

2000-2002

SIXTY-THIRD BIENNIAL REPORT



***BOARD OF
EDUCATIONAL LANDS
AND FUNDS***

GOVERNOR MIKE JOHANNIS

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BOARD OF EDUCATIONAL LANDS AND FUNDS

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L. JAY GILDERSLEEVE
General Counsel
Minerals Director
Deputy Director



ROXANNE SUESZ
CINDY S. H. KEHLING
Executive Assistants
LAURA B. BARR-FREW
Minerals Administrator

LETTER OF TRANSMITTAL

September 30, 2002

The Honorable Mike Johanns
Governor of Nebraska
State Capitol
Lincoln, Nebraska 68509

Dear Governor Johanns:

On behalf of the Board of Educational Lands and Funds, I am pleased to submit this 63rd Biennial Report of its administration of Nebraska's School Trust Lands from July 1, 2000, through June 30, 2002.

This report reflects the broad scope of activity and the extensive responsibility of the Board and its staff in managing the nearly 1.43 million acres of Educational Trust Lands.

Total K-12 School Trust Income for the Biennium was \$66,331,34.29. All School Trust Funds are invested exclusively by the Nebraska Investment Council.

Respectfully submitted,

L. Jay Gildersleeve
For The Board

**ORGANIZATION AND PERSONNEL
BOARD OF EDUCATIONAL LANDS AND FUNDS**

BOARD MEMBERS

TERM EXPIRES

Richard L. Powell, Lincoln, NE	1st District	Oct. 1, 2006
Robert M. Martin, Omaha, NE	2nd District	Oct. 1, 2002
DeMarus Carlson, Crofton, NE	3rd District	Oct. 1, 2003
M. Jane Keller, Bassett, NE	4th District	Oct. 1, 2004
Charles Ward, Valentine, NE	At Large	Oct. 1, 2005

PROFESSIONAL PERSONNEL

L. Jay Gildersleeve	General Counsel, Minerals Director, and Deputy Director
Cindy S.H. Kehling	Executive Assistant
Roxanne E. Suesz	Executive Assistant
Laura B. Bahr-Frew	Minerals Administrator
Donita S. From	Accounts Payable
Vicki J. Norton	Land Acreage Records
Ann C. Poland	Administrative Assistant
Heidi J. Schmidt	Accounts Receivable
Michelle L. Trojan	Administrative Secretary
Kathy J. Wright	Data Processing
Ronald J. Vance	Field Supervisor
Daryl Cisney	Field Representative
Mark Cooper	Field Representative
Cort Dewing	Field Representative
Rusty Fritz	Field Representative
John Grint	Field Representative
Martin Olson	Field Representative
Pat Speirs	Field Representative
John Wurdeman	Field Representative
Bob Schwartzkopf	Noxious Weed Supervisor
Larry Kelley	Noxious Weed Specialist
James R. Janda	Student Intern

OFFICE OF THE STATE SURVEYOR

James L. Brown	State Surveyor
Steven C. Cobb	Deputy Surveyor
Gene A. Thomsen	Deputy Surveyor - Dept. of Roads
Kathleen Martin	Administrative Assistant
Douglas D. Mowery	Draftsman II
John E. Beran	GEO Mapping Specialist
Clay Buell	GEO Mapping Specialist
Charlene Estes	Data Entry Operator

THE BOARD OF EDUCATIONAL LANDS AND FUNDS

In the Enabling Act of Congress passed April 19, 1864, pursuant to which Nebraska became a State on March 1, 1867, and as a condition of statehood, the federal government granted generally every section 16 and 36 in each township in Trust for the support of Nebraska's common (K-12 public) schools. The Trust nature, conditions and obligations of this grant are reflected in Article VII, Sections 6, 7, 8 and 9 of the Nebraska Constitution and have been recited in numerous decisions of the Nebraska Supreme Court including, for example, *State ex rel. Ebke v. Board of Educational Lands and Funds*, 154 Neb. 244 (1951).

Nearly 2.9 million acres have been acquired in Trust for the support of Nebraska's K-12 public schools and about 1.47 million of these acres have been sold to private sector owners. Approximately 85% of the deeded acres were conveyed pursuant to cash sales, or contractual purchase rights vested in the buyers, prior to 1900 and several decades before the Board of Educational Lands and Funds came into existence. In accordance with Article VII, Sections 7 and 8 of the Nebraska Constitution, the proceeds from all sales comprise part of the Permanent School Trust Fund and all school trust funds are invested exclusively by the Nebraska Investment Council.

The Board of Educational Lands and Funds is now the Constitutionally established Trustee of Nebraska's School Trust Lands. The Board consists of five members, four from Nebraska's congressional districts as they existed on January 1, 1961, and one at large, appointed by the Governor and confirmed by the Legislature to rotating five year terms. Once appointed to the Board, its members are independent Trustees who manage the Board's activities and conduct its business operations in a totally non-partisan and non-political manner. The Board is governed entirely by trust law and its Trustee members are legally bound to fulfill exclusively the Trust duties of maximizing the income and preserving the assets of the School Trust for the benefit of the State and its citizens.

The Board meets monthly and its members receive compensation of \$40 per day, plus reimbursement for their necessary expenses, for each day they are actually engaged in performing the duties of their office. The Board's Biennial Report is published during even numbered years and supplemented by its report published in the Nebraska Blue Book during odd numbered years.

The primary duty of the Board is to manage the nearly 1.43 million acres of land now held in Trust for Nebraska's K-12 public schools and in fulfilling this duty the Board serves as both land owner and land manager.

In its capacity as land owner, the Board makes expenditures for maintenance, conservation and improvement of the land under its care and a substantial portion of its budget each year is dedicated to these purposes. In its capacity as land manager, the Board issues and services both surface leases, primarily for agricultural uses, and subsurface leases permitting exploration for and extraction of oil and gas, minerals and other natural resources. The Board currently establishes and collects rentals on, issues and manages approximately 3,500 leases. Sales and trades of School Trust land are also discretionary with the Board.

The primary sources of revenue generated from Nebraska's School Trust Lands are rental and bonus for agricultural leases and rental, bonus and royalty for minerals leases. Analysis using valuation data of the University of Nebraska, Department of Agricultural Economics, established that Nebraska's K-12 School Trust Lands had a current market value of approximately \$392.0 million for 1.445 million acres as of June 30, 2001, and \$403.6 million for 1.429 million acres as of June 30, 2002. The total agricultural rent established by the Board for that land was approximately \$20.7 million effective January 1, 2002, and will be approximately \$20.8 million effective January 1, 2003.

Effective January 1, 2001, certain leased public property became taxable to the leaseholder (lessee) as if it were owned by the lessee. The Board has chosen to voluntarily pay these taxes and collect them from the lessees as part of the rent. Also effective as of January 1, 2001, the in lieu of tax payments which have been distributed for many years, to prevent revenue losses to the districts in which School Trust Land is located, are now made only with respect to those parcels which are tax exempt. Pursuant to Article VII, Section 9 of the Nebraska Constitution, the net income of the School Trust remaining after these tax and in lieu of tax payments have been made is distributed to Nebraska's K-12 public schools statewide, including the school districts where School Trust Land is located, on a per pupil basis each year.

The Board and its staff are firmly committed to maximizing the income and preserving the assets of the School Trust for the benefit of Nebraska and its citizens. In pursuit of these goals, every effort is made to manage and conduct the Board's business operations on the profit motive patterned as closely as possible on business operations conducted by the most efficient enterprises in the private sector. The Board and its staff believe this business-like approach will make possible the continued successful pursuit of the Trust objectives.

OFFICE OF THE STATE SURVEYOR

The laws of 1903 required the Board of Educational Lands and Funds to appoint a State Surveyor and allowed them to appoint deputy surveyors as the need arose. These same statutes prescribed several duties to be performed by the State Surveyor. Many of these original duties are still required and direct the operations of the State Surveyor's Office. Among these duties prescribed by the laws of 1903 are:

- (1) Take charge under the supervision of the Board of the filed notes, maps, charts and records of the United States surveys.

A library consisting of these notes and plats is maintained in the Surveyor's Office. This material is made available to the public and copies provided upon payment of appropriate fees.

- (2) Prepare and issue, under the authority and direction of the Board, a circular of instruction to county surveyors.

Acting under this directive the office last provided a complete set of instructions in 1914. Since that time the office has issued instructions on specific items. The current directives issued to county surveyors are initiated based upon requests from individual county surveyors or registered land surveyors in private practice.

- (3) In case of any dispute among owners of and arising for or by reason of any survey of boundaries of lands within this state, or in case of dispute or disagreement between surveyors as to said surveys or boundaries, the same shall be referred to the State Surveyor for settlement. He is hereby appointed as arbitrator to settle and determine such disputes or disagreements as to said surveys and boundaries and his decision shall be prima facie evidence of the correctness thereof.

These disputes and requests for surveys have resulted in approximately 2,000 State application resurveys. In many cases the disputes can be resolved without resurvey by use of advice and opinion on surveying issued by the office.

- (4) Perform such other duties as may be prescribed by the Board.

The office reviews all transfers of educational trust land and gives opinions on the adequacy of the descriptions for trades, sales, and condemnations. Upon completion of the transfers the staff supervises changes in the abstract and provides the Board's field personnel with plats showing the revised property. Drafting, charts, graphs and court exhibits are also provided to the Board upon request.

- (5) The Board may, when in its judgment there is need, appoint one or more competent experienced deputy land surveyors.

The Legislature has added duties to this original list from time to time. Some of these additional duties have continued to the present time. Among these added duties are:

- (1) In 1961 the Legislature passed a resolution which resulted in a U.S. Supreme Court case on the boundary between Nebraska and Iowa. The case was decided in 1973 but problems on the boundary still persist as evidenced by further resolutions. The result of these actions has been the accumulation of a library of approximately 20,000 documents filed in the Office of the State Surveyor. The State Surveyor serves on the Joint Boundary Commission.
- (2) In 1982 the Legislature created the State Survey Record Repository in the Office of the State Surveyor. This repository will receive copies of most land surveys performed in the state. The office must microfilm and file these surveys and provide copies upon request. The Survey Record Repository contains approximately 194,000 documents as of this report.
- (3) In 1991 the Legislature created the G.I.S. Steering Committee. The State Surveyor serves as a member of this Committee and is currently Chair.
- (4) In 1998 the Legislature created the Nebraska Information Technology Commission. The State Surveyor's Office is to provide technical assistance, support and advice to the various counties, cities and other governmental bodies in Nebraska in their endeavors to produce and maintain cadastral or other geo-referenced maps.

These duties, combined with the general governmental responsibility to provide service and information to the public, provide the basis for the operation of the State Surveyor's Office under the direction of the Board of Educational Lands and Funds.

K-12 SCHOOL TRUST REVENUES FOR THE BIENNIUM*

July 1, 2000 to June 30, 2002

TEMPORARY SCHOOL FUND (Income):

Agricultural Lease Rentals and Interest	\$ 40,027,489.63
Agricultural Lease Bonus	1,612,821.00
Minerals Lease Rentals	164,457.70
Minerals Lease Bonus	32.00
Other Sources	193,743.19
Interest on Temporary Investments	2,524,853.37
Interest and Dividends on Permanent Investments	21,028,507.92
Liquor Control Licenses, Fines, Fees	163,942.00
Other Licenses, Fines, Fees	615,477.48
TOTAL INCOME	\$ 66,331,324.29

PERMANENT SCHOOL FUND (New Deposits):

Mineral Lease Royalties:	
Federal Mineral Deposits	\$ 23,226.57
Oil and Gas	1,069,682.91
Sand and Gravel	23,825.55
Limestone	8,708.91
Timber Sale Proceeds	73,240.88
Oil and Gas Severance Tax	2,848,772.89
Land Sales, Easements and Condemnations	5,001,129.97
Unclaimed Property, Escheats and Estrays	8,424,290.14
Licenses, Fines, Fees, Penalties, Forfeitures	1,097,171.38
All Other Sources	31,382.95

TOTAL ADDITIONS TO PRINCIPAL \$ 18,601,432.15

TOTAL K-12 SCHOOL TRUST REVENUES \$ 84,932,756.44

*Information compiled from Monthly Fund Summary Reports generated by the Nebraska Department of Administrative Services.

VALUE OF PERMANENT EDUCATIONAL TRUST FUNDS*

As of June 30, 2002

FUND	MARKET VALUE
Permanent School Fund (K-12)	\$ 262,253,941.77
Permanent University Fund	741,508.56
Agricultural College Fund	1,630,968.03
State College (Normal Schools) Fund	174,861.81
TOTAL	\$ 264,801,280.17

*Information furnished by the Nebraska Investment Council.

The K-12 School Trust Portfolio was 61% Land (\$403.6 million) and 39% Stocks and Bonds (\$262.3 million) as of June 30, 2002.

EXPENDITURES

The annual expenditures of the Board of Educational Lands and Funds, as well as the direct annual expenditures of all other state agencies except only the University of Nebraska and the State Colleges, are published annually in the Personnel Almanac. This publication lists expenditures separately for each state agency by all major and most minor categories (including total, operating and personal service expenditures, capital outlays, government aid, travel expenditures and so forth) for each of the last 10 years. The more than 100 pages, great detail and 10-year perspectives of the Personnel Almanac make it the most complete source reference of this kind available anywhere.

The Personnel Almanac can be obtained free of charge by contacting the State Personnel Division of the Department of Administrative Services, Nebraska State Office Building – First Floor, P.O. Box 94905, Lincoln, Nebraska, 68509-4905 (Telephone: 402/471-4460).

DISBURSEMENTS OF TRUST REVENUES DURING 2001 ⁽¹⁾

COUNTY	K-12 PER PUPIL APPORTIONMENT	IN LIEU OF TAX PAYMENTS	TOTAL DISBURSEMENTS
Adams.....	\$ 483,677.89	\$ 29,372.85	\$ 513,050.74
Antelope.....	\$ 117,474.00	\$ 116,870.16	\$ 234,344.16
Arthur.....	\$ 7,729.52	\$ 39,177.56	\$ 46,907.08
Banner.....	\$ 16,261.14	\$ 50,939.59	\$ 67,200.73
Blaine.....	\$ 11,156.75	\$ 60,490.29	\$ 71,647.04
Boone.....	\$ 107,848.57	\$ 8,895.56	\$ 116,744.13
Box Butte.....	\$ 224,082.94	\$ 152,827.17	\$ 376,910.11
Boyd.....	\$ 40,616.40	\$ 55,847.69	\$ 96,464.09
Brown.....	\$ 52,502.36	\$ 118,535.22	\$ 171,037.58
Buffalo.....	\$ 622,298.66	\$ 63,298.78	\$ 685,597.44
Burt.....	\$ 133,589.31	\$ 19,328.38	\$ 152,917.69
Butler.....	\$ 148,027.46	\$ 6,135.99	\$ 154,163.45
Cass.....	\$ 358,911.89	\$ 1,313.80	\$ 360,225.69
Cedar.....	\$ 183,466.53	\$ 10,647.16	\$ 194,113.69
Chase.....	\$ 76,274.24	\$ 207,493.42	\$ 283,767.66
Cherry.....	\$ 93,045.85	\$ 300,070.98	\$ 393,116.83
Cheyenne.....	\$ 155,538.21	\$ 213,930.81	\$ 369,469.02
Clay.....	\$ 79,336.88	\$ 216.89	\$ 79,553.77
Coffax.....	\$ 189,664.74	\$ 0.00	\$ 189,664.74
Cuming.....	\$ 174,351.56	\$ 3,307.02	\$ 177,658.58
Custer.....	\$ 173,768.20	\$ 203,066.59	\$ 376,834.79
Dakota.....	\$ 389,173.64	\$ 11,407.28	\$ 400,580.92
Dawes.....	\$ 115,869.78	\$ 52,548.68	\$ 168,418.46
Dawson.....	\$ 425,998.24	\$ 56,688.15	\$ 482,686.39
Deuel.....	\$ 41,418.52	\$ 101,349.09	\$ 142,767.61
Dixon.....	\$ 63,294.50	\$ 17,275.09	\$ 80,569.59
Dodge.....	\$ 558,712.48	\$ 2,647.32	\$ 561,359.80
Douglas.....	\$ 7,411,143.87	\$ 440.38	\$ 7,411,584.25
Dundy.....	\$ 28,147.09	\$ 78,437.90	\$ 106,584.99
Fillmore.....	\$ 105,296.38	\$ 361.77	\$ 105,658.15
Franklin.....	\$ 35,657.84	\$ 25,721.53	\$ 61,379.37
Frontier.....	\$ 60,961.06	\$ 70,665.95	\$ 131,627.01
Furnas.....	\$ 99,389.86	\$ 87,800.86	\$ 187,190.72
Gage.....	\$ 309,107.57	\$ 5,731.27	\$ 314,838.84
Garden.....	\$ 29,167.98	\$ 95,059.12	\$ 124,227.10
Garfield.....	\$ 28,584.61	\$ 41,147.05	\$ 69,731.66
Gosper.....	\$ 21,438.46	\$ 11,469.42	\$ 32,907.88
Grant.....	\$ 16,844.51	\$ 39,141.04	\$ 55,985.55
Greeley.....	\$ 55,127.46	\$ 32,180.57	\$ 87,308.03
Hall.....	\$ 819,911.67	\$ 10,524.66	\$ 830,436.33
Hamilton.....	\$ 138,693.70	\$ 0.00	\$ 138,693.70
Harlan.....	\$ 30,188.85	\$ 11,500.87	\$ 41,689.72
Hayes.....	\$ 12,031.79	\$ 47,763.80	\$ 59,795.59
Hitchcock.....	\$ 37,626.68	\$ 87,925.81	\$ 125,552.49
Holt.....	\$ 194,112.87	\$ 287,670.53	\$ 481,783.40
Hooker.....	\$ 15,969.46	\$ 64,558.03	\$ 80,527.49
Howard.....	\$ 126,734.83	\$ 22,896.00	\$ 149,630.83
Jefferson.....	\$ 154,225.64	\$ 13,847.64	\$ 168,073.28
Johnson.....	\$ 75,326.29	\$ 1,162.98	\$ 76,489.27

DISBURSEMENTS OF TRUST REVENUES DURING 2001 ⁽¹⁾

COUNTY	K-12 PER PUPIL APPORTIONMENT	IN LIEU OF TAX PAYMENTS	TOTAL DISBURSEMENTS
Kearney.....	\$ 114,630.12	\$ 20,774.57	\$ 135,404.69
Keith.....	\$ 126,953.60	\$ 107,252.53	\$ 234,206.13
Keya Paha.....	\$ 13,271.44	\$ 43,662.54	\$ 56,933.98
Kimball.....	\$ 52,575.27	\$ 70,600.43	\$ 123,175.70
Knox.....	\$ 148,975.41	\$ 51,275.07	\$ 200,250.48
Lancaster.....	\$ 3,359,275.20	\$ 7,706.10	\$ 3,366,981.30
Lincoln.....	\$ 548,868.29	\$ 144,362.07	\$ 693,230.36
Logan.....	\$ 15,240.26	\$ 36,267.60	\$ 51,507.86
Loup.....	\$ 11,521.35	\$ 29,956.33	\$ 41,477.68
Madison.....	\$ 607,277.15	\$ 34,502.25	\$ 641,779.40
McPherson.....	\$ 8,094.12	\$ 46,341.86	\$ 54,435.98
Merrick.....	\$ 120,026.21	\$ 45,991.96	\$ 166,018.17
Morrill.....	\$ 96,837.66	\$ 67,772.87	\$ 164,610.53
Nance.....	\$ 64,315.38	\$ 429.98	\$ 64,745.36
Nemaha.....	\$ 103,692.14	\$ 3,976.62	\$ 107,668.76
Nuckolls.....	\$ 108,431.93	\$ 6,080.42	\$ 114,512.35
Otoe.....	\$ 256,969.83	\$ 3,114.08	\$ 260,083.91
Pawnee.....	\$ 52,866.95	\$ 2,123.17	\$ 54,990.12
Perkins.....	\$ 47,397.95	\$ 106,129.22	\$ 153,527.17
Phelps.....	\$ 154,444.40	\$ 16,267.89	\$ 170,712.29
Pierce.....	\$ 142,558.45	\$ 49,082.34	\$ 191,640.79
Platte.....	\$ 480,323.56	\$ 5,507.69	\$ 485,831.25
Polk.....	\$ 103,765.06	\$ 16,261.94	\$ 120,027.00
Red Willow.....	\$ 183,831.14	\$ 87,601.38	\$ 271,432.52
Richardson.....	\$ 180,549.74	\$ 3,586.86	\$ 184,136.60
Rock.....	\$ 23,917.74	\$ 90,253.27	\$ 114,171.01
Saline.....	\$ 219,124.38	\$ 2,857.91	\$ 221,982.29
Sarpy.....	\$ 1,683,283.59	\$ 711.64	\$ 1,683,995.23
Saunders.....	\$ 283,658.53	\$ 0.00	\$ 283,658.53
Scotts Bluff.....	\$ 558,347.90	\$ 21,929.65	\$ 580,277.55
Seward.....	\$ 289,273.36	\$ 6,895.66	\$ 296,169.02
Shendan.....	\$ 84,732.97	\$ 129,182.77	\$ 213,915.74
Sherman.....	\$ 48,418.83	\$ 30,198.70	\$ 78,617.53
Sioux.....	\$ 11,813.04	\$ 49,040.11	\$ 60,853.15
Stanton.....	\$ 41,783.12	\$ 4,253.07	\$ 46,036.19
Thayer.....	\$ 91,952.03	\$ 2,031.38	\$ 93,983.41
Thomas.....	\$ 7,875.36	\$ 34,309.63	\$ 42,184.99
Thurston.....	\$ 170,851.39	\$ 0.00	\$ 170,851.39
Valley.....	\$ 65,190.42	\$ 16,413.22	\$ 81,603.64
Washington.....	\$ 290,075.47	\$ 10,975.19	\$ 301,050.66
Wayne.....	\$ 138,547.86	\$ 670.52	\$ 139,218.38
Webster.....	\$ 45,429.12	\$ 10,607.58	\$ 56,036.70
Wheeler.....	\$ 13,636.03	\$ 46,293.52	\$ 59,929.55
York.....	\$ 198,488.05	\$ 10,373.04	\$ 208,861.09
Total.....	\$ 26,218,870.53	\$ 4,413,313.33	\$ 30,632,183.86

⁽¹⁾ Information compiled from 2001 Calendar Year Distribution Reports furnished by the Nebraska Department of Education (2000 calendar year net income).

DISBURSEMENTS OF TRUST REVENUES DURING 2002

COUNTY	K-12 PER PUPIL ⁽¹⁾ APPORTIONMENT	REAL ESTATE ⁽²⁾ TAX PAYMENTS	TOTAL DISBURSEMENTS
Adams.....	\$ 564,263.35	\$ 16,953.54	\$ 581,216.89
Antelope.....	\$ 121,071.02	\$ 83,084.84	\$ 204,155.86
Arthur.....	\$ 5,825.26	\$ 42,938.82	\$ 48,764.08
Banner.....	\$ 16,688.59	\$ 54,983.44	\$ 71,672.03
Blaine.....	\$ 10,627.17	\$ 56,451.60	\$ 67,078.77
Boone.....	\$ 111,624.66	\$ 10,398.44	\$ 122,023.10
Box Butte.....	\$ 222,934.41	\$ 114,971.10	\$ 337,905.51
Boyd.....	\$ 58,882.40	\$ 62,673.72	\$ 121,556.12
Brown.....	\$ 54,159.22	\$ 116,423.13	\$ 170,582.35
Buffalo.....	\$ 655,342.16	\$ 44,286.48	\$ 699,628.64
Burt.....	\$ 141,459.45	\$ 11,207.04	\$ 152,666.49
Butler.....	\$ 160,824.51	\$ 5,416.52	\$ 166,241.03
Cass.....	\$ 361,717.38	\$ 1,081.44	\$ 362,798.82
Cedar.....	\$ 186,959.47	\$ 20,150.16	\$ 207,109.63
Chase.....	\$ 81,711.12	\$ 153,146.26	\$ 234,857.38
Cherry.....	\$ 100,131.60	\$ 415,351.82	\$ 515,483.42
Cheyenne.....	\$ 165,862.58	\$ 156,797.17	\$ 322,659.75
Clay.....	\$ 81,711.14	\$ 314.58	\$ 82,025.72
Coffax.....	\$ 203,805.51	\$ 0.00	\$ 203,805.51
Cuming.....	\$ 182,236.28	\$ 3,035.28	\$ 185,271.56
Custer.....	\$ 184,912.77	\$ 207,712.42	\$ 392,625.19
Dakota.....	\$ 442,956.19	\$ 11,521.95	\$ 454,478.14
Dawes.....	\$ 132,170.52	\$ 107,662.40	\$ 239,832.92
Dawson.....	\$ 508,451.04	\$ 43,847.54	\$ 552,298.58
Deuel.....	\$ 43,846.91	\$ 58,370.96	\$ 102,217.87
Dixon.....	\$ 69,194.69	\$ 18,220.56	\$ 87,415.25
Dodge.....	\$ 601,340.39	\$ 0.00	\$ 601,340.39
Douglas.....	\$ 7,835,136.99	\$ 2,425.20	\$ 7,837,562.19
Dundy.....	\$ 29,913.52	\$ 97,797.48	\$ 127,711.00
Fillmore.....	\$ 106,744.01	\$ 0.00	\$ 106,744.01
Franklin.....	\$ 35,266.46	\$ 36,006.08	\$ 71,272.54
Frontier.....	\$ 62,424.78	\$ 71,282.62	\$ 133,707.40
Furnas.....	\$ 103,437.78	\$ 59,705.86	\$ 163,143.64
Gage.....	\$ 316,925.82	\$ 2,134.72	\$ 319,060.54
Garden.....	\$ 32,589.99	\$ 131,077.86	\$ 163,667.85
Garfield.....	\$ 27,788.09	\$ 46,286.92	\$ 74,075.01
Gosper.....	\$ 22,986.18	\$ 11,842.98	\$ 34,829.16
Grant.....	\$ 12,831.34	\$ 31,120.34	\$ 43,951.68
Greeley.....	\$ 59,118.55	\$ 27,018.48	\$ 86,137.03
Hall.....	\$ 891,186.61	\$ 25,296.12	\$ 916,482.73
Hamilton.....	\$ 144,765.67	\$ 0.00	\$ 144,765.67
Harlan.....	\$ 32,117.67	\$ 23,591.39	\$ 55,709.06
Hayes.....	\$ 14,248.28	\$ 70,594.38	\$ 84,842.66
Hitchcock.....	\$ 39,674.77	\$ 86,100.76	\$ 125,775.53
Holt.....	\$ 200,026.98	\$ 307,106.46	\$ 507,133.44
Hooker.....	\$ 15,743.96	\$ 39,925.60	\$ 55,669.56
Howard.....	\$ 128,234.52	\$ 27,147.64	\$ 155,382.16
Jefferson.....	\$ 159,250.11	\$ 11,213.16	\$ 170,463.27
Johnson.....	\$ 78,562.33	\$ 3,046.38	\$ 81,608.71

DISBURSEMENTS OF TRUST REVENUES DURING 2002

COUNTY	K-12 PER PUPIL ⁽¹⁾ APPORTIONMENT	REAL ESTATE ⁽²⁾ TAX PAYMENTS	TOTAL DISBURSEMENTS
Kearney.....	\$ 119,024.30	\$ 32,157.82	\$ 151,182.12
Keith.....	\$ 132,170.51	\$ 124,500.16	\$ 256,670.67
Keya Paha.....	\$ 13,539.82	\$ 65,615.02	\$ 79,154.84
Kimball.....	\$ 54,946.41	\$ 80,646.86	\$ 135,593.27
Knox.....	\$ 143,899.76	\$ 73,580.78	\$ 217,480.54
Lancaster.....	\$ 3,624,179.88	\$ 8,276.72	\$ 3,632,456.60
Lincoln.....	\$ 591,421.70	\$ 218,279.76	\$ 809,701.46
Logan.....	\$ 15,743.96	\$ 42,128.70	\$ 57,872.66
Loup.....	\$ 12,910.04	\$ 34,070.61	\$ 46,980.65
Madison.....	\$ 678,721.95	\$ 22,462.16	\$ 701,184.11
McPherson.....	\$ 7,557.10	\$ 55,886.70	\$ 63,443.80
Merrick.....	\$ 122,881.57	\$ 32,060.40	\$ 154,941.97
Morrill.....	\$ 101,548.51	\$ 91,885.79	\$ 193,434.30
Nance.....	\$ 88,087.43	\$ 0.00	\$ 88,087.43
Nemaha.....	\$ 109,026.90	\$ 3,561.64	\$ 112,588.54
Nuckolls.....	\$ 111,860.81	\$ 3,290.64	\$ 115,151.45
Otoe.....	\$ 274,653.32	\$ 2,855.45	\$ 277,508.77
Pawnee.....	\$ 46,365.95	\$ 1,205.06	\$ 47,571.01
Perkins.....	\$ 48,019.06	\$ 131,447.00	\$ 179,466.06
Phelps.....	\$ 164,366.90	\$ 13,862.26	\$ 178,229.16
Pierce.....	\$ 146,654.94	\$ 46,787.00	\$ 193,441.94
Platte.....	\$ 526,950.20	\$ 6,993.32	\$ 533,943.52
Polk.....	\$ 123,747.49	\$ 20,004.20	\$ 143,751.69
Red Willow.....	\$ 199,869.51	\$ 51,914.32	\$ 251,783.83
Richardson.....	\$ 202,073.67	\$ 2,889.94	\$ 204,963.61
Rock.....	\$ 23,537.22	\$ 95,815.70	\$ 119,352.92
Saline.....	\$ 244,267.46	\$ 1,963.46	\$ 246,230.92
Sarpy.....	\$ 1,669,882.66	\$ 690.29	\$ 1,670,572.95
Saunders.....	\$ 301,339.32	\$ 0.00	\$ 301,339.32
Scotts Bluff.....	\$ 579,613.73	\$ 20,761.54	\$ 600,375.27
Seward.....	\$ 314,800.40	\$ 5,808.68	\$ 320,609.08
Sheridan.....	\$ 91,944.72	\$ 138,155.50	\$ 230,100.22
Sherman.....	\$ 47,940.35	\$ 33,033.52	\$ 80,973.87
Sioux.....	\$ 12,201.58	\$ 81,313.52	\$ 93,515.10
Stanton.....	\$ 40,304.52	\$ 3,938.80	\$ 44,243.32
Thayer.....	\$ 97,140.20	\$ 5,094.18	\$ 102,234.38
Thomas.....	\$ 7,635.82	\$ 38,227.78	\$ 45,863.60
Thurston.....	\$ 185,699.96	\$ 0.00	\$ 185,699.96
Valley.....	\$ 67,935.17	\$ 10,445.96	\$ 78,381.13
Washington.....	\$ 312,753.68	\$ 13,025.94	\$ 325,779.62
Wayne.....	\$ 142,325.36	\$ 0.00	\$ 142,325.36
Webster.....	\$ 52,033.77	\$ 11,843.54	\$ 63,877.31
Wheeler.....	\$ 15,271.64	\$ 56,995.16	\$ 72,266.80
York.....	\$ 197,035.60	\$ 12,115.74	\$ 209,151.34
Total.....	\$ 27,883,569.05	\$ 4,623,313.26	\$ 32,506,882.31

⁽¹⁾ Information compiled from 2002 Calendar Year Distribution Reports furnished by the Nebraska Department of Education (2001 calendar year net income).

⁽²⁾ Real Estate Taxes levied in 2001 and payable during calendar year 2002. Includes in lieu of tax payments totalling \$4,165.43 made in 2002.

SUMMARY OF EDUCATIONAL LANDS

As of June 30, 2002

	ACRES ACQUIRED (1)	ACRES DEEDED (2)	SURFACE ACRES LEASED (3)	APPRAISED VALUATION (4)	AGRICULTURAL RENTAL
Common School.....	2,863,253.800	1,435,074.679	1,428,179.121	\$ 517,542,117.000	\$ 20,701,684.68
Saline.....	32,789.440	32,238.890	550.550	\$ 451,892.000	\$ 18,075.68
Total K-12 School					
Trust Lands.....	2,896,043.240	1,467,313.569	1,428,729.671	\$ 517,994,009.00	\$ 20,719,760.36
University.....	45,463.270	39,284.303	6,178.967	\$ 3,690,736.500	\$ 147,629.46
Ag College.....	89,140.210	85,326.030	3,814.180	\$ 2,885,477.000	\$ 115,419.08
Normal (State College).....	12,804.800	12,729.970	74.830	\$ 111,465.000	\$ 4,458.60
Other.....	-	-	101.350	\$ 18,426.000	\$ 737.04
Total All Other	147,408.280	137,238.953	10,169.327	\$ 6,706,104.50	\$ 268,244.18
Educational Trust Lands.....					

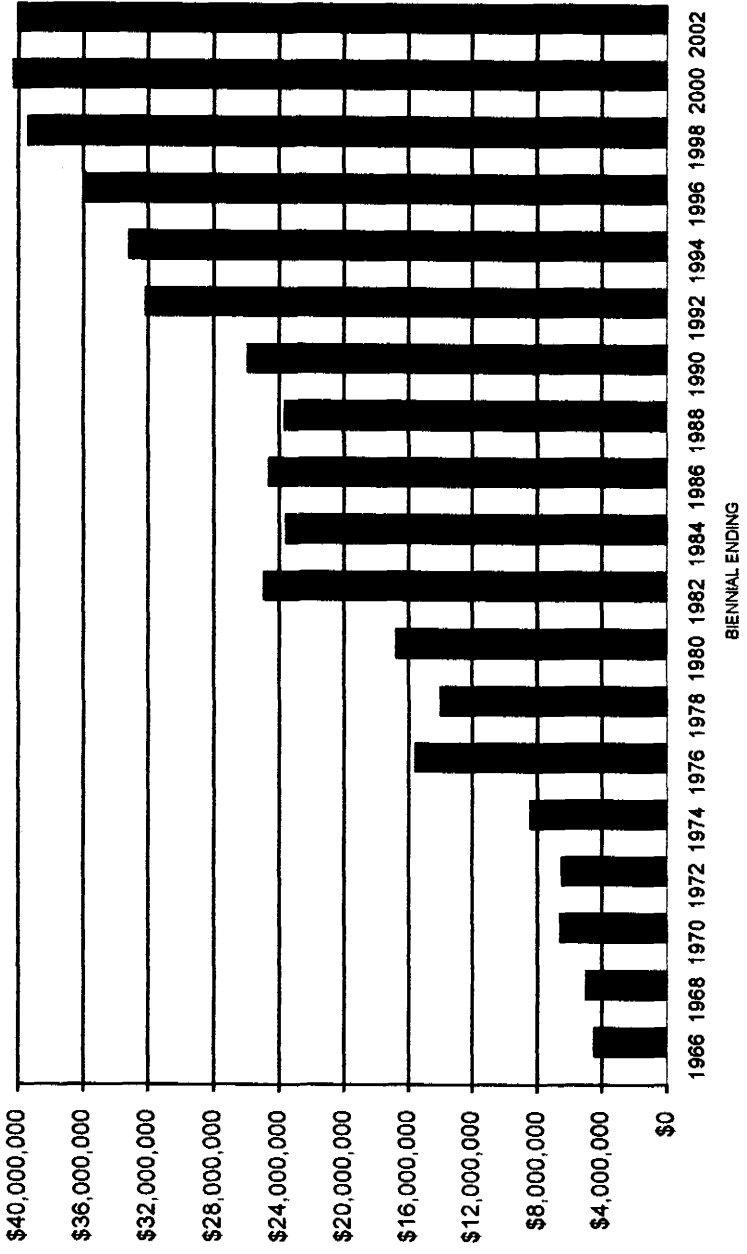
1. Includes all sources and times of acquisition. The original federal grant of Sections 16 and 36 and in lieu selections (Common School Trust Lands) was, for example, the equivalent of 2,797,520.67 acres.

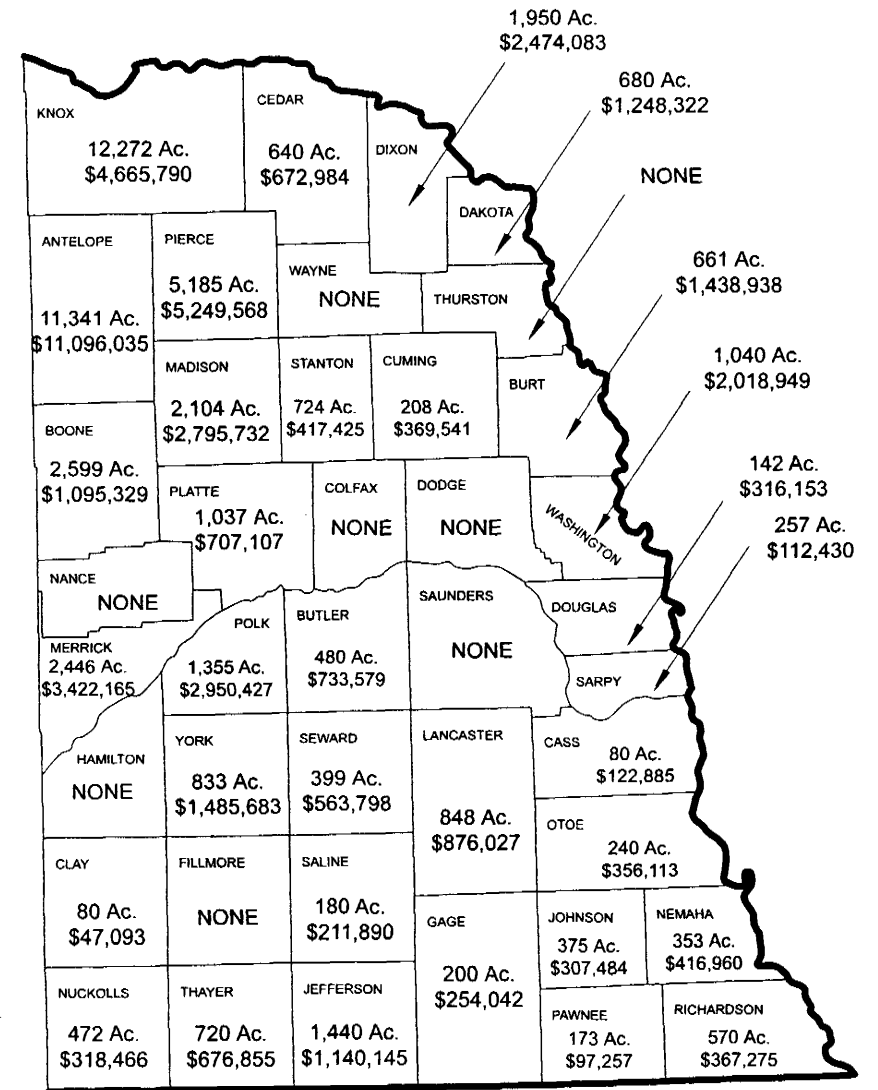
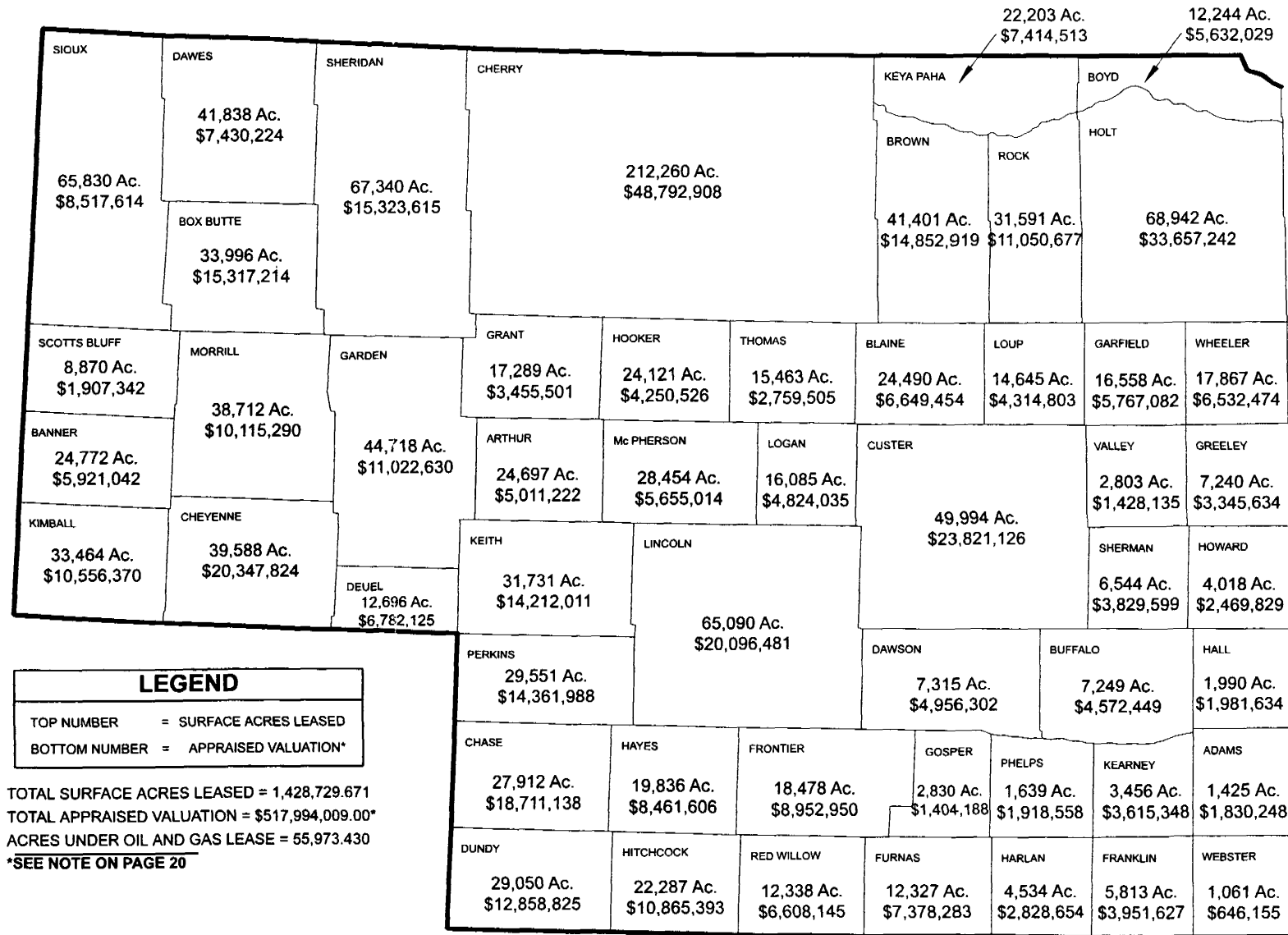
2. Includes acres condemned and paid for pursuant to federal or state authority for roadways and other public uses.

3. Acres available for surface leasing will vary slightly from time to time due to such things as the meanderings and channel changes of rivers and streams. Additional acres are available for subsurface leasing, primarily as a result of subsurface rights retained when the surface was deeded or condemned.

4. See the Note on page 20.

AGRICULTURAL RENTAL FROM K-12 SCHOOL TRUST LANDS





MAP OF K-12 SCHOOL TRUST LANDS

As of June 30, 2002

NOTE CONCERNING APPRAISED VALUATION

Appraised valuation also means **appraised rental valuation** and is merely surface (agricultural) rental capitalized at the rate of 4% (divided by .04). The sole purpose for this computation is to generate the numbers required by certain statutes which have not been amended for many years. These numbers are intended only to provide the statutorily desired information and do not reflect market value as of any specific date.

For purposes of this nature, **capitalization rate** is the same thing as **rent to value ratio**. To illustrate the process, if annual rent is \$20.8 million and a rate of 4% is chosen, the resulting value will be \$520.0 million. Similarly, a rate of 5% applied to rental of \$20.8 million will yield a value of \$416.0 million, and a rate of 6% used for the same \$20.8 million rent will result in a value of \$346.7 million. The historically valid long-term capitalization rates for agricultural land are generally 4% to 6%. However, within this range, applying the lower rent to value ratios to actual rental will yield higher values, while applying the higher rent to value ratios to actual rental will yield lower values.

Accurate rent to value ratios can be determined through the process of dividing the rentals which exist at any point in time by the corresponding values to which they pertain. All of these numbers are driven by the private sector marketplace and, therefore, the actual rentals, values and rent to value ratios are always changing over time. It is simply not possible to incorporate these constantly changing rent to value ratios into statutes because, by the time the necessary computations could be made and the statutes could be amended, the actual rent to value ratios would have changed again. For statutory purposes, therefore, the best course is to choose one rent to value ratio within the historically valid range of 4% to 6% and use it consistently over a considerable period of time. This allows the numbers thus generated to be useful for some additional purposes, such as comparing relative values from one county to another and relative changes in values over the years, even though these numbers do not represent current market value.

Analysis using valuation data of the University of Nebraska, Department of Agricultural Economics, established that Nebraska's K-12 School Trust Lands had a current market value of approximately \$392.0 million for 1.445 million acres as of June 30, 2001, and \$403.6 million for 1.429 million acres as of June 30, 2002. By comparison, the total agricultural rent established by the Board for that land was approximately \$20.7 million effective January 1, 2002, and will be approximately \$20.8 million effective January 1, 2003. These numbers, of course, yield actual agricultural rent to value ratios between 5.15% and 5.28%.

SCHOOL TRUST LAND SALES DURING FISCAL YEAR 2000-2001

There were no land sales during 2000 or 2001. As explained by the Auditor of Public Accounts on pages 3 and 4 of the most recent Audit Report of the Board of Educational Lands and Funds (FY 1999-2000) dated March 14, 2001:

“Three bills have been passed since 1996 which have limited the Board’s ability to sell additional land. First, 1999 Neb. Laws LB 271, Section 8(1) states, ‘Leased public property, other than property leased for a public purpose as set forth in subdivision (1)(a) of section 77-202, shall be taxed or exempted from taxation as if the property was owned by the leaseholder.’ This change was codified at Neb. Rev. Stat. Section 77-202.11 R.S. Supp., 2000 and changed the status of the school lands from governmental property paying in lieu of taxes to leased public property subject to property taxes. This law was originally effective January 2, 2000, but its effective date was moved back to January 1, 2001 by 2000 Neb. Laws LB 968.

Second, 2000 Neb. Laws LB 1010, Section 1 stated, ‘For purposes of sales of educational lands at public auction, appraised value is the adjusted value as determined by the Property Tax Administrator or his or her representative ...’ Section 4 stated ‘Educational land shall be offered for sale at public auction by a representative of the Board of Educational Lands and Funds and sold at not less than the appraised value to the highest bidder.’ Section 1 and Section 4 of LB 1010 were codified at Neb. Rev. Stat. Sections 77-258.03 and 72-258 R.S. Supp., 2000 respectively.

Our review of the Board’s land sales indicated 110 parcels of land had been sold from July 1, 1997 through June 30, 1999. An additional 73 parcels of land were sold in the fall of 1999.... Our review of the Board’s land sales also disclosed no land sales had been held since the fall of 1999. According to the Board, this was the result of the passage of LB 1010, making the minimum bid on the sale of school land the adjusted value as determined by the Property Tax Administrator. Since LB 271 was not effective until January 2001, County Assessors had not established assessed values for the school lands. The Board has requested the Property Tax Administrator furnish the adjusted value for some 1,500 parcels covering 684,000 acres, but those values had not yet been received. It is the Board’s intention to release these parcels for public auction.”

The adjusted values were furnished in December of 2001 and land sales resumed in February of 2002.

SUMMARY OF K-12 SCHOOL TRUST LAND SALES DURING FISCAL YEAR 2001-2002

COUNTY	PLAT #	LEGAL DESCRIPTION	SEC.-TWP.-RGE	CHARACTERISTICS OF THE LAND	TOTAL ACRES	GRASS ACRES	CROP ACRES	CRP ACRES	OTHER ACRES	BEGINNING BID PRICE	SALE PRICE	EXCESS OVER BEGINNING PRICE
Arthur	38	All	36-T18N-R40W	Pasture	640.00	636.00		4.00		\$109,000	\$109,000	
Box Butte	39	E½	36-T28N-R60W	Cropground & Pasture	320.00	114.00	202	4.00		\$66,400	\$93,400	\$8,000
Box Butte	44	E½	20-T26N-R61W	Pasture	320.00	316.00		4.00		\$44,900	\$44,900	
Box Butte	55	E½	27-T25N-R52W	Pasture	320.00	316.00		4.00		\$43,000	\$43,000	
Box Butte	66-67	All of Sec. 36 & 1/2 of Sec. 36	35-T26N-R62W	Pasture	980.00	981.00		9.00		\$129,700	\$129,700	
Boyd	6	Govt. Lots 1 & 2 and S½NE¼	05-T33N-R10W	Pasture	159.94	159.94				\$87,000	\$87,000	
Boyd	7	All except the SE¼NE¼ & NE¼SE¼	36-T33N-R10W	Pasture	560.00	544.00		16.00		\$164,500	\$164,500	
Brown	2	All	36-T26N-R21W	Pasture	640.00	640.00				\$147,600	\$147,600	
Brown	48	All	36-T28N-R23W	Pasture	640.00	640.00				\$137,000	\$137,000	
Cherry	27	All except 3.01 acres in the S½SW¼ and also except the SW¼NW¼, N¼SW¼ and NW¼SE¼	36-T27N-R26W	Pasture	476.99	476.99				\$164,900	\$164,900	
Cherry	80	All exc. 11.78 acres of road in E¼E½	36-T31N-R28W	Pasture	628.22	628.22				\$148,700	\$148,700	
Cherry	133	All	36-T30N-R30W	Pasture	640.00	640.00				\$128,400	\$128,400	
Cherry	246	All	36-T28N-R34W	Pasture	696.06	696.06				\$164,200	\$164,200	
Cheyenne	48	All except 1.78 acres in NE¼NE¼	36-T14N-R61W	Pasture	638.22	630.22		8.00		\$82,200	\$82,200	

Cheyenne	65	16.35 surveyed acres located in the Northeast Corner of the NE¼.	36-T17N-R62W	Residential acreage and Pasture	16.35	16.35	\$7,500	\$7,500
Dawes	46	All	36-T32N-R60W	Pasture & Crogground	640.00	541.00	\$125,000	\$291,000
Deuel	17A	Approximately 326.26 acres North of RR ROW in the N½ and N½SE¼.	16-T13N-R46W	Pastura & Crogground	326.26	240.74	\$65,000	\$65,000
Dundy	4	All	36-T02N-R36W	Pasture	640.00	638.00	\$124,700	\$124,700
Dundy	9	NW¼	16-T01N-R37W	Pasture & Crogground with Farmstead	180.00	95.00	\$43,700	\$161,000
Dundy	14	All	36-T03N-R37W	Pasture & Crogground	640.00	578.00	\$156,800	\$156,800
Dundy	29	All	16-T03N-R39W	Pasture & Crogground	640.00	580.00	\$161,500	\$197,000
Frontier	3	SW¼/NW¼	16-T07N-R24W	Pasture & Crogground	40.00	29.00	\$12,400	\$12,400
Frontier	31	S½	16-T07N-R26W	Irrigated and Dryland Crogground & Pasture	320.00	95.00	\$187,900	\$187,900
Garden	17	All	16-T19N-R42W	Pasture	640.00	640.00	\$117,700	\$117,700
Garden	19	All	16-T19N-R42W	Pasture	640.00	640.00	\$120,300	\$120,300
Garden	20	All	36-T19N-R42W	Pasture	634.72	634.72	\$106,100	\$106,100
Garden	21	All	16-T20N-R42W	Pasture	640.00	635.00	\$119,200	\$142,000
Garden	22	All	36-T20N-R42W	Pasture	640.00	640.00	\$111,100	\$111,100

SUMMARY OF K-12 SCHOOL TRUST LAND SALES DURING FISCAL YEAR 2001-2002 (Continued)

COUNTY	PLAT #	LEGAL DESCRIPTION	SEC.-TWP.-RGE	CHARACTERISTICS OF THE LAND	TOTAL ACRES	GRASS ACRES	CROP ACRES	CRP ACRES	OTHER ACRES	BEGINNING BID PRICE	SALE PRICE	EXCESS OVER BEGINNING PRICE
Garden	23	All	16-T21N-R42W	Pasture	640.00	637.00			3.00	\$148,800	\$221,000	\$72,200
Garden	24	S½	36-T21N-R42W	Pasture	320.00	320.00				\$99,600	\$169,000	\$69,400
Garden	42	All	16-T23N-R43W	Pasture	640.00	640.00				\$97,400	\$97,400	
Grant	1	N½	16-T21N-R36W	Pasture	320.00	316.00			4.00	\$69,300	\$69,300	
Grant	3	All	16-T22N-R36W	Pasture	640.00	632.00			8.00	\$108,200	\$108,200	
Grant	27	All	16-T22N-R38W	Pasture	640.00	631.00			9.00	\$103,900	\$103,900	
Grant	40	NE¼	16-T22N-R40W	Pasture	160.00	160.00				\$27,500	\$27,500	
Grant	46	N½ and Govt. Lots 1, 2, 3 & 4 except the South 5.68 acres of Lots 1 & 2	36-T22N-R41W	Pasture	486.68	486.68				\$91,500	\$91,500	
Hayes	18	All that part of the E½ lying East of Nebraska	36-T06N-R33W	Cropground & Pasture	76.88	22.88	54.00			\$34,400	\$34,400	
Hayes	34C	SW¼SW¼ and all that part of SE¼ lying South of US Highway 6	16-T06N-R35W	Dryland and Irrigated Cropground & Pasture	93.03	66.03	37.00			\$30,900	\$30,900	
Hooker	9B	Part South of the fence in S½S½	16-T21N-R32W	Pasture	61.63	61.63				\$8,200	\$8,200	
Hooker	17	All	16-T21N-R33W	Pasture	640.00	640.00				\$101,100	\$101,100	
Hooker	26	All	36-T21N-R34W	Pasture	640.00	640.00				\$101,100	\$101,100	
Hooker	33	S½S½	16-T22N-R34W	Pasture	160.00	168.00			2.00	\$25,300	\$25,300	

Hooker	42	All	38-T22N-R35W	Pasture	640.00	640.00	\$101,100	\$101,100	
Keya Paha	11	All	38-T33N-R19W	Pasture	640.00	640.00	\$161,600	\$161,600	
Lincoln	69	W½	38-T10N-R30W	Pasture	320.00	320.00	\$76,700	\$76,700	
Lincoln	89	All	18-T11N-R32W	Pasture	640.00	640.00	\$140,000	\$140,000	
Logan	14	All	38-T19N-R27W	Pasture	640.00	640.00	\$113,700	\$113,700	
Loup	2	NE¼	38-T21N-R17W	Pasture	160.00	160.00	\$42,200	\$42,200	
McPherson	18	All	38-T20N-R31W	Pasture	640.00	636.00	5.00	\$106,900	
McPherson	31	All	18-T20N-R33W	Pasture	640.00	640.00	\$106,400	\$106,400	
McPherson	47	All	18-T20N-R35W	Pasture	640.00	636.00	4.00	\$102,900	
Morrill	34	All	18-T22N-R49W	Pasture	640.00	640.00	\$80,000	\$80,000	
Morrill	37	All except NE¼/NE¼	38-T23N-R49W	Pasture	600.00	600.00	\$91,300	\$91,300	
Morrill	50	S½ except 5.90 acres in the SW¼	18-T20N-R60W	Pasture and irrigated	314.10	202.80	103.30	8.00	\$140,100
Morrill	53	W½, NE¼ and NE¼/SE¼	38-T21N-R60W	Pasture and irrigated Cropground	526.75	408.75	103.00	14.00	\$102,400
Rock	41	All	38-T28N-R19W	Pasture	637.63	637.63	\$139,700	\$139,700	
Rock	43	NW¼/NE¼ and W¼/SW¼	38-T29N-R19W	Pasture	120.00	120.00	\$28,900	\$28,900	
Sheridan	72	S¼/SE¼/SE¼/SE¼	18-T33N-R43W	Old school house site	5.00		5.00	\$13,600	\$13,600
Sheridan	77	Part of S¼/S¼	18-T24N-R44W	Pasture	136.78	134.41	1.37	\$21,200	\$21,200
Sheridan	92	All	38-T30N-R44W	Dryland and irrigated Cropground & Pasture	640.00	366.60	279.40	4.00	\$187,300

SUMMARY OF K-12 SCHOOL TRUST LAND SALES DURING FISCAL YEAR 2001-2002 (Continued)

COUNTY	PLAT #	LEGAL DESCRIPTION	SEC.-TWP.-RGE	CHARACTERISTICS OF THE LAND	TOTAL ACRES	GRASS ACRES	CROP ACRES	CRP ACRES	OTHER ACRES	BEGINNING BID PRICE	SALE PRICE	EXCESS OVER BEGINNING PRICE
Sioux	8	W½	12-T27N-R63W	Pasture	320.00	318.00			2.00	\$44,500	\$44,500	
Sioux	74	All	18-T33N-R66W	Pasture	640.00	634.00			6.00	\$70,100	\$116,000	\$45,900
Sioux	102	NE¼	16-T24N-R67W	Pasture and Irrigated Croppground	180.00	148.00	6.00		7.00	\$26,800	\$26,800	
Thomas	1A	E½	36-T21N-R26W	Pasture	318.14	316.14			3.00	\$63,600	\$63,600	
Thomas	1B	W½	36-T21N-R26W	Pasture	317.78	313.78			4.00	\$63,200	\$63,200	
Thomas	6	All	36-T21N-R27W	Pasture	640.00	640.00				\$108,200	\$108,200	
Thomas	16	All except that portion thereof lying East of Highway #83	16-T22N-R28W	Pasture	666.18	666.18				\$96,700	\$96,700	
Thomas	31	All	16-T24N-R29W	Pasture	640.00	640.00				\$108,200	\$108,200	
Thomas	37	All	16-T23N-R30W	Pasture	640.00	640.00				\$108,200	\$108,200	
Thomas	39	All	16-T24N-R30W	Pasture	642.24	642.24				\$108,500	\$114,000	\$5,500
70 Total Parcels Sold during Fiscal Year 2001-2002					33,214.60	31,666.63	1,363.25	0.00	186.72	\$6,699,400	\$7,143,000	\$543,600 (8.24%)

With respect to auctions occurring during the last three months of any Biennium, only the down payment may be received prior to the close of the Fiscal Year. The balance of the purchase price is due within 90 days of the auction date and payments made after June 30th will be included in receipts for the next Fiscal Year. Deeds are issued only after the purchase price is paid in full and acres are not removed from inventory until that time.

SECTION 72-258 REPORT OF DENIED LAND SALE REQUESTS

There was only one land sale request denied by the Board to be reported pursuant to the last sentence of the second paragraph of Section 72-258.

The Board denied a request that the $W\frac{1}{2}W\frac{1}{2}SW\frac{1}{4}SW\frac{1}{4}$ of Section 36-T06N-R36W, Chase County, be offered at public auction for \$2000 without retaining access rights over this parcel. In September of 2002, the Board sold 5.83 of these ten acres for \$2000 retaining a perpetual right-of-way for road purposes to access the remainder of this Section.

OIL AND GAS LEASES BY COUNTY

K-12 School Trust Lands

As of June 30, 2002

COUNTY	NO. OF LEASES	NO. OF ACRES UNDER LEASE
Banner	14	3,160,000
Chase	13	8,280,000
Cheyenne	10	4,520,000
Dundy	16	8,259,740
Furnas	2	1,200,000
Gosper	1	640,000
Hayes	1	640,000
Hitchcock	8	3,359,000
Keith	11	5,723,800
Kimball	21	9,520,000
Lincoln	1	640,000
Morrill	5	2,121,490
Perkins	8	5,134,920
Red Willow	7	1,760,000
Scotts Bluff	3	1,014,480
15 Counties	121	55,973,430

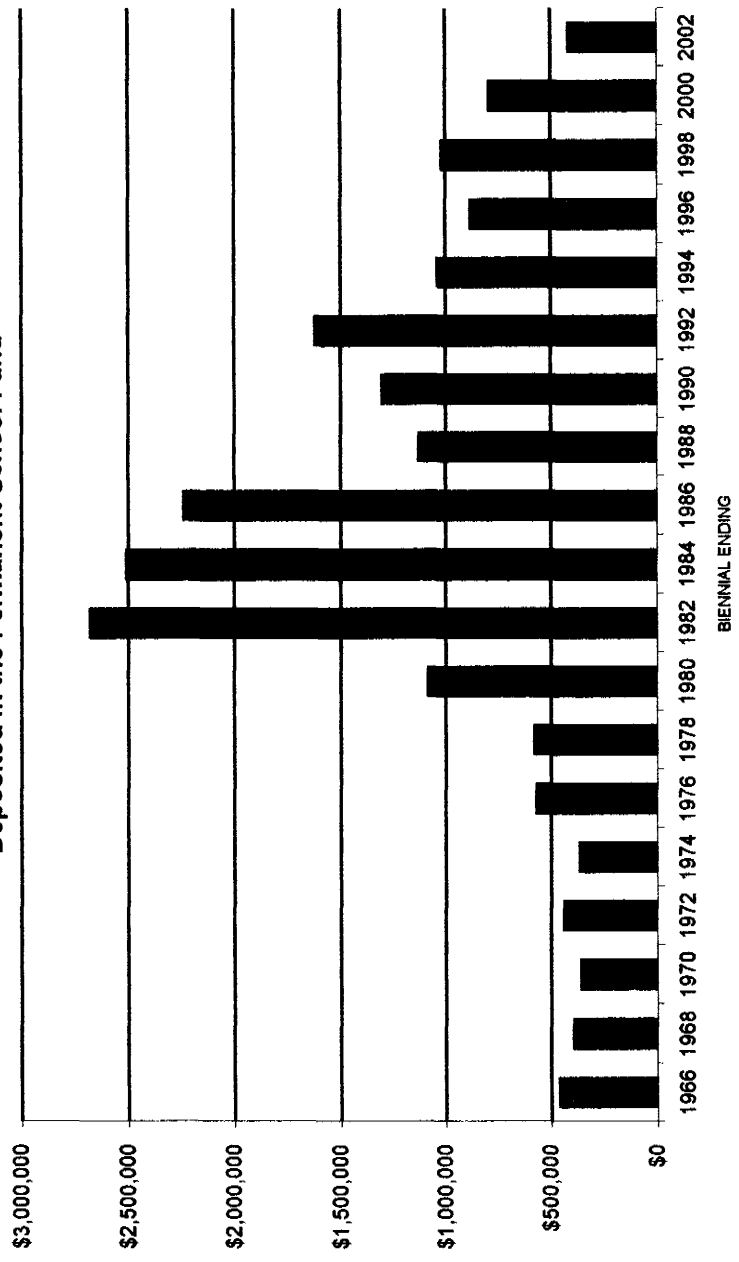
There were no oil or gas leases covering University, Agricultural College or State College (Normal School) Lands.

OIL AND GAS ROYALTIES BY COUNTY
K-12 School Trust Lands
July 1, 2000 through June 30, 2002

COUNTY	ROYALTIES RECEIVED
Banner.....	\$ 19,787.05
Cheyenne.....	\$ 59,540.16
Dundy.....	\$ 35,517.48
Furnas.....	\$ 3,578.17
Hitchcock.....	\$ 69,864.57
Kiimball.....	\$ 151,793.20
Morrill.....	\$ 42,072.00
Red Willow.....	\$ 24,900.61
Scotts Bluff.....	\$ 9,303.94
TOTAL.....	\$ 416,357.18

There were no oil or gas royalties from University, Agricultural College or State College (Normal School) Lands.

OIL AND GAS ROYALTIES FROM K-12 SCHOOL TRUST LANDS
Deposited in the Permanent School Fund



**CUMULATIVE OIL AND GAS ROYALTIES FROM K-12 SCHOOL TRUST LANDS
Deposited in the Permanent School Fund**

