

Minnesota Department of Natural Resources  
Division of Forestry

M.S. 16A.125, Subd 5(1) Transfer Certification Report  
Fiscal Year 2006

		School Susp. Fund: 860 Appr: 012	Univ. Susp. Fund: 610 Appr: 010	Trust Land Totals <sup>(1)</sup>
12 Month Revenues	Revenues Received	\$12,878,186	\$246,261	\$13,124,447
	Minus Revenues not Associated with Forest Management	(\$139,511)	(\$335)	(\$139,846)
	Revenues associated with Forest Management	\$12,738,675	\$245,926	\$12,984,601
	Minus Refunds associated with Forest Management	(\$458,112)	(\$29,480)	(\$487,592)
	Net Revenue associated with Forest Management <sup>(1)</sup>	\$12,280,563	\$216,446	\$12,497,010
12 Month Costs	Protection	\$1,603,377	\$12,509	\$1,615,886
	Management	\$2,884,806	\$22,507	\$2,907,313
	Improvement	\$791,878	\$6,178	\$798,056
	Administration	\$713,679	\$5,568	\$719,247
	Forest Roads	\$33,596	\$262	\$33,858
	Certified Forestry Costs <sup>(1)</sup>	\$6,027,336	\$47,025	\$6,074,360

12 Month M.S. 16A.125 Subd. 5(d) Transfers to Other Accounts <sup>(2)</sup>

12 Month Transfer to the Forest Management Investment Account				
M.S. 16A.125, Subd. 5(d)(1) Transfer <sup>(3)</sup>	\$4,088,530	\$31,898	\$4,120,428	
12 Month Transfer to the State General Fund				
M.S. 16A.125, Subd. 5(d)(2) Transfer <sup>(4)</sup>	\$1,938,806	\$15,126	\$1,953,932	
Total M.S. 16A.125 Transfers <sup>(3)</sup>	\$6,027,336	\$47,025	\$6,074,360	

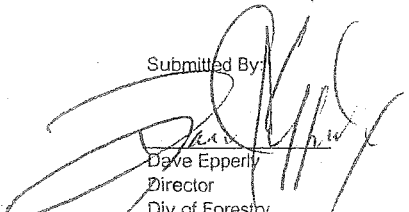
12 Month Net to Permanent Trust Funds

Net Revenues associated with Forest Management minus Certified Costs	\$6,253,228	\$169,421	\$6,422,649
Revenues not associated with Forest Management	\$139,511	\$335	\$139,846
Less Transfer to St Forest Suspense-Land Sales Legal citation 051 001 02 003 002 860	(\$150,000)		(\$150,000)
Less Transfer to St Forest Suspense-Aggregate Legal citation 051 001 02 003 002 860	(\$50,000)		(\$50,000)
Net Revenue to Trust Funds <sup>(1)</sup>	\$6,192,739	\$169,756	\$6,362,495

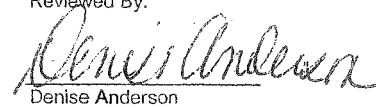
Notes:

- (1) Totals may not add due to rounding
- (2) Total of all transfers is limited to the lesser of: (a) certified costs or (b) forestry revenues
- (3) Total of forest management, forest improvement, forest road costs and a percent of administration
- (4) Total of protection and a percent of administration costs


Submitted By:

  
Dave Epperly  
Director  
Div of Forestry  
Date: 2/5/07

Reviewed By:

  
Denise Anderson  
Administrator  
DNR OMBS  
Date: 2/7/07

Certified By:

  
Marsha Battles-Jenks  
Exec Bdgt Officer  
Dept of Finance  
Date: 2/13/07

Department of Natural Resources  
Division of Forestry

**Determination of MS 16A.125 Costs for Fiscal Year 2006**

**Forest Trust Land Acreage:**

2,573,860		Total School Trust Acres
-	200,634	Less recreation, mining and urban use acres
<b>2,373,226</b>		<b>School Trust Acres subject to cost certification</b>
25,891		Total University Trust Acres
-	7,375	Less recreation, mining and urban use acres
<b>18,516</b>		<b>University Trust Acres subject to cost certification</b>
<b>2,391,742</b>		<b>Total Trust Acres subject to cost certification</b> 2,373,226 acres School + 18,516 acres University

**Protection Costs:**

\$15,679,318		Total Forestry Protection Costs
+	(\$255,402)	Less Recovered Costs (from billings)
<u>\$15,423,916</u>		Net Forest Protection Costs to be Allocated
\$0.676		Protection Cost Per Acre (\$15,423,916 / 22,829,589 acres protected)
<b>\$1,603,377</b>		<b>School Trust Protection Costs</b> = \$0.675 X 2,373,226 acres
<b>\$12,510</b>		<b>University Trust Protection Costs</b> = \$0.522 X 18,516 acres

**Management Costs:**

\$4,935,802		Total Timber Sales Costs
x	45.184%	Trust Land Timber Revenue as a Percentage of Total Timber Revenue
<u>\$2,230,190</u>		Timber Sales Costs to be allocated to Trust Lands
+	\$677,124	Total of Itemized Trust Land Management Costs (Lease Admin., Tbr inventory, etc.)
<u>\$2,907,313</u>		Forest Management Costs to be allocated to Trust Lands
\$1.216		Management Cost Per Acre (\$2,907,313 / 2,391,742 acres of trust land)
<b>\$2,884,806</b>		<b>School Trust Management Costs</b> = \$1.216 X 2,373,226 acres
<b>\$22,507</b>		<b>University Trust Management Costs</b> = \$1.216 X 18,516 acres

**Improvement Costs:**

\$1,766,238	Total Forestry Improvement Costs
x <u>45.184%</u>	Trust Land Timber Harvest as a Percentage of Total Timber Harvest
<u>\$798,056</u>	Forest Improvement Costs to be allocated to Trust Lands
\$0.334	Improvement Cost Per Acre (\$798,056 / 2,391,742 acres of trust land)

<b>\$791,877</b>	<b>School Trust Improvement Costs</b>
	<b>= \$0.334 X 2,373,226 acres</b>

<b>\$6,178</b>	<b>University Trust Improvement Costs</b>
	<b>= \$0.334 X 18,516 acres</b>

**Administrative Costs:**

\$6,623,081	Total Forestry Administrative Costs
x <u>67.413%</u>	Forestry General Fund Expenditures as a Percentage of Forestry Expenditures
<u>\$4,464,850</u>	Forestry Administrative Costs to be Allocated to Direct Management Activities
x <u>16.109%</u>	Trust Land Direct Expenditures as a Percentage of Total Direct Expenditures
<u>\$719,247</u>	Forestry Administrative Costs to be Allocated to Trust Lands
\$0.301	Administrative Cost Per Acre (\$719,247 / 2,391,742 acres of trust land)

<b>\$713,679</b>	<b>School Trust Administrative Costs</b>
	<b>= \$0.301 X 2,373,226 acres</b>

<b>\$5,568</b>	<b>University Trust Administrative Costs</b>
	<b>= \$0.301 X 18,516 acres</b>

**Forest Road Costs:**

\$718,545	Total Forestry Road Costs
x <u>4.712%</u>	Trust Land Acreage as a Percentage of Total Acres Served by Forest Roads
<u>\$33,858</u>	State Forest Road Costs to be allocated to Trust Lands
\$0.014	State Forest Road Cost Per Acre (\$33,858 / 2,391,742 acres of trust land)

<b>\$33,596</b>	<b>School Trust Road Costs</b>
	<b>= \$0.014 X 2,373,226 acres</b>

<b>\$262</b>	<b>University Trust Road Costs</b>
	<b>= \$0.014 X 18,516 acres</b>

Department of Natural Resources  
Division of Forestry

**Determination of MS 16A.125 Costs for Fiscal Year 2006**

**A Base Data from Division of Lands and Minerals, Division of Forestry and Department of Finance Records**

1	Acres of Permanent School Fund Land Subject to Cost Certification	2,373,226
2	Acres of University Trust Fund Land Subject to Cost Certification	18,516
3	Total Acres of Trust Fund Land Subject to Cost Certification	2,391,741
4	Total Acres of State Land Subject to Forest Management Activities	5,591,946
5	Trust Land Acreage as a Percent of Total Acres Served by Forest Roads	4,712
6	Total Acres of Land Receiving Fire Protection	22,829,589
7	Trust Land Timber Revenues as a Percent of Total Timber Revenues	45.184
8	Total Forestry Expenditures Paid from All Funds	\$59,136,323
9	Total Forestry Expenditures paid from the General Fund and FMIA Fund	\$39,865,859
10	Forestry General Fund and FMIA Expenditures as a Percent of Total Forestry Expenditures	67.413
11	Sum of Allowable Forestry General Operations (support) Costs	\$8,324,565
12	General Fund Proportion of Allowable Operations Costs	\$5,611,879
13	Total Activity Costs to which General Operations Costs are Allocated	\$31,541,294

**B Determination of Protection Costs for Trust Lands**

1	Sum of Allowable Forestry General Fund Direct Costs for Protection	\$13,311,002
2	Protection Portion of Forestry General Operating Costs	\$2,368,316
3	Fire Protection Cost Collections which reduce General Fund Costs	(\$255,402)
4	Net General Fund Fire Protection Costs to be Allocated to Acres Protected	\$15,423,916
5	Protection Cost Per Acre	\$0.676
6	School Trust Acres times Protection Cost Per Acre	\$1,603,377
7	University Trust Acres times Protection Cost Per Acre	\$12,509

**C Determination of Management Costs for Trust Lands**

1 Forest Management Cost Determination:		
a	Sum of Allowable Forestry General Fund Direct Costs for Forest Mgmt	\$574,846
b	Management Portion of Forestry General Operating Costs	\$102,278
c	Total Forest Mgmt Costs to be Allocated	\$677,124
d	Forest Management Cost Per Acre	\$0.283
e	School Trust Acres times Forest Mgmt Cost Per Acre	\$671,882
f	University Trust Acres times Forest Mgmt Cost Per Acre	\$5,242
2 Timber Sales Cost Determination:		
a	Sum of Allowable Forestry General Fund Direct Costs for Timber Sales	\$4,190,263
b	Timber Sales Portion of Forestry General Operating Costs	\$745,539
c	Total Timber Sales Costs	\$4,935,802
d	Timber Sales Costs Attributed to Trust Lands	\$2,230,190
e	Trust Land Timber Sales Cost Per Acre	\$0.932
f	School Trust Acres times Timber Sales Cost Per Acre	\$2,212,924
g	University Trust Acres times Timber Sales Cost Per Acre	\$17,265
3 Total General Fund Forest Management Costs for Trust Lands:		
a	Sum of Mgmt Costs for School Trust Lands	\$2,884,806
b	Sum of Mgmt Costs for University Trust Lands	\$22,507

**D Determination of Forest Improvement Costs for Trust Lands**

(allocation based on proportion of total sales revenue and acres managed)

1	Sum of Allowable Forestry General Fund Forest Improvement Costs	\$1,499,453
2	Forest Improvement Portion of Forestry General Operating Costs	\$266,785
3	Total Forest Improvement Costs	\$1,766,238
4	Forest Improvement Costs Allocated to Trust Lands	\$798,056
5	Trust Land Forest Improvement Cost Per Acre	\$0.334
6	<b>School Trust Forest Improvement Cost</b>	<b>\$791,878</b>
7	<b>University Trust Forest Improvement Cost</b>	<b>\$6,178</b>

**E Determination of Administrative Costs for Trust Lands**

1	Sum of Allowable Forestry General Fund Administrative Costs	\$5,622,684
2	Administrative Portion of Forestry General Operating Costs	\$1,000,397
3	Total Administrative Costs	\$6,623,081
4	Administrative Costs Attributed to General Fund Activities	\$4,464,850
5	Total Direct Trust Land Costs	\$5,355,113
6	Total General Fund Direct Costs	\$33,242,778
7	Trust Direct Costs as a Percent of Total General Fund Direct Costs	16.109
8	Trust Portion of Administrative Costs	\$719,247
9	Trust Land Administrative Cost Per Acre	\$0.301
10	<b>School Trust Administrative Costs</b>	<b>\$713,679</b>
11	<b>University Trust Administrative Costs</b>	<b>\$5,568</b>

**F Determination of Forest Road Costs for Trust Lands**

1	Sum of Allowable Forestry General Fund State Forest Road Costs	\$610,011
2	State Forest Roads Portion of Forestry General Operating Costs	\$108,534
3	Total State Forest Road Costs	\$718,545
4	State Forest Road Costs Allocated to Trust Lands	\$33,858
5	Trust Land Forest Road Cost Per Acre	\$0.014
6	<b>School Trust Forest Improvement Cost</b>	<b>\$33,596</b>
7	<b>University Trust Forest Improvement Cost</b>	<b>\$262</b>

Report Prepared By: Janet Cherney, Accounting Director, Forestry

Date: 12/19/06

**Minnesota Department of Natural Resources**  
**MS 16A.125 Forestry General Fund and FMIA Fund Costs**

FY: 2006 Expenditures As Of: 9/29/2006

Excludes FRC Expenditures

<u>Activity</u>	<u>Amount Expended</u>	Used for <u>16A.125</u>	<u>16A.125 Cost Category</u>
0000 Uncoded	\$502,025.95	**	
3101 Excess Property Program	\$195,970.25		
3111 Fire Prevention	\$83,274.00	X	Protection
3112 BURNING PERMIT SYSTEM	\$158,141.13	X	Protection
3113 DETECTION AND MONITORING	\$10,653.63	X	Protection
3114 PRESCRIBED BURNING	\$80,536.56	X	Protection
3115 FUELS MANAGEMENT	\$122,002.00	X	Protection
3121 Fire Presuppression	\$1,423,271.66	X	Protection
3131 FIRE SUPPRESSION, DIRECT	\$3,273,215.70	X	Protection
3132 FEDERAL MOBILIZATION, FIRE	\$114,410.58		
3141 FIRE SUPPRESSION, INDIRECT	\$1,587,505.68	X	Protection
3142 INDIRECT SUPPRESSION IMT	\$48,493.84	X	Protection
3151 Fire Interagency Assignment	\$274,631.05		
3161 MIFC Operations	\$252,480.14	X	Protection
3162 MIFC OPERATIONS LEVEL 1 -2	\$127,426.72	X	Protection
3163 MIFC OPERATIONS LEVEL 3-4	\$24,425.31	X	Protection
3171 Fire Cache Operations	\$392,519.82	X	Protection
3181 AIR SUPPORT OPERATIONS	\$895,366.53	X	Protection
3182 AIR TANKER OPERATIONS	\$626,447.50	X	Protection
3183 HELICOPTER OPERATIONS	\$1,129,024.07	X	Protection
3185 AIR OPERATIONS - SEATS	\$117,894.77	X	Protection
3186 AIR OPERATIONS - CL215	\$2,735,443.59	X	Protection
3191 Rural Fire Departments	\$161,075.05		
3201 LAW ENFORCEMENT - FIRE	\$177,085.88	X	Protection
3203 LAW ENFORCEMENT - RECREATION	\$14,894.21		
3206 NATURAL DISASTER RESPONSE	\$2,640.80		
3211 Insects & Disease, General	\$307,014.34		
3212 Insects & Disease, Trust	\$9,560.82	X	Forest Management
3213 Insects & Disease, Nontrust	\$76,315.61		
3216 Insects & Disease, PFM	\$46,235.14		
3217 Insects & Disease, Urban	\$8,265.61		
3224 CONSERVATION RESERVE PROGRAM	\$101,428.54		
3227 STEWARDSHIP PROGRAM	\$35,591.28		
3261 Resource Assessment, General	\$1,328,931.57		
3262 Resource Assessment, Trust	\$364,262.05	X	Forest Management
3263 Resource Assessment, Nontrust	\$16,627.77		
3264 FOREST CERTIFICATION	\$143,276.79		
3266 Resource Assessment, PFM	\$56,638.94		
3271 SUBSECTION PLANNING (SFRMP)	\$336,720.51		
3281 Plan/Analysis/Review, General	\$369,138.78		
3286 Plan/Analysis/Review, PFM	\$171,229.90		

3303	TBR SALE PREP & ADMIN, STATE	\$4,157,201.87	X	Timber Sales
3304	TIMBER SALE PREP NON-TRUST	\$25,778.79		
3305	TBR SALE PREP/ADMIN, CO/LOCAL	\$75,481.55		
3306	TBR SALE PREP/ADMIN, PFM	\$93,188.88		
3308	TBR SALE PREP & ADMIN - STBY	\$33,061.52	X	Timber Sales
3322	Site Prep & Reforest, Trust	\$404,391.75	X	Improvement
3323	Site Prep & Reforest, Nontrust	\$639,242.34	X	Improvement
3326	Site Prep & Reforest, PFM	\$174,795.90		
3328	PREP/REGEN/TSI - FIRE STBY	\$39,903.30	X	Improvement
3332	Timber Stand Improve, Trust	\$85,136.91	X	Improvement
3333	Timber Stand Improve, Nontrust	\$284,666.83	X	Improvement
3336	Timber Stand Improve, PFM	\$49,923.96		
3353	Roads and Bridges, State	\$610,011.08	X	Forest Roads
3355	Roads and Bridges, County	\$3,445.17		
3362	CAMPGDS/DAY USE AREA, TRUST	\$23,562.83		
3363	CAMPGDS/DAY USE AREA, NONTRUST	\$18,986.06		
3371	Trails, Waterways And Accesses	\$180,453.99		
3382	Leases & Permits, Trust	\$201,023.47	X	Forest Management
3383	Leases & Permits, Nontrust	\$234,423.71		
3401	Forest Nursery Operations	\$17,514.31	X	Improvement
3411	Forest Tree Improvement	\$28,597.19	X	Improvement
3421	Utilization & Marketing	\$188,982.41		
3431	Grant/Contract Assist, Gen'l	\$23,132.52		
3432	GRANT & CONTRACT ASSIST STATE	\$105.86		
3437	Grant/Contract Assist, Urban	\$19,276.99		
3441	For Mgmt Assist NEC, General	\$15,841.29		
3446	For Mgmt Assist NEC, PFM	\$99,928.02		
3451	PLT & School Forests	\$110,970.96		
3467	COMM FOREST MGMT ASSIST	\$88,975.15		
3803	FORIST PROJECT	\$723,700.65	X	General Operations
3999	Misc Pay / Multi-Purchase	\$2,533,895.79	X	General Operations
6001	HEADQUARTERS OPERATION	\$254.25		
7701	SPORT FISHING	\$267.48		
7758	FIRE ENFORCEMENT (FORESTRY)	\$45,793.79	X	Protection
7902	DIRECTED TIME	\$193.29		
8012	SO US HURRICANE-2005 EMAC	\$2,920.70		
8013	SO US HURRICANE-2005 INSTATE	\$4,140.02		
9100	Land Acquisition	\$104.00		
9110	Taxes/Assessments/PILT	\$4,644.00		
9500	General Administration	\$12,883.96	X	Administration
9501	General Office & Clerical	\$838,413.66	X	Administration
9503	DNR Management Teams	\$78.59		
9507	Legislative Affairs	\$2,311.82		
9508	Legislative & Policy Analysis	\$10,061.81		
9510	SPECIAL ASSIGNMENTS	\$71.08		
9512	Conferences / Seminars	\$5.46		
9513	General Meetings	\$353,509.75	X	Administration
9515	Staff Meetings	\$274.08	X	Administration
9601	Accounts Payable	\$124.93		

9603	Budget Development	\$394.12		
9606	Cost Accounting	\$110.34	X	Administration
9608	Fiscal / Personnel Mgt	\$3,181,490.16	X	Administration
9615	REVENUE PROCESSING	\$66.00		
9650	Human Resources Management	\$65.00		
9654	Bargaining Unit Activities	\$3,329.72		
9655	Leave / Time Off	\$4,167,424.52	X	General Operations
9657	Training	\$1,352.96	X	General Operations
9658	Training Given	\$9,373.37	X	General Operations
9659	Training Received	\$575,203.82	X	General Operations
9702	Program Supervision	\$492,876.89	X	Administration
9706	Resource Protection	\$545.64		
9750	Information & Education	\$242,095.12	X	General Operations
9756	Public Information	\$128.39		
9801	Database Management	\$234.80	X	General Operations
9802	Information Systems (HW/SW)	\$70,722.56	X	General Operations
9803	Geographic Info. Systems	\$560.95	X	General Operations
9804	Network Administration	\$126.88		
9850	Equipment Maintenance	\$91.61	X	Administration
9851	Facilities	\$1,873.87	X	Administration
9854	Facility, Fleet & Equip Maint	\$741,159.18	X	Administration
9855	Fleet and Equipment	\$180.00		
9859	Property Management	\$498.12		
9950	GIS TECHNICAL SUPPORT	\$197.30		
9951	WEBSITE DEVEL/MAINT.	\$30.51		
9960	COMPUTER TRAINING DELIVERY	\$88.86		
9965	CLASSROOM TRAINING	\$586.49		
9999	Override / Misc. Trans.	\$11,283.97	**	

Total for this Report:

\$39,865,858.94

\$39,865,858.94

\*\* Uncoded costs and Override/Misc trans were not included in General Operating because the activity was not coded at the time the obligation was paid