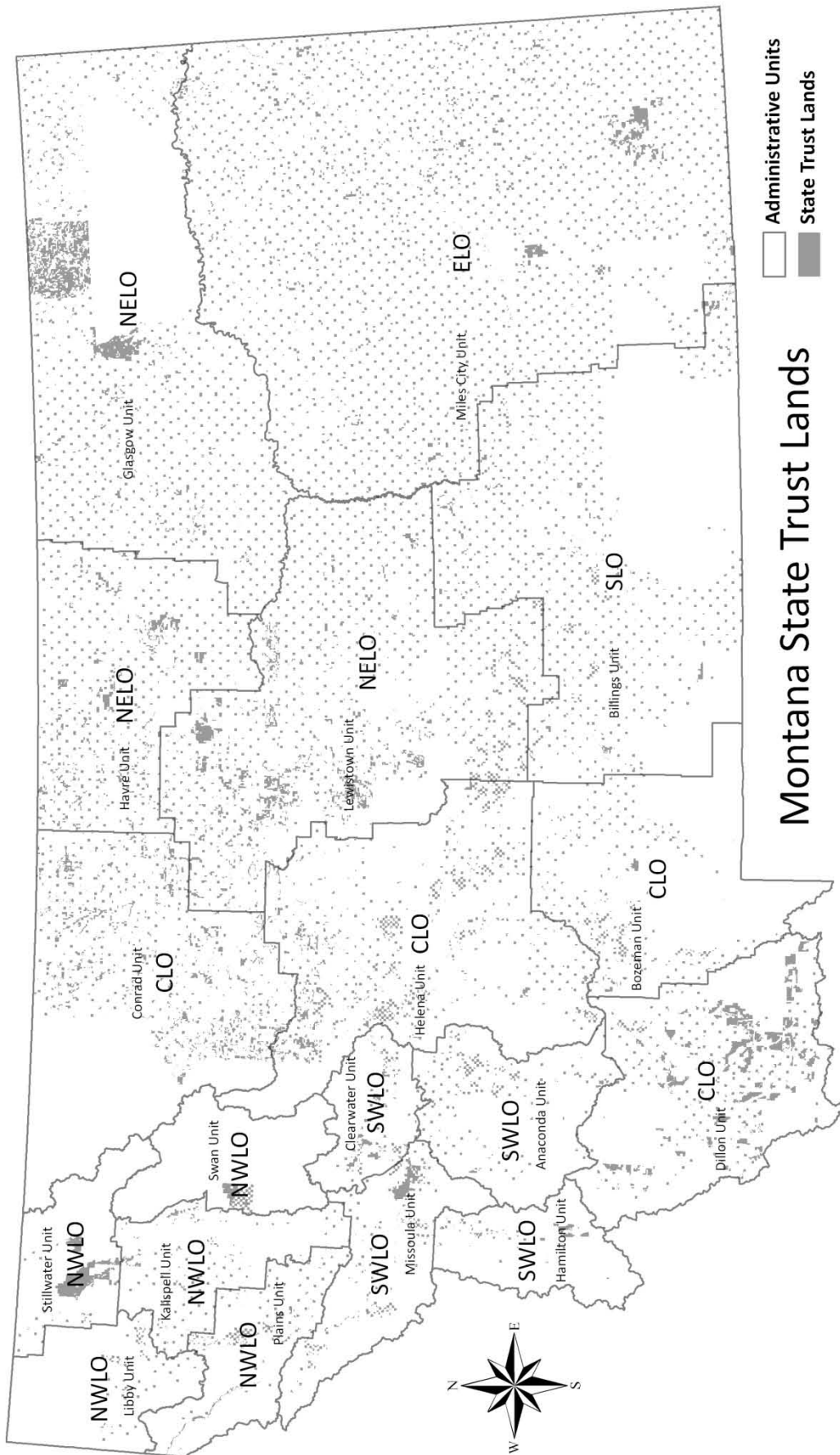


Montana State Trust Lands Return on Assets 2010

Version 2

Trust Land Management Division Mission

Manage the State of Montana's trust land resources to produce revenues for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land.



Administrative Units
 State Trust Lands

Montana State Trust Lands

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Preface

The *Return on Assets Report* is an annual publication from the Trust Land Management Division (TLMD) of the Department of Natural Resources and Conservation (DNRC) detailing the assets and earnings of state trust beneficiaries. This edition of the *Return on Assets Report* covers fiscal year 2010 (FY 2010), which began July 1, 2009 and ended June 30, 2010.

The *Return on Assets Report* is comprised of two sections. The primary section examines all revenue sources on the same basis and time frame using a method based on current year information and techniques appropriate to each business unit. The second section analyzes the return on Classified Forest Lands utilizing the asset valuation methodology (MCA 15-44-103) required by law (MCA 77-1-223).

TLMD strives to provide accurate and complete information, but this report includes estimated values and is not an income or cash flow statement. Unless otherwise indicated, years identified in this report represent fiscal years and dollar values are expressed in nominal terms. Revenues reported in this report can vary from those listed in the TLMD Annual Report. These differences arise due to the exclusion of certain revenue accounts, which are not included in return estimations or specific to the trust beneficiaries.

State Trust Assets

The state trust balance sheet includes both tangible and financial assets. The *Return on Assets Report* focuses primarily on tangible assets including all state trust real estate and natural resources in the State of Montana. The *Montana Board of Investments Annual Report*, details state trust financial assets including the Trust and Legacy Fund (TLF), and short term investments in the Short Term Investment Program (STIP). Other financial assets include cash accounts budgeted for TLMD operations.

The state trust real estate portfolio is a semi-permanent asset granted through federal authority and will remain under trust ownership for an indefinite period. TLMD, authorized by the state legislature, has engaged in limited real estate transactions within the portfolio, including the direct sale, purchase and exchange of land. These transactions comprise a relatively small percent of the overall portfolio and are intended to increase revenues for trusts beneficiaries by liquidating unproductive or unmanageable properties.

State trust real estate assets are reported by classified acre in *Table 1*. There are approximately 5.1 million and 6.2 million surface and subsurface acres, respectively, in the portfolio. Seventy nine percent of the portfolio is classified rangeland with a vast majority located east of the continental divide. Agriculture and forestlands represent eleven percent and ten percent, respectively, and a small remainder of the portfolio accounts for specialized properties; including residential, commercial, community, and conservation sites.

Table 1. State Trust Surface and Subsurface Land Ownership (Acres)

State Trusts	Agriculture	Irrigated Ag	Rangeland	Forestland	Other	Surface	Subsurface
Common Schools	551,342	5,340	3,715,716	337,745	17,675	4,628,283	5,635,854
University of Montana	1,401	495	13,977	1,440	21	17,333	32,818
MSU - Morrill Grant	2,013	1	55,256	5,512	681	63,463	87,130
MSU - 2nd Grant	60	24	8,410	22,060	870	31,424	51,258
Montana Tech	5,876	451	36,802	15,770	461	59,361	81,976
State Normal School	2,473	1	46,050	14,684	193	63,401	74,244
School for the Deaf and Blind	1,409	0	24,217	10,399	436	36,461	42,049
State Reform School	807	10	48,458	18,007	84	67,361	65,324
Veterans Home	0	0	1,270	0	13	1,283	1,276
Public Buildings	4,232	0	107,075	73,581	1,825	186,712	159,334
Total	570,073	6,321	4,057,231	499,198	22,258	5,155,082	6,231,263
% of Total	11.06%	0.12%	78.70%	9.68%	0.43%	100%	

Source: *Trust Land Management System (TLMS) database*

Subsurface ownership identified in the *Table 1*, including all mineral resources, is reserved as a permanent asset of the State (MCA 77-2-304); mineral rights cannot be sold, except by a rental and royalty basis as provided by law. State trusts reserve mineral rights on all real estate, which has been sold, or exchanged, though in some cases new mineral rights are acquired on purchased properties.

The primary financial assets of state trusts are the fixed income investments, including the Trust and Legacy Fund (TLF). The TLF is a permanent investment fund guaranteed by the state against loss or diversion and is established by law, Article X, sections 2, 3 and 5 of the state Constitution. Funds invested in the TLF originate from mineral royalties, land sales, easements contracts, and miscellaneous other revenue including 5% of all common school trust revenue. Since 1995, funds deposited in the TLF have been combined with a larger Trust Fund Bond Pool (TFBP) managed by the State Board of Investments. The TFBP is a \$1.5 billion investment pool consisting of an approximate even split between Corporate and US Government bonds.

Table 2 shows the FY 2010 TLF balance for each of the state trusts. Approximately 93 percent of the \$456 million fund represents the Common Schools share.

Table 2. State Trust TLF Account Balances

State Trust	Annual Increase	FY-End Balance	%
Common Schools	10,449,462	423,263,044	92.778%
University of Montana	760	1,524,126	0.334%
MSU - Morrill Grant	47,813	3,974,855	0.871%
MSU - Second Grant	22,636	8,868,598	1.944%
Montana Tech	45,166	5,146,772	1.128%
State Normal School	43,594	6,137,054	1.345%
School for the Deaf and Blind	41,236	3,809,730	0.835%
State Reform School	94,387	3,469,006	0.760%
Veterans Home	0	17,107	0.004%
Total	\$10,745,054	\$456,210,292	

Source: *Trust Land Management Annual Report*

Table 3 shows the growth and yield of the TLF since 2000. The mean income return from the TLF over ten years is 6.53 percent.

Table 3. Trust and Legacy Fund Annual Change

Year	Year-End Balance	Annual Increase	Annual Income	Income Return
2010	453,739,857	9,884,568	22,934,486	5.11%
2009	443,855,288	3,701,832	22,777,821	5.15%
2008	440,153,456	11,999,926	25,288,505	5.82%
2007	428,153,530	4,999,795	26,474,491	6.22%
2006	423,153,735	12,499,798	24,836,368	5.96%
2005	410,653,937	0	28,375,979	6.91%
2004	410,653,937	99,967	30,140,513	7.34%
2003	410,553,970	-4,348,425	29,215,115	7.08%
2002	414,902,395	48,679,980	29,772,669	7.62%
2001	366,222,415	11,759,523	26,219,151	7.28%
2000	354,462,892	9,744,112	25,470,629	7.29%
Mean		\$9,911,007	\$26,500,521	6.53%

Source: *Montana Board of Investments Annual Report*

State Trust Income

State trusts earn income from the rental and sale of real estate and natural resource assets. This income is invoiced through 16,827 active contract agreements, which facilitate TLMD market transactions. *Table 4* provides detail as to the distribution and categorization of operating contracts managed by TLMD.

Table 4. TLMD Active Contract Agreements by Trust and Contract Type

State Trusts	Ag & Grazing Leases	Timber Sales & Permits	Mineral Leases	Other Leases	Other Licenses	Total
Common Schools	8,302	72	4,678	1,042	315	14,409
University of Montana	42	0	20	16	3	81
MSU - Morrill Grant	112	9	47	14	25	207
MSU - 2nd Grant	48	10	31	221	28	338
Montana Tech	128	8	41	94	42	313
State Normal School	176	3	50	31	38	298
School for the Deaf and Blind	54	7	20	61	34	176
State Reform School	169	2	77	52	33	333
Veterans Home	2	0	2	4	0	8
Public Buildings	377	18	97	106	66	664
Total	9,410	129	5,063	1,641	584	16,827

Source: *Trust Land Management System (TLMS) database*

All trust revenues (MCA 20-9-620) from the land management and investment interest are reported in *Table 5* with the exception of mineral royalties, easements, land sales, and the five percent of Common Schools revenue. Revenues in FY 2010 included a one-time bonus payment of \$85.9 million for Common Schools land tracts involved in the Otter Creek mineral lease project. Mineral bonuses are not paid in perpetuity, but as a lump-sum, one payment for each of the fourteen leased state tracts in the project area.

Table 5. State Trust Land Management and Interest Revenues

State Trusts	FY 2008	FY 2009	FY 2010	%
Common Schools	61,319,054	69,796,621	141,987,254	103%
University of Montana	268,915	218,091	216,656	-1%
MSU - Morrill Grant	618,691	634,673	604,359	-5%
MSU - 2nd Grant	1,701,472	1,181,006	1,123,498	-5%
Montana Tech	1,091,974	1,119,733	1,195,240	7%
State Normal School	590,185	586,978	593,134	1%
School for the Deaf and Blind	340,501	380,755	349,917	-8%
State Reform School	447,268	447,462	421,328	-6%
Veterans Home	12,053	12,942	15,030	16%
Public Buildings	1,540,777	1,908,727	2,551,157	34%
Total	\$67,930,890	\$76,286,988	\$149,057,573	95%

Source: *Trust Land Management Division Annual Report*

Management expenses are deducted from trust revenues and the remaining net income is distributed to the trusts. Net income for FY 2008 – FY 2010 is shown in *Table 6*. Net income in FY 2010 for multiple trusts dropped significantly due to legislatively mandated adjustments to the accounting of TLMD expenses between trusts. The major

adjustment to TLMD accounting systems has been to allocate land management expenses to each state trust based on current program work functions, as they relate to land ownership. Fiscal year 2009 and prior, TLMD expenses were allocated as a prorated percentage of distributable revenues. This FY 2010 change is best observed in *Table 7*, which shows the operating profit margin for each trust changed significantly in FY 2010. In FY 2010, Common Schools and Public Buildings profit margin increased corresponding to a 15 to 30 percent decrease for the smaller trusts.

Table 6. State Trust Net Distributed Income

State Trusts	FY 2008	FY 2009	FY 2010	%
Common Schools	53,464,326	61,215,097	133,315,478	118%
University of Montana	262,871	213,265	198,790	-7%
MSU - Morrill Grant	618,691	634,673	604,359	-5%
MSU - 2nd Grant	1,396,787	1,079,590	846,541	-22%
Montana Tech	1,060,259	1,082,354	889,274	-18%
State Normal School	576,271	572,528	371,504	-35%
School for the Deaf and Blind	334,289	373,826	264,973	-29%
State Reform School	437,396	436,679	263,150	-40%
Veterans Home	11,677	12,462	11,048	-11%
Public Buildings	982,736	1,077,716	1,635,457	52%
TOTAL	\$59,145,303	\$66,698,190	\$138,400,574	108%

Source: *Trust Land Management Division Annual Report*

Table 7. Operating Profit Margin (Net Income ÷ Revenue)

State Trusts	FY 2008	FY 2009	FY 2010
Common Schools	87%	88%	94%
University of Montana	98%	98%	92%
MSU - Morrill Grant	100%	100%	100%
MSU - 2nd Grant	82%	91%	75%
Montana Tech	97%	97%	74%
State Normal School	98%	98%	63%
School for the Deaf and Blind	98%	98%	76%
State Reform School	98%	98%	62%
Veterans Home	97%	96%	74%
Public Buildings	64%	56%	64%
TOTAL	87%	87%	93%

Source: *Trust Land Management Division Annual Report*

State Trust Return on Assets

A return on assets (ROA) ratio is one among many profitability ratios. Profitability ratios are used in finance to determine a company's overall value, the value of its securities, competitive position, and the quality or efficiency of management. Similarly, state trust profitability ratios help relate the competitive position of trust assets to other public and private land management markets and can reflect operational efficiency.¹

ROA ratio formulas are varied. A standard finance ROA formula is used in this report.²

Net income utilized for the ROA values in this report is net distributed income reported in *Table 6*. Average total assets equals the mean value of real estate assets in one accounting period; typically calculated as the average between a beginning and ending fiscal year value.

It is important to note that ROA ratios can be subject to bias, incidental from the approaches used to value assets. Real estate values are especially complex and require transparency and professional discretion. These assets are immovable, indivisible, and only approximately comparable to other similar assets.

Real estate values are typically estimated by appraisal techniques, such as a cost, sales comparison, or income approach. The cost approach utilizes information on the prices of building materials and construction labor. The sales comparison approach is similar to equity valuation and utilizes benchmark, or average, values determined from the market prices of similar property transacted near the time of appraisal. Alternatively, the income approach analyzes the long-term income potential of a property and discounts related cash flows to present value.

TLMD utilizes a variation of the sales comparison approach for setting values to trust real estate assets. Values are averaged by classified acres, county and tiered location classes. The three unique location classes are specified by TLMD analysts where location class 2 and 3 are assigned to properties with enhanced market features including proximity to urban centers, development, water frontage, and other various market features. These values are then assigned to each separate land tract in trust ownership. The county summary table of estimated 2010 real estate dollar values is

¹ TLMD management control and decision making is limited by a range of legal parameters.

² The ROA formula has been updated in this *Return on Assets Report* to comply with U.S. GAAP and FASB standards for asset accounting. The change in formulas relates to the proper accounting of appreciation.

included, *Table A-1* in the *Appendix*.³ Values in this table are a new TLMD baseline and come from internal and external sources including previous TLMD land sale and acquisition data as well as county level appraisal data.

Table 8 summarizes estimated total average asset values under the adapted sales comparison approach. Total assets are shown by land classification and totaled in the right hand columns. End of FY 2010 total assets for all state trust land is \$2.67 billion.

Table 8. FY 2010 Surface Asset Values by Trust

State Trust	Agriculture	Irrigated Ag	Rangeland	Forestland	Other	End of FY 2010	Beg. of FY 2010
Common Schools	207,914,686	12,763,422	1,234,264,079	560,225,686	60,308,247	2,075,476,120	2,019,190,660
University of Montana	705,025	1,419,375	9,481,284	2,080,000	198,958	13,884,642	13,804,796
MSU - Morrill Grant	821,960	900	32,564,543	12,642,100	770,742	46,800,245	46,776,245
MSU - 2nd Grant	39,560	34,180	7,002,140	53,995,322	18,086,868	79,158,070	79,158,070
Montana Tech	6,683,594	943,025	20,650,008	36,535,470	25,562,111	90,374,208	90,362,789
State Normal School	2,481,084	1,540	22,322,239	37,338,967	2,624,212	64,768,042	64,731,900
School for the Deaf and Blind	560,058	68,200	16,707,480	24,302,006	1,517,593	43,155,337	43,155,337
State Reform School	348,910	100,007	31,216,695	23,000,826	2,509,894	57,176,332	57,163,590
Veterans Home	0	0	285,764	0	35,817	321,581	321,581
Public Buildings	3,776,490	0	61,079,807	133,190,128	2,743,187	200,789,612	200,713,393
Total	\$223,687,481	\$16,650,017	\$1,413,838,627	\$862,389,679	\$112,046,693	\$2,671,904,187	\$2,615,378,359

Source: *Trust Land Management System (TLMS) database and staff appraisal data*

Table 9 summarizes asset values, surface and subsurface, by an income approach where a range of market cap rates (discount rates) are compared. These estimates reflect mean land management income from FY 2004 – FY 2009. *Table 8* and *Table 9* are not directly comparable due to the inclusion of subsurface income in *Table 9*. The most notable difference between the two approaches is the generally lower asset values assessed by the income approach. This difference indicates a spread between the market values and investment values of land.

With respect to market cap rates, TLMD utilizes a 2.4 percent discount rate for the financial analysis of future management projects. This discount rate is an estimate of the long term real risk-free interest rate from TLF fixed income investments, net of an inflation premium. With a 3 percent inflation premium, the nominal real risk-free interest rate is 5.4 percent.

³ Values for classified other property, are separately appraised due to the increased complexity of valuing developed land.

Table 9. Surface and Subsurface Asset Values by Trust (Income Approach)

State Trusts	5 yr Mean NOI		Market Cap Rate				
		5.4%	4.4%	3.4%	2.4%	1.4%	
Common Schools	56,083,567	1,038,584,565	1,274,626,511	1,649,516,662	2,336,815,271	4,005,969,036	
University of Montana	219,423	4,063,389	4,986,886	6,453,618	9,142,625	15,673,071	
MSU - Morrill Grant	552,721	10,235,565	12,561,830	16,256,485	23,030,021	39,480,036	
MSU - 2nd Grant	1,325,892	24,553,556	30,133,909	38,996,824	55,245,500	94,706,571	
Montana Tech	924,625	17,122,676	21,014,193	27,194,838	38,526,021	66,044,607	
State Normal School	717,491	13,286,877	16,306,621	21,102,686	29,895,472	51,249,381	
School for the Deaf and Blind	323,744	5,995,259	7,357,818	9,521,882	13,489,333	23,124,571	
State Reform School	421,107	7,798,284	9,570,621	12,385,510	17,546,139	30,079,095	
Veterans Home	10,636	196,966	241,731	312,828	443,174	759,726	
Public Buildings	1,205,731	22,328,343	27,402,966	35,462,662	50,238,771	86,123,607	
TOTAL	\$61,784,936	\$1,144,165,478	\$1,404,203,087	\$1,817,203,995	\$2,574,372,326	\$4,413,209,702	

The final ROA ratio is computed for all surface assets and surface related net income using comparable sale values provided in *Table 8*. The final ROA ratios by trust are reported in the right column of *Table 10*. In total, state trusts averaged 0.92 percent return on all surface assets. Common schools averaged a 0.95 percent return, while performance for smaller trusts ranged from 0.57 to 3.11 percent.

Table 10. FY 2010 State Trust Return on Assets

State Trusts	Surface Net Income	Surface Acres	Avg. Surface Assets	ROA
Common Schools	19,396,138	4,628,283	2,047,333,390	0.95%
University of Montana	185,379	17,333	13,844,719	1.34%
MSU - Morrill Grant	553,865	63,463	46,788,245	1.18%
MSU - 2nd Grant	830,173	31,424	79,158,070	1.05%
Montana Tech	819,494	59,361	90,368,498	0.91%
State Normal School	371,504	63,401	64,749,971	0.57%
School for the Deaf and Blind	253,013	36,461	43,155,337	0.59%
State Reform School	233,365	67,361	57,169,961	0.41%
Veterans Home	9,998	1,283	321,581	3.11%
Public Buildings	1,561,742	186,712	200,751,502	0.78%
Total	\$24,214,670	5,155,082	\$2,643,641,273	0.92%

Returns from state trust fixed income investments (i.e. TLF) are much higher than ROA's from land management. Appreciation must be taken into consideration to make a direct comparison between land assets and financial investments. Appreciation is not included in the ROA ratios reported above. In stable real estate markets land appreciation tends to fluctuate between 2 and 6 percent annually. Though appreciation has been estimated in the past *Return on Assets Reports*, it is not inclusive to the updated ROA ratio formula and subsequent accounting standards. TLMD continues to research appropriate, standard methods to track appreciation.

Resource Programs

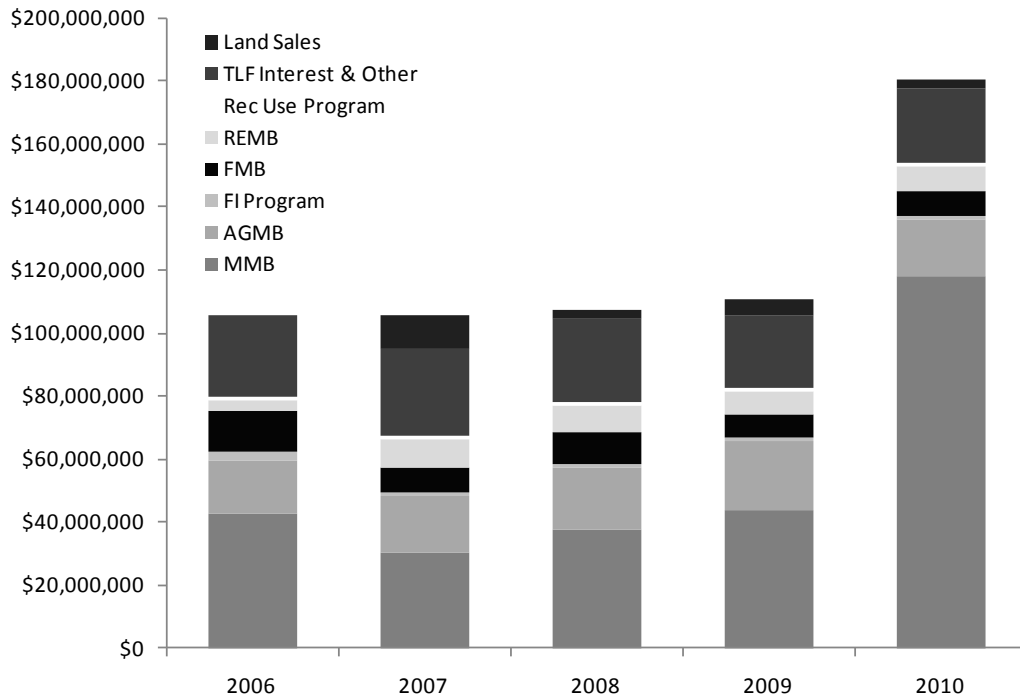
Trust Land Management Division (TLMD) program distributable revenue contributions are shown in *Table 11* and *Figure 1*. Revenue increases occurred in forest management (FMB), minerals (MMB), and real estate (REMB), and decreases occurred in agriculture and grazing (AGMB). Revenues generated from land management reached a record high of over \$154 million, with the one-time bonus payment from the Otter Creek Mineral lease.

Table 11. All Revenues by Resource Program, TLF Interest, and Land Sales

Resource Programs	2006	2007	2008	2009	2010	%
AGMB	16,852,496	17,722,354	19,889,416	21,814,675	17,956,610	-18%
FMB	13,000,338	7,482,894	10,000,724	7,584,556	8,044,850	6%
REMB	3,172,369	9,013,114	8,657,342	7,257,667	7,732,549	7%
MMB	42,716,187	30,561,328	37,453,810	43,929,054	118,060,706	169%
FI Program	2,875,277	1,316,404	1,098,577	868,511	1,196,307	38%
Rec Use Program	1,037,648	1,092,280	1,053,587	1,090,628	1,087,310	0%
Land Mgmt Revenue	\$79,654,315	\$67,188,374	\$78,153,456	\$82,545,091	\$154,078,332	87%
TLF Interest & Other	25,729,583	27,510,474	26,205,165	23,272,324	23,335,001	0%
Land Sales	0	10,913,599	2,781,630	5,150,084	3,209,115	-38%
Total Revenue	\$105,383,898	\$105,612,447	\$107,140,251	\$110,967,499	\$180,622,448	63%

Source: *Trust Land Management Annual Report*

Figure 1. Gross Revenues by Resource Program, TLF Interest, and Land Sales



In FY 2010, TLMD obtained additional spending authority from the 2009 legislative session for various programs. Additionally, some accounting classifications changed for FI and other resource programs including administration. *Table 12* provides an estimated sum of expenses for each of the resource programs. Administration and FMB expenses increased primarily due to the shift in accounting classification.

Table 12. Total Expenses from TLMD Management

Resource Programs	2008	2009	2010	%
AGMB	1,555,835	1,615,873	1,642,688	2%
FMB	4,142,145	4,198,453	4,943,408	18%
REMB	1,557,478	1,617,817	1,904,162	18%
MMB	937,724	908,416	861,670	-5%
FI Program	1,834,134	1,490,896	1,613,731	8%
Rec Use Program	130,438	141,512	192,360	36%
Land Mgmt Expenses	\$10,157,754	\$9,972,967	\$11,158,019	12%
TLMD and LO Administration	783,715	790,099	1,475,408	87%
Total Expenses	\$10,941,469	\$10,763,066	\$12,633,427	17%

Source: *Trust Land Management System (TLMS) database*

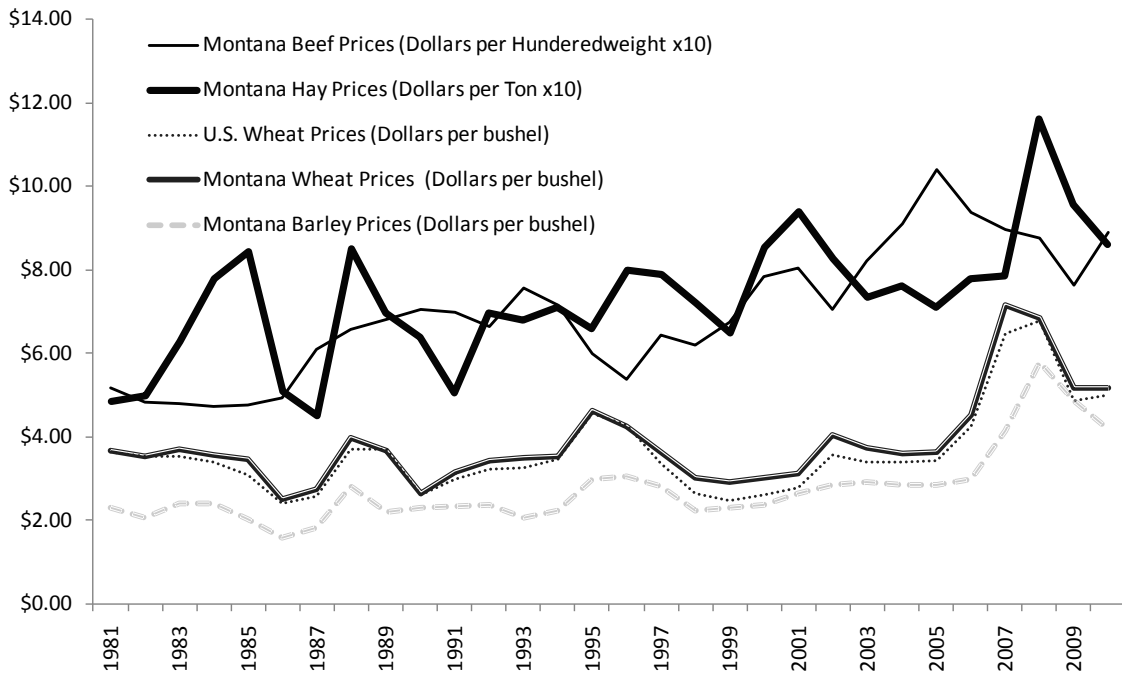
Commodity Markets

Commodity markets influence the demand for state trust land and resources. However, the interpretation and forecasting of commodity prices remains a complex process due to the vast scope of market factors. For multiple commodities, it is apparent that FY 2010 provided some price stabilization, but was not a recovery period for the recession. More dramatic commodity price changes are occurring in FY 2011 reflecting a more definitive recovery pattern in the near term.

Agriculture Markets

Agricultural commodity prices impact contracts and returns for agriculture and rangeland leasing. For two years prices have declined for wheat, barley and hay; the three most common commodities grown on state trust land. Current data, displayed in *Figure 2*, shows nominal price trends for beef, wheat and other commodities.

Figure 2. Montana Agriculture Commodity Prices (1981 – 2010)⁴



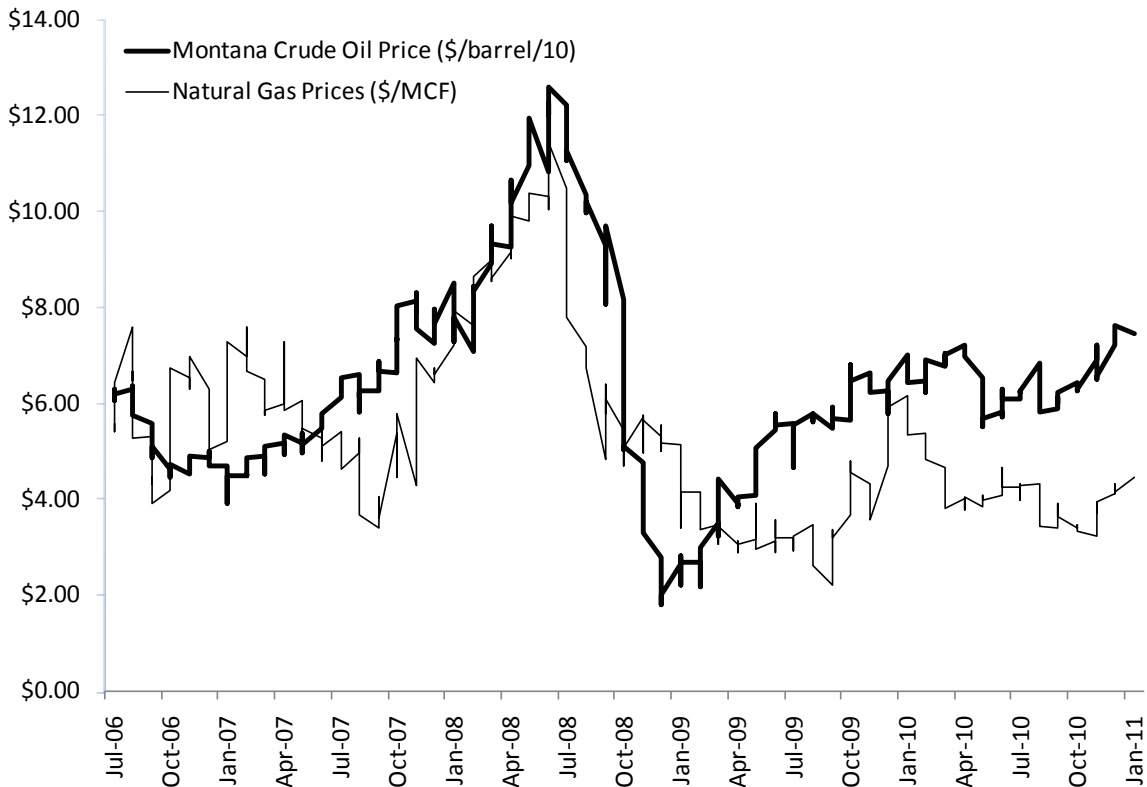
Source: USDA NASS data

⁴ All graphs presented in this section show nominal dollars.

Energy Markets

Energy prices, specifically oil and gas, influence all other markets, directly and indirectly, which also with other commodities, are expected to increase through FY 2011. *Figure 3* shows historical crude oil and natural gas prices in Montana, North Dakota, and Wyoming. Experts point to increasing demand and competition from emerging markets such as China as well as supply shortages from refining shutdowns in Europe and South America. Current forecasts suggest oil prices will surge again in the summer of 2011 across U.S. markets.

Figure 3. Montana Energy Commodity Prices



Source: Rocky Mountain Oil Journal

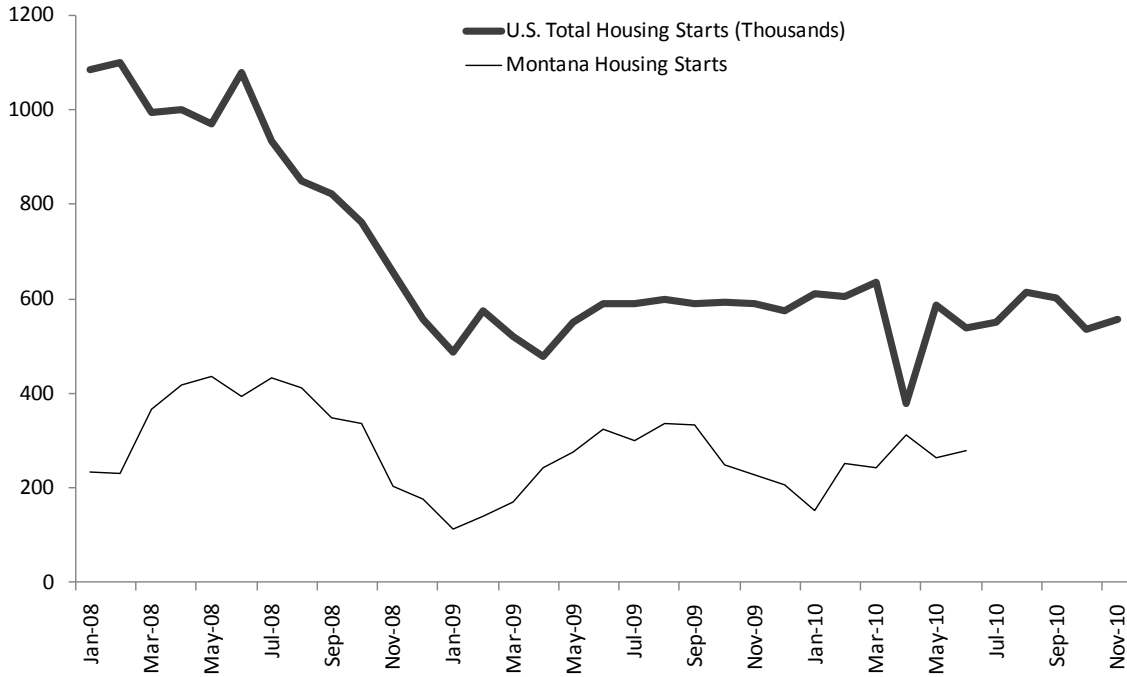
Real Estate and Construction

Nationally, construction markets have been in a decline since the beginning of 2007. Housing starts leveled out in 2009, but a recovery to previous levels is not anticipated in the near future. *Figure 4* shows Montana's monthly housing starts have stabilized somewhat, but are more susceptible to seasonal trends than national levels.

Over a twenty year period, the trend in U.S. median home prices rose steadily until 2003. The boom and bust cycle of the real estate market persisted for the next seven years, as demonstrated in *Figure 5*. In the aftermath of the housing downturn, Montana

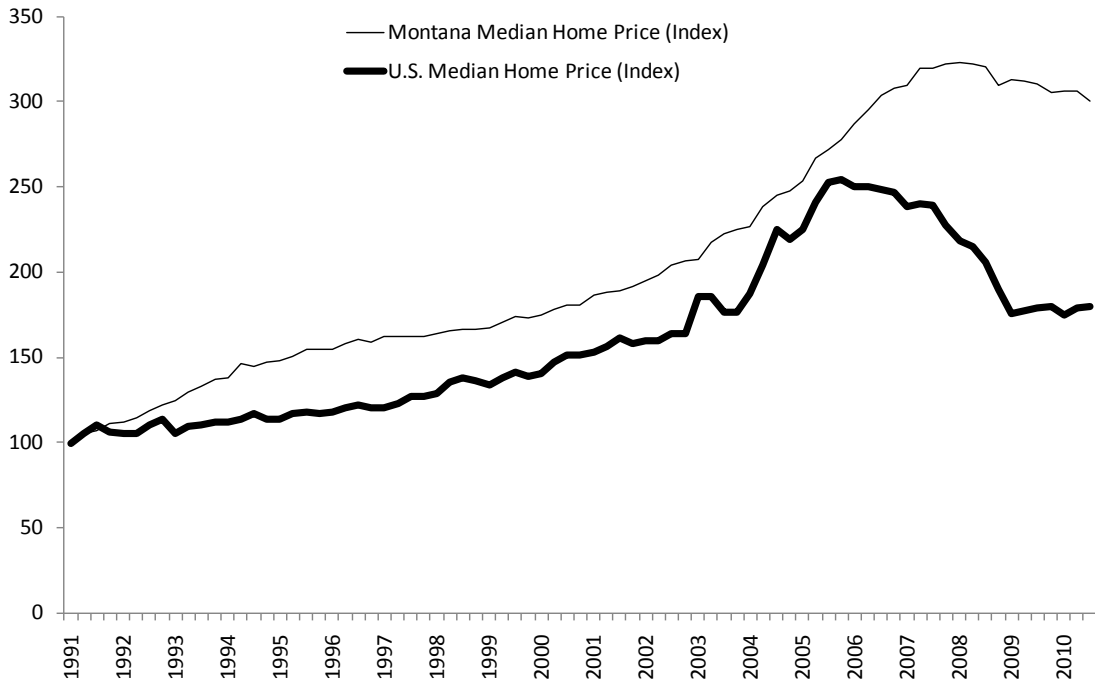
real estate prices did eventually fall, but have lagged significantly behind other U.S. markets.

Figure 4. U.S. and Montana Monthly Housing Starts



Source: NAHB and Montana BIA data

Figure 5. U.S. and Montana Median home prices

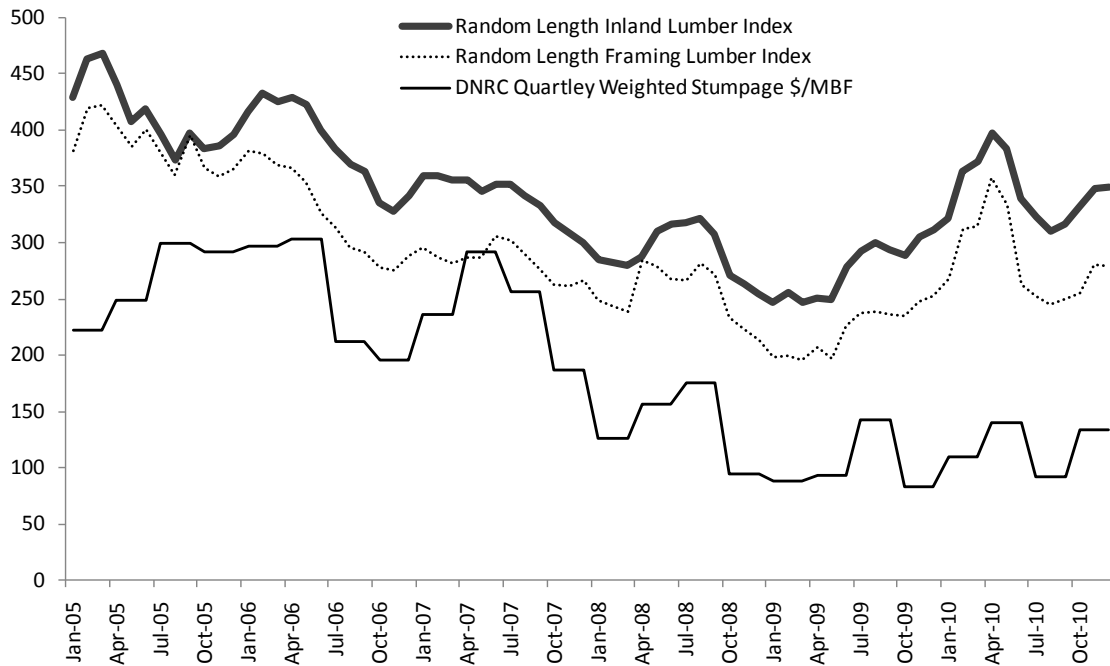


Source: NAHB and Montana BIA data

Timber Markets

Prices are rebounding slowly in national lumber markets. Price increases are a sign of both the impacts from shrinking supplies, as well as increased demand from new construction activity. *Figure 6* illustrates the expected correlation and structural lag between the demand for wood products and timber contract prices.

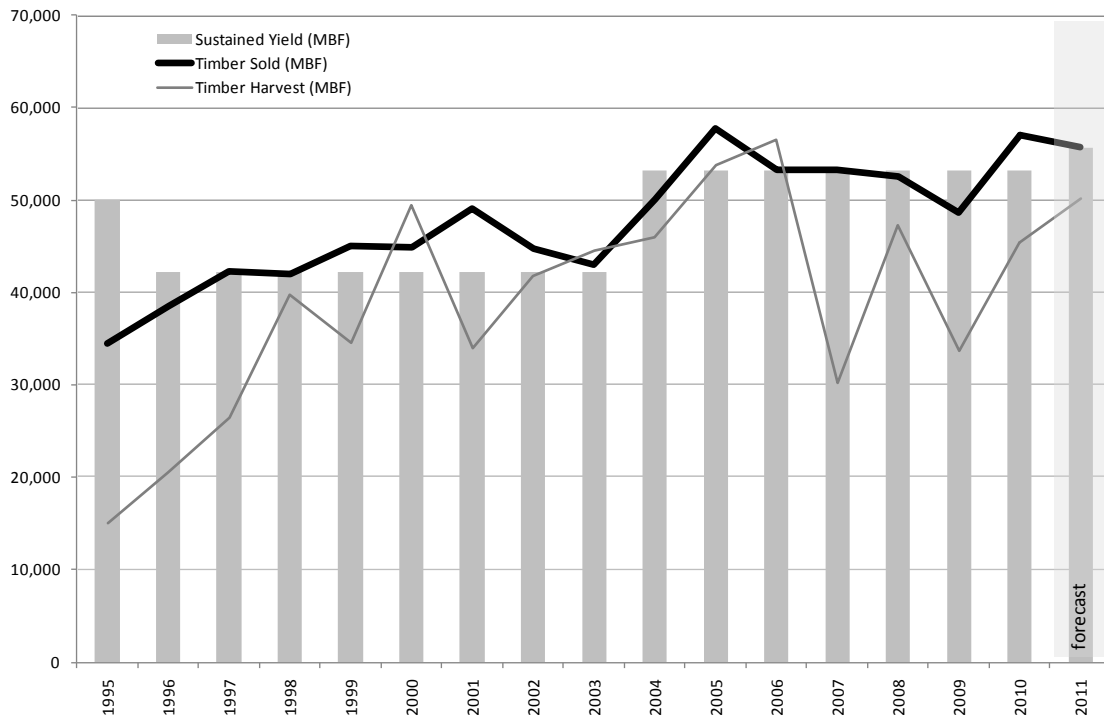
Figure 6. Random Length and TLMD Price Indexes for Lumber and Timber



Source: *Random Lengths and TLMS database*

Lower prices have impacted patterns in timber supply and cash flows from timber management. Timber harvest on state trust lands has rebounded from the FY 2009 levels, and forecasts for FY 2011 indicate increased harvest as a considerable amount of term contracts are expected to be completed. *Figure 7* shows the historical state trust timber sale volumes and harvest data.

Figure 7. TLMD Forest Management Timber Sales and Harvest

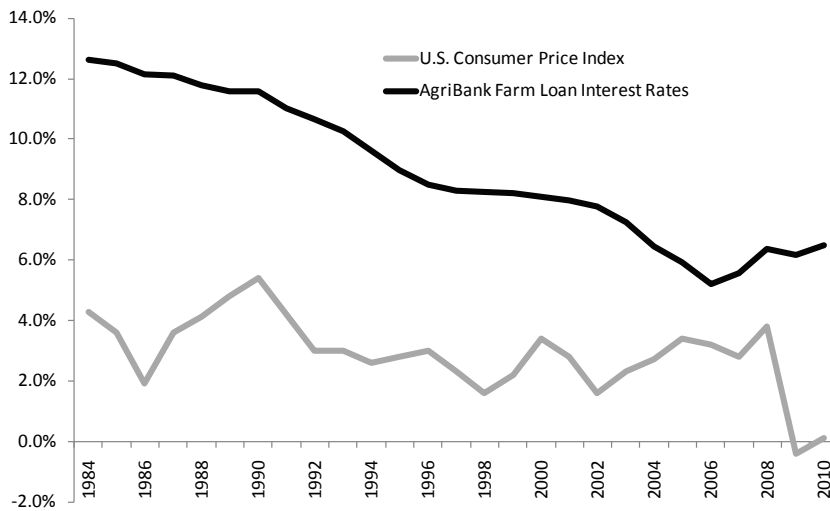


Source: Trust Land Management System (TLMS) database

Consumer Price Index and Farm Loan Rates

Figure 8 groups data on regional agricultural loan interest rates and the consumer price index (CPI), a standard among many U.S. inflation indicators. These financial indicators are utilized in determining ROA's in this report. CPI data for 2010 indicates a marginally positive inflation rate in the U.S. economy.

Figure 8. CPI and Northwest Regional Farm Loan Interest Rates



Source: U.S. IRS and BLS data

MCA 77-1-223-225 Report

This component of the Return on Assets Report fulfills the requirements of Montana Code Annotated (MCA) section 77-1-223, that each year the State Board of Land Commissioners provide a report using a specific methodology (MCA 15-44-103) to identify the average return on revenue to trust beneficiaries from Classified Forest Lands identified as class 2 trust lands (MCA 77-1-401). The report must include for each beneficiary:

1. The total acreage of forest lands held in trust;
2. A summary of the asset value for the forested lands held in trust;
3. A calculation of the average return from revenue on the asset value for the forested tracts held in trust; and
4. A listing by each DNRC land office of the total forested acreage administered for the trust beneficiary and a calculation of the average return from revenue on asset value for lands designated to the trust beneficiary.

Classified Forest Lands

The amount and distribution of forest lands used for this section of the report differs from those shown in the Appendix, because it includes only net classified forest land with water, roads, and other non-forested surfaces deducted. Timber production from lands not classified as forest land is not included in this section which includes all timber production in the Southern Land Office (SLO), Northeastern Land Office (NELO), and Eastern Land Office (ELO). The acres identified in *Table 13* and used in this sub-report include all surface tracts from the Central Land Office (CLO), Northwestern Land Office (NWLO) and the Southwestern Land Office (SWLO).

Table 13. Classified Forest Lands

	CLO	NWLO	SWLO	Total
MSU 2nd	509	11,995	7,944	20,448
MSU Morrill		3,017	2,069	5,086
Common School	9,511	201,564	79,002	290,077
Deaf and Blind School	502	8,084	400	8,986
Public Buildings	2,371	38,814	26,366	67,551
Montana Tech	1,120	10,547	2,556	14,223
State Normal School	540	9,833	3,506	13,879
State Reform School	7,299	1,224	4,488	13,011
University of Montana		229	322	551
Total	21,852	285,307	126,654	433,812

Percentage ownership of classified forest lands and all state trust lands is shown in *Table 14*. The land distribution by trust on classified forests differs considerably from the distribution of land on all trust lands. Common Schools trust accounts for

approximately 89.7 percent of the total trust lands in the state, but only accounts for 66.9 percent of the classified forest lands and less than 44 percent of the classified forest lands in the CLO. Public buildings constitute 3.6 percent of all trust land, but accounts for nearly 16 percent of classified forest lands. Contributions to revenue from classified forest lands may differ proportionally from revenue contributions from all trust land, as a result of these differences.

Table 14. Trust Classified Forest Land Ownership by Percent

	CLO	NWLO	SWLO	Forest	All Lands
MSU 2nd	2.3%	4.2%	6.3%	4.7%	0.7%
MSU Morrill	0.0%	1.1%	1.6%	1.2%	1.2%
Common School	43.5%	70.6%	62.4%	66.9%	89.7%
Deaf and Blind School	2.3%	2.8%	0.3%	2.1%	0.7%
Public Buildings	10.9%	13.6%	20.8%	15.6%	3.6%
Montana Tech	5.1%	3.7%	2.0%	3.3%	1.2%
State Normal School	2.5%	3.4%	2.8%	3.2%	1.2%
State Reform School	33.4%	0.4%	3.5%	3.0%	1.3%
University of Montana	0.0%	0.1%	0.3%	0.1%	0.3%

Asset values for classified forest land, valued by required methods (MCA 15-44-102), are shown in *Table 15*. Asset values derived from this methodology do not represent the full market value of Montana's classified forest lands, but a capitalization value, similar to methods in *Table 10*. Other values not captured by this method include residential, recreation, and conservation values more likely to materialize in appraised market prices.

Table 15. FY 2010 Classified Forest Land Asset Values

	CLASS IV	CLASS III	CLASS II	CLASS I	Total
MSU 2nd	\$847,288	\$6,824,402	\$2,491,683	\$9,526,000	\$19,689,373
MSU Morrill	\$681,575	\$723,170	\$549,414	\$2,797,920	\$4,752,079
Common School	\$21,485,823	\$92,244,273	\$31,983,761	\$129,267,041	\$274,980,898
Deaf and Blind School	\$237,862	\$3,037,391	\$545,432	\$6,316,129	\$10,136,814
Public Buildings	\$4,734,103	\$28,608,772	\$6,231,173	\$16,144,562	\$55,718,610
Montana Tech	\$584,466	\$4,593,474	\$3,037,803	\$5,783,116	\$13,998,859
State Normal School	\$644,314	\$4,429,739	\$2,501,099	\$6,177,206	\$13,752,359
State Reform School	\$1,425,351	\$2,419,669	\$906,423	\$1,217,702	\$5,969,145
University of Montana	\$96,331	\$158,001	\$10,391	\$108,413	\$373,136
Total	\$30,737,113	\$143,038,892	\$48,257,178	\$177,338,090	\$399,371,273

Table 15 values are formulated using a five- year rolling average of net income. This step reduces the influence of any single year on the measurement of asset value; however, it leaves the net change of asset value dependent on the first and last year of the rolling average period. Consequentially, shifts in the estimated rate of return are dependent on the net of events in these years.

Monitoring of net income from classified forest land is reviewed over ten year periods. *Table 16* shows the current results of these moving averages. Again, changes in net income reported in this table are subject to the net events over multiple years.

Table 16. Trust Classified Forest 10 Year Net Income and R/C Ratio

	CLO	NWLO	SWLO	Total
MSU 2nd	-\$1,934	\$165,629	\$141,597	\$305,292
MSU Morrill	\$2	\$75,910	-\$7,738	\$68,174
Common School	\$246,599	\$1,467,917	\$1,078,008	\$2,792,525
Deaf and Blind School	-\$2,725	\$85,425	-\$3,159	\$79,541
Public Buildings	-\$7,144	\$264,028	\$417,381	\$674,264
Montana Tech	-\$5,388	\$67,901	\$21,017	\$83,531
State Normal School	-\$2,387	\$90,094	-\$4,468	\$83,239
State Reform School	-\$23,260	\$16,440	\$67,419	\$60,599
University of Montana	\$9	-\$1,438	-\$8,777	-\$10,206
Total	\$185,519	\$2,346,807	\$1,655,664	\$4,136,959
	CLO	NWLO	SWLO	NELO
FY 2010 Revenue/Cost Ratio	0.64	2.85	1.78	0.82

Additional revenue includes the change in asset values over the current fiscal year. The sum of these paper revenues and net income is shown in *Table 17* (MCA 15-44-102).

Table 17. Trust Classified Forest Net Income and Appreciation

	CLO	NWLO	SWLO	Total
MSU 2nd	-\$37,976	-\$354,331	-\$138,879	-\$531,186
MSU Morrill	\$2	-\$63,012	-\$50,577	-\$113,586
Common School	-\$522,776	-\$6,243,380	-\$1,506,778	-\$8,272,934
Deaf and Blind School	-\$72,570	-\$243,776	-\$15,547	-\$331,894
Public Buildings	-\$270,956	-\$1,055,049	-\$459,680	-\$1,785,684
Montana Tech	-\$128,331	-\$344,515	-\$61,621	-\$534,467
State Normal School	-\$57,558	-\$306,707	-\$119,166	-\$483,431
State Reform School	-\$576,494	-\$44,497	-\$109,899	-\$730,890
University of Montana	\$9	-\$8,614	-\$17,469	-\$26,074
Total	-\$1,666,651	-\$8,663,880	-\$2,479,617	-\$12,810,148

Returns on asset by land office and by trust in FY 2010 are displayed in *Table 18* for each respective trust beneficiary. Rates declined this year from negative 1.8 percent to negative 2.9 percent. These ROA's generally depict changes in capitalized land values more so than income performance.

Table 18. Trust Classified Forest ROA (MCA 77-1-223)

	CLO	NWLO	SWLO	Total
MSU 2nd	-40.8%	-2.3%	-3.1%	-2.7%
MSU Morrill	0.0%	-1.6%	-6.6%	-2.4%
Common School	-24.9%	-2.7%	-3.6%	-3.0%
Deaf and Blind School	-32.9%	-2.5%	-7.7%	-3.3%
Public Buildings	-34.1%	-2.6%	-3.2%	-3.2%
Montana Tech	-34.8%	-2.8%	-4.6%	-3.8%
State Normal School	-35.5%	-2.6%	-6.4%	-3.5%
State Reform School	-39.2%	-2.6%	-4.0%	-12.2%
University of Montana	0.0%	-3.8%	-12.0%	-7.0%
Total	-32.0%	-2.7%	-3.7%	-3.2%

Appendix

Land Values

Table A-1. Appraised State Trust Real Estate Values per Acre by County (2010)

FY 2011 Montana County	Ag Land			Irrigated Land			Grazing Land			Forest Land			Other Land
	Loc Cls 1	Loc Cls 2	Loc Cls 3	Loc Cls 1	Loc Cls 2	Loc Cls 3	Loc Cls 1	Loc Cls 2	Loc Cls 3	Loc Cls 1	Loc Cls 2	Loc Cls 3	Loc Cls All
Beaverhead	\$450	\$700	\$1,200	\$850	\$1,100	\$1,500	\$300	\$500	\$1,000	\$300	\$500	\$1,000	Appraised Value
Big Horn	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Blaine	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$455	\$700	\$225	\$455	\$700	"
Broadwater	\$450	\$700	\$1,200	\$850	\$1,100	\$1,500	\$300	\$500	\$1,000	\$300	\$500	\$1,000	"
Carbon	\$450	\$700	\$1,200	\$850	\$1,200	\$2,000	\$300	\$500	\$1,000	\$300	\$500	\$1,000	"
Carter	\$200	\$300	\$450	\$850	\$1,100	\$1,500	\$175	\$200	\$300	\$125	\$175	\$300	"
Cascade	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Chouteau	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Custer	\$200	\$300	\$450	\$850	\$1,100	\$1,500	\$175	\$200	\$300	\$125	\$175	\$300	"
Daniels	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$455	\$700	\$225	\$455	\$700	"
Dawson	\$200	\$300	\$450	\$850	\$1,100	\$1,500	\$175	\$200	\$300	\$125	\$175	\$300	"
Deerlodge	\$450	\$700	\$1,200	\$850	\$1,100	\$1,500	\$300	\$500	\$1,000	\$300	\$500	\$1,000	"
Fallon	\$200	\$300	\$450	\$850	\$1,100	\$1,500	\$175	\$200	\$300	\$125	\$175	\$300	"
Fergus	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Flathead	\$1,500	\$2,500	\$3,500	\$1,500	\$2,500	\$3,500	\$1,500	\$2,500	\$3,500	\$1,500	\$2,500	\$3,500	"
Gallatin County South I-90	\$1,500	\$2,000	\$3,000	\$2,000	\$2,500	\$3,500	\$1,500	\$2,000	\$3,000	\$1,500	\$2,000	\$3,000	"
Gallatin County North I-90	\$700	\$1,000	\$2,000	\$850	\$1,500	\$2,500	\$500	\$750	\$1,500	\$500	\$750	\$1,500	"
Garfield	\$200	\$300	\$450	\$850	\$1,100	\$1,500	\$175	\$200	\$300	\$125	\$175	\$300	"
Glacier	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Golden Valley	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Granite	\$450	\$700	\$1,200	\$850	\$1,100	\$1,500	\$300	\$500	\$1,000	\$300	\$500	\$1,000	"
Hill	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Jefferson	\$450	\$700	\$1,200	\$850	\$1,100	\$1,500	\$300	\$500	\$1,000	\$300	\$500	\$1,000	"
Judith Basin	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Lake	\$1,000	\$2,500	\$2,500	\$1,000	\$2,500	\$2,500	\$1,000	\$2,500	\$2,500	\$1,000	\$2,500	\$2,500	"
Lewis and Clark	\$450	\$700	\$1,200	\$850	\$1,100	\$1,500	\$300	\$500	\$1,000	\$300	\$500	\$1,000	"
Liberty	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Lincoln	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	"
Madison	\$700	\$1,200	\$2,000	\$850	\$1,500	\$2,500	\$500	\$1,000	\$2,000	\$500	\$1,000	\$2,000	"
McCone	\$200	\$300	\$450	\$850	\$1,100	\$1,500	\$175	\$200	\$300	\$125	\$175	\$300	"
Meagher	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Mineral	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	"
Missoula	\$1,500	\$2,500	\$3,500	\$1,500	\$2,500	\$3,500	\$1,500	\$2,500	\$3,500	\$1,500	\$2,500	\$3,500	"
Musselshell	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Park County South I-90	\$1,500	\$2,000	\$3,000	\$2,000	\$2,500	\$3,500	\$1,500	\$2,000	\$3,000	\$1,500	\$2,000	\$3,000	"
Park County North I-90	\$450	\$700	\$1,200	\$850	\$1,200	\$2,000	\$300	\$500	\$1,000	\$300	\$500	\$1,000	"
Petroleum	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Phillips	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$455	\$700	\$225	\$455	\$700	"
Pondera	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Powder River	\$200	\$300	\$450	\$850	\$1,100	\$1,500	\$175	\$200	\$300	\$125	\$175	\$300	"
Powell	\$450	\$700	\$1,200	\$850	\$1,100	\$1,500	\$300	\$500	\$1,000	\$300	\$500	\$1,000	"
Prairie	\$200	\$300	\$450	\$850	\$1,100	\$1,500	\$175	\$200	\$300	\$125	\$175	\$300	"
Ravalli	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	"
Richland	\$200	\$300	\$450	\$850	\$1,100	\$1,500	\$175	\$200	\$300	\$125	\$175	\$300	"
Roosevelt	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Rosebud	\$200	\$300	\$450	\$850	\$1,100	\$1,500	\$175	\$200	\$300	\$125	\$175	\$300	"
Sanders	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	"
Sheridan	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Silver Bow	\$450	\$700	\$1,200	\$850	\$1,100	\$1,500	\$300	\$500	\$1,000	\$300	\$500	\$1,000	"
Stillwater	\$450	\$700	\$1,200	\$850	\$1,200	\$2,000	\$300	\$500	\$1,000	\$300	\$500	\$1,000	"
Sweet Grass	\$450	\$700	\$1,200	\$850	\$1,200	\$2,000	\$300	\$500	\$1,000	\$300	\$500	\$1,000	"
Teton	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$850	\$1,100	\$1,500	\$850	\$1,100	\$1,500	"
Toole	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Treasure	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Valley	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Wheatland	\$350	\$500	\$750	\$850	\$1,100	\$1,500	\$225	\$450	\$700	\$225	\$450	\$700	"
Wibaux	\$200	\$300	\$450	\$850	\$1,100	\$1,500	\$175	\$200	\$300	\$125	\$175	\$300	"
Yellowstone	\$450	\$700	\$1,200	\$850	\$1,200	\$2,000	\$300	\$500	\$1,000	\$300	\$500	\$1,000	"

Land Office Return on Assets

Table A-2 summarizes estimated total average asset values under the adapted sales comparison approach by land office. Average total assets is shown by land classification and totaled in the right hand column. FY 2010 average total assets for all state trust land is \$2.67 billion.

Table A-2. Trust Real Estate Values by Land Office

	Agriculture	Irrigated Ag	Rangeland	Forestland	Other	End of FY 2010	Beg. of FY 2010
CLO	67,302,881	9,820,438	648,014,052	52,669,400	8,961,734	786,768,505	786,768,505
ELO	15,463,956	1,698,905	201,498,891	0	309,092	218,970,844	162,445,015
NELO	126,005,918	2,943,833	343,341,129	180,000	1,011,276	473,482,156	473,482,156
NWLO	1,844,280	0	17,684,575	603,569,126	80,471,115	703,569,096	703,569,096
SLO	12,229,821	187,459	160,957,425	0	1,038,285	174,412,990	174,412,990
SWLO	484,510	680,015	64,077,966	226,891,980	22,566,127	314,700,598	314,700,598
Total	\$223,331,366	\$15,330,649	\$1,435,574,038	\$883,310,505	\$114,357,629	\$2,671,904,187	\$2,615,378,359

The final ROA ratio is computed for all surface assets and surface related net income using comparable sale values provided in Table A-2. The final ROA ratios by trust are reported in Table A-3. Land offices averaged 0.93 percent return on all surface assets. Land office performance ranged from 0.49 to 1.71 percent. Table A-4 shows estimated land management revenues by land office, and operating profit margins for FY 2010.

Table A-3. FY 2010 State Trust Return on Assets by Land Office

	Surface Net Income	Avg. Asset Values	ROA
CLO	4,867,732	786,768,505	0.62%
ELO	2,879,205	190,707,930	1.51%
NELO	8,080,471	473,482,156	1.71%
NWLO	6,536,408	703,569,096	0.93%
SLO	848,510	174,412,990	0.49%
SWLO	1,598,522	314,700,598	0.51%
Total	\$24,810,848	\$2,643,641,273	0.93%

Table A-4. FY 2010 Land Management Revenues by Land Office

	Land Mgmt Revenue	Net Income	Operating Profit Margin
CLO	6,672,936	5,972,421	90%
ELO	100,241,362	99,667,886	99%
NELO	12,161,766	11,501,149	95%
NWLO	9,180,925	6,535,824	71%
SLO	6,318,780	6,096,384	96%
SWLO	2,916,238	1,601,475	55%
Total	\$137,492,006	\$131,375,138	96%

Western States Land Commissioners Association (WSLCA) Uniform Asset Reporting

Table A-5 and Table A-6 detail Montana state trust land income activity as recommended by WSLCA asset reporting standards. Data provided for WSLCA asset reporting is voluntary for each member state in the association.

Table A-5. FY 2010 WSLCA Activity Income Report

Activity	Acres	FTE	Revenue	Net Operating Income (NOI)*	Cost Per Acre	NOI Per Acre	Operating Profit Margin	NOI Per FTE
Agriculture	576,394	6	\$11,472,726	\$10,986,088	\$0.84	\$19.06	95.8%	\$1,831,015
Grazing	4,057,231	18	6,483,884	5,023,970	0.36	1.24	77.5%	279,109
Forest Management	499,198	70	8,044,850	2,457,116	11.19	4.92	30.5%	35,102
Other (Commercial Leases)	5,665	5	1,204,747	724,569	84.76	127.90	60.1%	144,914
Other (Conservation Leases)	17,583	1	107,389	11,353	5.46	0.65	10.6%	11,353
Other (Residential Leases)	1,870	5	1,684,926	1,204,748	256.78	644.25	71.5%	240,950
Other (Hydro Leases)	210,059	-	4,173,273	4,173,273	-	19.87	-	-
Other (Land Transactions)	-	7	3,209,115	2,536,866	-	-	79.1%	362,409
Other (ROW/Easements)	-	5	562,214	82,036	-	-	14.6%	16,407
Recreational Use Licenses	-	-	1,087,310	1,041,707	-	-	-	-
Minerals (Coal)	13,841	1	90,895,588	90,828,953	4.81	6,562.31	99.9%	90,828,953
Minerals (Oil & Gas)	1,798,550	14	26,812,534	25,879,637	0.52	14.39	96.5%	1,848,546
Total		132	\$155,738,556	\$144,950,318				

* Net operating income includes proportional shares of division level expenses.

Table A-6. FY 2010 WSLCA Asset Income Report

Asset Class	Acres	Avg. Total Assets	NOI	ROA
Agriculture (Dryland)	566,146	223,426,806	10,556,911	4.7%
Agriculture (Irrigated)	6,321	15,330,649	552,617	3.6%
Forest Lands	483,938	883,310,505	2,964,781	0.3%
Navigable Waters	210,059	173,886,375*	4,173,273	2.4%
Range Lands	4,066,766	1,435,945,507	5,481,515	0.4%
Real Estate (Commercial)	5,665	41,412,111	724,569	1.7%
Real Estate (Conservation)	17,583	2,366,521	22,227	0.9%
Real Estate (Residential)	1,870	70,578,997	1,204,748	1.7%
Total	5,358,348	2,672,371,096	\$25,680,641	1.0%

* Navigable water assets valued as a discounted cash flow.

Table A-7. TLMD Surface and Subsurface Acreage by Land Office and Trust

		MSU 2nd	MSU Morrill	Common Schools	Deaf and Blind School	Public Buildings	Veterans Home	Montana Tech	State Normal School	State Reform School	University of Montana	Total
CLO	Agriculture	76	781	116,735	577	3,210		4,695	793	479	471	127,818
	Grazing	8,181	36,142	834,390	21,190	91,448		19,348	29,440	34,383	3,189	1,077,709
	Forest	800		13,402	640	2,564		1,267	585	11,770	0	31,028
	Real Estate	440	636	11,659	372	1,693		211	53	2	21	15,088
	Oil and Gas	23,945	46,362	1,373,481	27,553	117,485		46,796	52,861	60,842	10,012	1,759,377
	Coal	24,466	47,088	1,412,628	27,553	160,604		46,796	52,981	60,724	10,012	1,842,891
ELO	Agriculture			76,980							696	77,676
	Grazing		480	1,137,141		1,524		228	723	369	1,998	1,142,463
	Forest											0
	Real Estate			225						17		242
	Oil and Gas		480	1,309,110		1,120		755	1,013	760	3,199	1,316,436
	Coal		480	1,213,820		1,120		755	275	760	3,199	1,220,408
NELO	Agriculture		1,232	342,993	833	1,021		1,633	1,681	333	729	350,455
	Grazing		13,693	1,303,024	3,027	12,621	1,270	16,866	15,848	10,458	8,066	1,384,873
	Forest			800								800
	Real Estate			1,504			6	6	80	5		1,600
	Oil and Gas	0	28,504	2,062,971	4,309	9,824	1,276	30,500	32,865	13,304	16,712	2,202,563
	Coal	40	28,503	1,975,203	4,309	22,104	1,276	30,500	32,874	17,670	16,712	2,131,489
NWLO	Agriculture			755								755
	Grazing		25	13,463				320			88	13,896
	Forest	12,187	3,375	210,087	8,583	40,951	0	10,676	10,154	1,309	160	297,482
	Real Estate	75	25	1,286	44	106	7	244	51			1,838
	Oil and Gas	15,495	5,756	265,111	11,057	42,533		12,176	10,396	2,899	524	365,948
	Coal	15,495	5,756	264,951	11,057	42,133		12,176	10,396	2,899	524	365,388
SLO	Agriculture			18,616								18,616
	Grazing		3,558	351,288						3,249	480	358,575
	Forest					239						239
	Real Estate		20	2,172								2,192
	Oil and Gas		5,933	435,727		239				4,436	1,120	447,475
	Coal		5,933	423,261		239				4,436	1,120	435,009
SWLO	Agriculture	7		1,067								1,074
	Grazing	229	1,358	76,094		1,482		40	40		157	79,399
	Forest	10,055	2,137	119,877	1,176	32,458		3,827	4,483	4,928	1,280	180,220
	Real Estate	355		832	20	26			11	60		1,304
	Oil and Gas	12,910	3,975	220,469	2,715	38,693		5,546	6,220	9,921	2,553	303,003
	Coal	12,910	3,975	225,740	2,715	38,773		5,546	6,220	9,921	2,553	308,353
Total	Agriculture	84	2,014	557,147	1,409	4,232	0	6,328	2,474	812	1,896	576,394
	Grazing	8,410	55,256	3,715,400	24,217	107,075	1,270	36,802	46,050	48,458	13,977	4,056,915
	Forest	23,042	5,512	344,165	10,399	76,213	0	15,770	15,222	18,007	1,440	509,769
	Real Estate	870	681	17,678	436	1,825	13	461	195	84	21	22,263
	Oil and Gas	52,350	91,010	5,666,870	45,634	209,895	1,276	95,772	103,355	92,163	34,119	6,394,802
	Coal	52,911	91,735	5,515,604	45,634	264,974	1,276	95,772	102,746	96,409	34,119	6,303,538