

2004-2006

SIXTY-FIFTH BIENNIAL REPORT



**BOARD OF
EDUCATIONAL LANDS
AND FUNDS**

GOVERNOR DAVE HEINEMAN

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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. BAHR-FREW
Minerals Administrator

LETTER OF TRANSMITTAL

September 30, 2006

The Honorable Dave Heineman
Governor of Nebraska
State Capitol
Lincoln, Nebraska 68509

Dear Governor Heineman:

On behalf of the Board of Educational Lands and Funds, I am pleased to submit this 65th Biennial Report of its administration of Nebraska's School Trust Lands from July 1, 2004, through June 30, 2006.

This report reflects the broad scope of activity and the extensive responsibility of the Board and its staff in managing the more than 1.340 million acres of Educational Trust Lands.

Total K-12 School Trust Income for the Biennium was \$76,944,858.54. 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, 2007
DeMarus Carlson, Crofton, NE	3rd District	Oct. 1, 2008
M. Jane Keller, Bassett, NE	4th District	Oct. 1, 2009
Charles Ward, Valentine, NE	At Large	Oct. 1, 2010

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 Assistant
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
Jim Janda	Field Representative
Pat Speirs	Field Representative
John Wurdeman	Field Representative
Bob Schwartzkopf	Noxious Weed Supervisor
Larry Kelley	Noxious Weed Specialist

OFFICE OF THE STATE SURVEYOR

Steven C. Cobb	State Surveyor
Gene A. Thomsen	Deputy Surveyor - Dept. of Roads
Kathleen Martin	Administrative Assistant
John E. Beran	GEO Mapping Specialist
Ryan R. Luedtke	Draftsman II

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 1.56 million of these acres have been sold to private sector owners. Approximately 80% 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 more than 1.34 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 \$474.1 million for 1.354 million acres as of June 30, 2005, and \$517.4 million for 1.340 million acres as of June 30, 2006. The total agricultural rent established by the Board for that land was approximately \$21.9 million effective January 1, 2006, and also will be about \$21.9 million effective January 1, 2007.

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 the Board 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 field 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 Nebraska Boundary Commission.
- (2) In 1982 the Legislature created the State Survey Record Repository in the Office of the State Surveyor. This Survey Record Repository receives and files land surveys required to be submitted by statute. All submitted documents are microfilmed and copies are available upon request with the payment of appropriate fees. As of April 2000 all documents have been made available online at the State Surveyor's website. All online documents are free of charge. As of this report, the Survey Record Repository contains approximately 230,000 documents archived on microfilm of which approximately 47,000 documents may be accessed online.
- (3) In 1991 the Legislature created the G.I.S. Steering Committee. The State Surveyor serves as a member of this Committee.
- (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, 2004 to June 30, 2006

TEMPORARY SCHOOL FUND (Income):

Agricultural Lease Rentals and Interest	\$ 42,128,001.95
Agricultural Lease Bonus	1,838,280.00
Minerals Lease Rentals	317,246.27
Minerals Lease Bonus	122,080.90
Other Sources	191,282.99
Interest on Temporary Investments	2,637,922.82
Interest and Dividends on Permanent Investments	20,779,514.75
Liquor Control Licenses, Fines, Fees	561,781.00
Other Licenses, Fines, Fees	88,945.00
Accumulated interest on the principal	8,279,802.86
deposited in the OIP (see page 9)	
TOTAL INCOME	\$ 76,944,858.54

PERMANENT SCHOOL FUND (New Deposits):

Mineral Lease Royalties:	
Oil and Gas	\$ 2,141,492.91
Sand and Gravel	26,266.19
Limestone	1,000.00
Water Lease Royalties	1,272.38
Oil and Gas Severance Tax	5,196,531.17
Federal Mineral Deposits	46,706.69
Land Sales, Easements and Condemnations	15,123,561.20
Unclaimed Property, Escheats and Estrays	10,974,991.20
Licenses, Fines, Fees, Penalties, Forfeitures	2,606,095.27
All Other Sources	180,434.91
TOTAL ADDITIONS TO PRINCIPAL	\$ 36,298,351.92

TOTAL K-12 SCHOOL TRUST REVENUES \$ 113,243,210.46

* Information compiled from Monthly General Ledger Reports generated by the Nebraska Information System administered by the Nebraska Department of Administrative Services (DAS).

See page 9 concerning \$5,090,346.22 of previously unreported new deposits to principal from prior bienniums.

VALUE OF PERMANENT EDUCATIONAL TRUST FUNDS*

As of June 30, 2006

FUND	MARKET VALUE
Permanent School Fund (K-12)	\$ 397,131,360.00
Permanent University Fund	1,168,879.00
Agricultural College Fund	2,028,970.00
State College (Normal Schools) Fund	217,047.00
TOTAL	\$ 400,546,256.00

*Information furnished by the Nebraska Investment Council and DAS.

Since our 64th Biennial Report, the Auditor of Public Accounts determined that the information previously furnished by the Nebraska Investment Council understated the balance of the Permanent School Fund (K-12) by \$65,187,924 as of June 30, 2005. This sum, which was on deposit in the short term investment pool (OIP), included an additional \$5,090,346.22 of previous new deposits to principal not listed in our prior Biennial Reports.

The K-12 School Trust Portfolio was 56.6% Land (\$517.4 million) and 43.4% Stocks and Bonds (\$397.1 million) as of June 30, 2006.

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 or 402/471-2075) or may be downloaded from their website at www.das.state.ne.us/emprel and found under 'Publications'.

DISBURSEMENTS OF TRUST REVENUES DURING 2006

COUNTY	K-12 PER PUPIL (1) APPORTIONMENT	REAL ESTATE (2) TAX PAYMENTS	TOTAL DISBURSEMENTS
Adams.....	\$ 445,729.13	\$ 18,044.26	\$ 463,773.39
Antelope.....	\$ 98,431.28	\$ 110,615.72	\$ 209,047.00
Arthur.....	\$ 5,367.71	\$ 48,456.16	\$ 53,823.87
Banner.....	\$ 12,269.05	\$ 54,102.22	\$ 66,371.27
Blaine.....	\$ 9,480.63	\$ 56,013.26	\$ 65,493.89
Boone.....	\$ 91,111.66	\$ 12,971.52	\$ 104,083.18
Box Butte.....	\$ 172,324.43	\$ 117,579.36	\$ 289,903.79
Boyd.....	\$ 30,393.79	\$ 65,155.78	\$ 95,549.57
Brown.....	\$ 46,357.50	\$ 142,642.18	\$ 188,999.68
Buffalo.....	\$ 547,645.94	\$ 78,230.28	\$ 625,876.22
Burt.....	\$ 118,159.35	\$ 13,655.24	\$ 131,814.59
Butler.....	\$ 142,558.05	\$ 7,098.66	\$ 149,656.71
Cass.....	\$ 305,332.13	\$ 879.50	\$ 306,211.63
Cedar.....	\$ 153,781.43	\$ 23,388.46	\$ 177,169.89
Chase.....	\$ 68,664.88	\$ 174,641.26	\$ 243,306.14
Cherry.....	\$ 80,724.79	\$ 476,565.10	\$ 557,289.89
Cheyenne.....	\$ 130,776.95	\$ 169,768.54	\$ 300,545.49
Clay.....	\$ 68,455.75	\$ 330.82	\$ 68,786.57
Colfax.....	\$ 179,225.78	\$ 0.00	\$ 179,225.78
Cuming.....	\$ 153,084.33	\$ 3,534.94	\$ 156,619.27
Custer.....	\$ 149,877.64	\$ 246,222.24	\$ 396,099.88
Dakota.....	\$ 432,135.59	\$ 13,367.64	\$ 445,503.23
Dawes.....	\$ 102,335.08	\$ 99,090.24	\$ 201,425.32
Dawson.....	\$ 471,103.78	\$ 49,576.86	\$ 520,680.64
Deuel.....	\$ 39,804.71	\$ 63,575.64	\$ 103,380.35
Dixon.....	\$ 86,092.51	\$ 26,021.92	\$ 112,114.43
Dodge.....	\$ 490,343.87	\$ 0.00	\$ 490,343.87
Douglas.....	\$ 7,195,381.63	\$ 2,434.76	\$ 7,197,816.39
Dundy.....	\$ 25,653.48	\$ 125,551.86	\$ 151,205.34
Fillmore.....	\$ 85,604.53	\$ 0.00	\$ 85,604.53
Franklin.....	\$ 22,516.50	\$ 44,182.60	\$ 66,699.10
Frontier.....	\$ 48,100.26	\$ 85,655.94	\$ 133,756.20
Furnas.....	\$ 88,741.50	\$ 77,915.48	\$ 166,656.98
Gage.....	\$ 277,726.75	\$ 2,878.96	\$ 280,605.71
Garden.....	\$ 23,840.99	\$ 136,365.70	\$ 160,206.69
Garfield.....	\$ 24,816.95	\$ 48,878.72	\$ 73,695.67
Gosper.....	\$ 17,776.19	\$ 13,910.94	\$ 31,687.13
Grant.....	\$ 10,386.88	\$ 31,418.28	\$ 41,805.16
Greeley.....	\$ 47,682.01	\$ 38,605.66	\$ 86,287.67
Hall.....	\$ 745,205.57	\$ 27,230.96	\$ 772,436.53
Hamilton.....	\$ 131,334.63	\$ 0.00	\$ 131,334.63
Hartman.....	\$ 24,468.40	\$ 27,504.36	\$ 51,972.76
Hayes.....	\$ 10,665.71	\$ 82,912.58	\$ 93,578.29
Hitchcock.....	\$ 29,069.29	\$ 94,550.14	\$ 123,619.43
Holt.....	\$ 150,714.16	\$ 413,785.16	\$ 564,499.32
Hooker.....	\$ 13,175.29	\$ 33,961.44	\$ 47,136.73
Howard.....	\$ 109,306.11	\$ 28,771.62	\$ 138,077.73
Jefferson.....	\$ 135,726.41	\$ 14,607.66	\$ 150,334.07
Johnson.....	\$ 71,174.45	\$ 4,052.30	\$ 75,226.75

DISBURSEMENTS OF TRUST REVENUES DURING 2005

COUNTY	K-12 PER PUPIL ⁽¹⁾ APPORTIONMENT	REAL ESTATE ⁽²⁾ TAX PAYMENTS	TOTAL DISBURSEMENTS
Kearney.....	\$ 116,207.46	\$ 34,490.06	\$ 150,697.52
Keith.....	\$ 106,308.57	\$ 129,080.62	\$ 235,389.19
Keya Paha.....	\$ 11,223.40	\$ 74,382.02	\$ 85,605.42
Kimball.....	\$ 44,196.48	\$ 85,513.04	\$ 129,709.52
Knox.....	\$ 127,361.15	\$ 97,322.22	\$ 224,683.37
Lancaster.....	\$ 3,223,554.40	\$ 8,761.54	\$ 3,232,315.94
Lincoln.....	\$ 523,526.10	\$ 264,661.36	\$ 788,187.46
Logan.....	\$ 12,059.92	\$ 42,303.28	\$ 54,363.20
Loup.....	\$ 10,038.32	\$ 39,449.28	\$ 49,487.60
Madison.....	\$ 613,313.25	\$ 36,463.34	\$ 649,776.59
McPherson.....	\$ 6,761.92	\$ 49,036.72	\$ 55,798.64
Merrick.....	\$ 91,878.48	\$ 36,736.36	\$ 128,614.84
Morrill.....	\$ 85,534.82	\$ 45,068.92	\$ 130,603.74
Nance.....	\$ 69,919.66	\$ 0.00	\$ 69,919.66
Nemaha.....	\$ 90,066.01	\$ 3,916.34	\$ 93,982.35
Nuckolls.....	\$ 90,763.11	\$ 4,033.98	\$ 94,797.09
Otoe.....	\$ 246,287.31	\$ 2,944.14	\$ 249,231.45
Pawnee.....	\$ 39,316.74	\$ 1,492.68	\$ 40,809.42
Perkins.....	\$ 40,432.11	\$ 151,759.38	\$ 192,191.49
Phelps.....	\$ 132,310.59	\$ 14,119.22	\$ 146,429.81
Pierce.....	\$ 123,805.90	\$ 61,024.28	\$ 184,830.18
Platte.....	\$ 455,488.61	\$ 7,374.40	\$ 462,863.01
Polk.....	\$ 106,099.43	\$ 23,376.62	\$ 129,476.05
Red Willow.....	\$ 195,886.60	\$ 64,349.00	\$ 260,235.60
Richardson.....	\$ 155,733.33	\$ 4,188.44	\$ 159,921.77
Rock.....	\$ 17,079.08	\$ 111,679.80	\$ 128,758.88
Saline.....	\$ 233,600.00	\$ 1,820.42	\$ 235,420.42
Sarpy.....	\$ 1,553,778.04	\$ 5,081.28	\$ 1,558,859.32
Saunders.....	\$ 264,690.89	\$ 0.00	\$ 264,690.89
Scotts Bluff.....	\$ 482,327.16	\$ 19,167.10	\$ 501,494.26
Seward.....	\$ 283,512.73	\$ 6,892.88	\$ 290,405.61
Sheridan.....	\$ 73,056.63	\$ 210,341.60	\$ 283,398.23
Sherman.....	\$ 39,386.45	\$ 42,917.28	\$ 82,303.73
Sioux.....	\$ 10,108.02	\$ 85,806.06	\$ 95,914.08
Stanton.....	\$ 38,549.92	\$ 5,080.66	\$ 43,630.58
Thayer.....	\$ 73,335.48	\$ 6,518.72	\$ 79,854.20
Thomas.....	\$ 6,343.66	\$ 31,258.56	\$ 37,602.22
Thurston.....	\$ 126,315.48	\$ 0.00	\$ 126,315.48
Valley.....	\$ 57,162.64	\$ 14,584.38	\$ 71,747.02
Washington.....	\$ 282,885.34	\$ 8,597.74	\$ 291,483.08
Wayne.....	\$ 120,738.63	\$ 0.00	\$ 120,738.63
Webster.....	\$ 41,268.63	\$ 12,870.18	\$ 54,138.81
Wheeler.....	\$ 12,129.63	\$ 72,275.24	\$ 84,404.87
York.....	\$ 154,757.38	\$ 14,603.12	\$ 169,360.50
Total.....	\$ 24,509,734.89	\$ 5,338,045.18	\$ 29,847,780.07

⁽¹⁾ Information compiled from 2005 Calendar Year Distribution Reports furnished by the Nebraska Department of Education (2004 calendar year net income).

⁽²⁾ Real Estate Taxes levied in 2004 and payable during calendar year 2005.

DISBURSEMENTS OF TRUST REVENUES DURING 2006

COUNTY	K-12 PER PUPIL ⁽¹⁾ APPORTIONMENT	REAL ESTATE ⁽²⁾ TAX PAYMENTS	TOTAL DISBURSEMENTS
Adams.....	\$ 432,481.38	\$ 19,100.54	\$ 451,581.92
Antelope.....	\$ 90,420.04	\$ 128,568.92	\$ 218,988.96
Arthur.....	\$ 4,270.76	\$ 49,124.28	\$ 53,395.04
Banner.....	\$ 10,943.83	\$ 60,817.56	\$ 71,561.39
Blaine.....	\$ 9,275.56	\$ 57,636.82	\$ 66,912.38
Boone.....	\$ 82,212.17	\$ 13,311.62	\$ 95,523.79
Box Butte.....	\$ 164,757.98	\$ 123,215.70	\$ 287,973.68
Boyd.....	\$ 28,760.91	\$ 69,180.86	\$ 97,941.77
Brown.....	\$ 41,706.66	\$ 142,338.26	\$ 184,044.92
Buffalo.....	\$ 527,772.74	\$ 82,284.88	\$ 610,057.62
Burt.....	\$ 108,237.12	\$ 13,340.62	\$ 121,577.74
Butler.....	\$ 135,997.08	\$ 7,892.20	\$ 143,889.28
Cass.....	\$ 286,875.09	\$ 1,125.94	\$ 288,001.03
Cedar.....	\$ 139,400.34	\$ 27,740.10	\$ 167,140.44
Chase.....	\$ 63,527.59	\$ 174,756.74	\$ 238,284.33
Cherry.....	\$ 78,208.32	\$ 441,543.92	\$ 519,752.24
Cheyenne.....	\$ 121,449.80	\$ 174,106.54	\$ 295,556.34
Clay.....	\$ 62,726.82	\$ 421.46	\$ 63,148.28
Colfax.....	\$ 164,958.19	\$ 0.00	\$ 164,958.19
Cuming.....	\$ 143,137.26	\$ 3,790.16	\$ 146,927.42
Custer.....	\$ 140,601.50	\$ 255,614.28	\$ 396,215.78
Dakota.....	\$ 263,385.89	\$ 13,905.76	\$ 277,291.65
Dawes.....	\$ 88,685.04	\$ 115,756.38	\$ 204,441.42
Dawson.....	\$ 443,425.22	\$ 54,726.24	\$ 498,151.46
Deuel.....	\$ 36,701.86	\$ 63,855.28	\$ 100,557.14
Dixon.....	\$ 82,946.21	\$ 82,573.74	\$ 165,519.95
Dodge.....	\$ 484,664.76	\$ 0.00	\$ 484,664.76
Douglas.....	\$ 7,070,780.24	\$ 2,781.02	\$ 7,073,561.26
Dundy.....	\$ 23,956.31	\$ 122,688.06	\$ 146,644.37
Fillmore.....	\$ 84,280.82	\$ 0.00	\$ 84,280.82
Franklin.....	\$ 24,156.50	\$ 43,066.18	\$ 67,222.68
Frontier.....	\$ 41,906.85	\$ 91,732.08	\$ 133,638.93
Furnas.....	\$ 82,679.28	\$ 81,361.80	\$ 164,041.08
Gage.....	\$ 260,516.48	\$ 2,954.14	\$ 263,470.62
Garden.....	\$ 22,354.77	\$ 149,705.70	\$ 172,060.47
Garfield.....	\$ 21,754.19	\$ 52,379.20	\$ 74,133.39
Gosper.....	\$ 17,349.97	\$ 14,536.32	\$ 31,886.29
Grant.....	\$ 10,409.99	\$ 30,197.20	\$ 40,607.19
Greeley.....	\$ 43,174.73	\$ 42,764.56	\$ 85,939.29
Hall.....	\$ 703,674.77	\$ 28,052.60	\$ 731,727.37
Hamilton.....	\$ 120,181.90	\$ 0.00	\$ 120,181.90
Harlan.....	\$ 21,620.73	\$ 27,018.24	\$ 48,638.97
Hayes.....	\$ 10,276.52	\$ 82,066.38	\$ 92,342.90
Hitchcock.....	\$ 25,891.49	\$ 92,060.84	\$ 117,952.33
Holt.....	\$ 145,472.83	\$ 449,186.12	\$ 594,658.95
Hooker.....	\$ 12,345.17	\$ 30,952.42	\$ 43,297.59
Howard.....	\$ 102,698.47	\$ 30,285.88	\$ 132,984.35
Jefferson.....	\$ 127,589.02	\$ 16,281.04	\$ 143,870.06
Johnson.....	\$ 68,599.11	\$ 4,629.86	\$ 73,228.97

DISBURSEMENTS OF TRUST REVENUES DURING 2006

COUNTY	K-12 PER PUPIL ⁽¹⁾ APPORTIONMENT	REAL ESTATE ⁽²⁾ TAX PAYMENTS	TOTAL DISBURSEMENTS
Kearney.....	\$ 105,701.36	\$ 35,265.60	\$ 140,966.96
Keith.....	\$ 98,627.91	\$ 139,703.86	\$ 238,331.77
Keya Paha.....	\$ 10,476.72	\$ 76,518.72	\$ 86,995.44
Kimball.....	\$ 42,040.31	\$ 83,910.56	\$ 125,950.87
Knox.....	\$ 120,982.68	\$ 108,124.50	\$ 229,107.18
Lancaster.....	\$ 3,112,251.05	\$ 8,888.82	\$ 3,121,139.87
Lincoln.....	\$ 516,381.81	\$ 287,017.40	\$ 803,379.21
Logan.....	\$ 11,878.06	\$ 43,187.48	\$ 55,065.54
Loup.....	\$ 9,142.10	\$ 39,411.05	\$ 48,553.15
Madison.....	\$ 556,934.05	\$ 39,531.98	\$ 596,466.03
McPherson.....	\$ 6,005.75	\$ 51,913.56	\$ 57,919.31
Merrick.....	\$ 86,549.87	\$ 36,447.24	\$ 122,996.91
Morrill.....	\$ 77,207.36	\$ 88,121.18	\$ 165,328.54
Nance.....	\$ 66,597.19	\$ 0.00	\$ 66,597.19
Nemaha.....	\$ 83,079.67	\$ 608.98	\$ 83,688.65
Nuckolls.....	\$ 84,747.93	\$ 4,513.98	\$ 89,261.91
Otoe.....	\$ 230,821.34	\$ 2,922.44	\$ 233,743.78
Pawnee.....	\$ 35,300.51	\$ 1,700.20	\$ 37,000.71
Perkins.....	\$ 36,635.13	\$ 153,777.68	\$ 190,412.81
Phelps.....	\$ 121,116.13	\$ 15,226.10	\$ 136,342.23
Pierce.....	\$ 110,239.04	\$ 68,583.78	\$ 178,822.82
Platte.....	\$ 425,207.73	\$ 8,788.98	\$ 433,996.71
Polk.....	\$ 98,761.37	\$ 23,927.80	\$ 122,689.17
Red Willow.....	\$ 190,983.13	\$ 65,533.16	\$ 256,516.29
Richardson.....	\$ 152,279.35	\$ 4,289.04	\$ 156,568.39
Rock.....	\$ 16,682.65	\$ 114,865.26	\$ 131,547.91
Saline.....	\$ 236,426.71	\$ 1,822.72	\$ 238,249.43
Sarpy.....	\$ 1,524,662.02	\$ 5,231.16	\$ 1,529,893.18
Saunders.....	\$ 251,107.45	\$ 0.00	\$ 251,107.45
Scotts Bluff.....	\$ 470,050.72	\$ 18,903.52	\$ 488,954.24
Seward.....	\$ 237,694.59	\$ 6,575.10	\$ 244,269.69
Sheridan.....	\$ 69,333.16	\$ 210,483.64	\$ 279,816.80
Sherman.....	\$ 36,501.68	\$ 46,011.08	\$ 82,512.76
Sioux.....	\$ 8,608.25	\$ 90,851.08	\$ 99,459.33
Stanton.....	\$ 34,766.67	\$ 5,969.82	\$ 40,736.49
Thayer.....	\$ 73,537.19	\$ 6,973.98	\$ 80,511.17
Thomas.....	\$ 5,338.45	\$ 33,954.54	\$ 39,292.99
Thurston.....	\$ 119,914.98	\$ 0.00	\$ 119,914.98
Valley.....	\$ 55,386.44	\$ 15,959.04	\$ 71,345.48
Washington.....	\$ 268,657.61	\$ 17,851.72	\$ 286,509.33
Wayne.....	\$ 112,841.54	\$ 0.00	\$ 112,841.54
Webster.....	\$ 38,837.24	\$ 14,022.46	\$ 52,859.70
Wheeler.....	\$ 11,344.21	\$ 75,630.02	\$ 86,974.23
York.....	\$ 148,342.25	\$ 14,822.56	\$ 163,164.81
Total.....	\$ 23,389,161.42	\$ 5,639,070.21	\$ 29,028,231.63

⁽¹⁾ Information compiled from 2006 Calendar Year Distribution Reports furnished by the Nebraska Department of Education (2005 calendar year net income).

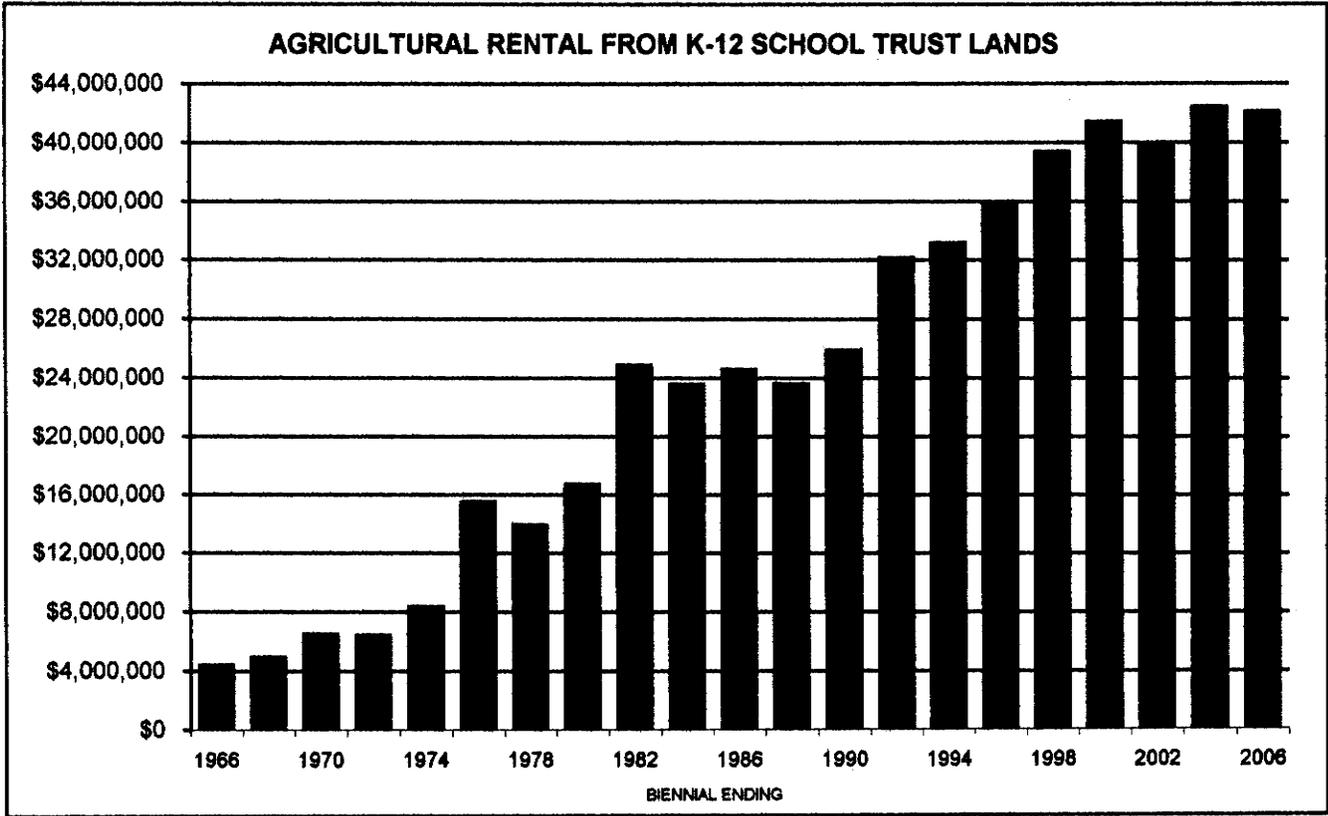
⁽²⁾ Real Estate Taxes levied in 2005 and payable during calendar year 2006.

SUMMARY OF EDUCATIONAL LANDS

As of June 30, 2006

	ACRES ACQUIRED (1)	ACRES DEEDED (2)	SURFACE ACRES LEASED (3)	APPRAISED VALUATION (4)	AGRICULTURAL RENTAL
Common School.....	2,863,376.220	1,523,456.206	1,339,920.014	\$ 544,983,490.500	\$ 21,799,339.82
Saline.....	32,789.220	32,527.430	261.790	\$ 357,802.500	\$ 14,312.10
Total K-12 School Trust Lands.....	2,896,165.440	1,555,983.636	1,340,181.804	\$ 545,341,293.00	\$ 21,813,651.72
University.....	45,463.270	39,290.033	6,173.237	\$ 4,250,319.000	\$ 170,012.76
Ag College.....	89,140.210	85,326.030	3,814.180	\$ 3,312,727.000	\$ 132,509.08
Normal (State College)....	12,804.800	12,729.970	74.830	\$ 122,204.000	\$ 4,888.16
Other.....	-	-	101.350	\$ 19,784.500	\$ 791.38
Total All Other Educational Trust Lands.	147,408.280	137,346.033	10,163.597	\$ 7,705,034.50	\$ 308,201.38

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.



EDUCATIONAL TRUST LANDS BY COUNTY
Common and Saline Lands (K-12)
As of June 30, 2006

COUNTY	ACRES		SURFACE ACRES LEASED (3)	APPRAISED VALUATION (4)	NUMBER OF AGRICULTURAL LEASES
	ACQUIRED (1)	DEEDED (2)			
Adams.....	20,880.080	19,535.080	1,345.000	\$ 1,913,868.50	9
Antelope.....	31,400.000	20,062.860	11,337.140	12,701,701.00	54
Arthur.....	27,311.980	3,377.145	23,934.835	5,339,548.50	38
Banner.....	26,930.510	3,439.990	23,490.520	5,953,625.50	41
Blaine.....	25,628.020	3,694.800	21,933.220	6,514,135.00	45
Boone.....	23,675.280	21,076.030	2,599.250	1,283,787.50	8
Box Butte.....	40,963.930	8,832.050	32,131.880	15,732,307.00	66
Boyd.....	22,664.500	11,980.660	10,683.840	5,584,045.50	60
Brown.....	47,741.830	9,317.590	38,424.240	15,835,144.00	68
Buffalo.....	30,894.620	23,697.280	7,197.340	5,006,474.50	31
Burt.....	16,225.550	17,584.290	661.260	1,811,285.00	8
Butler.....	21,699.630	21,219.630	480.000	814,073.00	3
Cass.....	19,733.980	19,653.980	80.000	128,870.00	2
Cedar.....	27,044.360	26,404.360	640.000	768,181.50	4
Chase.....	33,280.000	8,476.550	26,803.450	18,789,309.00	68
Cherry.....	274,626.320	75,889.923	198,736.397	51,484,538.50	335
Cheyenne.....	44,507.500	5,566.252	38,941.248	21,368,062.00	83
Clay.....	21,240.000	21,160.000	80.000	52,772.50	1
Colfax.....	14,483.510	14,483.510	0.000	0.00	0
Cuming.....	20,324.700	20,116.740	207.960	428,936.00	1
Custer.....	92,658.160	44,182.300	48,475.860	25,843,126.00	134
Dakota.....	7,255.960	6,602.690	653.270	1,385,885.50	4
Dawes.....	51,873.900	11,128.340	40,845.560	8,009,864.50	81
Dawson.....	36,725.000	29,410.214	7,314.786	5,521,426.00	21
Deuel.....	16,800.700	4,294.540	12,506.160	6,961,853.50	35
Dixon.....	17,029.280	15,158.900	1,870.380	2,852,563.50	12
Dodge.....	18,560.930	18,560.930	0.000	0.00	0
Douglas.....	9,320.550	9,178.940	141.610	368,601.50	3
Dundy.....	33,307.410	6,346.520	26,960.890	12,519,155.00	49
Fillmore.....	20,648.510	20,648.510	0.000	0.00	0
Franklin.....	20,471.850	14,658.870	5,812.980	4,257,670.00	24
Frontier.....	34,580.000	16,998.840	17,561.160	8,780,235.50	50
Furnas.....	25,599.680	13,273.120	12,326.560	7,837,153.50	40
Gage.....	24,637.310	24,437.310	200.000	274,585.50	2
Garden.....	64,221.410	21,903.610	42,317.800	11,508,667.00	80
Garfield.....	20,480.000	5,278.870	15,201.130	5,788,130.00	37
Goepfer.....	16,640.000	13,813.620	2,826.380	1,454,867.00	7
Grant.....	30,565.440	16,972.730	13,582.710	2,963,571.50	29
Greeley.....	20,475.300	13,235.300	7,240.000	3,631,911.00	28
Hall.....	19,604.520	17,692.570	1,911.950	2,271,344.50	14
Hamilton.....	20,487.700	20,487.700	0.000	0.00	0
Harlan.....	20,364.600	15,910.830	4,453.770	2,885,929.50	18
Hayes.....	26,160.000	6,737.580	19,422.420	9,032,646.00	54
Hitchcock.....	25,460.910	3,797.926	21,662.984	10,924,587.50	58
Holt.....	87,696.600	22,896.066	64,800.514	37,148,903.50	182
Hooker.....	28,626.050	12,509.300	16,116.750	3,178,758.50	24
Howard.....	23,036.780	19,138.660	3,898.120	2,806,604.50	16
Jefferson.....	20,484.080	19,044.080	1,440.000	1,265,232.50	12
Johnson.....	13,480.000	13,104.840	375.160	331,355.00	7
Kearney.....	18,758.060	15,302.090	3,455.970	4,296,836.00	9
Keith.....	46,542.710	14,840.183	31,702.527	15,545,019.00	76
Keya Paha.....	26,394.490	4,831.140	21,563.350	8,700,450.00	51
Kimball.....	36,561.000	3,096.890	33,464.110	10,715,231.50	60
Knox.....	43,533.810	31,285.640	12,248.170	5,420,331.00	55
Lancaster.....	31,973.850	31,676.410	297.440	436,366.50	3
Lancaster (Saline).....	32,789.220	32,527.430	261.790	367,802.50	4
Lincoln.....	100,210.660	39,047.557	61,163.103	21,659,463.50	125
Logan.....	20,480.000	7,595.320	12,884.680	4,514,279.50	24
Loup.....	20,393.280	7,828.520	12,564.760	4,019,290.50	25
Madison.....	24,626.970	22,523.094	2,103.876	3,426,686.00	14
McPherson.....	32,361.410	10,458.290	21,903.120	4,790,786.50	38
Merrick.....	14,976.210	12,589.800	2,386.410	4,093,692.00	15
Morrill.....	62,315.930	29,252.629	33,063.301	9,441,559.00	64
Nance.....	0.000	0.000	0.000	0.00	0
Nemaha.....	11,993.240	11,884.660	108.580	79,950.00	2
Nuckolls.....	21,049.610	20,577.230	472.380	349,629.00	5
Otoe.....	21,992.560	21,752.560	240.000	419,775.00	3
Pawnee.....	20,128.960	19,955.850	173.110	102,064.00	3
Perkins.....	31,892.830	2,680.674	29,212.156	14,893,144.50	60
Phelps.....	20,388.030	19,068.600	1,319.430	2,015,760.00	4
Pierce.....	20,480.000	15,306.240	5,173.760	5,880,107.50	20
Platte.....	23,655.480	22,618.900	1,036.580	842,448.50	7
Polk.....	17,432.560	16,077.200	1,355.360	3,380,649.00	6
Red Willow.....	25,408.710	13,075.616	12,333.094	6,708,670.00	35
Richardson.....	10,400.000	9,830.000	570.000	361,810.00	4
Rock.....	41,439.690	10,928.830	30,510.860	12,675,129.00	66
Saline.....	20,620.000	20,480.000	140.000	185,345.00	3
Sarpy.....	8,994.920	8,737.450	257.470	135,887.50	6
Saunders.....	26,323.880	26,323.880	0.000	0.00	0
Scotts Bluff.....	25,524.140	17,390.760	8,133.380	1,901,639.00	20
Seward.....	21,203.950	20,805.290	398.660	621,983.00	3
Sheridan.....	95,765.150	30,942.440	64,822.710	16,295,567.50	135
Sherman.....	20,453.780	13,899.630	6,554.150	4,156,474.00	27
Sioux.....	80,967.440	20,874.821	60,092.619	8,687,629.00	110
Stanton.....	15,444.290	14,720.000	724.290	470,198.00	3
Thayer.....	20,472.350	19,752.350	720.000	753,831.00	5
Thomas.....	29,338.040	15,787.442	13,550.598	2,673,407.50	25
Thurston.....	0.000	0.000	0.000	0.00	0
Valley.....	20,704.750	17,901.760	2,802.990	1,552,762.50	10
Washington.....	13,783.350	12,766.110	1,017.240	2,253,014.00	10
Wayne.....	15,360.000	15,360.000	0.000	0.00	0
Webster.....	20,861.200	19,800.000	1,061.200	725,266.50	9
Wheeler.....	21,120.000	3,271.294	17,848.706	7,231,450.00	39
York.....	20,480.000	19,646.610	833.390	1,702,840.00	9
Total K-12 School Trust Lands.....	2,896,165.440	1,555,983.636	1,340,181.804	\$ 545,341,293.00	3132

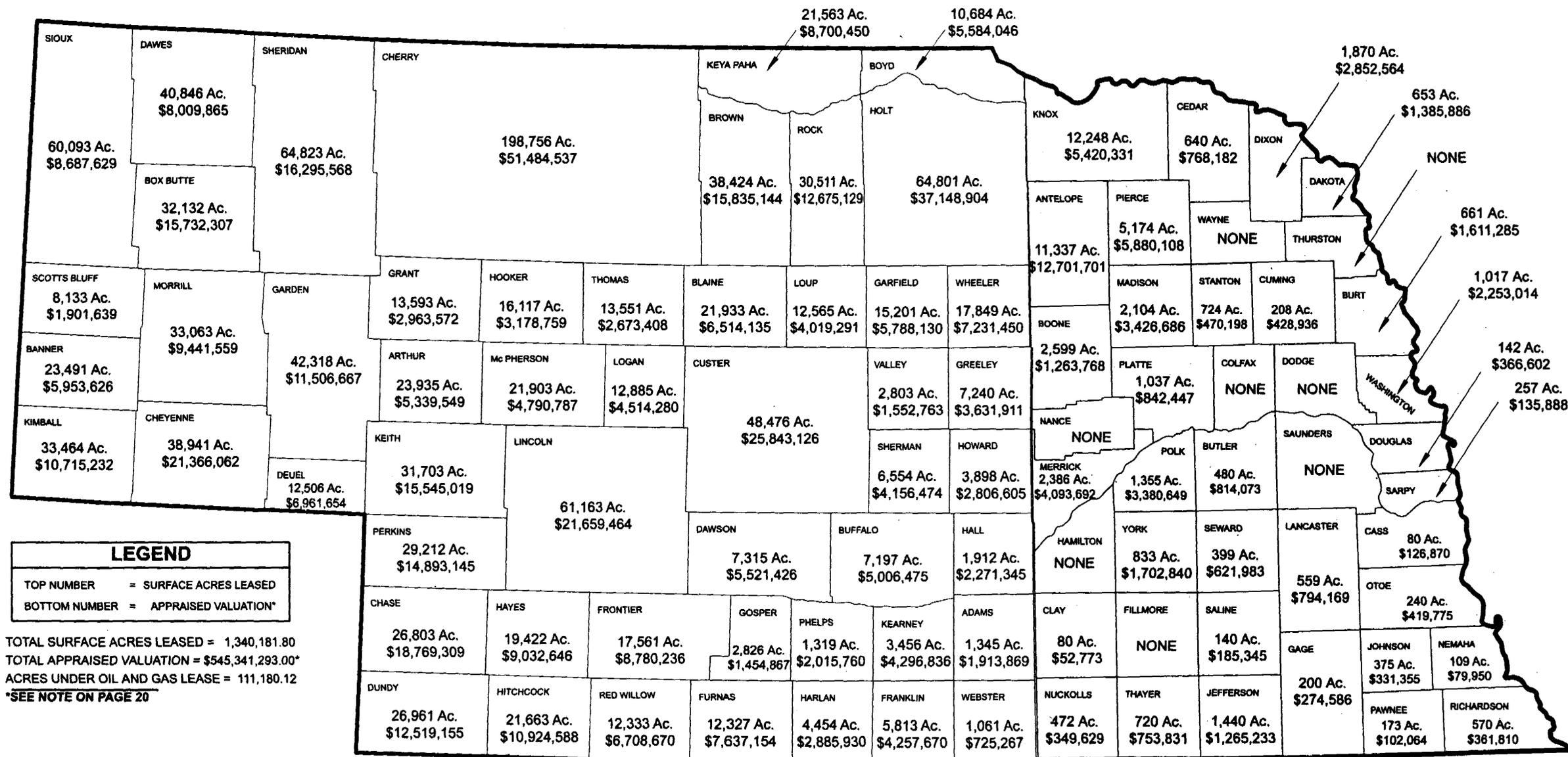
University, Agricultural College and Normal School (State College) Lands
As of June 30, 2006

COUNTY	ACRES		SURFACE ACRES LEASED (3)	APPRAISED VALUATION (4)	NUMBER OF AGRICULTURAL LEASES
	ACQUIRED (1)	DEEDED (2)			
Antelope (Uni).....	1,600.000	1,407.050	192.950	\$ 150,329.00	1
Burt (Ag).....	640.000	640.000	0.000	0.00	0
Cedar (Ag).....	25,405.470	24,431.630	973.840	1,229,530.00	7
Cedar (Uni).....	1,920.000	1,605.703	314.297	334,939.00	2
Cuming (Ag).....	960.000	960.000	0.000	0.00	0
Dakota (Ag).....	640.000	640.000	0.000	0.00	0
Dakota (Uni).....	320.000	320.000	0.000	0.00	0
Dawes (Other).....	0.000	0.000	101.350	19,784.50	1
Dixon (Ag).....	2,240.000	2,200.000	40.000	99,450.00	1
Dixon (Uni).....	640.000	640.000	0.000	0.00	0
Holt (Uni).....	8,322.100	4,420.480	3,901.640	2,425,659.50	25
Knox (Ag).....	33,491.200	31,207.590	2,283.610	984,493.00	9
Knox (Uni).....	4,480.000	3,869.610	510.390	275,394.50	4
Lancaster (Normal).....	12,804.800	12,729.970	74.830	122,204.00	1
Madison (Uni).....	2,240.000	2,090.000	160.000	295,794.00	1
Nuckolls (Uni).....	4,940.020	4,764.580	175.440	101,890.00	1
Pierce (Ag).....	10,114.560	9,567.830	516.730	988,254.00	3
Pierce (Uni).....	3,197.670	3,197.670	0.000	0.00	0
Wayne (Ag).....	15,648.980	15,648.980	0.000	0.00	0
Webster (Uni).....	17,803.480	16,864.960	918.520	666,313.00	7
Total All Other Educational Trust Lands.....	147,408.280	137,346.033	10,163.597	\$ 7,705,034.50	63

Notes (1), (2), (3) and (4): See pages 14 and 20.

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MAP OF K-12 SCHOOL TRUST LANDS

As of June 30, 2006

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 \$21.9 million and a rate of 4% is chosen, the resulting value will be \$547.5 million. Similarly, a rate of 5% applied to rental of \$21.9 million will yield a value of \$438.0 million, and a rate of 6% used for the same \$21.9 million rent will result in a value of \$365.0 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 \$474.1 million for 1.354 million acres as of June 30, 2005, and \$517.4 million for 1.340 million acres as of June 30, 2006. By comparison, the total agricultural rent established by the Board for that land was approximately \$21.9 million effective January 1, 2006, and will be approximately \$21.9 million effective January 1, 2007. These numbers, of course, yield actual agricultural rent to value ratios between 4.23% and 4.62%.

TOTAL K-12 SCHOOL TRUST LAND SALES FOR THE BIENNIUM

<u>TOTAL PARCELS</u>	<u>TOTAL ACRES</u>	<u>GRASS ACRES</u>	<u>CROP ACRES</u>	<u>CRP ACRES</u>	<u>OTHER ACRES</u>	<u>BEGINNING BID PRICE</u>	<u>SALE PRICE</u>	<u>EXCESS OVER BEGINNING PRICE</u>
112	48,512.14	47,314.61	943.95	0.00	256.58	\$12,914,093	\$13,877,193	\$963,100 (7.48%)

All parcels sold were K-12 School Trust Land. Proceeds are deposited into the Permanent School Fund during the Fiscal Year in which they are received. With respect to auctions occurring during the last three months of the Fiscal Year, 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 were only two land sale requests denied by the Board to be reported pursuant to the last sentence of the second paragraph of Section 72-258.

During Fiscal Year 2004-05, the Board denied a request that all of the NE¼NW¼ of Section 36-T29N-R08E, Dakota County, lying North of Highway 20 be offered at public auction for \$25,000. This tract lies approximately 1½ miles west of the interchange of Highways 20 & 77 on the south side of South Sioux City. It has slightly more than ¼ mile of Highway 20 frontage on the south and contains approximately 27 total acres. Access is from a frontage road, which is old Highway 20, to the southeast corner of the tract. The private airport adjoining on the east uses part of this land as a required secondary runway. This parcel is zoned transitional agricultural and is now pasture utilized mostly for hay land.

During Fiscal Year 2005-06, the Board sold this parcel at public auction for \$89,000.

During Fiscal Year 2004-05, the Board denied a request that Government Lot 2 and all accretions thereto, and Island 2 and all accretions thereto, all in Section 36-T16N-R03W, Merrick County, be offered at public auction for \$120,000. This tract has 45 acres of lateral roll irrigation and 13.8 acres of tree-covered grassland plus accretions. There is approximately one-half mile of Platte River accretions (South Channel) and direct road access, with significant potential for deer and turkey hunting.

During Fiscal Year 2005-06, the Board sold this parcel at public auction for \$187,500.

SUMMARY OF LAND SALES DURING FISCAL YEAR 2004-2005

COUNTY	PLAT #	LEGAL DESCRIPTION	SEC-TWN-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	13	All	02-T18N-R37W	Grassland	641.71	641.71				\$113,000	\$150,000	\$37,000
Boyd	32	E½NE¼ and E½W½NE¼	36-T34N-R12W	Grassland	120.00	120.00				\$80,000	\$80,000	
Brown	61	E½NE¼, W½NW¼, N½SW¼ and SE¼	16-T27N-R24W	Grassland	400.00	400.00				\$118,000	\$118,000	
Chase	31	All	36-T08N-R36W	Grassland	640.00	640.00				\$133,300	\$188,000	\$54,700
Cherry	74	All	36-T27N-R26W	Grassland	616.58	616.58				\$163,383	\$163,383	
Cherry	341	All	16-T26N-R36W	Grassland	640.00	640.00				\$133,400	\$133,400	
Cherry	345	All	16-T27N-R36W	Grassland	640.00	640.00				\$132,800	\$132,800	
Cherry	348	All	36-T26N-R36W	Grassland	640.00	640.00				\$123,500	\$123,500	
Cherry	367A	E½SE¼	33-T26N-R36W	Grassland	74.19	74.19				\$15,800	\$15,800	
Cherry	367B	SW¼ and W½SE¼	33-T26N-R36W	Grassland	217.57	217.57				\$44,900	\$44,900	
Cherry	368	N¼ and N½SE¼	36-T26N-R36W	Grassland	396.62	396.62				\$83,100	\$83,100	
Cherry	371	SE¼	35-T27N-R36W	Grassland	810.97	810.97				\$165,900	\$165,900	
Cherry	372	All	36-T27N-R36W									
Cherry	412	SW¼	27-T26N-R40W	Grassland	160.00	160.00				\$33,300	\$33,300	
Cheyenne	56	The existing residential acreage and improvement site of approximately 9.69 surveyed acres near the West Quarter Corner	16-T12N-R52W	Residential acreage and improvement site	9.69		3.5		6.19	\$14,500	\$14,500	

Deuel	3	N½SW¼, NW¼SE¼, and all those portions of Lot 2, Lot 3 and Lot 4 lying North of Highway 138	34-T13N-R42W	Grassland	190.14	190.14			\$31,100	\$58,500	\$27,400
Frontier	48	N½NW¼	36-T08N-R30W	Grassland and dryland croppground	80.00	71.00	9		\$25,400	\$25,400	
Frontier	48	SE¼	36-T08N-R30W	Grassland and dryland croppground	180.00	59.00	97	4.00	\$67,700	\$67,700	
Garden	48	All	16-T17N-R44W	Grassland and dryland croppground	640.00	521.00	119		\$132,900	\$170,500	\$37,600
Grant	4	NE¼, N½NW¼ and S¼	36-T22N-R36W	Grassland	485.90	485.90			\$92,100	\$92,100	
Grant	18	All	16-T21N-R37W	Grassland	640.00	640.00			\$111,800	\$111,800	
Grant	21	NE¼NE¼, S¼NE¼, SE¼NW¼ and S¼	36-T22N-R37W	Grassland	475.42	475.42			\$90,100	\$90,100	
Hayes	25	W¼	16-T05N-R34W	Grassland, irrigated and dryland croppground	320.00	214.00	108		\$122,800	\$122,800	
Holt	39	All	16-T32N-R10W	Grassland	640.00	628.00		12.00	\$211,500	\$270,000	\$58,500
Holt	90	All	36-T32N-R13W	Grassland	640.00	640.00			\$208,900	\$208,000	\$1,200
Holt	130	All	36-T25N-R16W	Grassland	640.00	640.00			\$209,100	\$209,100	
Hooker	13	All	16-T23N-R32W	Grassland	640.00	634.00		6.00	\$105,900	\$177,000	\$71,200
Hooker	18	All	36-T21N-R33W	Grassland	713.00	688.00		25.00	\$115,800	\$215,000	\$99,200
Hooker	23	All except 0.88 acres in SE¼SE¼	16-T24N-R33	Grassland	639.12	639.12			\$108,900	\$108,600	
Hooker	34	All	36-T22N-R34W	Grassland	640.00	640.00			\$107,100	\$107,100	
Hooker	35A	NW¼	16-T23N-R34W	Grassland	180.00	180.00			\$28,700	\$28,700	
Hooker	35B	E¼ and SW¼	16-T23N-R34W	Grassland	480.00	480.00			\$82,900	\$82,900	
Hooker	43	NW¼	15-T23N-R35W	Grassland	180.00	180.00			\$28,700	\$28,700	

SUMMARY OF LAND SALES DURING FISCAL YEAR 2004 - 2005 (Continued)

COUNTY	PLAT #	LEGAL DESCRIPTION	SEC-TWN-RGE	CHARACTERISTICS OF THE LAND	TOTAL ACRES	GRASS ACRES	CROP ACRES	CRP ACRES	OTHER ACRES	BEGINNING BID PRICE	SALE PRICE	EXCESS OVER BEGINNING PRICE
Lancaster	9	Lot 45 of irregular tracts in SW $\frac{1}{4}$ SE $\frac{1}{4}$	06-T10N-R07E	Commercial site	1.26				1.26	\$200,000	\$200,000	
Lincoln	112	The surveyed farmstead and adjacent grassland in NW $\frac{1}{4}$ NW $\frac{1}{4}$	16-T14N-R33W	Farmstead and Grassland	15.71	10.21			5.50	\$23,500	\$23,500	
Logan	4	All	36-T18N-R26W	Grassland	640.00	640.00				\$136,600	\$136,800	
Logan	7	All	16-T20N-R26W	Grassland	640.00	636.00			4.00	\$153,500	\$153,500	
McPherson	45	N $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, W $\frac{1}{4}$ SW $\frac{1}{4}$ and SE $\frac{1}{4}$ SW $\frac{1}{4}$	16-T19N-R35W	Grassland	360.00	360.00				\$74,100	\$74,100	
McPherson	50	N $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ and S $\frac{1}{4}$ S $\frac{1}{4}$	36-T20N-R35W	Grassland	320.00	320.00				\$66,400	\$66,400	
Morrill	14	All	16-T17N-R46W	Grassland and dryland cropland	640.00	538.00	92		10.00	\$120,000	\$136,000	\$16,000
Morrill	54	All	16-T22N-R50W	Grassland	640.00	640.00				\$100,100	\$137,500	\$37,400
Morrill	57	S $\frac{1}{4}$ S $\frac{1}{4}$ except RR and Hwy ROW's in Southeast Corner	36-T23N-R50W	Grassland	180.00	153.40			6.60	\$25,900	\$25,900	
Morrill	57	W $\frac{1}{4}$ NW $\frac{1}{4}$ and N $\frac{1}{4}$ SW $\frac{1}{4}$	36-T23N-R50W	Farmstead and Grassland	180.00	156.00			4.00	\$26,500	\$49,000	\$22,500
Morrill	91	SE $\frac{1}{4}$ NE $\frac{1}{4}$	36-T22N-R52W	Irrigated cropland and grassland	40.00	33.00	2		5.00	\$8,000	\$8,000	
Nemaha	2	SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and all that part of the S $\frac{1}{4}$ NE $\frac{1}{4}$ lying south of Honey Creek	36-T08N-R15E	Dryland cropland with timbered pasture & protective dike	253.20	31.50	221.7			\$450,000	\$450,000	

Rock	27	N $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{4}$ SW $\frac{1}{4}$ and SE $\frac{1}{4}$ SW $\frac{1}{4}$	36-T29N-R18W	Grassland	200.00	200.00			\$54,800	\$54,800		
Rock	27	NE $\frac{1}{4}$	36-T29N-R18W	Grassland	180.00	180.00			\$78,000	\$78,000		
Scotts Bluff	19	SW $\frac{1}{4}$ NE $\frac{1}{4}$	18-T22N-R57W	Dryland and irrigated cropland	40.00		40		\$12,000	\$18,500	\$4,500	
Sioux	88	All	18-T30N-R55W	Grassland	840.00	840.00			\$103,400	\$154,000	\$50,600	
Sioux	79	W $\frac{1}{4}$ NW $\frac{1}{4}$, that portion of the E $\frac{1}{4}$ NW $\frac{1}{4}$ lying west of the irrigation canal, and that portion of the W $\frac{1}{4}$ SW $\frac{1}{4}$ lying west of the irrigation canal	18-T24N-R58W	Grassland	182.82	182.82			\$28,000	\$28,000		
Sioux	79	All of the E $\frac{1}{4}$ NW $\frac{1}{4}$ except that portion thereof lying west of the irrigation canal, and all of the W $\frac{1}{4}$ SW $\frac{1}{4}$ except that portion thereof lying west of the irrigation canal	18-T24N-R58W	Canal irrigated cropland and grassland	77.18	17.39	50.8	9.19	\$77,200	\$77,200		
Sioux	88	All	36-T28N-R56W	Grassland	840.00	840.00			\$101,800	\$101,800		
Thomas	27	All	18-T22N-R29W	Grassland	832.18	832.18			\$118,000	\$151,000	\$33,000	
Thomas	28	All	36-T22N-R29W	Grassland	840.00	840.00			\$119,500	\$119,500		
63 Total Parcels Sold during Fiscal Year 2004-2006					21,413.24	20,873.70	740.80	0.00	98.74	\$6,281,093	\$8,891,893	\$880,800 (10.43%)

SUMMARY OF LAND SALES DURING FISCAL YEAR 2005 - 2006

COUNTY	PLAT #	LEGAL DESCRIPTION	SEC-TWN-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	13B	All	16-T18N-R37W	Grassland	640.00	640.00				\$139,000	\$139,000	
Blaine	25	All	36-T21N-R24W	Grassland	622.65	619.16			3.49	\$140,700	\$140,700	
Blaine	32	All	16-T21N-R25W	Grassland	640.00	640.00				\$156,200	\$156,200	
Chase	41	All	36-T05N-R41W	Grassland	640.00	640.00				\$166,400	\$166,400	
Cherry	64	2,475' long X 66' wide	16-T34N-R27W	Access strip	3.75				3.75	\$40,000	\$40,000	
Cherry	88	All	16-T25N-R29W	Grassland	640.00	640.00				\$185,600	\$185,600	
Cherry	109	All	36-T25N-R30W	Grassland	640.00	640.00				\$185,600	\$185,600	
Cherry	203B	W½	18-T28N-R32W	Grassland	1,071.74	1,070.74			1.00	\$490,600	\$490,600	
	224A	S½S½	12-T28N-R33W									
	224B	All	13-T28N-R33W									
Cherry	203C	W½	19-T28N-R32W	Grassland	921.49	921.49				\$276,500	\$276,500	
	224D	All	24-T28N-R33W									
Cherry	224C	All	16-T28N-R33W	Grassland	640.00	640.00				\$192,000	\$192,000	
Cherry	227	All	36-T29N-R33W	Grassland	640.00	640.00				\$182,400	\$182,400	
Cherry	311	All	36-T33N-R36W	Grassland	640.00	640.00				\$131,800	\$131,800	
Cherry	347	NW¼, N½ E¼, SW¼NE¼, the N½SW¼ & the SW¼SW¼	16-T28N-R38W	Grassland	400.00	400.00				\$139,200	\$139,200	
Cherry	349	N½	16-T29N-R38W	Grassland	320.00	320.00				\$76,800	\$76,800	

Cherry	373	S½	01-T28N-R39W	Grassland	305.64	305.64		\$78,900	\$78,900	
Cherry	374	S½	02-T28N-R39W	Grassland	304.76	298.76	6.00	\$82,300	\$82,300	
Cherry	375	Govt. Lots 2 and 3	03-T28N-R39W	Grassland	66.26	66.26		\$24,900	\$24,900	
Cherry	378	SW¼ and SW¼NW¼	04-T28N-R39W	Grassland	189.17	182.17	7.00	\$53,500	\$53,500	
Cherry	379	All	36-T28N-R39W	Grassland	667.73	667.73		\$207,200	\$207,200	
Cherry	380	S¼, W¼NW¼ & SE¼NW¼	16-T29N-R39W	Grassland	444.20	444.20		\$127,700	\$127,700	
Cherry	381	N¼, NW¼SW¼, NE¼SE¼, S¼SE¼	36-T29N-R39W	Grassland	463.83	455.83	8	\$141,100	\$141,100	
Cherry	415	S½	11-T29N-R40W	Grassland	320.00	318.00	4.00	\$93,800	\$112,000	\$18,200
Cherry	416	W¼SW¼ & SW¼NW¼	16-T29N-R40W	Grassland	120.00	120.00		\$44,900	\$44,900	
Cherry	416	E¼ & E¼W¼	16-T29N-R40W	Grassland	480.00	480.00		\$146,600	\$166,000	\$21,400
Cherry	417	All	26-T29N-R40W	Grassland	640.00	624.00	16.00	\$181,800	\$181,800	
Cherry	418	S½	27-T29N-R40W	Grassland	320.00	320.00		\$82,100	\$82,100	
Cherry	419	All	36-T29N-R40W	Grassland	640.00	627.00	13.00	\$159,400	\$159,400	
Custer	12	NW¼	16-T13N-R16W	Grassland	153.17	149.17	4.00	\$82,000	\$100,500	\$38,500
Custer	67	All	36-T16N-R22W	Grassland	640.00	640.00		\$289,000	\$390,000	\$121,000
Dakota	3	All that part of the NE¼NW¼ lying North of U.S. Highway 20	36-T29N-R08E	Grassland	26.94	26.94		\$47,000	\$89,000	\$42,000

SUMMARY OF LAND SALES DURING FISCAL YEAR 2005 - 2006 (Continued)

COUNTY	PLAT #	LEGAL DESCRIPTION	SEC-TWN-RGE	CHARACTERISTICS OF THE LAND	TOTAL ACRES	GRASS ACRES	CROP ACRES	CNP ACRES	OTHER ACRES	BEGINNING BID PRICE	SALE PRICE	EXCESS OVER BEGINNING PRICE
Dewees	38	All	36-T36N-R49W	Grassland	640.00	640.00				\$121,800	\$121,800	
Dixon	4	SE $\frac{1}{4}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$ NE $\frac{1}{4}$	16-T31N-R04E	Grassland with trees	80.00	80.00				\$41,800	\$62,500	\$10,700
Garfield	26	S $\frac{1}{4}$ SW $\frac{1}{4}$ except and subject to the canal rights-of-ways in the northeastern portion thereof	36-T21N-R16W	Grassland	76.49	75.49	1.00			\$31,100	\$64,000	\$22,900
Grant	1	S $\frac{1}{4}$	16-T21N-R36W	Grassland	320.00	316.00			4.00	\$74,700	\$74,700	
Grant	2	S $\frac{1}{4}$ S $\frac{1}{4}$ except the approx. 11 acres of pivot irrigated croppground in the northeast corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$	36-T21N-R36W	Grassland	111.72	111.72				\$24,600	\$24,600	
Grant	2	N $\frac{1}{4}$ and N $\frac{1}{4}$ S $\frac{1}{4}$ and the approx. 11 acres of pivot irrigated croppground in the northeast corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$	36-T21N-R36W	Pivot irrigated croppground and grassland	491.00	446.00	45.00			\$146,800	\$146,800	
Holt	38	N $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$	36-T31N-R10W	Pivot irrigated croppground and grassland	120.00	19.00	99.00		2.00	\$231,200	\$231,200	
Hitchcock	4A	E $\frac{1}{4}$	36-T02N-R31W	Grassland	320.00	320.00				\$68,600	\$68,600	
Hitchcock	4B	W $\frac{1}{4}$	36-T02N-R31W	Grassland	320.00	320.00				\$68,600	\$68,600	\$26,400
Hooker	39	All	16-T21N-R35W	Grassland	640.00	640.00				\$121,800	\$121,800	

Kimball	50	All	16-T14N-R58W	Grassland	636.66	636.66			\$81,300	\$81,300	
Lincoln	66	All North of UPRR south boundary	36-T14N-R30W	Meadow	277.48	222.18	55.30		\$175,000	\$201,000	\$26,000
Lincoln	68	All that part of the E½E½ lying South of U.S. Highway 83 and East of the western boundary of the county road	36-T16N-R30W	Grassland with acreage potential	38.37	34.07	4.30		\$30,000	\$67,000	\$27,000
Logan	13	All	16-T19N-R27W	Grassland	640.00	640.00			\$139,000	\$139,000	
Loup	15	All	16-T24N-R18W	Grassland	640.00	640.00			\$164,500	\$170,000	\$5,500
Loup	21	All	16-T23N-R19W	Grassland	640.00	640.00			\$165,200	\$165,200	
McPherson	27	All	16-T18N-R33W	Grassland	640.00	640.00			\$137,200	\$174,000	\$36,800
McPherson	32	All	36-T20N-R33W	Grassland	640.00	640.00			\$130,800	\$130,800	
Merrick	2	Govt. Lot 2 and all accretions thereto, and island 2 and all accretions thereto	36-T16N-R03W	Irrigated croppground and Platte River accretions (South Channel)	59.80	13.80	45.00	1.00	\$187,500	\$187,500	
Morrill	66	E½NE¼	13-T20N-R51W	Grassland and Canal Irrigated Croppground	80.00	72.30	6.70	1.00	\$16,600	\$20,000	\$3,400
Morrill	78	All	36-T22N-R51W	Grassland	640.00	640.00			\$93,800	\$93,800	
Morrill	66	All	36-T20N-R52W	Grassland	640.00	640.00			\$107,300	\$107,300	

SUMMARY OF LAND SALES DURING FISCAL YEAR 2005 - 2006 (Continued)

COUNTY	PLAT #	LEGAL DESCRIPTION	SEC-TWN-RGE	CHARACTERISTICS OF THE LAND	TOTAL ACRES	GRASS ACRES	CROP ACRES	CRP ACRES	OTHER ACRES	BEGINNING BID PRICE	SALE PRICE	EXCESS OVER BEGINNING PRICE
Pertins	37	The farmstead & improvement site near the Northeast Corner, and all of the pasture	36-T06N-R40W	Farmstead and improvement site and pasture	330.07	314.07			19.00	\$123,700	\$123,700	
Pertins	41	The South 683 feet of the East 730 feet of the SE $\frac{1}{4}$ SE $\frac{1}{4}$	36-T11N-R40W	Residential acreage & improvement site	11.45		6.45		5.00	\$17,200	\$17,200	
Sheridan	13	All	09-T30N-R41W	Grassland	1,280.00	1,280.00				\$315,600	\$315,600	
Sheridan	14	All	18-T30N-R41W	Grassland								
Sheridan	35	All	18-T28N-R42W	Grassland	640.00	640.00				\$135,000	\$147,500	\$12,500
Sheridan	40	All	36-T30N-R42W	Grassland	624.53	624.53				\$156,100	\$156,100	
Sioux	7	All	36-T26N-R63W	Grassland	640.00	640.00				\$101,800	\$101,800	
Sioux	100	All	36-T34N-R56W	Grassland	640.00	640.00				\$100,000	\$100,000	
58 Total Parcels Sold during Fiscal Year 2005-2006					27,086.90	26,740.91	203.16		167.84	\$7,633,000	\$8,048,300	\$412,300 (8.40%)

OIL AND GAS LEASES BY COUNTY
K-12 School Trust Lands
As of June 30, 2006

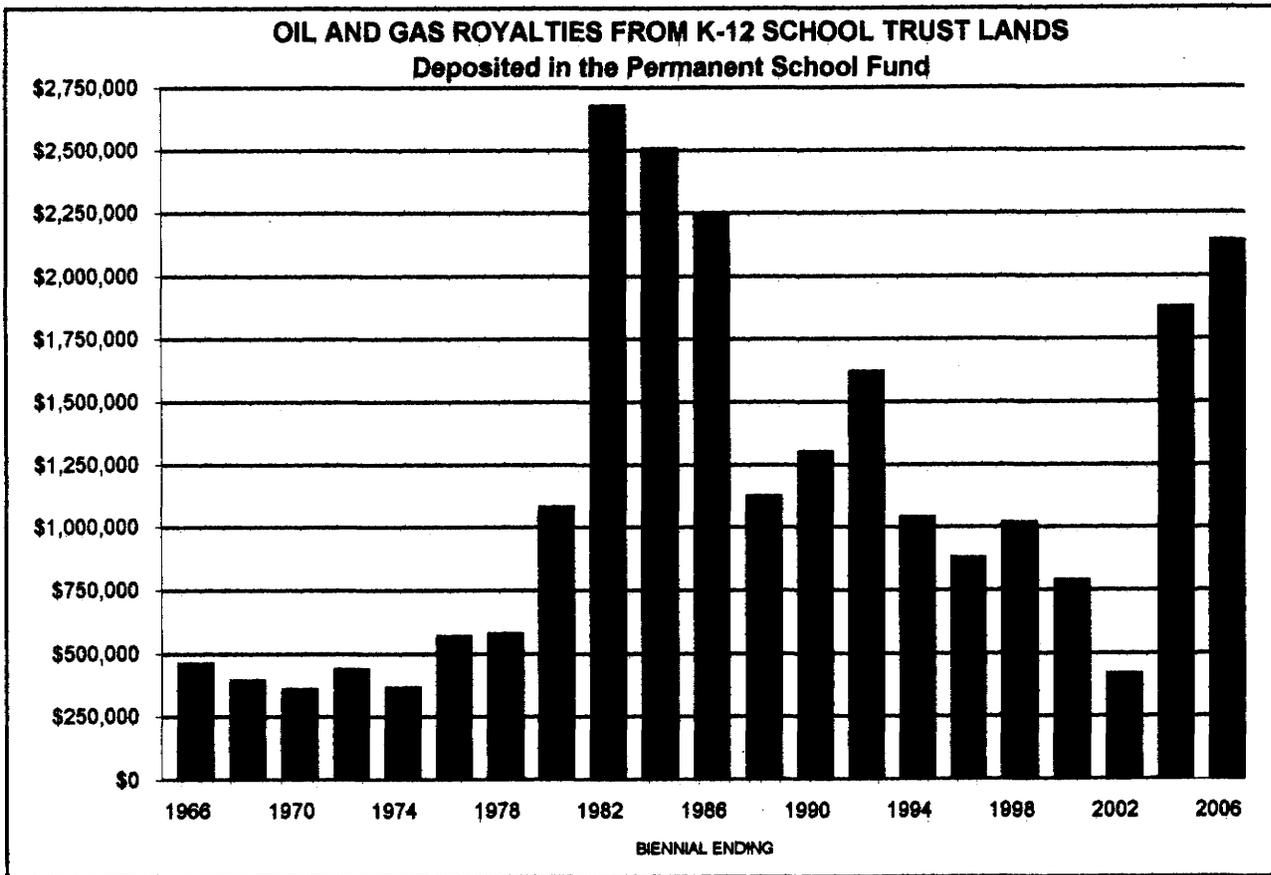
COUNTY	NO. OF LEASES	NO. OF ACRES UNDER LEASE
Banner	15	3,800.000
Chase	22	13,960.000
Cheyenne	15	7,720.000
Deuel	8	5,115.000
Dundy	30	16,585.200
Furnas	2	1,200.000
Garden	3	1,920.000
Hayes	5	2,800.000
Hitchcock	23	11,800.180
Keith	11	6,720.000
Kimball	21	9,480.000
McPherson	9	5,760.000
Morrill	7	3,880.290
Perkins	30	18,359.450
Red Willow	6	1,440.000
Scotts Bluff	2	640.000
16 Counties	209	111,180.120

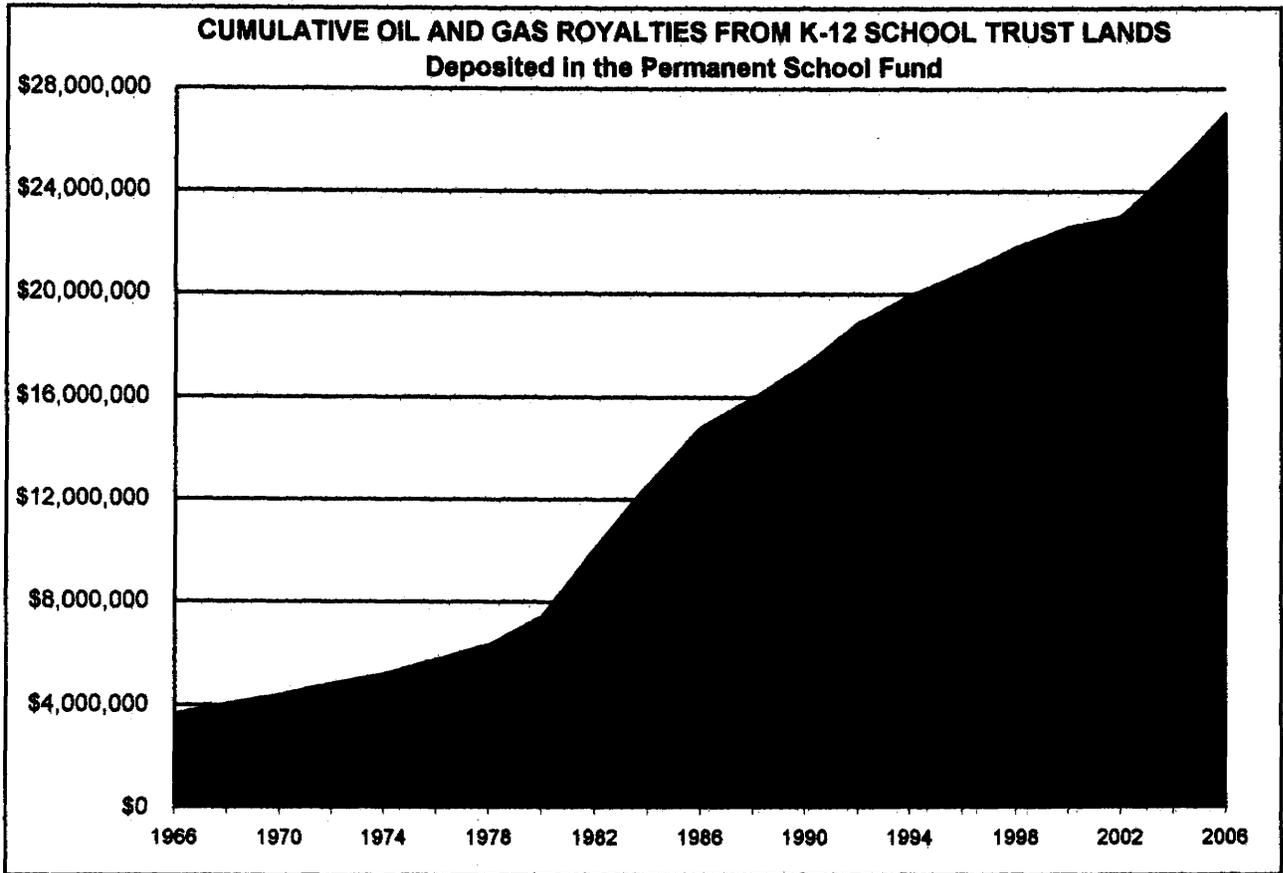
There were no oil or gas leases covering University, Agricultural College or State College (Normal School) Lands.

OIL AND GAS ROYALTIES BY COUNTY
K-12 School Trust Lands
July 1, 2004 through June 30, 2006

COUNTY	ROYALTIES RECEIVED
Banner.....	\$ 70,491.55
Cheyenne.....	\$ 168,304.62
Dundy.....	\$ 708,198.71
Furnas.....	\$ 13,479.64
Hitchcock.....	\$ 313,341.34
Kimball.....	\$ 567,609.79
Morrill.....	\$ 165,396.12
Red Willow.....	\$ 108,959.03
Scotts Bluff.....	\$ 25,712.11
 TOTAL.....	 \$ 2,141,492.91

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





Reader's Notes

For further information, please visit our websites

Board of Educational Lands and Funds

www.belf.state.ne.us

Office of the Nebraska State Surveyor

www.sso.state.ne.us