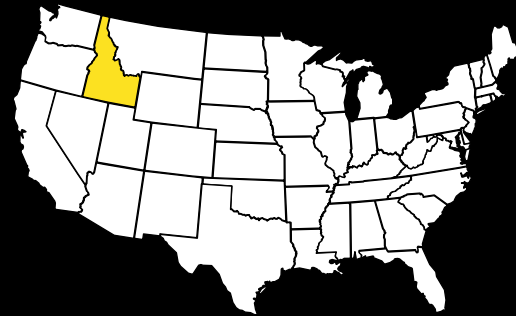


www.idl.idaho.gov



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

2018 ANNUAL REPORT



IDAHO DEPARTMENT OF LANDS

300 North 6th Street, Suite 103, Boise, Idaho 83702

P.O. Box 83720, Boise, Idaho 83720-0050

Copyright © 2018 Idaho Department of Lands. All rights reserved.
Cover Photo: View of Dworshak Reservoir overlooking state endowment,
federal and private lands in Clearwater and Shoshone Counties.



MESSAGE FROM THE DIRECTOR

When I took over as the Idaho Department of Lands Director in October of 2018, one of the values that guides our decisions stood out to me: stewardship.

Of course, the other values the Idaho Department of Lands identifies as central to our work – service, accountability, and cohesiveness – are equally important, but stewardship is foundational to our mission.

In the management of more than 2.4 million acres of endowment lands, Idaho entrusts the Land Board and the Idaho Department of Lands as its administrative arm to manage endowment lands to “secure the maximum long-term financial return” to public schools and other beneficiaries. It isn’t an accident that the writers of Idaho’s Constitution highlighted “long-term” in their direction on the management of these lands.

Stewardship means we manage endowment lands sustainably so they remain healthy, productive, and resilient and promise to generate returns for generations to come.

Stewardship is fundamental to the many other duties we perform apart from the direct management of endowment lands. The Idaho Department of Lands assists forest landowners in the management of private lands, and we help the U.S. Forest Service and Bureau of Land Management in the management of federal lands through Good Neighbor Authority. Our regulatory programs help ensure clean air and clean water and help protect fish and wildlife habitat. We also carry out some federal programs in the state and we help prevent and fight wildfire, minimizing the environmental consequences of catastrophic wildfire.

An emphasis on stewardship helps us promote the health and resilience of Idaho’s natural resources in the administration of all these duties.

We cannot accomplish our mission in isolation. We accomplish our mission through partnerships. We partner with Idaho’s natural resource industries so they can work the lands and enable us to generate financial returns. Our sister agencies in state and federal government, local communities, organizations, and Idaho citizens partner with us in being good stewards of Idaho’s endowment lands and our abundant natural resources.

As Director, I plan to continue pushing our focus on stewardship, sustainable practices, and partnerships to further our multifaceted mission.



DUSTIN T. MILLER | Director

TABLE OF CONTENTS

INTRODUCTION

- 01 MESSAGE FROM THE DIRECTOR
- 03 PHILOSOPHY | IDL ORGANIZATIONAL STRUCTURE
- 04 LAND OWNERSHIP | OFFICE LOCATIONS | OWNERSHIP BREAKDOWN
- 05 IDAHO STATE BOARD OF LAND COMMISSIONERS
- 06 ENDOWMENT FUND INVESTMENT BOARD
- 07 THE ENDOWMENT BENEFICIARIES
- 08 2018 IDL SNAPSHOT | EXECUTIVE LEADERSHIP
- 09 SUPPORT FUNCTIONS
- 11 RECREATION ACCESS

LANDS & WATERWAYS

- 12 COMMERCIAL AUCTIONS | COTTAGE SITE AUCTIONS
- 13 ENDOWMENT LEASING
- 14 GRAZING, AGRICULTURE & CONSERVATION LEASING
- 15 COTTAGE SITE LEASING
- 16 MINERAL LEASING | OIL & GAS LEASING
- 17 MINING REGULATION & ASSISTANCE
- 19 PUBLIC TRUST LAND MANAGEMENT



OGCC

- 21 OIL & GAS CONSERVATION COMMISSION



FORESTRY

- 22 IDAHO BOARD OF SCALING PRACTICES
- 23 IDAHO GOOD NEIGHBOR AUTHORITY
- 25 FOREST MANAGEMENT
- 27 FORESTRY ASSISTANCE & REGULATION



FIRE

- 29 2018 FIRE SEASON
- 30 FIRE MANAGEMENT



ACCOUNT STATEMENTS

- 31 REVENUE & EXPENDITURES BY FUND TYPE
 - PERMANENT FUND REVENUE BY ENDOWMENT AND ASSET CLASS
 - LAND BANK REVENUE BY ENDOWMENT
- 32 SURFACE ACRES BY ASSET CLASS
 - LAND INCOME BY ASSET CLASS
- 33 ENDOWMENT TRUST LANDS INCOME STATEMENT
- 35 ENDOWMENT FUND STATEMENT OF ACTIVITIES
- 37 STRUCTURE OF IDAHO’S ENDOWMENT ASSETS
 - ENDOWMENT FUNDS GOVERNMENTAL BALANCE SHEET & STATEMENT OF NET POSITION

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 and resource protection in the western United States.

OUR VALUES

The Idaho Department of Lands believes in...

Stewardship by making decisions and taking actions that positively affect long-term financial returns for the trust beneficiaries and enhance the health and resilience of Idaho's natural resources.

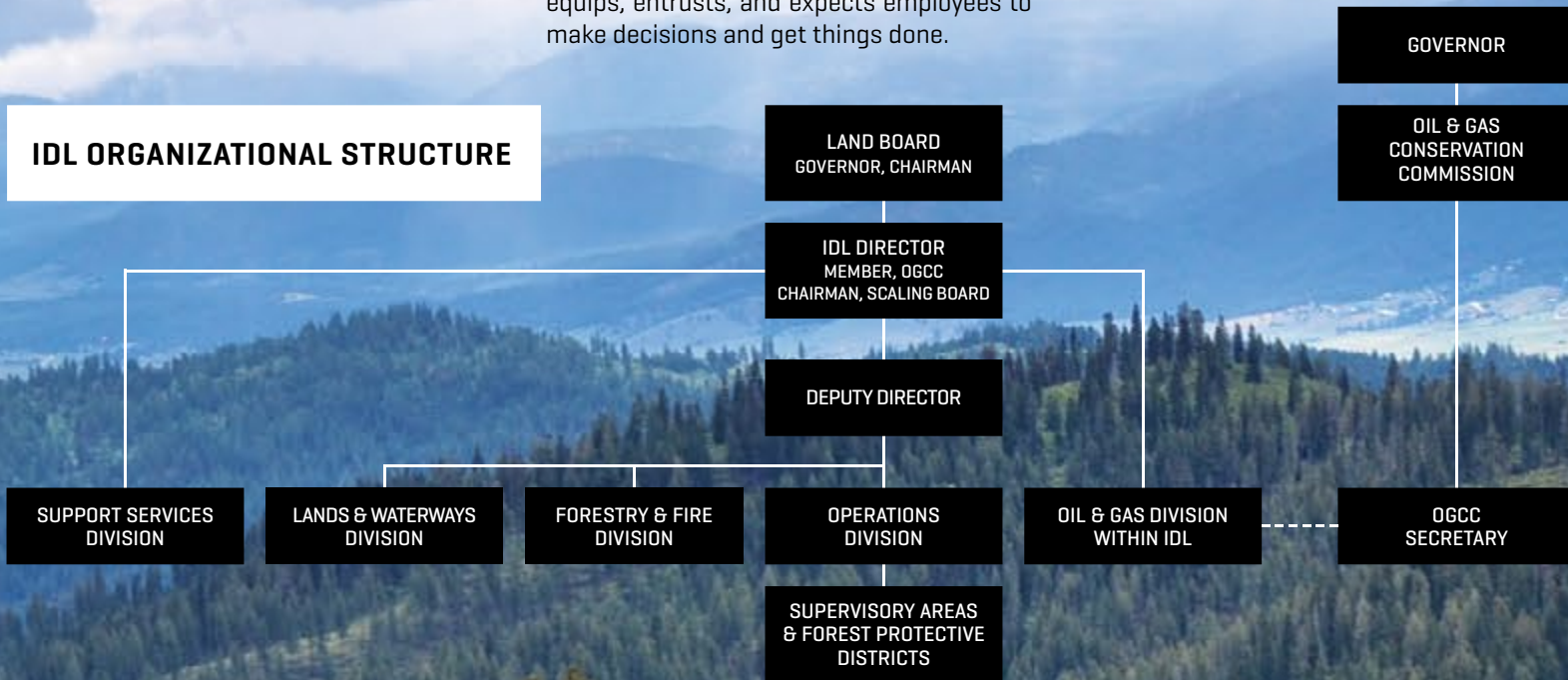
OUR MISSION

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.

Service by providing exemplary service and delivering programs with professionalism and integrity to both internal and external customers.

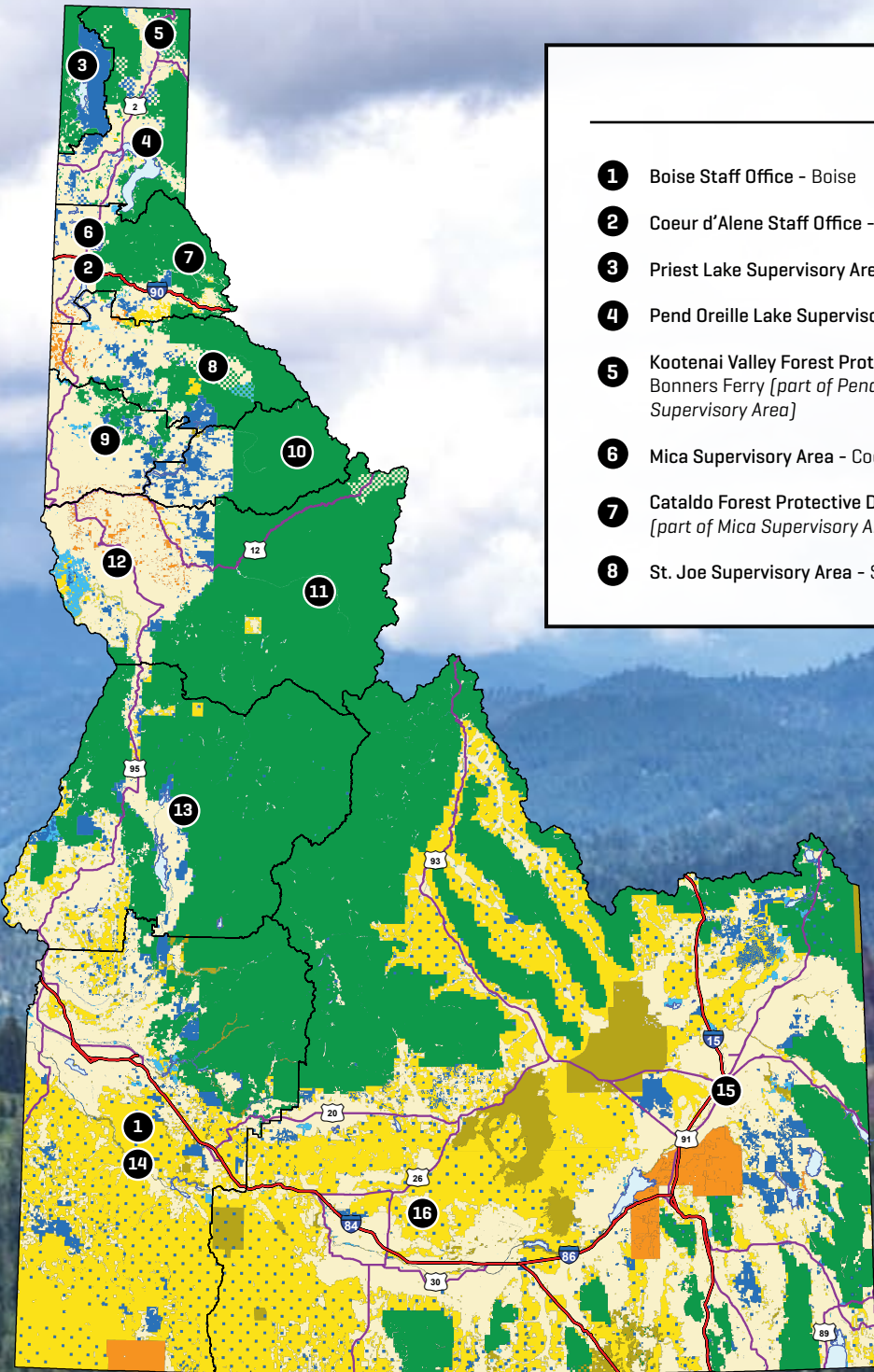
Accountability by investing in and having an organizational culture and framework that equips, entrusts, and expects employees to make decisions and get things done.

Cohesiveness by working as a unified organization in which all employees participate in constructive communication to fully meet our mission.



View from Packer John Mountain looking northeast across the Packer John State Forest into Round Valley in Boise County.

LAND OWNERSHIP



OFFICE LOCATIONS

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

MAJOR LAND OWNERSHIP & BREAKDOWN

OWNERSHIP CATEGORY & ACREAGE *

Forest Service: 38.2%	Bureau of Land Management: 22.1%
Private: 30%	State IDL Endowment Land: 4.6%
Federal Other: 2.9% **	State Other: 0.5% ****
Tribal: 1.7% ***	

TOTAL ACRES IN IDAHO - 53,130,860

OTHER / STATEWIDE HIGHWAYS

Major Lakes	Interstate
IDL Supervisory Areas	US Highway

*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.

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 more than two billion dollars of endowment funds. These land and financial resources generate tens of millions of dollars annually for the trust beneficiaries.

The Idaho Department of Lands and 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; ensures protection of water quality and other resources by overseeing forest and mining practices; remediates 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.



C.L. “BUTCH” OTTER
GOVERNOR OF IDAHO



LAWRENCE DENNEY
SECRETARY OF STATE



LAWRENCE WASDEN
ATTORNEY GENERAL



SHERRI YBARRA
SUPERINTENDENT OF PUBLIC INSTRUCTION



BRANDON WOOLF
STATE CONTROLLER



DUSTIN MILLER
SECRETARY TO THE BOARD

Director Tom Schultz departed IDL in February 2018, and David Groeschl was appointed Acting Director. Dustin Miller took over as Director in October 2018.

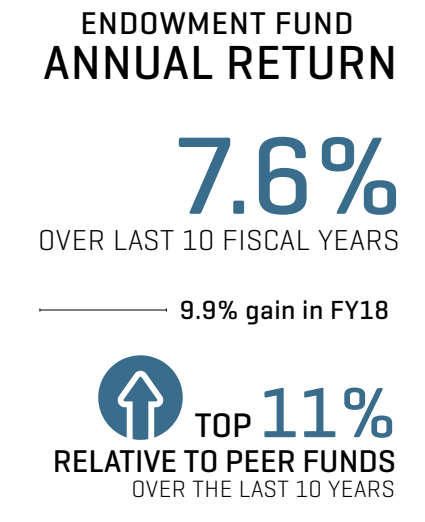
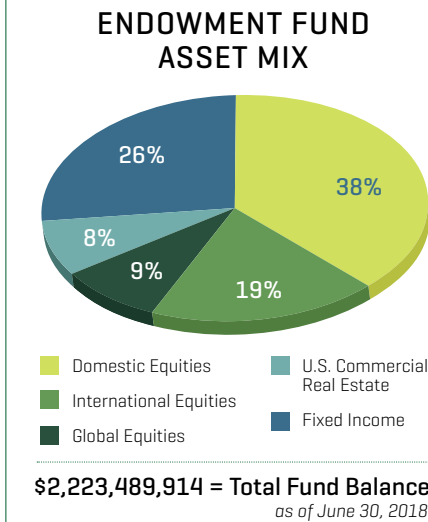
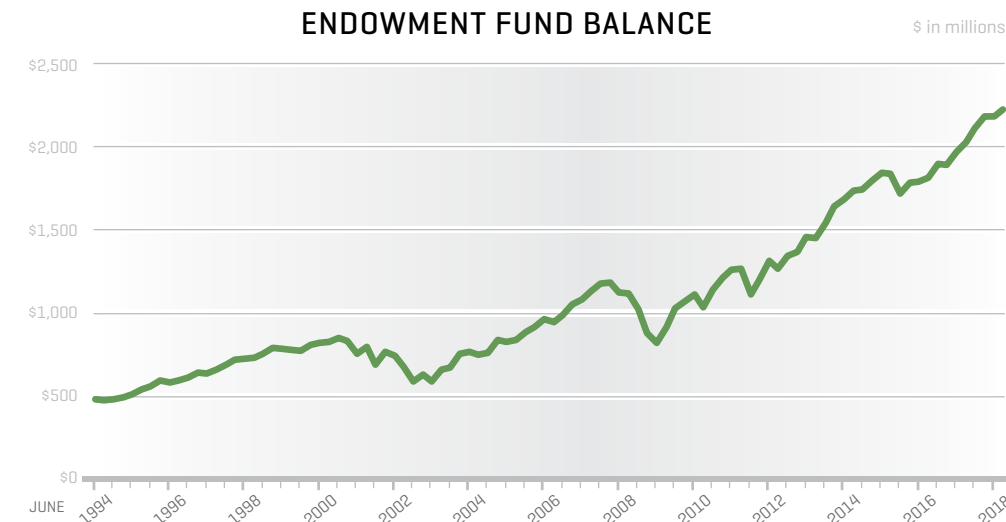
ENDOWMENT FUND INVESTMENT BOARD

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



CHRIS J. ANTON
MANAGER OF INVESTMENTS



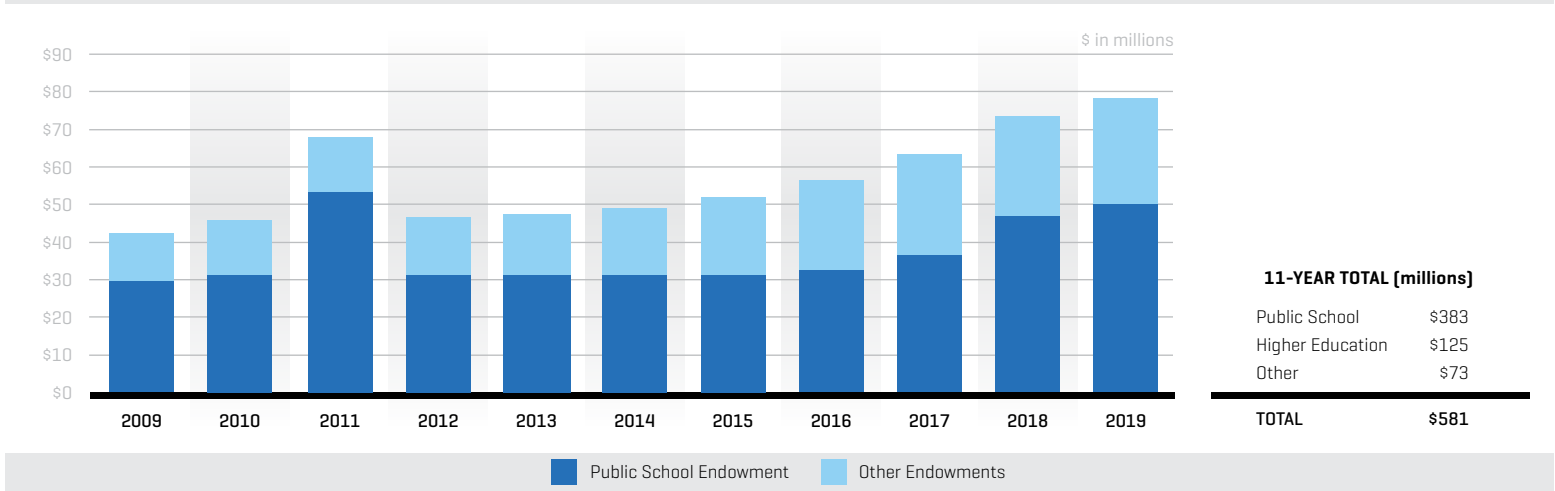
POLICY FOR ENDOWMENT FUND INVESTMENTS AND BENEFICIARY DISTRIBUTIONS

In overseeing the \$2.2 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.

THE ENDOWMENT BENEFICIARIES

HISTORY OF ENDOWMENT DISTRIBUTIONS



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 *[Capitol building – major maintenance]*

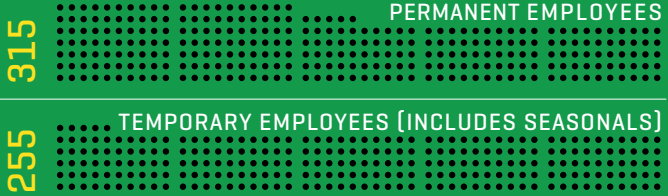
2018 IDL SNAPSHOT

LEASES & PERMITS

- 23 Conservation leases
- 184 Commercial leases *[industrial, military, recreation, communication sites, office/retail]*
- 183 Residential leases *[176 cottage sites, 7 residential]*
- 165 Mineral leases
- 21 Alternative energy leases *[20 geothermal, 1 wind]*
- 568 Oil and gas leases
- 2 Oil and gas wells producing on state endowment leases
- 180 Active submerged land leases *[e.g., marinas]*
- 11,546 Active encroachment permits *[e.g., docks]*
- 15,477 Fire safety burn permits issued
- 70 Farming leases
- 1,138 Grazing leases



315
PERMANENT EMPLOYEES



255
TEMPORARY EMPLOYEES (INCLUDES SEASONALS)



2,273
FOREST PRACTICES
NOTIFICATIONS



1,311
FOREST PRACTICES
INSPECTIONS



1,630,000
TREE SEEDLINGS
PLANTED



255.5 MMBF*
TIMBER
HARVESTED

* million board feet

176 ACTIVE
TIMBER SALES

2,445,351 acres
ENDOWMENT TRUST LAND

\$73,483,200
ENDOWMENT DISTRIBUTIONS

3,333,364 acres
ENDOWMENT MINERAL



6,300,000 acres
PROTECTED FROM FIRE



894
TECHNICAL ASSISTS TO PRIVATE LANDOWNERS

71
COTTAGE SITES
SOLD
IN FY18

79 MINERAL
EXPLORATION
LOCATION PERMITS

EXECUTIVE LEADERSHIP

- DIVISION ADMINISTRATORS:
- BILL HAAGENSON – Operations

CRAIG FOSS – Forestry & Fire

DONNA CALDWELL – Support Services

DIANE FRENCH – Lands & Waterways

MICK THOMAS – Oil & Gas
- DUSTIN MILLER – Director

DAVID GROESCHL – State Forester, Deputy Director

ANDREA RYAN – Human Resource Officer



A field of mule's ear flowers in Kelly Canyon in eastern Idaho.

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.

SUPPORT SERVICES

INFORMATION TECHNOLOGY: The information technology [IT] team supports agency operations by implementing and supporting internal and public-facing enterprise systems. The IT team manages the agency's computing infrastructure and records management functions while ensuring privacy and security of information.

FISCAL MANAGEMENT: The fiscal team 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 FY18 solicited, evaluated, and awarded approximately \$12.3 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 policies for IDL. During FY18, the strategic planning manager facilitated updates to the Statement of Investment Policy, reaffirmed recommendations in the Strategic Reinvestment Plan, streamlined the IDL Strategic Plan, and supported other strategic initiatives for executive and leadership teams.

TECHNICAL SERVICES

LAND RECORDS: 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 designs, develops and implements GIS applications, geodatabases and process-automation tools to provide IDL managers with 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 biology, and geology that provide recommendations and technical assistance to endowment trust land managers across Idaho. They work with diverse geological settings and help ensure management activities maintain wildlife habitat, protect ecological integrity, and comply with water quality standards.

ENDANGERED SPECIES: The IDL weighs in on any proposed federal listings of species in Idaho that will affect management of endowment lands. The IDL is proactive in providing researched, science-based reviews and input to help ensure sustainable active management is supported on endowment lands in compliance with needed habitat protections.



REAL ESTATE SERVICES

LAND TRANSACTIONS: Real estate specialists work to strengthen the endowment land portfolio to improve management efficiencies and financial performance through acquisitions, land exchanges, sales, and commercial ground leasing. The team also manages the process of disposing of surplus state land owned by state agencies other than IDL.

APPRAISAL: The appraiser coordinates and oversees contracts with third-party appraisers and review appraisers to evaluate and determine the market value of endowment lands as well as potential acquisition properties. The appraiser also prepares appraisal reports for properties when a third-party appraiser is not necessary.

RIGHT-OF-WAY: Right-of-way agents secure rights-of-way and easements to improve access to endowment lands statewide. They evaluate applications and issue right-of-way permits and easements to third parties that need to cross endowment lands to access private property. Right-of-way agents also administer three major cooperative easement agreements between IDL, the BLM, and private forest industry partners.

DIRECTOR'S OFFICE

DIRECTOR'S STAFF: Staff members who provide administrative support in the Director's Office are responsible for a variety of duties including assisting the Director and executive staff, facilitating responses to public records requests, and coordinating details and materials related to Land Board and Oil and Gas Conservation Commission meetings.

HUMAN RESOURCES: The human resources [HR] team delivers professional assistance to the agency in the areas of recruiting, employee development, benefits management, compensation analysis, employee relations, and safety. They ensure compliance with federal and state employment laws and provide value-added services in the areas of meeting facilitation, training, and job design. In FY18, the HR team completed the timber measurement job family reclassification, facilitated a revision to our employee evaluation, completed the second cohort of the Leadership Development Program, and implemented phase 1 of the new onboarding program.

PUBLIC INFORMATION: Two public information officers enhance transparency and 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 within State of Idaho protection areas.



RECREATION ACCESS



Idaho’s endowment lands contain some of the most diverse landscapes in the country. They include lakes, mountains, high forests, desert lands, rugged breaklands, and river valleys. Thousands of people use endowment lands each year for hunting, fishing, off-highway vehicle use, and other recreational activities.

The Land Board adopted a new recreation policy that affirms its support of continued recreational access to endowment lands for the general public where those activities do not conflict with the Land Board’s fiduciary obligations.

MEMORANDUM OF AGREEMENT

In support of the Land Board recreation policy, a new memorandum of agreement with the Idaho Fish and Game Commission will provide a new revenue stream to help protect continued recreational access to endowment lands. The revenue will compensate the endowments for recreational use and help with the costs incurred by IDL for management of recreational uses. The new policy and agreement will provide the Land Board with options to consider when evaluating competing recreation-related uses in the future.

OHV FUND

One dollar from every off-highway vehicle [OHV] registration goes to IDL to provide OHV opportunities and repair impacts directly related to OHV use. During FY18, IDL spent more than \$179,000 of the OHV Fund on projects for mitigation and recreation enhancements.

96%

OF ENDOWMENT LANDS ARE ACCESSIBLE via one or more transportation methods, including vehicle, foot, or watercraft.

A bow hunter searches for game on endowment land in Valley County.

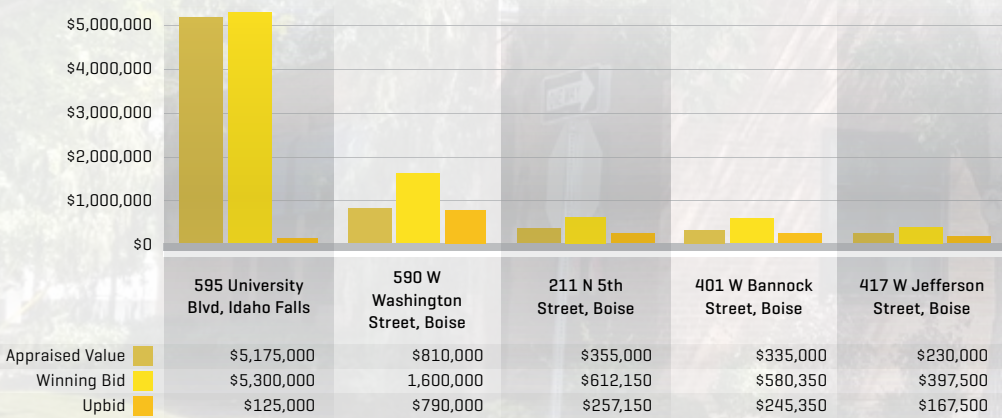


COMMERCIAL AUCTIONS AND COTTAGE SITE AUCTIONS

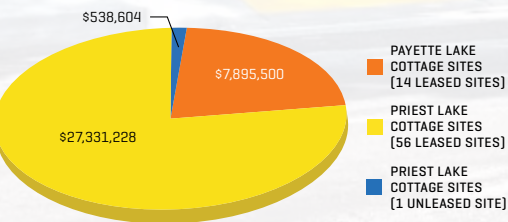
The Land Board approved auctioning residential sites at Priest Lake and Payette Lake through 2024. The IDL sold 57 Priest Lake cottage sites and 14 Payette Lake cottage sites in FY18.

The IDL sold five commercial properties in Boise and Idaho Falls in FY18. Nearly all endowment-owned commercial buildings have been sold.

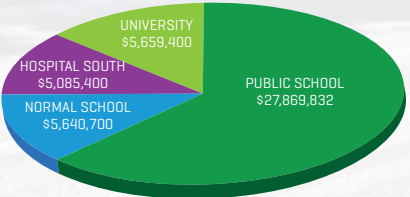
FY18 COMMERCIAL PROPERTY AUCTION: \$8,490,000 IN TOTAL SALES



FY18 COTTAGE SITE DISPOSITION PROCEEDS: \$35,765,332 IN TOTAL SALES



FY18 COTTAGE SITE & COMMERCIAL PROPERTY DISPOSITION PROCEEDS: \$44,255,332 IN TOTAL SALES



590 W. Washington Street, Boise

ENDOWMENT LEASING

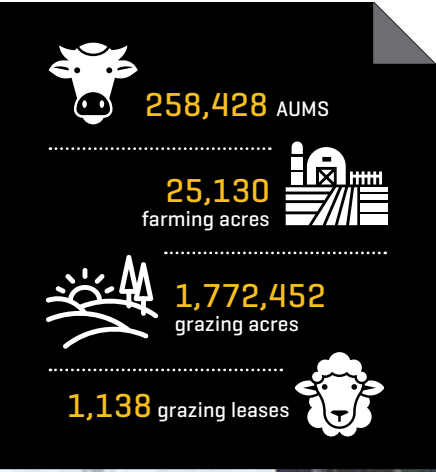
The IDL has the responsibility of leasing and authorizing the use of the approximately 2.4 million acres of available state endowment trust land [surface estate] and approximately 3.3 million acres of available mineral estate. During FY18, IDL brought in approximately \$11.1 million of gross revenue for the endowment beneficiaries from leases and permits.

Land uses for leases and permits include grazing, farming, conservation, residential cottage sites, wind and geothermal energy, mineral extraction, oil and gas production, and commercial sites that include cell towers, ski resorts, and air strips.

Leases		Land Use Permits [LUP]	
Grazing	1138	Commercial	118
Oil & Gas	568	Mineral	38
Commercial	184	Grazing	24
Cottage Sites	176	Residential	7
Minerals	165	Agriculture	3
Exploration Location	79	Conservation	2
Farming	70	Public Trust	2
Conservation	23	Land Use Permit Total	192
Geothermal	20		
Residential	7		
Lease Total	2,430	LEASE & LUP TOTAL: 2,529	



Sheep grazing on endowment land in Valley County. Hikers, bikers, UTV and ATV users also use the land for recreation.



GRAZING, AGRICULTURE & CONSERVATION LEASING

The IDL manages 1,138 grazing leases that cover 1,772,452 acres of endowment land located primarily in the southern two-thirds of Idaho.

Grazing leases contributed an estimated 258,428 animal unit months [AUM] of forage to livestock operations in 2018.

In addition, IDL administers a portfolio of farming and conservation leases and permits that total approximately 57,762 acres. Crops grown on endowment land include alfalfa hay, barley, beans, corn, potatoes, safflower, wheat, and organic crops. Some croplands are also managed within the USDA Conservation Reserve Program [CRP]. Conservation leases have varied purposes including wildlife habitat in conjunction with Wildlife Management Areas [WMA], big game habitat, parks, and recreation.

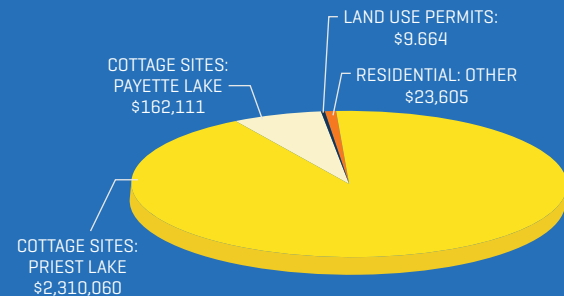
COTTAGE SITE LEASING

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 FY18, IDL leased 176 cottage sites for nearly \$2.5 million.

Cottage site revenue continues to be part of the leasing program; however, the Land Board will offer the Voluntary Auction for Ownership option for those who wish to purchase this land. Disposition of cottage sites will continue through 2024.

FY18 RESIDENTIAL PROGRAM REVENUE



END OF FY18

ACTIVE COTTAGE

144

PRIEST
LAKE



SITE LEASES

32

PAYETTE
LAKE

A zip line in Valley County. The business is under a Commercial - Recreational Use lease on endowment land.



COMMERCIAL LEASING & LAND USE PERMITS

300 commercial leasing and land use permits brought in more than \$2.8 million.
Uses include cell towers, billboards, wind, military, and recreational uses.

MINERAL LEASING AND OIL & GAS LEASING

The IDL manages 3.3 million acres of state-owned mineral rights and administers leases for production of primarily phosphate, aggregate [sand, gravel, stone, and cinders], precious metals, and oil and gas. Production and royalty revenue associated with the permanent extraction of commodities is immediately invested in the Permanent Fund managed by the Endowment Fund Investment Board, while rent and fee revenue is applied to the Earnings Reserve Fund. Revenue from leases administered on behalf of other state agencies is allocated back to the agencies.

165 MINERAL LEASES

\$2.3 MILLION IN ROYALTY
\$78,583 IN RENT AND FEES
37,266 ACRES

568 OIL & GAS LEASES

\$23,675 IN ROYALTY
\$26,431 IN RENT AND FEES
38,666 ACRES

20 GEOTHERMAL LEASES

\$22,567 IN RENT AND FEES
7,406 ACRES

79 MINERAL EXPLORATION LOCATION PERMITS

\$2,050 IN RENT AND FEES
1,225 ACRES

[Note: Royalty, rent and fees reported above are only for state endowment lands]

Decorative stone mineral lease located in Valley County.





Members of IDL staff performing an inspection of an abandoned mine in Owyhee County near War Eagle Mountain.

MINING REGULATION & ASSISTANCE

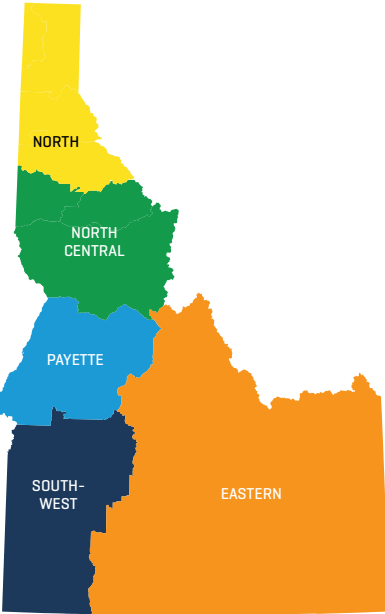
Mining has played an important role in Idaho’s history. The discovery of gold resulted in the establishment of the Idaho territory in 1863. Mining in Idaho provides jobs and materials that are important to the economy. An important part of a beneficial mining community is to demonstrate that mining can be done correctly with sustainable mining practices.

To ensure responsible mining in Idaho, the Idaho Legislature created the Idaho Dredge and Placer Act in 1953 and the Idaho Surface Mining Act in 1971. The IDL is responsible for administering both laws. Regulatory oversight serves as the catalyst to promote effective, environmentally responsible mining.

The IDL is responsible for overseeing 1,540 active surface mines and 27 active dredge and placer operations. To regulate all 1,567 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 operations. Of the 1,567 mining permits issued by IDL, 623 permits (nearly 40%) 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.



MINERAL STATISTICS	NORTH	NORTH CENTRAL	PAYETTE	SOUTH-WEST	EASTERN
RECLAMATION PLANS	250 2 new 0 retired	155 3 new 2 retired	111 2 new 1 retired	293 9 new 9 retired	737 6 new 5 retired
DREDGE & PLACER PERMITS	24 4 new 0 retired	3 0 new 0 retired	2 0 new 0 retired	1 0 new 0 retired	3 1 new 0 retired

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. To continue to mitigate public hazards, IDL performed dozens of AML inspections, performed 14 orphaned mine closures, and advanced the environmental characterization of two potential large environmental cleanup projects.

PUBLIC TRUST LAND MANAGEMENT

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 within the limits of the Public Trust Doctrine. In an attempt to balance competing interests on lakes, IDL administers encroachment permits and leases under several statutes and rules to assist individuals who want to encroach on these public lands. Encroachment Permits provide most of the program’s workload and over 20% of the program’s operating income.

General Fund tax dollars are not used to support this work; it is completely funded by fees and rents collected from the permits, easements, and leases IDL administers on lakes and rivers. In addition, mineral royalties received from these lands are deposited into the Public School Permanent Fund to provide perpetual funding of Idaho’s public school system. Submerged land leases on community docks, marinas, and other commercial encroachments provide about 75% of the program’s operating income.

FY18 HIGHLIGHTS

ENCROACHMENT PERMITS: 338 ISSUED, 11,546 ACTIVE

SUBMERGED LAND LEASES: 36 NEW, 180 ACTIVE

SUBMERGED LAND EASEMENTS: 3 NEW, 1,319 ACTIVE

RIVERBED MINERAL LEASES: 0 NEW, 2 ACTIVE

RIVERBED EXPLORATION LOCATIONS: 0 NEW, 3 ACTIVE



An encroachment permit and a submerged land lease are required for commercial marinas such as this one in Kootenai County.



The ML Investments #1-3 well located in Payette County.

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.

A separate annual report for the Oil and Gas Conservation Commission was created for 2018. Visit ogcc.idaho.gov to view the report.



APPOINTED COMMISSION MEMBERS



FY18 OIL & GAS WELLS SNAPSHOT



8 PRODUCING

2 PRODUCING IN
TWO SEPARATE ZONES



8 SHUT IN GAS

2 DRILLED / COMPLETED

1 PERMITTED -
WITHDRAWN



1 PERMITTED -
APPROVED



2 EXPIRED PERMIT -
NEVER DRILLED



1 PLUGGED &
ABANDONED

[as of June 30, 2018]

Idaho spring scaling examination held at the PotlatchDeltic mill in St. Maries, Idaho.

IDAHO BOARD OF SCALING PRACTICES

Log scaling is a system of measuring logs immediately after they are harvested to determine their financial value. Most timber in the state is bought and sold based on log scale.

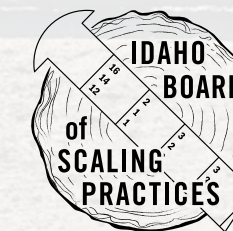
The Idaho Board of Scaling Practices enforces log scaling [measurement] standards prescribed by statute and regulation to ensure professional quality log scaling for the benefit of Idaho timber interests.

The board tests and licenses log scaling practitioners and periodically subjects them to routine, unannounced check scales at their

place of employment 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.



Board Members:

DUSTIN MILLER | Chairman

JACK BUELL | Vice Chairman

H. LARRY STEWART | Secretary

GERRY IKOLA

TREVOR STONE

BRETT BENNETT

ALAN HARPER

Executive Director:

RUSSEL (RUSS) HOGAN

IDAHO GOOD NEIGHBOR AUTHORITY

The IDL is working with the U.S. Forest Service and Bureau of Land Management to carry out more forest, rangeland, 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.

A new Good Neighbor Bureau will provide the organizational structure needed to oversee restoration activities occurring under the Good Neighbor Authority. Eight new positions will help IDL keep pace with the expanding workload.

RESTORATION SERVICE CONTRACTS

Service contracts paid through GNA program funds are used to increase active management on federal land. In FY18, \$1.1 million in contracts were awarded to the private sector for work that included:

- Project Planning/Design

▪ Project Monitoring
- Project Field Preparation

▪ Hazard Management
- Noxious Weeds Treatment

▪ Riparian Protection

Proposed Good Neighbor Authority project on the Nez Perce-Clearwater National Forests.

GNA RESTORATION FOCUS AREAS

SHARED BOUNDARIES

- 94% of IDL forestlands are adjacent to USFS lands
- 57% of IDL forestlands are adjacent to Insect & Disease Designations

In 2014, the governors in states with national forests were given the opportunity to request insect and disease area designations to address infestations. Initially 1.8 million acres in Idaho qualified for Insect & Disease Designation. Since then 2.8 million more acres have been designated, with another half million acres pending.

IDAHO PRIORITY LANDSCAPE AREAS

- IDAHO STATE ENDOWMENT LAND

■ NATIONAL FORESTS

■ BUREAU OF LAND MANAGEMENT

■ WILDLAND URBAN INTERFACE

■ PRIORITY INSECT & DISEASE DESIGNATION

SALE STATUS

- FIELDWORK ONGOING

▲ PROPOSED SALE

★ SOLD

PRIORITY INSECT & DISEASE DESIGNATION

National Forest	Designated Acres
Boise National Forest	150,000
Caribou-Targhee National Forest	640,000
Idaho Panhandle National Forests	1,500,000
Nez Perce-Clearwater National Forests	1,500,000
Salmon-Challis National Forest	87,000
Sawtooth National Forest	215,000
Payette National Forest	560,000
Total Acres in Idaho	4,652,000

FY18 IDAHO GNA SNAPSHOT



7.7^{MMBF*}

TIMBER
HARVESTED

* million board feet

3.5^{MMBF*}

TIMBER
VOLUME SOLD



\$2,061,730

TOTAL SALE REVENUES



OVER **\$800,000** IN
PROFESSIONAL SERVICE CONTRACTS AWARDED FOR
ENVIRONMENTAL PLANNING AND MONITORING



2,450 ACRES OF
RESTORATION PROJECT
FIELD PREPARATION
COMPLETED

IDL contracts are leveraging a wide range of expertise and services from the private sector to increase the pace and scale of restoration on federal lands in Idaho.

FOREST MANAGEMENT



998,281 acres
OF ENDOWMENT TIMBERLAND = **5% OF FORESTED LAND BASE IN IDAHO**

FY18 TIMBER HARVEST & RECEIPTS



255.5 MMBF
TIMBER = **\$66.2 million**
HARVESTED
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 5,110 jobs, \$170 million in wages and salaries, and more than \$984 million in goods and services*

1,630,000 tree seedlings
GROWN AND PLANTED ON **5,000 ACRES**
by IDL foresters and private contractors



Pre-commercially thinned 3,940 overstocked acres

Prepared 5,050 acres for future regeneration efforts

Sample measured timber on 8,585 plots on 48,183 acres for Stand Based Inventory, in order to estimate volume and growth on all forested acres managed by IDL

Collected 160 bushels of lodgepole cones to grow seedlings resulting in approximately 28 pounds of seed

END OF FY18

- 176 -
ACTIVE TIMBER
SALES

- 495 -
MMBF UNDER
CONTRACT

- 36 -
PURCHASERS OF
TIMBER SALES



HARVEST + REFORESTATION

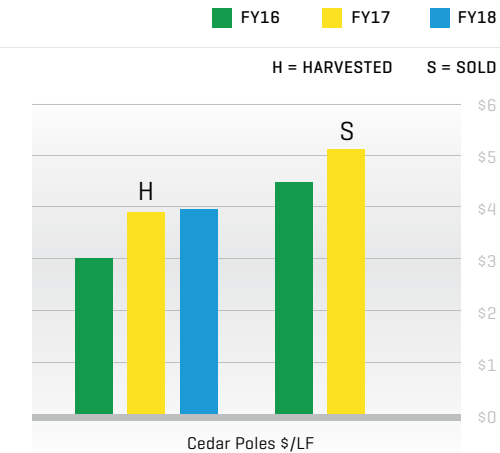
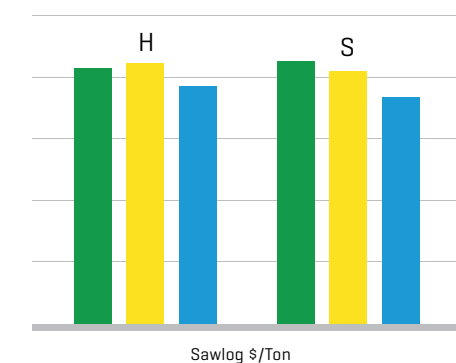
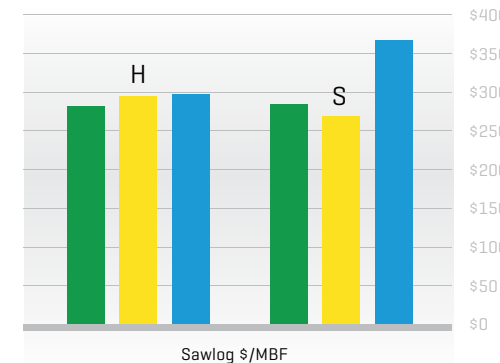
RENEWABLE RESOURCE

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

MMBF = MILLION BOARD FEET

*Numbers derived from report by Universities of Idaho and Montana 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.

AVERAGE TIMBER PRICES:



TIMBER HARVESTED - FY18

North Operations	Sawlogs [MBF]	Sawlogs [TON]	Cedar Poles [LF]	Other Products [MBF]	Pulp [MBF]
Priest Lake	13,220	14,483	36,840	346	2,050
Pend Oreille	15,457	26,912	16,780	18	785
Mica	12,709	3,893	1,430	26	285
St. Joe	26,112	37,415	0	681	1,652
Ponderosa	36,359	19,276	196,865	548	2,668
Subtotal	103,857	101,979	251,915	1,619	7,440
South Operations					
Clearwater	41,071	11,786	228,130	1,207	2,159
Maggie Creek	13,758	0	0	752	6,196
Payette Lakes	125	86,095	0	0	0
Southwest	38	82,943	0	0	0
Eastern Idaho	579	83,252	0	68	0
Subtotal	55,571	264,076	228,130	2,027	8,355
Total	159,428	366,056	480,045	3,646	15,796

Total Harvest Volume - All product types - 255,544 MBF

Average Harvest Prices	FY16	FY17	FY18
Sawlog \$/MBF	\$282.02	\$295.54	\$297.56
Sawlog \$/Ton	\$41.56	\$42.25	\$38.51
Cedar Poles \$/LF	\$3.01	\$3.89	\$3.95

TIMBER SOLD - FY18

North Operations	Sawlogs [MBF]	Sawlogs [TON]	Other Products [MBF]	Pulp [MBF]
Priest Lake	17,361	0	0	65
Pend Oreille	26,721	0	0	0
Mica	13,295	0	0	0
St. Joe	51,494	26,218	794	207
Ponderosa	48,717	36,671	345	97
Subtotal	157,588	62,889	1,139	370
South Operations				
Clearwater	43,221	0	718	1,117
Maggie Creek	8,263	0	39	74
Payette Lakes	96	87,633	0	0
Southwest	38	61,356	0	0
Eastern Idaho	431	45,950	30	0
Subtotal	52,050	194,939	787	1,191
Total	209,638	257,828	1,926	1,560

Total Sale Volume - All product types - 264,000 MBF

Average Sale Prices	FY16	FY17	FY18
Sawlog \$/MBF	\$285.45	\$269.11	\$368.06
Sawlog \$/Ton	\$42.70	\$40.96	\$36.85
Cedar Poles \$/LF	\$4.47	\$5.11	NA*

* Starting in FY18, cedar poles were no longer sold by the lineal foot. Cedar poles were sold by board foot and factored into total sawlog MBF totals. For FY18, a total of 20,259 poles were offered for sale on a board foot basis.

FORESTRY ASSISTANCE AND REGULATION

Staff members provide technical assistance to forest landowners, IDL land managers, forest management organizations, and other local, state, and federal agencies.

These specialists in forest stewardship, entomology, pathology, urban forestry, fire risk mitigation, and forestry regulations advise and assist forestland owners, managers, operators, and communities across the state. The regulatory program ensures harvesting operations on Idaho forestlands are carried out in compliance with the water protection standards set forth by the Idaho Forest Practices Act. Many IDL Forestry Assistance programs are funded through partnerships with the U.S. Forest Service.



FOREST HEALTH

Working Collaboratively to Ensure Healthy Forests for All Idahoans

Insects and diseases can present major health problems for Idaho forests. Staff members provide technical assistance and training to forest landowners and managers 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.

60 training sessions CONDUCTED
EDUCATING 2,232 PARTICIPANTS
in partnership with the U.S. Forest Service and the University of Idaho Extension Forestry.

800 ACRES
of DOUGLAS-FIR BEETLE
INFESTED TIMBER
stands treated with anti-
aggregation pheromones

210 REQUESTS FOR
Forest Health Information



CONDUCTED **103** IN-THE-FIELD SITE VISITS

TOTAL ACRES SURVEYED: 10,917,971



Aerial Detection
9,830,000 ACRES



Gypsy Moth Survey
981,483 ACRES



Douglas-Fir Tussock Moth Survey
106,488 ACRES
Larvae: 10,040 acres
Adult: 96,448 acres

FOREST LEGACY

Conserving Lands to Keep Working Forests Working

The Idaho Forest Legacy Program provides federal funds to purchase conservation easements on private forestlands that might otherwise be developed and lost as productive forests.

40,165 ACRES CONSERVED SINCE 2009
IN IDAHO

SECURED **12 CONSERVATION EASEMENTS** IN 2018, COVERING
5,337 acres OF PRIVATE FORESTLAND
[\$3.7 MILLION FEDERAL LEGACY FUNDS/
\$1.3 MILLION PRIVATE FUNDS]

LANDSCAPE SCALE RESTORATION GRANT PROJECTS

Restoring Landscapes across Idaho through Partnerships & Collaboration

The Landscape Scale Restoration [LSR] Competitive Grant Program offers federal funding to provide on-the-ground forestland improvements for thousands of acres and dozens of communities in Idaho.

HIGHLIGHTS OF ACTIVE PROJECTS:
10 LANDSCAPE-LEVEL GRANT PROJECTS
ACROSS IDAHO

\$2,775,000 IN FEDERAL GRANTS
FOR RESTORATION PROJECTS ON PRIVATE
FORESTLANDS

69,802 TREES PLANTED



FOREST STEWARDSHIP

Providing Landowner Assistance and Education to Idaho Forestland Owners

The IDL provides advice to private family forest landowners on management planning, timber harvesting, reforestation, and other stand improvement projects.

894 TECHNICAL ASSISTS TO LANDOWNERS

254 NEW OR REVISED FOREST STEWARDSHIP PLANS FOR
LANDOWNERS ON 68,342 ACRES

1,271 ACRES OF PRIVATE FORESTLAND IMPROVED

600 STUDENTS PARTICIPATED IN IDAHO STATE FORESTRY CONTEST

5,020 FOREST LANDOWNERS AND MANAGERS PARTICIPATED IN
EDUCATIONAL WORKSHOPS OR FIELD DAY TRAININGS

URBAN AND COMMUNITY FORESTRY

Enhancing Communities through the Promotion of Tree Canopy Benefits

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.

65 active
TREE CITY USA
communities in Idaho



55 ARBOR DAY
GRANTS provided
to Idaho communities

TECHNICAL ASSISTANCE TO **91** cities



38 IDAHO CITIES ACTIVELY MANAGING THEIR URBAN FORESTS

IDAHO FOREST PRACTICES ACT ADMINISTRATION

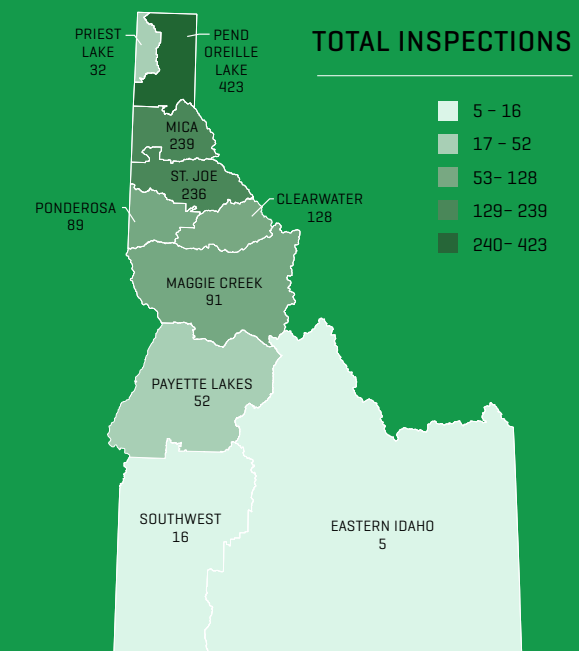
Promoting Active Forest Management while Protecting Natural Resources

The IDL administers the Idaho Forest Practices Act [FPA], a law created in 1974 to encourage 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.

2,273 FOREST PRACTICES NOTIFICATIONS SUBMITTED
FOR HARVESTING OPERATIONS ON STATE AND
PRIVATE FORESTLANDS

97.8% OF ALL INSPECTIONS IN COMPLIANCE WITH THE
FOREST PRACTICES ACT RULES

1,311 INSPECTIONS CONDUCTED ON 1,077
DISTINCT OPERATIONS



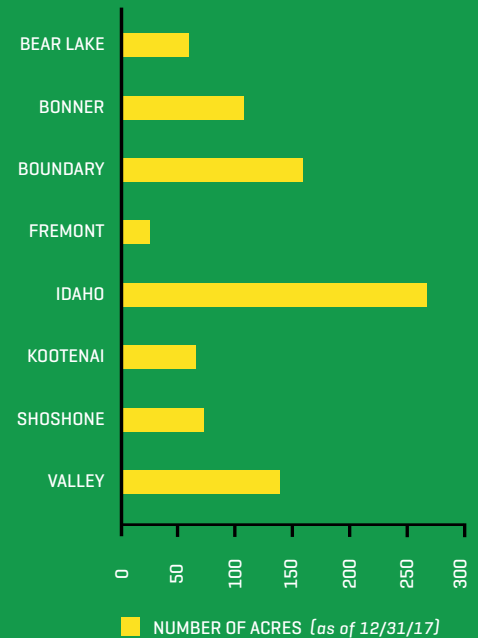
WILDFIRE RISK MITIGATION

Building Fire Resiliency on Private Forestlands through Fuels Treatments

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

FIRE MITIGATION PROJECTS BY COUNTY

Acres treated with 2013 through 2017 Federal Grant Funding



2018 FIRE SEASON

259 FIRES
81% OF 20-YEAR AVERAGE

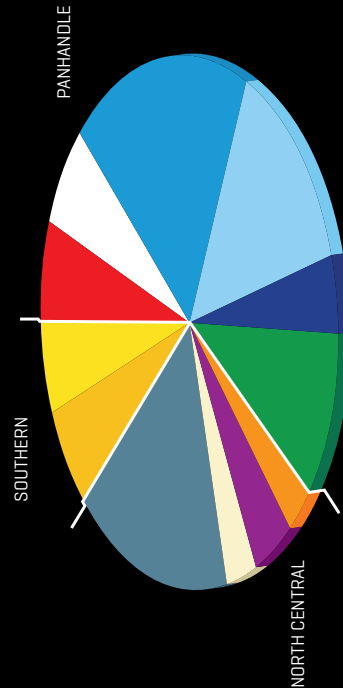


7,766 acres
BURNED IN IDL PROTECTION

63% OF 20-YEAR AVERAGE

93% of  < 10 acres

IDL FIRES BY REGION / DISTRICT



2018 FIRE SEASON COST

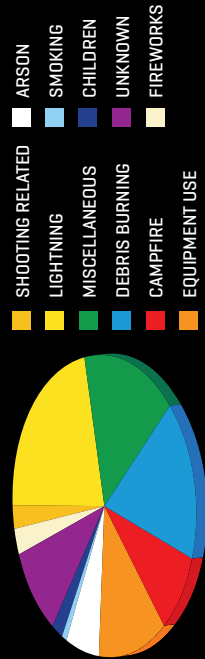
General Fund net obligation
\$19,500,000

Reimbursable expenses for assisting
on fires managed by other agencies
+ \$8,500,000

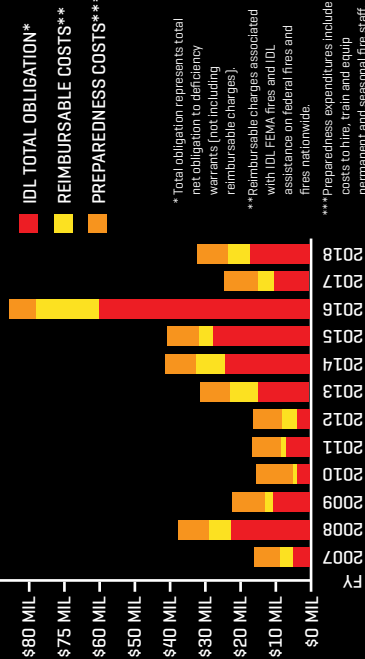
\$28,000,000 TOTAL COSTS*

*Estimates as of October 24, 2018. Due to billing cycles across fire protection agencies, the true cost of a single fire season is not known for several years.

IDL FIRES BY CAUSE



HISTORIC FIRE PROGRAM COSTS



STATEWIDE ACRES BURNED: PROTECTION AGENCY*



STATEWIDE ACRES BURNED: OWNERSHIP*



*Includes only larger fires reported by GEOMAC

AVERAGE FIRE COST \$55,250 | MEDIAN FIRE SIZE 0.2 ACRE

FOREST PROTECTIVE DISTRICTS

Wildfire response in Idaho is primarily organized by IDL, the U.S. Forest Service, and the Bureau of Land Management. Ten IDL forest protective districts and two timber protective associations have lead fire response duties on 6.3 million acres of land owned mostly by private entities and the State of Idaho. The districts and associations, 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.

FOREST PROTECTIVE DISTRICTS



RANGELAND FIRE PROTECTION ASSOCIATIONS



IDL firefighters assisting on a fire in Wyoming.

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, private, and federal forests 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 24, 2018, IDL issued 1,943 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 2018, IDL issued more than 15,477 fire safety burn permits with the help of the online resource: [BurnPermits.Idaho.gov](https://burnpermits.idaho.gov)

The IDL'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.

The IDL 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.

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

CHIEF FOCUS OF IDL MANAGED FIRES IS
INITIAL ATTACK

PUT OUT FIRES
AS QUICKLY AS
POSSIBLE

PROTECT
RESOURCES

MINIMIZE
SUPPRESSION
COSTS

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 2018.

Debbie Buck
DEBBIE BUCK | Financial Officer

** Earnings Reserve Fund revenue is generated from activities on endowment land that do not permanently deplete the resource, such as timber sales and land leases.*
*** Permanent Fund revenue is generated from activities on endowment land that result in the permanent disposal of a non-renewable asset, such as mineral extraction, perpetual easements, or land sales.*

ENDOWMENT FUNDS PERMANENT FUND REVENUE BY ENDOWMENT AND ASSET CLASS

	Public School	Agricultural College	Charitable Institutions	Normal School	Penitentiary	School of Science	State Hospital South	University	Capitol	Total by Asset Class
Timberland	1,450.00	0	0	0	0	500.00	0	1,616.00	355,881.20	359,447.20
Rangeland	0	0	0	0	0	0	0	0	8,903.85	8,903.85
Residential	1,777.50	0	0	0	0	0	0	0	0.98	1,778.48
Oil and Gas Royalties	23,699.59	[25.06]	0	0	0	0	0	0	0	23,674.53
Minerals Royalties	2,137,266.42	0	37,044.05	109,754.10	881.35	9,913.73	8,418.00	2,553.74	198.81	2,306,030.20
Interest on Land Sales	0	0	0	0	0	0	0	0	0	0
Total by Endowment	\$2,164,193.51	[\$25.06]	\$37,044.05	\$109,754.10	\$881.35	\$10,413.73	\$8,418.00	\$4,169.74	\$364,984.85	\$2,699,834.27

LAND BANK REVENUE BY ENDOWMENT

	Public School	Agricultural College	Charitable Institutions	Normal School	Penitentiary	School of Science	State Hospital South	University	Capitol	Total by Asset Class
Total by Endowment	\$28,798,218.69	\$0	\$0	\$5,591,654.81	\$0	\$0	\$5,702,930.42	\$5,687,109.20	\$0	\$45,779,913.12

ACCOUNTS AND FUNDING REVENUE AND EXPENDITURES BY FUND TYPE FY18

	Revenue	Expenditures
General Fund	\$1,140,701	\$6,132,184
Misc Pass Through Funds	962,697	0
Dedicated Land Funds:		
Forest Resources	3,068,917	11,204,966
Lands & Waterways	1,000,763	1,723,785
Fire Management	6,553,287	4,829,598
Board of Scaling	217,285	229,221
Support Services	11,110	1,064,558
Indirect Cost Recovery	378,816	476,005
Community Forestry Trust	14,048	13,503
Subtotal Dedicated Funds	11,244,226	9,541,635
Fire Suppression	10,989,577	37,871,775
Federal Funds	4,139,288	4,265,461
Endowment Funds:		
*Earnings Reserve	74,012,913	27,654,885
**Permanent by Endowment		
Public School	2,164,194	0
Agricultural College	-25	0
Charitable Institutions	37,044	0
Normal School	109,754	0
Penitentiary	881	0
School of Science	10,414	0
State Hospital South	8,418	0
University of Idaho	4,170	0
Capitol Permanent	364,985	0
**Permanent Sub-Total	2,699,834	0
Subtotal Endowment Funds	76,712,747	27,654,885
Grand Total	\$105,189,236	\$85,465,940

ENDOWMENT LAND STATUS SURFACE ACRES BY ASSET CLASS

Endowment	Farmland	Commercial	Timberland	Rangeland	Residential	Grand Total
Agricultural College	352.24	0	15,216.18	17,957.78	0	33,526.20
Capitol Permanent	8.44	9.80	7,227.85	45.20	0	7,291.29
Charitable Institutions	37.75	2.87	63,166.84	14,033.67	0	77,241.13
Normal School	62.16	159.56	43,654.00	15,746.88	12.33	59,634.93
Penitentiary	477.41	8.78	27,134.84	1,293.54	0	28,914.57
Public School	17,404.59	665.94	707,826.47	1,350,576.14	323.85	2,076,796.99
School of Science	192.35	136.67	63,635.08	11,533.42	0	75,497.52
State Hospital South	18.10	1.82	27,662.84	3,660.77	14.50	31,358.03
University of Idaho	547.83	10.00	42,631.55	11,900.99	0	55,090.37
Total	19,100.87	995.44	998,155.65	1,426,748.39	350.68	2,445,351.03

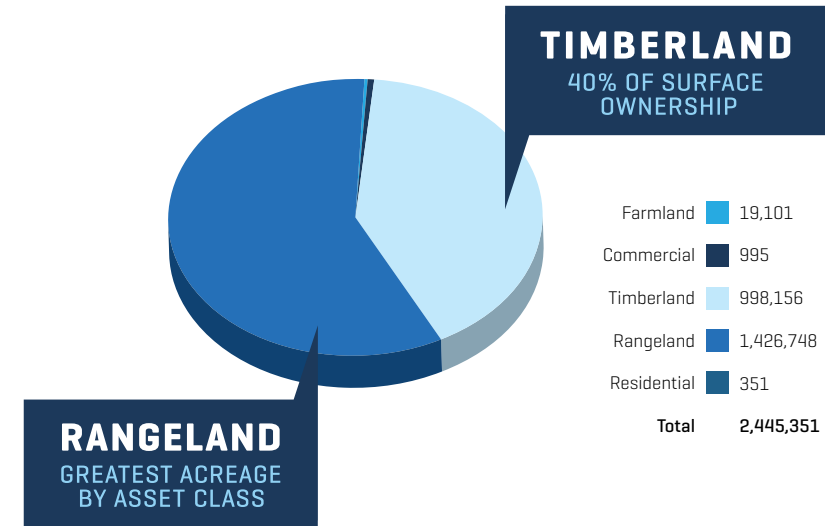
LAND NET INCOME BY ASSET CLASS

By Asset Class	Acres	FY18 Net Income
Farmland	19,101	\$223,172
Commercial	995	\$363,051
Timberland	998,156	\$43,622,064
Rangeland	1,426,748	\$1,316,410
Residential	351	\$1,241,194
Total	2,445,351	\$46,765,891

ENDOWMENT LANDS AND FUND – FY18 VALUES & NET RETURNS

	FY18 Value	FY18 Net Return
Endowment Lands	\$1,483,289,917	5.48%
Endowment Fund	\$2,201,550,587	9.51%
Combined	\$3,684,840,504	7.86%

SURFACE ACRES BY ASSET CLASS



ENDOWMENT TRUST LANDS INCOME STATEMENT

	Public School	Agricultural College	Charitable Institutions	Normal School	Penitentiary
Asset Class/Endowment Revenue *					
Timberland	\$37,265,397	\$197,906	\$5,710,028	\$5,075,175	\$3,722,958
Farmland	373,624	1,200	2,970	7,900	20,600
Rangeland	2,572,722	21,093	84,260	58,746	9,699
Residential Real Estate	2,768,762	1	3	61,783	0
Commercial Real Estate	129,862	4	18	521,780	2
Oil and Gas Rentals and Bonuses	17,001	1,039	4,186	2,019	94
Minerals Rentals and Bonuses	65,751	811	2,769	4,126	628
Total Revenue	43,193,119	222,054	5,804,233	5,731,528	3,753,981
Less: Expenses**					
Timberland	14,936,381	257,599	1,522,629	1,255,560	805,332
Farmland	124,590	62,055	886	2,288	6,324
Rangeland	1,444,194	9,770	39,028	27,210	15,377
Residential Real Estate	1,255,255	0	0	167,897	0
Commercial Real Estate	175,060	17,080	3	375,951	13,878
Oil and Gas Rentals and Bonuses	100,384	6,133	24,714	11,924	555
Minerals Rentals and Bonuses	298,544	3,684	12,573	18,734	2,851
Total Expense	18,334,407	356,321	1,599,834	1,859,565	844,315
Net Income by Asset Class					
Timberland	22,329,016	[59,693]	4,187,398	3,819,615	2,917,626
Farmland	249,034	[60,855]	2,084	5,612	14,276
Rangeland	1,128,528	11,323	45,231	31,535	[5,678]
Residential Real Estate	1,513,508	1	2	[106,115]	0
Commercial Real Estate	[45,198]	[17,076]	15	145,829	[13,875]
Oil and Gas Rentals and Bonuses	[83,382]	[5,094]	[20,528]	[9,904]	[461]
Minerals Rentals and Bonuses	[232,793]	[2,873]	[9,804]	[14,608]	[2,223]
Total Net Income	\$24,858,713	[\$134,267]	\$4,204,399	\$3,871,963	\$2,909,666

*Direct program revenue includes only Earnings Reserve funds. **Includes all expenses related to Permanent Fund proceeds.

	School of Science	State Hospital South	University	Capitol***	Total
Asset Class/Endowment Revenue *					
Timberland	\$5,717,055	\$2,570,674	\$5,961,074	\$0	\$66,220,267
Farmland	0	2,275	17,028	0	425,596
Rangeland	55,409	109,856	32,114	0	2,943,898
Residential Real Estate	159	127,939	1	0	2,958,648
Commercial Real Estate	5	365,931	341,888	0	1,359,490
Oil and Gas Rentals and Bonuses	1,087	434	570	0	26,431
Minerals Rentals and Bonuses	2,159	585	1,754	0	78,583
Total Revenue	5,775,874	3,177,694	6,354,429	0	74,012,913
Less: Expenses**					
Timberland	1,553,803	921,765	1,187,701	157,432	22,598,202
Farmland	215	659	5,400	9	202,424
Rangeland	25,665	50,884	14,875	485	1,627,488
Residential Real Estate	9	294,292	0	0	1,717,454
Commercial Real Estate	1	253,281	161,185	0	996,439
Oil and Gas Rentals and Bonuses	6,420	2,563	3,368	11	156,071
Minerals Rentals and Bonuses	9,802	2,656	7,964	0	356,808
Total Expense	1,595,914	1,526,101	1,380,492	157,936	27,654,885
Net Income by Asset Class					
Timberland	4,163,251	1,648,910	4,773,373	[157,432]	43,622,064
Farmland	[215]	1,616	11,628	[9]	223,172
Rangeland	29,744	58,972	17,239	[485]	1,316,410
Residential Real Estate	151	[166,354]	1	[0]	1,241,194
Commercial Real Estate	4	112,650	180,703	0	363,051
Oil and Gas Rentals and Bonuses	[5,332]	[2,129]	[2,797]	[11]	[129,640]
Minerals Rentals and Bonuses	[7,643]	[2,071]	[6,210]	0	[278,224]
Total Net Income	\$4,179,959	\$1,651,594	\$4,973,936	[\$157,936]	\$46,358,027

***Unlike the other endowments, timber sale revenues accrue to the permanent fund rather than the reserve.



ENDOWMENT FUND

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 Endowment Fund Investment Board manages the invested funds.

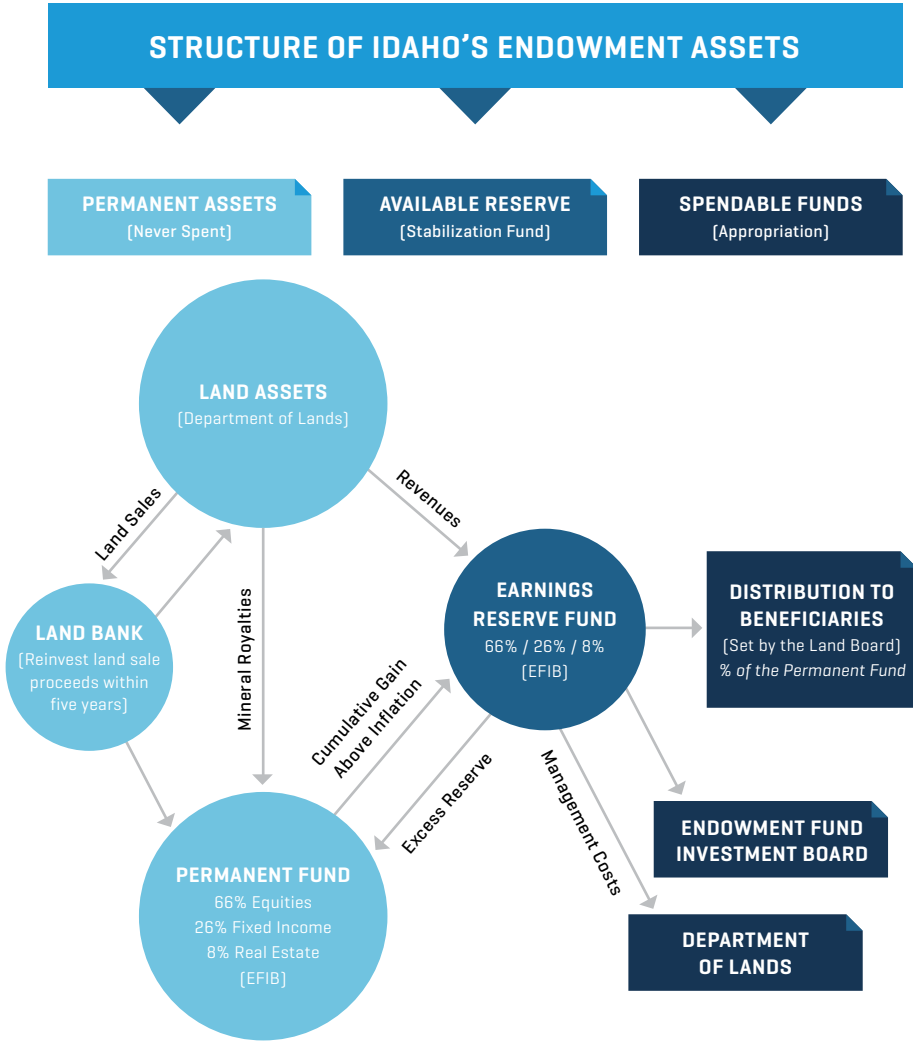
The financial information below is excerpted from the audited financial statements located at efib.idaho.gov

STATE OF IDAHO ENDOWMENT FUNDS – STATEMENT OF ACTIVITIES – FOR THE YEAR ENDED JUNE 30, 2018

	Public School	Agricultural College	Charitable Institutions	Normal School	Penitentiary
Permanent Net Position					
Permanent Net Position, beginning of year	\$911,562,087	\$27,871,168	\$107,598,945	\$92,597,859	\$40,653,668
Program Revenues:					
Receipts from Dept. of Lands	2,260,836	[338]	41,124	111,719	751
Income from Investments	20,548,914	628,287	2,425,552	2,087,390	916,436
Total Program Revenue	22,809,750	627,949	2,466,676	2,199,109	917,187
Transfer to Earnings Reserve	0	0	0	0	0
Transfer from Earnings Reserve	92,083,000	1,531,000	9,250,000	6,337,000	3,909,000
Increase (Decrease) in Net Position	114,892,750	2,158,949	11,716,676	8,536,109	4,826,187
Permanent Net Position, end of year	1,026,454,837	30,030,117	119,315,621	101,133,968	45,479,855
Earnings Reserve Net Position					
Earnings Reserve Net Position, beginning of year	343,711,519	11,657,168	38,019,573	37,208,703	19,266,703
Program Revenues:					
Receipts from Dept. of Lands	43,616,361	229,260	4,948,419	6,198,618	3,552,800
Income from Investments	102,480,588	3,165,930	11,844,531	10,789,663	5,104,731
Total Program Revenues	146,096,949	3,395,190	16,792,950	16,988,281	8,657,531
Program Expenses:					
Distribution for Expenses-IDL	18,334,407	356,321	1,599,834	1,859,565	844,315
Distribution for Expenses-EFIB	5,624,681	174,745	651,668	581,811	271,981
Distributions to Beneficiaries	47,049,600	1,347,600	5,544,000	4,262,400	1,965,600
Total Program Expenses	71,008,688	1,878,666	7,795,502	6,703,776	3,081,896
Net Program Revenue	75,088,261	1,516,524	8,997,448	10,284,505	5,575,635
Transfer to Permanent Fund	[92,083,000]	[1,531,000]	[9,250,000]	[6,337,000]	[3,909,000]
Transfer from Permanent Fund	0	0	0	0	0
Increase (Decrease) in Net Position	[16,994,739]	[14,476]	[252,552]	3,947,505	1,666,635
Earnings Reserve Net Position, end of year	326,716,780	11,642,692	37,767,021	41,156,208	20,933,338
TOTAL NET POSITION	\$1,353,171,618	\$41,672,809	\$157,082,641	\$142,290,176	\$66,413,193

	School of Science	State Hospital South	University of Idaho	Capitol	Total
Permanent Net Position					
Permanent Net Position, beginning of year	\$91,126,874	\$84,418,300	\$81,080,027	\$29,495,839	\$1,466,404,767
Program Revenues:					
Receipts from Dept. of Lands	8,738	8,885	4,679	209,592	2,645,986
Income from Investments	2,054,230	1,903,002	1,827,749	2,829,700	35,221,260
Total Program Revenue	2,062,968	1,911,887	1,832,428	3,039,292	37,867,246
Transfer to Earnings Reserve	0	0	0	[1,392,000]	[1,392,000]
Transfer from Earnings Reserve	6,943,000	4,607,000	4,808,000	0	129,468,000
Increase (Decrease) in Net Position	9,005,968	6,518,887	6,640,428	1,647,292	165,943,246
Permanent Net Position, end of year	100,132,842	90,937,187	87,720,455	31,143,131	1,632,348,013
Earnings Reserve Net Position					
Earnings Reserve Net Position, beginning of year	40,728,969	39,781,655	34,386,595	4,901,253	569,662,138
Program Revenues:					
Receipts from Dept. of Lands	5,557,707	2,999,488	6,307,418	80,520	73,490,591
Income from Investments	10,964,457	10,166,229	9,708,419	561,327	164,785,875
Total Program Revenues	16,522,164	13,165,717	16,015,837	641,847	238,276,466
Program Expenses:					
Distribution for Expenses-IDL	1,595,914	1,526,101	1,380,492	157,936	27,654,885
Distribution for Expenses-EFIB	590,739	554,879	521,352	154,098	9,125,954
Distributions to Beneficiaries	4,708,800	4,562,400	4,042,800	396,000	73,879,200
Total Program Expenses	6,895,453	6,643,380	5,944,644	708,034	110,660,039
Net Program Revenue	9,626,711	6,522,337	10,071,193	[66,187]	127,616,427
Transfer to Permanent Fund	[6,943,000]	[4,607,000]	[4,808,000]	0	[129,468,000]
Transfer from Permanent Fund	0	0	0	1,392,000	1,392,000
Increase (Decrease) in Net Position	2,683,711	1,915,337	5,263,193	1,325,813	[459,573]
Earnings Reserve Net Position, end of year	43,412,680	41,696,992	39,649,788	6,227,066	569,202,565
TOTAL NET POSITION	\$143,545,522	\$132,634,179	\$127,370,243	\$37,370,197	\$2,201,550,578

ENDOWMENT FUNDS



STATE OF IDAHO ENDOWMENT FUNDS GOVERNMENTAL BALANCE SHEET AND STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES – JUNE 30, 2018

Current Assets:	
Cash with the State Treasurer	\$0
Investments, at Fair Value	2,193,559,264
Receivable for Unsettled Trades	10,774,592
Receivable From Idaho Department of Lands	7,776,309
Accrued Interest and Dividends Receivable	7,496,597
Prepaid Expenses to the Department of Lands	3,883,152
Total Assets	\$2,223,489,914
Current Liabilities:	
Payable for Unsettled Trades	\$19,693,436
Investment Manager Expenses Payable	2,245,900
Total Liabilities	\$21,939,336
Fund Balances:	
Nonspendable - Permanent Funds	\$1,632,348,013
Restricted - Earnings Reserve	569,202,565
Total Fund Balances	\$2,201,550,578
Total Liabilities and Fund Balances	\$2,223,489,914
Statement of Net Position:	
Restricted for Permanent Trust - Nonexpendable	\$1,632,348,013
Restricted for Permanent Trust - Expendable	569,202,565
Total Net Position – Governmental Activities	\$2,201,550,578



Endowment land near Dalton Hill in Bonneville County. The land is leased for grazing and is also used by ATVs and UTVs.