Last year, the Forest History Society launched the “public phase” of its Stories of the Forest Campaign to add $9.5 million to our endowment. We’re halfway to that goal today.

Why that campaign? The answer is simple. The mission of the Forest History Society is to “to improve natural resource management and human welfare by bringing a historical context to environmental decision-making.” To fulfill that mission, we are working hard to implement the full title for our Campaign: Stories of the Forest: Putting Forest History to Work.

“Putting Forest History to Work” is what FHS is all about. Our archives yield core information for forest historians to document the history of forests, forestry, and forest policies and products. Much of that information is intrinsically valuable as retrospective, but history is essential to those who look to the future. Comprehensive, credible knowledge of historical policies and programs—their origins, successes and failures, and underlying reasons for their outcomes—are critical as new initiatives are designed to sustain forests in our growing, urbanizing society.

Documents, films and photographs, and oral histories are the Society’s core of factual information. Credible forest historians are part of our “user group.” But we are much more:

- Our “Issue Series” began with American Forests: A History of Resiliency and Recovery. Other titles range from Forest Sustainability to America’s Fires to Genetically Modified Forests. Each tells a story in a factual, easy-to-read format. We have a long list of important topics we want to add to this series as funding is available.

- Our books cover a wide range of subjects. Last year, we had several related to the first century of the U.S. Forest Service. We want to tell more, in-depth stories about America’s family forests, the family-owned companies that have played a huge role in American forestry, the large hunt clubs that have sustained large forests for decades … and more.

- Our web site is becoming a valued resource for journalists nationwide who write about forests and forest-related issues. Amid a haze of promotional literature from various interest groups, the Forest History Society is a place where they find facts, context, and relevance.

- If Trees Could Talk is our visionary curriculum that is being used by school teachers in growing numbers.

It is steadily expanding in content and is being integrated into other well-known programs used by teachers to enable children in our predominantly urban society to know and understand the history of forests and how they sustain our lives and lifestyles.

The Forest History Society enjoys a legacy of energetic leaders, and today’s officers and Board members are enthusiastically “on board” in support of our mission and campaign. But its success ultimately depends on hundreds of individuals who have a deep appreciation for our forests, who understand the need for the public to also understand that legacy, and who are willing to help provide the resources to make that happen.

Stories of the Forest: A Campaign to Put Forest History to Work depends on you and me! I made a contribution last year. I hope we can count on you this year to help us toward our goal.
T

he Forest History Society continues its mission to provide society with valuable services and information for maintaining our forest heritage with professional dedication and attention. The Board and employees of the Society have worked hard to improve its financial position and the accomplishment of our mission during fiscal year 2005–2006.

Net assets at June 30, 2006, increased to $8,541,765 from $8,106,049 at the previous year end. This was an increase of $389,220. During this fiscal year, the Board determined to continue its long-term investment strategy of 75 percent equities and 25 percent fixed income. Cash and cash equivalents remained essentially unchanged year over year. The Board continued the reduced percentage withdrawal from endowment at 5.25 percent in response to intermediate term earning trends and expects to continue that trend pending market performance.

The financial statements for the Forest History Society for the year ended June 30, 2006, which include this Statement of Financial Position, have been audited by an independent Certified Public Accountant, Mr. Andrew Curl. Mr. Curl expressed an unqualified opinion on these financial statements and stated that they were fairly presented in accordance with generally accepted accounting principles. These complete financial statements, along with our federal Form 990, are available for review in the offices of the Forest History Society by appointment during normal business hours.

The Society continues its solid financial footing, is debt free, and owns its own facilities. There is a growing membership and donor base. Our success thus far with the annual fund and the endowment expansions have strengthened our ability to continue and expand our core missions with due attention to emerging priorities. We are prepared for a bright future of continuing service.

### FOREST HISTORY SOCIETY, INC.

#### Statement of Financial Position • June 30, 2006 (with comparative totals from 2005)

<table>
<thead>
<tr>
<th>Assets</th>
<th>June 30, 2006</th>
<th>June 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
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<tr>
<td>Cash &amp; cash equivalents</td>
<td>$374,502</td>
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<td>Accounts receivable</td>
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<td>Pledges receivable</td>
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<td>Inventories</td>
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<td>Prepaid expense &amp; deposits</td>
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<td>Total current assets</td>
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<td><strong>MARKETABLE SECURITIES</strong></td>
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<td><strong>DEFERRED PLEDGES</strong></td>
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<td><strong>BUILDING &amp; EQUIPMENT</strong></td>
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<td>363,175</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td>$8,541,765</td>
<td>$8,152,545</td>
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<table>
<thead>
<tr>
<th>Liabilities &amp; Net Assets</th>
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<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
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<td>Accounts payable</td>
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<td>Accrued expense &amp; withholding</td>
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<td>Total current liabilities</td>
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<td><strong>NET ASSETS</strong></td>
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<td>Unrestricted</td>
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<td>Undesignated</td>
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<td>Designated—operations</td>
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<td>Building and equipment</td>
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<td>Total unrestricted</td>
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<tr>
<td>Temporarily restricted</td>
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<tr>
<td>Operations</td>
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<td>Endowment earnings</td>
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<td>Total temporarily restricted</td>
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<td>Permanently restricted—endowment</td>
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<td>5,445,860</td>
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<td>Total net assets</td>
<td>8,524,788</td>
<td>8,106,049</td>
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<tr>
<td><strong>TOTAL LIABILITIES &amp; NET ASSETS</strong></td>
<td>$8,541,765</td>
<td>$8,152,545</td>
</tr>
</tbody>
</table>
Contributions and Project Sponsors

Thank you for generously supporting the Forest History Society!

THIS LIST INCLUDES GIFTS FROM JULY 2005 THROUGH JUNE 2006.

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USDA Forest Service, SRS
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Charitable Trust
Mason Charitable Trust
MeadWestvaco Corporation
Potlatch Corporation
The U.S. Forest Service: A History

by Harold K. Steen

The U.S. Forest Service celebrated its centennial in 2005. With a new preface by the author, this edition of Harold K. Steen’s classic history (originally published in 1976) provides a broad perspective on the Service’s administrative and policy controversies and successes. Steen updates the book with discussions of a number of recent concerns, among them the spotted owl issue; wilderness and roadless areas; new research on habitat, biodiversity, and fire prevention; below-cost timber sales; and workplace diversity in a male-oriented field.

Harold K. Steen is former president of the Forest History Society and currently teaches conservation history at New Mexico State University. Published jointly by the Forest History Society and the University of Washington Press, the book contains 432 pp., 34 photos, notes, bibliography and index.

CLOTH: 0-295-98402-3 $40