



April 2, 2007

Dear Friend of the Inland Northwest,

According to the Pacific Northwest Research Station, the United States is losing one million acres of forest land per year to development. Eastern Washington and northern Idaho are, unfortunately, following the national trend. As property values near cities and towns soar, rural areas are experiencing increased development pressure. Fragmentation and sprawl are destroying natural lands and open space.

Inland Northwest Land Trust is using a cost-effective tool to protect our forest lands, natural habitat, and scenic open space: conservation easements.

In the enclosed Annual Report for the fiscal year ending June 30, 2006, you'll see what we've done recently to fulfill our mission of protecting the natural lands, waters, and working farms and forests of the Inland Northwest.

INLT will continue our focus on preserving land through conservation easements. Recently, Inland Northwest Land Trust launched its *Family Forests Forever* initiative that uses conservation easements with willing private landowners to preserve working forests for wildlife, for timber production, for air and water filtration, for carbon storage, and as scenic open space – forever.

My husband and I have protected our own working forest with a conservation easement so that we now have peace of mind knowing that our young trees will reach maturity. I know that there are others who would like to preserve their forest land as well. And as a resident of the Inland Northwest, I know that we all appreciate the wildlife habitat, clean air and fresh water and scenic beauty that protected forests provide.

Your involvement is important to us and we are excited to work with you to preserve the natural heritage of our region. **Thank you for your commitment to our work.**

Sincerely,

A handwritten signature in blue ink that reads "Jane Takai". The signature is written in a cursive, flowing style.

Jane Takai,
Board President

Enclosure

INLAND NORTHWEST LAND TRUST

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(509) 328-2939 • (509) 328-4733 fax
info@inlandnwlandtrust.org • www.inlandnwlandtrust.org



2006 Annual Report For fiscal year ending June 30, 2006

Our supporters have reason to be proud of our accomplishments this year. But it's not just what we've done, but what we are now able to do that is important. We have increased our capacity to handle bigger, trickier, and worthier land-saving endeavors.

What does this mean for next year? With the Audubon Lake project nearly finished, INLT has cleared the decks to complete several easements that are already in the works and generate new easement prospects, launch our *Family Forests Forever* initiative, and utilize volunteers to assist with our easement monitoring, outreach, and office duties. Already this year, we are well on our way to protecting even more important land.

We need your support. With your help we preserved significant habitat, scenic viewshed, and natural open space. But as our area continues to grow, there are more places that need permanent protection – soon. We need your help to get the word out about the land trust and, of course, we need your continued financial contributions to help us get the job done.

If you have any questions about the land trust and how you can join us in protecting the best of the Inland Northwest, please feel free to call me at 509-328-2939.



Sincerely,

Chris DeForest,
Executive Director

PROTECTED PROPERTIES

As of June 30, 2006

Land Trust owned properties

INLT-Ducks Unlimited Preserve	238 acres
Cobb Ranch	1,330 acres
Total Land Trust owned	1,568 acres

Conservation Easements on Private Land

21 properties **1,426 acres**

Total acreage stewarded by INLT 2,994 acres

Other land protected with INLT assistance

Reardan's Audubon Lake	277 acres
Conservation Futures (7 properties)	2,094 acres
Other partner projects (13 projects)	897 acres
Total other land protected	3,268 acres

Total Land Protected 6,262 acres

Inland Northwest Land Trust works with willing private landowners to preserve and protect the natural lands, waters, and working farms and forests of the Inland Northwest.

Vision

Inland Northwest Land Trust, as the premier land conservation organization in the region, envisions a future:

- ~ *In which the scenic beauty of the Inland Northwest endures and enriches the lives of all.*
- ~ *Where native plants flourish in a natural landscape.*
- ~ *Where wildlife have enough natural open spaces to roam and thrive.*
- ~ *Where working farms and forests remain strong and valued contributors to our economy and way of life.*
- ~ *Where water is clean and pure.*

With all of this close by, eastern Washington and northern Idaho remain wonderful places to live, work, and play for both urban and rural dwellers for generations to come.

STAFF AND BOARD LIST AS OF 6/30/06

Board of Directors

Claude Sappington, *President*

Bill Hendrix, *Vice President*

Margaret O'Connell, *Secretary*

Jan Loux, *Treasurer*

Max Benson

Gordon Milbrandt

Linda Moulder

Lisa Prochnow

Gee Sutherlin

Jane Takai

Peter Witherspoon

Staff

Chris DeForest,
Executive Director

Roger McRoberts,
Conservation Director

Vicki Sola, *Director of
Development & Communications*

Lena Septimo,
*Stewardship Coordinator
(funded by AmeriCorps)*

Special Volunteers

Craig Trueblood, Peter Scott, and Preston
Gates & Ellis – *pro bono* legal services

Steve Siegfried –

INLT/DU Preserve Steward

Barbara Morkill and Joy Stocking –
office help

MAJOR ACCOMPLISHMENTS

INLT-DU Wetland Restoration—In October 2005, Ducks Unlimited began wetland restoration on the 238-acre INLT-DU Preserve near Cheney to reclaim the land as wildlife habitat.

Kidd Island Bay easement—In December 2005, John Magnuson and Tom and Christine Anderl donated a conservation easement on their Kidd Island Bay property to preserve the land as scenic woodland and wildlife habitat and permanently prohibit development on the land.

Reardan's Audubon Lake—In March 2006, after nearly two years of fundraising and negotiations, INLT purchased Audubon Lake to protect it from development. INLT then sold Audubon Lake, a major migratory bird stopover, to the Washington Department of Fish and Wildlife to be managed as critical habitat and as a Watchable Wildlife site.

Wetland Reserve Program easement—In May 2006 INLT put 404 acres of its Cobb Ranch near Harrington under a Wetland Reserve Program easement. The Natural Resources Conservation Service plans to restore the 2-1/2 miles of Crab Creek. This furthers INLT's conservation goals for the ranch.

For More Information

If you would like more information about protecting the natural lands, waters, and working farms and forests of the Inland Northwest, please contact INLT at 509-328-2939 or info@inlandnwlandtrust.org.

Major Financial Support

Foundation Supporters

Anonymous
Paul G. Allen Forest Protection Foundation
Burning Foundation
Cadeau Foundation
I.S. and Emily Fetterman Foundation
Patricia M. Houff Fund of Foundation Northwest
Kermit M. and Frances C. Rudolf Fund
of Foundation Northwest
Mary Jewett Gaiser Unitrust
Jacob and Terese Hershey Foundation
The George Frederick Jewett Foundation
Johnston-Fix Foundation
Land Trust Alliance —
Matching Challenge Award Program
New Priorities Foundation
North Ridge Foundation
Stanley and Martha Livingston Fund
of The Rhode Island Foundation

Corporate Support

Northern Quest, a Kalispel Casino

Circle of Friends

*Generous donors who have pledged to give
\$1,000 or more per year for at least three years*

Anonymous (2)
Vic and Robbi Castleberry
Ron and Beth Cocchiarella
Christopher DeForest
Charles and Sharon Dunn
Mrs. Frances G. Hunner
Betsy Jewett
Claude Sappington

Legacy Circle

*People who have included INLT
in their estate plans.*

Anonymous (7)

STAFF CHANGES



Stewardship Coordinator—In January 2006 Lena Septimo started in the newly created position of Stewardship Coordinator. Lena is funded for one year by AmeriCorps through the Palouse-Clearwater Environmental Institute.

Conservation Director—In April 2006 Roger McRoberts succeeded Asha Rehnberg as Conservation Director. Roger brings his years of experience in land and forest management as well as business.



CONSERVATORS WHO HAVE PLACED THEIR LAND UNDER CONSERVATION EASEMENT

AS OF JUNE 30, 2006

Grace Bassett
Bella Ridge LLC
Jane & Channing Bowen
Robbi & Vic Castleberry
Chambers Family
Crown Pacific LP (2)
Archie & Mary George
Gertie & Wes Hanson
John & Vickie Hershey
Phil & Joann Mack

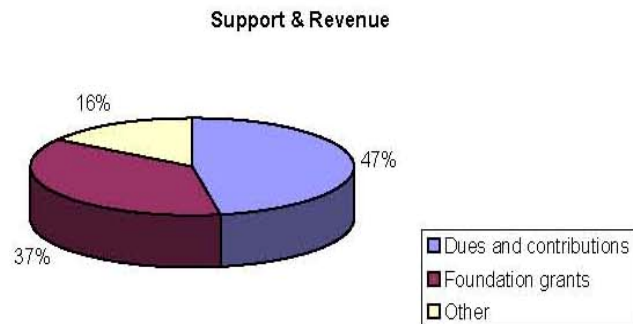
John Magnuson and Tom & Christine Anderl
Kathy Miotke
Linda Moulder
Clinton (Pete) & Patti Piper
Joan Grey Smith & Family
Bob & Jane Takai
John Thornton
Lollie Turner
Anonymous (2)

INLT Financial Summary

For the fiscal year ending June 30, 2006

Support & Revenue*	Total
Dues and contributions	\$ 130,054
Foundation grants	\$ 103,250
Other	<u>\$ 42,895</u>
Total Support & Revenue	\$ 276,199
Expenses	
Conservation activities	\$ 154,487
Education & outreach	\$ 53,146
General & administrative	\$ 25,597
Development	<u>\$ 46,363</u>
Total Expenses	\$ 279,593
 Support & Revenue Over Expenses	 <u><u>\$ (3,394)</u></u>

* Excludes \$372,013 in revenue from the sale of an easement on INLT's Cobb Ranch to NRCS under the Wetland Reserve Program. NRCS plans to restore Crab Creek and the wetlands on the Ranch. This furthers INLT's conservation goals for the Ranch.



Asset, Liability & Net Asset Summary	Total
Conservation land owned by INLT **	\$ 734,980
Reardan's Audubon Lake Fund ***	\$ 24,032
Special Projects Fund	\$ 23,253
Stewardship Fund ****	\$ 212,420
Conservation Lands Funds Entrusted to INLT	\$ 120,397
Cash and cash equivalents	<u>\$ 487,326</u>
Total Assets	<u><u>\$ 1,602,408</u></u>
 Current Liabilities	 <u>\$ 66,127</u>
 Net Assets	
Unrestricted	\$ 881,306
Temporarily Restricted	<u>\$ 654,975</u>
Net Assets	<u><u>\$ 1,536,281</u></u>
 Total Liabilities and Net Assets	 <u><u>\$ 1,602,408</u></u>

** Does not include value of land under conservation easement or the value of conservation easements.

*** The Reardan's Audubon Lake Fund is for the acquisition, improvement, and management of Reardan's Audubon Lake.

**** The Stewardship Fund is available if it becomes necessary to take formal action to enforce an easement. Interest from the fund may be used to cover monitoring and stewardship expenses.

