

Agenda Item No:	A
Work Plan:	Administrative
Topic:	Financial Dashboard
Presentation Title:	Department Financial Report for September, October, November, and December 2023
Date of Presentation:	January 3, 2024
Contact Information:	James Short, Department Chief Financial Officer (503) 945-7275, james.short@odf.oregon.gov

SUMMARY AND CONTEXT

An executive financial report and summary will be submitted monthly to ensure the Board of Forestry (Board) has up-to-date information for oversight of the Department's financial condition. This report will include the financial and budgetary status of the Department as well as other ancillary topics as appropriate.

BACKGROUND AND ANALYSIS

This consent item is transparent publishing of the Department's transmittal of monthly financial reports to the Board of Forestry. While executive-level in nature, the financial report provides information on various topics that are either germane, or have direct impacts on the financial status of the agency, or other administrative functions of the organization during any given month.

This financial report will continue to evolve. As the Department's reporting ability matures and insights into its operational and administrative work improve, this financial report will reflect those improvements. These improvements could include operational or process improvements or introducing new systems and technologies that enhance the Department's administrative capabilities. In addition, Board input will be factored in as the report evolves.

NEXT STEPS

The Board will receive the Department's Financial Report the third week of every month, whether a Board meeting is occurring or not. This will allow the Department to report on the previous month while allowing for the fiscal month closing process to conclude.

ATTACHMENTS

- 1) Department of Forestry Financial Report for September 2023
- 2) Department of Forestry Financial Report for October 2023
- 3) Department of Forestry Financial Report for November 2023
- 4) Department of Forestry Financial Report for December 2023 (available before meeting)



October 1, 2023

Sen. Elizabeth Steiner, Co-Chair
Rep. Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court St. NE, H-178
Salem, OR 97301

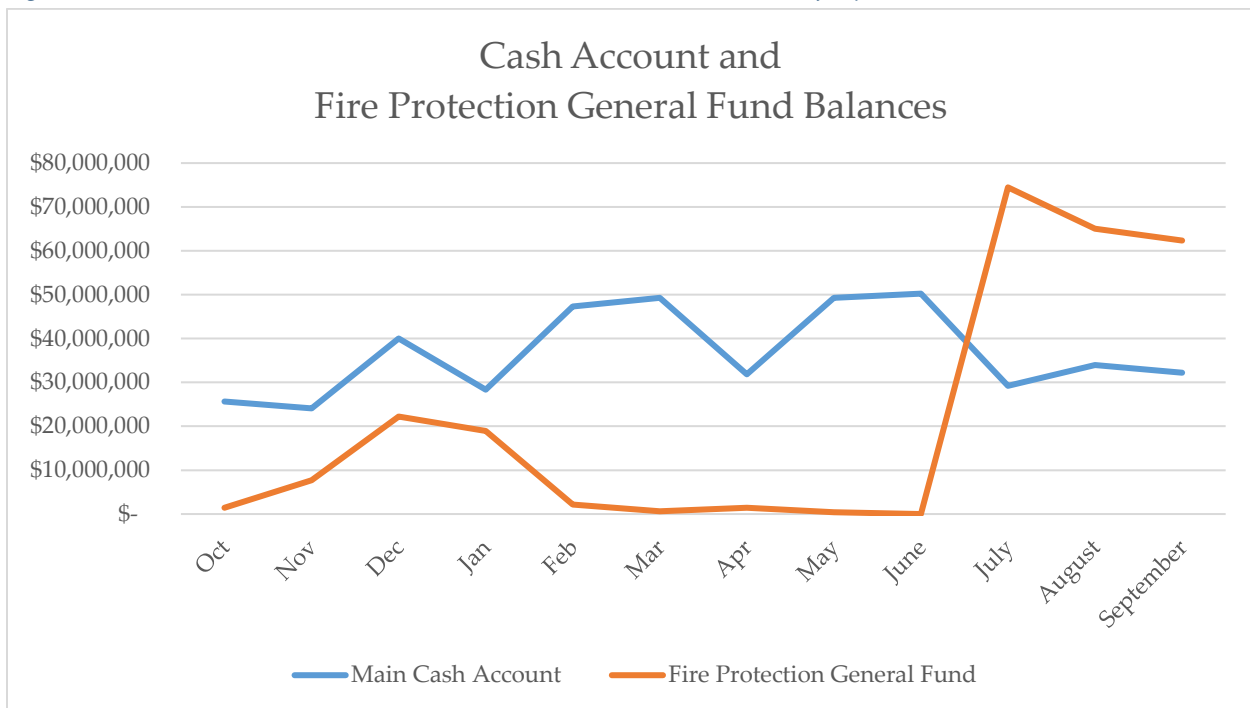
Re: Oregon Department of Forestry (ODF)—Monthly financial condition report

Dear Co-Chairs,

Cash and General Fund Balances

As of September 25, ODF's principal cash account balance was \$32.2 million, and the 2023-25 Protection Division General Fund appropriation balance was \$62.3 million (Figure 1). Between August and September, the cash account balance had a net decrease of \$1.7 million, and the Protection Division General Fund balance had a net reduction of \$2.7 million.

Figure 1 - Cash Account and Fire Protection/Cash Flow General Fund Balances as of Sept. 25, 2023



Financial Projections

As a result of fiscal year-end financial reporting activities, the budgetary months of July and August closed in the calendar month of September; thus, the corresponding projections were carried forward from the August 1 financial condition report.

Department representatives met with the Macias, Gini & O’Connell auditors in late September to continue discussions about a new financial projection tool, which was requested to provide more detailed information for monitoring cash flow and projected financial information.

Table 1 - Financial Projections through Sept. 15, 2023 (in thousands)

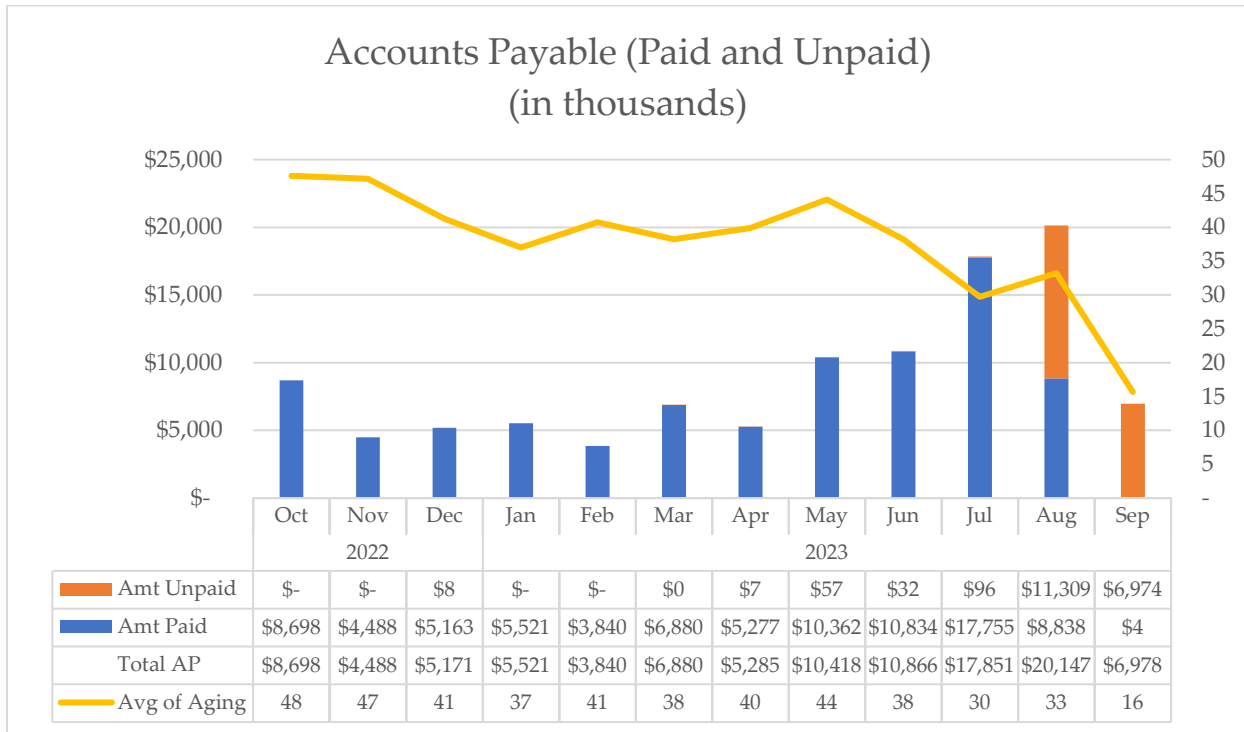
	23-Jul		23-Aug		23-Sep	23-Oct
	Projection	Actual	Projection	Actual	Projection	Projection
Total Revenue	\$20,496	\$36,835	\$32,425	\$37,431	\$36,219	\$20,848
Total Expenditures	(\$18,830)	(\$50,982)	(\$20,119)	(\$49,753)	(\$35,098)	(\$27,774)
Net Total Exp/Rev	\$1,666	(\$14,147)	\$12,306	(\$12,321)	\$1,121	(\$6,926)
Beginning Cash Balance	\$73,122	\$28,962	\$74,788	\$50,756	\$53,294	\$54,415
End of Month Cash Balance*	\$74,788	\$50,756	\$87,095	\$53,294	\$54,415	\$47,489
Less: Dedicated Funds	(\$21,751)	(\$20,990)	(\$22,078)	(\$19,475)	(\$19,516)	(\$17,032)
End of Month Main Cash Balance	\$53,037	\$29,766	\$65,016	\$33,819	\$34,899	\$30,457
Available GF Appr	N/A	\$155,237	N/A	\$143,377	\$136,385	\$129,393
Available Resources	\$53,037	\$185,002	\$65,016	\$177,195	\$171,284	\$159,850

* Includes reconciliation for non-cash revenue and expenditure transactions.

Accounts Payable

Department-wide expenditure activity has increased significantly since the last reporting period as payment teams reconciled and uploaded fire season 2023 invoices to OregonBuys (Figure 2). With many resources associated with the Tyee Ridge Complex fire demobilized in mid-September, payment teams will reconcile and upload corresponding invoices to OregonBuys over the next one to two months.

Figure 2 - Accounts Payable as of Sept. 25, 2023



Accounts Receivable

Between August and September, there was a net decrease of \$8.1 million in the total accounts receivable balance (Figure 3). The net decrease was primarily attributable to a FEMA-Public Assistance reimbursement from the Oregon Department of Emergency Management (ODEM) totaling \$9.4 million.

Accounts older than 120 days equate to \$25 million or 56.8% of the total balances owed to ODF (Figure 4). Of these accounts, the majority are due from FEMA (\$13.3 million), federal partners (\$5.4 million), and private parties for cost recovery (\$4.7 million).

Figure 3 – Total Accounts Receivable as of Sept. 22, 2023

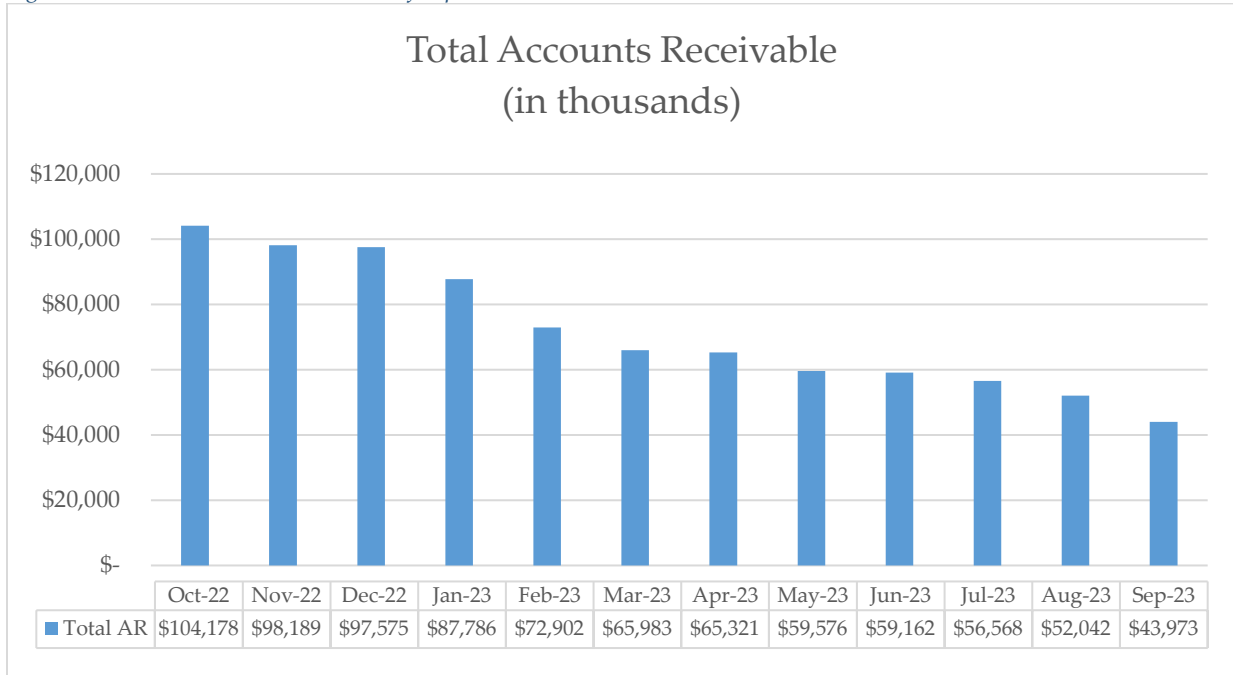
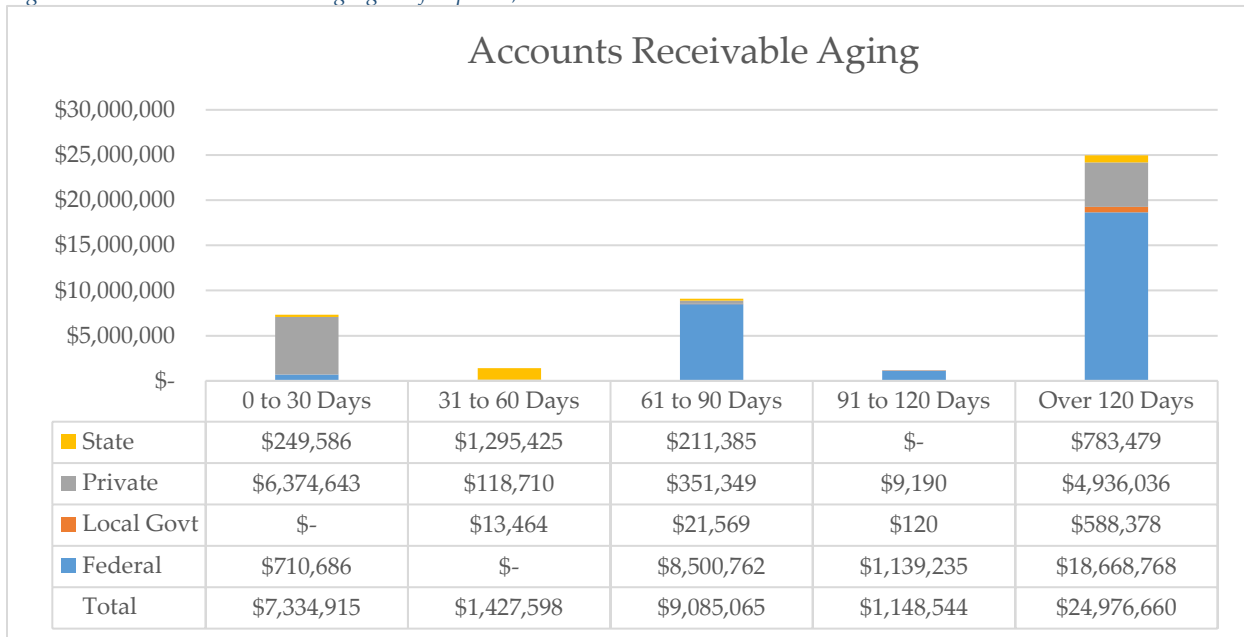


Figure 4 – Accounts Receivable Aging as of Sept. 22, 2023



Fire Costs

Table 2 – Gross Fire Cost Summary (red indicates estimates – in millions) as of Sept. 15, 2023

Gross Fire Cost Summary							
Fire Season	2017	2018	2019	2020	2021	2022	Total
Fire Costs	61.35	108.12	33.66	139.85	148.83	52.24	544.05
Currently Invoiced	(0.16)	(0.21)	(0.18)	(13.78)	(4.31)	(7.56)	(26.20)
Outstanding to Invoice	(0.00)	(0.49)	(0.47)	(1.94)	(17.18)	(20.36)	(40.44)

The department recovers some fire costs through two FEMA grants programs; however, not all fire costs are recovered through FEMA. Fire costs may also be collected via cost-share agreements, cooperative agreements, and/or private-party cost recovery. All cost recovery types are included in the numbers provided in Table 2.

FEMA-Public Assistance (PA) grants are awarded to the ODEM who, in turn, passes the funds through to ODF. FEMA-Fire Management Assistance grants (FMAG) are awarded directly to ODF, and the department has immediate access to the funds once obligated.

FEMA grant applications submitted

As of Sept. 25, 47 grant applications totaling \$15.1 million have been submitted to FEMA, \$14 million (40) of which were FEMA-PA grants. FEMA has obligated all 40 FEMA-PA grant applications pending ODEM audit/review and distribution to ODF.

The seven grant applications totaling \$1.1 million submitted through the FEMA-FMAG program are in the final FEMA review stage.

FEMA grant applications not yet submitted

An additional \$2.8 million in estimated FEMA-PA and FMAG grant applications (18) have yet to be submitted to FEMA. The 13 FEMA-FMAG applications associated with administrative costs (\$1.1 million) cannot be forwarded to FEMA until all ODF and subrecipient grants have been obligated by FEMA.

The remaining five FEMA-PA grant applications (\$1.7 million) associated with estimated suppression costs will be submitted to FEMA after completing all cost-share reconciliations.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cal Mukumoto', with a long horizontal flourish extending to the right.

Cal Mukumoto
Oregon State Forester

c:
Legislative Fiscal Office
Chief Financial Office
Oregon State Treasury
Board of Forestry
Governor's Office



November 1, 2023

Sen. Elizabeth Steiner, Co-Chair
Rep. Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court St. NE, H-178
Salem, OR 97301

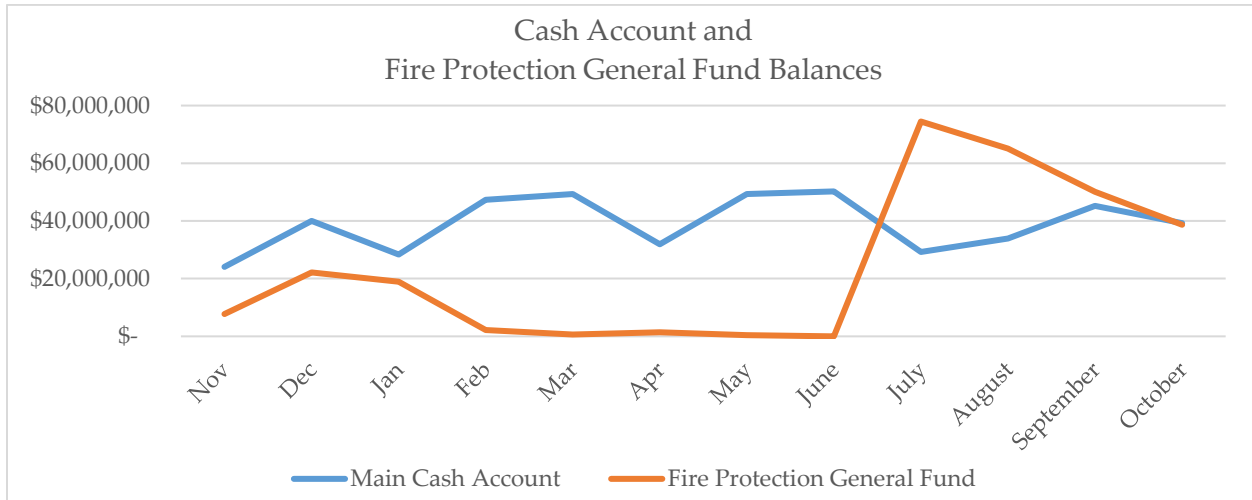
Re: Oregon Department of Forestry (ODF)—Monthly financial condition report

Dear Co-Chairs,

Cash and General Fund Balances

As of October 23, ODF's principal cash account balance was \$39.2 million, and the 2023-25 Protection Division General Fund appropriation balance was \$38.7 million (Figure 1). Between September and October, the cash account balance decreased by \$6 million, and the Protection Division General Fund balance decreased by \$11.3 million.

Figure 1 - Cash Account and Fire Protection/Cash Flow General Fund Balances as of Oct. 23, 2023



Financial Projections

Net financial activity for September 2023 resulted in an increase of \$378,000 to the department's end-of-month cash balance (Table 1).

Over the next few months, the department will receive an influx of cash due to receipt of annual fire protection assessment revenues, insurance proceeds from fire season 2021, and grant

reimbursements, all of which will be used to offset the gross costs associated with fire season 2023. To mitigate potential cashflow hardships, the department elected to transfer both the fiscal year 2024 and 2025 admin prorata amounts.

Table 1 - Financial Projections through Oct. 13, 2023 (in thousands)

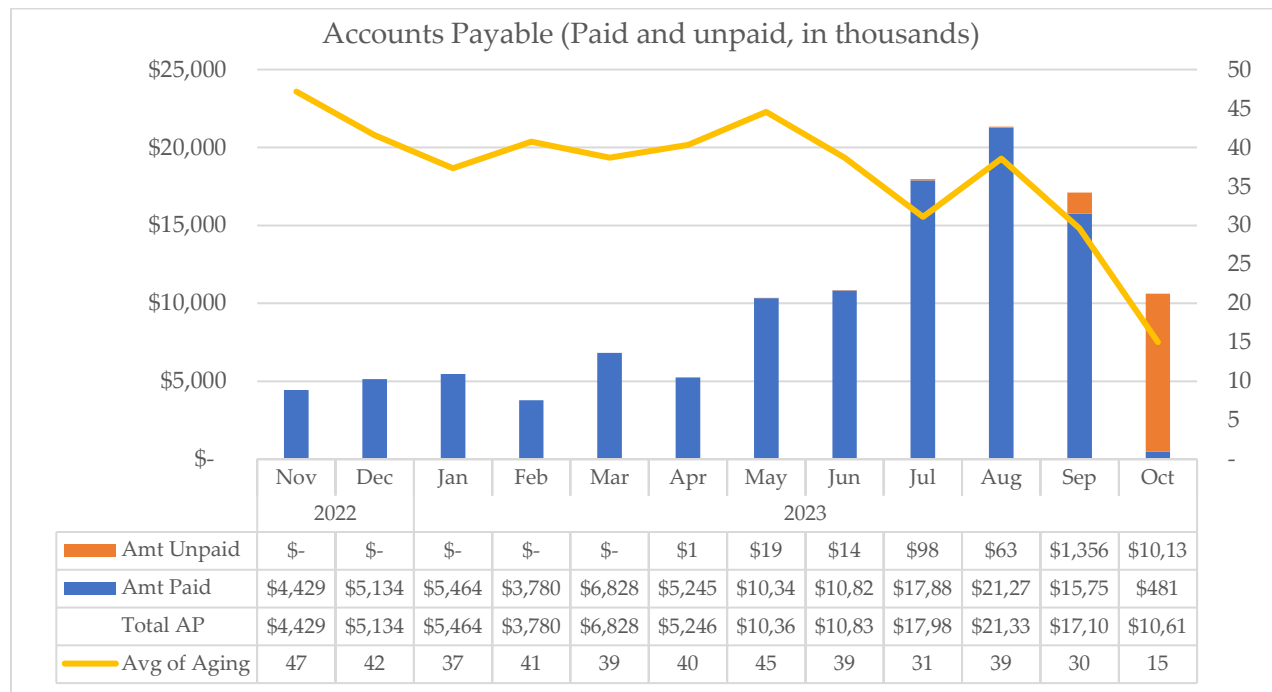
	23-Sep		23-Oct	23-Nov
	Projection	Actual	Projection	Projection
Total Revenue	\$36,219	\$67,781	\$60,078	\$41,317
Total Expenditures	(\$35,098)	(\$67,402)	(\$52,511)	(\$35,575)
Net Total Exp/Rev	\$1,121	\$378	\$7,567	\$5,741
Beginning Cash Balance	\$53,294	\$53,294	\$57,222	\$64,788
End of Month Cash Balance*	\$54,415	\$57,222	\$64,788	\$70,530
Less: Dedicated Funds	(\$19,516)	(\$13,821)	(\$13,824)	(\$18,824)
End of Month Main Cash Balance	\$34,899	\$43,401	\$50,964	\$51,706
Available GF Appr	\$136,385	\$123,914	\$116,922	\$109,930
Available Resources	\$171,284	\$167,314	\$167,886	\$161,636

* Includes reconciliation for non-cash revenue and expenditure transactions.

Accounts Payable

Department-wide expenditure activity reduced slightly since the last reporting period (Figure 2). Payment teams continue to reconcile invoices related to the Tyege Ridge Complex fires. Payments totaling an estimated \$34 million will be made over the next few months.

Figure 2 - Accounts Payable as of Oct. 23, 2023



Accounts Receivable

Between September and October, there was a net decrease of \$3.1 million in the total accounts receivable balance (Figure 3).

Accounts older than 120 days equate to \$31.1 million or 76.1% of the total balances owed to ODF (Figure 4). Of these accounts, the majority are due from FEMA (\$14.8 million), federal partners (\$10.4 million), and private parties for cost recovery (\$4.7 million).

Figure 3 – Total Accounts Receivable as of Oct. 23, 2023

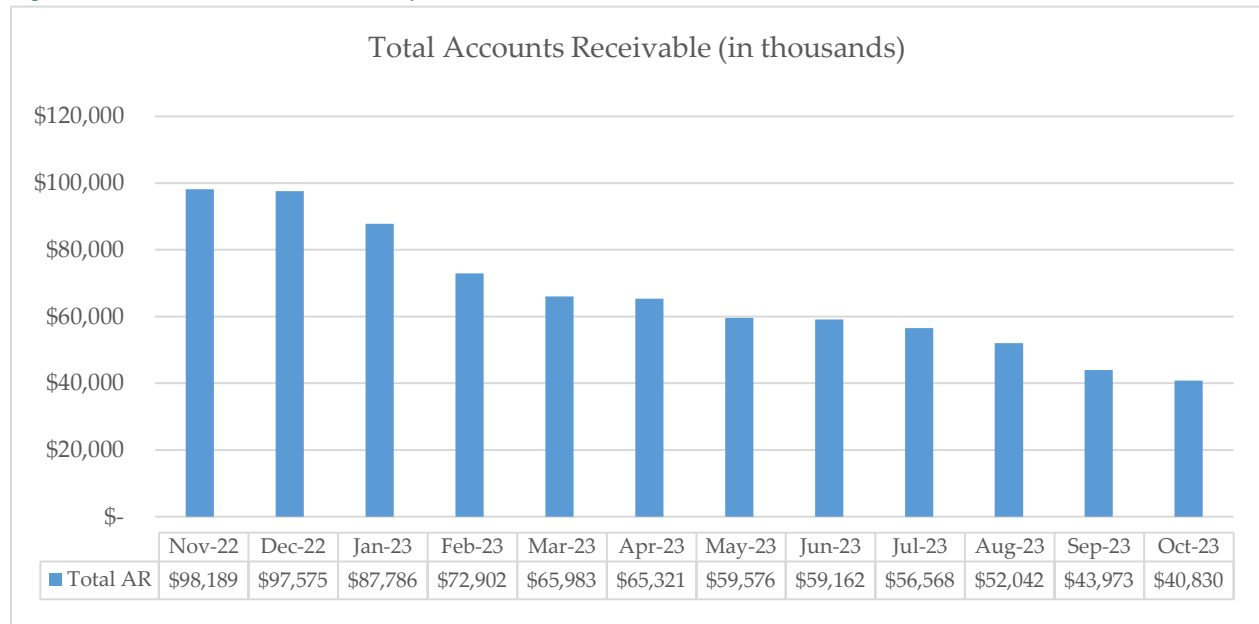
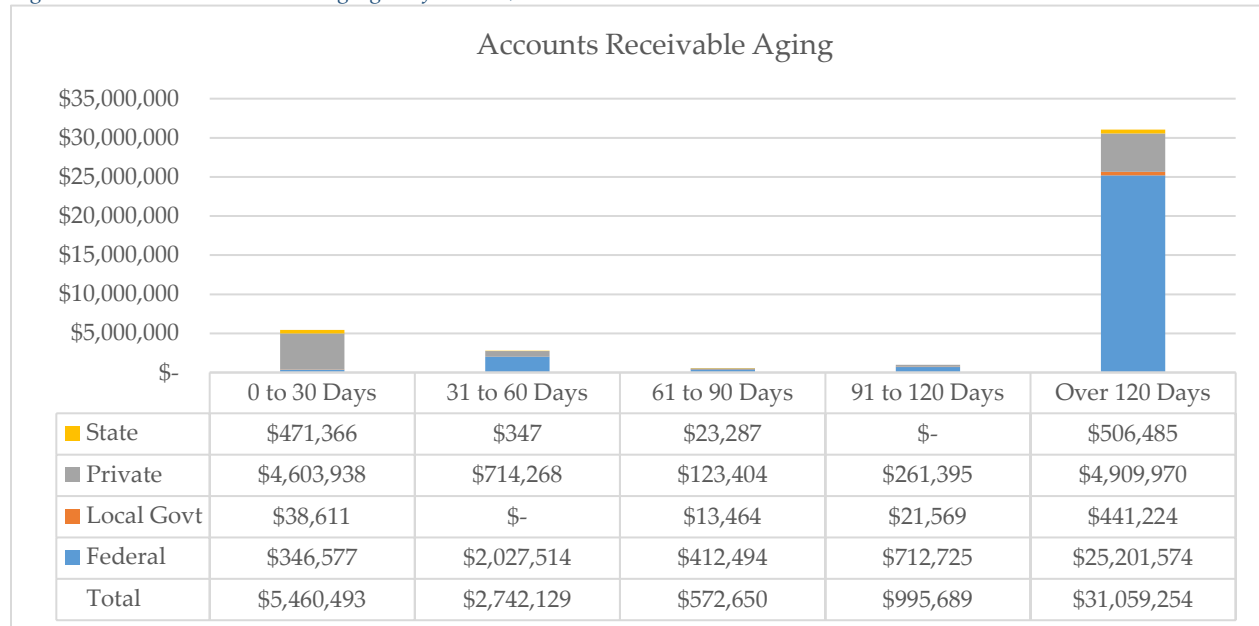


Figure 4 – Accounts Receivable Aging as of Oct. 23, 2023



Fire Costs

Table 2 – Gross Fire Cost Summary (red indicates estimates – in millions) as of Oct. 20, 2023

Gross Fire Cost Summary							
Fire Season	2018	2019	2020	2021	2022	2023	Total
Fire Costs	108.12	33.66	139.85	148.91	52.26	84.19	566.99
Currently Invoiced	(0.21)	(0.20)	(13.78)	(4.28)	(6.68)	(0.35)	(25.50)
Outstanding to Invoice	(0.49)	(0.45)	(1.94)	(17.45)	(20.49)	(74.11)	(114.93)

The department recovers some fire costs through two FEMA grant programs. Fire costs may also be collected via cost-share agreements, cooperative agreements, and/or private-party cost recovery. All cost recovery types are included in the numbers provided in Table 2.

FEMA-Public Assistance (PA) grants are awarded to the Oregon Department of Emergency Management (ODEM) who, in turn, passes the funds through to ODF. FEMA-Fire Management Assistance grants (FMAG) are awarded directly to ODF, and the department has immediate access to the funds once obligated.

FEMA grant applications submitted

As of Oct. 23, 44 grant applications totaling \$15.1 million have been submitted to FEMA, \$14 million of which were FEMA-PA grants. FEMA has obligated all 38 FEMA-PA grant applications, and they are now pending ODEM audit/review and distribution to ODF.

The remaining six grant applications submitted through the FEMA-FMAG program, totaling \$1.1 million, are in the final FEMA review stage.

FEMA grant applications not yet submitted

An additional 21 FEMA-PA and FMAG grant applications totaling an estimated \$6.8 million have yet to be submitted to FEMA. This includes estimated fire costs for the 2023 fire season. Twelve FEMA-FMAG applications associated with administrative costs (\$747,000) cannot be forwarded to FEMA until all ODF and subrecipient grants have been obligated by FEMA.

Nine FEMA grant applications (\$6 million) are associated with estimated suppression costs and will be submitted to FEMA after all cost-share and fire payment reconciliations have been completed.

Sincerely,



Cal Mukumoto
 Oregon State Forester

c:
 Legislative Fiscal Office
 Chief Financial Office
 Oregon State Treasury
 Board of Forestry
 Governor’s Office



December 1, 2023

Sen. Elizabeth Steiner, Co-Chair
Rep. Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court St. NE, H-178
Salem, OR 97301

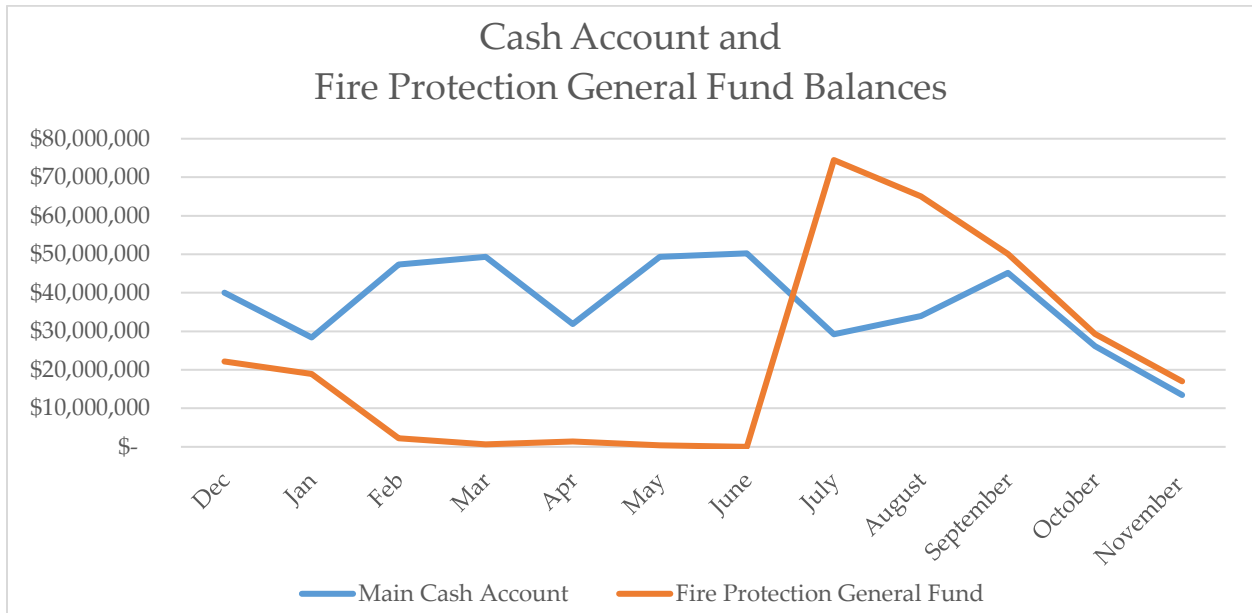
Re: Oregon Department of Forestry (ODF)—Monthly financial condition report

Dear Co-Chairs,

Cash and General Fund Balances

As of November 20, ODF's principal cash account balance was \$13.5 million, and the 2023-25 Protection Division General Fund appropriation balance was \$17 million (Figure 1). Between October and November, the cash account balance had a net decrease of \$12.7 million, and the Protection Division General Fund balance had a net reduction of \$12.4 million.

Figure 1 - Cash Account and Fire Protection/Cash Flow General Fund Balances as of Nov. 20, 2023



Financial Projections

Net financial activity for October 2023 resulted in a net decrease of \$30.9 million to the department's available resources (Table 1).

To ensure the department had enough cash to process all fire season 2023 associated expenditures, the fiscal year 2025 administrative prorate was transferred ahead of schedule, resulting in actual expenditures exceeding the October projection. Over the next 90 days, the department expects to receive annual fire protection assessment revenue, insurance proceeds from fire season 2021, and grant reimbursements, all of which will replenish the main cash account in preparation for fire season 2024.

Table 1 - Financial Projections through Nov. 20, 2023 (in thousands)

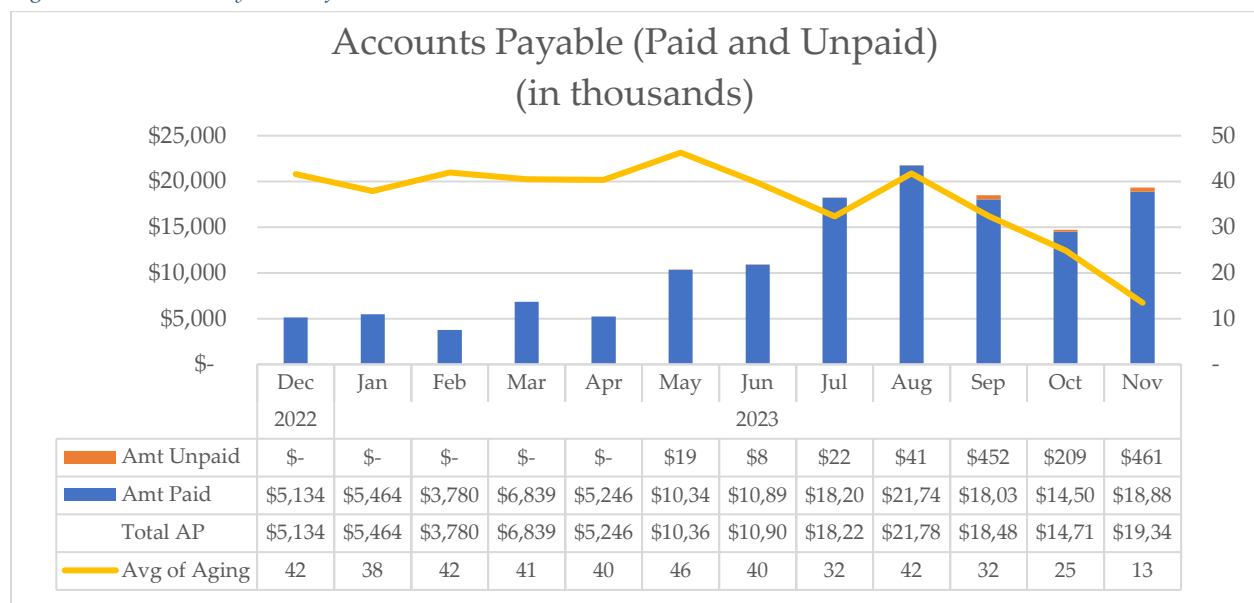
	23-Oct		23-Nov	23-Dec
	Projection	Actual	Projection	Projection
Total Revenue	\$60,078	\$56,783	\$40,056	\$68,877
Total Expenditures	(\$52,511)	(\$87,693)	(\$26,864)	(\$29,419)
Net Total Exp/Rev	\$7,567	(\$30,910)	\$13,192	\$39,458
Beginning Cash Balance	\$57,222	\$57,222	\$15,480	\$28,671
End of Month Cash Balance*	\$64,788	\$15,480	\$28,671	\$68,129
Less: Dedicated Funds	(\$13,824)	(\$13,315)	(\$15,257)	(\$18,257)
End of Month Main Cash Balance	\$50,964	\$2,164	\$13,414	\$49,872
Available GF Appr	\$116,922	\$101,923	\$94,931	\$87,939
Available Resources	\$167,886	\$104,087	\$108,345	\$137,811

* Includes reconciliation for non-cash revenue and expenditure transactions.

Accounts Payable

Department-wide expenditure activity increased since the last reporting period (Figure 2) primarily due to three advances to the Douglas Forest Protective Association totaling \$26.7 million related to the Tye Ridge Complex. Payment teams continue to reconcile invoices related to the complex and estimate an additional \$7 million will be advanced over the next few months.

Figure 2 - Accounts Payable as of Nov. 20, 2023



Accounts Receivable

Between October and November, there was a net increase of \$13.6 million in the total accounts receivable balance (Figure 3). The increase was primarily attributed to billing BLM for the quarterly Western Oregon Operating Plan (WOOP) agreement and submitting requests for reimbursement to USDA for three Consolidated Payment Grant (CPG) programs.

Accounts older than 120 days equate to \$28.9 million, or 53% of the total balances owed to ODF (Figure 4). Of these accounts, the majority are due from FEMA (\$12 million), federal partners (\$11 million), and private parties for cost recovery (\$4.3 million).

Figure 3 – Total Accounts Receivable as of Nov. 20, 2023

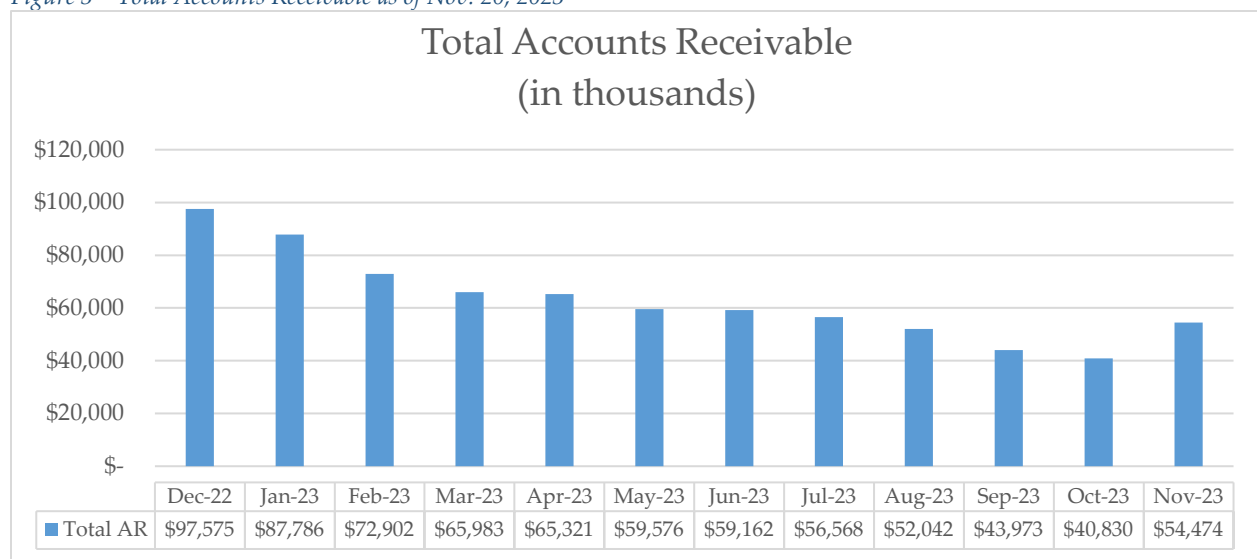
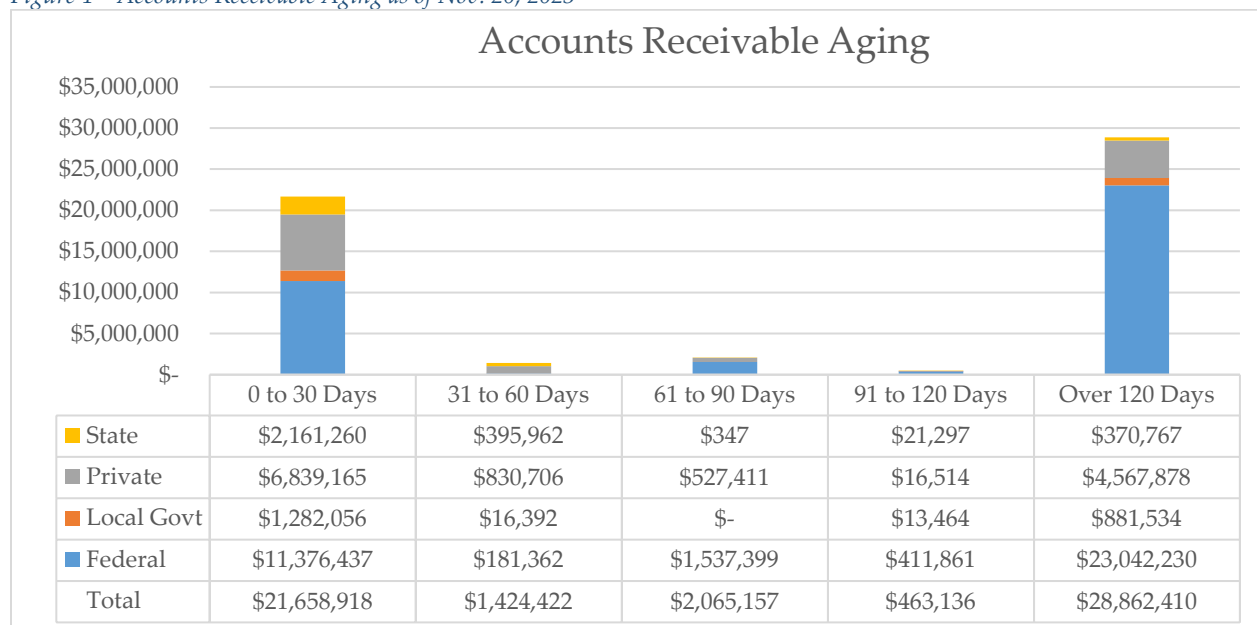


Figure 4 – Accounts Receivable Aging as of Nov. 20, 2023



Fire Costs

Table 2 – Gross Fire Cost Summary (red indicates estimates – in millions) as of Nov. 20, 2023

Gross Fire Cost Summary							
Fire Season	2018	2019	2020	2021	2022	2023	Total
Fire Costs	108.12	33.66	139.85	148.95	52.51	87.82	570.91
Currently Invoiced	(0.15)	(0.15)	(11.02)	(4.25)	(5.37)	(0.38)	(21.32)
Outstanding to Invoice	(0.52)	(0.54)	(1.81)	(17.38)	(20.74)	(75.31)	(116.30)

The department recovers some fire costs through two FEMA grant programs; however, not all fire costs are recovered through FEMA. Fire costs may also be collected via cost-share agreements, cooperative agreements, or private-party cost recovery. All cost recovery types are included in the numbers provided in Table 2.

FEMA-Public Assistance (PA) grants are awarded to the ODEM, who, in turn, passes the funds through to ODF. FEMA-Fire Management Assistance grants (FMAG) are awarded directly to ODF, and the department has immediate access to the funds once obligated.

FEMA grant applications submitted

As of Nov. 20, 40 grant applications totaling \$12.2 million have been submitted to FEMA, \$12 million (37) of which were FEMA-PA grants. FEMA has obligated all 37 FEMA-PA grant applications pending ODEM audit/review and distribution to ODF.

The three grant applications totaling \$214,000 submitted through the FEMA-FMAG program are in the final FEMA review stage.

FEMA grant applications not yet submitted

An additional \$6.8 million in estimated FEMA-PA and FMAG grant applications (21) have yet to be submitted to FEMA. This includes estimated fire costs for the 2023 fire season. Twelve FEMA-FMAG applications associated with administrative costs (\$747,000) cannot be forwarded to FEMA until all ODF and subrecipient grants have been obligated by FEMA.

Nine FEMA grant applications (\$6 million) are associated with estimated suppression costs. They will be submitted to FEMA after completing all cost-share and fire payment reconciliations.

Sincerely,



Cal Makumoto
 Oregon State Forester

c:
 Legislative Fiscal Office
 Chief Financial Office
 Oregon State Treasury
 Board of Forestry
 Governor’s Office



January 2, 2024

Sen. Elizabeth Steiner, Co-Chair
Rep. Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court St. NE, H-178
Salem, OR 97301

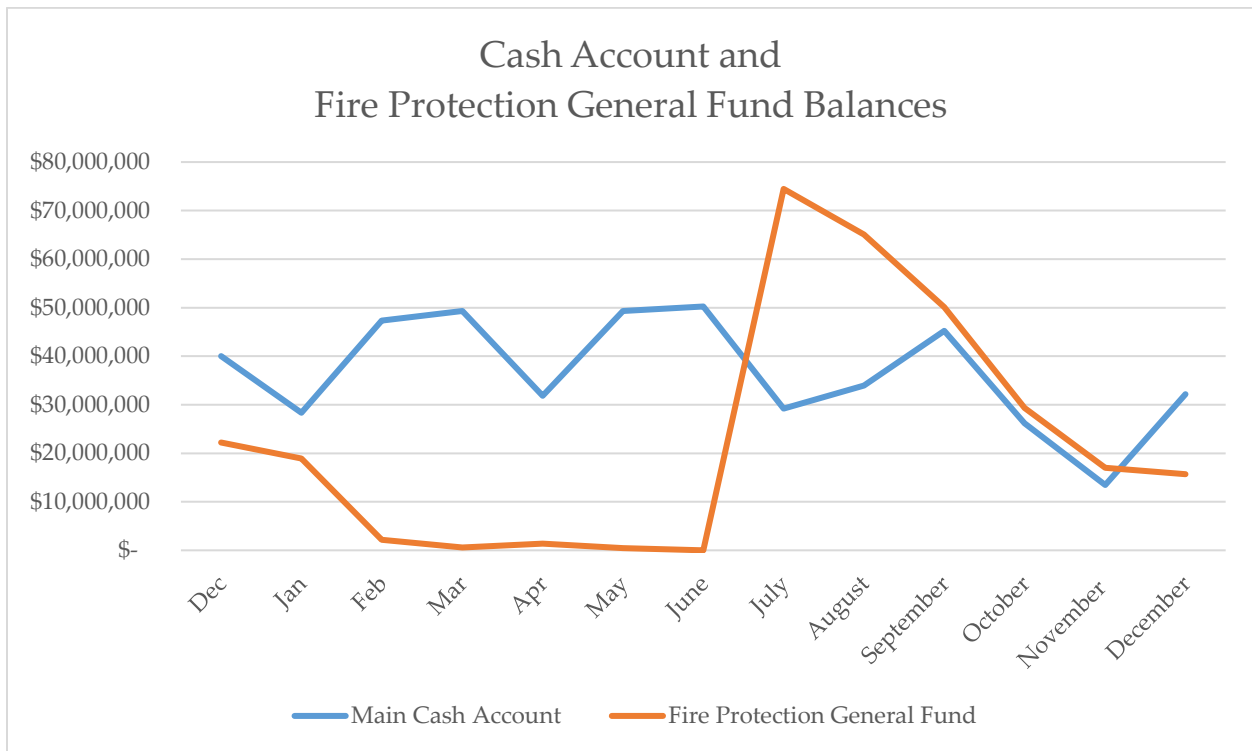
Re: Oregon Department of Forestry (ODF)—Monthly financial condition report

Dear Co-Chairs,

Cash and General Fund Balances

As of December 18, ODF's principal cash account balance was \$32 million, and the 2023-25 Protection Division General Fund appropriation balance was \$16 million (Figure 1). Between November and December, the cash account balance had a net increase of \$18.7 million, and the Protection Division General Fund balance had a net reduction of \$1.3 million.

Figure 1 - Cash Account and Fire Protection/Cash Flow General Fund Balances as of Dec 18, 2023



Financial Projections

Net financial activity for November 2023 resulted in a net increase of \$16.2 million to the department’s available resources (Table 1).

Actual revenues and expenditures for November were respectively \$17 million and \$14 million more than projected (Table 1) The revenue change was primarily due to receiving more fire protection assessment revenue in November than initially anticipated, which also reduces the revenue projections for December. The expenditure variation was due to making advance payments to the DFPA (Douglas Forest Protective Association) for Tyege Ridge Complex since financial resources were available. Over the next 90 days, the department expects to receive additional annual fire protection assessment revenue, insurance proceeds from fire season 2021, and grant reimbursements, all of which will replenish the main cash account in preparation for fire season 2024.

Table 1 - Financial Projections through Dec 18, 2023 (in thousands)

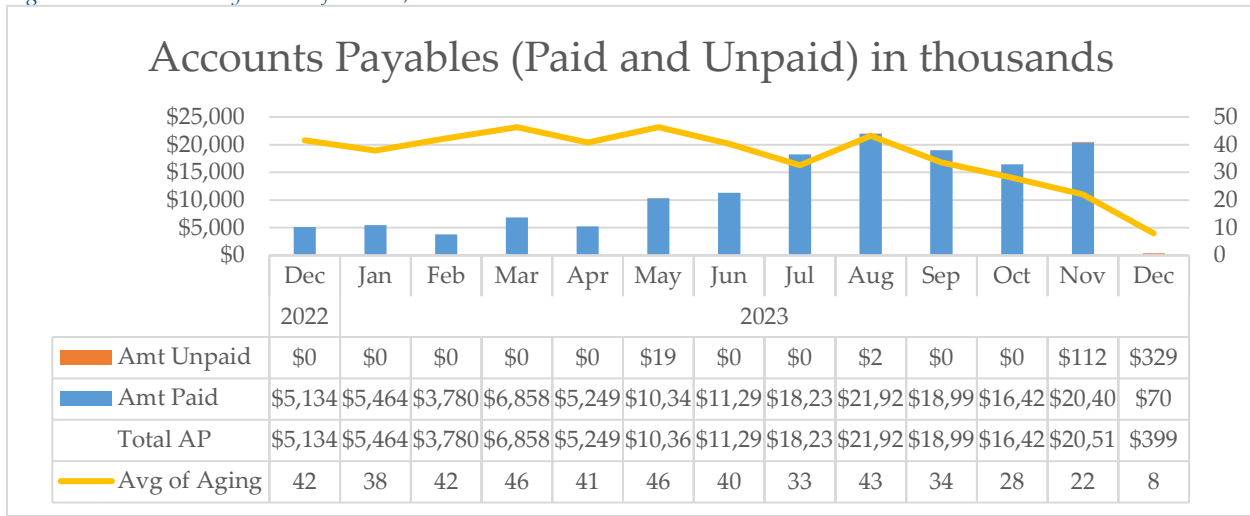
	23-Nov		23-Dec	24-Jan
	Projection	Actual	Projection	Projection
Total Revenue	\$40,056	\$57,049	\$39,565	\$48,130
Total Expenditures	(\$26,864)	(\$40,852)	(\$30,986)	(\$53,991)
Net Total Exp/Rev	\$13,192	\$16,197	\$8,579	(\$5,861)
Beginning Cash Balance	\$15,480	\$37,144	\$65,525	\$74,104
End of Month Cash Balance*	\$28,671	\$65,525	\$74,104	\$68,242
Less: Dedicated Funds	(\$15,257)	(\$19,134)	(\$17,250)	(\$18,250)
End of Month Main Cash Balance	\$13,414	\$46,391	\$56,854	\$49,993
Available GF Appr	\$94,931	\$87,122	\$80,130	\$73,138
Available Resources	\$108,345	\$133,512	\$136,984	\$123,131

* Includes reconciliation for non-cash revenue and expenditure transactions.

Accounts Payable

Department-wide expenditure activity increased since the last reporting period (Figure 2) primarily due to three advances to the DFPA totaling \$26.7 million related to the Tyege Ridge Complex. The agency continues to reconcile invoices related to the fire season and additional payments may be made over the next few months.

Figure 2 - Accounts Payable as of Dec 18, 2023



Accounts Receivable

Between November and December, there was a net decrease of \$7 million in the total accounts receivable balance (Figure 3). Accounts older than 120 days equate to \$28.7 million, or 60% of the total balances owed to ODF (Figure 4). Of these accounts, the majority are due from FEMA (\$12 million), federal partners (\$11 million), and private parties for cost recovery (\$4.9 million).

Figure 2 - Accounts Payable as of Dec 18, 2023

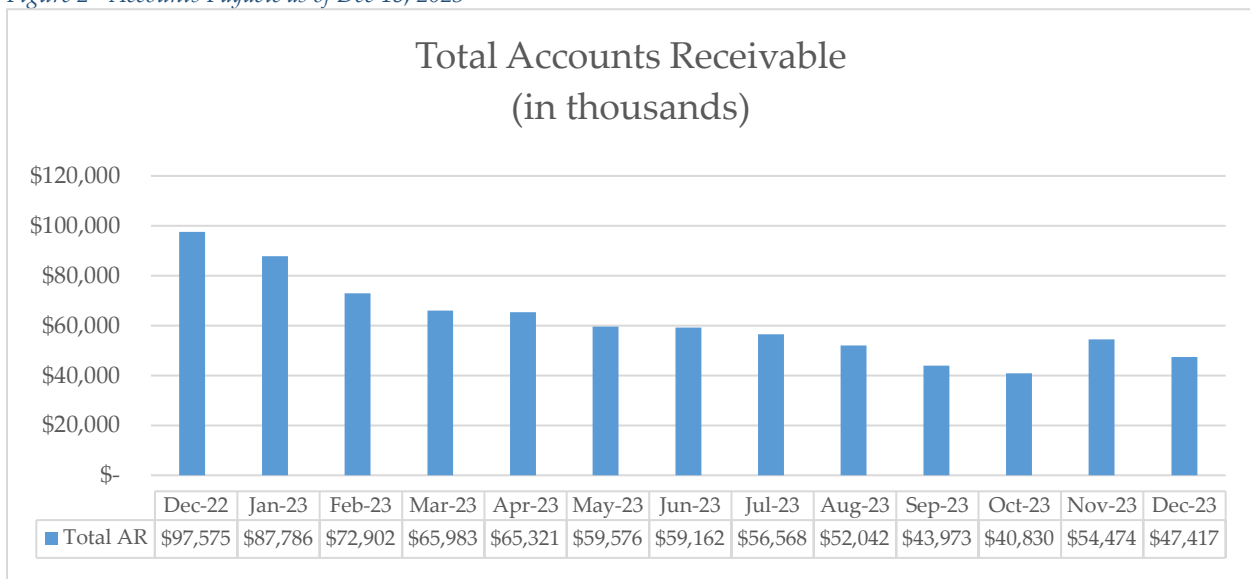
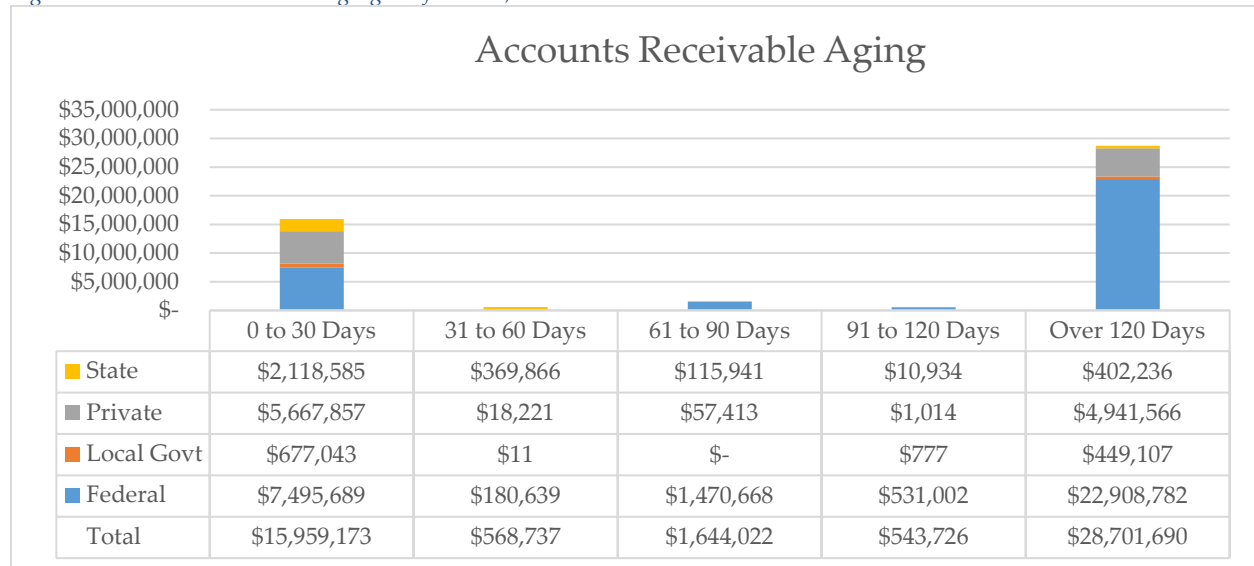


Figure 4 – Accounts Receivable Aging as of Dec 18, 2023



Fire Costs

Table 2 – Gross Fire Cost Summary (red indicates estimates – in millions) as of Dec 18, 2023

Gross Fire Cost Summary							
Fire Season	2018	2019	2020	2021	2022	2023	Total
Fire Costs	108.12	33.66	139.85	149.18	53.3	90.19	574.3
Currently Invoiced	(0.15)	(0.15)	(10.98)	(4.08)	(5.47)	(0.44)	(21.27)
Outstanding to Invoice	(0.52)	(0.54)	(1.81)	(17.08)	(20.85)	(77.62)	(118.42)

The department recovers some fire costs through two FEMA grant programs; however, not all fire costs are recovered through FEMA. Fire costs may also be collected via cost-share agreements and cooperative agreements, which are all included in the numbers provided in Table 2.

FEMA-Public Assistance (PA) grants are awarded to the ODEM, who, in turn, passes the funds through to ODF. FEMA-Fire Management Assistance grants (FMAG) are awarded directly to ODF, and the department has immediate access to the funds once obligated.

FEMA grant applications submitted

As of Dec 18, 37 grant applications totaling \$12 million have been submitted to FEMA, which are FEMA-PA grants. FEMA has obligated all 37 FEMA-PA grant applications pending ODEM audit/review and distribution to ODF.

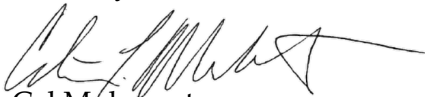
The two grant applications totaling \$39,000 submitted through the FEMA-FMAG program are in the final FEMA review stage.

FEMA grant applications not yet submitted

An additional \$6.8 million in estimated FEMA-PA and FMAG grant applications (21) have yet to be submitted to FEMA. This includes estimated fire costs for the 2023 fire season. Twelve FEMA-FMAG applications associated with administrative costs (\$747,000) cannot be forwarded to FEMA until all ODF and subrecipient grants have been obligated by FEMA.

Nine FEMA grant applications (\$6 million) are associated with estimated suppression costs. They will be submitted to FEMA after completing all cost-share and fire payment reconciliations.

Sincerely,



Cal Makumoto
Oregon State Forester

c:
Legislative Fiscal Office
Chief Financial Office
Oregon State Treasury
Board of Forestry
Governor's Office