

Agenda Item No:	4
Work Plan:	Administrative
Topic:	Financial Dashboard
Presentation Title:	Department Financial Report for June, July, August 2024
Date of Presentation:	September 4, 2024
Contact Information:	James Short, Department Chief Financial Officer (503) 302-8478, 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.

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 June 2024
- 2) Department of Forestry Financial Report for July 2024
- 3) Department of Forestry Financial Report for August 2024 (available before meeting)

July 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

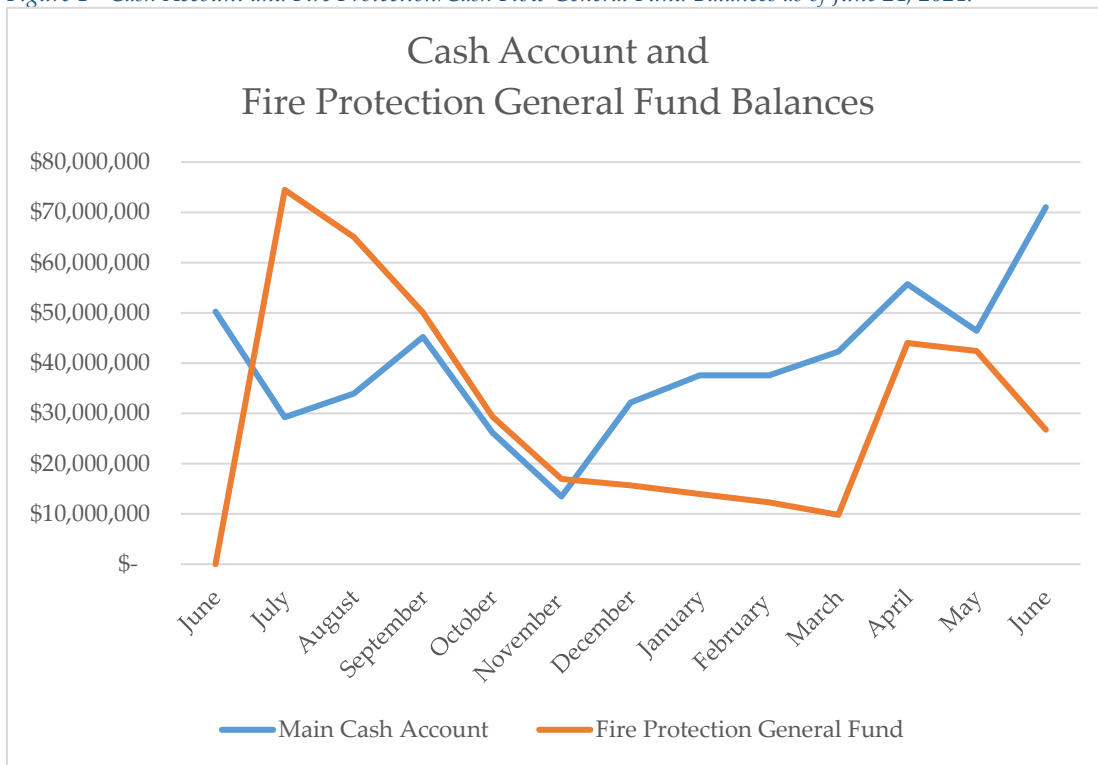
Re: Oregon Department of Forestry (ODF)—Monthly financial condition report

Dear Co-Chairs,

Cash and General Fund Balances

As of June 25, ODF’s principal cash account balance was \$71 million, and the 2023-25 Protection Division General Fund appropriation balance was \$26.73 million (Figure 1). Between April and May, there was a increase of 24.58 million to the cash account balance, and the Protection Division General Fund balance had a net decrease of \$15.65 million.

Figure 1 - Cash Account and Fire Protection/Cash Flow General Fund Balances as of June 24, 2024.



Financial Projections

Net financial activity for May 2024 resulted in a net increase of \$15.8 million to the department's end of month cash balance (Table 1). In April, ODF received additional GF funding related to the 2023 fire season. In May, eligible expenditures will be moved to fire protection GF appropriation causing an increase to the end of month cash balance.

Table 1 - Financial Projections as of June 24, 2024(in thousands)

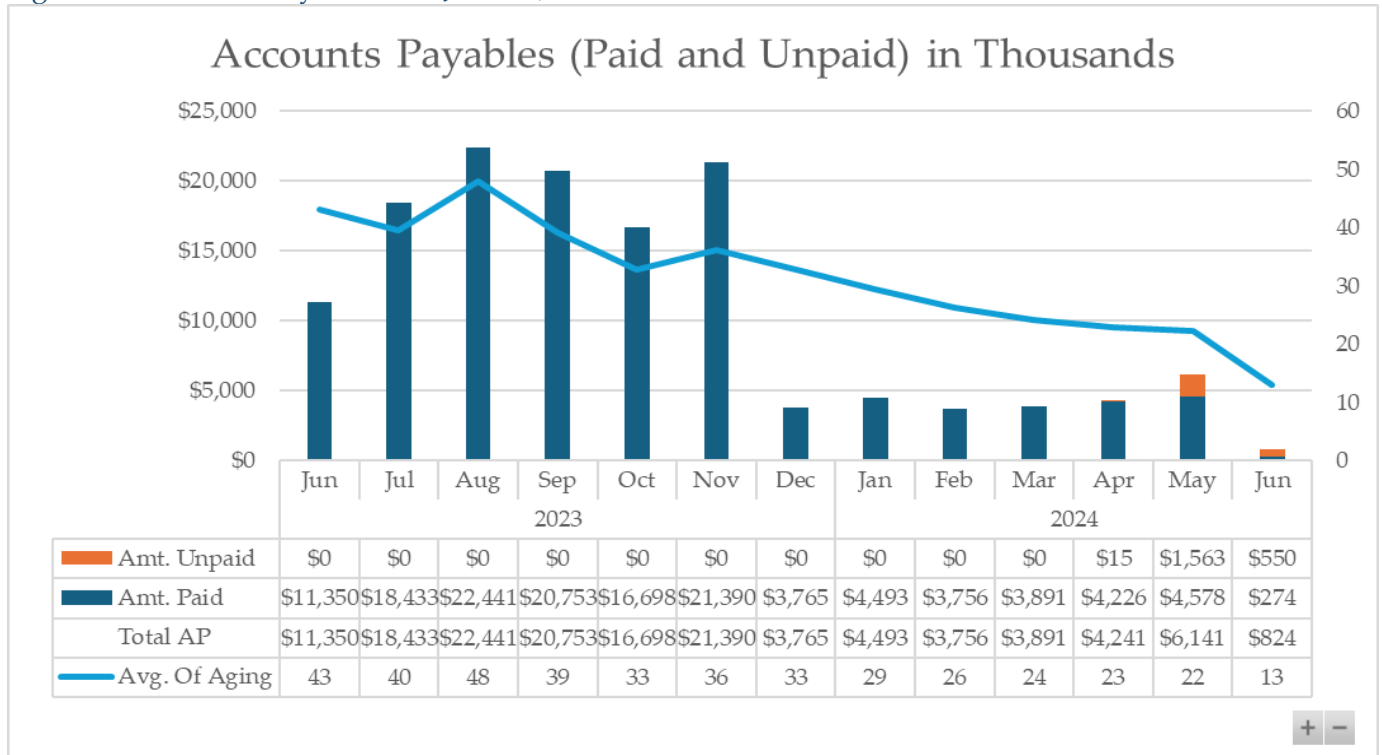
	24-May		24-Jun	24-Jul
	Projection	Actual	Projection	Projection
Total Revenue	\$39,312	\$31,846	\$28,452	\$27,854
Total Expenditures	(\$19,224)	(\$16,012)	(\$17,768)	(\$40,419)
Net Total Exp/Rev	\$20,088	\$15,834	\$10,684	(\$12,565)
Beginning Cash Balance	\$54,992	\$54,992	\$72,750	\$83,434
End of Month Cash Balance*	\$75,079	\$72,750	\$83,434	\$70,869
Less: Dedicated Funds	(\$18,177)	(\$19,798)	(\$19,177)	(\$19,177)
End of Month Main Cash Balance	\$56,902	\$52,952	\$64,257	\$51,692
Available GF Appr	\$79,034	\$82,527	\$75,535	\$68,543
Available Resources	\$135,936	\$135,478	\$139,792	\$120,235

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

Accounts Payable

Department-wide expenditure activity decreased since the last reporting period (Figure 2), which is consistent with the time of year. As the department prepares for the 2024 fire season, an increase in accounts payable balances is anticipated.

Figure 2 - Accounts Payable as of June 24, 2024



Accounts Receivable

Between May and June, there was a net decrease of \$14,213,634 in the total accounts receivable balance (Figure 3).

Accounts older than 120 days equate to \$17.12 million, or 68.1% of the total balances owed to ODF (Figure 4). Of these accounts, the majority are due from FEMA (\$2 million), other federal partners (\$9.8 million), and private parties for cost recovery (\$4.5 million).

Figure 3 - Accounts Receivable as of June 24, 2024

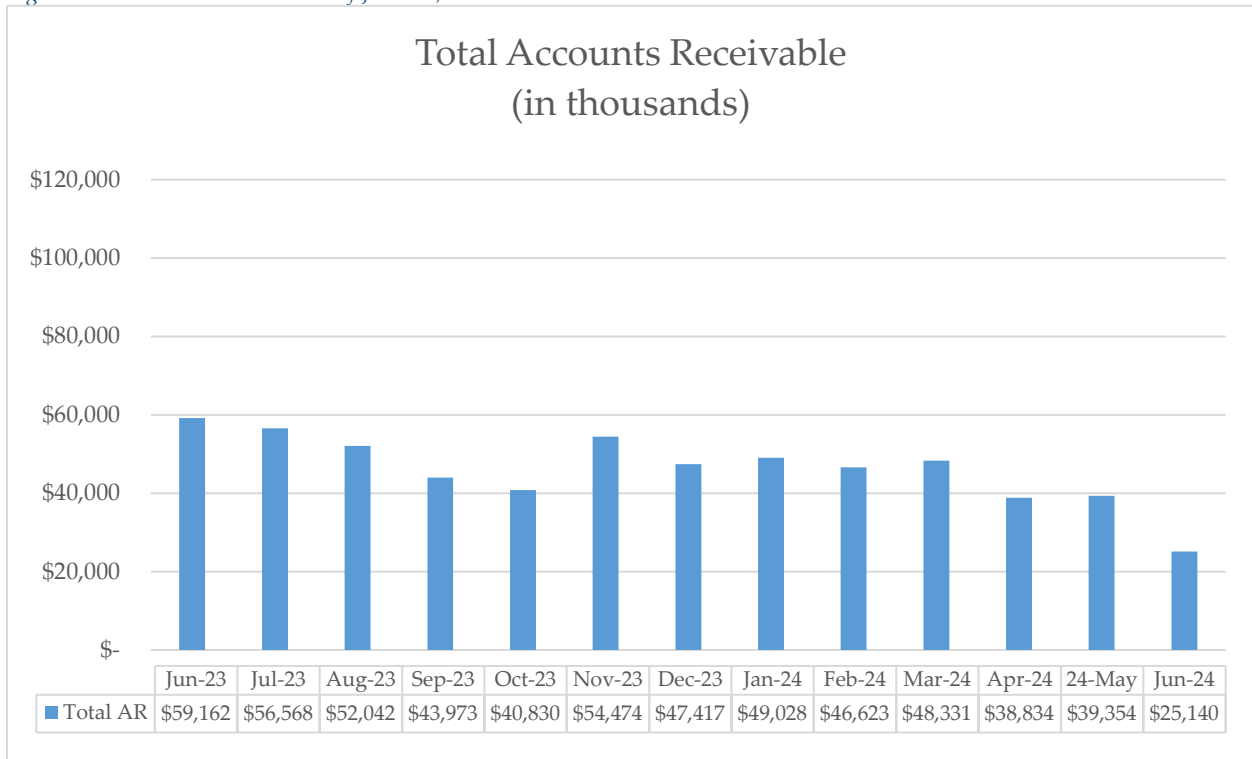
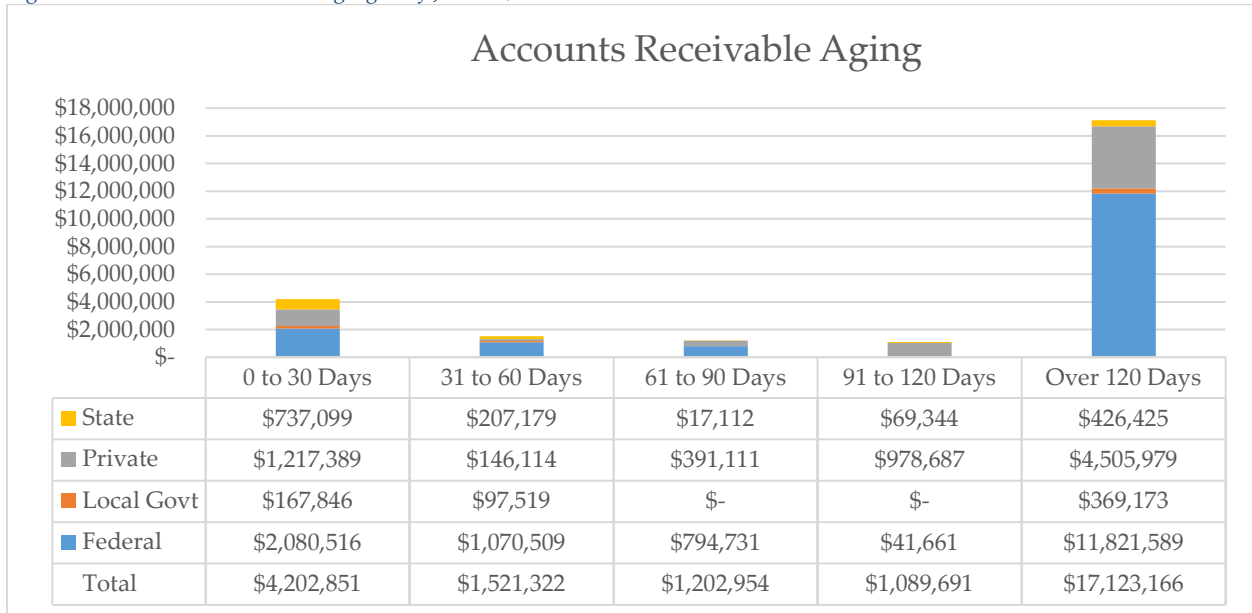


Figure 4 – Accounts Receivable Aging as of June 24, 2024



Fire Costs

Table 2 – Gross Fire Cost Summary (red indicates estimates – in millions) as of June 24, 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	53.49	92.61	576.91
Currently Invoiced	(0.08)	(0.15)	(5.54)	(3.22)	(4.49)	(1.36)	(14.84)
Outstanding to Invoice	(0.04)	(0.49)	(0.87)	(3.77)	(18.00)	(48.24)	(71.41)

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 June 24, 2024, 12 grant applications totaling \$2.6 million have been submitted to FEMA, of which \$1.47 million are obligated grant applications pending ODEM audit/review and distribution to ODF.

FEMA grant applications not yet submitted.

An additional \$4.42 million in estimated FEMA-PA and FMAG grant applications (12) 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.

Three FEMA grant applications (\$4.09 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



August 1, 2024

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

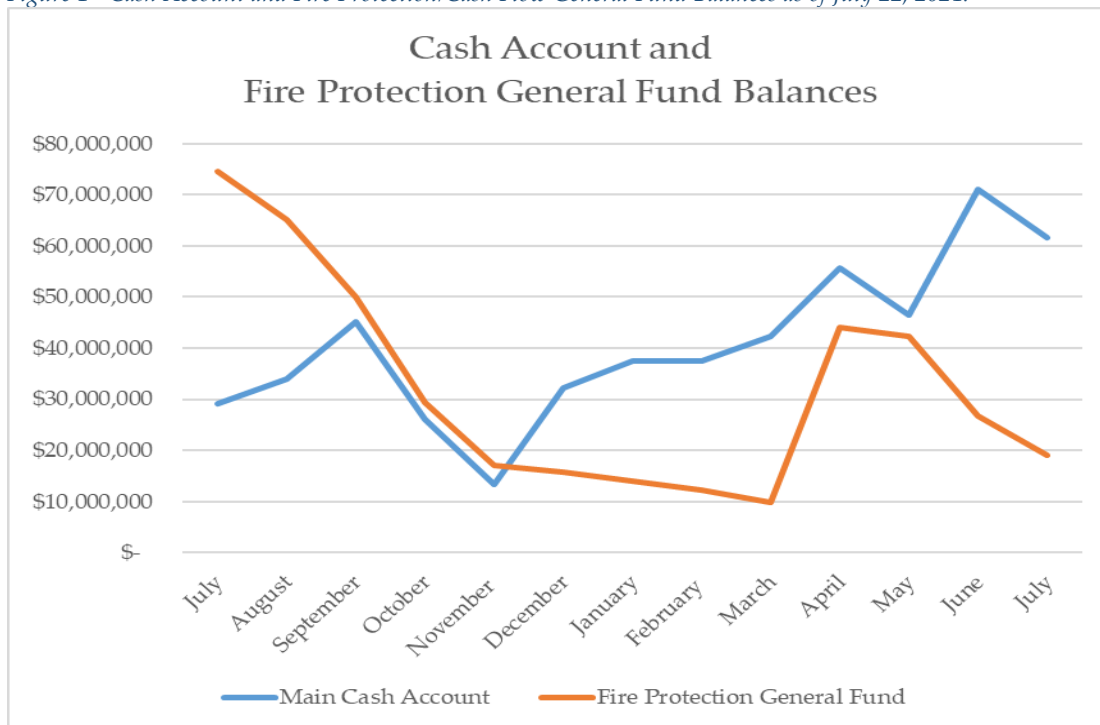
Re: Oregon Department of Forestry (ODF)—Monthly financial condition report

Dear Co-Chairs,

Cash and General Fund Balances

As of July 22, ODF's principal cash account balance was \$61 million, and the 2023-25 Protection Division General Fund appropriation balance was \$19 million (Figure 1). Between June and July, there was a decrease of 9.5 million to the cash account balance, and the Protection Division General Fund balance had a net decrease of \$7.7 million.

Figure 1 - Cash Account and Fire Protection/Cash Flow General Fund Balances as of July 22, 2024.



Financial Projections

Net financial activity for June 2024 resulted in a net increase of \$9.6 million to the department's end of month cash balance (Table 1).

Table 1 - Financial Projections as of July 22, 2024(in thousands)

Table 1 Financials Projections:

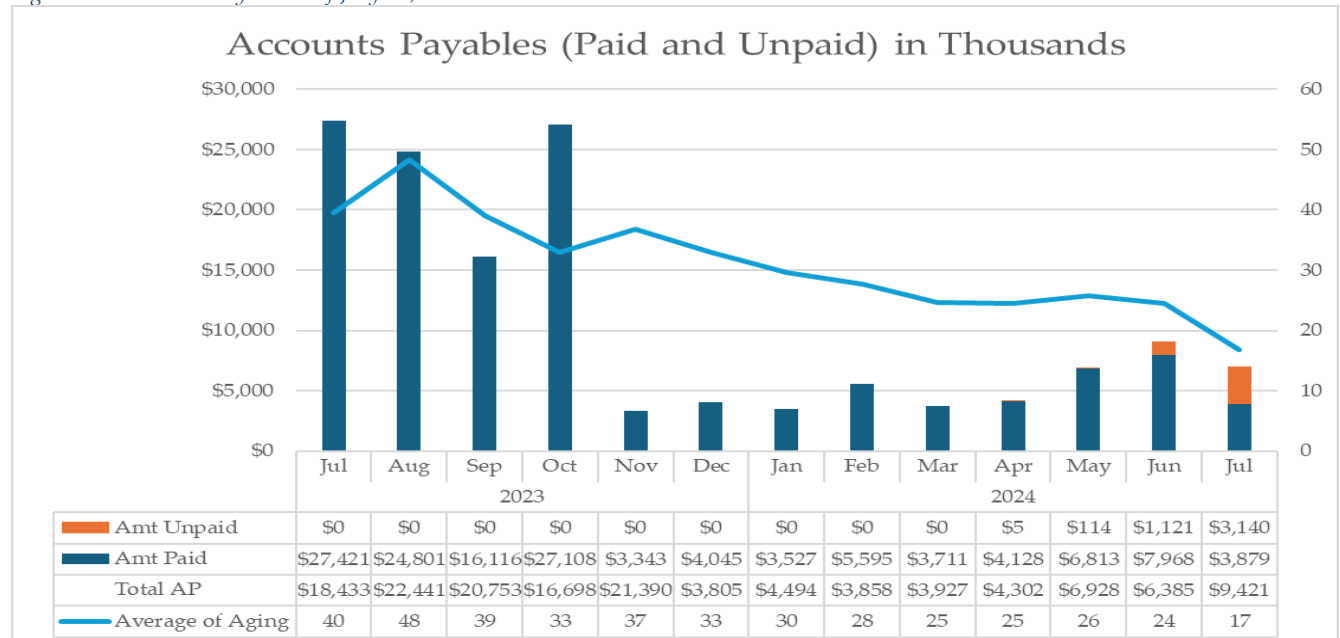
	24-Jun		24-Jul	24-Aug
	Projection	Actual	Projection	Projection
Total Revenue	\$28,452	\$28,732	\$27,854	\$27,847
Total Expenditures	(\$17,768)	(\$19,090)	(\$51,442)	(\$33,062)
Net Total Exp/Rev	\$10,684	\$9,642	(\$23,588)	(\$5,215)
Beginning Cash Balance	\$72,750	\$72,750	\$87,379	\$63,791
End of Month Cash Balance*	\$83,434	\$87,379	\$63,791	\$58,576
Less: Dedicat ed Funds	(\$19,177)	(\$24,910)	(\$25,000)	(\$25,000)
End of Month Main Cash Balance	\$64,257	\$62,469	\$38,791	\$33,576
Available GF Appr	\$75,535	\$76,631	\$62,543	\$54,193
Available Resources	\$139,792	\$139,100	\$101,334	\$87,769

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

Accounts Payable

Department-wide expenditure activity marginally decreased since the last reporting period (Figure 2), which is consistent with the time of year. As the department prepares for the 2024 fire season, an increase in accounts payable balances is anticipated.

Figure 2 - Accounts Payable as of July 26, 2024



Accounts Receivable

Between May and June, there was a net increase of \$6,418 in the total accounts receivable balance (Figure 3).

Accounts older than 120 days equate to \$17.1 million, or 54.3% of the total balances owed to ODF (Figure 4). Of these accounts, the majority are due from FEMA (\$3.5 million), other federal partners (\$15.6 million), and private parties for cost recovery (\$10.9 million).

Figure 3 - Accounts Receivable as of July 22, 2024

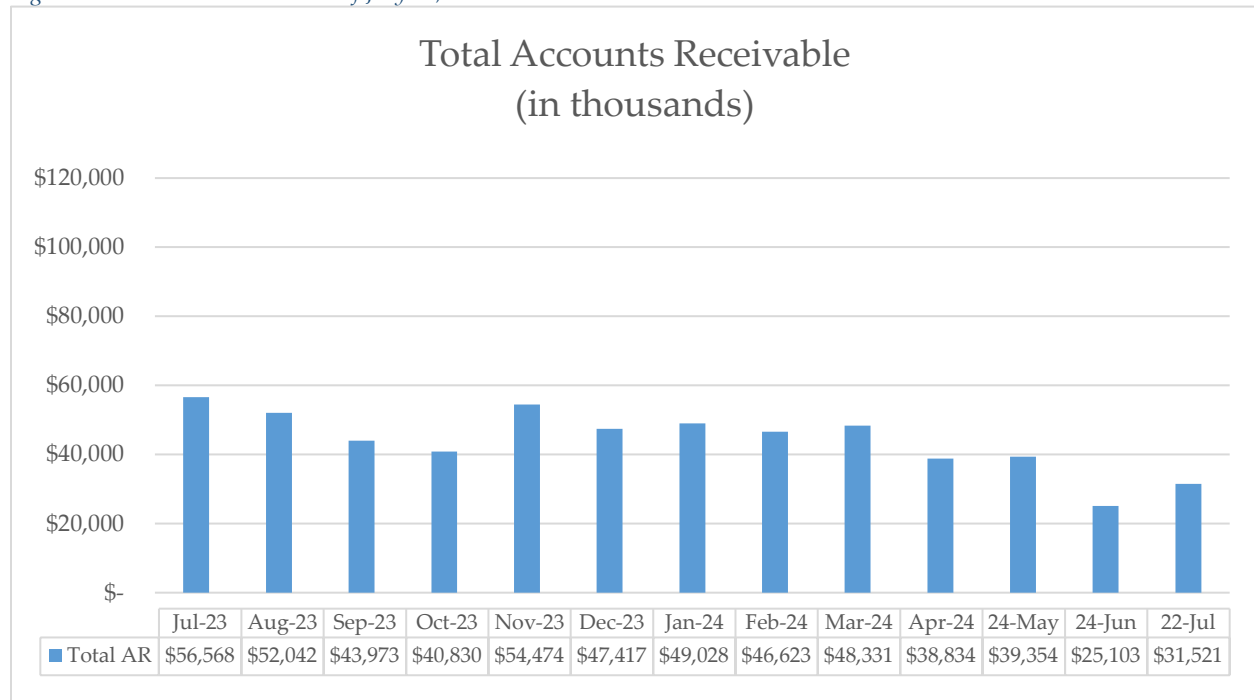
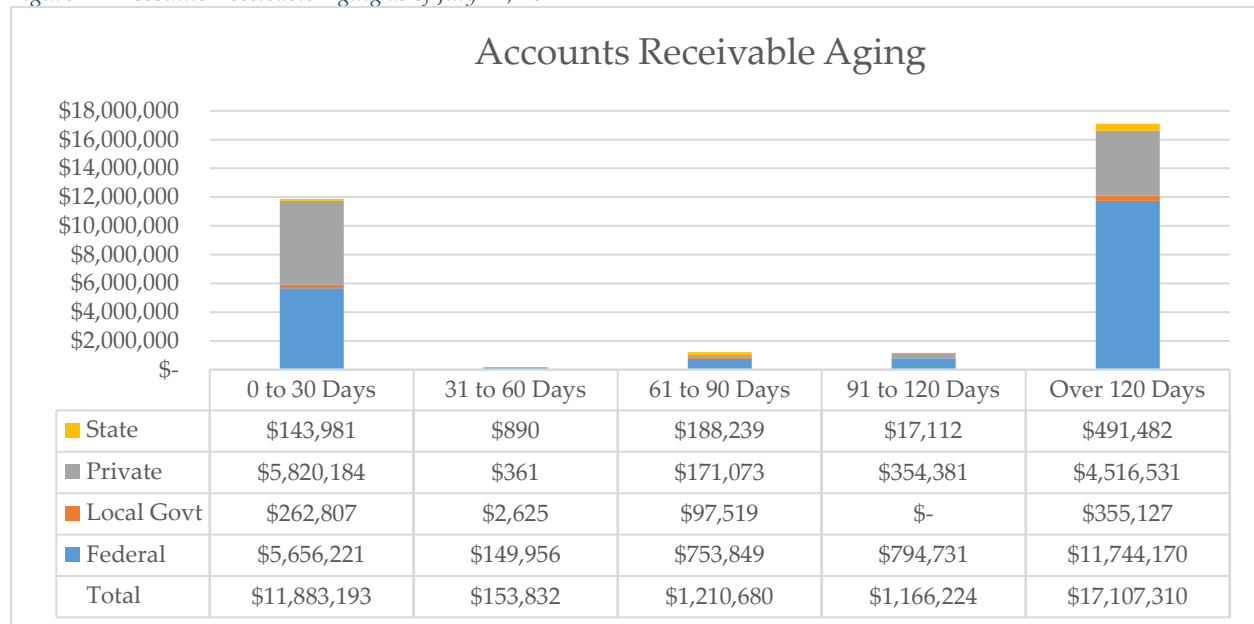


Figure 4 – Accounts Receivable Aging as of July 22, 2024



Fire Costs

Table 2 – Gross Fire Cost Summary (red indicates estimates – in millions) as of July 23, 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	53.49	93.13	577.43
Currently Invoiced	(0.08)	(0.15)	(5.54)	(2.22)	(5.53)	(3.95)	(17.47)
Outstanding to Invoice	(0.04)	(0.49)	(0.87)	(3.77)	(16.93)	(45.38)	(67.48)

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.

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FEMA grant applications not yet submitted.

An additional \$4.42 million in estimated FEMA-PA and FMAG grant applications (12) 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.

Three FEMA grant applications (\$4.09 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