

Financial Report - November 30, 2015

Attached you will find a number of pages for the financial report.

The first page is the report for the end of the 2013-2015 Biennium. A reminder - the top part of the statement is the cash balance - we ended the biennium with \$16,173,871.80 of cash. The outstanding commitments totaled \$21,179,600.04 so the difference of those two numbers is carried forward to the 2015-2017 biennium. The outstanding commitments are scheduled to be paid out over a number of years--some of those payments could be out 10 years. The bottom part of the statement is the statutory authority for the maximum amount of oil tax revenues that the Outdoor Heritage Fund can receive. The level of oil tax revenues during the 2013-2015 biennium did not reach the maximum amount allowed. \$18,641,972.92 of the possible \$30,000,000 was received.

The second page is the report for the Outdoor Heritage Fund for the 2015-2017 biennium. Again, the top part of the statement is the cash balance. As of the end of October the cash balance is \$16,655,770.26. Outstanding project commitments have been reduced to \$19,019,404.24. Although there is a negative amount on the top part of the statement those commitments are scheduled to be disbursed over the next 10 years and not all in one biennium. The bottom part of the statement is the statutory authority for the maximum amount of oil tax revenues that the Outdoor Heritage Fund can receive. I have included what the current legislative forecast is for the 2015-2017 biennium. That legislative forecast shows oil tax revenues at the level of \$27,502,641 compared to the maximum amount of \$40,000,000 that is allowed.

The third page is the worksheet showing the amount received as of October 31, 2015 compared to the Legislative Forecast. For the first three months of receipts we are under the forecast by \$432,929.60.

Last, I was asked to provide information on oil tax revenue disbursements. This is a chart prepared by Legislative Council. You will note that the Outdoor Heritage Fund is box #9. The revenues for the Outdoor Heritage Fund come from the oil and gas gross production tax.

We will go over this information at the meeting but I thought I would forward the information now so you have some time to read it over.

A handwritten signature in blue ink, appearing to read "Gary Fine". The signature is fluid and cursive, with a long horizontal stroke at the end.

Outdoor Heritage Fund (294)
 Financial Statement
2013-2015 Biennium
 November 30, 2015 Outdoor Heritage Fund Advisory Board Meeting

	<u>Cash Balance</u>
July 1, 2013 Balance	\$ 0.00
Interest Revenue through June 30, 2015	\$ 8,181.72
Revenues through June 30, 2015	\$18,641,972.92
Grant Expenditures through June 30, 2015	\$ (2,386,247.96)
Administrative Expenditures through June 30, 2015	<u>\$ (90,034.88)</u>
	\$18,173,871.80
Outstanding Project Commitments as of June 30, 2015	<u>\$(21,179,600.04)</u>
Balance	\$(5,005,728.24)

Outdoor Heritage Fund
Continuing Appropriation Authority
 2013-2015 Biennium

Uncommitted Balance July 1, 2013	\$ 000.00
Interest Revenue	\$ 20,000.00
Revenues Fiscal Year 2014	\$15,000,000.00
Revenues Fiscal Year 2015	<u>\$15,000,000.00</u>
	\$30,020,000.00
Administration Expenditures	\$ (300,000.00)
Project Commitments 2013-2015 Rounds 1 - 5 (less withdrawn projects)	<u>\$(23,565,848.00)</u>
Available Funding Authority	\$ 6,154,152.00

54-17.8-02 North Dakota Outdoor Heritage Fund – Continuing appropriation

There is created a North Dakota Outdoor Heritage Fund that is governed by the Commission. Any money deposited in the Fund is appropriated on a continuing basis to the Commission for the purposes of this chapter. Interest earned by the Fund must be credited to the Fund. The Commission shall keep accurate records of all financial transactions performed under this chapter.

57-51-15(d). Outdoor Heritage Fund - Deposits.

First the tax revenue collected under this chapter equal to one percent of the gross value at the well of the oil and one-fifth of the tax on gas must be deposited with the State Treasurer who shall: ...

(d) Credit four percent of the amount available under this subsection to the North Dakota Outdoor Heritage Fund, but not in an amount exceeding fifteen million dollars in a state fiscal year and not in an amount exceeding thirty million dollars per biennium;

...

Outdoor Heritage Fund (294)
 Financial Statement
2015-2017 Biennium
 November 30, 2015 Outdoor Heritage Fund Advisory Board Meeting

	<u>Cash Balance</u>
July 1, 2015 Balance	\$16,173,871.80
Interest Revenue through October 31, 2015	\$ 2,022.70
Revenues through October 31, 2015	\$ 2,640,440.40
Grant Expenditures through October 31, 2015	\$ (2,160,195.80)
Administrative Expenditures through October 31, 2015	<u>\$ (368.84)</u>
	\$16,655,770.26
Outstanding Administrative Expenses	\$ (149,631.16)
Outstanding Project Commitments as of October 31, 2015	<u>\$(19,019,404.24)</u>
Balance	\$(2,513,265.14)

Outdoor Heritage Fund
Continuing Appropriation Authority
 2015-2017 Biennium

	Authority	Leg. Forecast
Balance July 1, 2015	\$ (5,005,728.24)	\$ (5,005,728.24)
Interest Revenue	\$ 10,000.00	\$ 10,000.00
Revenues Fiscal Year 2016	\$20,000,000.00	\$13,081,433.00
Revenues Fiscal Year 2017	<u>\$20,000,000.00</u>	<u>\$14,421,208.00</u>
	\$35,004,271.76	\$22,506,912.76
Administration Expenditures	\$ (150,000.00)	\$ (150,000.00)
Project Commitments 2015-2017	<u>\$ (00.00)</u>	<u>\$ (00.00)</u>
Available Funding Authority	\$34,854,271.76	\$22,356,912.76

54-17.8-02 North Dakota Outdoor Heritage Fund – Continuing appropriation

There is created a North Dakota Outdoor Heritage Fund that is governed by the Commission. Any money deposited in the Fund is appropriated on a continuing basis to the Commission for the purposes of this chapter. Interest earned by the Fund must be credited to the Fund. The Commission shall keep accurate records of all financial transactions performed under this chapter.

57-51-15. Outdoor Heritage Fund - Deposits.

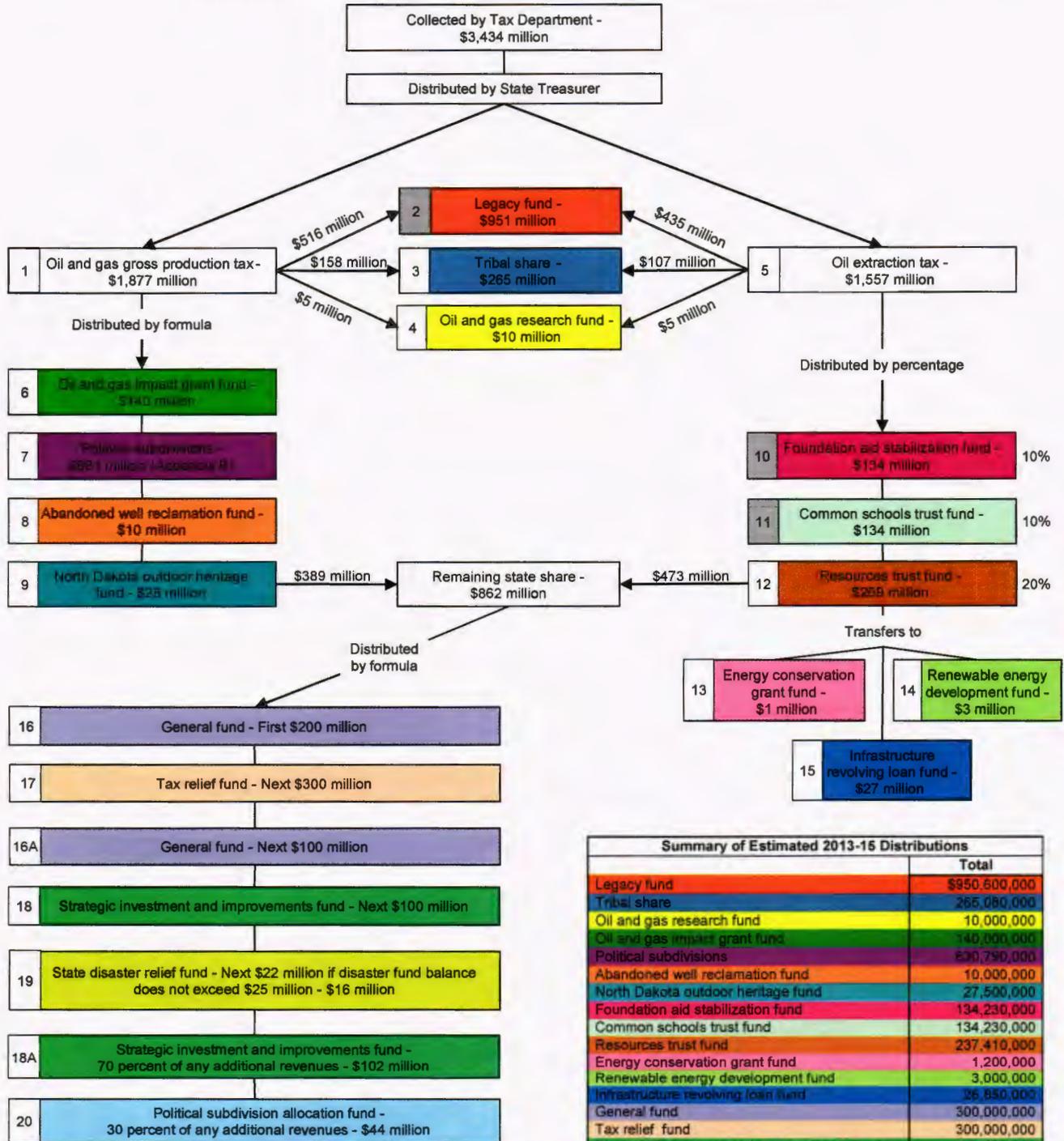
First the tax revenue collected under this chapter equal to one percent of the gross value at the well of the oil and one-fifth of the tax on gas must be deposited with the State Treasurer who shall: ...

(f) Credit eight percent of the amount available under this subsection to the North Dakota Outdoor Heritage Fund, but not in an amount exceeding twenty million dollars in a state fiscal year and not in an amount exceeding forty million dollars per biennium; ...

2015-17 OIL AND GAS TAX REVENUE ALLOCATION FLOWCHART

This memorandum provides information on the estimated allocation of oil and gas tax collections for the 2015-17 biennium based on final legislative action. A summary of the funds is included in [Appendix A](#), and a more detailed schedule of the distribution of oil and gas gross production tax collections is included in [Appendix B](#).

2015-17 BIENNIUM Revenue Forecast Estimates Based on Final Legislative Action



Shading in number boxes represents constitutional allocations

Summary of Estimated 2013-16 Distributions	
	Total
Legacy fund	\$950,600,000
Tribal share	265,080,000
Oil and gas research fund	10,000,000
Oil and gas impact grant fund	140,000,000
Political subdivisions	620,790,000
Abandoned well reclamation fund	10,000,000
North Dakota outdoor heritage fund	27,500,000
Foundation aid stabilization fund	134,230,000
Common schools trust fund	134,230,000
Resources trust fund	237,410,000
Energy conservation grant fund	1,200,000
Renewable energy development fund	3,000,000
Infrastructure revolving loan fund	26,850,000
General fund	300,000,000
Tax relief fund	300,000,000
Strategic investment and improvements fund	202,490,000
State disaster relief fund	16,420,000
Political subdivision allocation fund	43,930,000
Total	\$3,433,730,000

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