



The

LAND

Where

MIRACLES

Grow



Annual

Report

2009

T h e M I R A C L E

In 1890, when it admitted Idaho to the Union,
Congress understood that two things above all else
would shape the future of the new state:

- 1) The land and the vast resources on it
- 2) The children and how fully their potential was realized

For that reason, it granted 3.6 million acres to its newest initiate,
the revenues from which would fund nine endowment trusts,
most dedicated to nurturing the state's public education system.

The vision of our nation's leaders was simple:
the miracle of harvest and regeneration —
whether it be timber or crops or precious metals —
would help finance the miracle of the human spirit fulfilled.

Idaho Department Of Lands
EXECUTIVE LEADERSHIP

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Lands, Minerals, Range

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Letter from George Bacon, Director
IDAHO DEPARTMENT OF LANDS

We are what we repeatedly do. Excellence, then, is not an act, but a habit. – Aristotle

These words were true over 2000 years ago and it is just as true today. Excellence is also a word that has been described by many qualities including: commitment, integrity, consistency, honesty, fairness, and humility.

This habit, these words, describe what we are striving for in the Idaho Department of Lands. Over the last year, the people that make up the IDL have demonstrated excellence during one of our most challenging times in the state's history.

Our people have completed an intensive study of our timber asset. They made recommendations that will increase our forest growth and harvest while making our forests more adaptable and resistant to threats from fire, insects and disease and climate change. They implemented improved land acquisition and disposal processes to quickly capture market opportunities. They developed new procedures to improve the performance of our rangeland asset. They deployed new technologies to enhance information management. They instituted new processes to gain efficiencies in all programs, even when facing tough economic challenges. Through it all, they have consistently met their targets in asset management and landowner assistance.

With an eye on the future, we are developing new revenue streams, such as wind power. We are enhancing our commercial property assets. We are planning strategic land development. More importantly, we are strengthening our core businesses. In the public sphere, we are assisting, protecting, educating and collaborating. That collaboration took the form of a Citizen's Advisory Committee in 2009. Their recommendations for continued reform and conformance to modern business practices will yield benefits to the school children of Idaho for generations to come.

Maybe people have trouble articulating a deeper expression of excellence because they rarely see it. I am fortunate. I get to observe excellence every day.

It is my great honor to present the accomplishments of the State Board of Land Commissioners, the people of the Department of Lands, and the wonderful volunteers from Idaho's business community. As you review their activities over the past year, I hope you agree with me, they define excellence.

Sincerely,



The Idaho State Board of
LAND COMMISSIONERS

The Idaho State Board of Land Commissioners consists of Idaho's governor, secretary of state, attorney general, superintendent of public instruction, and state controller. They are the stewards of the nearly 2.5 million acres of Idaho's endowment lands and the tens of millions of dollars in revenues generated for the state's designated beneficiaries.

Primary among the fund's beneficiaries are Idaho's elementary and secondary public schools, which receive 95 percent of endowment's annual revenues. Other constitutionally designated beneficiaries are: the Agricultural College Fund (at the University of Idaho), the Charitable Institutions Fund (at Idaho State University, the Industrial Training School, State Hospital North, Idaho veterans homes, and the School for the Deaf and Blind), the Penitentiary Fund, the School of Science Fund (at the University of Idaho), the State Hospital South Fund, the University Fund (at the University of Idaho), and the Capitol Commission.

Because of the board's responsibility to protect the endowment lands, it now serves as the host agency for the Idaho Board of Scaling Practices, the Clearwater-Potlatch Timber Protective Association, and the Southern Idaho Timber Protective Association.



C.L. "Butch" Otter
Governor of Idaho



Ben Ysursa
Secretary of State



Lawrence Wasden
Attorney General



Donna Jones
State Controller



Tom Luna
Superintendent of Public Instruction



George Bacon
Secretary of the Board



*The Land Board formed
a citizen's advisory committee in 2009
to examine what changes in the law
might help improve income generating
potential for the endowment beneficiaries*



The Land Where MIRACLES GROW

As it was deliberating the Idaho Admissions Act in 1889, the United States Congress displayed uncommon wisdom by granting what would become the Union's 43rd member 3,600,000 acres of land for the sole purpose of funding specified beneficiaries, primarily the state's public schools. This mandate was later chiseled into the granite of the Idaho Constitution through Article IX, Section 8, which mandates that the lands will be managed "...in such manner as will secure the maximum long-term financial return to the institution to which [it is] granted." The prescribed income is generated in a number of ways: the sale of land; the sale of timber; leases for grazing, farming, commercial buildings, recreational homesites, and mining; and earnings from invested funds.

The Endowment Fund Investment Board is charged with managing the invested revenues from the endowment lands. Until 1968, it was limited to a "buy-and-hold" investment strategy as dictated by the original legislation that created the fund. Subsequent constitutional amendments approved in 1968 and 1998, enabled the board to take advantage of all the modern investment

tools available to it. As a result, the fund's assets rose dramatically — from \$77 million when the board was created to over \$1 billion today — with a corresponding increase in the financial resources available to the beneficiaries.

On December 20, 2007, the State Board of Land Commissioners approved a new asset management plan based on three prudent principles:

- Maximize the long-term financial return at a prudent level of risk
- Protect future generations' purchasing power
- Provide a relatively stable and predictable payout



Preserving OUR ASSETS

As noted, much of the Land Board's annual income is derived from the sale of the timber that grows on the endowment lands. While trees are unaffected by fluctuations in the stock market; insects, disease, and fire can have catastrophic effects on our ability to generate revenues. Thus, in our case, a prudent investment strategy includes a team of expert foresters.

Headquartered in Coeur d'Alene, the Forestry and Fire Division consists of three independent bureaus: Forest Management, Forest Assistance, and Fire Management. Together they manage, monitor and protect the lands and forests under the control of the Idaho Department of Lands.

The Forest Management Bureau provides overall statewide policy direction, technical guidance and general oversight of the management of the endowment trust's lands. It is also responsible for monitoring the timber harvest and the accounting for the associated receivables.

The Forestry Assistance Bureau provides technical assistance to the other Department of Land programs and state and federal officials. It also advises and assists private landowners in the responsible management of forest resources and enforces the policies set forth by the Idaho Forest Practices Act, which regulates commercial forest operations within Idaho. It is staffed by specialists in forest management, entomology, pathology, fisheries biology, hydrology, and geotechnical engineering.

The Fire Management Bureau is probably the most visible of the department's divisions. On a day-to-day basis it establishes and implements policies to prevent, prepare for, and fight wildland fires over six million acres of Idaho's public and private forest and rangelands. These responsibilities include regulating the elimination of fire hazards caused by timber harvesting on state and private lands within Idaho.



Forestry and Fire Bureau Administration

David Groeschl
Assistant Director
Forestry and Fire

Bob Helmer
Chief
Forest Management

Craig Foss
Chief
Forestry Assistance

Brian Shiplett
Chief
Fire Management



National Fire Plan in Idaho PROGRESS IN 2009

Since 2001, Idaho has been implementing the National Fire Plan; a statewide collaborative effort with local, state, tribal, and federal entities working together to reduce the risk and impact of wildfires. Each of Idaho's forty-four counties has a County Wildfire Protection Plan (CWPP). CWPP's include an assessment of risk and a prioritized list of projects that will most effectively protect communities. These groups include firefighters and officials from county, state, and federal fire and emergency agencies. CWPP updates were completed for 18 counties in 2009: Blaine, Bonner, Bonneville, Boundary, Camas, Cassia, Custer, Gooding, Idaho, Jerome, Kootenai, Latah, Lincoln, Minidoka, Shoshone, Teton, Twin Falls, and Valley.

Hazardous Fuels Reduction

There were 2,312 acres treated on private lands in Idaho. Hazardous fuels reduction work on all ownerships in Idaho has reached over 2 million acres since 2001.

Firefighting Resources

IDL Volunteer Fire Assistance Grants: \$211,100 was awarded to 64 fire departments and districts for firefighting equipment, training, and other resources. Funds awarded from other federal and state agencies for firefighting resources has totaled over \$36 million since 2001.



Clearwater-Pollatch Timber Protective Association

Howard Weeks
Chief Warden

Tom Murn
President of the
Board of Directors

Roger Jansson
Board Member

Greg Danley
Board Member

Don Konkol
Board Member

Mike Reggear
Board Member

Corby Finke
Board Member

South Idaho Timber Protective Association

Mark Woods
Chief Warden

Herald Nokes
President of the
Board of Directors

Kurt Houston
Board Member

Rich McMillan
Board Member

Alvin Hall
Board Member

Elt Hansbrouck
Board Member

Living Off THE LAND

The Lands, Minerals and Range Division includes the Surface and Mineral Resources Bureau which manages six leasing programs, three regulatory programs and one assistance program.

Cottage Site Lease Program

More than 500 cottage site leases located at Priest Lake and Payette Lake are managed by the Department. Lessees are allowed to build private residences on some of the most beautiful waterfront and secondary lake properties in the state of Idaho.

Commercial Lease Program

The Commercial Lease Program involves a broad range of leasing scenarios including energy resources (e.g. wind energy and geothermal); communication sites; retail/office; recreation, industrial facilities; and military facilities. Energy resource leases, especially wind energy facility leases, and retail/office leases are expected growth areas for the Department.

Mineral Lease Program

The Mineral Lease program manages almost 200 leases across the state which cover more than 40,000 acres. Minerals extracted from state endowment trust lands include phosphate, sand and gravel, decorative stone, garnets, clay, and cinders.

Grazing Lease Program

The Department manages more than 1,200 grazing leases that cover almost 300,000 acres of timberland and 1.5 million acres of rangeland located primarily across the southern two thirds of Idaho. These leases contribute approximately 260,000 AUMs of forage to livestock operations each year.

Farming Lease Program

Most of the original farming land owned by the endowments was sold during the early portion of the 1900's. What remains is a small portfolio of farming leases that total approximately 20,000 acres. Crops currently grown on state endowment trust lands include sugar beets, corn, onions, potatoes, barley, hops, dry beans, and wheat.



Lands, Minerals, and Range Administration

Bob Brammer
Assistant Director

Mike Murphy
Chief
Bureau of Surface and
Mineral Resources



Conservation Lease Program

Until the adoption of the State Board of Land Commissioners Asset Management in 2007, the “conservation” asset type was not formally recognized by the Department. Since that time and based on recent administrative rule changes, the Department does accept applications for conservation use and continues to manage a small portfolio of conservation leases.

Navigable Waters Regulatory Program

The Navigable Waters program regulates encroachments and activities on, in, or above the navigable lakes in the state of Idaho. Additionally, this program manages the beds and banks lying below the ordinary high water mark of the state’s navigable rivers and streams. In total these lands are managed for the public’s benefit as public trust lands.

Mining Regulatory Program

The Mining Regulatory program regulates surface mining and dredge/placer mining on all state, private, and federal lands in the state of Idaho. Mining plans and reclamation bonds are required

prior to the start of mining. Plans are reviewed and approved in coordination with other state and federal agencies.

Oil and Gas Regulatory Program

The State Board of Land Commissioners acts as the Oil and Gas Commission which regulates the exploration, drilling and production of oil and gas resources to ensure the conservation of oil and gas and the protection of surface and groundwater. Although oil and gas drilling permits have been issued by the Department, no commercial oil and gas wells are currently in production on state endowment trust lands or private lands in the state of Idaho.

Abandoned Mine Lands Program

The Abandoned Mine Lands Program provides financial and technical assistance to land owners across the state of Idaho with abandoned mine issues. Public safety and environmental protection are the focus of this program which is funded by a portion of the Mine License Tax.



Lewis Clark Receives \$1,267,050

In April 2009, the Idaho Land Board presented Lewis Clark State College with a check for \$1,267,050 from funds generated from Idaho’s endowment lands.



N o r t h e r n a n d S o u t h e r n O P E R A T I O N S

Northern Operations

Field offices	7
Permanent personnel	90
Seasonal employees	100+
Endowment lands (acres)	524,791
Annual timber sales	117*
Leased grazing acres	135,334
Mineral leases	33
Exploration locations	2
Cottage site leases	354
Commercial leases	37
Fire response districts	7
Forest practices notifications	1,143
Waterway encroachment permits	9,606

Southern Operations

Field offices	7
Permanent personnel	83
Seasonal employees	75+
Endowment lands	1,921,544
Annual timber sales	103
Leased grazing acres	1,648,479
Mineral leases	411
Exploration locations	21
Cottage site leases	166
Commercial leases	125
Fire response districts	3
Forest practices notifications	139
Waterway encroachment permits	932

* Million Board Feet

Administration

Roger Jansson Chief
Northern Operations
Coeur d'Alene, Idaho

Mick Schanilec Area Manager
Priest Lake Supervisory Area
Coolin, Idaho

Scott Bacon Area Manager
Kootenai Valley Supervisory Area
Bonners Ferry, Idaho

Ed Robinson Area Manager
Pend Oreille Supervisory Area
Sandpoint, Idaho

Administration

Kurt Houston Chief
Southern Operations
Boise, Idaho

Bob McKnight Area Manager
Clearwater Supervisory Area
Orofino, Idaho

Jim Clapperton Area Manager
Maggie Creek Supervisory Area
Kamiah, Idaho

Jay Sila Area Manager
Craigmont Supervisory Area
Craigmont, Idaho

Mike Denney Area Manager
Mica Supervisory Area
Coeur d'Alene, Idaho

Bob Burke Area Manager
Cataldo Supervisory Area
Kingston, Idaho

Ken Ockfen Area Manager
St. Joe Supervisory Area
St. Maries, Idaho

Sam Charles Area Manager
Ponderosa Supervisory Area
Deary, Idaho

Sheldon Keater Area Manager
Payette Lakes Supervisory Area
McCall, Idaho

Steve Douglas Area Manager
Southwest Supervisory Area
Boise, Idaho

Tim Duffner Area Manager
South Central Supervisory Area
Jerome, Idaho

Pat Brown Area Manager
Eastern Supervisory Area
Idaho Falls, Idaho

Board of Scaling PRACTICES

The State Board of Scaling Practices enforces the state's prescribed log scaling (measurement) standards. It also administers log brand registrations and the disposition of prize (abandoned) logs.

Appointed by the governor, board members represent industry, logging, and private landowner interests. An executive director, headquartered in the Idaho Department of Lands' Coeur d'Alene office, carries out the board's directives. Funding for the board is derived from assessment fees levied on the scale of forest products harvested within the state and from licensing and registration fees.

The composition of the membership of the Scaling Board changed during FY2009.

Current active board members are:

George B. Bacon, Chairman;

Jack Buell, Vice-chairman;

H. Larry Stewart, Secretary;

Robert E. Boeh, Gerry Ikola and Lynn House.






*Commercial and surface
leasing have become a
critical part of the asset
management program*






Idaho Department of Lands

SUPPORT SERVICES



Invisible to most but vital to the smooth operation of the entire department — including the Land

Board — the dedicated people in the support services division of the Idaho Department of Lands perform legal, fiscal management, information systems, and personnel functions from their offices in the department's headquarters in Boise and Coeur d'Alene.

Legal Oversight

Legal counsel is provided to the department by the Idaho attorney general. Two deputy attorneys general are assigned specifically to the Idaho Department of Lands and have their offices in the IDL's headquarters. They provide legal advice to the department, initiate legal action on the department's behalf, and, when necessary, defend the department in court. Supplementary assistance may be provided by additional deputies in the attorney general's office if case loads, other duties, or the specific nature of the action require it.

Fiscal Management

Under the supervision of the financial officer, the Fiscal Section provides oversight and policy direction for all accounting functions within the department, including purchasing, accounts payable and receivable, and internal auditing.

Human Resources

The department's human resource manager works closely with the state's division of human resources to deliver all personnel responsibilities, including payroll, recruiting, and record keeping.

Management Information Systems

Information system needs critical to the department's operation are the responsibility of the Information Technology and Geographic Information System sections.

The Information Technology section manages the department's entire network infrastructure, including hardware, software, remote backup and storage, and help desk duties.

The Geographic Information System (GIS) section maintains the property ownership databases and records that are vital to the department as it formulates management strategies for the lands under its control.

It also administers the department's GIS website which provides access to land records, published maps, aerial photography sources and digital maps of the entire state.



Support Services Administration

Patrick Hodges
Division
Administrator

Lisa Johnson
Financial Officer

Dan Raiha
IT Resource
Manager

Chris Clay
GIS/Cartography
Manager



F i n a n c i a l
a n d
D e p a r t m e n t
D a t a



For Fiscal Year 2009

July 1, 2008 to June 30, 2009

**A c c o u n t a n t s '
 S T A T E M E N T**

We have examined and prepared the data presented in this annual report in accordance with generally accepted accounting standards and affirm it is true and accurate and reflects the activity of the Idaho Department of Lands and the State Board of Land Commissioners during fiscal year 2009.

Signed,



Lisa Johnson
Financial Officer

A c c o u n t s a n d F u n d i n g R e v e n u e a n d E x p e n d i t u r e s

	Revenue	Expenditures
General Fund	977,600	5,175,450
Misc. Pass Through Funds	1,586,666	0
Dedicated Land Funds		
Forest Resources	491,722	421,367
Lands, Minerals and Range	153,620	154,905
Fire Management	4,181,256	4,259,805
Board of Scaling	141,498	203,170
Support Services	12,906	848,036
Indirect Cost Recovery	379,520	188,320
Community Forestry Trust	11,552	9,401
Forest Purpose Lands	0	0
Land Bank	77,619	353,315
Total Dedicated Funds	\$ 5,449,692	\$ 6,438,320
Fire Suppression	2,365,619	14,782,954
Federal Funds	5,516,279	5,693,718
Endowment Funds		
Earnings Reserve	59,121,453	21,019,253
Permanent	4,350,754	0
Total Endowment Funds	\$ 63,472,207	\$ 21,019,253
Revenue and Expenditures	\$ 79,368,063	\$ 53,109,694

Forest MANAGEMENT

Timber Harvested

Average Sale Prices	FY 2007	FY 2008	FY 2009
Sawlogs	\$ 293.27/MBF ¹	\$ 276.55/MBF ¹	\$ 252.36/MBF ¹
Cedar Poles	\$ 2.91/LF ²	\$ 4.06/LF ²	\$ 4.79/LF ²

Area	Sawlogs (MBF)	Cedar Poles (LF)	Cedar Products (MBF)	Pulp (MBF)	Weight Sales (TON)
Priest Lake	13,019	60,525	129	2,594	-
Pend Oreille Lake	5,935	161,130	17	582	15,480
Kootenai Valley	3,329	63,200	14	346	-
Mica	6,701	14,740	12	468	-
St. Joe	43,000	113,285	1,976	4,925	-
Cataldo	8,627	-	37	635	-
Clearwater	19,096	318,410	494	3,879	11,824
Ponderosa	12,346	190,785	283	2,216	-
Maggie Creek	14,554	10,610	588	6,829	-
Craig Mountain	3,254	-	-	371	-
Payette Lakes	28,564	-	-	937	-
Southwest	3,500	-	-	44	-
South Central	-	-	-	-	-
Eastern Idaho	1,113	-	-	-	-
Total	163,038	932,685	3,550	23,826	27,304

Timber Sold

Average Sale Prices	FY 2007	FY 2008	FY 2009
Sawlogs	\$ 291.44/MBF ¹	\$ 254.83/MBF ¹	\$ 188.41/MBF ¹
Cedar Poles	\$ 8.09/LF ²	\$ 9.31/LF ²	\$ 4.81/LF ²

Area	Sawlogs (MBF)	Cedar Poles (LF)	Cedar Products (MBF)	Pulp (MBF)	Weight Sales (TON)
Priest Lake	11,623	84,875	15	36	-
Pend Oreille Lake	6,777	166,630	30	-	27,753
Kootenai Valley	4,495	-	-	-	-
Mica	6,575	123,150	-	-	1,907
St. Joe	37,829	382,580	1,482	1,305	2,250
Cataldo	5,710	-	60	88	-
Clearwater	25,770	344,485	85	322	-
Ponderosa	28,044	-	241	178	2,200
Maggie Creek	17,470	-	49	114	-
Craig Mountain	3,112	-	-	128	-
Payette Lakes	26,709	-	-	2	24,795
Southwest	6,078	-	-	14	-
South Central	-	-	-	-	-
Eastern Idaho	22	-	-	-	-
Total	180,213	1,101,720	1,962	2,185	58,905

¹ Thousand Board Feet

² Lineal Feet

Income Statement

ENDOWMENT TRUST LANDS

	Public School	Ag College	Charitable Institutions	Normal School	Penitentiary
Direct Program Revenue*					
Forest Land	28,511,815	728,489	3,516,734	3,655,083	1,006,099
Agriculture Land	250,304	-	261	-	11,268
Grazing Land	1,386,713	12,470	27,942	21,806	6,519
Residential Real Estate	2,809,677	-	-	553,057	-
Commercial Real Estate	550,201	2,299	12,021	1,032,548	1,029
Recreation	177,594	212	2,675	1,600	192
Conservation	26,482	-	-	1,066	300
Oil and Gas	36,168	1,915	80	4,366	124
Minerals	4,091,884	160	12,000	131,778	672
Total Revenue	\$ 37,840,836	\$ 745,544	\$ 3,571,713	\$ 5,401,305	\$ 1,026,203
Direct Program Expense					
Forest Land	9,903,792	219,025	911,337	617,182	392,211
Agriculture Land	75,972	-	79	-	3,420
Grazing Land	977,398	8,789	19,695	15,370	4,595
Residential Real Estate	148,333	-	-	23,268	-
Commercial Real Estate	56,968	-	-	851,824	-
Recreation	17,674	21	266	159	19
Conservation	6,521	-	-	263	74
Oil and Gas	6,689	354	15	807	23
Minerals	322,908	13	947	10,397	53
Total Program Expense	\$ 11,516,256	\$ 228,202	\$ 932,339	\$ 1,519,269	\$ 400,394
Program Margin	\$ 26,324,580	\$ 517,342	\$ 2,639,374	\$ 3,882,036	\$ 625,808
Less: Managerial Overhead					
Forest Land	2,223,913	49,183	204,642	138,589	88,072
Agriculture Land	33,344	-	35	-	1,501
Grazing Land	359,012	3,228	7,234	5,646	1,688
Residential Real Estate	54,221	-	-	8,505	-
Commercial Real Estate	6,957	-	-	104,020	-
Recreation	6,618	8	100	60	7
Conservation	2,442	-	-	98	28
Oil and Gas	2,010	106	4	243	7
Minerals	120,760	5	354	3,888	20
Total Managerial Overhead	\$ 2,809,278	\$ 52,530	\$ 212,369	\$ 261,048	\$ 91,322
Net Income by Program					
Forest Land	16,384,109	460,281	2,400,754	2,899,312	525,817
Agriculture Land	140,988	-	147	-	6,347
Grazing Land	50,303	452	1,014	791	236
Residential Real Estate	2,607,123	-	-	521,284	-
Commercial Real Estate	486,276	2,299	12,021	76,705	1,029
Recreation	153,301	183	2,309	1,381	166
Conservation	17,519	-	-	705	198
Oil and Gas	27,468	1,454	61	3,316	94
Minerals	3,648,215	143	10,699	117,494	599
Total Net Income	\$ 23,515,302	\$ 464,812	\$ 2,427,004	\$ 3,620,988	\$ 534,487
Net Income/Total Revenue	62%	62%	68%	67%	52%

*Direct Program Revenue includes contributions to permanent funds and earnings reserve funds. **Expenses in excess of revenue include prescribed burns, plantings, and land repairs.

• Revenue Source: IBIS Query/Access Query • Direct Expenditure Source: STARS DAFR 8290 • Admin Ovhd Source: STARS DAFR 8290

For the year

ENDED JUNE 30, 2009

	School of Science	State Hospital South	University	Capitol	Total
Direct Program Revenue*					
Forest Land	4,802,720	3,580,378	4,597,833	26,672	50,425,822
Agriculture Land	-	3,270	5,268	-	270,371
Grazing Land	40,481	7,969	20,050	53	1,524,003
Residential Real Estate	-	1,166,778	-	-	4,529,511
Commercial Real Estate	410	411,280	2,346	12,534	2,024,668
Recreation	1,168	181,928	347	375	366,090
Conservation	-	-	1,743	-	29,591
Oil and Gas	1,688	1,649	3,099	-	49,089
Minerals	9,496	6,265	773	34	4,253,062
Total Revenue	\$ 4,855,963	\$ 5,359,516	\$ 4,631,460	\$ 39,668	\$ 63,472,207
Direct Program Expense					
Forest Land	924,074	377,121	597,420	103,555	14,045,717
Agriculture Land	-	992	1,599	-	82,063
Grazing Land	28,532	5,617	14,132	37	1,074,164
Residential Real Estate	-	44,874	-	-	216,475
Commercial Real Estate	-	340,229	-	2,280	1,251,301
Recreation	116	18,106	35	37	36,434
Conservation	-	-	429	-	7,287
Oil and Gas	312	305	573	-	9,079
Minerals	749	494	61	3	335,624
Total Program Expense	\$ 953,784	\$ 787,738	\$ 614,249	\$ 105,912	\$ 17,058,143
Program Margin	\$ 3,902,179	\$ 4,571,777	\$ 4,017,211	(\$ 66,244)	\$ 46,414,064
Less: Managerial Overhead					
Forest Land	207,502	84,683	134,152	23,253	3,153,990
Agriculture Land	-	436	702	-	36,018
Grazing Land	10,480	2,063	5,191	14	394,556
Residential Real Estate	-	16,403	-	-	79,129
Commercial Real Estate	-	41,547	-	278	152,802
Recreation	44	6,780	13	14	13,643
Conservation	-	-	161	-	2,729
Oil and Gas	94	92	172	-	2,729
Minerals	280	185	23	1	125,516
Total Managerial Overhead	\$ 218,400	\$ 152,188	\$ 140,413	\$ 23,561	\$ 3,961,110
Net Income by Program					
Forest Land	3,671,144	3,118,574	3,866,261	(100,137)	33,226,115
Agriculture Land	-	1,842	2,967	-	152,291
Grazing Land	1,468	289	727	2	55,283
Residential Real Estate	-	1,105,501	-	-	4,233,907
Commercial Real Estate	410	29,504	2,346	9,976	620,565
Recreation	1,008	157,042	300	324	316,013
Conservation	-	-	1,153	-	19,576
Oil and Gas	1,282	1,252	2,354	-	37,282
Minerals	8,467	5,586	689	30	3,791,922
Total Net Income	\$ 3,683,779	\$ 4,419,589	\$ 3,876,797	(\$ 89,805)	\$ 42,452,954
Net Income/Total Revenue	76%	82%	84%	(226%)**	67%

Forestry

ASSISTANCE

Forest Stewardship Program (includes Forest Legacy)

- 1,827 forest landowner requested assists
- 333 forest landowner participants at 24 stewardship workshops
- 62 forest landowner cost-share assistance projects
- 96 new Landowner Forest Stewardship Plans (LFSP) produced; 28 LFSP revised
- 242 Landowner Forest Stewardship Plans reinspected
- Completed documentation for one Forest Legacy project, covering 240 acres
- Partnered with over 140 forestry professionals from multiple entities to fund and facilitate the Idaho State Forestry Contest, providing field education and forestry skills competition to 450 elementary, middle and high-school students
- Partnered with Natural Resources Conservation Service (NRCS) to act as a pilot state for developing, offering and administering a new, cost-shareable NRCS Forest Management Plan for private forest landowners

Forest Health Protection

- 3 pest detection surveys covering 2,435,619 acres (Aerial Detection Surveys: 1,430,000 acres, Gypsy Moth: 938,220, Douglas-fir Tussock Moth: 67,324, BWA: 45 acres)
- 53 insect and disease identification and management training sessions, with 1,286 participants
- 394 responses to requests for forest health information

Community & Urban Forestry (includes conservation education)

- Assistance focused on quantifying urban forest values for air and water quality, stormwater management and energy conservation. A geospatial analysis over the Rathdrum Prairie Aquifer (including the cities of Coeur d'Alene, Hayden, Post Falls and Rathdrum) found that:
 - Existing tree canopy provides \$3.3 million in air quality benefits, \$7 million dollars stormwater mitigation benefits, and lowers energy costs by \$1 million dollars per year
 - Increasing current canopy cover from 18% to 30% would increase air quality and stormwater benefits by \$4.4 million each year. An additional 76,000 trees can be planted on the east and west sides of homes, saving nearly \$100 million over a 40-year period in energy costs
 - With regional partners, IDL staff is working to incorporate this information into stormwater management, air quality and energy conservation plans, increasing the functional value of community trees and leading to healthier communities
- 72 Tree Cities USA designations with 11 Tree Cities also receiving a Tree City USA Growth Award for significant improvement to their tree management programs
- Partnered with the Idaho Forest Products Commission to deliver education to Idaho Schools through Project Learning Tree





State Assessment of Forest Resources (SAFR)

The Idaho Department of Lands is working with state and federal agencies, advisory groups, organizations, tribes, industry and conservation groups to develop a State Assessment of Forest Resources for Idaho. The assessment includes forests and canopy from downtowns to tree line, and across all ownerships. It describes geospatially the key issues that most threaten forests in the state, and for which forests provide greatest benefit.

The completed assessment will help identify areas that are highest priority for action. The Resource Strategy—in progress—will identify potential actions and opportunities for collaborative projects that address the key issues, leading to greater positive change on a landscape scale. For more information, go to: http://www.idl.idaho.gov/bureau/ForestAssist/safr_index.html.

Cumulative Watershed Effects (CWE)

Proposals were requested and Terragraphics Environmental Engineering, Inc., was selected as the successful bidder for the 2009 CWE contract. Twenty-three watersheds are being assessed in the Priest River, Pend Oreille Lake, Upper Spokane, Coeur d'Alene Lake, and St. Joe River Basins. Watersheds assessed in 2009 have been previously assessed using the CWE process, and TMDL implementation plans have been developed. Results of the 2009 CWE assessments will be compared to previous assessments and used to monitor progress toward achieving CWE objectives.

Forest Practices Act (FPA)

FPA Administration

- Conducted 2,268 forest-practices inspections on Idaho's private forest lands and found a 96% rate of compliance. The complete report summarizing 2008 inspection activities is posted at: http://www.idl.idaho.gov/bureau/ForestAssist/fpa/eoy/2008_Forest_Practices_Year-End_Report_3-11-09.pdf.
- Designed and led six culvert design, construction, and inspection field training sessions as part of the Logger Education to Advance Professionalism (LEAP) educational program, training approximately 285 loggers and forestry professionals.
- Partnered with Montana and Washington natural resource agencies in presenting three Forest Practices Update sessions at the Intermountain Logging Conference. Eighty loggers and forestry professionals, from three states, attended these sessions.
- Participated in the 2008 Water Quality/Forest Practices Quadrennial Audit, led by Idaho Dept. of Environmental Quality (DEQ) managers, inspecting 43 harvested sites statewide, assessing compliance with FPA rules and effects to water quality.

Interdisciplinary Team Field Visits

The Interdisciplinary (ID) Team members conducted 116 field visits on individual projects throughout the IDL Supervisory Areas. Twenty-three follow-up reports were provided including recommendations for stream crossing installations, bridge/road installation and repair, stream classification, landslide repair, rock pit development, road rocking, interpretation of various FPA rules, project implementation oversight, stream channel restoration, etc.

Fuels for Schools

Idaho's Fuels for Schools and Beyond program is a partnership between the State Forester, the US Forest Service, and the Panhandle Lakes Resource Conservation and Development Council.

The purpose is to expand the use of small-diameter trees and slash to demonstrate the positive environmental impact of heating and producing energy using woody biomass fuels.



Fire Season IN REVIEW

The 2009 fire season was below the 27-year average in terms of both fire occurrence and acres burned.

On lands for which the Idaho Department of Lands (IDL), Clearwater Potlatch Timber Protective Association (CPTPA), and Southern Idaho Timber Protective Association (SITPA) provide wildland fire protection, firefighters responded to 352 fires (91 percent of average). These fires burned 457 acres, which is about four percent of the average acreage burned.

Quick response by dedicated teams of firefighters kept 97 percent of these fires less than ten acres.

Human activity ignited 119 fires (34 percent of the year's total) and accounted for 40 percent of the

burned area, or 182 acres. Debris burning started the most human-caused fires, and burned the most area. Debris burning was also the most expensive human-caused category.

Lightning started 233 fires (66 percent of the year's total) and burned 274 acres, or 60 percent of the total area.

The average fire size was 1.3 acres, which is five percent of the 27 year average. The median fire size was 0.1 acres, which is the usual. The average fire cost was \$4,876, and the cost per acre was \$3,759.

Number of Fires, By Cause, By District

District	# of Fires	Lightning	Debris	Misc.	Campfire	Arson	Equip. Use	Smoking	Children	Railroad
Pend Oreille FPD	55	26	12	11	5	-	1	-	-	-
SITPA	45	39	3	-	1	2	-	-	-	-
CPTPA	40	29	1	5	5	-	-	-	-	-
Priest Lake FPD	34	30	1	-	3	-	-	-	-	-
Southwest Idaho FPD	32	26	-	1	4	-	1	-	-	-
West St. Joe FPD	29	13	7	3	2	3	1	-	-	-
Craig Mountain FPD	27	19	1	2	3	1	1	-	-	-
Mica FPD	26	15	5	4	1	1	-	-	-	-
Cataldo FPD	22	11	4	3	1	-	1	1	1	-
Kootenai Valley FPD	21	13	7	1	-	-	-	-	-	-
Maggie Creek FPD	15	9	3	3	-	-	-	-	-	-
Ponderosa FPD	6	3	-	2	-	-	1	-	-	-
Total	352	233	44	35	25	7	6	1	1	0

The fire season begins in late spring so does not coincide with the fiscal year. As a result, figures on this page may not agree with fiscal-year statistics elsewhere in this report.





Endowment Land

STATUS (by asset type and number of acres)

Endowment	Agriculture	Commercial RE	Conservation	Forest Lands	Minerals	Range Lands	Residential RE	Total
Agricultural College	-	290	-	15,152	7	18,077	-	33,526
Charitable Institutions	10	100	-	63,046	-	14,045	-	77,201
Normal School	623	307	-	42,696	26	15,177	40	58,869
Penitentiary Inc.	800	26	-	27,133	-	1,107	-	29,067
Public Buildings	-	50	-	7,164	-	8	-	7,222
Public Schools	37,536	13,789	22,746	685,141	4,161	1,314,659	513	2,078,545
School of Science	-	194	-	63,927	47	11,667	-	75,835
State Hospital South	-	1,529	-	26,089	3	3,658	136	31,415
University of Idaho	100	142	-	41,329	984	12,101	-	54,656
Total	39,069	16,427	22,746	971,678	5,228	1,390,499	689	2,446,335

Balances as of June 30, 2009

Board of Scaling Practices

Log Scaling Regulation Enforcement Statistics

145 registered log scalers
 4 temporary permits
 172 scale checks performed
 372 registered log brands
 1 active prize log sale

Scaling License Examinations

Two scaling license examinations held
 10 exams taken, 4 passed, 6 failed

Revenue and Expenses

Total revenue \$ 141,498
 Total expenditures \$ 203,170
 Ending free-fund balance \$ 56,374

Lands, Minerals, and Range STATISTICS

Endowment Land Programs

Grazing Program

- 1,207 grazing leases with a total of 1,783,813.85 leased acres and 258,506.00 animal unit months

Farming Program

- 75 farming leases with a total of 19,669.39 leased acres and 733 animal unit months

Conservation Program

- 13 conservation leases

Commercial Program

- 162,359 square feet of commercial property under management with 83% occupancy¹
- 28 industrial leases
- 6 military leases
- 52 recreation leases (commercial and noncommercial)
- 72 communication leases
- 6 office/retail leases
- 1 energy resource

Residential Program

- 354 Priest Lake cottage site leases
- 166 Payette Lakes cottage site leases
- 10 other residential leases

Minerals Program

- 190 mineral leases with a total of 41,962.63 leased acres
- 56 geothermal resource leases with a total of 26,286.18 leased acres
- 198 oil and gas leases with a total of 54,986.11 leased acres
- 23 exploration locations

Real Estate Transactions

- 179 land use permits and right of way permits²
- 51 easements
- 7 disclaimers of interest

Regulatory Programs

Navigable Waters Program

- 156 submerged land leases (marinas, etc.)
- 10,538 encroachment permits²

Minerals Regulatory Program

- 1,420 surface mining reclamation plans
- 23 placer mining permits



¹ From Property Management Reports

² Provided by area offices

Supervisory Areas

MAP



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