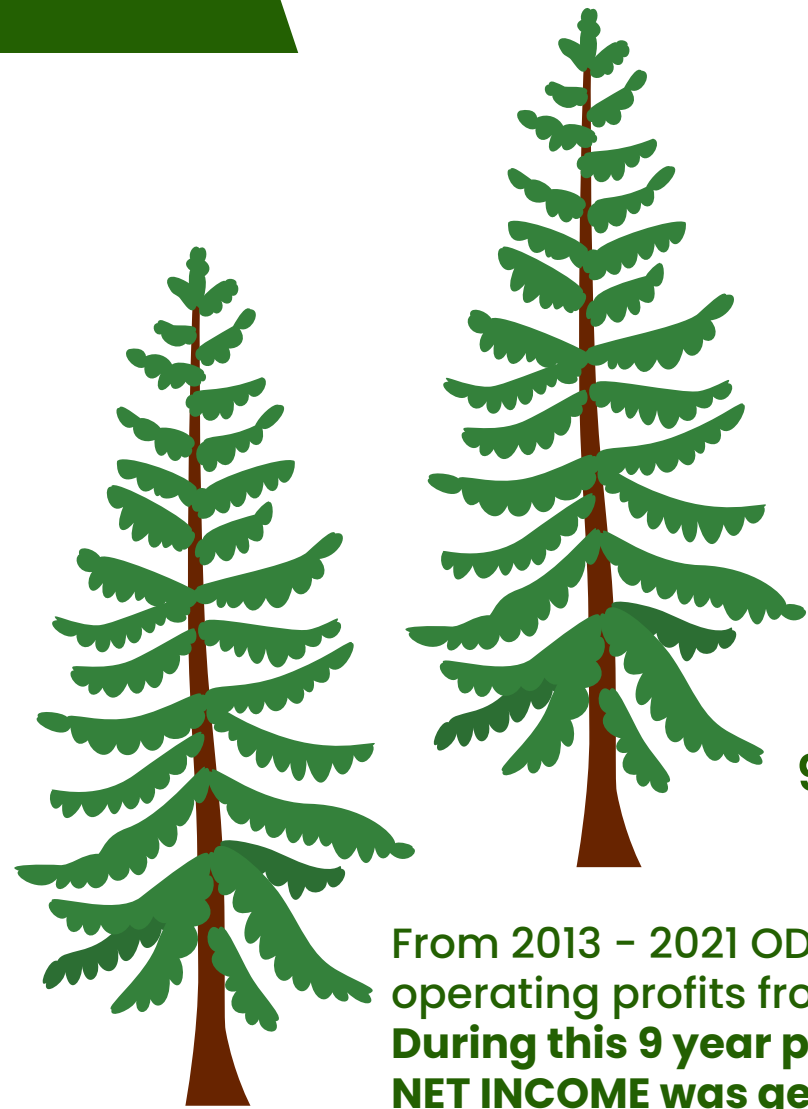


State Lands Managed by ODF 15 year Summary



2013 – 2021
9 years Actual

From 2013 – 2021 ODF created net operating profits from State Lands. During this 9 year period \$38.30 million of NET INCOME was generated for the benefit of Counties and ODF.

TOTAL REVENUE:	\$926.20 MILLION
Revenue to Counties:	\$582 million
Revenue to ODF:	\$338.50 million
ODF Expenses:	\$300 million
NET INCOME:	\$38.30 MILLION

Remember this is a \$6 billion asset we do NOT pay principal, interest or taxes on like the private sector.

Question: Relative to 2023, ODF shows revenue increasing in '24, '25 and '26, but they show timber volumes trending down?



Current Financials Oregon State Lands

Summary of numbers from
Kevin Haase report dated
8/28/23

2022 – 2026
2 years Actual
+3 years projections

In 2022 and 2023 ODF's Net operating losses on State Lands were \$13.5 million. ODF projects total losses from '22 – '26 of \$21.2 million.

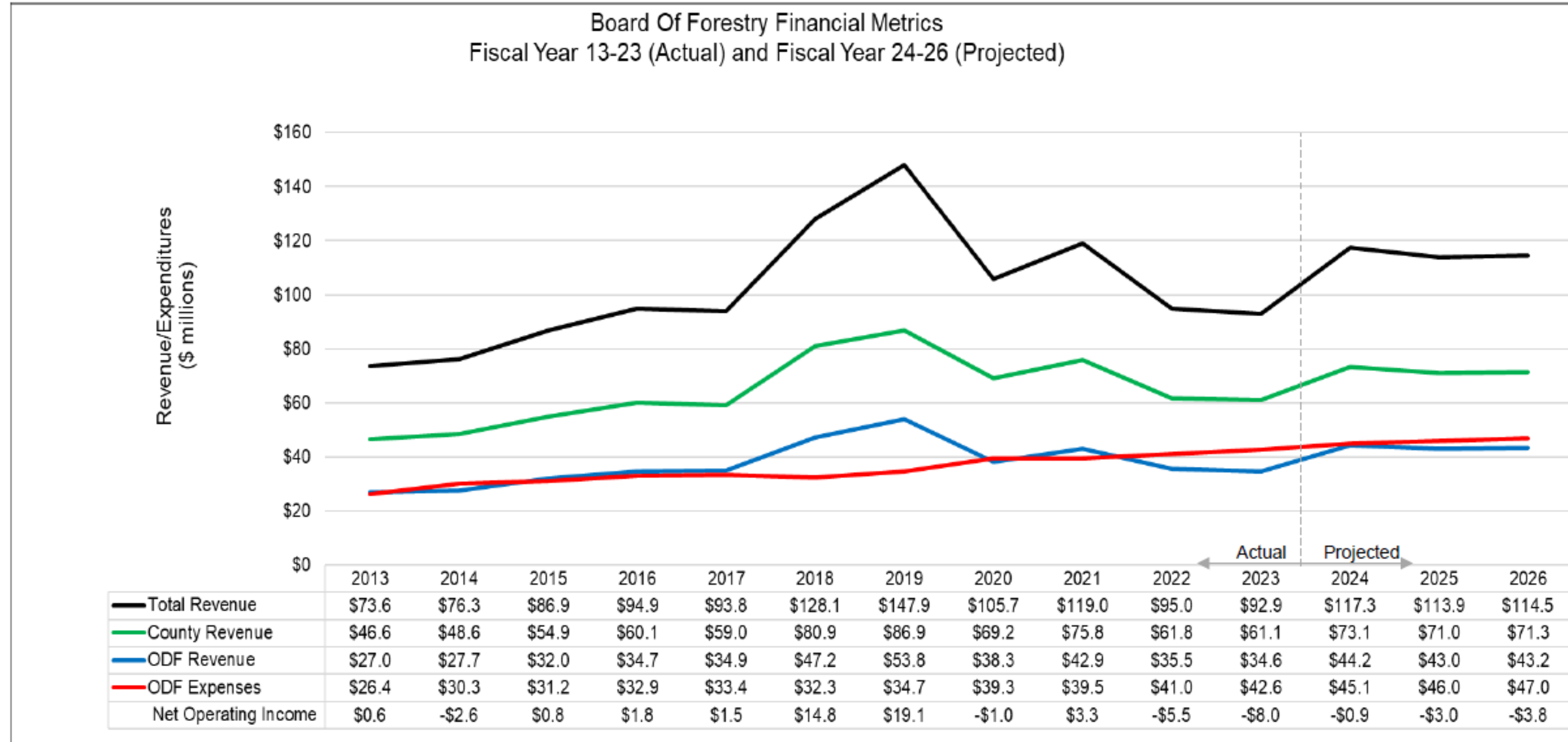
TOTAL REVENUE:	\$533.6 MILLION
Revenue to Counties:	\$338.3 million
Revenue to ODF:	\$200.5 million
ODF Expenses:	\$221.7 million
NET INCOME:	\$21.2 MILLION

While average annual total revenue, revenue to counties, and revenue to ODF increase by 3.71%, 4.62%, 6.62% respectively, between the 2013 – 2021 and 2022 – 2026 periods, respectively, total net income for those periods goes from POSITIVE \$38.3 million to negative (\$21.2 million).

If we look at 2017 – 2026 (10 years) we go from 5 years of positive net income \$37.7 million to \$21.2 million of negative net income. This is a \$58.9 million swing in 10 years.

ODF Graphic, Kevin Haase, 8/28/2023

Supporting Calculations on Prior Page



The 2024, '25, and '26 numbers are premised on harvest volumes of 255, 235, and 238 mmbf, respectively, well above the implementation plan target of 187 mmbf given projected holdover volume from sales under prior IPs. However, correspondence with ODF indicates FY24 harvest is presently on pace to equal only 192 mmbf. Boyd, December 29, 2023.

Question: Why has ODF not projected revenue and expense beyond 2026? Is it because that's when contracted volume under the prior (i.e., higher volume) implementation plans runs out?

ANNUAL Financial Impact to ODF at Different HCP Harvest Levels

	Scribner MBF	Assumes Stumpage \$/MBF 10 Yr Avg. \$446 Mkt Today ~\$530	Gross Harvest Revenue	ODF Share 36.25%	ODF Reduction from 10 year Ave.
Harvest Level Last 10 Years	250,000*	\$446	\$111,500,000	\$40,418,750	\$0
		\$530	\$132,500,000	\$48,031,250	\$0
HCP Outcome 1**	185,000	\$446	\$82,510,000	\$29,909,875	-\$10,508,875
		\$530	\$98,050,000	\$35,543,125	-\$12,488,125
HCP Outcome 2***	167,000	\$446	\$74,482,000	\$26,999,725	-\$13,419,025
		\$530	\$88,510,000	\$32,084,875	-\$15,946,375
HCP Outcome 3****	150,000	\$446	\$66,900,000	\$24,251,250	-\$16,167,500
		\$530	\$79,500,000	\$28,818,750	-\$19,212,500

* Actual 249.3 MMBF, CFTLC Report, 2023

** ODF Scenario 1, District Scale

*** ODF Scenario 1, 50% HCA Harvest

**** ODF Scenario 1, 0% HCA Harvest

Question: Why has ODF not modeled the other alternatives analyzed under the Draft Environmental Impact Statement, and instead only modeled management scenarios under ODF's preferred alternative?

ANNUAL Financial Impact to Counties & Education At Various Harvest Levels

	Scribner MBF	Assumes Stumpage \$/MBF 10 Yr Avg. \$446 Mkt Today ~\$530	Gross Harvest Revenue	Total County Share @ 63% Actual 63.75%	County Reduction From 10 Yr Ave.	Total Reduction to Counties & ODF*	Biennial Reduction to Counties & ODF*
Harvest Level Last 10 Years	250,000	\$446 \$530	\$111,500,000 \$132,500,000	\$71,081,250 \$84,468,750	\$0 \$0	\$0 \$0	\$0 \$0
HCP Outcome 1	185,000	\$446 \$530	\$82,510,000 \$98,050,000	\$52,600,125 \$62,506,875	\$18,481,125 \$21,961,875	-\$28,990,000 -\$34,450,000	-\$57,980,000 -\$68,900,000
HCP Outcome 2	167,000	\$446 \$530	\$74,482,000 \$88,510,000	\$47,482,275 \$56,425,125	\$23,598,975 \$28,043,625	-\$37,018,000 -\$43,990,000	-\$74,036,000 -\$87,980,000
HCP Outcome 3	150,000	\$446 \$530	\$66,900,000 \$79,500,000	\$42,648,750 \$50,681,250	\$28,432,500 \$33,787,500	-\$44,600,000 -\$53,000,000	-\$89,200,000 -\$106,000,000

* Not factored into the above REDUCTIONS:

Actual job losses.

Actual mill closures.

The multiplier impact of these logs not being processed in the rural mills.

Additional burnable fuels and large fire cost potential.

Reduced logs available to mills for affordable lumber for Oregon homes.

ODF Financial Challenges

*\$95.2 million 6 year average gross fire cost (2018 – 2023).

*\$116.3 million LEFT TO INVOICE Gross Fire Costs (2018–2023 costs).

*Accounts Receivable of \$54.5 million with 53% over 120 days out, FEMA remains slow pay.

*Outstanding loan of \$50 million to the E board remains unpaid.

*Inflation and PERS impacting costs (see page 1).

*State lands is going from \$37.7 million of POSITIVE net operating income (2017 – 2021); to actual losses in '22 & '23 of (\$13.5 million) and actual/projected losses of (\$22.2 million) '22 – '26,

*ODF has not received dollars from the Oregon Legislature for large new requests; we have not received a big fire fund; a line of credit; or new sources of revenue.

*HCP would drop ODF ANNUAL revenues \$10,500,000– \$19,200,000 depending on the various options. This is \$21,000,000 – \$38,400,000 million for the biennium.

