

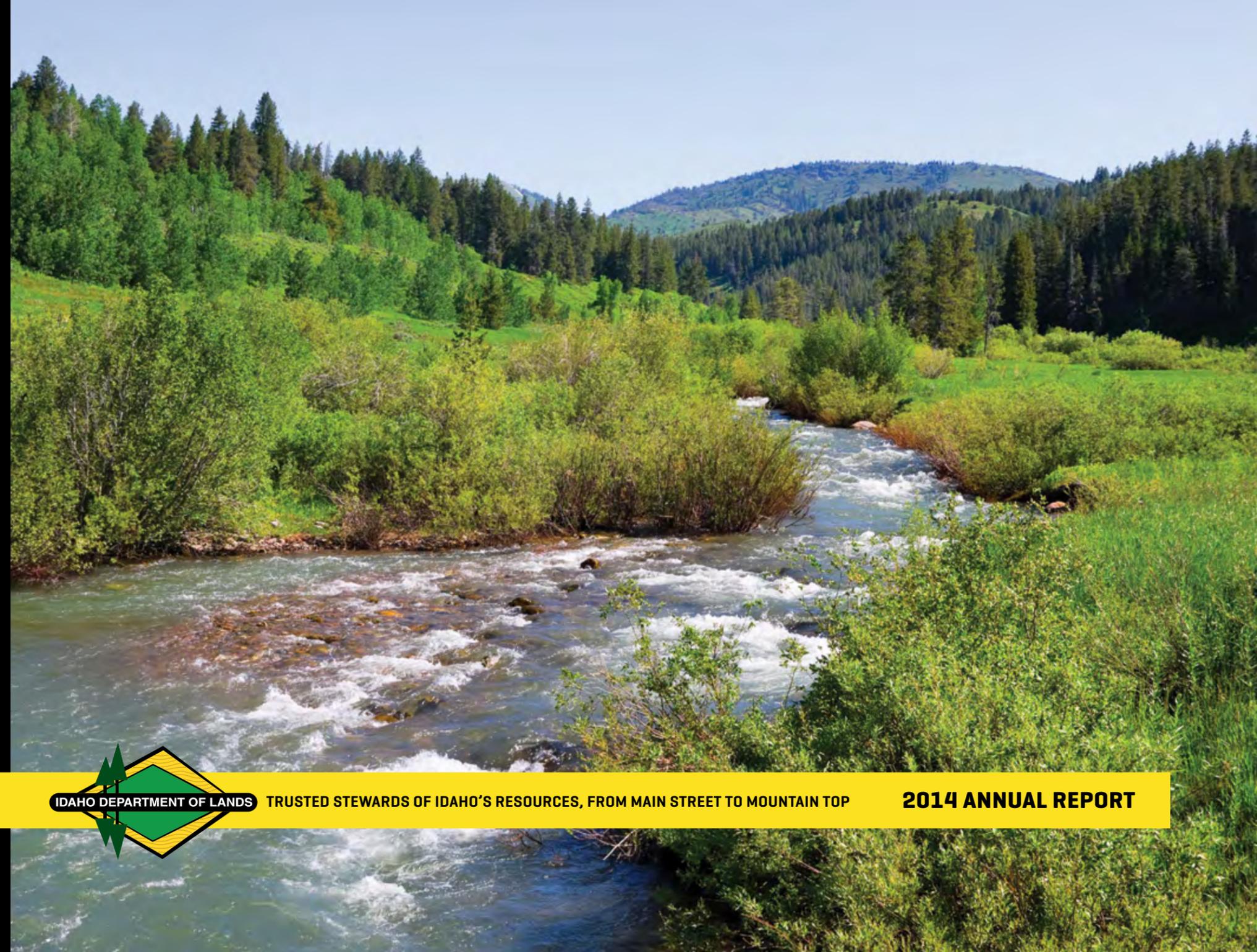


**IDAHO DEPARTMENT OF LANDS**

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

**2014 ANNUAL REPORT**



## MESSAGE FROM THE DIRECTOR

The words “promise” and “performance” portray the year 2014 best for the Idaho Department of Lands.

We are turning the ship on managing endowment lands and funds as one. A year of meetings and studies concluded with the Land Board voting to implement a number of changes that enable its members to make better, more informed investment decisions and improve accountability, transparency, and oversight of those decisions.

The result promises to get IDL back to our roots in managing natural resources, and sets a new course to utilize more outside expertise for investment decisions that fall outside the day-to-day work of land managers.

Also, some notable performances highlighted the many examples of outstanding work done by our staff in 2014.

Our fire managers put out some of Idaho’s most attention grabbing, long duration fires in 2014. Nearly half of the fires that burned in Idaho in 2014 were our responsibility to suppress, a statistic that stands out from other years in recent history.

Another banner year for timber harvest [347 million board feet] on state endowment lands put people to work and raised more money for funds that support public

schools and other beneficiaries, proving yet again that endowment lands play a significant role in Idaho’s timber economy. Along with growing and planting nearly two million seedlings, our reforestation practices take advantage of the forests’ natural ability to regenerate to ensure endowment forests keep working into the future for the people of Idaho.

Ninety-three cottage site lots were sold at auction in a span of 10 months, moving the state closer to its goal of divesting ownership of most of the lake lots and providing long-time leaseholders the opportunity to own rather than lease the land beneath their homes at Priest Lake and Payette Lake. There are plans to sell two-thirds of our ownership in the lots before the end of 2017.

Three auctions of state oil and gas leases added thousands more acres to the list of those leased for potential development of oil and gas resources, and brought in more than two million dollars for the State of Idaho in bonus bids. Production on these resources will bring in even more money to state coffers in the future, and leasing of more state lands and minerals is expected through 2015 and beyond.

With the path that was charted by the Land Board on investment decisions coupled with the high expectations we set for ourselves, the future promises to be marked with even more premier performances.

 **TOM SCHULTZ** | Director

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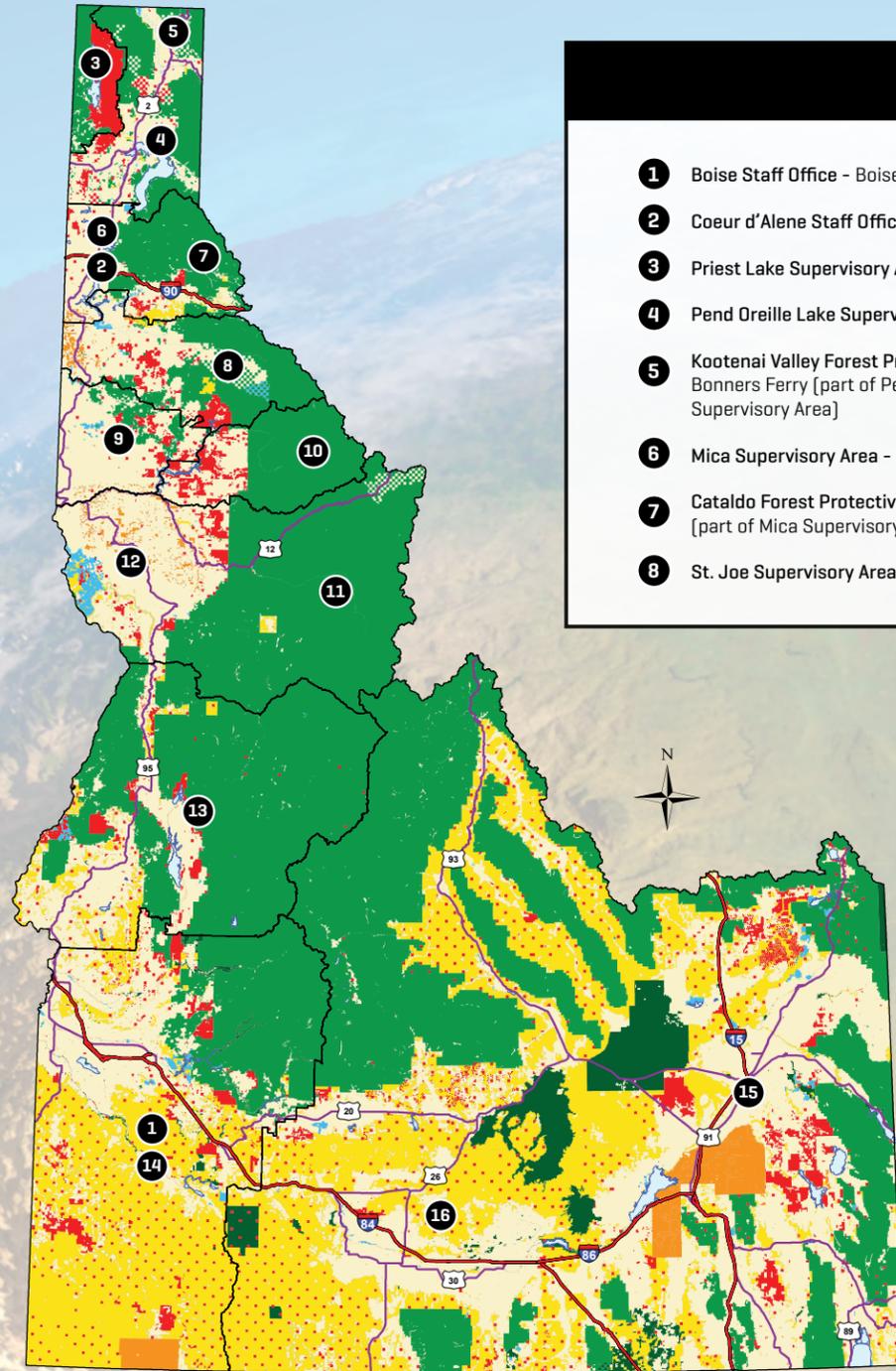
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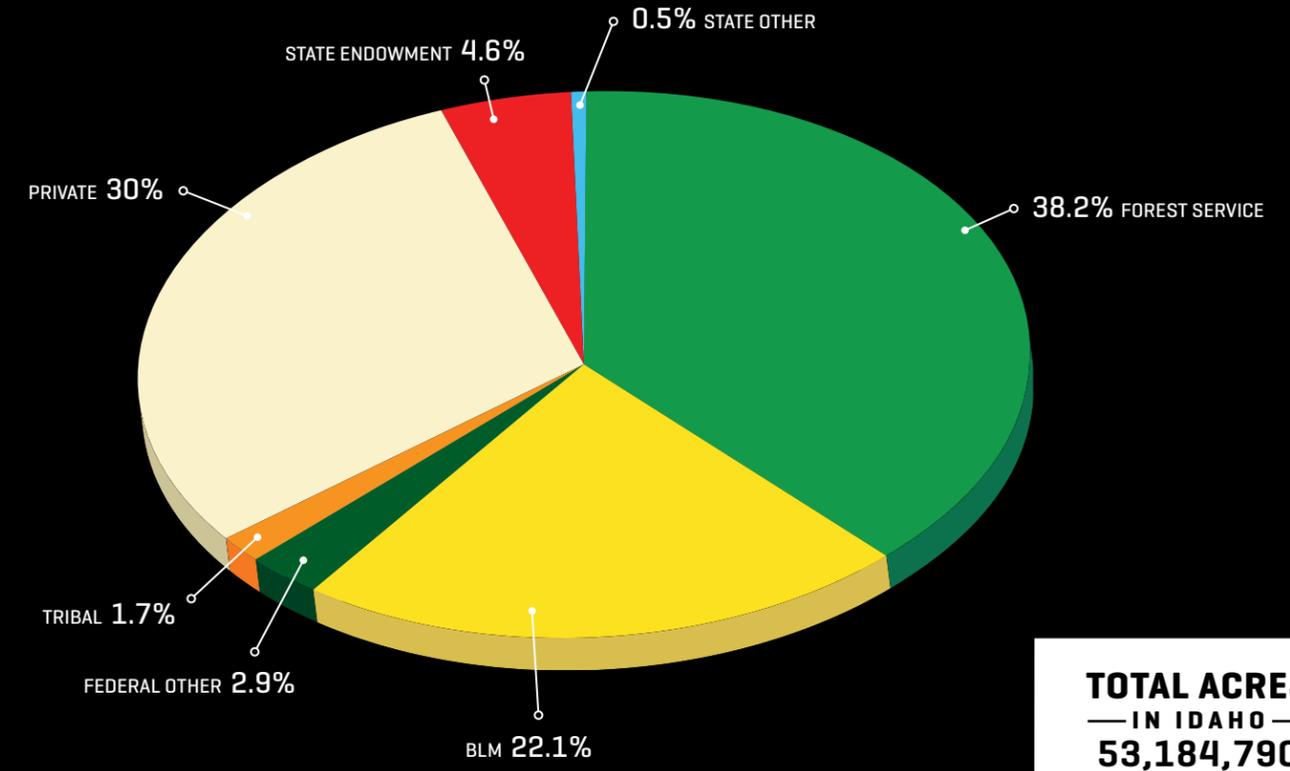
## OFFICE LOCATIONS

- |   |  |
|---|--|
| 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]  |

## MAJOR LAND OWNERSHIP

- | OWNERSHIP CATEGORY        |                 |
|---------------------------|-----------------|
| Forest Service            | Private         |
| Bureau of Land Management | Tribal          |
| Federal Other             | State Endowment |
|                           | State Other     |
- 
- | OTHER / STATEWIDE HIGHWAYS |            |
|----------------------------|------------|
| Major Lakes                | Interstate |
| IDL Supervisory Areas      | US Highway |

# OWNERSHIP BREAKDOWN



**TOTAL ACRES  
— IN IDAHO —  
53,184,790**



# 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.

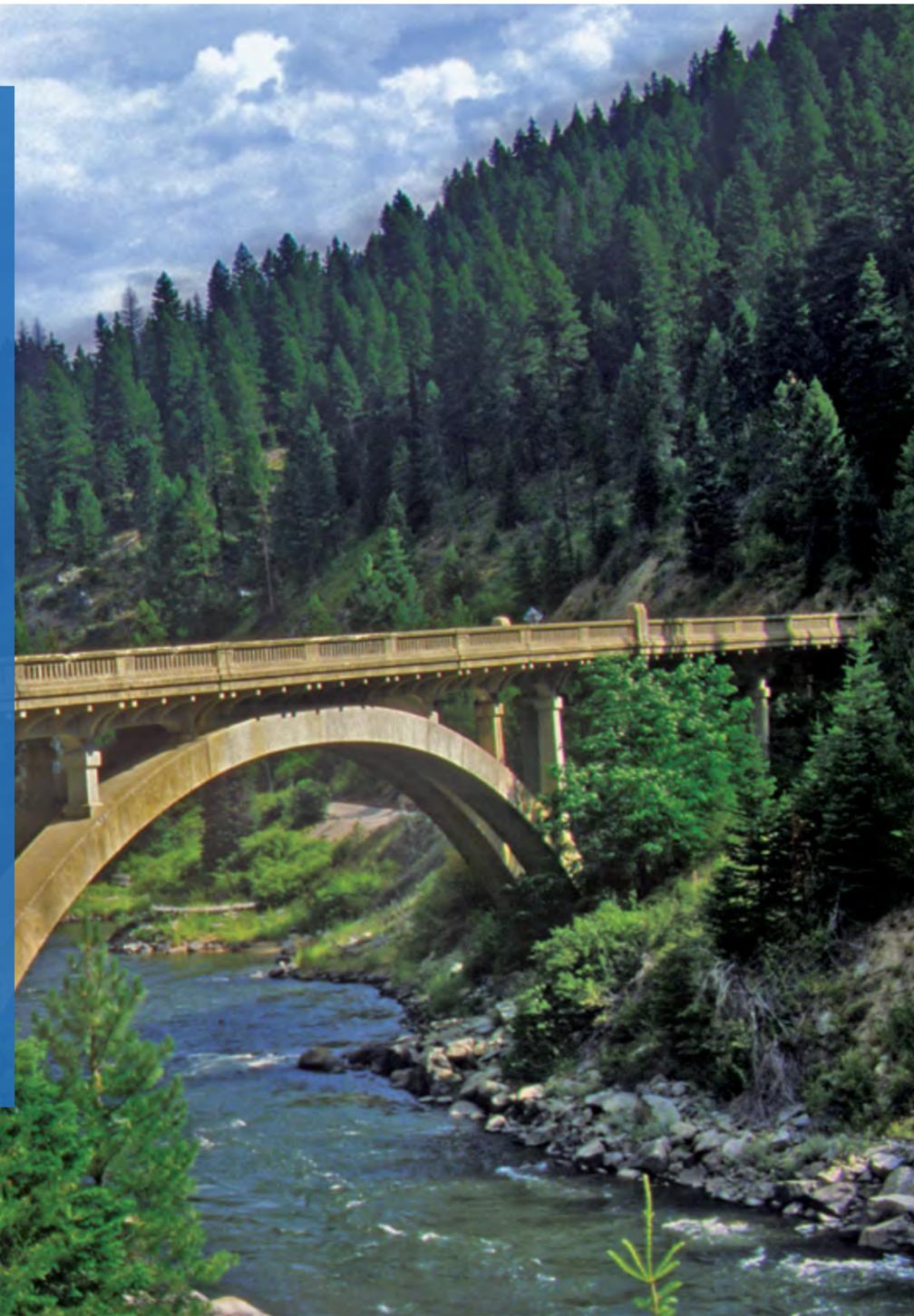
We will deliver programs with professionalism and integrity, providing exemplary service to the citizens of Idaho.

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

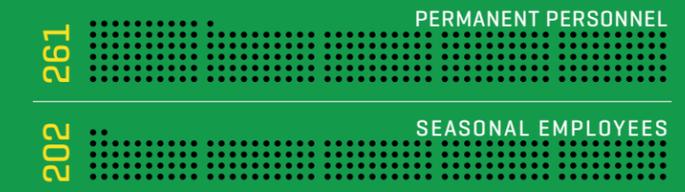
To professionally and prudently manage Idaho's endowment assets to maximize long-term financial returns to public schools and other trust beneficiaries and to provide professional assistance to the citizens of Idaho to use, protect and sustain their natural resources.



# 2014 IDL SNAPSHOT

## LEASES & PERMITS

- 22 Conservation leases
- 165 Commercial leases (communication sites, recreation, industrial, office/retail, military, energy resources)
- 417 Residential leases
- 117 Endowment mineral leases
- 22 Geothermal resource leases
- 498 Oil and gas leases
- 12 Active oil and gas drill permits
- 182 Submerged land leases (i.e. marinas)
- 11,163 Active encroachment permits (i.e. docks)
- 333 Active land use permits
- 13,550 Fire safety burn permits issued
- 71 Farming leases
- 1,169 Grazing leases



2,160 FOREST PRACTICE NOTIFICATIONS

1,484 FOREST PRACTICE INSPECTIONS

1,904,100 TREE SEEDLINGS PLANTED

347 MMBF\* TIMBER HARVESTED

\* million board feet

193 ACTIVE TIMBER SALES

2,441,790 acres ENDOWMENT TRUST LAND

\$ 48,844,800 ENDOWMENT DISTRIBUTIONS

3,330,534 acres ENDOWMENT MINERAL

6,200,000 acres PROTECTED FROM FIRE



885 TECHNICAL ASSISTS TO PRIVATE LANDOWNERS

93 COTTAGE SITE LOTS SOLD SINCE OCTOBER 2013

87 EXPLORATION LOCATIONS

## EXECUTIVE LEADERSHIP

- TOM SCHULTZ - Director // DAVID GROESCHL - State Forester; Deputy Director, Forestry and Fire Division // PATRICK HODGES - Deputy Director, Division of Lands and Waterways
- BOB BRAMMER - Chief Operations Officer // DONNA CALDWELL - Administrator, Support Services Division // ANDREA RYAN - Human Resources Officer

# 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 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 nearly two billion dollars of endowment funds.

The Idaho Department of Lands and the Endowment Fund Investment Board carry 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.

In November 2014, Lawrence Denney was elected Idaho's new Secretary of State and Sherri Ybarra was elected Idaho's new Superintendent of Public Instruction.



**2014** THE YEAR 2014 MARKED THE END OF SECRETARY YSURSA AND SUPERINTENDENT LUNA'S TENURES ON THE IDAHO LAND BOARD. THEIR SERVICE AND CONTRIBUTIONS TO THE STATE OF IDAHO ARE DEEPLY APPRECIATED.

## BEN YSURSA

Ben Ysursa served as Idaho's 26th Secretary of State and a member of the Land Board for 12 years. However, his involvement in Land Board issues spans beyond his years in elected office. For nearly three decades he was the Chief Deputy Secretary of State under long time Secretary of State Pete Cenarussa.

## TOM LUNA

Tom Luna served as Idaho's Superintendent of Public Instruction and a member of the Land Board for eight years.

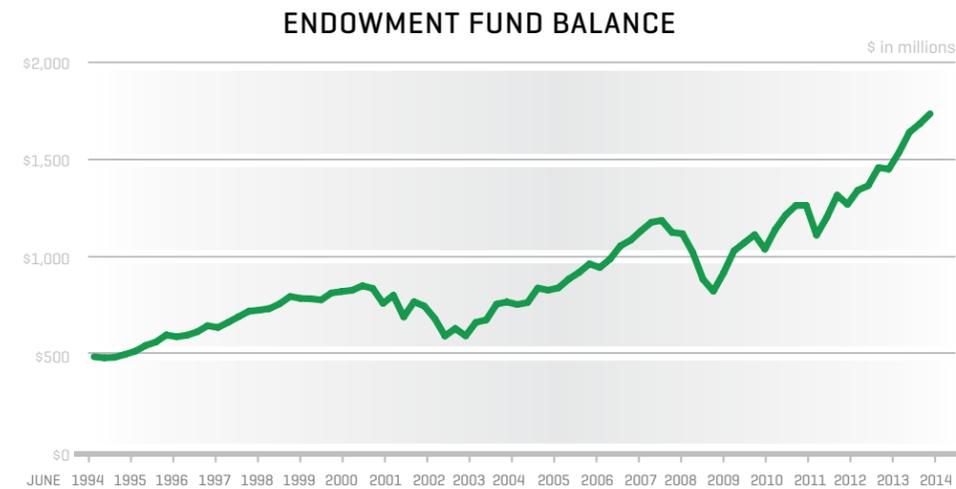
# ENDOWMENT FUND INVESTMENT BOARD

The nine-member Endowment Fund Investment Board (EFIB) manages, on behalf of the Land Board, the investment of a perpetual endowment fund whose original source is land sale proceeds and the reinvestment of income generated by Idaho endowment trust lands. A staff of four people in Boise assists the EFIB in overseeing the fund and the outside investment managers who make the day-to-day investment decisions.

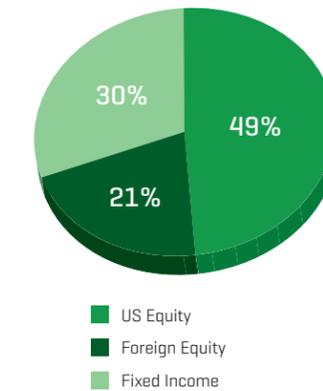
DEAN BUFFINGTON  
BOARD CHAIRMAN



LARRY JOHNSON  
MANAGER OF INVESTMENTS



## ENDOWMENT FUND ASSET TARGET



## ENDOWMENT FUND RETURN ON INVESTMENT

**18.8%**  
ROI IN FY14  
8.5% ANNUAL RETURN OVER  
LAST 10 FISCAL YEARS

**2<sup>nd</sup>**  
HIGHEST RETURN  
IN THE FUND'S HISTORY

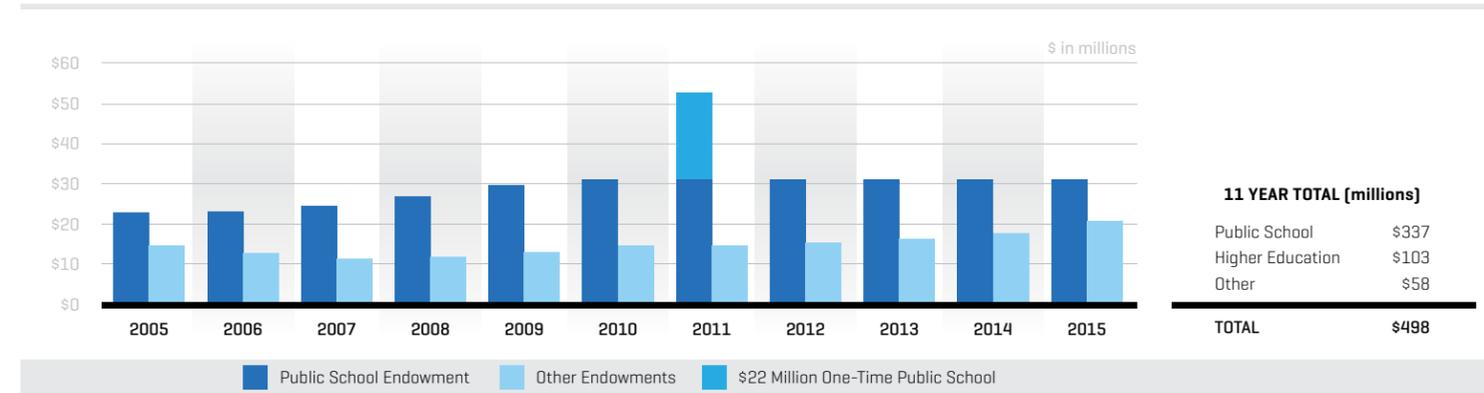
## LAND BOARD COMPREHENSIVE STRATEGY REVIEW

In December 2013, the Land Board initiated a Comprehensive Strategy Review, so the year 2014 was spent closely examining the high-level investment processes associated with endowment lands and funds. An expert consultant was retained and a subcommittee of Land Board members and others was established to review the decision making processes associated with land-related investments. The consultant also analyzed the risk and expected return of the overall endowment trust - both land and fund (stocks and bonds).

By the end of 2014, the consultant concluded that the overall asset mix of the trust matched well with the Land Board's distribution policy and confirmed the subcommittee's recommended changes in investment governance procedures. In December 2014, the Land Board voted, among other things, to delegate more authority to execute routine investments to IDL specialists, to retain outside experts to review and independently confirm major investment decisions, to discontinue acquiring commercial buildings, and, when attractive opportunities arise, acquire additional timberland and gradually dispose of low-return grazing land.

# THE ENDOWMENT BENEFICIARIES

HISTORY OF ENDOWMENT DISTRIBUTIONS



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 Permanent Fund [benefiting the 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 2014 solicited, evaluated, and awarded \$10 million in more than 440 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

The Technical Services Bureau 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.

*Footnote: At the end of FY14 Land Records transitioned out of Support Services and into the Lands and Waterways Division and the Technical Services Bureau moved under the Forestry and Fire Division.*

# FOREST MANAGEMENT

53 OPERATIONAL FORESTERS 

14 FORESTRY SUPERVISORS 



975,000 acres OF ENDOWMENT FORESTS = 5% OF FORESTED LAND BASE IN IDAHO



MANY ADD'L FORESTRY EXPERTS, FROM TECHNICIANS TO THE DIRECTOR

## FY14 TIMBER HARVEST & RECEIPTS



347 MMBF **TIMBER** = \$72 million HARVESTED  
harvested by professional logging contractors



Revenue mostly supports public schools



Accounts for a third of the total amount of timber harvested across ownerships in Idaho in one year



Supported 6,200 jobs, \$183 million in wages and salaries, and \$1.1 billion in sales of goods and services\*



2,789 miles of road improved, maintained, and protected



94,319 TRUCKLOADS OF FOREST PRODUCTS HARVESTED

14,251 TRUCKLOADS MEASURED BY IDL SCALERS

MMBF = MILLION BOARD FEET

\*Numbers derived from report by Universities of Idaho and Montana that confirms every million board feet of timber harvested in Idaho provides \$528,000 in wages and salaries, \$3.2 million in sales of goods and services, and 18 jobs - 10 forest products industry workers and five in support industries.



1,904,100 tree seedlings GROWN AND PLANTED ON 5,300 ACRES by IDL foresters and private contractors

Pre-commercially thinned 2,418 overstocked acres

Prepared 4,194 acres for future regeneration efforts

Sample measured timber on 47,803 acres for Stand Based Inventory, in order to estimate volume and growth on all forested acres managed by IDL

## END OF FY14



HARVEST + REFORESTATION

RENEWABLE RESOURCE

Benefits wildlife, promotes clean air and clean water, and ensures revenues are available for today's students as well as future generations.

- 193 - ACTIVE TIMBER SALES

- 439 - MMBF UNDER CONTRACT

- 10 - PURCHASERS OF LARGE TIMBER SALES

- 12 - PURCHASERS OF SMALL TIMBER SALES

## AVERAGE TIMBER PRICES:



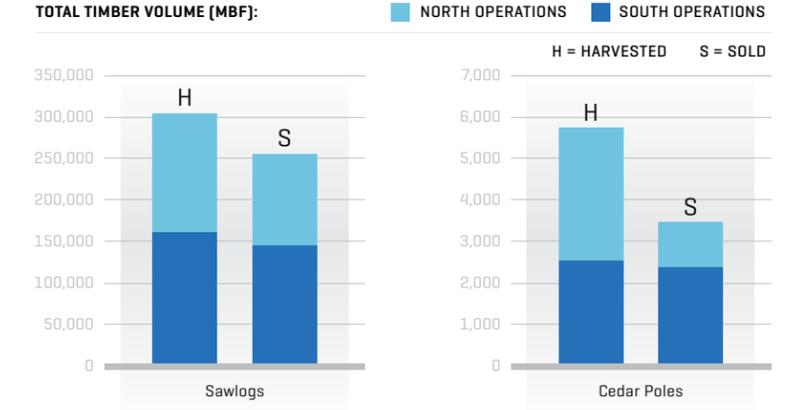
## TIMBER HARVESTED

Average Harvest Prices	FY 2012	FY 2013	FY 2014
Sawlog \$/MBF	\$196.91	\$203.93	\$233.82
Sawlog \$/Ton	\$13.47	\$22.84	\$27.72
Cedar Poles \$/LF	\$4.45	\$3.66	\$3.04

Operations	Sawlogs (MBF)	Sawlogs (TON)	Cedar Poles (LF)	Other Products (MBF)	Pulp (MBF)
<b>North Operations</b>					
Priest Lake	26,049	0	119,415	725	3,054
Pend Oreille	14,400	22,685	115,390	205	444
Kootenai Valley	1,706	0	0	0	11
Mica	7,648	0	0	40	136
St. Joe	50,798	0	73,625	1,417	1,480
Cataldo	4,072	0	0	3	60
Ponderosa	58,256	0	275,015	498	5,788
<b>Subtotal</b>	<b>162,927</b>	<b>22,685</b>	<b>583,445</b>	<b>2,889</b>	<b>10,973</b>
<b>South Operations</b>					
Clearwater	51,768	18,775	636,670	857	8,311
Maggie Creek	26,127	27,039	78,015	505	4,105
Craig Mountain	4,869	0	0	0	744
Payette Lakes	64	55,696	0	0	0
Southwest	0	195,471	0	0	0
South Central	0	0	0	0	0
Eastern Idaho	0	23,671	0	0	0
<b>Subtotal</b>	<b>82,828</b>	<b>320,652</b>	<b>714,685</b>	<b>1,362</b>	<b>13,159</b>
<b>Total</b>	<b>245,755</b>	<b>343,337</b>	<b>1,298,130</b>	<b>4,250</b>	<b>24,132</b>

Total Harvest Volume - All product types 347,254 MBF

## TOTAL TIMBER VOLUME (MBF):



## TIMBER SOLD

Average Sale Prices	FY 2012	FY 2013	FY 2014
Sawlog \$/MBF	\$195.84	\$258.84	\$306.69
Sawlog \$/Ton	\$24.57	\$29.94	\$33.89
Cedar Poles \$/LF	\$4.46	\$2.87	\$3.36

Operations	Sawlogs (MBF)	Sawlogs (TON)	Cedar Poles (LF)	Other Products (MBF)	Pulp (MBF)
<b>North Operations</b>					
Priest Lake	10,552	0	0	145	920
Pend Oreille	16,548	35,765	202,730	97	0
Kootenai Valley	0	0	0	0	0
Mica	15,325	0	0	14	0
St. Joe	46,476	8,908	0	1,538	123
Cataldo	0	0	0	0	0
Ponderosa	42,247	0	356,025	305	10
<b>Subtotal</b>	<b>131,148</b>	<b>44,673</b>	<b>558,755</b>	<b>2,098</b>	<b>1,052</b>
<b>South Operations</b>					
Clearwater	37,205	0	243,640	910	304
Maggie Creek	20,099	33,902	0	20	2,613
Craig Mountain	0	0	0	0	0
Payette Lakes	64	102,180	0	0	0
Southwest	0	145,346	0	0	0
South Central	0	0	0	0	0
Eastern Idaho	0	42,912	0	0	0
<b>Subtotal</b>	<b>57,368</b>	<b>324,340</b>	<b>243,640</b>	<b>930</b>	<b>2,917</b>
<b>Total</b>	<b>188,516</b>	<b>369,013</b>	<b>802,395</b>	<b>3,028</b>	<b>3,969</b>

Total Sale Volume - All product types 270,378 MBF

# 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.

Many bureau programs are funded through partnerships with the USDA Forest Service, State and Private Forestry program.

## CY/FY 2014 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: 2,160  
*[If forest owners plan to conduct a forest practice, they must notify IDL of planned activity]*
- IDL private forestry specialists conducted 1,484 forest practices inspections on 1,076 different harvesting operations on Idaho's private forestlands and found a 97 percent rate of compliance with rules.
- IDL carried out rulemaking to strengthen the FPA streamside retention rule or "Shade Rule." Final passage and adoption of the new rule occurred in the Spring of 2014 and the new rule was implemented on July 1, 2014. IDL personnel provided 39 presentations to educate various groups about the new 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: 885
- Developed 153 new or revised Forest Stewardship Plans on 14,342 acres
- Collaborated with the USDA Natural Resources Conservation Service and Farm Service Agency to conduct 2,262 acres of forest improvement practices on private lands
- Provided education to more than 8,300 private forest landowners and forest managers through cooperative

partnerships with University of Idaho Extension Forestry, Washington Department of Natural Resources, USFS-Forest Health Protection and many others

- Provided funding to facilitate forestry education for 428 teachers at Project Learning Tree workshops
- Partnered with more than 120 forestry professionals from multiple entities to fund and facilitate the Idaho State Forestry Contest, a field education and forestry skills competition. More than 300 elementary, middle, and high school students participated in the event.

### FOREST HEALTH

Insect infestations and diseases can present major health problems for Idaho forests. Bureau staff provides 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.

- IDL conducted three pest detection surveys on state and private lands covering 5,596,794 acres; including an aerial detection survey [4,751,970 acres], gypsy moth survey [764,816 acres], and a Douglas-fir tussock moth survey [80,008 acres]
- IDL responded to 196 requests for forest health information
- IDL, in partnership with the USDA Forest Service and the University of Idaho Forestry Extension, conducted 80 insect and disease identification and management training sessions, educating 2,361 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. *continued...*

**URBAN AND COMMUNITY FORESTRY**

- The Treasure Valley Canopy Network (TVCN)—a diverse group of professionals from business, government, academia and non-profits—is using geospatial tree canopy data and benefit modeling tools developed by IDL for projects that reduce stormwater, conserve energy, and improve air quality and overall community health. Partners include Idaho Power, Ada County Highway District, Boise State University, Ecosystem Sciences Foundation, area cities and many others.
- IDL completed the first phase of a Tree Canopy analysis project in southeastern Idaho, including the greater Idaho Falls and Pocatello areas
- In 2014, 106 communities containing 94 percent of the state’s urban population are actively managing their community trees, and/or 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, providing funds to purchase conservation easements [CE] on private lands that might otherwise be developed and lost as productive forests. The primary objective is to keep working forests working.

2014 program accomplishments [all projects located in northern Idaho]:

- IDL closed on the McArthur Lake Addition project containing 6,847 acres

- Nearing closing on one landowner’s CE containing 748 acres as part of the Boundary Connections project with due diligence work completed on four additional landowner conservation easements containing 713 acres. The conservation easements are expected to close in early 2015.
- Due diligence work in progress for the FY14 McArthur Lake East project containing 8,000 acres
- Two FY2015 projects containing more than 15,000 acres ranked 3rd and 6th nationally. Funding for these projects is pending passage of a 2015 federal budget.

**COHESIVE STRATEGY  
FREMONT & VALLEY COUNTIES**

The National Cohesive Wildland Fire Management Strategy coordinates the efforts of federal, state and local partnerships. The three tenants of the strategy are to restore and maintain resilient landscapes, create fire-adapted communities, and strengthen wildfire response. As part of this “cohesive” effort IDL is administering two test projects in Fremont and Valley Counties.

- *Island Park Sustainable Fire Community Collaborative* [Fremont County]  
With guidance from the Fire Learning Network, the collaborative developed a long-term strategic plan earning them the Conserving Open Space award from the USDA Forest Service Intermountain Region. To further this effort they were accepted into the national Fire Adapted Communities Network. Additionally, the collaborative held the first annual Wildfire Awareness Week July 23-30, with more than 300 community members attending. In conjunction with the

event, four example sites were completed to highlight fuel reduction efforts prompting 80 homeowners to request further assistance. In September “slash pick up days” were offered, removing 174 piles from resident efforts.

▪ *Summer Camps and Conference Centers Project* [Valley County]

In 2014, staff at the YMCA Camp at Horsethief were trained on preventing and preparing for wildfire. Camps are being cataloged by ownership and location to aid fire response and evacuations. Hazard fuel treatment needs were identified at the Shiloh Bible Camp. The Education Committee teamed with the Payette Forest Prevention Program and Ponderosa Park Ranger Interpretive Program to develop a train the trainer program for camp counselors.

**COMMUNITY FIRE PROGRAM**

Fire resiliency not only applies to the vegetative components associated with the many landscapes found throughout Idaho, but also to the communities and individuals that call these same areas home. The Bureau supports a wide range of activities related to modifying vegetation, planning, and education to reduce wildfire impacts on communities.

- Five counties [Boundary, Bonner, Kootenai, Lemhi and Bear Lake] received Hazardous Fuels Reduction funding to reduce fuel loads on private lands. Projects are adjacent to areas where similar efforts are being undertaken by various units of the USDA Forest Service.
- Two counties [Valley and Idaho] were selected through the Western Fire Managers competitive process to receive funds to reduce fuels on private lands

# 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**
- 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 more than 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. In FY14 IDL fire wardens inspected 700 compliances related to this responsibility. Our duties also include issuing fire safety burn permits to individuals living outside city limits anywhere in Idaho, who plan to burn for any reason—including crop residue burning and excluding recreational campfires—during closed fire season. In calendar year 2014, IDL issued 13,550 fire safety burn permits, with the help of a recently created online resource: [BurnPermits.Idaho.gov](http://BurnPermits.Idaho.gov)

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.

## CHIEF FOCUS OF IDL MANAGED FIRES IS INITIAL ATTACK

PUT OUT FIRES AS QUICKLY AS POSSIBLE

PROTECT RESOURCES

MINIMIZE SUPPRESSION COSTS



### FIRE PROTECTION DISTRICTS

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.

■ FEDERAL ■ STATE ■ OTHER ■ RFPA BOUNDARIES

## RANGELAND FIRE PROTECTION ASSOCIATIONS

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

Rangeland Fire Protection Associations (RFPAs) are groups of ranchers professionally trained and legally allowed to utilize interagency fire suppression resources. The associations are a collaborative effort between local ranchers, the federal Bureau of Land Management, and IDL.

At the end of calendar year 2014, approximately 230 ranchers were members of five different associations, and there are six additional areas where ranchers have begun to have conversations about starting new associations.



In 2014, two Idaho RFPAs and the BLM received the Pulaski Award, a prestigious **NATIONAL RECOGNITION** for outstanding contributions to wildland firefighting. The Saylor Creek and Three Creek RFPAs and the Boise and Twin Falls Districts of the BLM accepted the award, which is a collective recognition by seven federal agencies and the National Association of State Foresters representing 50 state fire programs.

### NUMBER OF FIRES BY CAUSE, BY DISTRICT

DISTRICT	TOT # FIRES	LIGHTNING	MISC	DEBRIS BURNING	CAMP FIRE	EQUIP USE	ARSON	CHILDREN	SMOKING	RAIL ROAD
CPTPA	81	60	9	3	2	6		1		
West St. Joe FPD	55	38	1	2	3	2	9			
SITPA	44	23	8	4	8			1		
Pend Oreille FPD	32	14	8	3	5	2				
Southwest Idaho FPD	28	16	7	2	2	1				
Craig Mountain FPD	27	15	5	2	2	2	1			
Ponderosa FPD	19	14	1	1	1	2				
Maggie Creek FPD	19	11	3	4		1				
Priest Lake FPD	16	14		1		1				
Mica FPD	15	3	4	6	1	1				
Cataldo FPD	8	6			2					
Kootenai Valley FPD	7	3		2		1	1			
<b>TOTAL</b>	<b>351</b>	<b>217</b>	<b>46</b>	<b>30</b>	<b>26</b>	<b>19</b>	<b>11</b>	<b>2</b>	<b>0</b>	<b>0</b>

# 2014 FIRE SEASON

**351 FIRES**  
112 PERCENT OF 20-YEAR AVERAGE



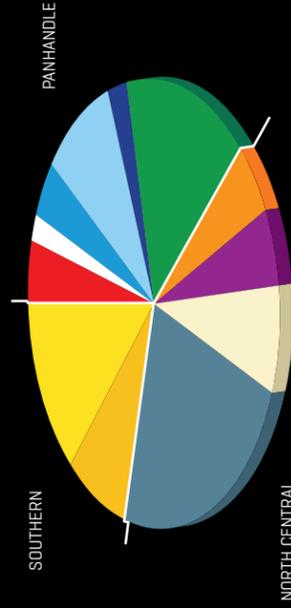
**82,526 acres**  
BURNED IN IDL PROTECTION

510 PERCENT OF 20-year average

**2ND ↑ #** of ACRES BURNED in IDL protection in one year

91.7% of  < 10 acres

## IDL FIRES BY REGION / DISTRICT



### PANHANDLE DISTRICTS

- PRIEST LAKE FPD - COOLIN
- KOOTENAI VALLEY FPD - BONNERS FERRY
- MICA FPD - COEUR D'ALENE
- PEND OREILLE FPD - SANDPOINT
- CATALDO FPD - KINGSTON
- WEST ST. JOE FPD - ST. MARIES

### NORTH CENTRAL DISTRICTS

- PONDEROSA FPD - DEARY
- MAGGIE CREEK FPD - KAMIAH
- CRAIG MOUNTAIN FPD - CRIAGMONT
- CPTPA - OROFINO

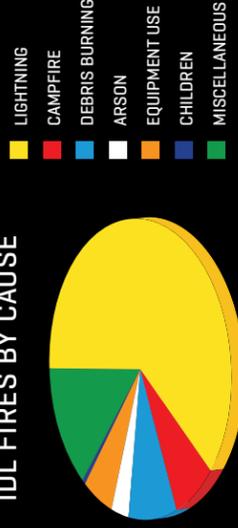
### SOUTHERN DISTRICTS

- SOUTHWEST IDAHO FPD - BOISE
- SITPA - MCCALL

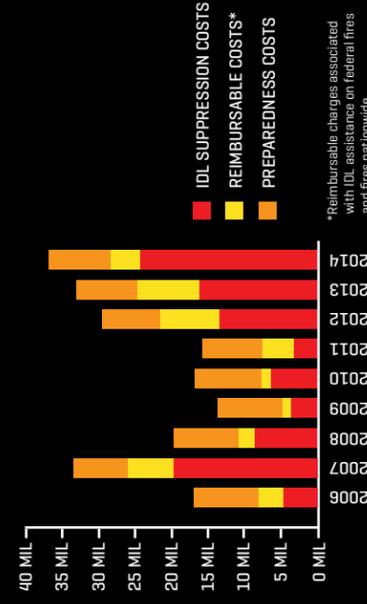
## IDL SUPPRESSION COSTS

**\$24,503,000** General Fund Net Obligation  
+ **\$3,980,000** Reimbursable Expenses for assisting on fires managed by other agencies  
**\$28,483,000** TOTAL COSTS

## IDL FIRES BY CAUSE



## HISTORIC FIRE PROGRAM COSTS



## STATEWIDE ACRES BURNED: PROTECTION AGENCY



## STATEWIDE ACRES BURNED: OWNERSHIP



AVERAGE FIRE COST \$63,028 | COST PER ACRE BURNED \$268 | MEDIAN FIRE SIZE 0.1 ACRES

- THIS YEAR -  
**THE MOST**  
TYPE I & TYPE II INCIDENT  
MANAGEMENT TEAMS  
WERE USED DURING A  
SINGLE FIRE SEASON

## 2014 NOTABLE FIRES ON IDL PROTECTION

### BIG COUGAR FIRE

65,200 acres burned  
\$5,511,000 suppression cost

- MANAGED BY -  
CRAIG MOUNTAIN FPD & TYPE II INCIDENT MANAGEMENT TEAM

### TIMBER BUTTE FIRE

6,796 acres burned  
\$1,853,000 suppression cost

- MANAGED BY -  
SOUTHWEST FPD & TYPE II INCIDENT MANAGEMENT TEAM

### UPPER MICA COMPLEX FIRE

265 acres burned  
\$3,259,000 suppression cost

- MANAGED BY -  
WEST ST. JOE FPD & TYPE II INCIDENT MANAGEMENT TEAM

### MACK FIRE

229 acres burned  
\$657,000 suppression cost

- MANAGED BY -  
SOUTHWEST FPD & TYPE II INCIDENT MANAGEMENT TEAM

### HIGHRANGE FIRE

4,748 acres burned  
\$3,645,000 suppression cost

- MANAGED BY -  
CRAIG MOUNTAIN FPD & TYPE II INCIDENT MANAGEMENT TEAM

### EAST MOUNTAIN FIRE

36 acres burned  
\$997,000 suppression cost

- MANAGED BY -  
SITPA & TYPE II INCIDENT MANAGEMENT TEAM

# FY2014 ENDOWMENT LEASING HIGHLIGHTS

## GRAZING PROGRAM

1,169 grazing leases with a total of 1,772,004 leased acres and an estimated 256,681 animal unit months [AUM]

## AGRICULTURE PROGRAM

71 farming leases with a total of 19,567 leased acres and 641 animal unit months [AUM]

## CONSERVATION PROGRAM

22 conservation leases

## COMMERCIAL PROGRAM

27 industrial leases

7 military leases

46 recreation leases [commercial and noncommercial]

77 communication site leases

7 commercial office/retail leases

1 energy resource lease [wind lease]

159,505 square feet of commercial office/retail property with 142,262 square feet under lease for an occupancy rate of 89 percent

## RESIDENTIAL PROGRAM

292 Priest Lake cottage site leases

119 Payette Lake cottage site leases

6 other residential leases

## ENDOWMENT MINERALS PROGRAM

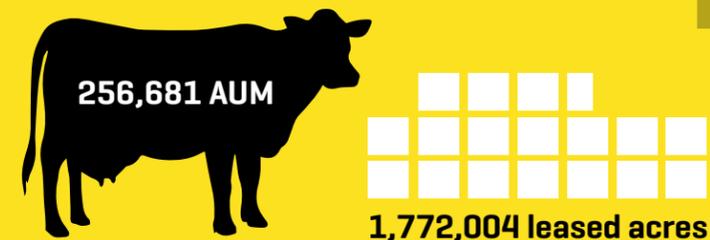
117 endowment mineral leases with a total of 37,831 leased acres

## LAND USE PERMITS

67 land use permits issued

333 land use permits administered [active]

[as of June 30, 2014]



**1,169 grazing leases** with a total of 1,772,004 leased acres & 256,681 animal unit months [AUM]

# MINERAL LEASING

The IDL manages 3,330,534 acres of endowment mineral ownership in Idaho. This ownership covers 6.22 percent of the state. Approximately 2,441,790 acres include surface ownership, and the rest is state reserved mineral ownership with other surface ownership.

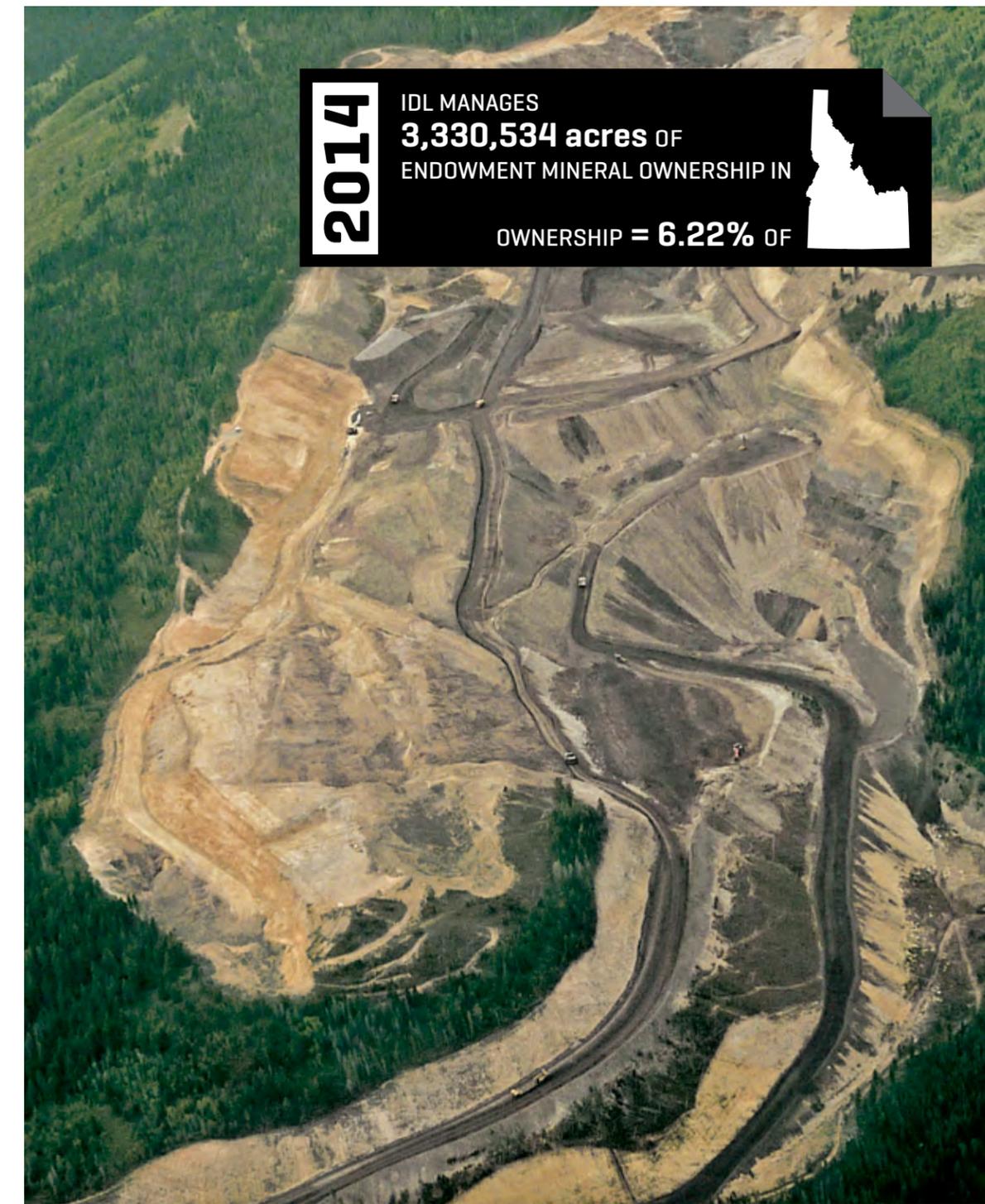
This year IDL administered 177 endowment mineral leases covering 39,141 acres, and 87 Exploration Locations, which grant the locator the right to explore mineral bodies to determine their ability to mine and merchantability.

Additionally, IDL manages 22 geothermal resource leases that cover 7,633 acres of state endowment trust land in southern Idaho. Two leases are currently in production, but exploration is continuing in several locations.

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.

## COMMERCIAL LEASING

Commercial uses include leasing for six sectors: energy resources, communication sites, recreation, industrial facilities, military facilities, and office/retail.



**2014** IDL MANAGES **3,330,534 acres** OF ENDOWMENT MINERAL OWNERSHIP IN  OWNERSHIP = **6.22%** OF

## RECENT COTTAGE SITE AUCTIONS

OCTOBER 18, 2013

**13** Payette Lake lots auctioned  
(3 unleased, 10 leased; all leased lots were purchased by lessee of the lot)

Competitive bidding on **4** lots  
(3 unleased, 1 leased)

**\$5,880,000** in sales

APRIL 5, 2014

**21** Payette Lake lots auctioned  
(all leased; 20 of 21 lots were purchased by lessee of the lot)

Competitive bidding on **1** lot

**\$6,067,615** in sales

AUGUST 28, 2014

**59** Priest lake lots auctioned  
(all leased; 58 of the 59 lots were purchased by lessee of the lot)

Competitive bidding on **2** lots

**\$26,903,812** in sales

**93**  
COTTAGE SITE LOTS  
**SOLD**  
SINCE OCTOBER 2013

# COTTAGE SITE AUCTIONS

The Idaho Constitution requires a public auction for the disposal of state endowment trust land by sale. In 2010 the Land Board approved a plan to divest the state's ownership of most of the cottage sites at both lakes over time and reinvest the proceeds in other assets.

The auction for ownership of leased cottage site lots is voluntary, meaning the lessee of the lot decides whether the state will auction the lot they lease. The State of Idaho chooses to auction unleased or vacant lots. The state can accept no less than the appraised value of the lot at auction. If the winning bidder for a leased lot is not the lessee, the individual must pay the lessee for the appraised value of the privately owned improvements on the lot.

In October 2014, the Land Board approved one voluntary auction for ownership at each lake annually for 2015, 2016, and 2017, for a total of 180 leased lots that will be auctioned before the end of 2017. An additional cottage site auction is planned for 35 Payette Lake lots in January 2015.

By the end of 2017, it is expected the State of Idaho will have divested two-thirds of its ownership in Priest Lake and Payette Lake cottage sites through the voluntary auction for ownership process.



*The sale of cottage sites is a step in the right direction for the State of Idaho. We're implementing a decision of the Land Board to the benefit of Idaho's public schools and other state institutions, while providing resolution for many families eager to move on from leasing the land beneath their homes.*

SECRETARY OF STATE **BEN YSURSA**

END OF CY14

- 292 -  
ACTIVE COTTAGE SITE LEASES  
AT PRIEST LAKE

- 116 -  
ACTIVE COTTAGE SITE LEASES  
AT PAYETTE LAKE

# COTTAGE SITE LEASING

The State of Idaho owns hundreds of acres of state endowment trust land on the shores and upland of two of Idaho's most beautiful lakes - Priest Lake in northern Idaho and Payette Lake in west central Idaho.

More than 400 individuals and families lease the lots, known as cottage sites, from the endowment trust.

The endowment trust owns the land and the cabins built on the land are owned by the lessees as personal property. In many instances, the lots have been leased by the same families for many generations.

# GRAZING, AGRICULTURE & CONSERVATION LEASING

The IDL manages 1,169 grazing leases that cover 1,772,004 acres of state endowment trust land located primarily across the southern two thirds of Idaho.

These leases contribute an estimated 256,681 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 19,567 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.

## CONFLICT LEASE AUCTIONS

In calendar year 2014, IDL held six conflict lease auctions for expiring grazing leases and one for an expiring farming lease. Less than five percent of total grazing leases were conflicted in 2014.

If more than one person applies to lease the same land, then the lease is auctioned to the applicants at a "conflict auction." Conflict lease auctions are only available to the conflicting applicants.



# GRAZING PROGRAM REVIEW

The IDL spent much of 2014 gathering public input on a review of the grazing program.

The IDL routinely evaluates management strategies for all endowment trust land assets in order to ensure the Land Board is meeting a constitutional mandate to maximize long-term financial returns on the use of the lands.

To that end, in 2014 IDL started the process of drafting a Grazing Business Plan to improve the financial performance of the rangeland asset in the long run, and evaluating the grazing rate structure for use on state endowment rangelands in Idaho.

Input from ranchers and strong stakeholder participation is essential in the review process, which will continue into 2015. In August 2014, IDL made public meeting opportunities available in Jerome, Salmon, McCall, Idaho Falls, Pocatello, Lewiston, Nampa, and Jordan Valley, where the public provided input on an IDL-commissioned grazing market rent study and draft business plan, including adjustments to the grazing fee formula. Continued stakeholder participation is encouraged leading up to a final recommendation to the Land Board in 2015.

IDL manages  
**498 OIL & GAS LEASES**  
 that cover 85,422 acres  
 [End of CY14]

## OIL & GAS LEASING

The IDL administers oil and gas leases for state owned land and minerals with oversight and approval by the Land Board.

Lands and minerals owned by the state endowment trust are leased to make money for public schools and other specified endowment beneficiary institutions. The IDL also leases other state owned lands for oil and gas development, such as lands owned by the Idaho Department of Fish and Game, the Idaho Transportation Department, and public trust lands.

Oil and gas leases are offered through competitive bidding at oral auctions.

### RECENT STATE OIL & GAS LEASE AUCTIONS

**JANUARY 16, 2014**

**8,714 acres auctioned for lease**  
**\$694,374 received in bonus bids**

**APRIL 17, 2014**

**17,711 acres auctioned for lease**  
**\$1,148,435 received in bonus bids**

**OCTOBER 16, 2014**

**5,238 acres auctioned for lease**  
**\$263,229 received in bonus bids**



**IDAHO 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.

IDL UNDERWENT NEGOTIATED RULEMAKING IN 2014 TO UPDATE IDAHO'S RULES PERTAINING TO CONSERVATION OF CRUDE OIL AND NATURAL GAS, OR IDAPA 20.07.02. THE RULES WILL BE PRESENTED FOR LEGISLATIVE APPROVAL IN 2015.



*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

### FY14 HIGHLIGHTS

- 2** NEW EXPLORATION PERMITS ISSUED
- 3** NEW DRILL PERMITS ISSUED
- 12** ACTIVE DRILL PERMITS
- 11** WELLS READY FOR DEVELOPMENT OR ALREADY IN DEVELOPMENT
- 1** WELL IN PRODUCTION
- 1** NON-COMMERCIAL WELL DRILLED AND SUBSEQUENTLY ABANDONED

*[as of June 30, 2014]*

### APPOINTED COMMISSION MEMBERS

**CHAIRMAN CHRIS BECK**  
 WATER INTERESTS



**VICE CHAIRMAN MARGARET CHIPMAN**  
 LANDOWNER WITH MINERAL RIGHTS



**KEN SMITH**  
 OIL AND GAS INTERESTS



**SID CELLAN**  
 LANDOWNER WITHOUT MINERAL RIGHTS



**JAMES CLASSEN**  
 GEOLOGICAL INTERESTS



# 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.

## FY14 HIGHLIGHTS

**1,537** SURFACE MINING RECLAMATION PLANS  
**25** 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.

## FY14 HIGHLIGHTS

### NAVIGABLE WATERS PROGRAM

**182** ACTIVE SUBMERGED LAND LEASES [I.E. MARINAS]  
**10** NEW SUBMERGED LAND LEASES ISSUED  
**11,163** ACTIVE ENCROACHMENT PERMITS  
**305** NEW ENCROACHMENT PERMITS ISSUED

### PUBLIC TRUST MINERAL LEASING

**4** NEW PUBLIC TRUST MINERAL LEASES ADMINISTERED  
[ALSO KNOWN AS RIVERBED LEASES,  
EXCLUDING OIL AND GAS LEASES]  
**87** ACTIVE EXPLORATION LOCATIONS [OF WHICH 2 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 2014.



DEBBIE BUCK | Financial Officer

## ACCOUNTS AND FUNDING

### REVENUE AND EXPENDITURES BY FUND TYPE FY2014

	Revenue	Expenditures
General Fund	1,231,181	4,895,390
Misc Pass Through Funds	664,882	0
<b>Dedicated Lands Funds:</b>		
Forest Resources	565,002	569,876
Lands, Minerals & Range	167,927	329,248
Fire Management	6,471,417	4,568,966
Board of Scaling	242,671	221,283
Support Services	12,179	920,994
Indirect Cost Recovery	309,196	357,031
Community Forestry Trust	12,527	15,471
Land Bank	0	0
Forest Purpose Lands	11,953,436	0
<b>Subtotal Dedicated Funds</b>	<b>19,734,355</b>	<b>6,982,869</b>
Fire Suppression	6,403,068	23,932,650
Federal Funds	2,650,198	2,584,997
<b>Endowment Funds:</b>		
Earnings Reserve	87,352,162	23,721,120
Permanent	2,415,059	0
<b>Total Endowment Funds</b>	<b>89,767,221</b>	<b>23,721,120</b>
<b>Grand Total</b>	<b>120,450,906</b>	<b>62,117,025</b>

# ENDOWMENT LAND STATUS

## NUMBER OF ACRES BY ASSET TYPE

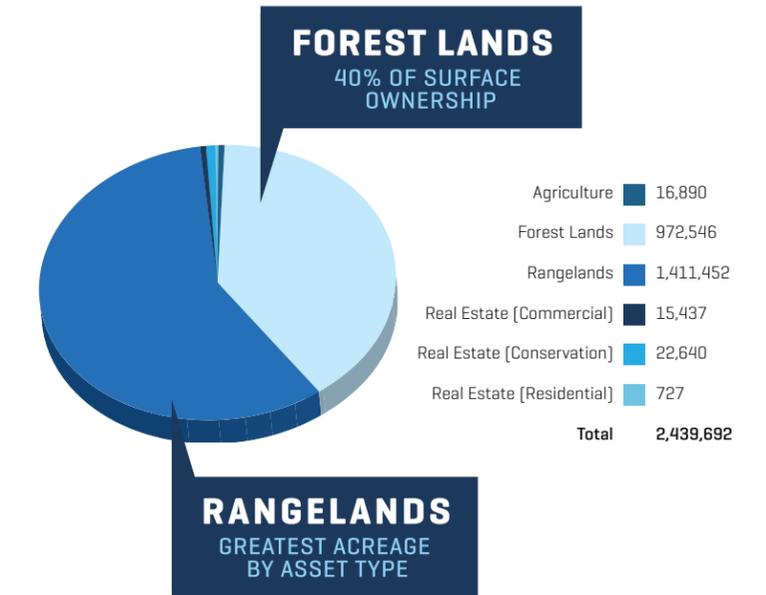
Endowment	Agriculture	Commercial	Conservation	Forest	Minerals	Rangeland	Residential	Grand Total
Agricultural College		352.75		15,187.07	6.66	17,956.08		33,502.56
Capitol Permanent		18.03		7,227.55		36.97		7,282.55
Charitable Inst.	9.51	98.95		63,121.55	6.15	14,017.30		77,253.46
Normal School	40.37	314.81		43,606.77	62.82	15,605.76	24.77	59,655.30
Penitentiary	477.41	18.52		27,125.21		1,287.12		28,908.26
Public Schools	16,029.49	12,657.31	22,640.43	683,825.82	1,949.17	1,335,459.24	534.00	2,073,095.46
School of Science		349.43		63,606.10	38.85	11,495.75		75,490.13
State Hospital South		1,554.09		26,170.91	10.16	3,617.52	70.42	31,423.10
University of Idaho	333.06	72.90		42,675.41	23.68	11,976.61	97.63	55,179.29
<b>Total</b>	<b>16,889.84</b>	<b>15,436.79</b>	<b>22,640.43</b>	<b>972,546.39</b>	<b>2,097.49</b>	<b>1,411,452.35</b>	<b>726.82</b>	<b>2,441,790.11</b>

## LAND INCOME BY ACTIVITY

BY ACTIVITY	ACRES	2014 INCOME*	2013 INCOME*
Rangeland	1,411,452	\$0.8	\$0.7
Forest	972,546	\$53.5	\$42.2
Agriculture	16,890	\$0.4	\$0.4
Commercial	15,437	\$3.8	\$1.4
Residential	726	\$4.2	\$5.0
Other	24,738	\$3.2	\$0.3
<b>TOTAL</b>	<b>2,441,789</b>	<b>\$65.9</b>	<b>\$50.0</b>

\*\$ in millions

## SURFACE ACRES BY ASSET TYPE



# ENDOWMENT TRUST LANDS

## INCOME STATEMENT

	Public School	Ag College	Charitable Institutions	Normal School	Penitentiary		School of Science	State Hospital South	University	Capitol	Total
<b>Direct Program Revenue: *</b>											
Forest Land	40,929,104	593,311	6,981,822	4,776,200	2,232,337		4,229,134	6,806,151	6,108,446	79,410	72,735,914
Agriculture Land	505,283	1,200	261	900	23,747		-	1,750	20,906	-	554,046
Grazing Land	1,920,224	46,814	34,745	29,049	7,938		53,271	8,321	60,080	[0]	2,160,442
Residential Real Estate	3,833,929	-	-	494,741	-		-	953,121	-	-	5,281,790
Commercial Real Estate	2,391,034	2,336	37,087	1,510,161	147,259		1,555	662,141	489,858	3,009	5,244,441
Non-Commercial Recreation	97,491	264	705	6,155	1,800		1,077	815	-	675	108,981
Conservation	109,502	-	58	119	-		-	78	6,452	-	116,209
Oil and Gas	618,378	7,867	69,439	272,460	5,887		61,884	25,520	92,741	-	1,154,176
Minerals	2,195,308	1,603	13,569	170,080	1,139		9,461	6,333	13,524	205	2,411,223
<b>Total Revenue</b>	<b>52,600,253</b>	<b>653,394</b>	<b>7,137,686</b>	<b>7,259,863</b>	<b>2,420,106</b>		<b>4,356,382</b>	<b>8,464,230</b>	<b>6,792,008</b>	<b>83,298</b>	<b>89,767,221</b>
<b>Direct Program Expense:</b>											
Forest Land	10,027,206	252,683	985,167	603,055	410,888		961,441	546,655	778,949	121,059	14,687,102
Agriculture Land	77,165	183	40	137	3,627		-	267	3,193	-	84,613
Grazing Land	856,321	20,876	15,495	12,954	3,540		23,756	3,711	26,793	[0]	963,445
Residential Real Estate	690,338	-	-	65,931	-		-	182,280	-	-	938,549
Commercial Real Estate	281,341	197	2,300	608,229	73		62	199,102	90,691	237	1,182,232
Non-Commercial Recreation	59	0	0	4	1		1	0	-	0	65
Conservation	19,076	-	10	21	-		-	14	1,124	-	20,245
Oil and Gas	9,306	118	1,045	4,100	89		931	384	1,396	-	17,369
Minerals	260,306	190	1,609	20,167	135		1,122	751	1,604	24	285,908
<b>Total Program Expense</b>	<b>12,221,118</b>	<b>274,249</b>	<b>1,005,666</b>	<b>1,314,598</b>	<b>418,352</b>		<b>987,313</b>	<b>933,164</b>	<b>903,748</b>	<b>121,320</b>	<b>18,179,528</b>
<b>Program Margin</b>	<b>40,379,135</b>	<b>379,145</b>	<b>6,132,020</b>	<b>5,945,265</b>	<b>2,001,754</b>		<b>3,369,068</b>	<b>7,531,067</b>	<b>5,888,260</b>	<b>(38,021)</b>	<b>71,587,694</b>
<b>Less: Managerial Overhead:</b>											
Forest Land	3,150,199	69,963	290,784	200,884	124,958		293,016	120,562	196,594	33,295	4,480,256
Agriculture Land	51,508	122	27	92	2,421		-	178	2,131	-	56,479
Grazing Land	375,038	9,143	6,786	5,673	1,550		10,404	1,625	11,734	[0]	421,955
Residential Real Estate	90,611	-	-	8,654	-		-	23,925	-	-	123,190
Commercial Real Estate	131,910	253	2,418	72,144	103		80	28,485	25,485	236	261,113
Non-Commercial Recreation	18,306	49	132	1,156	338		202	153	-	127	20,463
Conservation	16,197	-	9	18	-		-	12	954	-	17,189
Oil and Gas	2,193	28	246	966	21		219	90	329	-	4,093
Minerals	143,086	104	884	11,085	74		617	413	881	13	157,159
<b>Total Managerial Overhead</b>	<b>3,979,048</b>	<b>79,663</b>	<b>301,286</b>	<b>300,672</b>	<b>129,465</b>		<b>304,539</b>	<b>175,444</b>	<b>238,109</b>	<b>33,672</b>	<b>5,541,896</b>
<b>Net Income by Program:</b>											
Forest Land	27,751,699	270,665	5,705,872	3,972,261	1,696,490		2,974,677	6,138,934	5,132,904	[74,944]	53,568,557
Agriculture Land	376,609	894	195	671	17,700		-	1,304	15,582	-	412,955
Grazing Land	688,865	16,794	12,465	10,421	2,848		19,110	2,985	21,553	[0]	775,041
Residential Real Estate	3,052,980	-	-	420,156	-		-	746,915	-	-	4,220,051
Commercial Real Estate	1,977,783	1,886	32,369	829,788	147,083		1,412	434,555	373,683	2,536	3,801,096
Non-Commercial Recreation	79,126	214	572	4,995	1,461		874	662	-	548	88,452
Conservation	74,229	-	39	81	-		-	53	4,374	-	78,775
Oil and Gas	606,880	7,720	68,148	267,393	5,777		60,733	25,045	91,017	-	1,132,714
Minerals	1,791,916	1,309	11,076	138,827	930		7,723	5,169	11,039	167	1,968,156
<b>Net Income</b>	<b>\$36,400,087</b>	<b>\$299,482</b>	<b>\$5,830,735</b>	<b>\$5,644,593</b>	<b>\$1,872,289</b>		<b>\$3,064,530</b>	<b>\$7,355,623</b>	<b>\$5,650,151</b>	<b>[\$71,693]</b>	<b>\$66,045,797</b>

\* 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.

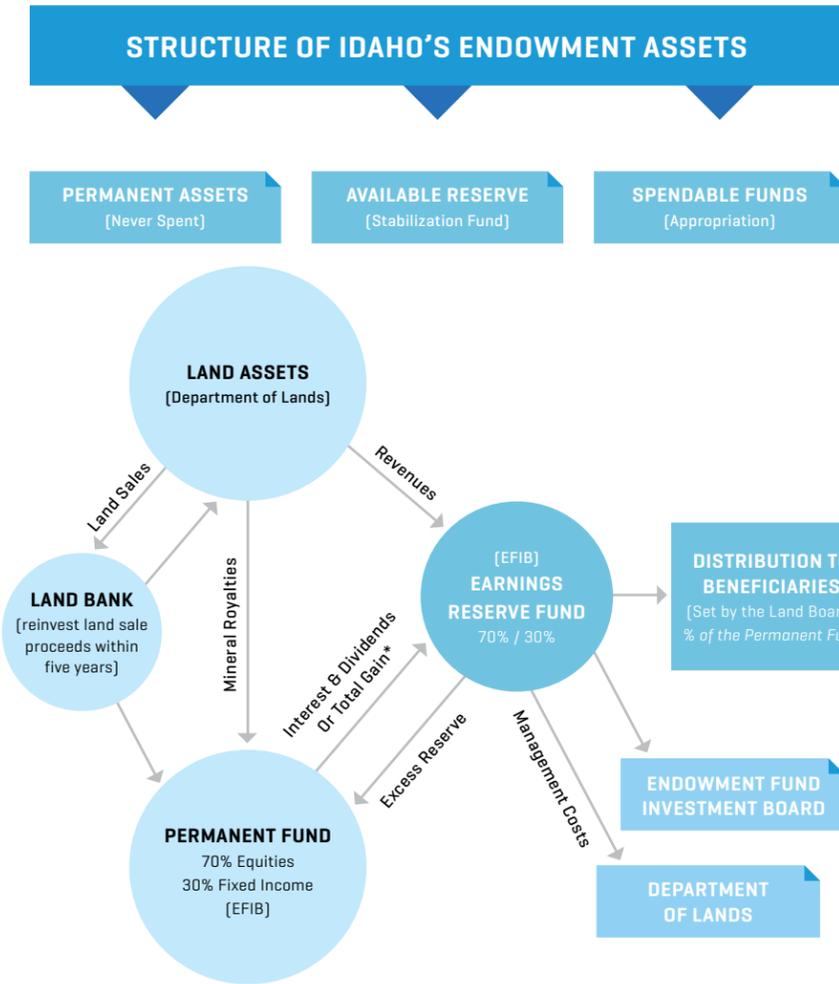
The financial information below is excerpted from the audited financial statements located at [www.efib.idaho.gov](http://www.efib.idaho.gov)

## STATE OF IDAHO ENDOWMENT FUNDS – STATEMENT OF ACTIVITIES – FOR THE YEAR ENDED JUNE 30, 2014

	Public School	Ag College	Charitable Institutions	Normal School	Penitentiary		School of Science	State Hospital South	University of Idaho	Capitol Permanent Fund*	Total
<b>Permanent Net Position</b>						<b>Permanent Net Position</b>					
Permanent Net Position, beginning of year	792,921,747	20,644,643	78,201,933	69,461,116	\$30,210,332	Permanent Net Position, beginning of year	78,312,101	48,415,077	67,000,934	25,916,208	1,211,084,091
Program Revenues:						Program Revenues:					
Receipts from Dept. of Lands	2,134,448	[1,734]	8,176	123,691	718	Receipts from Dept. of Lands	9,551	7,360	4,141	80,102	2,366,453
Income from Investments	127,321,836	322,457	13,154,076	11,143,446	471,867	Income from Investments	13,207,330	756,214	929,204	4,476,793	171,783,223
Total Program Revenue	129,456,284	320,723	13,162,252	11,267,137	472,585	Total Program Revenue	13,216,881	763,574	933,345	4,556,895	174,149,676
Transfer from Earnings Reserve	-	-	-	-	-	Transfer from Earnings Reserve	-	-	[7,510,523]	[2,019,000]	[9,529,523]
Transfer to Earnings Reserve	-	1,871,000	3,930,000	-	4,214,000	Transfer to Earnings Reserve	4,151,000	6,001,000	3,940,000	-	24,107,000
Increase (Decrease) in Net Position	129,456,284	2,191,723	17,092,252	11,267,137	4,686,585	Increase (Decrease) in Net Position	17,367,881	6,764,574	[2,637,178]	2,537,895	188,727,153
<b>Permanent Net Position, end of year</b>	<b>922,378,031</b>	<b>22,836,366</b>	<b>95,294,185</b>	<b>80,728,253</b>	<b>34,896,917</b>	<b>Permanent Net Position, end of year</b>	<b>95,679,982</b>	<b>55,179,651</b>	<b>64,363,756</b>	<b>28,454,103</b>	<b>1,399,811,244</b>
<b>Earnings Reserve Net Position</b>						<b>Earnings Reserve Net Position</b>					
Earnings Reserve Net Position, beginning of year	122,017,927	9,713,331	23,186,096	15,719,512	12,754,466	Earnings Reserve Net Position, beginning of year	23,484,258	22,139,310	20,573,946	-	249,588,846
Program Revenues:						Program Revenues:					
Receipts from Dept. of Lands	50,584,402	689,735	8,432,664	6,923,802	2,255,154	Receipts from Dept. of Lands	3,650,341	8,710,128	6,559,631	62,960	87,868,817
Income from Investments	43,223,020	5,191,845	6,259,573	5,106,908	7,542,676	Income from Investments	5,482,541	13,105,085	15,737,807	318,645	101,968,100
<b>Total Program Revenues</b>	<b>93,807,422</b>	<b>5,881,580</b>	<b>14,692,237</b>	<b>12,030,710</b>	<b>9,797,830</b>	<b>Total Program Revenues</b>	<b>9,132,882</b>	<b>21,815,213</b>	<b>22,297,438</b>	<b>381,605</b>	<b>189,836,917</b>
Program Expenses:						Program Expenses:					
Distribution for Expenses-Lands	16,200,165	353,912	1,306,952	1,615,270	547,818	Distribution for Expenses-Lands	1,291,852	1,108,607	1,141,857	154,991	23,721,424
Distribution for Expenses-EFIB	4,538,697	147,843	503,222	423,974	213,201	Distribution for Expenses-EFIB	498,476	355,421	436,832	157,228	7,274,894
Distributions to Beneficiaries	31,292,400	967,200	3,348,000	2,670,000	1,422,000	Distributions to Beneficiaries	3,338,400	2,946,000	2,860,800	50,000	48,894,800
<b>Total Program Expenses</b>	<b>52,031,262</b>	<b>1,468,955</b>	<b>5,158,174</b>	<b>4,709,244</b>	<b>2,183,019</b>	<b>Total Program Expenses</b>	<b>5,128,728</b>	<b>4,410,028</b>	<b>4,439,489</b>	<b>362,219</b>	<b>79,891,118</b>
Net Program Revenue	41,776,160	4,412,625	9,534,063	7,321,466	7,614,811	Net Program Revenue	4,004,154	17,405,185	17,857,949	19,386	109,945,799
Transfer to Permanent Fund	-	[1,871,000]	[3,930,000]	-	[4,214,000]	Transfer to Permanent Fund	[4,151,000]	[6,001,000]	[3,940,000]	-	[24,107,000]
Transfer from Permanent Fund	-	-	-	-	-	Transfer from Permanent Fund	-	-	7,510,523	2,019,000	9,529,523
Increase(Decrease) in Net Position	41,776,160	2,541,625	5,604,063	7,321,466	3,400,811	Increase(Decrease) in Net Position	[146,846]	11,404,185	21,428,472	2,038,386	95,368,322
<b>Earnings Reserve Net Position, end of year</b>	<b>163,794,087</b>	<b>12,254,956</b>	<b>28,790,159</b>	<b>23,040,978</b>	<b>16,155,277</b>	<b>Earnings Reserve Net Position, end of year</b>	<b>23,337,412</b>	<b>33,543,495</b>	<b>42,002,418</b>	<b>2,038,386</b>	<b>344,957,168</b>
<b>TOTAL NET POSITION</b>	<b>\$1,086,172,118</b>	<b>\$35,091,322</b>	<b>\$124,084,344</b>	<b>\$103,769,231</b>	<b>\$51,052,194</b>	<b>TOTAL NET POSITION</b>	<b>\$119,017,394</b>	<b>\$88,723,146</b>	<b>\$106,366,174</b>	<b>\$30,492,489</b>	<b>\$1,744,768,412</b>

\* 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, 2014

<b>Current Assets:</b>	
Cash with Treasurer	\$467,499
Investments, at Fair Value	1,746,383,315
Receivable for Unsettled Trades	6,216,408
Receivable From Idaho Department of Lands	6,567,642
Accrued Interest and Dividends Receivable	4,596,452
Prepaid Expenses to the Department of Lands	3,615,178
<b>Total Assets</b>	<b>1,767,846,494</b>
<b>Current Liabilities:</b>	
Payable for Unsettled Trades	21,329,265
Investment Manager Expenses Payable	1,748,817
<b>Total Liabilities</b>	<b>23,078,082</b>
<b>Restricted Nonexpendable Net Position - Permanent Funds:</b>	
Public School	922,378,031
Agricultural College	22,836,366
Charitable Institutions	95,294,185
Normal School	80,728,253
Penitentiary	34,896,917
School of Science	95,679,982
State Hospital South	55,179,651
University of Idaho	64,363,756
Capitol Permanent Fund	28,454,103
<b>Total Permanent Net Position</b>	<b>1,399,811,244</b>
<b>Restricted Expendable Net Position - Earnings Reserve:</b>	
Public School	163,794,087
Agricultural College	12,254,956
Charitable Institutions	28,790,159
Normal School	23,040,978
Penitentiary	16,155,277
School of Science	23,337,412
State Hospital South	33,543,495
University of Idaho	42,002,418
Capitol Maintenance	2,038,386
<b>Total Earnings Reserve Net Position</b>	<b>344,957,168</b>
<b>TOTAL NET POSITION</b>	<b>\$1,744,768,412</b>

