

# 2016 Annual Report







## **VINEYARD LEASES BUILD SCHOOLS**

Barely one percent of state trust land is used for orchards or vineyards yet leases on these lands contributed more than 38 percent of the \$21.3 million that agriculture lands earned for public school construction in fiscal year 2016.

**\$21.3  
MILLION**

**ANNUAL REVENUE FOR  
PUBLIC SCHOOLS AND OTHER  
TRUST LAND BENEFICIARIES  
FROM DNR-MANAGED  
AGRICULTURAL LAND LEASES**





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**Photos (top to bottom):**

DNR: Defends more than 13 million acres from wildfire; manages Natural Resources Conservation Areas, like Woodard Bay NRCA; administers the Derelict Vessel Removal Program to protect Washington's waters; helps landowners replace culverts that block fish from reaching upstream habitat; implements and administers the state's Forest Practices Rules.



**Hilary S. Franz**

Commissioner of Public Lands

\* Fiscal and timber pages account for the revenues DNR generated, collected, and expended during Fiscal Year 2016.

This report was prepared by the Washington State Department of Natural Resources (DNR). It provides information required by the following statutes: RCW 79.10.010, RCW 79.64.100 and RCW 79.64.030

DNR is an equal opportunity employer.

# Contents



**STEWARDSHIP FORESTERS MADE 3,045 SITE VISITS TO HELP FAMILY FOREST OWNERS MANAGE THEIR LANDS TO IMPROVE FOREST HEALTH AND HABITAT**

**1,137**

**ACRES ADDED TO NATURAL AREA PRESERVES**

**2,400-ACRE NEW KLICKITAT CANYON COMMUNITY FOREST ESTABLISHED**



A community-developed management plan will guide the multiple uses of scenic forestland north of Glenwood.

**43** communities, counties and non-profits obtained funding for healthy urban forests through DNR.

**15 IN-STREAM BARRIERS TO FISH PASSAGE REMOVED**

The Family Forest Fish Passage Program helps small landowners replace out-dated culverts and other structures.

**1,600**

**FIREFIIGHTERS TRAINED FOR 57 AGENCIES ACROSS THE STATE**

- 162 FIRE DISTRICTS RECEIVED EQUIPMENT
- 32 MORE COMMUNITIES GAINED FIREWISE RECOGNITION
- 21 COMMUNITIES RECEIVED FUNDS TO REDUCE WILDFIRE RISKS



LAKE KAPOWSIN  
AQUATIC RESERVE



KLICKITAT CANYON  
COMMUNITY FOREST



VOLUNTEERS  
AT CAPITOL STATE  
FOREST

**8th  
AQUATIC RESERVE  
ADDED**

The 512-acre Lake Kapowsin in Pierce County becomes the state's eighth aquatic reserve—the first fresh water reserve.



**58,857**

**HOURS OF VOLUNTEER CARE FOR TRAILS, CAMPGROUNDS AND PICNIC AREAS**

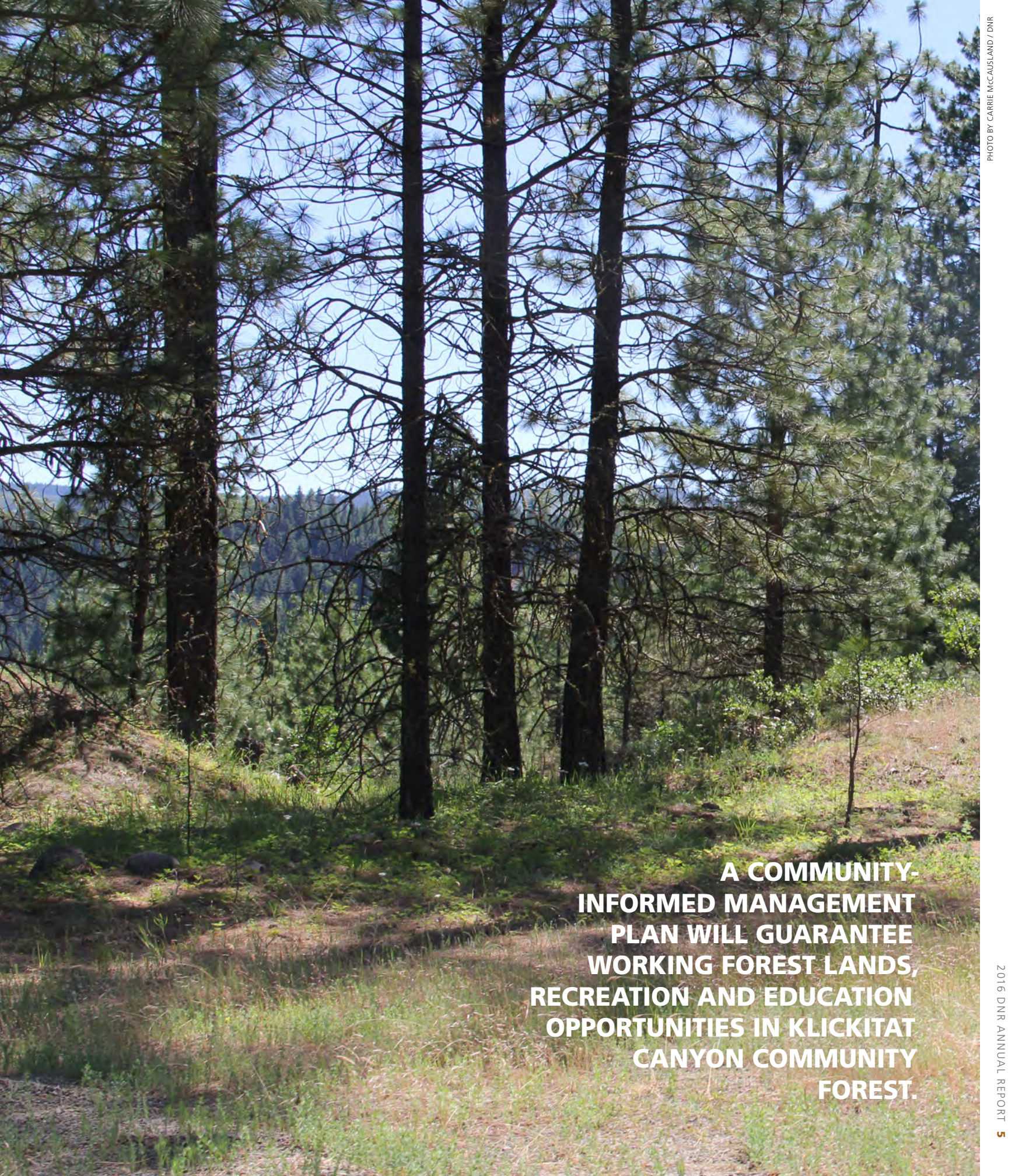
**32 miles**

**OF NEW TRAILS OFFER OPTIONS FOR FUN ON STATE TRUST LANDS**

Department of Natural Resources  
**Highlights**







**A COMMUNITY-  
INFORMED MANAGEMENT  
PLAN WILL GUARANTEE  
WORKING FOREST LANDS,  
RECREATION AND EDUCATION  
OPPORTUNITIES IN KLICKITAT  
CANYON COMMUNITY  
FOREST.**



## AQUATIC RESERVES PROTECT IMPORTANT NATIVE ECOSYSTEMS ON STATE-OWNED AQUATIC LANDS THROUGH MANAGEMENT PLANS DEVELOPED WITH PUBLIC INPUT.

▼ The protection of the bull kelp beds was key to the creation of the Smith and Minor Islands Aquatic Reserve. Citizen scientists regularly conduct kelp surveys to assess the extent and composition of the kelp beds.





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**ABOUT THESE PAGES**

- ▶ These pages account for the revenues DNR generated, collected and expended during Fiscal Year 2016 (July 1, 2015 – June 30, 2016).
- ▶ Most revenues DNR generated are from activities on upland state trust lands and aquatic lands. Distribution of revenue is governed by statute and varies according to trust and revenue source.
- ▶ DNR manages 2.1 million acres of forestlands that generate revenue for state trusts, mostly from timber sales. On pages 37 to 41, DNR provides data on timber management activities on forested state trust lands, as required by RCW 79.10.010(3).

▶ Fiscal information is presented as a combination of tables, pie charts, and notes. The notes provide context for the tables.

▶ Underlined bold numbers are totals or subtotals.

▶ Some pages show dollars in thousands. Totals may not add exactly due to rounding.

▶ There is no individual page for the Community College Forest Reserve Trust. (See Fund Activity, page 11).

▶ These pages include data for federally granted trust lands and for legislatively established trust lands, including State Forest Lands (formerly known as Forest Board lands). Trusts are listed individually.

▶ Counties that contain State Forest Lands, but are not listed for an activity, did not have that activity during Fiscal Year 2016.

# Total Revenue | FY 2016

REVENUE BY SOURCE <sup>1</sup>	FY 2016	FY 2015
Source	Total Funds	Total Funds
<b>Sales</b>		
Timber Sale Removals	\$190,276	\$180,862
Timber Sales-Related Activities	88	147
Forest Road Assessments	13,216	12,804
Nursery Seedling Sales	4,166	3,754
Miscellaneous	360	306
	<b>\$208,106</b>	<b>\$197,872</b>
<b>Leases</b>		
Agriculture	\$22,165	\$21,102
Aquatic	24,311	30,475
Commercial Real Estate	8,958	8,170
Mineral and Hydrocarbon	2,994	2,145
Communication Sites	4,639	4,479
Rights-of-Way	1,198	1,592
Miscellaneous	2,739	2,803
	<b>\$67,004</b>	<b>\$70,765</b>
<b>Other Revenue</b>		
Interest Income	\$484	\$575
Fire Assessments and Cost Reimbursement	11,603	11,382
Grants and Contributions	18,671	18,346
Permits, Fees and Related Charges	3,165	3,342
Miscellaneous	2,614	318
	<b>\$36,537</b>	<b>\$33,963</b>
<b>Total Revenue from Operations</b>	<b>\$311,647</b>	<b>\$302,600</b>
<b>Land Transfers <sup>3</sup></b>		
Land Transfers <sup>3</sup>	\$12,360	\$10,659
<b>Land Bank <sup>4</sup></b>		
Land Bank <sup>4</sup>	0	0
	<b>\$12,360</b>	<b>\$10,659</b>
<b>Total Revenue</b>		
<b>Total</b>	<b>\$324,007</b>	<b>\$313,259</b>

Amounts are reported in thousands of dollars.

#### ■ About This Page

Revenues are shown for two years for comparison. Differences between the years reflect changes in market conditions, legal requirements, availability of resources and other factors.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.



# Total Expenditures | FY 2016

EXPENDITURES BY PROGRAM <sup>2</sup>	FY 2016	FY 2015
<b>Operating</b>		
Fire Suppression	\$146,486	\$89,063
Product Sales & Leasing	38,285	40,983
Resource Protection	20,022	19,275
Land Management	19,744	22,072
Agency Support	18,198	17,404
Forest Practices	16,781	15,569
Engineering Services	15,078	13,527
Aquatic Resources	14,606	19,361
Interagency Payments	10,121	8,848
Asset & Property Management	6,717	7,191
Administration	5,558	5,427
Geology & Earth Resources	4,772	2,627
Agricultural Resources	1,754	2,103
Law Enforcement Services	1,305	1,325
<b>Total Operating Expenditures</b>	<b>\$319,425</b>	<b>\$264,773</b>
<b>Capital</b>		
Real Estate and Property Acquisition	\$12,720	\$33,947
Trust Land Transfers	6,909	9,523
Facilities & Roads	3,823	3,860
Puget Sound Corps	2,352	8,154
Forest Health	2,123	3,212
Recreation & Natural Areas	1,674	1,930
Aquatic Resources	897	5,244
Forest Practices	640	1,264
Miscellaneous <sup>2</sup>	336	0
<b>Total Capital Expenditures</b>	<b>\$31,475</b>	<b>\$67,134</b>
<b>Total Expenditures</b>		
<b>Total<sup>2</sup></b>	<b>\$350,901</b>	<b>\$331,907</b>

Amounts are reported in thousands of dollars.

**About This Page**

Expenditures are shown for two years for comparison. Differences between the years reflect changes in the programs, legal requirements, salaries and benefits, inflation and other factors.

DNR's expenditures reflect the Department's diverse work.

Land management activities, funded by trust land revenue, are investments in the long-term benefits and productivity of the resources. Other activities, funded by non-trust revenue sources, support regulatory, assistance and resource protection programs, as well as agency operations.

Capital expenditures include land acquisitions on behalf of state trusts and natural areas.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.



# DNR-Administered Funds – Revenue and Expenditures | FY 2016

Fund Title	Beginning Balance 7/1/15	Revenue	Expenditure	Ending Balance 6/30/16
<b>Trust Management Accounts*</b>				
Forest Development (FDA) <sup>3</sup>	\$6,732	\$23,122	\$(24,749)	\$5,105
<b>Resources Management (RMCA) Total**</b>	20,073	47,839	(48,191)	19,720
RMCA Uplands Subtotal	11,177	36,229	(33,084)	14,321
RMCA Land Bank Subtotal	2,090	0	0	2,090
RMCA Aquatics Subtotal	6,805	11,610	(15,107)	3,307
<b>Agricultural College (ACTMA)</b>	461	1,422	(1,082)	800
	<b>\$27,266</b>	<b>\$72,382</b>	<b>\$(74,023)</b>	<b>\$25,625</b>
<b>Other DNR-Administered Funds <sup>14</sup></b>				
Access Road Revolving	\$5,340	\$13,279	\$(12,282)	\$6,337
Aquatic Lands Dredged Material	353	75	(18)	410
Aquatic Lands Enhancement <sup>7</sup>	N/A	15,191	(3,552)	N/A
Community Forest Trust	26	25	0	51
Conservation Areas Stewardship	261	23	(2)	282
Contract Harvesting Revolving	1,940	24,741	(18,661)	8,019
Derelict Vessel Removal <sup>8</sup>	N/A	46	(1,246)	N/A
Forest and Fish Support <sup>9</sup>	N/A	78	(3,251)	N/A
Forest Fire Protection Assessment	8,443	10,535	(7,743)	11,236
Forest Practice Application	622	609	(592)	639
Landowner Contingency Forest Fire	4,348	591	(976)	3,962
Marine Resources Stewardship	1,956	(964)	(487)	505
ORV and Nonhighway Vehicle <sup>6</sup>	N/A	1	(2,379)	N/A
Park Land Trust Revolving <sup>10</sup>	N/A	567	(1,944)	N/A
Real Property Replacement <sup>3</sup>	5,461	5,697	(6,545)	4,612
Special Forest Products Outreach & Educ.	1	7	0	9
State Forest Nursery Revolving	957	4,174	(3,712)	1,419
Surface Mining Reclamation	1,133	1,484	(1,838)	778
Surveys and Maps	905	746	(649)	1,002
		<b>\$76,904</b>	<b>\$(65,879)</b>	
<b>Total DNR-Administered Funds <sup>14</sup></b>		<b>\$149,286</b>	<b>\$(139,902)</b>	

Amounts are reported in thousands of dollars.

**About This Page**

DNR’s fiscal activity includes generating revenue for a variety of funds and accounts, some of which benefit state trust beneficiaries and some of which fund state programs, including DNR’s own. DNR’s fiscal activity also includes expenditures supporting its work. Some of the accounts that receive revenue from DNR or that fund DNR’s expenditures are managed by DNR; others are managed by other agencies.

\* These accounts fund DNR’s management of state trust lands. Revenue may be carried over from year to year. As a result, any given year’s expenditures do not necessarily correlate to that year’s revenue.

\*\* The RMCA trust balance includes \$2,090,465 dedicated by law (RCW 79.19) to Land Bank purchases of lands that replace previously sold trust lands.

See pages 12, 22, 24 and 28 for more detailed accounting. FDA and RMCA are funded through revenue generated from the lands whose management they support. ACTMA is not funded through such revenue, but instead, through a legislative appropriation from the State General Fund.

N/A = not applicable

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.



# Other Funds – Revenue and Expenditures | FY 2016

Fund Title	Revenue	Expenditure	Net Fiscal Activity
<b>Trust Current Funds <sup>13</sup></b>			
Common School Construction	\$65,670	\$0	\$65,670
Community College Forest Reserve	0	(500)	(500)
WSU Bond Retirement	1,449	0	1,449
UW Bond Retirement <sup>19</sup>	1,775	0	1,775
CEP&RI	3,092	0	3,092
EWU Capital Projects	35	0	35
CWU Capital Projects	35	0	35
WWU Capital Projects	35	0	35
TESC Capital Projects	35	0	35
Capitol Building Construction	6,666	0	6,666
Forest Board Counties	55,919	0	55,919
	<b>\$134,711</b>	<b>\$(500)</b>	<b>\$134,211</b>
<b>Trust Permanent Funds <sup>13</sup></b>			
Agricultural College (WSU)	\$7,627	\$0	\$7,627
Normal School (EWU, CWU, WWU, TESC)	2,397	0	2,397
Common School (K-12)	1,502	0	1,502
Scientific (WSU)	5,028	0	5,028
State University (UW) <sup>19</sup>	153	0	153
	<b>\$16,707</b>	<b>\$0</b>	<b>\$16,707</b>
<b>Other Funds</b>			
General Fund	\$23,547	\$(47,429)	\$(23,882)
Air Pollution Control	275	(261)	14
Budget Stabilization	58	(130,488)	(130,430)
Cleanup Settlement Account <sup>17</sup>	(1,219)	0	(1,219)
Developmental Disabilities Community Trust	5	0	5
Disaster Response	0	(9,978)	(9,978)
Environmental Legacy Stewardship	0	(350)	(350)
NOVA Program	0	(291)	(291)
State Building Construction	27	(19,284)	(19,257)
State Toxics Control	609	(2,418)	(1,808)
	<b>\$23,303</b>	<b>\$(210,499)</b>	<b>\$(187,196)</b>
<b>Total Activity - Other Funds <sup>14</sup></b>	<b>\$174,722</b>	<b>\$(210,999)</b>	<b>\$(36,277)</b>
<b>Total All Funds and Activities</b>	<b>\$324,007</b>	<b>\$(350,901)</b>	

**Amounts are reported in thousands of dollars.**

Totals may not add due to rounding. Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.

**About This Page**

All revenue for the Community College Forest Reserve Trust was generated from leases. DNR expenditures from the fund were to purchase land for the trust.



# Resource Management Cost Account (RMCA) | FY 2016

	EXPENDITURES	REVENUE
Source		
<b>Beginning Balance (July 1, 2015)</b>		<b>\$20,072,548</b>
<b>RMCA Revenue</b>		
Uplands		36,228,954
Aquatics		11,609,748
<b>Operating Revenue</b>		<b>47,838,702</b>
<b>Less Expenditures <sup>2</sup></b>		
Agricultural Resources	1,724,351	
Asset & Property Management	1,207,540	
Product Sales & Leasing	10,613,779	
Land Management	8,726,049	
Law Enforcement	699,722	
Correctional Camps	299,551	
Administration	1,894,516	
Interagency Payments	4,157,852	
Agency Support	6,383,223	
Aquatic Resources	10,850,202	
Engineering Services	1,634,706	
<b>Total Operating Expenditures</b>	<b>48,191,491</b>	
<b>Total Capital Expenditures</b>	<b>0</b>	
<b>Total Expenditures and Other Charges</b>	<b>48,191,491</b>	
<b>Ending Fund Balance (June 30, 2016)*</b>		<b>\$19,719,759</b>

■ **About This Page**

The Resource Management Cost Account (RMCA) funds DNR's Land Management activities on state grant lands. DNR deposits a portion of the revenue it generates from these lands into the account, and the legislature appropriates funds from the account to DNR for expenditures. The RMCA can be used only for land management expenses (e.g., reforestation, preparing timber sales, or managing aquatic leases) that support federally granted state lands.

\* RMCA fund balance includes \$2,090,465 in upland trust reserved for Land Bank sell-first purchases. See page 14 for details.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.

# State Grant Lands | FY 2016

Source	REVENUE	DISTRIBUTION		
	Grand Total All Funds	Trust Current Funds <sup>13</sup>	Trust Permanent Funds <sup>13</sup>	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>				
Timber Sales <sup>11, 15, 19</sup>	\$86,514,536	\$45,088,401	\$16,658,797	\$24,767,339
Timber Sales-Related Activities <sup>1</sup>	25,117	2,365	11,164	11,589
Trust Land Transfer Program	6,000,000	6,000,000	0	0
Land Sales (Includes Land Bank) <sup>4</sup>	0	0	0	0
	<b>\$92,539,653</b>	<b>\$51,090,766</b>	<b>\$16,669,961</b>	<b>\$24,778,927</b>
<b>Leases</b>				
<b>Agriculture</b>				
Dryland	\$4,293,472	\$2,652,727	\$341,071	\$1,299,674
Irrigated	16,885,244	11,089,129	645,126	5,150,989
Grazing and Other	890,472	586,764	37,255	266,452
Aquatic Lands	24,312,970	13,575,278	0	10,737,692
Special Use	2,059,965	1,353,087	73,722	633,156
Commercial Real Estate	8,952,609	6,134,088	77,093	2,741,428
Mineral And Hydrocarbon	2,712,951	1,151,906	577,579	983,465
Rights-Of-Way	1,119,273	260,116	488,421	370,737
Communication Sites	3,101,702	1,674,959	497,805	928,939
Special Forest Products	239,657	140,155	26,077	73,425
	<b>\$64,568,315</b>	<b>\$38,618,210</b>	<b>\$2,764,149</b>	<b>\$23,185,956</b>
<b>Other Revenue</b>				
Interest Income	\$347,005	\$110,499	\$35,580	\$200,926
Non-Trust Revenue <sup>16</sup>	1,113,733	941,410	0	172,323
Operating Transfer <sup>1, 12</sup>	(754,195)	3,219,818	(3,219,818)	(754,195)
Permits, Fees, and Miscellaneous <sup>1</sup>	714,458	2,366	457,327	254,765
	<b>\$1,421,001</b>	<b>\$4,274,094</b>	<b>\$(2,726,912)</b>	<b>\$(126,181)</b>
<b>Total Revenue</b>	<b>\$158,528,970</b>	<b>\$93,983,069</b>	<b>\$16,707,198</b>	<b>\$47,838,703</b>

**About This Page**

State grant lands (upland and aquatic) were granted to Washington at statehood by the federal government. Each upland parcel is assigned to a specific state trust dedicated to financially supporting a specific beneficiary (e.g., the Common School Trust supports construction of K-12 schools).

The aquatic lands are designated as a public trust to benefit the public as a whole. Income from state grant lands is divided among trust beneficiary accounts and the RMCA, which DNR uses to manage the lands.

Totals may not add due to rounding.  
Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.



# Resource Management Cost Account (RMCA) Upland | FY 2016

Source	Granted Trusts	Land Bank*	Total Uplands
<b>Beginning Trust Balance (July 1, 2015)</b>	<b>\$11,177,523</b>	<b>\$2,090,159</b>	<b>\$13,267,682</b>
<b>Upland Revenue</b>			
<b>Total Upland Revenue</b>	<b>36,228,650</b>	<b>305</b>	<b>36,228,955</b>
<b>Less: Expenditures <sup>2</sup></b>			
<b>Agricultural Resources</b>	1,724,351	0	1,724,351
<b>Asset &amp; Property Management</b>	1,207,540	0	1,207,540
<b>Product Sales &amp; Leasing</b>	10,613,779	0	10,613,779
<b>Land Management</b>	8,726,049	0	8,726,049
<b>Law Enforcement</b>	699,722	0	699,722
<b>Correctional Camps</b>	299,551	0	299,551
<b>Administration</b>	1,326,263	0	1,326,263
<b>Interagency Payments</b>	2,409,635	0	2,409,635
<b>Agency Support</b>	4,442,526	0	4,442,526
<b>Engineering Services</b>	1,634,706	0	1,634,706
<b>Total Operating Expenditures</b>	<b>33,084,125</b>	<b>0</b>	<b>33,084,125</b>
<b>Total Capital Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditures</b>	<b>33,084,122</b>	<b>0</b>	<b>33,084,122</b>
<b>Ending Trust Balance (June 30, 2016)</b>	<b>\$14,322,052</b>	<b>\$2,090,464</b>	<b>\$16,412,516</b>

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.

### About This Page

This portion of the RMCA supports the management of upland state grant lands, each of which supports a specific, designated beneficiary.

\* Land Bank revenue is dedicated by law (RCW 79.19) to purchase lands that replace previously sold trust lands.

### About Next Page

Generally, by law, each beneficiary of the granted land trusts receives 70 percent of the revenue earned from its lands, and the remaining 30 percent goes to the RMCA to fund DNR's management of the lands. This chart shows the combined distribution in Fiscal Year 2016, with each trust beneficiary's share proportional to its share of the total revenue earned, and with the RMCA share divided among DNR's expenditures from the account for upland management activities.

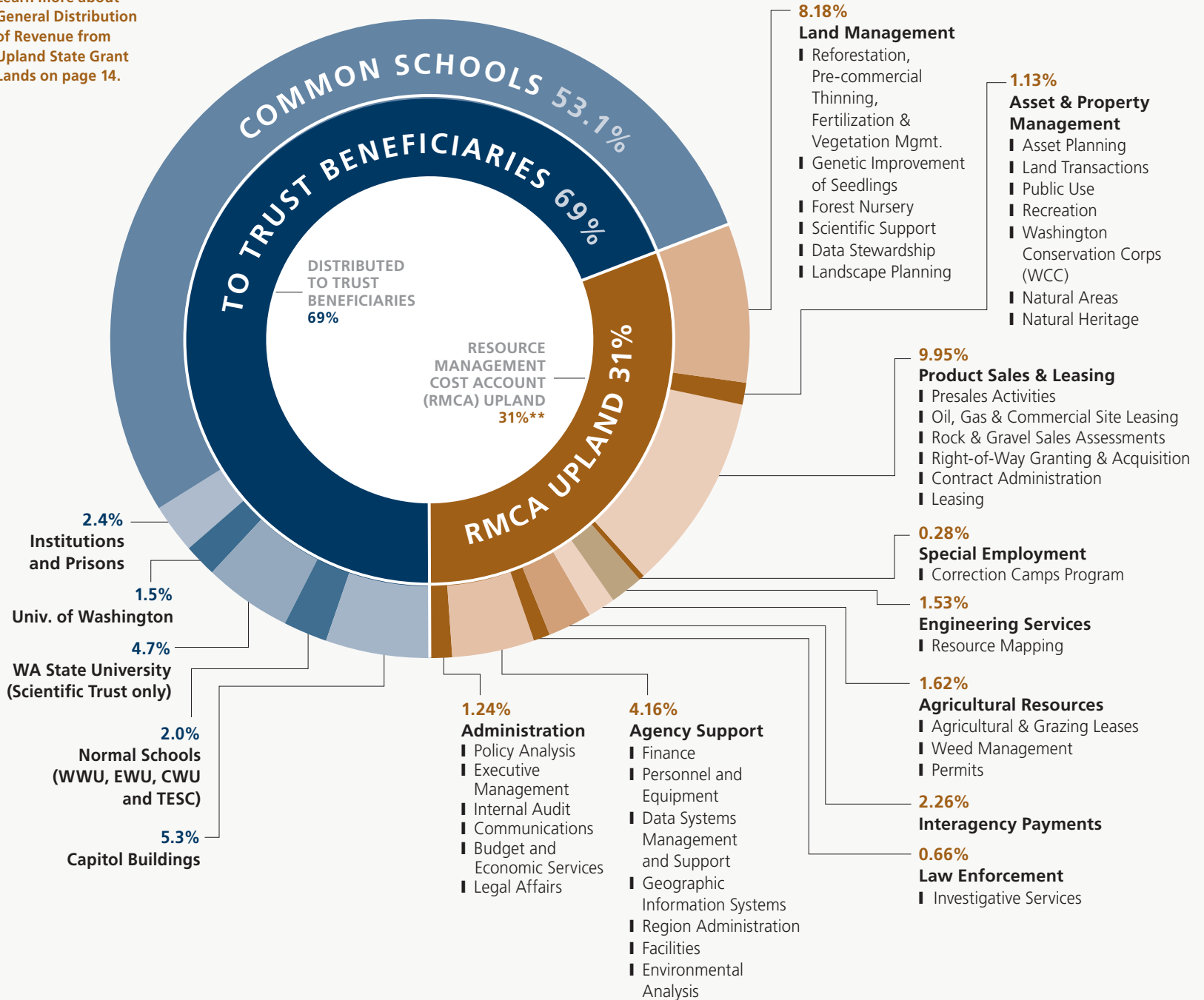
Expenditures are appropriated by the legislature and are ongoing investments to keep the lands productive and to generate future income for the trusts.

\* This chart is based on statewide averages. Detailed breakdown of DNR programs contain examples only, not a complete listing. This chart does not include revenue from the Agricultural School trust lands because 100 percent of revenue from those lands is distributed to the trust.

\*\* Per Board of Natural Resources Resolution #1472, the management fund deduction of revenues from granted lands was established at 31 percent, effective 8/18/15.

# General Distribution of Revenue from Upland State Grant Lands\* | FY 2016

Learn more about General Distribution of Revenue from Upland State Grant Lands on page 14.



\*\*\* Expenditures from Land Bank.



# Common School, Indemnity and Escheat Grants | FY 2016

Source	REVENUE	DISTRIBUTION		
	Total Funds	Common School Construction	Common School Permanent	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>				
Timber Sales <sup>11, 15</sup>	\$53,315,070	\$36,568,475	\$0	\$16,746,595
Timber Sales-Related Activities <sup>1</sup>	3,741	1,255	(0)	2,486
Trust Land Transfer Program	6,000,000	6,000,000	0	0
Land Sales (Includes Land Bank) <sup>4</sup>	0	0	0	0
	<b>\$59,318,811</b>	<b>\$42,569,731</b>	<b>\$(0)</b>	<b>\$16,749,080</b>
<b>Leases</b>				
<b>Agriculture</b>				
Dryland	\$3,471,305	\$2,400,242	\$0	\$1,071,062
Irrigated	15,977,763	11,027,151	0	4,950,611
Grazing and Other	815,344	567,478	0	247,866
Aquatic Lands	0	0	0	0
Special Use	1,893,851	1,311,748	0	582,103
Commercial Real Estate	8,831,172	6,125,348	0	2,705,824
Mineral And Hydrocarbon	852,598	16,105	574,993	261,500
Rights-Of-Way	663,600	19,074	449,263	195,262
Communication Sites	2,151,466	1,473,572	0	677,894
Special Forest Products	156,426	108,205	0	48,221
	<b>\$34,813,523</b>	<b>\$23,048,924</b>	<b>\$1,024,256</b>	<b>\$10,740,343</b>
<b>Other Revenue</b>				
Interest Income	\$89,367	\$51,194	\$20,840	\$17,333
Non-Trust Revenue <sup>16</sup>	98,118	0	0	98,118
Operating Transfer <sup>1</sup>	(495,249)	0	0	(495,249)
Permits, Fees, and Miscellaneous <sup>1</sup>	506,358	0	457,327	49,031
	<b>\$198,594</b>	<b>\$51,194</b>	<b>\$478,167</b>	<b>\$(330,767)</b>
<b>Totals</b>	<b>\$94,330,928</b>	<b>\$65,669,848</b>	<b>\$1,502,424</b>	<b>\$27,158,656</b>

■ About This Page

Income from these state grant lands and escheat lands (those with no known heirs) supports construction of state public kindergarten through 12th grade schools.

The beneficiary's share of income is distributed to the Common School Construction Account and the Common School Permanent Account, which generates perpetual interest for the support of school construction. This distribution varies by activity and is governed by law.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.

# University Grants Original and Transferred (UW) | FY 2016

Source <sup>19</sup>	REVENUE	DISTRIBUTION		
	Total Funds	UW Retirement Bond	State (UW) University Permanent	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>				
Timber Sales	\$2,382,927	\$0	\$1,666,331	\$716,595
Timber Sales-Related Activities <sup>1</sup>	13,922	0	9,537	4,385
Land Sales (Includes Land Bank)	0	0	0	0
	<b>\$2,396,849</b>	<b>\$0</b>	<b>\$1,675,868</b>	<b>\$720,980</b>
<b>Leases</b>				
<b>Agriculture</b>				
Dryland	\$205,626	\$0	\$142,025	\$63,600
Irrigated	0	0	0	0
Grazing and Other	31,096	0	21,678	9,418
Aquatic Lands	0	0	0	0
Special Use	7,233	0	4,991	2,242
Commercial Real Estate	103,472	0	71,741	31,731
Mineral And Hydrocarbon	0	0	0	0
Rights-Of-Way	1,460	0	1,007	452
Communication Sites	0	0	0	0
Special Forest Products	13,377	0	9,308	4,069
	<b>\$362,264</b>	<b>\$0</b>	<b>\$250,750</b>	<b>\$111,514</b>
<b>Other Revenue</b>				
Interest Income	\$10,244	\$490	\$459	\$9,295
Non-Trust Revenue <sup>16</sup>	3,064	0	0	3,064
Operating Transfer <sup>1, 12</sup>	12,158	1,774,409	(1,774,409)	12,158
Permits, Fees, and Miscellaneous <sup>1</sup>	185	0	0	185
	<b>\$25,650</b>	<b>\$1,774,899</b>	<b>\$(1,773,950)</b>	<b>\$24,701</b>
<b>Totals</b>	<b>\$2,784,762</b>	<b>\$1,774,899</b>	<b>\$152,668</b>	<b>\$857,195</b>

■ **About This Page**

Income from these state grant lands supports construction of buildings for the University of Washington. Some of these lands were acquired at the time of statehood, and some lands were transferred to this trust from the CEP&RI trust by the legislature in 1893.

The beneficiary's share of income is distributed to the University Permanent and UW Bond Retirement accounts. This distribution varies by activity and is governed by law.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.



# Charitable, Educational, Penal and Reformatory Institutions Grant (CEP&RI) | FY 2016

Source	REVENUE	DISTRIBUTION	
	Total Funds	CEP & RI Account	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>			
Timber Sales	\$2,865,517	\$1,986,557	\$878,960
Timber Sales-Related Activities <sup>1</sup>	1	1	0
Land Sales (Includes Land Bank)	0	0	0
	<b>\$2,865,518</b>	<b>\$1,986,558</b>	<b>\$878,960</b>
<b>Leases</b>			
<b>Agriculture</b>			
Dryland	\$232,629	\$160,514	\$72,115
Irrigated	3,278	2,262	1,016
Grazing and Other	11,613	8,103	3,510
Aquatic Lands	0	0	0
Special Use	5,985	4,155	1,829
Commercial Real Estate	11,150	7,731	3,419
Mineral And Hydrocarbon	1,065,734	738,638	327,096
Rights-Of-Way	3,166	2,190	976
Communication Sites	231,511	161,114	70,397
Special Forest Products	27,603	19,073	8,529
	<b>\$1,592,668</b>	<b>\$1,103,780</b>	<b>\$488,888</b>
<b>Other Revenue</b>			
Interest Income	\$16,515	\$1,540	\$14,975
Non-Trust Revenue <sup>16</sup>	4,969	0	4,969
Operating Transfer	0	0	0
Permits, Fees, and Miscellaneous <sup>1</sup>	2,398	0	2,398
	<b>\$23,883</b>	<b>\$1,540</b>	<b>\$22,342</b>
<b>Totals</b>	<b>\$4,482,069</b>	<b>\$3,091,878</b>	<b>\$1,390,191</b>

Income from these state grant lands is used to establish and maintain institutions managed by the Department of Corrections (such as prisons) and the Department of Social and Health Services (such as the Western State Hospital).

The beneficiary's share of income is distributed to the CEP&RI Account.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.

# Capitol Building Grant | FY 2016

	REVENUE	DISTRIBUTION	
Source	Total Funds	Capitol Building Construction	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>			
Timber Sales	\$9,760,263	\$6,533,368	\$3,226,895
Timber Sales-Related Activities <sup>1</sup>	1,849	1,109	740
Land Sales (Includes Land Bank)	0	0	0
	<b>\$9,762,112</b>	<b>\$6,534,477</b>	<b>\$3,227,635</b>
<b>Leases</b>			
<b>Agriculture</b>			
Dryland	\$58,375	\$40,279	\$18,096
Irrigated	0	0	0
Grazing and Other	5,443	3,756	1,687
Aquatic Lands	0	0	0
Special Use	28,939	19,968	8,971
Commercial Real Estate	1,463	1,010	454
Mineral And Hydrocarbon	5,461	3,848	1,614
Rights-Of-Way	8,452	5,927	2,525
Communication Sites	58,368	40,274	18,094
Special Forest Products	16,212	11,216	4,996
	<b>\$182,714</b>	<b>\$126,278</b>	<b>\$56,436</b>
<b>Other Revenue</b>			
Interest Income	\$39,227	\$5,489	\$33,738
Non-Trust Revenue <sup>16</sup>	10,779	0	10,779
Operating Transfer <sup>1</sup>	(313,318)	0	(313,318)
Permits, Fees, and Miscellaneous <sup>1</sup>	229	0	229
	<b>\$(263,083)</b>	<b>\$5,489</b>	<b>\$(268,572)</b>
<b>Totals</b>	<b>\$9,681,743</b>	<b>\$6,666,244</b>	<b>\$3,015,499</b>

**About This Page**

Income from these state grant lands supports construction of state government office buildings at the Capitol Campus in Olympia.

The beneficiary's share of income is distributed to the Capitol Building Construction Account.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.



# Normal School Grant (EWU, CWU, WWU and TESC) | FY 2016

Source	REVENUE	DISTRIBUTION		
	Total Funds	EWU, CWU, WWU, TESC Capital Projects	Normal School Permanent	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>				
Timber Sales <sup>11, 15</sup>	\$3,343,193	\$0	\$2,369,847	\$973,346
Timber Sales-Related Activities <sup>1</sup>	927	0	74	854
Land Sales (Includes Land Bank)	0	0	0	0
	<b>\$3,344,120</b>	<b>\$0</b>	<b>\$2,369,920</b>	<b>\$974,200</b>
<b>Leases</b>				
<b>Agriculture</b>				
Dryland	\$74,916	\$51,692	\$0	\$23,224
Irrigated	86,355	59,716	0	26,639
Grazing and Other	10,721	7,427	0	3,294
Aquatic Lands	0	0	0	0
Special Use	24,906	17,215	0	7,691
Commercial Real Estate	0	0	0	0
Mineral and Hydrocarbon	0	0	0	0
Rights-Of-Way	36,640	0	26,005	10,635
Communication Sites	0	0	0	0
Special Forest Products	2,390	1,660	0	730
	<b>\$235,929</b>	<b>\$137,711</b>	<b>\$26,005</b>	<b>\$72,213</b>
<b>Other Revenue</b>				
Interest Income	\$13,974	\$526	\$1,179	\$12,269
Non-Trust Revenue <sup>16</sup>	3,951	0	0	3,951
Operating Transfer <sup>1</sup>	42,214	0	0	42,214
Permits, Fees, and Miscellaneous <sup>1</sup>	2,245	1,833	0	412
	<b>\$62,384</b>	<b>\$2,358</b>	<b>\$1,179</b>	<b>\$58,846</b>
<b>Totals</b>	<b>\$3,642,432</b>	<b>\$140,069</b>	<b>\$2,397,105</b>	<b>\$1,105,259</b>

**About This Page**

Income from these state grant lands supports construction at Eastern Washington University, Central Washington University, and Western Washington University (regional universities). These three universities were originally called 'normal schools.' The Evergreen State College (TESC) was added to this trust by the legislature to begin receiving revenue after July 1, 1995.

The beneficiary's share of income is distributed to the Normal School Permanent Account and capital project accounts for each university. This distribution varies by activity and is governed by law.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.

# Scientific School Grant (WSU) | FY 2016

	REVENUE	DISTRIBUTION		
Source	Total Funds	WSU Bond Retirement	Scientific Permanent	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>				
Timber Sales	\$7,185,204	\$0	\$4,960,257	\$2,224,947
Timber Sales-Related Activities <sup>1</sup>	3,867	0	742	3,125
Land Sales (Includes Land Bank)	0	0	0	0
	<b>\$7,189,071</b>	<b>\$0</b>	<b>\$4,960,999</b>	<b>\$2,228,072</b>
<b>Leases</b>				
<b>Agriculture</b>				
Dryland	\$166,375	\$0	\$114,799	\$51,576
Irrigated	557,162	0	384,440	172,722
Grazing and Other	2,201	0	1,525	676
Aquatic Lands	0	0	0	0
Special Use	98,180	0	67,861	30,319
Commercial Real Estate	0	0	0	0
Mineral and Hydrocarbon	0	0	0	0
Rights-Of-Way	15,752	0	11,140	4,612
Communication Sites	526,294	0	363,740	162,554
Special Forest Products	22,359	0	15,480	6,879
	<b>\$1,388,323</b>	<b>\$0</b>	<b>\$958,984</b>	<b>\$429,339</b>
<b>Other Revenue</b>				
Interest Income	\$47,279	\$2,546	\$11,227	\$33,506
Non-Trust Revenue <sup>16</sup>	9,659	0	0	9,659
Operating Transfer <sup>12</sup>	0	902,835	(902,835)	0
Permits, Fees, and Miscellaneous <sup>1</sup>	1,580	0	0	1,580
	<b>\$58,518</b>	<b>\$905,381</b>	<b>\$(891,607)</b>	<b>\$44,744</b>
<b>Totals</b>	<b>\$8,635,912</b>	<b>\$905,381</b>	<b>\$5,028,376</b>	<b>\$2,702,155</b>

**About This Page**

Income from these state grant lands supports construction of buildings at Washington State University. The beneficiary's share of income is distributed to the Scientific School Permanent and the WSU Bond Retirement accounts. This distribution varies by activity and is governed by law.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.



# Agricultural College Trust Management Account (ACTMA) | FY 2016

	EXPENDITURES	REVENUE
<b>Source</b>		
<b>Beginning Fund Balance (July 1, 2015)</b>		<b>\$460,684</b>
<b>Revenue</b>		
Operating Revenue *		1,707
Interfund Transfer from General Fund <sup>5</sup>		1,420,000
<b>Total Revenue</b>		<b>1,421,707</b>
<b>Less Expenditures <sup>2</sup></b>		
Agricultural Resources	29,666	
Asset & Property Management	33,363	
Product Sales & Leasing	390,334	
Land Management	277,077	
Law Enforcement	15,265	
Correctional Camps	12,521	
Administration	44,800	
Interagency Payments	70,622	
Agency Support	149,576	
Engineering Services	59,123	
<b>Total Operating Expenditures</b>	<b>1,082,346</b>	
<b>Total Capital Expenditures</b>	<b>0</b>	
<b>Total Expenditures and Other Charges</b>	<b>1,082,346</b>	
<b>Ending Fund Balance (June 30, 2016)</b>		<b>\$800,045</b>

## ■ About This Page

This account funds DNR's management of the Agricultural College trust lands. The ACTMA is funded through an appropriation from the state General Fund. (As of July 1, 1999, Agricultural College trust lands do not contribute to the RMCA, which supports DNR's management of other state grant lands.)

\*Includes treasurer's interest. See accompanying notes on pages 10-14.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.

# Agricultural School Grant (WSU) | FY 2016

Source	REVENUE	DISTRIBUTION	
	Total Funds	WSU Bond Retirement	Agricultural College Permanent
<b>Sales</b>			
Timber Sales	\$7,662,362	\$0	\$7,662,362
Timber Sales-Related Activities <sup>1</sup>	811	0	811
Asset Transfer/Loan Repayment	0	0	0
Land Sales (Includes Land Bank)	0	0	0
	<b>\$7,663,173</b>	<b>\$0</b>	<b>\$7,663,173</b>
<b>Leases</b>			
<b>Agriculture</b>			
Dryland	\$84,247	\$0	\$84,247
Irrigated	260,685	0	260,685
Grazing and Other	14,053	0	14,053
Aquatic Lands	-	0	0
Special Use	870	0	870
Commercial Real Estate	5,352	0	5,352
Mineral and Hydrocarbon	2,586	0	2,586
Rights-Of-Way	1,005	0	1,005
Communication Sites	134,065	0	134,065
Special Forest Products	1,290	0	1,290
	<b>\$504,153</b>	<b>\$0</b>	<b>\$504,153</b>
<b>Other Revenue</b>			
Interest Income	\$3,185	\$1,312	\$1,874
Non-Trust Revenue	0	0	0
Operating Transfer <sup>12</sup>	0	542,575	(542,575)
Permits, Fees, and Miscellaneous	0	0	0
	<b>\$3,185</b>	<b>\$543,886</b>	<b>\$(540,701)</b>
<b>Totals</b>	<b>\$8,170,512</b>	<b>\$543,886</b>	<b>\$7,626,625</b>

**About This Page**

Income from these state grant lands supports construction of Washington State University's buildings. All revenue from these lands is income for the trust and is divided between the Agricultural College Permanent Account and the WSU Bond Retirement Account. This distribution varies by activity and is governed by law.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.



# Forest Development Account (FDA) | FY 2016

	EXPENDITURES	REVENUE
<b>Source</b>		
<b>Beginning Fund Balance (July 1, 2015)</b>		<b>\$6,732,444</b>
<b>Revenue</b>		
<b>Operating Revenue</b>		23,121,519
<b>Total Revenue</b>		<b>23,121,519</b>
<b>Less Expenditures <sup>2</sup></b>		
<b>Agricultural Resources</b>	0	
<b>Asset &amp; Property Management</b>	442,899	
<b>Product Sales &amp; Leasing</b>	8,499,401	
<b>Land Management</b>	7,473,397	
<b>Law Enforcement</b>	203,413	
<b>Correctional Camps</b>	476,221	
<b>Administration</b>	1,010,998	
<b>Interagency Payments</b>	1,538,487	
<b>Agency Support</b>	3,494,512	
<b>Engineering Services</b>	1,609,601	
<b>Total Operating Expenditures</b>	24,748,928	
<b>Total Capital Expenditures</b>	0	
<b>Total Expenditures and Other Charges</b>	<b>24,748,928</b>	
<b>Ending Fund Balance (June 30, 2016)</b>		<b>\$5,105,035</b>

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.

### ■ About This Page

The FDA funds DNR's land management activities on State Forest Lands (formerly known as Forest Board Lands) in 21 counties. DNR deposits a portion of the revenue it generates from these lands into the FDA, and the legislature appropriates funds from the account to DNR for expenditures. The FDA is used for trust land management expenses (e.g., reforestation, preparing timber sales) on State Forest Lands.

### ► About Next Page

By law, revenue from State Forest Lands (formerly known as Forest Board Lands) goes to the county in which the land is located, the state general fund for the support of Common Schools, and to the FDA to fund DNR's management of the lands. Distribution differs for Transfer lands and Purchase lands—see the small pie charts.

The large pie chart shows the combined total distribution for Fiscal Year 2016, with the FDA share divided among DNR's expenditures from the account. Expenditures are appropriated by the legislature and are ongoing investments to keep the lands productive and to generate future revenue.

\* This chart is based on statewide averages. Detailed breakdown of DNR programs contains examples only, not a complete listing.

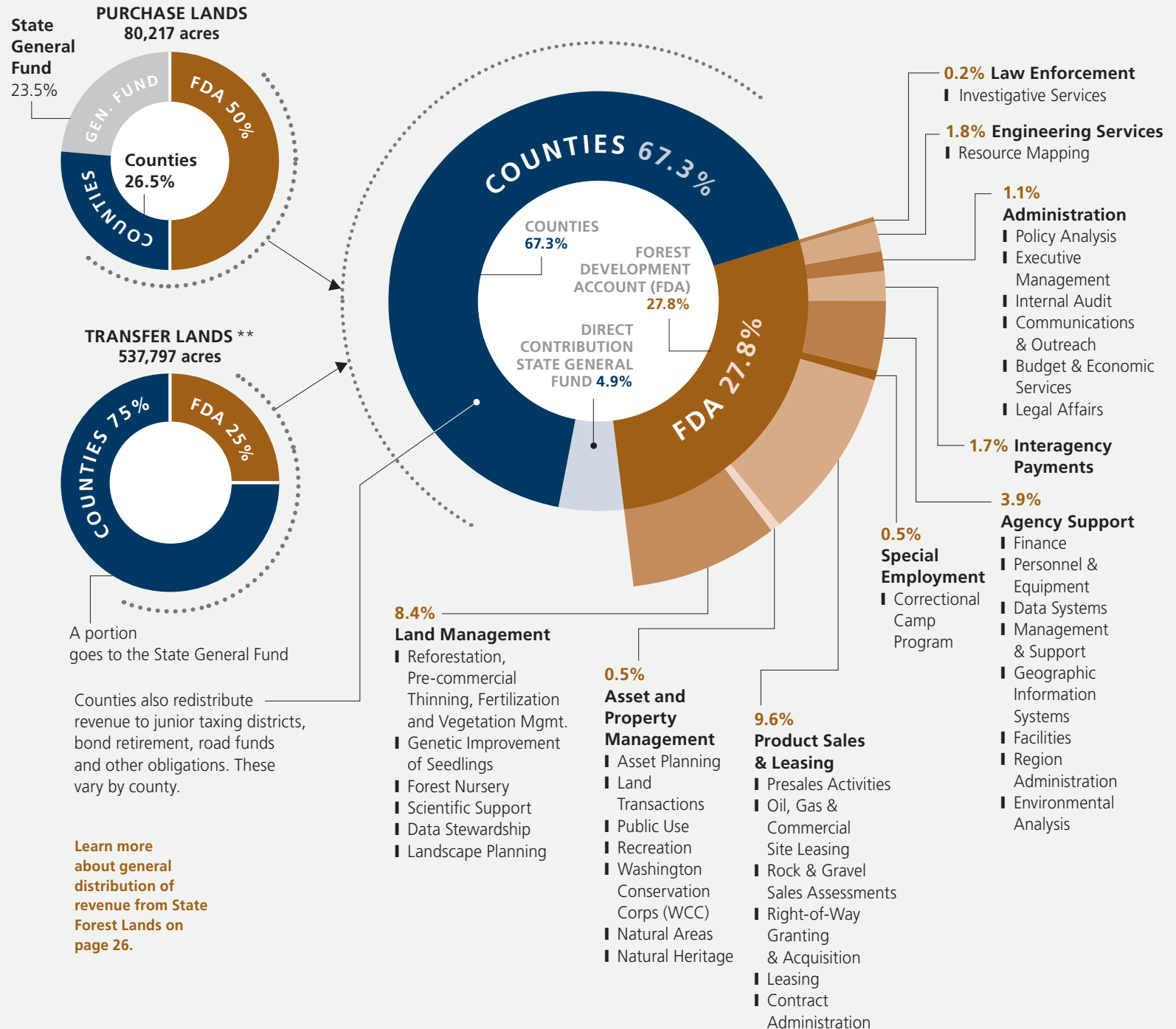
\*\* Per Board of Natural Resources Resolution No.1408, the management fund deduction for FDA was increased to 25% effective 7/2/13.

Totals may not add due to rounding. Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.

**Purchase lands,**  
see definition on page 26.

**Transfer lands,**  
see definition on page 27.

# General Distribution of Revenue from State Forest Lands\* | FY 2016



# State Forest Lands | FY 2016

Source	REVENUE	CONTRIBUTING LANDS	
	Total Funds	Transfer Lands	Purchase Lands
<b>Sales</b>			
Timber Sales	\$79,757,382	\$66,202,646	\$13,554,736
Timber Sales-Related Activities <sup>1</sup>	65,146	65,019	127
	<b>\$79,822,528</b>	<b>\$66,267,665</b>	<b>\$13,554,863</b>
<b>Leases</b>			
Agriculture/Minor Forest Products	\$395,438	\$337,238	\$58,200
Commercial/Special Use	70,641	50,512	20,129
Mineral and Hydrocarbon	281,024	281,024	0
Rights-Of-Way	89,828	84,478	5,350
Communication Sites	1,522,339	1,152,565	369,774
	<b>\$2,359,269</b>	<b>\$1,905,816</b>	<b>\$453,453</b>
<b>Other Revenue</b>			
Interest Income <sup>1</sup>	\$18,349	\$17,282	\$1,066
Permits, Fees, and Miscellaneous <sup>1</sup>	865,170	865,170	0
Treasurer's Revenue <sup>18</sup>	15,636	N/A	N/A
FDA Non-Trust Revenue <sup>16</sup>	56,206	N/A	N/A
	<b>\$955,360</b>	<b>\$882,452</b>	<b>\$1,066</b>
<b>Totals</b>	<b>\$83,137,157</b>	<b>\$69,055,934</b>	<b>\$14,009,382</b>

■ **About This Page and Next Page**

Income from these lands is distributed to the counties in which the lands are located, the state general fund for the support of common schools, and the Forest Development Account (FDA) for DNR's Land Management expenses on these lands. There are two categories of State Forest Lands (formerly known as Forest Board Lands): Purchase lands and Transfer lands.

**Purchase lands** were given to the state or purchased by the state at low cost. The FDA receives half the income from these lands. The other half is divided between the respective county and the state general fund for the support of common schools. N/A: Not applicable.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.



# State Forest Lands | FY 2016 CONTINUED

Recipient	REVENUE DISTRIBUTION		CONTRIBUTING LANDS	
	Total Funds	Transfer Lands	Purchase Lands	
<b>County</b>				
Clallam	\$5,144,512	\$5,143,210	\$1,302	
Clark	3,786,628	3,689,379	97,249	
Cowlitz	826,531	820,673	5,858	
Grays Harbor	2,511,438	821,063	1,690,375	
Jefferson	2,088,734	2,088,734	0	
King	1,802,197	1,802,197	0	
Kitsap	1,564,764	1,544,006	20,757	
Klickitat	37,062	37,062	0	
Lewis	4,426,310	4,199,318	226,993	
Mason	3,890,207	3,889,777	429	
Okanogan	0	0	0	
Pacific	431,880	245,251	186,629	
Pierce	250,465	222,946	27,518	
Skagit	7,638,884	7,638,884	0	
Skamania <sup>3</sup>	1,213,499	1,211,854	1,645	
Snohomish	5,706,831	5,661,385	45,447	
Stevens	58,022	58,022	0	
Thurston	9,936,441	8,122,516	1,813,925	
Wahkiakum	803,722	803,722	0	
Whatcom	3,785,165	3,773,374	11,791	
Treasurer's Revenue <sup>18</sup>	15,636	N/A	N/A	
	<b>\$55,918,929</b>	<b>\$51,773,374</b>	<b>\$4,129,919</b>	
<b>Forest Development Account</b>				
Trust Activity	\$22,843,282	\$17,061,078	\$5,782,203	
Permits, Fees, & Miscellaneous <sup>1</sup>	222,032	221,481	551	
Treasurer's Revenue	0	N/A	N/A	
FDA Non-Trust Revenue <sup>16</sup>	56,206	N/A	N/A	
	<b>\$23,121,519</b>	<b>\$17,282,559</b>	<b>\$5,782,754</b>	
<b>General Fund - State</b>	<b>\$4,096,709</b>	<b>\$0</b>	<b>\$4,096,709</b>	
<b>Totals</b>	<b>\$83,137,157</b>	<b>\$69,055,934</b>	<b>\$14,009,382</b>	

**Transfer lands** were forfeited to the counties in which they were located when the private landowners failed to pay property taxes, primarily in the 1920s and 1930s. The counties turned the lands over to the state. DNR now manages these lands and distributes at least 75 percent of the income to the counties and up to 25 percent of the income to the Forest Development Account (FDA).

N/A: not applicable.

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.

# Aquatic Resources | FY 2016

Source	REVENUE	DISTRIBUTION	
	Total Funds	Aquatic Lands Enhancement	Resource Management Cost Account <sup>15</sup>
<b>Aquatic Resources Activities</b>			
Leases	\$24,312,970	\$13,575,278	\$10,737,692
Mineral and Hydrocarbon	786,572	393,316	393,256
Rights-Of-Way	389,200	232,925	156,275
Interest Income <sup>1</sup>	127,213	47,402	79,811
Non-Trust Revenue <sup>16</sup>	983,193	941,410	41,783
Miscellaneous <sup>1</sup>	201,464	534	200,930
<b>Total Revenue</b>	<b>\$26,800,611</b>	<b>\$15,190,864</b>	<b>\$11,609,748</b>

## RMCA | AQUATIC

Source	EXPENDITURES	REVENUE
<b>Beginning Trust Balance (July 1, 2015)</b>		<b>\$6,804,864</b>
<b>Aquatic Revenue</b>		
<b>Total Revenue</b>		<b>11,609,748</b>
<b>Less Expenditures <sup>2</sup></b>		
Aquatic Resources	10,850,202	
Administration	568,253	
Interagency Payments	1,748,217	
Agency Support	1,940,694	
<b>Total Operating Expenditures</b>	<b>15,107,366</b>	
<b>Total Capital Expenditures</b>	<b>0</b>	
<b>Total Expenditures</b>	<b>15,107,366</b>	
<b>Ending Trust Balance (June 30, 2016)</b>		<b>\$3,307,246</b>

Totals may not add due to rounding.

Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.

### About This Page

State-owned aquatic lands (tidelands, shorelands and beds of navigable waters) are a “public trust”—managed to benefit the public as a whole. Revenue from these granted state lands is divided between two accounts: The RMCA-aquatic supports DNR’s management of state aquatic lands and resources, and the ALEA provides for the purchase, improvement and protection of aquatic lands, largely through grants to public entities. Distribution varies according to activity and land classification and is governed by law.

### About Next Page

By law, revenue from state-owned aquatic lands goes to the Aquatic Lands Enhancement Account (ALEA) for aquatic resource enhancement and to the RMCA to fund DNR’s management of state aquatic lands. Distribution differs for different types of aquatic land — see the small pie charts.

The large pie chart shows the combined total distribution, with the ALEA share divided among state agency expenditures from that account, and the RMCA share divided among DNR’s expenditures from the RMCA. Expenditures are appropriated by the legislature and are ongoing investments to keep the submerged lands productive.

\* This chart is based on statewide averages. Detailed breakdown of DNR programs contains examples only, not a complete listing.

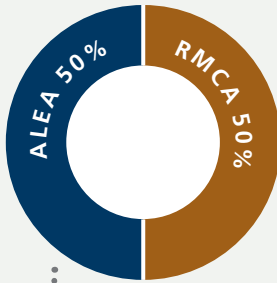
\*\* The ALEA portion of revenue from harbor areas in fourth-class towns is redistributed to those towns twice each year. See fiscal note #7, page 30.

Totals may not add due to rounding. Notes 1 to 20 may be found in Fiscal Notes on pages 30-34.

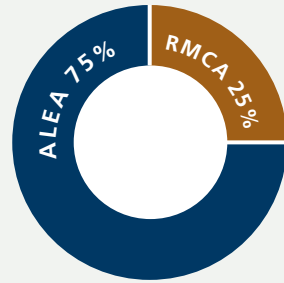
# General Distribution of Revenue from State-Owned Aquatic Lands\* | FY 2016

Learn more about general distribution of revenue from state-owned aquatic lands on page 28.

**BEDS OF NAVIGABLE WATERS**



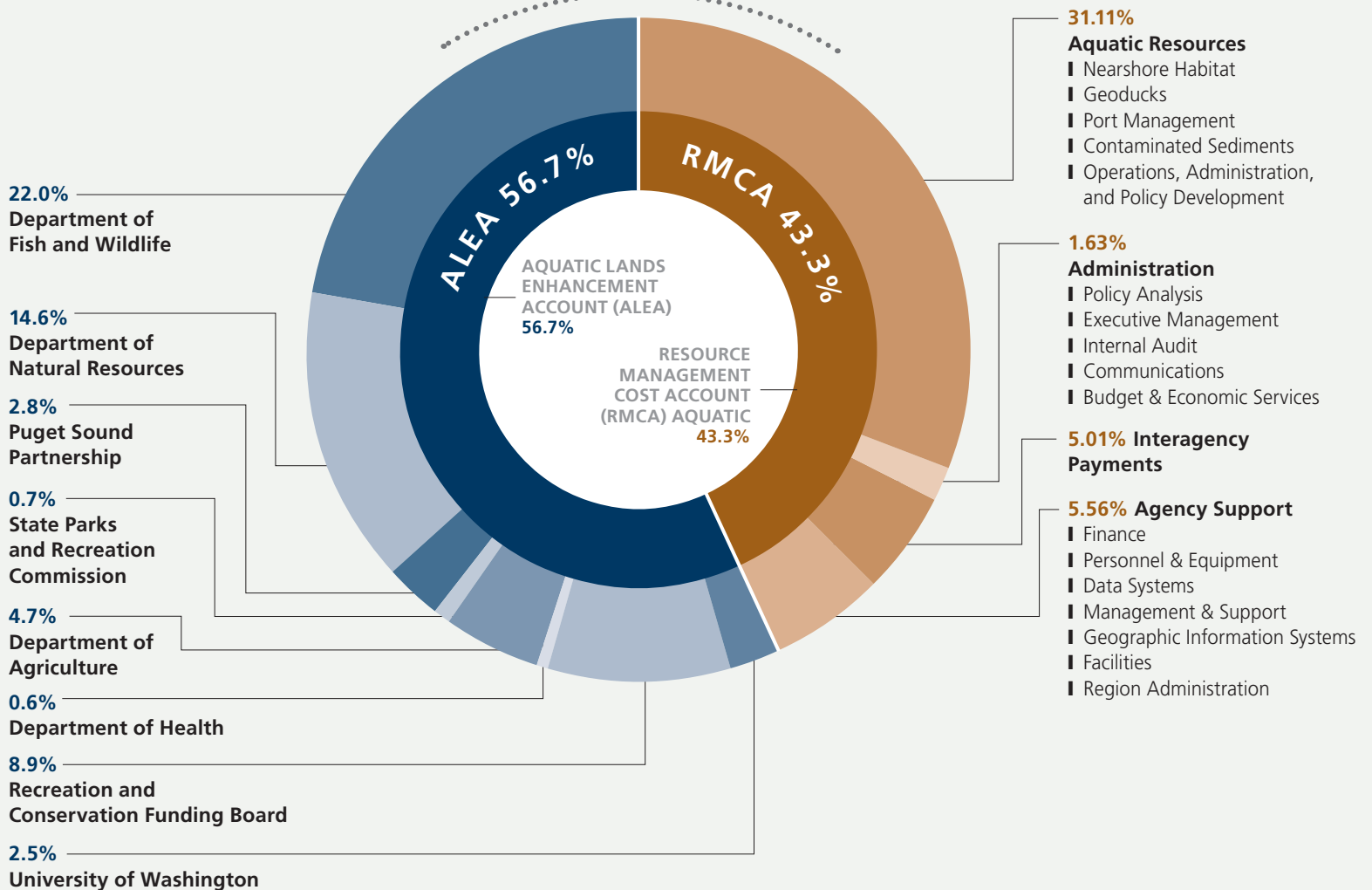
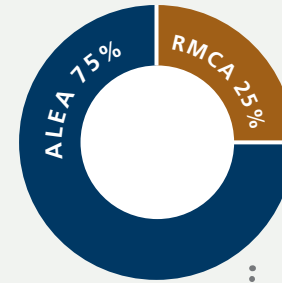
**FIRST CLASS TIDELANDS & SHORELANDS**



**SECOND CLASS TIDELANDS & SHORELANDS**



**HARBOR AREAS\*\***  
Effective 2/6/06





# Fiscal Notes

These numbered notes provide context and explanations for data in the tables on the fiscal pages that follow, where they are referred to by numerical superscript. A note may apply to more than one page. Although similar to notes in prior reports, these notes apply only to this report (FY 2016).

## ACRONYMS

<b>ACTMA</b>	Agricultural College Trust Management Account
<b>AFRS</b>	Agency Financial Reporting System
<b>ALEA</b>	Aquatic Lands Enhancement Account
<b>CEP&amp;RI</b>	Charitable, Educational, Penal, and Reformatory Institutions Trust
<b>COLA</b>	Cost of Living Adjustment
<b>CWU</b>	Central Washington University
<b>EWU</b>	Eastern Washington University
<b>FDA</b>	Forest Development Account
<b>FY16</b>	Fiscal Year 2016 (July 1, 2015 – June 30, 2016)
<b>K-12</b>	Kindergarten to 12th grade schools
<b>RMCA</b>	Resource Management Cost Account
<b>TESC</b>	The Evergreen State College
<b>UW</b>	University of Washington
<b>WSU</b>	Washington State University
<b>WWU</b>	Western Washington University

## 1 | REVENUE SOURCES

Timber sales include non-trust activity for contract harvesting sales.

Timber sale-related activities include contract extensions, slash disposal, trespasses and default settlement payments.

Miscellaneous sales include publications, GIS data, honor camp activities, surveys and maps.

Miscellaneous leases include special use and special forest products.

Interest income includes interest on contracts, interest assessed for late payments and interest earned from account (treasurer's interest).

Permits, fees and related charges include surface mining permits, log patrol licenses, aquatic lands dredged material disposal site fees, forest practices damage assessments and permits, survey records recording fees, application/assignment fees, burning permit fees and local government assessments.

Operating transfers include transfers attributed to prior period revenue.

Miscellaneous other revenue includes prior period adjustments, recoveries of prior biennium expenditures, miscellaneous treasurer transfers, as well as revenue from the ORV & Non-highway Vehicle and Natural Resources Conservation Areas Stewardship accounts.

## 2 | EXPENDITURE CATEGORIES

Administration includes Executive Management & Operations, Internal Audit, Communications & Outreach, Policy & Governmental Operations, Budget & Economics, Legal Compliance and Environmental Review.

Interagency payments are payments made to other state agencies (the Attorney General, State Auditor, Financial Management, Enterprise Services, Secretary of State, etc.) and various telecommunication vendors for services they provide to the department.

Agency support includes the following programs: Human Resources (personnel, safety and training), Financial Management (accounting, payroll, risk management and purchasing), Information Management (IT), Geographic Information Systems, Facilities, Region Administration and Environmental Analysis.

Miscellaneous capital projects for Fiscal Year 2016 include Firewise Grants, Fire Communications Base Stations and Mountain Top Repeaters.

Total Expenditures of \$350,900,632 for Fiscal Year 2016 excludes the interfund transfer from General Fund to the Agricultural College Trust Management Account in the amount of \$1,420,000 (see footnote #5).

## 3 | LAND TRANSFERS

**Real Property Replacement:** During Fiscal Year 2016 a total of \$5,494,847, an amount equivalent to the property value, was received from (1) transfers to other government entities, (2) resolution of trespass violations, or (3) transfers in lieu of condemnation. This money is used to acquire replacement trust lands.

**Trust Land Transfer:** During Fiscal Year 2016 a total of \$6,000,000 was distributed to the Common School Construction Account from the Trust Land Transfer program.

**Encumbered State Forest Land:** During Fiscal Year 2016 Encumbered State Forest Land Transfers, a program enabled by Second Substitute House Bill 1484, resulted in distributions of \$216,265 to the Forest Development Account and \$648,795 to Skamania County.

## 4 | LAND BANK

DNR uses the Land Bank program (RCW 79.19) to reposition trust land assets for better future income production. Through the Land Bank, state trust lands are first auctioned to private buyers. Proceeds of land sales made under this "sell first" process are held in the Resource Management Cost Account (RMCA) until they can be used to purchase replacement trust lands. This revenue from trust property sales should equal or exceed the cost of trust property purchases. However, during any one fiscal year the transactions may not balance (e.g., a property has been sold, but property to replace it has not yet been purchased). Land bank transactions are accounted for by trust within each of DNR's management funds.

Revenue from Fiscal Year 2016 sales, existing contracts and interest was \$305 (interest only) to the RMCA. A total of \$2,090,465 in the RMCA is reserved to acquire property to replace trust property previously sold through the "sell first" process of the Land Bank program.

## 5 | AGRICULTURAL COLLEGE TRUST MANAGEMENT ACCOUNT

Per RCW 79.64.090 the revenue on Agricultural College trust lands is distributed 100 percent to the agricultural college permanent fund or WSU bond retirement account. The management of the agricultural college trust lands is funded from the Agricultural College Trust Management Account. This account is dependent on legislative appropriation for funding. Currently, the legislature appropriates the money for this purpose from General Fund under a proviso. For Fiscal Year 2016 the total interfund transfer from General Fund was \$1,420,000.

## 6 | ORV & NONHIGHWAY VEHICLE ACCOUNT

This account provides for acquisition, planning, development, maintenance and management of ORV recreation facilities, non-highway roads and non-highway road recreation facilities; education and law enforcement programs related to non-highway vehicles; and construction and maintenance of campgrounds and trailheads.

DNR, the Department of Fish and Wildlife and the Parks and Recreation Commission spend from the account in support of these functions. The Department of Licensing collects revenue for the account from taxes, licenses, permits and fees. DNR administers the account according to Legislative appropriations.

See **Figure 1** for the account's total fiscal activity for Fiscal Year 2016.

## 7 | AQUATIC LANDS ENHANCEMENT ACCOUNT

This account provides for the purchase, improvement and protection of aquatic lands for public purposes. DNR, the Department of Fish and Wildlife, the Department of Agriculture, the Parks and Recreation Commission, the Recreation and Conservation Funding Board, the Department of Health and the Puget Sound Partnership spend from the account for these purposes. DNR administers this account and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report.

See **Figure 2** for the account's total fiscal activity for Fiscal Year 2016.

Figure 1

ORV & Nonhighway Vehicle Account		
<b>Beginning Balance</b>		<b>\$825,685</b>
<b>Revenue</b>		
Licensing	\$2,973,253	
Natural Resources	\$900	
Fish and Wildlife	37	2,974,189
<b>Expenditures</b>		
Natural Resources	\$(2,379,316)	
Fish and Wildlife	(213,703)	
Parks and Recreation	(86,500)	(2,679,519)
<b>Net Fiscal Activity</b>		294,670
<b>Ending Balance</b>		<b>\$1,120,355</b>

Figure 2

Aquatic Lands Enhancement Account		
<b>Beginning Balance</b>		<b>\$4,426,170</b>
<b>Revenue</b>		
Natural Resources	\$14,854,844	
Treasurer's Transfer*	332,000	
Fish and Wildlife	18,984	
Treasurer's Deposit Income	4,020	
Puget Sound Partnership	432	
Distribution to Fourth-Class Towns	(60,581)	15,149,698
<b>Expenditures</b>		
Fish and Wildlife	(5,359,014)	
Natural Resources	(3,552,118)	
Recreation & Conservation Funding Board	(2,156,007)	
Agriculture	(1,151,640)	
Puget Sound Partnership	(683,591)	
University of Washington	(604,576)	
Parks and Recreation	(162,969)	
Health	(134,286)	(13,804,200)
<b>Net Fiscal Activity</b>		1,345,498
<b>Ending Balance</b>		<b>\$5,771,668</b>

\*Treasurer's transfers include \$975,000 from Marine Resources Stewardship Account (16P) per operations budget 2ESHB 2376 Sec 804 and \$643,000 loan repayment to the Clean Up Settlement Account (15H) per ESSB 6052 Sec 805.

Figure 3

Derelict Vessel Removal Account		
<b>Beginning Balance</b>		<b>\$1,268,746</b>
<b>Revenue</b>		
Licensing	\$746,076	
Dept of Revenue	119,970	
Natural Resources	45,705	911,751
<b>Expenditures</b>		
Natural Resources	(1,245,659)	
Licensing	(15,500)	(1,261,159)
<b>Net Fiscal Activity</b>		(349,407)
<b>Ending Balance</b>		<b>\$919,338</b>

Figure 4

Forest and Fish Support Account		
<b>Beginning Balance</b>		<b>\$4,144,832</b>
<b>Revenue</b>		
Dept of Revenue	4,376,676	
Natural Resources	75,808	
Treasurer's Deposit Income	2,030	4,454,513
<b>Expenditures</b>		
Natural Resources		(3,251,351)
<b>Net Fiscal Activity</b>		1,203,162
<b>Ending Balance</b>		<b>\$5,347,994</b>

Figure 5

Park Land Trust Revolving Account		
<b>Beginning Balance</b>		<b>\$1,587,998</b>
<b>Revenue</b>		
Parks and Recreation (Discover Pass)	1,751,689	
Special Approp to the Governor*	418,000	
Natural Resources	136,407	
Treasurer's Deposit Income	12,346	2,318,442
<b>Expenditures</b>		
Natural Resources	(1,944,493)	
Recreation & Conservation Funding Board	0	(1,944,493)
<b>Net Fiscal Activity</b>		373,948
<b>Ending Balance</b>		<b>\$1,961,946</b>

\*\$418,000 per 2015-17 Operating Budget, ESSB 6052 Sec 727.

Figure 6

FDA/RMCA Loan Repayment		
	<b>FY 2016</b>	<b>Total-To-Date</b>
Common School Construction Account	\$616,164	\$25,936,527
Capitol Building Construction Account	234,882	9,887,006
Normal School Permanent Account	751,878	31,749,216
State University Permanent Account	162,200	15,805,746
<b>Total Trust Funds</b>	<b>\$1,765,123</b>	<b>\$83,378,495</b>
Resource Management Cost Account		
Common School Trust	\$205,602	\$8,644,348
Capitol Building Trust	78,436	3,298,247
Normal School Trust	250,270	10,522,133
University School Trust	54,067	5,268,583
<b>Total RMCA</b>	<b>\$588,374</b>	<b>\$27,733,311</b>

## 8 | DERELICT VESSEL REMOVAL ACCOUNT

This account provides for costs and reimbursements to authorized public entities for the removal of derelict and abandoned vessels. DNR spends from the account for these purposes and the Department of Licensing spends from the account for the purpose of administering the collection of revenue for the fund. DNR administers this account and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report.

See **Figure 3** for the account's total fiscal activity for Fiscal Year 2016.

## 9 | FOREST AND FISH SUPPORT ACCOUNT

This account was created in 2007 to provide for activities pursuant to the state's implementation of the forests and fish report as defined in chapter 76.09 RCW and related activities, including, but not limited to, adaptive management, monitoring, and participation grants to tribes, state and local agencies, and not-for-profit public interest organizations. DNR spends from the account for these purposes and the Department of Revenue spends from the account for the purpose of administering the collection of revenue for the fund. Sources of revenue for this account include surcharges on timber and wood product manufacturers, extractors and wholesalers per RCW 82.04.260 (12).

DNR administers this account and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report. See **Figure 4** for the account's total fiscal activity for Fiscal Year 2016.

## 10 | PARK LAND TRUST REVOLVING ACCOUNT

This account is used for acquiring real property as a replacement for the property transferred to the State Parks and Recreation Commission in order to maintain the land base of the affected trusts, and to receive

voluntary contributions for the purpose of operating and maintaining public use and recreation facilities. This account may also be used to hold funding for future acquisition of lands for the community forest trust program, or to purchase replacement forest land. In May 2011, the Governor signed the Discover Pass into law (see also RCW Title 79A) intended to provide revenue to maintain recreation access to state lands and meet the increasing demand for outdoor recreation. Effective July 1, 2011 the Discover Pass was required for vehicle access to recreation lands which include state parks, boat launches, campgrounds, heritage sites, wildlife and natural areas, trails and trailheads. DNR's portion (8%) of this revenue is transferred to this account by the State Parks and Recreation Commission. DNR's recreation program spends from this portion of the account. DNR administers this account and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report. See **Figure 5** for the account's total fiscal activity for Fiscal Year 2016.

## 11 | FDA/RMCA LOAN REPAYMENT

The Board of Natural Resources resolution #635 in 1990 and #756 in 1992 authorized settlement of the FDA debt to the RMCA by transferring timber-cutting rights on State Forest Purchase lands to the Common School, Capitol Building, Normal School and University granted trusts. A one-third interest in assets (timber cutting rights) of the FDA on 35,655 acres was transferred to these trusts. The value of these transfers eliminated the debt between FDA and RMCA.

A total of \$2,353,497 was distributed to the trusts from timber harvested during Fiscal Year 2016. The RMCA received \$588,374 from this activity. Since this is repayment of a loan, the transactions are recorded as an operating transfer rather than current period revenue.

The values from the harvest activity by fund as well as RMCA trust for Fiscal Year 2016 and in total since the adoption of resolution 635 in 1990 are in **Figure 6**.

## 12 | OPERATING TRANSFERS

According to the Office of Financial Management's interpretation of generally accepted accounting principles, debt service funds (funds used to pay off debts), such as the UW or WSU Bond Retirement accounts, cannot receive revenue directly. Instead, revenue to these two funds are recorded to the respective permanent funds, and then an operating transfer is made to the appropriate debt service fund.

## 13 | TRUST FUNDS—CURRENT AND PERMANENT

Trust Current Funds are funds that individual trust beneficiaries can draw from. Trust Permanent Funds are endowments, which generate interest that can be transferred to the Current Funds.

## 14 | FISCAL ACTIVITY FOR OTHER TYPE FUND(S) ADMINISTERED BY DNR

**Natural Resources Equipment Account (411):** Total other fiscal activity does not include funds classified as internal service funds. The Natural Resources Equipment Account is DNR's only internal service fund. This fund is used to maintain, replace and provide equipment to the Department's programs on a rental basis. In Fiscal Year 2016 this fund had revenue of \$18,447,650 and expenses of \$18,332,675.

**Miscellaneous Program Account (759):** Total other fiscal activity does not include program account 759. This account is used to record the activity and balances of local accounts used by property management companies responsible for managing commercial real estate properties managed in trust by the department. In Fiscal Year 2016 this fund had revenue of \$471,505 and expenses of \$567,453.

## 15 | RMCA PORTION OF TRUST LAND REVENUE

The Resource Management Cost Account received 31 percent on most transactions and the trusts received 69 percent of revenue from trust lands during Fiscal Year 2016.

Also, some revenue transactions are subject to different distribution ratios. These transactions include aquatic resources, miscellaneous non-trust revenue, interest earnings, land sales transactions and interfund loan

repayment, the last of which affects the Common School, University, Capitol Building and Normal School trusts.

**Figure 7 (a,b,c)** reflects trust activity with Forest Board Repayment activity. Refer to footnote #19 for trust activity related to University Trust.

## 16 | NON-TRUST REVENUE

Non-trust revenue cannot be attributed to a specific trust. Activities include forest road assessments, miscellaneous services, manuals and publications, prior period recoveries and adjustments, application fees and interest income.

## 17 | NEGATIVE REVENUE

Any negative revenue reflects accounting adjustments (such as bad-debt write-offs, credit memos) from a prior fiscal year.

Fiscal Year 2016 negative revenue in Cleanup Settlement account reflects accounting of loan repayment from the Aquatic Lands Enhancement and State Toxics Control accounts.

## 18 | TREASURER'S REVENUE

Due to the schedule for distributing revenue, revenue from State Forest Lands may earn interest before it is distributed to the appropriate county. Interest earnings cannot be attributed specifically to Transfer Lands or Purchase Lands. This revenue is accounted for as treasurer's revenue and is distributed to the appropriate county.

## 19 | UNIVERSITY TRUST – ORIGINAL, TRANSFERRED, REPAYMENT

The accounting for the University Trust combines activity from original University trust lands, lands which have been transferred to the trust, and the University trust's share of interfund loan repayment as described in footnote #11.

See **Figure 8** for the breakdown of the different elements contributing to the information for University Grants for Fiscal Year 2016.



Figure 7a

Common School / Escheat Trust				
Trust Activity	Total Revenue	Com. School Construction	Com. School Permanent	RMCA
Timber Sales	52,819,821	35,952,312	0	16,867,509
Timber Sales-Related	(322,775)	1,255	0	(324,030)
Leases	34,813,523	23,048,924	1,024,256	10,740,344
Misc Interest Income	75,807	37,939	20,840	17,028
Fees / Service Charges	49,031	0	0	49,031
Operating Transfer-In	821,765	616,164	0	205,602
<b>Subtotal</b>	<b>88,257,172</b>	<b>59,656,593</b>	<b>1,045,097</b>	<b>27,555,482</b>
Forest Board Repayment				
Sales	326,516	0	0	326,516
Operating Transfer-Out	(821,765)	0	0	(821,765)
<b>Subtotal</b>	<b>(495,249)</b>	<b>0</b>	<b>0</b>	<b>(495,249)</b>
<b>Total Trust Activity</b>	<b>87,761,922</b>	<b>59,656,593</b>	<b>1,045,097</b>	<b>27,060,233</b>
Non-Trust Activity				
STO Interest	13,560	13,255	0	305
Land Sales / Trust Land Transfer	6,000,000	6,000,000	0	0
Other Revenue	648,530	0	457,327	191,203
<b>Total Non-Trust Activity</b>	<b>6,662,090</b>	<b>6,013,255</b>	<b>457,327</b>	<b>191,508</b>
<b>GRAND TOTAL</b>	<b>94,424,013</b>	<b>65,669,848</b>	<b>1,502,424</b>	<b>27,251,741</b>

Figure 7b

Capitol Building			
Trust Activity	Total Revenue	Cap. Bldg. Construction	RMCA
Timber Sales	9,446,945	6,298,487	3,148,459
Timber Sales-Related	1,849	1,109	740
Leases	182,714	126,278	56,436
Late Interest	5,677	3,911	1,766
Fees / Service Charges	229	0	229
Operating Transfer-In	313,318	234,882	78,436
<b>Subtotal</b>	<b>9,950,732</b>	<b>6,664,666</b>	<b>3,286,066</b>
Forest Board Repayment			
Sales	0	0	0
Operating Transfer-Out	(313,318)	0	(313,318)
<b>Subtotal</b>	<b>(313,318)</b>	<b>0</b>	<b>(313,318)</b>
<b>Total Trust Activity</b>	<b>9,637,414</b>	<b>6,664,666</b>	<b>2,972,748</b>
Non-Trust Activity			
STO Interest	33,550	1,578	31,972
Other Revenue	21,005	0	21,005
<b>Total Non-Trust Activity</b>	<b>54,555</b>	<b>1,578</b>	<b>52,977</b>
<b>GRAND TOTAL</b>	<b>9,691,969</b>	<b>6,666,244</b>	<b>3,025,725</b>

Figure 7c

Normal School				
Trust Activity	Total Revenue	Capital Projects	Normal Sch. Permanent	RMCA
Timber Sales	3,385,407	0	1,617,969	1,767,438
Timber Sales-Related	(1,039,892)	1,833	1,253	(1,042,978)
Leases	235,929	137,711	26,005	72,213
Late Interest	60	39	0	20
Fees / Service Charges	412	0	0	412
Operating Transfer-In	1,002,148	0	751,878	250,270
<b>Subtotal</b>	<b>3,584,063</b>	<b>139,583</b>	<b>2,397,105</b>	<b>1,047,375</b>
Forest Board Repayment				
Sales	1,044,361	0	0	1,044,361
Operating Transfer-Out	(1,002,148)	0	0	(1,002,148)
<b>Subtotal</b>	<b>(42,213)</b>	<b>0</b>	<b>0</b>	<b>(42,213)</b>
<b>Total Trust Activity</b>	<b>3,626,277</b>	<b>139,583</b>	<b>2,397,105</b>	<b>1,089,589</b>
Non-Trust Activity				
STO Interest	12,205	486	0	11,719
Land Sales / Trust Land Transfer	0	0	0	0
Other Revenue	7,699	0	0	7,699
<b>Total Non-Trust Activity</b>	<b>19,904</b>	<b>486</b>	<b>0</b>	<b>19,417</b>
<b>GRAND TOTAL</b>	<b>3,646,180</b>	<b>140,069</b>	<b>2,397,105</b>	<b>1,109,007</b>

Figure 8

University Trust				
Trust Source/Activity	Total Revenue	Bond Retirement	University Permanent	RMCA
<b>University-Transferred</b>				
Timber Sales	1,591,941	0	1,107,575	484,366
Timber Sales-Related	402	0	277	125
Leases	236,428	0	163,575	72,852
Misc-Trespass	13,447	0	9,209	4,238
Late Interest	609	0	421	189
Sale of Property-Other	0	0	0	0
Fees/Services Charges	147	0	0	147
Operating Transfer-In	1,901,786	1,685,520	162,200	54,067
Operating Transfer-Out	(1,685,520)	0	(1,685,520)	0
<b>Total</b>	<b>2,059,239</b>	<b>1,685,520</b>	<b>(242,262)</b>	<b>615,982</b>
<b>University Original</b>				
Timber Sales	574,720	0	396,557	178,163
Leases	125,836	0	87,174	38,662
Fines & Forfeits	73	0	50	23
Late Interest	56	0	39	17
Fees/Services Charges	38	0	0	38
Operating Transfer-In	88,890	88,890	0	0
Operating Transfer-Out	(88,890)		(88,890)	0
<b>Total</b>	<b>700,723</b>	<b>88,890</b>	<b>394,931</b>	<b>216,903</b>
<b>University-Repayment</b>				
Timber Sales	228,424	0	0	228,424
Timber Sales Related	0	0	0	0
Late Interest	0	0	0	0
Operating Transfer-Out	(216,266)	0	0	(216,266)
<b>Total</b>	<b>12,158</b>	<b>0</b>	<b>0</b>	<b>12,158</b>
<b>Non-Trust Allocation</b>				
STO Interest	9,578	490	0	9,088
Non-Trust Revenue Allocation	5,971	0	0	5,971
<b>Total</b>	<b>15,549</b>	<b>490</b>	<b>0</b>	<b>15,059</b>
<b>GRAND TOTAL</b>	<b>2,787,669</b>	<b>1,774,899</b>	<b>152,668</b>	<b>860,102</b>

Figure 9

RMCA/FDA Debt/Loan Accounting For Fiscal Year 2016		
Beginning Balance	Grant Lands	State Forest Lands
2016 Trust Charges	\$48,191,490	\$24,748,929
RMCA Expenditures	48,191,490	0
FDA Expenditures	0	24,748,929
<b>Cumulative Debt/Loan</b>	<b>\$0</b>	<b>\$0</b>

**Fiscal Year 2016 Management Fund Debt Status**

As of June 30, 2016, no debt exists between the State Forest Lands (Forest Development Account) and the Grant Lands (Resource Management Cost Account).

**20 | STATE TRUST LANDS MANAGEMENT FUND ACCOUNTING REPORT****Statutory Authority and Requirements:**

Subject to legislative appropriation, the Department of Natural Resources is authorized by RCWs 76.12.110 and 79.64.030 to use funds from the Resource Management Cost Account (RMCA) and Forest Development Account (FDA) interchangeably in the management of State Grant Lands and State Forest Lands. The law also states, however, that an annual accounting will be kept of payments made by one fund on behalf of another. For example when RMCA funds are used to pay for activities on State Forest Land, it shall be considered a debt against the FDA. RCW 79.64.030 also requires that the results of the accounting be reported to the legislature at the next regular session.

**Accounting Procedures**

Beginning with fiscal year 1996, the following Cost Allocation System accounting procedures have been used to calculate any debt or loan between the management funds:

- A.** All operating program expenditures that can be determined to benefit a particular land category are directly charged to that land category.
- B.** Expenditures for majority of the department's operating programs for which the benefiting land category cannot be determined (indirect expenditures) are allocated to land categories based on staff month percentages derived from personnel time charged directly to those land categories or by Western Washington forested acres.
- C.** Capital outlay expenditures that benefit particular land categories are determined in advance then charged by land category in the ratio set by appropriations.
- D.** Agency Administration and Support costs are allocated to land category based on agency work plans for the year as established during the budget process.
- E.** Direct charges and indirect charges are totaled by land category within the Cost Allocation System. Expenditures paid from the RMCA and FDA accounts are compared to these total charges for Grant Lands and State Forest Lands to determine how much of the charges were paid from one account on behalf of the other. If RMCA funds were used to pay State Forest charges, a debt principal is incurred in that amount. If State Forest funds were used to pay RMCA charges, the debt principal is reduced by that amount. Funding adjustments may be made periodically during the fiscal year to align expenditures by fund with total charges for Grant Lands and State Forest Lands to prevent the accumulation of any new debt in the year.

**F.** As required by law, interest is charged on the debt incurred. A full year's interest is charged on cumulative debt carried from the previous year. One half year's interest is calculated on the change in the debt principal occurring during the current year.

**G.** Cumulative debt from the preceding year, plus new principal and interest charges are totaled to determine the new cumulative debt. **See Figure 9.**





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Management

# Timber Data



# Timber Volume | Sold and Harvested | FY 2016

Trust / Beneficiaries	Acres	Timber Volume <sup>a</sup> Sold (mbf) <sup>b</sup>	Timber Vol. Harvested <sup>c</sup> (mbf) <sup>b</sup>
<b>STATE FOREST TRANSFER</b> (FORMERLY KNOWN AS FOREST BOARD TRANSFER LANDS)			
Clallam	1,606	29,470	27,220
Clark	247	10,314	14,195
Cowlitz	164	6,428	2,970
Grays Harbor	41	2,349	2,436
Jefferson	244	7,283	5,513
King	67	2,297	5,466
Kitsap	54	1,537	4,296
Klickitat	0	0	0
Lewis	525	16,308	13,472
Mason	430	10,876	9,846
Pacific	304	9,125	1,170
Pierce	476	6,523	778
Skagit	1,355	37,004	23,589
Skamania	448	10,430	2,783
Snohomish	1,199	26,619	22,090
Stevens	0	0	10
Thurston	292	10,547	26,246
Wahkiakum	128	4,257	3,232
Whatcom	173	6,153	11,839
<b>Subtotal Transfer</b>	<b>7,753</b>	<b>197,520</b>	<b>177,151</b>
<b>STATE FOREST PURCHASE</b> (FORMERLY KNOWN AS FOREST BOARD PURCHASE LANDS)			
Clark	36	679	885
Cowlitz	0	0	0
Grays Harbor <sup>d</sup>	173	5,478	12,442
Lewis	95	2,647	2,823
Pacific <sup>e</sup>	0	0	85
Pierce <sup>e</sup>	2	42	128
Skagit	0	0	0
Skamania	3	52	0
Snohomish	21	554	501
Thurston	59	1,839	2,050
<b>Subtotal Purchase</b>	<b>389</b>	<b>11,291</b>	<b>18,914</b>

Trust / Beneficiaries	Acres	Timber Volume <sup>a</sup> Sold (mbf) <sup>b</sup>	Timber Vol. Harvested <sup>c</sup> (mbf) <sup>b</sup>
Common School, Indem. & Esch.	8,835	160,215	170,218
Agricultural School	1,491	26,437	21,656
University Transferred & Orig.	1,245	12,301	6,794
CEP & RI	313	11,596	8,676
Capitol Building	1,828	51,807	29,741
Normal School	1,033	13,768	8,861
Escheat	4	106	19
Scientific School	742	19,549	22,049
University Original	0	0	1,345
Comm. Coll. For. Res.	310	1,594	0
Administrative Sites	1	25	25
University Repayment	10	196	1,558
Forest Board Repayment	427	19,835	13,679
NRCA	1	142	142
King County Water Pollution	0	0	70
<b>Subtotal All Other Lands</b>	<b>16,240</b>	<b>317,511</b>	<b>284,833</b>
<b>Statewide Total</b>	<b>24,382</b>	<b>526,382</b>	<b>480,898</b>

**About This Page**

- <sup>a</sup> Timber volume sold per acre depends on site-specific conditions and harvest method.
- <sup>b</sup> mbf: thousand board feet
- <sup>c</sup> Volume harvested is estimated for sales partially harvested.
- <sup>d</sup> Includes Forest Board Repayment Trust.
- <sup>e</sup> Includes University Repayment data.

**Notes**

Timber is sold before it is harvested. Timber sale contracts are typically two or more years in length, with most timber harvest schedules determined by individual purchasers. Sale and harvest of timber may or may not occur in the same fiscal year. Revenues are generated when timber is harvested.

Market conditions can influence number of sales and volume sold.

Sales which contain more than one trust and/or beneficiary, report estimated acres and volumes for each specific trust. Sales which benefit more than one trust, distribute revenues proportionally by value based on percentage of area.

Volume does not include forest improvement treatment (FIT) sales.

Numbers may not add due to rounding.

**Source**

DNR NatureSystem database, Report TSC311; 8/29/16

# Silviculture<sup>a</sup> | FY 2016

Trust / Beneficiaries	Acres Planted <sup>b</sup>	Stems per Acre <sup>c</sup>	Pre-commercially Thinned Acres <sup>d</sup>
<b>STATE FOREST TRANSFER</b> (FORMERLY KNOWN AS FOREST BOARD TRANSFER LANDS)			
Clallam	858	304	994
Clark	547	391	36
Cowlitz	161	374	68
Grays Harbor	0	0	124
Jefferson	196	295	42
King	194	387	0
Kitsap	30	361	236
Klickitat	25	302	0
Lewis	914	353	341
Mason	707	342	647
Pacific	79	356	81
Pierce	0	0	272
Skagit	420	377	116
Skamania	391	356	0
Snohomish	784	319	330
Stevens	2	269	0
Thurston	348	169	515
Wahkiakum	123	254	155
Whatcom	202	344	0
<b>Subtotal Transfer</b>	<b>5,983</b>	<b>332</b>	<b>3,956</b>
<b>STATE FOREST PURCHASE</b> (FORMERLY KNOWN AS FOREST BOARD PURCHASE LANDS)			
Clallam	2	306	0
Clark	11	362	0
Grays Harbor	126	395	721
Lewis	28	175	16
Mason	0	0	106
Pacific <sup>e</sup>	35	399	49
Pierce	69	401	89
Skamania	37	378	0
Snohomish	37	423	0
Thurston	85	181	601
<b>Subtotal Purchase</b>	<b>430</b>	<b>339</b>	<b>1,582</b>

Trust / Beneficiaries	Acres Planted <sup>b</sup>	Stems per Acre <sup>c</sup>	Pre-commercially Thinned Acres <sup>d</sup>
Agricultural School	868	292	181
Capitol Grant	475	329	307
Charitable/Educational/ Penal & Reformatory Instit.	457	343	245
Common School and Indemnity	7,147	264	3,516
Escheat	17	402	0
Normal School	184	422	227
Scientific School	720	316	149
University Original	4	226	0
University - Transferred	868	271	68
Water Pollution Control Division Trust Land	37	436	0
<b>Subtotal All Other Lands</b>	<b>10,776</b>	<b>280</b>	<b>4,693</b>
<b>Total - All Trusts</b>	<b>17,189</b>	<b>300</b>	<b>10,231</b>

**About This Page**

These data are included in the 2016 Annual Report to Trust Beneficiaries per RCW 79.10.010

<sup>a</sup> Silvicultural activities are forest management practices. Implementation of silvicultural practices varies according to site-specific conditions and availability of management funding.

<sup>b</sup> Acres planted include all planting processes and all tree species.

<sup>c</sup> Average per acre. (Stems per acre planted depend on site-specific conditions and anticipated survival rates).

<sup>d</sup> Pre-commercially thinned acres increase yield rate per acre by selectively decreasing overcrowding of saplings.

Numbers may not add due to rounding.

**Source**

\*Source: Planning and Tracking Database 12/14/2016

# Timber Acres Harvested<sup>a</sup> | FY 2016

Trust / Beneficiaries	Acres Commer. Thinned Small Wood <sup>b</sup>	Acres Partially Cut/Older Stand Thinning <sup>c</sup>	Acres Regeneration Harvest <sup>b</sup>	Total Acres <sup>d</sup>	Aver. Year of Regen. Cut Stand
<b>STATE FOREST TRANSFER</b>					
Clallam	229	0	619	848	1930
Clark	139	0	398	537	1948
Cowlitz	0	0	72	72	1941
Greys Harbor	3	0	58	61	1941
Jefferson	0	0	170	170	1941
King	41	0	117	158	1947
Kitsap	0	0	147	147	1944
Lewis	55	1	356	412	1954
Mason	0	0	371	371	1938
Pacific	0	0	25	25	1943
Pierce	34	0	9	43	1952
Skagit	215	0	616	831	1939
Skamania	1	0	83	84	1952
Snohomish	76	0	783	859	1946
Stevens	0	1	0	1	0
Thurston	1	0	588	589	1927
Wahkiakum	0	0	52	52	1934
Whatcom	127	0	275	402	1954
<b>Subtotal Transfer</b>	<b>921</b>	<b>2</b>	<b>4,739</b>	<b>5,662</b>	<b>1958</b>
<b>STATE FOREST PURCHASE</b>					
Clark	0	0	35	35	1927
Grays Harbor	69	0	350	419	1946
Lewis	221	0	55	276	1966
Pacific	0	0	2	2	1943
Snohomish	0	0	190	190	1970
Thurston	0	0	52	52	1938
<b>Subtotal Purchase</b>	<b>290</b>	<b>0</b>	<b>684</b>	<b>974</b>	<b>1946</b>
Comm. School, Indemnity & Escheat Total	2,038	685	6,325	9,048	1963
Agricultural School Total	153	2	647	802	1950
University Transfer Total	479	37	137	653	1956
CEP & RI Total	59	0	211	270	1946
Capitol Building Total	409	18	843	1,270	1948
Normal School Total	329	113	420	862	1953
Scientific School Total	245	12	583	840	1956
University Original Total	0	0	40	40	1941
University Repayment Total	1	0	31	32	1943
Forest Board Repayment Total	15	1	336	352	1937
King Co. Water Pollution Control District T	1	0	3	4	1964
<b>Subtotal</b>	<b>3,729</b>	<b>868</b>	<b>9,576</b>	<b>14,173</b>	
<b>Statewide Total</b>	<b>4,940</b>	<b>870</b>	<b>14,999</b>	<b>20,809</b>	

**About This Page**

<sup>a</sup> The Department tracks harvest method information in ten categories; for purposes of this report, per RCW 79.10.010, the data are aggregated into three harvest methods.

<sup>b</sup> Commercial thinning/small wood generates revenue, promotes growth of the remaining trees and creates desired future forest conditions.

<sup>c</sup> Partial cuts/older stand thinnings generate revenue and help achieve desired future forest conditions.

<sup>d</sup> Regeneration harvests refer to any removal of trees intended to assist natural tree regeneration or create space for replanting.

**Notes**

Harvested acres shown are Fiscal Year 2016 activities only; acres are reported again in the future if additional harvest activities occur. Acres harvested are estimated for sales partially harvested. Timber volume harvested per acre depends on site-specific conditions and harvest method.

Sales which contain more than one trust beneficiary report estimated acres harvested for each specific trust. Sales which benefit more than one trust distribute revenues proportionally by value based on percentage of area.

Acres do not include forest improvement treatment (FIT) sales.

Numbers may not add due to rounding.

**Source**

DNR NaturE System database, Report TSC348; 8/29/2016

# Deferrals | FY 2016 FORMERLY KNOWN AS ACRES OFF-BASE FOR HARVEST

Trust / Beneficiaries	No Deferral Acres	Short-Term Def. Acres	Long-Term Def. Acres
<b>STATE FOREST TRANSFER</b>			
Clallam	63,947	359	24,419
Clark	22,254	858	1,990
Cowlitz	9,789	155	437
Grays Harbor	1,742	0	474
Jefferson	12,113	212	1,534
King	16,138	0	5,397
Kitsap	6,314	0	830
Klickitat	18,553	23	242
Lewis	31,115	132	7,024
Mason	23,025	0	3,633
Pacific	8,708	13	5,794
Pierce	7,798	0	722
Skagit	55,229	905	23,919
Skamania	24,629	323	11,741
Snohomish	47,538	175	11,925
Stevens	124	0	7
Thurston	15,493	489	2,851
Wahkiakum	8,469	58	3,841
Whatcom	20,167	58	7,929
<b>Subtotal Transfer</b>	<b>393,155</b>	<b>3,759</b>	<b>114,707</b>

Trust / Beneficiaries	No Deferral Acres	Short-Term Def. Acres	Long-Term Def. Acres
<b>STATE FOREST PURCHASE</b>			
Clallam	138	0	92
Clark	2,421	0	1,258
Cowlitz	219	9	37
Grays Harbor	23,540	0	4,166
Jefferson	12	0	4
Kitsap	39	0	36
Klickitat	40	0	0
Lewis	2,617	80	244
Mason	403	0	104
Pacific	4,964	30	2,790
Pierce	2,793	0	450
Skagit	745	0	29
Skamania	2,800	0	1,535
Snohomish	1,603	0	39
Stevens	35	0	4
Thurston	18,766	0	3,697
Whatcom	704	0	244
<b>Subtotal Purchase</b>	<b>61,839</b>	<b>119</b>	<b>14,731</b>

Trust / Beneficiaries	No Deferral Acres	Short-Term Def. Acres	Long-Term Def. Acres
Comm. School, Indemnity & Esch.	866,362	28,598	191,792
Capitol Grant	73,063	595	25,464
Scientific School	53,525	685	11,671
Normal School	43,821	394	10,921
University, Original & Transferred	44,239	22	12,988
Agricultural School	42,501	1,699	9,283
CEP&RI	34,206	201	5,291
Water Pollution Control Division Trust Land	5,035	0	511
Community College Forest Reserve	3,360	0	52
Community Forest Trust	0	0	44,918
Other Lands*	973	0	121,734
<b>Subtotal</b>	<b>1,167,085</b>	<b>32,194</b>	<b>434,625</b>
<b>Total – All TRUSTS</b>	<b>1,622,080</b>	<b>36,071</b>	<b>564,064</b>

**About This Page**

These data are in the 2016 Annual Report to Trust Beneficiaries, per RCW 79.10.010.

With the adoption of the 2004 Sustainable Harvest Level, DNR no longer classifies lands as “off-base” or “on-base,” but instead designates deferral status.

Long-term deferral approximates “off-base.”

Deferral status is determined by whether the silviculture and land management activities, including harvest, are permitted or deferred for a period of time. Short-term deferrals represent forestlands anticipated to be deferred from harvest in the next 10 years. Long-term deferrals represent forestlands anticipated to be deferred from harvest beyond 10 years and forestlands managed for non-timber harvest revenue objectives.

Acres are designated as deferrals because they are inoperable, are low site, contain permanent research plots, are upland wildlife management areas, are timber gene pool reserves, are on unstable slopes in riparian buffers, are located in a northern spotted owl nest patch, contain a northern spotted owl site center, are identified as marbled

murrelet habitat, are included in the Olympic Experimental State Forest deferral areas, or are the result of the Settlement Agreement reached in 2006, or the 2006 Policy for Sustainable Forests Old-Growth Policy (all of these decisions were included in the 2007 sustainable harvest adjustment for Western Washington State Trust forestlands). A site can be deferred due to one or more factors.

Deferral classifications are not permanent designations. DNR may change the classification as specific forest stands or sites are re-evaluated. Acreage updates and changes can occur over time due to technological refinements in data gathering and analysis.

Numbers may not add due to rounding or potential double counting.

\* Other lands include: Administrative Site, Land Bank, Milwaukee Road Corridor, Natural Area Preserve, Natural Resources Conservation Area, Tidelands—2nd-Class, Trust Status Not Applicable or Unknown.

**Source:** Deferral Status of State Forestlands DNR Forest Resources Division, LDO v20160630, 2016.





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