



April 13, 2018

Senator Bill Ingebrigtsen, Chair
Senator David Tomassoni, Ranking Minority Member
Environment and Natural Resources Finance Committee

Senator Carrie Ruud, Chair
Senator Chris Eaton, Ranking Minority Member
Environment and Natural Resources Policy and Legacy Finance Committee

Representative Dan Fabian, Chair
Representative Rick Hansen, Ranking Minority Member
Environment and Natural Resources Policy and Finance Committee

Dear Senators and Representatives:

Please find attached the 2017 Legislative Report from the Department of Natural Resources (DNR) State Forest Nursery Program, as required in *Minnesota Statutes 2017*, chapter 89, section 89.36, subdivision 4 (July 1, 2016–June 30, 2017). This report provides information related to the production of planting stock at state nurseries, including sale figures, income figures, and expenses for operations and administration. An electronic copy of this report has been sent to the Legislative Reference Library and also will be posted on the DNR's [webpage for legislative reports](#).

If you have questions regarding this material or need additional information, please contact DNR Forestry Director Forrest Boe at 651-259-5615 or Business and Administration Section Manager Ed Potter at 651-259-5254.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tom Landwehr'.

Tom Landwehr
Commissioner

Cc: Committee Administrators
Legislative Reference Library



2017 Legislative Report

State Forest Nursery Program

3/20/2018

Department of Natural Resources
Division of Forestry, State Forest Nursery
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As requested by Minnesota Statute 3.197: This report cost approximately \$1,200 to prepare, including staff time, printing and mailing expenses.

Upon request, this material will be made available in an alternative format such as large print, Braille or audio recording. Printed on recycled paper.

Statutory Provisions

89.37 PRODUCING AND PROCURING PLANTING STOCK

Subd. 4. **Annual report.** The commissioner (of natural resources) shall submit an annual report to the legislature (by April 15 of each year) relating to the production of planting stock at state nurseries. The report must include the following: sale figures; income figures; and expenses for operations and administration.

3.197 Required Reports

A report to the legislature must contain, at the beginning of the report, the cost of preparing the report, including any costs incurred by another agency or another level of government.

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Fiscal Year 2017 Executive Summary

The Minnesota State Forest Nursery, located ten miles south of Akeley in the Badoura State Forest, sold 3.2 million tree and shrub seedlings in fiscal year 2017, down 2 million seedlings from fiscal year 2016. Planting on public lands—which include state, county, federal, and tribal ownerships—accounted for 56 percent of total sales, or 1,810,295 seedlings. Private and industrial landowners comprised the remaining 44 percent of sales, or 1,393,800 seedlings.

A *Diploida* outbreak in 2016, impacting red pine seedling health, was the main contributor to seedling sale decline. *Diploida* is a naturally occurring fungus that causes shoot blight and mortality in seedlings. The outbreak caused approximately 1.5 million seedlings to be destroyed until the *Diploida* infection abated.

In fiscal year 2017, Nursery receipts totaled \$1,546,384.00 and expenditures totaled \$1,953,218.13. No price increases occurred in 2017. Price increases in seed and seedlings are anticipated in Fiscal Year 2018 to assist in covering production costs and additional disease testing.

The State Forest Nursery annual seedling production goal remains at 5.8-6.0 million seedlings. Current production cannot fulfill all seedling requests and increased production will be required to both meet reforestation needs and ensure the Nursery's long-term financial viability. To meet both public and private landowner demands, the Nursery will need to increase both hardwood and conifer seedling production.

Fiscal year 2018 sales are anticipated to be at or above 2017 levels. Sales are expected to fully recover operating costs in fiscal year 2019.

A new nursery supervisor was hired in March 2017. The DNR is now reviewing several aspects of Nursery operations to improve efficiency and reduce costs, including: a new, more cost-effective approach to extracting seed from cones; alternatives for early season frost protection; and a significant staff reorganization to reduce costs and fill needed skill gaps.

The balance forward in the State forest Nursery Account, as shown in Table 5 on Page 13, is \$1,495,898. This amount is anticipated to be adequate to maintain the self-sufficiency of the State Forest Nursery program in fiscal year 2018.

Kristina Somes, State Forest Nursery Supervisor

Ed Potter, Business and Administration Section Manager, Division of Forestry.

Introduction

State Forest Nursery Program, Division of Forestry

The Minnesota State Forest Nursery program began producing conservation-grade seedlings for reforestation in the early 1930s, with more than 1 billion seedlings produced and planted by 2009. Through 2017, public land managers and private landowners have purchased and planted more than 1.044 billion seedlings.

Beginning July 1, 2014, the State Forest Nursery program transitioned from a two-nursery to a one-nursery statewide distribution program. All seedlings are now produced solely at the nursery located on the Badoura State Forest, located 10 miles south of Akeley in southern Hubbard County.

The Department of Natural Resources is required by law (*Minnesota Statutes*, section 89.36, subd. 4) to submit an annual report to the Minnesota Legislature on state forest nursery seedling production:

PRODUCING AND PROCURING PLANTING STOCK

Subd. 4. Annual report. The commissioner (of natural resources) shall submit an annual report to the legislature (by April 15 of each year) relating to the production of planting stock at state nurseries. The report must include the following: sale figures; income figures; and expenses for operations and administration.

Copies of the report must be filed with the Legislative Reference Library and made available to the public. The commissioner shall also provide any additional information requested by the Legislature relating to the production of planting stock at the State Forest Nursery. *Minnesota Statutes* section 89.36, subd.1 also requires the State Forest Nursery to limit its production to not more than 10 million seedlings each year. In addition to producing seedlings, the State Forest Nursery has purchased between 100,000 and 1 million seedlings each year from private producers for resale. Seedlings purchased from the State Forest Nursery are to be used to establish or reforest wood lots, windbreaks, and shelterbelts or used for erosion control, soil and water conservation, environmental education, or permanent food and cover for wildlife.



Our mission is to produce bare-root seedlings that are Minnesota-hardy, high quality, and reasonably priced for public and private landowners. We are dedicated to helping protect the sustainability of Minnesota's diverse forest resources and continuing our state's proud tree planting heritage.

State Forest Nursery Mission Statement

Sales and Production Summary, Fiscal Year 2017

Table 1: Seedlings Produced, Purchased, and Sold

| Type | Number | Percent |
|--|------------------|-------------|
| Seedlings Produced and Sold by the State Forest Nursery | 2,800,245 | 87% |
| Seedlings Traded and/or Purchased and Sold by the State Forest Nursery | 403,850 | 13% |
| Total | 3,204,095 | 100% |

Figure 1: Seedlings Produced, Purchased, and Sold

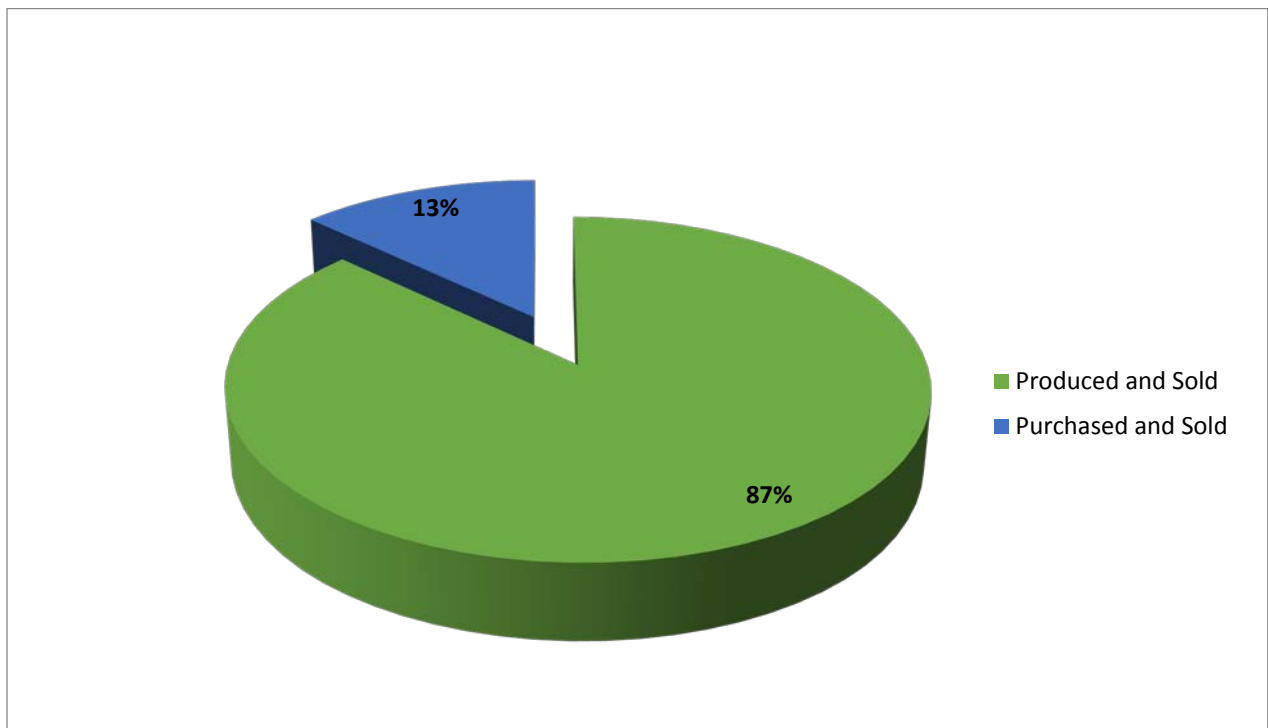


Table 2: Seedling Distribution

| Type | Number | Percent |
|---------------------------------|------------------|-------------|
| Seedlings sold to Public Lands | 1,810,295 | 56% |
| Seedlings sold to Private Lands | 1,393,800 | 44% |
| Total | 3,204,095 | 100% |

Figure 2: Seedling distribution

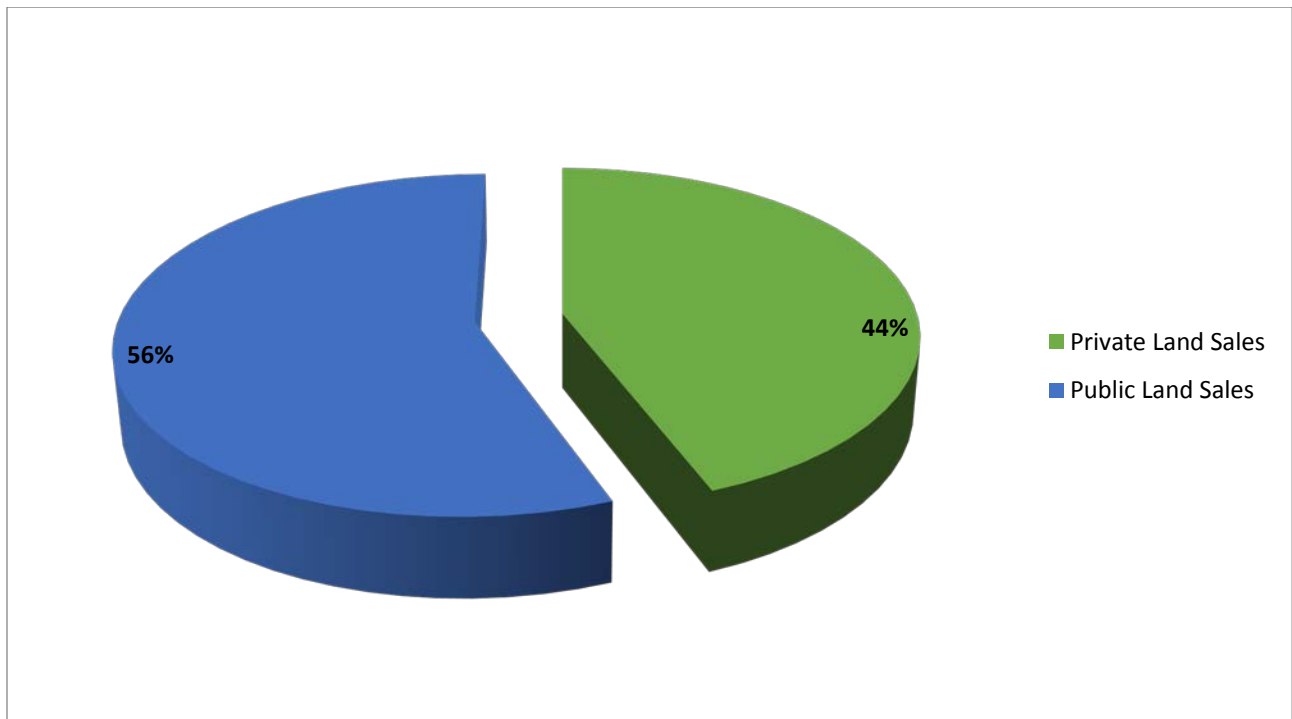
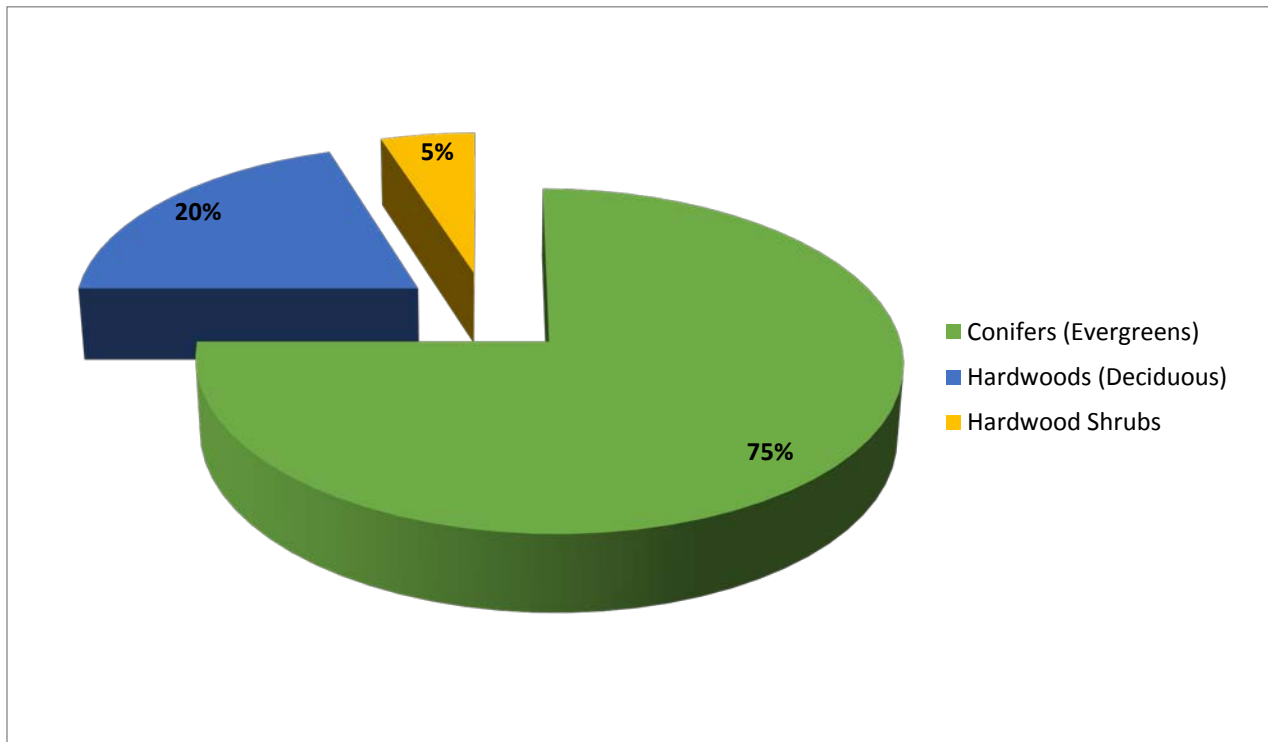


Table 3: Seedling Types

| Type | Number | Percent |
|-----------------------|------------------|-------------|
| Conifers (Evergreens) | 2,414,450 | 75% |
| Hardwoods (Deciduous) | 637,120 | 20% |
| Hardwood Shrubs | 152,525 | 5% |
| Total | 3,204,095 | 100% |

Figure 3: Seedling Types



Summary of Sales by Species and Producer, Fiscal Year 2017

In fiscal year 2017, the State Forest Nursery shipped 3,204,095 trees. Of that number, the State produced 2,800,245 seedlings; 403,850 originated from private producers or trades with other states and/or the federal government.

| Product | State-produced Seedlings | Purchased/Traded Seedlings | Total Seedlings Shipped |
|----------------------|--------------------------|----------------------------|-------------------------|
| NORWAY PINE SMALL | 8,000 | 0 | 8,000 |
| NORWAY PINE 6"+ | 200 | 190,000 | 190,200 |
| NORWAY PINE TR | 73,700 | 0 | 73,700 |
| NORWAY PINE REPELX | 2,700 | 0 | 2,700 |
| WHITE PINE SMALL | 112,400 | 0 | 112,400 |
| WHITE PINE 5"+ | 333,400 | 100,000 | 433,400 |
| WHITE PINE TR | 86,700 | 0 | 86,700 |
| WHITE PINE REPELX | 69,500 | 0 | 69,500 |
| JACK PINE | 371,410 | 0 | 371,410 |
| JACK PINE IMP | 88,500 | 0 | 88,500 |
| JACK PINE IMP REPELX | 64,940 | 0 | 64,940 |
| WHITE SPRUCE 5"+ | 426,900 | 0 | 426,900 |
| WHITE SPRUCE IMP | 212,100 | 0 | 212,100 |
| WHITE SPRUCE TR | 89,100 | 0 | 89,100 |
| BLACK SPRUCE SMALL | 16,850 | 0 | 16,850 |
| BLACK SPRUCE | 12,200 | 0 | 12,200 |
| TAMARACK | 54,600 | 0 | 54,600 |
| BALSAM FIR | 36,600 | 0 | 36,600 |
| WHITE CEDAR TR | 6,600 | 0 | 6,600 |
| WHITE CEDAR | 58,050 | 0 | 58,050 |
| RED OAK | 340,700 | 0 | 340,700 |
| BUR OAK | 39,350 | 0 | 39,350 |

| Product | State-produced Seedlings | Purchased/Traded Seedlings | Total Seedlings Shipped |
|---------------------|---------------------------------|-----------------------------------|--------------------------------|
| WHITE OAK | 27,870 | 20,000 | 47,870 |
| SWAMP WHITE OAK | 8,900 | 0 | 8,900 |
| SILVER MAPLE | 41,600 | 0 | 41,600 |
| RED MAPLE | 36,250 | 0 | 36,250 |
| RIVER BIRCH | 500 | 4,000 | 4,500 |
| KENTUCKY COFFEETREE | 3,000 | 0 | 3,000 |
| PAPER BIRCH | 17,750 | 0 | 17,750 |
| YELLOW BIRCH | 10,500 | 0 | 10,500 |
| SIOUXLAND POPLAR | 12,450 | 0 | 12,450 |
| COTTONWOOD | 10,950 | 0 | 10,950 |
| BLACK WALNUT | 37,450 | 0 | 37,450 |
| BUTTERNUT | 2,750 | 0 | 2,750 |
| TREMBLING ASPEN | 1,100 | 0 | 1,100 |
| SHAGBARK HICKORY | 0 | 9,350 | 9,350 |
| BLACK CHERRY | 0 | 12,650 | 12,650 |
| PIN CHERRY | 13,050 | 0 | 13,050 |
| CHOKECHERRY | 0 | 18,650 | 18,650 |
| JUNEBERRY | 0 | 14,000 | 14,000 |
| WILD PLUM | 18,875 | 20,000 | 38,875 |
| HIGH BUSH CRANBERRY | 14,750 | 0 | 14,750 |
| RED OSIER DOGWOOD | 29,500 | 11,000 | 40,500 |
| GRAY DOGWOOD | 0 | 4,200 | 4,200 |
| NANNYBERRY | 8,500 | 0 | 8,500 |
| TOTALS | 2,800,245 | 403,850 | 3,204,095 |

Basis of Accounting

The State Forest Nursery program is fiscally self-sufficient so that, over time, revenues cover expenditures. The Nursery incurs costs in each year of seedling production. Production can take up to five years for some seedlings, with 70 percent of total production cost incurred in the final year for lifting, packing, and shipping. Fiscal-year sales are defined as the revenues from seedlings *delivered* to customers between July 1 and June 30. Reported fiscal-year costs are the production costs for all of the seedlings in inventory, not just for seedlings that were sold. Additionally, the Nursery purchases a limited number of seedlings for resale from outside sources to create unique wildlife habitat packages or meet demand. A surplus or deficit may occur in a given year but, over time, revenues and expenditures must balance.

89.36 PRODUCING AND PROCURING PLANTING STOCK

Subdivision 1. Production at state nurseries. The commissioner of natural resources may produce tree planting stock for the purposes of sections 89.35 to 89.39 upon any lands under control of the commissioner which may be deemed suitable and available therefore so far as not inconsistent with other uses to which such lands may be dedicated by law. The commissioner may not produce more than 10,000,000 units of planting stock annually, after January 1, 2003.

Subdivision 2. Purchase of stock. The commissioner of natural resources may purchase tree planting stock for the purposes herein authorized under the provisions of sections 89.35 to 89.39, or any other applicable law now or hereafter in force. The commissioner must give preference for Minnesota-grown planting stock.

The amount of cash receipts in the state accounting system (SWIFT) does not equal sales for the fiscal year. This is because the Nursery does not receive all payments for seedlings sold in the spring by the close of the fiscal year on June 30. Therefore, the Nursery carries a receivables balance into the new fiscal year.

The 2005 Legislature (Special Session) amended the following statute to allocate up to \$250,000 per year from the Forest Nursery Account for forestry education and technical assistance:

89.37 DISTRIBUTING PLANTING STOCK

Subd. 4. Proceeds of sale. All money received in payment for tree planting stock supplied under this section shall be deposited in the state treasury and credited to a forest nursery account and are available to the commissioner of natural resources for the purposes of sections 89.35 to 89.37, including up to \$250,000 per year for forestry education and technical assistance.

In Fiscal Year 2017, the State Forest Nursery Account did not expend any monies for forestry education and technical assistance.

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Appendices

Appendix 1: Statement of Revenues and Costs, State Forest Nursery Account, FY2017

| | | |
|------------------------------------|--|--------------------|
| Revenues | | |
| Total Sales Fiscal Year 2017 | | \$1,574,524 |
| Adjustments* | | (\$138,423) |
| Investment Income | | \$14,599 |
| Total Revenues | | \$1,450,700 |
| Costs | | |
| Salary and Other Compensation | | \$1,214,476 |
| Supplies and Expenses | | \$735,631 |
| Equipment and Capital Improvements | | (\$5,929) |
| Other Costs | | \$9,040 |
| Total Costs | | \$1,953,218 |
| Revenues Minus Costs | | (\$502,518) |

*Adjustments are used to cancel and/or correct invoice amounts and write-offs (e.g., people canceling or changing their seedling order amounts)

Appendix 2: Cash Receipts and Expenditures, State Forest Nursery Account, FY2017

| | | | |
|--|---|-----------|----------------------|
| Balance Forward – In Prior Year | | | \$1,918,310 |
| Adjusted Balance | | | -0- |
| Adjusted Balance Forward – In | | | \$1,918,310 |
| Cash Receipts | | | |
| | Cash From Accounts Receivable Collections | \$959,628 | |
| | Cash Sales | \$575,309 | |
| | Investment Income | \$14,599 | |
| | Credit Memos | (\$3,152) | |
| Fiscal Year 2017 Total Receipts | | | \$1,546,384 |
| Fiscal Year 2017 Expenditures | | | (\$1,953,218) |
| Fiscal Year 2017 Encumbrance Yet to Be Paid | | | (\$15,578) |
| Balance Forward – Out | | | \$1,495,898 |

Appendix 3: Accounts Receivable Reconciliation, State Forest Nursery Account, FY2017

| | | |
|--|-------------|--------------------|
| Accounts Receivable 6/30/17 | \$270,440 | |
| Total Sales Fiscal Year 2017 | \$1,574,524 | |
| Adjustments* | (\$138,423) | |
| Total | | \$1,706,541 |
| | | |
| | | |
| Fiscal Year 2017 Accounts Receivable Collections** | \$959,628 | |
| Fiscal Year 2017 Cash Sales | \$586,756 | |
| Total | | \$1,546,384 |
| | | |
| Accounts Receivable 6/30/16 | | \$160,157 |

*Adjustments are used to cancel and/or correct invoice amounts and write-offs (e.g., people canceling or changing their seedling order amounts)

**WIRES reports were used for the amounts billed, collected, and adjusted. The Department of Natural Resources' revenue/receivable system is WIRES (Web Integrated Revenue/Receivable System).

Appendix 4: Allotments Within Appropriation Report



TABLE 7: ALLOTMENTS WITHIN APPROPRIATION REPORT

Run Date/Time: 10/2/2017 8:05 AM
 Source Report #: KK001
 As of Date: 10/02/2017

Selection Criteria: Budget Period - 2017, Fund - 2001 to 2001, Agency - R29, AppropID - R293204 to R293204
 AGENCY: R29 Natural Resources Dept

Budget Period: 2017 Fund: 2001 Other Misc Special Revenue DeptID: R2910000 Dept of Natural Resources AppropID: R293204 FOR Nurseries Account

AppropID Short Descr For Nurser
Approp Type 04
Bud Auth Opt E
Legal Citation MS 89.37 4
Bud Program R2930
Bud Activity R293010
Budget Status Hold

| <u>Appropriations</u> | | <u>Receipts</u> | | <u>Roll Forward</u> | | <u>Transfers</u> | |
|-----------------------|---|-------------------|-----------|---------------------|-----------|------------------|---|
| Original | 0 | Original Estimate | 2,211,000 | Roll Forward In | 1,918,310 | Anticipated In | 0 |
| Current | 0 | Current Estimate | 1,536,960 | Roll Forward Out | 1,495,898 | Actual In | 0 |
| Cancel | 0 | Collected | 1,546,384 | | | Anticipated Out | 0 |
| Reduction | 0 | Variance Est-Col | -9,424 | | | Actual Out | 0 |
| Other Classes | 0 | Dedicated Cap | 0 | | | | |

| | | | | | |
|-----------------------|--------|-------------------------------------|-----------|------------------|--------|
| Allotment-Free | 0 | Budgeted | | Remaining | |
| Uncommitted | 0 | Budget/Encumbrance Authority | 1,968,796 | | 0 |
| Unexpended | 15,578 | Spending Authority | 1,968,796 | | 15,578 |
| | | Transfer Authority | 1,968,796 | | 15,578 |

ALLOTMENT BALANCES

| <u>Allotment DeptID and Descr</u> | <u>Account Group</u> | <u>Budget</u> | <u>Pre-Encumbered</u> | <u>Encumbered/Committed</u> | <u>Expended</u> | <u>Unobligated</u> | <u>Unexpended</u> |
|-----------------------------------|----------------------|---------------|-----------------------|-----------------------------|-----------------|--------------------|-------------------|
| R2923739-FOR Badoura Nursery | PAYRLL | 1,214,476 | 0 | 0 | 1,214,476 | 0 | 0 |
| R2923739-FOR Badoura Nursery | NONPAY | 754,320 | 0 | 15,578 | 738,742 | 0 | 15,578 |
| | | 1,968,796 | 0 | 15,578 | 1,953,218 | 0 | 15,578 |
| Totals by Account Group | | | | | | | |
| Payroll Allotments | PAYRLL | 1,214,476 | 0 | 0 | 1,214,476 | 0 | 0 |
| Non-Payroll Allotments | NONPAY | 754,320 | 0 | 15,578 | 738,742 | 0 | 15,578 |

Appendix 5: Manager's Financial Report



TABLE 8: MANAGER'S FINANCIAL REPORT

Run DateTime: 10/2/2017 7:53 AM
 Source Report #: KK002
 As of Date: 10/02/2017

Selection Criteria: Budget Period - 2017, Fund - 2001 to 2001, DeptID - R2933739 to R2933739, AppropID - R293204 to R293204

Break On: Budget Period, Fund, DeptID, AppropID

| | | | |
|----------------------------|---|--|---|
| Budget Period: 2017 | Fund: 2001 Other Misc Special Revenue | DeptID: R2933739 FOR Badoura Nursery | AppropID: R293204 FOR Nurseries Account |
|----------------------------|---|--|---|

| | | | |
|-------------------------------------|----------------------------------|----------------------------------|----------------------|
| Remaining Payroll Projection | Full-Time (41000): \$0.00 | Part-Time (41030): \$0.00 | Total: \$0.00 |
|-------------------------------------|----------------------------------|----------------------------------|----------------------|

| Account Class and Description | Current Budget | Pre-Encumbered | Encumbered/Committed | Expended | Unobligated | Unexpended |
|--------------------------------------|---------------------|----------------|----------------------|---------------------|-------------|------------------|
| 41000 Full Time - Salary | 397,739.17 | 0.00 | 0.00 | 397,739.17 | 0.00 | 0.00 |
| 41030 Part-Time-Seasonal-Labor Serv | 647,871.42 | 0.00 | 0.00 | 647,871.42 | 0.00 | 0.00 |
| 41050 Overtime and Premium Pay | 21,992.29 | 0.00 | 0.00 | 21,992.29 | 0.00 | 0.00 |
| 41070 Other Employee Cost | 146,874.10 | 0.00 | 0.80 | 146,873.30 | 0.00 | 0.80 |
| 410CL Expense Budget Closing-PAYROLL | -0.80 | 0.00 | -0.80 | 0.00 | 0.00 | -0.80 |
| 41100 Space Rental And Utilities | 100,000.00 | 0.00 | 0.00 | 36,556.13 | 63,443.87 | 63,443.87 |
| 41110 Printing And Advertising | 100,000.00 | 0.00 | 0.00 | 4,432.03 | 95,567.97 | 95,567.97 |
| 41130 Prof-Tech Serv-Outside Vend | 10,556.63 | 0.00 | 0.00 | 8,746.63 | 1,810.00 | 1,810.00 |
| 41150 Computer and System Services | 312.54 | 0.00 | 0.00 | 312.54 | 0.00 | 0.00 |
| 41155 Communications | 29,202.63 | 0.00 | 0.00 | 21,617.07 | 7,585.56 | 7,585.56 |
| 41160 Trav-Sub-InState-Border Comm | 100,000.00 | 0.00 | 0.00 | 101,892.15 | -1,892.15 | -1,892.15 |
| 41170 Trav/Sub-OutOfState-BorderComm | 196.60 | 0.00 | 0.00 | 196.60 | 0.00 | 0.00 |
| 41180 Employee Development | 1,741.84 | 0.00 | 0.00 | 1,741.84 | 0.00 | 0.00 |
| 41190 State Agcy-Prov Prof-Tech Serv | 4,812.25 | 0.00 | 0.00 | 3,110.00 | 1,702.25 | 1,702.25 |
| 41195 IT St Agcy Prof/Tech Svc | 25,500.00 | 0.00 | 0.00 | 18,714.00 | 6,786.00 | 6,786.00 |
| 41196 Centralized IT Services | 34,447.54 | 0.00 | 13,716.00 | 20,731.54 | 0.00 | 13,716.00 |
| 41300 Supplies | 415,472.88 | 0.00 | 1,861.74 | 353,226.95 | 60,384.19 | 62,245.93 |
| 41400 Equipment | 730.15 | 0.00 | 0.00 | 571.63 | 158.52 | 158.52 |
| 41500 Repairs To Equip & Furn | 3,784.75 | 0.00 | 0.00 | -3,334.20 | 7,118.95 | 7,118.95 |
| 42010 Statewide Indirect Costs | 6,165.25 | 0.00 | 0.00 | 6,165.25 | 0.00 | 0.00 |
| 42040 Agency Direct Costs | 150,180.16 | 0.00 | 0.00 | 150,180.16 | 0.00 | 0.00 |
| 43000 Other Operating Costs | 392,477.59 | 0.00 | 0.00 | 9,039.82 | 383,437.77 | 383,437.77 |
| 47010 Building-Improvement-Capital | 2,415.94 | 0.00 | 0.00 | 2,103.74 | 312.20 | 312.20 |
| 47160 Equipment-Non Capital | 2,738.07 | 0.00 | 0.00 | 2,738.07 | 0.00 | 0.00 |
| 499CL Expense Budget Closing-NonPay | -626,415.13 | 0.00 | 0.00 | 0.00 | -626,415.13 | -626,415.13 |
| Total | 1,968,795.87 | 0.00 | 15,577.74 | 1,953,218.13 | 0.00 | 15,577.74 |
| Report Total | 1,968,795.87 | 0.00 | 15,577.74 | 1,953,218.13 | 0.00 | 15,577.74 |

Appendix 6: Nursery Payroll and Expenditures Report

2001, R2933739, R293204

Salaries -

| | |
|--|----------------------------|
| Full Time - Salary 410001 | 274,126.48 |
| Full Time - Fringe 410002 | 123,612.72 |
| Part Time, Season, Labor Service - Salary 410301 | 553,144.67 |
| Part Time, Season, Labor Service - Fringe 410303 | 94,726.75 |
| Overtime Pay - Salary 410501 | 19,505.91 |
| Overtime Pay - Fringe 410502 | 2,141.07 |
| Premium Pay - Salary 410503 | 306.19 |
| Premium Pay - Fringe 410504 | 39.12 |
| Separation Expense - Sal/Fringe 410701 | 15,546.76 |
| Unemployment Compensation - 410707 | 58,692.55 |
| Workers Compensation - 410708 | 72,284.00 |
| 410711 | 349.99 |
| Total Salaries | <u>1,214,476.21</u> |

Other expenses -

| | |
|--|-----------|
| Utility Services 411003 | 35,399.58 |
| Building Maintenance Services 411005 | 1,156.55 |
| Printing Non-State Shops 411101 | 3,154.03 |
| Advertising 411104 | 1,278.00 |
| Online advertising 411303 | 714.00 |
| Environmental Agri Science 411310 | 7,407.63 |
| 411319 | 150.00 |
| 411320 | 475.00 |
| Software Lic Fee/Rent/Subscrip 411502 | 312.54 |
| Postal Mailing-Shipping Serv 411551 | 409.95 |
| Freight-Delivery Service 411552 | 15,983.05 |
| OET Network Serv-Oth Network Serv 411553 | 5,084.90 |
| Wireless Communications 411554 | 139.17 |

Other expenses Continued -

| | |
|---------------------------------------|----------------------------|
| Travel Expense In State 411601 | 701.26 |
| Living Expense In State 411602 | 101.70 |
| Private Auto Mileage In State 411605 | 591.63 |
| Car/Vehicle Rental In State 411606 | 100,497.56 |
| Travel Expense Out Of State 411701 | 196.60 |
| Tuition and Registration Fees 411801 | 1,721.34 |
| 411804 | 20.50 |
| Environmental Agri Science 411905 | 1,858.00 |
| 411909 | 327.00 |
| 411912 | 925.00 |
| 411951 | 18,714.00 |
| 411960 | 20,731.54 |
| Supplies, Materials and Parts 413001 | 353,226.95 |
| Equipment Rental 414004 | 571.63 |
| Repairs to Equip & Furn 415001 | (6,500.80) |
| 415002 | 1,800.00 |
| Maintenance Contracts 415003 | 70.00 |
| Other Repairs - Alterations 415004 | 1,296.60 |
| Statewide Indirect Costs 420101 | 6,165.25 |
| Agency Direct Costs 420401 | 150,180.16 |
| Other Purchased Services 430001 | 6,897.05 |
| Taxes, Assessments, Shared Rev 430010 | 822.77 |
| Fixed Charges 430011 | 1,320.00 |
| 470100 | 2,103.74 |
| 471606 | 2,738.07 |
| Total Expenditures | <u>738,741.95</u> |
| GRAND TOTAL | <u>1,953,218.16</u> |

Appendix 7: FY17 Nursery Accounts Receivable

| | | |
|---|---|----------------------------|
| Accounts Receivable 6/30/16 | | 270,440.12 |
| Billed amount from WIRES Qtrly AR Billings, Adjustments, & Write off Report | 987,768.74 | |
| Fiscal Year 2017 Cash Sales (WIRES All Receipt Report - Misc. Transactions total) | <u>586,755.65</u> | |
| Subtotal sales | 1,574,524.39 | |
| | Sub-Total | 1,574,524.39 |
| Adjustments and write offs from WIRES Qtrly AR Billings, Adjustments & Write offs Report FY2017 | -65,885.97 | |
| Adjustments and write offs from WIRES Qtrly AR Billings, Adjustments & Write offs Report FY2016 | -72,536.90 | |
| | -138,422.87 | -138,423.87 |
| | Sub-Total | 1,706,542.64 |
| Cash Receipts from WIRES Qtrly A/R Collections Report for prior year invoices | 138,986.05 | |
| Cash Receipts from WIRES Qtrly A/R Collections Report for FY2017 invoices | <u>820,642.30</u> | |
| | 959,628.35 | |
| Fiscal Year 2017 Cash Sales (WIRES All Receipt Report - Misc. Transactions total) | <u>586,755.65</u> | |
| | Receipts Collected | 1,546,384.00 |
| | | 160,157.64 |
| | Difference = Accounts Receivable 6/30/2017 | |
| | | 160,157.64 |
| | Collected Revenues 9/30/2017 | 1,546,384.00 |
| WIRES Qtrly A/R Collections Report for FY2017 invoices | 636022 | 123,135.42 |
| WIRES Qtrly A/R Collections Report for FY2017 invoices | 636023 | 825,046.67 |
| WIRES All Receipts - Misc Transactions | 636022 | 13,473.72 |
| <u>WIRES All Receipts - Misc Transactions</u> | 636023 | 573,281.93 |
| Interest | 512001 | 14,598.54 |
| Refunds | 636022 | - |
| Refunds | 636023 | -3,152.28 |
| All Maint that clears previous fiscal year invoices | 636022 | - |
| All Maint that clears previous fiscal year invoices | 636023 | - |
| | | <u>1,546,384.00</u> |

Appendix 8: Ten-Year Summary Analysis of Cash Flow FY2008-2017

| | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | 3 Yr Avg | 5 Yr Avg | 7 Yr Avg | 10 Yr Avg |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Beg Balance | 1,483,206 | 1,777,359 | 1,561,088 | 1,085,542 | 1,013,760 | 1,460,394 | 1,694,587 | 1,964,070 | 1,990,217 | 1,918,310 | 1,957,532 | 1,805,516 | 1,589,554 | 1,594,853 |
| Revenues | 2,699,200 | 2,051,069 | 1,689,130 | 2,025,262 | 1,953,692 | 1,801,748 | 1,812,082 | 1,810,865 | 2,058,630 | 1,546,384 | 1,805,293 | 1,805,942 | 1,858,380 | 1,944,806 |
| Expenses | 2,405,047 | 2,267,340 | 2,164,676 | 2,097,044 | 1,674,691 | 1,567,588 | 1,703,114 | 1,784,718 | 2,127,752 | 1,953,218 | 1,955,229 | 1,827,278 | 1,844,018 | 1,974,519 |
| End Balance | 1,777,359 | 1,561,088 | 1,085,542 | 1,013,760 | 1,292,761 | 1,694,554 | 1,803,555 | 1,990,217 | 1,921,095 | 1,511,476 | 1,807,596 | 1,784,179 | 1,603,917 | 1,565,141 |

