



A Historic Year

Record performance in endowment land and fund management

July 22, 2014

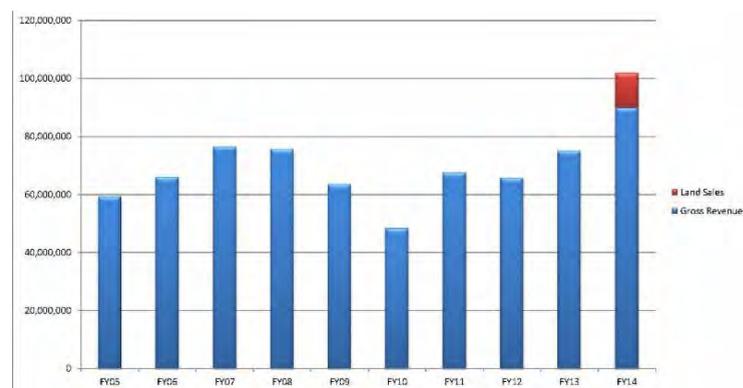
(BOISE) - The Land Board issued an opinion earlier today applauding the record performance of endowment lands and funds in FY14.

[Read the opinion here.](#) It is titled, "Record performance demonstrates endowment lands and funds benefit us all."

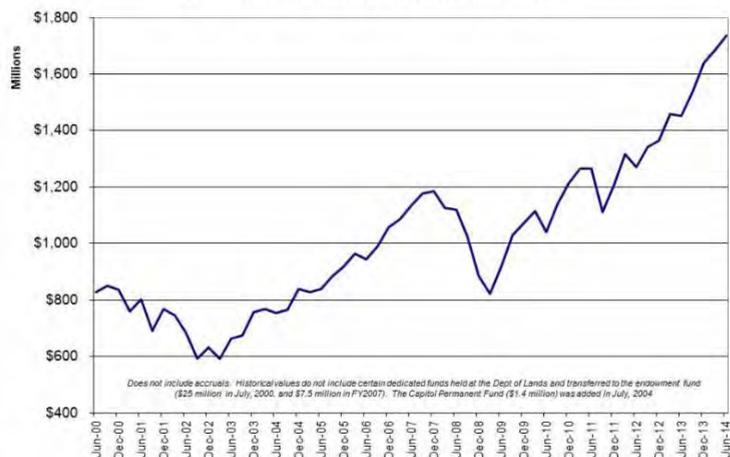
Idaho Department of Lands generated \$102 million in FY14 from the use and sale of endowment trust lands. The revenue goes into funds that support Idaho's public school system, higher education, State hospitals for the mentally ill, State veterans' homes, the Capitol Commission, Idaho School for the Deaf and Blind, and Idaho's juvenile corrections system and prison system. **The FY14 gross revenues were greater than any other year in the past 14 years** as was income, net of management expenses, of approximately \$64 million.

The Idaho Endowment Fund Investment Board (EFIB) manages the investment of the land revenues. **The EFIB also had a high performing year in FY14, earning an 18.8 percent return, the second highest return in the fund's history**, due in part to a high component of U.S. equities in Idaho's portfolio, a market which has performed better than most other asset classes over those time periods.. Also, relative to both public fund and endowment fund peers, **Idaho's endowment returns are in the top 10% over the last three, five and ten year periods ended March, 2014.**

Graphic: Historic Land Income Idaho Endowment Trust Lands



Total Endowment Fund Assets By Quarter -- June 2000 Thru June 2014



Some highlights from FY14:

TIMBER: A **record-high 347 million board feet of timber**, valued at more than \$72 million, was harvested on Idaho endowment trust lands in FY14. Income, net of management expenses, was \$54 million. The harvest numbers were due in part to a response to tree damage and tree mortality caused by wildfire and insects. The FY14 timber harvest also was affected by timber sale purchasers' harvest scheduling decisions. **Millions of trees were planted to perpetuate the long-term health of Idaho State forests.**

OIL AND GAS: The Land Board also **auctioned hundreds of State oil and gas leases** in western Idaho, a sign there is continued interest from industry in developing Idaho's natural gas resources.

In January and April 2014, IDL auctioned **State oil and gas leases for more than 26,400 acres of State land and minerals** in Canyon, Gem, Payette, Owyhee, Washington, and Ada Counties, generating **more than \$1.84 million for the State of Idaho** (\$1,066,000 for the state endowment trust, \$344,000 for the General Fund, and \$431,000 for other State agencies).

COTTAGE SITES: \$4 million of net income from leases and **\$12 million generated from the sale of 34 endowment owned lots at Payette Lake** in west central Idaho. The Land Board is reviewing investment strategies to determine where to reinvest the proceeds from the disposition of these lots.

HUGE BONUS BID: The record revenues even included **close to \$1 million in a single bonus bid** from "Big Ed" Beckley in a unique lease auction for use of State lands to recreate Evel Knievel's 1974 attempt to jump the Snake River Canyon near Twin Falls.

GRAZING on 1.4 million acres of endowment land generated **more than \$2.1 million of revenue** in FY14, and more than \$500,000 of income after management expenses.

DISTRIBUTIONS to beneficiaries will total **\$52 million this year, the highest level in the last 11 years.** In order to sustain and increase distributions for future generations, the Land Board expects Idaho's endowment managers to continually seek to enhance the earning power of the land base and ensure Idaho's endowment fund balance keeps up with inflation.

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