

Land Grant Endowment Funds
Notes to the Financial Schedules
June 30, 2010

By Acts of Congress in 1915 and 1929, approximately 10,000 acres of land were transferred to the territory of Alaska to be held in trust for the university. The grant lands were subsequently transferred to the state of Alaska and eventually to the Board of Regents to be held in trust for the university. Currently, approximately 82,243 acres of these lands are held at no basis because fair value at the date of transfer was not determinable. In 1982 and 1988, the university was allowed to select certain state lands including timber and other rights as replacement for lands disposed of by the territory and the state. These replacement lands and property interests were recorded at their fair value as of the date of transfer.

Land Grant Trust Fund

The Land Grant Trust Fund as reported in these schedules represents the original land grant, the invested proceeds from the sale and/or development of these resources and the appreciation in value of the invested funds. The endowment is managed on a total return basis. Receivables of approximately \$4.0 million are primarily from sales of trust land. Investments of approximately \$98.8 million are held in a consolidated endowment fund under the direction of the University of Alaska Foundation. The consolidated investment fund is managed by the Foundation's investment committee and treasurer in accordance with an investment policy approved by the Board of Regents. Cash balances are invested in pooled investment funds. Real property of approximately \$31.6 million is comprised primarily of replacement and property interests and does not include the value of the university's original entitlement land. Security deposits totaling \$0.6 million are held for security or performance on contracts and other leases. Net position includes \$3.0 million of accumulated net earnings.

The annual spending allowance is based on four and one-half percent of a five-year moving average of the December 31 market value of the investable resources of the Land Grant and Inflation Proofing funds. The annual spending allowance is limited to the unexpended accumulated earnings of the endowments as of the preceding December 31. The spending allowance requirement for fiscal year 2010 was \$5,641,292. To meet the spending allowance, \$3,286,456 and \$459,261, were transferred from the Land Grant and Inflation Proofing funds, respectively. The spending in Land 0en9 0 TD 0 Tc <0003>Tj /TT6 1 Tf .4251 0 TD3 Tc (earnings)Tj8ofen9 0 TD 0 Tc <0003>TTD -.0034 Tc (T

LandGrantEndowmentFunds
Notesto the FinanciaSchedules
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RevenueFund

The RevenueFundrepresentsa depositoryfund for the distributableearningsof the LandGrant Trust Fund,the
Inflation ProofingFund,

Schedule of Net Position

	Land Grant Trust Fund	Inflation Proofing Fund	Revenue Fund	Natural Resources Fund	Land Management Operations
Cash (due (to) from University)	\$ (3,605,045)	\$ 1,632,892	\$ -	\$ 10,800,507	\$ 1,501,900
Receivables	4,003,291	185,362	-		
Investments	98,822,464	14,281,529	-		
Real property & subdivision inventory	31,611,785	14,147,015	-		
Total Assets:	130,832,495	30,246,798	-	10,800,507	1,501,900
Liabilities:					
Security deposits and other payables	585,292	84,327	-	-	-

Land Grant Endowment Funds
Schedule of Allocated Natural Resources Fund Balances
For the Year Ended June 30, 2010

Project	Available June 30, 2009	New Awards & Transfers	Expen- ditures	Available June 30, 2010
NATURAL RESOURCES PROJECTS				
Animals				
UAS/Ring Seal Survey	1,041	-	-	1,041
Fisheries				
UAF/Prince of Wales Island Aquaculture	3,817	-	-	3,817
Forestry				
UAF/Factors Influence Spruce Bark Beetle	11,266	-	-	11,266
Resources Management, Marketing, Education, and Other				
UAF/Master Land Planning, Agriculture Research Station	42,298	-	-	42,298
SYS/Competitive Grants				
<i>sub-grants to:</i>				
UAF/Competitive Grants	8,153	-	8,153	-
OTHER PROJECTS				
Faculty Development				
UAF/Promoting Teacher Retention & Renewal	6,740	-	275	6,465
Outreach/Public Service				
UAF/University of Alaska Press	80,000	80,000	80,000	80,000
Program Development/Enhancement				
UAF/Cooperative Extension Support	895,610	400,000	398,873	896,737
Student Services				
UAA/Alaska Scholars Program	-	2,083,813	2,083,813	-
UAF/Alaska Scholars Program	-	1,401,125	1,401,125	-
UAS/Alaska Scholars Program	-	154,000	154,000	-
SYS/Alaska Scholars Program	7,693,179	229,183	141,338	7,781,024
SYS/Tuition Waiver Program, Coop. Scholarships	213,806	160,000	177,829	195,977
	<u>8,955,910</u>	<u>4,508,121</u>	<u>4,445,406</u>	<u>9,018,625</u>
Undistributed				
FY04 Transfer	836,850	-	-	836,850
FY05 Transfer	610,000	-	-	610,000
FY10 Transfer		335,032	-	335,032
	<u>\$ 10,402,760</u>	<u>\$ 4,843,153</u>	<u>\$ 4,445,406</u>	<u>\$ 10,800,507</u>