fund. Additional tax revenue from non-State Land Board sources brought the total FY 2017-18 deposit to the Permanent Fund to \$88 million. The balance of the Permanent Fund exceeded \$1 billion for the first time this year.

Figure 2: School Trust Revenue Flow Chart

Current State Land Board Revenue Flow to Schoolchildren (FY 17–18)



Colorado State Board of Land Commissioners Income & Inventory Report | FY 2017-18

Table 7: School Trust Revenue Distribution

	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	5 Year Total
SCHOOL TRUST REVENUES						
Surface & Commercial	17,731,784	19,887,074	23,167,395	22,507,446	27,575,944	110,869,643
Minerals Revenues	154,103,595	165,866,645	107,694,000	94,494,716	102,213,539	624,372,496
Non-Reinvested Land Sales	-	3,750,892	5,302,996	1,354,697	-	10,408,585
TOTAL SLB Revenues	171,835,379	189,504,612	136,164,391	118,356,860	129,789,483	745,650,724
Permanent Fund Interest Income	21,610,649	22,448,806	22,486,730	21,260,018	25,536,748	113,342,951
TOTAL SCHOOL TRUST REVENUES	193,446,028	211,953,418	158,651,121	139,616,878	155,326,231	858,993,675
SCHOOL TRUST USES						
SLB Operating Expense (Long Bill)	5,332,877	6,379,960	6,602,080	6,335,219	6,863,388	31,513,525
SLB I&D Fund	-	5,000,000	-	3,977,531	2,500,000	11,477,531
TOTAL SLB Uses	5,332,877	11,379,960	6,602,080	10,312,750	9,363,388	42,991,056
BEST Allocation (50% of SLB Revenues)	85,917,690	92,876,860	65,430,698	58,501,081	64,894,741	367,621,070
School Finance Act (SLB Revs after BEST&SLB Uses)	-	-	-	-	-	-
School Finance Act (Interest on Perm Fund)	16,000,000	16,000,000	21,000,000	21,000,000	21,000,000	95,000,000
Total Education Uses	101,917,690	108,876,860	86,430,698	79,501,081	85,894,741	462,621,070
Permanent Fund Deposit	86,195,461	91,696,598	65,618,344	49,803,046	60,068,101	353,381,550
TOTAL SCHOOL TRUST USES	193,446,028	211,953,418	158,651,121	139,616,878	155,326,231	858,993,675
Tax Revenue (Section 39-28.8-305(1)(b), C.R.S.)	-	-	2,450,958	31,558,384	27,752,967	61,762,309
Permanent Fund Balance (as of June 30th)	727,182,813	817,637,532	885,548,293	966,909,723	1,054,730,791	

INVENTORY

On June 30, 2018, the State Land Board held in trust 2.8 million surface acres of land and 4.0 million subsurface acres of mineral rights. Table 8 shows the acreage held by each trust.

Table 8: Trust Inventory at June 30, 2018

TRUST	Surface	Subsurface
School	2,617,597	3,842,760
Multi-Beneficiary (Forest)	70,348	70,308
Internal Improvements	46,140	126
CSU	19,127	42,572
Saline	10,600	350
Penitentiary	6,800	9,912
Hesperus	6,279	6,279
Univ of Colorado	3,399	11,592
Other Trust	11	1
Public Buildings	15	6,199
Total	2,780,316	3,990,099

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2017-18

EXHIBITS:

Exhibit 1 - Income Statements by Trust

An income statement for the total of all trusts is presented, followed by income statements for each trust. These income statements are compiled on a cash basis.

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2017-18

Exhibit 1 - Income Statements by Trust

Income Statement					
Colorado State Board of Land Commissioners					
ALL TRUSTS					
For FY 2013-14 to FY 2017-18					
Cash Basis					
REVENUE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
MINERALS					
Oil Royalties	\$76,606,584	\$79,241,180	\$42,071,794	\$44,023,788	\$56,046,618
Gas Royalties	\$23,469,305	\$26,126,529	\$17,481,817	\$20,714,628	\$25,154,539
Coal Royalties	\$184,674	\$4,960,238	\$2,217,239	\$6,684,270	\$3,485,717
Limestone Royalties	\$805,107	\$917,260	\$800,886	\$695,377	\$696,124
Other Mineral Royalties	\$516,649	\$2,361,934	\$491,736	\$406,371	\$407,318
Sand and Gravel Royalties	\$722,921	\$592,107	\$761,652	\$624,185	\$625,167
Bonus	\$50,038,376	\$50,700,406	\$42,675,252	\$20,292,014	\$15,343,624
Oil and Gas Rentals	\$2,348,291	\$1,970,488	\$1,616,604	\$1,185,520	\$1,296,410
Other Mineral Rentals	\$325,481	\$62,659	\$77,667	\$217,404	\$80,053
Coal Rentals	\$69,844	\$59,634	\$61,554	\$57,714	\$74,026
Gravel Rentals	\$20,619	\$24,658	\$22,921	\$20,774	\$19,394
Water	\$99,247	\$134,423	\$103,219	\$236,180	\$302,005
TOTAL MINERALS	\$155,207,099	\$167,151,516	\$108,382,341	\$95,158,225	\$103,530,996
SURFACE					
Agricultural Rental	\$3,168,492	\$3,657,610	\$3,876,351	\$3,908,112	\$3,866,369
Grazing Rental	\$5,687,364	\$6,570,484	\$7,850,888	\$8,348,545	\$8,826,661
Other Surface Rental Income	\$1,338,616	\$1,771,424	\$1,609,849	\$1,351,048	\$1,425,348
Recreation	\$1,024,853	\$1,330,075	\$1,649,409	\$1,717,003	\$1,951,707
Right of Way	\$1,351,680	\$1,802,261	\$2,348,797	\$1,301,113	\$2,833,525
SUA	\$653,110	\$522,743	\$751,396	\$500,447	\$1,559,502
Land /Timber Sales	\$104,616	\$73,553	\$44,555	\$106,526	\$2,049
Ecosystems	\$15,469	\$3,200	\$3,200	\$10,000	\$30,000
TOTAL SURFACE	\$13,366,687	\$15,759,020	\$18,157,566	\$17,242,793	\$20,495,161
COMMERCIAL					
Vertical	\$2,745,932	\$2,099,478	\$2,372,291	\$2,962,950	\$3,530,976
Ground Lease	\$1,038,490	\$745,110	\$897,290	\$1,022,149	\$1,495,940
Tower Sites	\$346,549	\$302,614	\$390,892	\$361,809	\$359,828
Renewable Energy	\$683,974	\$650,134	\$801,217	\$956,440	\$1,791,986
TOTAL COMMERCIAL	\$4,814,944	\$3,797,336	\$4,461,690	\$5,303,349	\$7,178,730
INTEREST INCOME	\$214,791	\$896,062	\$971,809	\$343,270	\$579,818
NON-REINVESTED LAND SALES	\$0	\$3,750,892	\$5,302,996	\$1,354,697	\$0
TOTAL REVENUE	\$173,603,521	\$191,354,826	\$137,276,402	\$119,402,334	\$131,784,706
GENERAL/ADMINISTRATIVE					
Operating Expenses	7,064,903	6,449,210	6,654,083	6,394,613	6,971,524
TOTAL GENERAL/ADMINISTRATIVE	\$7,064,903	\$6,449,210	\$6,654,083	\$6,394,613	\$6,971,524
OPERATING EXPENSES	\$7,064,903	\$6,449,210	\$6,654,083	\$6,394,613	\$6,971,524
NET INCOME (LOSS)	\$166,538,618	\$184,905,617	\$130,622,319	\$113,007,722	\$124,813,182
Fund Transfers	\$0	\$5,000,000	\$0	\$3,977,531	\$2,500,000
Adjustments	-	-	-	-	-
TOTAL TRUST DISTRIBUTION	\$166,538,618	\$179,905,617	\$130,622,319	\$109,030,191	\$122,313,182

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2017-18

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners

SCHOOL TRUST

For FY 2013-14 to FY 2017-18

Cash Basis

REVENUE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
MINERALS					
Oil Royalties	\$76,590,867	\$79,232,652	\$42,068,114	\$44,021,047	\$55,555,887
Gas Royalties	\$22,395,761	\$25,125,479	\$16,818,078	\$20,071,998	\$24,336,613
Coal Royalties	\$184,674	\$4,960,238	\$2,217,239	\$6,684,270	\$3,485,717
Limestone Royalties	\$804,787	\$917,260	\$800,886	\$695,377	\$696,124
Other Mineral Royalties	\$516,649	\$2,361,934	\$491,736	\$406,371	\$407,318
Sand and Gravel Royalties	\$722,921	\$592,107	\$761,652	\$624,185	\$625,167
Bonus	\$50,038,216	\$50,445,063	\$42,672,837	\$20,292,014	\$15,343,624
Oil and Gas Rentals	\$2,337,540	\$1,959,990	\$1,609,695	\$1,177,650	\$1,291,841
Other Mineral Rentals	\$325,481	\$62,659	\$77,667	\$217,404	\$80,053
Coal Rentals	\$66,831	\$59,634	\$61,554	\$57,714	\$74,026
Gravel Rentals	\$20,619	\$24,658	\$22,921	\$20,774	\$19,394
Water	\$99,247	\$124,971	\$91,621	\$225,912	\$297,775
TOTAL MINERALS	\$154,103,595	\$165,866,645	\$107,694,000	\$94,494,716	\$102,213,539.13
SURFACE					
Agricultural Rental	\$3,153,130	\$3,642,248	\$3,860,989	\$3,892,493	\$3,851,007
Grazing Rental	5,536,918	6,390,765	7,669,811	\$8,185,204	\$8,662,967
Other Surface Rental Income	1,320,607	1,711,745	1,618,643	\$1,288,406	\$1,278,446
Recreation	974,204	1,261,974	1,557,277	\$1,643,592	\$1,876,123
Right of Way	1,351,454	1,782,549	2,348,797	\$1,293,847	\$2,821,269
SUA	652,125	522,743	751,396	\$500,447	\$1,559,502
Land /Timber Sales	86,250	58,558	32,431	\$79,120	\$1,675
Ecosystems	15,469	3,200	3,200	\$5,500	\$28,000
TOTAL SURFACE	\$13,090,157	\$15,373,782	\$17,842,544	\$16,888,609	\$20,078,988
COMMERCIAL					
Vertical	\$2,387,895	\$1,945,310	\$2,286,107	\$2,962,950	\$3,305,976
Ground Lease	\$1,038,062	\$745,110	\$896,314	\$1,022,149	\$1,495,940
Tower Sites	\$346,549	\$302,614	\$390,892	\$361,809	\$359,828
Renewable Energy	\$683,974	\$644,534	\$799,217	\$952,600	\$1,791,986
TOTAL COMMERCIAL	\$4,456,480	\$3,637,567	\$4,372,530	\$5,299,509	\$6,953,730
INTEREST INCOME	\$185,148	\$875,725	\$952,322	\$319,329	\$543,225
NON-REINVESTED LAND SALES	\$0	\$3,750,892	\$5,302,996	\$1,354,697	\$0
TOTAL REVENUE	\$171,835,380	\$189,504,612	\$136,164,391	\$118,356,860	\$129,789,483
OPERATING EXPENSES	\$6,985,645	\$6,379,960	\$6,602,080	\$6,335,219	\$6,863,388
NET INCOME (LOSS)	\$164,849,734	\$183,124,652	\$129,562,312	\$112,021,641	\$122,926,094
DISTRIBUTIONS					
Fund Transfers	\$0	\$5,000,000	\$0	\$3,977,531	\$2,500,000
Adjustments	-	-	-	\$0	\$0
TOTAL TRUST DISTRIBUTION	\$164,849,734	\$178,124,652	\$129,562,312	\$108,044,110	\$120,426,094

Colorado State Board of Land Commissioners
Income & Inventory Report | FY 2017-18

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners
CSU TRUST
For FY 2013-14 to FY 2017-18
Cash Basis

REVENUE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
MINERALS					
Oil Royalties	\$4,347	-	\$51	\$10	-
Gas Royalties	1,061,309	991,249	660,800	638,740	663,293
Coal Royalties	-	-	-	-	-
Limestone Royalties	320	-	-	-	-
Other Mineral Royalties	-	-	-	-	-
Sand and Gravel Royalties	-	-	-	-	-
Bonus	160	-	-	-	-
Oil and Gas Rentals	7,074	6,674	4,540	4,540	2,440
Other Mineral Rentals	-	-	-	-	-
Coal Rentals	-	-	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	-	-	-	-
TOTAL MINERALS	\$1,073,210	\$997,923	\$665,391	\$643,290	\$665,733
SURFACE					
Agricultural Rental	\$2,740	\$2,740	\$2,740	\$2,740	\$2,740
Grazing Rental	16,186	31,249	41,620	34,228	37,869
Other Surface Rental Income	6,726	11,241	2,181	19,037	24,559
Recreation	10,333	13,340	15,618	15,281	14,480
Right of Way	-	-	-	928	-
SUA	12	-	-	-	-
Land /Timber Sales	3,877	2,941	1,422	3,140	54
Ecosystems	-	-	-	-	-
TOTAL SURFACE	\$39,874	\$61,512	\$63,582	\$75,355	\$79,703
COMMERCIAL					
Vertical	\$1,581	\$0	\$0	\$0	-
Ground Lease	-	-	125	-	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	\$1,581	\$0	\$125	\$0	\$0
INTEREST INCOME	\$1,650	\$2,183	\$2,110	\$2,701	\$3,328
TOTAL REVENUE	\$1,116,315	\$1,061,618	\$731,207	\$721,346	\$748,765
OPERATING EXPENSES	\$44,399	\$37,584	\$37,534	\$41,688	\$40,414
NET INCOME (LOSS)	\$1,071,916	\$1,024,034	\$693,673	\$679,657	\$708,351

Colorado State Board of Land Commissioners
Income & Inventory Report | FY 2017-18

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners
INTERNAL IMPROVEMENTS TRUST

For FY 2013-14 to FY 2017-18
Cash Basis

REVENUE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
MINERALS					
Oil Royalties	\$2,767	\$3,658	\$1,649	\$533	\$488,588
Gas Royalties	2,791	2,987	1,188	541	150,832
Coal Royalties	-	-	-	-	-
Limestone Royalties	-	-	-	-	-
Other Mineral Royalties	-	-	-	-	-
Sand and Gravel Royalties	-	-	-	-	-
Bonus	-	147,983	-	-	-
Oil and Gas Rentals	42	289	290	290	290
Other Mineral Rentals	-	-	-	-	-
Coal Rentals	-	-	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	-	-	-	-
TOTAL MINERALS	\$5,599	\$154,917	\$3,126	\$1,363	\$639,709
SURFACE					
Agricultural Rental	-	-	-	-	-
Grazing Rental	65,022	69,823	78,144	79,338	76,207
Other Surface Rental Income	2,241	21,448	2,704	13,349	44,750
Recreation	21,585	28,785	36,115	31,162	32,388
Right of Way	-	-	-	1,958	-
SUA	955	-	-	-	-
Land /Timber Sales	9,214	8,556	3,762	8,956	115
Ecosystems	-	-	-	4,000	2,000
TOTAL SURFACE	\$99,017	\$128,612	\$120,725	\$138,763	\$155,460
COMMERCIAL					
Vertical	356,456	154,168	86,184	-	225,000
Ground Lease	-	-	263	-	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	5,600	2,000	3,840	-
TOTAL COMMERCIAL	\$356,456	\$159,768	\$88,447	\$3,840	\$225,000
INTEREST INCOME	\$533	\$1,118	\$695	\$461	\$2,345
TOTAL REVENUE	\$461,606	\$444,415	\$212,993	\$144,427	\$1,022,514
OPERATING EXPENSES	\$23,190	\$18,272	\$7,836	\$6,153	\$55,056
NET INCOME (LOSS)	\$438,416	\$426,143	\$205,158	\$138,274	\$967,458

Colorado State Board of Land Commissioners
Income & Inventory Report | FY 2017-18

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners
PUBLIC BUILDINGS TRUST
For FY 2013-14 to FY 2017-18
Cash Basis

REVENUE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
MINERALS					
Oil Royalties	\$8,603	\$4,871	\$1,981	\$2,198	\$2,143
Gas Royalties	9,444	6,814	1,750	3,349	3,802
Coal Royalties	-	-	-	-	-
Limestone Royalties	-	-	-	-	-
Other Mineral Royalties	-	-	-	-	-
Sand and Gravel Royalties	-	-	-	-	-
Bonus	-	104,160	2,415	-	-
Oil and Gas Rentals	1,560	1,960	2,080	2,240	1,840
Other Mineral Rentals	-	-	-	-	-
Coal Rentals	12	-	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	9,452	11,598	10,269	4,230
TOTAL MINERALS	\$19,619	\$127,257	\$19,824	\$18,055	\$12,015
SURFACE					
Agricultural Rental	-	-	-	-	-
Grazing Rental	10,439	-	-	-	-
Other Surface Rental Income	-	-	600	-	-
Recreation	-	-	-	-	-
Right of Way	-	-	-	-	-
SUA	-	-	-	-	-
Land /Timber Sales	500	-	-	-	-
Ecosystems	-	-	-	-	-
TOTAL SURFACE	\$10,939	\$0	\$600	\$0	\$0
COMMERCIAL					
Vertical	-	-	-	-	-
Ground Lease	-	-	-	-	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	-	-	-	-	-
INTEREST INCOME	\$27,282	\$16,941	\$16,429	\$20,305	\$30,287
TOTAL REVENUE	\$57,840	\$144,197	\$36,853	\$38,361	\$42,303
OPERATING EXPENSES	\$2,496	\$6,500	\$1,803	\$2,213	\$2,422
NET INCOME (LOSS)	\$55,344	\$137,697	\$35,050	\$36,147	\$39,881

Colorado State Board of Land Commissioners
Income & Inventory Report | FY 2017-18

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners

HESPERUS TRUST

For FY 2013-14 to FY 2017-18

Cash Basis

REVENUE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
MINERALS					
Oil Royalties	-	-	-	-	-
Gas Royalties	-	-	-	-	-
Coal Royalties	-	-	-	-	-
Limestone Royalties	-	-	-	-	-
Other Mineral Royalties	-	-	-	-	-
Sand and Gravel Royalties	-	-	-	-	-
Bonus	-	-	-	-	-
Oil and Gas Rentals	775	775	-	-	-
Other Mineral Rentals	-	-	-	-	-
Coal Rentals	2,500	-	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	-	-	-	-
TOTAL MINERALS	\$3,275	\$775	\$0	\$0	\$0
SURFACE					
Agricultural Rental	-	-	-	-	-
Grazing Rental	19,406	37,678	9,352	3,862	-
Other Surface Rental Income	-	6,060	-	-	-
Recreation	-	-	-	-	-
Right of Way	-	-	-	-	12,256
SUA	-	-	-	-	-
Land /Timber Sales	251	61	52	-	12
Ecosystems	-	-	-	-	-
TOTAL SURFACE	\$19,657	\$43,799	\$9,404	\$3,862	\$12,268
COMMERCIAL					
Vertical	-	-	-	-	-
Ground Lease	-	-	-	-	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	\$0	\$0	\$0	\$0	\$0
INTEREST INCOME	\$25	\$44	\$40	\$174	\$48
TOTAL REVENUE	\$22,957	\$44,618	\$9,444	\$4,036	\$12,316
OPERATING EXPENSES	\$3,470	\$1,611	\$371	\$2,182	\$780
NET INCOME (LOSS)	\$19,487	\$43,007	\$9,073	\$1,855	\$11,536

Colorado State Board of Land Commissioners
Income & Inventory Report | FY 2017-18

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners
PENITENTIARY TRUST
For FY 2013-14 to FY 2017-18
Cash Basis

REVENUE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
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	501	-	-	-	-
Gravel Rentals	-	-	-	-	-
Water	-	-	-	-	-
TOTAL MINERALS	\$1,801	\$4,000	\$0	\$800	\$0
SURFACE					
Agricultural Rental	\$0	\$0	\$0	\$0	\$0
Grazing Rental	7,115	7,589	8,278	8,959	9,076
Other Surface Rental Income	-	500	100	25	150
Recreation	5,479	7,928	8,021	8,256	8,490
Right of Way	-	19,712	-	-	-
SUA	-	-	-	-	-
Land /Timber Sales	-	5	26	-	-
Ecosystems	-	-	-	-	-
TOTAL SURFACE	\$12,595	\$35,734	\$16,426	\$17,240	\$17,716
COMMERCIAL					
Vertical	-	-	-	-	-
Ground Lease	-	-	-	-	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	-	-	-	-	-
INTEREST INCOME	\$10	\$0	\$40	\$60	\$74
TOTAL REVENUE	\$14,406	\$39,734	\$16,466	\$18,100	\$17,790
OPERATING EXPENSES	\$778	\$1,428	\$647	\$916	\$1,068
NET INCOME (LOSS)	\$13,628	\$38,306	\$15,819	\$17,184	\$16,722

Colorado State Board of Land Commissioners Income & Inventory Report | FY 2017-18

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners

CU TRUST

For FY 2013-14 to FY 2017-18

Cash Basis

REVENUE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
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	\$12,622	12,622	12,622	12,879	12,622
Grazing Rental	17,794	16,128	20,235	18,814	18,144
Other Surface Rental Income	9,043	13,605	7,686	9,419	29,329
Recreation	593	653	4,813	603	1,607
Right of Way	-	-	-	1,082	-
SUA	17	-	-	-	-
Land /Timber Sales	4,523	3,431	1,659	3,664	-
Ecosystems	-	-	-	-	-
TOTAL SURFACE	\$44,593	\$46,439	\$47,015	\$46,461	\$61,701
COMMERCIAL					
Vertical	-	-	-	-	-
Ground Lease	428	-	145	-	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	\$428	\$0	\$0	\$0	\$0
INTEREST INCOME	\$106	\$0	\$94	\$123	\$274
TOTAL REVENUE	\$45,128	\$46,439	\$47,109	\$46,584	\$61,975
OPERATING EXPENSES	\$2,305	\$1,672	\$1,684	\$1,974	\$3,321
NET INCOME (LOSS)	\$42,823	\$44,768	\$45,425	\$44,610	\$58,654

Colorado State Board of Land Commissioners
Income & Inventory Report | FY 2017-18

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners
SALINE TRUST
For FY 2013-14 to FY 2017-18
Cash Basis

REVENUE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
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	14,483	17,252	17,027	18,139	22,399
Other Surface Rental Income	-	6,824	-	1,418	1,653
Recreation	12,658	17,395	17,599	18,109	18,619
Right of Way	226	-	-	-	-
SUA	-	-	-	-	-
Land /Timber Sales	-	-	149	480	-
Ecosystems	-	-	-	500	-
TOTAL SURFACE	\$27,367	\$41,472	\$34,774	\$38,646	\$42,670
COMMERCIAL					
Vertical	-	-	-	-	-
Ground Lease	-	-	-	-	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	\$0	\$0	\$0	\$0	\$0
INTEREST INCOME	\$18	\$49	\$43	\$41	\$125
TOTAL REVENUE	\$27,385	\$41,521	\$34,817	\$38,687	\$42,795
OPERATING EXPENSES	\$1,480	\$1,183	\$1,294	\$1,958	\$2,568
NET INCOME (LOSS)	\$25,905	\$40,337	\$33,524	\$36,729	\$40,227

Colorado State Board of Land Commissioners
Income & Inventory Report | FY 2017-18

Exhibit 1 - Income Statements by Trust

Income Statement

Colorado State Board of Land Commissioners
FOREST (Jackson/Larimer)
For FY 2013-14 to FY 2017-18
Cash Basis

REVENUE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
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	46,461
Recreation	-	-	9,965	-	-
Right of Way	-	-	-	3,298	-
SUA	-	-	-	-	-
Land /Timber Sales	-	-	5,055	11,166	193
Ecosystems	-	-	-	-	-
Jackson/Larimer	22,487	27,670	18,030	-	-
TOTAL SURFACE	\$22,487	\$27,670	\$22,642	\$33,857	\$46,654
COMMERCIAL					
Vertical	-	-	-	-	-
Ground Lease	-	-	443	-	-
Tower Sites	-	-	-	-	-
Renewable Energy	-	-	-	-	-
TOTAL COMMERCIAL	\$0	\$0	\$443	\$0	\$0
INTEREST INCOME	\$19	\$2	\$36	\$77	\$111
TOTAL REVENUE	\$22,506	\$27,672	\$23,121	\$33,934	\$46,766
TOTAL OPERATING EXPENSES - Allocated	\$1,139	\$999	\$835	\$2,309	\$2,507
NET INCOME (LOSS)	\$21,367	\$26,673	\$22,286	\$31,624	\$44,259