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**Minnesota Department of Natural Resources**

**Division of Forestry**

**State Forest Nursery Program**

**FY 2001 Legislative Report**

Douglass Anderson - Forest Nursery Supervisor 651-297-4467  
General Andrews Nursery 218-372-3182  
Badoura Nursery 218-652-2385

1997 Minn. Laws Chap. 119  
Sec. 3 Subd. 1a

## **State Law Governing The State Nursery Program**

(Only relevant sections are shown with full text.)

**Chapter Title: STATE FORESTS; TREE PLANTING; FOREST ROADS**

**Section: 89.35 - 89.39**

89.35 Tree planting.....

89.36 Producing and procuring planting stock.

Subd. 1. Production at state nurseries. The commissioner of natural resources may produce tree planting stock for the purposes of sections 89.35 to 89.39 upon any lands under control of the commissioner which may be deemed suitable and available therefor so far as not inconsistent with other uses to which such lands may be dedicated by law. The commissioner may not produce more than 10,000,000 units of planting stock annually.

Subd. 2. Purchase of stock. The commissioner of natural resources may purchase tree planting stock for the purposes herein authorized under the provisions of sections 89.35 to 89.39, or any other applicable law now or hereafter in force.

Subd. 3. Sale or exchange of stock. ...

Subd. 4. Annual report. The commissioner shall submit an annual report to the legislature relating to the production of planting stock at state nurseries. The report must include the following:

- (1) sales figures;
- (2) income figures; and
- (3) expenses for operations and administration.

Copies of the report must be filed with the legislative reference library and made available to the public.

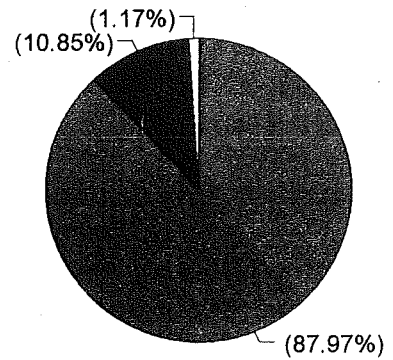
89.37 Distributing planting stock.

Subd. 4. Proceeds of sale. All money received in payment for tree planting stock supplied under this section shall be deposited in the state treasury and credited to a forest nursery account and are available to the commissioner of natural resources for the purposes of sections 89.35 to 89.37.

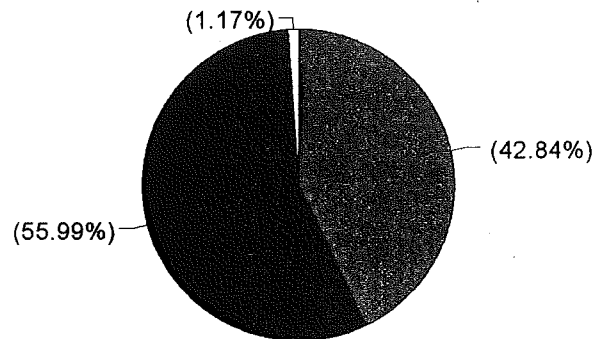
Subd. 5. Investment income. Income earned from the investment of funds in the forest nursery account beginning July 1, 1989, shall be credited to the account and are annually appropriated to the commissioner of natural resources for the purposes of sections 89.35 to 89.37

## FY 2001 State Forest Nursery Program Sales and Production Summary

|                        |                     |
|------------------------|---------------------|
| State Produced Trees   | 10,075,050 (87.97%) |
| Private Produced Trees | 1,243,025 (10.85%)  |
| Arbor Day Trees        | 134,300 (1.17%)     |



|                        |                    |
|------------------------|--------------------|
| Sales to Public Lands  | 4,906,299 (42.84%) |
| Sales to Private Lands | 6,411,875 (55.99%) |
| Arbor Day Trees        | 134,300 (1.17%)    |



## FY2001 STATE FOREST NURSERY SALES BY SPECIES AND PRODUCER

| PRODUCT              | SFN<br>Inventory | Purchased<br>Inventory | Arbor Day | Amount<br>Sold | Available |
|----------------------|------------------|------------------------|-----------|----------------|-----------|
| NORWAY PINE 4"       | 440,500          | 0                      |           | 440,500        | 0         |
| NORWAY PINE 6"       | 3,560,500        | 0                      | 56,900    | 3,617,400      | 0         |
| NORWAY PINE TR       | 227,800          | 0                      |           | 227,800        | 0         |
| WHITE PINE           | 150,000          | 0                      |           | 150,000        | 0         |
| WHITE PINE GOOSE     | 1,500            | 0                      |           | 1,500          | 0         |
| WHITE PINE TETTE     | 4,000            | 0                      |           | 4,000          | 0         |
| WHITE PINE ITASCA    | 5,000            | 0                      |           | 5,000          | 0         |
| WHITE PINE 6"        | 1,029,200        | 315,000                | 31,700    | 1,375,900      | 0         |
| WHITE PINE TR        | 31,900           | 23,000                 |           | 54,900         | 0         |
| JACK PINE 6"         | 491,300          | 0                      |           | 491,300        | 0         |
| JACK PINE IMPRV      | 38,300           | 0                      |           | 38,300         | 0         |
| JACK PINE-CROW WING  | 54,000           | 0                      |           | 54,000         | 0         |
| WHITE SPRUCE 5"      | 398,000          | 290,000                | 1,200     | 689,200        | 0         |
| WHITE SPRUCE IMP     | 1,272,575        | 0                      |           | 1,272,575      | 0         |
| WHT SPR IMP SM       | 160,000          | 0                      | 33,700    | 193,700        | 0         |
| WHITE SPRUCE TR      | 177,950          | 0                      |           | 177,950        | 0         |
| BLK SPRUCE IMPR      | 60,900           | 0                      |           | 60,900         | 0         |
| BALSAM FIR 6"        | 76,400           | 0                      |           | 76,400         | 0         |
| BALSAM FIR TR        | 7,100            | 0                      |           | 7,100          | 0         |
| TAMARACK             | 121,300          | 0                      |           | 121,300        | 0         |
| WHITE CEDAR 6"       | 128,700          | 0                      |           | 128,700        | 0         |
| WHT CEDAR TR         | 5,900            | 0                      |           | 5,900          | 0         |
| RED CEDAR 6"         | 14,000           | 0                      |           | 14,000         | 0         |
| RED OAK BOOT LK      | 14,500           | 0                      |           | 14,500         | 0         |
| RED OAK              | 367,000          | 0                      |           | 367,000        | 0         |
| BUR OAK              | 179,500          | 14,000                 |           | 193,500        | 0         |
| BUR OAK BOOT LK      | 10,000           | 0                      |           | 10,000         | 0         |
| BUR OAK WOODRIL      | 950              | 0                      |           | 950            | 0         |
| MIXED OAK            | 73,000           | 0                      | 500       | 73,500         | 0         |
| WHITE OAK            | 17,000           | 10,000                 | 1,000     | 28,000         | 0         |
| WHITE ASH            | 40,700           | 0                      |           | 40,700         | 0         |
| GREEN ASH            | 335,800          | 74,300                 | 600       | 410,700        | 0         |
| SILVER MAPLE         | 151,400          | 50,000                 | 100       | 201,500        | 0         |
| PAPER BIRCH TETT     | 1,000            | 0                      |           | 1,000          | 0         |
| PAPER BIRCH          | 40,300           | 0                      | 300       | 40,600         | 0         |
| YELLOW BIRCH         | 23,350           | 0                      | 200       | 23,550         | 0         |
| HYBRID POPLAR        | 57,100           | 200                    |           | 57,300         | 0         |
| HYBRID POP.CUTTINGS  | 5,800            | 0                      |           | 5,800          | 0         |
| SIOUX POPLAR         | 2,000            | 9,400                  |           | 11,400         | 0         |
| COTTONWOOD           | 14,900           | 7,200                  |           | 22,100         | 0         |
| BLACK WALNUT         | 118,000          | 0                      | 7,000     | 125,000        | 0         |
| HARD MAPLE SUGR      | 0                | 1,200                  |           | 1,200          | 0         |
| RED MAPLE            | 6,500            | 0                      |           | 6,500          | 0         |
| RED OSIER DOGWD      | 2,725            | 108,775                | 500       | 112,000        | 0         |
| MOUNTAIN ASH         | 6,500            | 0                      |           | 6,500          | 0         |
| JUNEBERRY            | 9,300            | 0                      |           | 9,300          | 0         |
| WILD PLUM            | 0                | 0                      | 100       | 100            | 0         |
| C.CHOKECHERRY        | 0                | 121,950                | 500       | 122,450        | 1,700     |
| NANNYBERRY           | 10,450           | 0                      |           | 10,450         | 0         |
| ELDER BERRY          | 450              | 0                      |           | 450            | 0         |
| 4-SEASON WILDLIFE PK | 101,500          | 198,000                |           | 299,500        | 0         |
| HARDWOOD PACKET      | 28,500           | 20,000                 |           | 48,500         | 0         |
|                      |                  |                        |           |                | 0         |

10,075,050      1,243,025      134,300      11,452,375      - 1,700

### **Basis of Accounting**

The Forest Nursery program is operated on a self sustaining basis so that, over time, the revenues cover expenditures. Seedlings take up to five years to produce. Each year costs are incurred; however about 70% of the total cost is incurred in the last year for lifting, packing and shipping. In a given year sales are defined as the revenues from seedling delivered to customers that year from July 1 thru June 30. The costs associated with that year are the production costs for all the seedlings in the inventory - not just those sold. The nursery production is capped by statute at 10 million per year. In addition, a limited amount of seedlings are purchased from outside for resale where necessary. As a consequence of the above, in a given year we may show a small surplus or deficit, but over time it will balance.

In a given fiscal year a significant portion of the "sales" have not been paid into the Forest Nursery Account and realized as cash receipts. So as of the close of the year an accounts receivable balance is carried. In addition, receipts from prior years sales have been realized. Therefore the cash receipts showing in the MAPS accounting system should not be expected to tie to sales for that fiscal year.

**Forest Nursery Account  
Statement of Revenues and Costs  
FY 2001**

**Revenues**

|  |                           |
|--|---------------------------|
| FY 2001 Sales                          | \$2,306,718               |
| Prior Years Sales delivered in FY 2001 | 40,300                    |
| Investment Income                      | 45,593                    |
| <b>Total Revenues</b>                  | <u><b>\$2,392,611</b></u> |

**Costs**

|                                    |                           |
|------------------------------------|---------------------------|
| Salary & Other Compensation        | \$1,390,743               |
| Supplies and Expenses              | 387,124                   |
| Equipment and Capital Improvements | 44,115                    |
| Other Costs                        | 160,551                   |
| <b>Total Costs</b>                 | <u><b>\$1,982,533</b></u> |

**Difference Revenues over Costs** **\$410,078**

**Forest Nursery Account  
Cash Receipts and Expenditures  
FY 2001**

|                              |                    |
|------------------------------|--------------------|
| <b>Balance Forward - In</b>  | <b>\$611,911</b>   |
| <b>Receipts</b>              |                    |
| FY Prior Years               | 974,608            |
| FY 2001 sales                | 1,462,119          |
| Other Income                 | 45,593             |
| <b>Total Receipts</b>        | <b>3,094,231</b>   |
| <b>Expenditures</b>          | <b>-1,982,533</b>  |
| <b>Balance Forward - Out</b> | <b>\$1,111,698</b> |

**Forest Nursery Account  
Accounts Receivable Reconciliation  
FY 2001**

|                             |                    |
|-----------------------------|--------------------|
| Accounts Receivable 6/30/00 | \$1,102,004        |
| Sales FY 2001               | 2,306,718          |
|                             | <b>\$3,408,722</b> |
| Cash Receipts on Sales      |                    |
| FY Prior Years              | \$974,608          |
| FY 2001 sales               | 1,462,119          |
|                             | -                  |
|                             | <b>\$2,436,727</b> |
| Accounts Receivable 6/30/01 | <b>\$971,995</b>   |

Report: C7 APPR ALT2

**Minnesota Department of Natural Resources**  
**Appropriation - Allotment Summary Balance Report**  
 Account Status For Active Appropriations As Of: 11/14/2001

Printed On: 11/15/2001

Revision: 102799.tf

Printed At: 11:12AM

**APPROPRIATION SUMMARY BALANCE INFORMATION**

FY: 01      Fund: 203      Appr Unit: 300      Bdgt Auth Opt      Legal Citation      Section  
 Appropriation Name: FORESTRY NURSERIES ACCOUNT      0      MS 089 37 004      426 NATURAL RESOURCES DEPT

| APPROPRIATION      |              | RECEIPTS           |              | BALANCE FORWARD      |              | ANTIC TRANS          | ACTUAL TRANS |
|--------------------|--------------|--------------------|--------------|----------------------|--------------|----------------------|--------------|
| ORIGINAL APPR: \$  | 0.00         | ORGNL EST RCPT: \$ | 1,860,000.00 | IN: \$               | 611,910.68   | \$ 0.00              | \$ 0.00      |
| CUR MOD APPR:      | 0.00         | CURNT EST RCPT:    | 2,321,660.00 | OUT:                 | 1,092,580.11 | 0.00                 | 0.00         |
| REDUCTIONS:        | 0.00         | ACTUAL RECEIPTS:   | 2,482,320.37 | TOTAL ALLOTMENTS: \$ | 2,001,650.94 | PRE-ENCUMBRANCES: \$ | 0.00         |
| CANCELLATIONS:     | 0.00         | DED RCPT CAP:      | 0.00         | UNOBLIGATED BAL:     | 19,117.48    | ENCUMBRANCES:        | 0.00         |
| ENC BDGT AUTHY: \$ | 2,001,650.94 | SPENDING AUTH: \$  | 2,001,650.94 | UNLIQ. CASH BAL: \$  | 19,117.48    | EXPENDED AMT: \$     | 1,982,533.46 |

**AVAILABLE FOR ALLOTMENT: \$ 0.00**

**Appropriation End Date: 6/30/2001**

**ALLOTMENT SUMMARY BALANCE INFORMATION**

| FY | Allotment                         | Status | Allotted               | Pre-Encumbered | Encumbered     | Expended               | Balance             |
|----|-----------------------------------|--------|------------------------|----------------|----------------|------------------------|---------------------|
| 01 | 3738 FORESTRY GEN ANDREWS NURSERY | A      | \$ 1,054,278.72        | \$ 0.00        | \$ 0.00        | \$ 1,036,741.24        | \$ 17,537.48        |
| 01 | 3739 FORESTRY BADOURA NURSERY     | A      | 947,372.22             | 0.00           | 0.00           | 945,792.22             | 1,580.00            |
|    |                                   |        | <u>\$ 2,001,650.94</u> | <u>\$ 0.00</u> | <u>\$ 0.00</u> | <u>\$ 1,982,533.46</u> | <u>\$ 19,117.48</u> |



## Minnesota Department of Natural Resources Managers Financial Report

**Active Allotment Account Balances As Of: 11/14/01 (Including Salary Expenditures for Pay Periods Ending On or Before: 11/4/01)**  
 Obligated Amounts for Object Classes 1A0 and 1B0 are Current Modified Payroll Obligation Amounts from SEMA4  
 Program: 03 - 03 Region: R000 - R000 BACT: 10 - 10 MACT: 101 - 101 Fund: 203 - 203

**FOREST MANAGEMENT - DNR CENTRAL OFFICE**

| <u>Allotment</u>                                  | <u>Object Class</u>            | <u>Allotted</u>        | <u>Salary<br/>Obligation</u> | <u>Encumbered</u> | <u>Expended</u>        | <u>Balance</u>      | <u>% Bal</u> |
|---|--------------------------------|------------------------|------------------------------|-------------------|------------------------|---------------------|--------------|
| <b>01 203 3739 300 - FORESTRY BADOURA NURSERY</b> |                                |                        |                              |                   |                        |                     |              |
| 1A0   | FULL TIME                      | 187,000.00             | (0.67)                       | 0.00              | 190,291.67             | (3,291.67)          | (1.8)%       |
| 1B0   | PART-TIME, SEASONAL, LABOR SER | 504,000.00             | 141.83                       | 0.00              | 444,840.17             | 59,159.83           | 11.7 %       |
| 1C0   | OVERTIME PAY                   | 10,000.00              |                              | 0.00              | 21,085.62              | (11,085.62)         | (110.9)%     |
| 1D0   | PREMIUM PAY                    | 500.00                 |                              | 0.00              | 0.00                   | 500.00              | 100.0 %      |
| 1E0   | OTHER BENEFITS                 | 151,500.00             |                              | 0.00              | 108,188.05             | 43,311.95           | 28.6 %       |
| 2A0   | SPACE RENTAL, MAINT, & UTILITY | 20,000.00              |                              | 0.00              | 17,491.05              | 2,508.95            | 12.5 %       |
| 2B0   | REPAIRS, ALTERATIONS, & MAINT  | 6,000.00               |                              | 0.00              | 14,426.15              | (8,426.15)          | (140.4)%     |
| 2C0   | PRINTING AND ADVERTISING       | 1,000.00               |                              | 0.00              | 738.67                 | 261.33              | 26.1 %       |
| 2D0   | PROF/TECH SERVICES OUTSIDE VEN | 0.00                   |                              | 0.00              | 3,420.00               | (3,420.00)          | 0.0 %        |
| 2F0   | COMMUNICATIONS                 | 20,000.00              |                              | 0.00              | 8,892.44               | 11,107.56           | 55.5 %       |
| 2G0   | TRAVEL & SUBSISTANCE -INSTATE  | 1,000.00               |                              | 0.00              | 3,049.29               | (2,049.29)          | (204.9)%     |
| 2H0   | TRAVEL & SUBSISTANCE -OUTSTATE | 1,000.00               |                              | 0.00              | 865.88                 | 134.12              | 13.4 %       |
| 2J0   | SUPPLIES                       | 95,000.00              |                              | 0.00              | 93,233.48              | 1,766.52            | 1.9 %        |
| 2K0   | EQUIPMENT                      | 73,000.00              |                              | 0.00              | 33,844.44              | 39,155.56           | 53.6 %       |
| 2L0   | EMPLOYEE DEVELOPMENT           | 1,000.00               |                              | 0.00              | 1,120.00               | (120.00)            | (12.0)%      |
| 2M0   | OTHER OPERATING COSTS          | 5,000.00               |                              | 0.00              | 4,117.31               | 882.69              | 17.7 %       |
| 2S0   | AGENCY PROVIDED PROF/TECH SERV | 2,000.00               |                              | 0.00              | 188.00                 | 1,812.00            | 90.6 %       |
| 3C0   | BUILDINGS & LAND IMPROVEMENTS  | 10,000.00              |                              | 0.00              | 0.00                   | 10,000.00           | 100.0 %      |
| CLS   | EXPENSE BUDGET CLOSING         | (140,627.78)           |                              | 0.00              | 0.00                   | (140,627.78)        | 0.0 %        |
| <b>Totals for Allotment: 01 203 3739 300</b>      |                                | <b>\$ 947,372.22</b>   | <b>141.16</b>                | <b>\$ 0.00</b>    | <b>\$ 945,792.22</b>   | <b>\$ 1,580.00</b>  | <b>0.2 %</b> |
| <b>Totals for Organization: 3739</b>              |                                | <b>\$ 947,372.22</b>   | <b>141.16</b>                | <b>\$ 0.00</b>    | <b>\$ 945,792.22</b>   | <b>\$ 1,580.00</b>  |              |
| <b>Totals for Region: R000</b>                    |                                | <b>\$ 2,001,650.94</b> | <b>143.74</b>                | <b>\$ 0.00</b>    | <b>\$ 1,982,533.46</b> | <b>\$ 19,117.48</b> |              |
| <b>Totals for Program: 03</b>                     |                                | <b>\$ 2,001,650.94</b> | <b>143.74</b>                | <b>\$ 0.00</b>    | <b>\$ 1,982,533.46</b> | <b>\$ 19,117.48</b> |              |

## Minnesota Department of Natural Resources Managers Financial Report

**Active Allotment Account Balances As Of: 11/14/01 (Including Salary Expenditures for Pay Periods Ending On or Before: 11/4/01)**  
 Obligated Amounts for Object Classes 1A0 and 1B0 are Current Modified Payroll Obligation Amounts from SEMA4  
 Program: 03 - 03 Region: R000 - R000 BACT: 10 - 10 MACT: 101 - 101 Fund: 203 - 203

**FOREST MANAGEMENT - DNR CENTRAL OFFICE**

| Allotment   | Object Class                       | Allotted               | Salary<br>Obligation | Encumbered     | Expended               | Balance             | % Bal        |
|---|------------------------------------|------------------------|----------------------|----------------|------------------------|---------------------|--------------|
| <b>01 203 3738 300 - FORESTRY GEN ANDREWS NURSERY</b> |                                    |                        |                      |                |                        |                     |              |
|   | 1A0 FULL TIME                      | 246,000.00             | 0.59                 | 0.00           | 234,706.41             | 11,293.59           | 4.6 %        |
|   | 1B0 PART-TIME, SEASONAL, LABOR SER | 343,000.00             | 1.99                 | 0.00           | 340,815.01             | 2,184.99            | 0.6 %        |
|   | 1C0 OVERTIME PAY                   | 10,000.00              |                      | 0.00           | 12,406.08              | (2,406.08)          | (24.1)%      |
|   | 1D0 PREMIUM.PAY                    | 500.00                 |                      | 0.00           | 62.92                  | 437.08              | 87.4 %       |
|   | 1E0 OTHER BENEFITS                 | 10,500.00              |                      | 0.00           | 38,103.24              | (27,603.24)         | (262.9)%     |
|   | 2A0 SPACE RENTAL, MAINT, & UTILITY | 14,000.00              |                      | 0.00           | 23,181.49              | (9,181.49)          | (65.6)%      |
|   | 2B0 REPAIRS, ALTERATIONS, & MAINT  | 6,000.00               |                      | 0.00           | 12,869.64              | (6,869.64)          | (114.5)%     |
|   | 2C0 PRINTING AND ADVERTISING       | 10,000.00              |                      | 0.00           | 4,799.52               | 5,200.48            | 52.0 %       |
|   | 2D0 PROF/TECH SERVICES OUTSIDE VEN | 11,000.00              |                      | 0.00           | 11,582.00              | (582.00)            | (5.3)%       |
|   | 2F0 COMMUNICATIONS                 | 34,000.00              |                      | 0.00           | 17,714.76              | 16,285.24           | 47.9 %       |
|   | 2G0 TRAVEL & SUBSISTANCE -INSTATE  | 1,000.00               |                      | 0.00           | 1,520.68               | (520.68)            | (52.1)%      |
|   | 2H0 TRAVEL & SUBSISTANCE -OUTSTATE | 1,000.00               |                      | 0.00           | 54.69                  | 945.31              | 94.5 %       |
|   | 2J0 SUPPLIES                       | 376,000.00             |                      | 0.00           | 294,135.26             | 81,864.74           | 21.8 %       |
|   | 2K0 EQUIPMENT                      | 61,000.00              |                      | 0.00           | 10,270.32              | 50,729.68           | 83.2 %       |
|   | 2L0 EMPLOYEE DEVELOPMENT           | 1,000.00               |                      | 0.00           | 309.50                 | 690.50              | 69.1 %       |
|   | 2M0 OTHER OPERATING COSTS          | 5,000.00               |                      | 0.00           | 5,834.72               | (834.72)            | (16.7)%      |
|   | 2P0 STATEWIDE INDIRECT COSTS       | 12,000.00              |                      | 0.00           | 28,187.00              | (16,187.00)         | (134.9)%     |
|   | 2S0 AGENCY PROVIDED PROF/TECH SERV | 2,000.00               |                      | 0.00           | 188.00                 | 1,812.00            | 90.6 %       |
|   | 3C0 BUILDINGS & LAND IMPROVEMENTS  | 35,000.00              |                      | 0.00           | 0.00                   | 35,000.00           | 100.0 %      |
|   | CLS EXPENSE BUDGET CLOSING         | (124,721.28)           |                      | 0.00           | 0.00                   | (124,721.28)        | 0.0 %        |
| <b>Totals for Allotment: 01 203 3738 300</b>          |                                    | <b>\$ 1,054,278.72</b> | <b>2.58</b>          | <b>\$ 0.00</b> | <b>\$ 1,036,741.24</b> | <b>\$ 17,537.48</b> | <b>1.7 %</b> |
| <b>Totals for Organization: 3738</b>                  |                                    | <b>\$ 1,054,278.72</b> | <b>2.58</b>          | <b>\$ 0.00</b> | <b>\$ 1,036,741.24</b> | <b>\$ 17,537.48</b> |              |