

Agenda Item No:	A
Work Plan:	Administrative
Topic:	Financial Dashboard
Presentation Title:	Department Financial Report for January and February 2024
Date of Presentation:	March 6, 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 January 2024
- 2) Department of Forestry Financial Report for February 2024



February 1, 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

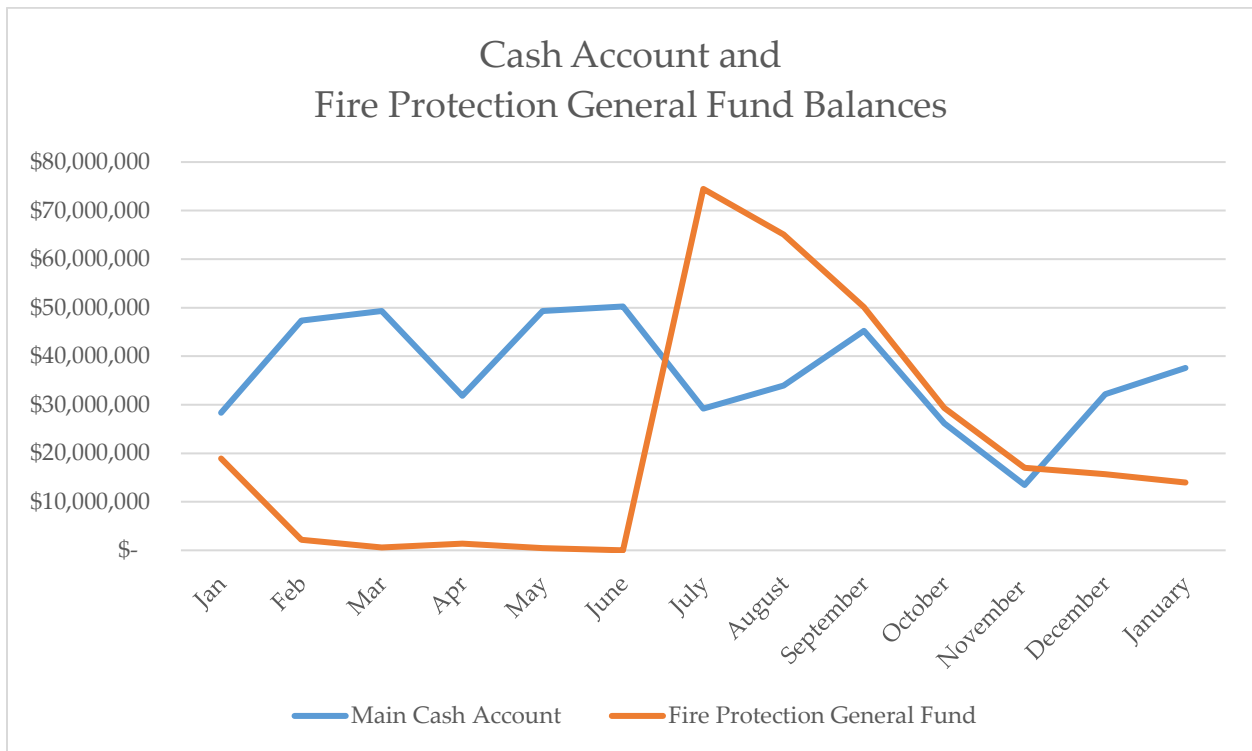
Re: Oregon Department of Forestry (ODF)—Monthly financial condition report

Dear Co-Chairs,

Cash and General Fund Balances

As of January 16, ODF's principal cash account balance was \$37.5 million, and the 2023-25 Protection Division General Fund appropriation balance was \$14 million (Figure 1). Between December and January, the cash account balance had a net increase of \$5.4 million, and the Protection Division General Fund balance had a net reduction of \$1.6 million.

Figure 1 - Cash Account and Fire Protection/Cash Flow General Fund Balances as of January 16, 2024.



Financial Projections

Net financial activity for December 2023 resulted in a net increase of \$2 million to the department’s available resources (Table 1).

Actual revenues and expenditures for December were respectively \$22 million and \$16 million less than projected (Table 1). The revenue variance was due to receiving multiple revenue sources the previous month instead in the projected month of December. The expenditure variance is due to initially projecting a final fire season payment advance to Douglas Forest Protection Association would be needed for the final vendor payments for Tyee Ridge Complex. As well as projecting the processing of outstanding agency transfers to the Department of Administrative Services (DAS). These transfers will remain on hold until additional revenues are received.

Quarterly distributions to counties for their respective portion of timber sales revenue will occur by the end of January. These distributions will be offset by the partial payment of the fire season 2021 insurance claim.

Table 1 - Financial Projections through Jan 16, 2024(in thousands)

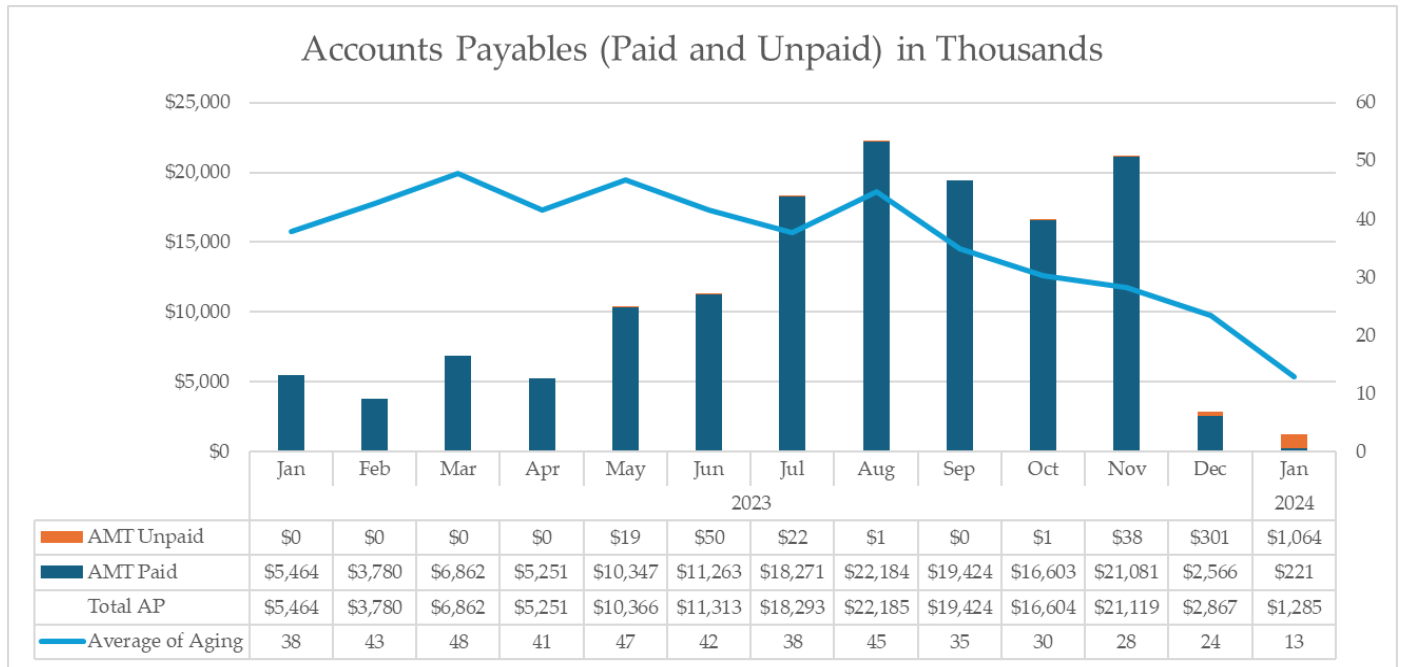
	23-Dec		24-Jan	24-Feb
	Projection	Actual	Projection	Projection
Total Revenue	\$39,565	\$17,424	\$40,028	\$23,940
Total Expenditures	(\$30,986)	(\$15,439)	(\$36,698)	(\$19,531)
Net Total Exp/Rev	\$8,579	\$1,986	\$3,330	\$4,409
Beginning Cash Balance	\$41,158	\$41,158	\$46,025	\$49,355
End of Month Cash Balance*	\$49,737	\$46,025	\$49,355	\$53,764
Less: Dedicated Funds	(\$17,250)	(\$20,580)	(\$17,106)	(\$18,202)
End of Month Main Cash Balance	\$32,487	\$25,445	\$32,249	\$35,562
Available GF Appr	\$80,130	\$83,079	\$76,088	\$69,096
Available Resources	\$112,617	\$108,524	\$108,337	\$104,658

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

Accounts Payable

Department-wide expenditure activity for the reporting period continues to be low, as is consistent for the department during the winter months and prior to the next fire season (Figure 2). Most of the amounts unpaid are payment holds to government partners as the department awaits reimbursements from various sources.

Figure 2 - Accounts Payable as of Jan 16, 2024



Accounts Receivable

Between December and January, there was a net increase of \$2 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 3 - Accounts Receivable as of Jan 16, 2024

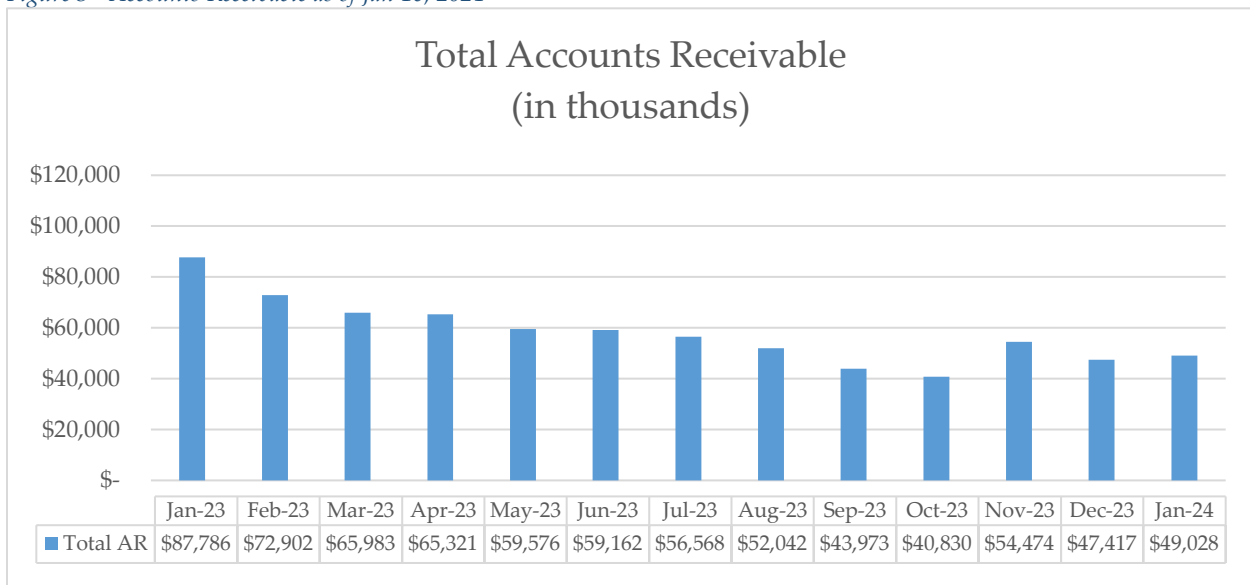
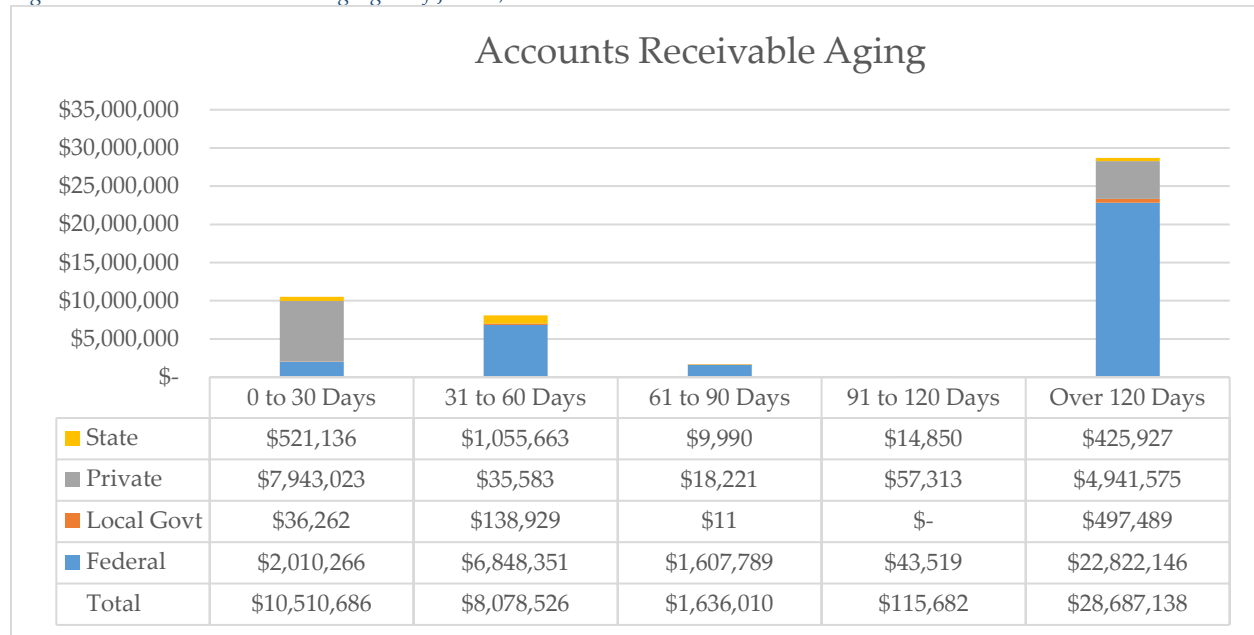


Figure 4 – Accounts Receivable Aging as of Jan 16, 2024



Fire Costs

Table 2 – Gross Fire Cost Summary (red indicates estimates – in millions) as of Jan 16, 2024

Fire Protection Large Fire Cost Summary							
Fire Season	2018	2019	2020	2021	2022	2023	Total
Fire Costs	108.12	33.66	139.85	149.18	53.82	90.85	575.48
Currently Invoiced	(0.53)	(0.15)	(10.98)	(4.12)	(6.12)	(0.79)	(22.69)
Outstanding to Invoice	(0.06)	(0.54)	(1.81)	(5.04)	(19.56)	(77.38)	(104.39)

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 the fire funding framework, 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 January 16, 37 grant applications totaling \$12.3 million have been submitted to FEMA, of which \$11.8 million are obligated grant applications pending ODEM audit/review and distribution to ODF.

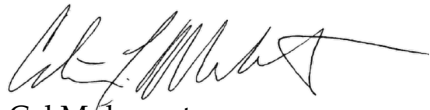
Two grant applications totaling \$47,000 were submitted through the FEMA-PA program are in the final FEMA review stage. Seven grant applications totaling \$461,000 submitted through the FEMA-FMAG program are also in their final review stage.

FEMA grant applications not yet submitted.

An additional \$5.8 million in estimated FEMA-PA and FMAG grant applications (18) have yet to be submitted to FEMA. This includes estimated fire costs for the 2023 fire season. Nine FEMA-FMAG applications associated with administrative costs (\$325,000) cannot be forwarded to FEMA until all ODF and subrecipient grants have been obligated by FEMA.

Nine FEMA grant applications (\$5.5 million) are associated with estimated suppression costs. They will be submitted to FEMA after completing all cost-share and fire payment reconciliations.

Sincerely,



Cal Mukumoto
Oregon State Forester

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



March 1, 2024

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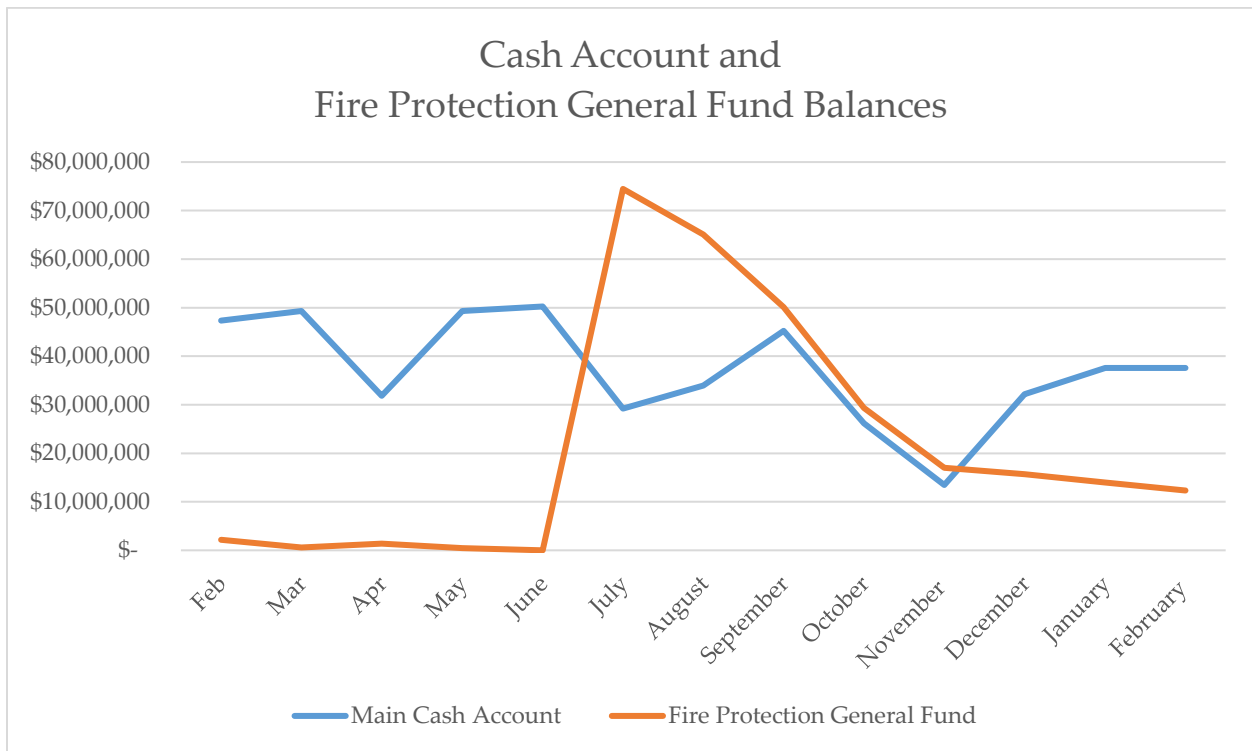
Re: Oregon Department of Forestry (ODF)—Monthly financial condition report

Dear Co-Chairs,

Cash and General Fund Balances

As of February 16th, ODF's principal cash account balance was \$37.5 million, and the 2023-25 Protection Division General Fund appropriation balance was \$12 million (Figure 1). Between January and February, there was minimal change to the cash account balance, and the Protection Division General Fund balance had a net reduction of \$1.6 million.

Figure 1 - Cash Account and Fire Protection/Cash Flow General Fund Balances as of February 16, 2024.



Financial Projections

Net financial activity for January 2024 resulted in a net increase of \$4 million to the department’s available resources (Table 1).

The quarterly distribution to counties for their respective portion of timber sales revenue occurred in January causing a decrease to the department’s available resources. However, the department received partial payment of \$12 million of the fire season 2021 insurance claim, which helped offset the decrease.

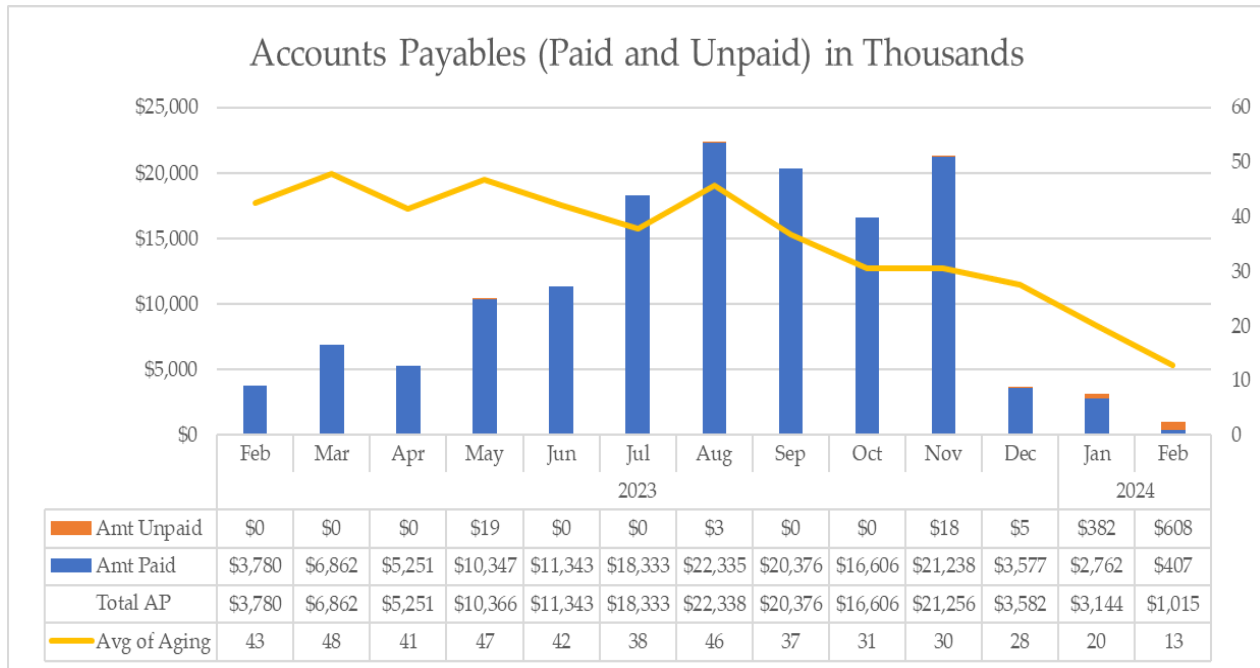
Table 1 - Financial Projections through February 16, 2024 (in thousands)

	24-Jan		24-Feb	24-Mar
	Projection	Actual	Projection	Projection
Total Revenue	\$40,028	\$40,974	\$23,940	\$20,611
Total Expenditures	(\$36,698)	(\$36,929)	(\$19,531)	(\$20,098)
Net Total Exp/Rev	\$3,330	\$4,045	\$4,409	\$513
Beginning Cash Balance	\$46,025	\$46,025	\$54,592	\$59,001
End of Month Cash Balance*	\$49,355	\$54,592	\$59,001	\$59,514
Less: Dedicated Funds	(\$17,106)	(\$17,499)	(\$17,677)	(\$17,677)
End of Month Main Cash Balance	\$3,249	\$37,093	\$41,324	\$41,837
Available GF Appr	\$76,088	\$79,456	\$72,464	\$65,472
Available Resources	\$108,337	\$116,549	\$113,788	\$107,309

Accounts Payable

Department-wide expenditure activity decreased since the last reporting period (Figure 2), which is consistent with the department’s fire season activity. The fire season was slower this year therefore seeing less invoices to pay and invoices were paid earlier in the year.

Figure 2 - Accounts Payable as of February 16, 2024



Accounts Receivable

Between January and December, there was a net increase of \$2 million in the total accounts receivable balance (Figure 3).

Accounts older than 120 days equate to \$29.4 million, or 63% of the total balances owed to ODF (Figure 4). Of these accounts, the majority are due from FEMA (\$12.5 million), federal partners (\$19.8 million), and private parties for cost recovery (\$12.9 million).

Figure 3 - Accounts Payable as of February 16, 2024

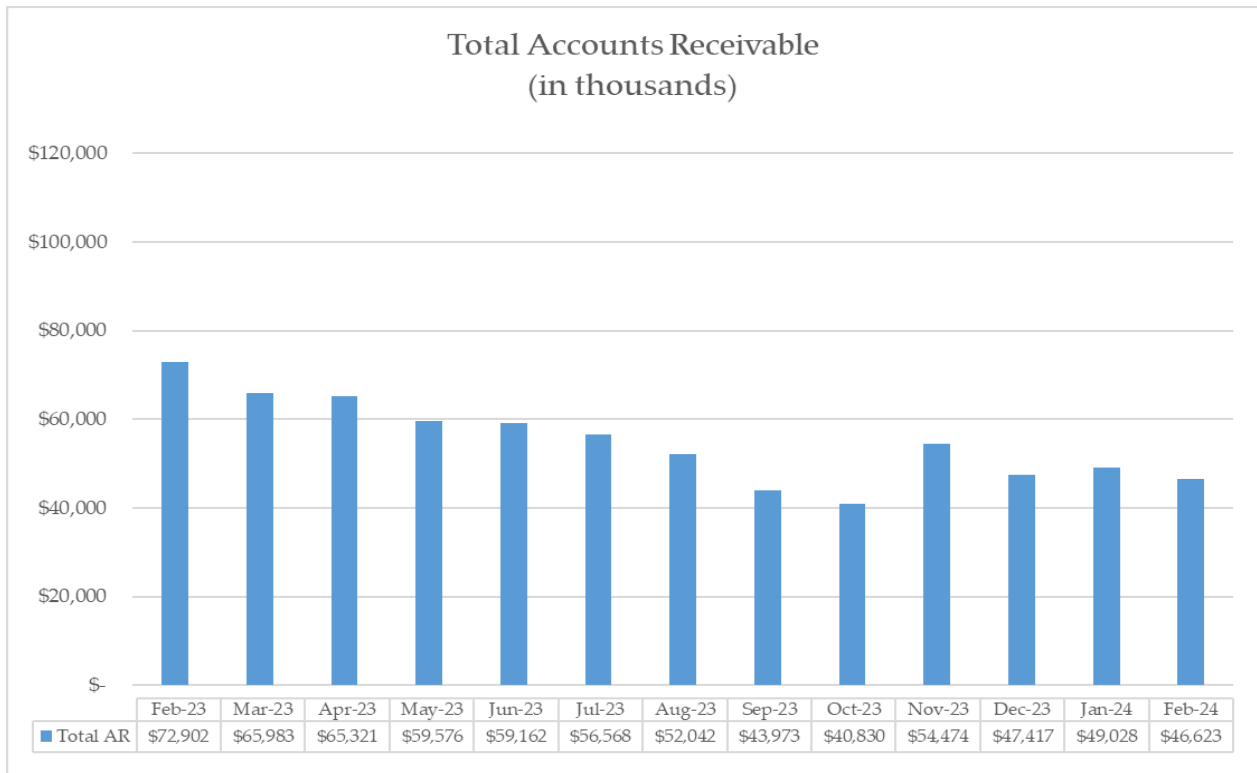
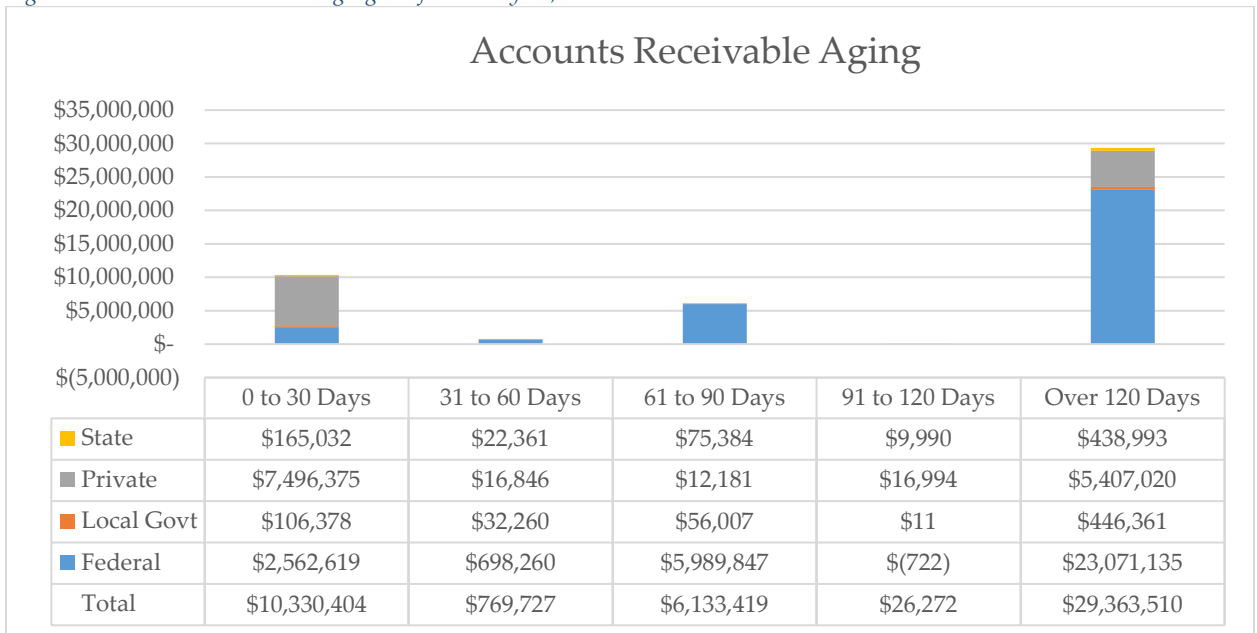


Figure 4 – Accounts Receivable Aging as of February 16, 2024



Fire Costs

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Fire Protection Large Fire Cost Summary							
Fire Season	2018	2019	2020	2021	2022	2023	Total
Fire Costs	108.12	33.66	139.85	149.18	53.82	90.85	575.48
Currently Invoiced	(0.16)	(0.16)	(10.98)	(5.01)	(6.05)	(0.67)	(23.03)
Outstanding to Invoice	(0.06)	(0.49)	(1.67)	(4.14)	(19.57)	(79.53)	(105.46)

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 the fire funding framework, 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 February 26th, 31 grant applications totaling \$11.8 million have been submitted to FEMA, of which \$11.8 million are obligated grant applications pending ODEM audit/review and distribution to ODF.

FEMA grant applications not yet submitted.

An additional \$5.8 million in estimated FEMA-PA and FMAG grant applications (18) have yet to be submitted to FEMA. This includes estimated fire costs for the 2023 fire season. Nine FEMA-FMAG applications associated with administrative costs (\$325,000) cannot be forwarded to FEMA until all ODF and subrecipient grants have been obligated by FEMA.

Nine FEMA grant applications (\$5.5 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