

Fiscal Year 2010

REVENUES BY BENEFICIARY FY 2010

BENEFICIARIES	TRUST ACRES	STATE LAND EXPENDABLE EARNINGS	TREASURER'S FORMULA DISTRIBUTION	TOTAL EXPENDABLE RECEIPTS	TOTAL PERMANENT FUND RECEIPTS	TOTAL RECEIPTS
Common Schools (K - 12) (Includes County Bonds)	8,096,064	38,146,797	0	38,146,797	91,650,743	129,797,541
Normal Schools	174,798	196,746	0	196,746	80,748	227,495
Agricultural & Mechanical Colleges	124,944	84,261	0	84,261	153,223	237,484
Military Institutes	80,168	79,180	0	79,180	0	79,180
School of Mines	123,254	307,338	0	307,338	86,061	393,399
University Land Code	137,909	1,824,531	0	1,824,531	16,595	1,841,126
University of Arizona (Act Of 2/18/1881)	54,101	427,226	0	427,226	161,963	589,189
School for the Deaf & Blind	82,560	164,768	0	164,768	433,850	598,618
Subtotal Education	8,873,798	\$41,230,849	\$0	\$41,230,849	\$92,583,183	\$133,814,031
Legislative, Executive & Judicial Buildings	64,257	252,296	0	252,296	201	252,497
State Hospital	71,248	304,250	0	304,250	198,595	502,845
Miners' Hospital*	95,429	1,466,321	0	1,466,321	797,812	2,264,133
State Charitable, Penal, and Reformatory	77,229	5,341,811	0	5,341,811	760,676	6,102,487
Penitentiary	76,111	1,362,480	1,799	1,364,279	171,138	1,535,417
TOTAL	9,258,071	\$49,958,007	\$1,799	\$49,959,806	\$94,511,605	\$144,471,410

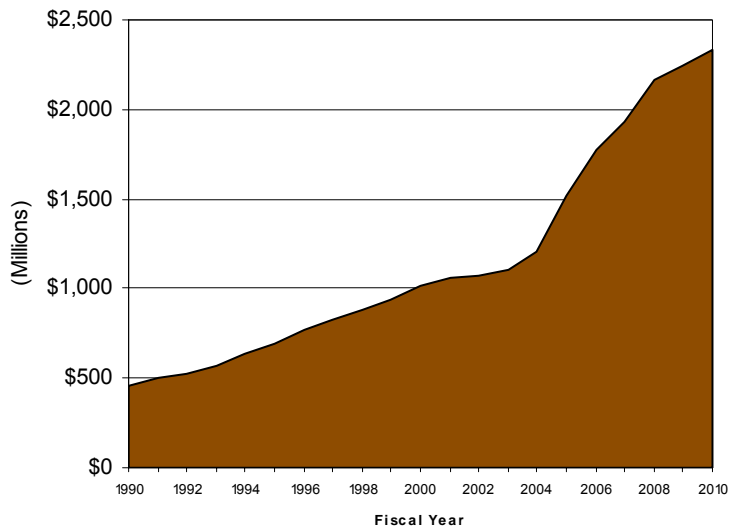
*Miners' Hospital and Miners' 1929 combined.

*The amount for expendable earnings includes \$0 from the school leases in accordance with A.R.S. §37-221, D.

Permanent Fund

- The Department deposited \$94.5 million into the Permanent Funds in FY 2010, increasing the book value to \$2,331,097,000.
- The balance of Department managed sales contracts is \$608.5 million.
- The Permanent Funds consist of revenues earned from the sale of State Trust land or assets such as minerals or other natural products. Up to 10% of this revenue is deposited into the Trust Land Management Fund
- Each beneficiary has its own Permanent Fund.
- The State Treasurer manages the Permanent Funds and invests the funds in stocks, bonds and other interest bearing securities. Distributions from the Permanent Funds to the beneficiaries are based on a constitutional formula.

**Permanent Fund Balance
FY 1990 - 2010**



BENEFICIARY SHARE OF PERMANENT FUND JUNE 30, 2010

	BOOK VALUE	MARKET VALUE
Common Schools (K - 12)	2,170,992,000	2,529,416,000
Normal Schools	2,284,000	2,832,000
Agricultural & Mechanical Colleges	6,249,000	8,135,000
Military Institutes	352,000	459,000
School of Mines	7,541,000	9,186,000
University Land Code	12,256,000	15,065,000
University of Arizona (Act of 2/18/1881)	25,955,000	32,269,000
School for the Deaf & Blind	2,969,000	3,861,000
Legislative, Executive & Judicial	5,117,000	6,509,000
State Hospital	3,768,000	4,806,000
Miners' Hospital	10,751,000	12,234,000
State Charitable, Penal & Reformatory	75,026,000	87,388,000
Penitentiaries	7,837,000	9,687,000
TOTAL **	2,331,097,000	2,721,848,000

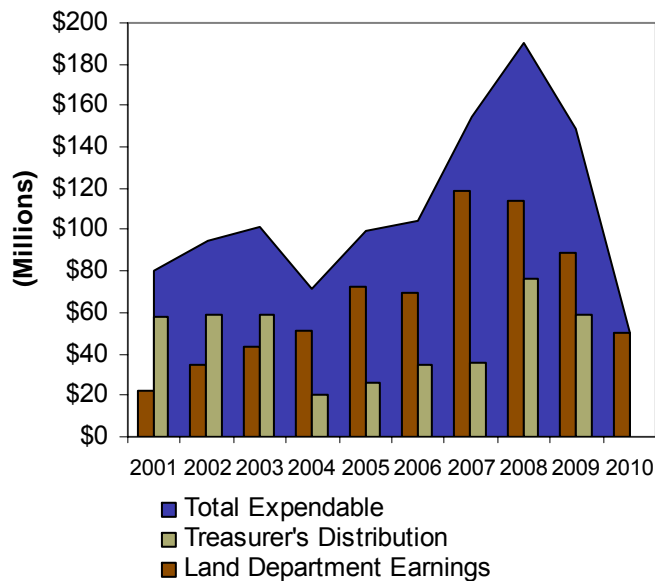
*Miners' Hospital and Miners' 1929 combined.

**Values are provided by the State Treasurer's Office and are rounded to the nearest thousand.

Expendable Revenue

- Expendable revenue includes lease revenue from Trust land leases and permits, interest from sales contracts, and the Treasurer's formula distribution of the Permanent Fund.
- Expendable revenues are distributed directly to the beneficiaries.
- Expendable revenue totaled \$50.0 million in FY 2010.
- Revenue from Trust land leases, permits, and interest earnings from sales financed through the Department totaled \$500.0 million.
- The Treasurer distributed \$1,799 according to the constitutional formula based on the 5-year average net return and the 60 month average market value.

**Trust Expendable Earnings
FY 2001 - 2010**



EXPENDABLE REVENUE BY BENEFICIARY FY 2010

BENEFICIARIES	TREASURER'S FORMULA DISTRIBUTION	LEASE & SALES CONTRACT INTEREST	TOTAL EXPENDABLE REVENUE
Common Schools (K-12)*	0.00	38,146,797.44	38,146,797.44
Normal Schools Grant	0.00	196,746.31	196,746.31
Agricultural & Mechanical Colleges	0.00	84,261.41	84,261.41
Military Institutes Grant	0.00	79,180.15	79,180.15
School of Mines Grant	0.00	307,338.35	307,338.35
University Land Code	0.00	1,824,531.42	1,824,531.42
University of Arizona (Act Of 2/18/1881)	0.00	427,225.95	427,225.95
School for the Deaf and Blind	0.00	164,767.57	164,767.57
Subtotal Education	0.00	41,230,848.60	41,230,848.60
Legislative, Executive & Judicial Buildings	0.00	252,295.89	252,295.89
State Hospital Grant	0.00	304,250.06	304,250.06
Miners' Hospital Grant	0.00	1,466,320.81	1,466,320.81
State Charitable, Penal & Reformatory	0.00	5,341,811.26	5,341,811.26
Penitentiary Grant	1,799.00	1,362,480.03	1,364,279.03
TOTAL	1,799.00	49,958,006.65	49,959,805.65

*The amount for expendable earnings includes \$0 from the school leases in accordance with A.R.S. §37-221, D.

Fund and Beneficiary Summary

In FY 2010, State Trust receipts totaled \$155,431,018. A total of \$144,471,410 was earned for the beneficiaries, (\$385,885) was deposited in the General Fund, \$244,203 was received as commercial prepayments, and \$11,101,289 was deposited into the Trust Land Management Fund, which is used to manage the Trust. Of the beneficiary amount, \$94,511,605 was deposited into the Permanent Funds. The Permanent Funds are managed by the State Treasurer. The remaining \$49,959,806 in receipts were expendable and were distributed to the beneficiaries for use in their operations. Expendable receipts are comprised of lease revenues, interest on the outstanding sales balance and the Treasurer's formula distribution. The table below indicates the number of acres remaining for each grant along with a breakdown on how the expendable receipts are distributed to the beneficiaries.

TRUST ACRES	GRANT	BENEFICIARY
8,096,064	Common Schools (K - 12) (Includes County Bonds)	1st \$72.3 million of expendable receipts → State Aid Formula for K - 12 Receipts over \$72.3 million → Classroom Site Fund
174,798	Normal Schools	Board of Regents to Distribute to Universities
124,944	Agricultural & Mechanical Colleges	
80,168	Military Institutes	
123,254	School of Mines	
137,909	University Land Code	
54,101	University of Arizona (Act Of 2/18/1881)	
82,560	School for the Deaf & Blind	School for the Deaf & Blind
64,257	Legislative, Executive & Judicial Buildings	Legislature, Executive & Judicial Branch
71,248	State Hospital	State Hospital
95,428	Miners' Hospital (2 Grants)	Pioneers' Home
77,229	State Charitable, Penal, and Reformatory	{ 50% Pioneers' Home 25% Department of Corrections 25% Department of Juvenile Corrections
76,111	Penitentiary	
<u>9,258,071</u>	TOTAL	