



The
LAND
Where
MIRACLES
Grow

Annual Report 2010

THE MIRACLE

IDAHO DAILY STATESMAN.

LARGEST CIRCULATION!

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BOISE CITY, IDAHO TERRITORY, FRIDAY, APRIL 5, 1890.

NO. 1, 902.

THE GEM OF THE MOUNTAINS.



PROGRESS.

44.

PROSPERITY.

Idaho the Forty-Fourth State in the Union.

In 1890, when it admitted Idaho to the Union, Congress understood that two things above all else would shape the future of the new state:

- 1) *The land and the vast resources on it*
- 2) *The children and how fully their potential was realized*

For that reason, it granted 3.6 million acres to its newest initiate, the revenues from which would fund nine endowment trusts, most dedicated to nurturing the state's public education system.

The vision of our nation's leaders was simple: the miracle of harvest, regeneration and ongoing management — whether it be timber or crops or leasing — would help finance the miracle of the human spirit fulfilled.

Idaho Department of Lands

EXECUTIVE LEADERSHIP

DIRECTOR'S OFFICE

300 North 6th Street, Suite 103
Boise, ID 83720-0050
(208) 334-0200
fax (208) 334-2339

George Bacon

Director
gbacon@idl.idaho.gov

Kathy Opp

Deputy Director
kopp@idl.idaho.gov

Linda Brammer

Human Resource Officer
lbrammer@idl.idaho.gov

Bob Brammer

Assistant Director
Lands, Minerals, Range
bbrammer@idl.idaho.gov

Kurt Houston

Operations Chief - South
khouston@idl.idaho.gov

Patrick Hodges

Division Administrator, Support Services
phodges@idl.idaho.gov

COEUR D'ALENE STAFF OFFICE

3284 West Industrial Loop
Coeur d'Alene, ID 83815-8918
(208) 769-1525
fax (208) 769-1524

David Groeschl

Assistant Director, Forestry & Fire
dgroeschl@idl.idaho.gov

Roger Jansson

Operations Chief - North
rjansson@idl.idaho.gov

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Image Credit: Courtesy Base State University Library, Special Collections.



Letter from George Bacon, Director

IDAHO DEPARTMENT OF LANDS

The State Board of Land Commissioners and the Department of Lands have been working hard to ensure a steady stream of revenue is provided from our state trust lands for the benefit of Idaho's public schools, colleges and other endowed institutions. We are also working to enhance and sharpen our ability to protect forests from fire, and insects and disease; to manage encroachments on navigable rivers and lakes; to regulate surface mine reclamation and gas and oil operations; and to provide assistance to Idaho land owners. Needless to say, these undertakings have been a major challenge within the depths of the "great recession."

I am happy to report that we not only met that challenge, but are stronger for it. We are smarter, more efficient, and better positioned than ever before. In fact, we are energized by the opportunities that now lie before us.

Over the last hundred years, the State Board of Land Commissioners and the Department of Lands have been *great* stewards of lands held in trust. During that time, traditional land uses included forest management, range management, mining, farming, residential leasing and commercial property development. Those activities helped generate over \$1,200,000,000 in the permanent fund and provided regular income for beneficiary institutions – primarily Idaho's public schools – each and every year. Those regular, annual distributions currently total \$45,786,600.

As a side benefit, Idaho industries have grown with the opportunities we provide. Private enterprise remains a key in helping us manage the land, chiefly through contract services.

We envision the same opportunities and successes over the next hundred years. We will always be stewards of the land, and our traditional uses will continue to provide vitally needed income to state institutions. On top of all that, we are tapping into new possibilities.

As Idaho climbs out the recent recession, we see enormous potential on our horizon. In fact, we envision being able to *double* our revenue, which translates to similar increases in beneficiary distributions, over the next twenty years. Already, new leases for wind farms, oil and gas development, and manufacturing plants have been signed. As we have always done, we are managing trust properties for their highest and best use, consistent with prudent business practices. And, we are strategically disposing and acquiring other lands wherever they provide increasing income and diversity for the trusts.

I am proud to present this report on the stewardship, assistance, protection, and regulatory duties we are providing. Today marks the beginning of our next hundred years!

Sincerely,



The Idaho State Board of

LAND COMMISSIONERS

The Idaho State Board of Land Commissioners consists of Idaho's governor, secretary of state, attorney general, superintendent of public instruction, and state controller. They are the stewards of the nearly 2.5 million acres of Idaho's endowment lands and the tens of millions of dollars in revenues generated for the state's designated beneficiaries.

Primary among the fund's beneficiaries are Idaho's elementary and secondary public schools, which receive 95 percent of endowment's annual revenues. Other constitutionally designated beneficiaries are:

- The Agricultural College Fund (at the University of Idaho)
- The Charitable Institutions Fund (at Idaho State University)
- The Industrial Training School
- State Hospital North
- Idaho State Veterans Homes
- The School for the Deaf and Blind
- The Penitentiary Fund
- The School of Science Fund (at the University of Idaho)
- The State Hospital South Fund
- The University Fund (at the University of Idaho)
- The Normal School Fund
(Idaho State University Department of Education and Lewis-Clark State College)
- The Capitol Commission

Because of the board's responsibility to protect the lands of the state, it also serves as the host agency for the Idaho Board of Scaling Practices, the Clearwater-Potlatch Timber Protective Association, and the Southern Idaho Timber Protective Association.

A variety of regulatory programs protect Idaho's water quality and other public values.



C.L. "Butch" Otter
Governor of Idaho



Ben Yursa
Secretary of State



Lawrence Wasden
Attorney General



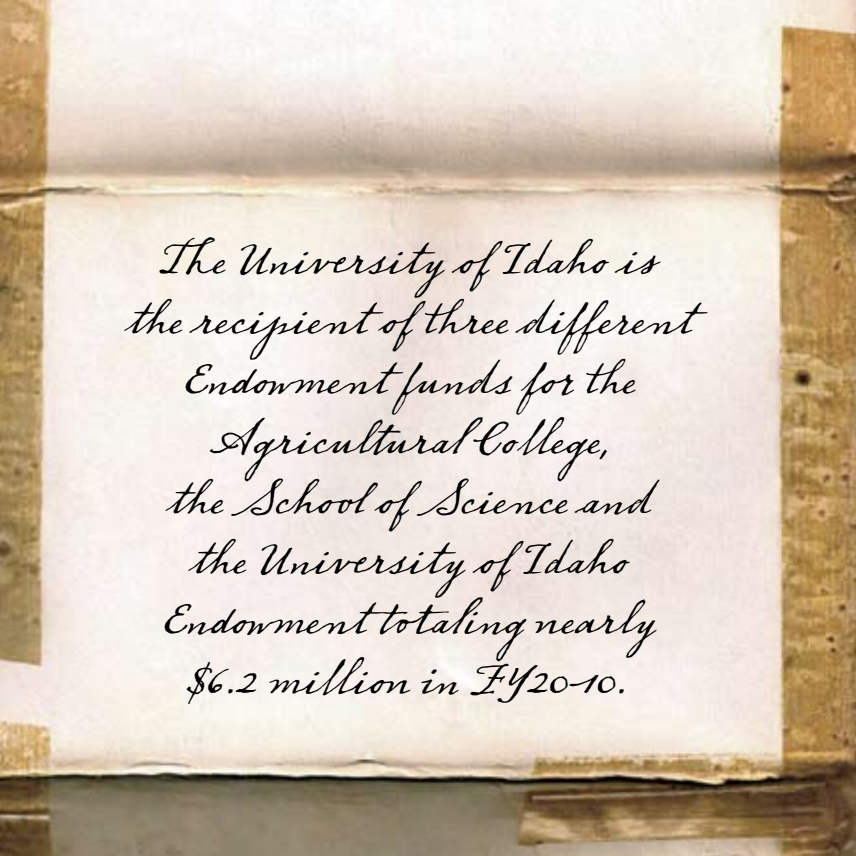
Donna Jones
State Controller




Tom Luna
Superintendent of Public Instruction



George Bacon
Secretary of the Board



*The University of Idaho is
the recipient of three different
Endowment funds for the
Agricultural College,
the School of Science and
the University of Idaho
Endowment totaling nearly
\$6.2 million in FY20-10.*



*Idaho State Veterans Homes
received nearly a half a
million dollars for fiscal year
20-10. Combined with the
previous year's Endowment
Distribution, the
Veterans Homes were almost
one million dollars.*



The Land Where *Miracles Grow*

As it was deliberating the Idaho Admissions Act in 1889, the United States Congress displayed uncommon wisdom by granting what would become the Union's 43rd member 3,600,000 acres of land for the sole purpose of funding specified beneficiaries, primarily the state's public schools. This mandate was later chiseled into the granite of the Idaho Constitution through Article IX, Section 8, which mandates that the lands will be managed "...in such manner as will secure the maximum long-term financial return to the institution to which [it is] granted." The prescribed income is generated in a number of ways: the sale of land; the sale of timber; leases for grazing, farming, conservation, commercial buildings, recreational homesites, and mining; and earnings from invested funds. The Endowment Fund Investment Board is charged with managing the invested revenues from the endowment lands. Until 1968, it was limited to a "buy-and-hold" investment strategy as dictated by the original legislation that created the fund. Subsequent constitutional amendments approved in 1968 and 1998, enabled the board to take advantage of all the modern investment tools available to it. As a result, the fund's assets rose dramatically — from \$77 million when the board was created to over \$1 billion today — with a corresponding increase in the financial resources available to the beneficiaries.

On December 20, 2007, the State Board of Land Commissioners approved a new asset management plan based on three prudent principles:

- Maximize the long-term financial return at a prudent level of risk
 - Protect future generations' purchasing power
 - Provide a relatively stable and predictable payout

Preserving our *Assets*

As noted, much of the Land Board's annual income is derived from the sale of the timber that grows on the endowment lands. While trees are unaffected by fluctuations in the stock market; insects, disease, and fire can have catastrophic effects on our ability to generate revenues. Thus, in our case, a prudent investment strategy includes a team of expert foresters and fire fighting professionals. Headquartered in Coeur d'Alene, the Forestry and Fire Division consists of three independent bureaus: Forest Management, Forestry Assistance, and Fire Management.

The Forest Management Bureau provides overall statewide policy direction, technical guidance and general oversight of the management of the endowment trust's lands. It is also responsible for monitoring the timber harvest and the accounting for the associated receivables. The Forestry Assistance Bureau provides technical assistance to the other Department of Lands programs and state and federal officials. It also advises and assists private landowners in the responsible management of forest resources and enforces the policies set forth by the Idaho Forest Practices Act, which regulates commercial forest operations within Idaho. It is staffed by specialists in forest management, entomology, pathology, fisheries biology, hydrology, and geotechnical engineering.

The Fire Management Bureau is probably the most visible of the department's divisions. On a day-to-day basis it establishes and implements policies to prevent, prepare for, and fight wildland fires over six million acres of Idaho's public and private forest and rangelands. These responsibilities include regulating the elimination of fire hazards caused by timber harvesting on state and private lands within Idaho.



Forestry and Fire Bureau Administration

David Groeschl - Assistant Director - Forestry and Fire

Bob Helmer - Chief - Forest Management

Craig Foss - Chief - Forestry Assistance

Brian Shiplett - Chief - Fire Management

National Fire Plan in Idaho

PROGRESS in 2010



In 2010, the 10th year of the National Fire Plan in Idaho, great strides have been made in preparing for wildland fire in Idaho's communities by aligning agencies, treating hazardous fuels, equipping fire districts, restoring landscapes, and educating property owners and citizens.

There is continuous effort among fire districts and agencies to strengthen their coordination and communication. The IDL Volunteer Fire Assistance grant program funded 63 fire departments and districts in 2010, awarding \$194,843 for firefighting and communication equipment, training, and other resources.

All 44 counties have active County

Wildfire Protection Plans, and most have active county working groups that are designing and implementing projects on the ground. The State is supporting development of the West Wide Wildfire Risk Assessment that will be useful to both state and county working groups in understanding risk and prioritizing projects. Since 2001, over two million acres of hazardous fuels reduction has been completed across ownerships in Idaho. About 55 percent of the treatment acres were within the wildland urban interface (WUI). In 2010, 3,979 acres were treated on private land.

Outstanding active wildfire education and protection programs exist throughout Idaho. Local fire cooperatives are strong, and many counties host workshops and events and have developed websites and prevention materials. This work will now be brought together and enhanced with the new statewide Idaho Firewise program (visit www.idahofirewise.org).

The Idaho wildland fire community has come together through state wildland fire conferences, state and county working groups, interagency after-action reviews, mock fire exercises, and extensive networking and dialogue. Idaho now has 16 nationally recognized Firewise Communities and dozens of other groups working together informally to protect their communities.



Image Credits: Idaho State Historical Society: (top) MS685/5/31/1 (bottom) P2006-18-436c

Clearwater-Potlatch Timber Protective Association

Howard Weeks
Chief Warden

Rich McMillan
President of the
Board of Directors

Roger Fanson
Board Member

Greg Danley
Board Member

Don Konkol
Board Member

Mike Reggear
Board Member

Corby Finke
Board Member

South Idaho Timber Protective Association

Mark Woods
Chief Warden

Alvin Hall
President of the
Board of Directors

Kurt Houston
Board Member

John Kwader
Board Member

Bob Wagner
Board Member

Elt Hansbrouck
Board Member

Living off **THE LAND**

The Lands, Minerals and Range Division includes the Surface and Mineral Resources Bureau which manages six leasing programs, three regulatory programs and one assistance program.

Cottage Site Lease Program

More than 500 cottage site leases located at Priest Lake and Payette Lake are managed by the Department. Lessees are allowed to build private residences on some of the most beautiful waterfront and secondary lake properties in the state of Idaho.

Commercial Lease Program

The Commercial Lease Program involves a broad range of leasing scenarios including energy resources (e.g. wind energy and geothermal); communication sites; retail/office; recreation, industrial facilities; and military facilities. Energy resource leases, especially alternative energy facility leases, and retail/office leases are expected growth areas for the Department.

Mineral Lease Program

The Mineral Lease program manages almost 200 leases across the state which cover more than 40,000 acres. Minerals extracted from state endowment trust lands include phosphate, sand and gravel, decorative stone, garnets, clay, and cinders.

Grazing Lease Program

The Department manages more than 1,200 grazing leases that cover almost 300,000 acres of timberland and 1.5 million acres of rangeland located primarily across the southern two-thirds of Idaho. These leases contribute approximately 260,000 AUMs of forage to livestock operations each year.

Farming Lease Program

Most of the original farming land owned by the endowments was sold during the early portion of the 1900's. What remains is a small portfolio of farming leases that total approximately 20,000 acres. Crops currently grown on state endowment trust lands include sugar beets, corn, onions, potatoes, barley, hops, dry beans, and wheat.

Lands, Minerals And Range Administration

Bob Brammer - Assistant Director

Mike Murphy - Chief Bureau of Surface
and Mineral Resources

Conservation Lease Program

Until the adoption of the State Board of Land Commissioners Asset Management in 2007, the “conservation” asset type was not formally recognized by the Department. Since that time and based on recent administrative rule changes, the Department does accept applications for conservation use and continues to manage a small portfolio of conservation leases.

Navigable Waters Regulatory Program

The Navigable Waters program regulates encroachments and activities on, in, or above the navigable lakes in the State of Idaho. Additionally, this program manages the beds and banks lying below the ordinary high water mark of the state’s navigable rivers and streams. In total these lands are managed for the public’s benefit as public trust lands.

Mining Regulatory Program

The Mining Regulatory program regulates surface mining and dredge/placer mining on all state, private, and federal lands in the State of Idaho. Mining plans and reclamation bonds are required prior to the start of mining. Plans are reviewed and approved in coordination with other state and federal agencies.



Oil and Gas Regulatory Program

The State Board of Land Commissioners acts as the Oil and Gas Commission which regulates the exploration, drilling and production of oil and gas resources to ensure the conservation of oil and gas and the protection of surface and groundwater. Although oil and gas drilling permits have been issued by the Department, no commercial oil and gas wells are currently in production on state endowment trust lands or private lands in the State of Idaho.

Abandoned Mine Lands Program

The Abandoned Mine Lands Program provides financial and technical assistance to land owners across the State of Idaho with abandoned mine issues. Public safety and environmental protection are the focus of this program which is funded by a portion of the Mine License Tax.



Idaho State
University
Receives
\$1,330,000

During the 2010 Fiscal Year, the land board increased the Beneficiary distribution to Idaho State University by over \$60,000 to \$1.3 million from funds generated by Idaho’s endowment assets.



Image Credits: Idaho State Historical Society: (top) 66-26390 (middle) 66-77-7 (left) M6688/531/5



*The Mining Regulatory Program
regulates surface mining and
dredge/placer mining on all state,
private, and federal lands
in the State of Idaho.*

*The Grazing Lease Program
manages more than
1,200 grazing leases that
cover almost 300,000 acres
of timberland and
1.5 million acres of rangeland.*





Image Credit: Idaho State Historical Society, MS11-100d.



Northern and Southern OPERATIONS

Northern Operations

Field offices	7
Permanent personnel	89
Seasonal employees	100+
Endowment lands (acres)	525,226
Annual timber sales	152*
Leased grazing acres	72,565.53
Mineral leases	47
Exploration locations	0
Cottage site leases	354
Residential leases	4
Commercial leases	34
Forest protective districts (fire)	7
Forest practices notifications	1,324
Waterway encroachment permits	9,941 ³

Southern Operations

Field offices	7
Permanent personnel	74
Seasonal employees	75+
Endowment lands (acres)	1,924,029
Annual timber sales	136*
Leased grazing acres	1,714,208.53
Mineral leases	378
Exploration locations	9
Cottage site leases	166
Residential leases	4
Commercial leases	119
Forest protective districts (fire)	3
Forest practices notifications	168
Waterway encroachment permits	976 ³

* Million Board Feet

³ Information provided by operations

Administration

Roger Jansson Chief
Northern Operations
Coeur d'Alene, Idaho

Mick Schanilec Area Manager
Priest Lake Supervisory Area
Coolin, Idaho

Scott Bacon Area Manager
Kootenai Valley Supervisory Area
Bonners Ferry, Idaho

Ed Robinson Area Manager
Pend Oreille Supervisory Area
Sandpoint, Idaho

Mike Denney Area Manager
Mica Supervisory Area
Coeur d'Alene, Idaho

Bob Burke Area Manager
Cataldo Supervisory Area
Kingston, Idaho

Ken Ockfen Area Manager
St. Joe Supervisory Area
St. Maries, Idaho

Sam Charles Area Manager
Ponderosa Supervisory Area
Deary, Idaho

Administration

Kurt Houston Chief
Southern Operations
Boise, Idaho

Bob McKnight Area Manager
Clearwater Supervisory Area
Orofino, Idaho

Jim Clapperton Area Manager
Maggie Creek Supervisory Area
Kamiah, Idaho

Jay Sila Area Manager
Craigmont Supervisory Area
Craigmont, Idaho

Sheldon Keafer Area Manager
Payette Lakes Supervisory Area
McCall, Idaho

Steve Douglas Area Manager
Southwest Supervisory Area
Boise, Idaho

Tim Duffner Area Manager
South Central Supervisory Area
Jerome, Idaho

Pat Brown Area Manager
Eastern Supervisory Area
Idaho Falls, Idaho

Board of Scaling PRACTICES

The Idaho Board of Scaling Practices enforces log scaling (measurement) standards prescribed by statute and regulation, to ensure professional quality log scaling for the benefit of Idaho timber interests. The Board tests and licenses log scaling practitioners and subjects them to routine, unannounced check scales to assure proficiency. The Board also administers log brand registrations and the disposition of prize (abandoned) logs.

Appointed by the governor, Board members represent industry, logging, and private landowner interests.

Current board members are:

- George B. Bacon, Chairman
- Jack Buell, Vice Chairman
- H. Larry Stewart, Secretary
- Robert E. Boeh, Gerry Ikola and Lynn House

An executive director and check scaler, headquartered in the Idaho Department of Lands Coeur d'Alene 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.



Image Credit: Idaho State Historical Society; 70-114-6.



Idaho Department of Lands

SUPPORT SERVICES

Invisible to most but vital to the smooth operation of the entire department — including the Land Board — the dedicated people in the support services division of the Idaho Department of Lands perform legal, fiscal management, information systems, and personnel functions from their offices in the department's headquarters in Boise and Coeur d'Alene.

Legal Oversight

Legal counsel is provided to the department by the Idaho attorney general. Two deputy attorneys general are assigned specifically to the Idaho Department of Lands and have their offices in the IDL's headquarters.

They provide legal advice to the department, initiate legal action on the department's behalf, and, when necessary, defend the department in court. Supplementary assistance may be provided by additional deputies in the attorney general's office if case loads, other duties, or the specific nature of the action require it.

Fiscal Management

Under the supervision of the financial officer, the Fiscal Section provides oversight and policy direction for all accounting functions within the department, including purchasing, accounts payable and receivable, and internal auditing.

Human Resources

The department's human resource manager works closely with the state's division of human resources to deliver all personnel responsibilities, including payroll, recruiting, and record keeping.

Management Information Systems

Information system needs critical to the department's operation are the responsibility of the Information Technology and Geographic Information System sections.

The Information Technology section manages the department's entire network infrastructure, including hardware, software, remote backup and storage, and help desk duties.

The Geographic Information System (GIS) section maintains the property ownership databases and records that are vital to the department as it formulates management strategies for the lands under its control.

It also administers the department's GIS website which provides access to land records, published maps, aerial photography sources and digital maps of the entire state.

Support Services Administration

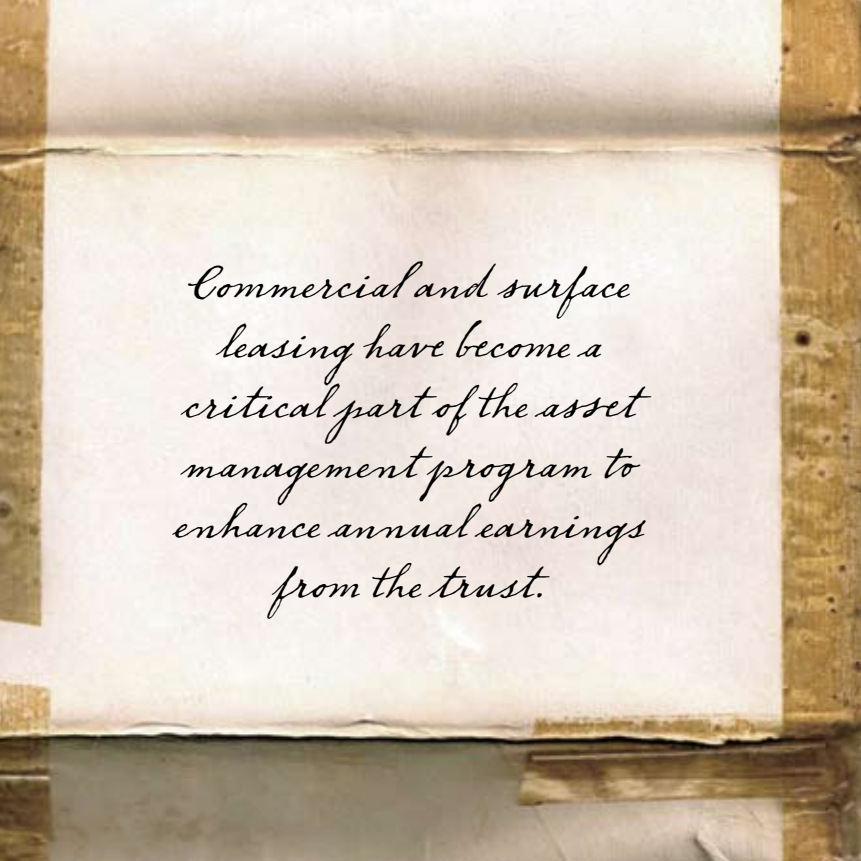
Patrick Hodges - Division Administrator

Lisa Johnson - Financial Officer

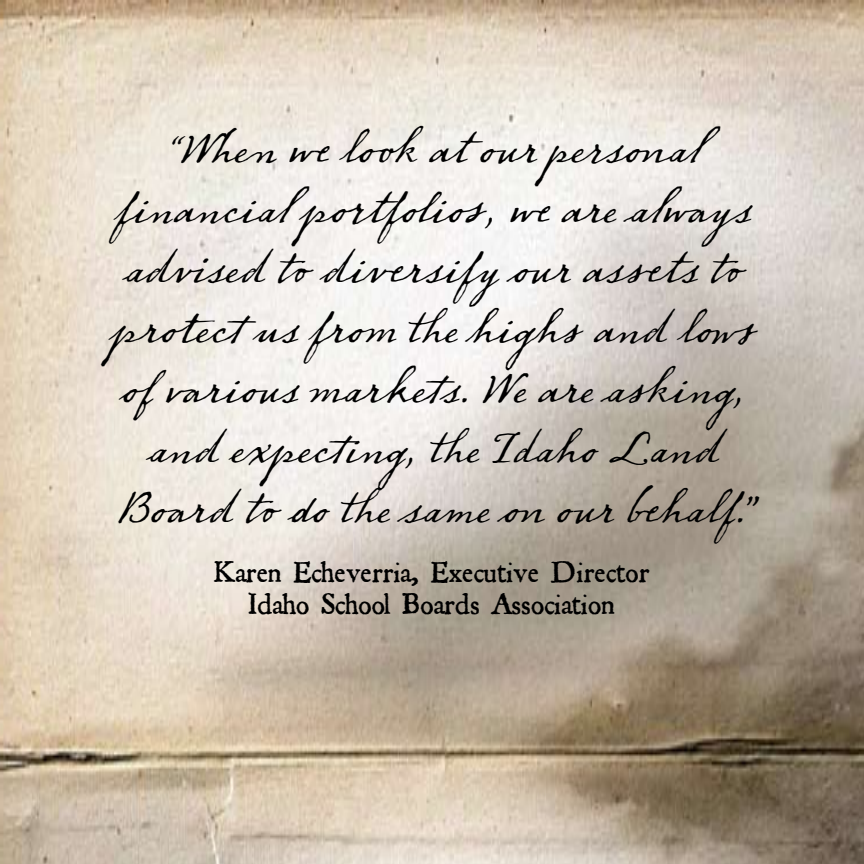
Dan Raiba - IT Resource Manager

Chris Clay - GIS/Cartography Manager





*Commercial and surface
leasing have become a
critical part of the asset
management program to
enhance annual earnings
from the trust.*



*"When we look at our personal
financial portfolios, we are always
advised to diversify our assets to
protect us from the highs and lows
of various markets. We are asking,
and expecting, the Idaho Land
Board to do the same on our behalf."*

Karen Echeverria, Executive Director
Idaho School Boards Association

F i n a n c i a l
a n d

D e p a r t m e n t

D a t a

For Fiscal Year 2010

July 1, 2009 to June 30, 2010

Accountants' 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 2010.

Signed,



Lisa Johnson
Financial Officer

Accounts and Funding Revenue and Expenditures

	Revenue	Expenditures
General Fund	647,043	4,079,339
Misc. Pass Through Funds	204,936	0
Dedicated Land Funds		
Forest Resources	509,130	477,198
Lands, Minerals, Range	1,159,346	112,711
Fire Management	5,107,977	4,147,382
Board of Scaling	140,936	168,075
Support Services	13,713	835,639
Indirect Cost Recovery	574,578	363,037
Community Forestry Trust	11,028	11,489
Land Bank	42,225	382,438
Total Dedicated Funds	\$ 7,558,933	\$ 6,922,178
Fire Suppression	2,243,680	5,325,099
Federal Funds	6,768,022	6,922,178
Endowment Funds		
Earnings Reserve	45,261,601	22,685,271
Permanent	3,014,686	0
Total Endowment Funds	\$ 48,276,287	\$ 22,685,271
Revenue and Expenditures	\$ 65,698,902	\$ 45,509,856

Forest

MANAGEMENT

Timber Harvested

Average Harvest Prices	FY 2008	FY 2009	FY 2010
Sawlogs	\$ 276.55/MBF ¹	\$ 252.36/MBF ¹	\$ 182.60/MBF ¹
Cedar Poles	\$ 4.06/LF ²	\$ 4.79/LF ²	\$ 3.65/LF ²

North Operations	Sawlogs (MBF)	Cedar Poles (LF)	Cedar Products (MBF)	Pulp (MBF)	Sawlogs (TON)
Priest Lake	9,281	30,255	43	799	8,493
Pend Oreille	8,181	49,865	35	815	35,101
Kootenai Valley	433	-2,135	1	203	0
Mica	5,299	14,485	27	97	0
St. Joe	39,827	6,790	1,065	5,718	0
Cataldo	6,043	0	15	545	0
Ponderosa	23,512	0	126	1,984	0
Subtotal	92,576	99,260	1,312	10,161	43,594
South Operations	Sawlogs (MBF)	Cedar Poles (LF)	Cedar Products (MBF)	Pulp (MBF)	Sawlogs (TON)
Clearwater	36,021	1,695	462	5,844	0
Maggie Creek	16,503	68,010	381	4,147	0
Craig Mountain	2,558	0	0	206	0
Payette	31,853	0	0	779	26,277
Southwest	8,620	0	0	86	26,904
South Central	0	0	0	0	0
Eastern Idaho	349	0	0	0	0
Subtotal	95,904	69,705	843	11,062	53,181
Total	188,480	168,965	2,155	21,223	96,775

Total Harvest Volume - All product types - 233,097 MBF

Timber Sold

Average Sale Prices	FY 2008	FY 2009	FY 2010
Sawlogs	\$ 254.83/MBF ¹	\$ 188.41/MBF ¹	\$ 166.11/MBF ¹
Cedar Poles	\$ 9.31/LF ²	\$ 4.81/LF ²	\$ 3.56/LF ²
Ton Sawlog	\$ 30.70/T	\$ 15.84/T	\$ 19.21/T

North Operations	Sawlogs (MBF)	Cedar Poles (LF)	Cedar Products (MBF)	Pulp (MBF)	Sawlogs (TON)
Priest Lake	17,156	0	0	53	14,027
Pend Oreille	12,542	294,435	30	6	0
Kootenai Valley	5,016	0	0	95	0
Mica	7,092	0	0	0	0
St. Joe	49,163	424,140	2,059	294	3,915
Cataldo	13,638	0	204	60	0
Ponderosa	34,893	0	55	366	12,976
Subtotal	139,500	718,575	2,348	874	30,918
South Operations	Sawlogs (MBF)	Cedar Poles (LF)	Cedar Products (MBF)	Pulp (MBF)	Sawlogs (TON)
Clearwater	44,560	373,975	1,238	481	0
Maggie Creek	23,851	82,320	1,617	7,270	0
Craig Mountain	10,681	0	0	89	0
Payette	19,407	0	0	0	104
Southwest	15	0	0	0	79,480
South Central	0	0	0	0	0
Eastern Idaho	10,205	0	0	0	0
Subtotal	108,719	456,295	2,855	7,840	79,584
Total	248,219	1,174,870	5,203	8,714	110,502

Total Sale Volume - All product types - 288,843 MBF

¹ Thousand Board Feet ² Lineal Feet

Income Statement (for the year ended June 30, 2010)

ENDOWMENT TRUST LANDS

	Public School	Ag College	Charitable Institutions	Normal School	Penitentiary
Direct Program Revenue¹					
Forest Land	20,547,534	715,971	3,259,211	3,226,116	865,242
Agriculture Land	309,383	1,210	-	-	11,268
Grazing Land	1,323,081	50,382	59,769	20,507	6,366
Residential Real Estate	2,919,819	-	-	607,069	-
Commercial Real Estate	628,486	2,310	32,800	1,015,387	6,429
Recreation	132,899	225	3,091	5,857	4,108
Conservation	51,549	-	20	197	-
Oil and Gas	75,390	1,915	80	26,700	124
Minerals	2,304,591	809	15,082	341,430	514
Total Revenue	\$ 28,292,731	\$ 772,822	\$ 3,370,053	\$ 5,243,263	\$ 894,051
Direct Program Expense					
Forest Land	9,460,234	212,499	1,016,774	605,737	337,778
Agriculture Land	88,556	346	-	-	3,225
Grazing Land	719,682	27,405	32,511	11,155	3,463
Residential Real Estate	194,873	-	-	30,741	-
Commercial Real Estate	465,538	298	16,974	1,458,402	301
Recreation	4,311	7	100	190	133
Conservation	22,219	-	9	85	-
Oil and Gas	873	22	1	309	1
Minerals	293,108	103	1,918	43,425	65
Total Program Expense	\$ 11,249,394	\$ 240,680	\$ 1,068,287	\$ 2,150,043	\$ 344,967
Program Margin	\$ 17,043,337	\$ 532,143	\$ 2,301,766	\$ 3,093,219	\$ 549,084
Less: Managerial Overhead					
Forest Land	2,744,553	60,620	252,271	175,366	108,552
Agriculture Land	40,929	160	-	-	1,491
Grazing Land	288,687	10,993	13,041	4,475	1,389
Residential Real Estate	63,978	-	-	10,092	-
Commercial Real Estate	43,967	28	1,603	92,033	28
Recreation	14,274	24	332	629	441
Conservation	11,945	-	5	46	-
Oil and Gas	1,894	48	2	671	3
Minerals	120,881	42	791	17,909	27
Total Managerial Overhead	\$ 3,331,108	\$ 71,916	\$ 268,045	\$ 301,220	\$ 111,932
Net Income by Program					
Forest Land	8,342,747	442,853	1,990,166	2,445,013	418,912
Agriculture Land	179,898	704	-	-	6,552
Grazing Land	314,713	11,984	14,217	4,878	1,514
Residential Real Estate	2,660,968	-	-	566,236	-
Commercial Real Estate	118,981	1,984	14,223	(535,049)	6,099
Recreation	114,313	194	2,658	5,037	3,534
Conservation	17,385	-	7	66	-
Oil and Gas	72,622	1,845	77	25,720	119
Minerals	1,890,602	664	12,373	280,097	422
Total Net Income	\$ 13,712,229	\$ 460,227	\$ 2,033,721	\$ 2,791,999	\$ 437,152
Net Income/Total Revenue	48%	60%	60%	53%	49%

¹ Direct Program Revenue includes contributions to permanent funds and earnings reserve funds.

² Deferred maintenance on commercial buildings reported on a cash basis in accordance with governmental accounting standards.

• Revenue Source: IBIS Query/Access Query • Direct Expenditure Source: STARS DAFR 8290 • Admin Ovhd Source: STARS DAFR 8290

	School of Science	State Hospital South	University	Capitol	Total
Direct Program Revenue¹					
Forest Land	2,429,860	3,333,592	1,616,525	309,857	36,303,906
Agriculture Land	-	3,238	4,200	-	329,298
Grazing Land	39,992	6,339	26,166	50	1,532,652
Residential Real Estate	-	1,241,518	-	-	4,768,405
Commercial Real Estate	195,991	319,702	115,034	6,968	2,323,107
Recreation	2,928	(678)	261	428	149,117
Conservation	-	-	3,526	-	55,291
Oil and Gas	1,688	1,649	19,947	-	127,492
Minerals	6,226	12,989	3,705	1,672	2,687,019
Total Revenue	\$ 2,676,685	\$ 4,918,347	\$ 1,789,362	\$ 318,974	\$ 48,276,287
Direct Program Expense					
Forest Land	795,514	376,864	653,223	92,155	13,550,776
Agriculture Land	-	927	1,202	-	94,257
Grazing Land	21,753	3,448	14,233	27	833,677
Residential Real Estate	-	59,285	-	-	284,899
Commercial Real Estate	-	779,766	109,189	(607)	2,829,861
Recreation	95	(22)	8	14	4,838
Conservation	-	-	1,520	-	23,832
Oil and Gas	20	19	231	-	1,477
Minerals	792	1,652	471	213	341,747
Total Program Expense	\$ 818,174	\$ 1,221,940	\$ 780,077	\$ 91,801	\$ 17,965,362
Program Margin	\$ 1,858,511	\$ 3,696,408	\$ 1,009,285	\$ 227,173	\$ 30,310,926
Less: Managerial Overhead					
Forest Land	255,916	104,483	169,149	28,661	3,899,571
Agriculture Land	-	428	556	-	43,563
Grazing Land	8,726	1,383	5,709	11	334,414
Residential Real Estate	-	19,464	-	-	93,533
Commercial Real Estate	-	27,941	10,312	(57)	175,855
Recreation	314	(73)	28	46	16,016
Conservation	-	-	817	-	12,813
Oil and Gas	42	41	501	-	3,203
Minerals	327	681	194	88	140,941
Total Managerial Overhead	\$ 265,325	\$ 154,349	\$ 187,266	\$ 28,748	\$ 4,719,909
Net Income by Program					
Forest Land	1,378,430	2,852,245	794,153	189,041	18,853,560
Agriculture Land	-	1,883	2,442	-	191,478
Grazing Land	9,513	1,508	6,224	12	364,562
Residential Real Estate	-	1,162,769	-	-	4,389,973
Commercial Real Estate	195,991	(488,005)	(4,467)	7,633	(682,610) ²
Recreation	2,518	(583)	224	368	128,264
Conservation	-	-	1,189	-	18,647
Oil and Gas	1,626	1,588	19,215	-	122,812
Minerals	5,108	10,656	3,039	1,372	2,204,331
Total Net Income	\$ 1,593,186	\$ 3,542,059	\$ 822,019	\$ 198,425	\$ 25,591,016
Net Income/Total Revenue	60%	72%	46%	62%	53%

Forestry

ASSISTANCE

Forest Stewardship Program (includes Forest Legacy)

- 1,488 forest landowners received technical assistance
- 521 forest landowner participants at 24 stewardship educational workshops, focusing on 12 different topics including fire-prevention landscaping, conservation easements, and family forestland succession planning
- 69 new or revised Landowner Forest Stewardship Plans (LFSPs)
- 143 Landowner Forest Stewardship Plans re-inspected
- Partnered with Natural Resources Conservation Service (NRCS) to assist 55 landowners with EQIP management plans and practices
- Completed documentation for two 2012 Forest Legacy Program (FLP) project applications, covering 1,257 acres. Closing of an FLP project, covering over 3,700 acres adjacent to McArthur Lake, is scheduled for December 1, 2010
- Stewardship grant awards were used to educate over 200 forest landowners at the 2010 WA-ID Forest Owners Field Day, and to treat 50 acres of sawfly-infested trees in the Hayden Area Regional Sewer Board wastewater-treatment poplar stand
- Partnered with over 170 forestry professionals from multiple entities to fund and facilitate the Idaho State Forestry Contest, providing field education and forestry skills competition to over 400 elementary, middle and high-school students
- Provided funding to UI Extension Forestry to continue the Master Forest Steward volunteer program which successfully trained 19 participants in 2009

Forest Health Protection

- Three pest detection surveys covering 2,442,422 acres (Aerial Detection Survey: 1,468,243 acres, Gypsy Moth survey: 817,547, Douglas-fir Tussock Moth survey: 156,632)
- 71 insect and disease identification and management training sessions, with 2,178 participants
- 389 responses to requests for forest health information
- Provided stimulus and other federal grant funds to the Shoshone County Forest Health Collaborative, which will improve forest health and reduce hazardous fuels within the Silver Valley's Wildland Urban Interface. Assistance was provided to over 90 landowners; 568 acres were treated

- Assisted the USDA Forest Service Region 4 with a 2,000 acre Douglas-fir beetle suppression project at the Bald Mountain ski area in the Sun Valley-Ketchum area. IDL conducted an informational public meeting summarizing the project for interested landowners. IDL also administered cost share to seven private landowners and one homeowner's association adjacent to the project area. Approximately 200 private forested acres were protected from Douglas-fir beetle

Community & Urban Forestry (includes conservation education)

- Initiated a canopy analysis project in the Treasure Valley to determine the contribution of tree canopy to air quality, energy conservation and storm-water mitigation. Modeling potential future benefits of increased canopy to help meet Federal requirements for ozone is a special emphasis of the project. Partners include Idaho DEQ, Idaho Power, storm-water managers, county and city planners, transportation districts and more
- Granted \$1 million in stimulus funds to eleven cities in Ada, Bonner, Canyon and Kootenai Counties. More than 4,500 park and street trees were treated to mitigate critical urban forest safety issues and improve the health, value, function and longevity of this public asset
- 71 Tree City USA designations with 14 Tree Cities also receiving a Tree City USA Growth Award for significant improvement to their tree management programs
- Partnered with the Idaho Transportation Department on a Transportation Enhancement project, providing \$172,000 in grants (leveraging an additional \$173,000 in match) to ten cities for landscaping to reduce storm-water runoff, encourage non-motorized transportation, for education and to enhance downtown business districts

State Assessment of Forest Resources (SAFR)

The Idaho Department of Lands - in partnership with state and federal agencies, organizations, tribes, industry, conservation, and advisory groups - completed a State Assessment of Forest Resources and Statewide Forest Resource Strategy for Idaho. The assessment describes geospatially the key issues that most threaten forests in the state, and for which forests provide greatest benefit, from downtowns to tree line and across all ownerships. The Resource Strategy depicts priority landscape areas in which to focus work and identifies actions and opportunities for collaborative projects that address the key issues, leading to greater positive change on a landscape scale. For more information, go to: <http://www.idl.idaho.gov/bureau/ForestAssist/safr/safr-final.html>.

Forest Practices Act (FPA)

FPA Administration

- Conducted 1,410 forest-practices inspections, on 1,008 different harvesting operations, on Idaho's private forestlands and found a 97% rate of compliance. For the complete report summarizing 2009 inspection activities is posted at: <http://www.idl.idaho.gov/bureau/ForestAssist/fpa/20100310/2009-Forest-Practices-Year-tEnd-Report.pdf>
- Partnered with Montana and Washington natural resource agencies in presenting Forest Practices Update sessions at the Intermountain Logging Conference. Approximately 60 loggers and forestry professionals, from three states, attended these sessions
- Led an internal audit, looking at 19 Class II Stream Protection Zone segments across the state, focusing on leave-tree-retention rule compliance

Cumulative Watershed Effects (CWE)

Twenty watersheds are being assessed in the Clearwater and Lower Kootenai River Basins. Watersheds assessed in 2010 have been previously assessed using the CWE process. Results of the 2010 CWE assessments will be used to develop implementation plans designed to alleviate adverse conditions, and monitor progress toward achieving CWE objectives.

Interdisciplinary Team Field Visits

The Interdisciplinary (ID) Team members conducted 135 field visits on individual projects throughout the IDL Supervisory Areas. Twenty-four follow-up reports were provided including recommendations for stream crossing installations, bridge/road installation and repair, stream classification, landslide repair, rock pit development, road rocking, interpretation of various FPA rules, project implementation oversight, stream channel restoration, etc.

American Recovery & Reinvestment Act (ARRA) Projects

The IDL was awarded \$5,149,000 in federal stimulus project money to pass through to Idaho counties and cities.

The ARRA funds were spent on hazardous fuel treatments, forest thinning, and urban forest health projects (i.e. - tree pruning and removal).

Three projects totaling \$2,849,000 were awarded through the Bureau of Forestry Assistance:

\$1,817,000

Shoshone County
Hazardous Fuel
Reduction & Forest
Thinning Project

\$516,000

Ada/Canyon County
Urban Forest
Health Project

\$516,000

Kootenai/Bonner
County Urban
Forest Health Project

Fire Season IN REVIEW

The 2010 fire season was below the twenty-eight-year average in terms of fire occurrence and acres burned. Firefighters responded to 183 fires (48 percent of average) on lands protected by the Idaho Department of Lands (IDL), Clearwater-Potlatch Timber Protective Association (CPTPA), and Southern Idaho Timber Protective Association (SITPA). These fires burned 3,465 acres, which is 33 percent of the average acreage burned.

Favorable weather and the quick response by dedicated teams of firefighters kept 94 percent of these fires to less than 10 acres.

Human activity ignited 97 fires (53 percent of the year's total) that burned 1,736 acres. Human-caused fires accounted for 50 percent of the burned area. The miscellaneous category accounted for the most human-caused fires and burned the largest area. Debris burning was the most expensive human-caused category.

Lightning started 86 fires (47 percent of the year's total) and burned 1,729 acres, or 50 percent of the total area.

The average fire size was 18.9 acres, which is 70 percent of the twenty-eight-year average. The median fire size was 0.1 acres, which is the usual. The average fire cost was \$22,463, and the cost per acre was \$1,186.



Image Credit: Idaho State Historical Society: MS68/5/6/12.



Number of Fires, by Cause, by District

District	# of Fires	Lightning	Misc.	Debris	Campfire	Equip. Use	Arson	Smoke	Children	Railroad
CPTPA	28	16	7	3	-	2	-	-	-	-
Southwest Idaho FPD	25	20	-	-	1	2	1	1	-	-
Maggie Creek FPD	22	10	7	2	1	2	-	-	-	-
SITPA	20	11	3	2	2	1	1	-	-	-
Kootenai Valley FPD	17	5	4	4	-	1	1	-	2	-
Pend Oreille FPD	14	-	4	5	3	1	1	-	-	-
Craig Mountain FPD	14	6	4	1	1	2	-	-	-	-
Priest Lake FPD	13	8	3	-	2	-	-	-	-	-
Cataldo FPD	8	3	-	1	3	1	-	-	-	-
West St. Joe FPD	8	4	-	-	3	1	-	-	-	-
Ponderosa FPD	8	3	1	1	2	1	-	-	-	-
Mica FPD	6	-	3	1	-	-	-	2	-	-
Total	183	86	36	20	18	14	4	3	2	0

The fire season begins in late spring so does not coincide with the fiscal year. As a result, figures on this page may not agree with fiscal-year statistics elsewhere in this report.

Endowment Land (by asset type and number of acres)

STATUS

Endowment	Agriculture	Commercial RE	Conservation	Forest Lands	Minerals	Range Lands	Residential RE	Total
Agricultural College	-	290	-	15,152	7	18,077	-	33,526
Charitable Inst.	10	100	-	63,056	6	14,039	-	77,211
Normal School	623	309	-	43,833	63	15,175	43	60,046
Penitentiary Inc.	800	26	-	27,133	-	1,107	-	29,067
Public Buildings	-	19	-	7,164	-	39	-	7,222
Public Schools	14,010	13,103	22,086	688,729	1,910	1,339,861	550	2,080,249
School of Science	-	204	-	63,967	76	11,627	-	75,875
State Hospital South	-	1,545	-	26,116	10	3,642	103	31,414
University of Idaho	100	142	-	42,279	24	12,101	-	54,646
Total	15,542	15,739	22,086	977,429	2,096	1,415,667	696	2,449,255

Balances as of June 30, 2010

Log Scaling Regulation Enforcement Statistics

Log Scaling Regulation Enforcement Statistics

126 registered log scalers
 144 check scales performed
 354 registered log brands
 1 active prize log sale

Scaling License Examinations

One scaling license examination held
 14 exams taken, 9 passed, 5 failed

Revenue and Expenses

Total revenue \$ 140,936
 Total expenditures \$ 168,075
 Ending free-fund balance \$ 29,236

Lands, Minerals, and Range STATISTICS

Endowment Land Programs

Grazing Program

- 1,201 grazing leases with a total of 1,786,774.06 leased acres and 260,711.00 animal unit months

Farming Program

- 75 farming leases with a total of 18,997.99 leased acres and 599 animal unit months

Conservation Program

- 17 conservation leases

Commercial Program

- 150,470 square feet of commercial property under management
- 22 industrial leases
- 6 military leases
- 42 recreation leases (commercial and noncommercial)
- 76 communication leases
- 8 office/retail leases
- 1 energy resource

Residential Program

- 354 Priest Lake cottage site leases
- 166 Payette Lakes cottage site leases
- 8 other residential leases

Minerals Program

- 193 mineral leases with a total of 40,393.44 leased acres
- 44 geothermal resource leases with a total of 19,823.10 leased acres
- 188 oil and gas leases with a total of 54,346.11 leased acres
- 9 exploration locations

Land Use Permits

- 152 land use permits issued³
- 353 land use permits administered³

Real Estate Transactions

- 50 easements²
- 8 disclaimers of interest

Regulatory Programs

Navigable Waters Public Trust

- 146 submerged land leases (marinas, etc.)
- 433 encroachment permits issued²
- 10,917 encroachment permits administered³

Minerals Regulatory Program

- 1,466 surface mining reclamation plans
- 23 placer mining permits

¹ From Property Management Reports

² Includes Acquired and Granted Easements (FY10)

³ Information provided by operations

Supervisory Areas

MAP



Idaho Department of Lands
300 North 6th Street, Suite 103
Boise, Idaho 83720-0050