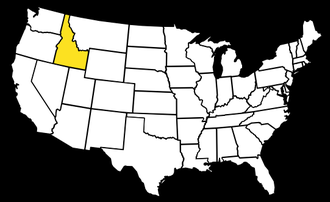

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www.idl.idaho.gov

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Cover Photo: Clearwater River, 2015 Fires – Photo by Robert Millage

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

2015 ANNUAL REPORT

Camas Prairie (along old Highway 7) – Photo by Robert Millage

MESSAGE FROM THE DIRECTOR

There is no such thing as a routine year at the Idaho Department of Lands.

We set high expectations and welcome new challenges so that unique accomplishments emerge at the end of a year.

The year 2015 was no exception.

Hundreds of fire personnel and staff from all parts of the agency contributed to helping manage one of the most destructive fire seasons Idaho has experienced in many years.

We put together a solid plan for conserving sage-grouse habitat on endowment lands and for activities covered by other IDL regulatory and assistance functions.

We successfully auctioned dozens of cottage site lots, bringing us even closer to fully executing the direction of the Land Board to divest the lake lots over time. The sale proceeds will be redirected to assets that produce higher financial returns for the endowment beneficiaries we serve.

Teams of experienced foresters and other land management personnel facilitated the harvest of more than a quarter of all the timber harvested in Idaho in a single year, and they expeditiously pulled together timber sale packages that retrieve value from charred trees in order to make more money for public schools and give new life to burned forests through reforestation.

We finalized a grazing program business plan and kicked off a yearlong process to engage stakeholders in reviewing the rate ranchers pay to graze livestock on endowment rangelands.

Working with the Endowment Fund Investment Board, we made a lot of progress carrying out the direction of the Land Board to be more strategic in our management of the endowment lands and funds as one.

Of course, we met twice as many goals for ourselves internally that don't grab headlines. Those efforts to improve our processes and procedures move us closer to meeting our mission and vision.

These accomplishments are making a difference. The Idaho Department of Lands plays an important role in supporting jobs and Idaho's economy through the active management of endowment lands. The revenue from the activity helps fund public schools and other State of Idaho institutions, partly easing the task of Idaho taxpayers to fund them. In our host of regulatory and assistance functions, we help protect and sustain Idaho's natural resource economy.

We're not finished. As an outfit that takes pride in productivity, we will perpetually reexamine our goals and embrace unforeseen hurdles to deliver positive results for the beneficiaries and customers we serve.

TOM SCHULTZ | Director

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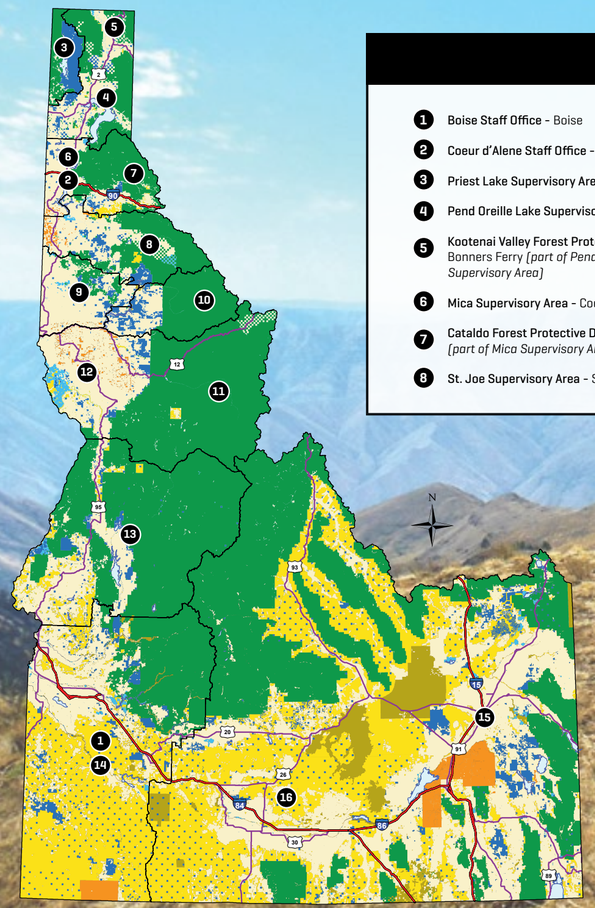
LAND OWNERSHIP



OFFICE LOCATIONS

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

MAJOR LAND OWNERSHIP

OWNERSHIP CATEGORY

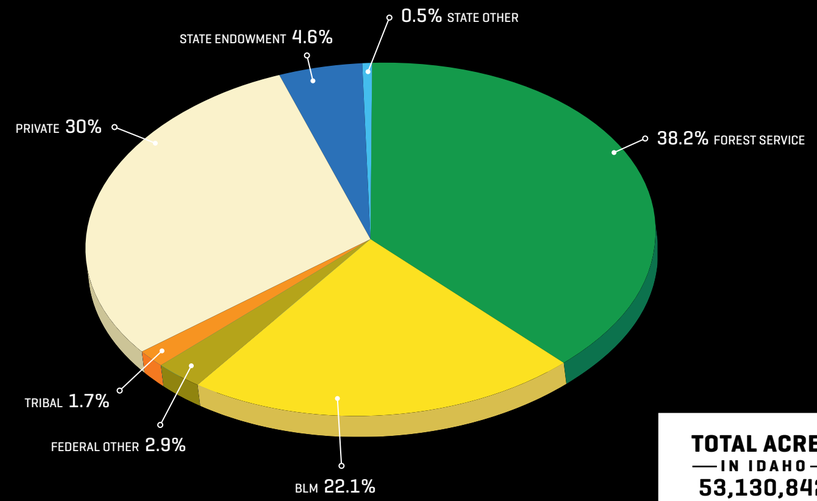
- Forest Service
- Bureau of Land Management
- Federal Other
- Private
- Tribal
- State Endowment
- State Other

OTHER / STATEWIDE HIGHWAYS

- Major Lakes
- IDL Supervisory Areas
- Interstate
- US Highway

Wapshilla Ridge, Nez Perce County

OWNERSHIP BREAKDOWN*



TOTAL ACRES
IN IDAHO
53,130,842

FOREST SERVICE 20,322,200	BUREAU OF LAND MANAGEMENT 11,698,100	FEDERAL OTHER** 1,562,000	PRIVATE 15,952,100
TRIBAL*** 888,150	STATE – IDL ENDOWMENT LAND 2,441,692	STATE OTHER**** 266,600	

**Acreages may differ compared to land ownership analyses conducted by other organizations because of differences in spatial projections and how ownership categories are defined. In this analysis, acreages are rounded to the nearest 100 for all categories except State-IDL. Lands located beneath lakes and streams are not included in this analysis. **Includes 11 other classifications of federal land. ***Includes lands managed by U.S. Bureau of Indian Affairs and lands within an Indian Reservation boundary that are managed by a Tribe. ****Includes lands managed by Idaho Department of Fish and Game, Idaho Department of Parks and Recreation, and other State ownership.*

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.

IDL ORGANIZATIONAL STRUCTURE

St. Joe Lake, Shoshone County

2015 IDL SNAPSHOT

LEASES & PERMITS

21	Conservation leases
196	Commercial leases (industrial, military, recreation, communication sites, office/retail)
370	Residential leases
174	Endowment mineral leases
22	Alternative energy leases (21 geothermal, 1 wind)
441	Oil and gas leases
17	Active oil and gas drill permits
179	Submerged land leases (e.g. marinas)
11,445	Active encroachment permits (e.g. docks)
201	Active land use permits
9,235	Fire safety burn permits issued
69	Farming leases
1,159	Grazing leases

272 PERMANENT EMPLOYEES

236 TEMPORARY EMPLOYEES (INCLUDES SEASONALS)

2,427 FOREST PRACTICES NOTIFICATIONS

1,480 FOREST PRACTICES INSPECTIONS

2,467,000 TREE SEEDLINGS PLANTED

277 MMBF* TIMBER HARVESTED

* million board feet

166 ACTIVE TIMBER SALES

2,441,692 acres ENDOWMENT TRUST LAND

$ 51,978,200 ENDOWMENT DISTRIBUTIONS

53 EXPLORATION LOCATIONS

3,330,339 acres ENDOWMENT MINERAL

6,300,000 acres PROTECTED FROM FIRE

94 COTTAGE SITES SOLD IN CY 15

1,084 TECHNICAL ASSISTS TO PRIVATE LANDOWNERS

EXECUTIVE LEADERSHIP

TOM SCHULTZ – Director // **DAVID GROESCHL** – State Forester; Deputy Director, Forestry and Fire Division // **DIANE FRENCH** – Deputy Director, Division of Lands and Waterways
BOB BRAMMER – Chief Operations Officer // **DONNA CALDWELL** – Administrator, Support Services Division // **ANDREA RYAN** – Human Resource 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, **Lawerence Denney** was elected Idaho's new Secretary of State and **Sherri Ybarra** was elected Idaho's new Superintendent of Public Instruction. They took office in January 2015.*

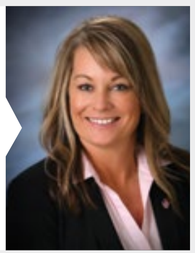
C.L. "BUTCH" OTTER
GOVERNOR OF IDAHO

BRANDON WOOLF
STATE CONTROLLER

LAWERENCE DENNEY
SECRETARY OF STATE

LAWRENCE WASDEN
ATTORNEY GENERAL

SHERRI YBARRA
SUPERINTENDENT OF PUBLIC INSTRUCTION



TOM SCHULTZ
SECRETARY OF THE BOARD

ENDOWMENT FUND INVESTMENT BOARD

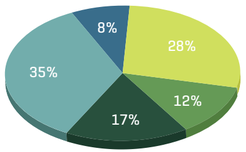
The nine-member Endowment Fund Investment Board *(EFIB)* manages, on behalf of the Land Board, the investment of a perpetual endowment fund whose original source is land sale proceeds and the reinvestment of income generated by Idaho endowment trust lands. A staff of four people in Boise assists the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

DEAN BUFFINGTON
BOARD CHAIRMAN

LARRY JOHNSON
MANAGER OF INVESTMENTS

ENDOWMENT FUND BALANCE

TOTAL ENDOWMENT ASSET MIX



ENDOWMENT FUND RETURN ON INVESTMENT

7.8%
ANNUAL RETURN
OVER LAST 10 FISCAL YEARS

3.0% ROI in FY15

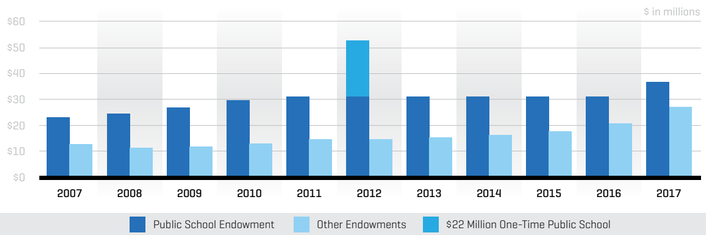
TOP 15%
RELATIVE TO PEER FUNDS
OVER THE LAST 10 YEARS

LAND BOARD COMPREHENSIVE STRATEGY REVIEW

Implementation of the Land Board's Comprehensive Strategy Review *(completed in late 2014)* proceeded in earnest in 2015. An outside expert began evaluating IDL's current holdings of commercial buildings in Idaho to determine the most prudent strategy to manage or dispose of the properties. Other outside experts were identified to review and independently confirm major land investment decisions. A subcommittee of IDL and EFIB representatives began meeting to advise the Land Board on investment issues that impact both the endowment land and the endowment fund. A newly-constituted Land Board Audit Committee identified information associated with land management that will be verified by outside auditors annually. The EFIB approved a plan to begin investing in two large pools of premier U.S. commercial real estate which, over time, will improve diversification of the endowment fund and move its asset mix from the current 70% stocks/30% bonds to 66% stocks/26% bonds/8% commercial real estate.

THE ENDOWMENT BENEFICIARIES

HISTORY OF ENDOWMENT DISTRIBUTIONS



11 YEAR TOTAL (millions)	
Public School	$361
Higher Education	$116
Other	$68
TOTAL	$545

Idaho's public school system is the primary beneficiary of state endowment trust lands.

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 FUNCTIONS

Vital to the smooth operation of the entire department — including the Land Board and the Oil and Gas Conservation Commission — are the dedicated people who perform functions that support all divisions and operations within the agency.

INFORMATION TECHNOLOGY

The Information Technology *(IT)* team supports agency operations by implementing and supporting cutting edge internal and public-facing enterprise systems. The IT team also manages the agency's computing infrastructure and records management functions.

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.

PROCUREMENT

There are few other State of Idaho agencies that rely more heavily on the private sector to complete its work than IDL. Procurement staff in 2015 solicited, evaluated, and awarded $10.2 million in contracts and purchase orders with the private sector to carry out the agency's work.

HUMAN RESOURCES

Staff members in the Human Resources department support the agency in the areas of development, recruitment, retention, benefits and compensation. They ensure compliance with federal and state laws and provide value-added services in the areas of training, performance management, facilitation, and employee relations.

PUBLIC INFORMATION

Two Public Information Officers manage the agency's many communication needs for internal and external audiences, including the news media. They also oversee the dissemination of public information for wildfires burning in State of Idaho protection areas.

DIRECTOR'S OFFICE

Staff members who provide administrative support in the Director's Office are responsible for a variety of duties including supporting the director and executive staff and coordinating details and materials related to Land Board and Oil and Gas Conservation Commission meetings.

STRATEGIC PLANNING

A Strategic Planning Manager oversees the development of a strategic plan that, in part, identifies strategies, performance metrics, and outcomes to allow IDL to prioritize resources and measure its performance.

REAL ESTATE SERVICES

A Real Estate Program Manager facilitates land exchanges and land transactions involving endowment lands. An appraiser oversees contracts with third party appraisers to determine the market value of endowment lands. Right-of-way agents secure rights of way and easements to improve access to endowment lands statewide. Land Records staff members maintain the property ownership databases and records for lands under the agency's management.

GEOGRAPHIC INFORMATION SYSTEMS

A team of Geographic Information System *(GIS)* analysts design, develop and implement GIS applications, geodatabases and process-automation tools to provide IDL managers with working solutions to their spatial data collection, analysis and reporting needs.

INTERDISCIPLINARY TEAM

The Interdisciplinary Team is the cadre of technical specialists in hydrology, wildlife biology, fish biology, and geotechnical engineering that provide advice and technical assistance to endowment trust land managers across Idaho. They help ensure that management activities maintain wildlife habitats, protect ecological integrity, comply with water quality standards, and work in harmony with diverse geological settings.

ENDANGERED SPECIES

IDL weighs in on any proposed federal listings of species in Idaho that will affect management of endowment trust lands. Species listings can present constraints and uncertainty in land management. IDL is proactive in providing researched, science-based reviews and inputs to help ensure sustainable active management is supported on state endowment lands in compliance with needed habitat protections.

FOREST MANAGEMENT

53 OPERATIONAL FORESTERS

14 FORESTRY SUPERVISORS

973,000 acres OF ENDOWMENT FORESTS = **5%** OF FORESTED LAND BASE IN IDAHO

EXPERT — MANY ADDT'L FORESTRY EXPERTS, FROM TECHNICIANS TO THE DIRECTOR

FY15 TIMBER HARVEST & RECEIPTS

277 MMBF TIMBER HARVESTED = $68.2 million harvested by professional logging contractors

$$$ Revenue mostly supports public schools

Accounts for more than one-quarter of the total amount of timber harvested across ownerships in Idaho in one year

Supported 5,540 jobs, $185 million in wages and salaries, and more than $1 billion in sales of goods and services*

3,094 miles of road improved, maintained, and protected

53,572 TRUCKLOADS OF FOREST PRODUCTS HAULED

8,312 TRUCKLOADS MEASURED BY IDL SCALERS

MMBF = MILLION BOARD FEET

**Numbers derived from report by University of Idaho that states every million board feet of timber harvested and processed in Idaho provides about $667,000 in wages and salaries, $3.85 million in sales of goods and services, and provides about 20 jobs – 12 directly in the industry and 8 in supporting industries.*

2,467,000 tree seedlings GROWN AND PLANTED ON 10,179 ACRES by IDL foresters and private contractors

Pre-commercially thinned 2,625 overstocked acres

Prepared 6,187 acres for future regeneration efforts

Sample measured timber on 7,344 plots on 53,119 acres for Stand Based Inventory, in order to estimate volume and growth on all forested acres managed by IDL

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.

END OF FY15

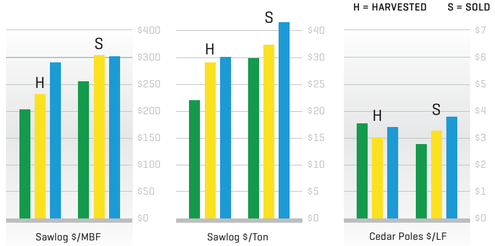
– 166 – ACTIVE TIMBER SALES

– 422 – MMBF UNDER CONTRACT

– 57 – PURCHASERS OF TIMBER SALES

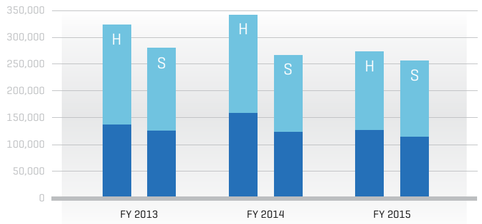
AVERAGE TIMBER PRICES: FY 2013 FY 2014 FY 2015

H = HARVESTED S = SOLD



TOTAL TIMBER VOLUME (MBF): NORTH OPERATIONS SOUTH OPERATIONS

H = HARVESTED S = SOLD



TIMBER HARVESTED - FY 2015

North Operations	Sawlogs (MBF)	Sawlogs (TON)	Cedar Poles (LF)	Other Products (MBF)	Pulp (MBF)
Priest Lake	11,368	0	47,850	260	2,444
Pend Oreille	18,424	15,570	215,755	355	733
Mica	9,703	0	149,935	143	357
St. Joe	38,728	11,297	424,905	1,572	2,823
Cataldo	10,984	0	0	0	684
Ponderosa	34,935	1,653	327,165	701	4,003
Subtotal	**124,142**	**28,520**	**1,165,610**	**3,030**	**11,044**
South Operations					
Clearwater	45,226	0	116,275	596	4,012
Maggie Creek	26,441	4,153	0	360	3,488
Craig Mountain	1,703	0	0	0	598
Payette Lakes	38	118,625	0	608	0
Southwest	50	58,256	0	170	0
Eastern Idaho	283	47,745	0	79	0
Subtotal	**73,741**	**228,780**	**116,275**	**1,812**	**8,099**
Total	**197,883**	**257,300**	**1,281,885**	**4,842**	**19,143**

Total Harvest Volume - All product types - 276,846 MBF

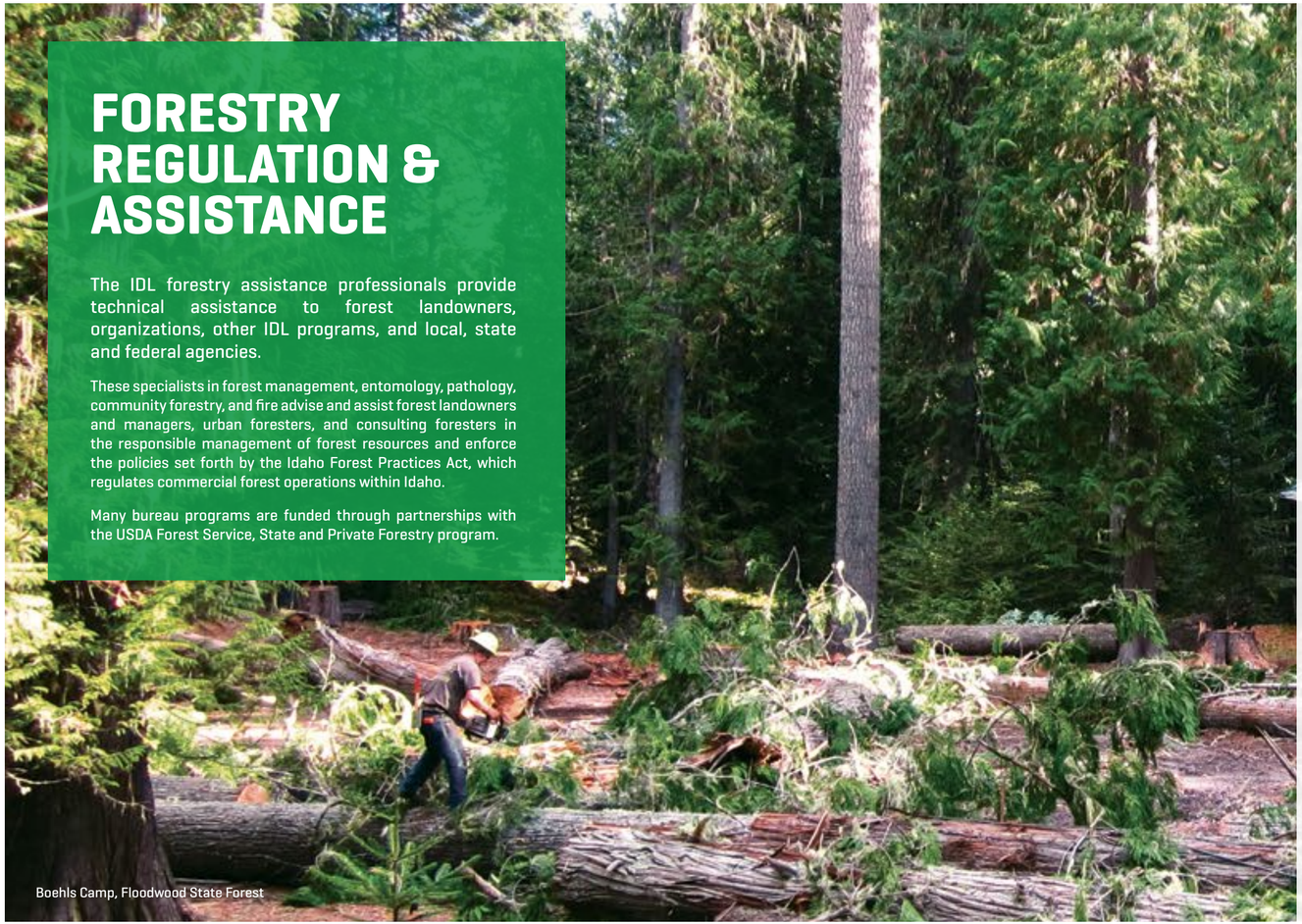
Average Harvest Prices	FY 2013	FY 2014	FY 2015
Sawlog $/MBF	$203.93	$233.82	$279.05
Sawlog $/Ton	$22.84	$27.72	$30.16
Cedar Poles $/LF	$3.66	$3.04	$3.45

TIMBER SOLD - FY 2015

North Operations	Sawlogs (MBF)	Sawlogs (TON)	Cedar Poles (LF)	Other Products (MBF)	Pulp (MBF)
Priest Lake	7,605	23,344	143,570	90	0
Pend Oreille	22,882	5,756	89,180	20	12
Mica	16,700	0	0	21	0
St. Joe	37,057	35,921	113,945	1,408	65
Ponderosa	35,099	31,215	575,350	452	4
Subtotal	**119,344**	**96,236**	**922,045**	**1,991**	**81**
South Operations					
Clearwater	48,622	0	141,110	626	142
Maggie Creek	24,386	0	0	293	4,955
Payette Lakes	38	91,660	0	574	0
Southwest	50	54,910	0	194	0
Eastern Idaho	283	33,754	0	96	0
Subtotal	**73,379**	**180,324**	**141,110**	**1,783**	**5,097**
Total	**192,723**	**276,560**	**1,063,155**	**3,773**	**5,178**

Total Sale Volume - All product types - 259,548 MBF

Average Sale Prices	FY 2013	FY 2014	FY 2015
Sawlog $/MBF	$258.84	$306.69	$304.56
Sawlog $/Ton	$29.94	$33.89	$44.05
Cedar Poles $/LF	$2.87	$3.36	$3.84



Boehls Camp, Floodwood State Forest

FORESTRY REGULATION & ASSISTANCE

The IDL forestry assistance professionals provide technical assistance to forest landowners, organizations, other IDL programs, and local, state and federal agencies.

These specialists in forest management, entomology, pathology, community forestry, and fire advise and assist forest landowners and managers, urban foresters, and consulting foresters 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 2015 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: 2,427 *(If forest owners plan to conduct a forest practice, they must notify IDL of planned activity)*
- IDL private forestry specialists conducted 1,480 forest practices inspections on 1,239 different harvesting operations on Idaho's private forestlands and found a 98 percent rate of compliance with rules.

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: 1,084
- Developed 89 new or revised Forest Stewardship Plans on 20,843 acres.
- Collaborated with the USDA Natural Resources Conservation Service and Farm Service Agency to conduct 1,162 acres of forest improvement practices on private lands.
- Provided education to more than 8,029 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 228 teachers at Project Learning Tree workshops.
- Partnered with more than 215 forestry professionals and volunteers from multiple entities to fund and facilitate the Idaho State Forestry Contest, a field education and forestry skills competition. More than 455 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 members provide technical assistance and training to forest landowners and managers, 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 5,822,417 acres, including an aerial detection survey *(4,084,981 acres)*; gypsy moth survey *(1,648,887 acres)*; and a Douglas-fir tussock moth survey *(88,549 acres)*.
- IDL responded to 249 requests for forest health information.
- IDL, in partnership with USFS-Forest Health Protection and University of Idaho Extension Forestry, conducted 97 insect and disease identification and management training sessions, educating 3,606 participants.

URBAN AND COMMUNITY FORESTRY

In our communities, trees reduce air and noise pollution, conserve water, save energy, reduce soil erosion, beautify areas, enhance economic vitality, and improve human health. Bureau staff members support and assist communities that want to develop or improve a 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 storm water, conserve energy, and improve air quality and overall community health.
- IDL is partnering with Idaho Power, national, state and local organizations and Treasure Valley cities on an Energy Saving Trees Program. Trees are provided to homeowners to plant in specific locations to maximize shading on buildings during the hottest times of the year, lowering energy use and saving money. More than 4,100 shade trees have been planted to date through this program.
- IDL purchased a web-based community tree inventory program for use by Idaho cities, providing them with an important planning and management tool. It also allows IDL to roll-up data statewide, increasing understanding of the structure, extent, benefit value, and potential risk from invasive species for the state's community forests.

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 federally-funded 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.

2015 program accomplishments *(all projects located in northern Idaho)*:

- Closed on four landowner CEs containing 1,453 acres as part of the FY12 Boundary Connections project, with due diligence work completed on one additional landowner CE containing eight acres. This final Boundary Connections CE is expected to close in early 2016.
- Due diligence work in progress for three projects:
  - FY14 McArthur Lake East containing 8,000 acres
  - FY15 Clagstone Meadows containing 13,093 acres
  - FY15 Hall Mountain containing 1,256 acres
- The FY16 Hall Mountain-Kootenai Valley project containing 3,281 acres ranked third nationally. Funding for this project will be allocated through the recently passed 2016 federal budget.

COHESIVE STRATEGY

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.

- *Southern Idaho Cohesive Strategy (Elmore County)*
  Restore a resilient sagebrush steppe by implementing a National Cohesive Wildland Fire Management Strategy *(Cohesive Strategy)* project in rangelands in southern Idaho.
- *Good Neighbor Authority in Idaho*
  Explore options to work across borders with our federal partners to increase the pace and scale of management on our national forests in Idaho.

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. IDL supports a wide range of activities related to modifying vegetation, planning, and education to reduce wildfire impacts on communities.

- Four counties *(Boundary, Bonner, Lemhi and Bonneville)* and one special service district *(Idaho Soil and Water)* 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.
- Three counties *(Bear Lake, Kootenai and Shoshone)* 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

BRETT BENNETT

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 FY15, IDL fire wardens inspected 2,427 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 2015, IDL issued 9,235 fire safety burn permits, with the help of the online resource: **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

Walker Fire near Idaho City

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 that cover 6.3 million acres of land owned mostly by private entities and the State of Idaho. 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

2015 FIRE SEASON HIGHLIGHTS

Broke record for total cost of fire season. Sixteen fires in IDL protection required the use of 27 interagency incident management teams, the most IDL ever used in one fire season.

Hosted fire safety training for loggers and other contractors mid-season in order to make more on-the-ground private resources available to fight fire.

Rare large-scale closure of endowment land for fire safety *(11,248-acre block in Silver Valley)*.

Extended "closed fire season," requiring fire safety burn permits past October 20.

Worked with industry to put in place voluntary measures for loggers in areas covered by stage 2 fire restrictions.

Required extra steps for agricultural burners in northern Idaho.

Put firewood cutting limitations in place on endowment lands in areas covered by stage 2 fire restrictions.

Received 3,080 "man days" of help from Canadians through the Northwest and Northeast Firefighting Compacts.

Will salvage 83.5 mmbf of timber killed by fire in 2015 across 6,000 acres of endowment land. Eighty percent of salvaged timber will come from Idaho County. *(Note: These harvest figures and receipts will be reflected in FY16 statements)*

Coeur d'Alene Interagency Fire Cache processed more than $45 million in transactions to provide supplies to 251 fire incidents in Idaho and nationally. Business volume at the cache doubled in 2015.

At the end of calendar year 2015, approximately 230 ranchers were members of six different rangeland fire protection associations *(RFPA)*. Two additional areas were working toward being operational by the 2016 fire season. The RFPAs contributed to fighting 30 fires in 2015.

2015 FIRE SEASON

321 FIRES

102 PERCENT OF 20-YEAR AVERAGE

2015 FIRE SEASON COST

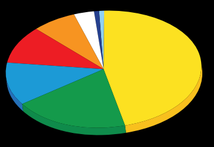
$60,211,000	General Fund Net Obligation
+ $17,902,000	Reimbursable Expenses for assisting on fires managed by other agencies
$78,113,000	TOTAL COSTS

78,571 acres
BURNED IN IDL PROTECTION

391 PERCENT of 20-year average

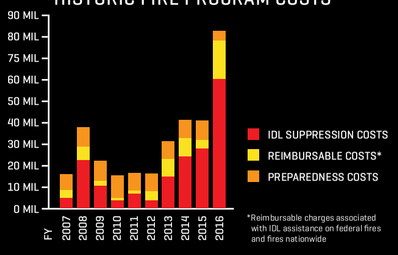
3RD HIGHEST # of acres burned in IDL protection in one year

IDL FIRES BY CAUSE



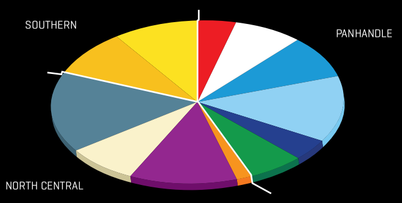
87% of < 10 acres

HISTORIC FIRE PROGRAM COSTS



*Reimbursable charges associated with IDL assistance on federal fires and fires nationwide

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

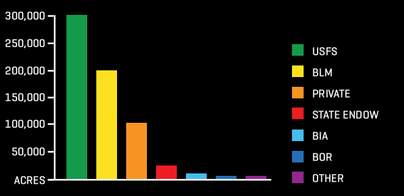
- PONDEROSA FPD - DEARY
- MAGGIE CREEK FPD - KAMIAH
- CRAIG MOUNTAIN FPD - CRIAGMONT
- CPTPA - OROFINO

SOUTHERN DISTRICTS

- SOUTHWEST IDAHO FPD - BOISE
- SITPA - MCCALL

STATEWIDE ACRES BURNED: PROTECTION AGENCY

STATEWIDE ACRES BURNED: OWNERSHIP



AVERAGE FIRE COST **$199,783** | COST PER ACRE BURNED **$816** | MEDIAN FIRE SIZE **.25 ACRE**

Woodrat Fire, 2015 – Photo by Wyoming Interagency Hotshot Crew

CLEARWATER COMPLEX FIRES

LARGEST, MOST COSTLY

COMPLEX OF FIRES IN IDL PROTECTION IN 2015

$25,252,406 suppression cost
FOR KAMIAH/OROFINO/CRAIGMONT AREA FIRES

ONE-THIRD TOTAL OF IDL FIRE SUPPRESSION COSTS FOR 2015

SERIES OF LIGHTNING STRIKES IN THE KAMIAH AREA ON AUGUST 10-11 STARTED MORE THAN 137 SEPARATE FIRES ACROSS PROTECTION AGENCIES IN THE AREA, FROM WHICH THE CLEARWATER COMPLEX FIRES GREW

IDL SALVAGED 61 MMBF OF FIRE KILLED TIMBER ON 4,184 ACRES OF ENDOWMENT LAND IN THE MAGGIE CREEK SUPERVISORY AREA BASED IN KAMIAH

NEARLY 75 PERCENT OF THE TOTAL 83.5 MMBF OF SALVAGED TIMBER ACROSS ALL IDL SUPERVISORY AREAS

AREA COMMAND ESTABLISHED TO PROVIDE OVERSIGHT DIRECTION TO MULTIPLE INCIDENT MANAGEMENT TEAMS MANAGING THE CLEARWATER COMPLEX FIRES

62 residences + 211 other buildings LOST

THE MAJORITY OF THE TOTAL 75 RESIDENCES AND 220 OTHER BUILDINGS LOST ON ALL IDL DISTRICTS IN 2015

ENDOWMENT LEASING HIGHLIGHTS AS OF JUNE 30, 2015

GRAZING PROGRAM

1,159 grazing leases with a total of 1,788,787 leased acres and an estimated 258,640 animal unit months *(AUM)*

AGRICULTURE PROGRAM

69 farming leases with a total of 19,519 leased acres and 517 animal unit months *(AUM)*

CONSERVATION PROGRAM

21 conservation leases

COMMERCIAL PROGRAM

28 industrial leases

6 military leases

46 recreation leases *(commercial and noncommercial)*

75 communication site leases

Commercial office/retail leases

- 41 leases for office space

Alternative Energy

- 1 wind lease
- 21 geothermal leases
- 0 solar leases

RESIDENTIAL PROGRAM

276 Priest Lake cottage site leases

89 Payette Lake cottage site leases

5 other residential leases

ENDOWMENT MINERALS PROGRAM

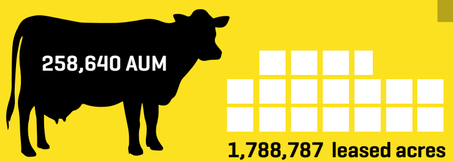
53 exploration locations

174 mineral leases

441 oil and gas leases

LAND USE PERMITS

201 active land use permits



1,788,787 leased acres

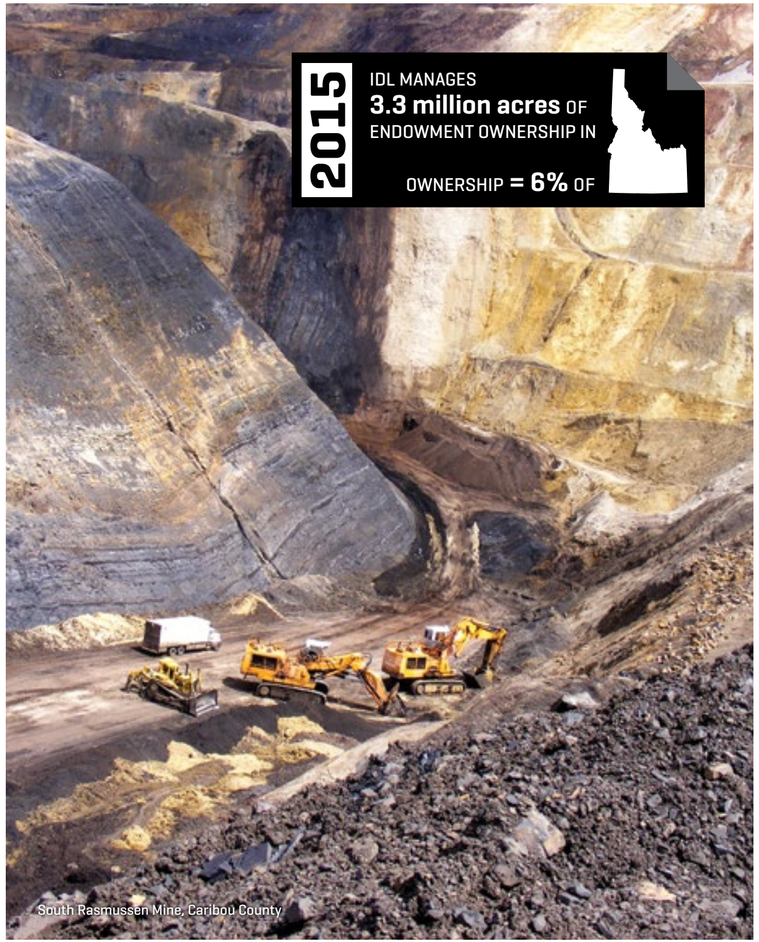
1,159 grazing leases with a total of 1,788,787 leased acres and 258,640 animal unit months *(AUM)*

MINERAL LEASING

The IDL manages 3.3 million acres of state-owned mineral rights, which are the subsurface rights to any mineral. Since 1923, state law has required the State of Idaho to reserve the mineral rights when state land is sold to a private party. Therefore, of the 3.3 million acres of state-owned mineral rights, about 2.4 million acres of the surface rights also are owned by the state. The rest of the surface above the mineral rights has other surface ownership.

In 2015, IDL administered 174 Mineral Leases and 53 Exploration Locations. Exploration Locations are similar to federal mineral claims, and allow for mineral entry, meaning a claim can be staked on them. This allows the locator the right to explore for minerals, and decide if the minerals have economic value and would be worth mining.

Minerals that directly generate royalty revenue for the state endowment trust include aggregate *(sand, gravel, stone, cinders)* and metals. Sand and gravel continue to be the main source of mineral revenue to IDL.



South Rasmussen Mine, Caribou County

2015 COTTAGE SITE AUCTIONS

JANUARY 31, 2015

31 Payette Lake lots sold
(28 leased, 3 unleased)

$12,590,000 in sales

AUGUST 28, 2015

35 Priest Lake lots sold
(all leased)

$15,652,500 in sales

SEPTEMBER 26, 2015

8 Priest Lake lots sold
(all unleased)

$4,239,000 in sales

NOVEMBER 13, 2015

20 Payette Lake lots sold
(17 leased, 3 unleased)

$6,982,500 in sales

94
COTTAGE SITES
SOLD
IN CY 15

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 Priest Lake and Payette Lake over time and reinvest the proceeds in other assets.

The auction for ownership of leased cottage site lots is voluntary, meaning the lessees of the lot nominate their leased sites for public auction. 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.

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.

Cottage Site Lot, Priest Lake

END OF FY15

– 276 –
ACTIVE COTTAGE SITE LEASES AT PRIEST LAKE

– 89 –
ACTIVE COTTAGE SITE LEASES AT PAYETTE LAKE

COTTAGE SITE LEASING

The State of Idaho owns thousands 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.

At the end of FY15, more than 365 individuals and families leased 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 1,159 grazing leases that cover 1,788,787 acres of state endowment trust land located primarily across the southern two thirds of Idaho.

These leases contribute an estimated 258,640 animal unit months *(AUM)* of forage to livestock operations for this year.

Most of the original farming land owned by the endowments was sold during the 1900s. What remains is a small portfolio of farming leases that total approximately 19,519 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 2015, IDL held six conflict lease auctions for expiring grazing leases. Less than six percent of total grazing leases were conflicted in 2015.

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

In 2015, IDL continued 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 a process of drafting a grazing program business plan to improve the long-term financial performance of the rangeland asset. The process included extensive public outreach in 2014, including a public comment period that was open through January 30, 2015. The final grazing program business plan was presented to the Land Board in May, and it constitutes a strategic management plan for the grazing program.

A group of various stakeholders was identified to advise the subcommittee. The review process will continue through 2016 with public meetings across the state and a public comment period. The advisory group will develop the recommended alternatives for subcommittee review. A final recommendation to the full Land Board is expected in the fall of 2016.

Big Sage Hen Reservoir Lek in Owyhee Mountains – Photo by Ken Miracle

LAND BOARD SAGE-GROUSE PLAN

The Land Board and the Oil and Gas Conservation Commission approved a plan in April outlining additional measures to conserve sage-grouse in Idaho.

The Land Board's Greater Sage-Grouse Conservation Plan includes enforceable stipulations in leases, permits, and easements on endowment lands. It also spells out recommended best management practices for activities pertaining to IDL's role in supporting fire prevention, suppression, and rehabilitation, and regulating oil and gas development, some mining activities, and abandoned mine reclamation.

IDL created the plan because a federal listing of the bird would inhibit revenue generating activities on more than 600,000 acres of endowment rangelands. It also would constrain development activities that IDL regulates on privately owned land. Before it was approved, IDL collected comments on a draft plan from the public, including from natural resource industry user groups, environmental organizations, and relevant state and federal agencies.

Later in 2015, the U.S. Fish & Wildlife Service announced that listing sage-grouse under the Endangered Species Act was "not warranted." Shortly after, Governor Otter and the Idaho Legislature filed a lawsuit challenging the federal government's process behind amendments to federal land-use plans.

In the fall of 2015, the Land Board reaffirmed its commitment to implementing its Sage-Grouse Conservation Plan despite the unknown outcome of the legal challenge to the federal government's decision on sage-grouse.

IDL manages
441 OIL & GAS LEASES
that cover 69,536 acres
(End of FY15)

Photo by Alta Mesa Idaho

OIL & GAS LEASING

The IDL manages about 3.3 million acres of state-owned oil and gas rights, and leases these rights to explore and potentially produce oil and gas through competitive bidding at public auctions, with oversight and approval by the Land Board. Oil and gas rights owned by the state endowment trust are leased to make money for public schools and other specified endowment beneficiary institutions. IDL also leases oil and gas rights owned by the Idaho Department of Fish and Game, the Idaho Transportation Department, and the public trust *(the rights submerged below the ordinary high water mark of navigable streams and rivers within the state)*.

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.

CHANGES TO IDAHO'S RULES PERTAINING TO CONSERVATION OF CRUDE OIL AND NATURAL GAS, OR IDAPA 20.07.02, WERE APPROVED BY THE IDAHO LEGISLATURE IN 2015.

"The year 2015 presented learning opportunities for the commission, department, industry and the public, particularly with maneuvering the process for integrating mineral owners to provide for orderly development and conserving oil and gas resources. I am confident that the regulatory processes for oil and gas, including integration, will be improved moving forward because of what we learned."

CHAIRMAN CHRIS BECK
IDAHO OIL AND GAS CONSERVATION COMMISSION

FY15 HIGHLIGHTS

- 1 NEW EXPLORATION PERMIT ISSUED
- 1 NEW DRILL PERMIT ISSUED
- 17 ACTIVE DRILL PERMITS
- 14 WELLS READY FOR DEVELOPMENT OR ALREADY IN DEVELOPMENT
- 1 WELL IN PRODUCTION

(as of June 30, 2015)

Between July 1, 2015, and Dec. 31, 2015, 2 more drill permits were issued and 1 expired. At the end of CY15 there were 18 active drill permits, 9 wells ready for development or already in development, and 6 wells in production.

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.

FY15 HIGHLIGHTS

1,528 SURFACE MINING RECLAMATION PLANS

24 PLACER MINING PERMITS

IDL staff assessing risk of abandoned mines at the Gilmore District in Lemhi County

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.

FY15 HIGHLIGHTS

PUBLIC TRUST PROGRAM

179 ACTIVE SUBMERGED LAND LEASES *(E.G. MARINAS)*

25 NEW SUBMERGED LAND LEASES ISSUED

11,445 ACTIVE ENCROACHMENT PERMITS

401 NEW ENCROACHMENT PERMITS ISSUED

2 ACTIVE RIVERBED MINERAL LEASES *(EXCLUDING OIL AND GAS LEASES)*

2 ACTIVE EXPLORATION LOCATIONS ON NAVIGABLE RIVERS

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 2015.

DEBBIE BUCK | Financial Officer

ACCOUNTS AND FUNDING

REVENUE AND EXPENDITURES BY FUND TYPE FY2015

	Revenue	Expenditures
General Fund	719,961	5,199,894
Misc Pass Through Funds	131,956	0
Dedicated Lands Funds:		
Forest Resources	578,895	696,903
Lands, Minerals & Range	157,823	1,094,669
Fire Management	6,424,803	4,663,879
Board of Scaling	253,443	208,234
Support Services	13,720	1,046,047
Indirect Cost Recovery	301,591	581,210
Community Forestry Trust	12,301	12,740
Subtotal Dedicated Funds	**7,742,576**	**8,303,682**
Fire Suppression	7,618,305	18,318,569
Federal Funds	7,646,854	7,752,012
Endowment Funds:		
Earnings Reserve	82,357,929	27,163,265
Permanent by Endowment		
Public Schools	27,995,759	0
Agricultural College	7,857	0
Charitable Institutions	14,793	0
Normal School	3,447,161	0
Penitentiary	1,374	0
School of Science	15,820	0
State Hospital South	10,006,374	0
University of Idaho	6,998	0
Capitol Permanent	45,065	0
Permanent Sub-Total	41,541,201	0
Subtotal Endowment Funds	**123,899,130**	**27,163,265**
Grand Total	**147,758,782**	**66,737,422**

ENDOWMENT LAND STATUS

NUMBER OF ACRES BY ASSET TYPE

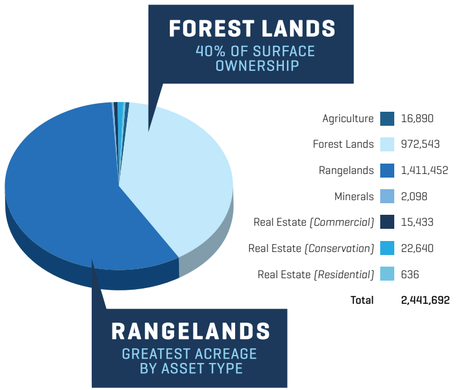
Endowment	Agriculture	Commercial	Conservation	Forest	Minerals	Rangeland	Residential	Grand Total
Agricultural College	0	352.75	0	15,173.34	6.66	17,956.08	0	33,488.83
Capitol Permanent	0	18.03	0	7,227.54	0	36.97	0	7,282.54
Charitable Institutions	9.51	98.94	0	63,121.53	6.15	14,017.32	0	77,253.45
Normal School	40.37	310.74	0	43,606.33	62.82	15,605.75	20.49	59,646.50
Penitentiary	477.41	18.52	0	27,125.21	0	1,287.12	0	28,908.26
Public Schools	16,029.49	12,657.31	22,640.42	683,825.97	1,949.17	1,335,459.06	458.87	2,073,020.29
School of Science	0	349.43	0	63,606.12	38.85	11,495.74	0	75,490.14
State Hospital South	0	1,554.09	0	26,192.47	10.16	3,617.53	58.99	31,433.24
University of Idaho	333.06	72.90	0	42,664.90	23.68	11,976.61	97.63	55,168.78
Total	**16,889.84**	**15,432.71**	**22,640.42**	**972,543.41**	**2,097.49**	**1,411,452.18**	**635.98**	**2,441,692.03**

LAND INCOME BY ACTIVITY

BY ACTIVITY	ACRES	2015 INCOME*	2014 INCOME**
Rangeland	1,411,452	$0.81	$0.8
Forest	972,543	$48.04	$53.6
Agriculture	16,890	$0.42	$0.4
Commercial	15,433	$3.44	$3.8
Residential	636	$2.43	$4.2
Other	24,738	$0.04	$3.2
TOTAL	**2,441,692**	**$55.2**	**$66.0**

** $ in millions* *** 2014 income included Permanent Fund proceeds*

SURFACE ACRES BY ASSET TYPE



ENDOWMENT TRUST LANDS INCOME STATEMENT

	Public School	Agricultural College	Charitable Institutions	Normal School	Penitentiary
Direct Program Revenue: *					
Forest Land	$40,576,503	$2,120,109	$10,423,169	$2,199,612	$3,168,772
Agriculture Land	546,821	1,200	242	1,150	33,524
Grazing Land	2,039,110	19,504	38,819	34,228	7,602
Residential Real Estate	4,875,898	-	-	376,181	-
Commercial Real Estate	1,763,585	2,018	35,564	1,695,882	2,152
Non-Commercial Recreation	83,145	641	847	8,523	-
Conservation	139,650	2	-	84	-
Oil and Gas	133,060	1,794	194,547	7,451	224
Minerals	60,179	883	3,741	5,117	703
Total Revenue	**50,217,952**	**2,146,152**	**10,696,929**	**4,328,228**	**3,212,977**
Direct Program Expense: **					
Forest Land	11,540,754	231,627	1,153,300	677,068	461,829
Agriculture Land	124,646	274	55	262	7,642
Grazing Land	1,059,094	10,130	20,162	17,778	3,948
Residential Real Estate	2,264,952	-	-	243,797	-
Commercial Real Estate	386,636	534	9,419	439,592	570
Non-Commercial Recreation	2,396	18	24	246	-
Conservation	22,603	-	-	14	-
Oil and Gas	6,916	93	10,112	387	12
Minerals	357,928	5,254	22,249	30,433	4,179
Total Program Expense	**15,765,925**	**247,931**	**1,215,322**	**1,409,576**	**478,179**
Program Margin	**34,452,028**	**1,898,221**	**9,481,607**	**2,918,652**	**2,734,797**
Less: Managerial Overhead:					
Forest Land	2,470,810	54,825	228,072	157,559	98,009
Agriculture Land	34,016	75	15	72	2,085
Grazing Land	250,026	2,392	4,760	4,197	932
Residential Real Estate	212,705	-	-	22,895	-
Commercial Real Estate	55,869	64	1,127	53,724	68
Non-Commercial Recreation	4,965	38	51	509	-
Conservation	6,533	-	-	4	-
Oil and Gas	8,476	114	12,393	475	14
Minerals	86,028	1,263	5,348	7,314	1,004
Total Managerial Overhead	**3,129,429**	**58,771**	**251,765**	**246,749**	**102,113**
Net Income by Program:					
Forest Land	26,564,939	1,833,658	9,041,796	1,364,985	2,608,935
Agriculture Land	388,159	852	172	816	23,797
Grazing Land	729,990	6,982	13,897	12,254	2,721
Residential Real Estate	2,398,241	-	-	109,489	-
Commercial Real Estate	1,321,081	1,420	25,019	1,202,566	1,514
Non-Commercial Recreation	75,784	584	772	7,768	-
Conservation	110,514	1	-	67	-
Oil and Gas	117,668	1,586	172,041	6,589	198
Minerals	(383,777)	(5,633)	(23,856)	(32,630)	(4,481)
Net Income	**$31,322,599**	**$1,839,450**	**$9,229,842**	**$2,671,903**	**$2,632,684**

	School of Science	State Hospital South	University	Capitol	Total
Direct Program Revenue: *					
Forest Land	$4,399,215	$3,128,477	$2,196,436	-	$68,212,294
Agriculture Land	-	-	12,171	-	595,108
Grazing Land	91,613	9,091	25,638	-	2,265,606
Residential Real Estate	-	630,359	-	-	5,882,438
Commercial Real Estate	1,659	718,001	519,953	-	4,738,813
Non-Commercial Recreation	-	(500)	90	-	92,747
Conservation	-	3,448	6,363	-	149,546
Oil and Gas	2,617	2,081	5,991	-	347,765
Minerals	1,274	481	1,234	-	73,612
Total Revenue	**4,496,379**	**4,491,438**	**2,767,875**	**-**	**82,357,929**
Direct Program Expense: **					
Forest Land	1,102,659	566,884	791,991	128,364	16,654,475
Agriculture Land	-	-	2,774	-	135,653
Grazing Land	47,583	4,722	13,316	-	1,176,734
Residential Real Estate	-	644,882	-	-	3,153,631
Commercial Real Estate	439	169,275	137,702	800	1,144,968
Non-Commercial Recreation	-	(14)	3	-	2,673
Conservation	-	558	1,030	-	24,205
Oil and Gas	136	108	311	-	18,076
Minerals	7,580	2,861	7,338	-	437,822
Total Program Expense	**1,158,397**	**1,389,276**	**954,466**	**129,164**	**22,748,236**
Program Margin	**3,337,982**	**3,102,162**	**1,813,410**	**(129,164)**	**59,609,693**
Less: Managerial Overhead:					
Forest Land	229,823	94,639	154,157	26,114	3,514,008
Agriculture Land	-	-	757	-	37,020
Grazing Land	11,233	1,115	3,144	-	277,798
Residential Real Estate	-	60,562	-	-	296,162
Commercial Real Estate	53	22,746	16,472	-	150,121
Non-Commercial Recreation	-	(30)	5	-	5,538
Conservation	-	161	298	-	6,996
Oil and Gas	167	133	382	-	22,154
Minerals	1,822	688	1,764	-	105,231
Total Managerial Overhead	**243,097**	**180,013**	**176,978**	**26,114**	**4,415,028**
Net Income by Program:					
Forest Land	3,066,733	2,466,954	1,250,289	(154,478)	48,043,811
Agriculture Land	-	-	8,640	-	422,435
Grazing Land	32,797	3,255	9,178	-	811,075
Residential Real Estate	-	(75,085)	-	-	2,432,645
Commercial Real Estate	1,167	525,980	365,779	(800)	3,443,724
Non-Commercial Recreation	-	(456)	82	-	84,535
Conservation	-	2,728	5,035	-	118,346
Oil and Gas	2,314	1,841	5,298	-	307,535
Minerals	(8,127)	(3,068)	(7,868)	-	(469,441)
Net Income	**$3,094,884**	**$2,922,149**	**$1,636,432**	**($155,278)**	**$55,194,665**

** Direct Program Revenue does not include contributions to Permanent Funds. ** Direct Program Expense includes all expenses related to Permanent Fund proceeds.*

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.

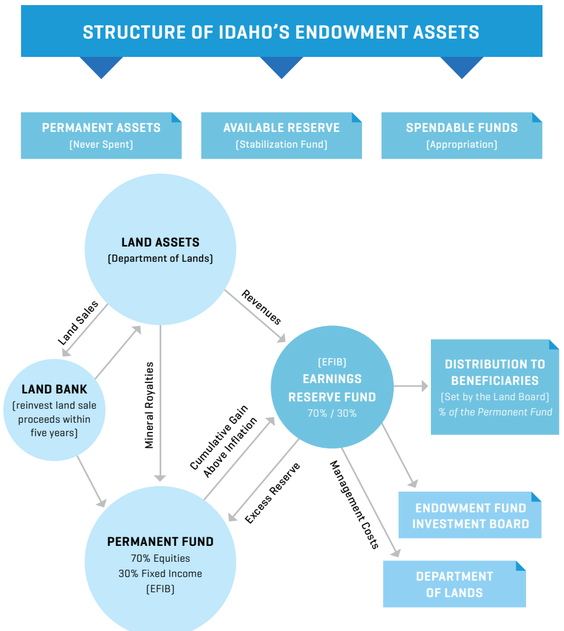
The financial information below is excerpted from the audited financial statements located at www.efib.idaho.gov

STATE OF IDAHO ENDOWMENT FUNDS – STATEMENT OF ACTIVITIES – FOR THE YEAR ENDED JUNE 30, 2015

	Public School	Agricultural College	Charitable Institutions	Normal School	Penitentiary
Permanent Net Position					
Permanent Net Position, beginning of year	$922,378,031	$22,836,366	$95,294,185	$80,728,253	$34,896,917
Program Revenues:					
Receipts from Dept. of Lands	23,031,802	11,401	18,190	9,891,728	1,374
Income from Investments	8,615,072	166,260	581,276	491,637	254,067
Total Program Revenue	31,646,874	177,661	599,466	10,383,365	255,441
Transfer from Earnings Reserve	-	-	(15,453,988)	(13,200,290)	-
Transfer to Earnings Reserve	-	3,238,000	6,267,000	1,388,000	3,050,000
Increase (Decrease) in Net Position	31,646,874	3,415,661	(8,587,522)	(1,428,925)	3,305,441
Permanent Net Position, end of year	**954,024,905**	**26,252,027**	**86,706,663**	**79,299,328**	**38,202,358**
Earnings Reserve Net Position					
Earnings Reserve Net Position, beginning of year	163,794,087	12,254,956	28,790,159	23,040,978	16,155,277
Program Revenues:					
Receipts from Dept. of Lands	50,836,298	2,093,676	10,496,962	4,368,805	3,305,576
Income from Investments	24,326,408	895,245	3,210,816	2,817,014	1,290,004
Total Program Revenues	**75,162,706**	**2,988,921**	**13,707,778**	**7,185,819**	**4,595,580**
Program Expenses:					
Distribution for Expenses-IDL	19,286,763	317,026	1,321,938	1,999,090	558,313
Distribution for Expenses-EFIB	4,750,955	153,311	544,121	473,967	222,551
Distributions to Beneficiaries	31,292,400	1,164,000	3,852,000	3,144,000	1,707,600
Total Program Expenses	**55,330,118**	**1,634,337**	**5,718,059**	**5,617,057**	**2,488,464**
Net Program Revenue	19,832,588	1,354,584	7,989,719	1,568,762	2,107,116
Transfer to Permanent Fund	-	(3,238,000)	(6,267,000)	(1,388,000)	(3,050,000)
Transfer from Permanent Fund	-	-	15,453,988	13,200,290	-
Increase (Decrease) in Net Position	19,832,588	(1,883,416)	17,176,707	13,381,052	(942,884)
Earnings Reserve Net Position, end of year	**183,626,675**	10,371,540	45,966,866	36,422,030	15,212,393
TOTAL NET POSITION	**$1,137,651,580**	**$36,623,567**	**$132,673,529**	**$115,721,358**	**$53,414,751**

	School of Science	State Hospital South	University of Idaho	Capitol	Total
Permanent Net Position					
Permanent Net Position, beginning of year	$95,679,982	$55,179,651	$64,363,756	$28,454,103	$1,399,811,244
Program Revenues:					
Receipts from Dept. of Lands	15,819	15,991,759	128,838	45,412	49,136,323
Income from Investments	586,236	401,735	468,600	844,086	12,408,969
Total Program Revenue	602,055	16,393,494	597,438	889,498	61,545,292
Transfer from Earnings Reserve	(15,158,475)	-	-	(1,168,000)	(44,980,753)
Transfer to Earnings Reserve	-	10,733,000	13,892,000	-	38,568,000
Increase (Decrease) in Net Position	(14,556,420)	27,126,494	14,489,438	(278,502)	55,132,539
Permanent Net Position, end of year	**81,123,562**	**82,306,145**	**78,853,194**	**28,175,601**	**1,454,943,783**
Earnings Reserve Net Position					
Earnings Reserve Net Position, beginning of year	23,337,412	33,543,495	42,002,418	2,038,386	344,957,168
Program Revenues:					
Receipts from Dept. of Lands	4,975,361	4,344,702	2,603,458	67,700	83,092,538
Income from Investments	2,946,989	2,536,095	2,669,344	66,674	40,758,589
Total Program Revenues	**7,922,350**	**6,880,797**	**5,272,802**	**134,374**	**123,851,127**
Program Expenses:					
Distribution for Expenses-Lands	1,314,686	1,652,840	1,094,288	147,698	27,692,642
Distribution for Expenses-EFIB	509,775	413,694	454,385	131,818	7,654,577
Distributions to Beneficiaries	3,866,400	3,625,400	3,326,400	100,000	52,078,200
Total Program Expenses	**5,690,861**	**5,691,934**	**4,875,073**	**379,516**	**87,425,419**
Net Program Revenue	2,231,489	1,188,863	397,729	(245,142)	36,425,708
Transfer to Permanent Fund	-	(10,733,000)	(13,892,000)	-	(38,568,000)
Transfer from Permanent Fund	15,158,475	-	-	1,168,000	44,980,753
Increase (Decrease) in Net Position	17,389,964	(9,544,137)	(13,494,271)	922,858	42,838,461
Earnings Reserve Net Position, end of year	**40,727,376**	**23,999,358**	**28,508,147**	**2,961,244**	**387,795,629**
TOTAL NET POSITION	**$121,850,938**	**$106,305,503**	**$107,361,341**	**$31,136,845**	**$1,842,739,412**

ENDOWMENT FUNDS



STATE OF IDAHO ENDOWMENT FUNDS STATEMENT OF NET POSITION – JUNE 30, 2015

Current Assets:	
Cash with Treasurer	$338,669
Investments, at Fair Value	1,848,480,238
Receivable for Unsettled Trades	7,055,032
Receivable From Idaho Department of Lands	7,423,762
Accrued Interest and Dividends Receivable	5,489,349
Prepaid Expenses to the Department of Lands	451,459
Total Assets	**1,869,238,509**
Current Liabilities:	
Payable for Unsettled Trades	24,815,438
Investment Manager Expenses Payable	1,683,659
Total Liabilities	**26,499,097**
Fund Balances:	
Nonspendable - Permanent Funds	1,454,943,783
Restricted - Earnings Reserve	387,795,629
Total Fund Balances	**1,842,739,412**
Total Liabilities and Fund Balances	**1,869,238,509**
Net Position:	
Restricted for Permanent Trust - Nonexpendable	1,454,943,783
Restricted for Permanent Trust - Expendable	387,795,629
Total Net Position - Governmental Activities	**1,842,739,412**

Perrine Bridge, Twin Falls