

Utah Land Trusts
Protection &
Advocacy Office

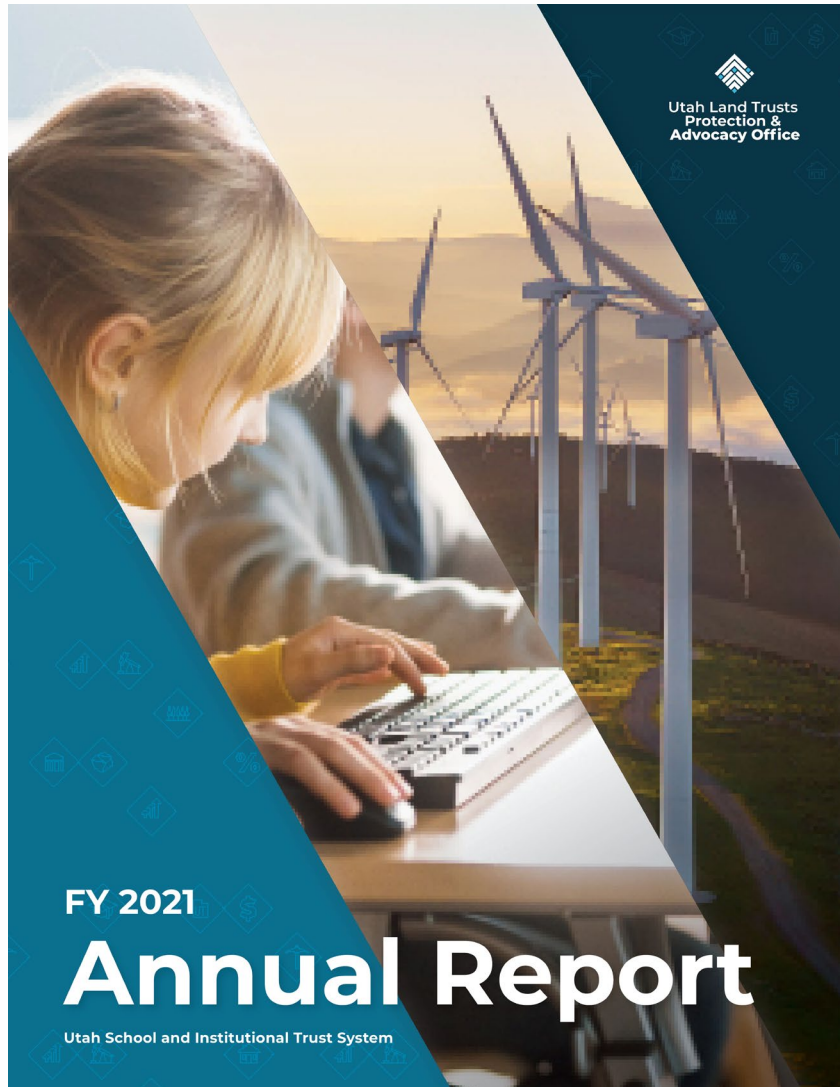


SITLA Board Meeting

January 20, 2022

Advocacy Report

FY 2021 Annual Report



Pursuit to 53D-2-203 Report Annually

- On the trust's compliance with law and trust as a whole
- Provide a financial report regarding the relevant individuals trusts to each beneficiary
- Advocacy and outreach material



The Trust System

Four state agencies and one constitutional officer (the state treasurer) share trustee and fiduciary responsibilities for trust land management, trust fund distribution, and trust protection and advocacy. Collectively, these agencies ensure integrity, growth, and protection of Utah's school and institutional trust lands and funds to benefit the designated beneficiaries.



Land Management

SITLA manages Utah's nearly 3.4 million surface acres and 4.5 million subsurface acres of school and institutional trust lands, depositing revenue into the trust funds.

3.4 M SURFACE AREAS **4.5 M** SUBSURFACE AREAS

Development & Planning Revenue

Surface/Land Use Revenue

Renewable Resource Revenue

Mineral, Oil, & Gas Revenue



Fund Investment

SITFO invests the \$3.1 billion permanent funds investment portfolio, distributing constitutionally-mandated amounts each year to the trust beneficiaries.

\$3.1 B TRUST FUND BALANCE

Trust Fund Investment

Distribution



Fund Distribution

Annual distributions are sent to the trusts' beneficiaries. Nearly 95% of trust fund distributions are sent to public schools.

BENEFICIARIES

Public Schools Trust

The School Children's Trust Section at the Utah State Board of Education administers trust disbursements to K-12 schools through the School LAND Trust Program and provides training to charter and school community councils.

Charter and School Community Councils

Parents, principals, and school employees prepare plans to address the unique academic needs of their students with the School LAND Trust distributions.



Miners Hospital Trust

School for the Blind Trust

School for the Deaf Trust

Reservoirs Trust

University of Utah Trust

Colleges of Education (Normal Schools) Trust

- University of Utah
- Dixie State University
- Southern Utah University
- Utah State University
- Utah Valley University
- Weber State University

School of Mines Trust

Utah State Hospital Trust

Utah State University (Agricultural College) Trust

Juvenile Justice Services (Reform School) Trust

Public Buildings Trust



Protection & Advocacy

The Protection & Advocacy Office represents and protects the beneficiaries' interests, provides independent trust system oversight, and helps the public understand and support these important endowments.



1. Represent and protect with undivided loyalty the beneficiary interests in advocating for:

- Optimal and productive trust revenue generation
- Effective distribution of revenue to beneficiaries.



2. Represent beneficiary interests through political advocacy, with support and oversight from the state treasurer.



3. Ensure trust goals and purposes are maintained.



4. Monitor, stay informed, account, and report.



5. Promote and facilitate open communication among key individuals and organizations of the trust.

FY2021 Annual Report Financial Summary





Land Management

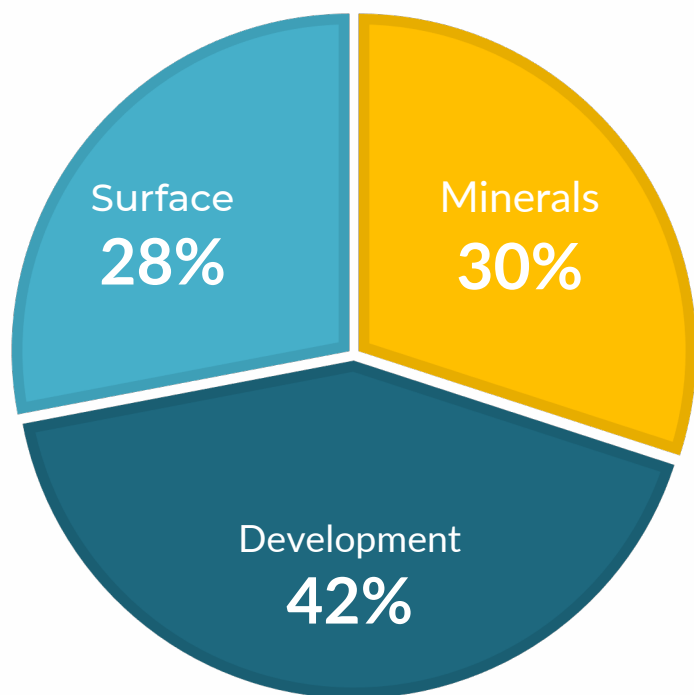
FY 2021

Total Gross Revenue



Land Management

FY 2021
Total Gross Revenue
\$102,715,278



TRUST REVENUE	FY 2019	FY 2020	FY 2021
MINERALS			
Oil & Gas Royalties	\$34,934,441	\$23,299,042	\$22,752,273
Coal Royalties	\$1,004,562	\$701,262	\$635,125
Other Minerals	\$4,712,188	\$5,198,233	\$6,521,625
Materials Permits	\$1,162,080	\$1,317,060	\$1,388,972
Total Mineral Revenue	\$41,813,270	\$30,515,597	\$31,297,995
DEVELOPMENT & PLANNING			
Development Sales & Leases	\$31,598,032	\$34,464,651	\$42,969,980
Total Development & Planning Revenue	\$31,598,032	\$34,464,651	\$42,969,980
SURFACE			
Sales (Auctions & Negotiated Sales)	\$7,622,007	\$460,387	\$17,932,514
Easements	\$770,270	\$1,266,038	\$961,850
Rights of Entry	\$176,937	\$192,358	\$243,532
Agriculture	\$118,992	\$121,916	\$142,214
Commercial	\$2,109,193	\$2,310,172	\$2,358,998
Governmental	\$269,140	\$459,282	\$561,941
Industrial	\$2,787,079	\$2,769,574	\$2,768,836
Renewable			\$705,777
Residential	\$79,462	\$75,965	\$76,861
Telecommunications	\$1,216,212	\$1,164,694	\$1,284,454
Forestry	\$42,845	\$91,701	\$134,519
Grazing	\$1,378,571	\$1,360,854	\$1,275,807
Total Surface Revenue	\$16,570,708	\$10,272,941	\$28,447,303





Fund Investment

FY 2021
Interests and Gains



Trust Fund Investment FY 2021

Investment Objective
10.70%

Investment Actual Return
27.1%

Annualized Returns by Fiscal Year Table

TRUSTS	MARKET VALUE		ANNUALIZED RETURNS (AS OF 6/30/21)			
	6/30/20	6/30/21	FY 2021	3Y	5Y	10Y
Public Schools Trust	\$2,330,074,981	\$2,939,974,728	27.1%	8.2%	7.9%	8.1%
Miners Hospital Trust	\$56,443,715	\$74,595,801	27.1%	8.2%	7.9%	8.2%
School for the Blind Trust	\$20,128,580	\$24,739,731	27.1%	8.2%	7.9%	8.2%
School for the Deaf Trust	\$2,743,275	\$3,500,911	27.1%	8.2%	7.9%	8.0%
Reservoirs Trust	\$7,440,425	\$9,607,192	27.1%	8.2%	7.9%	8.0%
University of Utah Trust	\$7,551,006	\$9,890,436	27.1%	8.2%	7.9%	8.0%
Colleges of Education (Normal Schools) Trust	\$6,140,708	\$7,977,288	27.1%	8.2%	7.9%	8.0%
School of Mines Trust	\$4,880,999	\$6,968,958	27.1%	8.2%	7.9%	8.1%
Utah State Hospital Trust	\$4,395,262	\$5,694,491	27.1%	8.2%	7.9%	8.1%
Utah State University (Agricultural College) Trust	\$5,192,134	\$8,818,655	27.1%	8.2%	7.9%	8.0%
Juvenile Justice Services (Reform School) Trust	\$1,511,412	\$1,872,920	27.1%	8.2%	7.9%	8.1%
INVESTMENT OBJECTIVE			FY 2021	3Y	5Y	10Y
Inflation (CPI) + 5%			10.70%	7.7%	7.6%	7.0%



TRUST REVENUE	FY 2019	FY 2020	FY 2021
SITFO – PERMANENT FUND INTERESTS & GAINS			
Permanent Fund Interest & Gains	\$96,414,236	-\$96,245,983	\$669,045,348

Rolling 5-Year Performance vs. Investment Objective



TRUST REVENUE COMBINED	FY 2019	FY 2020	FY 2021
SITLA Revenue Combined	\$89,982,010	\$75,253,189	\$102,715,278
SITFO Permanent Fund Interest & Gains	\$96,414,236	-\$96,245,983	\$669,045,348
Total Trust Revenue	\$186,396,246	-\$20,992,794	\$771,760,626

TRUST EXPENSES	FY 2019	FY 2020	FY 2021
SITLA Operating Expenses	\$10,449,941	\$10,681,094	\$10,516,382
SITLA Capital Expenses	\$3,251,324	\$3,338,056	\$4,822,957
SITFO Operating Expenses	\$2,335,144	\$2,671,882	\$3,440,321
Protection & Advocacy Office Expenses	\$217,800	\$263,111	\$305,328
Beneficiary Distributions	\$86,735,552	\$93,167,815	\$97,410,280
Total Trust Expenses	\$102,989,761	\$110,121,958	\$116,495,268

NET ASSET GROWTH	FY 2019	FY 2020	FY 2021
Net Asset Growth	\$83,406,485	-\$131,114,752	\$655,265,358

Total Permanent Fund Balance
\$3.1 Billion



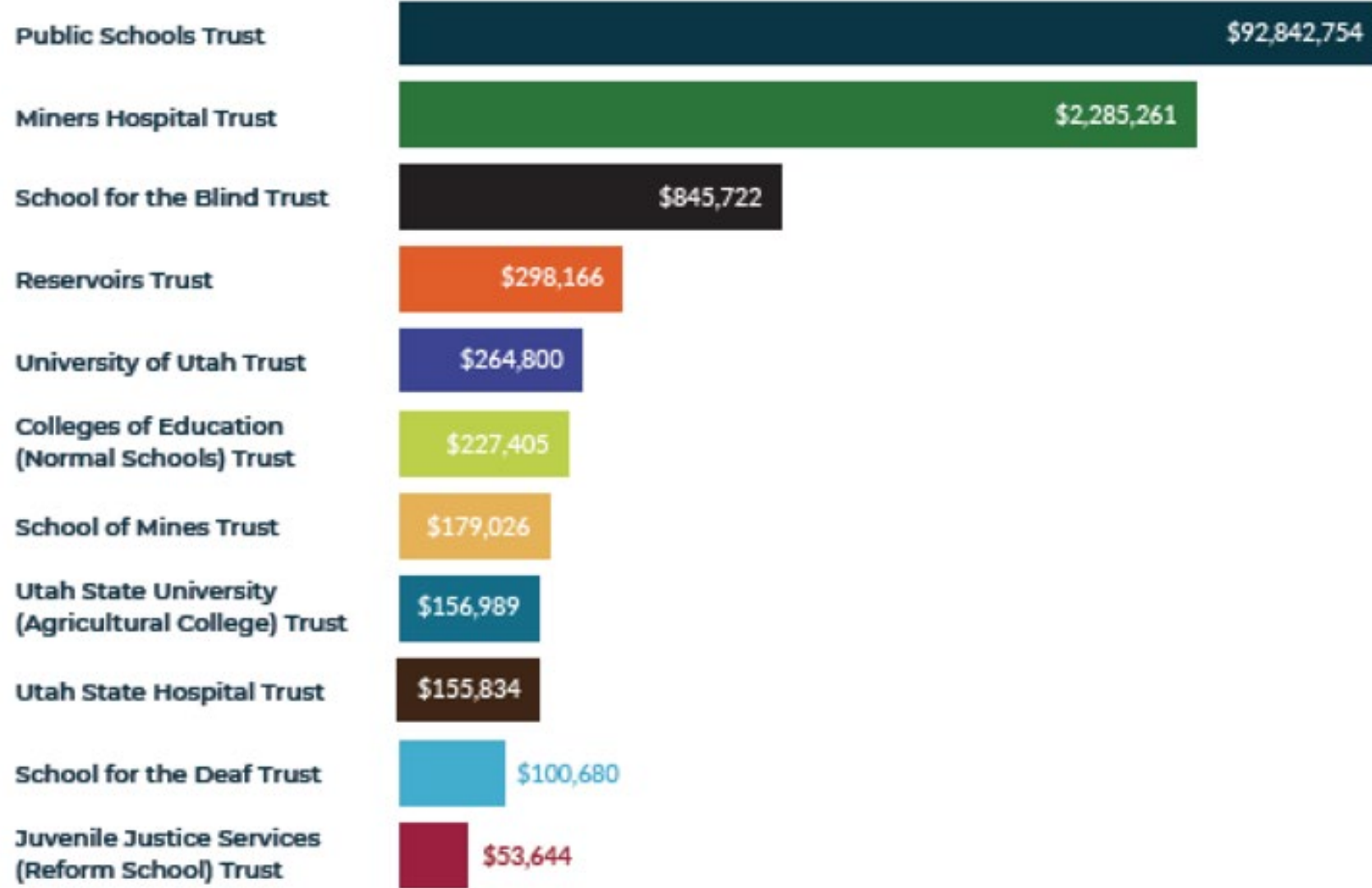
Distributions

FY 2021

\$97.4 Million

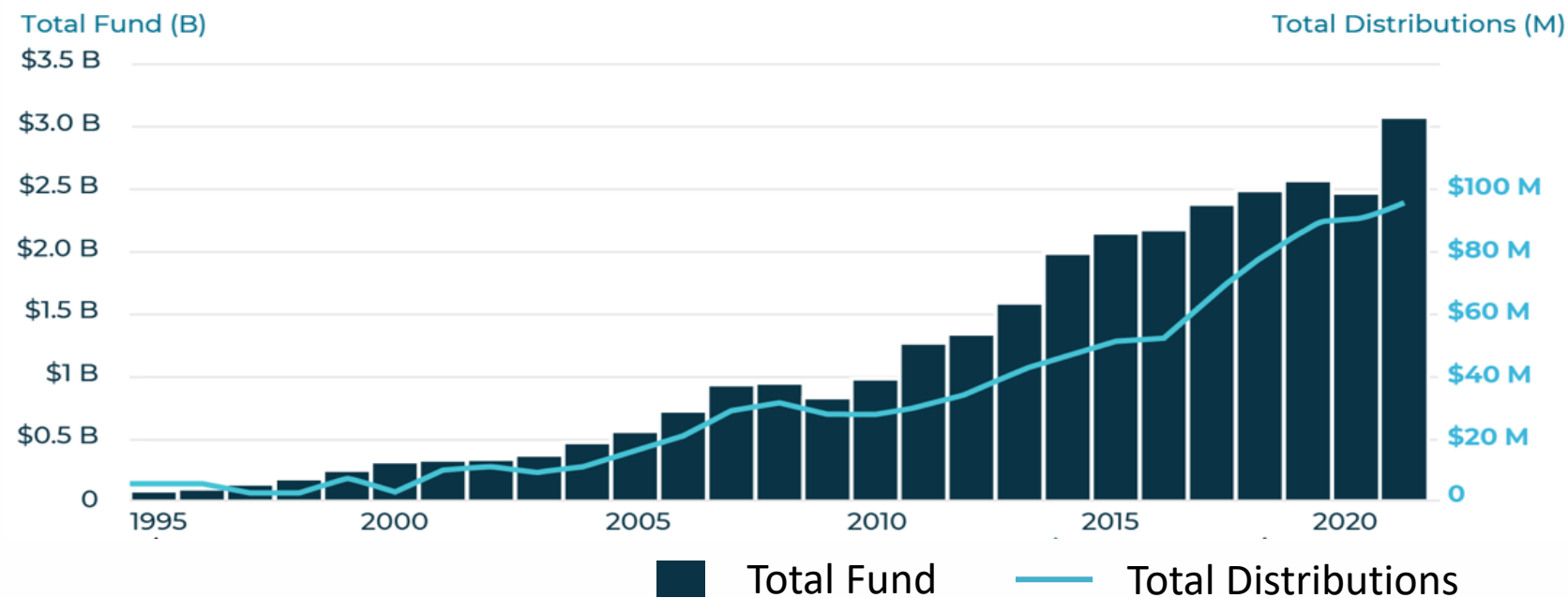


Distributions





Distributions vs. Market Value



Questions/Comments?

**Information or Research
Requests?**