MESSAGE FROM THE DIRECTOR

Four values are central to the daily work performed by IDL employees – stewardship, service, accountability, and cohesiveness. All our core values are paramount to effectively carrying out our duties, but stewardship is a term that takes on special meaning at IDL today because we are demonstrating its importance in new ways.

We are embracing a new mission through Good Neighbor Authority, a pioneering concept that enables states and the federal government to work together to better manage federal lands. Our contributions are helping the U.S. Forest Service launch additional management activities on national forests. We are supporting our federal partners like never before in their mission to be good stewards of public lands.

A continued focus on aggressive initial attack kept Idaho’s 2017 fire season moderate on lands protected by IDL and the timber protective associations. There were no catastrophic fires on forested endowment lands in 2017, so IDL did not offer any fire salvage sales. Many Idahoans entrust their lands to IDL for wildfire protection, and we are poised to implement even more improvements over the next year to an already solid program.

In the regulation of Idaho’s oil and gas industry, the State of Idaho is now outfitted with a new commission and expanded staff support in a new oil and gas division within IDL. We continue to work with a range of stakeholders to improve the effectiveness and transparency of Idaho’s oil and gas regulatory program.

Every single day of the year, Idahoans and visitors to the state enjoy recreational access on endowment lands. Of course, our priority is and always will be to maximize long-term financial returns to public schools and other endowment beneficiaries. But with a recent analysis showing nearly all endowment lands are accessible for recreation, we are demonstrating that providing public access and securing financial returns from the use of endowment lands are not mutually exclusive. We can be good stewards of our constitutional mandate while supporting Idaho’s culture and economy through continued recreational access on endowment lands. We are heading into the future with a greater focus on finding ways for revenue generation and recreation to coexist on endowment lands.

I am proud of the enthusiasm and hard work shown by the employees of IDL. They continually exhibit a commitment to performing our many duties with a mindfulness toward stewardship so that we can best serve the endowment beneficiaries and the citizens who call Idaho home.

TOM SCHULTZ  |  Director

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INTRODUCTION

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

PHILOSOPHY

The Idaho Department of Lands will be the premier organization for trust management and resource protection in the western United States.

OUR VALUES

The Idaho Department believes in:

- Service by providing exemplary service and delivering programs with professionalism and integrity to both internal and external customers.
- Accountability by investing in and having an organizational culture and framework that empowers, empowers, and expects employees to make decisions and get things done.
- Cohesiveness by working as a unified organization in which all employees participate in constructive communication to fully meet our mission.

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

SUPPORT SERVICES DIVISION

LANDS & WATERWAYS DIVISION

FORESTRY & FIRE DIVISION

OIL & GAS DIVISION

OIL & GAS CONSERVATION COMMISSION

SUPERVISING AREAS & FOREST PROTECTIVE DISTRICTS

IDL DIRECTOR

SUPPORT SERVICES DIVISION

LANDS & WATERWAYS DIVISION

FORESTRY & FIRE DIVISION

OIL & GAS DIVISION

OIL & GAS CONSERVATION COMMISSION

SUPERVISING AREAS & FOREST PROTECTIVE DISTRICTS

IDL DIRECTOR

CARMICHAEL, IDAHO

DEPUTY DIRECTOR

LANDS BOARD

CONSERVATION COMMISSION

GOVERNOR, CHAIRMAN

SUPPORT SERVICES DIVISION

LANDS & WATERWAYS DIVISION

FORESTRY & FIRE DIVISION

OIL & GAS DIVISION

OIL & GAS CONSERVATION COMMISSION

SUPERVISING AREAS & FOREST PROTECTIVE DISTRICTS

IDL DIRECTOR

CARMICHAEL, IDAHO

DEPUTY DIRECTOR

LANDS BOARD

CONSERVATION COMMISSION

GOVERNOR, CHAIRMAN

SUPPORT SERVICES DIVISION

LANDS & WATERWAYS DIVISION

FORESTRY & FIRE DIVISION

OIL & GAS DIVISION

OIL & GAS CONSERVATION COMMISSION

SUPERVISING AREAS & FOREST PROTECTIVE DISTRICTS

OFFICE LOCATIONS

- Boise Staff Office - Boise
- Coeur d'Alene Staff Office - Coeur d'Alene
- Warm Lake Lake Supervisory Area - Warm Lake
- Stillwater Lake Lake Supervisory Area - Stillwater
- Boise IDL Endowment Land - Boise
- Coeur d'Alene IDL Endowment Land - Coeur d'Alene
- Indian Valley Forest Protective District - Indian Valley
- Mica Supervisory Area - Mica
- Nez Perce Forest Protective District - Nez Perce
- Idaho Falls IDL Endowment Land - Idaho Falls
- Idaho Falls IDL Endowment Land - Idaho Falls
- Boise Staff Office - Boise
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- Mica Supervisory Area - Mica
- Nez Perce Forest Protective District - Nez Perce
- Idaho Falls IDL Endowment Land - Idaho Falls
- Idaho Falls IDL Endowment Land - Idaho Falls

MAJOR LAND OWNERSHIP & BREAKDOWN

- Total Acres in Idaho - 53,130,860

- Forest Service: 38.2%
- Private: 30%
- Federal Other: 2.9% *
- Tribal: 1.7% **

* 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.

Other / Statewide Highways

- Major Roads
- 87 State highway
- 29 Highway

TOTAL ACRES IN IDAHO - 53,130,860
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.

ENDOWMENT FUND ASSET MIX

- Domestic Equities: 15%
- International Equities: 8%
- Global Equities: 26%
- U.S. Commercial Real Estate: 9%
- Fixed Income: 42%

ENDOWMENT FUND RETURN

- 5.2% gain in FY17
- 6.3% over last 10 fiscal years

POLICY FOR ENDOWMENT FUND INVESTMENTS AND BENEFICIARY DISTRIBUTIONS

In overseeing the $2.0 billion Endowment Fund, it is the policy of the EFIB to make long-term strategic allocations and avoid making tactical shifts. The strategic asset mix of the fund is 66% stocks, 26% bonds, and 8% U.S. commercial real estate. The expected long-term return of this asset mix, after inflation, is approximately 4% and historically market losses have occurred in one year out of three.

In determining distributions, a trustee must balance the needs of current and future beneficiaries. It is the Land Board’s policy to distribute a conservative estimate of long-term sustainable income, from both the fund and the land, and hold sufficient reserves of undistributed income to absorb predictable down cycles in endowment earnings. It is a priority to avoid reductions in distributions because most beneficiaries depend on them to fund ongoing operations.

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ENDOWMENT FUND BALANCE

- December 31, 2016: $2,000,000,000
- December 31, 2017: $2,036,066,905

ENDOWMENT FUND INVESTMENT BOARD

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, amounting with nearly two billion dollars of endowment funds.

The Idaho Department of Lands and the Endowment Fund Investment Board carry out the executive directions 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, ensures protection of water quality and other resources by overseeing forest and mining practices, remediation abandoned mine lands, 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.

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THE ENDOWMENT BENEFICIARIES

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)
- Normal School Fund (Benefiting the Idaho State University Department of Education and Lewis-Clark State College)
- Penitentiary Fund
- School of Science Fund (at the University of Idaho)
- State Hospital South Fund
- University Fund (at the University of Idaho)
- Penitentiary Fund
- School of Science Fund (at the University of Idaho)
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 who perform functions that support all divisions and operations within the agency.

SUPPORT SERVICES

INFORMATION TECHNOLOGY: The Information Technology (IT) team manages the agency’s information systems operations by implementing and supporting cutting edge internal and public-facing information 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 IDL, including accounts payable and receivable, payroll and internal auditing.

PROCUREMENT: There are few other State of Idaho agencies that are as heavily dependent on the private sector to carry out the agency’s work. Procurement staff in FY17 solicited, evaluated, and awarded approximately $32.6 million in contracts and purchase orders with the private sector to carry out the agency’s work.

STRATEGIC PLANNING: The Strategic Planning Manager coordinates the process for developing and formally documenting the strategies, priorities, and governance processes by which the agency’s mission will be carried out. Procurement staff in FY17 solicited, evaluated, and awarded approximately $32.6 million in contracts and purchase orders with the private sector to carry out the agency’s work.

TECHNICAL SERVICES

LAND RECORDS: Land Records staff members maintain the agency’s property ownership databases and records for lands under IDL 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 scientists with expertise in hydrology, water rights, fish and wildlife biology, and geology that provide the cadre of scientists with expertise in hydrology, water rights, fish and wildlife biology, and geology that provide the cadre of scientists with expertise in hydrology, water rights, fish and wildlife biology, and geology that provide.

ENDANGERED SPECIES: IDL is involved in promoting research, science-based reviews and inputs to help ensure sustainable active management of endowment lands.

REAL ESTATE SERVICES

LAND TRANSACTIONS: Real Estate Specialists work to identify underperforming assets in the endowment land portfolio. Potential acquisitions are vetted through a stringent due diligence process.

LAND MANAGEMENT: The team actively analyzes and pursues acquisition of properties that meet investment criteria for inclusion in the endowment land portfolio. Potential acquisitions are vetted through a stringent due diligence process.

LAND EXCHANGES: Land that has been identified as underperforming may be traded in a land exchange or sold at auction to the highest bidder.

LAND PORTFOLIO: The team actively analyzes and pursues acquisition of properties that meet investment criteria for inclusion in the endowment land portfolio. Potential acquisitions are vetted through a stringent due diligence process.

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RECREATION ACCESS

Idaho’s endowment lands contain some of the most diverse landscapes in the Pacific Northwest. They include lakes, mountains, high forests, desert lands, rugged treelines, and river valleys. Thousands of people use endowment lands each year for hunting, fishing, off-highway vehicle (OHV) use, snowmobiling, camping, biking, boating, berry picking, mushroom picking, and other recreational activities. While endowment lands exist specifically for the long-term financial benefit of various beneficiaries, they continue to provide varied recreational opportunities as well.

OHV FUND

In 2009, the Idaho Legislature directed one dollar from every OHV registration to IDL to provide OHV opportunities and repair damage directly related to OHV use on endowment lands. During FY17, IDL spent more than $98,000 of the OHV Fund on projects for repairs and OHV recreation enhancements.

OHV ENHANCEMENT PROJECTS

<table>
<thead>
<tr>
<th>Priest Lake Supervisory Area (Based in Coolin)</th>
<th>Pend Oreille Lake Supervisory Area (Based in Sandpoint)</th>
<th>Mica Supervisory Area (Based in Coeur d'Alene)</th>
<th>Southwest Supervisory Area (Based in Boise)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trail maintenance improvements, OHV banners, Security patrol contract</td>
<td>Kiosk materials, labor and installation, Security patrol contract</td>
<td>Gate repair, replacement and locks, Recreation signs, Security patrol contract</td>
<td>Materials, rentals and labor for building and installing kiosks, fencing &amp; trail markers, Design and printing of maps for Thorn Creek area and Danskin area</td>
</tr>
</tbody>
</table>

96% of endowment lands are accessible via one or more transportation methods, including vehicle, foot, or watercraft.

STRATEGIC REINVESTMENT

The makeup of the endowment land portfolio continued to evolve in 2017 with the auctioning of cottage sites and commercial properties and the acquisition of 3,773 acres of timberland in northern Idaho.

In May of 2016, after a public comment period and meetings with a wide range of stakeholders, the Land Board approved the Strategic Reinvestment Plan, which enables the consideration of strategic acquisitions of timberland and, on a more limited basis, farmland using the proceeds from the sale of residential and commercial buildings and lots.

A Timberland Acquisition Advisor (TAA) was selected to assist IDL in sourcing, vetting and performing due diligence functions on potential acquisitions of timberland. Efforts are underway to secure the services of a Farmland Acquisition Advisor (FAA) to assist in the acquisition of Idaho farmland as well. Acquisition of timberland and farmland must exceed established investment hurdles in order to increase long-term revenue for endowment beneficiaries. The TAA and the FAA assist IDL efforts by providing revenue forecast models and other data analysis.

FY17 TIMBERLAND ACQUISITIONS

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Acres</th>
<th>Acquisition Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Maries</td>
<td>1,398.40</td>
<td>$14,320,000</td>
</tr>
<tr>
<td>Maggie Butte</td>
<td>2,374.51</td>
<td>$15,501,777</td>
</tr>
</tbody>
</table>

The Maggie Butte parcel is located in Clearwater County approximately 10 miles east of Kamiah. The St. Maries parcel is located in Benewah County approximately 6 miles south of the town of St. Maries. Acquisition of the two properties added valuable timber producing acres to the endowment portfolio, blocked up existing endowment land and provided alternate means of access to existing endowment timberlands.
COTTAGE SITE AUCTIONS

COMMERCIAL AUCTIONS

In February 2016, the Land Board cleared the path for the auction of more leased cottage sites at Priest Lake and Payette Lake before the end of the calendar year 2019, and the auction of nearly all endowment-owned commercial buildings and lots before the end of calendar year 2017. Closing occurred in FY17 for Payette Lake cottage sites that were sold at auctions held in Boise on August 9, 2016, and June 23, 2017. Closing occurred in FY17 for Priest Lake cottage sites that were sold at auctions held in Coeur d’Alene on June 25, 2016, and September 23, 2016. The FY17 commercial property auction was held in Meridian on December 1, 2016.

FY17 COMMERCIAL PROPERTY AUCTION

$17,065,000 IN TOTAL SALES

<table>
<thead>
<tr>
<th>Property</th>
<th>Appraised Value</th>
<th>Winning Bid</th>
<th>Upbid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lincoln Road</td>
<td>$220,000</td>
<td>$330,000</td>
<td>$110,000</td>
</tr>
<tr>
<td>Vacant Lot</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Washington Place</td>
<td>$4,185,000</td>
<td>$4,185,000</td>
<td>$0</td>
</tr>
<tr>
<td>Former Home Federal Building</td>
<td>$830,000</td>
<td>$1,475,000</td>
<td>$645,000</td>
</tr>
<tr>
<td>Sherm Perry Building/Garro Lot</td>
<td>$4,545,000</td>
<td>$6,575,000</td>
<td>$2,030,000</td>
</tr>
<tr>
<td>Affordable Storage</td>
<td>$3,010,000</td>
<td>$4,700,000</td>
<td>$1,690,000</td>
</tr>
</tbody>
</table>

The FY17 commercial property auction was held on December 1, 2016. All properties with the exception of Central Washington Place had winning bids above the appraised value. Presenting the total upbid was $7,000,000 above the appraised values.

FY18 COMMERCIAL PROPERTY AUCTION

The following properties sold:

<table>
<thead>
<tr>
<th>Property</th>
<th>Appraised Value</th>
<th>Winning Bid</th>
<th>Amt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>595 University Blvd, Idaho Falls</td>
<td>$5,175,000</td>
<td>$5,300,000</td>
<td>$5,300,000</td>
</tr>
<tr>
<td>590 W Washington St, Boise</td>
<td>$810,000</td>
<td>$1,600,000</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>211 N 5th St, Boise</td>
<td>$355,000</td>
<td>$612,150</td>
<td>$257,150</td>
</tr>
<tr>
<td>401 W Bannock St, Boise</td>
<td>$335,000</td>
<td>$580,350</td>
<td>$245,350</td>
</tr>
<tr>
<td>417 W Jefferson St, Boise</td>
<td>$230,000</td>
<td>$397,500</td>
<td>$167,500</td>
</tr>
</tbody>
</table>
COTTAGE SITE LEASING

The State of Idaho owns hundreds of acres of endowment land on the shores and uplands of two of Idaho’s most beautiful lakes – Priest Lake in northern Idaho and Payette Lake in west central Idaho.

At the end of FY17, more than 240 cottage sites were leased from IDL.

FY17 RESIDENTIAL PROGRAM REVENUE

End of FY17

Active Cottage Site Leases

<table>
<thead>
<tr>
<th>Site Leases</th>
<th># of Active Leases</th>
<th># of Acres</th>
<th>Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payette Lake</td>
<td>25</td>
<td>321,800</td>
<td>$340,800</td>
</tr>
<tr>
<td>Priest Lake</td>
<td>24</td>
<td>211,700</td>
<td>$87,600</td>
</tr>
<tr>
<td>Payette Lake</td>
<td>5</td>
<td>11,000</td>
<td>$402,250</td>
</tr>
<tr>
<td>Priest Lake</td>
<td>4</td>
<td>670</td>
<td>$83,800</td>
</tr>
<tr>
<td>Payette Lake</td>
<td>2</td>
<td>360</td>
<td>$36,000</td>
</tr>
<tr>
<td>Priest Lake</td>
<td>2</td>
<td>42</td>
<td>$804,200</td>
</tr>
<tr>
<td>Payette Lake</td>
<td>1</td>
<td>23</td>
<td>$2,138,700</td>
</tr>
</tbody>
</table>

Uses:

- Recreational: Outfitter & guide, trails, sledding hill, RV park, horse trail riding, skiing, ski area, ice cave recreation, fire protection
- Commercial: Warming hut, campground, day use fishing, shooting range and wildlife range, gun club, water facilities, ski resort
- Industrial: Operations readiness training complex, mobile radar and radio equipment, small arms training range
- Environmental: Wind, solar
- Communication: Cell towers, private mobile radio service, billboard advertising
- Office/retail: Community civic center, office/retail, commercial parking

Income from commercial uses is reported across multiple asset classes in the endowment lands income statement.
The IDL manages 1,139 grazing leases that cover 1,779,554 acres of endowment land located primarily across the southern two-thirds of Idaho. These leases contributed an estimated 257,370 animal unit months (AUM) of forage to livestock operations in FY17.

In addition, IDL administers a portfolio of farming and conservation leases that total approximately 46,629 acres. Crops grown on endowment lands include alfalfa hay, barley, beans, corn, potatoes, safflower, wheat and organic crops. In addition, portions of agricultural endowment lands are managed within the USDA Conservation Reserve Program (CRP). Some conservation leases are administered for recreation, big game, and wildlife habitat in conjunction with Wildlife Management Areas.

The IDL is an active participant in the Idaho Sage Grouse Action where a collaboration of stakeholders that includes the Governor’s Office of Species Conservation, the Bureau of Land Management, Idaho Department of Fish and Game, the Nature Conservancy, U.S. Fish and Wildlife Service, USDA Natural Resources Conservation Service and others to implement landscape-level habitat conservation and restoration in Idaho.

SAGE-GROUSE

In April of 2015, the Land Board adopted the Land Board Greater Sage-Grouse Conservation Plan that established conservation measures for Greater Sage-grouse on endowment lands. The plan addresses conservation mitigation for sage-grouse habitat including wildfire prevention and suppression, management of invasive species, sage-steppe habitat restoration, proper livestock management and targeted grazing to control fine fuels.

During FY17, IDL completed a variety of habitat restoration and preventative wildfire projects within Priority and Important Habitat Management Areas.

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257,370 AUM
1,779,554 grazing acres
1,139 grazing leases

CROPS GROWN ON STATE ENDOWMENT TRUST LAND

WHEAT 43%
BARLEY 24%
WHEAT 43%
BARLEY 24%
HAY 12%
GRASS 8%
OTHER 11%
CORN 10%
MINERAL LEASING


table

<table>
<thead>
<tr>
<th>Type</th>
<th>FY17 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mineral Leasing</td>
<td>$13 million in Total Revenue</td>
</tr>
<tr>
<td>Oil &amp; Gas Leasing</td>
<td>$90,000 in Royalty &amp; $14,000 in Rent</td>
</tr>
<tr>
<td></td>
<td>$1.25 million in Royalty &amp; $190,000 in Rent</td>
</tr>
<tr>
<td></td>
<td>$90,000 in Royalty &amp; $14,000 in Rent</td>
</tr>
<tr>
<td></td>
<td>$1.3 million in Total Revenue</td>
</tr>
<tr>
<td></td>
<td>$90,000 in Royalty &amp; $14,000 in Rent</td>
</tr>
<tr>
<td></td>
<td>$1.25 million in Royalty &amp; $190,000 in Rent</td>
</tr>
<tr>
<td>Mineral Exploration Location Permits</td>
<td>$11,800 in Royalty &amp; $3,900 in Royalty</td>
</tr>
</tbody>
</table>

ENDOWMENT TRUST MINERAL COMMODITIES

76 Aggregate Leases (Sand, gravel, crushed stone)
- $90,000 in Royalty & $14,000 in Rent & Fees
- 4,180 Acres

24 Phosphate Leases
- $10,430 in Royalty & $2,200 in Rent & Fees
- 6,660 Acres

High-Purity Silica
- $29,040 in Royalty & $5,500 in Rent & Fees
- 3,550 Acres

Metallic Minerals
- 9 Gold and Silver Leases
  - $13,520 in Royalty & $2,500 in Rent & Fees
  - 3,520 Acres
- 68 Kilo-Leads
  - $13,520 in Royalty & $2,500 in Rent & Fees
  - 3,520 Acres

Idaho Produces Hydrocarbons
- 2 wells on 2 leases produce raw hydrocarbons processed into marketable products
  - 73% pipeline quality natural gas (methane)
  - 14% natural gas plant liquids (ethane, propane, butane)
  - 13% condensate (liquids with pentanes plus heavier hydrocarbons)

Idaho Manages Endowment Ownership in Idaho
- 3.3 million acres of endowment ownership
- Active Mineral Leases
- State Mineral Ownership

Idaho Transportation Department explores endowment minerals as a potential source of gravel for highway maintenance near the Idaho-Wyoming-Montana border.
MINING REGULATION & ASSISTANCE

Mining has played an significant role in Idaho’s history. The discovery of gold resulted in the establishment of the Idaho territory in 1863. Today, mining in Idaho provides jobs and materials that are important to the economy. Demonstrating sustainable mining practices is an important part of a beneficial mining community.

To ensure responsible mining in Idaho, the citizens of Idaho passed the Idaho Dredge and Placer Mining Protection Act by an initiative vote in 1954, and the Idaho Legislature created the Idaho Surface Mining Act in 1971. IDL is responsible for administering both laws. Regulatory oversight serves as the catalyst to promote effective, environmentally responsible mining.

IDL is responsible for overseeing 1,542 active surface mines and 28 active dredge and placer operations. To regulate all 1,570 of the mining permits, IDL divides Idaho into five mineral zones based on staffing availability.

RECLAMATION FUND

The Idaho Surface Mining Act requires all mines in Idaho to perform reclamation at the end of mining. Until final reclamation, the mining operators provide financial assurance to cover the costs of reclamation. The State of Idaho offers a Reclamation Fund administered by IDL that provides bonding at a fraction of the cost of regular methods to small surface mine operators. Of the 1,570 mining permits issued by IDL, 626 permits (nearly 40 percent) are bonded through the State Reclamation Fund. This form of financial assurance allows operators to comply with regulatory requirements, promotes the effective and environmentally responsible use of Idaho’s lands, and promotes the success of small businesses.

ABANDONED MINE LANDS

The Idaho Geological Survey estimates there are approximately 8,500 abandoned mines in Idaho. The Idaho Legislature created the Abandoned Mine Lands Reclamation Act in order to reclaim lands affected by mining in Idaho.

The IDL Abandoned Mine Lands (AML) program promotes public safety by identifying and ranking dangerous conditions at mines that are no longer operating, and by securing dangerous orphaned mine openings. In FY17, IDL performed dozens of AML inspections, performed 10 orphaned mine closures, and advanced the environmental characterization of two potential large cleanup projects.
For more than 1,400 years, governments have recognized that certain natural resources, such as waterbodies, belong to the public. Lakes and rivers have played an important role in Idaho’s history by providing not only water but transportation, commerce, and recreation. In Idaho, the Land Board and IDL are responsible for protecting the public’s use of 61 navigable lakes covering 183,000 acres and 30 navigable rivers stretching 2,500 miles.

Under the Public Trust Doctrine, the State holds title to the beds of these navigable waterways in trust for the public and regulates the use and disposition of these lands to provide for their commercial, navigational, recreational and other public purposes.

Waterfront property owners have the right to wharf out and maintain their adjacency to the water, but that right is limited by the Public Trust Doctrine. In an attempt to balance these competing interests on lakes, IDL administers several statutes and rules to assist individuals who want to encroach on these public trust lands.

This service is completely funded by the fees and rents collected from the permits, easements, and leases IDL administers on lakes and rivers. General tax dollars are not used to support this work. In addition, mineral royalties received from these lands are deposited into the public school permanent fund to provide perpetual funding of our public schools.
The Idaho Oil and Gas Conservation Commission regulates the exploration, drilling and production of oil and gas resources to ensure the conservation of oil and gas and the protection of correlative rights and surface and groundwater.

The increased technical expertise of the Oil and Gas Conservation Commission and IDL staff will help us better handle our growing oil and gas industry. We now have improved transparency as the passage of House Bill 301 allows for greater data sharing between industry, the public, and the State.

The Idaho Oil and Gas Conservation Commission was established July 1, 2017 (House Bill 301 as amended) and now includes the Idaho Department of Lands director, one county commissioner, and three Governor-appointed technical experts who initially will serve staggered terms.

FY17 OIL & GAS WELL HIGHLIGHTS

8 in Production (2 producing in two separate zones)
7 Shut in Gas (6 months no production)
3 Permitted - not drilled
1 Expired Permit - never drilled
2 Plugged and Abandoned

Setup operations for the federal 20-3 well in Bonneville County, Fall 2017.

Visit www.ogcc.idaho.gov to view the report.
FOREST SERVICE AND BLM LANDS IN IDAHO

Good Neighbor Authority

The IDL is working with the U.S. Forest Service to carry out more forest and watershed restoration projects on federal lands through the “Good Neighbor Authority” granted under the 2014 Farm Bill. The partnership is increasing the pace and scale of restoration on federal lands.

Revenues generated from GNA projects, including the sale of timber, will offset costs incurred by the state and fund additional management activities such as environmental planning, prescribed fires, habitat improvements, or road and trail maintenance.

GNA agreements are now in place with four National Forests and include 11 projects that are expected to treat up to 10,000 acres and generate up to 65 million board feet of fiber over the next three to five years.

IDL services include project development, timber cruising and marking, boundary establishment, and contract development and administration. GNA requires that all projects are consistent with each National Forest’s Land and Resource Management Plan, follow a collaborative planning process, and abide by all federal laws.

Good Neighbor Authority Projects:

- Idaho Panhandle National Forests: Hanna Flats, Jasper II East, Jasper II West
- Nez Perce-Clearwater National Forests: Woodrat Salvage, Wapiti, Windy Shingle N, Windy Shingle S
- Payette National Forest: Brundage, Sloan’s Point
- Boise National Forest: High Valley, Bogus Basin

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Building a Self-Sustaining Program

The Forest Service is supporting GNA activities in Idaho through a State and Private Forestry (S&PF) grant to IDL for $900,000 over three years and through direct appropriated funds. The State of Idaho is contributing $250,000 through general state operating funds. The Idaho forest products industry is contributing $1 million over three to five years. Program income generated from project implementation will help create a self-sustaining GNA program to reinvest in future restoration work.

Neighborhood Planning, Analysis, and Monitoring

The National Environmental Policy Act of 1970 (NEPA) requires federal agencies to assess environmental effects of their proposed actions prior to making decisions. Several National Forests identified the NEPA planning process as the key bottleneck to increasing the pace and scale of restoration on the ground. To assist, IDL worked with federal partners to develop a three-year master contract with the private sector to provide environmental planning services to National Forests in Idaho.

IDL foresters are beginning to work in partnership with forest collaborative groups to offer expertise on forest health, fire and fuels management, transportation/logging systems, and forest economics and markets. IDL brings a unique perspective that enriches the local collaborative process, which provides a balance of perspectives and advice to the Forest Service throughout the NEPA project development process.

Professional services provided by IDL in 2017 include:

- Botany field surveys
- Fisheries field surveys
- Soils field surveys
- Transportation analysis
- Hydrology field surveys and analysis
- Wildlife field surveys and analysis

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- Botany field surveys
- Fisheries field surveys
- Soils field surveys
- Transportation analysis
- Hydrology field surveys and analysis
- Wildlife field surveys and analysis
GOOD NEIGHBOR AUTHORITY 2017 PROJECT IMPLEMENTATION:

WAPITI THIN
- 200-acre forest thinning project on the Nez-Perce Clearwater National Forest
- Project goals: reduce wildfire and forest health risks
- Estimated to generate more than 4 million board feet of timber, $1.5 million in GNA program income and $3 million in wages and salaries
- Project operations are approximately 50 percent complete as of October 1, 2017, and have generated 2 million board feet of timber and $680,000 in gross program revenues.

WOODRAT SALVAGE
- 350-acre fire salvage harvest on the Nez-Perce Clearwater National Forests
- Project goals: reduce wildfire and forest health risks
- Estimated to generate more than 7 million board feet of timber, $1.5 million in GNA program income and $4.5 million in wages and salaries
- Project operations are approximately 45 percent complete as of October 1, 2017, and have generated 3.4 million board feet of timber and $870,000 in gross program revenues.
2,558,205 tree seedlings were planted on 9,924 acres.

Pre-convention, there were 3,380 harvested acres.

Prepared 5,051 acres for future regeneration efforts.

Sample measured timber on 8,497 plots on 52,738 acres.

Collected 160,000 seeds from 3,380 harvested acres.

Every million board feet of timber harvested and processed in Idaho provides about 20 jobs – 12 directly in the industry and 8 in supporting industries.

Revenue mostly supports public schools and endowments as well as future generations.

Total timber volume – All product types – 297,753 MBF

<table>
<thead>
<tr>
<th>North Operations</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearwater Canyon</td>
<td>38,102</td>
<td>28,079</td>
<td>5,270</td>
</tr>
<tr>
<td>Payette National</td>
<td>131</td>
<td>55,508</td>
<td>1,285</td>
</tr>
<tr>
<td>Eastern Oregon</td>
<td>6,588</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Eastern Idaho</td>
<td>1,464</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Subtotal</td>
<td>53,494</td>
<td>26,179</td>
<td>6,614</td>
</tr>
<tr>
<td>Total</td>
<td>58,244</td>
<td>26,179</td>
<td>6,614</td>
</tr>
</tbody>
</table>

Total timber sold – FY17

| School District – All product types – 87,770 MBF |
|------------------|------|------|------|
| Sandpoint | 19,000 | 0 | 0 |
| Cascade | 31,000 | 0 | 0 |
| Bonner | 1,500 | 0 | 0 |
| Total | 51,500 | 0 | 0 |

AVERAGE TIMBER PRICES:

<table>
<thead>
<tr>
<th>Product Type</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cedar Poles (LF)</td>
<td>$156.659</td>
<td>$101,971</td>
<td>$29,211</td>
</tr>
<tr>
<td>Sawlog (TON)</td>
<td>$54,689</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other Products (MBF)</td>
<td>$212,864</td>
<td>$129,258</td>
<td>$0</td>
</tr>
</tbody>
</table>

TOTAL TIMBER HARVEST (MBF): 176,217

TOTAL TIMBER SOLD (MBF): 87,770

TOTAL TIMBER VOLUME (MBF): 297,753

TIMBER HARVESTED - FY17

TIMBER SOLD - FY17

<table>
<thead>
<tr>
<th>North Operations</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearwater Canyon</td>
<td>2,260</td>
<td>1,152</td>
<td>1,107</td>
</tr>
<tr>
<td>Payette National</td>
<td>3,397</td>
<td>5,033</td>
<td>0</td>
</tr>
<tr>
<td>Eastern Oregon</td>
<td>3,981</td>
<td>77,900</td>
<td>0</td>
</tr>
<tr>
<td>Eastern Idaho</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Subtotal</td>
<td>10,097</td>
<td>102,833</td>
<td>1,107</td>
</tr>
<tr>
<td>Total</td>
<td>13,189</td>
<td>115,833</td>
<td>1,107</td>
</tr>
</tbody>
</table>

| School District – All product types – 297,770 MBF |
|------------------|------|------|------|
| Sandpoint | 15,000 | 0 | 0 |
| Cascade | 30,000 | 0 | 0 |
| Bonner | 1,500 | 0 | 0 |
| Total | 46,500 | 0 | 0 |

<table>
<thead>
<tr>
<th>Product Type</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cedar Poles (LF)</td>
<td>$269.11</td>
<td>$295.54</td>
<td>$279.02</td>
</tr>
<tr>
<td>Sawlog (TON)</td>
<td>$38.79</td>
<td>$41.56</td>
<td>$40.96</td>
</tr>
<tr>
<td>Other Products (MBF)</td>
<td>$282.02</td>
<td>$295.54</td>
<td>$285.45</td>
</tr>
</tbody>
</table>

199,200 MMBF timber was harvested.

Revenue is mostly composed of sales to private contractors.

Supported 4,400 jobs, $146 million in wages and salaries, and more than $847 million in goods and services.

2,199.3 MMBF timber was harvested.

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 4,400 jobs, $146 million in wages and salaries, and more than $847 million in goods and services.

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Supported 4,400 jobs, $146 million in wages and salaries, and more than $847 million in goods and services.

Revenue mostly supports public schools.
Many Forestry Assistance programs are funded through partnerships with the USDA Forest Service.

The Idaho Lands Resource Coordinating Council (ILRCC) is a group representing broad interests that help IDL implement the Idaho Forest Action Plan and addresses Idaho’s most important forestry-related issues in the highest priority areas.

ILRCC Duties:

• Assist the State Forester with implementing the Idaho Forest Action Plan and reviewing policy issues.

• Facilitate sound land management across all land ownerships with the overarching objective of “Healthy Forests for all Idahoans.”

• Identify and coordinate funding opportunities to address Idaho Forest Action Plan strategies and objectives. Coordinate State and Private Forestry grants and other funding opportunities. Involve and leverage participation from partners and stakeholders.

In our communities, trees reduce air and noise pollution, conserve water, sequester energy, reduce soil erosion, beautify areas, enhance economic vitality, and improve human health. IDL staff members support and assist communities that want to develop or improve a community forestry program.

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Fire-resiliency not only applies to the vegetation 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 modeling vegetation, planning, and education to reduce wildfire impacts on communities.

IDAHO LANDS RESOURCE COORDINATING COUNCIL
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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.
## 2017 FIRE SEASON

**2017 FIRE SEASON COST**

- **General Fund Net Obligation**: $16,449,000
- **Reimbursable Expenses for assisting on fires managed by other agencies**: + $5,632,000
- **70 PERCENT OF 20-YEAR AVERAGE TOTAL COSTS**: $22,081,000

*Estimates as of October 2, 2017. Due to billing cycles across fire protection agencies, the true cost of a single fire season is not known for several years.*

**LIGHTNING IDL FIRES BY CAUSE**

- **52,930 acres**: 213 fires
- **CHILDREN BURNED IN IDL PROTECTION**: 237

**MORE THAN 95 PERCENT OF ACRES BURNED ON IDL PROTECTION IN 2017 WERE ON THE CRAIG MOUNTAIN COMPLEX FIRE**

**IDL SUPPRESSION COSTS**: 90% of 10 acres = 90 MIL

**REIMBURSABLE COSTS**

- **PREPAREDNESS COSTS**: 75 MIL
- **60 MIL**
- **50 MIL**
- **40 MIL**

**FOREST PROTECTIVE DISTRICTS**

- **USFS**
- **BLM**
- **IDL**
- **OTHER**

- **EXISTING**
- **PROPOSED**
- **NOT PROTECTED**

- **USFS**
- **BLM**
- **IDL**
- **NPS**
- **DOE-INL**

**ORIGINAL FIRE PROTECTION DISTRICTS**

- **IDAHO FIRE PROTECTION DISTRICTS**
- **RANGELAND FIRE PROTECTION ASSOCIATIONS**
- **STATE METROPOLITAN FIRE PROTECTION DISTRICTS**
- **FOREST PROTECTIVE DISTRICTS**

**FOREST PROTECTIVE DISTRICTS**

- **IDAHO FIRE PROTECTION DISTRICTS**
- **RANGELAND FIRE PROTECTION ASSOCIATIONS**
- **STATE METROPOLITAN FIRE PROTECTION DISTRICTS**
- **FOREST PROTECTIVE DISTRICTS**

**COST PER ACRE BURNED**: $259

**MEDIAN FIRE SIZE**: 0.1 ACRE

**FOR THE AUTHORITY TO PROTECT...**

- **PUT OUT FIRES AS QUICKLY AS POSSIBLE**
- **PROTECT RESOURCES**
- **MINIMIZE SUPPRESSION COSTS**

**CHIEF FOCUS OF 1DL MANAGED FIRES IS INITIAL ATTACK**

**FIRE MANAGEMENT**

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

On a day-to-day basis 1DL establishes and implements policies to prevent, prepare for, and fight wildland fires on more than six million acres of private, state, and federal forest and rangelands in Idaho. These responsibilities include regulating the elimination of fire hazards caused by timber harvesting on state and private lands. Between January 1 and October 2, 2017, 1DL issued 3,601 permits related to this responsibility. Our duties also include issuing fire safety burn permits to individuals living on state or federal lands anywhere in Idaho, who plan to burn for any reason—excluding crop residue burning and excluding recreational campfires—during closed fire season. In calendar year 2017, 1DL issued more than 14,140 fire safety burn permits with the help of the online resource: BurnPermits.Idaho.gov

1DL’s work in fire management helps protect and preserve important endowment timber assets as well as millions of acres of private forestland and some federal lands.

1DL enhances forest and rangeland management on state endowment forest lands by utilizing fire as a management tool, while protecting local communities from wildfires by reducing fuels.

1DL also supports and helps facilitate the creation of rangeland fire protection associations in Idaho, made up of members who are professionally trained and legally allowed to utilize interagency fire suppression resources.

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1DL also supports and helps facilitate the creation of rangeland fire protection associations in Idaho, made up of members who are professionally trained and legally allowed to utilize interagency fire suppression resources.
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 2017.

**ACCOUNTS AND FUNDING**

**Revenue and Expenditures by Fund Type FY17**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Revenue</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>12,843,623</td>
<td>6,412,386</td>
</tr>
</tbody>
</table>

**Subaccounts for Land Funds**

- **Land Sales**
  - Residential: 1,426,518
  - Rangeland: 998,281
  - Commercial: 1,000

- **Minerals Royalties**
  - 2,445,400

- **Oil and Gas Royalties**
  - 19,189

- **Interest on Land Sales**
  - 410.62

**ENDOWMENT LAND STATUS**

**Surface Acres by Asset Class**

- **Timberlands**
  - Commercial: 2,445,400
  - Residential: 411
  - Mariculture: 352.24

- **Farmland**
  - Commercial: 1,000
  - Residential: 10

- **Rangeland**
  - Commercial: 1,426,519

**LAND INCOME BY ASSET CLASS**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Acres</th>
<th>FY17 Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>3,660.77</td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>1,017,042</td>
<td></td>
</tr>
<tr>
<td>Mariculture</td>
<td>36.76</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7,282.85</td>
<td></td>
</tr>
</tbody>
</table>

**ENDOWMENT LANDS AND FUND - FY17 VALUES & NET RETURNS**

- **FY17 Values**
  - 7,282.85

- **Net Returns**
  - 14,033.67

**REVENUE AND EXPENDITURES BY FUND TYPE FY17**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Revenue</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>12,843,623</td>
<td>6,412,386</td>
</tr>
</tbody>
</table>

**PERMANENT FUND REVENUE BY ENDOWMENT, BY ASSET CLASS**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Revenue</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>1,017,042</td>
<td>43,653.82</td>
</tr>
<tr>
<td>Residential</td>
<td>63,157.93</td>
<td>477.41</td>
</tr>
<tr>
<td>Mariculture</td>
<td>17,957.78</td>
<td>15,216.18</td>
</tr>
<tr>
<td>Total</td>
<td>11,433,605</td>
<td>1,721,689</td>
</tr>
</tbody>
</table>

**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 2017.
### ECONOMY STATEMENT

#### PUBLIC SCHOOL

<table>
<thead>
<tr>
<th>Asset Class/Endowment Revenue</th>
<th>Minerals Rentals and Bonuses</th>
<th>Oil and Gas Rentals and Bonuses</th>
<th>Commercial Real Estate</th>
<th>Residential Real Estate</th>
<th>Rangeland</th>
<th>Farmland</th>
<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>18,438,911</td>
<td>6,899,305</td>
<td>36,304</td>
<td>866</td>
<td>3,715</td>
<td>890</td>
<td>127,840</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$15,838,084</td>
<td>$13,509,601</td>
<td>$43,304</td>
<td>$965</td>
<td>$8,510</td>
<td>$1,900</td>
<td>$161,620</td>
</tr>
</tbody>
</table>

#### TOTAL EXPENSE

<table>
<thead>
<tr>
<th>Asset Class/Endowment Revenue</th>
<th>Minerals Rentals and Bonuses</th>
<th>Oil and Gas Rentals and Bonuses</th>
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<th>Residential Real Estate</th>
<th>Rangeland</th>
<th>Farmland</th>
<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>21,583,737</td>
<td>6,132,825</td>
<td>33,488</td>
<td>825</td>
<td>3,827</td>
<td>843</td>
<td>125,095</td>
</tr>
</tbody>
</table>

#### TOTAL REVENUE

<table>
<thead>
<tr>
<th>Asset Class/Endowment Revenue</th>
<th>Minerals Rentals and Bonuses</th>
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<th>Farmland</th>
<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>22,074,566</td>
<td>6,962,026</td>
<td>36,116</td>
<td>908</td>
<td>3,647</td>
<td>923</td>
<td>126,915</td>
</tr>
</tbody>
</table>

### UNIVERSITY

<table>
<thead>
<tr>
<th>Asset Class/Endowment Revenue</th>
<th>Minerals Rentals and Bonuses</th>
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<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>12,046,970</td>
<td>4,505,583</td>
<td>22,986</td>
<td>421</td>
<td>2,231</td>
<td>472</td>
<td>66,649</td>
</tr>
</tbody>
</table>

#### TOTAL EXPENSE

<table>
<thead>
<tr>
<th>Asset Class/Endowment Revenue</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>13,030,945</td>
<td>5,696,691</td>
<td>27,986</td>
<td>686</td>
<td>2,663</td>
<td>518</td>
<td>68,649</td>
</tr>
</tbody>
</table>

#### TOTAL REVENUE

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>14,633,696</td>
<td>10,202,278</td>
<td>31,464</td>
<td>700</td>
<td>3,023</td>
<td>636</td>
<td>75,298</td>
</tr>
</tbody>
</table>

### TOTAL EXPENSE

<table>
<thead>
<tr>
<th>Asset Class/Endowment Revenue</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>16,266,471</td>
<td>10,798,961</td>
<td>32,964</td>
<td>674</td>
<td>3,479</td>
<td>672</td>
<td>76,898</td>
</tr>
</tbody>
</table>

#### TOTAL REVENUE

<table>
<thead>
<tr>
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<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>16,882,354</td>
<td>11,498,961</td>
<td>35,464</td>
<td>726</td>
<td>3,966</td>
<td>696</td>
<td>78,498</td>
</tr>
</tbody>
</table>

### TOTAL EXPENSE

<table>
<thead>
<tr>
<th>Asset Class/Endowment Revenue</th>
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<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>17,309,326</td>
<td>11,998,961</td>
<td>37,964</td>
<td>774</td>
<td>4,445</td>
<td>716</td>
<td>80,098</td>
</tr>
</tbody>
</table>

#### TOTAL REVENUE

<table>
<thead>
<tr>
<th>Asset Class/Endowment Revenue</th>
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<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>17,678,927</td>
<td>12,598,961</td>
<td>39,964</td>
<td>824</td>
<td>4,905</td>
<td>736</td>
<td>81,698</td>
</tr>
</tbody>
</table>

### TOTAL EXPENSE

<table>
<thead>
<tr>
<th>Asset Class/Endowment Revenue</th>
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<th>Farmland</th>
<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>18,138,026</td>
<td>13,198,961</td>
<td>41,964</td>
<td>874</td>
<td>5,365</td>
<td>756</td>
<td>83,298</td>
</tr>
</tbody>
</table>

#### TOTAL REVENUE

<table>
<thead>
<tr>
<th>Asset Class/Endowment Revenue</th>
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<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>18,905,124</td>
<td>13,798,961</td>
<td>43,964</td>
<td>924</td>
<td>5,925</td>
<td>776</td>
<td>84,898</td>
</tr>
</tbody>
</table>

### TOTAL EXPENSE

<table>
<thead>
<tr>
<th>Asset Class/Endowment Revenue</th>
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<th>Farmland</th>
<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>19,524,026</td>
<td>14,398,961</td>
<td>45,964</td>
<td>974</td>
<td>6,485</td>
<td>796</td>
<td>86,498</td>
</tr>
</tbody>
</table>

## ENDOWMENT TRUST LANDS

**Direct program revenue includes only Earnings Reserve funds. **Includes all expenses related to Permanent Fund proceeds. ***Unlike the other endowments, timber sale revenues accrue to the permanent fund rather than the reserve.
The financial information below is excerpted from the audited financial statements located at www.efib.idaho.gov.

Idaho Department of Lands manages the land assets, the Idaho Endowment Fund Investment Board manages the invested funds.
## STATE OF IDAHO ENDOWMENT FUNDS GOVERNMENTAL BALANCE SHEET AND STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES - JUNE 30, 2017

### Current Assets:
- Cash with the State Treasurer: $0
- Investments, at Fair Value: 2,026,026,928
- Receivable for Unsettled Trades: 10,796,964
- Receivable from Idaho Department of Lands: 7,996,077
- Accrued Interest and Dividends Receivable: 7,417,788
- Prepaid Expenses to the Department of Lands: 3,326,580
- Total Assets: 2,055,564,337

### Current Liabilities:
- Payable for Unsettled Trades: 17,685,812
- Investment Manager Expenses Payable: 1,811,620
- Total Liabilities: 19,497,432

### Fund Balances:
- Nonspendable - Permanent Funds: 1,466,404,767
- Restricted - Earnings Reserve Fund: 569,662,138
- Total Fund Balances: 2,036,066,905

### Total Liabilities and Fund Balances:
- Total Liabilities and Fund Balances: 2,055,564,337

### Statement of Net Position - Governmental Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted for Permanent Trust - Nonexpendable</td>
<td>1,466,404,767</td>
</tr>
<tr>
<td>Restricted for Permanent Trust - Expendable</td>
<td>569,662,138</td>
</tr>
<tr>
<td>Total Net Position - Governmental Activities</td>
<td>2,036,066,905</td>
</tr>
</tbody>
</table>

### Structure of Idaho’s Endowment Assets

- **Permanent Assets**: (Never Spent)
  - **Available Reserve**: (Stabilization Fund)
  - **Spendable Funds**: ( Appropriation)

- **Permanant Fund**
  - 66% Equities
  - 26% Fixed Income
  - 8% Real Estate

- **Land Sales**
- **Mineral Royalties**
- **Cumulative Gain Above Inflation**

- **Distribution to Beneficiaries**: (Set by the Land Board)
  - % of the Permanent Fund

- **Excess Reserve**
  - **Earnings Reserve Fund**: 66% / 26% / 8% (EFIB)

- **Department of Lands Endowment Fund Investment Board**

### View of endowment forests in Shoshone County looking east from Blackdome Peak, the highest point in the Floodwood State Forest.