

STATEMENT OF TIMBER SALE REVENUES AND EXPENSES

For the Fiscal Year Ended September 30, 1998

National Summary by Region (In Thousands of Dollars, Except as Noted)

| Account Description | Region 01 | Region 02 | Region 03 | Region 04 | Region 05 | Region 06 | Region 08 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Revenues | | | | | | | |
| Timber Sales | 61,174 | 23,498 | 4,058 | 19,666 | 56,124 | 125,781 | 91,962 |
| Purchaser Road Credit | 4,877 | 2,426 | 387 | 1,785 | 6,855 | 11,295 | 11,645 |
| Associated Charges | 7,156 | 1,278 | 338 | 1,342 | 8,080 | 22,556 | 1,879 |
| Interest And Penalties | 30 | 57 | 7 | 43 | 65 | 7,316 | 52 |
| Total Revenues | 73,237 | 27,259 | 4,790 | 22,836 | 71,124 | 166,948 | 105,538 |
| Direct Expenses | | | | | | | |
| Timber Sale Expenses | | | | | | | |
| Harvest Admin /1 | 5,979 | 2,999 | 1,960 | 3,200 | 11,413 | 11,948 | 9,771 |
| General Admin - Sales /1 | 13,153 | 6,877 | 4,547 | 8,070 | 15,277 | 26,414 | 14,436 |
| Sale Preparation /2 | 9,200 | 5,700 | 3,609 | 7,372 | 22,502 | 28,402 | 16,523 |
| Analysis/Documentation /2 | 12,203 | 3,334 | 2,004 | 4,104 | 4,297 | 16,725 | 4,891 |
| Appeals/Litigation - Sales /2 | 134 | 60 | 397 | 50 | 284 | 1,938 | 52 |
| Brush Disposal Fund /2 | 2,972 | 292 | 417 | 614 | 3,718 | 6,550 | 0 |
| Road Maintenance /2 | 2,317 | 365 | 356 | 373 | 1,665 | 3,665 | 918 |
| Undepreciated Road Write-Off /1 | 0 | 0 | 0 | 0 | 0 | 299 | 0 |
| Depreciation Expenses /3 | | | | | | | |
| Road Design And Construction | 11,809 | 4,069 | 2,221 | 4,089 | 13,543 | 24,011 | 7,024 |
| Purchaser Road Credits | 10,143 | 2,056 | 1,638 | 2,004 | 9,975 | 36,049 | 6,764 |
| Total Timber Sale Expenses | 67,910 | 25,752 | 17,149 | 29,876 | 82,674 | 156,001 | 60,379 |
| Timber Program Expenses | | | | | | | |
| Transportation Planning /1 | 1,840 | 404 | 356 | 702 | 2,167 | 6,330 | 1,118 |
| Silvicultural Examinations /2 | 3,490 | 916 | 1,135 | 1,087 | 1,792 | 3,511 | 3,324 |
| Genetic Tree Improvement /4 | 1,463 | 13 | 27 | 163 | 1,634 | 3,496 | 1,260 |
| Appropriated Reforestation /4 | 612 | 187 | 228 | 462 | 557 | 871 | 1,193 |
| K-V Reforestation /4 | 644 | 32 | 110 | 365 | 1,036 | 1,933 | 1,901 |
| Appropriated Stand Improv. /4 | 277 | 166 | 149 | 149 | 416 | 754 | 695 |
| K-V Stand Improvement /4 | 158 | 223 | 215 | 117 | 584 | 644 | 465 |
| Depreciation /3 | | | | | | | |
| Facilities Depreciation | 227 | 16 | 22 | 66 | 350 | 1,106 | 104 |
| Total Timber Program Expenses | 8,711 | 1,957 | 2,242 | 3,111 | 8,536 | 18,645 | 10,060 |
| Total Direct Expenses | 76,621 | 27,709 | 19,391 | 32,987 | 91,210 | 174,646 | 70,439 |

STATEMENT OF TIMBER SALE REVENUES AND EXPENSES

For the Fiscal Year Ended September 30, 1998

National Summary by Region (In Thousands of Dollars, Except as Noted)

| Account Description | Region 01 | Region 02 | Region 03 | Region 04 | Region 05 | Region 06 | Region 08 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Indirect Expenses | | | | | | | |
| Timber Sale Expenses | | | | | | | |
| Appeals/Litigation /1 | 184 | 60 | 123 | 108 | 233 | 840 | 322 |
| R-10 Appropriated Road Mtce /2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| R-10 Land Line Location /2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Timber Sale Indirect | 184 | 60 | 123 | 108 | 233 | 840 | 322 |
| Timber Program Expenses | | | | | | | |
| General Admin - Prog /1 | 10,214 | 2,585 | 2,750 | 4,810 | 13,129 | 16,197 | 9,303 |
| Total Timber Prog Indirect | 10,214 | 2,585 | 2,750 | 4,810 | 13,129 | 16,197 | 9,303 |
| Total Indirect Expenses | 10,398 | 2,645 | 2,873 | 4,918 | 13,362 | 17,037 | 9,625 |
| Total Timber Expenses | 87,019 | 30,354 | 22,264 | 37,905 | 104,572 | 191,683 | 80,064 |
| Gain/Loss Before Extraord. Exp. | -13,782 | -3,095 | -17,474 | -15,069 | -33,448 | -24,735 | 25,474 |
| Extraordinary Expense | 0 |
| Net Gain Or Loss | -13,782 | -3,095 | -17,474 | -15,069 | -33,448 | -24,735 | 25,474 |
| Volume Harvested (MBF) | 362,772 | 154,374 | 93,845 | 169,543 | 474,617 | 662,409 | 636,751 |

/1 Annual Expense

/2 Sale Activity Pool Cost, Amortized On Basis Of Annual Harvest

/3 Depreciated On Basis Of Useful Lives

/4 Growth Activity Pool Cost, Amortized On Basis Of Growing Stock Inventory

STATEMENT OF TIMBER SALE REVENUES AND EXPENSES

For the Fiscal Year Ended September 30, 1998

National Summary by Region (In Thousands of Dollars, Except as Noted)

| Account Description | Region 09 | Region 10 | Wash Off. | Natl Total |
|--------------------------------------|---------------|---------------|---------------|----------------|
| Revenues | | | | |
| Timber Sales | 63,611 | 5,881 | 0 | 451,755 |
| Purchaser Road Credit | 3,230 | 627 | 0 | 43,127 |
| Associated Charges | 844 | 88 | 0 | 43,561 |
| Interest And Penalties | 55 | 15 | 0 | 7,640 |
| Total Revenues | 67,740 | 6,611 | 0 | 546,083 |
| Direct Expenses | | | | |
| Timber Sale Expenses | | | | |
| Harvest Admin /1 | 4,168 | 1,645 | 1,942 | 55,025 |
| General Admin - Sales /1 | 8,549 | 4,711 | 12,606 | 114,640 |
| Sale Preparation /2 | 13,108 | 6,651 | 4,810 | 117,877 |
| Analysis/Documentation /2 | 4,056 | 5,246 | 375 | 57,235 |
| Appeals/Litigation - Sales /2 | 187 | 48 | 0 | 3,150 |
| Brush Disposal Fund /2 | 15 | 5 | 217 | 14,800 |
| Road Maintenance /2 | 624 | 91 | 0 | 10,374 |
| Undepreciated Road Write-Off /1 | 0 | 20 | 0 | 319 |
| Depreciation Expenses /3 | | | | |
| Road Design And Construction | 3,695 | 6,772 | 1 | 77,234 |
| Purchaser Road Credits | 2,087 | 5,382 | 0 | 76,098 |
| Total Timber Sale Expenses | 36,489 | 30,571 | 19,951 | 526,752 |
| Timber Program Expenses | | | | |
| Transportation Planning /1 | 1,189 | 5,223 | 954 | 20,283 |
| Silvicultural Examinations /2 | 3,268 | 1,184 | 526 | 20,233 |
| Genetic Tree Improvement /4 | 479 | 0 | 194 | 8,729 |
| Appropriated Reforestation /4 | 906 | 59 | 960 | 6,035 |
| K-V Reforestation /4 | 410 | 38 | 233 | 6,702 |
| Appropriated Stand Improv. /4 | 347 | 109 | 354 | 3,416 |
| K-V Stand Improvement /4 | 138 | 36 | 0 | 2,580 |
| Depreciation /3 | | | | |
| Facilities Depreciation | 48 | 550 | 17 | 2,506 |
| Total Timber Program Expenses | 6,785 | 7,199 | 3,238 | 70,484 |
| Total Direct Expenses | 43,274 | 37,770 | 23,189 | 597,236 |

STATEMENT OF TIMBER SALE REVENUES AND EXPENSES

For the Fiscal Year Ended September 30, 1998

National Summary by Region (In Thousands of Dollars, Except as Noted)

| Account Description | Region 09 | Region 10 | Wash Off | Natl Total |
|--|----------------|----------------|----------------|------------------|
| Indirect Expenses | | | | |
| Timber Sale Expenses | | | | |
| Appeals/Litigation /1 | 238 | 268 | 199 | 2,575 |
| R-10 Appropriated Road Mtce /2 | 0 | 4 | 0 | 4 |
| R-10 Land Line Location /2 | 0 | 4 | 0 | 4 |
| Total Timber Sale Indirect | 238 | 276 | 199 | 2,583 |
| Timber Program Expenses | | | | |
| General Admin - Prog /1 | 5,347 | 2,282 | 5,546 | 72,163 |
| Total Timber Prog Indirect | 5,347 | 2,282 | 5,546 | 72,163 |
| Total Indirect Expenses | 5,585 | 2,558 | 5,745 | 74,746 |
| Total Timber Expenses | 48,859 | 40,328 | 28,934 | 671,982 |
| Gain/Loss Before Extraord. Exp. | 18,881 | -33,717 | -28,934 | -125,899 |
| Extraordinary Expense | 0 | 0 | 0 | 0 |
| Net Gain Or Loss | 18,881 | -33,717 | -28,934 | -125,899 |
| Volume Harvested (MBF) | 622,720 | 121,193 | 0 | 3,298,224 |

/1 Annual Expense

/2 Sale Activity Pool Cost, Amortized On Basis Of Annual Harvest

/3 Depreciated On Basis Of Useful Lives

/4 Growth Activity Pool Cost, Amortized On Basis Of Growing Stock Inventory