



IDAHO DEPARTMENT OF LANDS

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IDAHO DEPARTMENT OF LANDS TRUSTED STEWARDS OF IDAHO'S RESOURCES, FROM MAIN STREET TO MOUNTAIN TOP

2013 ANNUAL REPORT



MESSAGE FROM THE DIRECTOR

2013 was a year of milestones for the Idaho Department of Lands.

Wildfires that raged in August 2013 will scar the forests of southern Idaho for years to come, but on 5,800 acres of State endowment trust lands burned near the town of Prairie in Elmore County we moved swiftly to administer new salvage sales and modify existing timber sales to extract 40 million board feet of charred timber that otherwise would have degenerated. Millions of tree seedlings will be planted in their place. The sales and replanting efforts didn't just make an additional \$4.5 million for the public school endowment fund and keep forest products companies and logging contractors working; it demonstrated once again that active forest management – the way we manage nearly 1 million acres of forestlands across Idaho – promotes long-term forest health on a landscape level, too.

With the support of Governor C.L. "Butch" Otter and the Idaho Legislature, in 2013 we also promoted legislation that enabled ranchers in southern Idaho for the first time to legally fight rangeland fires. Our agency worked closely with the federal Bureau of Land Management to train and equip the ranchers to provide initial attack, resources, and their intelligence about the land in order to suppress rangeland fires more quickly. Our combined efforts minimized taxpayer dollars spent on firefighting costs in 2013, preserved habitat for sage grouse, and saved forage for the livelihood of the ranchers.

In 2013 we also carried out the first large-scale cottage site sale auction in years, successfully auctioning nearly \$6 million worth of lake lots at Payette Lake. The success paves the way for dozens more cottage site lots to be auctioned at both Priest Lake and Payette Lake in 2014. The auctions are consistent with Land Board direction to divest ownership of

the underperforming and difficult-to-manage lots over time and eventually reinvest money from the sale of the lands into other assets that produce higher returns for endowment trust beneficiaries.

Idaho revamped the Oil and Gas Conservation Commission, introducing five citizen gubernatorial appointees who are subject matter experts and represent the interests of landowners and mineral owners. The new structure better prepares the commission and the Idaho Department of Lands to more effectively regulate what is expected to be a promising natural gas industry in Idaho.

Internally, in 2013 we also started to implement a comprehensive new organizational design that better aligns our functions with our vision of becoming the premier organization in the western United States for trust management, service, and regulatory oversight.

We're proud of these accomplishments. However, 2013 also was a year that highlighted ways in which we can improve.

From now on, there will be closer coordination between Idaho Department of Lands and the Endowment Fund Investment Board, the entity that manages the investment of revenues generated from state endowment trust lands. From preparing united performance and financial reports to working together to introduce a more robust and accountable governance structure for investment decisions, I am confident our joint efforts will improve the performance and credibility of the Idaho Department of Lands.

TOM SCHULTZ | Director

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PHILOSOPHY

The Idaho Department of Lands: Trusted stewards of Idaho's resources, from main street to mountain top.

OUR VISION

The Idaho Department of Lands will be the premier organization for trust management, service, and regulatory oversight in the western United States.

We will invest in Idaho's resources to maximize financial returns to the endowment trust beneficiaries and enhance the health and resilience of Idaho's natural resources for the benefit of all Idahoans.

We will deliver programs with professionalism and integrity, providing exemplary service to the citizens of Idaho.

We will invest in our employees and have an organizational culture and framework that equips, entrusts, and expects employees to make decisions.

The Idaho Department of Lands will be a unified and vibrant organization in which all employees participate in constructive communication to fully meet our missions.

OUR MISSION

To professionally and prudently manage Idaho's endowment assets to maximize long-term financial returns to public schools and other trust beneficiaries and to provide professional assistance to the citizens of Idaho to use, protect and sustain their natural resources.



IDAHO STATE BOARD OF LAND COMMISSIONERS

The Idaho State Board of Land Commissioners (Land Board) consists of Idaho's Governor, Secretary of State, Attorney General, Superintendent of Public Instruction, and State Controller.

In 1890, Idaho became the forty-third state of the Union. At that time, Congress granted millions of acres of land to the new State of Idaho for the sole purpose of funding specified beneficiaries, primarily the state's public schools.

The mandate was included in the Idaho Constitution, which states that the lands will be managed "in such a manner as will secure the maximum long-term financial return" to the beneficiary institutions.

The Land Board members are the stewards of state endowment trust lands in Idaho and the tens of millions of dollars in revenue that are generated for the trust beneficiaries from the use of the lands along with the more than one billion dollars of endowment funds.

The Idaho Department of Lands carries out the executive directives of the Land Board to meet its constitutional trust mandate and other duties.

Under the direction of the Land Board, the Idaho Department of Lands also administers Idaho's public trust lands - the lands beneath the beds of Idaho's navigable lakes and rivers - for the benefit of all Idahoans, and provides service and assistance to Idahoans through forestry and fire management programs.

The Land Board also oversees 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 WADEN
ATTORNEY GENERAL



BRANDON WOOLF
STATE CONTROLLER



TOM LUNA
SUPERINTENDENT OF PUBLIC INSTRUCTION



TOM SCHULTZ
SECRETARY OF THE BOARD



EXECUTIVE LEADERSHIP

TOM SCHULTZ | Director

DAVID GROESCHL | State Forester,
Deputy Director, Forestry and Fire Division

KATHY OPP | Deputy Director,
Division of Lands and Waterways

BOB BRAMMER | Chief Operations Officer

PATRICK HODGES | Division Administrator,
Support Services Division

DONNA CALDWELL | Human Resources Officer

OFFICE LOCATIONS

The dedicated staff members of the Idaho Department of Lands work in 16 offices throughout the state.

261 Permanent Personnel	28 Conservation leases
211 Seasonal Employees	182 Commercial leases (communication sites, recreation, industrial, office/retail, military, energy resources)
2,440,000 Endowment trust land acres	511 Residential leases
3,330,000 Endowment mineral acres	207 Endowment mineral leases
\$47,500,000 Endowment distributions	21 Geothermal resource leases
6,200,000 Acres protected from fire	371 Active land use permits
200 Active timber sales under contract	97 Exploration locations
328 MMBF Timber harvested	2 Riverbed mineral leases (public trust)
2,200,000 Tree seedlings planted	13 Cottage site lots sold at auction
1,859 Forest practice notifications	165 Submerged land leases (i.e. marinas)
1,250 Technical assists to private landowners	12,182 Active encroachment permits (i.e. docks)
1,310 Forest practices inspections	285 Oil and gas leases
1,271 Grazing leases	3 Oil and gas drill permits issued
77 Farming leases	

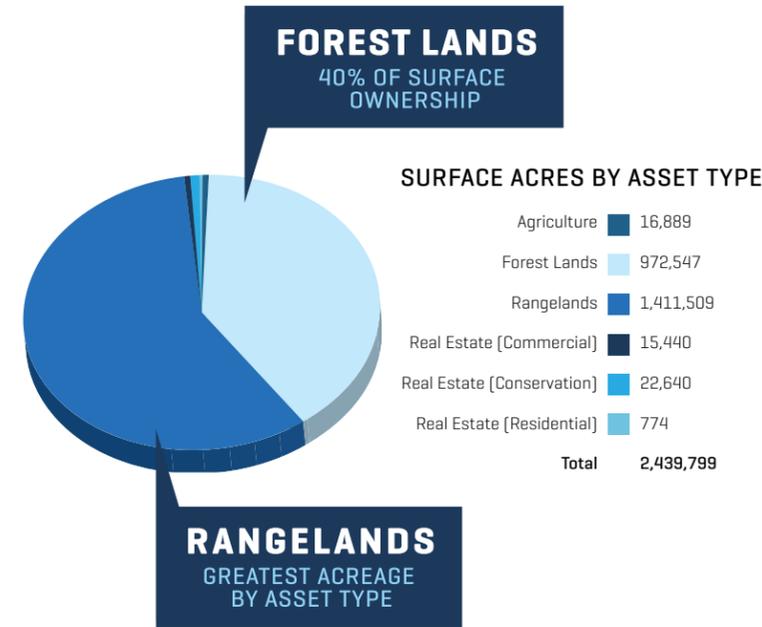
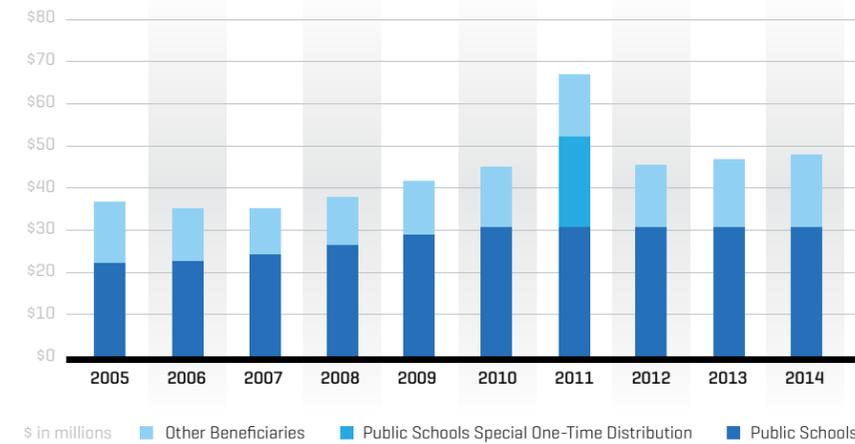


MAP KEY

1 Boise Staff Office - Boise	9 Ponderosa Supervisory Area - Deary
2 Coeur d'Alene Staff Office - Coeur d'Alene	10 Clearwater Supervisory Area - Orofino
3 Priest Lake Supervisory Area - Coolin	11 Maggie Creek Supervisory Area - Kamiah
4 Pend Oreille Lake Supervisory Area - Sandpoint	12 Craig Mountain Forest Protective District - Craigmont [part of Maggie Creek Supervisory Area]
5 Kootenai Valley Forest Protective District - Bonners Ferry [part of Pend Oreille Lake Supervisory Area]	13 Payette Lakes Supervisory Area - McCall
6 Mica Supervisory Area - Coeur d'Alene	14 Southwest Supervisory Area - Boise
7 Cataldo Forest Protective District - Kingston [part of Mica Supervisory Area]	15 Eastern Supervisory Area - Idaho Falls
8 St. Joe Supervisory Area - St. Maries	16 Jerome Field Office [part of Eastern Supervisory Area]

THE ENDOWMENT BENEFICIARIES

DISTRIBUTIONS TO ENDOWMENT BENEFICIARIES



Primary among the beneficiaries of state endowment trust lands is Idaho's public school system.

All constitutionally designated funds and their beneficiaries are:

- Public School Endowment Fund
- Agricultural College Fund (at the University of Idaho)
- Charitable Institutions Fund (benefiting Idaho State University, State Juvenile Corrections Center, State Hospital North, Idaho State Veterans Homes, and Idaho School for the Deaf and Blind)
- Penitentiary Fund
- School of Science Fund (at the University of Idaho)
- State Hospital South Fund
- University Fund (at the University of Idaho)
- Normal School Fund (benefiting the Idaho State University Department of Education and Lewis-Clark State College)
- Capitol Commission

SUPPORT SERVICES

Vital to the smooth operation of the entire department — including the Land Board and the Oil and Gas Conservation Commission — are the dedicated people in the support services division of the IDL who perform technical services, information systems management, fiscal management, records management, and procurement functions from their offices in the department's staff offices in Boise and Coeur d'Alene.

INFORMATION TECHNOLOGY

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

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 accounts payable and receivable, payroll and internal auditing.

RECORDS MANAGEMENT

At the end of calendar year 2013 IDL added a Records Manager to coordinate agency wide records management in order to make all employees more efficient and organized in their delivery of services to our customers.

PROCUREMENT

There are few other State of Idaho agencies that rely more heavily on the private sector to complete its work than the IDL. Procurement staff in 2013 solicited, evaluated, and awarded \$13 million in contracts with the private sector to carry out the agency's work.

LAND RECORDS

The Land Records staff maintains the property ownership databases and records that are vital to the department as it formulates management strategies for the lands under its control. They also provide the public access to land records and maps of the entire state.

TECHNICAL SERVICES BUREAU

The Technical Services Bureau was formed in 2013 and houses the functions of the Geographic Information System (GIS), which provides working solutions to visually analyze and report data. The bureau also houses the Interdisciplinary Team (ID Team) and Endangered Species program, which provide advice and technical assistance to IDL's land and resource managers across the state.

FOREST MANAGEMENT

A large portion of annual income is derived from the active management of 975,000 acres of endowment forests and resulting timber sale and harvest.

To ensure rapid timber growth, IDL currently employs a large cadre of professional foresters including 53 operational foresters, 14 forestry supervisors and many additional forestry experts, from technicians to the Director.

During FY13, 328 million board feet of timber valued at more than 62 million dollars were harvested by professional logging contractors on state endowment trust forest lands in Idaho. IDL foresters, working together with many private contractors, were responsible for planting and growing 2,220,000 tree seedlings in FY13 on endowment trust lands.

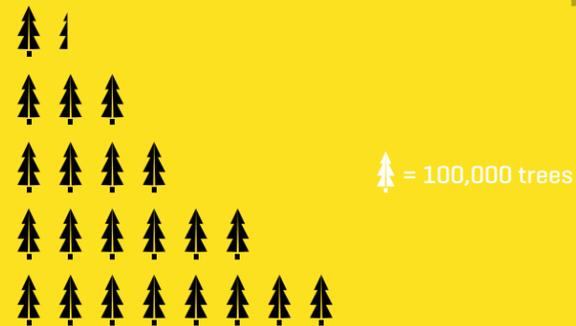
At the end of fiscal year 2013 IDL had 200 active timber sales and approximately 427 million board feet under contract with 12 large timber sale purchasers and an additional 26 small timber sale purchasers. Log scalers and financial technicians employed by IDL accounted for and sample measured 61,807 truckloads of forest products harvested from endowment trust lands during FY13.

To ensure the long-term health, vigor, productivity, and expected financial returns of the endowment trust forests, the following is a small sample of the many forest management activities implemented by IDL timber personnel in FY13:

- Planted 2,220,000 tree seedlings on 6,500 acres
- Pre-commercially thinned 6,607 overstocked acres
- Prepared 4,276 acres for future regeneration efforts
- Sample measured timber on 55,174 acres for Stand Based Inventory

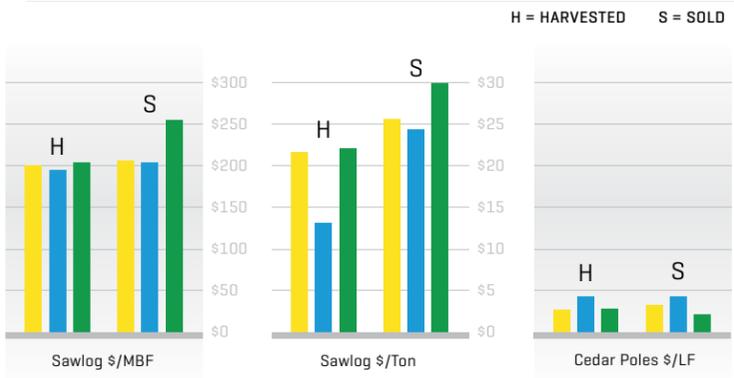
IDL foresters work closely with private contractors to protect, maintain and improve 7,340 miles of roads on Idaho endowment forest asset lands. Constant vigilance and proper road maintenance is essential to protect natural resources and to efficiently transport wood to market.

Approximately 18 jobs are created for every 1 million board feet of timber harvested. Consequently, the timber harvested from state endowment trust lands during FY13 resulted in an estimated 5,904 forest products industry jobs with an average \$42,000 annual wage.



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AVERAGE TIMBER PRICES: FY 2011 FY 2012 FY 2013



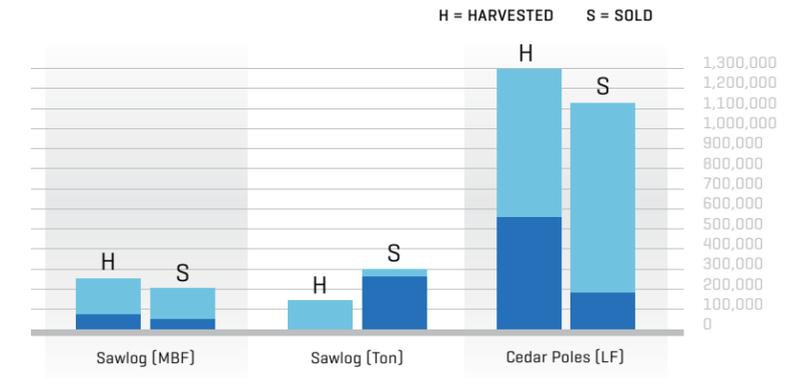
TIMBER HARVESTED

Average Harvest Prices	FY 2011	FY 2012	FY 2013
Sawlog \$/MBF	\$200.83	\$196.91	\$203.93
Sawlog \$/Ton	\$22.23	\$13.47	\$22.84
Cedar Poles \$/LF	\$3.66	\$4.45	\$3.66

North Operations	Sawlogs (MBF)	Sawlogs (TON)	Cedar Poles (LF)	Other Products (MBF)	Pulp (MBF)
Priest Lake	29,460	0	119,415	1,448	4,098
Pend Oreille	17,142	0	115,390	681	414
Kootenai Valley	3,895	0	0	2	67
Mica	8,903	0	0	298	186
St. Joe	53,494	0	73,625	1,558	2,548
Cataldo	3,970	0	0	27	231
Ponderosa	52,104	0	275,015	498	6,224
Subtotal	168,967	0	583,445	4,514	13,768
South Operations	Sawlogs (MBF)	Sawlogs (TON)	Cedar Poles (LF)	Other Products (MBF)	Pulp (MBF)
Clearwater	38,064	19,972	636,670	1,150	3,628
Maggie Creek	28,300	0	78,015	498	4,887
Craig Mountain	14,910	0	0	672	2,651
Payette Lakes	295	52,167	0	0	0
Southwest	32	91,075	0	0	24
South Central	0	0	0	0	0
Eastern Idaho	7,955	0	0	0	5
Subtotal	89,556	163,214	714,685	2,320	11,195
Total	258,523	163,214	1,298,130	6,833	24,963

Total Harvest Volume - All product types
328,403 MBF

TOTAL TIMBER VOLUME: NORTH OPERATION SOUTH OPERATION



TIMBER SOLD

Average Harvest Prices	FY 2011	FY 2012	FY 2013
Sawlog \$/MBF	\$196.07	\$195.84	\$258.84
Sawlog \$/Ton	\$26.66	\$24.57	\$29.94
Cedar Poles \$/LF	\$3.82	\$4.46	\$2.87

North Operations	Sawlogs (MBF)	Sawlogs (TON)	Cedar Poles (LF)	Other Products (MBF)	Pulp (MBF)
Priest Lake	21,108	0	0	268	36
Pend Oreille	16,699	32,577	170,400	410	0
Kootenai Valley	4,283	0	0	0	0
Mica	4,486	0	125,410	81	0
St. Joe	46,957	0	132,050	1,709	206
Cataldo	9,232	0	0	0	0
Ponderosa	36,042	0	513,225	210	40
Subtotal	138,805	32,577	941,085	2,678	282
South Operations	Sawlogs (MBF)	Sawlogs (TON)	Cedar Poles (LF)	Other Products (MBF)	Pulp (MBF)
Clearwater	35,512	0	189,040	210	172
Maggie Creek	21,845	0	0	611	2,594
Craig Mountain	8,183	0	0	0	162
Payette Lakes	111	94,288	0	0	0
Southwest	0	136,864	0	0	23
South Central	0	0	0	0	0
Eastern Idaho	115	36,571	0	0	5
Subtotal	65,766	267,723	189,040	821	2,956
Total	204,571	300,300	1,130,125	3,498	3,238

Total Sale Volume - All product types
283,762 MBF

PRAIRIE BLOCK SALVAGE SALES

In August 2013, intense lightning-caused fires ripped through 400,000 acres of forest and brush in southern Idaho, burning a 5,800-acre block of state endowment forests along with it.

Within a matter of weeks, the IDL made modifications to two existing timber sale contracts and prepared new timber salvage sales on the burned forests, resulting in an additional 40 million board feet of burned timber harvested and an additional net \$4.5 million for the public school endowment fund.

In keeping with a Constitutional mandate to manage the lands for health and productivity for years to come, IDL plans to plant 1.5 million seedlings on the 5,800 acres over a two- to three-year period.



Land Board members Secretary of State Ben Yursa (left) and State Controller Brandon Woolf join IDL staff on a tour of the Prairie Black salvage sale.



FORESTRY REGULATION & ASSISTANCE

The IDL forestry assistance professionals provide technical assistance to other IDL programs as well as local, state and federal officials.

These specialists in forest management, entomology, pathology, community forestry and fire advise and

assist urban and rural forest landowners in the responsible management of forest resources and enforce the policies set forth by the Idaho Forest Practices Act, which regulates commercial forest operations within Idaho.

CY/FY 2013 HIGHLIGHTS:

IDAHO FOREST PRACTICES ACT ADMINISTRATION

The IDL administers the Idaho Forest Practices Act (FPA), a law created in 1974 to promote active forest management and ensure the health of forest soil, water, vegetation, wildlife, and aquatic habitat is maintained during the growing and harvesting of forest trees in Idaho.

- Number of forest practices notifications: 1,859
- IDL private forestry specialists conducted 1,310 forest practices inspections on 994 different harvesting operations on Idaho's private forestlands and found a 96 percent rate of compliance.
- Carried out rulemaking to amend (strengthen) the FPA streamside retention rule or "Shade Rule."

FOREST STEWARDSHIP

Across the state, IDL private forestry specialists provide advice to private landowners on management planning, timber harvest, reforestation, thinning, and many other forest issues.

- Technical assists to private forest landowners: 1,250
- Developed 59 new or revised Forest Stewardship Plans on 16,393 acres.
- Improved outreach and education opportunities for private landowners and forest managers; collaborated with the USDA Natural Resources Conservation Service and Farm Service Agency to conduct 450 acres of forest improvement practices on private lands; and partnered with the University of Idaho Extension Forestry to provide forest landowner technical assistance.
- Provided funding for facilitated forestry education to 459 teachers at Project Learning Tree training sessions.
- Partnered with 168 forestry professionals from multiple entities to fund and facilitate the Idaho State Forestry Contest, a field education and forestry skills competition. There were 421 elementary, middle, and high school students that participated in the event.

continued...

...continued – CY/FY 2013 Highlights:

FOREST HEALTH

Insect infestations and diseases present major health problems for Idaho forests. Bureau staff members provide technical assistance, training, and financial assistance to forest landowners, designed to minimize risks and hazards from insects and diseases. Focus is on prevention, suppression, and restoration of forests before, during, and after an insect or disease outbreak.

- Conducted three pest detection surveys covering 7,233,960 acres, including an aerial detection survey, gypsy moth survey, and a Douglas-fir tussock moth survey.
- Responded to 212 requests for forest health information
- Conducted 69 insect and disease identification and management training sessions, educating 2,447 participants.

URBAN AND COMMUNITY FORESTRY

Trees provide many benefits in urban settings. They reduce air and noise pollution, help conserve water, save energy, reduce soil erosion, beautify areas and enhance economic stability, and provide many other benefits.

Bureau staff members support and provide assistance to communities that want to develop an urban or community forestry program.

- Using data and scenario planning tools from a comprehensive geospatial canopy analysis completed by IDL in the Treasure Valley, project partners—including Idaho Power, Ada County Highway District, municipalities, and more—are implementing efforts to reduce energy use, mitigate stormwater and improve air quality through strategic tree planting, and modeling the economic contribution of these actions in addressing these critical issues.
- IDL initiated a Tree Canopy analysis project in southeastern Idaho, including the greater Idaho Falls and Pocatello areas.
- In 2013, 102 communities containing 91 percent of the state's population received IDL assistance ranging from Arbor Day grants to tree inventories and management plans to geospatial canopy studies.

FOREST LEGACY

Many private forest landowners face economic pressure to convert their lands to uses that will forever remove them from the forested land base.

The IDL administers a Forest Legacy Program that provides funding to purchase conservation easements on private lands that might otherwise be developed and lost as productive forests.

- Completed due diligence work on two existing Forest Legacy Program [FLP] projects containing 8,536 acres in northern Idaho. These projects will close in early 2014.
- A FY14 FLP project containing 8,000 acres ranked third in the nation; funding for this project is pending passage of a 2014 federal budget.
- Received two exceptional FLP applications covering more than 16,000 acres for FY2015 funding consideration.

NATIONAL FIRE PLAN

The IDL coordinates federal, state and local partnerships to implement the National Cohesive Wildland Fire Management Strategy. The tenets of the strategy, established from the 2009 Federal Land Assistance, Management, and Enhancement Act [FLAME] Act, are to restore and maintain resilient landscapes, create fire-adapted communities, and strengthen wildfire response.

IDL received special funding to administer two cohesive strategy demonstration projects:

- IDL worked with Fremont County to establish the Island Park Sustainable Community Collaborative. The partnership will develop a sustainable fire-adapted social and ecological community that is resilient and accepting of fire, insect and disease disturbances.
- Valley County's Wildland Fire Working Group will provide education and awareness to subdivisions, local communities, county, and summer youth camps, and implement strategies to create healthy forests and mitigate fuels.

IDAHO BOARD OF SCALING PRACTICES

The Idaho Board of Scaling Practices enforces log scaling [measurement] standards prescribed by statute and regulation, to ensure professional quality log scaling for the benefit of Idaho timber interests. The Board tests and licenses log scaling practitioners and subjects them to routine, unannounced check scales to assure proficiency. The Board also administers log brand registrations and the disposition of prize [abandoned] logs.

An executive director and check scaler, headquartered in the Idaho Department of Lands Coeur d'Alene Staff Office, carry 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.

Appointed by the governor, Board members represent industry, logging, and private landowner interests.

Current board members:

TOM SCHULTZ | Chairman

JACK BUELL | Vice Chairman

H. LARRY STEWART | Secretary

ROBERT E. BOEH

GERRY IKOLA

BRAD CORKILL

TREVOR STONE

Executive Director:

RUSSEL [RUSS] HOGAN

FIRE MANAGEMENT

Fire management responsibilities are one of the most visible of our functions.

On a day-to-day basis IDL establishes and implements policies to prevent, prepare for, and fight wildland fires on six million acres of state and private forest and rangelands in Idaho.

These responsibilities include regulating the elimination of fire hazards caused by timber harvesting on state and private lands.

Wildfire response in Idaho primarily is organized by IDL, the U.S. Forest Service and the Bureau of Land Management. The IDL and two timber protective associations have lead fire response duties on 12 forest protection districts. The districts, with the support of the Fire Management Bureau, promote and carry out the work of the IDL fire management program. Federal land management agencies provide fire protection on the majority of their lands statewide.

The department's work in fire management helps protect and preserve important endowment timber assets as well as millions of acres of private forestland.

The department also enhances forest and rangeland management on state endowment trust lands by utilizing fire as a management tool, while protecting local communities from wildfire by reducing fuels.



NUMBER OF FIRES BY CAUSE, BY DISTRICT

DISTRICT	TOT # FIRES	LIGHTNING	MISC	DEBRIS BURNING	EQUIP USE	CAMP FIRE	ARSON	SMOKING	CHILDREN	RAIL ROAD
CPTPA	69	51	6	6	4	1			1	
SITPA	48	32	8	1	2	5				
Southwest Idaho FPD	48	38	1	3	5	1				
Craig Mountain FPD	29	21	3		2	1	2			
West St. Joe FPD	25	15	2	5	1	1	1			
Priest Lake FPD	18	13		1	1	3				
Maggie Creek FPD	18	8	4		4	1	1			
Mica FPD	15	5	3	4	1			2		
Pend Oreille FPD	14	8	3	1	1				1	
Kootenai Valley FPD	13	4	4	1	1	1		1	1	
Cataldo FPD	13	8	2	2	1					
Ponderosa FPD	12	9	1			1				1
TOTAL	322	212	37	24	23	15	4	3	3	1

2013 Fire Season in Review

On lands protected by the State, the 2013 fire season was below the 31 year average in terms of fire occurrence and acres burned.

The chief focus of IDL managed fires is initial attack – getting fires out as quickly as possible in order to protect resources and minimize suppression costs. In 2013, the quick response by dedicated teams of firefighters kept 94 percent of fires on State protected lands to less than 10 acres.

Firefighters responded to 322 fires [88 percent of average] on lands protected by the IDL, Clearwater-Potlatch Timber Protective Association [CPTPA], and Southern Idaho Timber Protective Association [SITPA]. These fires burned 7,208 acres, which is 74 percent of

the average acreage burned.

Human activity ignited 110 fires [34 percent of the year's total] that burned 4,654 acres. Human caused fires accounted for 65 percent of the burned area. The miscellaneous category accounted for the most human-caused fires; however equipment use burned the largest area.

Lightning started 212 fires [66 percent of the year's total] and burned 2,554 acres, or 35 percent of the total area. The average fire size was 22 acres, which is 83 percent of the thirty-one year average. The median fire size was 0.1 acres.

The average fire on State-protected lands cost \$41,987 to extinguish and the cost per acre was \$1,876.





I anticipate this program expanding as more people see its proven benefits. It's a model of how we can work together in pursuit of our shared interests.



GOVERNOR C.L. "BUTCH" OTTER

Rangeland Fire Protection Associations

Idaho ranchers provide swift initial attack to rangeland fires because of their knowledge of the land and proximity to the fires.

Before 2012, ranchers were not legally allowed to fight fire and their efforts to try to control wildland fires presented safety concerns for fire managers.

With support from Governor Otter, the Idaho Legislature, and federal and State fire managers, ranchers now have the avenues to form rangeland fire protection associations [RFPAs] - groups of ranchers professionally trained and legally allowed to utilize interagency fire suppression resources.

Creation of the associations is a collaborative effort between local ranchers, the federal Bureau of Land Management [BLM], and the IDL.

At the end of calendar year 2013, approximately 170 ranchers in southern Idaho are members of four different associations, and there are six additional areas where ranchers have begun to have conversations about starting new associations.



RFPAS PROVIDE THE FOLLOWING BENEFITS:

- Take advantage of the quick initial attack the ranchers can provide;
- Satisfy the ranchers' interest to be active participants in protecting the forage needed for their livelihood;
- Satisfy fire managers' safety concerns by ensuring all firefighters are trained and have necessary equipment and communications;
- Support the IDL effort to provide a complete and coordinated approach to fire suppression in Idaho;
- Enhance efforts to protect sage grouse habitat to the benefit of all parties

CONTRIBUTIONS OF PARTICIPATING PARTNERS:

- BLM provides firefighter training
- IDL documents and tracks firefighter training records and facilitates equipment acquisition
- Ranchers provide initial attack using their own ranch equipment along with equipment acquired through the Federal Excess Personal Property Program.

IDL also added a Southern Idaho Fire Program Liaison on 2013 in part to help facilitate the creation of more associations in Idaho.

STRATEGIC TRANSACTIONS

Under the direction of the Land Board, IDL professional planners and business analysts in the Strategic Business Bureau in Boise guide staff statewide in managing for the long-term viability of the endowment trust land portfolio.

2013 HIGHLIGHTS:

Completion of the Lot Solutions Process

Some of the land granted to Idaho at statehood included the land surrounding parts of Priest Lake and Payette Lake.

Since the early 1900's, the Land Board has been leasing the land as residential sites known as cottage site lots. The individuals and families who leased the lots over time built homes on them, creating a split estate where the structure is considered personal property owned by the private individual [lessee] and the endowment trust owns the land underneath.

In 2010, the Land Board concluded it was in the best interest of the endowment trusts to develop a plan to divest the State's interest in most of the lots over time and reinvest in other assets that could produce higher returns for the endowment trusts.

At the end of calendar year 2013, the IDL fully completed "Lot Solutions," a multiyear process of formally planning, surveying and platting cottage site subdivisions. The process prepared more than 500 cottage site lots at Priest and Payette Lakes for transactions in a twenty-first century real estate market.

Successful Auction for Ownership at Payette Lake

A successful 2013 auction for ownership of 13 Payette Lake cottage site lots took place in October 2013. The Idaho Constitution requires a public auction for the sale of endowment lands.

All 13 sites sold for a total of \$5.88 million. All leased sites were purchased by the current lessee, or the owners of the cabins and other improvements on top of the lands. Three vacant [not leased] waterfront lots experienced competitive bidding ranging from 3 percent to 51 percent above appraised values, garnering \$2.7 million of the total sales amount.

FY2013 ENDOWMENT LEASING HIGHLIGHTS

GRAZING PROGRAM

1,271 grazing leases with a total of 1,940,883 leased acres and 283,412 animal unit months [AUM]

AGRICULTURE PROGRAM

77 farming leases with a total of 20,323 leased acres and 495 animal unit months [AUM]

CONSERVATION PROGRAM

28 conservation leases

COMMERCIAL PROGRAM

147,737 square feet of commercial office/retail property under lease with 92 percent occupancy

32 industrial leases

8 military leases

48 recreation leases [commercial and noncommercial]

82 communication site leases

10 commercial office/retail leases

2 energy resource leases

RESIDENTIAL PROGRAM

354 Priest Lake cottage site leases

153 Payette Lake cottage site leases

4 other residential leases

ENDOWMENT MINERALS PROGRAM

207 endowment mineral leases with a total of 49,924 leased acres

LAND USE PERMITS

114 land use permits issued

371 land use permits administered [active]

[as of June 30, 2013]



1,940,883 leased acres

1,271 grazing leases with a total of 1,940,883 leased acres & 283,412 animal unit months [AUM]

MINERAL LEASING

The IDL manages 3,330,940 acres of endowment mineral ownership in Idaho. This ownership covers 6.23 percent of the state. Approximately 2,441,912 acres include surface ownership, and the rest is state reserved mineral ownership with other surface ownership.

This year IDL administered 207 endowment mineral leases covering 49,924 acres, and 97 Exploration Locations, which grant the locator the right to explore mineral bodies to determine their ability to mine and merchantability. Minerals extracted from state endowment trust lands include phosphate, sand and gravel, other aggregates, decorative stone, garnets, clay, and cinders. Phosphate and sand and gravel continue to be the main source of mineral revenue. Endowment trust and other State land provide up to 50 percent of the phosphate produced in Idaho.

GEOTHERMAL LEASING

The IDL manages 21 geothermal resource leases that cover 65,080 acres of state endowment trust land in southern Idaho. Two leases are currently in production, but exploration is continuing in several locations.

OIL AND GAS LEASING

The IDL manages 285 oil and gas leases that cover 70,826 acres in southern Idaho. As development of more wells is anticipated, IDL looks forward to this new source of revenue for the beneficiaries of state endowment trust lands and other State-owned lands in Idaho.



2013 IDL MANAGES
3,330,940 acres OF
ENDOWMENT MINERAL OWNERSHIP IN
OWNERSHIP = **6.23%** OF



COMMERCIAL LEASING

Commercial uses include leasing for six sectors:

- **COMMERCIAL OFFICE/RETAIL**
- **ENERGY RESOURCES**
- **COMMUNICATIONS SITES**
- **MILITARY FACILITIES**
- **INDUSTRIAL FACILITIES**
- **RECREATION**

The IDL manages seven developed commercial properties and eight parking lots in downtown Boise, two office/retail leases in Idaho Falls, and one industrial lease in Heyburn.

Private third party companies and leasing agents provide the daily management and marketing of the commercial office-retail land assets.

Commercial energy resource leasing opportunities such as geothermal, wind and solar have diversified the use of endowment trust land assets beyond traditional uses. There are currently two wind energy leases in production on state endowment trust lands.

IDL MANAGES:

■ Boise ■ Idaho Falls ■ Heyburn



COMMERCIAL/
OFFICE/RETAIL



PARKING LOTS



INDUSTRIAL



COTTAGE SITE LEASING

More than 500 cottage site leases located at Priest Lake in northern Idaho and Payette Lake in west-central Idaho are managed by the IDL.

Lessees are allowed to build private residences on waterfront and secondary lake properties.

Conflict auctions for cottage site leases.

All new and expiring leases for endowment trust lands are subject to the public auction requirement if multiple lease applications are received for the same site.

An Idaho Supreme Court opinion in 2012 struck down a 1990 state law that excluded cottage site leases from this requirement, so 2013 was the first year IDL advertised on the open market all 500-plus expiring cottage site leases. Only a handful of leases were conflicted and auctions for the rights to those leases were held at the end of calendar year 2013.

GRAZING, AGRICULTURE & CONSERVATION

The IDL manages 1,271 grazing leases that cover 2 million acres of state endowment trust land located primarily across the southern two thirds of Idaho. These leases contribute about 285,000 animal unit months (AUM) of forage to livestock operations each year.

Most of the original farming land owned by the endowments was sold during the early portion of the 1900s. What remains is a small portfolio of farming leases that total approximately

20,323 acres. Crops currently grown on state endowment trust lands include wheat, barley, potatoes, hay, corn, sugar beets, dry beans, hops, lentils, chickpeas, rape seed, organic corn, organic barley, and organic alfalfa hay.

The IDL also manages a small portfolio of conservation leases. The leases are developed to allow resource preservation, view preservation, wildlife management, and other conservation practices without diminishing the potential lease revenue for the endowed beneficiary.



OIL & GAS CONSERVATION COMMISSION

The Idaho Oil and Gas Conservation Commission regulates the exploration, drilling and production of oil and gas resources in Idaho to ensure the conservation of oil and gas and the protection of surface and groundwater.

In 2013 Governor C.L. "Butch" Otter and the Idaho Legislature approved a bill that replaced the existing commissioners - the same five constitutional officers who serve on the State Board of Land Commissioners - with five members appointed by the Governor and approved by the Idaho Senate. The new commission members are experts in oil and gas, geology and water, and two landowner representatives - one who owns mineral rights and one who owns land without mineral rights.

The appointed commission members are:

- Chairman Chris Beck of Hayden Lake, representing water interests, two-year term
- Vice Chairman Margaret Chipman of Weiser, representing landowners with mineral rights, three-year term
- James Classen of Boise, representing geological interests, four-year term
- Ken Smith of Boise, representing oil and gas interests, four-year term
- Sid Cellan of Soda Springs, representing landowners without mineral rights, one-year term

IDL also added an Oil and Gas Program Manager in 2013, to serve as a dedicated staff member for the Commission and its Secretary, IDL Director Tom Schultz.

Although Idaho's regulations will continue to evolve over time, the revamped commission was the final step in a series of changes over more than two years that brought Idaho's regulatory structure for a promising natural gas industry up to twenty-first century standards.

“

Over the past few years Idaho has taken numerous steps to adopt a modern approach to regulating oil and gas development, a benefit that grew out of observing the experiences of more mature oil and gas states.”

**CHAIRMAN CHRIS BECK
IDAHO OIL AND GAS CONSERVATION COMMISSION**

Oil and Gas Activity in 2013

The IDL approved three permits for and private industry drilled two new wells in Payette County in 2013 after industry conducted extensive exploration activities in 2012. Add that to eleven existing drilled wells and at the end of calendar year 2013, 13 wells were ready for development or already in development.

The next step for industry is production of the resources, which requires pipeline infrastructure. In 2013 industry indicated it is moving closer toward construction of a pipeline, making first-ever commercial production of natural gas and oil in Idaho imminent.

MINING REGULATION & ASSISTANCE

The IDL administers the Idaho Surface Mining Act and the Idaho Dredge and Placer Mining Act on all state, private, and federal lands in Idaho. Mining plans and reclamation bonds are required prior to the start of mining activity regulated by these laws. Plans are reviewed and approved in coordination with other State and federal agencies.

The IDL also provides financial and technical assistance to land owners across Idaho with abandoned mine issues. Public safety and environmental protection are the focus of the abandoned mine lands program, which is funded by a portion of the Mine License Tax.

FY13 HIGHLIGHTS:

- 1,536 surface mining reclamation plans
- 30 placer mining permits

PUBLIC TRUST LAND MANAGEMENT

The IDL and Land Board administer public trust lands – the beds and banks lying below the ordinary high water mark of the state’s navigable lakes, rivers and streams.

In that capacity, IDL is the administrator of the Idaho Lake Protection Act and regulates encroachments and activities on, in, or above the navigable lakes in the State of Idaho. Examples of encroachments permitted by the IDL include docks, marinas, and float homes.

Additionally, IDL administers the leasing of riverbed public trust lands for minerals, and processes disclaimers of interest and easements along navigable rivers.

These lands are managed for the public’s benefit, not for a specific beneficiary.

FY 2013 HIGHLIGHTS:

Navigable Waters Program

- 165 submerged land leases [i.e. marinas]
- 312 encroachment permits issued
- 12,182 encroachment permits administered [active]

Public Trust Mineral Leasing

- 2 public trust mineral leases [also known as riverbed leases]
- 97 exploration locations [of which 4 are riverbed exploration certificates]

ACCOUNTANT'S STATEMENT

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 2013.

Signed,



LISA JOHNSON | Financial Officer

ACCOUNTS AND FUNDING REVENUE AND EXPENDITURES BY FUND TYPE FY2013

	Revenue	Expenditures
General Fund	829,849	4,119,965
Misc Pass Through Funds	380,757	0
Dedicated Lands Funds:		
Forest Resources	564,974	682,374
Lands, Minerals & Range	158,916	198,585
Fire Management	6,248,399	4,609,223
Board of Scaling	234,281	181,423
Support Services	16,989	817,329
Indirect Cost Recovery	392,573	206,885
Community Forestry Trust	13,600	12,422
Land Bank	119,662	175,650
Subtotal Dedicated Lands Funds	7,749,393	6,883,890
Fire Suppression	5,498,491	15,878,070
American Recovery	92,442	84,038
Federal Funds	3,365,227	3,454,693
Endowment Funds:		
Earnings Reserve	72,524,969	23,159,518
Permanent	2,493,847	0
Subtotal Endowment Funds	75,018,816	23,159,518
Grand Total	\$92,934,975	\$53,580,174

ENDOWMENT LAND STATUS

BY ASSET TYPE AND NUMBER OF ACRES

Endowment	Agriculture	Commercial	Conservation	Forest	Minerals	Rangeland	Residential	Grand Total
Agricultural College		352.75		15,187.13	6.66	17,954.69		33,501.23
Capitol Permanent		18.03		7,227.58		36.97		7,282.57
Charitable Inst.	9.51	98.96		63,121.80	6.15	14,017.36		77,253.77
Normal School	40.37	318.79		43,602.64	62.82	15,605.82	48.59	59,679.03
Penitentiary	477.41	18.52		27,125.32		1,287.13		28,908.38
Public Schools	16,029.55	12,657.01	22,640.53	683,839.24	1,949.18	1,335,517.31	534.01	2,073,166.82
School of Science		349.44		63,606.36	38.85	11,495.80		75,490.45
State Hospital South		1,554.10		26,162.24	10.16	3,617.54	94.22	31,438.25
University of Idaho	333.05	72.90		42,675.58	23.68	11,976.66	97.63	55,179.51
Total	16,889.89	15,440.50	22,640.53	972,547.88	2,097.50	1,411,509.26	774.45	2,441,900.01

COMMERCIAL ASSET PERFORMANCE

As a government entity, the Idaho Department of Lands is required to use cash basis accounting methods in reporting asset performance. Using the more commonly employed accrual method of accounting, the performance of commercial assets is represented as follows:

Developed Commercial Office/Retail Property	FY13
Gross Revenue	2,205,066
Direct Costs	1,326,757
Program/Building Margin (Cash Basis)	878,309
¹ Accrual Entries:	
² Add Current Year Capitalized Expenses	679,084
³ Deduct Current Year Useful Life Amortization	430,020
Program/Building Margin (Accrual Basis)	1,127,372
Program Expense	141,140
Managerial Overhead	98,504
Net Income (Accrual Basis)	887,728
Return on Asset (ROA)	
³ Beginning Value	23,317,856
³ Ending Value	23,621,316
Cash on Cash	3.81%
⁴ Value Appreciation	1.30%
Total ROA	5.11%

¹Expense is recognized in the period in which related revenue is recognized.

²Capital improvements are depreciated using the straight line method over the economic useful life of the improvement. Leasing commission and tenant improvements are amortized over the term of the lease.

³The beginning and ending asset value includes 7/12th's of the value of the Idaho Falls Property [595 University Drive, \$6.1 million] acquired by Land Exchange in FY13.

⁴As determined by a private third party broker's price opinion

Source: Stars History Extract Table

ENDOWMENT TRUST LANDS

INCOME STATEMENT

	Public School	Ag College	Charitable Institutions	Normal School	Penitentiary		School of Science	State Hospital South	University	Capitol	Total
Direct Program Revenue: *						Direct Program Revenue: *					
Forest Land	32,460,654	794,015	6,734,169	2,372,486	2,934,643	Forest Land	6,708,989	2,570,163	5,942,837	81,571	60,599,527
Agriculture Land	500,719	1,488	242	1,220	30,235	Agriculture Land	2	-	2,138	-	536,045
Grazing Land	1,761,584	19,696	33,097	29,985	7,749	Grazing Land	47,317	8,458	24,444	321	1,932,652
Residential Real Estate	3,668,161	-	-	735,938	-	Residential Real Estate	-	1,179,952	-	-	5,584,051
Commercial Real Estate	1,443,031	2,011	36,690	1,181,861	2,159	Commercial Real Estate	2,231	609,355	251,872	3,433	3,532,643
Non-Commercial Recreation	60,917	(72)	1,615	8,482	1,437	Non-Commercial Recreation	(1,005)	277	(128)	100	71,623
Conservation	135,974	-	-	87	-	Conservation	-	3,238	4,672	-	143,971
Oil and Gas	85,983	2,015	244	7,346	2,025	Oil and Gas	5,335	12,913	7,789	-	123,651
Minerals	1,980,365	9,112	13,782	75,852	1,185	Minerals	8,994	6,231	22,771	376,362	2,494,654
Total Revenue	42,097,387	828,266	6,819,839	4,413,259	2,979,433	Total Revenue	6,771,862	4,390,587	6,256,395	461,788	75,018,816
Direct Program Expense:						Direct Program Expense:					
Forest Land	9,982,943	211,869	917,148	669,626	466,084	Forest Land	930,411	758,404	685,564	89,400	14,711,448
Agriculture Land	103,139	307	50	251	6,228	Agriculture Land	0	-	440	-	110,415
Grazing Land	844,378	9,441	15,864	14,373	3,714	Grazing Land	22,680	4,054	11,717	154	926,376
Residential Real Estate	245,394	-	-	37,223	-	Residential Real Estate	-	74,445	-	-	357,061
Commercial Real Estate	287,950	74	2,744	1,046,239	38	Commercial Real Estate	45	471,715	85,520	38	1,894,363
Non-Commercial Recreation	60	(0)	2	8	1	Non-Commercial Recreation	(1)	0	(0)	0	70
Conservation	49,185	-	-	32	-	Conservation	-	1,171	1,690	-	52,078
Oil and Gas	7,932	186	22	678	187	Oil and Gas	492	1,191	719	-	11,407
Minerals	351,329	1,616	2,445	13,457	210	Minerals	1,596	1,105	4,040	66,769	442,567
Total Program Expense	11,872,309	223,492	938,275	1,781,886	476,463	Total Program Expense	955,224	1,312,086	789,689	156,361	18,505,784
Program Margin	30,225,079	604,773	5,881,564	2,631,373	2,502,971	Program Margin	5,816,639	3,078,501	5,466,706	305,427	56,513,032
Less: Managerial Overhead:						Less: Managerial Overhead:					
Forest Land	2,606,191	57,526	239,528	165,789	102,886	Forest Land	242,847	98,715	162,264	27,199	3,702,945
Agriculture Land	40,876	122	20	100	2,468	Agriculture Land	0	-	175	-	43,760
Grazing Land	297,995	3,332	5,599	5,072	1,311	Grazing Land	8,004	1,431	4,135	54	326,933
Residential Real Estate	134,323	-	-	20,375	-	Residential Real Estate	-	40,750	-	-	195,448
Commercial Real Estate	92,899	232	12,370	54,006	150	Commercial Real Estate	170	30,815	11,417	251	202,312
Non-Commercial Recreation	38,298	(45)	1,015	5,333	903	Non-Commercial Recreation	(632)	174	(81)	63	45,029
Conservation	12,579	-	-	8	-	Conservation	-	300	432	-	13,318
Oil and Gas	2,205	52	6	188	52	Oil and Gas	137	331	200	-	3,171
Minerals	95,909	441	667	3,674	57	Minerals	436	302	1,103	18,227	120,816
Total Managerial Overhead	3,321,275	61,660	259,207	254,544	107,828	Total Managerial Overhead	250,962	172,818	179,645	45,794	4,653,733
Net Income by Program:						Net Income by Program:					
Forest Land	19,871,520	524,620	5,577,492	1,537,072	2,365,674	Forest Land	5,535,730	1,713,044	5,095,008	(35,027)	42,185,133
Agriculture Land	356,704	1,060	172	869	21,539	Agriculture Land	2	-	1,523	-	381,869
Grazing Land	619,211	6,923	11,634	10,540	2,724	Grazing Land	16,632	2,973	8,592	113	679,343
Residential Real Estate	3,288,444	-	-	678,341	-	Residential Real Estate	-	1,064,757	-	-	5,031,542
Commercial Real Estate	1,062,181	1,704	21,576	81,616	1,971	Commercial Real Estate	2,016	106,825	154,936	3,144	1,435,968
Non-Commercial Recreation	22,560	(27)	598	3,141	532	Non-Commercial Recreation	(372)	103	(47)	37	26,525
Conservation	74,210	-	-	48	-	Conservation	-	1,767	2,550	-	78,575
Oil and Gas	75,846	1,778	215	6,480	1,787	Oil and Gas	4,706	11,391	6,871	-	109,073
Minerals	1,533,127	7,054	10,670	58,722	917	Minerals	6,963	4,824	17,628	291,366	1,931,271
Net Income	\$26,903,804	\$543,113	\$5,622,357	\$2,376,829	\$2,395,143	Net Income	\$5,565,676	\$2,905,683	\$5,287,061	\$259,633	51,859,299
Net Income / Total Revenue	0.64	0.66	0.82	0.54	0.80	Net Income / Total Revenue	0.82	0.66	0.85	0.56	0.69

* Direct Program Revenue includes contributions to permanent funds and earnings reserve funds.

ENDOWMENT FUND INVESTMENT BOARD

Annual distributions to endowment beneficiaries come from land revenues and earnings on the investment of those revenues. While Idaho Department of Lands manages the land assets, the Idaho Endowment Fund Investment Board manages the invested funds.

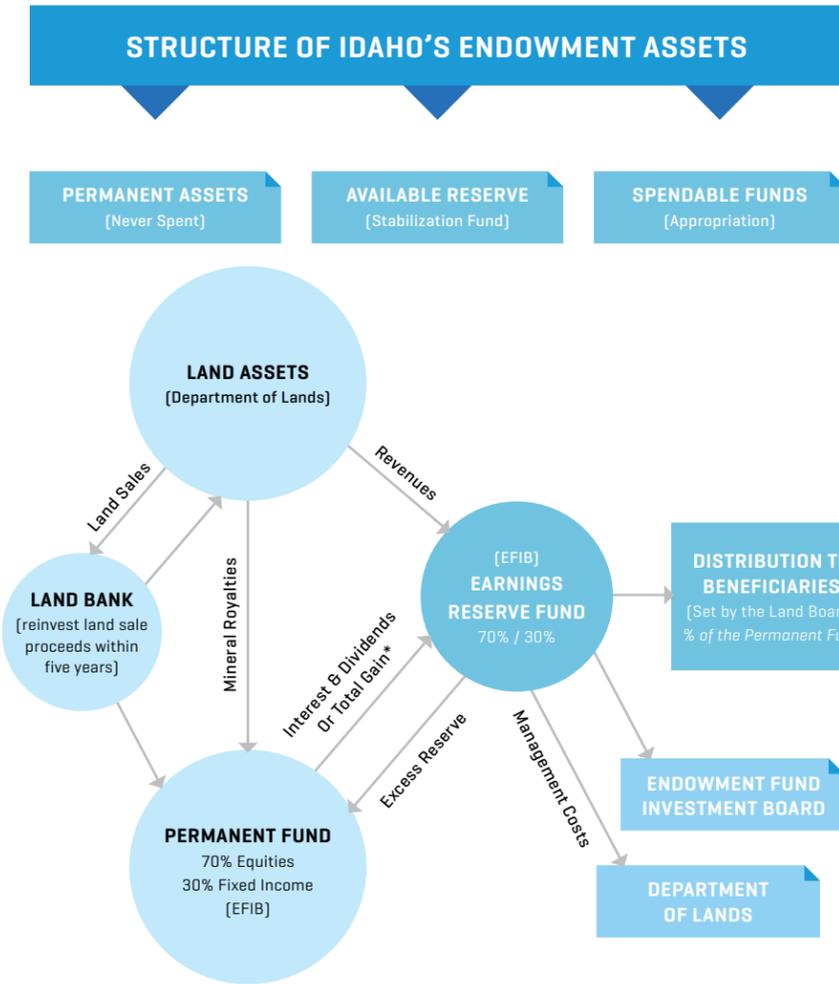
The financial information below is excerpted from the audited financial statements located at www.efib.idaho.gov

STATE OF IDAHO ENDOWMENT FUNDS – STATEMENT OF ACTIVITIES – FOR THE YEAR ENDED JUNE 30, 2013

	Public School	Ag College	Charitable Institutions	Normal School	Penitentiary		School of Science	State Hospital South	University of Idaho	Capitol Permanent Fund*	Total
Permanent Net Position						Permanent Net Position					
Permanent Net Position, beginning of year	708,395,945	19,972,919	67,722,305	62,172,295	28,248,677	Permanent Net Position, beginning of year	69,220,614	46,326,411	58,669,471	22,212,921	1,082,941,558
Program Revenues:						Program Revenues:					
Receipts from Dept. of Lands	2,322,465	8,646	[25,679]	87,687	525	Receipts from Dept. of Lands	8,759	7,101	25,380	464,816	2,899,700
Income from Investments	82,203,337	331,555	8,107,307	7,201,134	569,130	Income from Investments	8,118,728	690,565	6,946,083	3,238,471	117,406,310
Total Program Revenue	84,525,802	340,201	8,081,628	7,288,821	569,655	Total Program Revenue	8,127,487	697,666	6,971,463	3,703,287	120,306,010
Transfer from Earnings Reserve	-	384,000	2,398,000	-	1,392,000	Transfer from Earnings Reserve	964,000	1,391,000	1,360,000	-	7,889,000
Transfer to Earnings Reserve	-	[52,477]	-	-	-	Transfer to Earnings Reserve	-	-	-	-	[52,477]
Increase (Decrease) in Net Position	84,525,802	671,724	10,479,628	7,288,821	1,961,655	Increase (Decrease) in Net Position	9,091,487	2,088,666	8,331,463	3,703,287	128,142,533
Permanent Net Position, end of year	792,921,747	20,644,643	78,201,933	69,461,116	30,210,332	Permanent Net Position, end of year	78,312,102	48,415,077	67,000,934	25,916,208	1,211,084,091
Earnings Reserve Net Position						Earnings Reserve Net Position					
Earnings Reserve Net Position, beginning of year	100,168,001	7,157,515	19,081,721	13,192,304	8,500,294	Earnings Reserve Net Position, beginning of year	17,655,248	16,120,561	15,661,293		197,536,937
Program Revenues:						Program Revenues:					
Receipts from Dept. of Lands	41,873,940	788,789	6,711,192	4,474,552	2,949,599	Receipts from Dept. of Lands	7,060,869	4,171,474	6,388,732		74,419,147
Income from Investments	32,320,035	3,468,457	4,537,448	3,425,804	4,794,232	Income from Investments	4,534,961	8,116,695	3,947,377		65,145,009
Total Program Revenues	74,193,975	4,257,246	11,248,640	7,900,356	7,743,831	Total Program Revenues	11,595,830	12,288,169	10,336,109		139,564,156
Program Expenses:						Program Expenses:					
Distribution for Expenses-Lands	17,091,250	319,973	1,348,607	2,343,841	665,017	Distribution for Expenses-Lands	1,381,274	1,708,102	1,143,651		26,001,715
Distribution for Expenses-EFIB	3,960,399	133,134	433,058	359,307	185,842	Distribution for Expenses-EFIB	423,946	302,318	367,405		6,165,409
Distributions to Beneficiaries	31,292,400	916,800	2,964,600	2,670,000	1,246,800	Distributions to Beneficiaries	2,997,600	2,868,000	2,552,400		47,508,600
Total Program Expenses	52,344,049	1,369,907	4,746,265	5,373,148	2,097,659	Total Program Expenses	4,802,820	4,878,420	4,063,456		79,675,724
Net Program Revenue	21,849,926	2,887,339	6,502,375	2,527,208	5,646,172	Net Program Revenue	6,793,010	7,409,749	6,272,653		59,888,432
Transfer to Permanent Fund	-	[384,000]	[2,398,000]	-	[1,392,000]	Transfer to Permanent Fund	[964,000]	[1,391,000]	[1,360,000]		[7,889,000]
Transfer from Permanent Fund	-	52,477	-	-	-	Transfer from Permanent Fund	-	-	-		52,477
Increase(Decrease) in Net Position	21,849,926	2,555,816	4,104,376	2,527,208	4,254,172	Increase(Decrease) in Net Position	5,829,010	6,018,749	4,912,653		52,051,909
Earnings Reserve Net Position, end of year	122,017,927	9,713,331	23,186,096	15,719,512	12,754,466	Earnings Reserve Net Position, end of year	23,484,258	22,139,310	20,573,946		249,588,846
TOTAL NET POSITION	\$914,939,674	\$30,357,974	\$101,388,029	\$85,180,628	\$42,964,798	TOTAL NET POSITION	\$101,796,359	\$70,554,387	\$87,574,880	\$25,916,208	\$ 1,460,672,937

* The Capitol Permanent Fund does not have an Earnings Reserve account.

ENDOWMENT FUNDS



* When the Permanent Fund, adjusted for inflation, exceeds its June 2000 level, only total gain over inflation will be distributed to Earnings Reserve.

STATE OF IDAHO ENDOWMENT FUNDS STATEMENT OF NET POSITION – JUNE 30, 2013

Current Assets:	
Cash with Treasurer	\$155,553
Investments, at Fair Value	1,461,931,855
Receivable for Unsettled Trades	8,065,618
Receivable From Idaho Department of Lands	6,199,896
Accrued Interest and Dividends Receivable	4,214,543
Prepaid Expenses to the Department of Lands	4,944,315
Total Assets	1,485,511,780
Current Liabilities:	
Payable for Unsettled Trades	23,270,325
Investment Manager Expenses Payable	1,568,518
Total Liabilities	24,838,843
Restricted Nonexpendable Net Position - Permanent Funds:	
Public School	792,921,747
Agricultural College	20,644,643
Charitable Institutions	78,201,933
Normal School	69,461,116
Penitentiary	30,210,332
School of Science	78,312,101
State Hospital South	48,415,075
University of Idaho	67,000,934
Capitol Permanent Fund	25,916,208
Total Permanent Net Position	1,211,084,089
Restricted Expendable Net Position - Earnings Reserve:	
Public School	122,017,927
Agricultural College	9,713,331
Charitable Institutions	23,186,096
Normal School	15,719,512
Penitentiary	12,754,466
School of Science	23,484,258
State Hospital South	22,139,312
University of Idaho	20,573,946
Total Earnings Reserve Net Position	249,588,848
TOTAL NET POSITION	\$1,460,672,937

