2002-2004

SIXTY-FOURTH BIENNIAL REPORT

BOARD OF EDUCATIONAL LANDS AND FUNDS

GOVERNOR MIKE JOHANNS

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BOARD OF EDUCATIONAL LANDS AND FUNDS

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L. JAY GILDERSLEEVE
General Counsel
Minerals Director
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ROXANNE SUESZ
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LAURA B. BAHR-FREW
Minerals Administrator

LETTER OF TRANSMITTAL

September 30, 2004

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 64th Biennial Report of its administration of Nebraska's School Trust Lands from July 1, 2002, through June 30, 2004.

This report reflects the broad scope of activity and the extensive responsibility of the Board and its staff in managing the nearly 1.389 million acres of Educational Trust Lands.

Total K-12 School Trust Income for the Biennium was $64,565,654.99. All School Trust Funds are invested exclusively by the Nebraska Investment Council.

Respectfully submitted,

L. Jay Gildersleeve
For The Board

555 NORTH COTNER BLVD. LINCOLN, NEBRASKA 68505-2353 TELEPHONE 402/471-2014 FAX 402/471-3599

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, 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 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
Martin Olson	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

James L. Brown	State Surveyor
Steven C. Cobb	Chief 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

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 1.52 million of these acres have been sold to private sector owners. More than 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 nearly 1.38 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 $394.2 million for 1.396 million acres as of June 30, 2003, and $425.5 million for 1.378 million acres as of June 30, 2004. The total agricultural rent established by the Board for that land was approximately $20.6 million effective January 1, 2004, and will be approximately $20.8 million effective January 1, 2005.

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 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 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 212,000 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.

(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, 2002 to June 30, 2004

TEMPORARY SCHOOL FUND (Income):

Agricultural Lease Rentals and Interest	$	42,454,941.00
Agricultural Lease Bonus		1,663,151.00
Minerals Lease Rentals		200,400.61
Minerals Lease Bonus		542,729.86
Other Sources		147,218.06
Interest on Temporary Investments		1,195,994.94
Interest and Dividends on Permanent Investments		17,646,769.52
Liquor Control Licenses, Fines, Fees		713,800.00
Other Licenses, Fines, Fees		650.00
TOTAL INCOME	$	64,565,654.99

PERMANENT SCHOOL FUND (New Deposits):

Mineral Lease Royalties:		
Federal Mineral Deposits	$	23,441.35
Oil and Gas		1,324,920.38
Sand and Gravel		21,281.43
Timber Sale Proceeds		135,065.47
Oil and Gas Severance Tax		2,892,937.21
Land Sales, Easements and Condemnations		11,948,645.22
Unclaimed Property, Escheats and Estrays		5,694,975.50
Licenses, Fines, Fees, Penalties, Forfeitures		1,264,316.23
TOTAL ADDITIONS TO PRINCIPAL	$	23,305,582.79
TOTAL K-12 SCHOOL TRUST REVENUES	$	87,871,237.78

*Information compiled from Monthly Trial Balance Reports generated by the Nebraska Information System administered by the Nebraska Department of Administrative Services.

VALUE OF PERMANENT EDUCATIONAL TRUST FUNDS*

As of June 30, 2004

FUND	MARKET VALUE
Permanent School Fund (K-12)	$ 287,079,162.24
Permanent University Fund	811,700.03
Agricultural College Fund	1,785,343.91
State College (Normal Schools) Fund	191,428.70
TOTAL	$ 289,867,634.88

*Information furnished by the Nebraska Investment Council.

The K-12 School Trust Portfolio was 60% Land ($425.5 million) and 40% Stocks and Bonds ($287.1 million) as of June 30, 2004.

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 2003

COUNTY	K-12 PER PUPIL (1) APPORTIONMENT	REAL ESTATE (2) TAX PAYMENTS	TOTAL DISBURSEMENTS
Adams	$ 466,967.69	$ 17,146.54	$ 484,114.23
Antelope	$ 104,177.69	$ 88,297.60	$ 192,475.29
Arthur	$ 5,668.60	$ 42,483.40	$ 48,152.00
Banner	$ 13,272.80	$ 53,454.84	$ 66,727.64
Blaine	$ 10,438.51	$ 58,741.54	$ 69,180.05
Boone	$ 95,951.32	$ 11,152.00	$ 107,103.32
Box Butte	$ 188,722.69	$ 111,398.96	$ 300,121.65
Boyd	$ 48,183.05	$ 64,443.96	$ 112,627.01
Brown	$ 46,247.42	$ 121,162.36	$ 167,409.78
Buffalo	$ 597,967.51	$ 66,395.76	$ 664,363.27
Burt	$ 122,358.68	$ 12,409.94	$ 134,768.62
Butler	$ 141,507.46	$ 6,395.24	$ 147,902.70
Cass	$ 306,173.20	$ 854.98	$ 307,028.18
Cedar	$ 160,241.47	$ 21,266.34	$ 181,507.81
Chase	$ 73,415.20	$ 165,505.10	$ 238,920.30
Cherry	$ 92,978.78	$ 456,117.66	$ 549,096.44
Cheyenne	$ 140,194.01	$ 158,560.66	$ 298,754.67
Clay	$ 70,857.42	$ 327.26	$ 71,184.68
Colfax	$ 183,883.65	$ 0.00	$ 183,883.65
Cuming	$ 162,660.99	$ 3,188.32	$ 165,849.31
Custer	$ 159,688.43	$ 172,733.34	$ 332,421.77
Dakota	$ 410,572.57	$ 11,354.50	$ 421,927.07
Dawes	$ 104,454.20	$ 101,314.70	$ 205,768.90
Dawson	$ 463,925.99	$ 47,790.82	$ 511,716.81
Deuel	$ 36,500.21	$ 61,519.24	$ 98,019.45
Dixon	$ 60,902.81	$ 20,427.69	$ 81,330.50
Dodge	$ 523,584.50	$ 0.00	$ 523,584.50
Douglas	$ 6,677,603.41	$ 2,383.88	$ 6,679,987.29
Dundy	$ 28,688.61	$ 110,562.48	$ 139,251.09
Fillmore	$ 92,010.95	$ 0.00	$ 92,010.95
Franklin	$ 23,434.80	$ 37,205.00	$ 60,639.80
Frontier	$ 53,713.39	$ 73,352.76	$ 127,066.15
Furnas	$ 92,633.12	$ 62,740.38	$ 155,373.50
Gage	$ 279,834.96	$ 2,203.92	$ 282,038.88
Garden	$ 28,550.36	$ 133,450.44	$ 162,000.80
Garfield	$ 24,955.64	$ 51,769.82	$ 76,725.46
Gosper	$ 19,494.43	$ 11,952.68	$ 31,447.11
Grant	$ 12,581.51	$ 30,254.94	$ 42,836.45
Greeley	$ 49,427.38	$ 29,156.48	$ 78,583.86
Hall	$ 671,520.97	$ 25,981.04	$ 697,502.01
Hamilton	$ 133,142.82	$ 0.00	$ 133,142.82
Harlan	$ 25,370.41	$ 23,607.79	$ 48,978.20
Hayes	$ 11,544.58	$ 72,539.18	$ 84,083.76
Hitchcock	$ 33,043.75	$ 86,279.00	$ 119,322.75
Holt	$ 168,813.47	$ 336,632.14	$ 505,445.61
Hooker	$ 13,341.93	$ 39,060.76	$ 52,402.69
Howard	$ 111,159.73	$ 25,417.84	$ 136,577.57
Jefferson	$ 139,364.45	$ 12,472.74	$ 151,837.19
Johnson	$ 68,230.51	$ 3,366.28	$ 71,596.79

DISBURSEMENTS OF TRUST REVENUES DURING 2003

COUNTY	K-12 PER PUPIL [1] APPORTIONMENT	REAL ESTATE [2] TAX PAYMENTS	TOTAL DISBURSEMENTS
Kearney	$ 115,929.65	$ 36,402.50	$ 152,332.15
Keith	$ 113,026.24	$ 120,071.94	$ 233,098.18
Keya Paha	$ 12,097.61	$ 67,902.20	$ 79,999.81
Kimball	$ 49,081.73	$ 82,892.58	$ 131,974.31
Knox	$ 121,667.38	$ 82,648.94	$ 204,316.32
Lancaster	$ 3,195,151.26	$ 8,485.06	$ 3,203,636.32
Lincoln	$ 527,040.97	$ 242,632.12	$ 769,673.09
Logan	$ 13,065.42	$ 44,265.20	$ 57,330.62
Loup	$ 10,576.77	$ 31,187.61	$ 41,764.38
Madison	$ 624,651.39	$ 26,474.78	$ 651,126.17
McPherson	$ 6,912.91	$ 281,339.10	$ 288,252.01
Merrick	$ 93,739.19	$ 30,956.78	$ 124,695.97
Morrill	$ 89,038.40	$ 88,282.20	$ 177,320.60
Nance	$ 71,479.58	$ 0.00	$ 71,479.58
Nemaha	$ 90,420.98	$ 3,646.58	$ 94,067.56
Nuckolls	$ 95,260.03	$ 3,331.98	$ 98,592.01
Otoe	$ 249,625.50	$ 2,779.96	$ 252,405.46
Pawnee	$ 39,403.64	$ 3,579.90	$ 42,983.54
Perkins	$ 42,168.81	$ 129,716.02	$ 171,884.83
Phelps	$ 138,880.54	$ 14,492.88	$ 153,373.42
Pierce	$ 125,815.13	$ 50,826.16	$ 176,641.29
Platte	$ 453,694.88	$ 6,844.78	$ 460,539.66
Polk	$ 106,528.09	$ 20,539.12	$ 127,067.21
Red Willow	$ 178,284.19	$ 56,370.00	$ 234,654.19
Richardson	$ 177,108.99	$ 3,276.92	$ 180,385.91
Rock	$ 19,148.77	$ 100,175.62	$ 119,324.39
Saline	$ 230,684.10	$ 2,036.18	$ 232,720.28
Sarpy	$ 1,528,722.96	$ 2,163.98	$ 1,530,886.94
Saunders	$ 259,510.98	$ 0.00	$ 259,510.98
Scotts Bluff	$ 522,409.29	$ 19,858.50	$ 542,267.79
Seward	$ 280,388.00	$ 6,465.72	$ 286,853.72
Sheridan	$ 79,705.97	$ 163,056.40	$ 242,762.37
Sherman	$ 40,509.70	$ 34,812.68	$ 75,322.38
Sioux	$ 10,922.42	$ 87,834.28	$ 98,756.70
Stanton	$ 39,541.90	$ 4,116.96	$ 43,658.86
Thayer	$ 82,401.99	$ 5,984.26	$ 88,386.25
Thomas	$ 6,567.27	$ 30,053.14	$ 36,620.41
Thurston	$ 164,458.35	$ 0.00	$ 164,458.35
Valley	$ 59,105.46	$ 10,618.36	$ 69,723.82
Washington	$ 271,885.11	$ 14,351.00	$ 286,236.11
Wayne	$ 122,358.67	$ 0.00	$ 122,358.67
Webster	$ 45,003.10	$ 11,189.16	$ 56,192.26
Wheeler	$ 13,203.68	$ 62,673.52	$ 75,877.20
York	$ 162,453.60	$ 14,131.70	$ 176,585.30
Total	$ 24,229,588.63	$ 5,053,299.07	$ 29,282,887.70

[1] Information compiled from 2003 Calendar Year Distribution Reports furnished by the Nebraska Department of Education (2002 calendar year net income).

[2] Real Estate Taxes levied in 2002 and payable during calendar year 2003. Includes in lieu of tax payments totalling $359.95 made in 2003.

DISBURSEMENTS OF TRUST REVENUES DURING 2004

COUNTY	K-12 PER PUPIL (1) APPORTIONMENT	REAL ESTATE (2) TAX PAYMENTS	TOTAL DISBURSEMENTS
Adams	$ 428,884.53	$ 16,555.46	$ 445,439.99
Antelope	$ 97,926.83	$ 95,846.22	$ 193,773.05
Arthur	$ 4,983.90	$ 45,666.81	$ 50,650.71
Banner	$ 12,729.14	$ 50,963.31	$ 63,692.45
Blaine	$ 10,237.19	$ 56,826.30	$ 67,063.49
Boone	$ 91,057.14	$ 11,819.64	$ 102,876.78
Box Butte	$ 172,079.14	$ 115,175.38	$ 287,254.52
Boyd	$ 44,046.87	$ 68,124.52	$ 112,171.39
Brown	$ 45,057.12	$ 133,638.31	$ 178,695.43
Buffalo	$ 580,354.59	$ 67,251.05	$ 647,605.64
Burt	$ 118,131.83	$ 15,386.48	$ 133,518.31
Butler	$ 136,989.81	$ 6,619.32	$ 143,609.13
Cass	$ 284,755.62	$ 871.21	$ 285,626.83
Cedar	$ 151,537.40	$ 21,570.82	$ 173,108.22
Chase	$ 68,562.25	$ 171,373.73	$ 239,935.98
Cherry	$ 84,389.50	$ 466,718.22	$ 551,107.72
Cheyenne	$ 135,710.16	$ 162,342.20	$ 298,052.36
Clay	$ 66,811.16	$ 332.57	$ 67,143.73
Colfax	$ 175,514.00	$ 0.00	$ 175,514.00
Cuming	$ 142,579.85	$ 3,328.92	$ 145,908.77
Custer	$ 151,537.41	$ 226,466.35	$ 378,003.76
Dakota	$ 400,216.62	$ 12,421.22	$ 412,637.84
Dawes	$ 97,724.80	$ 114,132.68	$ 211,857.48
Dawson	$ 456,565.36	$ 48,918.67	$ 505,484.03
Deuel	$ 32,530.03	$ 62,910.91	$ 95,440.94
Dixon	$ 56,506.61	$ 23,210.81	$ 79,717.42
Dodge	$ 481,686.88	$ 0.00	$ 481,686.88
Douglas	$ 6,810,696.89	$ 2,402.59	$ 6,813,099.48
Dundy	$ 27,142.03	$ 110,019.28	$ 137,161.31
Fillmore	$ 86,881.44	$ 0.00	$ 86,881.44
Franklin	$ 22,966.33	$ 40,404.72	$ 63,371.05
Frontier	$ 52,263.57	$ 77,673.29	$ 129,936.86
Furnas	$ 87,285.54	$ 66,441.73	$ 153,727.27
Gage	$ 270,005.97	$ 2,330.19	$ 272,336.16
Garden	$ 24,852.14	$ 136,096.96	$ 160,949.10
Garfield	$ 24,380.68	$ 50,112.73	$ 74,493.41
Gosper	$ 17,241.59	$ 12,247.11	$ 29,488.70
Grant	$ 11,180.10	$ 30,676.00	$ 41,856.10
Greeley	$ 47,751.12	$ 33,617.83	$ 81,368.95
Hall	$ 630,395.58	$ 26,440.88	$ 656,836.46
Hamilton	$ 127,830.21	$ 0.00	$ 127,830.21
Harlan	$ 24,448.03	$ 25,082.36	$ 49,530.39
Hayes	$ 10,843.34	$ 74,473.01	$ 85,316.35
Hitchcock	$ 29,633.98	$ 90,514.80	$ 120,148.78
Holt	$ 160,158.20	$ 361,820.67	$ 521,978.87
Hooker	$ 12,729.14	$ 39,862.70	$ 52,591.84
Howard	$ 107,221.13	$ 25,546.96	$ 132,768.09
Jefferson	$ 133,689.66	$ 12,958.07	$ 146,647.73
Johnson	$ 69,505.16	$ 3,492.71	$ 72,997.87

DISBURSEMENTS OF TRUST REVENUES DURING 2004

COUNTY	K-12 PER PUPIL (1) APPORTIONMENT	REAL ESTATE (2) TAX PAYMENTS	TOTAL DISBURSEMENTS
Kearney	$ 110,453.93	$ 35,805.77	$ 146,259.70
Keith	$ 110,925.38	$ 124,314.54	$ 235,239.92
Keya Paha	$ 11,045.40	$ 69,041.73	$ 80,087.13
Kimball	$ 45,595.92	$ 83,520.54	$ 129,116.46
Knox	$ 114,090.83	$ 83,965.10	$ 198,055.93
Lancaster	$ 3,111,163.85	$ 9,832.90	$ 3,120,996.75
Lincoln	$ 498,524.37	$ 249,757.87	$ 748,282.24
Logan	$ 12,190.34	$ 43,165.49	$ 55,355.83
Loup	$ 10,439.24	$ 29,978.52	$ 40,417.76
Madison	$ 606,351.66	$ 29,639.00	$ 635,990.66
McPherson	$ 6,398.25	$ 52,504.86	$ 58,903.11
Merrick	$ 90,450.99	$ 31,611.07	$ 122,062.06
Morrill	$ 85,063.00	$ 89,607.73	$ 174,670.73
Nance	$ 69,303.10	$ 0.00	$ 69,303.10
Nemaha	$ 85,803.85	$ 3,709.36	$ 89,513.21
Nuckolls	$ 90,989.79	$ 3,367.26	$ 94,357.05
Otoe	$ 244,817.10	$ 2,861.15	$ 247,678.25
Pawnee	$ 38,928.28	$ 1,326.00	$ 40,254.28
Perkins	$ 38,524.17	$ 138,897.57	$ 177,421.74
Phelps	$ 131,871.22	$ 15,754.38	$ 147,625.60
Pierce	$ 123,856.58	$ 52,705.07	$ 176,561.65
Platte	$ 446,462.86	$ 7,245.61	$ 453,708.47
Polk	$ 102,978.08	$ 21,620.22	$ 124,598.30
Red Willow	$ 184,875.63	$ 59,173.50	$ 244,049.13
Richardson	$ 169,385.13	$ 3,383.61	$ 172,768.74
Rock	$ 16,231.35	$ 102,159.34	$ 118,390.69
Saline	$ 216,058.65	$ 1,726.52	$ 217,785.17
Sarpy	$ 1,497,458.91	$ 3,955.93	$ 1,501,414.84
Saunders	$ 250,205.09	$ 0.00	$ 250,205.09
Scotts Bluff	$ 492,934.34	$ 20,577.41	$ 513,511.75
Seward	$ 274,787.82	$ 6,572.47	$ 281,360.29
Sheridan	$ 74,960.50	$ 163,623.55	$ 238,584.05
Sherman	$ 38,793.58	$ 37,664.52	$ 76,458.10
Sioux	$ 10,035.15	$ 90,075.54	$ 100,110.69
Stanton	$ 39,332.38	$ 0.00	$ 39,332.38
Thayer	$ 75,297.26	$ 4,217.91	$ 79,515.17
Thomas	$ 7,273.80	$ 6,083.64	$ 13,357.44
Thurston	$ 160,899.04	$ 31,765.71	$ 192,664.75
Valley	$ 56,978.06	$ 11,765.99	$ 68,744.05
Washington	$ 273,373.48	$ 18,722.99	$ 292,096.47
Wayne	$ 115,976.63	$ 0.00	$ 115,976.63
Webster	$ 42,295.78	$ 11,649.97	$ 53,945.75
Wheeler	$ 12,392.39	$ 65,305.05	$ 77,697.44
York	$ 162,986.89	$ 14,121.92	$ 177,108.81
Total	$ 23,676,967.62	$ 5,053,463.01	$ 28,730,430.63

(1) Information compiled from 2004 Calendar Year Distribution Reports furnished by the Nebraska Department of Education (2003 calendar year net income).

(2) Real Estate Taxes levied in 2003 and payable during calendar year 2004. Includes in lieu of tax payments totalling $359.93 made in 2004.

SUMMARY OF EDUCATIONAL LANDS

As of June 30, 2004

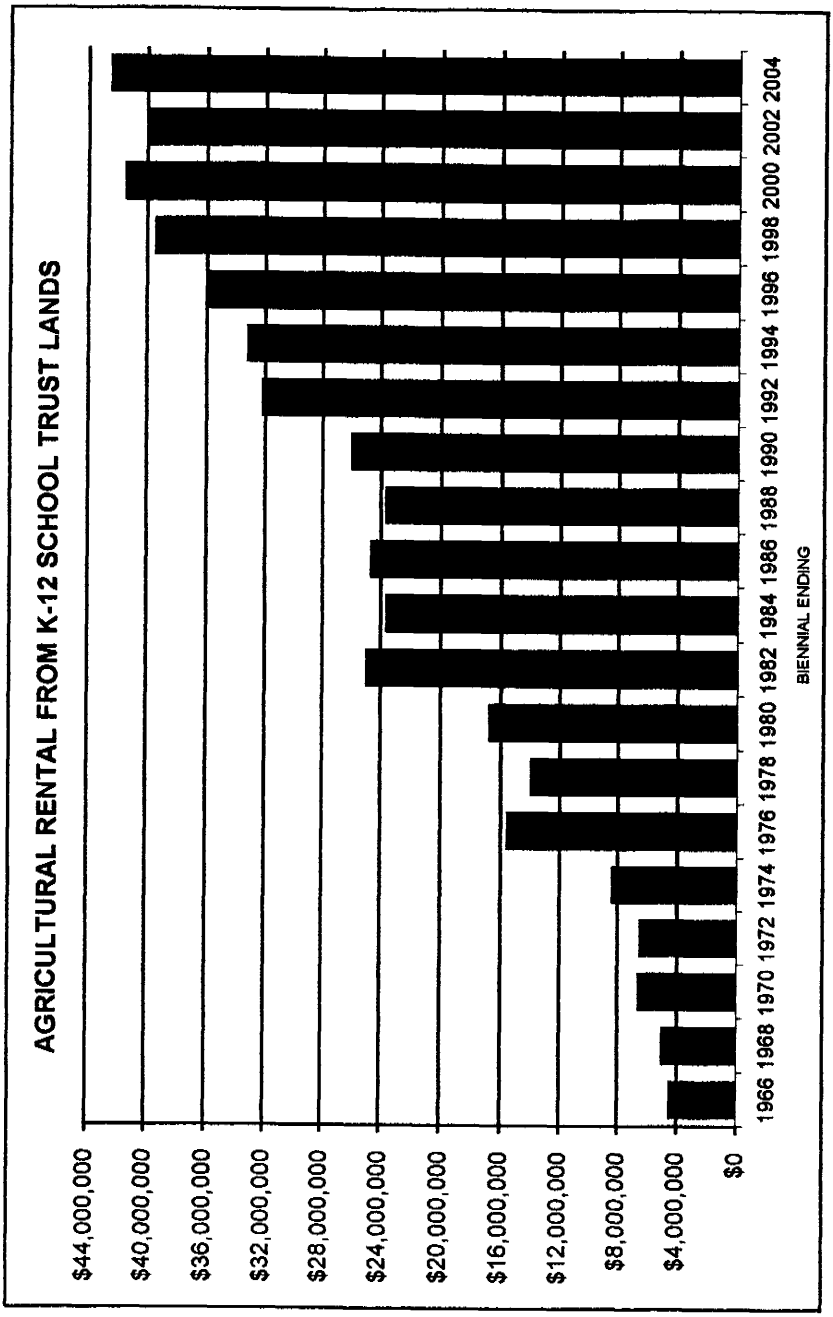
	ACRES ACQUIRED (1)	ACRES DEEDED (2)	SURFACE ACRES LEASED (3)	APPRAISED VALUATION (4)	AGRICULTURAL RENTAL
Common School	2,863,252.560	1,485,786.392	1,377,466.168	$ 512,686,508.000	$ 20,507,460.32
Saline	32,789.220	32,238.890	550.330	$ 571,201.000	$ 22,848.04
Total K-12 School Trust Lands	2,896,041.780	1,518,025.282	1,378,016.498	$ 513,257,709.00	$ 20,530,308.36
University	45,463.270	39,290.033	6,173.237	$ 3,774,191.000	$ 150,967.64
Ag College	89,140.210	85,326.030	3,814.180	$ 2,917,385.500	$ 116,695.42
Normal (State College)	12,804.800	12,729.970	74.830	$ 117,256.000	$ 4,690.24
Other	-	-	101.350	$ 18,426.000	$ 737.04
Total All Other Educational Trust Lands.	147,408.280	137,244.683	10,163.597	$ 6,827,258.50	$ 273,090.34

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
$44,000,000
$40,000,000
$36,000,000
$32,000,000
$28,000,000
$24,000,000
$20,000,000
$16,000,000
$12,000,000
$8,000,000
$4,000,000
$0
1966 1968 1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004
BIENNIAL ENDING

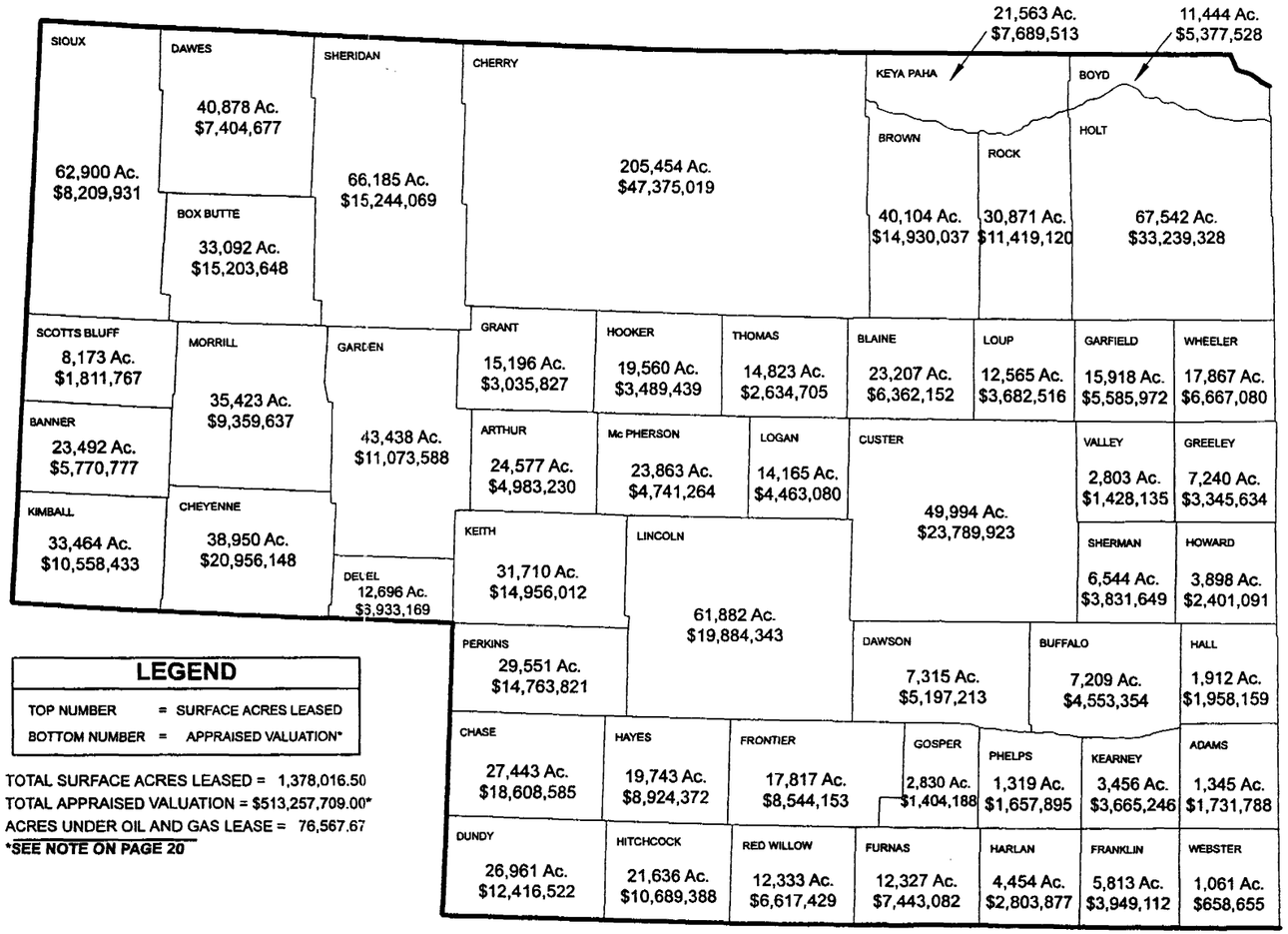
EDUCATIONAL TRUST LANDS BY COUNTY
Common and Saline Lands (K-12)
As of June 30, 2004

COUNTY	ACRES ACQUIRED (1)	ACRES DEEDED (2)	SURFACE ACRES LEASED (3)	APPRAISED VALUATION (4)	NUMBER OF AGRICULTURAL LEASES
Adams	20,880.080	19,535.080	1,345.000	$ 1,731,788.00	9
Antelope	31,400.000	20,058.860	11,341.140	11,274,195.00	54
Arthur	27,311.980	2,735.435	24,576.545	4,983,230.00	39
Banner	26,930.510	3,438.910	23,491.600	5,770,777.00	41
Blaine	25,628.020	2,420.850	23,207.170	6,362,151.50	47
Boone	23,675.280	21,076.030	2,599.250	1,114,279.00	8
Box Butte	40,963.930	7,872.050	33,091.880	15,203,647.50	69
Boyd	22,664.500	11,220.660	11,443.840	5,377,528.00	64
Brown	47,741.830	7,637.590	40,104.240	14,930,036.50	71
Buffalo	30,894.620	23,685.920	7,208.700	4,553,353.50	31
Burt	18,225.550	17,564.290	661.260	1,438,938.00	6
Butler	21,699.630	21,219.630	480.000	733,578.50	3
Cass	19,733.980	19,653.980	80.000	125,885.00	2
Cedar	27,044.360	26,404.360	640.000	702,234.00	4
Chase	33,280.000	5,836.550	27,443.450	18,608,585.00	65
Cherry	274,626.320	69,172.763	205,453.557	47,375,018.50	353
Cheyenne	44,506.390	5,556.562	38,949.828	20,956,147.50	84
Clay	21,240.000	21,160.000	80.000	47,542.50	1
Colfax	14,463.510	14,463.510	0.000	0.00	0
Cuming	20,324.700	20,116.740	207.960	369,540.50	1
Custer	92,658.160	42,664.650	49,993.510	23,789,923.00	138
Dakota	7,255.960	6,575.750	680.210	1,282,316.50	5
Dawes	51,973.900	11,095.520	40,878.380	7,404,677.00	82
Dawson	36,725.000	29,410.214	7,314.786	5,197,212.50	21
Deuel	16,800.700	4,105.000	12,695.700	6,933,169.00	33
Dixon	17,029.280	15,078.900	1,950.380	2,474,083.00	13
Dodge	18,560.930	18,560.930	0.000	0.00	0
Douglas	9,320.550	9,178.940	141.610	316,152.50	3
Dundy	33,307.410	6,346.520	26,960.890	12,416,521.50	49
Fillmore	20,648.510	20,648.510	0.000	0.00	0
Franklin	20,471.850	14,658.870	5,812.980	3,949,111.50	24
Frontier	34,560.000	16,742.780	17,817.220	8,544,152.50	52
Furnas	25,599.680	13,273.120	12,326.560	7,443,082.00	40
Gage	24,637.310	24,437.310	200.000	254,041.50	2
Garden	64,221.410	20,783.610	43,437.800	11,073,588.00	82
Garfield	20,480.000	4,562.380	15,917.620	5,585,971.50	37
Gosper	16,640.000	13,809.540	2,830.460	1,404,187.50	7
Grant	30,565.440	15,369.300	15,196.140	3,035,827.00	32
Greeley	20,475.300	13,235.300	7,240.000	3,345,634.00	25
Hall	19,604.520	17,692.570	1,911.950	1,958,158.50	14
Hamilton	20,487.700	20,487.700	0.000	0.00	0
Harlan	20,364.600	15,910.830	4,453.770	2,803,877.00	18
Hayes	26,160.000	6,417.030	19,742.970	8,924,372.00	57
Hitchcock	25,460.910	3,824.466	21,636.444	10,689,388.00	59
Holt	87,696.600	20,154.946	67,541.654	33,239,327.50	188
Hooker	28,626.050	9,065.580	19,560.470	3,489,438.50	31
Howard	23,036.780	19,138.660	3,898.120	2,401,091.00	16
Jefferson	20,484.080	19,044.080	1,440.000	1,142,495.00	12
Johnson	13,480.000	13,104.840	375.160	324,839.50	7
Kearney	18,758.060	15,302.090	3,455.970	3,665,245.50	9
Keith	46,542.710	14,832.813	31,709.897	14,956,011.50	74
Keya Paha	26,394.490	4,831.140	21,563.350	7,689,512.50	51
Kimball	36,561.000	3,096.890	33,464.110	10,558,432.50	61
Knox	43,533.810	31,285.540	12,248.270	4,648,031.50	55
Lancaster	31,973.850	31,676.410	297.440	428,474.00	3
Lancaster (Saline)	32,789.220	32,238.890	550.330	571,201.00	6
Lincoln	100,210.660	38,328.917	61,881.743	19,884,342.50	124
Logan	20,480.000	6,315.320	14,164.680	4,463,080.00	26
Loup	20,393.280	7,828.520	12,564.760	3,682,516.00	25
Madison	24,626.970	22,523.094	2,103.876	2,989,333.50	14
McPherson	32,361.410	8,498.290	23,863.120	4,741,263.50	42
Merrick	14,976.210	12,530.000	2,446.210	3,422,952.00	14
Morrill	62,315.930	26,892.629	35,423.301	9,359,637.00	70
Nance	0.000	0.000	0.000	0.00	0
Nemaha	11,993.240	11,640.040	353.200	436,475.00	2
Nuckolls	21,049.610	20,577.230	472.380	318,465.50	5
Otoe	21,992.560	21,752.560	240.000	378,362.50	3
Pawnee	20,128.960	19,955.850	173.110	97,257.00	3
Perkins	31,890.020	2,339.154	29,550.866	14,763,821.00	61
Phelps	20,388.030	19,068.600	1,319.430	1,657,895.00	6
Pierce	20,480.000	15,306.240	5,173.760	5,237,567.50	20
Platte	23,655.480	22,618.900	1,036.580	743,516.50	7
Polk	17,432.560	16,077.200	1,355.360	3,067,926.50	6
Red Willow	25,408.710	13,075.616	12,333.094	6,617,428.50	35
Richardson	10,400.000	9,830.000	570.000	367,274.50	4
Rock	41,439.690	10,568.830	30,870.860	11,419,119.50	67
Saline	20,620.000	20,480.000	140.000	177,910.00	3
Sarpy	8,994.920	8,737.450	257.470	121,930.00	6
Saunders	26,323.880	26,323.880	0.000	0.00	0
Scotts Bluff	25,524.140	17,350.760	8,173.380	1,811,766.50	21
Seward	21,203.950	20,805.290	398.660	563,797.50	3
Sheridan	95,765.150	29,579.890	66,185.260	15,244,069.00	136
Sherman	20,453.780	13,910.160	6,543.620	3,831,648.50	27
Sioux	80,967.440	18,067.171	62,900.269	8,209,931.00	118
Stanton	15,444.290	14,720.000	724.290	417,424.50	3
Thayer	20,472.350	19,752.350	720.000	678,122.00	5
Thomas	29,338.040	14,515.282	14,822.758	2,634,704.50	27
Thurston	0.000	0.000	0.000	0.00	0
Valley	20,704.750	17,901.760	2,802.990	1,428,135.00	10
Washington	13,663.610	12,623.610	1,040.000	2,018,949.00	11
Wayne	15,360.000	15,360.000	0.000	0.00	0
Webster	20,861.200	19,800.000	1,061.200	658,655.00	9
Wheeler	21,120.000	3,252.690	17,867.310	6,667,080.00	39
York	20,480.000	19,646.610	833.390	1,547,351.50	9
Total K-12 School Trust Lands	2,896,041.780	1,518,025.282	1,378,016.498	$ 513,257,709.00	3219

University, Agricultural College and Normal School (State College) Lands
As of June 30, 2004

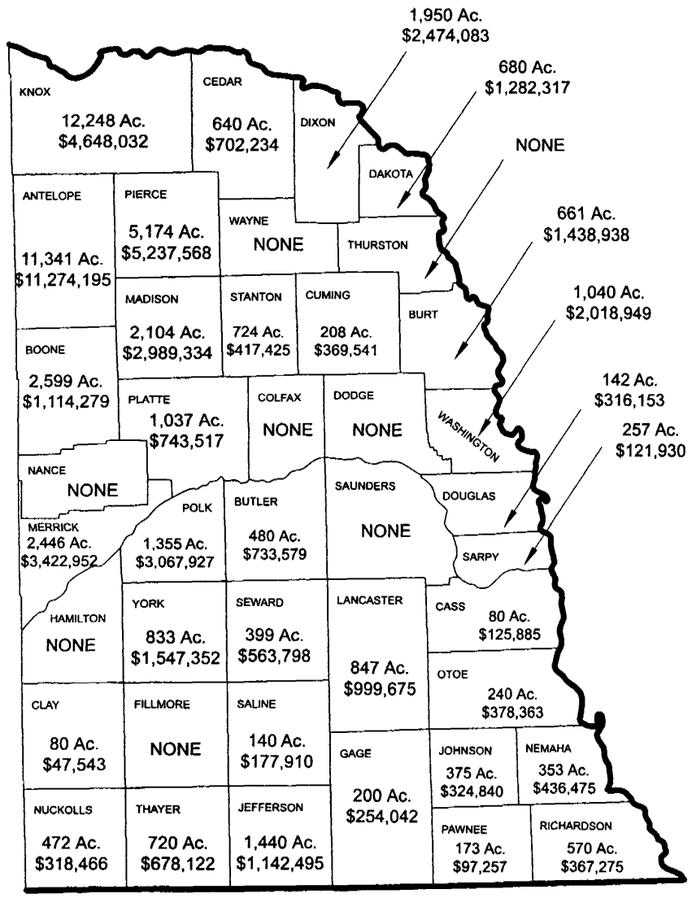
COUNTY	ACRES ACQUIRED (1)	ACRES DEEDED (2)	SURFACE ACRES LEASED (3)	APPRAISED VALUATION (4)	NUMBER OF AGRICULTURAL LEASES
Antelope (Uni)	1,600.000	1,407.050	192.950	$ 93,653.00	1
Burt (Ag)	640.000	640.000	0.000	0.00	0
Cedar (Ag)	25,405.470	24,431.630	973.840	1,090,569.00	7
Cedar (Uni)	1,920.000	1,605.703	314.297	302,359.50	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	18,426.00	1
Dixon (Ag)	2,240.000	2,200.000	40.000	83,850.00	1
Dixon (Uni)	640.000	640.000	0.000	0.00	0
Holt (Uni)	8,322.100	4,420.460	3,901.640	2,183,170.00	25
Knox (Ag)	33,491.200	31,207.590	2,283.610	849,234.00	9
Knox (Uni)	4,480.000	3,969.610	510.390	242,044.50	4
Lancaster (Normal)	12,804.800	12,729.970	74.830	117,256.00	1
Madison (Uni)	2,240.000	2,080.000	160.000	266,581.50	1
Nuckolls (Uni)	4,940.020	4,764.580	175.440	86,550.00	1
Pierce (Ag)	10,114.560	9,597.830	516.730	893,732.50	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	16,884.960	918.520	599,832.50	7
Total All Other Educational Trust Lands	147,408.280	137,346.033	10,163.597	$ 6,827,258.50	63

Notes (1), (2), (3) and (4): See pages 12 and 20.



LEGEND		
TOP NUMBER	=	SURFACE ACRES LEASED
BOTTOM NUMBER	=	APPRAISED VALUATION*

TOTAL SURFACE ACRES LEASED = 1,378,016.50
TOTAL APPRAISED VALUATION = $513,257,709.00*
ACRES UNDER OIL AND GAS LEASE = 76,567.67
*SEE NOTE ON PAGE 20



MAP OF K-12 SCHOOL TRUST LANDS

As of June 30, 2004

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 $394.2 million for 1.396 million acres as of June 30, 2003, and $425.5 million for 1.378 million acres as of June 30, 2004. By comparison, the total agricultural rent established by the Board for that land was approximately $20.6 million effective January 1, 2004, and will be approximately $20.8 million effective January 1, 2005. These numbers, of course, yield actual agricultural rent to value ratios between 4.89% and 5.23%.

TOTAL K-12 SCHOOL TRUST LAND SALES FOR THE BIENNIUM

TOTAL PARCELS	TOTAL ACRES	GRASS ACRES	CROP ACRES	CRP ACRES	OTHER ACRES	BEGINNING BID PRICE	SALE PRICE	EXCESS OVER BEGINNING PRICE
102	42,887.78	41,570.56	916.59	0.00	246.26	$9,509,600	$10,409,400	$899,800 (9.46%)

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 occuring 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 no land sale requests denied by the Board to be reported pursuant to the last sentence of the second paragraph of Section 72-258.

SUMMARY OF K-12 SCHOOL TRUST LAND SALES DURING FISCAL YEAR 2002-2003

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
Adams	9	N½NW¼	16-T05N-R12W	Irrigated and Dryland Cropground and Pasture	80.00	5.00	72.00		3.00	$104,700	$104,700	
Arthur	7	E½NE¼	13-T20N-R36W	Grassland	80.00	80.00				$21,100	$21,100	
Arthur	9	NE¼NE¼	24-T20N-R36W	Grassland	40.00	40.00				$3,800	$3,800	
Banner	23	All	16-T18N-R56W	Grassland	640.00	640.00				$89,000	$191,000	$102,000
Banner	25	All	16-T19N-R56W	Grassland	640.00	632.00			8.00	$101,000	$160,000	$59,000
Blaine	23	All	36-T24N-R23W	Grassland	640.00	640.00				$121,000	$121,000	
Blaine	33	All	36-T21N-R25W	Grassland	640.00	640.00				$122,200	$122,200	
Buffalo	20	SW¼SW¼	16-T11N-R18W	Grassland	40.00	38.00			2.00	$15,300	$25,100	$9,800
Chase	Part 4B	5.83 acres in W½W½SW¼SW¼	36-T06N-R36W	Access Road and Grassland	5.83	5.83				$2,000	$2,000	
Cherry	37	All	36-T30N-R26W	Grassland	640.00	640.00				$227,500	$227,500	
Cherry	157	S½	21-T25N-R31W	Grassland	319.94	319.94				$81,400	$81,400	
Cherry	205, 206, 207 & 211	NE¼ & E½SE¼ of Section 11, all of Section 12, and NW¼ and S½NE¼ of Section 15, all in T29N-R32W; and S½ of Section	36-T30R-32W	Grassland	1439.58	1439.58				$300,900	$300,900	
Cherry	221A	N½	36T26N-R33W	Grassland	320.00	320.00				$63,800	$63,800	
Cherry	221B	S½	36T26N-R33W	Grassland	320.00	320.00				$65,000	$65,000	

Cherry	285	S½NW¼, NE¼ and N½S½	16-T25N-R36W	Grassland	400.00	400.00			$91,400	$91,400	
Cherry	315	All	16-T25N-R37W	Grassland	640.00	630.00		10.00	$132,200	$132,200	
Cherry	316	All except S½NW¼	36-T25N-R37W	Grassland	560.00	560.00			$107,900	$107,900	
Dawes	13	W½	36-T35N-R47	Grassland	320.00	320.00			$36,800	$80,100	$43,300
Dundy	36	All	36-T02N-R40W	Grassland	649.04	649.04			$153,800	$153,800	
Frontier	31	N½	16-T07N-R28W	Grassland and Dryland Cropground	320.00	177.00	138.00	5.00	$110,500	$110,500	
Garfield	3	All	16-T22N-R13W	Grassland	640.00	640.00			$126,500	$126,500	
Grant	15	All	36-T23N-R36W	Grassland	640.00	640.00			$108,600	$108,600	
Harlan	4	E½NW¼	16-T02N-R18W	Grassland and Dryland Cropground	80.00	54.00	25.00		$36,300	$36,300	
Holt	57	W½ and the E½E½	36-T31N-R11W	Grassland and Dryland Cropground	480.00	396.00	77.00	7.00	$169,500	$169,500	
Holt	58A,B,C	All except SE¼SW¼	16-T32N-R11W	Grassland	600.00	598.00		2.00	$148,300	$148,300	
Hooker	4	All	36-T22N-R31W	Grassland	628.00	628.00			$99,200	$99,200	
Howard	15B	W½NW¼ and NE¼NW¼	16-T15N-R11W	Grassland and Dryland Cropground	120.00	105.00	15.00		$61,900	$61,900	
Keith	56	11.0 surveyed acres abutting the East side of the County Road in W½NW¼	36-T13N-R40W	Residential Acreage	11.00			11.00	$15,000	$15,000	
Knox	55	All those portions of N½NE¼ lying North and East of County Road	16-T33N-R08W	Grassland	23.90	23.90			$8,200	$8,200	

SUMMARY OF K-12 SCHOOL TRUST LAND SALES DURING FISCAL YEAR 2002-2003 (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
Lincoln	46	All	36-T12N-R29W	Grassland and Dryland Cropground	640.00	575.00	65.00			$149,300	$149,300	
Lincoln	107	All	16-T12N-R33W	Grassland	640.00	640.00				$160,000	$160,000	
Lincoln	115B	All	33-T16N-R33W	Grassland	640.00	640.00				$137,600	$137,600	
Logan	3	All	16-T18N-R26W	Grassland	640.00	640.00				$113,700	$113,700	
Logan	26	All	36-T18N-R29W	Grassland	640.00	640.00				$128,000	$128,000	
Loup	7	All	16-T24N-R17W	Grassland	640.00	640.00				$157,800	$157,800	
Loup	8	All	36-T24N-R17W	Grassland	640.00	640.00				$164,800	$164,800	
Loup	16	All	36-T24N-R18W	Grassland	640.00	640.00				$140,200	$140,200	
McPherson	15	All	16-T20N-R31W	Grassland	640.00	640.00				$105,400	$105,400	
McPherson	43	E½ and E½NW¼	16-T18N-R35W	Grassland	400.00	400.00				$65,600	$130,000	$64,400
McPherson	44	All except 8.96 acres of Road in E½	36-T18N-R35W	Grassland	631.04	631.04				$101,500	$101,500	
Morrill	3	All	36-T16N-R47W	Grassland	640.00	628.00	9.00		3.00	$104,900	$104,900	
Pierce	10	11.0 surveyed acres abutting the North side of the County Road near the South Quarter Corner	16-T27N-R03W	Residential Acreage	11.00				11.00	$16,500	$16,500	
Red Willow	20	5.2 surveyed acres abutting the East side of County Road (Drive 389) near South line of NW¼	36-T02N-R29W	Residential Acreage	5.20				5.20	$8,500	$8,500	

Rock	35	All	36-T25N-R19W	Grassland	640.00	640.00				$134,800	$134,800	
Saline	2	NE¼NE¼	16-T07N-R02E	Grassland and Dryland Cropground	40.00	22.00	16.00		2.00	$30,400	$30,400	
Scotts Bluff	21	NW¼NW¼	05-T23N-R57W	Grassland	56.49	55.49			1.00	$9,800	$18,000	$8,200
Sheridan	2	All except that part thereof lying South of Hwy. 2 and also except and subject to RR and public road ROW's of approximately 46.77 total acres	36-T24N-R41W	Grassland	172.71					$32,600	$32,600	
Sheridan	26	N½, N½S½, SW¼SW¼ & SE¼SE¼	36-T24N-R42W	Grassland	560.00	560.00				$102,000	$102,000	
Sheridan	50	All except that portion thereof lying South of Hwy 2 and also except and subject to RR and public road ROW's of approx. 32.28 total acres	16-T24N-R43W	Grassland	281.08	266.94			14.14	$53,000	$67,000	$14,000
Sioux	125	SW¼, W½SE¼, SE¼NW¼ and that part of SW¼NW¼ lying South of southern high bank of Sheep Creek	36-T24N-R58W	Grassland	295.00	295.00				$75,000	$158,000	$83,000
		50 Total Parcels Sold during Fiscal Year 2002-2003			21,449.81	20,774.76	417.00	0.00	84.34	$4,696,200	$5,079,900	$383,700 (8.17%)

SUMMARY OF K-12 LAND SALES DURING FISCAL YEAR 2003-2004

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
Box Butte	2	N½, SW¼SW¼ & SE¼	36-T24N-R47W	Grassland	541.71	541.71				$67,800	$67,800	
Box Butte	13	All that part of NE¼ lying East of Hwy. #2 exc. 4.28 acres in the NW Corner	16-T25N-R48W	Dryland and pivot irrigated cropground	36.29		28.59		7.70	$20,400	$20,400	
Box Butte	58	SW¼	08-T26N-R52W	Grassland	160.00	160.00				$22,900	$22,900	
Box Butte	59	SW¼	15-T26N-R52W	Grassland	160.00	156.00			4.00	$22,300	$22,300	
Box Butte	60	All	16-T26N-R52W	Grassland	640.00	632.00			8.00	$90,200	$101,000	$10,800
Boyd	15	SE¼NE¼ and NE¼SE¼	28-T34N-R10W	Grassland	80.00	80.00				$28,200	$41,000	$12,800
Boyd	17	S½, NE¼, S½NW¼	36-T33N-R11W	Grassland and Dryland Cropground	580.00	543.00	4.00		13.00	$196,800	$261,000	$64,200
Boyd	17	N½NW¼	36-T33N-R11W	Grassland and Dryland Cropground	80.00	69.00	10.00		1.00	$35,800	$35,800	
Brown	60	All	36-T26N-R24W	Grassland	640.00	640.00				$140,800	$140,800	
Brown	65C	All	16-T29N-R24W	Grassland	640.00	640.00				$182,400	$182,400	
Chase	14	N½NE¼, S½NW¼ & S½ exc. 9.068 surveyed acres and except. 8.295 surveyed acres	36-T07N-R37W	Grassland and Dryland Cropground	462.64	390.64	62.00		10.00	$127,800	$127,800	
Cherry	188	All	16-T30N-R31W	Grassland	640.00	606.00			34.00	$163,200	$163,200	
Cherry	220	All	16-T26N-R33W	Grassland	640.00	640.00				$143,900	$211,000	$67,100

Cherry	223A	N½	36-T27N-R33W	Grassland	300.40	300.40			$62,600	$62,600	
Cherry	223B	S½	36-T27N-R33W	Grassland	280.76	280.76			$57,500	$57,500	
Cherry	228	Approx. 25.28 surveyed acres North of existing fence in N½NE¼	16-T30N-R33W	Grassland	25.28	25.28			$5,250	$5,250	
Cherry	228	Approx. 53.97 surveyed acres South and East of existing fences in N½NE¼, and 73.53 surveyed acres E of existing fence in SE¼	16-T30N-R33W	Grassland	127.50	127.50			$27,100	$27,100	
Cherry	228	SW¼, and approx. 95.77 acres West of existing fence in SE¼, and 2.25 surveyed acres West of existing fence in N½NE¼	16-T30N-R33W	Grassland	266.11	267.71			$52,350	$52,350	
Cherry	393 & 394	E½ of Section 32 and W½	33-T33N-R39W	Grassland	640.00	638.00		2.00	$131,400	$131,400	
Custer	55	All those portions of S½SW¼ and NE¼SW¼ lying West of ROW of the hard surfaced roads	16-T18N-R21W	Grassland	34.34	29.86		4.48	$15,000	$38,000	$23,000
Custer	58	NW¼SW¼	16-T20N-R21W	Grassland and Dryland Cropground	40.00	35.00	5.00		$12,700	$12,700	
Custer	71	All	36-T20N-R22W	Grassland and Dryland Cropground	640.00	518.00	114.00	8.00	$197,200	$375,000	$177,800
Garden	79	All	16-T18N-R46W	Grassland	640.00	638.00		2.00	$112,700	$112,700	
Garden	83	N½ and SW¼	16-T20N-R46W	Grassland	480.00	480.00			$85,300	$85,300	
Garfield	7	All	16-T24N-R13W	Grassland	640.00	640.00			$163,900	$173,000	$9,100

SUMMARY OF K-12 LAND SALES DURING FISCAL YEAR 2003-2004 (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
Hitchcock	17	Farmstead and improvement site	16-T01N-R33W	9.94 surveyed acres near the South Quarter corner	9.94				9.94	$15,000	$15,000	
Hitchcock	24	All	36-T04N-R33W	Grassland and Dryland Cropground	640.00	572.00	88.00			$135,500	$135,500	
Holt	19	All	16-T25N-R10W	Grassland	640.00	634.00			6.00	$220,600	$220,600	
Holt	69	NW¼	16-T30N-R12W	Grassland	160.00	156.00			4.00	$74,000	$166,000	$92,000
Holt	87	S½	16-T31N-R13W	Grassland	320.00	309.00			11.00	$130,500	$130,500	
Hooker	5	All	16-T23N-R31W	Grassland	640.00	632.00			8.00	$105,700	$105,700	
Hooker	14	All	36-T23N-R32W	Grassland	640.00	640.00				$106,700	$106,700	
Hooker	24	All	36-T24N-R33W	Grassland	680.96	680.96				$113,500	$113,500	
Keith	47B	Farmstead and improvement site North 1,327' of the West 337'	18-T13N-R39W	Farmstead and Grassland	10.27	2.01			8.00	$15,400	$40,000	$24,600
Lincoln	91	All	18-T12N-R32W	Grassland	640.00	640.00				$137,200	$137,200	
McPherson	20	All	36-T18N-R32W	Grassland	640.00	640.00				$120,600	$135,000	$14,400
McPherson	38	All	36-T19N-R34W	Grassland	640.00	640.00				$126,600	$126,600	
McPherson	39	All	16-T20N-R34W	Grassland	640.00	636.00			4.00	$125,300	$125,300	
McPherson	48	W½	18-T20N-R35W	Grassland	320.32	320.32				$82,100	$82,100	
McPherson	49	NW¼NW¼	19-T20N-R35W	Grassland	39.93	39.93				$6,800	$6,800	

Morrill	7	All	36-T20N-R47W	Grassland	640.00	640.00			$101,700	$122,000	$20,300
Morrill	10	All	16-T22N-R47W	Grassland	568.72	568.72			$95,900	$95,900	
Phelps	4A	NE¼	36-T05N-R20W	Dryland Cropground and Grassland	160.00	53.00	104.00	3.00	$150,000	$150,000	
Phelps	4B	SW¼	36-T05N-R20W	Dryland Cropground and Grassland	160.00	77.00	81.00	2.00	$120,000	$120,000	
Scotts Bluff	20	All	36-T22N-R57W	Grassland	640.00	640.00			$94,500	$94,500	
Sheridan	53	N½	17-T25N-R43W	Grassland	320.00	320.00			$55,300	$55,300	
Sheridan	83	NE¼, E½SE¼, N½NW¼, SW¼NW¼ and the SW¼SW¼	36-T26N-R44W	Grassland	400.00	400.00			$76,800	$76,800	
Sioux	3	All	16-T25N-R53W	Grassland	640.00	640.00			$95,800	$95,800	
Sioux	104	N½, N½S½, SE¼SW¼ and SW¼SE¼	36-T25N-R57W	Grassland	560.00	560.00			$90,200	$90,200	
Sioux	127	All	36-T26N-R58W	Grassland	640.00	636.00		4.00	$97,700	$97,700	
Thomas	23	All	16-T24N-R28W	Grassland	640.00	640.00			$119,500	$119,500	
Washington	5	The existing farmstead and improvement site of approximately 10.80 surveyed acres abutting North line and located ¼ mile East of NW corner	16-T17N-R13E	Farmstead & improvement site	10.80		3.00	7.80	$35,000	$35,000	
		52 Total Parcels Sold during Fiscal Year 2003-2004			21,437.97	20,795.80	499.59	0.00 161.92	$4,813,400	$5,329,500	$516,100 (10.72%)

OIL AND GAS LEASES BY COUNTY
K-12 School Trust Lands
As of June 30, 2004

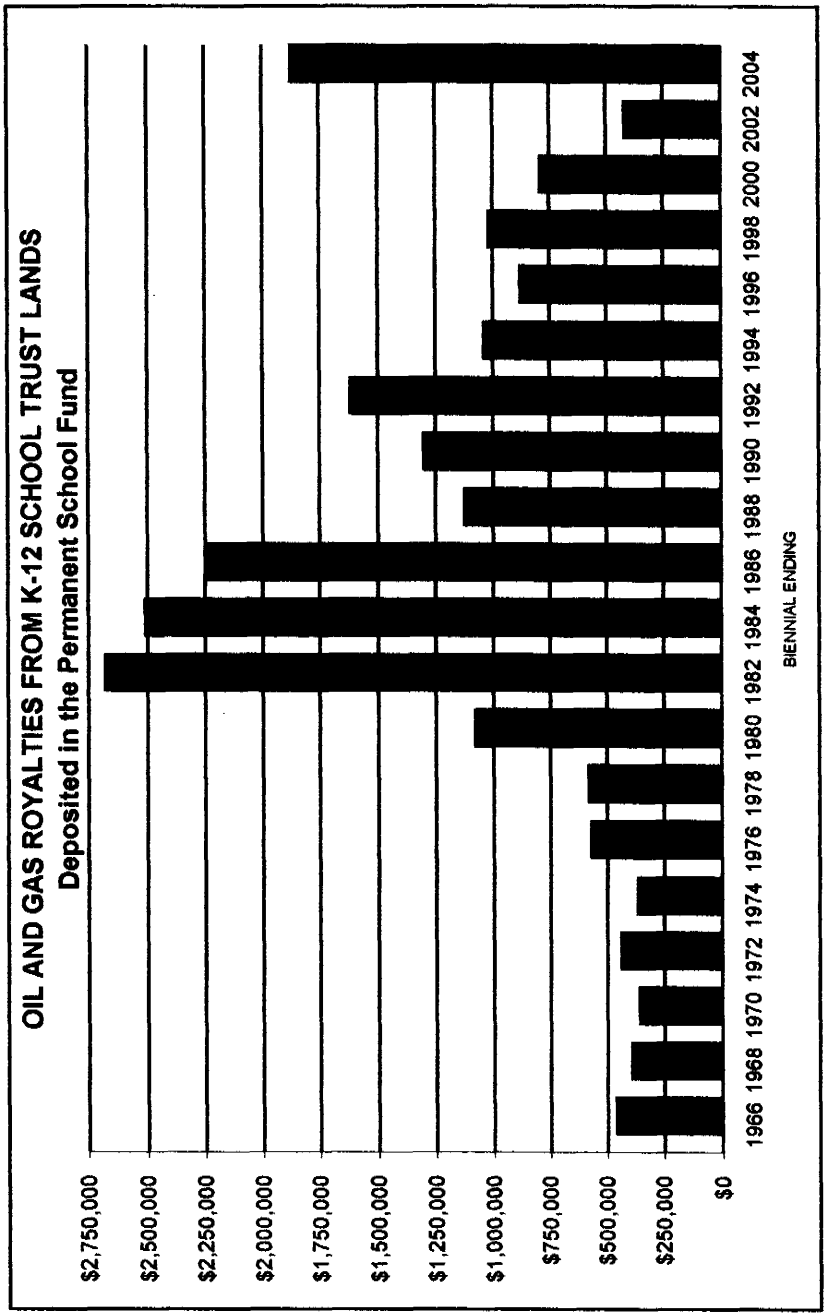
COUNTY	NO. OF LEASES	NO. OF ACRES UNDER LEASE
Banner	15	3,800.000
Chase	17	10,840.000
Cheyenne	13	6,440.000
Deuel	1	640.000
Dundy	29	15,460.800
Furnas	3	1,840.000
Gosper	1	640.000
Hitchcock	9	3,999.000
Kimball	21	9,480.000
McPherson	9	5,760.000
Morrill	5	2,600.290
Perkins	21	12,613.100
Red Willow	6	1,440.000
Scotts Bluff	3	1,014.480
14 Counties	153	76,567.670

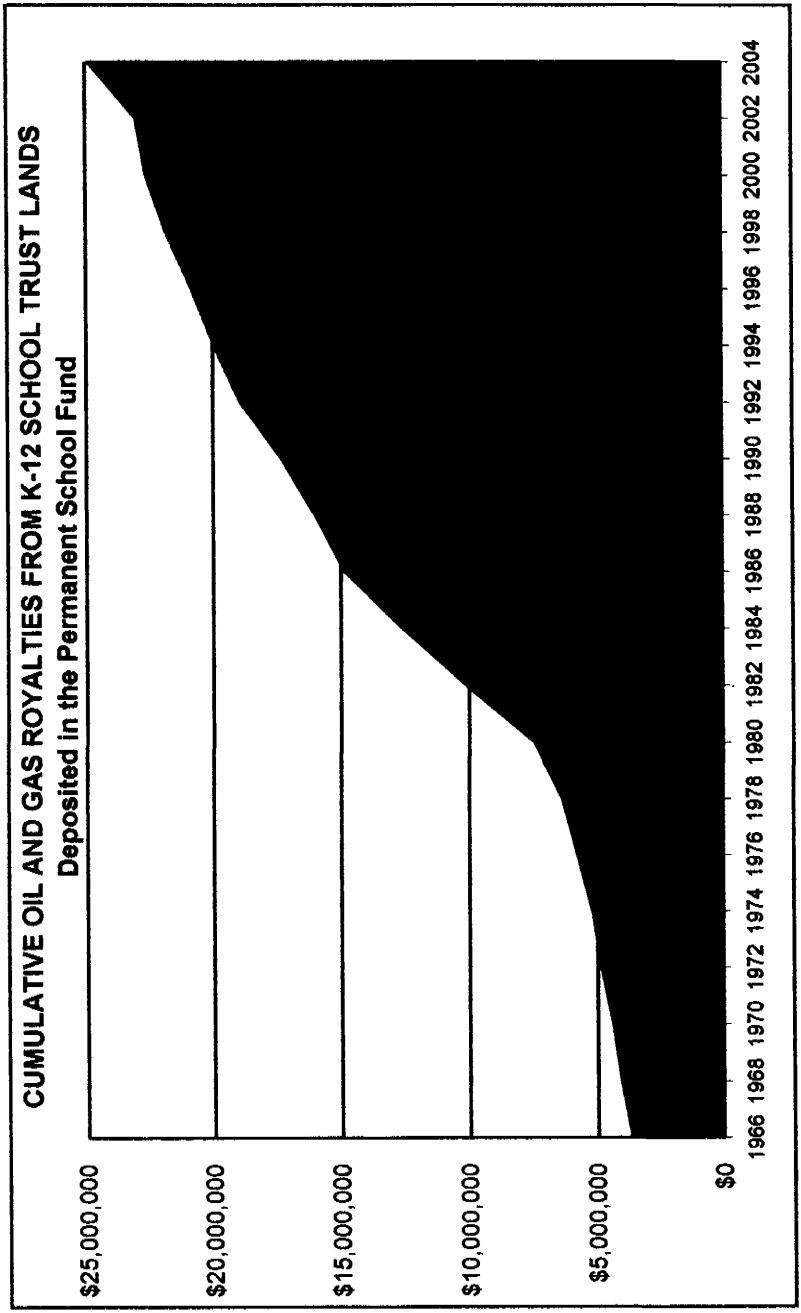
There were no oil or gas leases covering University, Agricultural College or State College (Normal School) Lands.

OIL AND GAS ROYALTIES BY COUNTY
K-12 School Trust Lands
July 1, 2002 through June 30, 2004

COUNTY	ROYALTIES RECEIVED
Banner	$ 50,897.75
Cheyenne	$ 153,307.64
Dundy	$ 822,439.47
Furnas	$ 9,820.51
Hitchcock	$ 188,464.09
Kimball	$ 346,090.22
Morrill	$ 211,286.43
Red Willow	$ 63,403.05
Scotts Bluff	$ 27,736.37
TOTAL	$ 1,873,445.53

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
$2,750,000
$2,500,000
$2,250,000
$2,000,000
$1,750,000
$1,500,000
$1,250,000
$1,000,000
$750,000
$500,000
$250,000
$0
1966 1968 1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004
BIENNIAL ENDING


CUMULATIVE OIL AND GAS ROYALTIES FROM K-12 SCHOOL TRUST LANDS
Deposited in the Permanent School Fund
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
1966 1968 1970 1972 1974 1976 1978 1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004