

OFFICIAL STATEMENT DATED APRIL 29, 2025

This Official Statement has been prepared on behalf of the State of Oregon, acting by and through the Office of the Oregon State Treasurer, to provide information on the 2025 Bonds. Selected information presented on this cover page is for the convenience of the users. To make an informed decision regarding the 2025 Bonds, a prospective investor should read this Official Statement in its entirety. Unless otherwise indicated, capitalized terms used on the cover page have the meanings given in this Official Statement.

**NEW ISSUES – NEGOTIATED
BOOK-ENTRY ONLY**

RATINGS: See “Ratings”



\$242,505,000
STATE OF OREGON
GENERAL OBLIGATION BONDS, 2025 SERIES E
(INTERSTATE 5 BRIDGE REPLACEMENT PROJECT)

DATED: Date of Delivery

DUE: As shown on the inside cover pages

Tax Status	In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel (“Bond Counsel”) to the State of Oregon (the “State”) acting by and through the Office of the State Treasurer (the “Treasurer” and, collectively, the State and the Treasurer, the “Issuer”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the State of Oregon General Obligation Bonds, 2025 Series E (Interstate 5 Bridge Replacement Project) (the “2025 Bonds”) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). In the further opinion of Bond Counsel, interest on the 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the 2025 Bonds is exempt from State of Oregon personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2025 Bonds. See “TAX MATTERS.”
Purpose and Authority	The 2025 Bonds are being issued by the Issuer, at the request of the Oregon Department of Transportation, to provide funds for the cost of undertaking the Interstate 5 bridge replacement project, and to pay costs of issuing the 2025 Bonds. The 2025 Bonds are being issued under authority granted by Article XI, Section 7 of the Oregon Constitution and applicable provisions of Oregon Revised Statutes (“ORS”), including without limitation, ORS Chapter 286A, ORS 381.005 to 381.020, including temporary provisions relating to the Interstate 5 bridge replacement project compiled as notes following ORS 381.020, ORS 383.003 to 383.150, chapter 4, Oregon Laws 2013, as amended by chapter 565, Oregon Laws 2015 and chapter 602, Oregon Laws 2023, and chapter 596, Oregon Laws 2023, as amended by chapter 104, Oregon Laws 2024, and an Issuance Certificate executed by the State Treasurer.
Security	The 2025 Bonds are direct general obligations of the State, and the full faith and credit and taxing power of the State are pledged to pay the principal of and interest on the 2025 Bonds when due, including the power to levy an <i>ad valorem</i> property tax.
Interest Payment Dates	Interest on the 2025 Bonds is payable semiannually on each May 15 and November 15, commencing November 15, 2025.
Denominations	The 2025 Bonds will be available in denominations of \$1,000 and integral multiples thereof.
Redemption	The 2025 Bonds are subject to redemption prior to maturity at the times, under the conditions and at the prices described herein.
Closing/Settlement	The 2025 Bonds are expected to be available for delivery through the facilities of DTC in New York, New York on or about May 7, 2025.
Legal Counsel	Orrick, Herrington & Sutcliffe LLP, Portland, Oregon, Bond Counsel and Disclosure Counsel to the Issuer; the Oregon Department of Justice, Salem, Oregon, Counsel to the State; Hawkins Delafield & Wood LLP, Portland, Oregon, Underwriters’ Counsel.
Paying Agent	The Bank of New York Mellon Trust Company, N.A., as the State of Oregon’s Fiscal Agent.

BofA Securities

Ramirez & Co., Inc.

Raymond James

RBC Capital Markets

Piper Sandler & Co.

TD Securities

MATURITY SCHEDULES

\$242,505,000
STATE OF OREGON
GENERAL OBLIGATION BONDS, 2025 SERIES E
(INTERSTATE 5 BRIDGE REPLACEMENT PROJECT)

Maturity Date <u>(May 15)</u>	Principal <u>Amount (\$)</u>	Interest <u>Rate(%)</u>	<u>Yield (%)</u>	CUSIP[†] <u>(68609U)</u>
2026	4,830,000	5.000	3.020	TA3
2027	5,340,000	5.000	3.050	TB1
2028	5,610,000	5.000	3.080	TC9
2029	5,890,000	5.000	3.130	TD7
2030	6,180,000	5.000	3.180	TE5
2031	6,490,000	5.000	3.330*	TF2
2032	6,815,000	5.000	3.440*	TG0
2033	7,155,000	5.000	3.560*	TH8
2034	7,515,000	5.000	3.700*	TJ4
2035	7,890,000	5.000	3.770*	TK1
2036	8,285,000	5.000	3.850*	TL9
2037	8,700,000	5.000	3.930*	TM7
2038	9,135,000	5.000	3.990*	TN5
2039	9,590,000	5.000	4.050*	TP0
2040	10,070,000	5.000	4.170*	TQ8
2041	10,575,000	5.000	4.260*	TR6
2042	11,105,000	5.000	4.360*	TS4
2043	11,660,000	5.000	4.430*	TT2
2044	12,240,000	5.000	4.490*	TU9
2045	12,855,000	5.000	4.550*	TV7
2046	13,495,000	5.000	4.600*	TW5
2047	14,170,000	5.000	4.630*	TX3

\$46,910,000 5.00% 2025 Series E Term Bond Due May 15, 2050
Priced to Yield 4.680%* (CUSIP No. 68609UTY1[†])

* Priced to the call date of May 15, 2030.

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No dealer, broker, salesperson or other person is authorized by the State or the Underwriters to give any information or to make any representation other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No website mentioned in this Official Statement is part of this Official Statement, and readers should not rely upon any information presented on any such website in determining whether to purchase the 2025 Bonds. Any references to any website mentioned in this Official Statement are not hyperlinks and do not incorporate such websites by reference.

The public offering prices or yields set forth on the inside cover pages hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the 2025 Bonds to certain dealers, unit investment trusts or money market funds at prices lower than the public offering prices stated on the inside cover pages hereof.

Certain statements contained in this Official Statement, including the appendices, do not reflect historical facts but are forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words “estimate,” “project,” “forecast,” “anticipate,” “expect,” “intend,” “believe” and similar expressions are intended to identify forward-looking statements. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. All projections, forecasts, assumptions, expressions of opinions, estimates and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement. The State specifically disclaims any obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of this Official Statement.

The 2025 Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The 2025 Bonds have not been registered or qualified under the securities laws of any state, the 2025 Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

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\$242,505,000
STATE OF OREGON
GENERAL OBLIGATION BONDS, 2025 SERIES E
(INTERSTATE 5 BRIDGE REPLACEMENT PROJECT)

INTRODUCTION

General

This Official Statement, including the cover page, inside cover pages and appendices, provides information in connection with the issuance of the State of Oregon General Obligation Bonds 2025 Series E (Interstate 5 Bridge Replacement Project) (the “2025 Bonds”).

The 2025 Bonds are direct, general obligations of the State of Oregon (the “State”), and the full faith and credit of the State is irrevocably pledged to pay the principal of and interest on 2025 Bonds when due, and to the extent permitted by law, the *ad valorem* taxing power of the State is irrevocably pledged to pay the 2025 Bonds. See “SECURITY AND SOURCES OF PAYMENT,” “STATE FINANCIAL INFORMATION,” “THE 2025 BONDS” and APPENDIX A—“GENERAL INFORMATION RELATING TO THE STATE OF OREGON.”

The 2025 Bonds are being issued by the State, acting by and through the State Treasurer (the “State Treasurer”), at the request of the Oregon Department of Transportation (“ODOT” or the “Department”), pursuant to the Oregon Constitution and statutory authority, as further described herein, and an Issuance Certificate executed and delivered by the State Treasurer, as described herein. See “AUTHORITY FOR ISSUANCE.”

The 2025 Bonds will bear interest that is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not a specific preference item for purposes of the federal individual alternative minimum tax, although Bond Counsel observes that such interest included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. The 2025 Bonds will bear interest that is exempt from Oregon personal income taxation. See “TAX MATTERS.”

Concurrently with the issuance of the 2025 Bonds, the State expects to issue its State of Oregon General Obligation Bonds (Higher Education), 2025 Series F (Article XI-F(1) Projects and Refunding) and 2025 Series G (Article XI-G Projects and Refunding) (collectively, the “2025 Series F & G Bonds”) pursuant to Articles XI-F(1) and G of the Oregon Constitution. The sale of the 2025 Bonds is not contingent on the sale or delivery of such 2025 Series F & G Bonds.

The Preliminary Official Statement referenced the incorrect Oregon Transportation Commission Resolution number related to the 2025 Bonds. The Resolution number has been corrected under the heading “AUTHORITY FOR ISSUANCE—Other Authority.”

AUTHORITY FOR ISSUANCE

Constitutional Authority and Limits

The Oregon Constitution authorizes the issuance of general obligation bonds for a variety of purposes under Article XI, Section 7 and Articles XI-A through XI-Q. Approximately \$7.7 billion of State general obligation bonds authorized by the Oregon Constitution were outstanding as of June 30, 2024, excluding the 2025 Bonds and the 2025 Series F & G Bonds. Certain tables in Appendix A related to the State’s outstanding debt obligations are generally updated on an annual basis following the close of each

fiscal year. See “THE 2025 BONDS—Bond Debt Service” and see APPENDIX A—“GENERAL INFORMATION RELATING TO THE STATE OF OREGON—DEBT AUTHORITY AND BOND ISSUANCE” and Tables 24 through 27 therein for a summary of the State’s outstanding debt obligations, including outstanding general obligation bonds.

The 2025 Bonds are being issued under authority granted by Article XI, Section 7 of the Oregon Constitution (“Article XI, §7”). Article XI, §7 authorizes the issuance of general obligation bonds to finance the costs of building and maintaining permanent roads.

The Oregon Constitution limits State general obligation bonds issued under Article XI, §7 (collectively, the “Article XI, §7 Bonds”) outstanding at any one time to one percent of the “true cash value” of all property in the State taxed on an *ad valorem* basis. The amount of the true cash value (referred to as “real market value” in Appendix A), as determined by the State Department of Revenue, is the market value of all nonexempt real and personal property in the State as of the valuation date (January 1) for the tax and fiscal year beginning July 1 of the following calendar year. As of January 1, 2024, the real market value of nonexempt real and personal property in the State was approximately \$1,039 billion.

The following table shows the total approximate amounts of outstanding Article XI, §7 Bonds, and the approximate amount of remaining bonding authority under the Oregon Constitution. See APPENDIX A—“GENERAL INFORMATION RELATING TO THE STATE OF OREGON—DEBT AUTHORITY AND BOND ISSUANCE” and Table 27 therein.

TABLE 1
ARTICLES XI, §7 BOND DEBT OUTSTANDING AND
REMAINING AUTHORITY UNDER CONSTITUTIONAL LIMITS
(As of April 1, 2025)
(\$ Million)

Constitutional Debt Limit ⁽¹⁾	\$10,393,778,590
Bonds Outstanding ⁽²⁾	24,310,000
Remaining Debt Authority	10,369,468,590

⁽¹⁾ The limit on Article XI, §7 Bonds is based on the real market value of statewide property of \$1,039 billion as of January 1, 2024.

⁽²⁾ Excludes the 2025 Bonds.

Source: Debt Management Division, Office of the State Treasurer.

Legislative Authority and Limits

2023-25 Biennium Authority. State law requires the Legislative Assembly to establish the amount of bonds that may be issued during each two-year budget period (a “biennium”) for purposes other than refunding. The current biennium began on July 1, 2023 and ends on June 30, 2025 (the “2023-25 Biennium”). There is no limit on the amount of bonds that may be issued for refunding purposes. The biennial “bond bill” House Bill 5005 (Oregon Laws 2023, Chapter 596), as amended during the 2024 Regular Legislative Session by House Bill 5201, authorizes approximately \$2.40 billion in general obligation bonds and approximately \$1.72 billion in direct revenue bonds, including \$528.3 million of Lottery Revenue Bonds, to be issued during the 2023-25 Biennium. In addition, approximately \$100 million in other financing agreements were authorized to be issued during the 2023-25 Biennium. The Governor signed House Bill 5201 into law on April 17, 2024.

The table below summarizes the amount of general obligation bonds authorized for the 2023-25 Biennium by the Legislative Assembly to be issued under Article XI, §7, and the total amount of bonds issued under such authority.

TABLE 2
GENERAL OBLIGATION BOND ISSUANCE AUTHORITY
FOR 2023-25 BIENNIUM
(As of April 1, 2025)

	<u>Authorized</u>	<u>Issued</u> ⁽¹⁾
Total General Obligation Bond Issuance Authority	\$2,398,871,913	\$774,625,000
Article XI, §7 Bond Issuance Authority	251,825,000	0

⁽¹⁾ Excludes the 2025 Bonds, the State of Oregon General Obligation Bonds, 2025 Series A, B, C and D expected to be delivered on or about April 29, 2025, and the 2025 Series F & G Bonds. See Table 27 of APPENDIX A—“GENERAL INFORMATION RELATING TO THE STATE OF OREGON” for information regarding total amounts outstanding for the State’s long-term financial obligations.
Source: Debt Management Division, Office of the State Treasurer.

Other Authority

The 2025 Bonds are also being issued pursuant to Oregon Revised Statutes (“ORS”) chapter 286A, ORS 381.005 to 381.020, including temporary provisions relating to the Interstate 5 bridge replacement project compiled as notes following ORS 381.020, and ORS 383.003 to 383.150, each as amended from time to time, as well as pursuant to chapter 4, Oregon Laws 2013, as amended by chapter 565, Oregon Laws 2015 and chapter 602, Oregon Laws 2023, and chapter 596, Oregon Laws 2023, as amended by chapter 104, Oregon Laws 2024, as the same may be further amended from time to time (together with Article XI, §7, the “Act”). The Treasurer will execute and deliver an issuance certificate to be dated the date of delivery of the 2025 Bonds (the “Issuance Certificate”).

Chapter 596, Oregon Laws 2023, provides that in addition to the \$251,825,000 in Article XI, §7 Bonds that may be issued for the Interstate 5 Bridge Replacement Project during the 2023-25 Biennium, in each of the biennia beginning July 1, 2025, 2027 and 2029, the State Treasurer, at the request of ODOT, may issue additional Article XI, §7 Bonds, respectively, in an amount that produces \$250,000,000 of net proceeds for the Interstate 5 Bridge Replacement Project, plus an amount estimated by the State Treasurer to pay bond-related costs.

In connection with the 2025 Bonds, the Oregon Transportation Commission adopted Resolution No. GO-100 on September 14, 2023, that, among other things, (1) requests the Issuer to approve the issuance, sale, execution and delivery of general obligation bonds pursuant to the Act (as defined herein) to finance the Interstate 5 Bridge Replacement Project (as defined herein) authorized by Oregon law and to pay costs of issuance thereof, (2) authorizes the execution and delivery of the financing documents to which ODOT is a party, and any actions of ODOT that are necessary or desirable in connection with the issuance, sale, delivery and securing of the 2025 Bonds, and (3) authorizes an authorized representative of ODOT to work in consultation with the State Treasurer to determine the terms of the 2025 Bonds and to negotiate, finalize, execute and deliver any necessary documents for and on behalf of ODOT in connection with the issuance of the 2025 Bonds. See “PLAN OF FINANCE.”

SECURITY AND SOURCES OF PAYMENT

Pledge of Full Faith and Credit

The 2025 Bonds are direct general obligations of the State, and the full faith and credit and taxing power of the State is irrevocably pledged to pay the principal of and interest on the 2025 Bonds when due, including the power to levy an *ad valorem* property tax.

Resources Available for Payment

The 2025 Bonds are expected to be paid from biennial appropriations from the State's General Fund budgeted by the Legislative Assembly or, as appropriate, from any other amounts lawfully available for expenditure for that purpose.

The Legislative Assembly budgets for State expenditures every biennium. If amounts budgeted to pay general obligation bonds of the State, including the 2025 Bonds, are not available for any reason, the State Treasurer is authorized to borrow, subject to certain conditions, from other funds in the State Treasury to permit debt service payments on general obligation bonds, including the 2025 Bonds, to be timely paid. See "STATE FINANCIAL INFORMATION" and APPENDIX A — "GENERAL INFORMATION RELATING TO THE STATE OF OREGON—STATE FINANCIAL OPERATIONS—Budgetary Process" and "—DEBT AUTHORITY AND BOND ISSUANCE."

If the Department of Administrative Services ("DAS") determines that amounts available during a fiscal year as described above will not be sufficient to pay the 2025 Bonds, Oregon law requires the State to impose an *ad valorem* property tax levy on all taxable property within the State in an amount equal to the deficit. However, the State has not imposed *ad valorem* property taxes for many years and does not expect that property taxes would be levied to pay the 2025 Bonds. Instead, the State expects that the Legislative Assembly or the Emergency Board would find replacement funds to pay the 2025 Bonds as described in the preceding paragraph.

Subject to the discretion of the State, and **subject to prior liens securing the payment of Highway User Tax Revenue Bonds and other prior obligations**, highway user taxes and vehicle registration fees may be available to pay debt service on the 2025 Bonds, but such revenue sources are not pledged for such payment. See APPENDIX A — "GENERAL INFORMATION RELATING TO THE STATE OF OREGON—DEBT AUTHORITY AND BOND ISSUANCE."

Punctual Payment

In the Issuance Certificate, the State covenants to punctually pay or cause to be paid the principal (whether at maturity or upon redemption) or purchase price of, premium, if any, and interest on the 2025 Bonds, in conformity with the terms of the 2025 Bonds, the Issuance Certificate, the Oregon Constitution and applicable provisions of the Act.

PLAN OF FINANCE

Proceeds of the 2025 Bonds are expected to be applied, at the request of ODOT, to undertake the Interstate 5 ("I-5") bridge replacement project, as further described herein, and to pay costs of issuing the 2025 Bonds. The 2025 Bonds represent the first issuance of the State's commitment set forth in chapter 596, Oregon Laws 2023 to issue \$1 billion in general obligation bonds to fund a portion of its contribution to the IBR Project (defined herein). The IBR Project is ongoing and remains subject to various federal and state approvals, and the State cannot guarantee the final scope, cost or timing of the IBR Project.

In connection with the application of the proceeds of the 2025 Bonds, ODOT may establish, designate appropriately and maintain, so long as any 2025 Bonds are outstanding, such accounts and subaccounts to be held in the custody of the State Treasurer with respect to the 2025 Bonds, as may be necessary or desirable for the purposes of applying the proceeds of, the 2025 Bonds.

I-5 Bridge Replacement Project

Interstate 5 (“I-5”) provides a critical connection between Oregon and Washington and is a vital trade route for regional, national and international economies. The existing I-5 bridge (the “I-5 Bridge”) across the Columbia River has separate multi-span structures for northbound and southbound traffic. The northbound span of the existing I-5 bridge opened in 1917, and the southbound span opened in 1958. Each structure has a lift span that can raise 136 feet over the marine channel in the Columbia River.

The Interstate Bridge Replacement Project (the “IBR Project”) is a joint effort between Oregon and Washington to replace the existing I-5 Bridge and related interchange improvements within the five-mile corridor. The goal of the IBR Project is to ensure a modern, multimodal corridor that strengthens earthquake resiliency, improves safety and keeps people and the economy moving into the future. These challenges are expected to be addressed by:

- Replacing the separate multi-span structures for northbound and southbound traffic of the I-5 Bridge to strengthen earthquake resilience;
- Providing three through lanes on each bridge and at least one auxiliary lane in each direction with safety shoulders to increase safety and reliability;
- Creating a safety and wider shared-use path, increasing accessibility for those who walk, bike, ride, and roll;
- Extending light rail from Portland Expo Center to Vancouver’s Evergreen Boulevard and adding three new transit stations to improve access, link regional transit systems, and create new public transit options;
- Implementing bus on shoulder service to move transit users through the project area more reliably;
- Providing a new arterial bridge from Hayden Island to Marine Drive for local traffic to access the island;
- Modifying seven interchanges within five miles and making adjacent enhancements, including local connectivity, to improve safety and traffic flow; and
- Implementing variable rate tolling to fund construction and manage congestion.

Project Design, Review and Timing.

The IBR Project benefits and impacts to the community and environment are under evaluation consistent with the National Environmental Policy Act (“NEPA”) process. Several design options are being studied as part of the environmental review to understand the full range of potential impacts and benefits to the environment and the community. The Modified Locally Preferred Alternative (the “Modified LPA”) improvements are currently undergoing environmental evaluation to better understand program benefits and impacts. In September 2024, the IBR Project team published a Draft Supplemental Environmental Impact Statement, and received public comment through November 2024. A final Supplemental Environmental Impact Statement and Amended Record of Decision are anticipated to be issued in late 2025 or early 2026, after which the IBR Project team expects to proceed to the construction phase, which is anticipated to last until approximately 2035.

Cost & Funding

The current cost estimate is between \$5 and \$7.5 billion, with a most likely estimated cost of \$6 billion. This estimate reflects the Modified LPA and accounts for inflation, cost escalation risks, and current market conditions. Funding for the IBR Project is expected from a variety of sources, including the following:

- Federal grants awarded:
 - \$1 million FHWA Bridge Investment Program Planning Grant;
 - \$600 million USDOT Mega Grant;
 - \$1.499 billion FHWA Bridge Investment Program Grant; and
 - \$30 million USDOT Reconnecting Communities Grant.

The majority of the funds awarded through federal discretionary grant programs are for the construction phase of the IBR Project. The grant agreements required to access federal funds for the BIP Grants and Mega Grant were fully executed and signed in early 2025 by ODOT, WSDOT and FHWA. A portion of the funds from these federal grants has already been obligated, with future obligations occurring for the remaining funds once the IBR Project reaches the construction phase, which is a requirement of the grants. Based on the executed grant contracts, the State expects but cannot guarantee the availability of federal funds from these grants given recent and ongoing federal review and actions.

- State funds, including:
 - Washington State commitment of \$1 billion through the 2022 Move Ahead Washington legislative package, in addition to existing funds; and
 - Oregon commitment of \$1 billion through chapter 596, Oregon Laws 2023, in addition to existing funds; and
- Toll Revenues, through time-of-day variable-rate tolling to generate revenue to help fund construction, operations and maintenance.

Funding assumptions for the financial plan developed by the IBR Project team are evolving as cost estimates are updated during the design and environmental review process. Until the final environmental review and project design are completed, the IBR Project is subject to change. Uncertainties in the mix of funding sources could also affect the project delivery timeline. The State cannot guarantee the final scope, cost, funding sources, or timing for the delivery of the IBR Project.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the 2025 Bonds are shown below.

Sources of Funds:

Principal Amount of 2025 Bonds	\$242,505,000.00
Original Issue Premium	8,563,001.55
Total Sources	\$251,068,001.55

Uses of Funds:

Deposit for Interstate 5 Bridge Replacement Project	\$250,000,000.00
Underwriters' Discount	857,748.03
Costs of Issuance ⁽¹⁾	210,253.52
Total Uses	\$251,068,001.55

⁽¹⁾ Includes legal fees, municipal advisor fees, rating agencies fees and other expenses.

THE 2025 BONDS

Generally

When issued, the 2025 Bonds will be dated their date of delivery and will bear interest at the rates per annum and will mature, subject to redemption prior to maturity, on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the 2025 Bonds will be calculated on the basis of a 360-day year comprising twelve 30-day months. Interest on the 2025 Bonds will be payable on May 15 and November 15 of each year, commencing November 15, 2025. Payment of each installment of principal or interest shall be made to the owners of the 2025 Bonds whose names appear on the bond register maintained by the State's fiscal agent, The Bank of New York Mellon Trust Company, N.A. (the "Fiscal Agent"), which is to serve as the paying agent and registrar for the 2025 Bonds, as of the close of business on the first day (whether or not a Business Day) of the calendar month in which the applicable interest payment date occurs (the "Record Date"). The 2025 Bonds are issuable in fully registered form, in denominations of \$1,000 and integral multiples thereof, without coupons (each an "Authorized Denomination").

When issued, the 2025 Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"). DTC is to act as securities depository for the 2025 Bonds. Individual purchases may be made only in book-entry form. Purchasers will not receive certificates representing their interests in the 2025 Bonds purchased. So long as Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the registered owner of the 2025 Bonds as nominee of DTC, all payments and notices, including redemption notices, are to be made to DTC or to its nominee and not to the Beneficial Owners of the 2025 Bonds. References in this Official Statement to "Owners," "Bondholders" or "Registered Owners" mean Cede & Co. or DTC and not the Beneficial Owners of the 2025 Bonds. In this Official Statement, the term "Beneficial Owner" means the person for whom its DTC participant acquires an interest in the 2025 Bonds. See APPENDIX E—"DESCRIPTION OF DTC AND ITS BOOK-ENTRY SYSTEM."

The information in "DESCRIPTION OF DTC AND ITS BOOK-ENTRY SYSTEM" in Appendix E regarding DTC and its book-entry system has been furnished by DTC and no representation is made by the State, the Underwriters or the Municipal Advisor as to the accuracy or completeness of such information.

If the 2025 Bonds are no longer issued in book-entry form, the Fiscal Agent will be required to mail each 2025 Bond interest payment when due to the Registered Owner at the address appearing on the Bond Register as of the Record Date. If payment is so mailed, neither the State nor the Fiscal Agent will have any further liability to any party for such payment.

The 2025 Bonds will bear interest that is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under the Code, and the 2025 Bonds will bear interest that is exempt from Oregon personal income taxation. See “TAX MATTERS.”

Redemption of the 2025 Bonds

Optional Redemption. The 2025 Bonds maturing on or after May 15, 2031 are subject to redemption prior to maturity at the option of the State, in whole or in part (and, if in part, in an applicable Authorized Denomination) at any time on or after May 15, 2030 (with the maturities to be selected by the State and by lot within a maturity) at a redemption price equal to 100 percent of the principal amount thereof, plus accrued but unpaid interest to the date fixed for redemption.

Mandatory Redemption. The 2025 Bonds maturing on May 15, 2050 are term bonds subject to mandatory redemption on May 15 of the years and in the principal amounts shown below, at a redemption price equal to 100 percent of the principal amount thereof, plus interest accrued to the date fixed for redemption:

2025 Series E Term Bonds Due May 15, 2050	
Year (May 15)	Principal Amount
2048	\$14,880,000
2049	15,625,000
2050 [†]	16,405,000

[†]Final maturity.

To the extent the State redeems by optional redemption or purchases for cancellation any 2025 Bonds, the State may reduce the mandatory redemption requirements of such 2025 Bonds of the same maturity in like aggregate principal amount in the year or years specified by the State.

Other Redemption Provisions

Selection for Redemption; Notice and Effect of Redemption

Selection for Redemption of 2025 Bonds. If fewer than all of the 2025 Bonds of a maturity are to be redeemed prior to maturity, then (i) if the 2025 Bonds of such maturity are in book-entry form at the time of such redemption, the Fiscal Agent shall select the 2025 Bonds of such maturity to be redeemed, from the outstanding 2025 Bonds of such maturity not previously called for redemption, in minimum denominations of \$1,000 (of principal), by lot in accordance with DTC’s operational procedures; and (ii) if the 2025 Bonds of such maturity are not then in book-entry form at the time of such redemption, the redemption shall be effected by the Fiscal Agent, subject to minimum denominations of \$1,000 (of principal) with the particular 2025 Bonds to be redeemed determined by the State, in any manner which shall be deemed appropriate and consistent with the designation of the State.

Notice and Effect of Redemption; Conditional Notice of Optional Redemption. Unless the book-entry-only system DTC is discontinued, notice of any redemption of a 2025 Bond shall be given by the Fiscal Agent to DTC not less than 20 days nor more than 60 days prior to the date fixed for redemption (or such lesser time period that is acceptable to the Fiscal Agent and consistent with the operational requirements of DTC), and the Fiscal Agent shall provide such information in connection therewith as required by DTC and as described in the Issuance Certificate. DTC is responsible for notifying the DTC participants of such redemption.

Any notice of optional redemption to the Fiscal Agent or to the Registered Owner pursuant to the Issuance Certificate may state that the optional redemption is conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice shall be of no force and effect and the State shall not be required to redeem such 2025 Bonds and the redemption shall be cancelled, and the Fiscal Agent shall within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. In addition, the State may, at its option, on or prior to the date fixed for optional redemption in any notice of redemption of the 2025 Bonds, rescind and cancel such notice of redemption by written request of the State to the Fiscal Agent, and any optional redemption of 2025 Bonds and notice thereof shall be rescinded and cancelled and the Fiscal Agent shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled pursuant to the provisions of Issuance Certificate. Any optional redemption of 2025 Bonds and notice thereof shall be rescinded and cancelled if for any reason on the date fixed for optional redemption moneys are not available or otherwise on deposit and held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium, if any, due on the 2025 Bonds called for optional redemption and such failure to optionally redeem the 2025 Bonds called for redemption shall not be a default under the Issuance Certificate.

Defeasance

Pursuant to the Issuance Certificate, if the State (i) irrevocably deposits money or noncallable Government Obligations in escrow with an independent trustee or escrow agent which are calculated to be sufficient for the payment of 2025 Bonds which are to be defeased; and (ii) files with the escrow agent or trustee a report from an independent, certified public accountant or other qualified professional to verify calculations to the effect that the money and the principal and interest to be received from the Government Obligations are calculated to be sufficient, without further reinvestment, to pay the defeased 2025 Bonds when due; and (iii) with respect to the 2025 Bonds, files with the escrow agent or trustee an opinion of nationally recognized bond counsel that the proposed defeasance will not cause the interest component of the 2025 Bonds to be defeased to be includable in gross income under the Code; then the defeased 2025 Bonds shall no longer be treated as outstanding, the State shall be obligated to pay the defeased 2025 Bonds solely from the money and Government Obligations deposited with the escrow agent or trustee, and the State shall have no further obligation to pay the defeased 2025 Bonds from any source except the amounts deposited in the escrow. For the purposes of this paragraph, "Government Obligations" means (i) direct, noncallable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury and principal-only and interest-only strips that are issued by the U.S. Treasury); or (ii) noncallable obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; or (iii) any of the noncallable obligations of the agencies identified in the Issuance Certificate.

Book-Entry-Only System

DTC will act as securities depository for the 2025 Bonds. The 2025 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's nominee name) or such other name as may

be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2025 Bonds, each in the aggregate principal amount of such maturity (provided that if the aggregate principal amount of any single maturity exceeds \$500,000,000, separate bond certificates shall be issued for each \$500,000,000 and any amount in excess thereof and subject to any DTC restrictions on the maximum principal amount of a bond certificate), and will be deposited with DTC. See APPENDIX E—“DESCRIPTION OF DTC AND ITS BOOK-ENTRY SYSTEM.”

Bond Debt Service

The table below shows annual fiscal year debt service on all general obligation bonds of the State outstanding as of April 1, 2025. See APPENDIX A—“GENERAL INFORMATION RELATING TO THE STATE OF OREGON—DEBT AUTHORITY AND BOND ISSUANCE—Table 27—State of Oregon Outstanding Long-Term Financial Obligations and Constitutional and Statutory Provisions.”

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TABLE 3
STATE OF OREGON
GENERAL OBLIGATION BOND DEBT SERVICE

Fiscal Year	Outstanding General Obligation Bonds^{(1) (2)}			2025 Bonds			Combined Total⁽²⁾
Ending June 30	Principal	Interest	Debt Service	Principal	Interest	Bond Debt Service	Bond Debt Service
2025	\$454,170,000	\$130,540,380	\$584,710,380	-	-	-	\$ 584,710,380
2026	652,315,000	306,304,554	958,619,554	\$ 4,830,000	\$ 12,394,700	\$ 17,224,700	975,844,254
2027	674,530,000	276,444,057	950,974,057	5,340,000	11,883,750	17,223,750	968,197,807
2028	409,535,000	244,973,404	654,508,404	5,610,000	11,616,750	17,226,750	671,735,154
2029	412,170,000	228,949,332	641,119,332	5,890,000	11,336,250	17,226,250	658,345,582
2030	406,555,000	212,417,968	618,972,968	6,180,000	11,041,750	17,221,750	636,194,718
2031	399,350,000	195,965,283	595,315,283	6,490,000	10,732,750	17,222,750	612,538,033
2032	392,200,000	179,284,061	571,484,061	6,815,000	10,408,250	17,223,250	588,707,311
2033	388,380,000	162,572,982	550,952,982	7,155,000	10,067,500	17,222,500	568,175,482
2034	396,115,000	145,598,804	541,713,804	7,515,000	9,709,750	17,224,750	558,938,554
2035	391,195,000	128,174,966	519,369,966	7,890,000	9,334,000	17,224,000	536,593,966
2036	385,265,000	110,850,841	496,115,841	8,285,000	8,939,500	17,224,500	513,340,341
2037	355,505,000	94,014,688	449,519,688	8,700,000	8,525,250	17,225,250	466,744,938
2038	325,970,000	78,536,486	404,506,486	9,135,000	8,090,250	17,225,250	421,731,736
2039	316,575,000	64,175,647	380,750,647	9,590,000	7,633,500	17,223,500	397,974,147
2040	267,315,000	50,765,826	318,080,826	10,070,000	7,154,000	17,224,000	335,304,826
2041	247,110,000	39,358,074	286,468,074	10,575,000	6,650,500	17,225,500	303,693,574
2042	215,490,000	28,310,082	243,800,082	11,105,000	6,121,750	17,226,750	261,026,832
2043	145,105,000	18,694,466	163,799,466	11,660,000	5,566,500	17,226,500	181,025,966
2044	92,385,000	12,324,057	104,709,057	12,240,000	4,983,500	17,223,500	121,932,557
2045	40,925,000	8,619,553	49,544,553	12,855,000	4,371,500	17,226,500	66,771,053
2046	33,255,000	6,919,273	40,174,273	13,495,000	3,728,750	17,223,750	57,398,023
2047	30,715,000	5,380,332	36,095,332	14,170,000	3,054,000	17,224,000	53,319,332
2048	24,540,000	4,004,023	28,544,023	14,880,000	2,345,500	17,225,500	45,769,523
2049	13,860,000	2,822,468	16,682,468	15,625,000	1,601,500	17,226,500	33,908,968
2050	11,225,000	2,231,089	13,456,089	16,405,000	820,250	17,225,250	30,681,339
2051	11,085,000	1,701,421	12,786,421	-	-	-	12,786,421
2052	10,575,000	1,168,403	11,743,403	-	-	-	11,743,403
2053	8,855,000	655,147	9,510,147	-	-	-	9,510,147
2054	6,350,000	236,177	6,586,177	-	-	-	6,586,177
2055	920,000	21,275	941,275	-	-	-	941,275
TOTAL	\$7,519,540,000	\$2,742,015,117	\$10,261,555,117	\$242,505,000	\$188,111,700	\$430,616,700	\$10,692,171,817

Note: Totals may not agree with sum of components due to rounding.

⁽¹⁾ Includes all outstanding general obligation bonds of the State as of April 1, 2025, including general obligation bonds expected to be refunded with proceeds of the 2025 Series F & G Bonds. Does not include debt service on general obligation bonds authorized to be issued during the 2023-25 biennium but not issued prior to April 1, 2025, including the State of Oregon General Obligation Bonds, 2025 Series A, B, C and D expected to be delivered on or about April 29, 2025, and the 2025 Series F & G Bonds.

⁽²⁾ The interest calculation on variable rate obligations is determined twice each year, on June 30 and December 31, by multiplying the most recent interest rate reset for each obligation times its outstanding principal over the life of the bonds.

Source: Debt Management Division, Office of the State Treasurer.

INFORMATION RELATING TO THE OREGON DEPARTMENT OF TRANSPORTATION

In 1969, the Legislative Assembly established the Department. The Department administers the State's highway system, implements motor vehicle and motor carrier laws and oversees public transit, rail and traffic safety programs throughout the State. The Office of the Director provides direction for all Department programs. The Oregon Transportation Commission (the "Commission") is a five-member, voluntary citizens' board appointed by the Governor that is empowered to, among other things, develop and maintain a State transportation policy and a comprehensive, long-range plan for a multimodal transportation system; coordinate and administer programs relating to highways, motor vehicles, public transit, rail, transportation safety, motor carrier and other transportation-related programs; and exercise other powers vested in it by State law. The Department publishes semiannual revenue forecasts, dated June and December, to assist budget and financial planners and policy-makers in formulating budgets and other decision-making activities.

STATE FINANCIAL INFORMATION

General Fund Budget Process

The Oregon Constitution requires the Legislative Assembly to balance the State's General Fund budget. The Legislative Assembly adopts individual budgets for each biennium for all State agencies or programs subject to biennial appropriations or expenditure limitations. Each budget includes appropriations of General Fund moneys or program revenues for the payment of debt service to those State agencies for which debt obligations of the State, including general obligation bonds or certificates of participation, have been issued by the State Treasurer. In addition, certain discrete component units of the State submit funding requests for the portion of their operations that are State-funded each biennium to be included as part of the Governor's biennial budget. Under Oregon law, a joint committee composed of members of both houses of the Legislative Assembly, known as the Emergency Board (the "Emergency Board") is established for the purpose of taking certain actions when the Legislative Assembly is not in session. For more information concerning the budget process, see "—2023-25 Biennium Budgetary Actions" herein and APPENDIX A—"GENERAL INFORMATION RELATING TO THE STATE OF OREGON—STATE FINANCIAL OPERATIONS—Budgetary Process."

The Legislative Assembly meets on an annual basis and may make some budgetary determinations for a single fiscal year or adjust biennial agency budgets. Once the Legislative Assembly has appropriated moneys for debt service, Oregon law does not permit the amount allocated to debt service to be subsequently reduced administratively to balance the General Fund budget; budget reductions must be made in other program areas. See "—2023-25 Biennium Budgetary Actions" herein and APPENDIX A—"GENERAL INFORMATION RELATING TO THE STATE OF OREGON—STATE FINANCIAL OPERATIONS—Budgetary Process" for more information about the State budget and payment of State general obligation bonds.

Revenue Sources

The State General Fund is comprised of various revenue sources including, among other things, taxes, fines and fees, liquor sales apportionment, charges for services, interest earnings and miscellaneous revenues. Additionally, revenues from the operation of the Oregon State Lottery, a Corporate Activity Tax, moneys from the federal government, reserve funds and other funds comprise significant sources of money in the State's budget. With respect to moneys from the federal government, the Legislative Assembly may authorize receipt of federal funds for specific purposes. The Legislative Assembly must appropriate and use any federal funds in accordance with any restrictions placed on such funds by the federal government.

See APPENDIX A—“GENERAL INFORMATION RELATING TO THE STATE OF OREGON—REVENUES” for a detailed description of sources of General Fund revenues and other sources of revenues available to the State.

Oregon law requires DAS, with the assistance of the DOR, to prepare an estimate for each calendar quarter of the revenue available for State purposes for the current fiscal year, as well as the amount of revenue received quarterly, through the biennium (the “State Economic and Revenue Forecast” or “Forecast”). The DAS Office of Economic Analysis (the “OEA”) produces the State Economic and Revenue Forecast based upon information available at the time of preparation and upon a wide variety of assumptions. These Forecasts are available on OEA’s website (oregon.gov/das/oea), together with an annual calendar of expected release dates for future reports. Investors are cautioned that information presented in the Forecast is not indicative of future results. **The information on OEA’s website is not part of or incorporated into this Official Statement.**

The State’s actual results will be affected by national and state economic activity and other events, including events that are not within the State’s control. Any Forecast information for the State that is presented in this Official Statement is based on the State Economic and Revenue Forecast released on February 26, 2025 (the “March 2025 Forecast”). The next State Economic and Revenue Forecast is expected to be released on or about May 14, 2025 (the “June 2025 Forecast”). See “—Revenue and Economic Information as of March 2025 Forecast” herein.

If amounts budgeted or expected to pay any debt obligations of the State, including the 2025 Bonds, are not available for any reason, the Treasurer may make an intrafund or interfund loan from funds held in the Oregon State Treasury to pay debt service on those debt obligations. Any General Fund intrafund loan is repaid without interest. Any interfund loan is repaid with interest. The loan may only be made if the borrowing fund is expected to be able to repay the borrowed funds before the borrowed funds are needed by the lending fund, and if the loan meets certain other conditions. The State is not obligated to obtain loans from these funds and may decide to seek other sources of funds to pay its legal obligations.

If the Forecast anticipates a decrease in projected revenues and the General Fund budget is not balanced based on estimated revenues in the Forecast, Oregon law requires the Governor or the Legislative Assembly to take action to rebalance the budget prior to the end of the biennium. DAS may reduce agency budgets, with the approval of the Governor, by administratively reducing expenditure authority for State agencies through the quarterly allotment process through which expenditures are monitored by agencies and the DAS Chief Financial Office throughout the biennium. The Legislative Assembly may rebalance the budget during a regular or special Legislative Session. See “—Revenue and Economic Information as of March 2025 Forecast” herein for discussion of the financial and economic conditions in the State.

The State has two budgetary reserve funds, the Education Stability Fund and the Oregon Rainy Day Fund, which, subject to certain restrictions, may be drawn on in the event of General Fund revenue shortfalls or economic downturns within a biennium. See APPENDIX A — “GENERAL INFORMATION RELATING TO THE STATE OF OREGON—REVENUES—Reserve Funds” for additional information on the State’s budgetary reserve funds.

TABLE 4
STATE OF OREGON
GENERAL FUND REVENUE STATEMENT
(\$ In Thousands)⁽¹⁾

Taxes	2017-19⁽²⁾	2019-21⁽³⁾	2021-23⁽⁴⁾	2023-25⁽⁵⁾
Personal Income	\$ 18,821,756	\$ 20,004,976	\$ 25,737,140	\$ 22,569,985
Corporate Excise and Income	1,681,649	2,041,412	3,157,015	3,222,070
Other Taxes ⁽⁶⁾	672,621	800,642	912,671	930,823
Fines and Fees⁽⁷⁾	259,011	249,370	225,077	226,217
Additional Revenues⁽⁸⁾	402,625	456,822	665,299	1,023,337
One-time Transfers	5,020	174,205	135,533	35,806
Gross General Fund Revenues	21,842,682	23,727,427	30,832,735	28,008,238
Offsets and Transfers	(127,971)	(114,831)	(182,235)	(232,100)
Net General Fund Revenues	21,714,711	23,612,596	30,650,500	27,776,138
Beginning Balance	1,000,385	2,709,365	4,082,489	8,082,488
Anticipated Administrative Actions ⁽⁹⁾	(10,370)	0	0	0
Legislatively Adopted Actions ⁽¹⁰⁾	(179,424)	(198,338)	(220,723)	(264,732)
Available Resources	\$ 22,525,302	\$ 26,123,622	\$ 34,512,266	\$ 35,593,893
Appropriations	\$ 19,945,904	\$ 22,461,279	\$ 27,130,628	\$ 33,007,363
Reversion	(129,966)	(420,146)	(700,849)	0
Expenditures	19,815,937	22,041,133	26,429,779	33,007,363
Ending Balance	\$ 2,709,365	\$ 4,082,489	\$ 8,082,488	\$ 2,586,530

⁽¹⁾ Totals may not agree with sum of components due to rounding.

⁽²⁾ September 2019 Economic and Revenue Forecast, as adjusted by OEA due to final biennial transactions made after the September Forecast was published.

⁽³⁾ September 2021 Economic and Revenue Forecast, as adjusted by OEA due to final biennial transactions made after the September Forecast was published.

⁽⁴⁾ September 2023 Economic and Revenue Forecast, as adjusted by OEA due to final biennial transactions made after the September Forecast was published.

⁽⁵⁾ March 2025 Economic and Revenue Forecast.

⁽⁶⁾ Other Taxes include insurance, estate, cigarette, other tobacco products, and other miscellaneous taxes.

⁽⁷⁾ Fines and Fees include State court fees, Secretary of State corporation fees, criminal fines and assessments, and securities fees.

⁽⁸⁾ Additional Revenues include Central Service Charge, Liquor Apportionment, Interest Earnings, and Miscellaneous Revenues.

⁽⁹⁾ Interest cost associated with Tax Anticipation Notes.

⁽¹⁰⁾ Transfer of ending General Fund balances up to 1% of budgeted appropriations into the Rainy Day Fund.

Source: State of Oregon, Chief Financial Office and OEA Revenue Forecasts.

Revenue and Economic Information as of March 2025 Forecast

Revenue Forecast. In the March 2025 Forecast, the OEA projects General Fund revenues to be \$28.0 billion for the 2023-25 Biennium. This represents a decrease of \$90.3 million from the State Economic and Revenue Forecast released on November 20, 2024, (the “December 2024 Forecast”), primarily due to a decline in personal income taxes. The lottery revenues are estimated to be \$1.9 billion, \$19.8 million less than was projected in the December 2024 Forecast and a 1.4% increase above lottery revenues projected in the Forecast as of the close of the 2023 Regular Legislative Session (the “Close of Session 2023 Forecast”). The combined General Fund and Lottery Fund revenues are projected to be \$29.9 billion in the 2023-25 Biennium.

According to the March 2025 Forecast, tax revenues are expected to be 10.9% higher than the Close of Session 2023 Forecast, which would trigger a personal income tax kicker and a corporate income tax kicker for the 2025-27 Biennium. The personal kicker is expected to total \$1.7 billion that will be returned to taxpayers as a credit on their 2025 tax return. The corporate kicker now stands at an expected \$993.1

million. Under the Oregon Constitution, the corporate income tax kicker is allocated to K-12 public education spending. See APPENDIX A — “GENERAL INFORMATION RELATING TO THE STATE OF OREGON—REVENUES—General Fund Revenues – *Return of General Fund Revenue to Personal Income Taxpayers (2% Surplus Kicker).*”

Corporate Activity Tax. The State’s Corporate Activity Tax (“CAT”) (Oregon Laws 2019, Chapter 122) took effect in calendar year 2020. The CAT taxes certain commercial activity and designates the revenues to be used for funding prekindergarten through grade 12 education and early learning programs. Revenues from the CAT will flow to the Student Success Fund, which is not part of the State’s General Fund and as such is not subject to the kicker. The March 2025 Forecast estimates CAT revenues, net of administrative costs, to be \$2.7 billion for the 2023-25 Biennium and \$3.1 billion for the 2025-27 Biennium.

Oregon Economic Projections. According to the March 2025 Forecast, inflation has slowed since the Fed lowered interest rates by a full percentage point since September 2024, but the March 2025 forecast predicts no additional interest rate cuts will be forthcoming in the near term. Household earnings in Oregon are still outpacing the current rate of inflation and household spending is continuing at an accelerated rate. Oregon’s economy has historically grown at an above-average rate, due to fast growing sectors, such as tech and semiconductors, and favorable demographics; however, over the last four quarters, Oregon GDP growth has been slower than U.S. GDP growth by about one and a half percentage points, and State job creation lagged the national average as a result. Recent trade tensions, as well as federal government budget cutbacks and layoffs are likely to impact state economic activity, though it’s too early to begin discerning the magnitude of these impacts. Despite these factors, Oregon’s overall economic outlook remains relatively stable.

The labor market continues to remain steady at or near full employment, and with a low unemployment rate around 4%. The OEA projects employment growth of 0.9 percent in calendar year 2025, followed by 0.6 percent growth in calendar year 2026. The ongoing strength and continued growth of the labor market also helps push the likelihood for a recession further into the future.

Pension Benefit Programs

The State is one of many participants in the statewide Oregon Public Employees’ Retirement System (“PERS” or the “System”). The State participates in three retirement pension benefit programs provided through PERS that are commonly referred to as Tier 1, Tier 2, and the Oregon Public Service Retirement Plan (“OPSRP”). The State and a majority of local governments in Oregon participate in PERS. For a description of these retirement benefit programs, see APPENDIX A — “GENERAL INFORMATION RELATING TO THE STATE OF OREGON—PENSION AND POST EMPLOYMENT BENEFITS.” Oregon statutes require an actuarial valuation of PERS by a competent actuary at least once every two years. Under current practice, actuarial valuations are performed annually, but only valuations as of the end of each odd-numbered year are used to determine annual required employer contribution rates. Valuations are released approximately one year after the valuation date. The current PERS actuary is Milliman, Inc. (“Milliman”). The actuarial valuations are based on actuarial methods and assumptions adopted by the Public Employees Retirement Board (the “PERS Board”). See APPENDIX A — “GENERAL INFORMATION RELATING TO THE STATE OF OREGON—PENSION AND POST EMPLOYMENT BENEFITS—Table entitled “Public Employees’ Retirement System Actuarial Assumptions and Methods.”

Funding Levels. Milliman released its actuarial valuation report for the System as of December 31, 2023 (the “2023 System Valuation”) and the State component actuarial valuation report as of December 31, 2023 (the “2023 State Valuation”) in October 2024. The following table provides summary information and a comparison of the System and State funding levels.

TABLE 5
SUMMARY OF SYSTEM AND STATE FUNDING LEVELS
(\$ In Millions)

Calendar Year	SYSTEM ⁽¹⁾				STATE ⁽²⁾			
	Market Value of Assets ⁽³⁾	Actuarial Value of Liability	Unfunded Actuarial Liability	Funded Ratio	Market Value of Assets ⁽⁴⁾	Actuarial Value of Liability	Unfunded Actuarial Liability	Funded Ratio
2014	61,395.1	73,458.9	12,063.8	83.6%	16,889.9	19,978.2	3,088.2	84.5
2015 ⁽⁵⁾	60,000.1	76,196.6	16,196.5	78.7	16,497.3	20,845.5	4,348.2	79.0
2016	61,059.0	80,970.3	19,911.3	75.4	16,696.4	21,995.0	5,298.6	75.9
2017	67,326.2	84,056.0	16,729.8	80.1	18,550.1	23,232.6	4,682.4	79.8
2018	64,802.3	86,574.7	21,772.4	74.9	17,580.9	23,850.8	6,270.0	73.7
2019	70,312.3	89,445.7	19,133.5	78.6	19,441.5	25,295.4	5,853.9	76.9
2020	72,378.3	95,300.4	22,922.1	75.9	20,170.5	27,335.4	7,164.9	73.8
2021	85,001.3	98,401.4	13,400.1	86.4	22,787.1	28,411.7	5,624.5	80.2
2022 ⁽⁶⁾	81,074.0	102,908.8	21,834.8	78.8	22,413.3	29,855.8	7,442.5	75.1
2023	82,416.9	106,384.0	23,967.1	77.5	22,734.8	30,874.5	8,139.7	73.6

⁽¹⁾ System funding levels composed of Tier 1 and Tier 2 and OPSRP pensions but excluding retiree healthcare subsidies of RHIA and RHIPA.

⁽²⁾ The State's unfunded actuarial liability (the "State UAL") presented in this table may differ from the presentation of the State UAL in the State Actuarial Valuation Reports released by the PERS actuary. The Judge Retirement Program and the RHIA and RHIPA programs are not included in these numbers. The PERS actuary reported that as of December 31, 2023, the Judge Retirement Program has an unfunded actuarial liability of \$110.0 million and a funded ratio of 72%. See Tables 24 through 25C in Appendix A for RHIA and RHIPA information.

⁽³⁾ Includes proceeds of pension bonds issued by Oregon local governments and the State.

⁽⁴⁾ Includes State pension bond proceeds.

⁽⁵⁾ In April 2015, the Oregon Supreme Court announced a decision on lawsuits challenging the provisions of the legislative changes enacted by the Legislative Assembly in 2013 (the "2013 PERS Bills"). The decision upheld the elimination of a benefit increase for out-of-state retirees but declared other benefit reductions unconstitutional as applied to benefits earned prior to the June 1, 2013 effective date of the 2013 PERS Bills.

⁽⁶⁾ The decrease in funded status is due primarily to actual 2022 Oregon Pension Retirement Fund returns of -1.55% compared to the assumed 6.90% return, as well as individual member salary increases experienced during 2022 higher than the long-term assumption.

Source: PERS.

The funded status of the System and of the State as reported by Milliman will change over time depending on a variety of factors, including the market performance of the securities in which the Oregon Public Employees' Retirement Fund is invested, future changes in compensation and benefits of covered employees, demographic characteristics of members, methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS, and other actions taken by the PERS Board and the Legislative Assembly.

As reflected in its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024 (the "2024 State ACFR"), and in accordance with applicable standards issued by the Governmental Accounting Standards Board ("GASB"), the State, excluding component units, reported a net pension liability of \$5.4 billion and recognized pension expenses of \$1 billion. The net pension liability was measured as of June 30, 2023 based on an actuarial valuation as of December 31, 2021. See APPENDIX B — "BASIC FINANCIAL STATEMENTS FOR THE STATE FOR THE YEAR ENDED JUNE 30, 2024." Such information, however, does not reflect the changes incorporated into subsequent actuarial valuation reports due to GASB's timing rules.

Employer Contribution Rates. The following table shows the State's employer contribution rates for Tier 1/Tier 2, OPSRP General Service, and OPSRP Police and Fire plans for the 2023-25 Biennium and the 2025-27 Biennium.

TABLE 6
PERS EMPLOYER CONTRIBUTION RATES

	<u>2023-25 Biennium</u>	<u>2025-27 Biennium</u>
Tier 1 / Tier 2	22.91%	25.98%
OPSRP General Service	18.28	21.94
OPSRP Police and Fire	23.07	27.21

For a discussion on the State’s employer contribution rates and contribution rate stabilization method, see APPENDIX A—“GENERAL INFORMATION RELATING TO THE STATE OF OREGON—PENSION AND POST EMPLOYMENT BENEFITS—State of Oregon Active PERS Members—State Employer Contribution Rates” and the Table entitled “Public Employees’ Retirement System Actuarial Assumptions and Methods” therein.

Other Post-Employment Benefits (OPEB)

In addition to the pension benefits provided through PERS, the State provides healthcare benefits (medical, vision and dental) through two PERS health insurance programs and through the Oregon Public Employees’ Benefit Board (“PEBB”). At the time of retirement, State employees can choose whether to obtain post-employment benefits through PERS or through PEBB. As reflected in the 2024 State ACFR, approximately 39,775 retirees receive healthcare benefits through PERS health insurance programs and approximately 896 retirees receive healthcare benefits through PEBB. See APPENDIX A—“GENERAL INFORMATION RELATING TO THE STATE OF OREGON—PENSION AND POST EMPLOYMENT BENEFITS” for information regarding the State’s obligations to provide benefits through PEBB.

As reflected in its 2024 State ACFR, and in accordance with applicable standards issued by GASB, the State, excluding component units, reported a net OPEB asset of \$108 million for the RHIA plan and a net OPEB asset of \$35.2 million for the RHIPPA plan. The net OPEB asset and liability were measured as of June 30, 2022, based on an actuarial valuation as of December 31, 2021. For the PEBB plan, the State, excluding component units, reported a total OPEB liability of \$80.6 million, which was measured as of June 30, 2024, based on an actuarial valuation as of July 1, 2022. See APPENDIX B — “BASIC FINANCIAL STATEMENTS FOR THE STATE FOR THE YEAR ENDED JUNE 30, 2024.”

RECENT DEVELOPMENTS

2025-27 Biennial Budget Process

Governor’s Proposed Budget. The proposed 2025-27 biennial budget was released by Governor Tina Kotek on December 2, 2024 (the “Governor’s Budget”) for consideration by the Legislative Assembly during the legislative session which convened on January 21, 2025 (the “2025 Legislative Session”). The Governor’s Budget assumes, for the General Fund and Lottery Funds combined, \$39.4 billion in available resources and proposes \$39.3 billion in expenditures, leaving a combined ending fund balance of approximately \$113.0 million. The Governor’s Budget proposes authority to issue \$2.2 billion of General Fund supported debt and \$570.9 million of Lottery Funds supported debt.

The proposed Governor’s Budget anticipates certain revenue increases to maintain core government functions as well as certain program and policy changes, all of which are subject to review and modification by the Legislative Assembly. The Governor’s Budget retains the reserve fund balances at the end levels achieved at the end of the 2023-25 Biennium but proposes using all available resources other

than existing reserve fund balances on critical investments, such as housing, homelessness, mental health and addiction services, education and affordable childcare.

The Governor’s Budget focuses on continuing to build upon the progress that started during the 2023-25 Biennium, including strategic investments to increase housing and reduce homelessness, improve access to behavioral health services, and ensure Oregon’s children are better served by investments in education and early literacy. Some of the General Fund investments include: \$217.9 million to maintain Oregon statewide system of shelters, \$188.2 million to maintain current efforts to transition Oregonians out of homelessness and into housing, \$90.0 million for adult mental health services capacity building, \$50.0 million towards an increase in a diverse and culturally responsive behavioral health workforce, \$600.0 million increase to strengthen the State School Fund, \$127.2 million to maintain and strengthen early literacy, and \$78.5 million to expand previous investments in summer learning.

The Governor’s Budget for combined General Fund and Lottery Fund expenditures, divided primarily by major program areas, is described below.

TABLE 7
2025-27 BIENNIUM GOVERNOR’S BUDGET PROPOSAL

Amount	Program Area
\$15.717 billion	Education, including: \$10.485 billion for the K-12 State School Fund \$3.413 billion for Higher Education \$1.818 billion for other education programs
\$13.654 billion	Human Services
\$ 4.897 billion	Public Safety
\$ 0.844 billion	Judicial
\$ 1.074 billion	Natural Resources
\$ 0.511 billion	Administration
\$ 2.594 billion	All Other Program Areas
\$39.291 billion	Total

Note: Totals may not add due to rounding.

(1) Combined General Fund and Lottery Funds; excludes Other Funds and Federal Funds.

Source: 2025-27 Governor’s Budget.

The Governor’s Budget is subject to review and modification by the Legislative Assembly during the 2025 Legislative Session. The co-chairs of the Joint Committee on Ways and Means have released their 2025-27 biennial budget framework (the “Co-Chairs Budget Framework”), which is based on information from the March 2025 Forecast. The Co-Chairs Budget Framework includes four potential scenarios summarizing the projected effects if budgeted federal funding to the State were to decrease by 0%, 10%, 20% or 30%. To address the possibility of federal revenue reductions, the Co-Chairs Budget Framework proposes setting aside \$100 million in emergency funds that would be accessible in the interim. According to the Co-Chairs Budget Framework, this emergency funding is not expected to be sufficient to fully offset the potential losses of billions, but it would provide the State with readily available short-term resources to respond. See “APPENDIX A — “CERTAIN BONDHOLDER CONSIDERATIONS— Federal Funding.”

Together, the Governor’s Budget and the Co-Chairs Budget Framework form the basis for the 2025-27 budget process, which will also be informed by the June 2025 Forecast. The Oregon Constitution requires the Legislative Assembly to balance the State’s General Fund budget. If the Legislative Assembly does not enact some of the proposed program and policy changes on which the Governor’s Budget is based,

other measures would be necessary to balance the budget which may include reducing proposed spending levels, increasing revenues or some combination thereof.

2023-25 Biennium Budgetary Actions

2023 Legislative Session. During the 2023 Legislative Session, the Legislative Assembly adopted a balanced budget for the 2023-25 Biennium (the “Legislatively Adopted Budget” or “LAB”) as required by the State Constitution. The LAB was based on the projected revenues from the State Economic and Revenue Forecast that was released on May 17, 2023 and revenue changes enacted during the 2023 Legislative Session. The Legislatively Adopted Budget, as adjusted by subsequent actions of the Legislative Assembly, is referred to as the “Legislatively Approved Budget.”

2024 Legislative Session. The Legislative Assembly convened for its 2024 Legislative Session on February 5, 2024 and adjourned on March 7, 2024. The Legislative Assembly took actions to adjust the 2023-25 Legislatively Approved Budget based on available resources as projected in the March 2024 Forecast. The net effect of those actions on the 2023-25 Legislatively Approved Budget was a \$1.0 billion increase in General Fund expenditures and a \$42.6 million increase in Lottery Fund expenditures. As a result of these actions the ending fund balance for the General Fund is \$587.2 million. The Governor signed into law the budget adjustments approved by the Legislative Assembly during the 2024 Legislative Session on April 17, 2024. See “APPENDIX A — “STATE FINANCIAL OPERATIONS—Budgetary Process” and —“GENERAL INFORMATION RELATING TO THE STATE OF OREGON—OREGON FINANCIAL INFORMATION.”

2024 Special Legislative Session. At the call of the Governor, the Legislative Assembly convened for a one-day special session on December 12, 2024 (the “2024 Special Session”), to address funding issues related to the 2024 wildfire season. The 2024 wildfire season was larger in terms of cost and acres burned than any other wildfire season on record. The costs incurred by the Department of Forestry and the Department of the State Fire Marshal were larger than the amount available in their budget and from the balance in the Emergency Board Fund. To address these higher-than-expected costs, the 2024 Special Session provided for General Fund appropriations of \$26.6 million to the Department of the State Fire Marshal and \$191.5 million to the Department of Forestry. Senate Bill 5801 (“SB 5801”) was the budget reconciliation bill for the 2024 Special Session.

The Legislatively Approved Budget for the 2023-25 Biennium provides for budgeted expenditures of \$33.007 billion from the General Fund and \$1.662 billion in Lottery Funds. The combined General Fund and Lottery Funds approved budget for the 2023-25 Biennium has increased 21.3% from the 2021-23 Legislatively Approved Budget.

Combined General Fund and Lottery Fund expenditures in the Legislatively Approved Budget are primarily divided among the major program areas described below.

TABLE 8
2023-25 LEGISLATIVELY APPROVED BUDGET⁽¹⁾

Amount	Program Area
\$13.829 billion	Education, including: \$9.375 billion for the K-12 State School Fund \$3.123 billion for Higher Education \$1.331 billion for other education programs
\$11.795 billion	Human Services
\$ 3.740 billion	Public Safety
\$ 1.389 billion	Judicial
\$ 1.262 billion	Natural Resources
\$ 0.700 billion	Administration
\$ 1.954 billion	All Other Program Areas
\$34.669 billion	Total

Note: Totals may not add due to rounding.

(1) Combined General Fund and Lottery Funds; excludes Other Funds and Federal Funds.

Source: State of Oregon, Chief Financial Office.

LITIGATION AND OTHER MATTERS

No Litigation Challenging the 2025 Bonds

To the knowledge of the officers of the State charged with issuing the 2025 Bonds, no litigation is pending or threatened against the State in any court or other tribunal of competent jurisdiction, state or federal, that has a reasonable probability of success in any way (1) restraining or enjoining the issuance, sale or delivery of the 2025 Bonds, (2) questioning or affecting the validity of the 2025 Bonds or (3) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution or delivery of the 2025 Bonds.

Pending or Threatened Litigation Against the State

Members of the public and advocacy groups from time to time assert that they intend to file a legal action against the State challenging certain programs, laws or actions that the State or its officers or agencies have taken. Because the State cannot be certain as to whether such actions will actually be filed, the legal assertions that may be made in a potential action or the remedy sought in terms of the amount of damages or performance requested of the State, the State includes as threatened litigation only situations in which the State is engaged in active settlement negotiations with a person or advocacy group in order to pre-empt filing of a lawsuit.

The State discloses only pending or threatened litigation which the State has determined may have a materially adverse effect on the State's financial position in relation to the obligations offered for sale; for the 2025 Bonds, the current level of materiality involves litigation where the damages or performance sought has a reasonable probability of imposing liability of \$200 million or more against the State's General Fund.

Claims Against the State of Oregon Exceeding \$200 Million

Potential Superfund Site Liability

In 2000, the U.S. Environmental Protection Agency ("EPA") listed an approximately 10-mile stretch of the lower Willamette River area ("Site") as a superfund site under the federal Superfund law ("CERCLA"). EPA has identified over 100 parties as potentially responsible under CERCLA for costs

related to investigation and cleanup of hazardous substances at the Site, including the State of Oregon, acting by and through the Department of Transportation (“ODOT”) and Department of State Lands (“DSL”). EPA alleges the release of hazardous substances in storm water draining into Portland Harbor from property owned, leased, or operated by ODOT and DSL and from third-party activities on submerged and submersible leased lands owned by the State in trust for the public and managed by DSL within the Site. Under CERCLA, responsible parties can be held jointly and severally liable for all costs, subject to certain defenses.

In 2017, EPA issued its final cleanup plan for the Site called the “Record of Decision” (“ROD”). The ROD requires active remediation (through dredging, capping, enhanced natural recovery, and monitored natural recovery) of nearly 400 acres of contaminated sediments and over 20,000 lineal feet of riverbank. EPA’s initial estimate for full performance of the remedy was \$1.05 billion and 13 years; other parties estimate that it is a \$3 billion remedy that will take 20 years to complete. Liable parties under CERCLA are responsible for funding this remedial action, as well as preliminary actions such as additional investigations, remedial design, and agency oversight. EPA has asked potentially responsible parties (“PRPs”) to step forward to perform components of the ROD or risk an enforcement action. Numerous parties, including DSL and ODOT, have entered into Administrative Settlements and Orders on Consent with EPA to perform pre-remedial design and related work.

A group of Portland Harbor PRPs are engaged in a confidential, non-binding private mediation process to achieve an allocation of responsibility for the costs of implementing the ROD within the Site among the responsible parties. If successful, the process will culminate in the parties developing a comprehensive settlement proposal to EPA based on the allocation. If accepted by EPA, the settlement will be memorialized in a judicial Consent Decree filed in the Oregon federal district court. The State is participating in this non-judicial allocation by and through DSL and ODOT. It is not possible to predict the relative share of cleanup costs that will be assigned to each agency through this confidential mediation or, should it fail, through litigation. It is also too early to predict when the mediation will conclude or whether it will result in a durable comprehensive settlement with EPA.

Separately, the Portland Harbor natural resource trustees, a group composed of five tribes, two federal agencies and the State, acting through its trustee, the Oregon Department of Fish and Wildlife, are asserting a CERCLA claim for natural resource damages (“NRD”) against all Portland Harbor PRPs, including ODOT and DSL. The trustees have initiated a cooperative injury assessment process funded by thirty parties, the goal of which is to reach settlements of the NRD claim based on readily available information. The State is seeking a settlement of its NRD liabilities through this process.

The State has pursued claims for insurance coverage of its Portland Harbor defense costs and expects to make additional insurance claims in the future for its eventual liabilities for cleanup costs and NRD. These claims are based on commercial general liability insurance policies that the State held between 1968 and 1972 and on insurance policies that listed DSL and ODOT as additional insureds. The State has executed a settlement agreement with several of its insurers regarding their obligation to pay for most of the State’s defense costs, but the insurers have reserved their rights to deny indemnity coverage.

Pro Se Cases

There are also several pro se cases pending against the State in which plaintiffs representing themselves are suing the State for many millions of dollars. The possibility of the State having to pay anything in any of these cases is negligible.

Initiatives, Referendum and Referrals

The Oregon Constitution, Article IV, Section 1, reserves to the people of the State (1) the initiative power to amend the Oregon Constitution or to enact State legislation by placing measures on the statewide general election ballot for consideration by the voters and (2) the referendum power to approve or reject at an election any act passed by the Legislative Assembly that does not become effective earlier than 90 days after the end of the legislative session. The Legislative Assembly may also refer an act to the voters for approval or rejection. See APPENDIX A — “GENERAL INFORMATION RELATING TO THE STATE OF OREGON—INITIATIVE PETITIONS, LEGISLATIVE REFERRALS AND REFERENDUM PETITIONS” for additional information on the election requirements for these actions.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the further opinion that interest on the 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the 2025 Bonds is exempt from State of Oregon personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on the 2025 Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the 2025 Bonds is less than the amount to be paid at maturity of such 2025 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2025 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2025 Bonds which is excluded from gross income for federal income tax purposes and exempt from State of Oregon personal income taxes. For this purpose, the issue price of a particular maturity of the 2025 Bonds is the first price at which a substantial amount of such maturity of the 2025 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2025 Bonds accrues daily over the term to maturity of such 2025 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2025 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2025 Bonds. Beneficial Owners of the 2025 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2025 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2025 Bonds in the original offering to the public at the first price at which a substantial amount of such 2025 Bonds is sold to the public.

2025 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2025 Bonds. The Issuer has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2025 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2025 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2025 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the 2025 Bonds may adversely affect the value of, or the tax status of interest on, the 2025 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2025 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of Oregon personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2025 Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2025 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2025 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Issuer has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2025 Bonds ends with the issuance of the 2025 Bonds and Bond Counsel is not obligated to defend the Issuer or the Beneficial Owners regarding the tax-exempt status of the 2025 Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the 2025 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2025 Bonds, and may cause the Issuer or the Beneficial Owners to incur significant expense.

Payments on the 2025 Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of 2025 Bonds may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the 2025 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the 2025 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

RATINGS

Fitch Ratings (“Fitch”), Moody’s Ratings (“Moody’s”) and S&P Global Ratings (“S&P”) have assigned their municipal bond ratings of “AA+” (positive outlook), “Aa1” (stable outlook) and “AA+” (stable outlook), respectively, to the 2025 Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. Any explanation of the significance of ratings should be obtained directly from the agencies. There is no assurance that any rating will not be subsequently revised or withdrawn entirely if, in the judgment of the assigning agency, circumstances so warrant. The State has undertaken to provide timely notice of any change in such ratings. See “CONTINUING DISCLOSURE” below.

MUNICIPAL ADVISOR

The State has retained PFM Financial Advisors LLC (the “Municipal Advisor”) as the municipal advisor in connection with the preparation of this Official Statement and with respect to the issuance of the 2025 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

UNDERWRITING

The 2025 Bonds are being purchased by BofA Securities, Inc., Ramirez & Co., Inc., Raymond James & Associates, Inc., RBC Capital Markets, LLC, Piper Sandler & Co., and TD Securities (USA) LLC (collectively, the “Underwriters” and each an “Underwriter”). The purchase agreement relating to the 2025 Bonds (the “Purchase Agreement”) provides that the Underwriters will purchase all of the 2025 Bonds, if any are purchased.

The purchase price of the 2025 Bonds (the “Purchase Price”) is \$250,210,253.52 (the principal amount of the 2025 Bonds (\$242,505,000), plus an original issue premium of \$8,563,001.55, and less an Underwriters’ discount of (\$857,748.03).

The obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions. The Underwriters reserve the right to join with dealers and other underwriters in offering the 2025 Bonds to the

public. The Underwriters may offer and sell the 2025 Bonds to certain dealers (including dealers depositing the 2025 Bonds into investment trusts) and others at prices lower than the initial public offering prices indicated on the inside cover page hereof. The Underwriters may change the public offering prices from time to time without prior notice.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the State and its affiliates in connection with such activities. In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the State (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the State. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The following paragraphs were provided by the Underwriters.

BofA Securities, Inc., an Underwriter of the 2025 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the 2025 Bonds.

RBC Capital Markets, LLC (RBCCM), an underwriter of the 2025 Bonds, has entered into a distribution arrangement with its affiliate City National Securities, Inc. (CNS). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of CNS. As part of this arrangement, RBCCM may compensate CNS for its selling efforts with respect to the 2025 Bonds.

TD Securities (USA) LLC, one of the Underwriters of the 2025 Bonds, has entered into a negotiated dealer agreement (the “TD Dealer Agreement”) with InvestorLink Capital Markets, LLC (“ICM”) for the retail distribution of certain securities offerings, including the offered Bonds at the original issue prices. Pursuant to the TD Dealer Agreement, ICM may purchase Bonds from TD Securities (USA) LLC at the original issues prices less a negotiated portion of the selling concession applicable to any of the 2025 Bonds ICM sells.

Piper Sandler & Co., one of the Underwriters of the 2025 Bonds, has entered into a distribution agreement (“Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co”) for the retail distribution of certain securities offerings including the 2025 Bonds at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase 2025 Bonds from Piper Sandler at the original issue price less a negotiated portion of the selling concession applicable to any 2025 Bonds that CS&Co. sells.

CERTAIN LEGAL MATTERS

The validity of the 2025 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix C hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Issuer by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the Issuer.

Orrick, Herrington & Sutcliffe LLP also represents the Issuer in certain other bond, disclosure and other matters and also represents the Underwriters in connection with certain other State bond matters and other unrelated matters.

In connection with the 2025 Bonds, certain legal matters will be passed upon for the Underwriters by Hawkins Delafield & Wood LLP, Portland, Oregon, and for the State by the Oregon Department of Justice, Salem, Oregon. Hawkins Delafield & Wood LLP represents the State in certain bond, disclosure and other matters.

CONTINUING DISCLOSURE

The State, acting by and through the State Treasurer, will undertake in a Continuing Disclosure Certificate for the benefit of the holders of the 2025 Bonds to provide to the Municipal Securities Rulemaking Board (the “MSRB”), on an annual basis on or before nine months after the end of each fiscal year, commencing with the fiscal year ending June 30, 2025, certain specified financial information and operating data, and to provide to the MSRB in a timely manner notices of certain listed events. This undertaking is to assist the Underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission. The proposed form of Continuing Disclosure Certificate is contained in Appendix D.

Prior Continuing Disclosure Compliance

The State did not file certain of its annual reports, annual financial and operating information and listed event notices by individual nine-digit CUSIP numbers with respect to certain bonds issued by the State. The State has subsequently taken action to correct such filings and on all future filings will file by six-digit CUSIP numbers to ensure that individual nine-digit CUSIP numbers of non-refunded bonds or other nine-digit CUSIP bonds are not inadvertently excluded in future filings.

The filing of required annual financial and operating information as part of the State’s outstanding continuing disclosure obligations have been of the same type of information identified in the applicable continuing disclosure undertakings. Additionally, the information contained in the filings made by the State has not always been presented in the same format referenced in the related undertakings, and the format of information of the type to be filed by the State may vary in the future.

MISCELLANEOUS

References are made herein to certain documents and reports of which brief summaries are contained herein, which do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the State and the purchasers or holders of any of the 2025 Bonds.

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used in whole or in part, for any other purpose.

By Order of
Elizabeth Steiner, MD
Oregon State Treasurer

By: /s/ Jaime Alvarez
Jaime Alvarez, Director
Debt Management Division

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APPENDIX A

GENERAL INFORMATION RELATING TO THE STATE OF OREGON

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INTRODUCTION

This “Appendix A – General Information Relating to the State of Oregon” contains information on the basic structure of the State’s governmental organization, economic and demographic information, finances, the budget process, revenues, expenditures and reserves, cash management, pension programs, outstanding indebtedness, and other information.

The State examines the economic, demographic and financial data (collectively, the “Economic Data”) presented in Appendix A and includes citations as to the source and “as of date” of the data presented. The State monitors the sources of the Economic Data presented and updates it in a timely manner when new data is available from the cited sources.

Certain information in Appendix A is derived from the quarterly economic and revenue forecast (the “Forecast”) that is prepared and provided by the Oregon Office of Economic Analysis pursuant to Oregon law (ORS 291.342). See “STATE FINANCIAL OPERATIONS—Revenue Forecasting” herein. Information derived from the Forecast and presented in Appendix A is updated by the State in a timely manner following the release of each Forecast.

As a result of ongoing updates to Appendix A described in the foregoing paragraphs, there may be variations in the information presented in this Appendix A as compared to prior Official Statements of the State.

The State issues bonds from time to time during the course of its fiscal year. Appendix A includes certain financial information related to outstanding indebtedness of the State, which is presented and updated annually as of the State’s fiscal year end (June 30). Material information related to the authority for, offering and sale of bonds is found in the forepart of each Official Statement. Material changes to information related to the State’s finances, including revenue and budgetary matters, not yet updated in Appendix A are provided in the forepart of each Official Statement.

THE STATE OF OREGON GOVERNMENTAL ORGANIZATION

The Oregon Constitution divides the powers of state government among the Legislative, Executive and Judicial branches.

The Legislative Branch

Oregon has a bicameral Legislative Assembly consisting of the Senate with thirty members elected to serve four-year terms and the House of Representatives with sixty members elected to two-year terms.

The Legislative Assembly convenes its regular sessions in January of each odd-numbered year and abbreviated regular sessions in February of each even-numbered year. Regular sessions of the Legislative Assembly are limited to 160 days in odd-numbered years, and 35 days in even-numbered years. Sessions may be extended for five days at a time, by a two-thirds majority vote of both chambers of the Legislature. The Governor or a majority of each house may call special sessions of the Legislative Assembly to deal with emergencies.

Legislation that has been considered and passed out of both houses of the Legislative Assembly in identical form is sent to the Governor for action. The Governor has five weekdays to consider the enrolled bill if the Legislative Assembly is in session, and 30 weekdays to consider it if the Legislative Assembly has adjourned. If the Governor takes no action during those time periods, the bill becomes law automatically at the end of the period. If the Governor chooses to sign the bill or allows it to become law without signature, it will become effective on January 1 of the year after the passage of the bill or on the effective date specified in the bill. Bills, other than those regulating taxation or exemption, may contain a provision declaring an emergency and providing that the bill becomes effective upon passage or some other expedited date. The Governor may also decide to veto the entire bill, or the Governor may veto line items in appropriation bills and bills with emergency clauses. The Governor's veto may be overridden by a two-thirds vote of both legislative houses, in which case the bill or line item becomes effective as described.

The primary functions of the Legislative Assembly are to adopt a balanced budget for all State funds, as required by the Oregon Constitution and to enact general laws. Historically, the Legislative Assembly budgeted on a biennial basis because it convened biennially. However, the Oregon Constitution was amended in 2010 to provide for annual sessions. Therefore, the Legislative Assembly may adopt annual budgets for state agencies, rather than for the entire biennium, or may adopt biennial agency budgets that are adjusted in an interim legislative session. State law requires a financial report of state operations to be prepared at the end of each fiscal year. The State's fiscal year ends June 30.

The Oregon Constitution authorizes the Emergency Board ("E-Board"), a joint legislative committee, to meet between legislative sessions to address financial matters of the State arising in the interim period. The seventeen-member E-Board consists of the President of the Senate, Speaker of the House of Representatives, Co-Chairpersons of the Joint Ways and Means Committee, six other Senate members and seven other House members. The E-Board, which may schedule its own meetings, usually meets once every other month during the interim between regular sessions. If an emergency exists, the E-Board may allocate additional moneys to any state agency out of funds appropriated to the E-Board by the Legislative Assembly during its regular session. The E-Board may also provide moneys for an activity required by law for which the Legislative Assembly did not appropriate money, increase expenditure authority from dedicated or continuously appropriated funds, and approve funding for a new activity coming into existence at a time that would preclude submission of a budget to the Legislative Assembly.

The Executive Branch

The chief executive power of the State is vested in the Governor. The Governor is elected to a four-year term and is limited to serving two terms in any twelve-year period. Tina Kotek was elected Governor at the November 2022 general election to serve a four-year term beginning at her inauguration on January 9, 2023, and ending December 31, 2026. The Governor proposes, plans, and recommends a budget for almost all of state government to the Legislative Assembly. The Governor also may call special sessions of the Legislative Assembly and appoint judges to vacant judicial positions. The Governor directly appoints the directors of most state agencies and many other state officials.

The Secretary of State is a statewide constitutionally elected officer designated as the auditor of public accounts in the State and as the State's chief elections officer. Tobias Read was elected Secretary of State at the November 2024 general election to serve a four-year term beginning January 6, 2025, and ending January 1, 2029. As auditor, the Secretary of State audits or reviews the accounts and financial affairs of state boards, commissions, departments and institutions. The Secretary of State also edits, codifies and publishes administrative rules, which supplement laws passed by the Legislative Assembly and prescribe the manner in which state agencies conduct business.

The Oregon State Treasurer (the "Treasurer") is also a statewide constitutionally elected officer. Elizabeth Steiner, MD was elected Treasurer at the November 2024 general election to serve a four-year term beginning on January 6, 2025, and ending January 1, 2029. The Treasurer is responsible for all moneys paid into the State Treasury and administers the State's banking, cash flow, borrowing, investment operations and several savings programs for Oregonians. The Treasurer also chairs or serves on numerous state boards and commissions responsible for investing state funds and for setting borrowing policies for the State.

The Governor, the Secretary of State and the Treasurer comprise the State Land Board, established by the Oregon Constitution to manage the Common School Fund and certain lands dedicated at statehood for educational purposes. The valuation of the Common School Fund was approximately \$2.36 billion as of June 30, 2024. Its value fluctuates based on market conditions and the amount of withdrawals. The fund is managed as a perpetual trust fund with approximately two to five percent of its value distributed annually to the Oregon Department of Education for distribution to the State's K-12 public school districts.

In addition to the Offices of the Secretary of State and the Treasurer, the Executive Branch includes other offices administered by statewide elected officials. The State Attorney General manages the Department of Justice and the State's legal affairs. The Labor Commissioner manages the Bureau of Labor and Industries that oversees and enforces the State's labor and wage laws.

The Judicial Branch

The Oregon Constitution establishes the Judicial Branch, which consists of the Supreme Court, Court of Appeals, Tax Court, and 36 Circuit Courts in 27 judicial districts. The Chief Justice of the Oregon Supreme Court administers the state court system and is the head of the Oregon Judicial Department. The Court of Appeals hears most of the civil and criminal appeals from the Circuit Courts and reviews most state administrative agency actions. The Circuit Courts are Oregon's trial courts of general jurisdiction. The Tax Court is a special one-judge court that has exclusive, statewide jurisdiction to hear only cases involving Oregon's tax laws. All Oregon judges are elected by popular vote. The Governor, however, may appoint judges to fill vacancies that occur.

Services Provided by State Government

The Governor appoints the heads of and coordinates numerous state agencies that provide services through program areas that include: (1) Consumer and Business Services for protecting consumers and workers, promoting a positive business climate and regulation of various professions; (2) Economic and Community Development that aids businesses and people, including job creation, placement and retention services, business recruitment, community development and affordable housing; (3) Education from pre-kindergarten to post-secondary and life-long learning through community colleges and workforce development programs; (4) Human Services that relate to physical, mental and public health, self-sufficiency, child protective services and care for seniors and people with disabilities; (5) Natural Resources overseeing pollution control, land use, water quality and conservation, agriculture and food products, forests, watersheds and fisheries; (6) Public Safety that protects Oregon's people, property and natural resources through trained militia, law enforcement, prosecution and incarceration of juvenile and adult offenders; (7) Transportation; and (8) Administration that manages and provides policy direction and central services to other State agencies, such as data and networking infrastructure and procurement activities.

The State of Oregon maintains an open data website¹ for the purpose of promoting transparency in state government by providing open access to raw and finished data generated by the State. It includes budget and expenditure data, public meetings, performance measures, revenue data, and other categories of information. See Table 15 for a summary of expenditures by program area by fund.

Employee Relations

As reported in the State's audited Annual Comprehensive Financial Report ("Annual Financial Report" or "ACFR") for FY 2024, there were 47,768 full-time equivalent employees providing services through state government. Certain employees of the State of Oregon and political subdivisions have the right to form, join, and participate in the activities of labor organizations for representation and collective bargaining on matters concerning employment relations. An officially recognized or certified labor organization is the exclusive representative of its covered employees for collective bargaining. The scope of representation may include, but is not limited to, matters concerning wages, hours, paid leave and grievance procedures. The public employer must bargain in good faith with respect to employment relations. If a contract remains unsettled after a 150-day period of good faith contract negotiations, either or both of the parties may notify the Employment Relations Board ("ERB") of the need for a mediator. The parties may mutually agree to request a mediator before the end of the 150-day period by notifying the ERB. If the parties do not reach settlement through mediation, then either party may declare impasse. The parties then must each submit a final offer to the ERB. The parties have a 30-day cooling off period, which starts when the parties have submitted their Final Offers to the ERB and the ERB makes public the Final Offers. After the 30-day cooling off period, the employer may implement its final offer. With 10 days' notice, the union may legally strike. The 10-day strike notice may be provided to the public employer during the 30-day cooling off period or after the cooling off period. For strike-prohibited bargaining units, either the employer or the exclusive representative may initiate binding arbitration to establish a successor collective bargaining agreement if mediation fails to produce a settlement. Most state labor contracts in the executive branch of government expire at the end of each biennium (June 30, every two years) and are re-negotiated for the following biennium.

¹ No website mentioned in this Appendix A is part of this Appendix A, and readers should not rely upon any information presented on any such website in determining whether to purchase the State's bonds. Any references to any website mentioned in this Appendix A are not hyperlinks and do not incorporate such websites by reference.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Historical Perspective

The Oregon economy has undergone a significant transformation from its historical reliance on timber harvesting and wood products manufacturing. This shift has been fueled by growth of the services and high-tech manufacturing sectors, pivotal drivers of economic activity in the State. Oregon's global economic integration is evidenced by connections with major export markets in the Pacific Rim. China and Canada are primary destinations for Oregon's exports, underscoring the State's role in international trade.

The State's economy now boasts a diverse array of sectors, including professional and business services, construction, health services, and leisure and hospitality. These industries have become integral to Oregon's economic landscape, contributing significantly to job creation and GDP growth.

Employment

The following two tables compare Oregon and the United States with respect to unemployment rates and the composition of annual average employment.

TABLE 1
ANNUAL UNEMPLOYMENT RATES
OREGON AND UNITED STATES

<u>Year</u>	<u>Labor Force</u> <u>(Thousands)</u>	<u>Employment</u> <u>(Thousands)</u>	<u>Unemployment Rate</u>	
			<u>Oregon (%)</u>	<u>U.S. (%)</u>
2015	1,979	1,871	5.5	5.3
2016	2,043	1,946	4.7	4.9
2017	2,076	1,992	4.1	4.4
2018	2,080	1,996	4.0	3.9
2019	2,091	2,014	3.7	3.7
2020	2,107	1,948	7.6	8.1
2021	2,144	2,034	5.2	5.3
2022	2,160	2,075	4.2	3.6
2023	2,162	2,082	3.7	3.6
2024	2,198	2,106	4.1	4.0

Source: U.S. Bureau of Labor Statistics (Seasonally Adjusted)

TABLE 2
COMPOSITION OF ANNUAL AVERAGE
NON-FARM EMPLOYMENT
OREGON AND THE UNITED STATES

	2019				2024			
	Oregon		United States		Oregon		United States	
	# of Jobs	% of Total	# of Jobs	% of Total	# of Jobs	% of Total	# of Jobs	% of Total
Mining and logging	6,900	0.4	727,000	0.5	6,100	0.3	637,000	0.4
Construction	109,600	5.6	7,493,000	5.0	117,400	5.9	8,243,000	5.2
Durable goods manufacturing	137,100	7.0	8,039,000	5.3	132,000	6.6	8,112,000	5.1
Nondurable goods manufacturing	61,100	3.1	4,778,000	3.2	56,100	2.8	4,816,000	3.0
Wholesale Trade	76,600	3.9	5,888,600	3.9	79,200	4.0	6,173,900	3.9
Retail trade	210,100	10.8	15,559,500	10.3	204,000	10.2	15,661,000	9.9
Transportation, warehousing, and utilities	70,600	3.6	6,214,300	4.1	78,000	3.9	7,140,600	4.5
Information	35,100	1.8	2,864,000	1.9	35,900	1.8	3,005,000	1.9
Financial activities	103,500	5.3	8,754,000	5.8	101,600	5.1	9,246,000	5.8
Professional and business services	254,700	13.0	21,334,000	14.1	264,300	13.2	22,946,000	14.5
Private educational services	36,600	1.9	3,741,400	2.5	37,200	1.9	3,874,100	2.4
Health care and social assistance	275,400	14.1	20,421,100	13.5	302,500	15.1	22,488,400	14.2
Leisure and hospitality	213,900	10.9	16,586,000	11.0	206,900	10.3	16,932,000	10.7
Other services	64,800	3.3	5,891,000	3.9	67,300	3.4	5,909,000	3.7
Government	298,400	15.3	22,613,000	15.0	314,400	15.7	23,334,000	14.7
Total Nonfarm jobs ⁽¹⁾	1,954,400		150,903,900		2,002,900		158,518,000	

Sources: Oregon Data: Oregon Employment Department, Oregon Labor Market Information Services; Federal Data: U.S. Bureau of Labor Statistics Current Population Survey (Not Seasonally Adjusted).

⁽¹⁾ Totals may not agree with sum of components due to categorization and rounding.

Oregon Gross Domestic Product

Oregon Gross Domestic Product (“GDP”) represents the value of goods and services produced by the State. The following table illustrates the components of the State’s GDP in 2018 and 2023.

TABLE 3
OREGON GROSS DOMESTIC PRODUCT
(DOLLARS IN MILLIONS)

<u>Industry</u>	<u>2018 (\$)</u>	<u>% of Total</u>	<u>2023 (\$)</u>	<u>% of Total</u>
Agriculture, forestry, fishing and hunting	4,273	1.8	5,509	1.7
Mining, quarrying, and oil and gas extraction	274	0.1	404	0.1
Utilities	2,790	1.2	4,372	1.4
Construction	11,217	4.7	16,221	5.1
Manufacturing	31,993	13.4	38,309	12.0
Wholesale trade	13,051	5.5	17,729	5.6
Retail trade	13,571	5.7	19,714	6.2
Transportation and warehousing	7,144	3.0	9,679	3.0
Information	8,537	3.6	14,446	4.5
Finance, insurance, real estate, rental, and leasing	46,727	19.6	60,152	18.9
Professional and business services	29,093	12.2	40,703	12.8
Educational services, healthcare, and social assistance	22,681	9.5	30,465	9.6
Arts, entertainment, recreation, accommodation, and food services	10,799	4.5	14,315	4.5
Other Services, except government	5,500	2.3	7,463	2.3
Government	30,819	12.9	39,404	12.4
Total Oregon GDP⁽¹⁾	238,467		318,884	

Source: U.S. Department of Commerce, Bureau of Economic Analysis Based on the 2017 North American Industry Classification System (NAICS) as of February 25, 2025

⁽¹⁾ Totals may not agree with sum of components due to rounding. Not adjusted for inflation

Income

The following two tables compare Oregon and the United States with respect to personal income and per capita income over the most recent ten-year period and includes year-over-year percent changes.

TABLE 4
PERSONAL INCOME

Calendar Year	<u>Oregon (\$)</u> <u>(In Millions)</u>	<u>Percent Change (%)</u>	<u>U.S. (\$)</u> <u>(In Millions)</u>	<u>Percent Change (%)</u>	<u>Oregon as a % of U.S.</u>
2014	165,172	6.7	14,778,160	5.1	1.12
2015	177,478	7.5	15,467,113	4.7	1.15
2016	186,105	4.9	15,884,741	2.7	1.17
2017	197,262	6.0	16,658,962	4.9	1.18
2018	210,045	6.5	17,514,402	5.1	1.20
2019	220,029	4.7	18,349,584	4.8	1.20
2020	240,179	9.2	19,600,945	6.8	1.22
2021	265,378	10.5	21,403,979	9.2	1.23
2022	271,773	2.4	22,077,232	3.1	1.21
2023	287,183	5.7	23,380,269	5.9	1.23

Source: U.S. Bureau of Economic Analysis, February 18, 2025.

TABLE 5
PER CAPITA INCOME

Calendar Year	<u>Oregon (\$)</u>	<u>Percent Change (%)</u>	<u>U.S. (\$)</u>	<u>Percent Change (%)</u>	<u>Oregon as a % of U.S.</u>
2014	41,653	5.6	46,287	4.2	90.0
2015	44,166	6.0	48,060	3.8	91.9
2016	45,467	2.9	48,971	1.9	92.8
2017	47,565	4.6	51,004	4.2	93.3
2018	50,209	5.6	53,309	4.5	94.2
2019	52,189	3.9	55,566	4.2	93.9
2020	56,577	8.4	59,123	6.4	95.7
2021	62,347	10.2	64,460	9.0	96.7
2022	64,107	2.8	66,244	2.8	96.8
2023	67,838	5.8	69,810	5.4	97.2

Source: U.S. Bureau of Economic Analysis, February 18, 2025.

Population

The 2020 U.S. Census ranked Oregon as the 27th most populous State with a population of 4.24 million. Oregon's population growth rate between the 2010 census and 2020 was the 11th fastest in the nation.

TABLE 6
DECENNIAL POPULATION CHANGE
OREGON AND UNITED STATES, 1990 – 2020

<u>Year</u>	<u>Oregon</u>	<u>Percent Change (%)</u>	<u>United States</u>	<u>Percent Change (%)</u>
1990	2,842,321	--	248,709,873	--
2000	3,421,399	20.4	281,421,906	13.2
2010	3,831,074	12.0	308,745,538	9.7
2020	4,237,256	10.6	331,449,281	7.4

Sources: Federal Data: U.S. Census Bureau.

Oregon's population growth has slowed since the 2020 census. According to Portland State University Population Research Center, Oregon experienced a loss of 18,749 people between 2020 and 2021, and since that time has experienced population growth at a lower rate than in recent history. As Oregon's total fertility rate (1.4 children per woman) remains well below the replacement level (2.1 children per woman) and number of deaths continue to rise due to aging population, long-term growth relies entirely from net in-migration, which depends heavily on the economy and retention of the existing work force as well as attracting job seekers on national and international labor markets. In 2023, over 125,246 people migrated to Oregon, with the majority coming from California, followed by Washington. The following table reflects population of Oregon and the United States for each of the past ten years.

TABLE 7
ANNUAL POPULATION CHANGE
OREGON AND UNITED STATES, 2015 - 2024

<u>Year</u>	<u>Oregon</u>	<u>Percent Change (%)</u>	<u>United States</u>	<u>Percent Change (%)</u>	<u>Oregon as % of United States</u>
2015	4,013,845	--	320,738,994	--	--
2016	4,076,350	1.56%	323,071,755	0.73%	1.26%
2017	4,141,100	1.59	325,122,128	0.63	1.27
2018	4,195,300	1.31	326,838,199	0.53	1.28
2019	4,236,400	0.98	328,329,953	0.46	1.29
2020	4,237,174	0.02	331,449,281	0.99	1.28
2021	4,218,425	-0.44	332,099,760	0.16	1.27
2022	4,233,291	0.35	335,017,321	0.88	1.26
2023	4,250,027	0.40	336,806,231	0.53	1.26
2024	4,263,385	0.31	340,110,988	0.98	1.25

Sources: Oregon figures from Population Research Center, College of Urban and Public Affairs, Portland State University; U.S. figures from U.S. Department of Commerce, Bureau of the Census. Pre-2020 figures reflect Vintage 2020 postcensal estimates and year 2020 and later figures reflect Vintage 2024 estimates. The reference date for all estimates is July 1, unless otherwise specified.

Construction

The following table shows ten years of certain information with respect to residential construction in Oregon.

TABLE 8
UNITS AND VALUATION OF NEW HOUSING AUTHORIZED BY BUILDING PERMITS

<u>Year</u>	<u>Units</u>			<u>Residential</u>
	<u>Total</u>	<u>Single-Family</u>	<u>Multi-Family</u>	<u>Valuation</u> <u>(In Thousands)</u>
2015	17,510	10,255	7,255	\$ 3,591,958
2016	19,586	11,006	8,580	3,944,409
2017	20,053	10,604	9,449	4,153,707
2018	20,132	11,217	8,915	4,180,894
2019	22,037	11,586	10,451	4,447,105
2020	18,665	11,492	7,173	4,067,001
2021	21,916	13,185	8,731	5,128,318
2022	20,321	10,312	10,009	4,573,358
2023	17,697	9,797	7,900	4,646,106
2024	14,270	9,751	4,519	4,209,805

Sources: Federal Data: U.S. Census Bureau.

Exports

Oregon's three biggest export sectors are, respectively, computer & electronic products, transportation equipment and machinery (comprising over 50% of total exports in 2023), and the three largest export destinations are Mexico, China and Canada (comprising over 50% of total exports in 2023). The federal government has recently imposed certain tariffs and may in the future impose additional tariffs that could have the effect of reducing export volumes.

TABLE 9
OREGON EXPORTS OF GOODS
(DOLLARS IN MILLIONS)

<u>Year</u>	<u>Exports^(a)</u>	<u>Annual % Change</u>
2015	\$20,084	(4.0)
2016	21,953	9.3
2017	21,922	(0.1)
2018	22,293	1.7
2019	23,527	5.5
2020	24,977	6.2
2021	29,556	18.3
2022	33,959	14.9
2023	27,718	(18.4)
2024	34,062	22.9

Source: U.S. Census Bureau

^(a) Origin of Movement (OM) series.

STATE FINANCIAL OPERATIONS

Budgetary Process

The Oregon Constitution requires the State's budget to balance at the end of each biennium. Article IX, Section 2, of the Oregon Constitution states that the Legislative Assembly shall provide for raising revenue sufficient to defray the expenses of the State for each fiscal year. Article IX, Section 6, of the Oregon Constitution states that "[w]henever the expenses, of any fiscal year, shall exceed the income, the Legislative Assembly shall provide for levying a tax, for the ensuing fiscal year, sufficient, with other sources of income, to pay the deficiency, as well as the estimated expense of the ensuing fiscal year." Because of these two provisions, Oregon may not budget a deficit and is required to alleviate any revenue shortfalls within each biennium.

Historically, during the regular legislative session at the end of every biennium, the Legislative Assembly adopts a budget covering most of the State's operations for the next biennium. A biennium begins July 1 and ends June 30 of odd-numbered years. The budget is adopted through the enactment of separate budget bills for most state agencies and the Legislative and Judicial Branches (the "Budget Bills"). There are four different categories of funds included in the State's budget: (i) General Fund, (ii) Lottery Funds, (iii) Other Funds (dedicated funds), and (iv) Federal Funds.

The budgeting process begins with the Governor's submission of a recommended budget for state agencies in December of each even-numbered year preceding the start of a new regular legislative session.

Concurrently, the Department of Administrative Services (“DAS” or the “Department”) prepares and files Budget Bills during December of each even-numbered year so that when the Legislative Assembly convenes in January of each odd-numbered year for its regular session, the Joint Ways and Means Committee can begin consideration of each bill. By statute, the budget may not permit certain governmental purpose expenditures to exceed eight percent of the State’s personal income. This limitation may be exceeded only if the Governor declares an emergency and if three-fifths of each house of the Legislative Assembly votes to exceed the limit.

The Legislative Assembly may provide spending authority to a state agency through a continuous appropriation of a fund dedicated for a certain purpose. In that case, spending is limited only by the amount of revenues received in or held by the fund. The Legislative Assembly may also limit the amount of money spent by placing an expenditure limitation on a continuously appropriated and dedicated fund. In addition, the Legislative Assembly enacts one-time appropriations of moneys to specific agencies or programs from moneys expected to be received or held by the State’s General Fund, lottery and other revenues and federal funds. After the Budget Bills are passed, the Governor may veto an entire bill, single items in appropriation bills or the emergency clause in a bill. A two-thirds vote of the Legislative Assembly may override the Governor’s veto.

If budget adjustments are required after a legislative session has ended, the Legislative Assembly may meet again in a specially called session, or the E-Board may adjust agency budgets.

Component Units

The Legislative Assembly has authorized the creation of certain public or non-profit corporations that are closely tied to specific statewide functions or agencies (the “Component Units”). These Component Units generally perform statewide functions that are authorized by the Legislative Assembly but are not required to comply with many of the budgeting, purchasing and other requirements imposed on state agencies. See *State of Oregon audited Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024*, Note 1. captioned “Summary of Significant Accounting Policies.” Included among these Component Units are the State Accident Insurance Fund (“SAIF”) Corporation and the Oregon Health and Science University (“OHSU”). In 1995, the Legislative Assembly transferred the duties and powers of OHSU to an independent public corporation with statewide purposes and missions and without territorial boundaries. The State entered into a Debt Service Payment Agreement with OHSU pursuant to which OHSU assumed the repayment obligation for all bonds issued by the State for the original university. OHSU submits its funding request for each biennium to DAS, which includes such request as part of the Governor’s biennial recommended budget.

In addition, as of July 1, 2015, the State’s seven public universities became independent public bodies, each governed by an independent board comprised according to statute and considered a public body with statewide purposes and without territorial boundaries. Each public university may submit a funding request for each biennium that requests state aid and appropriations for state-funded debt service. This funding request is made through the Higher Education Coordinating Commission to the Governor and made a part of the Governor’s biennial recommended budget. Any moneys appropriated to pay debt service for state bonds must be held by the Treasurer pursuant to an agreement entered into by the Treasurer and a public university.

Revenue Forecasting

Oregon law requires DAS, with the assistance of the Oregon Department of Revenue, to prepare an estimate for each calendar quarter of the total amount of revenue, including General Fund and lottery revenues, available for State purposes for the current fiscal year, as well as the amount of revenue received

quarterly, through the biennium the (“Oregon Economic and Revenue Forecast” or “Forecast”). The DAS Office of Economic Analysis (the “OEA”) produces the Oregon Economic and Revenue Forecast based upon information available at the time of preparation and upon a wide variety of assumptions. DAS must report its estimates to the Legislative Assembly, when it is in session, and to certain interim committees of the Legislative Assembly, when it is not in session. The reports are dated March, June, September and December and are generally released the month prior to the report date. These reports are commonly known as the quarterly “revenue forecast,” and focus on the amount of expected General Fund and lottery revenues. In odd-numbered years, when the Legislative Assembly is in session, the June forecast is released approximately May 15 and is commonly referred to as the “Close of Session” or “COS” forecast. In September of odd-numbered years, the revenue forecast closes out the biennium that ended on June 30th. At this time, the Close of Session forecast is calculated by folding any tax law changes made during the legislative session into the May outlook. This sets the bar for Oregon’s balanced budget requirement and its unique kicker law. See “REVENUES—General Fund Revenues--Return of General Fund Revenue to Personal Income Taxpayers (2% Surplus Kicker).

Oregon law also requires DAS to set forth the methodology and assumptions used to develop each quarterly revenue forecast. The State uses an econometric model to forecast the Oregon economy and personal and corporate income taxes. The econometric model has two major parts: (1) a state economic model that estimates employment, wages and personal income; and (2) a revenue forecasting system based on the economic model, for use in estimating personal and corporate income taxes. The system receives new data each quarter, with revisions to the model as necessary. The model does not include the fees and other miscellaneous revenues that comprise the balance of General Fund revenues.

The development of a revenue forecast involves three steps. First, a forecast of economic conditions in Oregon is made, then projected income and population is translated into projected tax receipts other than from corporate income and excise taxes, and finally corporate income and excise tax collections are projected. In developing its projections, the State uses the national baseline forecasts of IHS Economics.

Accounting Practices

Oregon law designates DAS as the agency responsible for the overall administration and coordination of the State’s internal accounting and other fiscal controls and procedures. DAS has developed the Oregon Accounting Manual that sets forth internal policies and uniform procedures for agencies to follow in their fiscal management, accounting and reporting.

DAS must prepare a financial report for the State of Oregon within 180 days after the close of each fiscal year. The reporting entity of the State of Oregon includes all agencies, boards, and commissions that are legally part of the State (primary government), and the State’s Component Units. Component Units are legally separate entities for which the primary government is financially accountable or entities that warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government. Oregon’s financial statements are prepared in conformity with generally accepted accounting principles applicable to state governments.

All governmental funds use the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Under the modified accrual basis of accounting, taxpayer assessed taxes are recognized when the underlying exchange has occurred and the resources are available. Expenditures are recognized under the modified accrual basis of accounting when the related liability is incurred. An exception to this general rule of expenditure recognition is that principal and interest on general long-term debt is recognized when due.

Audits

The Oregon Secretary of State, as State Auditor, may audit or review the accounts and financial affairs of each state agency as deemed appropriate under ORS 297.210. The Governor, Legislative Fiscal Officer and DAS receive a report on each audit. The Secretary of State's Audits Division reviews the selected financial accounts of the State's larger agencies in connection with the audit of the State's annual comprehensive financial report. The Audits Division also provides annual financial audits in accordance with ORS 286A.195 for the State's bond funded programs.

The Audits Division conducts financial audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The Joint Legislative Committee on Audits is staffed by the Legislative Fiscal Office and operates continually during the session and interim to review audit plans and completed audits conducted by the Secretary of State. The Committee also: reviews legislation and legislative requests for audits or reviews to be conducted; provides direction on audits/reviews that should be conducted by the Secretary of State or legislative staff; reviews agency actions to comply with audit recommendations; suggests changes or remediation; and fulfills other requirements of Oregon laws relating to audits.

DAS is responsible for adopting rules setting standards and policies for internal audit functions within state government under authority provided in ORS chapter 184.

Disbursements and Allotments

Oregon law requires that state agency spending be monitored and that moneys be disbursed throughout the biennium through an allotment process that is administered by DAS. Under this process, DAS allots to each agency the amount of appropriated moneys that may be spent during each of the eight quarters in a biennium. The amount of an allotment is based on estimates submitted by agencies of their statutory duties and projected expenditures to fulfill the purposes for which moneys were appropriated to them. DAS may amend allotments previously made by it at the request of an agency or after notice by DAS to an agency. In addition, if DAS declares at any time during the biennium that there is a projected budget deficit due to insufficient revenues, then DAS, with the Governor's approval, may reduce previously made allotments to a level necessary to prevent the deficit. Allotments made for the purpose of debt service payments, however, may not be reduced.

Fiscal Checks and Balances

Oregon law provides for a system of checks and balances with respect to the deposit, accounting and expenditure of state moneys. DAS supervises state agency accounting and prescribes rules and regulations for preparation of agency budgets. The Secretary of State, the constitutionally designated auditor of public accounts, may disapprove claims for payment from any moneys in the State Treasury. State agencies are required to turn the moneys collected by them over to the Treasurer for deposit into various funds that comprise the State Treasury. The Treasurer is responsible for control of state banking relationships, cash management and the investment of state funds. Some state moneys are deposited with outside trustees who administer the cash and investments.

On a day-to-day basis, DAS, along with the Treasurer and the Secretary of State, maintains the system of checks and balances. For example, DAS reconciles its accounts monthly with the related account balances maintained by the Treasurer, which facilitates the adjustment of any imbalances or other errors.

DAS also follows up on major deficiencies listed in the audit reports prepared by the Audits Division of the Secretary of State. Agencies must respond to DAS stating in detail how they will correct the deficiencies.

The Secretary of State Audits Division maintains a hotline where allegations of local and state government fraud, waste, and abuse are received and evaluated. Most state and local government procurements must follow the Public Contracting Code as outlined in statute. This structure is in place to ensure industry standards are followed, instill public confidence, promote efficient use of resources, clearly identify rules, and allow impartial and open competition. The State Attorney General maintains the model rules that, along with rules adopted by certain state agencies, specify procedures for public contracting under the code.

Loss Management

DAS Enterprise Goods and Services, Risk Management section is responsible for managing the State's risk of loss due to various types of loss or liability. The primary kinds of loss that the section works to prevent or pay include physical loss or damage to state property, tort liability claims brought against the State, its officers, employees, or agents, inmate injury, workers' compensation, employee dishonesty, and faithful performance bonds for key positions as required by law and additional positions as determined by agency policy. The State's Insurance Fund (the "Insurance Fund"), established by ORS 278.425, is used to provide both self-insurance and commercial insurance for State of Oregon agencies. The Insurance Fund generally pays up to a set amount for various types of losses through its self-insurance program, with excess amounts covered by purchased commercial insurance policies. Both self-insurance losses and commercial insurance premiums are paid from the Insurance Fund. For each separate category of potential loss, DAS determines the appropriate level of the Insurance Fund or commercial insurance. Agencies pay assessments to the Insurance Fund for each category of loss. For additional information, see Note 16. "Risk Financing" of the audited Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

DAS has a dedicated Risk Management unit that insures and protects the people, property, and activities of state government. The Risk Management program provides comprehensive insurance coverage for the State of Oregon and provides tools and information around risk and insurance to State agencies.

Emergency Powers

In response to the Governor's declaration of a catastrophic disaster, such as an earthquake or other natural disaster or public health crisis that results in extraordinary levels of death or injury, property damage or disruption of daily life, the Governor may exercise the powers conferred by Article X-A of the Oregon Constitution. Those powers include the ability to use General Fund and lottery revenues appropriated for other purposes. In addition, the Legislative Assembly may convene using reduced quorum and procedural requirements, to enact legislation in response to the disaster, including legislation related to taxation, the use of Highway Fund revenues for non-highway purposes, keeping "kicker" money and borrowing. These powers are operative for only 30 days unless extended by the Legislative Assembly.

In addition, under ORS 401.165, the Governor may declare a state of emergency upon the occurrence of an event or circumstance that causes or threatens widespread injury to person or property or loss of life or financial loss. Upon such a declaration the Governor has broad powers over the Executive Branch of state government. The Governor may suspend statutes or rules if strict compliance would hinder a response to the emergency and may deploy state personnel and resources to prevent or alleviate damage due to the emergency. The Governor may also declare a state of public health emergency under ORS 433.441. Upon such a declaration, the Governor may regulate the use, sale and distribution of food, fuel, medical supplies and medicine.

REVENUES

Revenues available to the State are discussed below based on the following categories: General Fund, Lottery Funds, Reserve Funds, Other Funds and Federal Funds. Certain of these revenues are available only to finance permitted purposes as authorized by state or federal law. Article IV, Section 25, of the Oregon Constitution requires a three-fifths majority of all members elected to each house to pass bills for raising revenue and that the Governor and presiding officer of each respective house sign the bill or resolution.

General Fund Revenues

The following describes the largest sources of the State's General Fund revenues. For additional information on the General Fund revenue amounts collected each biennium see Table 11 under "Oregon Financial Information."

Taxes

Personal Income Taxes. Oregon taxes the personal income of individuals, estates, and trusts. Taxable income is calculated using the version of the Internal Revenue Code of 1986, as amended, that is applicable to the tax year of the taxpayer. Oregon uses the federal definition of taxable income currently in effect for a tax year with some specific modifications for Oregon. Oregon employers withhold income tax from their employees' wages. Self-employed persons and others not subject to withholding must pay quarterly estimated tax payments. Generally, taxpayers file Oregon tax returns for refunds or pay tax due by April 15 of each year (a taxpayer can file for a 6-month extension to file the return; however, tax must be paid by the April due date).

Corporate Excise and Income Taxes. Corporations are subject to either the corporate excise tax or the corporate income tax under Oregon law. The corporate excise tax is imposed for the privilege of doing business in Oregon. A corporation is doing business in Oregon when it engages in any profit-seeking activity in Oregon.

The corporate income tax is imposed on any corporation that has income from an Oregon source. Corporations that operate in more than one state must determine the share of their income attributable to Oregon activities using Oregon sales relative to sales in all states for both income and excise taxes. The corporate income tax rate mirrors that of the excise tax rate on taxable income derived from sources within Oregon.

Insurance Taxes. Insurers operating in Oregon are subject to the corporate excise tax. Some insurers that are domiciled in other states or countries are also subject to a retaliatory tax. The Oregon Department of Revenue collects the excise tax. The Insurance Division of the Department of Consumer and Business Services collects the retaliatory tax.

Estate Taxes. Oregon's estate tax is imposed as a percentage of the Oregon taxable estate. Because Oregon calculates its tax differently than the federal estate tax, the Oregon estate tax amount may be different from the federal tax amount. The Oregon estate tax is tied to the definition of a "taxable estate" in the Internal Revenue Code, but that definition is modified by Oregon law.

Cigarette and Other Tobacco Taxes. The State imposes an excise tax on the distribution of all tobacco products in Oregon, including nicotine delivery systems, such as e-cigarettes and other nicotine inhalants. The cigarette and other tobacco products taxes are distributed among various state funded health-related programs, including to the Oregon Health Plan, to the Oregon Health Authority for medical and healthcare assistance programs, including mental health services, tribal health providers, including the

Urban Indian Health program, and other programs related to tobacco use reduction and nicotine-related health issues; another portion goes to the State General Fund, along with distributions to cities, counties and the Department of Transportation.

Other Taxes. A portion of the moneys collected from several forest harvest taxes and the Amusement Device Tax are allocated to the General Fund.

Fines and Fees

The fines and fees section of General Fund revenues includes state court fees, Secretary of State corporation fees, Criminal fines and assessments, and securities fees. These are fees imposed by agencies or the state courts for the filing of certain court-related or corporate documents and certain fines for violations of the law.

Liquor Sales Apportionment

The State imposes taxes on beer, wine and distilled liquor manufactured or distributed in Oregon. The Oregon Liquor and Cannabis Commission (“OLCC”) exclusively imports and distributes beverages with 21% or more alcohol. The OLCC sets the retail prices for the alcohol it distributes. The net revenue from these operations goes into an OLCC account, which distributes approximately 56% of the revenues to the General Fund.

Other Sources

Other major sources of General Fund revenue include charges for central services performed by DAS, interest earnings, and miscellaneous revenues.

Return of General Fund Revenue to Personal Income Taxpayers (2% Surplus Kicker)

Under the Oregon Constitution, if biennium revenues received from General Fund sources, other than corporate income and excise taxes, exceed estimated amounts to be received from those sources by more than two percent, the amount received above the forecast is credited to individual taxpayers. This amount of excess revenue is popularly known as the “kicker.” See “State Financial Operations — *Revenue Forecasting*” above. For individuals, this refundable credit is based on the previous calendar year’s tax liability (for example, 2022 liability for the 2021-2023 kicker). Kicker amounts attributable to corporate income and excise taxes (actual biennium revenue from corporations that exceeds the revenue forecast by more than two percent) are retained for use in K through 12 public education and are not refunded or credited. The State may retain the individual kicker moneys only if two-thirds of each house of the Legislative Assembly votes to keep the kicker. See “Reserve Funds – *Rainy Day Fund*” below.

Lottery Funds

Revenues from the operation of the Oregon State Lottery comprise a significant source of money in the State’s budget. After the payment of prizes and operation of the State Lottery, revenues are constitutionally dedicated to education, economic development, and natural resources program areas. According to the Oregon Constitution, approximately 84% of the total annual revenues from the sale of lottery tickets or shares must be returned to the public in the form of prizes and net revenues benefiting the public purpose. After paying player prizes and operating expenses, the Lottery transfers the remaining revenues to the Administrative Services Economic Development Fund. The Oregon Constitution and the Legislative Assembly direct how moneys from this fund are distributed. After debt service payments are prioritized, the Education Stability Fund and the Parks and Natural Resources Fund receive about 33% of

total transfers, and 1.5% of net lottery proceed transfers are constitutionally dedicated to veterans' services. Net proceeds from Lottery's on-line sports book are transferred to the Administrative Services Economic Development Fund, making them subject to the constitutional distributions. State school funding and economic development efforts are the primary uses for the remainder, after which the remainder is transferred to the PERS Employer Incentive Fund.

Reserve Funds

The State has two budgetary reserve funds, the Education Stability Fund and the Oregon Rainy Day Fund that may be drawn on in the event of General Fund revenue shortfalls or economic downturns within a biennium subject to certain restrictions described below.

Education Stability Fund ("ESF"). Under the Oregon Constitution, Article XV, Section 4, 18% of the net proceeds from the State Lottery must be deposited in the ESF. The ESF retains earnings or spends them on public education. The Legislative Assembly also may appropriate other moneys or revenues to the ESF. The amount in the ESF may not exceed five percent of the amount that was accrued as revenues in the State's General Fund during the prior biennium. If three-fifths of the Legislative Assembly approves, the Legislative Assembly can appropriate all or a portion of the money in the ESF for public education expenditures subject to the Governor declaring an emergency or the Legislative Assembly finding that at least one of the following conditions exists: (i) General Fund moneys in the next biennium will be at least three percent below current biennium appropriations; (ii) nonfarm employment has declined for two consecutive quarters in the last twelve months or (iii) General Fund revenues have dropped at least two percent below the current Close of Session forecast. The balance in the ESF (unaudited and estimated) at the end of the 2023-25 biennium is projected to be \$1.009 billion or approximately 3.6% of 2023-25 biennium net General Fund revenues.

Rainy Day Fund ("RDF"). The 2007 Legislative Assembly authorized the establishment of the Oregon Rainy Day Fund, codified in ORS 293.144 to 293.148. ORS 293.146 provides for deposits to the RDF in an amount equal to a maximum of one percent of the State's General Fund appropriations for a biennium. The deposit is payable from the State's General Fund ending balance at the end of a particular biennium. The actual amount of the deposit up to the one percent requirement will depend on the size of the State's General Fund ending balance. Additional transfers to the RDF cannot be made if the balance in the RDF exceeds 7.5% of the amount of General Fund revenues collected in the prior biennium. The balance in the RDF (unaudited and estimated) at the end of the 2023-25 biennium is projected to be \$1.907 billion or approximately 6.8% of 2023-25 biennium net General Fund revenues.

If three-fifths of the Legislative Assembly approves, the Legislative Assembly may appropriate two-thirds of the beginning balance of the biennium in the RDF if it finds that at least one of the following conditions exists: (i) General Fund moneys in the next biennium will be at least three percent below current biennium appropriations; (ii) nonfarm employment has declined for two consecutive quarters in the last twelve months; or (iii) General Fund revenues have dropped at least two percent below the current Close of Session forecast.

The following table presents historical amounts in the State's reserve funds and projected 2023-25 biennium balances updated as of the March 2025 Forecast. Information from the March 2025 Forecast is based on current expectations and available information and is not intended as a representation of facts or guarantee of results.

TABLE 10
EDUCATION STABILITY
AND RAINY DAY FUNDS
(IN MILLIONS)

<u>Biennium</u>	<u>Education Stability Fund (\$) ^{(1), (2)}</u>	<u>Rainy Day Fund (\$) ⁽³⁾</u>	<u>Total (\$) ⁽⁴⁾</u>
2007-09	0.0	112.5	112.5
2009-11	5.1	10.4	15.5
2011-13	7.6	61.9	69.4
2013-15	179.4	211.8	391.2
2015-17	384.2	376.4	760.6
2017-19	621.1	666.6	1,287.7
2019-21	414.6 ⁽³⁾	962.2	1,376.8
2021-23	710.8	1,352.9	2,063.7
2023-25 ⁽⁴⁾	1,009.7	1,906.3 ⁽⁵⁾	2,916.0

Source: Oregon Department of Administrative Services, Office of Economic Analysis.

- ⁽¹⁾ Reflects net available amount in the Education Stability Fund, exclusive of funds held in the Oregon Growth Account that may be illiquid, the Oregon Resource & Technology Development subaccount and any subsequent transfers by the Legislative Assembly.
- ⁽²⁾ Under state law, as of July 2013, the Oregon Growth Account generally receives a small percentage of the amount deposited to the Education Stability Fund.
- ⁽³⁾ ESF 2019-21 biennium ending balance includes a \$400 million transfer from the ESF to the State School Fund as part of the Legislative Assembly's budget rebalancing actions (HB 4303, 2020 2nd Special Session).
- ⁽⁴⁾ Projected biennium ending balance from the March 2025 Economic and Revenue Forecast.
- ⁽⁵⁾ Assumes future appropriations equal to 98.75% of available resources. Includes forecast for corporate income taxes above 6.6% for the biennium are deposited on or before June 30 of each odd-numbered year.

Other Funds Revenues

A description of the largest sources of the State's Other Funds revenue follows below. For additional information on the Other Funds revenue amounts collected each biennium see Table 14 under "Oregon Financial Information."

Gross Receipts Business Taxes

Corporate Activity Tax. Since 2020, the State has imposed a business privilege tax on commercial activity (the "Corporate Activity Tax"). The tax applies to commercial activity in Oregon exceeding \$1 million by businesses, including corporations and other entities as well as sole proprietors, during the calendar year. Commercial activity is generally defined as the total amount realized by the business from transactions and activity in the regular course of the business, subject to certain enumerated exclusions and subtractions, with certain specified income streams made subject to the tax for financial institutions and insurers. Estimated tax payments for the Corporate Activity Tax are due quarterly. The rate of the tax is \$250 plus the product of the business's taxable commercial activity in excess of \$1 million for the calendar year multiplied by 0.57%. All net revenue from the Corporate Activity Tax is transferred to the Fund for Student Success, separate from the General Fund, and must be used for education and school purposes. The Corporate Activity Tax is a significant source of State revenue and for the 2023-24 Fiscal Year constituted the second largest source of revenue for the State's General Fund.

Public Utilities. Regulated utilities operating within the State must pay taxes based on their gross operating revenues. These taxes are collected to cover the cost of utility regulation performed by the Oregon Public Utility Commission.

Cigarette and Other Tobacco Taxes. As described above, a portion of the cigarette tax goes to the General Fund and a portion goes towards the Oregon Health Plan. The Oregon Health Plan is the primary recipient of the cigarette tax distributed as Other Funds, with small amounts distributed to tobacco cessation programs and among cities, counties, and elderly and disabled transportation programs.

Recreational Marijuana Taxes. Oregon voters legalized recreational use of marijuana and designated the OLCC as the state agency to regulate the commercial growing, processing, and selling of recreational marijuana. The marijuana tax is imposed at the retail level and collected by the Department of Revenue. The Legislative Assembly set the state tax rate at 17% of the retail price. Separately, a tax of up to three percent of the retail price may be imposed by counties or cities. The state tax began to be imposed on sales on or after January 4, 2016. All marijuana tax revenues in excess of \$11,250,000 (indexed) are distributed to the Drug Treatment and Recovery Fund. The \$11.25 million is subsequently distributed 10% to cities that allow marijuana businesses, 10% to counties that allow marijuana businesses, 40% to the State School Fund; 20% to the State Mental Health Alcoholism and Drug Services account; 15% to the State Police; and 5% to the Oregon Health Authority for alcohol and drug abuse prevention.

Motor Fuels Tax and Weight-Mile Tax. Oregon imposes a tax per gallon on the sale of gasoline and other fuels used to propel motor vehicles on the State's highways. The Oregon Department of Transportation ("ODOT") also assesses a weight-mile tax and road use fees on commercial vehicles that operate on public roads within Oregon. The weight-mile tax is based on the declared combination of vehicle weight and vehicle classification group. Revenues derived from the fuels tax, weight-mile tax and road use assessment fees are paid into the State Highway Fund and dedicated for transportation purposes.

Employer-Employee Taxes

Employment Taxes. Employers and employees in Oregon must pay unemployment taxes. The rate of unemployment tax depends upon the balance in the Unemployment Compensation Trust Fund as of August 31 of each year, the taxable payroll, and the amount of unemployment benefits paid.

Workers' Compensation Insurance. Oregon employers and employees also pay a workers' compensation assessment. The Director of the Department of Consumer and Business Services determines the amount of workers' compensation assessments.

Paid Leave Oregon. All employers with 25 or more employees and all employees in Oregon are required to contribute to the Paid Leave Oregon Fund or the employer must offer an equivalent plan with benefits that are equal to or greater than the benefits Paid Leave Oregon provides. Self-employed persons and tribal governments may also opt-in to the paid leave program. The tax rate for contributions is determined annually by the Director of the Employment Department and cannot exceed one percent of employee wages.

Severance Taxes

The Small Tract Forestland Severance taxes are paid to funds outside of the General Fund for various education and county programs, either in Eastern or Western Oregon.

Licenses and Fees

Owners and operators of motor vehicles pay fees to ODOT for the licensing, registration, and titling of their vehicles. These moneys are dedicated to the State Highway Fund and other funds or accounts dedicated for transportation purposes. Other revenues are generated from the sale of hunting and fishing licenses and tags, occupational license fees, and other licensing fees.

New Vehicle Taxes

Oregon imposes a vehicle dealer privilege tax (the “Privilege Tax”) for the privilege of selling new vehicles in Oregon. The State also applies a vehicle use tax (the “Use Tax” and together with the Privilege Tax, the “Vehicle Taxes”) to new vehicles purchased from dealers outside the State by Oregon residents or businesses that will use or store the vehicle in Oregon. The Use Tax moneys are deposited into the State Highway Fund and dedicated for transportation purposes, while the Privilege Tax moneys are deposited in the Zero-Emission Incentive Fund and the Connect Oregon Fund.

Transient Lodging Taxes

Oregon imposes a tax on transient lodging that funds Travel Oregon, the statewide tourism promotion agency.

Other Revenues

Charges for Services. Major portions of these Other Funds revenues are premium payments collected by the Public Employees Benefit Board and the Oregon Educators Benefit Board; fees charged to state agencies for centralized services provided by the Department of Administrative Services; and administrative charges to various tax, fee, assessment, collections and other programs.

Fines, Rents and Royalties, Bond Sales. The State collects income from state-owned properties that are leased or rented. It also collects fines and royalties. Proceeds from the sale of bonds issued by the State are deposited into various program funds and accounts for disbursement to construction or other capital projects, or loan and grant programs operated by various state agencies.

Sales, Donations and Loan Repayments. The State from time to time sells state-owned properties, receives donations from various parties and receives repayments on loans made to governmental and private entities under various programs.

Federal Funds

Federal Funds are moneys received from the federal government. The Legislative Assembly may authorize receipt of Federal Funds for specific purposes. These funds must be appropriated by the Legislative Assembly and used in accordance with any restrictions placed on the funds by the federal government. See “CERTAIN BONDHOLDER CONSIDERATIONS-Federal Funding” for additional discussion.

OREGON FINANCIAL INFORMATION

Tables 11 through 15 in this section includes information from the March 2025 Forecast. Information from the March 2025 Forecast is based on current expectations and information and is not intended as a representation of facts or guarantee of results.

The following table presents historical State General Fund Revenues for four biennia as well as a forecast for the 2023-25 biennia.

TABLE 11
STATE OF OREGON
GENERAL FUND REVENUE STATEMENT
(IN THOUSANDS)⁽¹⁾

	2015-17 Actuals (\$)⁽²⁾	2017-19 Actuals (\$)⁽³⁾	2019-21 Actuals (\$)⁽⁴⁾	2021-23 Actuals (\$)⁽⁵⁾	2023-25 Forecasted (\$)⁽⁶⁾
Taxes					
Personal Income	16,088,682	18,821,756	20,004,976	25,737,140	22,569,985
Shared Service Fund (Gainshare)	(32,851)	(40,688)	(40,331)	(53,635)	(100,766)
Corporate Income	1,210,736	1,681,649	2,041,412	3,157,015	3,222,070
Rainy Day Fund Transfer (Minimum Tax)	0	(87,283)	(74,500)	(128,600)	(131,334)
Insurance	139,215	160,264	159,164	182,262	131,966
Estate	322,826	381,187	524,066	623,040	703,520
Transfer to PERS UAL	0	0	0	0	0
Cigarette	70,480	65,598	55,120	45,757	38,815
Other Tobacco Products	62,362	65,597	61,294	59,760	54,144
Other	1,802	1,975	998	1,852	2,378
Fines and Fees					
State Court Fees	114,542	124,518	118,345	105,014	108,611
Secretary of State Fees	66,448	73,482	81,870	89,633	89,198
Criminal Fines and Assessments	41,158	37,760	23,340	858	0
Securities Fees	24,021	23,251	25,815	29,572	28,408
Central Service Charges	10,277	10,876	11,478	12,746	16,154
Liquor Apportionment	261,947	294,379	340,926	332,355	348,513
Interest Earnings	24,873	87,182	92,920	302,468	639,894
Miscellaneous Revenues	8,482	10,188	11,498	17,730	18,776
One-time Transfers	140,883	5,020	174,205	135,533	35,806
Gross General Fund Revenues	18,588,734	21,842,682	23,727,427	30,832,735	28,008,238
<i>Total Kicker Refunds/Offsets and Transfers</i>	(32,851)	(127,971)	(114,831)	(182,235)	(232,100)
Net General Fund Revenues	18,555,883	21,714,711	23,612,596	30,650,500	27,776,138
Beginning Balance	528,793	1,000,385	2,709,365	4,082,489	8,082,488
Anticipated Administrative Actions ⁽⁷⁾	(6,318)	(10,370)	0	0	
Legislatively Adopted Actions ⁽⁸⁾	(158,328)	(179,424)	(198,338)	(220,723)	(264,732)
Available Resources	18,920,030	22,525,302	26,123,622	34,512,266	35,593,893
Appropriations (Legislatively Approved Budget)	18,012,040	19,945,904	22,461,279	27,130,628	33,007,363
Reversions	(92,395)	(129,966)	(420,146)	(700,849)	
Administrative Actions	0	0	0	0	
Projected Expenditures	17,919,645	19,815,937	22,041,133	26,429,779	33,007,363
Ending Balance	1,000,385	2,709,365	4,082,489	8,082,488	2,586,530

Sources: Oregon Department of Administrative Services, Chief Financial Office.

⁽¹⁾ Totals may not agree with sum of components due to rounding.

⁽²⁾ September 2017 Oregon Economic and Revenue Forecast, as adjusted by OEA.

⁽³⁾ September 2019 Oregon Economic and Revenue Forecast, as adjusted by OEA.

⁽⁴⁾ September 2021 Oregon Economic and Revenue Forecast, as adjusted by OEA.

⁽⁵⁾ September 2023 Oregon Economic and Revenue Forecast, as adjusted by OEA.

⁽⁶⁾ March 2025 Oregon Economic and Revenue Forecast.

⁽⁷⁾ Interest expense associated with the Tax Anticipation Notes program and is exclusive of any internal borrowing.

⁽⁸⁾ Transfer of ending General Fund balances up to 1% of budgeted appropriations into the Rainy Day Fund.

The following table compares budgeted and actual General Fund Revenues for the 2015-17 through the 2021-23 biennia and budgeted and forecasted General Fund Revenues for the 2023-25 biennia.

TABLE 12
STATE OF OREGON
ACTUAL GENERAL FUND REVENUES COMPARED WITH
LEGISLATIVELY ADOPTED BUDGET ESTIMATES
(IN BILLIONS)

<u>Biennium</u>		<u>Budget at Close of Session (\$)⁽¹⁾</u>	<u>Actual (\$)⁽²⁾</u>	<u>Difference (\$)</u>	<u>Percent Difference (%)</u>
2015-17	Personal Income Tax	15.681	16.039	0.358	2.3
	Corporate Income Tax	1.090	1.195	0.105	9.6
	Other Revenues	1.184	1.289	0.105	8.9
	Total	17.955	18.523	0.568	3.2
2017-19	Personal Income Tax	17.114	18.663	1.548	9.0
	Corporate Income Tax	1.034	1.665	0.631	61.0
	Other Revenues	1.328	1.339	0.012	0.9
	Total	19.476	21.668	2.191	11.3
2019-21	Personal Income Tax	18.238	20.007	1.768	9.7
	Corporate Income Tax	1.033	1.967	0.934	90.5
	Other Revenues	1.546	1.682	0.135	8.8
	Total	20.817	23.655	2.838	13.6
2021-23	Personal Income Tax	20.587	25.684	5.096	24.8
	Corporate Income Tax	1.288	3.028	1.740	135.1
	Other Revenues	1.353	1.939	0.585	43.2
	Total	23.229	30.650	7.422	31.9
2023-25 ⁽³⁾	Personal Income Tax	20.983	22.469	1.487	7.1
	Corporate Income Tax	2.137	3.091	0.953	44.6
	Other Revenues	2.011	2.216	0.025	10.2
	Total	25.131	27.776	2.645	10.5

Source: *Oregon Economic and Revenue Forecasts.*

⁽¹⁾ “Budget at Close of Session” reported in the September Oregon Economic and Revenue Forecasts.

⁽²⁾ “Actuals” are reported the following biennium in the September Oregon Economic and Revenue Forecasts.

⁽³⁾ 2023-25 information is estimated as of the March 2025 Oregon Economic and Revenue Forecast.

The following table presents historical Lottery resources and distributions for the 2015-17 through the 2023-25 biennia.

TABLE 13
LOTTERY RESOURCES AND ALLOCATION OF RESOURCES
(IN MILLIONS)

	2015-17	2017-19	2019-21	2021-23	2023-25
	Actual (\$)⁽²⁾	Actual (\$)⁽³⁾	Actual (\$)⁽⁴⁾	Actual (\$)⁽⁵⁾	Legislatively Adopted (\$)⁽⁶⁾
LOTTERY EARNINGS ⁽¹⁾					
Traditional Lottery	140.4	177.1	152.3	190.2	205.2
Video Lottery	1,153.3	1,231.4	1,043.1	1,595.1	1,552.3
Video Lottery Terminal Replacement	(59.2)	-	-	-	-
Sports Betting ⁽¹⁵⁾	-	-	6.3	29.8	59.4
Other Earnings / Administrative Actions	0.9	47.8	-	-	42.9
Total Available to Transfer	1,235.4	1,456.2	1,201.7	1,815.1	1,859.8
ECONOMIC DEVELOPMENT FUND					
Beginning Balance	20.5	49.0	70.9	72.4	84.4
Transfers from Lottery	1,235.4	1,456.2	1,201.7	1,815.1	1,859.8
Other Resources ⁽⁷⁾	9.4	6.2	7.5	7.3	7.7
Total Available Resources	1,265.3	1,511.4	1,280.1	1,894.7	1,951.8
Allocation of Resources					
Education Stability Fund ⁽⁸⁾	222.4	262.1	216.3	326.7	334.8
Parks and Natural Resources Fund ⁽⁹⁾	185.3	218.4	180.3	272.3	279.0
Veterans' Services Fund ⁽¹⁰⁾	0.0	21.8	18.0	27.2	27.9
Outdoor School Education Fund ⁽¹¹⁾	0.0	24.0	43.0	49.4	36.4
County Economic Development	39.1	41.3	50.2	54.2	60.0
HECC Collegiate Athletic & Scholarships ⁽¹²⁾	8.2	8.2	14.1	16.5	18.3
Gambling Addiction ⁽¹²⁾	11.3	12.5	14.7	16.5	18.5
County Fairs	3.9	3.8	3.8	3.8	3.8
Debt Service on Lottery Bonds ⁽¹³⁾	230.9	252.6	266.3	277.3	341.7
Other Legislatively Adopted Allocations ⁽¹⁴⁾	515.2	601.2	396.8	751.0	752.7
Employer Incentive Funds (PERS) ⁽¹⁵⁾	0.0	0.0	4.1	15.3	28.2
Total Distributions	1,216.3	1,446.1	1,207.7	1,810.3	1,901.2
Ending Balance/Discretionary Resources	49.0	65.3	72.4	84.4	50.6

Source: Oregon Department of Administrative Services, Office of Economic Analysis

Note: Some totals may not sum due to rounding.

⁽¹⁾ Lottery Earnings are net lottery revenues transferred or expected to be transferred to the Economic Development Fund after payment of prizes and other expenses of the Oregon State Lottery, including any amount retained or expected to be retained in the contingency reserve. Actuals are reported in the odd year May Oregon Economic and Revenue Forecast unless otherwise noted.

⁽²⁾ Reported in the May 2017 Oregon Economic and Revenue Forecast.

⁽³⁾ Reported in the May 2019 Oregon Economic and Revenue Forecast.

⁽⁴⁾ Reported in the May 2021 Oregon Economic and Revenue Forecast.

⁽⁵⁾ Reported in the May 2023 Oregon Economic and Revenue Forecast.

⁽⁶⁾ Reported in the March 2025 Oregon Economic and Revenue Forecast.

⁽⁷⁾ Includes interest earnings of Economic Development Fund and reversions.

⁽⁸⁾ Eighteen percent of proceeds accrue to the Education Stability Fund, until the balance equals 5% of general fund revenues. Thereafter, 15% of proceeds accrue to the School Capital Matching Fund.

⁽⁹⁾ The Parks and Natural Resources Fund constitutional amendment requires the transfer of 15% of net proceeds to this fund.

⁽¹⁰⁾ Per Ballot Measure 96 (2016), 1.5% of net lottery proceeds are dedicated to the Veterans' Services Fund.

⁽¹¹⁾ Per Ballot Measure 99 (2016), the lesser of 4% of Lottery transfers or \$22 million per year is transferred to the Outdoor Education account. Adjusted annually for inflation.

⁽¹²⁾ Approximately 1% of net lottery proceeds are dedicated to Collegiate Athletics and Gambling Addiction programs, respectively.

⁽¹³⁾ Figures reflect gross debt service of outstanding Lottery bonds paid from Lottery Resources for the respective end of the biennium and do not include future issuance.

⁽¹⁴⁾ Includes allocations to State School Fund and Other Agency Allocations.

⁽¹⁵⁾ Net proceeds from sports betting games shall be deposited into the Employer Incentive Fund, per Senate Bill 1049 (2019).

The following table summarizes Other Funds and Lottery Distributions by revenue source for the 2019-21 through the 2025-27 biennia.

TABLE 14
STATE OF OREGON
OTHER FUNDS AND LOTTERY DISTRIBUTIONS BY REVENUE SOURCE

	2019-21	2021-23	2023-25	2025-27
	Actual (\$) ⁽¹⁾	Actual (\$) ⁽²⁾	Legislatively Approved Budget (\$) ⁽²⁾	Governor's Budget (\$) ⁽²⁾
<u>TAXES</u>				
SELECTIVE SALES AND USE TAXES				
Tobacco Taxes	476,381,834	764,781,060	722,500,000	577,420,934
Marijuana Taxes	359,295,968	367,921,718	316,860,000	327,949,000
Motor Fuels Taxes	1,222,542,471	1,334,052,861	1,368,350,366	1,368,308,490
Weight-Mile Taxes	801,920,902	891,526,074	980,864,085	981,594,853
Privilege Taxes	26,073,514	113,672,696	139,955,206	135,490,772
Other Selective Sales and Use Taxes	1,943,819,573	2,284,601,495	1,681,024,042	1,913,266,864
GROSS RECEIPTS BUSINESS TAXES				
Corporate Activity Tax	1,372,630,989	2,567,907,517	2,779,098,000	3,101,910,000
Other Gross Receipts Business Taxes	6,055,704	6,145,140	6,190,686	7,000,000
Amusement Taxes	-	5,139,546	4,052,345	3,849,030
Insurance Taxes	-	-	746,561,307	680,760,313
EMPLOYER-EMPLOYEE TAXES				
Employment Taxes	98,395,687	6,714,183	4,867,228,817	4,814,693,655
Workers' Compensation Insurance Taxes	155,806,685	186,077,926	197,195,689	173,896,295
Other Employer-Employee Taxes	138,598,347	388,248,897	1,570,063,416	4,409,830,394
SEVERANCE TAXES				
Eastern Oregon Severance Taxes	-	4,256	31,914	10,344
Western Oregon Severance Taxes	-	703,828	1,135,910	1,353,291
Other Severance Taxes	-	2,540	33,478	4,539
OTHER TAXES				
Forest Protection Taxes	53,299,080	57,461,635	192,329,892	113,466,340
Other Taxes	466,502,987	232,615,805	393,198,970	700,533,866
<u>LICENSES AND FEES</u>				
BUSINESS LICENSES AND FEES	488,757,137	538,215,472	525,800,140	596,543,970
NONBUSINESS LICENSES AND FEES				
Park User Fees	55,213,508	69,386,874	65,562,466	73,634,210
Vehicle Licenses	785,693,736	916,713,167	953,530,830	954,529,732
Drivers Licenses	81,312,194	113,053,826	127,400,421	143,778,217
Transportation Licenses and Fees	106,536,254	111,519,861	110,039,724	106,582,033
Hunter and Angler Licenses	120,620,994	117,714,337	127,095,663	144,849,018
Commercial Fish Lic and Fees	10,537,363	11,972,521	10,917,583	12,694,434
Public Utilities Fees	166,463,064	213,371,606	190,187,975	219,821,632
Power and Water Fees	9,648,233	11,885,964	12,327,554	13,839,301
Fire Marshal Fees	32,144,084	38,600,480	42,489,152	45,599,500
Other Non-business Licenses and Fees	91,511,458	95,843,111	99,403,163	110,233,082
State Court Fees	12,304,768	11,321,213	11,881,668	3,497,594
Municipal Court Fines	-	-	-	-
<u>FEDERAL FUNDS AS OTHER FUNDS</u>	967,337,892	1,250,109,895	2,599,689,895	1,644,139,304

	2019-21	2021-23	2023-25 Legislatively Approved	2025-27 Governor's Budget
<u>OTHER REVENUES</u>	<u>Actual (\$)⁽¹⁾</u>	<u>Actual (\$)⁽²⁾</u>	<u>Budget (\$)⁽²⁾</u>	<u>Budget (\$)⁽²⁾</u>
CHARGES FOR SERVICES				
Other Charges for Services	4,195,594,120	6,458,708,517	6,537,225,299	7,306,474,055
FINES, RENTS, AND ROYALTIES				
Fines and Forfeitures	209,284,119	188,018,343	206,034,744	218,156,450
Rents and Royalties	132,833,832	151,972,959	171,851,496	183,282,462
BOND SALES				
General Fund Obligation Bonds	1,071,504,206	1,689,553,625	2,652,160,159	2,837,516,445
Dedicated Fund Obligation Bonds	98,215,000	445,208,866	242,000,000	668,970,000
Lottery Bonds	11,465,210	156,810,210	451,927,291	580,264,192
Certificates of Participation	-	-	-	-
Revenue Bonds	500,306,350	1,065,246,669	560,000,000	611,000,000
Private Placement/Borrowings	2,690,844,451	155,595,000	-	-
INTEREST EARNINGS				
Interest Income	22,406,146,304	11,622,731,004	15,646,411,986	11,317,986,271
SALES INCOME				
Liquor Sales	455,288,679	519,664,097	614,460,527	568,324,580
Pari-mutuel Receipts	4,586,193	5,191,923	4,712,778	7,071,019
State Forest Lands	246,604,630	209,185,845	259,237,647	225,035,289
Common School Land	5,483,144	5,966,771	11,276,508	12,702,004
Other Sales Income	72,500,129	71,818,878	29,759,572	20,863,230
DONATIONS AND CONTRIBUTIONS				
Donations and Grants (Non-Fed)	53,546,549	94,986,101	65,503,287	59,548,249
Retirement System Contribution	6,133,707,724	8,173,199,675	9,244,070,430	7,983,875,762
LOAN REPAYMENTS				
Housing Division Loan Repayment	372,692,281	245,336,652	321,650,417	145,793,236
Senior Citizen Property Tax Repayments	63,744,923	36,463,688	36,989,678	33,782,000
Veterans' Loan Repayments	187,211,163	99,985,506	80,000,000	80,000,000
Other Loan Repayments	305,629,323	261,268,232	197,412,789	187,990,080
Loan Proceeds	-	5,842	-	-
INSURANCE PREMIUMS	63,250,940	54,873,526	65,147,533	56,702,974
LOTTERY DISTRIBUTIONS ⁽³⁾	1,201,751,414	1,815,078,928	1,843,430,263	1,987,677,642
OTHER REVENUES	4,251,986,368	3,220,692,832	5,119,632,445	7,033,616,212
TRANSFERS IN/OUT	2,028,300,274	15,464,490,831	1,064,715,505	(1,986,359,096)
TOTAL OTHER FUNDS & LOTTERY DISTRIBUTIONS	<u>56,811,881,752</u>	<u>64,919,340,024</u>	<u>66,268,610,711</u>	<u>63,521,354,063</u>

Source: Oregon Department of Administrative Services, Chief Financial Officer.

⁽¹⁾ Reported in 2023-25 Governor's Budget, Schedule II.

⁽²⁾ Reported in 2025-27 Governor's Budget, Schedule II.

⁽³⁾ Lottery distributions represent net lottery revenues transferred to the Economic Development Fund available for distribution, not the actual amounts distributed or expected to be distributed.

The following table summarizes expenditures by statewide program area for all fund types for the 2019-21 through the 2025-27 biennia.

TABLE 15
SUMMARY OF EXPENDITURES BY PROGRAM AREA BY FUND
(IN MILLIONS)

Program Area	2019-21 Actual Expenditures ⁽¹⁾					2021-23 Actual Expenditures ⁽²⁾					2023-25 Legislatively Approved Budget ⁽²⁾					2025-27 Governor's Recommended Budget ⁽²⁾				
	General	Lottery	Other	Federal	Total	General	Lottery	Other	Federal	Total	General	Lottery	Other	Federal	Total	General	Lottery	Other	Federal	Total
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
Education	\$10,693	\$873	\$3,098	\$1,666	\$16,331	\$11,671	\$788	\$3,772	\$2,952	\$19,183	\$12,967	\$843	\$5,376	\$2,634	\$21,820	\$14,815	\$902	\$5,584	\$2,024	\$23,325
Human Services	6,067	17	8,945	22,567	37,596	7,653	19	10,876	30,304	48,852	11,711	30	11,581	32,331	55,653	13,611	43	12,978	35,557	62,189
Public Safety	2,787	8	1,136	950	4,881	2,703	10	2,193	1,067	5,973	4,291	10	1,353	1,539	7,193	4,884	12	1,328	1,616	7,842
Judicial Branch	869	-	125	1	995	623	-	70	3	695	792	-	397	5	1,194	844	-	244	5	1,094
Economic & Community Develop.	506	144	5,090	8,102	13,842	1,383	177	3,629	2,227	7,417	1,181	230	7,329	999	9,738	1,367	272	8,957	876	11,472
Natural Resources	341	214	1,277	235	2,068	892	241	1,393	261	2,786	695	326	2,174	498	3,693	695	378	2,270	505	3,849
Transportation	64	115	5,085	129	5,392	77	122	4,661	133	4,992	83	135	5,927	233	6,379	53	145	6,911	235	7,344
Consumer and Business Services	15	0	714	115	844	42	0	735	129	906	47	0	896	140	1,083	39	0	1,004	138	1,181
Administration	524	26	13,826	1,272	15,647	966	45	15,411	3,029	19,452	605	85	16,316	192	17,197	401	110	18,033	176	18,720
Legislative Branch	139	-	93	-	232	390	-	32	-	422	237	-	237	-	474	263	-	12	-	275
Miscellaneous (Incl. E-Board)	-	-	-	-	-	-	-	-	-	-	285	-	-	-	285	455	-	-	-	455
Statewide Total Expenditures ⁽³⁾	\$22,005	\$1,397	\$39,388	\$35,037	\$97,827	\$26,400	\$1,401	\$42,771	\$40,104	\$110,677	\$32,894	\$1,660	\$51,585	\$38,571	\$124,709	\$37,429	\$1,862	\$57,322	\$41,133	\$137,745

Source: Oregon Department of Administrative Services, Chief Financial Office.

⁽¹⁾ Reported in 2023-25 Governor's Budget, Schedule V.

⁽²⁾ Reported in 2025-27 Governor's Budget, Schedule V.

⁽³⁾ Totals may not agree with sum of components due to rounding.

STATE OF OREGON INVESTMENT POLICIES

The Office of the State Treasurer (the “OST”) invests moneys held on behalf of state agencies and participating public bodies and local governments through two pooled investment vehicles or through separate accounts with guidelines specific to the participant’s investment needs. Some of the participant moneys invested by the OST are bond proceeds or moneys used to pay bond debt service. The State’s investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council (the “OIC”). The OIC, created by a 1965 legislative act, establishes investment policies for all state funds. The OST is responsible for implementing those policies. The Governor appoints four of the OIC’s five voting members, who are subject to confirmation by the Oregon Senate. The Treasurer serves by statute. OST pooled investment vehicles for state moneys are the statutory Oregon Short-Term Fund (the “OSTF”) and the internally established Oregon Intermediate-Term Pool (the “OITP”).

Oregon Short-Term Fund. The OSTF is a short-term cash investment vehicle created by statute to invest state agency and Oregon local government moneys. The OSTF is not registered with the U.S. Securities and Exchange Commission as an investment company. The OST manages the OSTF within policies and guidelines approved by the OIC, with advice from and in consultation with, the OSTF Board and OST staff. Primary investment objectives established for the fund are, in order of priority: preservation of principal, liquidity and yield. As of June 30, 2024, the OSTF, reported net assets of approximately \$33.1 billion.

The current OSTF guidelines require at least 50% of the portfolio to mature or re-price within 93 days; no more than 25% of the portfolio may have a maturity longer than one year; and no investments may have a maturity longer than three years as measured from the settlement date of the initial transaction. Maturity dates are calculated using proxies permitted by OIC-approved policy for securities that have been called, securities with a put option, variable-rate securities and Asset-Backed securities. The target weighted average credit quality of the portfolio must be a minimum of AA by national statistical rating organizations or greater than 26.50 as computed using the ratings as determined by OSTF policies for each class of security and the applicable NSRO rating. The current OSTF guidelines allow the following (subject to change at any time):

Issue Type	Maximum Holdings % or \$	Minimum Ratings S&P/Moody's/Fitch
U.S. Treasury Obligations (1)	100%	None
U.S. Agency Securities (1) Per Issuer	100% 33%	None None
Foreign Government & Instrumentalities (1) Per Issuer	25% 10%	AA-/Aa3/AA-
Corporate Securities (Total) Corporate Bonds Commercial Paper (2) Per Issuer	50% 50% 50% 5%	A-/A3/A- A-1/P-1/F-1
Asset-Backed Securities Per Issuing Trust	25% 5%	AAA/Aaa/AAA A-1+/P-1/F-1+
Negotiable Certificates of Deposit Per Issuer	20% 5%	A-1/P-1/F-1
Bankers' Acceptances Per Issuer	20% 5%	A-1/P-1/F-1

Issue Type	Maximum Holdings % or \$	Minimum Ratings S&P/Moody's/Fitch
Time Certificates of Deposit (3) Per Issuer	20% 5%	None
Municipal Debt (Total) Municipal Commercial Paper Short Term Municipal Obligations Per Issuer	25% 25% 25% 10%	AA-/Aa3/AA- A-1/P-1/F-1 SP-1/(V)MIG1/F-1
Repurchase Agreements (4) Per Counterparty	100% 5%	None
Oregon Local Government Intermediate Fund	\$250 Million	A-/A3/A-

- (1) Securities guaranteed by the U.S. Treasury, a U.S. Agency or a Foreign Government or its Instrumentality will be considered a U.S. Treasury, a U.S. Agency or a Foreign Government or its Instrumentality for the purposes of this policy.
- (2) Commercial Paper must have top-tier short-term ratings by at least two of the nationally recognized statistical rating organizations at the time of purchase.
- (3) Permitted Time Certificates of Deposit (TCDs) will be limited to qualified depositories as defined in ORS Chapter 295. Maximum TCD exposure per depository must be no more than 5% of the issuing bank's total deposits, or \$250,000, whichever is greater. Maximum credit union exposure per depository shall be \$250,000.
- (4) Repurchase agreements must have a maximum maturity of 93 days, counterparties must be a Primary Dealer as recognized by the Federal Reserve Bank or OST's custodial agent and have a signed agreement, collateral for repurchase agreements may be U.S. Treasury or U.S. Agency Discount and Coupon securities with a final maturity of three years or less and the market value of the delivered collateral must be maintained at not less than 102% of the cash invested.

The State's custodian, State Street Bank and Trust Company, periodically lends securities in the OSTF to primary dealers, as recognized by the Federal Reserve Bank, on a fully collateralized basis.

Issue Type	Actual Holdings % As of 12/31/2024
US Treasuries	19.8%
Government Related	14.8%
Corporates	45.3%
Securitized	18.2%
Municipals	1.2%
Cash (incl. OSTF)	0.6%

Oregon Intermediate-Term Pool. The OITP is an alternative investment vehicle to the OSTF. The OITP is a voluntary investment vehicle for state agencies, public universities and other eligible entities. The moneys in the OITP are pooled and managed by OST to invest dollars not needed to cover investors' short-term needs and for those investors who are able to withstand price volatility with the objective of achieving returns often associated with longer-term investments. The OITP Financial Statements for the year ended June 30, 2024, reported net assets of approximately \$308.8 million, of which \$37.5 million is classified as cash and cash equivalents.

The OITP's management objective is to maximize total return, which includes investment value and coupon income within the desired risk parameters and fixed income investments prescribed in the portfolio guidelines. The OITP's benchmark index is the Bloomberg Barclay's Intermediate U.S. Government / Credit Bond Index. The OITP is not structured to provide 100% net asset value on each

participant's initial investment at all times. For consistency with the portfolio's total return objective, the value of each participant's investment is determined on a proportional basis to the net market value of the entire portfolio. The OITP is not registered with the U.S. Securities and Exchange Commission as an investment company.

Eligible investments are detailed in the OITP guidelines, but in general, the OITP may invest, subject to diversification requirements, in several types of investment grade rated debt market instruments denominated in U.S. dollars. These may include:

- Obligations of U.S. and non-U.S. private issuers;
- Obligations of the U.S. government and its agencies and instrumentalities;
- Obligations issued or guaranteed by non-U.S. governments and instrumentalities;
- Taxable debt securities issued by U.S. states or local governments and their agencies, authorities and other U.S. state government-sponsored enterprises;
- Repurchase agreements and reverse repurchase agreements.
- Interests in pools of securitized assets, e.g., asset-backed securities (ABS); commercial mortgage-backed securities (CMBS); and agency mortgage-backed securities (MBS)

The OITP invests in securities that, at the time of purchase, are investment grade rated by nationally recognized rating agencies, such as Moody's, Standard & Poor's or Fitch. The overall portfolio must maintain an average modified duration of +/- 20% of its benchmark index. Limitations on individual investment terms to maturity vary by security type, but in general, securities have a maximum term of or weighted average life of 10.25 years and may not have a modified duration, a measure of interest rate risk, greater than three years. As of June 30, 2024, the weighted average duration of the OITP pool was 3.44 years.

Issue Type	Actual Holdings % As of 12/31/2024
US Treasuries	56.4%
Corporates	24.4%
Securitized	18.3%
Municipals	0.1%
Cash (incl. OSTF)	0.8%

Concentration of credit risk is the risk of loss attributed to the magnitude of a fund's investment in a single issuer. The OITP guidelines provide that the maximum that may be invested in any one issuer, as a percentage of the OITP's total investments is five percent, excluding the OSTF, U.S. Treasuries or U.S. Federal Agencies or instrumentalities. The OITP may invest up to 100% in those securities. On June 30, 2024, the Pool did not hold investments with any one issuer that exceeded these limits.

INITIATIVE PETITIONS, LEGISLATIVE REFERRALS AND REFERENDUM PETITIONS

Initiative Petitions

General. The Oregon Constitution, Article IV, Section 1, reserves to the people of the state (1) the initiative power to amend the State Constitution or to enact state legislation by placing measures on the statewide general election ballot for consideration by the voters and (2) the referendum power to approve or reject at an election any act passed by the Legislative Assembly that does not become effective earlier

than 90 days after the end of the legislative session. The Legislative Assembly may also refer an act to the voters for approval or rejection.

State law permits any person to file a proposed initiative with the Secretary of State’s office without payment of fees or other burdensome requirements. Because many proposed initiative measures are submitted that do not qualify for the ballot, the State does not formally or systematically monitor the impact of those measures or estimate their financial effect prior to the time the measures qualify for the ballot. Consequently, the State does not ordinarily disclose such information about proposed initiative measures that have not qualified for the ballot.

Requirements for Proposed Initiative Measures to Be Placed on the Ballot. To place a proposed initiative on a general election ballot, the proponents must submit to the Secretary of State initiative petitions signed by the number of qualified voters equal to a specified percentage of the total number of votes cast for all candidates for governor at the gubernatorial election at which a governor was elected for a term of four years next preceding the filing of the petition with the Secretary of State. Any elector may sign an initiative petition for any measure on which the elector is entitled to vote.

The initiative petition must be submitted to the Secretary of State not less than four months prior to the general election at which the proposed measure is to be voted upon. As a practical matter, proponents of an initiative have approximately two years in which to gather the necessary number of signatures. State law permits persons circulating initiative petitions to pay money to persons obtaining signatures for the petition.

Although a large number of initiative measures are submitted to the Secretary of State’s office, a much smaller number of petitions contain sufficient signatures to be placed on the ballot. Once an initiative measure has gathered a sufficient number of signatures and qualified for placement on the ballot, the State is required to prepare a formal estimate of the measure’s financial impact. Typically, this estimate is limited to an evaluation of the direct dollar impact. Historically, a larger number of initiative measures have qualified for the ballot than have been approved by the electors.

<u>Year of General Election</u>	<u>Number of Initiatives that Qualified ⁽¹⁾</u>	<u>Number of Initiatives that Passed</u>
2014	4	2
2016	4	3
2018	4	1
2020	2	2
2022	2	2
2024	2	1

Source: Oregon Secretary of State, Elections Division.

⁽¹⁾ The number of initiatives shown identify only the citizen-initiated petitions that are on the ballot and do not include legislative referrals.

Legislative Referrals and Referendum Petitions

The Legislative Assembly may refer constitutional amendments or statutory changes to the Oregon voters for their approval. In addition, within 90 days after the end of a legislative session, any person may file a petition seeking to have any act passed by the Legislative Assembly that does not become effective earlier than 90 days after the end of the legislative session referred to the voters for their approval or rejection at the next general election, or at a special election provided for by the Legislative Assembly. To place a proposed referendum on the ballot, the proponents must submit to the Secretary of State within 90

days after the end of the legislative session referendum petitions signed by the number of qualified voters equal to four percent of the total number of votes cast for all candidates for governor at the gubernatorial election at which a governor was elected for a term of four years next preceding the filing of the petition with the Secretary of State. Any elector may sign a referendum petition for any measure on which the elector is entitled to vote. An act approved by the voters through the referendum process becomes effective 30 days after the date of the election at which it was approved. A referendum on part of an act does not prevent the remainder of the act from becoming effective as provided in the act.

PENSION AND POST EMPLOYMENT BENEFITS

The State is one of many participants in the statewide Oregon Public Employees' Retirement System ("PERS" or "System"). The State participates in three retirement pension benefit programs provided through PERS and three retirement healthcare benefit programs (two provided through PERS and one provided by the State's Public Employees' Benefit Board ("PEBB")).¹ Most public employers in Oregon, including state government employers, participate in PERS. Benefits provided through PERS are paid from the Oregon Public Employees' Retirement Fund ("OPERF"). The Public Employees' Retirement Board (the "PERS Board") administers PERS and is responsible for setting policies and for providing administrative direction to PERS.

System Pension Programs

The three PERS pension programs are composed of two defined benefit programs and one program that has features similar to a defined contribution plan. In a defined benefit plan, the investment risk for the plan assets is borne by the employer. In a defined contribution plan, the investment risk for the plan assets is borne by the employee. A combination of participating employer contributions (determined by the PERS Board based upon the results of actuarial valuations), investment earnings and employee contributions (determined by statute, currently 6 percent of salaries and 7 percent for judges) fund these pension programs.

Employees hired before January 1, 1996, are known as "Tier 1" participants. The retirement benefits applicable to Tier 1 participants are based primarily on a defined benefit model. Employees hired on or after January 1, 1996, and before August 29, 2003, are known as "Tier 2" participants. The Tier 2 program also provides a defined benefit but with lower expected costs to employers than under the Tier 1 benefit. Employees hired on or after August 29, 2003, are participants in a successor retirement program to the Tier 1 and Tier 2 retirement programs (the "T1/T2 Pension Programs") known as the Oregon Public Service Retirement Plan ("OPSRP").

PERS also offers a program that has features similar to a defined contribution benefit known as the Individual Account Program ("IAP"). Effective January 1, 2004, active Tier 1, Tier 2 ("T1/T2") and OPSRP employees became members of the IAP. Tier 1 and Tier 2 employees retain their existing T1/T2 Pension Program account, but the IAP account receives any future member contributions. In 2019 the Legislative Assembly passed SB 1049, which made several changes to PERS benefits going forward. Effective July 1, 2020, a portion of most members' 6%-of-salary contribution to their IAP is being redirected to an Employee Pension Stability Account ("EPSA"). Each member's EPSA will help fund their defined benefits provided under T1/T2 and OPSRP. For T1/T2 members, the redirected amount is 2.5 percent of salary; for OPSRP members, the amount is 0.75 percent of salary.

System Pension Plan Asset and Liabilities Valuations

Oregon statutes require an actuarial valuation of the System by a competent actuary at least once every two years. The current PERS actuary is Milliman, Inc. ("Milliman"). Under current practice, actuarial valuations are performed annually, but only valuations as of the end of each odd-numbered year are used to determine annual required employer contribution rates. Valuations are released approximately one year after the valuation date. The most recent valuation report for the System is as of December 31, 2023 (the "2023 System Valuation").

¹ Members of the Oregon State judiciary participate in the Judge Retirement Program, a separate pension benefit program under PERS. Employer contributions for the Judge Retirement Program are paid from the State General Fund. Information relating to the Judge Retirement Program will be footnoted herein.

The System Valuations include actuarial valuations for the T1/T2 Pension Programs and OPSRP. In connection with the T1/T2 Pension Programs, the State is pooled with certain local governments and community college districts (the “State and Local Government Rate Pool” or “SLGRP”). Because OPSRP’s assets and liabilities are pooled on a program-wide basis, the State is pooled with all Oregon local governments in connection with OPSRP.

The PERS actuary releases the State’s individual valuation reports near the end of each calendar year. These annual valuation reports provide the State’s portion of the unfunded actuarial liabilities of the SLGRP and OPSRP based on the State’s proportionate share of SLGRP and System covered payroll, respectively, as of the valuation date. An employer’s unfunded actuarial liability (“UAL”) is the excess of the actuarially determined present value of the employer’s benefit obligations to employees over the existing actuarially determined assets available to pay those benefits.

The following table shows the significant actuarial assumptions and methods adopted by the PERS Board and used by Milliman in performing its actuarial valuations for the System and employers for the actuarial valuation measurement dates of December 31, 2022 and 2023.

TABLE 16
PUBLIC EMPLOYEES’ RETIREMENT SYSTEM ACTUARIAL ASSUMPTIONS AND METHODS

Assumption/Method	Valuation
Actuarial Cost Method	Entry-Age Normal
T1/T2 Programs UAL Amortization Method	Level Percentage of Payroll over 20 years (Closed)
OPSRP UAL Amortization Method	Level Percentage of Payroll over 16 years (Closed)
Asset Valuation Method	Market Value ⁽¹⁾
Investment Rate of Return	6.90%
Payroll Growth Rate	3.40%
Inflation Level	2.40%
Contribution Rate Stabilization Method (Rate Collar)	<p>The UAL Rate for a rate pool or employer is confined to a collar range based on the prior biennium’s collared UAL Rate component. For the SLGRP, the UAL Rate will not change by more than 3% of payroll. OPSRP UAL Rate will not change by more than 1% of payroll.</p> <p>The UAL Rate for any rate pool will not be allowed to decrease if the pool’s funded status (excluding side accounts) is 87% or lower. The rate may decrease by the collar width if funded status is 90% or greater, and the allowable decrease amount is phased in from 87% to 90% funded.</p>

(1) Market value of assets reduced by value of assets in statutory reserves (contingency, capital preservation and rate guarantee reserves)

In addition to the actuarial methods and assumptions listed above, the actuary uses other methods, procedures and economic and demographic assumptions when performing its actuarial valuations.

The following table shows the systemwide market value of assets, actuarial value of liabilities, net pension liability and funded ratios for PERS pension plans for the past ten years for which actuarial valuations were performed. The actuarial valuation report for the System as of December 31, 2023 (the “2023 System Valuation”) was released on September 19, 2024. For similar information regarding the PERS-sponsored retirement healthcare benefit programs see Tables 24 and 25A-C.

TABLE 17
PUBLIC EMPLOYEES’ RETIREMENT SYSTEM – SYSTEMWIDE PENSION
HISTORICAL ACTUARIAL FUNDED RATIOS
(IN MILLIONS)⁽¹⁾

Calendar Year Ending	Market Value of Assets (\$)⁽²⁾	Actuarial Value of Liability (\$)	Unfunded Actuarial Liability (\$)	Funded Ratio (%)
2014 ⁽³⁾	61,395.1	73,458.9	12,063.8	83.6
2015	60,000.1	76,196.6	16,196.5	78.7
2016	61,059.0	80,970.3	19,911.3	75.4
2017	67,326.2	84,056.0	16,729.8	80.1
2018	64,802.3	86,574.7	21,772.4	74.9
2019	70,312.2	89,445.7	19,133.5	78.6
2020 ⁽⁴⁾	72,378.3	95,300.4	22,922.1	75.9
2021 ⁽⁴⁾	85,001.3	98,401.4	13,400.1	86.4
2022	81,074.0	102,908.8	21,834.8	78.8
2023	82,416.9	106,384.0	23,967.1	77.5

Sources: *Actuarial valuations of the System.*

⁽¹⁾ System funding levels composed of Tier 1/Tier 2 and OPSRP pensions but excludes retiree healthcare subsidies of RHIA and RHIPAA.

⁽²⁾ Includes proceeds of pension bonds issued by Oregon local governments and the State and other side accounts established by employers.

⁽³⁾ In April 2015, the Oregon Supreme Court announced a decision on lawsuits challenging the provisions of the 2013 PERS Bills. The decision upheld the elimination of a benefit increase for out-of-state retirees but declared other benefit reductions unconstitutional as applied to benefits earned prior to the June 1, 2013, effective date of the 2013 PERS Bills.

⁽⁴⁾ The actuarial value of liabilities reported for 2020 and 2021 includes the effect of the reduction of the assumed rate of return from 7.20% to 6.90% on actuarial liabilities.

The Oregon State Treasurer is the investment officer for the State of Oregon. Investment standards are established in ORS 293.726 and require funds to be managed as a prudent investor would do. The Oregon Investment Council establishes policies for the investment and reinvestment of moneys in PERS investment funds. Policies are established based on the primary investment asset class of each investment manager. The OIC has approved the following asset classes for the OPERF: Oregon Short-Term Fund (for cash balance), Fixed Income, Real Estate, Public and Private Equities, and Alternative Investments. In addition, OPERF invests in the Opportunity Portfolio, which may be populated with investment approaches across a wide range of investment opportunities with no limitation as to asset classes or strategies. The target investment portfolio mix at market value was revised at the OIC meeting of December 7, 2022 (which went into effect April 1, 2023), to 27.5 percent public equity, 20 percent private equity, 25 percent fixed income, 12.5 percent real estate, 7.5 percent real assets and 7.5 percent diversifying strategies. These percentages provide guidance on asset allocation and may vary with changes in valuation or at the discretion of the OIC in consideration of the OPERF investment policy.

The following table shows the prior ten years of investment returns for the OPERF.

TABLE 18
OREGON PUBLIC EMPLOYEES
RETIREMENT FUND INVESTMENT RETURNS

Calendar Year <u>Ending</u>	Net <u>Returns (%)</u> ⁽¹⁾
2015	2.1
2016	6.9
2017	15.4
2018	0.5
2019	13.6
2020	7.7
2021	20.0
2022	(1.6)
2023	6.0
2024	5.7

Source: Office of the State Treasurer.

⁽¹⁾ Regular account, after investment management fees, but not consulting fees.

The funded status of the pension programs will change depending on the market performance of the securities that OPERF is invested in, future changes in compensation and benefits of covered employees, demographic characteristics of members and methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS. Additionally, the market value of the investments held in OPERF is determined using various sources. For descriptions of the methodologies applied by the Oregon State Treasurer to determine the market value of OPERF investments see the *audited Oregon Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024*, Note 1.D., captioned “Summary of Significant Accounting Policies - Deposits and Investments” and the *Oregon Public Employees’ Retirement System Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024*, Note 1.D. Investments.

State of Oregon Active PERS Members

The following table shows the number of active state members in the T1/T2 Pension Programs and OPSRP over the past ten years.

TABLE 19
ACTIVE STATE PERS MEMBERS

Calendar Year Ending	Active T1/T2 Members	Active OPSRP Members	Total	Percent Change (%)
2014	20,626	25,776	46,402	4.3
2015	19,010	28,321	47,331	2.0
2016	17,524	29,815	47,339	0.0
2017	15,601	30,970	46,571	-1.6
2018	14,505	33,467	47,972	3.0
2019	13,264	36,005	49,269	2.7
2020	12,159	37,935	50,094	1.7
2021	10,949	39,048	49,997	-0.2
2022	9,882	41,244	51,126	2.3
2023 ⁽¹⁾	9,068	44,933	54,001	5.6

Source: Oregon PERS.

⁽¹⁾ As of December 31, 2023, there were 194 active members of the Judge Retirement Program.

State Pension Plan Asset and Liabilities

The following table shows the State's portion of the market value of assets and the actuarial value of liabilities, unfunded actuarial liability, surplus and funded ratios for PERS pension programs for which actuarial valuations were performed for the past ten years. For the T1/T2 Pension Programs, the State's portion of PERS' assets and liabilities are based upon the State's proportionate share of the SLGRP's covered payroll (as of December 31, 2023, approximately 52.53 percent) and reflects proceeds from the State pension bonds issued in October 2003 in the aggregate principal amount of \$2.1 billion (the "State Pension Bonds"). For OPSRP, the State's proportionate share is based upon the State's share of total OPSRP covered payroll (as of December 31, 2023, approximately 30.88 percent). The State's proportionate liability may increase if other participants fail to pay their full employer contributions.

TABLE 20
STATE OF OREGON - PENSION
HISTORICAL ACTUARIAL FUNDED RATIOS
(IN MILLIONS)⁽¹⁾

Calendar Year Ending	Market Value of Assets (\$)⁽²⁾	Actuarial Accrued Liability (\$)	Unfunded Actuarial Liability (\$)	Funded Ratio (%)
2014 ⁽³⁾	16,889.9	19,978.2	3,088.2	84.5
2015	16,497.3	20,845.5	4,348.2	79.0
2016	16,696.4	21,995.0	5,298.6	75.9
2017	18,550.1	23,232.6	4,682.4	79.8
2018	17,580.9	23,850.8	6,270.0	73.7
2019	19,441.5	25,295.4	5,853.9	76.9
2020	20,170.5	27,335.4	7,164.9	73.8
2021	22,787.1	28,411.7	5,624.5	80.2
2022	22,413.3	29,855.8	7,442.5	75.1
2023	22,734.8	30,874.5	8,139.7	73.6

Sources: State Actuarial Valuation Reports; Oregon PERS.

⁽¹⁾ The State's UAL (the "State UAL") presented in this table may differ from the presentation of the State UAL in the State Actuarial Valuation Reports released by the PERS actuary. The Judge Retirement Program and the RHIA and RHIPAs are not included in these numbers. The PERS actuary reported that as of December 31, 2023, the Judge Retirement Program has an unfunded actuarial liability of \$110.0 million and a funded ratio of 72%. See Tables 24 through 25C for RHIA and RHIPA information.

⁽²⁾ Includes lump sum payments to PERS from proceeds of pension bonds issued by Oregon local governments and the State and other cash resources.

⁽³⁾ In April 2015, the Oregon Supreme Court announced a decision on lawsuits challenging the provisions of the 2013 PERS Bills. The decision upheld the elimination of a benefit increase for out-of-state retirees but declared other benefit reductions unconstitutional as applied to benefits earned prior to the June 1, 2013 effective date of the 2013 PERS Bills.

State Employer Contribution Rates

At the end of each odd-numbered year, actuarial valuations determine the employer contribution rates that are officially set by the PERS Board. Pursuant to ORS 238.225, all employers participating in PERS are required to make their contribution to PERS based on the employer contribution rates set by the PERS Board. The contribution rate stabilization method ("Rate Collar") described under "PUBLIC EMPLOYEES' RETIREMENT SYSTEM ACTUARIAL ASSUMPTIONS AND METHODS" above, was revised by PERS in July 2021 to apply to the UAL component of the PERS Board-approved employer contribution rates. The actuarially determined contribution ("ADC") for a PERS employer is the rate adopted for that employer by the PERS Board. This rate is calculated in accordance with the adopted actuarial-based funding policy. In years where the rate collar (which is part of the funding policy) is affecting the final rate adopted for some rate pools or employers, the collared rate is the ADC. Employers who pay the collared rate are paying 100% of the ADC.

The following table shows the State's employer contribution rates expressed as percentages of the actuarially determined covered payroll for PERS pension and PERS-sponsored healthcare costs for the 2023-25 Biennium based on the valuation report for the State as of December 31, 2021 (the "2021 State Valuation") and for the 2025-27 Biennium based on the valuation report for the State as of December 31, 2023 (the "2023 State Valuation").

TABLE 21
STATE CONTRIBUTION RATES

<u>Payrolls Paid⁽¹⁾</u>	<u>2023-25</u> <u>Biennium (%)⁽³⁾⁽⁴⁾</u>	<u>2025-27</u> <u>Biennium (%)⁽⁵⁾</u>
T1/T2	22.91	25.96
OPSRP General Service	18.28	21.94
OPSRP Police and Fire	23.07	27.21
Blended Rate ⁽²⁾	19.12	22.43

Sources: Oregon PERS; 2021 State Valuation and 2023 State Valuation.

⁽¹⁾ The employer contribution rate for the Judge Retirement Program is calculated separately and the advisory contribution rate for the 2025-27 biennium is 40.71%. According to the 2023 System Valuation and the State Judiciary Valuation as of December 31, 2023, the value of the covered payroll of the judiciary as of December 31, 2023, is approximately \$32.69 million.

⁽²⁾ The Blended Rate is calculated by the PERS actuary. It is a weighted average of the three separate payroll rates based on the proportion of estimated State payroll in each rate category. The Blended Rate is an estimate provided for budgeting purposes only and is not adopted by the PERS Board. The Blended Rate estimate is sensitive to the proportional weightings of each category in the payroll estimate, especially the proportions of payroll that are Tier 1/Tier 2 police and fire and OPSRP waiting period.

⁽³⁾ SB 1049, enacted in June 2019, re-amortized the UAL over a period of 22 years (closed). The 2023-25 rates are determined using the amortization schedule under SB 1049.

⁽⁴⁾ Based on 2021 State Valuation

⁽⁵⁾ Based on 2023 State Valuation

State Contributions

The following table shows the historical amount of the State’s contributions paid to PERS for the three pension programs and the two PERS-sponsored health care programs and the amount paid for the debt service on the State Pension Bonds.

TABLE 22
STATE CONTRIBUTIONS TO PERS AND PERS-RELATED DEBT SERVICE
(IN MILLIONS)

Fiscal Year Ended 6/30	State Employer Contribution to PERS⁽¹⁾ (\$)	Percent Change (%)	Employee Contribution Paid by State⁽²⁾ (\$)	POB Debt Service⁽³⁾ (\$)	Total (\$)	Percent Change (%)
2015 ⁽⁴⁾	169.6	-32.0	129.4	168.6	467.6	-16.7
2016	224.5	32.4	129.6	175.7	529.8	13.3
2017	207.7	-7.5	95.2	183.2	486.1	-8.2
2018	314.3	51.3	76.8	191.0	582.1	19.7
2019	333.1	6.0	49.5	199.1	581.7	-0.1
2020	455.2	36.7	2.1	207.5	664.8	14.3
2021	491.9	8.1	2.2	216.4	710.4	6.9
2022	583.8	18.7	2.3	225.6	811.7	14.2
2023	616.7	5.6	2.6	235.2	854.5	5.3
2024	740.5	20.1	2.5	245.1	988.1	15.6

Sources: *State of Oregon Annual Comprehensive Financial Report (ACFR), Note Disclosure 14 & 15 for FY 2016 through FY 2024; Note Disclosure 15 and 16 for FY 2015; and Oregon State Treasurer.*

⁽¹⁾ Amount includes employer contributions for the primary government and excludes component units. Amount includes employer contributions for RHIA and RHIPA, but excludes all other retirement plans other than PERS and does not include employer paid employee contributions.

⁽²⁾ The State pays employee contributions into the Individual Account Program (IAP). Amounts for FY 2015 through FY 2024 are sourced from Employee Retirement Plans note disclosures in the State’s ACFR for those fiscal years

⁽³⁾ Fiscal Year State Pension Bonds debt service. The State issued Pension Bonds October 31, 2003. As of June 30, 2024, \$712.9 million principal amount of State Pension Bonds remain outstanding.

⁽⁴⁾ Beginning with FY 2015, three public universities (OSU, UO & PSU) were reported as component units, which contributed to a significant decrease in the State's employer contributions. In addition, employer rates declined from the 2013-15 to 2015-17 biennium, which also contributed to the reduction.

Changes in Financial Reporting for Pension Plans

The Governmental Accounting Standards Board (“GASB”) accounting standards provide for the inclusion of pension liabilities on a government’s balance sheet; mark to market valuation of assets; lower actuarial discount rates; and the recognition of differences between expected and actual demographic and investment experience incrementally over a closed period when reporting annual employer pension expense. The accounting standards affect financial reporting but do not require changes to funding policies. GASB required disclosures appear annually in the Annual Comprehensive Financial Report.

Total and Net Pension (Asset)/Liability

PERS reports financial information in conformity with accounting and financial reporting requirements applicable to pension plans. The State reports financial information in conformity with accounting and financial reporting requirements applicable to employers who participate in pension plans, which significantly changed the way pension liabilities are reported in their Annual Comprehensive Financial Reports by states and local governments.

The State reports its Net Pension (Asset)/Liability based upon the State's proportionate share of the PERS system-wide Net Pension (Asset)/Liability. The following table shows the historical changes in Net Pension (Asset)/Liability of the PERS defined benefit pension plan for fiscal year 2020 through fiscal year 2024. In addition, the table shows the State's proportionate share of the Net Pension (Asset)/Liability as reported in the Statement of Net Position in the Annual Comprehensive Financial Reports for fiscal year 2020 through fiscal year 2023. Due to the timing of when information is available to participating employers, there is a one-year lag in the measurement date and the valuation date for the State's share.

TABLE 23
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
HISTORICAL CHANGES IN NET PENSION (ASSET)/LIABILITY
(IN MILLIONS)

<u>Defined Benefit Pension Plan (PERS)</u>					
	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
<u>Total Pension Liability⁽¹⁾</u>					
Service Cost ⁽²⁾	\$ 1,187.2	\$1,263.5	\$ 1,387.7	\$ 1,485.2	\$ 1,565.0
Interest on Total Pension Liability	6,162.9	6,349.3	6,505.6	6,694.3	6,905.4
Effect of Plan Changes ⁽³⁾		148.5	-	-	139.4
Changes in Benefit Terms		-	-	-	
Changes in Assumptions	(50.5)	3,041.9	490.3	-	1507.7
Differences Between Expected and Actual Experience	406.7	600.9	(116.7)	636.0	909
Benefit Payments	<u>(5,064.8)</u>	<u>(5,249.0)</u>	<u>(5,483.1)</u>	<u>(5,678.8)</u>	<u>(5,918.1)</u>
Net Change in Total Pension Liability	2,641.5	6,155.1	2,783.8	3,136.7	5,108.4
Total Pension Liability – Beginning	<u>87,501.2</u>	<u>90,142.7</u>	<u>96,297.8</u>	<u>99,081.6</u>	<u>102,218.3</u>
Total Pension Liability – Ending	<u>90,142.7</u>	<u>96,297.8</u>	<u>99,081.6</u>	<u>102,218.3</u>	<u>107,326.7</u>
Plan Fiduciary Net Position – Ending	<u>68,319.3</u>	<u>84,331.3</u>	<u>83,769.6</u>	<u>83,487.6</u>	<u>85,099.5</u>
<u>Net Pension Liability/(Asset)⁽⁴⁾</u>	<u>\$21,823.4</u>	<u>\$11,966.5</u>	<u>\$15,312.0</u>	<u>\$18,730.7</u>	<u>\$22,227.2</u>
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Discount Rate ⁽⁵⁾	7.20%	7.20%	6.90%	6.90%	6.90%
<u>State of Oregon Employer⁽⁶⁾</u>					
	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	
Proportionate Share of Net Pension Liability/(Asset) ⁽⁷⁾	23.0%	24.2%	26.2%	28.6%	
State's Net Pension Liability/(Asset) ⁽⁴⁾	\$ 5,019.2	\$ 2,894.7	\$ 4,011.3	\$ 5,350.3	
Covered Payroll	\$ 2,743.3	\$ 2,963.7	\$ 3,197.2	\$ 3,732.8	
States' Net Pension Liability/(Asset) as a Percentage of Covered Payroll	183.0%	97.7%	125.5%	143.3%	
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	
Valuation Date	12/31/2018	12/31/2019	12/31/2020	12/31/2021	

Sources: Annual Comprehensive Financial Reports (ACFRs) of the Oregon Public Employees Retirement System for PERS Plan for fiscal years 2020-2024 and of the State of Oregon for State employer reporting for each fiscal year from 2020-2024.

⁽¹⁾ Total pension liability is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service in conformity with requirements of GASB Statement No. 67. The actuarial present value of projected benefit payments are projected benefit payments discounted to reflect the expected effects of the time value (present value) of money.

⁽²⁾ Service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.

⁽³⁾ Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future benefits for certain active members are now projected to be lower than prior to the legislation.

⁽⁴⁾ Includes side accounts.

⁽⁵⁾ The Discount Rate is as of the Valuation Date.

⁽⁶⁾ Employer reporting in ACFR is based upon a measurement date one year prior to the fiscal year end reporting date and a valuation date that lags by one year the valuation date used for pension plan reporting.

⁽⁷⁾ Excludes entities reported as component units in the State's Annual Comprehensive Financial Report.

Other Post-Employment Benefits (“OPEB”)

In addition to pension benefits provided through PERS, the State provides healthcare benefits (medical, vision and dental) through two PERS health insurance programs and through PEBB. At the time of retirement, state employees can choose whether to obtain post-employment benefits through PERS or through PEBB. Approximately 39,775 retirees receive healthcare benefits through PERS health insurance programs and approximately 896 retirees receive healthcare benefits through PEBB as reflected in the State’s audited Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

PERS-Sponsored Retirement Health Insurance Account Plan (“RHIA”)

Retirees who receive pension benefits through the T1/T2 Pension Programs and are enrolled in certain PERS-administered health insurance programs may receive a subsidy towards the payment of health insurance premiums. ORS 238.420 established the Retirement Health Insurance Account program under which qualified retirees may receive a subsidy for Medicare supplemental health insurance of up to \$60 per month towards the cost of their health insurance premiums.

The State’s employer contribution rate for the RHIA program for the 2019-21 biennium was 0.06 percent of payroll. As of December 31, 2023, the RHIA program actuarial assets exceeded actuarial liabilities, resulting in a surplus of \$400.2 million or an unfunded actuarial liability of approximately (\$400.2) million representing a funded ratio of approximately 221.3 percent, of which (\$124.4) million is allocable to the State.

TABLE 24
RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)
HISTORICAL ACTUARIAL FUNDED RATIOS
(IN MILLIONS)

Calendar Year Ending	Program UAL (\$)	Program Funded Ratio (%)	State Share of UAL (\$)
2014	72.5	84.5	21.4
2015	46.3	90.0	13.6
2016	(1.3)	100.3	(0.4)
2017	(115.7)	126.4	(33.6)
2018	(159.1)	138.6	(47.1)
2019	(240.3)	159.5	(71.9)
2020	(276.6)	172.1	(85.3)
2021	(394.0)	206.7	(122.3)
2022	(374.9)	208.7	(115.8)
2023	(400.2)	221.3	(124.4)

Source: Actuarial valuations of System and State actuarial valuation reports; Oregon PERS.

PERS-Sponsored Retiree Health Insurance Premium Account Plan (“RHIPA”)

Another subsidy is available to pre-Medicare-age state retirees through the Retiree Health Insurance Premium Account plan. On or before January 1 of each year, the PERS Board calculates the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the PERS Board and health insurance premiums paid by state employees who are not retired. RHIPA authorizes payment of this average difference to qualified retired state employees. The State’s

employer contribution rate for the RHIPA program for the 2023-25 biennium was 0.00 percent of payroll. As of December 31, 2023, the RHIPA program actuarial assets exceeded actuarial liabilities, resulting in a surplus of \$51.9 million or an unfunded actuarial liability of approximately (\$51.9) million, representing a funded ratio of approximately 227.8 percent, all of which is allocable to the State.

TABLE 25A
RETIREE HEALTH INSURANCE PREMIUM ACCOUNT (RHIPA)
HISTORICAL ACTUARIAL FUNDED RATIOS
(IN MILLIONS)

<u>Calendar Year Ending</u>	<u>Program UAL (\$)</u>	<u>Program Funded Ratio (%)</u>
2014	63.3	10.2
2015	56.6	16.5
2016	48.8	28.1
2017	39.6	43.0
2018	24.3	61.3
2019	7.4	87.5
2020	(15.6)	132.6
2021	(37.0)	180.4
2022	(44.6)	208.0
2023	(51.9)	227.8

Source: Actuarial valuations of System.

Net OPEB (Asset)/Liability

PERS reports financial information in conformity with accounting and financial reporting requirements applicable to OPEB plans. The State reports financial information in conformity with new accounting and financial reporting requirements applicable to employers who participate in OPEB plans, which significantly changed the way OPEB liabilities are reported by states and local governments in their annual financial reports. The new accounting standards affect financial reporting, but do not require changes to funding policies.

The following table shows the historical changes in Net OPEB (Asset)/Liability of the PERS RHIA plan for fiscal years 2020 through 2024. In addition, the table shows the State's proportionate share of the Net OPEB (Asset)/Liability as reported in the Statement of Net Position in the Annual Comprehensive Financial Report for fiscal year 2024. Due to the timing of when information is available to participating employers, there is a one-year lag in the measurement date and the valuation date for the State's share.

TABLE 25B
RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)
HISTORICAL CHANGES IN NET OPEB (ASSET)/LIABILITY
(IN MILLIONS)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>
<u>Total OPEB Liability⁽¹⁾</u>					
Service Cost ⁽²⁾	\$ 2.3	\$ 2.0	\$ 1.9	\$ 1.5	\$ 1.4
Interest on Total OPEB Liability	30.3	28.3	27.3	24.9	23.9
Changes in Benefit Terms	-	-	-	-	-
Changes in Assumptions	(16.5)	10.7	(19.7)	-	(9.8)
Differences Between Expected and Actual Experience	(13.0)	(7.1)	(13.0)	(11.6)	(12.2)
Benefit Payments	<u>(31.8)</u>	<u>(31.3)</u>	<u>(30.6)</u>	<u>(29.8)</u>	<u>(28.8)</u>
Net Change in Total OPEB Liability	<u>(28.7)</u>	<u>2.6</u>	<u>(34.1)</u>	<u>(15.0)</u>	<u>(25.5)</u>
Total OPEB Liability – Beginning	<u>435.6</u>	<u>406.9</u>	<u>409.5</u>	<u>375.4</u>	<u>360.4</u>
Total OPEB Liability – Ending	<u>406.9</u>	<u>409.5</u>	<u>375.4</u>	<u>360.4</u>	<u>334.9</u>
Plan Fiduciary Net Position – Ending	<u>610.7</u>	<u>752.9</u>	<u>730.7</u>	<u>726.6</u>	<u>738.8</u>
Net OPEB (Asset)/Liability	<u>\$(203.8)</u>	<u>\$(343.4)</u>	<u>\$(355.3)</u>	<u>\$(366.2)</u>	<u>\$(403.9)</u>
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Discount Rate	7.2%	7.2%	6.9%	6.9%	6.9%
<u>State of Oregon Employer⁽³⁾</u>					
Proportionate Share of Net OPEB (Asset)/Liability ⁽⁴⁾	8.7%	32.9%	28.5%	29.5%	
State’s Net OPEB (Asset)/Liability	\$(17.7)	\$(112.8)	\$(101.4)	\$(108.0)	
Covered Payroll	\$2,743.3	\$2,963.7	\$3,197.2	\$3,732.8	
State’s Net OPEB as a Percentage of Covered Payroll	(0.6%)	(3.8%)	(3.2%)	(2.9%)	
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	
Valuation Date	12/31/2018	12/31/2019	12/31/2020	12/31/2021	

Sources: Annual Comprehensive Financial Reports of the Oregon Public Employees Retirement System for OPEB plan for fiscal years 2020-2024, and of the State of Oregon for State employer reporting for each fiscal year 2020-2024.

⁽¹⁾ Total OPEB liability is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service in conformity with requirements of GASB Statement No. 74. The actuarial present value of projected benefit payments are discounted to reflect the expected effects of the time value of money.

⁽²⁾ Service cost is the portion of the actuarial present value of projected benefit payments attributed to a valuation year.

⁽³⁾ Employer reporting in ACFR is based upon a measurement date one year prior to the fiscal year end reporting date and a valuation date that lags by one year the valuation date used for OPEB plan reporting. Fiscal year for employer reported amounts are as of the measurement date.

⁽⁴⁾ Excludes entities reported as component units in the State’s ACFR.

The following table shows the historical changes in Net OPEB (Asset)/Liability of the PERS RHIPA plan for fiscal years 2020 through 2024. In addition, the table shows the State’s proportionate share of the Net OPEB (Asset)/Liability as reported in the Statement of Net Position in the Annual Comprehensive Financial Report for fiscal year 2024. Although the RHIPA plan is considered a single-employer plan for financial reporting purposes, some of the State’s Component Units participate in the plan. Therefore, the proportionate share reported by the State excludes amounts attributed to Component Units.

Due to the timing of when information is available to participating employers, there is a one-year lag in the measurement date and the valuation date for the State's share.

TABLE 25C
RETIREE HEALTH INSURANCE PREMIUM ACCOUNT (RHIPA)
HISTORICAL CHANGES IN NET OPEB (ASSETS)/LIABILITY
(IN MILLIONS)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
<u>Total OPEB Liability</u>⁽¹⁾					
Service Cost ⁽²⁾	\$ 1.4	\$ 1.3	\$ 1.2	\$ 0.9	\$ 0.9
Interest on Total OPEB Liability	5.1	4.5	4.3	3.3	3.2
Changes in Benefit Terms	-	-	-	-	-
Changes in Assumptions	(7.9)	1.1	(11.4)	-	(1.7)
Differences Between Expected and Actual Experience	(2.2)	(4.6)	(4.5)	(3.0)	(4.4)
Benefit Payments	<u>(4.1)</u>	<u>(3.7)</u>	<u>(3.4)</u>	<u>(3.0)</u>	<u>(2.8)</u>
Net Change in Total OPEB Liability	<u>(7.7)</u>	<u>(1.4)</u>	<u>(13.8)</u>	<u>(1.8)</u>	<u>(4.8)</u>
Total OPEB Liability – Beginning	<u>72.0</u>	<u>64.3</u>	<u>62.9</u>	<u>49.1</u>	<u>47.4</u>
Total OPEB Liability – Ending	<u>64.3</u>	<u>62.9</u>	<u>49.1</u>	<u>47.3</u>	<u>42.6</u>
Plan Fiduciary Net Position – Ending	<u>54.3</u>	<u>78.4</u>	<u>83.3</u>	<u>91.4</u>	<u>94.0</u>
Net OPEB (Asset)/Liability	<u>\$10.0</u>	<u>\$(15.5)</u>	<u>\$(34.2)</u>	<u>\$(44.1)</u>	<u>\$(51.4)</u>
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Discount Rate	7.2%	7.2%	6.9%	6.9%	6.9%
<u>State of Oregon Employer</u>⁽³⁾					
Proportionate Share of Net OPEB (Asset)/Liability ⁽⁴⁾	77.0%	78.7%	78.7%	79.8%	
State's Net OPEB (Asset)/Liability	\$7.7	\$(12.2)	\$(26.9)	\$(35.2)	
Covered Payroll	\$1,166.4	\$1,159.0	\$1,125.8	\$1,153.1	
State's Net OPEB as a Percentage of Covered Payroll	0.7%	(1.1%)	(2.4%)	(3.1%)	
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	
Valuation Date	12/31/2018	12/31/2019	12/31/2020	12/31/2021	

Sources: *Annual Comprehensive Financial Report of the Oregon Public Employees Retirement System for OPEB plan for fiscal years 2020-2024, and of the State of Oregon for State employer reporting for each fiscal year 2020-2024.*

- ⁽¹⁾ Total OPEB liability is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service in conformity with requirements of GASB Statement No. 74. The actuarial present value of projected benefit payments are discounted to reflect the expected effects of the time value of money.
- ⁽²⁾ Service cost is the portion of the actuarial present value of projected benefit payments attributed to a valuation year.
- ⁽³⁾ Employer reporting in ACFR is based upon a measurement date one year prior to the fiscal year end reporting date and a valuation date that lags by one year the valuation date used for OPEB plan reporting. Fiscal year for employer reported amounts are as of the measurement date.
- ⁽⁴⁾ Excludes entities reported as component units in the State's ACFR.

PEBB Retiree Health Insurance Benefit Plan

In addition to the explicit pension and healthcare benefits provided to retired state employees through PERS, the State provides an implicit rate subsidy for healthcare benefits (medical, vision and dental) through PEBB to approximately 896 (based on the State's ACFR for fiscal year 2024) who do not receive healthcare benefits through PERS and are not yet eligible for Medicare. This PEBB rate subsidy is considered a state obligation for accounting purposes to comply with OPEB standards ("GASB 75"). The PEBB OPEB obligation exists because the State is providing an implicit rate subsidy to retirees to purchase healthcare through the PEBB at the same premium amount as active employees.

The Oregon Health Authority prepared an actuarial valuation for PEBB as of July 1, 2019, for purposes of complying with the OPEB standards. The valuation was prepared using the Entry Age Normal actuarial cost method. Significant assumptions used in the actuarial valuation include projected payroll growth of 3.4 percent and inflation of 2.4 percent. Under GASB 75, pay-as-you-go plans must use a discount rate that reflects a yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate assumed for the June 30, 2024, reporting date of 3.93 percent reflects the Bond Buyer 20-Year General Obligation Bond Index. The valuation uses a healthcare cost inflation adjustment of 3.4 percent, pursuant to ORS 243.135(8). There is no contractual obligation for this pooled healthcare program, but it is being calculated in the valuation and reported in the State's audited financial statements for FY 2024 to comply with GASB standards applicable to OPEB.

The following table shows historical changes in the Total OPEB Liability of the PEBB OPEB plan and the State's proportionate share of the Total OPEB Liability as reported in the Statement of Net Position in the Annual Comprehensive Financial Report for fiscal years 2020 through 2024. The proportionate share reported by the State excludes amounts attributed to component units that participate in the PEBB plan. Since the PEBB plan is on a pay-as-you-go-basis, there are no assets being accumulated to pay benefits and therefore the liability is reported as a total, rather than net, liability. The PEBB does not issue a separate, publicly available financial report. The Total OPEB Liability and the State's proportionate share in the table below are as of the same measurement date and valuation date.

TABLE 25D
PUBLIC EMPLOYEES BENEFIT BOARD (PEBB)
HISTORICAL CHANGES IN TOTAL OPEB LIABILITY
(IN MILLIONS)

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY2024</u>
<u>Total OPEB Liability</u> ⁽¹⁾					
Service Cost ⁽²⁾	\$ 10.1	\$ 10.1	\$ 10.5	\$ 10.8	\$ 7.7
Interest on Total OPEB Liability	5.9	3.4	3.4	4.6	4.0
Effect of Changes in Benefit Terms	-	-	-	-	-
Effect of Differences between Expected and Actual Experience	-	-	(17.0)	(12.7)	-
Effect of Economic/Demographic Gains or Losses	(0.8)	-	-	-	-
-Effect of Assumptions Changes or Inputs	(21.7)	0.5	(15.4)	(12.7)	(2.1)
Benefit Payments	(7.9)	(9.6)	(9.2)	(7.7)	(7.2)
Net Change in Total OPEB Liability	(14.5)	4.4	(27.8)	(17.7)	2.5
Total OPEB Liability – Beginning	161.2	146.7	151.1	123.3	105.6
Total OPEB Liability – Ending ⁽³⁾	\$146.7	\$151.1	\$123.3	\$105.6	\$108.1
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	7/1/2019	7/1/2019	7/1/2021	7/1/2022	7/1/2023
Discount Rate	2.2%	2.2%	3.5%	3.7%	3.9%
<u>State of Oregon Employer</u>					
Proportionate Share of Net OPEB (Asset)/Liability ⁽⁴⁾	73.8%	74.8%	75.2%	74.6%	74.6%
State's Total OPEB (Asset)/Liability	\$108.3	\$113.0	\$92.8	\$78.8	\$80.6
Covered Payroll	\$2,904.8	\$3,148.3	\$3,385.3	\$3,642.9	\$4,020.4
State's Total OPEB as a Percentage of Covered Payroll	3.7%	3.6%	2.7%	2.2%	2.0%
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	7/1/2019	7/1/2019	7/1/2021	7/1/2022	7/1/2022

Sources: Annual Comprehensive Financial Report of the State of Oregon for fiscal years 2021-2024

⁽¹⁾ Total OPEB liability is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service. The actuarial present value of projected benefit payments are discounted to reflect the expected effects of the time value of money.

⁽²⁾ Service cost is the portion of the actuarial present value of projected benefit payments attributed to a valuation year.

⁽³⁾ The PEBB plan does not accumulate assets in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. Therefore, a total rather than net OPEB liability is reported.

⁽⁴⁾ Excludes entities reported as component units in the State's ACFR

DEBT AUTHORITY AND BOND ISSUANCE

Administration

Oregon law authorizes the Treasurer to coordinate the issuance of all State of Oregon bonds. The Treasurer reviews and approves the terms and conditions of bond sales and issues all bonds for State agencies. By centralizing this authority, the agencies for which bonds are issued are encouraged to plan their borrowings well in advance and to work together to obtain the most favorable market reception. In addition, the uniform approach permits greater control of the State's overall debt position, allowing the Treasurer to address the interests and concerns of the financial community and rating agencies as well as those of the state agencies.

The Treasurer advises the Governor on the total biennial bonding level for state agency programs in the development of the Governor's recommended budget. The Legislative Assembly authorizes bonds to be issued for each agency's program in the "biennial bond bill." The Governor's recommended budget includes requests by agencies for bonds to fund their capital project needs, as well as agencies' grant and loan programs. The Legislative Assembly reviews each program request and approves what it determines to be an appropriate level of issuance in the biennial bond bill.

The State generally issues four types of "long-term" financing obligations: general obligation bonds, appropriation obligations, direct revenue bonds and conduit revenue bonds. The State also may issue full faith and credit short-term borrowings, known as "Tax Anticipation Notes." The Treasurer approves financing agreements, including lease purchase agreements, installment sales agreements and loan agreements to finance real or personal property and approves certificates of participation with respect to the financing agreements. The principal amount of such financing agreements is treated as bonds subject to the biennial bond bill.

Prior to the issuance of bonds, agencies typically submit reports to the Treasurer that project future cash flows, the agency's ability to meet future debt service, and the agency's historical performance on payments and delinquencies. Agencies must also provide cash flow projections and other requested information to the Treasurer on a periodic basis. Agency bond programs may be audited annually with the audit results published as soon after the audit as possible.

Capital Needs and Budget Process

Oregon law requires the Governor's recommended budget to include capital construction needs for a minimum of six years. Prior to the biennial preparation of the Governor's recommended budget, agencies submit their projected capital needs for the upcoming biennium and for the two subsequent biennia. These requests are evaluated and placed in the Governor's recommended budget under one of two categories: capital improvements (less than \$1,000,000) or major construction and acquisition projects (\$1,000,000 or more). The capital improvement projects are included in agency operating budget appropriation bills. The major construction and acquisition projects are approved by the Legislative Assembly in the capital construction bill.

Authorization

The Oregon Constitution generally prohibits the state government from incurring any indebtedness that exceeds \$50,000. Consequently, all general obligation bonds are authorized by an amendment to the Oregon Constitution that has been approved by Oregon voters and that permits bonds to be issued as an exception to the constitutional debt limit. The State's various bond programs are summarized in the text and tables that follow. Table 26 lists the amount of debt that the Legislative Assembly has authorized for

state agencies in the current biennium. Table 27 summarizes the various bond programs and provides information on constitutional and statutory debt limits and remaining authority for each active bond program.

As part of its mandate under ORS 286A.255 to inform state officials about the amount of debt the State can prudently incur, the State Debt Policy Advisory Commission (“SDPAC”) issues an annual report for consideration by the Legislative Assembly in connection with the development of the biennial “bond bill” required under ORS 286A.035. The report must include the total amount of outstanding bonds for the most recently concluded fiscal year, a forecast for at least the next six years of the State’s borrowing capacity targets by repayment source consistent with the most recently published Forecast and a calculation of the State’s net remaining borrowing capacity by repayment source.

General Obligation Bonds

The amount of general obligation bonds that may be issued is usually expressed in the Oregon Constitution as a percentage of the statewide property value. The general obligation bond programs are also subject to legislative direction. The Legislative Assembly may place limits on general obligation bond programs that are more restrictive than those approved by the voters.

The State’s general obligation debt is secured by a pledge of the full faith and credit and statutory taxing power of the State of Oregon. In addition to any revenues from the program for which the bonds are issued, general obligation bonds may be paid from any undedicated and unrestricted moneys of the State. A property tax, where authorized by the Oregon Constitution, may also be levied to pay some general obligation bonds, although the State has not levied such a tax to pay any bonds in many years.

There are 17 constitutionally authorized general obligation bond programs. Although each of these programs may draw on the State’s General Fund or other taxing authority, many of the programs are fully self-supporting from program or other revenue streams. See Tables 26 and 27 for more information about applicable constitutional and statutory debt limits and remaining authority for each active general obligation bond program. See Tables 28 and 29 for a summary of general obligation debt outstanding and aggregate general obligation debt service for the State.

The following active general obligation bond programs, identified in Table 26, are primarily supported by the State’s General Fund: Higher Education Facilities and Community College Bonds, Oregon Opportunity Bonds, Seismic Rehabilitation Bonds for Public Education and Emergency Services Buildings, School District Capital Costs Bonds and a portion of the Pension Obligation Bonds, Pollution Control Bonds, Oregon Department of Transportation State Highway Bonds and State Property Bonds.

The following general obligation bond programs are either partially or fully self-supporting: Veterans’ Welfare Bonds, Higher Education Facilities Bonds, Water Resources Bonds, Elderly and Disabled Housing Bonds, Alternate Energy Bonds and a portion of the Pension Obligation Bonds, Pollution Control Bonds and State Property Bonds.

In addition to the general obligation bond programs described above, the Oregon Constitution authorizes the Treasurer to pledge the full faith and credit of the State to guarantee the general obligation bonds of Oregon’s common or union high school districts, education service districts or community college districts. As of June 30, 2024, the State guarantees outstanding school district bonds of approximately \$9.6 billion under this program and has not issued any bonds under this authorization.

Tax Anticipation Notes

ORS 286A.045 authorizes a short-term, full faith and credit, borrowing program for the State through the issuance of Tax Anticipation Notes (“TANs”). The State may borrow and issue notes in anticipation of the collection of state taxes and revenues to be received during a biennium. The notes typically mature within 13 months. They are not considered debt within the meaning of any constitutional prohibition because they mature and are repaid within a biennium. If the State General Fund or other available revenues are insufficient to pay the TANs, the Treasurer may use internal borrowing to make any required payment.

Appropriation Credits

The State also issues appropriation credits that are special limited obligations of the State payable solely from funds appropriated or otherwise made available by the Legislative Assembly. The obligation of the State to provide appropriated moneys and to pay those borrowings is subject to future appropriation by the Legislative Assembly for the fiscal period in which payments are due. See Tables 26 and 27 for more information on the statutory debt limits and outstanding amount of special limited obligations of the State. The following appropriation credit is authorized under Oregon Law.

Certificates of Participation. Under Oregon law (ORS 283.085 to 283.092), the State is authorized to enter into financing agreements to finance real and personal property projects for state agencies using certificates of participation. Each certificate represents an interest in and right to receive a portion of loan payments made by the State to a trustee for the certificate holders. The State’s obligation to make the loan payments is subject to appropriation by the Legislative Assembly of the payment amounts each biennium. In some cases, the State’s repayment obligation is also secured by a pledge of certain projects financed by the certificates as collateral. Following voter approval of an amendment to the Oregon Constitution in 2010 that authorizes the State to issue general obligation bonds to finance real and personal property projects under Article XI-Q of the Oregon Constitution, the State has used the Certificate of Participation authority on a more limited basis.

Direct Revenue Bonds

State revenue bond programs operate under statutory authority from the Legislative Assembly. Each program is fully self-supporting and has no general obligation backing from the State. The Legislative Assembly, however, could provide a funding stream if program revenues were insufficient to support debt service payments. The Legislative Assembly normally limits revenue bonds to a specific dollar amount.

The following are active revenue bond programs authorized by the Legislative Assembly: State Highway User Tax Bonds, Lottery Revenue Bonds, Oregon Bond Bank Revenue Bonds, and Single-Family and Multifamily Housing Revenue Bonds. See Table 27 for more information about applicable constitutional and/or statutory debt limits for each active State revenue bond program.

Conduit Revenue Bonds

The State has three authorized and active conduit or “pass-through” revenue bond programs consisting of the Oregon Facilities Authority program, Industrial and Economic Development Revenue Bonds, and Housing Development Revenue Bonds. The Legislative Assembly has authorized these conduit revenue bond programs, and pursuant to that authority the State is the issuer of the bonds. The bonds are repaid only from revenues generated by the projects financed or from other sources available to a borrower. The State has no financial obligation for these bonds and bondholders have no recourse against the properties, funds or assets of the State. See Table 27 for more information about applicable statutory debt limits for each active state conduit revenue bond program.

TABLE 26
STATE OF OREGON
2023-25 BIENNIUM
OBLIGATION ISSUANCE LIMITS
(AS OF MARCH 1, 2025)

State Agency or Authority	Constitutional Provision / Statutory Authorization	Bond Issuance Limit (\$)
General Obligation Bonds		
<u>General Fund Obligations</u>		
Department of Transportation	Article XI(7)	251,825,000
Higher Education Coordinating Comm. (HECC) - Universities	Article XI-G	84,660,000
HECC - Community Colleges	Article XI-G	74,955,000
Department of Environment Quality	Article XI-H	10,333,333
Oregon Business Development Department	Article XI-M	100,885,000
Oregon Business Development Department	Article XI-N	50,570,000
Department of Education	Article XI-P	100,885,000
Department of Administrative Services	Article XI-Q	<u>1,393,562,272</u>
Total General Fund Obligations		<u>2,067,675,605</u>
<u>Dedicated Fund Obligations</u>		
Department of Veterans' Affairs	Article XI-A	109,023,670
HECC - Universities	Article XI-F(1)	26,520,000
Department of Environment Quality	Article XI-H	20,000,000
Housing and Community Services Department	Article XI-I(2)	50,000,000
Department of Administrative Services	Article XI-Q	<u>125,652,638</u>
Total Dedicated Fund General Obligation Bonds		<u>331,196,308</u>
Total General Obligation Bonds		<u>2,398,871,913</u>
Direct Revenue Bonds		
Housing & Community Services Department	ORS 456.661	500,000,000
Department of Transportation	ORS 367.620	360,000,000
Department of Transportation	ORS 367.163	300,000,000
Oregon Business Development Department	ORS 285B.473	30,000,000
Department of Administrative Services Lottery	Various	<u>528,330,000</u>
Total Direct Revenue Bonds		<u>1,718,330,000</u>
Pass Through Revenue Bonds		
Oregon Business Development Department		
Industrial Development Revenue Bonds	ORS 285B.344	600,000,000
Beginning & Expanding Farmer Loan Program		2,000,000
Oregon Facilities Authority	ORS 289.200	1,000,000,000
Housing and Community Services Department	ORS 456.692	<u>1,300,000,000</u>
Total Pass-Through Revenue Bonds		<u>2,902,000,000</u>
Total Revenue Bonds		<u>4,620,330,000</u>
Certificates of Participation & Other Financing Agreements		
Department of Administrative Services ⁽¹⁾	ORS 286A.035	<u>100,000,000</u>

Sources: HB 5201, 2024 Regular Legislative Session, the Oregon Constitution and Oregon Revised Statutes

⁽¹⁾ HB 5005 (2023) approved \$100,000,000 for other financing agreements, including capital leases, leases that operate as a vehicle to borrow money, and real estate lease-purchase or similar agreements for the purchase, construction, or improvement of real property, for the Department of Administrative Services. The payments related to other financing agreements will be paid using agency resources (Other Funds). No Certificates of Participation are authorized in the 2023-25 Biennium.

TABLE 27
STATE OF OREGON OUTSTANDING LONG-TERM FINANCIAL OBLIGATIONS
AND CONSTITUTIONAL AND STATUTORY PROVISIONS
(AS OF JUNE 30, 2024)⁽¹⁾

Program	Legal Provision	Constitutional Debt Limit (% of RMV) ⁽²⁾	Constitutional Debt Limit (\$) ⁽³⁾	Outstanding Debt (\$) ⁽⁴⁾	Authorization Remaining (\$)
General Obligation Bonds					
General Purpose	Article XI Sec 7		\$50,000	0	\$50,000
State Highway	Article XI Sec 7	1.00	\$10,232,523,571	\$25,125,000	\$10,207,398,571
Veteran's Welfare	Article XI-A	8.00	\$81,860,188,571	\$414,880,000	\$81,445,308,571
State Power Development	Article XI-D	1.50	\$15,348,785,357	0	\$15,348,785,357
Forest Rehabilitation	Article XI-E	0.1875	\$1,918,598,170	0	\$1,918,598,170
Higher Ed. Building XI-F	Article XI-F(1)	0.75	\$7,674,392,679	\$964,685,000	\$6,709,707,679
Higher Ed. Facilities & Community College XI-G ⁽⁵⁾	Article XI-G	0.75	\$7,674,392,679	\$905,075,000	\$6,769,317,679
Pollution Control	Article XI-H	1.00	\$10,232,523,571	\$20,910,000	\$10,211,613,571
Elderly & Disabled Housing	Article XI-I(2)	0.50	\$5,116,261,786	\$19,030,000	\$5,097,231,786
Alternate Energy Projects	Article XI-J	0.50	\$5,116,261,786	\$72,860,000	\$5,043,401,786
Oregon School Bond Guarantee	Article XI-K	0.50	\$5,116,261,786	0	\$5,116,261,786
Oregon Opportunity Bonds (OHSU) ⁽⁶⁾	Article XI-L	0.50	\$5,116,261,786	0	\$5,116,261,786
Seismic Rehab – Public Education Bldgs.	Article XI-M	0.20	\$2,046,504,714	\$399,625,000	\$1,646,879,714
Seismic Rehab – Emergency Service Bldgs.	Article XI-N	0.20	\$2,046,504,714	\$117,520,000	\$1,928,984,714
Pension Obligations	Article XI-O	1.00	\$10,232,523,571	\$712,870,000	\$9,519,653,571
School District Capital Costs	Article XI-P	0.50	\$5,116,261,786	\$315,430,000	\$4,800,831,786
State Real or Personal Property	Article XI-Q	1.00	\$10,232,523,571	\$3,723,300,000	\$6,509,223,571
Total General Obligation Bonds				\$7,691,310,000	
Revenue Bonds					
Direct Revenue					
Lottery	ORS 286A.560 - 585			\$1,311,650,000	
Transportation Infrastructure Bank	ORS 367.030			0	
Highway User Tax	ORS 367.620			\$2,539,415,000	
Single-Family & Multi-Family Housing	ORS 456.661			\$1,103,735,000	
Economic Development – Bond Bank	ORS Chapter 285B			\$48,450,000	
Total Direct Revenue				\$5,003,250,000	
Appropriate Credits					
Certificates of Participation	ORS Chapter 283 & 286A			\$81,590,000	
Total Appropriation Credits				\$81,590,000	

Source: Office of the Oregon State Treasurer, Debt Management Division.

- ⁽¹⁾ Excludes the impact, if any, of the issuance of obligations offered after June 30, 2024. Does not include Bond or Tax Anticipation Notes issued for less than 13 months, refunded and defeased bonds.
- ⁽²⁾ Percentages listed are of Real Market Value (RMV) of all taxable real property in the State.
- ⁽³⁾ Based on the January 1, 2023 Real Market Value of \$1,023,252,357,141.
- ⁽⁴⁾ Outstanding Department of Veterans' Affairs and Higher Education general obligation debt reflect the proceeds amount of any original issue discount and deferred interest bonds.
- ⁽⁵⁾ Consists of \$229,045,000 Community College Bonds and \$676,030,000 Higher Ed. Facilities
- ⁽⁶⁾ Authorized by statute to finance capital construction at Oregon Health and Science University in an aggregate principal amount that produces net proceeds in an amount that does not exceed \$200 million.

TABLE 28
STATE OF OREGON
GENERAL OBLIGATION DEBT OUTSTANDING SUMMARY
(AS OF JUNE 30, 2024)

	FY 2020	FY 2021	FY 2022⁽³⁾	FY 2023⁽³⁾	FY 2024⁽³⁾
Gross General Obligation Debt ^{(1), (2)}	\$6,471,451,539	\$6,723,280,187	\$6,813,935,000	\$7,507,535,000	\$7,691,310,000
Revenue Supported GO Debt ^{(1), (2)}	\$2,603,138,408	\$2,395,805,033	\$2,370,406,650	\$2,335,912,500	\$2,240,533,100
Net GO Debt ^{(1), (2)}	\$3,868,313,131	\$4,327,475,154	\$4,443,528,350	\$5,171,622,500	\$5,450,776,900
Population	4,240,535	4,256,700	4,269,529	4,291,525	4,313,900
Gross Debt per Capita	\$1,526	\$1,579	\$1,596	\$1,749	\$1,783
Net Debt per Capita	\$912	\$1,017	\$1,041	\$1,205	\$1,264
Real Market Value (RMV) ⁽⁴⁾	\$715,796,909,641	\$756,746,704,516	\$823,693,769,305	\$964,692,961,481	\$1,023,252,357,141
Gross Debt as Percent of RMV	0.90%	0.89%	0.83%	0.78%	0.75%
Net Debt as Percent of RMV	0.54%	0.57%	0.54%	0.54%	0.53%
Total Personal Income ⁽⁵⁾	\$241,500,000,000	\$257,000,000,000	\$264,200,000,000	\$276,900,000,000	\$302,900,000,000
Revenue Supported GO Debt as Percent of Total Personal Income	1.08%	0.93%	0.90%	0.84%	0.74%
Net GO Debt as Percent of Total Personal Income	1.60%	1.68%	1.68%	1.87%	1.80%

Source: Office of the Oregon State Treasurer, Debt Management Division.

- ⁽¹⁾ Annual Report of the State Debt Policy Advisory Commission, 2020 through 2024, SDPAC - Exhibit I.2. FY 2024 amounts updated to reflect GO debt issued and outstanding as of June 30, 2024.
- ⁽²⁾ Excludes the impact of the issuance, if any, of the obligations offered after June 30, 2024. Does not include notes issued for less than 13 months or refunded and defeased bonds.
- ⁽³⁾ Oregon Department of Administrative Services, Office of Economic Analysis, Oregon Economic & Revenue Forecast, March 2025, Table C.3 – Population of Oregon. Population figures are as of July 1 each year.
- ⁽⁴⁾ Oregon Department of Revenue, State of Oregon Summary of Assessment Rolls, 2019 through 2023. Based on real market value of statewide property as of January 1, of the prior calendar year.
- ⁽⁵⁾ Oregon Department of Administrative Services, Office of Economic Analysis, Oregon Economic & Revenue Forecast, March 2021, September 2021, March 2023, March 2025, Table A.4 Annual Economic Forecast - Personal Income. Personal income includes all classes of income minus Social Security.

TABLE 29
STATE OF OREGON
AGGREGATE GENERAL OBLIGATION DEBT SERVICE
(AS OF JUNE 30, 2024)^{(1), (2)}

Fiscal Year	Principal	Interest	Total
2024-2025	\$618,840,000	\$333,763,783	\$952,603,783
2025-2026	\$652,315,000	\$306,304,554	\$958,619,554
2026-2027	\$674,530,000	\$276,444,057	\$950,974,057
2027-2028	\$409,535,000	\$244,973,404	\$654,508,404
2028-2029	\$412,170,000	\$228,949,332	\$641,119,332
2029-2030	\$406,555,000	\$212,417,968	\$618,972,968
2030-2031	\$399,350,000	\$195,965,283	\$595,315,283
2031-2032	\$392,200,000	\$179,284,061	\$571,484,061
2032-2033	\$388,380,000	\$162,572,982	\$550,952,982
2033-2034	\$396,115,000	\$145,598,804	\$541,713,804
2034-2035	\$391,195,000	\$128,174,966	\$519,369,966
2035-2036	\$385,265,000	\$110,850,841	\$496,115,841
2036-2037	\$355,565,000	\$94,014,688	\$449,579,688
2037-2038	\$326,070,000	\$78,536,486	\$404,606,486
2038-2039	\$316,680,000	\$64,175,647	\$380,855,647
2039-2040	\$267,445,000	\$50,765,826	\$318,210,826
2040-2041	\$247,280,000	\$39,358,074	\$286,638,074
2041-2042	\$215,795,000	\$28,310,082	\$244,105,082
2042-2043	\$145,505,000	\$18,694,466	\$164,199,466
2043-2044	\$92,845,000	\$12,324,057	\$105,169,057
2044-2045	\$41,565,000	\$8,619,553	\$50,184,553
2045-2046	\$34,160,000	\$6,919,273	\$41,079,273
2046-2047	\$31,570,000	\$5,380,332	\$36,950,332
2047-2048	\$25,310,000	\$4,004,023	\$29,314,023
2048-2049	\$14,520,000	\$2,822,468	\$17,342,468
2049-2050	\$11,800,000	\$2,231,089	\$14,031,089
2050-2051	\$11,575,000	\$1,701,421	\$13,276,421
2051-2052	\$10,905,000	\$1,168,403	\$12,073,403
2052-2053	\$8,975,000	\$655,147	\$9,630,147
2053-2054	\$6,375,000	\$236,177	\$6,611,177
2054-2055	\$920,000	\$21,275	\$941,275
Total	\$7,691,310,000	\$2,945,238,520	\$10,636,548,520

Source: Office of the State Treasurer, Debt Management Division.

⁽¹⁾ Does not reflect the impact, if any, of the issuance of obligations after June 30, 2024.

⁽²⁾ The interest calculation on variable rate obligations is determined by multiplying the most recent interest rate reset for each obligation times its outstanding principal over the life of the bonds.

TABLE 30
STATE OF OREGON
Aggregate Appropriation Credit Payment Schedule
(AS OF JUNE 30, 2024)⁽¹⁾

Fiscal Year	Principal	Interest	Total
2024-2025	\$4,220,000	\$3,077,181	\$7,297,181
2025-2026	\$4,350,000	\$2,947,669	\$7,297,669
2026-2027	\$4,485,000	\$2,809,818	\$7,294,818
2027-2028	\$4,635,000	\$2,661,095	\$7,296,095
2028-2029	\$4,795,000	\$2,502,764	\$7,297,764
2029-2030	\$4,965,000	\$2,333,212	\$7,298,212
2030-2031	\$5,145,000	\$2,152,685	\$7,297,685
2031-2032	\$5,335,000	\$1,960,468	\$7,295,468
2032-2033	\$5,535,000	\$1,758,485	\$7,293,485
2033-2034	\$5,745,000	\$1,548,930	\$7,293,930
2034-2035	\$5,965,000	\$1,328,551	\$7,293,551
2035-2036	\$6,210,000	\$1,083,807	\$7,293,807
2036-2037	\$6,465,000	\$829,011	\$7,294,011
2037-2038	\$6,730,000	\$563,752	\$7,293,752
2038-2039	\$7,010,000	\$287,620	\$7,297,620
Total	\$81,590,000	\$27,845,049	\$109,435,049

Source: Office of the State Treasurer, Debt Management Division.

⁽¹⁾ Does not reflect the impact, if any, of the issuance of obligations offered after June 30, 2024.

CERTAIN BONDHOLDER CONSIDERATIONS

Investment in bonds and other debt obligations of the State involves risks, some of which are described below or elsewhere in the State's Official Statement. Prospective investors are advised to consider the following factors, among others, and other information in the State's Official Statement, including all of the Appendices, in evaluating whether to purchase bonds issued by the State. The factors discussed below are not meant to be a comprehensive or exhaustive list of all of the risks that should be considered, and the order in which these investment risks are presented does not necessarily reflect their relative importance. Any one or more of the risks and other considerations discussed below, among others, could lead to a decrease in the market value and/or in the marketability or liquidity of bonds issued by the State, and no assurance can be given that other risk factors and investment considerations will not become material in the future.

Public Health Emergencies or Crises

The occurrence of a public health emergency or crisis, including an unexpected widespread infectious disease outbreak such as COVID-19, Ebola, Zika, avian influenza H1N1 or other such diseases, and the resulting actions by federal, state and local governments and private sector employers, may put stress on the finances and operations of the State, could require that resources be diverted from one part of the operations of the State to another part, or could constrain or impair the finances and operations of certain State agencies and operations.

Natural Disasters and Other Public Emergencies

Natural disasters (such as earthquakes, wildfires, volcanic eruptions, mudslides, tsunamis, heat waves, floods, droughts, avalanches, windstorms and other events) and future public health emergencies are possible. The loss of life and property damage that could result from these events could have a material and adverse effect on the State and its operations and financial condition.

Earthquake/Seismic Activity. The State is located in an area of seismic activity along the Pacific coast. The scientific consensus is that the State and the Pacific Northwest region are subject to periodic great earthquakes along the Cascadia Subduction Zone, a large fault that runs offshore from Northern California to British Columbia. Geologists are predicting the Pacific Northwest is due for a major earthquake magnitude (8.7 to 9.1). Such an earthquake would cause widespread damage to structures and infrastructure in western Oregon, and total damage in coastal areas inundated by a possible accompanying tsunami. It is likely the infrastructure damage would be sufficient to disrupt transportation, communication, water and sewer systems, power and gas delivery and fuel supplies for weeks to months for much of western Oregon. This kind of regional disaster is unprecedented and could result in a significant permanent loss of population and business.

Wildfire and Forest Fire Activity. The State has experienced significant wildfire events during the past several years. The increase of warmer and drier weather conditions in the State indicates that wildfire events are likely to continue in the future. Wildfire events threaten the health, economy and environment of the State by causing unhealthy levels of air quality that can cause respiratory problems for some people; threatening, damaging or destroying infrastructure, homes, property and agriculture; destroying forestland resources; and damaging or destroying habitat for wildlife.

Climate Change

The increase in the earth's average atmospheric temperature, generally referred to as "climate change," is expected to, among other things, increase the frequency and severity of extreme weather events. Additionally, increasing temperatures are affecting the form of precipitation, and therefore, Oregon's mountain snowpack. This is altering the timing, duration, volume, and quality of water runoff throughout the State, making it potentially challenging to meet water needs during the summer and fall months. Other potential indirect effects include those of climate-related population migration and shifts in economic activities such as fishing, agriculture and trade.

Generally, the State has been susceptible to wildfires and hydrologic variability and climate change may be a factor in the increasing incidence of wildfires and drought declarations. However, as greenhouse gas emissions continue to accumulate, climate change is expected to intensify and increase the frequency of extreme weather events, such as coastal storm surges, drought, wildfires, floods and heat waves, and rising sea levels along the coast. Over the past several years, the State has already experienced the impacts of climate change, including record-breaking wildfires and repeated years of low snow-packs and/or drought declarations. The future fiscal impact of climate change on the State and investors is difficult to predict, but it could be significant.

Cyber and Data Security

The State operates a large and complex technology infrastructure to conduct its operations. The quickly changing cybersecurity threat landscape presents increasing risk to the integrity and confidentiality of information that the State receives and holds.

The State has adopted the National Institute of Standards and Technology Cybersecurity Framework as a defining roadmap for reducing or mitigating risks or damage resulting from cybersecurity incidents. Enterprise Information Services ("EIS"), which is responsible for all State Information Technology ("IT") and computer systems, has established Statewide Information Security Standards for information systems security. The Statewide Information Security Standards and recommended best practices have been developed using a combination of international and national standards, including the NIST Cybersecurity Framework. These standards promote the development, implementation, and operation of secure information systems by establishing minimum levels of due diligence for information security. All State Executive Branch and Treasury employees are required to take annual information security training. Executive Branch and Treasury information security training completion rates for the calendar year 2024 was 100%.

EIS directs Information Security strategies and policies statewide. In August 2018, the State adopted a Statewide Information Security Plan to apply relevant safeguards to state agencies and state information, IT systems, networks, and applications. Compliance with this information security plan and statewide policies and standards is mandatory.

In 2016, enterprise security governance was modified as a result of former Governor Brown's Executive Order 16-13 and ORS 276A.206, which unify information technology security functions under the authority of the State CIO. Major cybersecurity initiatives that address findings of federal and state audits and cybersecurity risk assessments are coordinated through the Enterprise Leadership Team, which provides strategic direction for the executive agencies of the State. Agencies with elected leadership (Secretary of State, Treasury and Attorney General), the

Legislature and Judiciary are coordinated within the implementation of cybersecurity initiatives to maximize the protection of critical State systems and data from a common threat.

Despite the implementation of these cybersecurity plans and procedures, no assurances can be given by the State that such measures will ensure against all potential cybersecurity threats and attacks and accompanying disruptions and costs.

Economic and Geopolitical Uncertainty

The State's economy is strongly export-oriented. While national and international events may not directly impact state revenues, these events may generally have a negative effect on the State's economy and its financial condition.

Geopolitical uncertainty, including multiple armed conflicts in several parts of the world, economic disruptions caused by those conflicts, inflation, oil price fluctuations, and supply chain disruptions may affect the state-wide economy and the State's financial condition.

Federal Funding

Federal Policy. Federal policies on the federal debt ceiling, foreign trade and tariffs, immigration, climate change, clean energy, and other topics can shift dramatically from one administration to another. From time to time, such shifts can result in shifts in the level of federal funding for various policy priorities, leading to unpredictability in future federal funding. The State's federal fund budget for the 2023-25 biennium is \$39.5 billion, which is approximately 31% of the State's budget, and supports many essential programs and services, including education and childcare, public assistance and social welfare, public safety, infrastructure, highway safety, health care, vocational rehabilitation, and emergency response, such as wildfire response. Of the \$39.5 billion federal funding budget, the State has spent \$20.7 billion during fiscal year 2024, leaving \$18.8 billion still to be spent during the 2023-25 biennium. Also, during the 2025 Legislative Session, the State is expecting the \$39.5 billion could be increased through additional requests for federal funding expenditure limitation. The State currently expects a heightened level of uncertainty in federal funding over the next several years due to the change in federal administration. The State cannot predict with certainty any future changes in federal policy or the potential impact (positive or negative) on any related federal funding the State may or may not receive in the future.

Federal Shutdown and Debt Limit Risks. Federal government shutdowns have occurred in the past and could occur in the future. A lengthy federal government shutdown poses potential direct risks to the State's receipt of revenues from federal sources and could have indirect impacts due to a shutdown's effect on general economic conditions. The State has not experienced material adverse impacts from the federal government shutdowns that have occurred in the past. However, the State can make no assurances that it would not be materially adversely affected by any future shutdown of the federal government. In addition, federal funding provided to the State could be at risk in the event that the federal government approaches its statutory debt limit and Congress fails to raise that limit or otherwise address it. The State cannot predict whether or to what extent any specific federally funded program could be affected in such an event.

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APPENDIX B

**BASIC FINANCIAL STATEMENTS FOR
THE STATE OF OREGON FOR
THE YEAR ENDED JUNE 30, 2024**

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Oregon

Annual Comprehensive Financial Report



DAS DEPARTMENT OF
ADMINISTRATIVE
SERVICES
CHIEF FINANCIAL OFFICE

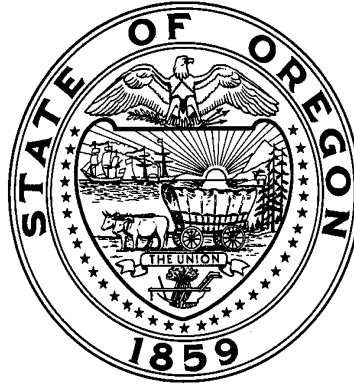
For the Fiscal Year
Ended June 30, 2024

Feature cover page photo by Bri DeLacy

Oregon

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024



Tina Kotek
Governor

Berri Leslie
State Chief Operating Officer, Director
Department of Administrative Services

Kate Nass
State Chief Financial Officer

Robert Hamilton, CPA
State Controller

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Year Ended June 30, 2024**

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Introductory Section

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Oregon

Tina Kotek, Governor

Department of Administrative Services

Chief Financial Office

155 Cottage Street NE

Salem, OR 97301

FAX: 503-378-3518

December 23, 2024

To the Honorable Governor Tina Kotek, and Citizens of the State of Oregon:

We are pleased to provide you with the Annual Comprehensive Financial Report of the State of Oregon for the fiscal year ended June 30, 2024. This report is published to fulfill the requirement for annual financial statements in Oregon Revised Statute 291.040.

This report consists of management's representations concerning the finances of the State of Oregon (State). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the State has established a comprehensive internal control framework. The framework is designed to protect the State's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the State's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the State's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the information presented is accurate in all material respects.

The Secretary of State Audits Division, the constitutional auditor of public accounts in Oregon, audited the State's financial statements for the fiscal year ended June 30, 2024. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. Based on the audit, the auditors concluded the financial statements for fiscal year 2024 are fairly presented in accordance with GAAP. The audit report is the first component in the financial section of this report.

The audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the needs of federal agencies that provide aid to the State. The standards governing single audit engagements require the auditor to report on the State's internal controls and compliance with legal requirements, particularly as they relate to federal awards. This information, also prepared by the Audits Division, will be available in a separately issued report on or about March 31, 2025.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A should be read in conjunction with the letter of transmittal.

Profile of the Government

The State provides services to Oregon's citizens through a wide range of programs, including education, human services, public safety, economic and community development, natural resources, transportation, consumer and business services, administrative support, legislative support, and judicial services. Oregon's primary government as reported in the accompanying financial statements consists of 87 state agencies. In addition to the primary government, 10 entities are reported as discretely presented component units to emphasize that they are legally separate from the State. Refer to Note 1 to the basic financial statements for a more detailed discussion of the reporting entity.

Oregon's Legislature adopts a budget on a biennial basis, where the biennium begins July 1 and ends June 30 of each odd-numbered year. This biennial budget serves as the foundation for the State's financial planning and control. Appropriation bills approved through the legislative process include one or more

Mission: Lead state agencies through collaboration in service of Oregonians.

appropriations that may be at the agency, program, or activity level. Accordingly, the legal level of budgetary control is at one of these various levels depending on the Legislature's view of the activity. Legislative approval is required to transfer expenditure authority between appropriations. Management can reallocate within an appropriation without legislative approval. The following budgeted appropriated fund types have been established to account for the State's budgetary activities: General Fund, Federal Funds, Lottery Funds, and Other Funds. Refer to the notes to the required supplementary information for additional information about the budget process and budgetary monitoring.

Oregon Economy

Historically Oregon's economy has grown at an above-average rate compared to the nation overall. Oregon is generally more volatile, with local recessions deeper, and expansions stronger than those experienced nationally. The pandemic cycle has been different. The initial economic shock was about the same size in Oregon as it was nationally. Over the entire cycle to date, Oregon's economy in terms of jobs and income is in the middle of the pack across all states, although a bit below the median.

By some measures, Oregon has behaved asynchronously more recently. This is both in relation to the typical cyclical patterns, and also relative to performance across states or compared to national trends. Historically, migration is strongest among 20- and 30-somethings who move in search of a job, and then set down roots.

There are a few green shoots that Oregon's relative growth may be picking up. Job gains, employment revisions, income revisions, withholding tax collections and the number of income tax returns filed so far this year all point toward the potential of stronger gains. At present, these factors are encouraging prospects, but the Office of Economic Analysis (OEA) judges it premature to ascertain a new trend. Nonetheless, these trends warrant careful scrutiny.

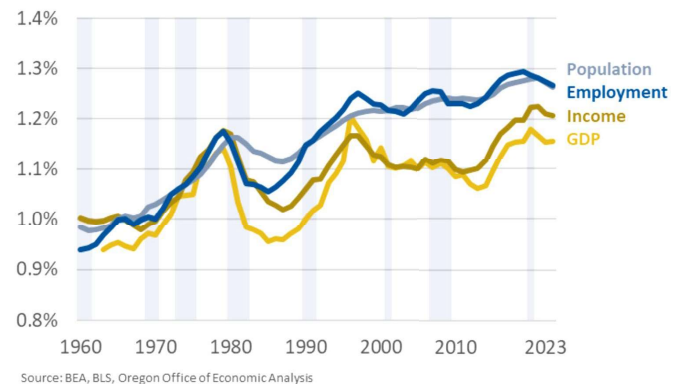
Job growth and withholding tax collections have accelerated in recent months. Note that in previous forecasts OEA was trying to get a better understanding of the source of the withholding acceleration. Further analysis led to the conclusion that the initial pickup in withholding appears to be related to \$1.3 billion Powerball jackpot winnings in the State.

Excluding the lottery winnings impact reveals that withholdings have perked up and are running at around 6% today on a year-over-year basis. Such growth is more in line with the typical rate seen in past economic expansions in the State. It also matches the fastest growth seen since the pandemic reopenings. This pick up will be carefully monitored in order to discern whether it will ultimately prove fleeting or if it is an indication that Oregon is moving out of the pandemic lull and back toward the typical, more vigorous expansion pattern.

The overall economic forecast is stable. Jobs are slightly lower relative to the previous outlook, but these changes are by tenths of a percentage point here or there. Income is now higher relative to the previous outlook. This is in large part because of the huge upward revision to non-wage income reported in the Bureau of Economic Analysis's (BEA's) annual update of the National Economic Accounts.

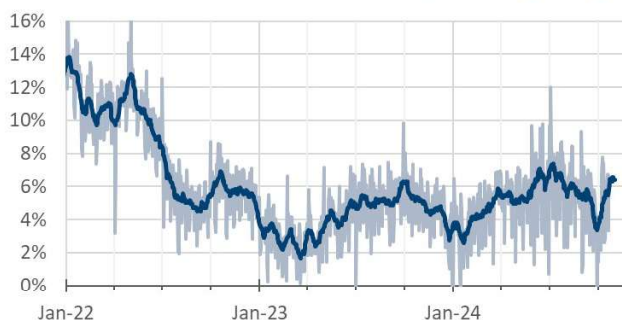
Oregon Usually Grows Faster than U.S.

Oregon as share of U.S. total



Oregon Withholding

90 Day Sum of Collections: Year-over-Year Change | Moving Average



The nature of the economic outlook is for a modest rebound in migration leading to slow, but positive population gains in the State. The labor market is expected to remain at or near full employment. The unemployment rate will remain in the low 4% range, while the share of working-age Oregonians with a job will be at or near an all-time high. The strong labor market translates into average wage growth per workers of approximately 4% at an annualized basis.

Long-term Financial Planning

Budget for the 2023-25 Biennium

The legislatively adopted budget (LAB) for the 2023-25 biennium, as adjusted during the 2024 regular session and including authorized executive branch administrative actions through February 2024, is \$124.6 billion total funds, an increase of \$3.4 billion from the 2023-25 budget adopted at the end of the 2023 session. The budget increase since the 2023 session is comprised of \$1.0 billion General Fund, \$42.6 million Lottery Funds, \$1.6 billion Other Funds, and \$669.6 million Federal Funds.

General Fund expenditures totaling \$664.4 million were supported through the elimination or reduction of 15 special purpose appropriations (SPAs), including the elimination of the SPAs for state employee compensation plan changes (\$330 million) and state employee recruitment and retention (\$120 million) to finance increases in state agency budgets for employee compensation. In addition, \$118.7 million General Fund was appropriated to establish four new SPAs, including a \$35 million SPA for construction of a third veterans' home in Roseburg, and increase the existing SPA for caseload increases in the Employment Related Day Care (ERDC) program by \$64 million. Significant General Fund expenditures in the 2024 budget plan included: \$376.3 million to address homelessness and housing affordability investments; \$211.2 million for addiction services and community safety investments; \$86 million for the Department of Early Learning and Care to support ERDC program caseload; \$76.2 million to rebalance the Department of Human Services and Oregon Health Authority budgets for changes in forecasted caseloads, revenues, and expenditures for existing program services; \$42.6 million to the Department of Forestry and Department of the State Fire Marshal for large fire and conflagration costs incurred during the 2023 fire season and repositioning readiness response, and cash flow for the 2024 fire season; and \$39 million for the Department of Transportation to perform winter and other essential highway maintenance across the state and health and safety issues along agency rights of way in the Portland metro area.

Governor Kotek convened a special session of the Oregon Legislature in December 2024 for lawmakers to appropriate \$218.1 million from the General Fund to pay for the historic 2024 wildfire season. A record 1.9 million acres burned during the 2024 wildfire season, incurring costs upwards of \$350 million. Over half of the costs will eventually be covered by funding from the federal government.

The March 2024 revenue forecast from the Office of Economic Analysis projected total 2023-25 lottery resources of \$1.9 billion, an increase of \$16.2 million from the May 2023 forecast used to develop the 2023-25 legislatively adopted budget. This increase is largely driven by one-time reversions from unspent allocations in the 2021-23 biennium and administrative actions. The allocations adjustments approved during the 2024 session, plus forecasted changes to the allocations specified in the Oregon Constitution, result in total allocations of \$1.9 billion and a projected 2023-25 ending balance of \$40 million in the Administrative Services Economic Development Fund. The projected ending balance, which remains unchanged from the projection for the legislatively adopted budget, is equal to 2.1% of forecasted distributions and allocations.

State Bonding

In January 2024, the State Debt Policy Advisory Commission (SDPAC) issued its updated recommended capacity limits for General Fund and Lottery Funds supported debt based upon the December 2023 revenue forecast, current market conditions, and bonding authorized during the 2023 session.

The Commission's 2024 Report recommended \$65.8 million in General Fund supported debt capacity and \$27.4 million in Lottery Funds supported debt capacity for the remainder of the 2023-25 biennium. SDPAC recommendations for total available debt capacity were developed considering that General Fund debt service should not exceed 5% of General Fund revenues; Lottery Funds debt service should not exceed 25% of Lottery Funds revenues; and total available debt capacity is averaged evenly over future biennia.

The Department of Administrative Services' Article XI-Q general obligation bond authority was increased by an additional \$39.3 million for capital projects owned or operated by the state. Approved projects include: \$22.1 million to the Oregon Judicial Department for the Clackamas County (\$15.2 million) and Benton County (\$7 million) courthouse replacement projects, bringing the total state bonding authorized for each project since the 2021 session to \$140.9 million and \$36.7 million, respectively; \$12.1 million for the Oregon Youth Authority to finance four projects; and \$5.1 million for the Oregon Department of Emergency Management's (ODEM) Resiliency Grant Fund, used to purchase emergency preparedness equipment, which will be owned by ODEM and distributed to local governments and other federal tax-exempt qualified recipients through the State Preparedness and Incident Response Equipment Grant (SPIRE) program.

Dedicated Fund Article XI-F(1) general obligation bond authority was increased by \$2 million for the Higher Education Coordinating Commission to finance completion of the ongoing Portland State University, Vernier Science Center and Gateway Art and Design projects, increasing the total authorization to \$18.2 million in the current biennium. Bonds are supported by university revenues.

The Legislature increased the Department of Administrative Services' lottery revenue bond limit by \$37.2 million. The increased lottery revenue bond authorization provides funding for projects such as a minor league baseball park in Hillsboro, a multi-use facility at the Lane County Fairgrounds, a youth residential treatment campus in Clackamas County, and affordable housing in Salem.

Budgetary Reserves

The State currently administers two general reserve accounts, the Oregon Rainy Day Fund and the Education Stability Fund.

Established by the 2007 Legislature, the Oregon Rainy Day Fund is funded from the General Fund's ending balance up to 1.0% of General Fund appropriations for the prior biennium. The Legislature may deposit additional funds; it originally created the fund using surplus corporate income tax revenues from the 2005-07 biennium. The Rainy Day Fund also earns interest on the moneys in the fund. Per statute, withdrawals from the Rainy Day Fund currently require one of three specific economic triggers to occur plus approval of three-fifths of both chambers of the Legislature. Additionally, per statute withdrawals are capped at two-thirds of the balance as of the beginning of the biennium in question and no additional contributions are made once the fund balance reaches a level equal to 7.5% of General Fund revenues collected in the prior biennium. Pursuant to legislation in 2024, the cap will become 12.5% effective January 1, 2025.

The Education Stability Fund is the State's second general reserve fund. Its current reserve structure and mechanics are the result of a constitutional amendment in 2002. Amounts in the Education Stability Fund may be spent under the same conditions as those required for spending moneys in the Oregon Rainy Day Fund. However, if none of the conditions are met, the Education Stability Fund can also be used by the Legislature for public education in Oregon if the Governor declares an emergency and the expenditure is approved by a three-fifths majority in each chamber. This fund receives 18.0% of lottery earnings, deposited on a quarterly basis. The fund balance is capped at 5.0% of General Fund revenues collected in the prior biennium.

At the end of the 2023-25 biennium, the Oregon Rainy Day Fund will be \$1.9 billion and the Education Stability Fund will be \$1.0 billion, a combined total of \$2.9 billion, which is equal to 10.0% of current biennial revenues. Including the projected General Fund ending balance of \$2.8 billion, the total effective reserves at the end of the 2023-25 biennium are projected to be \$5.7 billion, or 20.5% of current revenues.

Major Initiatives

Governor Kotek unveiled her 2025-27 recommended budget in December 2024 under the theme "Building on Progress" upon the strategies she outlined in the 2023-25 biennium, which were mission focused on her priority areas:

- Housing and Homelessness
- Education and Early Literacy
- Behavioral Health

These issues are of critical importance to the State of Oregon and represent major programs/projects with large overall cost, identified complexity and risk, significant importance to public safety and health, and/or must be implemented over cross-biennium timeframes. Funding in these areas was both continued and expanded to meet the growing needs of the State.

Housing and Homelessness

On Governor Kotek's very first day in office, she set an ambitious goal of 36 thousand new housing units per year to meet the urgent need in our state. Since then, her administration has advanced long term and short term solutions, including significant policy changes and funding packages to boost production. Among the Governor's executive orders related to housing and homelessness she issued on her first day in office was establishing the Housing Production Advisory Council. The council was made up of diverse stakeholders from every part of the state and charged with developing recommended actions to reach the Governor's new housing unit per year goal. Less than one year after the Council finalized 59 recommendations, nearly half have been implemented through the 2024 housing production package or are reflected in the Governor's 2025-27 budget proposal.

When Governor Kotek was sworn into office, Oregon had a shortage of 140 thousand housing units. By the end of the 2023-25 biennium, it is estimated that 2,800 affordable housing units will be financed, infrastructure for over 25 thousand affordable and market rate housing units will be provided, and a moderate-income housing revolving loan fund to support cities in financing more will be established.

In January 2023, Governor Kotek launched a bold, ambitious homelessness initiative that included declaring a statewide emergency, investments in a sustainable, outcomes-based, statewide shelter program, a rehousing program, and program to prevent Oregon families from falling into homelessness in the first place. Her homelessness initiative is projected to rehouse 3,300 households and prevent another 24 thousand from becoming homeless in the first place. Under the Governor's leadership, Oregon's state shelter program supports over 4,800 shelter beds. Specifically, the emergency order and corresponding infrastructure to carry it out created a statewide shelter system wherein specific habitability standards for sheltering had to be met in order to receive funds, creating the continuity of services based on best practices across the state that did not previously exist.

Education and Early Literacy

Governor Kotek believes in the promise of every child. Building on her education initiative work, she is advancing a multipronged approach to supporting Oregon's children and youth for a better future in Oregon.

The 2025-2027 budget builds on the Governor's efforts to improve early literacy, ensure the state is a consistent and predictable funder for early learning and K-12, and mitigate learning loss through summer and after school learning programs by maintaining these efforts and bringing focus to what happens outside of the classroom. Every student deserves to show up to school feeling safe, seen, heard, and connected to peers and trusted adults.

As part of her 2025-27 budget proposal, Governor Kotek's education investments include the following: \$600 million increase to strengthen the State School Fund current service level for a total of \$11.36 billion; \$127 million to maintain and strengthen Early Literacy investments, with specific investment grants to school districts, community based organizations, Tribal Nations, the Dolly Parton Imagination Library, and the implementation of literacy standards; and \$78.5 million to support of high-quality summer programs that can reach the families who need them most, and ensure sustainable, predictable funding for school districts.

Behavioral Health

Since day one, Governor Kotek has been working to make her vision for Oregon's behavioral health system possible: where healthcare is there when you need it. In 2023, the Governor advocated for significant General Fund investments into the Oregon Health Authority's (OHA) Behavioral Health programming, which are currently underway closing gaps in services for Oregonians. In her first 60 days in office, Governor Kotek directed the Oregon Health Authority to commission a study answering a critical set of questions: how many residential treatment beds do we have, and how many beds do we need, regionally, across the state? Today, Oregon has more information than ever to guide investments and workforce initiatives to align with Oregonians' needs.

Right now, there are regional disparities in treatment capacity and trained, qualified workers to provide care. Last year, on the Governor's 36 county, One Oregon Listening Tour, she met with providers in nearly every county including rural and frontier counties, who struggle to serve their communities' needs when it comes to mental illness and substance use disorder. In many parts of the state Oregonians who need help have to travel long distances to get care or are turned away from the care they need due to gaps in the system. Meanwhile, people considering a career in behavioral health care face a lack of access to educational opportunities to enter the field. Others face long wait times for certification and licensure after they finish school. Whether you need care, or you provide care, the barriers are consistently defined by a lack of treatment capacity and a lack of workforce capacity.

Earlier this year, the Governor set a goal of adding 465 new treatment beds by the end of 2026, accompanied by a dashboard so the public can track the progress. One of the first steps the Governor took to address Oregon's behavioral health workforce challenges was to eliminate the backlog at Oregon's health licensing boards so qualified workers are able to get the documentation they need in a timely manner to get to work.

It's imperative to build on this progress. Oregonians seeking help are met with barriers because there simply are not enough workers, while providers struggle to hire, and existing staff are stretched thin. Prioritization of wellness, training, and ongoing pay practices all make up a healthy workplace for Oregon's behavioral health workforce through key rate increases. The 2025-27 Governor's Recommended Budget focuses on workforce retention, a clear path to a career in behavioral health, continuing to improve customer service at Oregon's licensing and certification boards, and continuity of care.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Oregon for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the thirty-second consecutive year that the State has achieved this prestigious award. To receive the Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Chief Financial Office takes great pride in the preparation of the Oregon Annual Comprehensive Financial Report. We greatly appreciate the professionalism, commitment, and effort of the Statewide Accounting and Reporting Services team and the other individuals involved. We also want to thank all state agencies for their continuing support in planning and conducting the financial operations of the State in a professionally responsible manner. Without the participation and cooperation of the agencies' fiscal units, the preparation of this report would not have been possible. In addition, we appreciate the contributions of the Office of Economic Analysis, the budget and policy section of the Chief Financial Office, the Oregon State Treasury, and the staff of the Secretary of State Audits Division.

Respectfully submitted,



Kate Nass
Chief Financial Officer
State of Oregon



Government Finance Officers Association

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State of Oregon

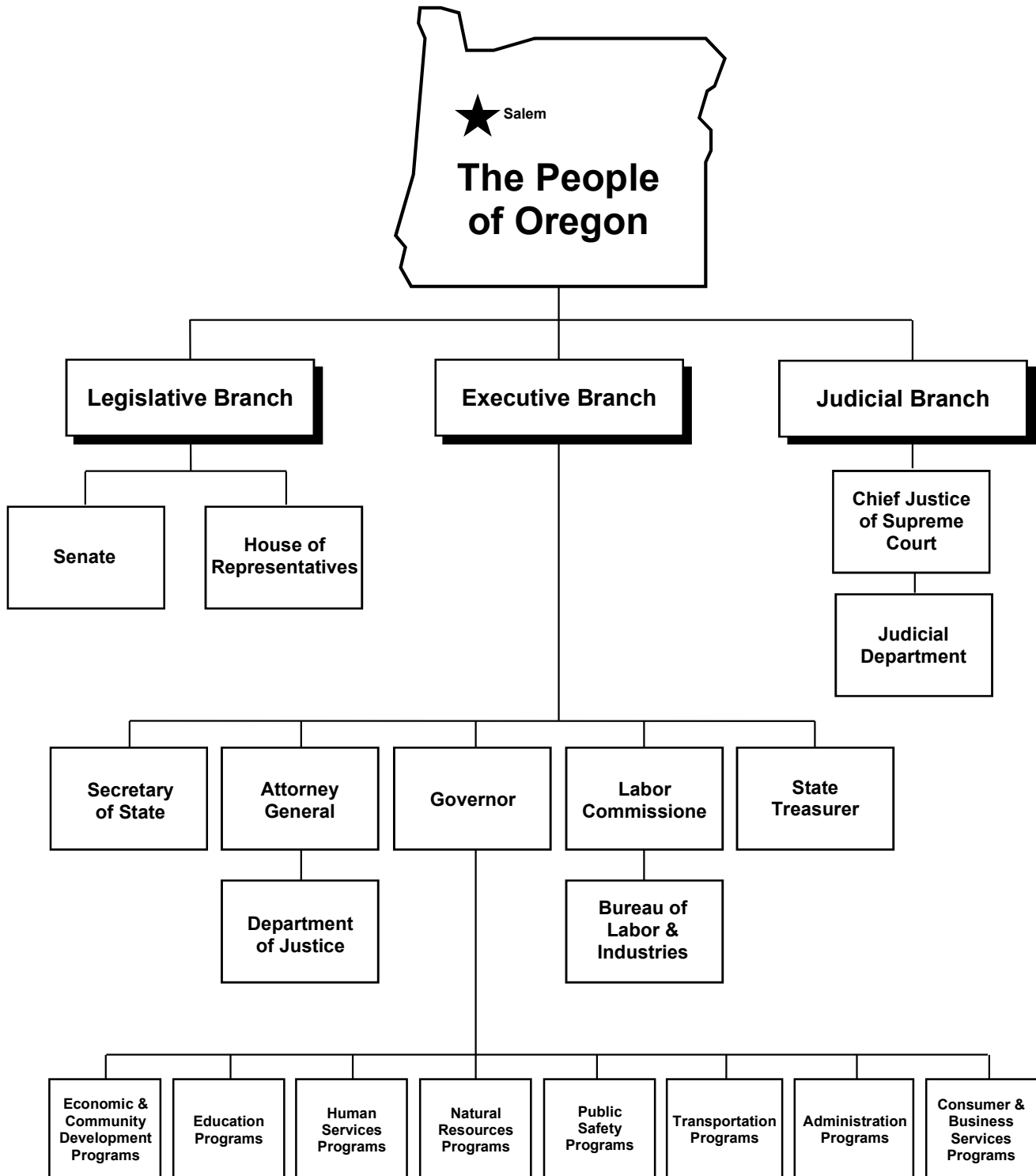
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

STATE OF OREGON ORGANIZATION CHART



Principal State Officials



EXECUTIVE

Tina Kotek, Governor

LaVonne Griffin-Valade, Secretary of State

Tobias Read, State Treasurer

Ellen F. Rosenblum, Attorney General

Christina Stephenson, Commissioner, Labor and Industries

LEGISLATIVE

Rob Wagner, Senate President

Julie Fahey, Speaker of the House of Representatives

JUDICIAL

Meagan A. Flynn, Chief Justice of the Supreme Court

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Financial Section

Kip Memmott
Division Director

Independent Auditor's Report

The Honorable Tina Kotek
Governor of Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Oregon, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the State of Oregon's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Oregon, as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the SAIF Corporation, University of Oregon, Oregon State University, Portland State University, Western Oregon University, and Oregon Health and Science University, which are discretely presented component units. We also did not audit the financial statements of the Common School Fund or the Public Employees Retirement System. Those financial statements represent the following percentages of the assets, liabilities, and revenues/additions of opinion units as indicated below:

Opinion Unit	Percent of Assets	Percent of Liabilities	Percent of Revenues/ Additions
Governmental Activities	6%	2%	1%
Business-Type Activities	1%	0%	1%
Discretely Presented Component Units	97%	97%	97%
Common School – Major Governmental Fund	100%	100%	100%
Aggregate Remaining Fund:			
Public Employees Retirement System	81%	38%	47%

255 Capitol St NE, Ste 180
Salem, Oregon 97310

LaVonne Griffin-Valade
Oregon Secretary of State

Cheryl Myers
Deputy Secretary & Tribal Liaison

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Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the above opinion units, are based solely on the reports of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Oregon, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the State determined its accounting for the tax surplus credit, known as the kicker, was not in accordance with generally accepted accounting principles resulting in a correction of an error of \$5.6 billion, decreasing beginning net position in the Governmental Activities and beginning fund balance in the General Fund. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Oregon's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and the disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Oregon's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Oregon's ability to continue as a going concern for a reasonable period of time

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules and information, pension plan schedules and information, and other postemployment benefits schedules and information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the State of Oregon's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information

has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will issue our report dated December 23, 2024, on our consideration of the State of Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters in the Oregon Single Audit Report. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Oregon's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Oregon's internal control over financial reporting and compliance.

Office of the Secretary of State, Audits Division

State of Oregon

December 23, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial activities of the State of Oregon (State) for the fiscal year ended June 30, 2024. The MD&A is intended to serve as an introduction to the State's financial statements. It is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the State's financial activities, (c) identify any material changes from the original budget, and (d) highlight individual fund matters. The following presentation is by necessity highly summarized, and in order to gain a thorough understanding of the State's financial condition, the following financial statements, notes, and required supplementary information should be reviewed in their entirety.

We encourage readers to consider the information presented in this analysis in conjunction with the transmittal letter beginning on page 3 of this report.

FINANCIAL HIGHLIGHTS

- On June 30, 2024, the State's net position on a government-wide basis was \$30.5 billion. Of this amount, the unrestricted portion was \$9.5 billion. The amount restricted for specific uses was \$7.7 billion. The State's net investment in capital assets was \$13.3 billion.
- Overall, the State's net position increased \$1.9 billion compared to the prior year, indicating the State's overall financial position has improved. Net position for governmental activities increased 4.81%, while net position for business-type activities increased 11.36%.
- As of June 30, 2024, the State's governmental funds reported combined ending fund balances of \$19.2 billion. Of this total, approximately 1.12% was considered nonspendable and included amounts related to inventories, prepaid amounts, and permanent fund principal.
- Approximately 63.98% of ending governmental fund balances were classified as restricted and included amounts that were subject to constraints imposed by external parties, such as creditors, grantors, or the laws and regulations of other governments (including the federal government), or imposed by constitutional provisions or enabling legislation. Restricted fund balances totaled \$12.3 billion.
- The remaining 34.90% of ending fund balances were classified as unrestricted and included the fund balance categories designated as committed, assigned, and unassigned. Committed fund balances are available for spending only with legislative approval, while assigned fund balances express legislative intent as indicated through the budget process. Unassigned fund balances may be spent at the government's discretion. Total unrestricted fund balances equaled \$6.7 billion. Additional information on the classification of governmental fund balances may be found in Notes 1 and 18 in the notes to the financial statements.
- At fiscal year-end, unrestricted fund balance (committed, assigned, and unassigned categories) in the General Fund was \$4 billion.
- The net pension liability for the State, as the primary government and excluding discretely presented component units, has increased from \$4 billion to \$5.4 billion. The State recognized pension expense of \$1 billion during the current year. State contributions to this defined benefit plan during the current fiscal year were \$740.5 million.
- The State implemented all or a portion of two accounting standards in fiscal year 2024, which are described further in Note 1. The most notable implementation was GASB Statement No. 100, *Accounting Changes and Error Corrections*, which defines "accounting changes" as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that would constitute those changes.
- Outstanding debt increased by \$186.1 million during fiscal year 2024. As part of an overall plan to reduce borrowing costs, the State was involved in one debt refunding issuance and refunded \$95 million of previously existing debt with \$87 million of new debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to the MD&A, the financial section of this annual report contains the *basic financial statements*, *required supplementary information*, and the *combining financial statements* for nonmajor funds, internal service funds, and fiduciary funds. A *statistical section* follows the combining fund statements.

The basic financial statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide a broad overview of the State's finances in a manner similar to a private-sector business. All of the State's activities are reported in the government-wide statements except for activities accounted for in fiduciary funds because resources of those funds are not available to support the State's own programs.

- The *statement of net position* presents information on all of the State's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual balance reported as *net position*.
- The *statement of activities* presents information showing how the State's net position changed during the fiscal year. All of the changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g., uncollected taxes).

Net position is one measure of the State's financial health, or financial position. Over time, increases or decreases in the State's net position may serve as a useful indicator of whether the State's financial position is improving or deteriorating. However, to assess the overall health of the State, the reader needs to consider additional non-financial factors such as changes in Oregon's income tax base and changes in Oregon's economy.

The activities reported in the government-wide financial statements are divided into three categories:

- *Governmental activities*. This category includes the basic services provided by the State to its citizens, such as K-12 schools, community colleges and universities, public assistance programs, public safety, and public transportation. Income taxes and federal grants finance most of these activities. The State's internal service funds, which provide services to other state agencies, are included in governmental activities because these services predominately benefit governmental programs rather than business-type functions.
- *Business-type activities*. The State charges fees to customers to help cover the costs of certain services it provides. For example, the State administers loan programs to provide housing to citizens with low incomes and those who are elderly or disabled. The operation of the State's lottery and the unemployment compensation program are also reported under business-type activities.
- *Component units*. The State includes 10 other entities in its report that meet the criteria to be presented as discretely presented component units: SAIF Corporation, University of Oregon, Oregon State University, Portland State University, Oregon Health and Science University, Western Oregon University, Southern Oregon University, Eastern Oregon University, Oregon Institute of Technology, and the State Fair Council. Although legally separate, these entities are reported as component units either because they are fiscally dependent on the State or because of the nature and significance of their relationship to the State. Financial information for these component units is reported separately from the financial information of the primary government.

The government-wide financial statements can be found on pages 32-35 of this report.

Fund Financial Statements

The fund financial statements provide detail information about the State's most significant funds (not the State as a whole). Funds are accounting mechanisms the State uses to keep track of specific sources of funding and spending for particular purposes. Similar to other state and local governments, the State uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements. Some funds are required by state law (such as the Lottery Operations Fund) or by bond covenants. The State establishes other funds to control and manage money for particular purposes, such as health and social services, or to show that it is properly using certain taxes and grants, such as gas taxes for transportation.

All of the State's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Most of the State's basic services are included in governmental funds, which focus on (1) how cash and other financial resources that can be readily converted to cash flow in and out, and (2) the balances remaining at year-end that are available to spend. Thus, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or less financial resources that can be spent in the near future to finance the State's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information has been provided following each governmental fund statement that reconciles the government-wide focus to the governmental fund focus.

The State maintains 19 individual governmental funds. Information is presented separately in the governmental fund financial statements for the five major governmental funds, including the General Fund. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements presented later in this report. The basic governmental fund financial statements can be found on pages 36-43 of this report.

Proprietary funds. Services for which the State charges customers a fee, similar to a business operation, are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide both long-term and short-term financial information. The State's enterprise funds (one type of proprietary fund) are the same as the business-type activities reported in the government-wide statements, except that the fund statements provide more detail and additional information, such as cash flows. The State also uses internal service funds (the other type of proprietary fund). The Central Services Fund, for example, is used to report activities that provide services to other agencies.

The proprietary fund financial statements provide separate information for the State's four major proprietary funds. Data from the 11 nonmajor enterprise funds are combined into a single, aggregated presentation. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of the nonmajor enterprise funds and for each of the internal service funds is provided in the combining statements presented later in this report. The basic proprietary fund financial statements can be found on pages 44-53 of this report.

Fiduciary funds. Fiduciary funds account for resources held for the benefit of parties outside the government. The State is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that, due to a trust or equivalent arrangement, can be used only for the trust beneficiaries. Fiduciary funds are accounted for in a manner similar to proprietary funds. All of the State's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities have been excluded from the State's government-wide financial statements because the State cannot use these assets to finance its operations.

The basic fiduciary fund financial statements include the aggregated data for the State's pension and other employee benefit trust funds, the private purpose trust fund, and the custodial funds, which are comprised of the aggregated external investment pool funds and the other custodial fund. Individual fund data for each of the pension and other employee benefit trust funds and the separate external investment pool funds is provided in separate combining statements presented later in this report. The basic fiduciary fund financial statements can be found on pages 54-55 of this report.

Discretely Presented Component Units

The State reports four major discretely presented component units (DPCU) and six nonmajor DPCUs. Within the basic financial statements on pages 56-61, the major DPCUs, SAIF Corporation, University of Oregon, Oregon State University, and Portland State University are presented separately while the nonmajor DPCUs are combined and reported in the aggregate. Individual information for each of the nonmajor DPCUs is provided in the combining statements presented later in this report. In the government-wide statements, the activities of the DPCUs are aggregated into a single column.

Notes to the Financial Statements

The basic financial statements also include notes that provide additional information essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 63-166 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents a section of *required supplementary information* (RSI), beginning on page 167, which contains budget-to-actual comparison schedules for all of the State's budgeted appropriated funds as well as accompanying notes. This section also includes two schedules related to the State's pension plan, which is a cost-sharing multiple-employer plan: the Schedule of Proportionate Share of the Net Pension Liability/(Asset) and the Schedule of Defined Benefit Pension Plan Contributions. Lastly, this section includes six schedules as well as accompanying notes related to the three State postemployment benefit plans: the Retiree Health Insurance Account (RHIA), the Retiree Health Insurance Premium Account (RHIPA), and the Public Employees Benefit Board Plan (PEBB).

The combining financial statements referred to earlier are presented immediately following the required supplementary information beginning on page 195 of this report. These combining statements provide details about the nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and nonmajor discretely presented component units, each of which has been aggregated and presented in a single column in the basic financial statements. The combining financial statements also provide details about the pension and other employee benefit trust funds and the custodial funds – external investment pool funds.

A statistical section containing information regarding financial trends, revenue capacity, and debt capacity, as well as demographic, economic, and operating information follows immediately after the combining statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. The State's net position on a government-wide basis at June 30, 2024, was \$30.5 billion as shown in Table 1. Most of this balance was invested in capital assets, with infrastructure being the largest component. The net investment in capital assets was \$13.3 billion. Restricted net position represents resources that are subject to external restrictions on how they may be used. At June 30, 2024, restricted net position totaled \$7.7 billion. The remaining balance of \$9.5 billion was classified as unrestricted net position.

Table 1
State of Oregon's Net Position
(In Millions)

	Governmental Activities		Business-type Activities		Total	
	2024	2023 ¹	2024	2023	2024	2023 ¹
Capital assets	\$ 18,044.8	\$ 17,385.1	\$ 645.5	\$ 635.0	\$ 18,690.3	\$ 18,020.1
Other assets	28,398.9	31,569.0	11,263.9	10,110.0	39,662.8	41,679.0
Total assets	46,443.8	48,954.1	11,909.3	10,745.0	58,353.1	59,699.1
Total deferred outflows	2,046.9	1,799.7	208.5	183.8	2,255.4	1,983.5
Long-term liabilities	18,799.2	17,606.4	2,326.7	2,062.5	21,125.9	19,668.9
Other liabilities	7,922.1	11,631.0	523.1	459.7	8,445.2	12,090.7
Total liabilities	26,721.3	29,237.4	2,849.7	2,522.2	29,571.0	31,759.6
Total deferred inflows	479.9	1,203.2	77.8	154.1	557.7	1,357.3
Net investment in capital assets	12,982.1	12,770.1	577.3	602.2	13,253.6	13,048.7
Restricted	7,111.0	6,981.3	259.9	241.4	7,676.6	7,546.3
Unrestricted	1,196.3	561.8	8,353.2	7,409.0	9,549.5	7,970.8
Total net position	\$ 21,289.5	\$ 20,313.2	\$ 9,190.3	\$ 8,252.5	\$ 30,479.8	\$ 28,565.7

¹ Refer to Note 18 for information about a correction of an error.

Changes in net position. The State's total net position increased \$1.9 billion compared to the prior year. The net position of governmental activities increased 4.81%, while the net position of business-type activities increased 11.36%.

The ending net position of governmental activities for fiscal year 2024 was \$21.3 billion compared to \$20.3 billion reported in fiscal year 2023. Expenses increased \$1.9 billion, or 4.60%, while revenues increased \$1.3 billion, or 3.19%.

Personal income taxes increased \$1.5 billion, or 13.83%, from fiscal year 2023, in large part due to the State's tax surplus credit, capped at \$5.6 billion for the 2023 tax year, with the \$2.8 billion of the credit attributed to fiscal year 2023 revenue. This credit, commonly referred to as the "kicker," is pursuant to Article IX, Section 14 of the Oregon Constitution and is available on personal income tax returns if certain actual budgetary General Fund revenues exceed their amounts forecasted at the close of the legislative session in which the budget is adopted by 2.00% or more, which occurred in the 2021-2023 biennium. Meanwhile, charges for services decreased \$463.6 million, or 13.58%, due largely to a fiscal year 2023 settlement of \$688 million the State entered with a manufacturer, seller, and distributor of products that formerly contained toxic compounds and are known to bioaccumulate in fish and wildlife. As a result, charges for services in fiscal year 2024 represent a more consistent amount with prior years, where no settlement proceeds were received.

The predominant sources of growth in governmental activities expenses were the \$908.2 million increase in the human services program, followed by a \$577.9 million increase in education. The significant increase in human services costs was largely attributed to Medicaid costs rising and inflation. With the COVID-19 Public Health Emergency ending, the federal government has been contributing less to States' Medicaid programs. For Oregon, this means that the General Fund must be used more. Education expenses increased due to an increase in the Legislatively Adopted Budget for the State School Fund and Common School Fund, which resulted in additional distributions to school districts in fiscal year 2024.

As shown in Table 2, the ending net position of business-type activities for fiscal year 2024 was \$9.2 billion, compared to \$8.3 billion reported in fiscal year 2023. Increases were reported for charges for services and expenses for other business type activities of \$592.8 million and \$561.3 million, respectively. The primary cause for both increases stems from the new Paid Leave Oregon program operated by the Oregon Employment Department. The program was launched in January 2023 and became fully operational in fiscal year 2024.

Table 2
State of Oregon's Changes in Net Position
(In Millions)

	Governmental Activities		Business-type Activities		Total	
	2024	2023 ¹	2024	2023	2024	2023 ¹
Revenues:						
Program revenues:						
Charges for services	\$ 2,948.9	\$ 3,412.5	\$ 5,025.1	\$ 4,432.3	\$ 7,974.0	\$ 7,844.8
Operating grants and contributions	19,828.8	19,894.3	313.7	373.7	20,142.5	20,268.0
Capital grants and contributions	25.3	25.2	0.2	-	25.4	25.2
General revenues:						
Personal income taxes	12,347.8	10,847.2	-	-	12,347.8	10,847.2
Corporate income taxes	1,637.0	1,623.7	-	-	1,637.0	1,623.7
Other taxes	5,883.0	5,758.5	21.1	15.7	5,904.1	5,774.2
Unrestricted investment earnings	569.3	341.2	-	-	569.3	341.2
Total revenues	43,240.1	41,902.5	5,360.1	4,821.7	48,600.2	46,724.3
Expenses:						
Education	9,680.5	9,102.6	-	-	9,680.5	9,102.6
Human services	23,403.2	22,495.0	-	-	23,403.2	22,495.0
Public safety	2,453.9	2,368.4	-	-	2,453.9	2,368.4
Economic and community development	1,247.3	1,240.3	-	-	1,247.3	1,240.3
Natural resources	1,232.4	1,115.3	-	-	1,232.4	1,115.3
Transportation	2,416.1	2,173.1	-	-	2,416.1	2,173.1
Consumer and business services	494.6	520.6	-	-	494.6	520.6
Administration	754.3	967.4	-	-	754.3	967.4
Legislative	85.8	76.9	-	-	85.8	76.9
Judicial	755.6	638.1	-	-	755.6	638.1
Interest on long-term debt	431.2	366.8	-	-	431.2	366.8
Housing and community services	-	-	51.8	48.9	51.8	48.9
Veterans' loan	-	-	21.3	19.3	21.3	19.3
Lottery operations	-	-	803.8	754.8	803.8	754.8
Unemployment compensation	-	-	801.0	564.9	801.0	564.9
State hospitals	-	-	650.7	623.5	650.7	623.5
Liquor control	-	-	653.1	655.2	653.1	655.2
Other business-type activities	-	-	749.5	188.2	749.5	188.2
Total expenses	42,955.0	41,064.5	3,731.2	2,854.9	46,686.2	43,919.4
Increase (decrease) before contributions, special and extraordinary items, and transfers	285.2	838.0	1,628.9	1,966.9	1,914.0	2,804.9
Transfers	691.1	855.0	(691.1)	(855.0)	-	-
Increase (decrease) in net position	976.3	1,693.0	937.8	1,111.9	1,914.1	2,804.9
Net position – beginning	20,313.2	21,445.8	8,252.5	7,125.9	28,565.7	28,571.7
Corrections of an error	-	(2,830.2)	-	14.7	-	(2,815.6)
Cumulative effect of accounting change	-	4.6	-	0.1	-	4.7
Net position – beginning – as restated	20,313.2	18,620.2	8,252.5	7,140.6	28,565.7	25,760.8
Net position – ending	\$ 21,289.5	\$ 20,313.2	\$ 9,190.3	\$ 8,252.5	\$ 30,479.8	\$ 28,565.7

¹ Refer to Note 18 for information about a correction of an error.

Figure 1 below illustrates fiscal year 2024 revenues of the State as a whole, by source. Approximately 41.45% of total revenue was provided by other entities and governments in the form of operating grants and contributions (e.g., federal revenues). Personal and corporate income taxes provided 28.78% of total revenues, while charges for services accounted for 16.41%.

Figure 1
State of Oregon's Revenue by Source
For the Year Ended June 30, 2024

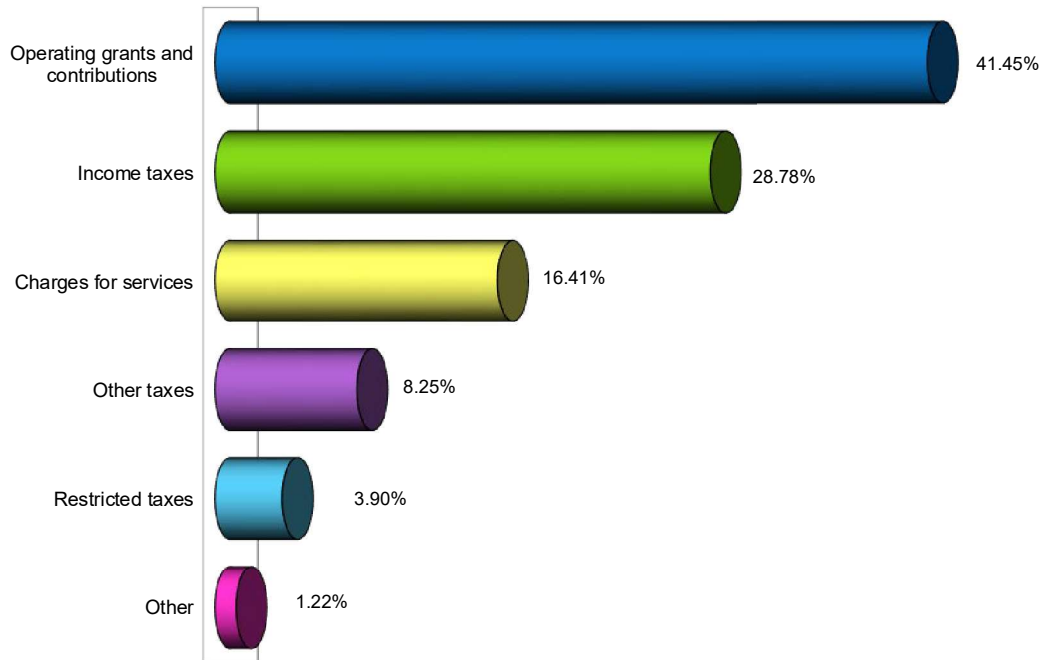
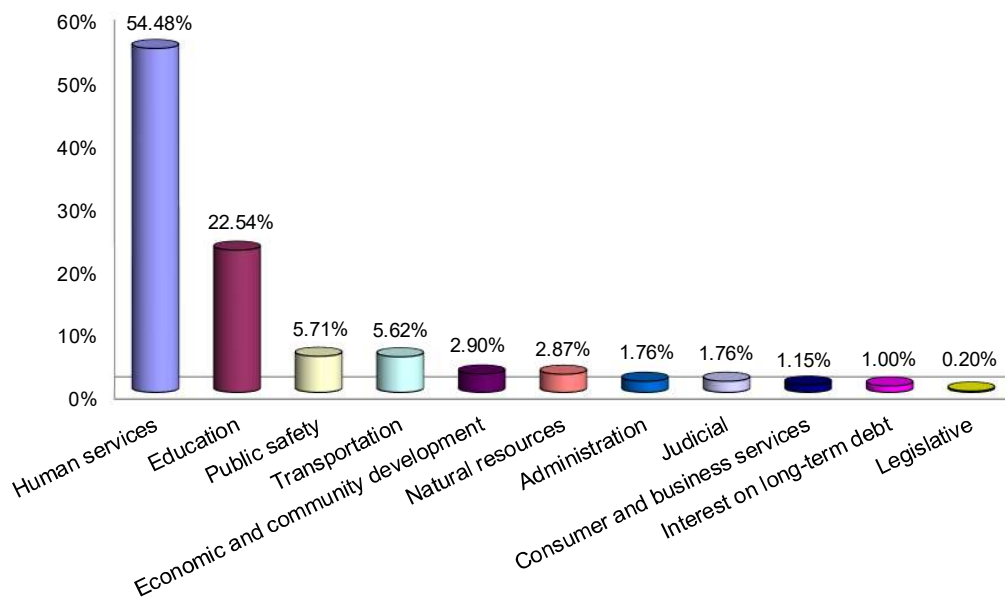


Figure 2 below shows expenses of the governmental activities by function. The cost of providing human services for Oregon citizens in need of assistance comprised 54.48% of total expenses. Elementary and secondary education accounted for 22.54% of the total.

Figure 2
State of Oregon's Governmental Expenses by Function
For the Year Ended June 30, 2024



FINANCIAL ANALYSIS OF THE STATE'S FUNDS

As noted earlier, the State of Oregon uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the State's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* financial resources. In governmental funds, such information may serve as a useful measure of a government's net resources available for spending. At the end of fiscal year 2024, the State's governmental funds reported combined ending fund balances of \$19.2 billion, up \$1.2 billion compared to the prior year.

Nonspendable fund balances of \$215.3 million, or 1.12%, included amounts that were either not in spendable form or were legally or contractually required to be maintained intact, while restricted fund balances of \$12.3 billion, or 63.98%, were restricted for specific purposes. These restrictions included, for example, vehicle-related taxes that must be used for transportation purposes; federal funding that must be spent in accordance with the underlying grants; and lottery revenues restricted by the Oregon Constitution for job creation, economic development, financing public education, and restoring and protecting Oregon's parks and beaches.

Committed fund balances of \$4 billion comprised 20.64% of total fund balances. This category represents amounts committed to specific purposes, such as residential assistance and community protection programs, as the result of constraints imposed by legislation. These amounts may not be used for other purposes unless the legislation is modified or rescinded by passing additional legislation. The assigned fund balance category of \$697.3 million represents amounts constrained by the State's intent to use them for specific purposes. Intent is expressed by the Legislature via the budget process when there is no legislation other than the budget bill imposing the constraints. The unassigned fund balance category of \$2 billion represents the residual fund balance applicable to the General Fund.

The General Fund, which is the operating fund of the State, ended fiscal year 2024 with a total fund balance of \$5.4 billion. Total revenues increased by 15.62% from fiscal year 2023, in large part due to the State's tax surplus credit, as discussed in the change in net position section of this MD&A. Significant revenue increase included personal income taxes, up \$2.3 billion, which is the result of the issuance of the kicker rebate during fiscal year 2024 for the 2023 tax year. Federal revenue decreased \$424 million from the prior year, due in large part to a reduction in the American Rescue Plan Act (ARPA) funds that for the previous two fiscal years were used to fund operations at the Department of Corrections. Investment income in the General Fund saw a \$228.2 million increase due to the increase in the interest rates at Oregon State Treasury. Other revenue increased \$60.2 million due to Oregon participating in the Multistate Tax Commission and the establishment of Measure 110 – The Drug Addiction and Recovery Act. Total expenditures increased by 10.74%. The General Fund recognized an increase of \$1.3 billion, or 37.70%, in Human Resources expenditures attributable to increases to Federal Medical Assistance Percentage (FMAP) Rates. FMAP rates have increased due to inflation and an increase in the general fund contribution rate as the federal government is contributing less to state's Medicaid programs. Education expenditures increased \$106.9 million, or 33.66%, with the formation of the Department of Early Learning and Care in fiscal year 2024. Economic and Community Development expenditures increased \$78.4 million, or 31.35%, due to disbursements made from Business Oregon's new CHIPS program, which supports investment in the construction, expansion, and modernization of semiconductor and advanced manufacturing commercial facilities in Oregon.

Due to GASB Statement No. 54, the State reports the Oregon Rainy Day Fund as part of the General Fund. During the current fiscal year, the fund balance increased \$338.8 million to \$1.7 billion, attributed mostly to transfers from other funds. The ending fund balance of the Rainy Day Fund is classified as committed fund balance.

The Health and Social Services Fund ended fiscal year 2024 with a \$572.5 million increase in fund balance, largely due to a \$643.3 million increase in federal revenue and \$81.6 million increase in other revenue. Among the reasons for the increase in revenues were higher federal disbursements to support rising Medicaid costs, and increased compensation to non-state employees such as foster home providers, personal support and home care workers. Additionally, there were larger payment coverages through the Qualified Directed Payments related to Oregon Health and Sciences University. Meanwhile, transfers from other funds increased \$236.5 million, primarily due to increases in a legislated tobacco transfer, which is used for expenses of the

Oregon Health Plan as established with House Bill 5029 in 2023, and administering the Oregon Reinsurance Program established with House Bill 2391 in 2017.

In the Public Transportation Fund, ending fund balance totaled \$636.7 million, a decrease of \$189.8 million from the prior year. Intergovernmental expenditures increased by \$98.1 million, the result of additional funding for the Statewide Transportation Improvement Funds (STIF) program in fiscal year 2024, which allows public transportation funding to be made available to support access to jobs, improve mobility, relieve congestion, and reduce greenhouse gas emission in Oregon. In fiscal year 2023, Oregon Department of Transportation had an increase in debt issuances largely due to 2017 infrastructure package titled Keep Oregon Moving, which included multiple highway infrastructure projects that were not duplicated in fiscal year 2024. As a result, long-term debt issuances decreased by \$464.8 million from the prior year. Similarly, capital outlay decreased by \$150.2 million. For more information on completed projects, refer to the capital asset analysis section of this MD&A.

The Educational Support Fund experienced a decrease of \$64 million, or 2.11%, in fund balance for fiscal year 2024. Total revenues increased \$182.2 million while total expenditures increased by \$279.9 million. Oregon Department of Education had an increase of approximately \$50 million in federal revenue from the Elementary and Secondary School Emergency Relief III grant agreements. These reimbursable grants will be ending in Winter of 2024, which resulted in increased spending for the fiscal year. Intergovernmental expenditures saw an increase of \$131 million for Higher Education Coordinating Commission, which was primarily due to new cybersecurity funding for Oregon State University, Portland State University, and the University of Oregon. Most notably, transfers to other funds decreased \$609.6 million, or 57.12%. The primary source of the decrease was due to timing as a transfer to the Statewide Education Initiative Accounts had not been made by close of fiscal year 2024, like it had been in fiscal year 2023.

Ending fund balance in the Common School Fund increased \$188.7 million, or 8.87%. Many of the revenues and expenditures were comparable to the prior year with the exception of investment income, and transfers from other funds. Largely due to market fluctuations, investment income increased from \$141.6 million in the prior fiscal year to \$244 million. Transfers to other funds increased \$38.3 million from the prior year pursuant to Senate Bill 1566, where \$36.8 million was transferred to the Oregon Public Employee Retirement System for the School District Unfunded Liability Fund, since there was a market gain during the fiscal year. This transfer was not made in fiscal year 2023, as there was a market loss.

Proprietary funds. The State's enterprise funds provide the same type of information presented for business-type activities in the government-wide financial statements, but in more detail.

The Housing and Community Services Fund finances home ownership and multi-family units for elderly, disabled, and low to moderate-income persons through the issuance of bonds. For fiscal year 2024, the Housing and Community Services Fund reported a change in net position of \$23.5 million, an increase of \$6 million from the prior year. The primary reason for the change was investment income of \$17.7 million, compared to an investment income in the prior year of \$8.2 million, which is the result of improved investment results over the past year.

The Veterans' Loan Program's revenue is generated principally from interest earned on mortgage loans and investment income. In fiscal year 2024, resources generated through the program totaled \$20.9 million, of which \$19 million, or 91% is from interest income earned on loans and investments. Expenses of the Veterans' Loan Program consist primarily of interest expense on debt incurred to fund lending programs and operational expenses. Operating expenses for the program totaled \$21.8 million, of which \$11.3 million is bond interest expense and \$6.3 million is salaries and other payroll expenses. The change in net position for the year ended June 30, 2024, resulted in an increase of \$168 thousand.

The net position of the Lottery Operations Fund decreased \$7.8 million, or 2.36%, in fiscal year 2024, after profits were committed for contractual obligations and future capital purchases. Operating income increased \$7.3 million, or 0.79%, from the previous year due to an increase in sales. Total operating expenses increased \$43.6 million, or 5.74%, over the prior year. Expenses for prizes, which are directly related to sales, increased while product sales rose 2.90%. A performance penalty levied on a gaming vendor in the amount of \$1.2 million allowed total operating revenues to increase 3.03%. The most significant increase in operating expense for fiscal year 2024 came from the increase in sports wagering, draw, and instant ticket game sales.

In the Unemployment Compensation Fund, the net position increased by \$614.7 million, or 10.53%, from the prior year. This increase is primarily due to \$108.4 million in additional assessments received compared to the prior year. The rate on unemployment insurance assessments increased from 1.73% at the start of calendar year 2023 to 1.97% at the start of calendar year 2024. Special payments increased by \$232.1 million from fiscal year 2023. Causes of increases from 2023 to 2024 include: increase of 10.00% in average number of weeks claimed per claimant, an increase of about \$50 in the average weekly benefit amount, and approximately 15 thousand more claimants.

At the end of fiscal year 2024, approximately 90.90% of the net position reported by the State's proprietary funds was classified as unrestricted and was available for spending on business-type activities. However, restrictions significantly affected the availability of resources in the Housing and Community Services Fund with 84.70% of the fund's net position restricted for debt service.

Fiduciary funds. Fiduciary funds account for resources held for the benefit of parties outside the government. The net position of the Pension and Other Employee Benefit Trust Fund, which accounts for resources held in trust for the payment of retirement, disability, postemployment healthcare, and death benefits to members of the Public Employees Retirement System, increased by \$3 billion. The fund reported a net appreciation in the fair value of investments in the current year of \$5.1 billion, an increase of \$2.4 billion from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The State budgets on a biennial basis rather than an annual basis. Budgets are prepared on the cash basis utilizing encumbrance accounting. The original budget amounts reported for revenues in the budgetary statements represent original estimates, while budgeted expenditures represent the first complete appropriated budget adopted by the Legislature. The final budget amounts reported for revenues represent revised estimates, while the final budgeted expenditures represent the original appropriated budget modified by legally authorized legislative and executive changes, as well as Emergency Board actions taken during the year. For the 2023-25 biennium, final estimated revenues for the General Fund were slightly lower than the original estimate. The General Fund's final budgeted expenditures increased by \$1 billion, or 3.22%, compared to the original estimate.

Because of Oregon's biennial process, budget to actual comparisons are not final until the second year of the biennium. For the first year of the 2023-25 biennium, actual expenditures and other financing uses exceeded actual General Fund revenues and other financing sources by \$4.3 billion. Actual revenues for the first year of the biennium were 47.19% of the final budgeted revenues, or \$11.4 billion, while actual cash expenditures were 47.81% of those budgeted, or \$15.7 billion.

DEBT ADMINISTRATION

The State Debt Policy Advisory Commission advises the Governor and the legislative assembly regarding policies and actions that enhance and preserve the State's credit rating and maintain the future availability of low-cost capital financing. The State's debt credit ratings, unchanged from the prior year at AA+ by Fitch, AA+ by Standard & Poor's, and Aa1 by Moody's, are an indication of the State's ability to repay its debt.

Debt outstanding for the years ended June 30, 2024, and 2023, is summarized in Table 3. In fiscal year 2024, the State issued general obligation bonds for governmental activities and business-type activities. At Business Oregon, general obligation bonds were issued for seismic rehabilitation of public schools and emergency service facilities. The Oregon Legislative Administration Committee issued general obligation bonds to fund capital construction at the capitol building and for statewide computer applications. At the Oregon Housing and Community Services Department, general obligation bonds were issued to finance affordable housing via the Local Innovation and Fast Track Housing Program and Permanent Supportive Housing Programs.

During fiscal year 2024, revenue bonds were issued for governmental activities and business-type activities. At the Oregon Department of Transportation, revenue bonds were issued to finance state and local highway construction, multi-modal, and light rail projects. At Business Oregon, revenue bonds were issued to promote statewide economic development and loans to businesses and municipalities. At the Oregon Housing and Community Services Department, revenue bonds were issued to provide loans for first-time home buyers and affordable multi-family housing projects.

During fiscal year 2024, there were no direct borrowings, though direct placements were issued for governmental activities, including to finance the Interstate 205 Highway Project, along with other various projects through the Oregon Department of Transportation.

The State was involved in one refunding issuance in fiscal year 2024 and refunded \$95 million of previously existing debt with \$87 million of new debt.

Table 3
State of Oregon's Outstanding Debt
For the Years Ended June 30, 2024 and 2023
(In Millions)

	2024	2023	2024 Over (Under) 2023	
			Amount	Percent
General obligation bonds	\$ 8,303.7	\$ 8,109.0	\$ 194.7	2.40%
Revenue bonds	5,310.3	5,316.8	(6.5)	-0.12%
Certificates of participation	81.6	85.7	(4.1)	-4.78%
Direct borrowings and placements	312.1	196.0	116.1	59.23%
Lease Obligations	873.3	946.1	(72.8)	-7.69%
SBITA Obligations	80.0	86.0	(6.0)	-6.98%
Contracts, mortgages, and notes payable	138.4	173.6	(35.2)	-20.28%
Total	\$ 15,099.4	\$ 14,913.3	\$ 186.1	1.25%

CAPITAL ASSETS

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2024, was \$18.7 billion (net of accumulated depreciation) as summarized in Table 4. Capital assets include land, buildings, improvements, equipment, construction in progress, highways, tunnels and bridges, software acquired through a subscription arrangement, and works of art and other non-depreciable assets. The State's investment in capital assets for fiscal year 2024 increased \$670.2 million, or 3.72%. Within the table below, leased assets are reported based on the underlying asset.

Table 4
State of Oregon's Capital Assets, Net of Depreciation
(In Millions)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,136.9	\$ 2,114.1	\$ 49.8	\$ 49.8	\$ 2,186.7	\$ 2,163.9
Buildings, property, and equipment	3,548.7	3,560.3	544.9	542.1	4,093.6	4,102.4
Construction in progress	2,413.5	2,032.2	17.7	16.0	2,431.2	2,048.2
Infrastructure	9,849.2	9,579.5	2.2	2.3	9,851.4	9,581.8
Subscription-Based IT Arrangements	93.8	96.2	30.2	24.0	124.0	120.2
Works of art and other nondepreciable assets	2.7	2.7	0.8	0.8	3.5	3.5
Total	\$ 18,044.8	\$ 17,385.1	\$ 645.5	\$ 635.0	\$ 18,690.3	\$ 18,020.1

Major capital asset events during the fiscal year included the following:

- The State's outstanding construction commitments related to road and bridge construction totaled \$1.63 billion at June 30, 2024.

- The Department of Transportation added \$618.9 million and \$702.5 million in infrastructure and construction in progress, respectively. The increase in infrastructure was primarily due to the completion of the Scottsburg Bridge Replacement Project and the Meacham-Kamela Pavement Upgrade Project. Additionally, the increase in construction in progress was mainly a result of multiple construction projects including Oregon Highway 217 Auxiliary Lanes Project, and the Interstate 205 Abernathy Bridge Project.
- The Legislative Administrative Committee added \$136 million to construction in progress associated with improvements to the Capitol building which addressed ADA deficiencies, at-risk mechanical, electrical, and plumbing systems, and security and life-safety issues.
- The Oregon State Police Department added \$5.9 million in land. The increase was a result of land purchased in Springfield for a Forensics Lab and Medical Examiner's Office as well as a Patrol Area Command Office. The Oregon State Police Department also added \$16.9 million in construction in progress which was primarily a result of the expansion and modernization of the Oregon State Police regional headquarters in Central Point.
- The Department of Administrative Services added \$41.3 million and \$134.9 million in construction in progress and buildings, property and equipment, respectively. The increase in construction in progress is mainly attributed to the Executive Building remodel. Buildings, property, and equipment increased primarily due to the North Valley Complex Renovation Project and the Portland State Office Building Exterior Improvements Project.

Additional information on the State's capital assets may be found in Note 6 of this report.

ECONOMIC FACTORS AND NEXT BIENNIUM'S BUDGET

Oregon's unemployment rate for October 2024 was 4.00%, the same rate as December 2023. The U.S. unemployment rate for October 2024 was 4.10% compared to 3.70% in December 2023.

At the state level, Oregon's economy is currently demonstrating moderate health. Output growth is lagging the national statistics but is showing some signs of reacceleration. Net job creation remains positive, but it is concerning to see job creation concentrated in just a few industry categories. Oregon economic activity will be highly vulnerable to national priorities. Oregon's labor market has proven resilient in the post-pandemic era and is operating at high levels of labor utilization, based on measures such as labor force participation or the employment-population ratio. As such, the state will need to depend on in-migration (from other states or internationally) to supply sufficient additional workforce. Tariffs will be extremely consequential to key industrial pillars of the Oregon economy, including timber, agriculture, tech/semiconductors and apparel. And tax reforms will have meaningful consequences for both overall growth prospects (particularly if tax cuts are unfunded, thereby amounting to potentially significant fiscal stimulus), but they may also impact Oregon's linkages to the national economy, for example if the state and local tax (SALT) deduction cap is modified.

A more moderate economic deceleration relative to previous forecasts has resulted in state revenues continuing to outpace expectations in recent months. In particular, both personal and corporate income taxes have come in somewhat higher than the September forecast. Consumption-based revenues like lottery, the corporate activity tax, and recreational marijuana are in line with expectations.

For personal income taxes, tax year 2023 is coming into focus. Absent the \$5.6 billion kicker credit, it is currently estimated that collections will grow 2.60% from the prior year when all is said and done. In addition, tax year 2024 is now expected to be exhibit much stronger growth than was previously expected. The net result is an approximately \$1.0 billion per year increase in anticipated personal income tax receipts for tax years currently in progress.

The December 2024 forecast for General Fund revenues for the 2023-25 biennium is \$28.1 billion. This figure is \$2.8 billion more than the amount forecasted at the close of the 2023 legislative session. The projected General Fund ending balance for the 2023-25 biennium is \$2.8 billion. The latest revenue forecast projects an increase in General Fund revenues for the next two biennia, up 26.80% to \$35.6 billion in 2025-27 and up 16.10% to \$41.3 billion in 2027-29.

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Basic Financial Statements

State of Oregon

Statement of Net Position
June 30, 2024
(In Thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 11,624,453	\$ 7,978,736	\$ 19,603,189	\$ 954,231
Cash and Cash Equivalents - Restricted	3,054,455	103,215	3,157,670	79,400
Investments	1,638,499	35,311	1,673,811	4,468,953
Investments - Restricted	579,130	12,652	591,782	-
Securities Lending Collateral	39,030	3,528	42,558	72,162
Accounts and Interest Receivable (net)	2,498,187	693,999	3,192,186	1,651,579
Taxes Receivable (net)	1,289,685	-	1,289,685	-
Pledges, Contributions, and Grants Receivable (net)	-	-	-	396,726
Internal Balances	347,342	(347,342)	-	-
Due from Component Units	116,393	7,234	123,627	-
Due from Other Governments	6	2,716	2,722	-
Due from Primary Government	-	-	-	171,716
Inventories	89,579	63,690	153,269	90,461
Prepaid Items	147,361	8,815	156,176	101,940
Receivables for Right to Use Assets	2,050	-	2,050	6,470
Loans Receivable (net)	71,845	70,768	142,612	-
Foreclosed and Deeded Property	655	189	844	-
Other Assets	1,523	105	1,628	-
Total Current Assets	21,500,194	8,633,616	30,133,810	7,993,638
Noncurrent Assets:				
Cash and Cash Equivalents	-	67,080	67,080	170,983
Cash and Cash Equivalents - Restricted	2,185,726	283,356	2,469,082	14,190
Investments	117,472	80,828	198,300	4,962,482
Investments - Restricted	668,265	112,028	780,292	2,608,730
Taxes Receivable (net)	145,768	-	145,768	-
Pledges, Contributions, and Grants Receivable (net)	-	-	-	111,023
Advances to Component Units	915,290	51,352	966,642	-
Advances to Primary Government	-	-	-	19,798
Net Contracts, Notes, and Other Receivables	1,241,031	174,203	1,415,234	19,219
Receivables for Right to Use Assets	23,849	-	23,849	91,997
Loans Receivable (net)	1,467,788	1,824,029	3,291,817	-
Net OPEB Asset	133,531	9,619	143,150	42,553
Derivative Instrument Assets	-	27,749	27,749	-
Other Assets	-	-	-	14,859
Capital Assets Not Being Depreciated	4,550,347	68,263	4,618,610	1,716,006
Capital Assets Being Depreciated (net)	13,494,513	577,216	14,071,728	6,689,518
Total Noncurrent Assets	24,943,581	3,275,722	28,219,303	16,461,358
Total Assets	46,443,775	11,909,338	58,353,113	24,454,998
DEFERRED OUTFLOWS OF RESOURCES				
Goodwill	-	-	-	87
Loss on Refunding	89,542	1,208	90,750	21,588
Asset Retirement Obligation	-	-	-	18,072
Related to Pensions	1,952,707	206,922	2,159,629	684,962
Related to OPEB	4,640	384	5,024	10,122
Total Deferred Outflows of Resources	2,046,889	208,515	2,255,403	734,831

The notes to the financial statements are an integral part of this statement.

State of Oregon

Statement of Net Position
June 30, 2024
(In Thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES				
Current Liabilities:				
Accounts and Interest Payable	4,802,332	308,745	5,111,077	954,957
Obligations Under Securities Lending	39,030	3,528	42,558	71,860
Obligations Under Life Income Agreements	-	-	-	65,524
Due to Component Units	170,980	255	171,235	-
Due to Other Governments	516,059	5,301	521,360	1,535
Due to Primary Government	-	-	-	124,935
Unearned Revenue	754,308	3,011	757,319	1,148,662
Other Liabilities	807,537	95,144	902,681	345,142
Reserve for Loss and Loss Adjustment Expense	-	-	-	393,620
Bonds/COPs Payable	831,856	107,070	938,926	17,875
Total Current Liabilities	7,922,102	523,055	8,445,156	3,124,110
Noncurrent Liabilities:				
Unearned Revenue	-	-	-	12,843
Obligations Under Life Income Agreements	-	-	-	26,564
Other Liabilities	2,455,529	150,858	2,606,387	326,786
Reserve for Loss and Loss Adjustment Expense	-	-	-	2,230,631
Bonds/COPs Payable	11,411,860	1,656,897	13,068,757	2,301,503
Net Pension Liability	4,838,810	511,510	5,350,320	1,680,748
Advances from Component Units	19,798	-	19,798	-
Advances from Primary Government	-	-	-	966,643
Asset Retirement Obligation	-	-	-	23,460
Total OPEB Liability	73,208	7,399	80,606	59,224
Total Noncurrent Liabilities	18,799,205	2,326,663	21,125,868	7,628,401
Total Liabilities	26,721,307	2,849,718	29,571,025	10,752,511
DEFERRED INFLOWS OF RESOURCES				
Receivables for Right to Use Assets	24,996	-	24,996	118,300
Hedging Derivatives	-	27,749	27,749	3,521
Gain on Refunding	17,206	158	17,364	153,369
Loan Origination	-	4,229	4,229	-
Related to Pensions	383,772	40,445	424,217	215,892
Related to OPEB	53,928	5,222	59,150	28,558
Total Deferred Inflows of Resources	479,903	77,803	557,705	519,640
NET POSITION				
Net Investment in Capital Assets	12,982,126	577,261	13,253,633	5,015,631
Restricted-Nonexpendable	10,697	-	10,697	2,553,201
Restricted for:				
Health and Social Services Programs	146,146	-	450,345	-
Transportation Programs	521,813	-	521,813	-
Natural Resource Programs	1,469,153	3	1,469,156	-
Education	3,497,976	-	3,497,976	2,084,671
Community Protection	153,000	-	153,000	-
Consumer Protection	219,447	-	219,447	-
Employment Services	213,590	-	213,590	-
Workers' Compensation	-	-	-	1,762,024
Residential Assistance	321,535	1,158	322,693	-
Debt Service	14,397	249,121	263,518	1,684
Capital Projects	253,760	-	253,760	173,764
OPEB	133,531	9,619	143,150	42,553
Other Purposes	155,946	-	157,501	-
Unrestricted	1,196,339	8,353,170	9,549,509	2,284,150
Total Net Position	\$ 21,289,455	\$ 9,190,332	\$ 30,479,786	\$ 13,917,678

State of Oregon

Statement of Activities
For the Year Ended June 30, 2024
(In Thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
Education	\$ 9,680,491	\$ 21,800	\$ 1,428,160	\$ -	\$ (8,230,531)
Human Services	23,403,214	1,284,977	15,514,466	-	(6,603,771)
Public Safety	2,453,869	87,038	520,866	23,734	(1,822,231)
Economic and Community Development	1,247,345	148,500	496,092	-	(602,753)
Natural Resources	1,232,408	507,956	489,770	976	(233,706)
Transportation	2,416,144	233,409	794,929	175	(1,387,630)
Consumer and Business Services	494,583	187,803	103,684	-	(203,097)
Administration	754,305	280,163	470,380	399	(3,364)
Legislative	85,765	1,428	2,846	-	(81,492)
Judicial	755,631	195,843	7,582	-	(552,206)
Interest on Long-term Debt	431,222	-	-	-	(431,222)
Total Governmental Activities	42,954,976	2,948,916	19,828,775	25,283	(20,152,002)
Business-type Activities:					
Housing and Community Services	51,844	50,402	17,676	-	16,234
Veterans' Loan	21,310	12,751	8,156	-	(403)
Lottery Operations	803,756	1,729,548	24,697	-	950,489
Unemployment Compensation	800,951	1,251,955	162,680	-	613,685
State Hospitals	650,733	144,305	2,812	-	(503,616)
Liquor Control	653,124	832,447	1,835	-	181,158
Other Business-type Activities	749,487	1,003,676	95,856	163	350,210
Total Business-type Activities	3,731,205	5,025,085	313,713	163	1,607,756
Total Primary Government	\$ 46,686,181	\$ 7,974,001	\$ 20,142,488	\$ 25,446	\$ (18,544,246)
Component Units:					
SAIF Corporation	\$ 903,209	\$ 647,695	\$ 337,412	\$ -	\$ 81,899
University of Oregon	1,285,497	728,942	737,326	43,499	224,271
Oregon State University	1,592,333	672,990	1,086,248	144,476	311,381
Portland State University	565,737	206,958	341,184	55,548	37,953
Other Component Units	6,146,879	4,887,194	1,445,022	56,766	242,103
Total Component Units	\$ 10,493,655	\$ 7,143,779	\$ 3,947,192	\$ 300,289	\$ 897,607

The notes to the financial statements are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2024
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in Net Position:				
Net (Expense) Revenue	\$ (20,152,002)	\$ 1,607,756	\$ (18,544,246)	\$ 897,607
General Revenues:				
Taxes:				
Personal Income Taxes	12,347,800	-	12,347,800	-
Corporate Income Taxes	1,636,971	-	1,636,971	-
Corporate Activity Tax	1,332,100	-	1,332,100	-
Tobacco Taxes	366,071	-	366,071	-
Healthcare Provider Taxes	1,218,144	-	1,218,144	-
Insurance Premium Taxes	77,444	-	77,444	-
Marijuana Taxes	176,378	-	176,378	-
Other Taxes	816,777	21,102	837,880	-
Restricted for Transportation Purposes:				
Motor Fuel and Other Vehicle Taxes	1,592,432	-	1,592,432	-
Restricted for Workers' Compensation and Workplace Safety Programs:				
Workers' Compensation Insurance Taxes	99,555	-	99,555	-
Employer-Employee Taxes	204,142	-	204,142	-
Total Taxes	19,867,814	21,102	19,888,917	-
Unrestricted Investment Earnings	569,344	-	569,344	-
Contributions to Permanent Funds	57	-	57	-
Transfers - Internal Activities	691,058	(691,058)	-	-
Total General Revenues, Contributions, Special Items, Extraordinary Items, and Transfers	21,128,274	(669,956)	20,458,318	-
Change in Net Position	976,272	937,800	1,914,072	897,607
Net Position - Beginning	25,932,182	8,252,532	34,184,714	13,019,996
Corrections of an Error	(5,619,000)	-	(5,619,000)	-
Cumulative Effect of a Change in Accounting Principles	-	-	-	78
Net Position - Beginning - As Restated	20,313,182	8,252,532	28,565,714	13,020,075
Net Position - Ending	\$ 21,289,455	\$ 9,190,332	\$ 30,479,786	\$ 13,917,678

Balance Sheet
Governmental Funds
June 30, 2024
(In Thousands)

	General	Health and Social Services	Public Transportation
ASSETS			
Cash and Cash Equivalents	\$ 7,044,697	\$ 575,270	\$ 761,285
Investments	-	-	24,468
Securities Lending Collateral	10,981	883	1,180
Accounts and Interest Receivable (net)	19,059	1,161,231	106,801
Taxes Receivable (net)	694,130	377,584	107,165
Due from Other Funds	1,141,809	141,652	18,347
Due from Component Units	-	19,887	-
Due from Other Governments	-	-	-
Inventories	37,270	2,549	39,323
Prepaid Items	118,921	20,672	38
Advances to Other Funds	-	-	-
Advances to Component Units	-	-	-
Net Contracts, Notes, and Other Receivables	7,814	719,256	37,424
Receivables for Right to Use Assets	-	833	23,489
Loans Receivable (net)	24,137	274	20,999
Other Assets	-	-	-
Total Assets	\$ 9,098,817	\$ 3,020,093	\$ 1,140,519
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts and Interest Payable	\$ 2,913,479	\$ 597,415	\$ 219,716
Obligations Under Securities Lending	10,981	883	1,180
Due to Other Funds	294,302	752,154	24,111
Due to Component Units	4,120	48,329	1,562
Due to Other Governments	119,746	-	123,948
Unearned Revenue	36,787	209,982	68,626
Deposit Liabilities	17,645	20,017	1,530
Contracts, Mortgages, and Notes Payable	-	-	-
Advances from Other Funds	-	-	-
Advances from Component Units	-	-	-
Total Liabilities	3,397,059	1,628,780	440,672
Deferred Inflows of Resources:			
Receivables for Right to Use Assets	-	802	22,503
Unavailable Revenue	263,255	791,635	40,675
Total Deferred Inflows of Resources	263,255	792,436	63,178
Fund Balances:			
Nonspendable	131,090	23,272	39,401
Restricted by:			
Federal Laws and Regulations	-	-	40,805
Oregon Constitution	1,299,007	7,317	110,962
Enabling Legislation	25,468	261,575	85,101
Debt Covenants	-	68,114	360,400
Donors and Other External Parties	-	13,042	-
Committed	1,935,228	184,764	-
Assigned	-	40,792	-
Unassigned	2,047,710	-	-
Total Fund Balances	5,438,503	598,876	636,669
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,098,817	\$ 3,020,093	\$ 1,140,519

The notes to the financial statements are an integral part of this statement.

State of Oregon

Educational Support	Common School	Other	Total
\$ 1,793,985	\$ 192,389	\$ 5,836,945	\$ 16,204,571
220,348	2,483,196	274,901	3,002,912
2,771	15,533	6,685	38,032
293,763	55,620	583,639	2,220,113
216,814	-	39,760	1,435,454
115,087	142	205,055	1,622,092
80,328	-	16,178	116,393
-	-	6	6
-	-	8,971	88,112
-	-	1,689	141,321
-	300	1,254	1,554
915,290	-	-	915,290
69	13	477,114	1,241,690
484	-	1,093	25,899
-	-	1,494,222	1,539,632
-	-	1,523	1,523
\$ 3,638,938	\$ 2,747,192	\$ 8,949,036	\$ 28,594,593

\$ 260,730	\$ 136,536	\$ 496,658	\$ 4,624,534
2,771	15,533	6,685	38,032
1,718	449	170,523	1,243,256
95,837	-	21,095	170,943
189,152	-	83,213	516,059
95,110	-	313,092	723,597
19	277,281	79,667	396,160
-	-	4,000	4,000
-	-	1,554	1,554
19,798	-	-	19,798
665,134	429,799	1,176,488	7,737,932
589	-	1,103	24,996
3,803	13	484,930	1,584,311
4,392	13	486,033	1,609,307
-	-	21,543	215,306
13,547	-	1,180,542	1,234,893
509,511	1,547,368	265,736	3,739,900
1,878,913	770,012	1,305,448	4,326,518
469,270	-	2,045,421	2,943,205
16,484	-	40,598	70,124
61,890	-	1,790,847	3,972,730
19,796	-	636,713	697,302
-	-	(333)	2,047,378
2,969,411	2,317,380	7,286,515	19,247,355
\$ 3,638,938	\$ 2,747,192	\$ 8,949,036	\$ 28,594,593

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Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024
(In Thousands)

Total fund balances of governmental funds **\$ 19,247,355**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$	2,120,562	
Buildings, property, and equipment		4,707,606	
Right To Use Assets		1,060,045	
Construction in progress		2,357,085	
Infrastructure		17,087,633	
Works of Art and Other Nondepreciable Assets		2,259	
Accumulated depreciation and amortization		<u>(9,883,425)</u>	
Total capital assets			17,451,765

Capital assets retired from service but not immediately sold or otherwise disposed of are removed from capital assets and reclassified as foreclosed and deeded property. 100

Some of the State's governmental revenues will be collected after year-end but are not available soon enough to pay the current year liabilities. 1,584,311

Gain or loss on debt refunding is reported as a deferred inflow of resources or a deferred outflow of resources, respectively, for governmental activities in the Statement of Net Position but are reported as expenditures in the funds.

Deferred outflows-loss on refunding	89,519
Deferred inflows-gain on refunding	(17,206)

The net pension liability and pension-related deferred inflows and outflows of resources are not financial resources and therefore are not reported in the funds. These consist of:

Net pension liability	(4,387,605)
Deferred outflows-related to pensions	1,770,994
Deferred inflows-related to pensions	(348,096)

The net OPEB asset, total OPEB liability, and OPEB-related deferred inflows and outflows of resources are not financial resources and therefore are not reported in the funds. These consist of:

Net OPEB asset	120,797
Total OPEB liability	(66,797)
Deferred outflows-related to OPEB	4,197
Deferred inflows-related to OPEB	(49,148)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position. 321,776

Some liabilities are not due and payable in the current year and therefore are not reported in the funds. Those liabilities consist of:

Accounts and interest payable	(99,609)		
Compensated absences payable	(310,143)		
Claims and judgments payable	(978,008)		
Arbitrage rebate payable	(20,564)		
Contracts, mortgages, and notes payable	(110,355)		
Right To Use Obligations	(810,710)		
Bonds and COPs payable	(12,052,993)		
Pollution remediation obligation	<u>(50,124)</u>		
Total long-term liabilities			(14,432,507)

Net position of governmental activities **\$ 21,289,455**

The notes to the financial statements are an integral part of this statement.

State of Oregon

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024
(In Thousands)

	General	Health and Social Services	Public Transportation
REVENUES			
Personal Income Taxes	\$ 12,649,950	\$ -	\$ -
Corporate Income Taxes	1,631,724	-	-
Corporate Activity Taxes	10,475	-	-
Tobacco Taxes	43,305	322,353	-
Healthcare Provider Taxes	660	1,053,891	-
Insurance Premium Taxes	77,127	-	-
Motor Fuel and Other Vehicle Taxes	-	-	1,592,046
Employer-Employee Taxes	135,511	-	-
Workers' Compensation Insurance Taxes	-	-	-
Marijuana Taxes	-	167,373	-
Other Taxes	583,737	-	3,544
Licenses and Fees	122,310	22,693	126,877
Federal	194,275	13,950,048	756,809
Rebates and Recoveries	3,315	703,316	6,890
Charges for Services	29,986	17,194	54,281
Fines, Forfeitures, and Penalties	20,123	3,591	9,544
Rents and Royalties	868	408	5,235
Investment Income	569,344	23,984	50,849
Sales	1,535	4,314	15,087
Assessments	-	-	-
Donations and Grants	5,401	4,629	2
Contributions to Permanent Funds	-	-	-
Tobacco Settlement Proceeds	-	68,735	-
Unclaimed and Escheat Property Revenue	-	-	-
Other	71,813	593,277	6,179
Total Revenues	16,151,462	16,935,806	2,627,342
EXPENDITURES			
Current:			
Education	424,811	-	-
Human Resources	4,682,632	15,879,102	-
Public Safety	1,514,470	-	-
Economic and Community Development	328,475	-	-
Natural Resources	298,045	-	-
Transportation	31,794	-	1,071,451
Consumer and Business Services	14,390	-	-
Administration	434,671	2,613	-
Legislative	73,470	-	-
Judicial	613,852	1,488	-
Intergovernmental	7,366,852	556,024	878,267
Capital Outlay	138,194	15,562	873,025
Debt Service:			
Principal	328,032	21,823	6,131
Interest	204,967	3,635	1,308
Other Debt Service	411	187	176
Total Expenditures	16,455,067	16,480,434	2,830,358
Excess (Deficiency) of Revenues Over (Under) Expenditures	(303,605)	455,372	(203,016)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	2,074,466	372,375	189,955
Transfers to Other Funds	(2,103,960)	(304,843)	(304,435)
Insurance Recoveries	902	-	4,152
Long-term Debt Issued	47,316	46,899	125,436
Debt Issuance Premium	1,411	3,050	-
Refunding Debt Issued	-	-	-
Refunded Debt Payment to Escrow Agent	-	-	-
Total Other Financing Sources (Uses)	20,135	117,481	15,108
Net Change in Fund Balances	(283,470)	572,853	(187,909)
Fund Balances - Beginning	11,338,475	26,388	826,426
Corrections of an Error	(5,619,000)	-	-
Fund Balances - Beginning - As Restated	5,719,475	26,388	826,426
Change in Inventories	2,498	(365)	(1,849)
Fund Balances - Ending	\$ 5,438,503	\$ 598,876	\$ 636,669

The notes to the financial statements are an integral part of this statement.

State of Oregon

Educational Support	Common School	Other	Total
\$ -	\$ -	\$ -	\$ 12,649,950
-	-	-	1,631,724
1,321,624	-	-	1,332,100
-	-	-	365,658
-	-	163,593	1,218,144
-	-	-	77,126
-	-	-	1,592,046
-	-	66,335	201,846
-	-	99,555	99,555
-	-	-	167,373
545	-	196,000	783,826
757	2,360	440,220	715,218
1,073,284	1,227	3,275,456	19,251,099
125	17	28,228	741,892
13,868	262	188,753	304,343
137	126	171,749	205,270
176	5,599	5,984	18,269
86,214	243,978	249,376	1,223,745
359	880	131,223	153,399
-	-	66,858	66,858
9,156	-	39,178	58,368
-	-	57	57
-	-	-	68,735
-	78,849	-	78,849
4,592	4,326	88,940	769,127
2,510,838	337,624	5,211,504	43,774,576
302,170	-	106,813	833,794
-	-	1,807,134	22,368,867
-	-	366,768	1,881,238
-	-	596,438	924,914
-	28,907	768,373	1,095,325
-	-	11,100	1,114,344
-	-	430,149	444,540
8,911	4,015	39,018	489,229
-	-	1,365	74,835
-	-	70,974	686,314
2,241,313	771	774,241	11,817,469
6,981	2,408	283,372	1,319,542
85,586	412	438,178	880,163
45,552	151	222,622	478,234
353	-	4,746	5,873
2,690,865	36,665	5,921,291	44,414,680
(180,027)	300,959	(709,787)	(640,104)
547,672	3,785	1,418,167	4,606,421
(457,583)	(117,157)	(593,029)	(3,881,008)
-	1,140	41,868	48,063
25,698	-	811,244	1,056,593
1,418	-	43,820	49,698
25,795	-	61,245	87,040
(26,985)	-	(60,939)	(87,923)
116,015	(112,232)	1,722,377	1,878,884
(64,012)	188,727	1,012,590	1,238,780
3,033,423	2,128,652	6,273,771	23,627,136
-	-	-	(5,619,000)
3,033,423	2,128,652	6,273,771	18,008,136
-	-	154	439
\$ 2,969,411	\$ 2,317,380	\$ 7,286,515	\$ 19,247,355

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**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2024
(In Thousands)**

Net change in fund balances of total governmental funds	\$ 1,238,780
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlay is reported as an expenditure in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation and amortization expense. In the current year, these amounts are:	
Capital outlay	\$ 1,364,976
Depreciation and amortization expense	<u>(684,660)</u>
Excess of capital outlays over depreciation and amortization	680,315
The net effect of sales, transfers, impairments, and donations of capital assets is a decrease to net position.	(16,395)
Proceeds from the issuance of debt provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position.	
Bond proceeds	(1,107,268)
Right To Use Assets incurred	<u>(86,063)</u>
Total proceeds from the issuance of debt	(1,193,331)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	969,850
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these become a component of Bonds/COPs payable and are amortized in the Statement of Activities.	72,399
Deferred inflows/outflows of resources resulting from gain/(loss) on debt refunding are not recognized in the current period and therefore not reported in the governmental funds but these are amortized in the Statement of Activities.	(7,876)
Some expenses reported in the Statement of Activities do not require the use of current financial resources; thus, they are not reported as expenditures in governmental funds.	
Net OPEB asset	16,241
Accounts and interest payable	(7,913)
Compensated absences payable	(33,742)
Claims and judgments payable	(4,818)
Contracts, mortgages, and notes payable	(6,381)
Net pension liability	(178,987)
Pollution remediation obligation	(889)
Net OPEB liability	4,660
Total OPEB liability	<u>3,301</u>
Total	(208,527)
Investment income related to rebatable arbitrage does not provide current financial resources and is not reported as revenue in the governmental funds.	(20,449)
Some revenues will not be collected for several months after the State's fiscal year ends. Therefore, they are not considered "available" revenues in the governmental funds.	(567,819)
Change in inventory is reported as a separate line after the change in fund balances in the governmental statements, but is included in expenses in the governmental activities.	439
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported within governmental activities.	28,888
Change in net position of governmental activities	<u>\$ 976,272</u>

The notes to the financial statements are an integral part of this statement.

Statement of Net Position
Proprietary Funds
June 30, 2024
(In Thousands)

	Business-type Activities - Enterprise Funds		
	Housing and Community Services	Veterans' Loan	Lottery Operations
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 48,487	\$ 100,563	\$ 492,440
Cash and Cash Equivalents - Restricted	97,841	4,164	-
Investments	-	12,108	10,967
Investments - Restricted	12,652	-	-
Securities Lending Collateral	197	243	961
Accounts and Interest Receivable (net)	6,944	1,876	37,594
Due from Other Funds	226	403	-
Due from Component Units	-	-	-
Due from Other Governments	-	-	-
Inventories	-	-	2,778
Prepaid Items	-	8	8,005
Loans Receivable (net)	29,478	10,470	-
Foreclosed and Deeded Property	189	-	-
Other Assets	105	-	-
Total Current Assets	196,118	129,835	552,744
Noncurrent Assets:			
Cash and Cash Equivalents	-	-	67,080
Cash and Cash Equivalents - Restricted	163,689	62,180	-
Investments	-	-	80,828
Investments - Restricted	112,028	-	-
Advances to Component Units	-	-	-
Net Contracts, Notes, and Other Receivables	-	2,045	4,610
Loans Receivable (net)	965,949	380,093	-
Net OPEB Asset	204	162	1,927
Derivative Instrument Assets	19,604	8,145	-
Capital Assets (net)	444	6,924	115,140
Total Noncurrent Assets	1,261,917	459,550	269,585
Total Assets	1,458,035	589,384	822,329
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	309	-	-
Related to Pensions	3,796	1,930	25,370
Related to OPEB	8	5	64
Total Deferred Outflows of Resources	4,114	1,935	25,435

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
Unemployment Compensation	Other	Total	
\$ 6,041,074	\$ 1,296,172	\$ 7,978,736	\$ 603,014
-	1,211	103,215	20,141
-	12,237	35,311	-
-	-	12,652	454
23	2,104	3,528	998
388,118	259,466	693,998	237,624
14,646	75,450	90,725	10,565
-	7,234	7,234	-
2,716	-	2,716	-
-	60,912	63,690	1,467
-	802	8,815	6,040
-	30,820	70,768	-
-	-	189	555
-	-	105	-
6,446,577	1,746,408	9,071,682	880,859
-	-	67,080	-
-	57,487	283,356	36,909
-	-	80,828	-
-	-	112,028	-
-	51,352	51,352	-
156,513	11,036	174,203	40
-	477,987	1,824,029	-
-	7,327	9,619	12,735
-	-	27,749	-
-	522,969	645,478	593,095
156,513	1,128,158	3,275,722	642,778
6,603,090	2,874,566	12,347,404	1,523,637
-	899	1,208	23
-	175,826	206,922	181,713
-	307	384	444
-	177,031	208,515	182,179

(continued on next page)

Statement of Net Position
Proprietary Funds
June 30, 2024
(In Thousands)
(continued from previous page)

	Business-type Activities - Enterprise Funds		
	Housing and Community Services	Veterans' Loan	Lottery Operations
LIABILITIES			
Current Liabilities:			
Accounts and Interest Payable	20,664	1,643	21,546
Obligations Under Securities Lending	197	243	961
Due to Other Funds	344	3	276,751
Due to Component Units	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	344	-	1,586
Other Liabilities	805	4,524	47,580
Bonds/COPs Payable	73,840	16,910	-
Total Current Liabilities	96,195	23,323	348,425
Noncurrent Liabilities:			
Other Liabilities	809	13,865	107,443
Bonds/COPs Payable	1,038,917	405,267	-
Net Pension Liability	9,506	4,774	64,059
Total OPEB Liability	145	65	800
Total Noncurrent Liabilities	1,049,377	423,970	172,303
Total Liabilities	1,145,571	447,293	520,727
DEFERRED INFLOWS OF RESOURCES			
Hedging Derivatives	19,604	8,145	-
Gain on Refunding	4	-	-
Loan Origination	4,229	-	-
Related to Pensions	752	377	5,065
Related to OPEB	102	53	638
Total Deferred Inflows of Resources	24,691	8,575	5,703
NET POSITION			
Net Investment in Capital Assets	(28)	6,842	106,544
Restricted for:			
Natural Resource Programs	-	-	-
Residential Assistance	1,158	-	-
Debt Service	247,152	-	-
Capital Projects	-	-	-
OPEB	204	162	1,927
Unrestricted	43,401	128,448	212,862
Total Net Position	\$ 291,887	\$ 135,451	\$ 321,333

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds			Governmental
Unemployment Compensation	Other	Total	Activities Internal Service Funds
123,148	141,596	308,599	55,232
23	2,104	3,528	998
20,784	141,886	439,769	26,043
-	255	255	37
4,976	325	5,301	-
-	1,081	3,011	30,711
-	42,235	95,144	123,098
-	16,320	107,070	9,565
148,932	345,803	962,677	245,684
-	28,741	150,858	457,569
-	212,713	1,656,897	181,158
-	433,171	511,510	451,205
-	6,389	7,399	6,411
-	681,014	2,326,663	1,096,343
148,932	1,026,817	3,289,340	1,342,027
-	-	27,749	-
-	154	158	-
-	-	4,229	-
-	34,251	40,445	35,676
-	4,429	5,222	4,780
-	38,834	77,803	40,457
-	463,902	577,261	294,725
-	3	3	-
-	-	1,158	-
-	1,969	249,121	2,785
-	-	-	32,487
-	7,327	9,619	12,735
6,454,158	1,512,745	8,351,614	(19,400)
\$ 6,454,158	\$ 1,985,946	\$ 9,188,776	\$ 323,332

Some amounts reported for business-type activities in the statement of net position are different because certain internal service funds assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included within the business-type activities.

	\$ 1,556
Net position of business-type activities	<u>\$ 9,190,332</u>

State of Oregon

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024
(In Thousands)

	Business-type Activities - Enterprise Funds		
	Housing and Community Services	Veterans' Loan	Lottery Operations
OPERATING REVENUES:			
Assessments	\$ -	\$ -	\$ -
Licenses and Fees	-	96	-
Federal	-	-	-
Rebates and Recoveries	3	9	-
Charges for Services	9,953	807	-
Fines, Forfeitures, and Penalties	2	-	-
Rents and Royalties	-	970	-
Sales	-	-	1,726,252
Loan Interest Income	40,202	10,872	-
Other	63	11	2,883
Gain (Loss) on Foreclosed Property	205	-	-
Total Operating Revenues	50,426	12,765	1,729,135
OPERATING EXPENSES:			
Salaries and Wages	10,162	6,333	73,079
Services and Supplies	10,038	3,984	418,431
Cost of Goods Sold	-	-	-
Distributions to Other Governments	-	57	-
Special Payments	844	-	277,767
Interest Expense on Right to Use Asset Arrangements	16	3	-
Bond and COP Interest	33,453	11,260	-
Depreciation and Amortization	236	206	34,318
Total Operating Expenses	54,749	21,842	803,595
Operating Income (Loss)	(4,323)	(9,077)	925,540
NONOPERATING REVENUES (EXPENSES):			
Investment Income (Loss)	17,676	8,156	24,697
Other Taxes	-	-	-
Gain (Loss) on Disposition of Assets	-	-	255
Gain (Loss) on Leased Assets	-	-	-
Gain (Loss) on SBITA Assets	-	-	-
Gain (Loss) on Debt Extinguishment	3,024	581	-
Insurance Recovery	-	-	447
Other Interest Expense	(13)	(18)	(309)
Other Nonoperating Items	(24)	(14)	(35)
Total Nonoperating Revenues (Expenses)	20,663	8,705	25,056
Income (Loss) Before Contributions, Special Items, Extraordinary Items, and Transfers	16,340	(372)	950,596
Capital Contributions	-	-	-
Transfers from Other Funds	7,500	739	-
Transfers to Other Funds	(358)	(200)	(958,352)
Change in Net Position	23,482	168	(7,756)
Net Position - Beginning	268,405	135,284	329,089
Net Position - Ending	\$ 291,887	\$ 135,451	\$ 321,333

The notes to the financial statements are an integral part of this statement.

State of Oregon

Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
Unemployment Compensation	Other	Total		
\$ 1,219,615	\$ 840,489	\$ 2,060,104	\$ -	
-	6,363	6,459	-	
5,889	37,427	43,316	-	
-	271	283	62,872	
-	253,748	264,508	1,892,942	
9,679	3,044	12,725	5,483	
-	124	1,095	63,410	
-	857,370	2,583,622	2,113	
-	7,119	58,193	-	
22,661	9,263	34,880	28,564	
-	-	205	-	
<u>1,257,844</u>	<u>2,015,219</u>	<u>5,065,390</u>	<u>2,055,385</u>	
-	571,280	660,854	539,885	
-	352,455	784,908	1,396,716	
-	453,523	453,523	-	
-	93,904	93,961	-	
799,815	550,412	1,628,838	31,143	
-	394	412	3,261	
-	9,869	54,582	6,328	
-	20,802	55,562	59,484	
<u>799,815</u>	<u>2,052,638</u>	<u>3,732,640</u>	<u>2,036,818</u>	
<u>458,029</u>	<u>(37,419)</u>	<u>1,332,750</u>	<u>18,567</u>	
156,792	63,076	270,397	43,175	
-	21,102	21,102	-	
-	16	271	414	
-	(5)	(5)	131	
-	-	-	(4,322)	
-	-	3,605	-	
-	-	447	1,030	
-	(716)	(1,056)	(447)	
-	2,637	2,564	(293)	
<u>156,792</u>	<u>86,110</u>	<u>297,325</u>	<u>39,689</u>	
614,820	48,691	1,630,075	58,256	
-	1,717	1,717	2,054	
-	514,578	522,817	95,130	
(120)	(256,400)	(1,215,429)	(127,931)	
<u>614,700</u>	<u>308,585</u>	<u>939,180</u>	<u>27,508</u>	
<u>5,839,458</u>	<u>1,677,360</u>	<u>8,249,596</u>	<u>295,824</u>	
<u>\$ 6,454,158</u>	<u>\$ 1,985,946</u>	<u>\$ 9,188,776</u>	<u>\$ 323,332</u>	

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with the business-type activities.

\$ (1,380)

Change in net position of business-type activities

\$ 937,800

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024
(In Thousands)

	Business-type Activities - Enterprise Funds		
	Housing and Community Services	Veterans' Loan	Lottery Operations
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 10,571	\$ 835	\$ 1,717,840
Receipts from Other Funds for Services	-	962	-
Loan Principal Repayments	60,498	36,675	-
Loan Interest Received	37,847	15,569	-
Grant Receipts	-	-	-
Taxes and Assessments Received	-	-	-
Payments to Employees for Services	(11,457)	(6,061)	(45,991)
Payments to Suppliers	(7,043)	(581)	(442,865)
Payments to Other Funds for Services	-	(2,744)	-
Payments to Prize Winners	-	-	(282,050)
Claims Paid	-	-	-
Loans Made	(147,620)	(83,571)	-
Distributions to Other Governments	-	-	-
Other Receipts (Payments)	(1,536)	-	1,664
Net Cash Provided (Used) in Operating Activities	(58,740)	(38,917)	948,598
Cash Flows from Noncapital Financing Activities:			
Proceeds from Bond/COP Sales	230,719	50,000	-
Advances Received	-	-	-
Principal Payments on Bonds/COPs	(91,130)	(25,475)	-
Principal Payments on Loans	(57)	(75)	(474)
Interest Payments on Bonds/COPs	(30,109)	(11,546)	-
Interest Payments on Loans	(13)	(18)	(113)
Bond/COP Issuance Costs	(2,064)	(735)	-
Taxes and Assessments Received	-	-	-
Transfers from Other Funds	7,500	739	-
Transfers to Other Funds	(377)	-	(917,052)
Other Derivative Instrument Receipts (Payments)	30	-	-
Net Cash Provided (Used) in Noncapital Financing Activities	114,499	12,890	(917,639)
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Bond/COP Sales	-	-	-
Principal Payments on Leases	(1)	(11)	(729)
Principal Payments on SBITAs	(92)	(23)	(2,524)
Principal Payments on Bonds/COPs	-	-	-
Principal Payments on Loans	-	-	(464)
Interest Payments on Leases	-	-	(38)
Interest Payments on SBITAs	-	(2)	(133)
Interest Payments on Bonds/COPs	-	-	-
Interest Payments on Loans	-	-	(11)
Bond/COP Issuance Costs	-	-	-
Acquisition of Capital Assets	-	(1,166)	(39,163)
Proceeds from Disposition of Capital Assets	-	-	654
Insurance Recoveries for Capital Assets	-	-	447
Capital Contributions	-	-	-
Contributions Restricted for Capital Purposes	-	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	(93)	(1,203)	(41,959)
Cash Flows from Investing Activities:			
Purchases of Investments	(363,248)	-	(1,760)
Proceeds from Sales and Maturities of Investments	311,297	-	11,376
Interest on Investments and Cash Balances	13,535	7,129	23,632
Interest Income from Securities Lending	27	16	85
Interest Expense from Securities Lending	(24)	(14)	(77)
Interest Expense	-	-	(12)
Loan Principal Repayments	-	-	-
Loan Interest Received	-	-	-
Loans Made	-	-	-
Net Cash Provided (Used) in Investing Activities	(38,413)	7,130	33,243
Net Increase (Decrease) in Cash and Cash Equivalents	17,252	(20,100)	22,243
Cash and Cash Equivalents - Beginning	292,764	187,006	537,277
Cash and Cash Equivalents - Ending	\$ 310,016	\$ 166,906	\$ 559,520

The notes to the financial statements are an integral part of this statement.

State of Oregon

Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds	
Unemployment Compensation	Other	Total			
\$ -	\$ 1,062,886	\$ 2,792,133	\$	53,930	
-	2,147	3,109		2,342,871	
-	-	97,172		-	
-	-	53,415		-	
-	33,985	33,985		-	
1,148,485	852,411	2,000,896		-	
-	(567,414)	(630,924)		(538,518)	
-	(717,628)	(1,168,117)		(788,568)	
-	(66,998)	(69,742)		(58,139)	
-	-	(282,050)		-	
(774,460)	(528,473)	(1,302,934)		(875,644)	
-	-	(231,191)		-	
-	(101,660)	(101,660)		-	
16,426	53,281	69,834		(38,573)	
390,451	22,536	1,263,927		97,359	
-	-	280,719		-	
-	21,863	21,863		-	
-	(14,525)	(131,130)		-	
-	(2,865)	(3,471)		(1,935)	
-	(5,085)	(46,739)		-	
-	(682)	(826)		(454)	
-	(15)	(2,815)		-	
-	21,099	21,099		-	
-	511,919	520,158		101,219	
(120)	(273,234)	(1,190,783)		(136,144)	
-	-	30		-	
(120)	258,474	(531,896)		(37,314)	
-	14,064	14,064		-	
-	(587)	(1,329)		(9,939)	
-	(5,667)	(8,306)		(10,869)	
-	(2,230)	(2,230)		(10,458)	
-	-	(464)		(468)	
-	(157)	(195)		(2,222)	
-	(312)	(447)		(1,281)	
-	(4,166)	(4,166)		(7,961)	
-	-	(11)		-	
-	(65)	(65)		(12)	
-	(16,241)	(56,569)		(105,261)	
-	39	693		7,688	
-	-	447		1,037	
-	-	-		399	
-	3,740	3,740		-	
-	(11,582)	(54,837)		(139,347)	
-	-	(365,008)		(520)	
-	-	322,673		32,062	
156,792	62,692	263,778		42,777	
-	125	253		86	
-	(112)	(226)		(77)	
-	-	(12)		-	
-	35,601	35,601		-	
-	15,200	15,200		-	
-	(59,041)	(59,041)		-	
156,792	54,465	213,217		74,328	
547,122	323,893	890,411		(4,974)	
5,493,952	1,030,977	7,541,976		665,038	
\$ 6,041,074	\$ 1,354,870	\$ 8,432,387	\$	660,064	

(continued on next page)

State of Oregon

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024
(In Thousands)
(continued from previous page)

	Business-type Activities - Enterprise Funds		
	Housing and Community Services	Veterans' Loan	Lottery Operations
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (4,323)	\$ (9,077)	\$ 925,540
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	236	206	34,318
Amortization of Bond/COP Premium and Discount	(730)	(480)	-
Amortization of Other Bond/COP Related Costs	40	-	-
Interest Receipts Reported as Operating Revenue	-	-	-
Other Derivative Income Reported as Operating Revenue	(63)	-	-
Interest Payments Reported as Operating Expense	30,109	11,740	-
Bond/COP Issuance Costs Reported as Operating Expense	1,848	735	-
Net Changes in Assets and Liabilities:			
Accounts and Interest Receivable (net)	(704)	206	(9,441)
Due from Other Funds	83	-	-
Due from Other Governments	-	-	-
Inventories	-	-	(380)
Prepaid Items	21	-	(4,587)
Net Contracts, Notes and Other Receivables	-	(47,478)	(21)
Loans Receivable	(88,868)	(6)	-
Net OPEB Asset	4	(10)	(93)
Foreclosed and Deeded Property	591	-	-
Accounts and Interest Payable	3,878	551	5,215
Due to Other Funds	(384)	-	-
Due to Component Units	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	(88)	-	(314)
Other Liabilities	(57)	4,444	(4,053)
Net Pension Liability	1,163	1,319	15,108
Total OPEB Liability	36	(192)	(43)
Net Changes in Deferred Outflows of Resources:			
Loss on Refunding	-	-	-
Related to Pensions	(107)	(224)	(2,779)
Related to OPEB	21	-	169
Net Changes in Deferred Inflows of Resources:			
Gain on Refunding	-	-	-
Loan Origination	334	-	-
Related to Pensions	(1,748)	(618)	(9,601)
Related to OPEB	(33)	(30)	(440)
Total Adjustments	(54,417)	(29,840)	23,058
Net Cash Provided (Used) by Operating Activities	\$ (58,740)	\$ (38,917)	\$ 948,598
Noncash Investing and Capital and Related Financing Activities:			
Net Change in Fair Value of Investments	\$ 4,246	\$ (578)	\$ 1,022
Leases Initiated as Lessee	-	-	-
SBITAs Initiated	676	-	-
Capital Assets Transferred from Governmental Activities	-	-	-
Capital Assets Transferred to Governmental Activities	-	-	-
Capital Assets Acquired Through Long-term Contracts	-	-	5,203
Foreclosed Property	409	-	-
Loan Modification	1,333	-	-

The notes to the financial statements are an integral part of this statement.

State of Oregon

Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds	
Unemployment Compensation	Other	Total			
\$ 458,029	\$ (37,419)	\$ 1,332,750	\$		18,567
-	20,802	55,562			59,484
-	(699)	(1,909)			(1,476)
-	-	40			-
-	(15,200)	(15,200)			-
-	-	(63)			-
-	9,725	51,573			11,464
-	80	2,662			12
(52,079)	3,560	(58,458)			(660)
(20,106)	(38,377)	(58,400)			(875)
1,465	-	1,465			-
-	(257)	(636)			(143)
-	(619)	(5,185)			6,992
(16,695)	(6,776)	(70,971)			(11)
-	4,230	(84,644)			-
-	(860)	(959)			(1,846)
-	-	591			-
(2,918)	51,191	57,917			(15,700)
23,382	18,005	41,003			(13,309)
-	125	125			36
(628)	314	(314)			-
-	(152)	(554)			30,711
-	2,172	2,505			(26,768)
-	101,491	119,081			122,169
-	(101)	(300)			379
-	313	313			9
-	(22,856)	(25,967)			(27,515)
-	776	966			1,039
-	(23)	(23)			(20)
-	-	334			-
-	(65,122)	(77,088)			(62,903)
-	(1,786)	(2,290)			(2,277)
(67,578)	59,955	(68,822)			78,792
\$ 390,451	\$ 22,536	\$ 1,263,927	\$		97,359
\$ -	\$ 584	\$ 5,274	\$		1,669
-	117	117			4,226
-	693	1,370			52,001
-	1,554	1,554			2,962
-	-	-			216
-	-	5,203			-
-	-	409			-
-	-	1,333			-

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024
(In Thousands)

	Pension and Other Employee Benefit Trust	Private Purpose Trust	Custodial Funds	
			External Investment Pools	Other
ASSETS				
Cash and Cash Equivalents	\$ 3,745,871	\$ 60,280	\$ 9,474,061	\$ 123,749
Investments:				
Fixed Income	19,110,011	25	13,956	-
Public Equity	23,005,263	1,030	-	-
Real Estate and Real Estate Investment Trusts	13,201,577	-	-	-
Annuity Contracts	-	109	-	-
Private Equity	26,872,170	-	-	-
Real Assets	10,163,459	-	-	-
Diversifying Strategies	4,962,845	-	-	-
Opportunity Portfolio	2,711,548	-	-	-
Total Investments	100,026,872	1,164	13,956	-
Performance Deposits	-	1,764,801	-	-
Conservatorship and Other Assets	-	2,296	-	4,430
Securities Lending Collateral	608,480	95	18,135	-
Receivables:				
Employer Contributions	64,092	-	-	-
Plan Member Contributions	29,937	-	-	-
Interest and Dividends	198,153	-	56,072	-
Member Loans	14,301	-	-	-
Investment Sales	462,894	-	-	-
Transitional Liability	191,376	-	-	-
Accounts	-	923	-	917
From Other Funds	17,676	9	-	25,300
From Other Governments	-	3,427	-	-
Total Receivables	978,429	4,359	56,072	26,217
Prepaid Items	7,770	-	-	-
Receivership Assets	-	17,385	-	-
Capital Assets (net):	15,790	-	-	-
Total Assets	105,383,211	1,850,380	9,562,224	154,396
LIABILITIES				
Accounts and Interest Payable	1,508,229	1,702	95,577	483
Obligations Under Securities Lending	608,373	95	18,128	-
Due to Other Funds	17,547	1	-	39,752
Other Liabilities	140,151	570	-	-
Total Liabilities	2,274,300	2,367	113,705	40,235
NET POSITION				
Restricted for Pension Benefits	99,062,607	-	-	-
Restricted for Other Postemployment Benefits	832,813	-	-	-
Restricted for Other Employee Benefits	3,213,491	-	-	-
Amount Held for Pool Participants	-	-	9,448,519	-
Amount Held for Individuals, Organizations, and Other Governments	-	1,848,013	-	114,161
Total Net Position	\$ 103,108,911	\$ 1,848,013	\$ 9,448,519	\$ 114,161

The notes to the financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024
(In Thousands)

			Custodial Funds	
	Pension and Other Employee Benefit Trust	Private Purpose Trust	External Investment Pools	Other
ADDITIONS				
Contributions:				
Employer	\$ 2,525,502	\$ -	\$ -	\$ -
Plan Members	1,108,367	-	-	-
Total Contributions	3,633,870	-	-	-
Investment Income:				
Net Appreciation (Depreciation) in Fair Value of Investments	5,077,708	103	78,737	-
Interest, Dividends, and Other Investment Income	2,418,281	2,614	553,926	7,485
Total Investment Income	7,495,989	2,718	632,663	7,485
Less Investment Expense	1,202,741	5	8,387	-
Net Investment Income	6,293,248	2,713	624,276	7,485
Taxes Collected on Behalf of Other Governments	-	-	-	580,936
Fines, Forfeitures, and Penalties	-	-	-	25,162
Gifts, Grants, and Contracts	-	-	-	1
Income of Individuals in State Care	-	7	-	54,194
Veterans' Income	-	7,167	-	-
Unclaimed and Escheat Property Revenue	-	-	-	3,791
Other Income	6,817	448,469	-	36,485
Share Transactions:				
Participant Contributions	-	-	25,194,545	-
Participant Withdrawals	-	-	24,935,907	-
Net Share Transactions	-	-	258,638	-
Total Additions	9,933,935	458,355	882,914	708,055
DEDUCTIONS				
Benefits	6,782,758	-	-	-
Death Benefits	2,705	-	-	-
Contributions Refunded	10,831	-	-	-
Healthcare Premium Subsidies	31,614	-	-	-
Distribution to Other Governments	-	272	-	618,296
Special Payments to State Agencies	-	-	-	337
Distribution to Participants	-	-	533,085	-
Administrative Expenses	88,464	8,382	-	3,793
Payments in Accordance with Agreements	-	363,425	-	109,286
Total Deductions	6,916,372	372,079	533,085	731,712
Change in Net Position:				
Restricted for Pension Benefits	2,600,113	-	-	-
Restricted for Other Postemployment Benefits	14,865	-	-	-
Restricted for Other Employee Benefits	402,584	-	-	-
Amount Held for Pool Participants	-	-	349,829	-
Amount Held for Individuals, Organizations, and Other Governments	-	86,276	-	(23,658)
Net Position - Beginning	100,091,349	1,761,736	9,098,690	137,819
Net Position - Ending	\$ 103,108,911	\$ 1,848,013	\$ 9,448,519	\$ 114,161

Statement of Net Position
Discretely Presented Component Units
June 30, 2024
(In Thousands)

	SAIF Corporation	University of Oregon	Oregon State University
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 54,745	\$ 402,567	\$ 118,783
Cash and Cash Equivalents - Restricted	-	-	40,717
Investments	4,280,134	826	-
Securities Lending Collateral	65,366	337	2,558
Accounts and Interest Receivable (net)	426,310	92,250	148,269
Pledges, Contributions, and Grants Receivable (net)	-	56,410	167,540
Due from Primary Government	10,120	7,944	47,796
Inventories	-	4,633	7,292
Prepaid Items	-	31,613	23,491
Receivables for Right to Use Assets	-	1,240	2,098
Total Current Assets	4,836,674	597,821	558,544
Noncurrent Assets:			
Cash and Cash Equivalents	-	165,948	-
Cash and Cash Equivalents - Restricted	-	-	13,091
Investments	-	2,634,874	88,456
Investments - Restricted	-	-	1,328,624
Pledges, Contributions, and Grants Receivable (net)	-	80,610	-
Advances to Primary Government	-	-	-
Net Contracts, Notes, and Other Receivables	-	-	8,933
Receivables for Right to Use Assets	-	8,467	74,178
Net OPEB Asset	4,969	8,638	10,798
Other Assets	-	-	-
Capital Assets (Net)	146,326	2,377,463	2,133,983
Total Noncurrent Assets	151,295	5,276,000	3,658,063
Total Assets	4,987,969	5,873,822	4,216,607
DEFERRED OUTFLOWS OF RESOURCES			
Goodwill	-	-	-
Loss on Refunding	-	-	-
Asset Retirement Obligations	-	-	18,072
Related to Pensions	52,475	187,756	160,956
Related to OPEB	2,108	440	751
Total Deferred Outflows of Resources	54,583	188,196	179,779

The notes to the financial statements are an integral part of this statement.

Portland State University		Other	Total
\$	74,182	\$ 303,954	\$ 954,231
	-	38,683	79,400
	159,346	28,647	4,468,953
	2,797	1,104	72,162
	35,325	949,425	1,651,579
	31,756	141,020	396,726
	15,392	90,464	171,716
	613	77,923	90,461
	3,460	43,376	101,940
	1,500	1,632	6,470
	324,371	1,676,228	7,993,638
	-	5,035	170,983
	-	1,099	14,190
	168,432	2,070,720	4,962,482
	-	1,280,106	2,608,730
	-	30,413	111,023
	-	19,798	19,798
	31	10,255	19,219
	7,223	2,129	91,997
	4,389	13,759	42,553
	-	14,859	14,859
	630,765	3,116,987	8,405,524
	810,840	6,565,160	16,461,358
	1,135,211	8,241,388	24,454,998
	-	87	87
	-	21,588	21,588
	-	-	18,072
	66,606	217,169	684,962
	232	6,591	10,122
	66,838	245,435	734,831

(continued on next page)

Statement of Net Position
Discretely Presented Component Units
June 30, 2024
(In Thousands)
(continued from previous page)

	SAIF Corporation	University of Oregon	Oregon State University
LIABILITIES			
Current Liabilities:			
Accounts and Interest Payable	125,443	143,331	177,332
Obligations Under Securities Lending	65,353	337	2,558
Obligations Under Life Income Agreements	-	42,467	22,752
Due to Other Governments	1,535	-	-
Due to Primary Government	14,252	34,420	24,471
Unearned Revenue	268,874	586,083	81,431
Other Liabilities	12,952	63,015	100,749
Reserve for Loss and Loss Adjustment Expense	332,453	-	-
Bonds/COPs Payable	-	2,161	280
Total Current Liabilities	820,862	871,814	409,573
Noncurrent Liabilities:			
Unearned Revenue	-	479	-
Obligations Under Life Income Agreements	-	-	-
Other Liabilities	13,455	95,483	44,516
Reserve for Loss and Loss Adjustment Expense	2,178,072	-	-
Bonds/COPs Payable	-	441,863	639,235
Net Pension Liability	72,694	341,707	449,124
Advances from Primary Government	-	388,756	266,743
Asset Retirement Obligation	-	-	23,460
Total OPEB Liability	9,307	9,906	10,121
Total Noncurrent Liabilities	2,273,528	1,278,194	1,433,199
Total Liabilities	3,094,390	2,150,008	1,842,772
DEFERRED INFLOWS OF RESOURCES			
Receivables for Right to Use Assets	-	9,424	68,511
Gain on Refunding	-	-	2,872
Life Income Agreements and Pending Funds	-	-	-
Related to Pensions	32,220	51,905	48,438
Related to OPEB	2,624	6,090	7,576
Total Deferred Inflows of Resources	34,843	67,419	127,397
Net Position			
Net Investment in Capital Assets	146,326	1,422,839	1,286,509
Restricted-Nonexpendable	-	2,090,928	5,658
Restricted for:			
Education	-	50,451	1,207,190
Workers' Compensation	1,762,024	-	-
Debt Service	-	-	902
Capital Projects	-	133,853	30,327
OPEB	4,969	8,638	10,798
Unrestricted	-	137,882	(115,167)
Total Net Position	\$ 1,913,319	\$ 3,844,591	\$ 2,426,217

The notes to the financial statements are an integral part of this statement.

Portland State University	Other	Total
26,933	481,918	954,957
2,797	815	71,860
-	305	65,524
-	-	1,535
18,038	33,754	124,935
43,704	168,570	1,148,662
25,593	142,833	345,142
-	61,167	393,620
-	15,434	17,875
117,065	904,796	3,124,110
12,364	-	12,843
1,849	24,715	26,564
20,171	153,161	326,786
-	52,559	2,230,631
-	1,220,405	2,301,503
176,099	641,124	1,680,748
142,681	168,463	966,643
-	-	23,460
3,887	26,003	59,224
357,051	2,286,429	7,628,401
474,116	3,191,225	10,752,511
8,823	31,542	118,300
-	649	3,521
-	153,369	153,369
19,411	63,918	215,892
3,446	8,822	28,558
31,680	258,300	519,640
460,419	1,699,538	5,015,631
45,720	410,895	2,553,201
131,530	695,500	2,084,671
-	-	1,762,024
-	782	1,684
5,661	3,923	173,764
4,389	13,759	42,553
48,534	2,212,901	2,284,150
\$ 696,253	\$ 5,037,298	\$ 13,917,678

State of Oregon

Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Units
For the Year Ended June 30, 2024
(In Thousands)

	SAIF Corporation	University of Oregon	Oregon State University
Operating Revenues:			
Federal Revenue	\$ -	\$ 329,128	\$ 364,926
Charges for Services	-	466,632	409,420
Rents and Royalties	-	-	-
Sales	-	278,277	296,969
Premiums Earned (net)	590,847	-	-
Gifts, Grants, and Contracts	-	36,895	200,064
Other Revenues	56,848	27,448	46,971
Total Operating Revenues	647,696	1,138,380	1,318,350
Operating Expenses:			
Salaries and Wages	-	859,179	984,045
Services and Supplies	-	250,182	452,059
Loss and Loss Adjustment Expense	542,964	-	-
Policyholders' Dividends	134,986	-	-
Underwriting Expenses	222,894	-	-
Depreciation and Amortization	-	106,137	94,963
Special Payments	-	69,999	60,787
Interest	-	-	479
Other Expenses	2,365	-	-
Total Operating Expenses	903,209	1,285,497	1,592,333
Operating Income (Loss)	(255,513)	(147,117)	(273,983)
Nonoperating Revenues (Expenses):			
Investment Income	337,412	223,437	125,899
State Appropriations	-	99,978	322,130
Other Grants	-	47,888	73,229
Gain/(Loss) on Disposition of Assets	-	118	(63)
Other Interest Expense	-	(29,807)	(33,036)
Other	-	(13,726)	(47,271)
Total Nonoperating Revenues (Expenses)	337,412	327,889	440,888
Income (Loss) Before Capital Contributions	81,899	180,772	166,905
Capital Contributions	-	43,499	144,476
Change in Net Position	81,899	224,271	311,381
Net Position - Beginning	1,831,342	3,620,322	2,114,836
Cumulative Effect of Change in Accounting Principles	78	-	-
Net Position - Beginning - As Restated	1,831,420	3,620,322	2,114,836
Net Position - Ending	\$ 1,913,319	\$ 3,844,591	\$ 2,426,217

The notes to the financial statements are an integral part of this statement.

State of Oregon

Portland State University		Other	Total	Adjustments to Recast	Statement of Activities
\$	50,379	\$ 481,257	\$ 1,225,690	\$ (1,225,690)	\$ -
	142,255	4,151,955	5,170,262	1,973,517	7,143,779
	-	1,380	1,380	(1,380)	-
	81,632	71,264	728,142	(728,142)	-
	-	-	590,847	(590,847)	-
	56,442	433,759	727,160	3,220,032	3,947,192
	6,276	534,940	672,483	(672,483)	-
	336,984	5,674,555	9,115,965	1,975,007	11,090,971
	381,289	3,582,151	5,806,664	-	5,806,664
	105,122	2,148,820	2,956,183	-	2,956,183
	-	-	542,964	-	542,964
	-	-	134,986	-	134,986
	-	-	222,894	-	222,894
	32,547	246,229	479,876	-	479,876
	46,779	123,476	301,041	-	301,041
	-	46,203	46,682	-	46,682
	-	-	2,365	-	2,365
	565,737	6,146,879	10,493,655	-	10,493,655
	(228,753)	(472,324)	(1,377,690)	1,975,007	597,318
	28,846	291,987	1,007,581	(1,007,581)	-
	130,944	204,060	757,112	(757,112)	-
	74,573	33,959	229,649	(229,649)	-
	(1,073)	(5,459)	(6,477)	6,477	-
	(7,450)	(3,475)	(73,768)	73,768	-
	(14,682)	136,589	60,910	(60,910)	-
	211,158	657,661	1,975,007	(1,975,007)	-
	(17,595)	185,337	597,318	-	597,318
	55,548	56,766	300,289	-	300,289
	37,953	242,103	897,607	-	897,607
	658,300	4,795,196	13,019,996	-	13,019,996
	-	-	78	-	78
	658,300	4,795,196	13,020,075	-	13,020,075
\$	696,253	\$ 5,037,298	\$ 13,917,678	\$ -	\$ 13,917,678

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The State of Oregon (State) was admitted to the Union in 1859 and is governed by an elected governor and a ninety-member elected legislative body. The accompanying financial statements present the State, including all agencies, boards, commissions, and courts that are legally part of the State (primary government), and the State's component units. Component units are legally separate entities for which the primary government is financially accountable or entities that warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government.

Discretely Presented Component Units

The State reports discretely presented component units in a separate column in the government-wide financial statements to emphasize they are legally separate from the State. The component unit column in the government-wide financial statements includes the data of the State's discretely presented component units.

SAIF Corporation (SAIF) is a public corporation created by an act of the Legislature. SAIF is authorized to write workers' compensation insurance coverage in Oregon and certain other jurisdictions as required by the Oregon Department of Consumer and Business Services and to service accounts in the assigned risk pool. SAIF is governed by a board of directors appointed by the Governor and is financed solely through policyholder premiums and investment income. The term of office for a board member is four years, but a member serves at the pleasure of the Governor. SAIF reports on a fiscal year ended December 31 and uses proprietary fund accounting principles. The December 31, 2023, financial information of SAIF is included in this report. Because SAIF has a fiscal year different from the State, balances outstanding between SAIF and the State do not agree. SAIF reports \$10.1 million as Due from Primary Government while the State reports a Due to Component Unit of \$9.6 million for SAIF. Similarly, SAIF reports \$14.3 million as Due to Primary Government whereas the State reports a Due from Component Unit of \$12.9 million.

The University of Oregon (UO), Oregon State University (OSU), Portland State University (PSU), Western Oregon University (WOU), Southern Oregon University (SOU), Eastern Oregon University (EOU), and the Oregon Institute of Technology (OIT) are each independent public bodies, legally separate from the State. Each university is governed by a citizen board appointed by the Governor. The universities are primarily financed through student tuition and fees, sales and services of auxiliary enterprises, and federal, state, and local grants and contracts. The financial information presented for the universities include the related university's foundation. These universities also receive General Fund moneys from the State and use proprietary fund accounting principles.

Each of these universities has one or more legally separate foundations, which are not-for-profit corporations that provide assistance in fundraising, public outreach, and other support. These foundations qualify as discretely presented component units of the individual universities. Prior to the universities becoming independent of the State, the university foundations were discretely presented component units of the State. In accordance with generally accepted accounting principles for governments, the State has reported as its discretely presented component unit the consolidated balances and activities of the university and foundation, net of any entries to eliminate balances and activities between the university and its foundation. For EOU, its foundation's fiscal year ends December 31, and as a result, there are no eliminating entries for the consolidated EOU. Any balances or activity between EOU and its foundation are not considered to be significant.

The Oregon Health and Science University (OHSU) is a governmental entity performing governmental functions and exercising governmental powers. OHSU is an independent public corporation governed by a board of directors appointed by the Governor and confirmed by the Senate. As an academic health center, OHSU provides education and training to healthcare professionals, conducts biomedical research, and provides patient care and public service. It is financed primarily through patient service fees, government grants and contracts, tuition charges, and other incidental fees. OHSU also receives General Fund moneys from the State. OHSU uses proprietary fund accounting principles.

State of Oregon Notes to the Financial Statements

The State Fair Council is an independent public corporation, charged with creating a sustainable business model for the Oregon State Fair and Exposition Center that can capitalize on sponsorships, rapidly changing market conditions, and streamlined contracting and employment practices. The State Fair Council is a governmental entity performing governmental functions and exercising governmental powers. The Governor appoints members of the Council and may remove them at will. It is financed primarily through fees for renting the fairground property and facilities and operating the annual Oregon State Fair. The December 31, 2023, financial information is included in this report.

SAIF, UO, OSU, and PSU are reported as major component units due to the significant transactions with the primary government. The remaining component units are reported as nonmajor. Readers may obtain complete financial statements for SAIF, UO, OSU, PSU, OHSU, WOU, SOU, EOU, OIT, and the State Fair Council from their respective administrative offices or from the Oregon Department of Administrative Services, Chief Financial Office, 155 Cottage Street NE, Salem, Oregon 97301-3969.

Fiduciary Component Units

The State reports fiduciary component units as part of the fiduciary financial statements. The State's only fiduciary component units are pension and other postemployment benefit (OPEB) plans.

The Oregon Public Employees' Retirement System (PERS) administers a defined benefit plan, a defined contribution plan and two OPEB plans under the direction of the PERS Board. These plans are fiduciary component units of the State for financial reporting purposes.

Related Organizations

The following professional and occupational licensing boards are semi-independent: the Board of Architect Examiners, the Board of Examiners for Engineering and Land Surveying, the Landscape Architect Board, the Board of Geologist Examiners, the Board of Optometry, the Board of Massage Therapists, the Physical Therapists Licensing Board, the Appraiser Certification and Licensure Board, the Landscape Contractors Board, the Wine Board, and the Patient Safety Commission. Although the Governor appoints the administrators of these boards, the boards are all self-supporting and the State's accountability for these organizations does not extend beyond making the appointments. The State has no financial accountability for these related organizations.

The Oregon Utility Notification Center (OUNC) is an independent not-for-profit public corporation. Although the Governor appoints members to OUNC's board of directors, OUNC is funded through fees paid by operators of underground utilities who subscribe to OUNC. The OUNC receives no moneys or appropriation from the State, and the State has no financial accountability for OUNC.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been eliminated from these statements through consolidation, except for interfund activity that represents a true exchange of goods and services between funds. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Interfund activity within governmental and within business-type activities has been eliminated through consolidation; however, balances due and resource flows between governmental and business-type activities have not been eliminated. The *primary government* is reported separately from its *component units*.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. Direct expenses include administrative overhead charges for centralized services charged to functions through internal service funds. *Program revenues* include (1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, (2) operating grants and contributions that are restricted to meeting the operational requirements of a particular function, and (3) capital grants and contributions that are restricted to meeting the capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

State of Oregon
Notes to the Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

The State has chosen to report its basic financial statements, required supplementary information, combining fund financial statements, and statistical section in amounts that round to the nearest one thousand dollars. The natural round of all amounts, including subtotals and totals, has been maintained.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The State uses the economic resources measurement focus and the accrual basis of accounting in preparing the government-wide financial statements, as well as the financial statements of the proprietary funds, internal service funds, and fiduciary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Income taxes are recognized as revenue, net of estimated refunds, in the year when the underlying exchange (earning of income) has occurred, to the extent such amounts are measurable. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The State uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing the governmental fund financial statements. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collectible within the current year or soon enough thereafter to pay liabilities existing at the end of the year. For this purpose, the State considers revenues as available if they are collected within 90 days of the end of the current fiscal year. Primary revenue sources susceptible to accrual are income taxes, excise taxes, fines, forfeitures, and federal revenues. Income tax revenue, net of estimated refunds, is recognized in the fiscal year in which the underlying exchange has occurred and it becomes measurable and available. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant eligibility requirements have been met. Revenue items not susceptible to accrual, such as licenses, fees, and the cash sales of goods and services, are considered measurable and available only when cash is received.

For governmental funds, expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The State reports the following major governmental funds:

General Fund

The *General Fund* is the State's primary operating fund and accounts for all financial resources of the general government, except those accounted for in another fund. Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the General Fund also accounts for and reports the balances and activities of funds from which specific restricted or committed revenues comprise less than a substantial portion of the funds' "inflows". The State considers 30.00% as "substantial" for financial reporting purposes. Prior to the implementation of GASB Statement No. 54, the *Oregon Rainy Day Fund* was reported as an individual major special revenue fund but is now reported in the General Fund. The Rainy Day Fund relies on resources that are "transferred" from the General Fund in accordance with state law and which, along with investment income generated, can be appropriated by the Legislature only when certain specific criteria related to economic or revenue conditions have been met. The funding source for the Rainy Day Fund is not a specific restricted or committed revenue.

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *Health and Social Services Fund* accounts for programs that provide assistance, services, training, and healthcare to individuals and families who do not have sufficient resources to meet their basic needs.

State of Oregon
Notes to the Financial Statements

The primary sources of funding for these programs come from federal grants, tobacco taxes, healthcare provider taxes along with rebates and recoveries.

The *Public Transportation Fund* accounts for the planning, design, construction, and maintenance of highways, roads, bridges, and public systems relating to air, water, rail, and highway transportation. Funding is provided from dedicated highway user taxes and vehicle registration taxes, in addition to various federal highway administration funds.

The *Educational Support Fund* accounts for programs that provide students with opportunities to develop their academic abilities to the fullest from early childhood to postgraduate research, not including activities accounted for in the Common School Fund. Among the activities of this fund are capital project loans and grants provided to the State's eight public universities, all of which are reported as discretely presented component units of the State. The principal funding sources for these programs include corporate activity taxes, federal grants, investment income and transfers from other funds.

The *Common School Fund* accounts for programs to manage state-owned land, including a leasing program that generates annual revenues, for the benefit of the public school system. Estate funds that become the property of the State, unclaimed property, and income derived from unclaimed property are also accounted for in this fund. Statutory and constitutional provisions stipulate that the assets of the fund, including investment income, must be used for common school purposes. The primary funding sources for these programs include investment income, rental income, and unclaimed property revenue.

The State reports the following major proprietary (enterprise) funds:

The *Housing and Community Services Fund* accounts for activities that finance multi-family rental housing and single-family mortgages for low to moderate-income families. Mortgage loans related to these activities are financed with the proceeds of bonds issued under various bond indentures. Mortgage loan payments and interest earnings on invested bond proceeds are used to pay debt service on the bonds.

The *Veterans' Loan Fund* accounts for activities to finance owner-occupied, single-family residential housing for qualified eligible Oregon veterans. Funds for lending are provided through the issuance of general obligation bonds that are repaid from the interest and principal payments made on mortgages.

The *Lottery Operations Fund* accounts for the operation of the Oregon State Lottery which markets and sells lottery products to the public. The primary objective of the Oregon State Lottery is to produce the maximum amount of net revenues to be used for creating jobs, furthering economic development, financing public education, and restoring and protecting Oregon's parks, beaches, watersheds, and critical fish and wildlife habitats.

The *Unemployment Compensation Fund* accounts for federal moneys and unemployment assessments collected from employers to provide payment of benefits to the unemployed.

Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Additionally, the State reports the following fund types:

Governmental Fund Types (reported as nonmajor funds)

Like major special revenue funds, nonmajor *special revenue funds* also account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt service funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term obligations.

The *Capital Projects Fund* accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities.

State of Oregon
Notes to the Financial Statements

The *Permanent Fund* accounts for and reports resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the State and its citizenry.

Proprietary Fund Types (reported as nonmajor funds)

Nonmajor *enterprise funds* account for and report business-type activities for which fees are charged to external users for goods and services.

Internal service funds account for goods and services provided by state agencies to other state agencies and to other governmental units on a cost-reimbursement basis. These goods and services include central services such as accounting, budgeting, personnel, mail, printing, copy center, data center, property development, telecommunications, motor pool, and an insurance fund. Legal, banking, and audit services, as well as state employee health benefits programs are also accounted for and reported in the internal service funds.

Fiduciary Fund Types

The *Pension and Other Employee Benefit Trust Fund* accounts for activities of the Public Employees Retirement System (PERS), which administers resources for the payment of retirement, disability, postemployment healthcare, and death benefits to members and beneficiaries of the retirement system.

The *Private Purpose Trust Fund* accounts for all trust arrangements, other than those properly reported in pension and other employee benefit trust funds, under which principal and income benefit individuals, private organizations, or other governments.

The *External Investment Pools Fund* accounts for the portion of cash and investment pools managed by the Oregon State Treasury belonging to entities other than the State. Oregon reports the State's portion of the pools within the funds of the State.

The *Other Custodial Fund* accounts for assets held by the state of Oregon as an agent for other governmental units, organizations, or individuals. Balances reported include, but are not limited to, amounts held by the Oregon Department of Corrections for adult in custody accounts, amounts held by the Oregon Youth Authority for youth in custody accounts, and amounts held by the Oregon Health Authority for individuals in state care (e.g., Oregon State Hospital) accounts.

D. Deposits and Investments

Deposits

Cash deposits not held in a cash management or investment pool are classified as cash and cash equivalents. Cash deposits that are held in a cash management or investment pool are classified as cash and cash equivalents when the pool has the general characteristics of a demand deposit account. Cash and cash equivalents include: cash on hand, cash and investments held by the Oregon State Treasury in the Oregon Short Term Fund (OSTF), cash deposits held in demand deposit accounts with custodial banks, and cash deposits of debt proceeds in investment funds held by a trustee.

Investments – Excluding Oregon Public Employees Retirement Fund

Investments are reported at fair value with the following exceptions, which are reported using cost-based measures:

- Nonparticipating interest-earning investment contracts and certain investments not held for investment purposes.
- Investments in the OSTF with remaining maturities of up to 90 days are carried at amortized cost, which approximates fair value. The State reports these investments as cash and cash equivalents on the balance sheet or statement of net position, but as investments in Note 2.

Changes in the fair value of investments are recognized as investment income (loss) in the current year.

The fair value of publicly traded debt and equity securities in active markets is determined by the custodian's pricing agent using nationally recognized pricing services. The custodian's pricing agent values equity

State of Oregon
Notes to the Financial Statements

securities traded on a national or international exchange at the last reported sales price and generally values debt securities by using evaluated bid prices. The fair value of publicly traded real estate investment trust (REIT) securities is determined by the custodian's pricing agent using recognized pricing services and generally reflects the last reported sales price. For investments that do not have an active market, such as private placements or commingled investment vehicles, the value is stated at the net asset value (NAV) of units held, or its equivalent, as reported by the fund manager or general partner.

Investments – Oregon Public Employees Retirement Fund

Investments in private equities are recorded at fair value, as of June 30, 2024, as determined by Oregon Public Employees Retirement System (PERS) management based on valuation information provided by the general partner. Investments in private equities representing publicly traded securities are stated at quoted market price. Where observable market inputs are not available, valuation models are applied. The general partner determines fair value based on the best information available and by reference to information including, but not limited to, the following: projected sales, net earnings, earnings before interest, taxes, depreciation and amortization, balance sheets, public and private transactions, valuations for publicly traded comparable companies, and/or other measures, and consideration of any other pertinent information, including the types of securities held and the general partner's own assumptions regarding the investment. The methods used to determine the fair value of these investments typically include (1) the market approach, whereby fair value is derived by reference to observable valuation measures for comparable companies or assets, and (2) the income approach (e.g., the discounted cash flow method).

Investments in real estate, with the exception of publicly traded REITs, for which observable market prices in active markets do not exist, are reported at fair value as of June 30, 2024, as determined by PERS management based on valuation information provided in good faith by the general partner. Direct investments in real estate are appraised every two to three years. Between appraisals, investment managers adjust values to reflect current and projected operating performance and financial transactions. In the absence of observable market prices, general partners determine the fair value of real estate partnerships using valuation methods considered most appropriate. Several factors are considered, including the nature of the investment, local market conditions, trading values on public exchanges for comparable investments, current and projected operating performance, and financing transactions subsequent to the acquisition of the investment.

Investments in the PERS opportunity, real assets, and diversifying strategies portfolios are recorded at fair value as of June 30, 2024, as determined by the respective general partner or account manager. Investments in the PERS opportunity, real assets, and diversifying strategies portfolios representing publicly traded securities are stated at quoted market prices. Where observable market inputs are not available, valuation models are applied. The general partner or account manager determines fair value based on the best information available and by reference to information including, but not limited to, the following: projected sales, net earnings, earnings before interest, taxes, depreciation and amortization, balance sheets, public and private transactions, valuations for publicly traded comparable companies, and/or other measures, and consideration of any other pertinent information, including the types of securities held and the general partner's own assumptions regarding the investment. The methods used to determine the fair value of these investments typically include (1) the market approach, whereby fair value is derived by reference to observable valuation measures for comparable companies or assets, and (2) the income approach (e.g., the discounted cash flow method).

Due to the inherent uncertainty and the degree of judgment involved in determining the investment valuations of the real estate, private equity, opportunity, real assets, and diversifying strategies portfolios, the fair values reflected in the accompanying financial statements may differ significantly from values that would have been used had a readily determinable fair value for the investments existed, and the difference could be material. In addition, these investments are generally considered illiquid long-term investments, and the recorded fair values may differ from the amounts that eventually may be realized from the sale or other disposition of these investments.

Derivative Instruments

In accordance with State investment policies, the Oregon State Treasury participates in contracts that have derivative characteristics. Derivative instruments are used to lower the cost of borrowing, to hedge against

State of Oregon
Notes to the Financial Statements

fluctuations in foreign currency rates, quickly and cost effectively replicate certain asset class exposures (e.g., stocks, bonds), and manage overall fund risk.

The fair value of *effective* hedging derivative instruments are reported on the proprietary funds statement of net position and the statement of fiduciary net position as assets and liabilities as applicable, with offsetting balances reported as deferred inflows of resources or deferred outflows of resources. The changes in fair value of effective hedging derivative instruments are also reflected on the proprietary funds statement of net position and the statement of fiduciary net position; such changes are not reported on the statement of revenues, expenses, and changes in proprietary fund net position and the statement of changes in fiduciary net position.

Ineffective hedging derivative instruments and derivatives purchased as investments are reported at fair value on the proprietary funds statement of net position and the statement of fiduciary net position. The related changes in fair value are reported on the statement of revenues, expenses, and changes in proprietary fund net position and the statement of changes in fiduciary net position.

E. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds”. All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Trade receivables consist of revenues earned or accrued in the current period and are shown net of estimated uncollectible amounts. Income tax receivables deemed reasonably estimable are reported, net of estimated uncollectible amounts, in the fiscal year when the underlying exchange has occurred. Income tax receivables that may arise in the future from audits of prior years and discovery of non-filers are not included in receivables or revenues in the financial statements because these transactions are not measurable.

F. Intrafund Transactions

Intrafund balances (due to/from other funds and advances to/from other funds) and intrafund activity (transfers to/from other funds) within each fund in the financial statements have been eliminated.

G. Inventories

Inventories, which consist primarily of operating supplies, are stated at cost utilizing the first-in, first-out cost valuation method. In governmental funds, inventories are recorded as expenditures when purchased. Reported inventories in governmental funds are offset by nonspendable fund balance since the fund balance associated with inventory is not in spendable form. In proprietary funds, inventories are expended when consumed rather than when purchased.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items. In governmental funds and proprietary funds, prepaid items are accounted for using the consumption method. In governmental funds, a portion of fund balance equal to the prepaid items is classified as nonspendable to indicate that it is not in spendable form.

I. Restricted Assets

Certain proceeds of the State’s bond and certificate of participation (COP) issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or COP financing agreements. Other restrictions on asset use may change the nature and availability of an asset. Various grant moneys, loan acquisition funds, customer deposits, and insurance funds are also classified as restricted assets.

J. Foreclosed and Deeded Properties

Properties acquired through foreclosure proceedings or by acceptance of deeds in lieu of foreclosure are recorded at the lower of cost or market.

K. Receivership Assets

When the Department of Consumer and Business Services is granted the authority by the court system to protect the assets and liabilities of an insurance company under receivership in accordance with Oregon Revised Statutes, the net amount is reported as receivership assets in the Private Purpose Trust Fund.

L. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (i.e., highways, tunnels, bridges, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the State as assets with an initial cost of \$5 thousand or more and an estimated useful life of more than one year. Such assets, when purchased or constructed, are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. Leased capital assets along with capital assets acquired through a subscription-based information technology arrangement are generally recorded at the present value of payments expected to be made during the term of the agreement. Major outlays for capital assets and improvements are capitalized as projects are constructed. Infrastructure acquired prior to fiscal years ended after June 30, 1980, is reported. The costs of normal maintenance and repairs that do not add to the value of assets or significantly extend asset lives are expensed rather than capitalized.

Capital assets of the primary government, as well as its component units, are depreciated over their estimated useful lives using the straight-line method, unless they are considered inexhaustible. Leased capital assets are generally amortized over the shorter of the lease term or the useful life of the underlying asset. Useful lives for buildings and related assets range from 10 to 75 years, while useful lives of equipment and machinery range from 3 to 50 years. For infrastructure assets, useful lives range from 5 to 75 years, with docks, dikes, and dams having useful lives between 30 to 50 years. Useful lives for depreciable works of art and historical treasures range from 10 to 30 years, and useful lives for motor vehicles range from 3 to 30 years. Data processing software and hardware have useful lives ranging from 3 to 10 years.

M. Compensated Absences

Employees accumulate earned but unused vacation and sick leave benefits. There is no liability for unpaid accumulated sick leave since the State does not pay any amounts when employees separate from state service. A liability for vacation leave (compensated absences) is accrued when incurred in the government-wide, proprietary fund, and fiduciary fund financial statements. A liability for compensated absences is reported in governmental funds only if the liabilities have matured, for example, as the result of employee resignations and retirements.

N. Long-term Obligations

In the government-wide statement of net position, long-term debt and other long-term obligations are reported as liabilities for governmental activities or business-type activities, as applicable. In proprietary funds, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond or COP premiums and discounts are reported as a direct addition to or deduction from the applicable bond/COP payable and amortized over the term of the debt. Bond/COP issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred. Prepaid insurance costs are reported as a prepaid item and are amortized over the duration of the related bond/COP.

In the fund financial statements, governmental funds recognize bond/COP premiums and discounts, as well as bond/COP issuance costs, in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issues are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as other debt service expenditures.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, revenues are recognized when earned. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable. Plan investments are reported at fair value.

P. Postemployment Benefits Other Than Pension (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, revenues are recognized when earned. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable. Plan investments are reported at fair value.

Q. Fund Equity

The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources is labeled "Net Position" on the government-wide, proprietary fund, and fiduciary fund financial statements and "Fund Balance" on the governmental fund financial statements.

In governmental funds, fund balance is reported in five components: (1) Nonspendable, (2) Restricted, (3) Committed, (4) Assigned, and (5) Unassigned.

Nonspendable fund balances include amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

Restricted fund balances are the result of constraints imposed by law through constitutional provisions or enabling legislation or by parties outside the State, such as creditors, grantors, contributors, or laws or regulations of other governments. Enabling legislation authorizes the State to levy, assess, charge, or otherwise mandate payment from external resource providers and includes a legally enforceable requirement that those resources be used only for specific purposes stipulated by the legislation. The restricted fund balance category has been further broken down on the face of the governmental fund financial statements to indicate the various sources of those constraints.

Committed fund balance results from constraints imposed by bills (passed by the Legislature and signed into law by the Governor) that are separate from the authorization to raise the underlying revenue. The constraints may be modified or rescinded only by passing additional legislation.

Assigned fund balance represents amounts that are constrained by the State's intent to use them for specific purposes, which are neither restricted nor committed. Intent is expressed by the Legislature via the budget process when there is no legislation other than a budget bill imposing constraints.

Unassigned fund balance is the residual amount in the General Fund not included in the previous four categories. Deficit fund balances in other governmental funds are reported as unassigned. Refer to Note 18 for additional information on fund equity.

In the government-wide statement of net position and the proprietary fund statement of net position, net position is reported in three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Restricted net position results from restrictions imposed on a portion of net position by law through constitutional provisions, enabling legislation, or by parties outside the State, such as creditors, grantors, contributors, or laws or regulations of other governments.

For fund balance classification purposes, state agencies determine the appropriate classification of each of their detail-level funds based on the resources accounted for in those funds and the constraints on spending

those resources. Agencies expend resources from the appropriate funds based on each fund's specific spending constraints. Ending fund balances, therefore, are the result of that spending. In the event that an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available for use, the individual state agencies determine the order in which those resources are spent, as there is no statewide flow assumption policy. The same is true of an expenditure incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available.

The State maintains two stabilization funds: the Oregon Rainy Day Fund and the Education Stability Fund, and both are reported in the General Fund. The resources in both funds may be expended only when specific non-routine budget shortfalls occur. Refer to Note 18 for additional information about the stabilization funds.

R. Changes in Accounting Principle

For the fiscal year ended June 30, 2024, the State implemented all or a portion of two new accounting standards issued by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 99, *Omnibus 2022* paragraphs 4 – 10, which addresses financial guarantees and the classification of and reporting of derivative instruments within the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Other portions of this Statement were implemented in fiscal years 2022 and 2023. Refer to Note 3, Derivative Instruments, for additional information.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, which defines "accounting changes" as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that would constitute those changes. The Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. Refer to Note 18, Fund Equity, for additional information.

S. Pending Changes in Accounting Principle

All or a portion of two new accounting standards are effective for the fiscal year ending June 30, 2025.

GASB Statement No. 101, *Compensated Absences*, which requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

GASB Statement No. 102, *Certain Risk Disclosures*, which defines a "concentration" as a lack of diversity to an aspect of a significant inflow of resources or outflow of resources. A "constraint" is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The Statement requires the government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact.

The State is currently evaluating the impact of these standards on future financial statements.

2. DEPOSITS AND INVESTMENTS

The State's investment policies are governed by statute and the Oregon Investment Council (Council). The State Treasurer (Treasurer) is the investment officer for the Council and is responsible for the funds on deposit with the Oregon State Treasury (Treasury). In accordance with Oregon statutes, the investment funds are invested, and the investments of those funds managed, as a prudent investor would do, exercising reasonable care, skill, and caution. The Treasurer is authorized to use demand deposit accounts, fixed income investments, and direct equity investments, although the majority of equity investments are currently directed by external investment managers under contract with the Council. Furthermore, common stock investments are limited to not more than 50.00% of the moneys contributed to the Oregon Public Employees Retirement Fund (OPERF) and not more than 65.00% of the other trust and endowment fund managed by the Council or the Treasury. The Deferred Compensation Fund, the Education Stability Fund, and the Common School Fund may also invest in common stock.

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The Treasurer maintains the Oregon Short Term Fund (OSTF), a cash and investment pool that is available for use by all funds and local governments. Oregon reports the State's portion of the pool within the funds of the State. The portion of the pool belonging to local governments is reported in an external investment pool fund. Because the pool operates as a demand deposit account, each fund's portion of the pool is classified on the financial statements as cash and cash equivalents. A separate financial report for the OSTF is prepared by the Treasurer. Copies of the report may be obtained from the Oregon State Treasury, 867 Hawthorne Ave SE, Salem, Oregon 97301, or from the Treasury's website at:

<https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Pages/default.aspx>

The Treasurer maintains the Oregon Intermediate Term Pool (OITP), an investment pool that is available for use by state agencies with statutory authority and limited external participants. Currently, only state agencies participate in the pool, therefore amounts are reported within the funds of the State. A separate financial report for the OITP is prepared by the Treasurer. Copies of the report may be obtained from the Oregon State Treasury, 867 Hawthorne Ave SE, Salem, Oregon 97301, or from the Treasury's website at:

<https://www.oregon.gov/treasury/invested-for-oregon/pages/oregon-intermediate-term-investments.aspx#OITP>

The Treasurer maintains the Oregon Local Government Intermediate Fund (OLGIF), an investment pool available for use by local governments and reported in an external investment pool fund. A separate financial report for the OLGIF is prepared by the Treasurer. Copies of the report may be obtained from the Oregon State Treasury, 867 Hawthorne Ave SE, Salem, Oregon 97301, or from the Treasury's website at:

<https://www.oregon.gov/treasury/invested-for-oregon/pages/oregon-intermediate-term-investments.aspx#OLGIF>

The Treasurer also makes short-term and long-term investments, which are held separately by several of the State's funds. The Treasury's direct investments in short-term securities are limited by portfolio rules established by the OSTF Board and the Council. Other investments are made directly by state agencies with the approval of the Treasurer.

A. Custodial Credit Risk

Custodial Credit Risk for Deposits

The custodial credit risk for deposits is the risk that, in the event of a depository financial institution failure, the State will not be able to recover deposits or collateral securities that are in the possession of an outside party. The State does not have a formal policy regarding custodial credit risk for deposits. However, banking regulations and Oregon law establish the insurance and collateral requirements for deposits in the OSTF.

Oregon Revised Statutes (ORS), Chapter 295, governs the collateralization of public funds. Depositories are required to pledge collateral against any public fund deposits in excess of deposit insurance amounts. This requirement provides additional protection for public funds in the event of a depository failure or loss. ORS Chapter 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable.

ORS Chapter 295 provides the statutory authority for the Public Funds Collateralization Program (PFCP). The Treasury uses an internally-developed web application to administer the PFCP and facilitate depository, custodian, and public official compliance with ORS Chapter 295. Per the statute, depositories are required to report public fund balances in excess of Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) limits to the Treasury. The FDIC or NCUA assigns each bank or credit union a capitalization category quarterly: well-capitalized, adequately-capitalized, or under-capitalized. Depositories submit monthly or weekly reports to the Treasury depending on their capitalization category. Well-capitalized depositories report monthly; adequately- and under-capitalized depositories report weekly. In addition to uninsured public fund balances, depositories are also required to report their net worth, leverage, and capital ratios. Based on this information, each depository's minimum collateral required to be pledged with the custodian as well as the maximum liability in the pool of all depositories are calculated for the next reporting period. The maximum liability is reported to the depository and the Treasury.

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Unless otherwise directed by the Treasury, a well-capitalized depository is required to pledge collateral valued at no less than 10.00% of its last reported uninsured public funds deposits. Per ORS Chapter 295, the Treasury may direct a well-capitalized depository to increase its collateral to a percentage greater than 10.00% - up to 100.00%. An adequately- or under-capitalized depository is required to pledge collateral valued at no less than 110.00% of its last reported uninsured public funds deposits. This percentage may not be decreased until such time the depository becomes well-capitalized.

There are three exceptions to the minimum collateral requirement calculation and these exceptions must be collateralized at 100.00%:

1. A depository may not accept public fund deposits from a single depositor in excess of the depository's net worth. If the depository has a drop in net worth that takes it out of compliance, the depository is required to post 100.00% collateral on any amount the depositor has in excess of the depository's net worth while working to eliminate that excess.
2. A depository may not hold a total public funds balance in excess of a percentage of the depository's net worth based on its capitalization category (100.00% for under-capitalized, 150.00% for adequately-capitalized, 200.00% for well-capitalized) unless approved for a period of up to 90 days by the Treasury. During this period, any public fund balances exceeding these limits must be collateralized at 100.00%.
3. A depository may not hold more than 30.00% of the aggregate public funds reported by all depositories in the pool unless the depository is well-capitalized and the excess is collateralized at 100.00%.

Where interest-bearing balances within the OSTF exceed the FDIC or NCUA amount of \$250 thousand, the balances are covered by collateral in the PFCP.

As of June 30, 2024, \$987 million in other depository balances were exposed to custodial credit risk as the balances were uninsured and uncollateralized. In addition, \$183.9 million in depository balances were exposed to custodial credit risk as the balances were uninsured but collateralized with securities by the pledging financial institution.

Custodial Credit Risk for Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the State will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The Council has no formal policy regarding the holding of securities by a custodian or counterparty.

B. Investments – Primary Government (Excluding the OPERF)

Investments Managed by Treasury

Investments of the primary government (excluding OPERF) held by the Treasurer require the exercise of prudent and reasonable care in the context of a fund's investment portfolio and as part of an overall investment strategy. The Treasurer is required to diversify investments unless it is not prudent to do so. In addition, the Treasurer must exercise reasonable care to incorporate risk and return objectives suitable to the particular investment fund. Each Treasury fund has a policy and procedure that addresses objectives and strategies.

Interest Rate Risk

Investment policy for fixed income portfolios under the direct management of the Treasurer generally limits the time horizon of the portfolio to an average maturity of one to five years. In addition, externally managed fixed income investment funds are required by policy to maintain an average bond duration level within 20.00% of the benchmark bond index. For investments not under the management of the Treasurer, there are no formal policies on interest rate risk. Investment objectives and strategies of the primary government (excluding the OPERF) are based on credit quality, asset diversification, staggered maturities, and in some portfolios, duration. For variable rate securities, the next interest rate reset date is used instead of the maturity date.

Credit risk

Investment policies for fixed income investments under the management of the Treasurer require that the portfolio maintain an average Standard and Poor's (S&P) credit quality of AA or A, as determined for each investment fund. For investments not under management of the Treasurer, there are no formal policies on credit risk.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Investments held by Treasury:

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
 - **Investments managed by Treasury:** funds priced using a fair value per share published daily and validated with a sufficient level of observable activity; investments in real estate, including real estate investment trusts, when their value is based on an active market price; and equity securities, including exchange-traded derivative instruments, when their value is based on quoted prices from an active market.
 - **Investments not managed by Treasury:** funds priced using a fair value per share that is published daily and validated with a sufficient level of observable activity; and equity securities, including exchange-traded derivative instruments, when their value is based on quoted prices from an active market.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
 - **Investments managed by Treasury:** investments with remaining maturities of fewer than 90 days are carried at amortized cost, which approximates fair value; investments with maturities of greater than 90 days, debt securities, and investments not valued at fair value per share are valued using the latest bid prices or evaluated quotes from independent pricing vendors, which use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions; certain non-U.S. government commercial paper is reported at amortized cost as independent vendor pricing was not available; and where observable activity is limited, yet supports that the fair value per share represents an exit value of the security at the measurement date.
 - **Investments not managed by Treasury:** debt securities are valued using the latest bid prices or evaluated quotes from independent pricing vendors, which use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions; and where observable activity is limited, yet supports that the fair value per share represents an exit value of the security at the measurement date.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.
 - **Investments managed by Treasury:** when independent price sources are not available, debt securities are priced based on the last traded price or a valuation provided by the investment manager; in the absence of quoted market prices, such as equity securities that trade infrequently or not at all, valuations are based on the last traded price or prices provided by investment managers; and funds that do not meet the criteria to be measured at fair value per share because the fair value per share (or its equivalent) was not calculated in a manner consistent with the Financial Accounting Standards Board (FASB) measurement principles for investment companies.

- o **Investments not managed by Treasury:** when independent price sources are not available, debt securities are priced based on last traded price or a valuation provided by the investment manager; and funds that do not meet the criteria to be measured at fair value per share because the fair value per share (or its equivalent) was not calculated in a manner consistent with the FASB measurement principles for investment companies. Real estate property investments are valued by appraisals using market sales approach and income approach.

Investments that are measured at net asset value (NAV) as a practical expedient, such as private equity, alternative, opportunity and real estate investments, are excluded from the fair value hierarchy if the NAV per share (or its equivalent) was calculated in a manner consistent with the FASB measurement principles for investment companies. In the Common School Fund, private equity consists of 18 funds, organized as limited partnerships and limited liability companies, participating in diversified strategies including leveraged-buyouts, venture capital, growth equity, fund of funds, co-investments, and special situations. The fair values of the private equity investments have been determined using the NAV per share (or its equivalent) as provided by the general partner or managing member. These funds have a finite term. Distributions will be received as the underlying investments of the funds are liquidated, which is expected to occur over the next 12 to 14 years.

Common School Fund investments in real estate, other than real estate investment trusts which are generally valued based on an active market price have been valued based on the NAV per share (or its equivalent) as provided by the general manager. This type includes three commingled real estate funds, structured as limited partnerships, where the funds have a finite term. Distributions from the funds will be received as the underlying investments of the funds are liquidated. Liquidation is expected to take place during the five-year period following the termination of investment period which extends to 2035. Real estate also includes investment in three open ended funds that permit quarterly redemption of shares, subject to certain requirements being met. Alternative equity funds seek to provide diversification and inflation hedging characteristics in the Common School Fund and includes investments with a focus on infrastructure. Alternative equity consists of 19 investments in commingled funds organized as limited partnerships and limited liability companies. The fair values of the investment have been determined using NAV per share (or its equivalent) as provided by the fund manager. For alternative real assets, which include nine of the 19 funds, the funds have a finite term. Distributions will be received as underlying investments of the funds are liquidated, which is expected to occur over the next eight to 12 years. Alternative diversifying strategies permit periodic redemption of shares, subject to certain requirements being met, and consist of 10 funds investing in diversifying hedge strategies.

In the Educational Support Fund, private equity consists of 69 current funds, organized as limited partnerships and limited liability companies, participating in diversified strategies including venture capital, growth equity, leveraged buyouts, natural resources, and special situations. The fair values of the private equity investments have been determined using the NAV per share (or its equivalent) as provided by the general partner or managing member. The lifespan of these illiquid investments is intended to be between 10 to 12 years and the general partner determines how to return capital as each strategy develops. Commitments into these funds are spaced out annually as an attempt to smooth out the timing of these investments' distributions over the long-term.

Investments of the Oregon Short Term Fund (OSTF)

The OSTF is a short-term cash investment vehicle. A number of local governments in Oregon as well as all state agencies participate in the OSTF. Because the OSTF acts as a demand deposit account, both the cash and investments within the OSTF are shown as cash and cash equivalents on the balance sheet and statement of net position. The external portion of the OSTF is reported within an external investment pool fund. The OSTF staff manages interest rate risk by limiting the maturity of the investments. The portfolio rules require that at least 50.00% of the portfolio mature or reset within 93 days; not more than 25.00% of the portfolio may mature or reset in over a year; and no investments may mature or reset over three years from settlement date. For variable rate securities, the next interest rate reset date is used instead of the maturity date. For variable rate securities in a fixed rate period that will switch to variable rate at a later date, the maturity is based on the final maturity of the security, not the next variable reset date. For fixed rate securities with a put option, the date upon which the put option is fully exercisable for at least 100.00% of the face value is used instead of the maturity date, and for variable rate securities with a put option, the earlier of the next variable reset date or the put date is used instead of maturity date. For asset-backed securities, the weighted average life will be used as a proxy for the maturity date.

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Interest rate and credit risk for the OSTF investments as of June 30, 2024 (in thousands):

Investment Type	Credit Rating	Investment Maturities			Balance at June 30, 2024
		93 Days or less	94 to 366 Days	One to Three Years	
U.S. Treasuries	Exempt	\$ 7,606,316	\$ 345,920	\$ 137,544	\$ 8,089,780
Agency securities	Not rated ⁴	238,012	242,873	453,569	934,454
Agency discount notes	AAA	34,918	-	-	34,918
	Not rated ⁴	125,577	24,456	-	150,033
Total agency discount notes		160,495	24,456	-	184,951
Municipal commercial paper	A-1+	15,784	483	-	16,267
Municipal obligations	AAA	-	39,270	-	39,270
	AA	337,910	25,961	-	363,871
	A	114,671	-	-	114,671
Total municipal obligations		452,581	65,231	-	517,812
Corporate commercial paper	A-1+	2,020,034	34,806	-	2,054,840
	A-1	2,182,839	15,849	-	2,198,688
	A-2	400,437	-	-	400,437
Total corporate commercial paper		4,603,310	50,655	-	4,653,965
Corporate obligations	AAA	17,500	-	-	17,500
	AA	2,066,277	216,965	172,723	2,455,965
	A	4,947,368	927,604	351,440	6,226,412
	BBB ¹	602,796	97,257	54,751	754,804
Total corporate obligations		7,633,941	1,241,826	578,914	9,454,681
Non-U.S. government commercial paper	A-1+	191,790	11,481	-	203,271
Non-U.S. government obligations	AAA	1,350,247	288,553	59,465	1,698,265
	AA	276,322	-	20,032	296,354
Total non-U.S. government obligations		1,626,569	288,553	79,497	1,994,619
Asset-backed securities	AAA	4,949,226	1,400,801	615,642	6,965,669
Commingled investment pool	Not rated ²	-	-	224,239	224,239
Time certificates of deposit ³	Not rated	9,000	-	-	9,000
Total		\$ 27,487,024	\$ 3,672,279	\$ 2,089,405	\$ 33,248,708

¹ Securities rated BBB on this table have been downgraded during the past fiscal year. The positions have been reviewed and retained at the Senior Investment Officer's discretion per the rules below.

² The Oregon Local Government Intermediate Fund (OLGIF) is not rated by the credit ratings agencies. The composite credit quality rating of the OLGIF's holdings was AA at June 30, 2024.

³ Time Certificate of Deposits are considered deposits for purposes of credit quality, and are fully covered by FDIC and state PFCP programs.

⁴ Federal Agency securities carry an implicit guarantee from the US Government.

OSTF investment policies provide for a minimum composite weighted average credit quality rating for the Fund's holdings to be the equivalent of an AA Standard and Poor's (S&P) rating. The minimum ratings for corporate notes at the time of purchase are a S&P rating of A-, a Moody's rating of A3, or a Fitch rating of A-. Commercial paper is required to have a minimum short-term credit rating at the time of purchase from two of three ratings services; minimum ratings are S&P of A-1, Moody's of P-1, and Fitch of F-1. Foreign government securities are required to have a minimum credit rating from S&P of AA-, Moody's of Aa3, or Fitch of AA-. Asset-backed securities are required to have long-term ratings of AAA, Aaa, or AAA, or short-term ratings of A-1+, P-1, or F-1+ by S&P, Moody's, and Fitch, respectively. Fund policies allow securities downgraded below the minimum required ratings at the time of purchase to be retained at the Senior

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Investment Officer's discretion. Rating groups were determined using the lowest actual rating from S&P, Moody's, or Fitch.

The fair value measurement for investments held in the OSTF at June 30, 2024 (in thousands):

	Level 1	Level 2	Level 3	Balance at June 30, 2024
Investments:				
U.S. Treasuries	\$ -	\$ 7,925,083	\$ -	\$ 7,925,083
Agency securities	-	934,454	-	934,454
Agency discount notes	-	24,456	-	24,456
Municipal obligations	-	215,856	-	215,856
Municipal commercial paper	-	483	-	483
Non-U.S. government commercial paper	-	61,257	-	61,257
Non-U.S. government obligations	-	1,893,768	-	1,893,768
Corporate obligations	-	9,369,268	-	9,369,268
Corporate commercial paper	-	308,517	-	308,517
Asset-backed securities	-	6,965,669	-	6,965,669
Total	\$ -	\$ 27,698,811	\$ -	\$ 27,698,811

The OSTF's investment in the Oregon Local Government Intermediate Fund (OLGIF) is priced using a net asset value and the value of OLGIF's underlying investments are marked to market daily. The OSTF held approximately 93.60% of the outstanding units of OLGIF at June 30, 2024.

Investments of the Oregon Intermediate Term Pool (OITP)

The OITP provides qualified participants with a vehicle to invest funds over a long-term investment horizon. The investment objective of OITP is to maximize total return (i.e., principal and income) within stipulated risk parameters. The OITP staff manages interest rate risk by limiting the duration of investments held by the Pool. The portfolio guidelines require that the portfolio's modified duration, a measure of interest rate risk, shall not exceed three years. The weighted average duration for the Pool at June 30, 2024, was 3.43 years. The maximum maturity for any single investment should not be greater than 10.25 years from settlement date, with exceptions for asset-backed securities, mortgage-backed securities, and commercial mortgage-backed securities. These securities use weighted average life (WAL) as a proxy for maturity and are limited to a WAL of five years, or less, at the time of purchase.

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The credit rating for the investments held within the OITP and using the weighted average modified duration method at June 30, 2024 (in thousands):

Investment Type	Credit Rating	Balance at June 30, 2024	Weighted Average Modified Duration (in years)
U.S. Federal agency residential mortgage-backed securities ¹	AA	\$ 17,407	
	A	1,515	
	Exempt	93	
Total U.S. federal agency residential mortgage-backed securities¹		19,015	5.29
U.S. Treasury debt	Exempt	189,728	4.00
Asset-backed securities	AAA	17,331	
	AA	9,921	
	A	3,296	
	BBB	3,427	
Total asset-backed securities		33,975	1.10
Corporate debt	AA	143	
	A	9,466	
	BBB	51,582	
	BB ³	3,414	
	B ³	678	
Total corporate debt		65,283	4.30
Commercial mortgage-backed securities	AAA	451	1.94
Municipal debt	AAA	316	1.26
External investment pool ²	Not Rated	37,548	0.25
Total		\$ 346,316	

¹ U.S. federal debt carries an implicit guarantee of the U.S. Government. For credit quality rules, federal debt is considered to be the highest quality, except when rated differently.

² The Oregon Short Term Fund (OSTF) is not rated by the credit ratings agencies. The composite credit quality rating of the OSTF's holdings was AA at June 30, 2024.

³ Securities rated BB or lower on this table have been downgraded during the past fiscal year. The positions have been reviewed and retained at the Senior Investment Officer's discretion per the rules below.

OITP guidelines require that all investments meet minimum ratings requirements at the time of purchase. Minimum required ratings are subject to investment type as dictated by the Pool's guidelines. Corporate notes and municipal debt must be rated investment grade or higher at time of purchase. Foreign government securities are required to have a minimum credit rating of AA- or Aa3 by at least two Nationally Recognized Statistical Rating Organizations (NRSROs). Structured securities such as asset-backed and mortgage-backed securities must be rated AAA at the time of purchase. Pool guidelines allow securities downgraded below investment grade to be retained at the Senior Investment Officer's discretion.

Fair value measurement for the OITP at June 30, 2024 (in thousands):

Investment Type	Level 1	Level 2	Level 3	Balance at June 30, 2024
Asset-backed securities	\$ -	\$ 33,975	\$ -	\$ 33,975
Commercial mortgage-backed securities	-	451	-	451
U.S. Federal agency residential mortgage-backed	-	19,015	-	19,015
Municipal debt	-	316	-	316
Corporate debt	-	65,283	-	65,283
U.S. Treasury debt	-	189,728	-	189,728
Total	\$ -	\$ 308,768	\$ -	\$ 308,768

State of Oregon
Notes to the Financial Statements

Investments of the Oregon Local Government Intermediate Fund (OLGIF)

The OLGIF is an external commingled investment pool for local governments offered by the Oregon State Treasury. The OLGIF provides qualified local government participants with a vehicle to invest assets over an intermediate time horizon (three to five years). The OLGIF is reported within an external investment pool fund. The OLGIF staff manages interest rate risk by limiting the duration of investments held by the Fund. The portfolio guidelines require that the portfolio maintain a weighted average duration, a measure of interest rate risk, of plus or minus 20.00% relative to the duration of the Bloomberg Capital 1-5 Year Government/Credit Index (Benchmark). The duration for the Fund and the Benchmark at June 30, 2024, was 2.67 years and 2.70 years, respectively. The maximum maturity for any single investment should not be greater than 10.25 years from settlement date, with exceptions for asset-backed securities, mortgage-backed securities, and commercial mortgage-backed securities. These securities use weighted average life (WAL) as a proxy for maturity and are limited to a WAL of five years, or less, at the time of purchase.

The credit rating for the investments held within the OLGIF and using the weighted average modified duration method at June 30, 2024 (in thousands):

Investment Type	Credit Rating	Balance at June 30, 2024	Weighted Average Modified Duration (in years)
U.S. Treasuries	Exempt	\$ 79,953	4.57
Federal agency mortgages	Not Rated	6,727	
	Exempt	<u>5,678</u>	
Total federal agency mortgages		12,405	1.71
Short Term Investment Fund ¹	Not Rated	2,443	
Asset-backed securities	AAA	10,214	
	AA	<u>1,346</u>	
Total asset-backed securities		11,560	1.51
Corporate debt	AAA	696	
	AA	7,223	
	A	54,079	
	BBB	57,340	
	BB	1,683	
	Not Rated	<u>190</u>	
Total corporate debt		121,211	1.82
Commercial mortgage-backed securities	AAA	13,066	1.23
Total		<u><u>\$ 240,638</u></u>	

¹ The Short Term Investment Fund (STIF) is not rated by the credit ratings agencies. The average credit quality of the STIF holdings was A1P1 and the weighted average maturity of the STIF was 34 days at June 30, 2024.

OLGIF guidelines require that all investments meet minimum ratings requirements at the time of purchase. Minimum required ratings are subject to investment type as dictated by the Fund's guidelines. Corporate notes and municipal debt must be rated investment grade or higher at time of purchase. Foreign government securities are required to have a minimum credit rating from S&P of AA-, Moody's of Aa3, or Fitch of AA-. Structured securities such as asset-backed and mortgage-backed securities must be rated AAA at the time of purchase.

Fund guidelines allow securities downgraded below investment grade to be retained at the discretion of the external manager. At no time should the weighted average credit quality of the Fund be more than one rating category below that of the Benchmark. At June 30, 2024, the weighted average credit quality of both the Fund and of the Benchmark was AA.

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Notes to the Financial Statements

Fair value measurement for the OLGIF at June 30, 2024 (in thousands):

Investment Type	Level 1	Level 2	Level 3	June 30, 2024
Short Term Investment Fund	\$ -	\$ 2,443	\$ -	\$ 2,443
Asset-backed securities	-	11,560	-	11,560
Federal agency mortgages	-	12,405	-	12,405
Commercial mortgage-backed securities	-	13,066	-	13,066
Corporate debt	-	121,211	-	121,211
U.S. Treasuries	-	79,953	-	79,953
Total	\$ -	\$ 240,638	\$ -	\$ 240,638

Investments of the Governmental Funds, Managed by Treasury

The credit rating for the investments at Treasury held within the governmental funds, excluding the Common School Fund, and using the segmented time distribution method at June 30, 2024 (in thousands):

Reporting Fund¹	Investment Type	Credit Rating²	Investment Maturities (in years)				Balance at June 30, 2024
			Less than 1	1 to 5	6 to 10	More than 10 or none	
Public Transportation	Corporate bonds	AAA	\$ 986	\$ -	\$ -	\$ -	\$ 986
		A	5,434	2,838	-	-	8,272
	Total corporate bonds		6,420	2,838	-	-	9,257
	Oregon Intermediate Term Pool ²	Not rated	-	15,211	-	-	15,211
	Total Public Transportation		6,420	18,048	-	-	24,468
Employment Services	Oregon Intermediate Term Pool ²	Not rated	-	219,849	-	-	219,849
Environmental Management	Oregon Intermediate Term Pool ²	Not rated	-	1,448	-	-	1,448
Permanent	Oregon Intermediate Term Pool ²	Not rated	-	1,608	-	-	1,608
Residential Assistance	U.S. Federal agency debt	AA	-	-	8,392	-	8,392
Business Development	Oregon Intermediate Term Pool ²	Not rated	-	41,080	-	-	41,080
Total			\$ 6,420	\$ 282,034	\$ 8,392	\$ -	\$ 296,845

¹ Refer to the separate Common School Fund schedule.

² Refer to the separate Oregon Intermediate Term Pool schedule.

Fair value measurement for the investments at Treasury held within the governmental funds, excluding the Common School Fund, at June 30, 2024 (in thousands):

Reporting Fund	Investment type	Level 1	Level 2	Level 3	Total
Public Transportation	Corporate bonds	\$ -	\$ 9,257	\$ -	\$ 9,257
Residential Assistance	U.S. Federal agency debt	-	8,392	-	8,392
Total Debt Investments		\$ -	\$ 17,650	\$ -	17,650

Investments valued at Net Asset Value (NAV):

Employment Services	Oregon Intermediate Term Pool	219,849
Environmental Management	Oregon Intermediate Term Pool	1,448
Permanent	Oregon Intermediate Term Pool	1,608
Business Development	Oregon Intermediate Term Pool	41,080
Public Transportation	Oregon Intermediate Term Pool	15,211
Total Investments valued at NAV		279,196
Total		\$ 296,845

State of Oregon
Notes to the Financial Statements

The credit rating for the Common School Fund's investments held at Treasury and using the segmented time distribution method at June 30, 2024 (in thousands):

Investment Type	Credit Rating ¹	Investment Maturities (in years)				Balance at June 30, 2024
		Less than 1	1 to 5	6 to 10	More than 10 or none	
U.S. Treasury	Exempt	\$ 6,994	\$ -	\$ 37,719	\$ 17,915	\$ 62,628
U.S. Treasury TIPS	Exempt	-	-	701	-	701
U.S. Federal agency STRIPS	Exempt	12	-	-	101	113
U.S. Federal agency TBA	Exempt	-	-	-	2,488	2,488
	Not rated	-	-	-	4,267	4,267
U.S. Federal agency mortgages	Exempt	1,215	-	13	19,249	20,477
	Not rated	16,406	628	71	37,455	54,561
Total U.S. government debt		24,627	628	38,505	81,475	145,235
Corporate bonds	AAA	1,601	356	-	95	2,053
	AA	-	871	818	1,126	2,815
	A	11,486	5,534	7,290	6,106	30,416
	BBB	12,317	14,777	13,274	11,507	51,874
	BB	911	2,970	1,377	1,466	6,724
Total corporate bonds		26,316	24,508	22,758	20,299	93,881
Non-U.S. government debt	A	-	-	169	-	169
	BBB	1,579	1,262	-	8,392	11,233
	BB	-	-	-	482	482
Total non-U.S. government debt		1,579	1,262	169	8,874	11,884
Asset-backed securities	AAA	1,147	547	337	553	2,584
	AA	368	-	-	341	709
	A	1,068	-	421	276	1,765
	BBB	711	203	-	400	1,314
	BB	25	-	-	-	25
	CC	82	-	-	-	82
Total asset-backed securities		3,401	750	757	1,570	6,479
Collateralized mortgage obligations	AAA	6,548	-	-	-	6,548
	AA	1,642	-	-	-	1,642
	A	367	-	-	-	367
	BBB	3,579	-	-	-	3,579
	BB	362	-	-	-	362
	B	502	-	-	-	502
	CCC	48	-	-	-	48
	Not rated	26	-	-	-	26
Total collateralized mortgage obligations		13,073	-	-	-	13,073

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Notes to the Financial Statements

Investment Type	Credit Rating ¹	Investment Maturities (in years) (continued)				Balance at June 30, 2024
		Less than 1	1 to 5	6 to 10	More than 10 or none	
Collateralized mortgage-backed securities	AAA	7,306	-	-	1,954	9,260
	AA	2,096	-	-	943	3,039
	A	718	-	-	-	718
	BBB	428	-	-	-	428
Total collateralized mortgage-backed securities		10,548	-	-	2,897	13,445
Domestic fixed income funds	Not rated	-	-	-	290,844	290,844
Total debt investments		\$ 79,545	\$ 27,148	\$ 62,189	\$ 405,960	574,841
Domestic equity securities						120,670
International equity securities						168,169
Domestic equity funds						532,688
International equity funds						439,331
Private equity holdings						171,009
International real estate investment trusts						1,303
Real estate LP						10,677
Real estate open ended funds						181,922
Alternative diversifying strategies						96,034
Alternative real assets						59,903
Total						\$ 2,356,549

¹ Investments of \$62,628 in U.S. Treasury securities, \$701 in U.S. Treasury Inflation Protected Securities (TIPS), \$113 in Federal Agency STRIPS, \$6,755 in Federal Agency TBA, and \$19,663 in Government National Mortgage Association (GNMA), which are reported within U.S. Federal agency mortgages, are explicitly guaranteed by the U.S. government, and therefore, are exempt from credit risk disclosure requirements.

State of Oregon
Notes to the Financial Statements

Fair value measurement for the investments at Treasury held by the Common School Fund at June 30, 2024 (in thousands):

Investment type	Level 1	Level 2	Level 3	Total
U.S. Treasury	\$ -	\$ 62,628	\$ -	\$ 62,628
U.S. Treasury TIPS	-	701	-	701
U.S. Federal agency STRIPS	-	113	-	113
U.S. Federal agency TBA	-	6,755	-	6,755
U.S. Federal agency mortgages	-	75,038	-	75,038
Non-U.S. government debt	-	11,884	-	11,884
Corporate bonds	-	93,881	-	93,881
Asset-backed securities	-	6,479	-	6,479
Collateralized mortgage obligations	-	13,073	-	13,073
Collateralized mortgage-backed securities	-	13,445	-	13,445
Total debt securities	-	283,997	-	283,997
Domestic equity securities	288,839	-	1	288,839
International equity funds	35,565	-	-	35,565
International real estate investment trusts	1,303	-	-	1,303
Total equity securities	325,707	-	1	325,707
Total	\$ 325,707	\$ 283,997	\$ 1	609,705
Investments measured at Net Asset Value (NAV)				
Domestic equity funds				532,688
International equity funds				403,767
Domestic fixed income funds				290,844
Private equity				171,009
Real estate LP				10,677
Real estate open ended funds				181,922
Alternative diversifying strategies				96,034
Alternative real assets				59,903
Total investments measured at NAV				1,746,844
Total investments at fair value				\$ 2,356,549

Disclosures regarding redemption and investments valued at NAV per share (or its equivalent), held by the Common School Fund, including unfunded commitments at June 30, 2024 (in thousands):

Investments Measured at Net Asset Value (NAV)	Fair Value	Unfunded Commitments¹	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Private equity	\$ 171,009	\$ 71,021	N/A	N/A
Real estate LP	10,677	18,601	N/A	N/A
Real estate open ended funds	181,922	803	Monthly, Quarterly	15 days
Alternative diversifying strategies	96,034	-	Monthly, Quarterly	2 - 65 days
Alternative real assets	59,903	75,833	N/A	N/A
Domestic fixed income funds	290,844	-	Daily	5 days
Domestic equity funds	532,688	-	Daily	2 days
International equity funds	403,767	-	Daily, Quarterly	2 - 120 days
Total	\$ 1,746,844	\$ 166,258		

¹ Excludes new commitments not yet funded at June 30, 2024.

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Notes to the Financial Statements

Investments of the Proprietary Funds, Managed by Treasury

The credit rating for the investments at Treasury held by proprietary funds and using the segmented time distribution method at June 30, 2024 (in thousands):

		Investment Maturities (in years)					
Reporting Fund	Investment Type	Credit Rating ²	Less than 1	1 to 5	6 to 10	More than 10 or none	Balance at June 30, 2024
Housing and Community Services ¹							
	U.S. Treasury securities	Exempt	\$ -	\$ -	\$ -	\$ 778	\$ 778
	U.S. Federal agency securities	AA	-	-	-	435	435
Total Housing and Community Services			-	-	-	1,214	1,214
Veterans' Loan							
	Oregon Intermediate Term Pool ³	Not rated	-	12,108	-	-	12,108
Lottery Operations							
	U.S. Treasury STRIPS	Exempt	10,895	33,485	25,484	21,859	91,723
	U.S. Federal agency STRIPS	Not rated	72	-	-	-	72
Total Lottery Operations			10,967	33,485	25,484	21,859	91,795
Special Public Works							
	Oregon Intermediate Term Pool ³	Not rated	-	12,237	-	-	12,237
Central Services							
	U.S. Federal agency mortgages	Not rated	454	-	-	-	454
Total			\$ 11,421	\$ 57,830	\$ 25,484	\$ 23,072	\$ 117,807

¹ \$307,331 in investments are held outside Treasury. Refer to the separate schedule.

² Investments of \$778 in U.S. Treasury securities and \$91,723 in U.S. Treasury STRIPS are explicitly guaranteed by the U.S. government and, therefore, are exempt from credit risk disclosure requirements.

³ Refer to the separate Oregon Intermediate Term Pool schedule.

The fair value measurement for the investments at Treasury held by proprietary funds at June 30, 2024 (in thousands):

Reporting Fund	Investment type	Level 1	Level 2	Level 3	Balance at June 30, 2024
Housing and Community Services	U.S. Treasury securities	\$ -	\$ 778	\$ -	\$ 778
	U.S. Federal agency debt	-	435	-	435
	Total Housing and Community Services	-	1,214	-	1,214
Lottery Operations	U.S. Treasury STRIPS	-	91,723	-	91,723
	U.S. Federal agency STRIPS	-	72	-	72
	Total Lottery Operations	-	91,795	-	91,795
Central Services	U.S. Federal agency mortgages	-	454	-	454
Total Debt Investments		\$ -	\$ 93,463	\$ -	93,463
Investments valued at NAV					
Veterans' Loan	Oregon Intermediate Term Pool				12,108
Special Public Works	Oregon Intermediate Term Pool				12,237
Total Investments Valued at NAV					24,344
Total					\$ 117,807

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Notes to the Financial Statements

Investments not Managed by Treasury

For investments held outside of the Treasury, statutes govern the placement of funds with outside parties as part of trust agreements or mandatory asset holdings by regulatory agencies. The credit rating and segmented time distribution for investments held outside Treasury at June 30, 2024 (in thousands):

Reporting Fund	Investment Type	Credit Rating ¹	Investment Maturities (in years)				Balance at June 30, 2024
			Less than 1	1 to 5	6 to 10	More than 10 or none	
Common School	U.S. agency securities	Exempt	\$ -	\$ -	\$ -	\$ 37	\$ 37
	Municipal bonds	Not rated	-	-	15	103	117
	Corporate bonds	A	-	5	24	-	29
		Baa	-	-	13	-	13
		Ba	-	-	11	-	11
		Not rated	-	-	27	-	27
	Total corporate bonds		-	5	74	-	79
Total Common School			-	5	89	140	234
Revenue Bond	Guaranteed investment contracts	N/A	-	2,523	-	-	2,523
Housing and Community Services	U.S. Treasury securities	Exempt	69,897	-	-	-	69,897
	GNMA	Exempt	-	-	-	2,098	2,098
	U.S. Federal agency securities	AA	5,747	11,273	6,773	17,745	41,538
		Not rated	9,933	-	-	-	9,933
	Total federal agency debt		15,681	11,273	6,773	17,745	51,471
	Money market mutual funds ²	AAA	183,866	-	-	-	183,866
Total Housing and Community Services			269,443	11,273	6,773	19,842	307,331
Private Purpose Trust	U.S. Treasury securities ³	Exempt	521	163	23	-	707
	Domestic mutual funds - debt ³	Not rated	-	-	-	1,027	1,027
Total Private Purpose Trust			521	163	23	1,027	1,735
Total Debt Investments			<u>\$ 269,965</u>	<u>\$ 13,964</u>	<u>\$ 6,885</u>	<u>\$ 21,009</u>	<u>311,823</u>
Educational Support	Private equities	N/A					220,348
Common School	Mutual funds	N/A					44,554
	Domestic equity securities	N/A					78,749
	International equity securities	N/A					174
	Real estate investment trust	N/A					30
	Real estate	N/A					2,905
Private Purpose Trust	Domestic equity securities	N/A					3
	Annuity contracts	N/A					109
Total							<u>\$ 658,696</u>

¹ Investments of \$70,604 in U.S. Treasury securities and \$2,098 in GNMA are explicitly guaranteed by the U.S. government and, therefore, exempt from credit risk disclosure requirements.

² Included in Cash and Cash Equivalents - Restricted on the Statement of Net Position.

³ Some investments (along with certain cash deposits) are reported as receivership assets on the statement of fiduciary net position.

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The fair value measurement for investments held outside Treasury at June 30, 2024 (in thousands):

Reporting Fund	Investment type	Level 1	Level 2	Level 3	Balance at June 30, 2024
Common School	U.S. agency securities	\$ -	\$ 37	\$ -	\$ 37
	Municipal bonds	-	117	-	117
	Corporate bonds	-	79	-	79
	Mutual funds	44,554	-	-	44,554
	Domestic equity securities	78,738	11	-	78,749
	International equity securities	174	-	-	174
	Real estate	-	-	2,905	2,905
	Real estate investment trust	30	-	-	30
Total Common School		123,497	244	2,905	126,647
Housing and Community Services	U.S. Treasury securities	-	69,897	-	69,897
	U.S. Federal agency securities	-	51,471	-	51,471
	Money market mutual funds	183,866	-	-	183,866
	GNMA	-	2,098	-	2,098
Total Housing and Community Services		183,866	123,466	-	307,331
Private Purpose Trust	U.S. Treasury securities	-	707	-	707
	Domestic equity securities	3	-	-	3
Total Private Purpose Trust		3	707	-	711
Total Debt Investments		\$ 307,366	\$ 124,417	\$ 2,905	434,688
Investments reported at NAV:					
Educational Support	Private equities				220,348
Revenue Bond	Guaranteed investment contracts				2,523
Private Purpose Trust	Domestic mutual funds - debt				1,027
	Annuity contracts				109
Total					\$ 658,696

Disclosures regarding redemption and investments valued at NAV per share (or its equivalent), held by the Educational Support Fund, including unfunded commitments at June 30, 2024 (in thousands):

Investments Measured at Net Asset Value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Private equities	\$ 220,348	\$ 55,327	N/A	N/A

Interest Rate Sensitive Investments

As of June 30, 2024, the primary government held approximately \$172 million in debt instruments backed primarily by collateralized mortgage-backed securities and federal agency mortgages. These securities represent a stream of principal and interest payments from underlying mortgages. Assets with these characteristics are susceptible to prepayment by the mortgage holders, which may result in a decrease in total interest realized. The value of these securities can be volatile as interest rates fluctuate. Additionally, the risk of default exists and collateral held may potentially be insufficient to cover the principal due. In addition, the primary government held approximately \$91.6 million of asset-backed securities collateralized primarily by automobile loans, equipment leases, insurance, and student loans.

Concentration of Credit Risk

Investment policies for fixed income investments under the management of the Treasurer generally limit investments in a single issuer to 5.00% of the portfolio, with the exception of securities of the U.S. government and U.S. agencies. For investments not under the management of the Treasurer, there are no formal policies on concentration of credit risk. At June 30, 2024, there were no issuers that exceeded 5.00% of the primary government's holdings (excluding OPERF).

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Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. On June 30, 2024, 15.81% of the Housing and Community Service Fund's total investments were Federal Home Loan Bank securities, 10.64% were Federal Farm Credit Bank securities, 8.56% were Federal National Mortgage Association (FNMA) securities, and 5.78% are Tennessee Valley Authority securities.

Within the major governmental funds, the Public Transportation Fund's investments included \$2.9 million (11.96%) in Toyota Motor Corporation and \$1.9 million (7.73%) in Toronto-Dominion Bank.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Oregon state agencies are required to deposit moneys in state-qualified depositories under Oregon law. Exceptions due to foreign field offices and related circumstances are approved by the Treasurer. International debt securities denominated in U.S. dollars are not subject to currency risk if the investment's obligations will be paid in U.S. dollars. Investment policies for fixed income investments under the management of the Treasurer generally prohibit investments in non-dollar denominated securities. The Common School Fund is allowed to invest in non-dollar denominated securities. For investments not under the management of the Treasurer, there are no formal policies on foreign currency risk.

Deposits and investments exposed to foreign currency risk for the primary government (excluding the OPERF) as of June 30, 2024 (in thousands):

Foreign Currency Denomination	Deposits and Investments (U.S. Dollars)					
	International			Non-US		
	Deposits	Equity Securities	Corporate Bonds	Government Debt	International Real Estate	Total
Argentine peso	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1
Australian dollar	-	5,704	-	-	-	5,704
Brazilian real	-	843	-	-	-	843
British pound sterling	4	41,728	-	-	-	41,732
Canadian dollar	705	5,826	-	-	-	6,531
Chilean peso	-	63	-	-	-	63
Chinese yuan	-	2,473	-	-	-	2,473
Danish krone	67	5,900	-	-	-	5,967
Euro	11	54,299	-	-	-	54,310
Hong Kong dollar	-	9,748	-	-	-	9,748
Hungarian forint	-	21	-	-	-	21
Indian rupee	-	-	1,601	-	-	1,601
Indonesian rupiah	-	56	-	-	-	56
Israeli new shekel	3	-	-	-	-	3
Japanese yen	-	25,244	-	-	-	25,244
Korean won	-	3,096	-	-	-	3,096
Mexican peso	285	-	-	9,198	-	9,483
New Taiwan dollar	-	7,748	-	-	-	7,748
Norwegian krone	-	1,779	-	-	-	1,779
Polish zloty	-	868	-	-	-	868
Singapore dollar	-	3,222	-	-	1,303	4,525
South African rand	-	897	-	-	-	897
Swedish krona	-	3,817	-	-	-	3,817
Swiss franc	-	14,822	-	-	-	14,822
Thai baht	-	1,939	-	-	-	1,939
Turkish lira	-	228	-	-	-	228
Total	\$ 1,076	\$ 190,321	\$ 1,601	\$ 9,198	\$ 1,303	\$ 203,499

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C. Investments – Primary Government – Oregon Public Employees Retirement Fund (OPERF)

The Council establishes policies for the investment and reinvestment of moneys in the OPERF. Policies are established based on the primary investment class of each investment manager and do not reflect the classifications of individual holdings as presented in the financial statements. Contracts with individual investment managers provide additional guidelines that vary from manager to manager.

Investments in the OPERF as of June 30, 2024 (in thousands):

Investment Type	Fair Value
U.S. Treasury obligations	\$ 8,680,042
U.S. Treasury obligations - STRIPS	229,852
U.S. Treasury obligations - TIPS	51,400
U.S. Federal agency mortgage securities	1,022,955
U.S. Federal agency mortgage TBAs	318,745
U.S. Federal agency debt	105,222
U.S. Federal agency STRIPS	1,322
International debt securities	1,161,796
Non-U.S. government debt securities	288,071
Corporate bonds	2,455,134
Bank loans	843,059
Municipal bonds	31,942
Collateralized mortgage obligations	703,187
Commercial mortgage-backed securities	81,764
Asset-backed securities	716,804
Guaranteed investment contracts ¹	294,196
Domestic fixed income funds	1,162,520
Global fixed income funds	962,000
Total debt securities	19,110,011
Derivatives in asset positions	61,379
Domestic equity securities	10,591,996
International equity securities	5,516,829
Domestic equity funds	4,243,658
Global equity funds	1,101,014
International equity funds	422,125
Target date funds	994,994
Oregon Savings Growth Plan - self directed	73,267
Real estate and real estate investment trusts	13,201,577
Private equity	26,872,170
Real assets	10,163,459
Diversifying strategies	4,962,845
Opportunity portfolio	2,711,548
Total investments	\$ 100,026,872

¹ Guaranteed investment contracts are stated at contract value.

Interest Rate Risk

Interest rate risk is managed within the OPERF using the effective duration methodology. As of June 30, 2024, the weighted average duration of the fixed income portfolio was 5.31 years and no individual fixed income investment manager's portfolio was outside the policy guidelines.

At June 30, 2024, the OPERF held approximately \$1.8 billion in debt instruments backed by pooled mortgages, collateralized mortgage obligations, commercial mortgage-backed securities, or fixed-rate mortgages. These securities represent a stream of principal and interest payments from underlying

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mortgages. Assets with these characteristics are susceptible to prepayment by the mortgage holders, which may result in a decrease in total interest realized. The value of these securities can be volatile as interest rates fluctuate. Additionally, the risk of default exists, and collateral held may potentially be insufficient to cover the principal due. The OPERF also held approximately \$318.7 million in to-be-announced federal agency-issued mortgage pools. An additional \$716.8 million of debt instruments are asset-backed securities backed primarily by automobiles, consumer credit receivables, heavy equipment leases, and student loan receivables.

Debt investments of the OPERF as of June 30, 2024 (in thousands):

Investment Type	Balance at June 30, 2024	Effective Weighted Duration Rate (in years)
U.S. Treasury obligations	\$ 8,680,042	4.53
U.S. Treasury obligations - STRIPS	229,852	0.52
U.S. Treasury obligations - TIPS	51,400	4.40
U.S. Federal agency mortgage securities	1,022,955	5.25
U.S. Federal agency mortgage TBAs	318,745	5.21
U.S. Federal agency debt	105,222	4.76
U.S. Federal agency STRIPS	1,322	13.83
International debt securities	1,161,420	6.47
Non-U.S. government debt securities	287,718	7.73
Corporate bonds	2,454,171	5.93
Bank loans	836,794	7.13
Municipal bonds	31,942	5.15
Collateralized mortgage obligations	703,187	6.70
Commercial mortgage-backed securities	81,764	10.05
Asset-backed securities	716,804	6.01
Domestic fixed income funds	1,162,520	5.59
Global fixed income funds	962,000	6.09
No effective duration:		
International debt securities	376	N/A
Non-U.S. government debt securities	353	N/A
Corporate bonds	964	N/A
Bank loans	6,265	N/A
Guaranteed investment contracts	294,196	N/A
Total debt securities	19,110,011	
Cash equivalent - Mutual Funds - STIF	807,161	34 days ¹
Cash equivalent - Oregon Short Term Fund	2,400,622	109 days ¹
Total subject to interest rate risk	\$ 22,317,794	

¹ Weighted average maturity. Pools are not rated.

Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The Council has no formal policy regarding credit risk. As of June 30, 2024, the fair value of below grade investments, excluding unrated securities, is \$1.7 billion, or 16.89%, of total securities subject to credit risk and 8.72% of total debt securities. The weighted quality rating average is AA-. Unrated securities include \$163.4 million in bank loans, \$1.6 billion in domestic and global fixed income funds, \$294.2 million in guaranteed investment contracts, and \$449.2 million in other debt securities.

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Credit ratings for debt securities within the OPERF as of June 30, 2024 (in thousands):

Credit Rating	Balance at June 30, 2024
AAA	\$ 1,014,238
AA	835,670
A	856,510
BBB	1,912,989
BB	473,012
B	995,341
CCC	156,180
CC	28,721
C	721
D	11,658
Not rated	2,519,616
Not rated - U.S. Federal agency ¹	1,056,364
Total subject to credit risk	9,861,021
U.S. government guaranteed securities	9,248,990
Total	\$ 19,110,011

¹ Federal agency securities are not rated by the credit rating agencies as they carry an implicit guarantee of the U.S. government.

Custodial Credit Risk

Custodial credit risk for investments is the risk that in the event of a failure of the counterparty, the OPERF will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. There is no formal policy regarding the holding of securities by a custodian or counterparty. As of June 30, 2024, investment securities (excluding cash, cash equivalents, and repurchase agreements held as securities lending collateral) are registered and held in the name of the Oregon Investment Council (OIC), for the benefit of PERS, and are not exposed to custodial credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment or a deposit. As of June 30, 2024, approximately 0.80% of the debt investment portfolio was invested in non-dollar denominated securities. Policies for the OPERF portfolio do not limit non-dollar denominated investments. OPERF utilizes a currency overlay manager to reduce risk through offsetting investments in the developed foreign currency market for international equity portfolios.

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The OPERF's exposure to foreign currency risk as of June 30, 2024 (in thousands):

Foreign Currency Denomination	Deposits and Investments (U.S. Dollars)						Total
	Cash and Cash Equivalents	Debt Securities	Public Equity	Derivatives in Asset Positions	Real Estate	Real Assets and Diversifying Strategies	
Australian dollar	\$ 465	\$ -	\$ 142,706	\$ 2	\$ 2,303	\$ 52,709	\$ 198,184
Brazilian real	1,152	-	56,163	-	-	-	57,315
British pound sterling	4,907	27,135	692,964	-	-	54,268	779,274
Canadian dollar	6,281	1,554	240,846	-	-	-	248,681
Chilean peso	32	-	5,303	-	-	-	5,335
Chinese yuan	32,525	-	117,720	-	-	-	150,246
Colombian peso	25	-	2,333	-	-	-	2,358
Czech koruna	36	-	2,437	315	-	-	2,787
Danish krone	2	1	195,570	-	-	-	195,573
Egyptian pound	26	-	3,108	-	-	-	3,134
Euro	11,225	82,568	1,213,898	8	755	3,539,225	4,847,679
Hong Kong dollar	1,735	-	266,539	-	-	-	268,274
Hungarian forint	17	-	1,093	5,056	-	-	6,166
Indian rupee	608	8,905	209,028	-	-	-	218,542
Indonesian rupiah	77	-	37,287	-	-	-	37,364
Israeli new shekel	64	-	5,723	-	-	-	5,786
Japanese yen	2,651	-	748,042	-	-	-	750,693
Kuwaiti dinar	131	-	80	-	-	-	210
Malaysian ringgit	88	-	5,381	1	14	-	5,483
Mexican peso	5,637	32,539	22,263	277	4,212	-	64,928
New Taiwan dollar	585	-	196,055	-	-	-	196,640
New Zealand dollar	-	-	1,608	-	-	-	1,608
Nigerian naira	13	-	-	-	-	-	13
Norwegian krone	-	-	20,399	-	-	-	20,399
Pakistani rupee	10	-	10,020	-	-	-	10,030
Philippine peso	60	-	4,178	-	-	-	4,238
Polish zloty	38	-	12,077	55	-	-	12,170
Qatari rial	-	-	2,179	-	-	-	2,179
Saudi Arabian riyal	293	-	26,399	-	57	-	26,749
Singapore dollar	54	-	56,849	-	14,084	-	70,986
South African rand	7	-	43,423	472	-	-	43,902
South Korean won	497	-	199,946	52,117	-	-	252,559
Swedish krona	163	-	115,274	-	-	-	115,437
Swiss franc	14	-	322,600	-	-	-	322,614
Thailand baht	334	-	15,448	138	-	-	15,920
Turkish lira	15	-	6,238	-	-	-	6,253
United Arab Emirates dirham	7	-	15,418	-	-	-	15,425
Total	\$ 69,774	\$ 152,701	\$ 5,016,593	\$ 58,440	\$ 21,424	\$ 3,646,202	\$ 8,965,134

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Fair Value Measurement

Fair value measurement levels for investments in the OPERF as of June 30, 2024 (in thousands):

	Level 1	Level 2	Level 3	Total
Investments by Fair Value Level				
Debt Securities:				
U.S. Treasury obligations	\$ -	\$ 8,680,042	\$ -	\$ 8,680,042
U.S. Treasury obligations - STRIPS	-	229,852	-	229,852
U.S. Treasury obligations - TIPS	-	51,400	-	51,400
U.S. Federal agency mortgage securities	-	1,022,955	-	1,022,955
U.S. Federal agency mortgage TBAs	-	318,745	-	318,745
U.S. Federal agency debt	-	105,222	-	105,222
U.S. Federal agency STRIPS	-	1,322	-	1,322
Non-U.S. government debt securities	-	288,071	-	288,071
Corporate bonds	-	2,958,170	10,298	2,968,468
Bank loans	-	810,614	121,191	931,805
Municipal bonds	-	31,942	-	31,942
Collateralized mortgage obligations	-	808,203	12,935	821,138
Commercial mortgage-backed securities	-	81,764	-	81,764
Asset-backed securities	-	1,091,908	66,661	1,158,569
Domestic fixed income funds	-	1,162,520	-	1,162,520
Global fixed income funds	-	962,000	-	962,000
Total debt securities¹	-	18,604,730	211,085	18,815,815
Public Equity:				
Domestic equity securities	10,575,399	-	16,596	10,591,996
International equity securities	5,516,761	-	68	5,516,829
Domestic equity funds	-	4,243,658	-	4,243,658
Global equity funds	-	1,101,014	-	1,101,014
International equity funds	302,178	119,948	-	422,125
Target date funds	-	994,994	-	994,994
Oregon Savings Growth Plan - self directed	73,267	-	-	73,267
Total public equity	16,467,605	6,459,614	16,665	22,943,883
Real estate investment trusts	549,194	-	-	549,194
Total investments by fair value level	\$ 17,016,799	\$ 25,064,344	\$ 227,750	42,308,892
Investments Measured at Net Asset Value (NAV)				
Real estate:				
Real estate investments				9,630,407
Real estate open ended funds				3,021,976
Total real estate				12,652,383
Private equity				26,872,170
Real assets				10,163,459
Diversifying strategies				4,962,845
Opportunity portfolio:				
Opportunity private investments				1,708,931
Opportunity open ended funds				1,002,617
Total opportunity portfolio				2,711,548
Total investments measured at NAV				57,362,404
Total investments measured at fair value				\$ 99,671,296

¹ Guaranteed investment contracts are excluded from the table as these are stated at contract value

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Investments Measured at Net Asset Value

Disclosures regarding redemption and investments valued at NAV per share (or its equivalent) including unfunded commitments at June 30, 2024 (in thousands):

	Fair Value	Unfunded Commitments¹	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real estate:				
Real estate investments	\$ 9,630,407	\$ 2,698,258	N/A	N/A
Real estate open ended funds	3,021,976	105,466	Quarterly	15 - 90 days
Private equity	26,872,170	7,076,699	N/A	N/A
Real assets	10,163,459	4,220,570	N/A	N/A
Diversifying strategies	4,962,845	-	Monthly	3 - 90 days
Opportunity portfolio:				
Opportunity private investments	1,708,931	909,894	N/A	N/A
Opportunity open ended funds	1,002,617	196,927	Monthly, Quarterly	5 - 90 days
Total	\$ 57,362,404	\$ 15,207,813		

¹ Excludes unfunded commitments associated with investments included in the fair value hierarchy (Levels 1, 2, and 3) and new commitments not yet funded at June 30, 2024.

Equity securities are generally valued based on quoted prices from an active market and are therefore categorized in Level 1. In the absence of quoted market prices, such as equity securities that trade infrequently or not at all, valuations are based on the last traded price, or a price provided by investment managers and are generally categorized in Level 3.

Debt securities classified as Level 2, are valued using the latest bid prices or evaluated quotes from independent pricing vendors. The third-party vendors use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions. When independent price sources are not available, debt securities are priced based on the last traded price or a valuation provided by the investment manager and are categorized in Level 3.

Funds priced using a NAV that is published daily and validated with a sufficient level of observable activity are categorized in Level 1. If observable activity is limited, yet supports that the NAV represents an exit value of the security at the measurement date, the securities are categorized in Level 2. Investments that are measured at NAV as a practical expedient, such as most private equity, real assets, diversifying strategies, opportunity, and real estate investments, are excluded from the fair value hierarchy if the NAV per share (or its equivalent) was calculated in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. Funds not meeting this criteria are categorized in Level 3.

Investments in real estate, other than real estate investment trusts which are generally valued based on an active market price and are categorized in Level 1, have been valued based on the NAV per share (or its equivalent), as provided by the general partner. This type includes 64 commingled real estate funds, structured as limited partnerships, where the funds have a finite term. Distributions from the funds will be received as the underlying investments of the funds are liquidated. Liquidation is expected to take place during the five-year period following the termination of the investment period which extends to 2037. Investments in real estate also include 16 joint ventures where the investments are expected to be held for the long term and generate cash flow that will represent a significant component of the total return. Real estate also includes investments in 17 open ended funds that permit quarterly redemption of shares, subject to certain requirements being met.

Private equity consists of approximately 220 funds, organized as limited partnerships and limited liability companies, participating in diversified strategies including leveraged buyouts, venture capital, growth equity, fund-of-funds, co-investments, and special situations. The fair values of the private equity investments have been determined using the NAV per share (or its equivalent) as provided by the general partner or managing member. These funds have a finite term. Distributions will be received as the underlying investments of the funds are liquidated, which is expected to occur over the next 12 to 14 years.

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Real Asset and Diversifying Asset investments seek to provide diversification and inflation-hedging characteristics to the fund. They include investments with a focus on infrastructure and natural resources. Real assets consist of 108 investments in commingled funds organized as limited partnerships and limited liability companies. The fair values of the investments have been determined using a NAV per share (or its equivalent) of the investments. For real asset infrastructure and natural resource investments, which includes 90 of the 108 funds, the funds have a finite term. Distributions will be received as the underlying investments of the funds are liquidated, which is expected to occur over the next 10 to 14 years. The remaining 18 funds are open ended, permitting periodic redemption of shares, subject to certain requirements being met. These 18 funds are investing in diversifying hedge strategies.

The Opportunity Portfolio includes strategies that fall outside of other asset classes and include 26 funds investing in a broad range of performing and distressed debt and debt related securities as well as royalties and insurance-based investments. The fair values of the investments have been determined using a NAV per share (or its equivalent) of the investments. For 19 of the 26 funds, the funds have a finite term. Distributions will be received as the underlying investments of the funds are liquidated, which is expected to occur over the next seven to 10 years. The remaining seven funds are open ended, permitting periodic redemption of shares.

D. Repurchase Agreements

Investments in repurchase agreements made with cash collateral securities lending transactions had the following fair values at June 30, 2024:

- \$26 million, or 7.40% of the Oregon Short Term Investment Fund, the cash collateral pool for all agencies, excluding OPERF.
- \$350 million, or 57.50% of the OPERF cash collateral pool.

E. Securities Lending

The State participates in securities lending transactions in accordance with State investment policies. The Treasury has, through a Securities Lending Agreement, authorized State Street Bank and Trust Company (State Street) to lend the State's securities pursuant to a form of loan agreement. Both the State and borrowers maintain the right to terminate all securities lending transactions on demand. There were no significant violations of the provisions of securities lending agreements during the year ended June 30, 2024.

During the year, State Street had the authority to loan short-term, fixed income, and equity securities and to receive as collateral U.S. dollar and foreign currency cash, U.S. government and agency securities, letters of credit, and foreign sovereign debt of Organization of Economic Cooperation and Development countries. Borrowers were required to deliver collateral for each loan equal to not less than 102.00% of the fair value of the loaned U.S. securities, international fixed income securities, or 105.00% in the case of international equity. The custodian did not have the ability to pledge or sell collateral securities absent a borrower default, and during the fiscal year the State did not impose restrictions on the amount of loans the custodian made on its behalf. The State is fully indemnified against losses due to borrower default by its custodian. There were no losses during the year from the failure of borrowers to return loaned securities and no recoveries of amounts from prior losses.

State Street, as lending agent, has created a fund to reinvest cash collateral received on behalf of the OSTF and Oregon state agencies other than PERS. As permitted under the fund's Declaration of Trust (Declaration), participant purchases and redemptions are transacted at \$1 per unit ("constant value") based on the amortized cost of the fund's investments. Accordingly, the securities lending collateral held and the obligation to the lending agent are both stated at constant value on the balance sheet and statement of net position.

The maturities of investments made with cash collateral did not generally match the maturities of the securities loaned. Since the securities loaned are callable on demand by either the lender or borrower, the life of the loans at June 30, 2024, is effectively one day. On June 30, 2024, the State had no credit risk exposure to borrowers because the amounts the State owes to borrowers exceed the amounts borrowers owe the State.

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Securities lending balances on loan, collateral received, and investments of cash collateral as of June 30, 2024, of the primary government, including the OPERF (in thousands):

Investment Type	Cash and Securities Collateral Received	Securities on Loan at Fair Value	Investments of Cash Collateral at Fair Value
U.S. Treasury and agency securities	\$ 518,050	\$ 507,278	\$ 13,447
Domestic equity securities	537,181	520,223	321,339
International equity securities	87,192	83,081	71,409
Domestic fixed income securities	300,379	292,912	267,802
Total	\$ 1,442,802	\$ 1,403,494	\$ 673,997

State Street, as lending agent, has also created a fund, solely owned by OPERF, to reinvest cash collateral received. OPERF bears the entire risk of loss and the reinvested cash collateral is stated at fair value in the Pension and Other Employment Benefit Trust Funds in the statement of fiduciary net position.

F. Restricted Assets

Included in deposits and investments are amounts which are committed for specific purposes, including loan acquisitions, payment of debt service, lottery prizes, and deferred compensation. At June 30, 2024, the primary government had restricted assets of \$5.6 billion in deposits and \$1.4 billion in investments.

3. DERIVATIVE INSTRUMENTS

Derivative instruments are financial instruments whose value is derived from underlying assets, reference rates, or indexes. A derivative instrument generally takes the form of a contract in which two parties agree to make payments at some later date based on the value of the underlying assets, reference rates, or indexes. The main types of derivative instruments are futures, forwards, options, and swaps. The State uses derivative instruments as hedges against certain risks, for example, to counter increases in interest costs, and as investments. For investment derivative instruments, the Oregon State Treasury (Treasury) policy allows, with some restrictions, for the use of derivative instruments in the prudent management of the State's investments. Certain external management firms are allowed, through contract, to invest in derivative instruments in order to carry out their investment management activities.

A. Hedging Derivative Instruments (Excluding the Oregon Public Employees Retirement Fund)

Housing and Community Services Department

The Oregon Housing and Community Services Department (OHCS D) has entered into pay-fixed, receive-variable interest rate swaps to hedge against changes in variable rate interest and to lower borrowing costs compared to fixed rate bonds. OHCS D had seven swaps at the end of the fiscal year. The fair value of the swaps on June 30, 2024, totaled \$19.7 million and the notional amount totaled \$192.2 million. The fair value of hedging derivative instruments totaled \$19.6 million. Hedging derivative instrument swaps with positive fair values are shown on the proprietary funds statement of net position and the government-wide statement of net position under deferred inflows of resources and derivative instrument assets. During the fiscal year the fair value of the hedging derivative instruments increased by \$2.8 million.

The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for the hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. This methodology is believed to be consistent with accepted practice in the market for interest rate swaps. The fair value is categorized as Level 2 within the fair value hierarchy described in Note 2.

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The terms, fair values, counterparties, and credit ratings of OHCS D's outstanding swaps as of June 30, 2024 (dollars in thousands):

Bond Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Term Date	Counterparty	Counterparty Rating ²
Mortgage revenue bonds								
2015 C	\$ 33,600	9/6/2018	2.75%	70% of SOFR ¹ + .130136%	\$ 2,503	7/1/2045	Royal Bank of Canada	Aa1 / AA- / AA-
2016 B	13,140	1/1/2019	1.71%	66.5% of SOFR + .1561292%	870	1/1/2033	Royal Bank of Canada	Aa1 / AA- / AA-
2016 C	15,000	1/1/2019	2.00%	66.5% of SOFR + .2261292%	1,361	7/1/2037	Royal Bank of Canada	Aa1 / AA- / AA-
2017 C	41,605	7/1/2019	2.41%	70% of SOFR + .130136%	1,822	7/1/2039	Bank of America, N.A.	Aa1 / A+ / AA
2018 E	41,000	5/4/2020	1.12%	³	8,339	7/1/2043	Bank of America, N.A.	Aa1 / A+ / AA
2020 B	24,500	7/13/2020	0.90%	⁴	3,698	7/1/2037	Royal Bank of Canada	Aa1 / AA- / AA-
2022 D	21,000	10/27/2022	4.42%	100% of SOFR + 0.15%	1,010	7/1/2047	Royal Bank of Canada	Aa1 / AA- / AA-
	<u>\$ 189,845</u>				<u>\$ 19,604</u>			

¹ Secured Overnight Financing Rate

² Moody's / S&P / Fitch

³ USD Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index from the Effective Date weekly to, but excluding, January 1, 2028, and 70% of SOFR + .080136% thereafter.

⁴ USD SIFMA Municipal Swap Index from the Effective Date weekly to, but excluding, July 1, 2026, and 70% of SOFR + .080136% thereafter.

The mortgage revenue bonds (MRB) swaps include options giving OHCS D the right to call (cancel) the swaps in whole or in part, depending on the exercise date, semiannually on or after July 1, 2023 (2016 B and 2016 C), January 1, 2025 (2015 C), July 1, 2026 (2017 C and 2020 B), January 1, 2028 (2018 E), and January 1, 2031 (2022 D). These options provide flexibility to manage the prepayments of loans and the related bonds.

Basis risk is the risk that arises when variable interest rates on a derivative instrument and the associated bond are based on different indexes. All variable interest rates on OHCS D's tax exempt bonds are determined weekly by a remarketing agent. OHCS D is exposed to basis risk when the variable rates received, which are based on the Secured Overnight Financing Rate (SOFR) or the SIFMA rate, do not offset the variable rates paid on the bonds. As of June 30, 2024, the SOFR rate was 5.45% and the SIFMA rate was 3.88%. OHCS D's variable interest rates as of June 30, 2024, can be found in Note 7.

Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. OHCS D or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the swap agreement. If any of the swaps are terminated, the associated variable rate bonds would no longer carry synthetic fixed interest rates and OHCS D would then be exposed to interest rate risk. Also, if any of the swaps had a negative value at termination, OHCS D would be liable to the counterparty for a payment equal to the fair value of the swap.

Rollover risk is the risk that occurs when the swap termination date does not extend to the maturity date of the associated debt. OHCS D is not exposed to rollover risk because the swap termination dates match the associated bond maturity dates.

Debt service requirements of the variable-rate debt and net swap payments of OHCS D, using interest rates as of June 30, 2024 (in thousands):

Year Ending June 30,	Principal	Interest	Interest Rate Swaps (Net)	Total
2025	\$ 3,340	\$ 7,351	\$ (3,817)	\$ 6,874
2026	4,010	7,554	(4,130)	7,435
2027	4,120	7,398	(4,036)	7,482
2028	4,240	7,237	(3,891)	7,586
2029	4,680	7,071	(3,790)	7,961
2030-2034	41,310	31,189	(16,576)	55,923
2035-2039	67,460	20,393	(10,536)	77,317
2040-2044	47,915	8,314	(4,134)	52,095
2045-2049	12,770	975	(499)	13,246
Total	<u>\$ 189,845</u>	<u>\$ 97,481</u>	<u>\$ (51,409)</u>	<u>\$ 235,917</u>

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OHCS's swaps include provisions that require collateral to be posted if the rating on the senior bonds issued under the 1988 indenture (MRB) is not above either Baa1 (Moody's) or BBB+ (S&P). If the bonds are at or below these levels, collateral in the amount of the current swap fair value (rounded to the nearest \$10 thousand) is required to be posted. The minimum transfer amount is \$100 thousand or \$0 if neither rating agency rates the bonds. The total fair value on June 30, 2024, of the swaps that include these provisions is \$19.7 million. As of June 30, 2024, the bonds subject to these provisions are rated Aa2 by Moody's; the bonds are not rated by S&P.

Department of Veterans' Affairs

The Veterans' Loan Fund, a major enterprise fund managed by the Department of Veterans' Affairs (DVA), has interest rate swaps in connection with its Loan Program General Obligation Veterans' Welfare Bonds, 2015 Series P (Veterans' Welfare Bonds Series 95), 2020 Series J (Veterans' Welfare Bonds 105B), 2020 Series M (Veterans' Welfare Bonds Series 106C), and 2022 Series E (Veterans' Welfare Bonds Series 110). The swaps and underlying floating-rate bonds together create "synthetic" fixed-rate debt. The DVA did not have any maturities of derivative instruments during fiscal year 2024. During the fiscal year, the fair value of the Series 95 swap decreased by \$304.6 thousand. The fair value of the Series 105B and 106C swap increased by \$361.1 thousand. The fair value of the Series 110 swap decreased by \$46.6 thousand.

The fair value balance of the interest rate swaps is reported on the proprietary funds statement of net position and the government-wide statement of net position under deferred inflows of resources and derivative instrument assets.

The fair value as of June 30, 2024, is positive. The fair value of the interest rate swaps is estimated using the zero-coupon method. This method calculates the future payments required by the swaps, using the forward interest rates implied by the yield curve for the floating leg of the swaps and the fixed rate of the swaps for the fixed leg of the swaps. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the swaps. The fair value is categorized as Level 2 within the fair value hierarchy described in Note 2.

The terms and objectives of the DVA outstanding derivative instruments as of June 30, 2024 (dollars in thousands):

Type	Objective	Notional Amount	Effective Date	Termination Date	Fixed Rate Paid	Variable Rate Received	Fair Value
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 95 bonds, specifically related to changes in municipal tax-exempt interest rates	\$ 25,140	12/1/2020	12/1/2036	1.01%	100% USD-SIFMA ¹ Municipal Swap Index	\$ 3,150
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 105B & 106C bonds, specifically related to changes in municipal tax-exempt interest rates	\$ 23,000	6/1/2021	12/1/2044	1.17%	100% USD-SIFMA ¹ Municipal Swap Index ²	\$ 4,828
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 110 bonds, specifically related to changes in municipal tax-exempt interest rates	\$ 11,000	8/10/2022	6/1/2045	2.52%	70%+0.08% SOFR Index ³	\$ 167

¹ Securities Industry and Financial Markets Association (resets weekly)

² Receive 100% SIFMA from July 1, 2021, until June 1, 2029, then 70% of 1-month IBOR (Interbank Offered Rate) from July 1, 2029, until the termination date.

³ Receive 70% of USD-SOFR-Compound + .08% (Secured Overnight Financing Rate) until the termination date.

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The Series 95 swap was structured with an option that gives the DVA the right to cancel or terminate the swap at par on the first day of each June and December, in whole or in part commencing June 1, 2025.

The DVA may also terminate the Series 105B and 106C swap on the first day of each June and December commencing on June 1, 2029. The DVA may also terminate the Series 110 swap on the first day of each June or December beginning on June 1, 2031. These options enhance asset/liability matching and provide flexibility to adjust the outstanding notional amount of the swaps over time.

Credit risk is the risk that a counterparty will not fulfill its obligations. The DVA's Series 95 swap is with Bank of America, N.A. (the Series 95 swap counterparty), which is rated A+ and Aa1 by S&P and Moody's, respectively. The Series 105B, 106C, and 110 swap is with The Bank of New York Mellon (the Series 105B, 106C, and 110 swap counterparty), which is rated AA- and Aa1 by S&P and Moody's, respectively. If the Series 95 swap counterparty's credit rating falls below certain levels, the Series 95 swap counterparty is required to post collateral to the lower of the following ratings (in thousands):

S&P Rating	Moody's Rating	Threshold	Minimum Transfer Amount
AA- or higher	Aa3 or higher	Infinite	\$ 1,000
A+	A1	\$ 10,000	1,000
A	A2	5,000	1,000
A-	A3	2,500	1,000
BBB+ or below or not rated	Baa1 or below or not rated	-	100 ¹

¹ Minimum Transfer Amount shall be \$0 if, and for so long as, neither Moody's nor S&P rate the long-term unsecured, unsubordinated, debt securities of Bank of America N.A.

If the Series 105B, 106C and 110 swap counterparty's credit rating falls below certain levels, the Series 105B, 106C and 110 swap counterparty is required to post collateral to the lower of the following ratings (in thousands):

S&P Rating	Moody's Rating	Threshold	Minimum Transfer Amount
AA- or higher	Aa3 or higher	Infinite	\$ -
A+	A1	\$ 10,000	1,000
A	A2	5,000	1,000
A-	A3	2,500	1,000
BBB+ or below or not rated	Baa1 or below or not rated	-	100 ¹

¹ Minimum Transfer Amount shall be \$0 if, and for so long as, neither Moody's nor S&P rate the long-term unsecured, unsubordinated, debt securities of The Bank of New York Mellon.

Since the fair value of the swaps as of June 30, 2024, are positive, but the threshold applicable to the ratings by S&P and Moody's has not been exceeded, the Series 95 swap counterparty and the Series 105B, 106C, and 110 swap counterparty are not required to post collateral. The State may require collateralization or other credit enhancements to secure any or all swap payment obligations where Treasury determines such security is necessary to limit the credit risk or otherwise protect the interests of the State.

The DVA is exposed to interest rate risk on its pay-fixed, receive-variable interest rate swaps. As the SIFMA Municipal Swap Index rate decreases, the net payments on the swaps increases.

The DVA is exposed to basis risk because the variable rate debt hedged by the interest rate swaps, are variable rate demand obligation (VRDO) bonds. The Series 95 VRDO bonds are remarketed weekly.

The Series 105B, Series 106C, and Series 110 VRDO bonds are remarketed daily. The DVA becomes exposed to basis risk because the variable rate payments received by the DVA are based on a rate other than the interest rate paid on the VRDO bonds. At June 30, 2024, the interest rate on the DVA's Series 95 VRDO

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bonds is 3.85%, the interest rate on the Series 105B and Series 106C VRDO bonds is 4.90%, and the interest rate on the Series 110 VRDO bonds is 4.70% while the SIFMA Municipal Swap Index rate is 3.88%.

The DVA or its counterparties may terminate the interest rate swap if the other party fails to perform under the terms of the contract thereby exposing the DVA to termination risk.

As interest rates fluctuate, variable rate bond interest payments and net swap payments will differ between the fixed payments paid to the counterparties and the variable rate paid to the DVA. Using interest rates as of June 30, 2024, the following table presents the debt service requirements of the variable rate debt (on the notional amount of the swaps) and the net swap payments (in thousands):

Year Ending June 30,	Principal	Interest	Interest Rate Swaps (Net)	Total
2025	\$ 1,730	\$ 2,587	\$ (1,737)	\$ 2,580
2026	1,800	2,522	(1,690)	2,632
2027	1,855	2,452	(1,639)	2,668
2028	1,895	2,384	(1,584)	2,695
2029	1,940	2,304	(1,530)	2,714
2030-2034	10,450	10,366	(6,805)	14,011
2035-2039	19,750	7,146	(4,331)	22,565
2040-2044	18,070	2,688	(1,425)	19,333
2045	1,650	41	(4)	1,687
Total	\$ 59,140	\$ 32,490	\$ (20,745)	\$ 70,885

If the State's unsecured, unenhanced, general obligation debt rating reaches certain levels, the DVA is required to post collateral to the lower of the following ratings (in thousands):

S&P Rating	Moody's Rating	Threshold	Minimum Transfer Amount (Series 95)	Minimum Transfer Amount (Series 105B, 106C & 110)
A- or higher	A3 or higher	Infinite	\$ 100	\$ -
BBB+ or below	Baa1 or below	\$ -	100 ¹	100 ¹

¹ Minimum Transfer Amount shall be \$0 if, and for so long as, neither Moody's nor S&P rate the applicable DVA debt.

B. Investment Derivative Instruments (Excluding the Oregon Public Employees Retirement Fund)

Common School Fund

In the Common School Fund (CSF) portfolio, forward currency exchange contracts may be used to gain exposure or hedge against effects of fluctuations of foreign currency exchange rates. A foreign currency exchange contract is a forward contract that is a commitment to purchase or sell a foreign currency at the future date at a negotiated forward rate. Foreign currency forward contracts are privately negotiated contracts with customized terms and are transacted in over-the-counter markets. Risk associated with such contracts includes movement in the value of foreign currencies and the failure of the counterparty to perform.

The following table shows the foreign currency exchange contracts within the Common School Fund as of June 30, 2024 (in thousands):

Currency Forward Contracts			
Currency	Net Receivables	Net Payables	Total Exposure
Canadian dollar	\$ 7	\$ 3	\$ 9
Mexican peso	(42)	434	392
Total	\$ (35)	\$ 436	\$ 401

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In the CSF portfolio, rights and warrants are often obtained and held due to existing investments. Rights are the right, but not the obligation, to purchase newly issued equity shares, often in proportion to the number of shares currently owned, in a specific company, at a pre-established price on or within a predetermined date. A warrant provides the holder the right, but not the obligation, to purchase securities from the issuing entity at a specific price and within a certain period. Rights and warrants are privately transacted in the over-the-counter markets. Both are subject to general market risk and liquidity risk.

The fair value of derivative instruments within the CSF portfolio as of June 30, 2024 (in thousands):

Investment Derivatives	Net Appreciation / (Depreciation) in	Classification	Fair	Notional
	Fair Value ^{1,4}		Value ²	Value ³
Foreign exchange forwards	\$ 206	Long-term instruments	\$ 401	\$ 13,415
Total	\$ 206		\$ 401	\$ 13,415

¹ Negative values (in brackets) refer to losses.

² Negative values refer to liabilities.

³ Notional may be a dollar amount or size of underlying for futures and options.

⁴ Excludes futures margin payments.

The fair value of derivative instruments is reported on the balance sheet as investments, accounts and interest receivable, and accounts and interest payable. Changes in fair value of derivative instruments during the fiscal year are reported on the statement of revenues, expenditures, and changes in fund balances as investment income.

C. Other Derivative Instruments – (Excluding Oregon Public Employees Retirement Fund)

Housing and Community Services Department

A portion of the MRB 2017 C swap was reclassified from hedging derivative instruments to other derivative instruments when the associated bonds were called (OHCS D's other derivative instrument was classified as an investment derivative instrument before the implementation of Statement No. 99 of the Governmental Accounting Standards Board in fiscal year 2024). The fair value of other derivative instruments on June 30, 2024, was \$105 thousand. The fair value of the other derivative instruments increased by \$15 thousand during the fiscal year.

The terms, fair values, counterparties, and credit ratings of OHCS D's outstanding swaps as of June 30, 2024 (dollars in thousands):

Bond Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Term Date	Counterparty	Counterparty Rating ²
Mortgage revenue bonds								
2017 C	\$ 2,395	7/1/2019	2.41%	70% of SOFR ¹ + .130136%	\$ 105	7/1/2039	Bank of America, N.A.	Aa1 / A+ / AA
Total	\$ 2,395				\$ 105			

¹ Secured Overnight Financing Rate

² Moody's / S&P / Fitch

D. Investment Derivative Instruments – Oregon Public Employees Retirement Fund (OPERF)

Oregon Investment Council policy allows, with some restrictions, for the use of derivative instruments in the prudent management of the OPERF investments. Certain internally and externally managed accounts are allowed, through contract and policy, to invest in derivative instruments in order to carry out their investment management activities. Risks inherent with derivative instruments are managed through investment management's adherence to contractual and policy prescribed terms that are consistent with the OPERF's investing objectives. All derivative instruments held by OPERF are considered investments. The fair value of the derivative investments is reported in public equity investments, investment sales receivable, and accounts

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and interest payable on the statement of fiduciary net position. Changes in fair value during the fiscal year are reported in the net appreciation (depreciation) in fair value of investments line on the statement of changes in fiduciary net position.

The following schedule presents the related net appreciation/(depreciation) in fair value amounts and the notional amounts of derivative instruments outstanding as of June 30, 2024 (in thousands):

Investment Derivatives	Net Appreciation/ (Depreciation) in Fair Value of Investments ^{1,3}	Classification	Fair Value	Notional Value²
Credit Default Swaps Bought	\$ 47	Public Equity	\$ (1,320)	\$ 62,530
Credit Default Swaps Written	670	Public Equity	1,340	72,048
Fixed Income Futures Long	(222,425)	Public Equity	-	5,697,474
Fixed Income Futures Short	13,036	Public Equity	-	(95,960)
Fixed Income Options Bought	1,857	Public Equity	98	1,918
Fixed Income Options Written	278	Public Equity	(348)	(8,033)
Foreign Currency Options Bought	(74)	Public Equity	7	5,947
Foreign Currency Options Written	239	Public Equity	(65)	(4,659)
Foreign Exchange Forwards	244,019	Receivables/Payables	48,002	7,826,802
Futures Options Bought	(2,231)	Public Equity	9	57
Futures Options Written	1,646	Public Equity	-	-
Index Futures Long	12,950	Public Equity	-	7
Index Futures Short	(385,963)	Public Equity	-	(8,535)
Pay Fixed Interest Rate Swaps	13,581	Public Equity	6,445	287,538
Receive Fixed Interest Rate Swaps	1,955	Public Equity	(1,816)	169,423
Rights	(16)	Public Equity	-	-
Warrants	127	Public Equity	403	74
Total	\$ (320,304)		\$ 52,753	\$ 14,006,632

¹ Negative values (in brackets) refer to losses.

² Notional may be a dollar amount or size of underlying for futures, rights, warrants, and options. Negative values refer to short positions.

³ Excludes futures margin payments.

The following table shows the fair value measurement for investment derivative instruments as of June 30, 2024 (in thousands):

Investment Derivative Instruments¹	Level 1	Level 2	Level 3	Total
Credit Default Swaps	\$ -	\$ 1,366	\$ -	\$ 1,366
Foreign Exchange Forwards	-	(27,339)	-	(27,339)
Interest Rate Swaps	-	59,497	-	59,497
Options	9	105	-	114
Rights and Warrants	240	-	163	403
Total Assets	248	33,628	163	34,040
Credit Default Swaps	-	(1,347)	-	(1,347)
Foreign Exchange Forwards	-	75,342	-	75,342
Interest Rate Swaps	-	(54,868)	-	(54,868)
Options	-	(414)	-	(414)
Total Liabilities	-	18,713	-	18,713
Total	\$ 248	\$ 52,342	\$ 163	\$ 52,753

¹ Refer to Note 2 for more information on the fair value hierarchy.

A forward foreign currency exchange contract is a forward contract that is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The fair value of a foreign currency forward is

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determined by the difference between the contract exchange rate and the closing exchange rate, at the end of the reporting period. Risks associated with such contracts include movement in the value of foreign currencies and the ability of the counterparty to perform.

A futures contract represents a commitment to purchase or sell an underlying asset at a future date and at a specified price. Futures contracts have standardized terms and are traded on exchanges. The counterparty credit risk for futures is generally less than for privately negotiated forward contracts, since the clearinghouse, which is the issuer or counterparty to each exchange-traded future, settles daily the net change in the futures contract's value in cash with the broker and results in the contract itself having no fair value at the end of any trading day.

A swap is an agreement that obligates two parties to exchange a series of cash flows or the net value of cash flows at specified intervals based upon, or calculated by, reference to changes in specified prices or rates for a specified amount of an underlying asset. Swaps are privately negotiated contracts with customized terms and are transacted in over-the-counter markets. OPERF held various types of swaps including credit default, interest rate, and total return swaps. The payment flows are usually netted against each other, with the difference being paid by one party or another. In addition, collateral may be pledged or received by OPERF in accordance with the terms of the respective swap agreements to provide value and recourse to OPERF or its counterparties. Swaps are subject to general market risk, liquidity risk, credit risk, interest rate risk, and the risk that the counterparty may fail to perform.

An option is an instrument that gives one party the right, but not the obligation, to buy or sell an underlying asset from or to another party at a fixed price over a specified period of time. In writing an option, OPERF bears the market risk of an unfavorable change in the price of the underlying investment of the written option. Exercise of an option written by OPERF could result in OPERF selling or buying an asset at a price different from the current fair value. Options may be subject to interest rate risk, general market risk, liquidity risk, credit risk, foreign currency risk, and, for non-exchange traded options, the risk of the counterparty's ability to perform.

Rights are the right, but not the obligation, to purchase newly issued equity shares, often in proportion to the number of shares currently owned, in a specified company, at a pre-established price on or within a predetermined date. A warrant provides the holder the right, but not the obligation, to purchase securities from the issuing entity at a specific price and within a certain time period. In the OPERF portfolio, rights and warrants are often obtained and held because of existing investments and are subject to general market risk and liquidity risk.

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Counterparty Credit Risk

The following schedule presents a summary of counterparty credit rating relating to derivative instruments in asset positions as of June 30, 2024:

Counterparty Name	Percentage of Net Exposure	S&P Rating	Fitch Rating	Moody's Rating
HSBC Bank USA	11.71%	A+	AA-	Aa3
Citibank N.A.	10.72%	A+	A+	Aa3
Goldman Sachs Bank USA	9.66%	BBB+	A	A2
Morgan Stanley Capital Services Inc.	8.87%	A-	A+	A1
JP Morgan Chase Bank N.A.	8.44%	A+	AA	Aa2
State Street Bank London	7.88%	A	AA-	A1
The Bank of New York Mellon	7.04%	A	AA-	A1
Société Générale	5.55%	A	A-	A1
Morgan Stanley CME	5.54%	A-	A+	A1
Westpac Banking Corporation	3.12%	AA-	AA-	Aa2
Credit Agricole CIB	2.97%	A+	A+	Aa3
Bank of America, N.A.	2.30%	A+	AA	Aa1
Barclays Bank PLC Wholesale	2.10%	A+	A+	A1
Royal Bank of Canada	1.95%	AA-	AA-	A1
UBS AG	1.76%	A+	A+	Aa2
Standard Chartered Bank	1.37%	A+	A+	A1
BNP Paribas SA	1.27%	A+	A+	Aa3
Morgan Stanley ICE	1.24%	A-	A+	A1
Royal Bank of Canada (U.K.)	1.16%	AA-	AA-	A1
NatWest Markets PLC	1.14%	A	A+	A1
JP Morgan CME	1.00%	A-	AA-	A1
State Street Bank and Trust Company	0.99%	AA-	AA	Aa3
Toronto Dominion Bank	0.67%	AA-	AA-	A1
Australia and New Zealand Banking Group	0.43%	AA-	AA-	Aa2
Morgan Stanley LCH	0.38%	A-	A+	A1
JP Morgan Chase Bank N.A London	0.30%	A+	AA	Aa2
Morgan Stanley and Co. International PLC	0.24%	A-	A+	A1
JP Morgan LCH	0.10%	A-	AA-	A1
HSBC Bank PLC	0.06%	A-	A+	A3
Goldman Sachs International	0.03%	A+	A+	A1
Deutsche Bank AG	0.01%	A	A-	A1
Total	100.00%			

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Interest Rate Risk

As of June 30, 2024, OPERF is exposed to interest rate risk on its various swap arrangements and options.

The following schedule presents a segmented time schedule of those instruments as of June 30, 2024 (in thousands):

Investment Type	Fair Value	Investment Maturity (in years)			
		Less Than 1	1 - 5	6 - 10	More than 10
Credit Default Swaps Bought	\$ (1,320)	\$ -	\$ (1,320)	\$ -	\$ -
Credit Default Swaps Written	1,340	-	1,340	-	-
Fixed Income Options Bought	98	-	98	-	-
Fixed Income Options Written	(348)	-	(348)	-	-
Pay Fixed Interest Rate Swaps	6,445	(8)	650	(1,103)	6,905
Receive Fixed Interest Rate Swaps	(1,816)	(260)	258	(1,835)	22
Total	\$ 4,397	\$ (268)	\$ 677	\$ (2,938)	\$ 6,926

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The following schedule presents derivative instruments that were highly sensitive to interest rate changes as of June 30, 2024 (in thousands):

Investment Type	Reference Rate	Fair Value	Notional Value
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 2.60000	\$ 694	\$ 13,741
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month ZAR JIBAR, Pay Fixed 7.49000	23	1,929
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month KRW KSDA, Pay Fixed 3.63900	(6)	436
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month PLN WIBOR, Pay Fixed 5.48740	(4)	357
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month PLN WIBOR, Pay Fixed 6.54670	(33)	783
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month ZAR JIBAR, Pay Fixed 8.86000	(11)	395
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.05000	3,378	28,439
Pay Fixed Interest Rate Swaps	Receive Variable 1-Month MXN TIIE, Pay Fixed 8.47500	7	187
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.15000	2,359	22,858
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 2.88000	300	1,960
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 2.97000	930	6,765
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month MYR KLIBOR, Pay Fixed 3.38000	-	15
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.25000	239	2,695
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month BRL BRCDI, Pay Fixed 12.64000	(12)	720
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month ZAR JIBAR, Pay Fixed 8.45500	-	7
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month CZK PRIBOR, Pay Fixed 5.91857	(6)	464
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month PLN WIBOR, Pay Fixed 6.02100	(2)	942
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month KRW KSDA, Pay Fixed 3.10000	3	1,173
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.59000	265	9,070
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month COP CPIBR, Pay Fixed 9.70200	(10)	790
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 4.20000	(695)	9,000
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month ZAR JIBAR, Pay Fixed 9.08500	(5)	121
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month CZK PRIBOR, Pay Fixed 4.49500	(3)	663
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month HUF BUBOR, Pay Fixed 6.19500	3	435
Pay Fixed Interest Rate Swaps	Receive Variable 1-Month MXN TIIE, Pay Fixed 8.57000	7	174
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.87000	390	63,607
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month BRL BRCDI, Pay Fixed 10.96000	13	431
Pay Fixed Interest Rate Swaps	Receive Variable 1-Month MXN TIIE, Pay Fixed 9.72700	(4)	494
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month PLN WIBOR, Pay Fixed 4.81200	-	16
Pay Fixed Interest Rate Swaps	Receive Variable 1-Month MXN TIIE, Pay Fixed 9.56500	(1)	736
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month CLP CLICP, Pay Fixed 5.54500	(4)	968
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month HUF BUBOR, Pay Fixed 6.88000	(3)	358
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month COP CPIBR, Pay Fixed 7.97000	3	645
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month CZK PRIBOR, Pay Fixed 4.24500	(5)	863
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 4.20000	(1,493)	93,930
Pay Fixed Interest Rate Swaps	Receive Variable 1-Month MXN TIIE, Pay Fixed 10.10000	(2)	1,671
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.87300	(19)	4,805
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.87800	(7)	1,600
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.67150	43	3,560
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.65700	47	3,555
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.65450	24	1,780
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.64650	27	1,975
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.74300	15	2,425
Subtotal - Pay Fixed Interest Rate Swaps		6,445	287,538

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Investment Type	Reference Rate	Fair Value	Notional Value
Receive Fixed Interest Rate Swaps	Receive Fixed 7.45000, Pay Variable 1-Month MXN TIIE	(1,249)	14,749
Receive Fixed Interest Rate Swaps	Receive Fixed 7.44000, Pay Variable 1-Month MXN TIIE	(1,307)	15,355
Receive Fixed Interest Rate Swaps	Receive Fixed 2.77000, Pay Variable 0-Month SOFR	(260)	33,131
Receive Fixed Interest Rate Swaps	Receive Fixed 4.97000, Pay Variable 6-Month PLN WIBOR	(1)	299
Receive Fixed Interest Rate Swaps	Receive Fixed 7.99500, Pay Variable 3-Month ZAR JIBAR	2	881
Receive Fixed Interest Rate Swaps	Receive Fixed 3.53500, Pay Variable 3-Month KRW KSDA	1	51
Receive Fixed Interest Rate Swaps	Receive Fixed 8.95000, Pay Variable 1-Month MXN TIIE	(7)	287
Receive Fixed Interest Rate Swaps	Receive Fixed 7.90000, Pay Variable 6-Month PLN WIBOR	13	154
Receive Fixed Interest Rate Swaps	Receive Fixed 9.16000, Pay Variable 3-Month ZAR JIBAR	3	208
Receive Fixed Interest Rate Swaps	Receive Fixed 6.84500, Pay Variable 6-Month PLN WIBOR	1	15
Receive Fixed Interest Rate Swaps	Receive Fixed 2.96500, Pay Variable 3-Month KRW KSDA	(3)	436
Receive Fixed Interest Rate Swaps	Receive Fixed 4.196875, Pay Variable 3-Month KRW KSDA	28	821
Receive Fixed Interest Rate Swaps	Receive Fixed 8.10850, Pay Variable 1-Month MXN TIIE	(12)	238
Receive Fixed Interest Rate Swaps	Receive Fixed 7.76600, Pay Variable 3-Month ZAR JIBAR	(1)	180
Receive Fixed Interest Rate Swaps	Receive Fixed 3.54500, Pay Variable 3-Month MYR KLIBOR	(1)	424
Receive Fixed Interest Rate Swaps	Receive Fixed 11.12000, Pay Variable 0-Month BRL BRCDI	-	25
Receive Fixed Interest Rate Swaps	Receive Fixed 8.41500, Pay Variable 3-Month ZAR JIBAR	7	535
Receive Fixed Interest Rate Swaps	Receive Fixed 7.44000, Pay Variable 0-Month COP CPIBR	(2)	69
Receive Fixed Interest Rate Swaps	Receive Fixed 3.74100, Pay Variable 0-Month SOFR	(60)	3,568
Receive Fixed Interest Rate Swaps	Receive Fixed 10.00000, Pay Variable 0-Month BRL BRCDI	(10)	234
Receive Fixed Interest Rate Swaps	Receive Fixed 8.65750, Pay Variable 1-Month MXN TIIE	(8)	248
Receive Fixed Interest Rate Swaps	Receive Fixed 4.22500, Pay Variable 6-Month CZK PRIBOR	4	161
Receive Fixed Interest Rate Swaps	Receive Fixed 4.47700, Pay Variable 0-Month SOFR	761	30,000
Receive Fixed Interest Rate Swaps	Receive Fixed 4.74900, Pay Variable 0-Month SOFR	306	60,000
Receive Fixed Interest Rate Swaps	Receive Fixed 4.08700, Pay Variable 6-Month PLN WIBOR	(26)	723
Receive Fixed Interest Rate Swaps	Receive Fixed 4.29000, Pay Variable 6-Month CZK PRIBOR	5	176
Receive Fixed Interest Rate Swaps	Receive Fixed 7.42000, Pay Variable 6-Month HUF BUBOR	14	208
Receive Fixed Interest Rate Swaps	Receive Fixed 3.83030, Pay Variable 3-Month KRW KSDA	10	335
Receive Fixed Interest Rate Swaps	Receive Fixed 8.48350, Pay Variable 1-Month MXN TIIE	(13)	319
Receive Fixed Interest Rate Swaps	Receive Fixed 8.46250, Pay Variable 1-Month MXN TIIE	(27)	638
Receive Fixed Interest Rate Swaps	Receive Fixed 8.65150, Pay Variable 1-Month MXN TIIE	(4)	104
Receive Fixed Interest Rate Swaps	Receive Fixed 8.93000, Pay Variable 3-Month ZAR JIBAR	14	462
Receive Fixed Interest Rate Swaps	Receive Fixed 2.91000, Pay Variable 12-Month THB THOR	4	217
Receive Fixed Interest Rate Swaps	Receive Fixed 5.072500, Pay Variable 0-Month CLP CLICP	(2)	257
Receive Fixed Interest Rate Swaps	Receive Fixed 9.05700, Pay Variable 1-Month MXN TIIE	(3)	186
Receive Fixed Interest Rate Swaps	Receive Fixed 6.20000, Pay Variable 6-Month HUF BUBOR	-	200
Receive Fixed Interest Rate Swaps	Receive Fixed 3.91500, Pay Variable 6-Month CZK PRIBOR	2	328
Receive Fixed Interest Rate Swaps	Receive Fixed 9.71000, Pay Variable 1-Month MXN TIIE	15	617
Receive Fixed Interest Rate Swaps	Receive Fixed 11.52550, Pay Variable 0-Month BRL BRCDI	(7)	1,470
Receive Fixed Interest Rate Swaps	Receive Fixed 6.31300, Pay Variable 6-Month INR MIBOR	(3)	716
Receive Fixed Interest Rate Swaps	Receive Fixed 3.95500, Pay Variable 6-Month CZK PRIBOR	3	397
Subtotal - Receive Fixed Interest Rate Swaps		(1,816)	169,423
Total Interest Rate Swaps		\$ 4,629	\$ 456,961

State of Oregon
Notes to the Financial Statements

Foreign Currency Risk

OPERF is exposed to foreign currency risk on its derivative instruments. The following schedule presents a summary of derivative instruments subject to foreign currency risk as of June 30, 2024 (in thousands):

Currency Name	Currency Forward Contracts		Options/Rights/ Warrants	Swaps	Total Exposure
	Net Receivables	Net Payables			
Australian dollar	\$ 3,200	\$ (399)	\$ 2	\$ -	\$ 2,803
Bahraini dinar	-	(9)	-	-	(9)
Brazilian real	(7,588)	3,333	-	(17)	(4,271)
British pound sterling	4,353	5,594	-	-	9,948
Canadian dollar	(308)	609	-	-	301
Chilean peso	40	(49)	-	(6)	(15)
Chinese yuan	(148)	281	-	-	133
Chinese yuan - offshore	(1,029)	1,064	-	-	35
Colombian peso	348	(243)	-	(9)	97
Czech koruna	(211)	138	-	-	(73)
Danish krone	(336)	1,864	-	-	1,528
Egyptian pound	-	(26)	-	-	(26)
Euro ¹	(536)	23,014	6	-	22,483
Hong Kong dollar	(60)	16	-	-	(44)
Hungarian forint	23	(15)	-	13	21
Indian rupee	102	(38)	-	(3)	61
Indonesian rupiah	(89)	86	-	-	(3)
Japanese yen	(16,190)	35,430	-	-	19,240
Kazakhstan tenge	6	27	-	-	33
Kuwaiti dinar	-	19	-	-	19
Malaysian ringgit	-	-	-	(1)	(1)
Mexican peso	(6,502)	124	-	(2,606)	(8,984)
Moroccan dirham	(27)	2	-	-	(25)
New Israeli sheqel	(1,175)	296	-	-	(880)
New Taiwan dollar	(855)	1,014	-	-	159
New Zealand dollar	869	13	-	-	882
Norwegian krone	(902)	(67)	-	-	(969)
Peruvian nuevo sol	(4)	2	-	-	(2)
Philippine peso	1	-	-	-	-
Polish zloty	(45)	169	-	(52)	71
Qatar rial	1	-	-	-	1
Saudi riyal	-	(3)	-	-	(3)
Singapore dollar	(88)	431	-	-	344
South African rand	288	(386)	-	32	(67)
South Korean won	(1,612)	1,270	-	31	(311)
Swedish krona	289	976	-	-	1,265
Swiss franc	822	1,189	-	-	2,010
Thailand baht	-	(2)	-	4	2
Turkish lira	21	(379)	-	-	(357)
United Arab Emirates dirham	1	-	-	-	1
Total Subject to Foreign Currency Risk	\$ (27,339)	\$ 75,342	\$ 7	\$ (2,614)	\$ 45,395

¹ Represents all of the positions with a Euro leg. It is not solely USD/Euro activity.

State of Oregon
Notes to the Financial Statements

4. RECEIVABLES AND PAYABLES

A. Taxes Receivable

The following table presents the types of taxes which are reported in the fund financial statements as taxes receivable (net). Some taxes receivable are not expected to be collected within one year of the date of the financial statements.

Taxes receivables reported for governmental activities at June 30, 2024 (in thousands):

	General	Health and Social Services	Public Transportation	Educational Support	Other	Total
Governmental activities						
Personal income taxes	\$ 846,485	\$ -	\$ -	\$ -	\$ -	\$ 846,485
Corporate income taxes	290,755	-	-	-	-	290,755
Corporate activity taxes	-	-	-	334,717	-	334,717
Inheritance taxes	34,939	-	-	-	-	34,939
Cigarette taxes	1,384	21,494	-	-	-	22,878
Marijuana taxes	-	24,827	-	-	-	24,827
Healthcare provider taxes	-	333,016	-	-	-	333,016
Motor fuel taxes	-	-	85,487	-	-	85,487
Weight mile taxes	-	-	27,825	-	-	27,825
Employer-employee taxes	-	-	-	-	22,971	22,971
Other	22,917	-	1,496	57	18,795	43,266
Gross receivables	1,196,480	379,336	114,809	334,774	41,766	2,067,165
Allowance for doubtful accounts	(502,350)	(1,752)	(7,645)	(117,960)	(2,005)	(631,712)
Total receivables, net	\$ 694,130	\$ 377,584	\$ 107,165	\$ 216,814	\$ 39,760	\$ 1,435,454

B. Loans Receivable

The following tables disaggregate loans receivable balances reported in the fund financial statements as loans receivable (net).

Loans receivables reported for governmental activities at June 30, 2024 (in thousands):

	General	Health and Social Services	Public Transportation	Other	Total
Governmental activities					
Clean water state revolving fund	\$ -	\$ -	\$ -	\$ 584,162	\$ 584,162
Oregon transportation infrastructure bank	-	-	20,999	-	20,999
Private forests program	-	-	-	860	860
Disabled and senior property tax assistance program	-	-	-	99,773	99,773
Business development	-	-	-	8,589	8,589
Multi-family housing units	23,179	-	-	734,312	757,491
Foreclosure prevention	-	-	-	70,661	70,661
Mental health housing facilities	-	22,317	-	-	22,317
Other	958	60	-	9,866	10,884
Gross receivables	24,137	22,377	20,999	1,508,223	1,575,736
Allowance for doubtful accounts	-	(22,103)	-	(14,001)	(36,104)
Total receivables, net	\$ 24,137	\$ 274	\$ 20,999	\$ 1,494,222	\$ 1,539,632

State of Oregon
Notes to the Financial Statements

Loans receivables reported for business-type activities at June 30, 2024 (in thousands):

	Housing and Community Services	Veterans' Loan	Other	Total
Business-type activities				
Single-family mortgage program	\$ 930,527	\$ -	\$ -	\$ 930,527
Elderly and disabled housing units	37,075	-	-	37,075
Multi-family housing units	26,127	-	-	26,127
Veterans' home loans	-	390,563	-	390,563
Small energy loan program	-	-	13,707	13,707
Business development	-	-	21,387	21,387
Special public works	-	-	181,060	181,060
Wastewater financing	-	-	51,662	51,662
Safe drinking water	-	-	241,879	241,879
Oregon ports/brownfields	-	-	17,096	17,096
Other loan receivable	1,698	-	-	1,698
Gross receivables	995,427	390,563	526,791	1,912,781
Allowance for doubtful accounts	-	-	(17,984)	(17,984)
Total receivables, net	\$ 995,427	\$ 390,563	\$ 508,807	\$ 1,894,797

C. Receivables Other Than Taxes and Loans

The following tables disaggregate receivable balances reported in the fund financial statements as accounts and interest receivable (net) and net contracts, notes, and other receivables. Contracts, notes, and other receivables are not expected to be collected within one year of the date of the financial statements.

Receivables reported for governmental activities at June 30, 2024 (in thousands):

	General	Health and Social Services	Public Transportation	Educational Support	Common School	Other	Total	Internal Service
Governmental activities								
General accounts	\$ 15,395	\$ 6,895	\$ 419	\$ 2,446	\$ 75	\$ 91,442	\$ 116,672	\$ 237,693
Due from federal government	208	1,580,311	84,925	291,317	572	528,886	2,486,219	-
Interest	5,573	-	203	-	2,801	24,167	32,744	39
Broker receivable	-	-	36	-	52,173	-	52,209	-
Contracts	43	-	-	-	-	11,416	11,459	-
Mortgages	-	4,524	-	-	-	-	4,524	-
Benefit recoveries	621	42,672	-	-	-	4,000	47,293	-
Medicaid drug rebate	-	77,372	-	-	-	-	77,372	-
Forest fire claims	-	-	-	-	-	39,574	39,574	-
Fines, forfeitures, and penalties	43,750	-	755	-	112	229,610	274,228	2
Restitution recovery	-	-	-	-	-	618,030	618,030	-
Court fines and fees	-	-	-	-	-	875,670	875,670	-
Child support recoveries	-	-	-	-	-	231,893	231,893	-
Workers' compensation assessment	-	-	-	-	-	27,389	27,389	-
Other	5,767	192,642	61,254	112	-	44,711	304,486	386
Gross receivables	71,358	1,904,415	147,592	293,875	55,732	2,726,787	5,199,760	238,120
Allowance for doubtful accounts	(44,486)	(23,928)	(3,367)	(44)	(99)	(1,666,034)	(1,737,958)	(456)
Total receivables, net	\$ 26,872	\$ 1,880,487	\$ 144,226	\$ 293,831	\$ 55,633	\$ 1,060,753	\$ 3,461,803	\$ 237,664

State of Oregon
Notes to the Financial Statements

Receivables reported for business-type activities at June 30, 2024 (in thousands):

	Housing and Community Services	Veterans' Loan	Lottery Operations	Unemployment Compensation	Other	Total
Business-type activities						
General accounts	\$ 2,093	\$ -	\$ 37,661	\$ 393,420	\$ 280,089	\$ 713,264
Due from federal government	-	-	-	490	44,659	45,149
Interest	4,851	1,830	-	-	957	7,638
Mortgages	-	46	-	-	-	46
Benefit recoveries	-	-	-	197,421	1,689	199,110
Fines, forfeitures, and penalties	-	-	-	24,723	4,662	29,385
Other	-	2,045	4,610	-	412	7,067
Gross receivables	6,944	3,922	42,271	616,054	332,469	1,001,660
Allowance for doubtful accounts	-	-	(67)	(71,424)	(61,967)	(133,459)
Total receivables, net	\$ 6,944	\$ 3,922	\$ 42,204	\$ 544,630	\$ 270,501	\$ 868,201

Receivables reported for fiduciary funds at June 30, 2024 (in thousands):

	Other
Fiduciary fund activities	
General accounts	\$ 398
Contracts	16
Other	895
Gross receivables	1,309
Allowance for doubtful accounts	(392)
Total receivables, net	\$ 917

D. State as Lessor

The State enters into lease agreements providing rental income related to various plots of land, buildings, rights-of-way, railroad corridors, and furniture. The lease terms generally range from 2-15 years, and the ability to extend the lease varies by agreement. Generally, the agreements do not contain residual value guarantees or termination penalties. At times the agreements include provisions for variable payments that are based on future performance of the lessee or usage of the underlying asset. In those situations, the calculation of the lease receivable excludes those variable payments, and instead revenue is recognized when the amounts are received, which was \$3.4 thousand for the fiscal year ended June 30, 2024.

As of June 30, 2024, the total amount of lease-related revenues consisted of the following (in thousands):

Revenue Type	Amount
Lease revenue	\$ 2,504
Interest revenue	879
Total	\$ 3,383

There are no debt issuances for which the principal and interest payments are secured by these lease receipts as of June 30, 2024.

State of Oregon
Notes to the Financial Statements

E. State as Lessor – Regulated Leases

The State has regulated leases with 11 state airports consistent with Federal Aviation Administration regulations and guidelines to provide land to lessees to use predominately for hangar space. The leases generally have a lease term of 25 years and contain an option to extend for an additional five years. The State does not provide preferential or exclusive use of the hangars to the counterparties under existing lease agreements.

As of June 30, 2024, the total amount of regulated lease-related revenues consisted of the following (in thousands):

Revenue Type	Amount
Lease revenue	\$ 288
Interest revenue	15
Other lease-related inflows	58
Total	\$ 360

Expected future minimum revenues for regulated leases as of June 30, 2024 (in thousands):

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 219	\$ 14	\$ 233
2026	168	11	178
2027	163	10	174
2028	166	11	177
2029	169	11	180
2030-2034	721	46	767
2035-2039	642	41	683
2040-2044	313	20	333
2045-2049	66	4	71
Total	\$ 2,628	\$ 168	\$ 2,796

There are no debt issuances in which the principal and interest payments are secured by these lease receipts as of June 30, 2024.

F. Payables

The following tables disaggregate payables reported in the fund financial statements as accounts and interest payable and contracts, mortgages, and notes payable.

Payables reported for governmental activities at June 30, 2024 (in thousands):

	General	Health and Social Services	Public Transportation	Educational Support	Common School	Other	Total	Internal Service
Governmental activities								
General accounts	\$ 2,913,479	\$ 597,415	\$ 219,716	\$ 260,730	\$ 2,775	\$ 496,658	\$ 4,490,772	\$ 52,893
Interest	-	-	-	-	-	-	-	2,339
Broker payable	-	-	-	-	133,762	-	133,762	-
Pension-related debt	-	-	-	-	-	-	-	6,325
Loans	-	-	-	-	-	4,000	4,000	-
Contracts - retainage	-	-	-	-	-	-	-	2,775
Other	-	-	-	-	-	-	-	161
Total payables	\$ 2,913,479	\$ 597,415	\$ 219,716	\$ 260,730	\$ 136,536	\$ 500,658	\$ 4,628,534	\$ 64,493

State of Oregon
Notes to the Financial Statements

Payables reported for business-type activities at June 30, 2024 (in thousands):

	Housing and Community Services	Veterans' Loan	Lottery Operations	Unemployment Compensation	Other	Total
Business-type activities						
General accounts	\$ 1,031	\$ 369	\$ 21,546	\$ 123,148	\$ 137,468	\$ 283,562
Interest	19,633	1,274	-	-	3,692	24,599
Pension-related debt	191	253	1,596	-	9,644	11,684
Contracts	-	-	23	-	554	577
Other	-	-	-	-	23	23
Total payables	\$ 20,855	\$ 1,897	\$ 23,165	\$ 123,148	\$ 151,381	\$ 320,446

Payables reported for fiduciary funds at June 30, 2024 (in thousands):

	Pension and Other Employee Benefit Trust	Private Purpose Trust	Custodial Funds	
			External Investment Pools	Other
Fiduciary fund activities				
General accounts	\$ 10,822	\$ 1,702	\$ 2,958	\$ 483
Benefits payable	504,021	-	-	-
Broker payable	965,241	-	92,619	-
Investment fees	24,719	-	-	-
Compensated absences	3,426	-	-	-
Mortgages	-	570	-	-
Total payables	\$ 1,508,229	\$ 2,272	\$ 95,577	\$ 483

5. JOINT VENTURE

The Multi-State Lottery Association (MUSL) was established in 1987 to coordinate lottery games with larger prizes than the individual states could offer by themselves. The Oregon State Lottery has been a participating member since the inception of MUSL. Each participating state sells its choice of MUSL products and keeps all profits earned. Participating states contribute amounts necessary to fund the estimated and actual prizes won, reserve prize pools, and cost of services of MUSL. For the year ending June 30, 2024, MUSL service fees were covered by interest earnings and participants were not charged additional amounts.

MUSL is a non-profit, government-benefit association owned and operated by its member lotteries. It is governed by a board on which each member lottery is represented. Each member lottery has one vote. The board's responsibilities to administer multi-state lottery games are performed through product groups, advisory committees, or panels staffed by officers and independent contractors as appointed by the board. These officers and consultants serve at the pleasure of the board and the board prescribes their powers, duties, and qualifications. MUSL is subject to annual audits conducted by independent auditors retained by the board. Upon termination of the MUSL's existence, if such termination should occur, the member lotteries would receive any proceeds determined available for distribution by the board.

State of Oregon
Notes to the Financial Statements

Significant long-term liabilities of MUSL are prize annuities due, which are fully funded through investments in U.S. government securities. The following schedule presents the summarized financial activity of MUSL as of June 30, 2023 and 2022 (in thousands):

	2023	2022
Assets	\$ 857,188	\$ 766,593
Liabilities	\$ 822,534	\$ 756,516
Net assets ¹ - unrestricted	34,654	10,077
Total liabilities and net assets¹	\$ 857,188	\$ 766,593
Revenue	\$ 30,929	\$ 3,442
Expenses	6,353	5,579
Excess revenues over expenses	\$ 24,576	\$ (2,137)

¹ Because MUSL is organized as a non-profit, its financial statements have been prepared in accordance with accounting standards promulgated by the Financial Accounting Standards Board (FASB). Therefore, MUSL's financial statements use the term "net assets" rather than "net position" for equity.

The fiscal year 2024 financial statements for MUSL were not available to include in this note.

Separate financial statements for MUSL may be obtained from the Multi-State Lottery Association, 8101 Birchwood Court, Suite R, Johnston, Iowa, 50131.

6. CAPITAL ASSETS

A. Primary Government

Capital Assets Activity

Capital asset activity for the primary government for the year ended June 30, 2024 (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,111,388	\$ 24,426	\$ 1,697	\$ 2,134,117
Construction in progress	2,032,204	1,062,373	681,074	2,413,503
Works of art and other nondepreciable assets	2,728	-	-	2,728
Total capital assets not being depreciated	4,146,319	1,086,799	682,771	4,550,347
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	5,287,280	365,465	122,406	5,530,339
Infrastructure	16,515,847	634,797	62,245	17,088,400
Total capital assets being depreciated	21,803,127	1,000,262	184,651	22,618,738
<i>Right To Use assets being amortized:</i>				
Land	3,274	369	33	3,611
Building, property, and equipment	1,102,836	82,590	79,868	1,105,558
Infrastructure	4,798	-	-	4,798
Subscription-Based IT Assets	114,549	28,781	6,982	136,348
Total Right To Use assets being amortized	1,225,458	111,740	86,883	1,250,314
Less accumulated depreciation/amortization for:				
Land	525	304	33	797
Buildings, property, and equipment	2,829,807	350,627	93,285	3,087,149
Infrastructure	6,941,122	363,710	60,802	7,244,030
Subscription-Based IT Assets	18,379	29,502	5,317	42,564
Total accumulated depreciation/amortization	9,789,832	744,144	159,437	10,374,539
Total capital assets being depreciated/amortized, net	13,238,753	367,857	112,097	13,494,513
Total capital assets, net	\$ 17,385,072	\$ 1,454,656	\$ 794,868	\$ 18,044,860

State of Oregon
Notes to the Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 49,811	\$ -	\$ -	\$ 49,811
Construction in progress	15,982	19,202	17,526	17,658
Works of art and other nondepreciable assets	794	-	-	794
Total capital assets not being depreciated	66,587	19,202	17,526	68,263
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	915,356	51,796	35,133	932,019
Infrastructure	3,606	-	-	3,606
Total capital assets being depreciated	918,962	51,796	35,133	935,625
<i>Right To Use assets being amortized:</i>				
Building, property, and equipment	11,269	937	4,009	8,198
Subscription-Based IT Assets	30,384	15,621	156	45,849
Total Right To Use assets being amortized	41,653	16,558	4,165	54,047
Less accumulated depreciation/amortization for:				
Buildings, property, and equipment	384,486	45,963	35,133	395,317
Infrastructure	1,350	95	-	1,445
Subscription-Based IT Assets	6,347	9,503	156	15,694
Total accumulated depreciation/amortization	392,183	55,562	35,289	412,456
Total capital assets being depreciated/amortized, net	568,432	12,792	4,009	577,216
Total capital assets, net	\$ 635,019	\$ 31,995	\$ 21,535	\$ 645,478
	Beginning Balance	Increases	Decreases	Ending Balance
Fiduciary activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 944	\$ -	\$ -	\$ 944
Total capital assets not being depreciated	944	-	-	944
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	53,655	481	97	54,039
Total capital assets being depreciated	53,655	481	97	54,039
<i>Right To Use assets being amortized:</i>				
Building, property, and equipment	811	-	811	-
Total Right To Use assets being amortized	811	-	811	-
Less accumulated depreciation/amortization for:				
Buildings, property, and equipment	37,283	2,727	816	39,193
Total accumulated depreciation/amortization	37,283	2,727	816	39,193
Total capital assets being depreciated/amortized, net	17,183	(2,246)	91	14,846
Total capital assets, net	\$ 18,128	\$ (2,246)	\$ 91	\$ 15,790

State of Oregon
Notes to the Financial Statements

Depreciation and Amortization Expense

Depreciation and amortization expense charged to functions of the primary government (in thousands):

Governmental activities	Amount
Education	\$ 3,810
Human services	107,652
Public safety	81,029
Economic and community development	8,899
Natural resources	34,669
Transportation	412,480
Consumer and business services	9,654
Administration	10,031
Legislative	5,734
Judicial	10,702
Subtotal	684,660
Internal service funds	59,484
Total depreciation and amortization expense	\$ 744,144

Business-type activities	Amount
Housing and Community Services	\$ 236
Veterans' Loan	206
Lottery Operations	34,318
Other business-type activities	20,802
Total depreciation and amortization expense	\$ 55,562

Fiduciary activities	Amount
Pension and Other Employee Benefit Trust	\$ 2,727
Total depreciation and amortization expense	\$ 2,727

Construction Commitments

The State has active construction projects, which will be funded through either general fund appropriations, federal grants, lottery resources, or other funding sources as noted in the schedule below.

The State's construction commitments with contractors as of June 30, 2024 (in thousands):

Project	Remaining Commitment Source of Funds					
	Spent-to-Date	Remaining Commitment	General	Federal	Lottery	Other
Road and bridge construction	\$ 1,100,568	\$ 1,633,046	\$ -	\$ 687,167	\$ 871	\$ 945,008
Building improvement and maintenance	177,913	215,492	268	9,163	3,946	202,114
Correctional facility construction and upgrades	60,991	17,488	1,459	21	-	16,009
Natural resources facilities	494	953	-	-	780	174
Military facilities	62,325	23,687	153	15,190	-	8,344
Rural airports	1,409	558	-	502	-	56
Capitol building improvements	233,710	254,320	103,648	-	-	150,672
Land Improvements	729	669	63	-	-	606
Total construction commitments	\$ 1,638,140	\$ 2,146,213	\$ 105,592	\$ 712,044	\$ 5,596	\$ 1,322,982

State of Oregon
Notes to the Financial Statements

Collections Not Capitalized

Certain collections of historic artifacts and works of art are not reported in the accompanying financial statements. These assets include highway maintenance equipment displayed at various district and regional offices; printing equipment displayed at the Salem print plant; historic documents displayed at the Oregon State Archives; a museum of military artifacts at Camp Withycombe in Clackamas, Oregon; special collections of old, rare, and fragile books at the State Library; a collection of historic buildings, furniture, paintings, and ancestral artifacts displayed at various state parks; a collection of wildlife mounts displayed at various Department of Fish and Wildlife locations; and a collection of photographs portraying various Oregon locales displayed at the Oregon Liquor & Cannabis Commission headquarters. These assets have not been capitalized because they meet the conditions to qualify as collections that are not subject to capitalization. These conditions are:

1. The collections are held for public exhibition or education in the furtherance of public service, not held for financial gain;
2. The collections are protected, kept unencumbered, cared for, and preserved; and
3. The collections are subject to state agency policy that requires the proceeds from sales of collection items to be used to acquire other items for the collections.

Insurance Recoveries

In the government-wide statement of activities, program revenues include insurance recoveries of the applicable functions (in thousands):

Governmental activities	Amount
Public safety	\$ 1,189
Natural resources	42,722
Transportation	4,152
Subtotal	48,063
Internal service funds	1,030
Total insurance recoveries	\$ 49,093

Business-type activities	
Lottery operations	\$ 447
Total insurance recoveries	\$ 447

Idle Impaired Capital Assets

At fiscal year-end, the Department of Corrections' Deer Ridge Correctional Institution, a minimum security facility with a carrying value of \$31.9 million, and the Oregon State Penitentiary minimum security facility with a carrying value of \$2.5 million were temporarily idle due to budget constraints and a delay in the implementation of Ballot Measure 57, the Mandatory Prison Sentences for Three or More Felonies Act.

B. Discretely Presented Component Units

Under Oregon Revised Statutes 352.113, real property acquired by a university with a governing board shall be taken and held in the name of the State of Oregon acting by and through the governing board. In addition, legal title to all personal property acquired, constructed, remodeled, repaired, equipped, or furnished with the proceeds of bonds issued pursuant to Article XI-Q of the Oregon Constitution for the benefit of a university with a governing board must be taken and held in the name of the State of Oregon, acting by and through the governing board.

State of Oregon
Notes to the Financial Statements

Changes in capital assets for universities that are considered major component units are included below (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
University of Oregon				
<i>Capital assets not being depreciated:</i>				
Land	\$ 111,665	\$ 1	\$ -	\$ 111,666
Construction in progress	209,729	196,904	254,792	151,841
Works of art and other nondepreciable assets	51,926	1,838	1	53,763
Total capital assets not being depreciated	373,320	198,743	254,793	317,270
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	2,940,021	265,888	9,714	3,196,195
Infrastructure	60,012	3,355	1	63,366
Total capital assets being depreciated	3,000,033	269,243	9,715	3,259,561
<i>Right To Use assets being amortized:</i>				
Land	61,198	363	6,026	55,535
Building, property, and equipment	2,270	857	1,127	2,000
Subscription-Based IT Assets	14,138	12,673	-	26,811
Total leased assets being amortized	77,606	13,893	7,153	84,346
Less accumulated depreciation and amortization for:				
Land	8,428	2,834	1,866	9,396
Buildings, property, and equipment	1,132,789	96,567	10,222	1,219,136
Infrastructure	42,319	2,048	-	44,367
Subscription-Based IT Assets	7,165	4,688	1,038	10,815
Total accumulated depreciation/amortization	1,190,701	106,137	13,126	1,283,714
Total capital assets being depreciated/amortized, net	1,886,938	176,999	3,744	2,060,193
Total capital assets, net	\$ 2,260,258	\$ 375,742	\$ 258,537	\$ 2,377,463

	Beginning Balance	Increases	Decreases	Ending Balance
Oregon State University				
<i>Capital assets not being depreciated:</i>				
Land	\$ 68,991	\$ 109	\$ -	\$ 69,100
Construction in progress	385,158	325,793	349,622	361,329
Works of art and other nondepreciable assets	30,478	218	7	30,689
Total capital assets not being depreciated	484,627	326,120	349,629	461,118
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	2,453,823	391,545	10,261	2,835,107
Infrastructure	67,776	4,434	-	72,210
Total capital assets being amortized	2,521,599	395,979	10,261	2,907,317
<i>Right To Use assets being amortized:</i>				
Land	72	50	72	50
Building, property, and equipment	18,284	490	1,175	17,599
Subscription-Based IT Assets	36,742	2,321	11,469	27,594
Total capital assets being amortized	55,098	2,861	12,716	45,243
Less accumulated depreciation and amortization for:				
Land	24	12	4	32
Buildings, property, and equipment	1,151,088	83,645	8,075	1,226,658
Infrastructure	34,106	2,968	-	37,074
Subscription-Based IT Assets	15,852	8,338	8,260	15,930
Total accumulated depreciation/amortization	1,201,070	94,963	16,339	1,279,694
Total capital assets being depreciated/amortized, net	1,375,627	303,877	6,638	1,672,865
Total capital assets, net	\$ 1,860,254	\$ 629,997	\$ 356,267	\$ 2,133,983

State of Oregon
Notes to the Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance
Portland State University				
<i>Capital assets not being depreciated:</i>				
Land	\$ 67,256	\$ 1,964	\$ -	\$ 69,220
Construction in progress	19,244	53,444	1,598	71,090
Works of art and other nondepreciable assets	5,279	192	135	5,336
Total capital assets not being depreciated	91,779	55,600	1,733	145,646
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	1,023,310	8,046	12,208	1,019,148
Infrastructure	33,139	-	-	33,139
Total capital assets being depreciated	1,056,449	8,046	12,208	1,052,287
<i>Right To Use assets being amortized:</i>				
Building, property, and equipment	14,521	1,846	148	16,219
Subscription-Based IT Assets	3,947	-	-	3,947
Total capital assets being amortized	18,468	1,846	148	20,166
Less accumulated depreciation and amortization for:				
Buildings, property, and equipment	543,272	30,444	11,081	562,635
Infrastructure	21,432	1,407	-	22,839
Subscription-Based IT Assets	1,164	696	-	1,860
Total accumulated depreciation/amortization	565,868	32,547	11,081	587,334
Total capital assets being depreciated/amortized, net	509,049	(22,655)	1,275	485,119
Total capital assets, net	\$ 600,828	\$ 32,945	\$ 3,008	\$ 630,765

7. BONDS AND CERTIFICATES OF PARTICIPATION

A. General Obligation Bonds

The State issues general obligation bonds to provide funds for a variety of projects as authorized by the Oregon Constitution. General obligation bonds are secured by a pledge of the full faith, credit, and taxing power of the State.

Specific provisions of the Oregon Constitution authorize general obligation debt to be issued for governmental activities. Obligations issued for highway construction pursuant to Article XI, Section 7, are financed through an appropriation from the General Fund. Article XI-G provides authorization to finance buildings and projects for community colleges. Debt service requirements for community colleges are financed through an appropriation from the General Fund. Issuance of general obligation bonds to finance higher education building projects is authorized in Article XI-F (1) and these bonds are repaid with university resources. Article XI-G authorizes financing of higher education facilities and institution activities. Debt service requirements for these higher education obligations are financed through an appropriation from the General Fund. Article XI-H authorizes the financing of pollution abatement and control facilities, as well as pollution control and disposal activities. Facilities acquired under the pollution control program are required to conservatively appear to be at least 70.00% self-supporting and self-liquidating from revenues, gifts, federal grants, assessments, user charges, and other fees. Article XI-L provides authorization to finance capital costs of Oregon Health and Science University. Article XI-M provides authorization to finance seismic rehabilitation projects for public education buildings and XI-N for emergency service buildings. Article XI-O provides authorization to finance pension liabilities through the issuance of general obligation bonds. Article XI-P authorizes the State to issue general obligation bonds to provide funds to be advanced by grant or loan to school districts to finance the capital costs of the school districts. Article XI-Q provides authorization to finance real or personal property projects to be owned or operated by the State.

The Oregon Constitution also authorizes general obligation debt to be used for business-type activities. Article XI-A authorizes the creation of the Oregon War Veterans' Fund to finance farm and home loans for eligible veterans. Financing of multi-family housing for the elderly and disabled persons is authorized in Article XI-I (2). Article XI-J provides authorization to finance loans for the development of small-scale local energy projects. The preceding bonds of business-type activities are fully self-supporting.

State of Oregon
Notes to the Financial Statements

Debt service requirements for general obligation bonds as of June 30, 2024 (in thousands):

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal ¹	Interest	Principal ²	Interest
2025	\$ 585,595	\$ 312,764	\$ 28,825	\$ 22,411
2026	617,640	286,305	29,995	21,443
2027	640,315	257,483	30,385	20,449
2028	374,980	227,105	30,670	19,388
2029	377,580	212,113	30,590	18,364
2030-2034	1,861,760	825,434	108,495	78,749
2035-2039	1,658,350	424,785	113,310	57,474
2040-2044	875,520	117,037	93,350	35,463
2045-2049	79,155	11,265	67,995	17,233
2050-2054	11,470	1,538	38,135	4,572
2055-2059	-	-	920	21
Total	\$ 7,082,365	\$ 2,675,830	\$ 572,670	\$ 295,566

¹ Includes \$712.9 million in pension bond debt.

² Includes a total of \$74.9 million of bonds with variable interest rates adjusted daily or weekly based on the rates determined by the remarketing agent, not to exceed 12.00%. The interest rates at the end of the fiscal year were 3.85% for \$25.1 million of these bonds, 4.90% for \$38.8 million, and 4.70% for \$11 million.

B. Revenue Bonds

Oregon Revised Statutes (ORS) authorizes the State to issue revenue bonds. Revenue bonds are secured by a pledge of revenues derived from the operation of the programs funded by the issuance of these obligations. The resulting bond obligations are not general obligations of the State.

ORS 286A.560 through 286A.585, 327.700 through 327.711, and 348.716 authorize the State to issue revenue bonds that are supported by unobligated net lottery proceeds. To date, lottery revenue bonds have been issued for infrastructure improvements, state parks, expansion and refurbishment of school facilities, light rail transportation, improvements to state fair facilities, acquisition of state forestland, watershed project grants, higher education and community college building improvements, preservation of affordable housing as well as development of community-based housing and treatment facilities, economic development in rural and distressed communities, and providing broadband access to eligible schools in the state. Lottery revenue bonds have been issued for governmental activities.

ORS 367.605 through 367.665 authorize the Oregon Department of Transportation to issue highway user tax bonds for governmental activities to build and maintain public roads. Debt service payments for these bonds are funded by highway user taxes and vehicle registration fees.

ORS 456.645 authorizes the Oregon Housing and Community Services Department to issue revenue bonds for financing single-family mortgage loans and multi-family housing projects. Mortgage payments and fees and rental revenues support these bonds. ORS 285B.467 through 285B.482 authorize the Oregon Business Development Department to issue revenue bonds for financing infrastructure improvement projects through the Special Public Works Fund, while ORS 285B.572 through 285B.599 authorize the issuance of revenue bonds for financing water projects through the Water/Wastewater Financing Fund. Loan repayments support the bonds associated with these business-type activities.

State of Oregon
Notes to the Financial Statements

Debt service requirements for revenue bonds as of June 30, 2024 (in thousands):

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal ¹	Interest
2025	\$ 240,486	\$ 158,960	\$ 75,755	\$ 37,223
2026	248,024	149,864	36,325	37,848
2027	250,962	139,832	36,440	37,078
2028	244,463	130,380	36,425	36,288
2029	236,827	122,084	37,410	35,463
2030-2034	1,130,963	486,064	194,475	161,566
2035-2039	882,008	254,966	209,250	129,157
2040-2044	590,490	66,124	199,740	91,951
2045-2049	28,680	3,113	173,215	53,898
2050-2054	-	-	120,280	14,286
2055-2059	-	-	1,520	46
Total	\$ 3,852,903	\$ 1,511,386	\$ 1,120,835	\$ 634,805

¹ Includes bonds with variable interest rates adjusted weekly based on the rates determined by the remarketing agent, not to exceed 12.00%. The interest rates at the end of the fiscal year were 3.93% for \$33.6 million of these bonds, 3.86% for \$13.1 million, 3.88% for \$56.6 million, 3.90% for \$65.5 million, and 5.45% for \$21 million.

C. Certificates of Participation

ORS 283.085 through 283.092 authorize the State to enter into financing agreements through the issuance of certificates of participation. The State has issued certificates of participation to provide funds to decouple the Elliott State Forest from the Common School Fund so as to compensate the Fund for preservation of noneconomic benefits. Certificates of participation have been issued for governmental activities.

Debt service requirements for certificates of participation as of June 30, 2024 (in thousands):

Year ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 4,220	\$ 3,077
2026	4,350	2,948
2027	4,485	2,810
2028	4,635	2,661
2029	4,795	2,503
2030-2034	26,725	9,754
2035-2039	32,380	4,093
Total	\$ 81,590	\$ 27,845

D. Direct Borrowings and Direct Placements

The State has issued direct borrowings and direct placements for governmental activities to finance pollution control and disposal activities, state capitol construction, software application development projects, and various highway projects, including the Interstate 205 highway project. Direct borrowings and direct placements have been issued for business-type activities to finance projects that serve elderly and disabled persons, to provide loans for first-time home buyers, or affordable multifamily housing projects, and to provide loans to municipalities, schools, and other entities for energy conservation and generation of renewable energy.

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Notes to the Financial Statements

Debt service requirements for direct borrowings and direct placements as of June 30, 2024 (in thousands):

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 1,555	\$ 381	\$ 2,490	\$ 497
2026	84,830	19,161	2,715	456
2027	139,598	15,425	1,870	410
2028	51,427	1,538	1,880	374
2029	1,685	255	1,935	338
2030-2034	5,310	822	11,105	1,015
2035-2039	3,110	240	1,045	528
2040-2044	-	-	1,125	264
2045-2049	-	-	395	20
Total	\$ 287,515	\$ 37,823	\$ 24,560	\$ 3,902

E. Changes in Long-Term Debt

Changes in long-term debt for governmental activities for the year ended June 30, 2024 (in thousands):

	Beginning Balance	Additions ¹	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds/certificates payable:					
General obligation bonds	\$ 6,906,969	\$ 720,391	\$ 544,995	\$ 7,082,365	\$ 585,595
Revenue bonds	3,953,455	194,103	294,656	3,852,903	240,486
Certificates of participation	85,745	-	4,155	81,590	4,220
Direct borrowings/placements payable	169,065	120,000	1,550	287,515	1,555
Adjusted by amounts:					
For issuance premiums	984,235	38,442	83,334	939,343	-
Total	\$ 12,099,469	\$ 1,072,937	\$ 928,689	\$ 12,243,716	\$ 831,856

¹ Amounts identified in the additions column will not agree to total long-term debt issued as reported in the governmental funds statement of revenues, expenditures, and changes in fund balance due to two reasons: (1) the other financing source associated with leases and subscription-based information technology arrangements are reported within that category; and (2) the table above includes activity reported within the internal service funds.

Changes in long-term debt for business-type activities for the year ended June 30, 2024 (in thousands):

	Beginning Balance ¹	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds/certificates payable:					
General obligation bonds	\$ 547,590	\$ 63,100	\$ 38,020	\$ 572,670	\$ 28,825
Revenue bonds	985,260	228,560	92,985	1,120,835	75,755
Direct borrowings/placements payable	26,915	-	2,355	24,560	2,490
Adjusted by amounts:					
For issuance discounts	(16)	-	(1)	(15)	-
For issuance premiums	48,312	3,549	5,945	45,917	-
Total	\$ 1,608,061	\$ 295,209	\$ 139,303	\$ 1,763,967	\$ 107,070

¹ Certain beginning balances have been restated due to prior period adjustments.

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F. Debt Agreement Terms

The Oregon Housing and Community Services Department (OHCSO) mortgage revenue bond and housing revenue bond indentures identify the following events that would lead to a default: payment of principal is not made when due, payment of interest is not made when due, or OHCSO defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 90 days after written notice for remedy has been provided to OHCSO by the trustee. The trustee may give such notice at their discretion, or at the written request of the owners of not less than 25.00% in aggregate of the principal amount of the outstanding bonds.

If a default does occur for mortgage revenue bonds or housing revenue bonds the trustee may, or upon the written direction of the owners of not less than 51.00% of the bonds outstanding the trustee shall, declare via written notice to OHCSO that any principal and interest related to that bond is due and payable immediately.

OHCSO multifamily housing revenue bond indenture identifies the following events that would lead to a default: payment of principal is not made when due, payment of interest is not made when due, or OHCSO defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 60 days after written notice for remedy has been provided to OHCSO by the trustee, or written notice provided to OHCSO and the trustee by the owners of not less than 25.00% in aggregate of the principal amount of the outstanding bonds.

If a default occurs for a multifamily housing revenue bond the trustee may, or upon the written direction of the owners of not less than 25.00% of the bonds outstanding the trustee shall, proceed, in its own name, to protect and enforce the rights of the bond owners. Protecting and enforcing the rights of the bond owners could include declaring all outstanding bonds due and payable.

The Oregon Department of Transportation (ODOT) outstanding notes from all direct borrowings contain the following terms in event of a default, a termination date would occur 15 days after a receipt of notice by ODOT. At that point, all outstanding obligations are subject to repayment upon demand, including interest up to a maximum of 12.00%.

G. Demand Bonds

Oregon Department of Veterans' Affairs

Included in long-term debt are the following State of Oregon, General Obligation, Veterans' Welfare Variable Rate Demand Bonds, along with selected terms of their standby bond purchase agreements (SBPAs) at June 30, 2024 (dollars in thousands):

Series	Outstanding Amount	Liquidity Provider	Expiration Date	Commitment Fee	Remarketing Agent	Remarketing Fee
95	\$ 25,140	U.S. Bank National Association	5/17/2027	0.3100%	U.S. Bank National Association	0.05%
98B	15,800	U.S. Bank National Association	4/7/2025	0.3200%	U.S. Bank National Association	0.05%
105B	11,565	U.S. Bank National Association	5/17/2027	0.3100%	U.S. Bank National Association	0.05%
106C	11,435	U.S. Bank National Association	5/17/2027	0.3100%	U.S. Bank National Association	0.05%
110	11,000	JP Morgan Securities	8/9/2027	0.2750%	JP Morgan Securities	0.05%

These bonds are general obligations of the State and are payable from revenues and reserves of the Veterans' Loan Program. The bondholders may tender these bonds on specified dates at a price equal to principal plus accrued interest.

The Oregon Department of Veterans' Affairs (DVA) remarketing agent is authorized to use their best efforts to sell the repurchased bonds at face value by adjusting the interest rate on a daily or weekly basis based on the applicable mode. The designated remarketing agent for such bonds will determine the interest rate borne by each series of bonds. The DVA pays its designated remarketing agent a fee for this service.

In the event the bonds cannot be remarketed, they will be purchased as specified by the respective SBPA. Under the SBPAs for Series 95, 98B, 105B, and 106C (Series 95, 98B, 105B, and 106C SBPAs), U.S. Bank National Association will commit to purchase any Series 95, 98B, 105B, or 106C unremarketed bonds,

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subject to certain conditions set forth in the SBPAs. Under the SBPA for Series 110, JP Morgan Securities will commit to purchase any Series 110 unremarked bonds, subject to certain conditions set forth in the SBPA.

If a tender advance did occur under the Series 95, 98B, 105B, 106C, and 110 SBPAs, it would accrue interest at the bank's base rate (either the prime lending rate plus 1.00%, the federal funds rate plus 2.00%, the Securities Industry and Financial Markets Association (SIFMA) rate plus 1.00%, or 7.00% for the time period 31 days after the purchase date and thereafter, whichever is higher) for the time period up to 30 days; at the bank's base rate plus 1.00% for the time period covering 31 days up to 90 days; or at the bank's base rate plus 1.50% for the time period thereafter. If the tender advance is in default, interest would accrue at the bank's base rate plus 3.00%. Interest on tender advances must generally be repaid before the principal portion of a tender advance is repaid. In most cases, tender advances are required to be paid off on the earliest to occur of (a) the date the applicable bonds are paid in full; (b) the conversion date of all or a portion of the applicable bonds to a fixed rate, an indexed rate, or a non-covered interest rate; or (c) the effective date of delivery of a substitute alternative liquidity facility. Tendered bonds that are unremarked by the 91st day after the purchase date of the tender advance must be paid in full over a four year period in eight equal (or nearly equal) semi-annual installments, unless and until the bonds are remarketed or redeemed. If repayment of any tender advance does not occur within the specified timeframe contained in the Series 95, 98B, 105B, 106C, and 110 SBPAs, a default would have occurred.

No tender advances or draws were necessary to purchase unremarked bonds under the Series 95, 98B, 105B, 106C, and 110 SBPAs for fiscal year 2024. Therefore, no tender advances or draws were outstanding as of June 30, 2024.

Oregon Housing and Community Services Department

Included in Oregon Housing and Community Services Department's (OHCS) long-term debt is \$189.8 million in variable rate demand bonds. OHCS's variable rate demand bonds are remarketed weekly by a remarketing agent. Bondholders may elect to tender their bonds by providing written notice to the remarketing agent as specified in the official statement for the series. On the date that bonds are tendered, the remarketing agent will use its best effort to sell the bonds or may purchase the bonds for its own account.

OHCS has entered into a standby bond purchase agreement (SBPA) with State Street Bank and Trust Company and U.S. Bancorp Investments, Inc., together with U.S. Bank Municipal Products Group, a division of U.S. Bank National Association and a standby letter of credit and reimbursement agreement with Sumitomo Mitsui Banking Corporation (the "liquidity facilities") to provide liquidity in the event that the remarketing agent is unable to sell the tendered bonds and does not choose to buy the bonds for its own account. The liquidity facilities require the liquidity provider to provide funds for the purchase of the tendered bonds. On the purchase date, the bonds become known as liquidity provider bonds or bank bonds and bear interest at the bank rate in accordance with the relevant liquidity facility. The maximum rate for both liquidity facilities is 12.00%. The bonds remain bank bonds until they are sold by the remarketing agent or the remarketing agent purchases them for its own account. If the bonds are not remarketed or purchased by the remarketing agent for its own account, mandatory redemption installments are to be paid commencing on the first business day of the eighteenth full month following the date the bonds became liquidity provider bonds in an amount equal to three-tenths of the initial amount of the liquidity provider bonds outstanding, with seven semi-annual installments due thereafter in an amount equal to one-tenth of the initial amount of liquidity provider bonds outstanding. There were no bank bonds as of June 30, 2024.

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Certain terms of the standby purchase agreements and remarketing agreements are listed below (dollars in thousands):

Series	Outstanding Amount	Liquidity Provider	Expiration Date	Commitment Fee	Remarketing Agent	Remarketing Fee
MRB ¹ 2015 C	\$ 33,600	Sumitomo Mitsui Banking Corporation	1/27/2025	0.2700%	J.P. Morgan Securities, LLC	0.07%
MRB 2016 B	13,140	State Street Bank and Trust Company	1/26/2025	0.3000%	Bank of America Securities, Inc.	0.07%
MRB 2016 C	15,000	State Street Bank and Trust Company	1/26/2025	0.3000%	Bank of America Securities, Inc.	0.07%
MRB 2017 C	41,605	State Street Bank and Trust Company	1/26/2027	0.3300%	J.P. Morgan Securities, LLC	0.07%
MRB 2018 E	41,000	Sumitomo Mitsui Banking Corporation	1/27/2025	0.2700%	Bank of America Securities, Inc.	0.07%
MRB 2020 B	24,500	Sumitomo Mitsui Banking Corporation	1/27/2027	0.3100%	Bank of America Securities, Inc.	0.07%
MRB 2022 D	21,000	U.S. Bank National Association	10/27/2027	0.2200%	²	0.07%

¹ Mortgage Revenue Bonds

² U.S. Bankcorp Investments, Inc., together with U.S. Bank Municipal Products Group, a division of U.S. Bank National Association

H. Conduit Debt

Conduit debt refers to debt issued to finance public purpose expenditures intended for beneficial ownership by private entities. Such debt bears the name of the State but is secured solely by the credit of the private entity and usually is serviced and administered by a trustee independent of the State.

Oregon Business Development Department (OBDD) has a balance of \$173.3 million as of June 30, 2024. This balance consists entirely of limited commitments as the bond documents fully indemnify the state from any obligation associated with the debt. OBDD issues conduit debt to support manufacturing and exempt facility projects in Oregon.

Oregon Facilities Authority (OFA) has a balance of \$1.9 billion as of June 30, 2024. This balance consists entirely of limited commitments for if a borrower does not meet its obligations, the bondholder or other lenders may declare a default. The state does not have any obligation to cure any default, or otherwise take action that would support the borrower or repay the debt. OFA issues conduit debt to facilitate Oregon State Treasury's issuance of tax-exempt bonds and loans.

Oregon Housing and Community Services Department (OHCSO) has a balance of \$1.4 billion as of June 30, 2024. Bonds issued under the Housing Development Revenue Bond program are limited obligations of OHCSO payable out of the trust estate specifically pledged to each bond issue. No recourse may be taken against any properties, funds, or assets of the state for the payment of any amounts owing with respect to these bonds. Bond owners will have no right to compel the payment of any amount with respect to these bonds out of any tax revenues, funds, or other assets of the state, other than the security pledged to each bond issue.

Limited commitments indicate that the State has no obligation for payment of this debt unless the State has specified voluntary or additional commitments. Accordingly, this debt is not reported in the accompanying financial statements and there is no associated liability.

Conduit debt outstanding as of June 30, 2024 (in thousands):

Primary Government	Amount
Oregon Business Development Department	\$ 173,272
Oregon Facilities Authority	1,852,267
Oregon Housing and Community Services Department	1,354,396
Total	\$ 3,379,935

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I. Debt Refundings

Occasionally, the State issues new long-term debt to extinguish the obligation of previously issued bonds or certificates of participation in order to take advantage of lower interest rates. In instances of advanced refunding, the money from the sale of the new debt is placed in an irrevocable trust to provide for all future debt service payments on the old debt. The amount of these issuances has provided funds to pay the interest and principal when due on the refunded debt to and including the dates irrevocably fixed for redemption. The trust account assets and liabilities for the defeased debt are not included in the accompanying financial statements.

There was one current refunding issue that occurred between July 1, 2023, and June 30, 2024.

On May 1, 2024, the Oregon Department of Administrative Services on behalf of various agencies issued \$87 million in 2024 Series A, C, and D Revenue bonds with an average interest rate of 5.00%. These bonds refunded \$95 million of various series outstanding revenue bonds with an average interest rate of 4.00%. The refunding resulted in an economic gain of \$2.4 million.

J. Defeased Debt

The State has defeased certain general obligation and revenue bonds, as well as certificates of participation, by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the liability for defeased debt is not included in the State's financial statements. On June 30, 2024, \$653.9 million of debt outstanding is considered defeased.

8. OTHER LIABILITIES

A. Short-Term Debt

During the year, the Oregon Military Department (OMD) received a loan from the Oregon Short Term Fund (OSTF). The OMD needed funds to cover cash flow requirements due to a delay in receiving federal fund reimbursements and State Active Duty National Guard Activations.

The Oregon Health Authority borrowed funds to cover the end of the biennium cash flow. The funds were received and repaid during fiscal year ending June 30, 2024.

Short-term debt activity for the year ended June 30, 2024 (in thousands):

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental activities				
Military treasury loan	\$ 5,000	\$ 6,000	\$ 7,000	\$ 4,000
Health Authority treasury loan	-	30,000	30,000	-
Total short-term debt activity	\$ 5,000	\$ 36,000	\$ 37,000	\$ 4,000

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B. Changes in Other Long-Term Liabilities

Changes in other long-term liabilities for governmental activities for the year ended June 30, 2024 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences payable	\$ 310,193	\$ 331,019	\$ 292,744	\$ 348,468	\$ 226,338
Claims and judgments payable	1,410,632	281,583	283,718	1,408,497	178,978
Arbitrage rebate payable	115	21,305	19	21,400	688
Deposit liabilities	320,352	19,339,221	19,284,539	375,034	254,855
Lease Obligations	937,963	27,311	97,226	868,048	91,487
SBITA Obligations	69,991	18,914	23,361	65,544	13,292
Pollution remediation obligation	49,235	9,896	9,006	50,124	5,058
Contracts, mortgages, and notes payable	157,108	39,484	70,642	125,950	36,841
Total other long-term liabilities	\$ 3,255,589	\$ 20,068,733	\$ 20,061,255	\$ 3,263,066	\$ 807,537

Internal service funds predominantly serve the governmental funds. Therefore, long-term liabilities for internal service funds are included as part of the totals for governmental activities. The compensated absences liability is mainly liquidated through the General Fund, Health and Social Services Fund, and the Public Transportation Fund. The claims and judgments liability is generally liquidated through the Employment Services Fund and the Central Services Fund, an internal service fund. The arbitrage rebate liability is generally liquidated through the Community Protection Fund, the General Fund, and the Educational Support Fund. The deposit liabilities are expected to be primarily liquidated by the Common School Fund and the Consumer Protection Fund. Lease obligations will be primarily liquidated through the General Fund and Health and Social Services Fund. Subscription-based information technology arrangement (SBITA) obligations will be primarily liquidated through the General Fund, the Health Services Fund, the Employment Services Fund, and the Central Services Fund. The pollution remediation obligation will be mainly liquidated through the Environmental Management Fund and the Public Transportation Fund. The liability for contracts, mortgages, and notes payable is generally liquidated through the General Fund, the Community Protection Fund, the Health and Social Services Fund, and the Public Transportation Fund.

Changes in other long-term liabilities for business-type activities for the year ended June 30, 2024 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Compensated absences payable	\$ 26,526	\$ 39,085	\$ 35,426	\$ 30,184	\$ 19,696
Claims and judgments payable	876	894	876	894	894
Lottery prize awards payable	144,244	285,923	290,207	139,960	40,331
Arbitrage rebate payable	8,944	5,630	82	14,492	295
Deposit liabilities	29,812	1,014,077	1,014,884	29,005	24,567
Lease Obligations	8,127	924	3,895	5,156	1,397
SBITA Obligations	15,993	5,372	6,903	14,462	4,883
Contracts, mortgages, and notes payable	15,847	196	4,196	11,847	3,083
Total other long-term liabilities	\$ 250,370	\$ 1,352,101	\$ 1,356,470	\$ 246,002	\$ 95,144

State of Oregon
Notes to the Financial Statements

Changes in other long-term liabilities for fiduciary fund activities for the year ended June 30, 2024 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Fiduciary fund activities					
Deposit liabilities	\$ 99,352	\$ 16,208,236	\$ 16,167,436	\$ 140,151	\$ 140,151
Lease Obligations	36	-	36	-	-
Contracts, mortgages, and notes payable	687	-	117	570	20
Total other long-term liabilities	\$ 100,075	\$ 16,208,236	\$ 16,167,590	\$ 140,721	\$ 140,171

C. Lease Obligations

The State routinely utilizes lease arrangements to obtain the right to use various capital assets instead of purchasing them. These leased capital assets include land, buildings, office space, furniture, and equipment. The contracts at times include variable payments that are based on future performance of the State or usage of the underlying asset, residual value guarantees, or termination penalties that are not known or reasonably certain to be exercised, therefore these amounts are not included in the calculation of the lease obligation, instead they are recognized as expenses in the period they occur. For the fiscal year ended June 30, 2024, the State recognized expenses for variable payments of \$1.2 million and termination penalties of \$3 thousand. There were no residual guarantee payments recognized during the fiscal year. Additionally, there were no impairment losses associated with lease obligations. All collateral pledged as security for the lease arrangements are solely the underlying asset.

Principal and interest requirements for leases as of June 30, 2024 (in thousands):

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 91,487	\$ 15,775	\$ 107,262
2026	80,071	14,226	94,297
2027	73,701	12,737	86,439
2028	68,476	11,380	79,856
2029	67,481	10,356	77,838
2030-2034	224,039	36,202	260,241
2035-2039	129,367	18,901	148,268
2040-2044	60,207	7,898	68,105
2045-2049	15,810	4,880	20,690
2050-2054	15,793	3,736	19,529
2055-2059	16,980	2,549	19,529
2060-2064	18,256	1,273	19,529
2065-2069	6,379	131	6,510
Total	\$ 868,048	\$ 140,045	\$ 1,008,093

Year Ending June 30,	Business-type Activities		
	Principal	Interest	Total
2025	\$ 1,397	\$ 111	\$ 1,508
2026	1,170	86	1,256
2027	581	61	642
2028	476	44	520
2029	362	30	392
2030-2034	919	64	984
2035-2039	153	20	173
2040-2044	98	3	101
Total	\$ 5,156	\$ 420	\$ 5,575

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Refer to Note 6 for information about the right to use assets associated with these lease obligations.

There were commitments under leases before the commencement of the lease term as described in the following table for the fiscal year ended June 30, 2024 (in thousands):

Source of funding	Amount
General Fund	\$ 570
Federal Funds	678
Lottery Funds	9
Other Funds	710
Total	\$ 1,967

D. Subscription-Based Information Technology Arrangement (SBITA) Obligations

The State routinely utilizes SBITAs to obtain various right to use information technology assets instead of purchasing them. At times, the contracts include variable payments that are based on future performance of the State's usage of the underlying asset or termination penalties that are not known or reasonably certain to be exercised. Therefore, these amounts are not included in the calculation of the SBITA obligation. Instead, they are recognized as expenses in the period they occur. For the fiscal year ended June 30, 2024, there were \$289 thousand of variable payments and no termination penalties. Additionally, there were no impairment losses associated with SBITA obligations.

Principal and interest requirements for leases as of June 30, 2024 (in thousands):

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 13,292	\$ 1,968	\$ 15,260
2026	10,504	1,582	12,086
2027	9,520	1,250	10,771
2028	8,365	946	9,311
2029	5,712	695	6,407
2030-2034	18,151	1,056	19,207
Total	\$ 65,544	\$ 7,497	\$ 73,041

Year Ending June 30,	Business-type Activities		
	Principal	Interest	Total
2025	\$ 4,883	\$ 278	\$ 5,161
2026	5,594	211	5,805
2027	1,827	84	1,911
2028	658	51	709
2029	536	33	568
2030-2034	966	18	984
Total	\$ 14,462	\$ 675	\$ 15,138

Refer to Note 6 for information about the right to use assets associated with these SBITA obligations.

State of Oregon
Notes to the Financial Statements

There were commitments before the commencement of the SBITA term as described in the following table for the fiscal year ended June 30, 2024 (in thousands):

Source of funding	Amount
General Fund	\$ 298
Federal Funds	869
Other Funds	3,560
Total	\$ 4,727

E. Contracts, Mortgages, and Notes Payable

Debt service requirements for contracts, mortgages, and notes payable as of June 30, 2024 (in thousands):

Year ending June 30,	Governmental Activities		Business-type Activities		Fiduciary Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 36,841	\$ 7,123	\$ 3,083	\$ 755	\$ 20	\$ 26
2026	36,515	5,065	3,415	539	28	25
2027	32,927	2,908	3,505	310	30	23
2028	17,334	599	1,844	64	31	22
2029	2,334	-	-	-	32	21
2030-2034	-	-	-	-	185	81
2035-2039	-	-	-	-	233	35
2040-2044	-	-	-	-	11	-
Total	\$ 125,950	\$ 15,695	\$ 11,847	\$ 1,667	\$ 570	\$ 233

Refer to Note 4 for additional information on the purpose of these balances.

F. Discretely Presented Component Units

The State of Oregon has issued various debt instruments to fund capital projects for its university component units, which are the University of Oregon (UO), Oregon State University (OSU), Portland State University (PSU), Oregon Health and Science University (OHSU), Western Oregon University (WOU), Southern Oregon University (SOU), Eastern Oregon University (EOU), and Oregon Institute of Technology (OIT). These debt instruments include general obligation bonds, certificates of participation (COPs), and lottery revenue bonds, which are liabilities of the State, and are disclosed in greater detail in Note 7. These universities have entered into debt management agreements with the State, through the Higher Education Coordinating Commission to repay the State for certain debt instruments identified above. Pursuant to the debt management agreements, the universities have reported a payable to the State and the State has reported a receivable from the universities.

In addition, many of the universities have borrowed from the Oregon Department of Energy through the Small Scale Energy Loan Program (SELP) for energy conservation projects.

State of Oregon
Notes to the Financial Statements

Changes in notes payable to the State of Oregon for the State's major component units, which are UO, OSU, and PSU are included below (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
University of Oregon					
Higher Education Coordinating Commission Loans	\$ 413,385	\$ -	\$ 22,669	\$ 390,716	\$ 22,601
Oregon Department of Energy Loans (SELP)	25,687	-	2,465	23,222	2,581
Advances from primary government	<u>\$ 439,072</u>	<u>\$ -</u>	<u>\$ 25,134</u>	<u>413,938</u>	<u>25,182</u>
Other current liabilities owed to primary government				9,238	9,238
Total				<u>\$ 423,176</u>	<u>\$ 34,420</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Oregon State University					
Higher Education Coordinating Commission Loans	\$ 294,832	\$ -	\$ 16,992	\$ 277,840	\$ 17,652
Oregon Department of Energy Loans (SELP)	8,245	-	837	7,408	853
Advances from primary government	<u>\$ 303,077</u>	<u>\$ -</u>	<u>\$ 17,829</u>	<u>285,248</u>	<u>18,505</u>
Other current liabilities owed to primary government				5,966	5,966
Total				<u>\$ 291,214</u>	<u>\$ 24,471</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Portland State University					
Higher Education Coordinating Commission Loans	\$ 150,150	\$ -	\$ 11,511	\$ 138,639	\$ 12,298
Oregon Department of Energy Loans (SELP)	21,781	-	2,771	19,010	2,669
Advances from primary government	<u>\$ 171,931</u>	<u>\$ -</u>	<u>\$ 14,282</u>	<u>157,649</u>	<u>14,967</u>
Other current liabilities owed to primary government				3,070	3,070
Total				<u>\$ 160,719</u>	<u>\$ 18,038</u>

The outstanding amounts above have been included in the discretely presented component unit financial statements as due to primary government and advances from primary government. The State, as the primary government, has included the above balances, along with other balances, as due from component units and advances to component units.

9. POLLUTION REMEDIATION OBLIGATION

Pollution remediation obligations address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. This includes pre-cleanup activities, cleanup activities, government oversight and enforcement-related activities, and post remediation monitoring. Excluded from pollution remediation obligations are obligations for pollution prevention and control activities, fines and penalties, landfill closure and postclosure care, and other future remediation activities required upon retirement of an asset.

The State recognizes a pollution remediation obligation when it can reasonably estimate the range of expected cash outlays. As of June 30, 2024, the State recognized an estimated liability of \$50.1 million for pollution remediation activities. The liability, which is reported in the government-wide statement of net position, was recorded at the current value of the costs the State expects to incur to perform the work.

For many projects, the State can reasonably estimate the range of expected outlays early in the process, using the State's remediation history for similar sites as the basis for the calculations. In other cases, the estimated liability is based on the amount specified in a contract for remediation services or the estimate of the cleanup costs provided by an environmental consulting firm. Expected recoveries from responsible parties or potentially responsible parties and insurance recoveries are included in the estimates and reduce the State's expense. No material expected recoveries were included in the measurement of the State's pollution remediation obligation at June 30, 2024.

The most recent, relevant, analogous, and known costs are used to estimate potential liability for each remediation site. Pollution remediation liability estimates are adjusted for recent experience and include a contingency allowance. Adjustments may occur due to price fluctuations resulting from delays in contracting specific remediation jobs, changes in technology, changes in legal or regulatory requirements, and changes in the remediation plan or operating conditions.

Currently, the Oregon Department of Environmental Quality (DEQ), as a government responsible for sharing cost under federal law, is obligated to clean up two Superfund sites. One site is contaminated with chemicals used in the wood-treating industry. Contamination was found in the soil, groundwater, and sediments of adjacent rivers. The second site is contaminated with asbestos in the soil resulting from demolition of approximately eighty 1940s era military barracks buildings. The Oregon Department of Transportation (ODOT) also performs ongoing pollution remediation. For example, to facilitate the agency's transportation goals, ODOT voluntarily conducts the cleanup of contaminated soil and ground water found within the footprint of construction projects and removes lead-based paint when performing bridge repairs. In other cases, DEQ has named ODOT as a responsible party or potentially responsible party, or ODOT has entered the contaminated site into the DEQ's Voluntary Cleanup Program as the responsible party.

Portland Harbor is also a Superfund site, however, DEQ and the U.S. Environmental Protection Agency (EPA) expect responsible parties to fund all remediation costs. The Portland Harbor is a stretch of the Columbia River and the Willamette River with contaminated sediment from many historical industrial sites. EPA has identified over 100 parties as potentially responsible for costs related to investigation and cleanup of hazardous substances at the site, including the State of Oregon. EPA issued a Record of Decision (ROD) estimating the cleanup to cost \$1.1 billion and 13 years to complete. The State had entered into Administrative Settlements and Orders on Consent with EPA to perform the cleanup. As of June 30, 2024, the State has participated in a confidential, non-binding private mediation process to achieve an allocation of responsibility for the costs of implementing the ROD among the responsible parties. If successful, the process will culminate in the parties developing a comprehensive settlement proposal to EPA based on the allocation. If accepted by EPA, the settlement will be memorialized in a judicial Consent Decree filed in the Oregon federal district court. It is not possible to predict the relative share of cleanup costs that will be assigned to each agency through this confidential mediation or, should it fail, through litigation. It is also too early to predict when the mediation will conclude or whether it will result in a durable comprehensive settlement with EPA.

10. PLEDGED REVENUES

A. Lottery Revenue Bonds

The State has pledged future unobligated net lottery proceeds and interest earnings on guaranteed investment contracts to repay \$1.3 billion of lottery revenue bonds. Unobligated net lottery proceeds consist of all revenues derived from the operation of the Oregon State Lottery except for revenues used for payment of prizes and expenses of the Lottery. Proceeds from lottery revenue bonds have been used for a variety of purposes, which are described in greater detail in Note 7 within the section covering revenue bonds. The bonds are payable solely from the pledged revenues and are payable through fiscal year 2044. Total principal and interest remaining to be paid on the bonds is \$1.8 billion. In fiscal year 2025, principal and interest payments on the bonds are expected to require approximately 18.35% of pledged revenue. Principal and interest paid for the current year and total pledged revenues recognized were \$166.2 million and \$956.1 million, respectively.

B. Highway User Taxes Revenue Bonds

The State has pledged future highway user taxes and vehicle registration fees, net of administrative expenses, operating transfers, and statutory transfers to counties, to repay \$2.5 billion of highway user tax revenue bonds. Proceeds from the bonds provide financing for the construction, reconstruction, improvement, repair, maintenance and operation, and use of public highways, roads, streets, and roadside rest areas for the State. The bonds are payable solely from the pledged revenues and are payable through November 2048. Total principal and interest remaining to be paid on the bonds is \$3.6 billion. Fiscal year 2025 principal and interest payments on the bonds are expected to require approximately 27.10% of pledged revenues. Principal and interest paid for the current year and total pledged revenues recognized were \$223.1 million and \$834 million, respectively.

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State of Oregon
Notes to the Financial Statements

11. INTERFUND TRANSACTIONS

Interfund balances reported in the fund financial statements as of June 30, 2024 (in thousands):

Due from Other Funds							
Due to Other Funds	General	Health and Social Services	Public Transportation	Educational Support	Common School	Nonmajor Governmental Funds	
General	\$ -	\$ 62,889	\$ 7,216	\$ 108,969	\$ -	\$ 91,680	
Health and Social Services	708,668	-	313	6,091	-	2,766	
Public Transportation	15	-	-	-	-	24,095	
Educational Support	855	-	-	-	-	795	
Common School	-	-	-	-	-	307	
Nonmajor Governmental Funds	30,072	77,176	10,817	26	140	24,454	
Housing and Community Services	-	-	-	-	-	344	
Veterans' Loan	3	-	-	-	-	-	
Lottery Operations	276,577	-	-	-	-	175	
Unemployment Compensation	-	-	-	-	-	1,613	
Nonmajor Enterprise Funds	115,165	1,586	-	-	-	3,495	
Internal Service Funds	10,445	-	-	-	2	15,588	
Pension and Other Employee Benefit Trust	-	-	-	-	-	-	
Private Purpose Trust	-	-	-	-	-	-	
Other Custodial	10	-	-	-	-	39,741	
Total	\$ 1,141,809	\$ 141,652	\$ 18,347	\$ 115,087	\$ 142	\$ 205,055	

Advances to Other Funds			
Advances from Other Funds	Common School	Non-Major Governmental Funds	Total
Nonmajor Governmental Funds	\$ 300	\$ 1,254	\$ 1,554
Total	\$ 300	\$ 1,254	\$ 1,554

Interfund balances result from the time lag between the date a transaction for interfund goods and services or reimbursable expenditures/expenses is recorded and the date the payment between funds is made. Advances to and from other funds are not expected to be repaid within one year.

State of Oregon
Notes to the Financial Statements

Due from Other Funds (continued)										
Housing and Community Services	Veterans' Loan	Unemployment Compensation	Nonmajor Enterprise Funds	Internal Service Funds	Pension and Other Employee Benefit Trust	Private Purpose Trust	Other Custodial	Total		
\$ 3	\$ 16	\$ -	\$ 16,894	\$ 6,632	\$ -	-	\$ 1	\$ 294,302		
-	-	-	32,516	1,801	-	-	-	752,154		
-	-	-	-	-	-	-	-	24,132		
-	-	-	-	68	-	-	-	1,718		
-	-	-	-	142	-	-	-	449		
223	38	-	448	1,838	-	-	25,291	170,523		
-	-	-	-	-	-	-	-	344		
-	-	-	-	-	-	-	-	3		
-	-	-	-	-	-	-	-	276,751		
-	-	-	19,153	-	-	9	8	20,784		
-	349	14,646	6,431	85	129	-	-	141,886		
-	-	-	8	-	-	-	-	26,043		
-	-	-	-	-	17,547	-	-	17,547		
-	1	-	-	-	-	-	-	1		
-	-	-	-	-	-	-	-	39,752		
\$ 226	\$ 403	\$ 14,646	\$ 75,450	\$ 10,565	\$ 17,676	\$ 9	\$ 25,300	\$ 1,766,388		

State of Oregon
Notes to the Financial Statements

Interfund transfers reported in the fund financial statements as of June 30, 2024 (in thousands):

Transfers to Other Funds	Transfers from Other Funds					
	General	Health and Social Services	Public Transportation	Educational Support	Common School	Nonmajor Governmental Funds
General	\$ -	\$ 208,652	\$ 171,955	\$ 511,855	\$ 489	\$ 706,923
Health and Social Services	217,984	-	1,381	31,517	-	43,541
Public Transportation	3,639	-	-	-	-	300,796
Educational Support	451,249	-	-	-	-	5,672
Common School	110,971	-	-	-	-	4,482
Nonmajor Governmental Funds	107,291	153,338	16,618	671	3,295	307,041
Housing and Community Services	-	-	-	-	-	358
Veterans' Loan	-	-	-	-	-	200
Lottery Operations	955,986	-	-	-	-	2,366
Unemployment Compensation	-	-	-	-	-	120
Nonmajor Enterprise Funds	219,385	10,386	-	-	-	20,359
Internal Service Funds	7,962	-	-	3,630	-	26,310
Total	\$ 2,074,466	\$ 372,375	\$ 189,955	\$ 547,672	\$ 3,785	\$ 1,418,167

Transfers are used to move (1) revenues collected by one fund to the fund authorized by statute or the State's budget to expend them, (2) receipts restricted to debt service or capital construction to the appropriate funds, and (3) unrestricted revenues collected by the General Fund for various programs accounted for in other funds according to State budget requirements.

During the 2024 Regular Session, Senate Bill 1501 was passed requiring that \$90 million to be transferred from the Central Services Fund to the Health Services fund to set aside moneys for the purchase and management of insurance liabilities through the Insurance Fund program.

Pursuant to Senate Bill 1566 resulting from the 2018 Regular Session, \$36.8 million was transferred from the Common School Fund to the General Fund to set aside moneys for the Oregon school districts' unfunded liabilities.

The Residential Assistance Fund received \$173.8 million from the Capital Projects Fund during the fiscal year using proceeds from the issuance of debt to help finance loans for the construction of new affordable housing.

State of Oregon
Notes to the Financial Statements

Transfers from Other Funds (continued)

Housing & Community Services	Veterans' Loan	Nonmajor Enterprise Funds	Internal Service Funds	Total
\$ 7,500	\$ -	\$ 495,975	\$ 611	\$ 2,103,960
-	-	10,420	-	304,843
-	-	-	-	304,435
-	-	-	663	457,583
-	-	-	1,703	117,157
-	-	4,083	693	593,029
-	-	-	-	358
-	-	-	-	200
-	-	-	-	958,352
-	-	-	-	120
-	739	4,071	1,460	256,400
-	-	29	90,000	127,931
\$ 7,500	\$ 739	\$ 514,578	\$ 95,130	\$ 5,224,368

12. SEGMENT INFORMATION

Oregon Revised Statutes (ORS) 285B.410 through 285B.482 create the Special Public Works Fund and authorize the Oregon Business Development Department (OBDD) to issue revenue bonds to finance loans to municipalities for infrastructure projects. ORS 285B.560 through 285B.599 establish the Water/Wastewater Financing Fund and authorize OBDD to issue revenue bonds to finance loans to municipalities for safe drinking water projects and wastewater system improvement projects. Loan repayments are pledged to repay the outstanding bonds.

ORS 456.645 authorizes the Oregon Housing and Community Services Department (OHCSO) to issue revenue bonds to finance single-family mortgage loans and multi-family housing projects. Article XI-I (2) of the Oregon Constitution authorized OHCSO to finance multi-family housing for elderly and disabled persons. Mortgage payments and fees and rental revenues support these bonds.

Summary financial information for the Special Public Works Fund, the Water/Wastewater Financing Fund and OHCSO's various bond funds for the year ended June 30, 2024 (in thousands):

Condensed statement of net position	Special Public Works Fund	Water/Wastewater Financing Fund	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Elderly and Disabled Housing Fund
Assets:					
Interfund receivables	\$ 532	\$ 4,481	\$ -	\$ -	\$ 41
Other current assets	232,224	42,032	137,997	3,376	6,004
Capital assets	-	-	-	-	22
Other noncurrent assets	171,142	48,425	1,084,223	53,758	99,859
Total assets	403,898	94,938	1,222,220	57,135	105,926
Deferred outflows of resources	730	347	270	39	441
Liabilities:					
Interfund payables	5,998	460	-	-	24
Other current liabilities	6,197	461	91,893	1,092	1,662
Noncurrent liabilities	56,113	875	1,003,412	17,711	19,345
Total liabilities	68,308	1,796	1,095,304	18,803	21,032
Deferred inflows of resources	160	75	23,412	195	346
Net position:					
Invested in capital assets, net of related debt	-	-	-	-	1
Restricted-Expendable	581	67	103,774	38,176	84,529
Unrestricted	335,578	93,349	-	-	460
Total net position	\$ 336,160	\$ 93,415	\$ 103,774	\$ 38,176	\$ 84,989

Condensed statement of revenues, expenses, and changes in net position	Special Public Works Fund	Water/Wastewater Financing Fund	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Elderly and Disabled Housing Fund
Operating activities:					
Loan interest income	\$ 1,737	\$ 99	\$ 35,609	\$ 1,532	\$ 3,002
Other operating revenue	63	-	3,296	-	108
Depreciation and amortization	-	-	-	-	12
Other operating expenses	9,313	3,792	38,967	943	2,061
Operating income (loss)	(7,513)	(3,693)	(62)	589	1,037
Total nonoperating revenues (expenses)	11,128	1,903	9,750	1,515	3,168
Transfers from other funds	55	218	105	-	-
Transfers to other funds	(6,966)	(292)	(2,000)	-	(25)
Change in net position	(3,295)	(1,863)	7,793	2,104	4,180
Beginning net position	339,455	95,279	95,981	36,072	80,809
Ending net position	\$ 336,160	\$ 93,415	\$ 103,774	\$ 38,176	\$ 84,989

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	Special Public Works Fund	Water/ Wastewater Financing Fund	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Elderly and Disabled Housing Fund
Condensed statement of cash flows					
Net cash provided (used) by:					
Operating activities	\$ (5,999)	\$ (3,692)	\$ (59,719)	\$ 3,091	\$ 3,599
Noncapital financing activities	(10,868)	(82)	109,039	(1,509)	(2,024)
Capital and related financing activities	-	-	-	-	(5)
Investing activities	6,628	4,367	(44,311)	1,535	3,226
Net increase (decrease)	(10,238)	593	5,010	3,118	4,796
Beginning cash and cash equivalents	219,220	38,115	160,519	25,963	62,372
Ending cash and cash equivalents	\$ 208,981	\$ 38,708	\$ 165,529	\$ 29,081	\$ 67,167

13. EMPLOYEE RETIREMENT PLANS

A. Plan Descriptions

Public Employees Retirement Plan

The Public Employees Retirement System (PERS) administers a cost-sharing, multiple-employer plan (Plan) for units of state government, political subdivisions, community colleges, and school districts. The Plan contains multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the plan. Participation by state government units, school districts, and community colleges is mandatory. Participation by most political subdivisions is optional, but irrevocable if elected. As of June 30, 2024, there were 904 participating employers.

PERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage the System. All members of the Board are appointed by the governor and confirmed by the state Senate. The governor designates the chairperson. One member must be a public employer manager or a local elected official, one member must be a union-represented public employee or retiree, and three members must have experience in business management, pension management, or investing.

In 1995 the Oregon Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. The legislation created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to 58 for Tier One. Both Tier One and Tier Two are defined benefit plans. As of June 30, 2024, Tier One was comprised of 7,928 active plan members, 127,957 inactive plan members or their beneficiaries currently receiving benefits, and 6,927 inactive plan members entitled to but not yet receiving benefits, for a total of 142,812 members. For Tier Two, as of June 30, 2024, there were 23,549 active plan members, 24,248 inactive plan members or their beneficiaries currently receiving benefits, and 12,332 inactive plan members entitled to but not yet receiving benefits, for a total of 60,129 members. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

In 2003 the Oregon Legislature enacted House Bill 2020, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program (defined benefit) and the Individual Account Program (IAP). The IAP is a defined contribution plan. Membership includes public employees hired on or after August 29, 2003. As of June 30, 2024, there were 163,367 active plan members, 13,931 inactive plan members or their beneficiaries currently receiving benefits, 10,596 inactive plan members entitled to but not yet receiving benefits, and 24,658 inactive plan members not eligible for refund or retirement, for a total of 212,552 OPSRP Pension Program members.

Beginning January 1, 2004, active PERS Tier One and Tier Two plan members became members of the IAP of OPSRP. PERS members retain their existing Defined Benefit Plan accounts, but a portion of member contributions are now deposited into the member's IAP account, not into the member's Defined Benefit Plan account. Accounts are credited with earnings and losses net of administrative expenses. OPSRP is part of

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PERS and is administered by the Board. The PERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Public Employees Defined Benefit Pension Plan Fund. In 2024, if the member earns more than \$3,688 per month, 0.75% for OPSRP members and 2.50% for Tier One and Tier Two members' contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account.

The PERS defined benefit and defined contribution retirement plans are reported as pension trust funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the fiduciary funds basic financial statements. PERS issues a separate, publicly available financial report that includes audited financial statements and required supplementary information that may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

B. Benefits Provided

Tier One and Tier Two

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is most commonly based on years of service and final average salary. A percentage (2.00% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which they are entitled. Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary is limited for all members beginning in 2021. The limit was equal to \$232,976 as of January 1, 2024, and it is indexed with inflation every year. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they had a contribution in each of five calendar years or have reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Tier Two members are eligible for full benefits at age 60.

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided certain criteria exist. As of 2020, the Legislature introduced an Optional Spouse Death Benefit (OSDB) which may provide a higher survivor benefit than the standard preretirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and meet certain conditions. As of January 1, 2024, the Legislature modified the rules such that, in order to be eligible for the Optional Spouse Death Benefit, a surviving spouse must make written election no later than 60 days after the date of the estimate that PERS provides to a member's spouse.

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit. Monthly benefits are adjusted annually through cost-of-living adjustments (COLA). The COLA is capped at 2.00% for all benefit recipients.

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OPSRP

The pension portion of OPSRP provides a life pension funded by employer contributions. For police and fire employees, 1.80% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. For general service employees, 1.50% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary is limited for all members beginning in 2021. The limit was equal to \$232,976 as of January 1, 2024, and is indexed with inflation every year. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as a spouse, receives for life 50.00% of the pension that would otherwise have been paid to the deceased member. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45.00% of the member's salary determined as of the last full month of employment before the disability occurred.

OPSRP IAP

An IAP member becomes vested on the date the employee account is established. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer-funded account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

C. Funding

Primary Government

To pay for PERS pension benefits, state agencies make required contributions based on a percentage of employee payrolls. The retirement contribution rates include an actuarially determined employer rate and a member contribution rate. The PERS Board updates the employer rates every two years, so that, over time, those contributions will be sufficient to fund the benefits earned, if earnings follow assumptions. A 6.00% member contribution is set by statute and is paid by state employees directly from their salary. These two contributions are paid to the State's pension system and are invested at an acceptable level of investment risk as determined by the Oregon Investment Council.

The PERS employer contribution rates for state agencies for the biennium beginning July 1, 2023, and ending June 30, 2025, expressed as a percentage of covered payroll:

<u>Tier One - Tier Two</u>		<u>OPSRP Employer Rates</u>	
<u>General Service</u>	<u>Police and Fire</u>	<u>General Service</u>	<u>Police and Fire</u>
21.78%	28.43%	18.28%	23.07%

State agencies' employer contributions to PERS for the fiscal year ended June 30, 2024, totaled \$740.5 million. Member contributions paid by the State on behalf of employees for the year ended June 30, 2024, were \$2.5 million. The actual contribution equaled the contractually required contribution for the fiscal year. In fiscal year 2004, the State issued \$2 billion in pension obligation bonds to reduce the PERS pension liability. State agencies pay an additional assessment to cover the annual debt service requirements attributable to the pension bonds.

D. Net Pension Liability

At June 30, 2024, the State reported a liability of \$5.4 billion for its proportionate share of the net pension liability for the primary government and \$1.7 billion for component units. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The State's portion of the net pension liability was based on a projection of the State's long-term share of contributions of all participating employers,

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actuarially determined. Certain component units are considered by the pension plan to be part of the State. The State determined those component units' proportionate share of the net pension liability and allocated it to them. At the June 30, 2023, measurement date (MD), the primary government's proportionate share, excluding those component units, was 28.56% which is 2.36 percentage points higher than the proportion of 26.20% at the prior measurement date of June 30, 2022. The component units proportionate share was 8.97%. Each governmental fund, excluding the debt service funds, is responsible for liquidating the liability not reported in the proprietary funds.

For the year ended June 30, 2024, the primary government recognized pension expenses of \$1 billion, and component units recognized \$281.8 million. At June 30, 2024, the State reported deferred outflows and deferred inflows of resources related to pensions from the following sources (in thousands):

	Primary Government		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 261,647	\$ 21,214	\$ 82,194	\$ 6,663
Changes in assumptions	475,291	3,544	148,065	1,113
Net difference between projected and actual earnings on investments	96,167	-	30,209	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	586,054	399,459	208,513	208,116
Total (prior to post-MD contributions)	1,419,159	424,217	468,982	215,892
Net deferred outflow/(inflow) of resources before contributions subsequent to MD	-	994,942	-	253,089
Contributions subsequent to the MD	740,470	N/A	215,980	N/A
Net deferred outflow/(inflow) of resources		\$ 1,735,412		\$ 469,069

The \$740.5 million reported as deferred outflows of resources related to pensions resulting from State contributions subsequent to the measurement date for the primary government and \$216 million for component units will be recognized as a decrease to the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Year	Primary Government Amount	Component Unit Amount
2025	\$ 187,937	\$ 42,999
2026	(70,661)	(39,357)
2027	605,251	174,672
2028	238,879	66,427
2029	33,536	8,348
	\$ 994,942	\$ 253,089

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The primary government reported deferred outflows and inflows of resources related to pensions as follows (in thousands):

Deferred Outflows and Deferred Inflows	Governmental Activities	Business-type Activities						Total Primary Government
		Housing and Community Services	Veterans' Loan	Lottery Operations	Other	Total		
Deferred Outflows:								
Difference between expected and actual economic experience	\$ 236,633	\$ 465	\$ 233	\$ 3,133	\$ 21,183	\$ 25,014	\$ 261,647	
Changes in assumptions	429,851	844	424	5,691	38,480	45,440	475,291	
Net difference between projected and actual earnings on investments	86,973	171	86	1,151	7,786	9,194	96,167	
Changes in proportion and differences between employer contributions and proportionate share of contributions	529,994	1,042	523	7,021	47,475	56,060	586,054	
Contributions subsequent to the MD	669,256	1,274	663	8,375	60,901	71,214	740,470	
Total deferred outflows related to pensions	\$ 1,952,707	\$ 3,796	\$ 1,930	\$ 25,370	\$ 175,826	\$ 206,922	\$ 2,159,629	
Deferred Inflows:								
Difference between expected and actual economic experience	\$ 19,186	\$ 38	\$ 19	\$ 254	\$ 1,718	\$ 2,028	\$ 21,214	
Changes in assumptions	3,205	6	3	42	287	339	3,544	
Changes in proportion and differences between employer contributions and proportionate share of contributions	361,381	708	355	4,769	32,246	38,078	399,459	
Total deferred inflows related to pensions	\$ 383,772	\$ 752	\$ 377	\$ 5,065	\$ 34,251	\$ 40,445	\$ 424,217	

Actuarial Assumptions

The following methods and assumptions were used in the development of the total pension liability:

Valuation date	December 31, 2021
Experience study report	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Projected salary increases	3.40%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25% / 0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries:</p> <p>Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members:</p> <p>Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees:</p> <p>Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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To develop an analytical basis for the selection of the long-term expected rate of return assumptions, in January 2023, the PERS Board reviewed long-term assumptions developed by both a consulting actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors.

The following table shows the consulting actuary's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation:

Asset Class	Target	Compound Annual Return (Geometric)
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
Assumed inflation - mean		2.35%

The OIC's description of each asset class was used to map the target allocation to the asset classes. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the net pension liability calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90%) or one percent higher (7.90%) than the current rate (in millions):

	Primary Government			Component Units		
	1.00% Decrease (5.90%)	Current Discount (6.90%)	1.00% Increase (7.90%)	1.00% Decrease (5.90%)	Current Discount (6.90%)	1.00% Increase (7.90%)
Net Pension Liability						
Defined Benefit Pension Plan	\$ 8,837.7	\$ 5,350.3	\$ 2,431.7	\$ 2,776.3	\$ 1,680.7	\$ 763.9

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

E. Separately Financed Specific Liability

Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), the State and community colleges were pooled together in the State and Community College Pool (SCCP), while local government employers participated in the Local Government Rate Pool (LGRP). These two pools combined to form the SLGRP, effective January 1, 2002. The unfunded actuarial liability (UAL) attributable to the SCCP at the time the SLGRP was formed is maintained separately from the SLGRP and is reduced by contributions

and increased for interest charges at the assumed interest rate, which was 6.90% in fiscal year 2024. The pre-SLGRP pooled liability, which has been referred to as pension-related debt in this report, attributable to the State is being amortized over the period ending December 31, 2027. The outstanding pension-related debt balance as of June 30, 2024, for the State, as the primary government, is \$121.4 million, and \$35 million for component units. The balances are reported in the accompanying financial statements as part of contracts, mortgages, and notes payable

14. OTHER POSTEMPLOYMENT BENEFIT PLANS

A. Public Employees Retirement System

Plan Descriptions

The Public Employees Retirement System (PERS) Board contracts for health insurance coverage on behalf of the members of PERS. Eligible retirees pay their own age-adjusted premiums. To help retirees defray the cost of these premiums, PERS also administers two separate defined benefit other postemployment benefit (OPEB) plans: the Retirement Health Insurance Account (RHIA) and the Retiree Health Insurance Premium Account (RHIPA).

The RHIA is a cost-sharing multiple-employer OPEB plan. Established under Oregon Revised Statute (ORS) 238.420, the plan provides a payment of up to \$60 toward the monthly cost of health insurance for eligible PERS members. To be eligible to receive the RHIA subsidy, the member must (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991. The Legislature has sole authority to amend the benefit provisions and employer obligations for the RHIA plan.

Established under ORS 238.415, the RHIPA is considered a single-employer OPEB plan for financial reporting purposes, although certain discretely presented component units and related organizations, which are described in Note 1, do participate in the plan. The plan provides payment of the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the PERS Board and health insurance premiums paid by state employees who are not retired. PERS members are qualified to receive the RHIPA subsidy if they have eight or more years of qualifying service in PERS at the time of retirement or receive a disability pension calculated as if they had eight or more years of qualifying service but are not eligible for federal Medicare coverage. A non-Medicare eligible surviving spouse or dependent of a deceased retired state employee is eligible to receive the subsidy if they (1) are receiving a retirement benefit or allowance from PERS or (2) were insured at the time the member died and the member retired on or after September 29, 1991. The Legislature has sole authority to amend the benefit provisions and employer obligations of the RHIPA plan.

At June 30, 2024, the following employees were covered by the benefit terms:

	<u>RHIA</u>	<u>RHIPA</u>
Inactive employees or beneficiaries currently receiving benefit payments	39,325	450
Inactive employees entitled to but not yet receiving benefit payments	10,577	-
Active employees	31,243	8,826
	<u>81,145</u>	<u>9,276</u>

Both RHIA and RHIPA are closed to employees hired on or after August 29, 2003, who had not established membership prior to that date.

The RHIA and RHIPA defined benefit OPEB plans are reported separately under Other Employee Benefit Trust Funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the fiduciary funds basic financial statements. PERS issues a separate, publicly available financial report that includes audited financial statements and required supplementary information. The report

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may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Funding

Both OPEB plans administered by PERS are funded through actuarially determined employer contributions.

The PERS employer contribution rates for state agencies for the biennium beginning July 1, 2023, and ending June 30, 2025, expressed as a percentage of covered-employee payroll:

RHIA		RHIPA	
Tier 1 - Tier 2	OPSRP	Tier 1 - Tier 2	OPSRP
0.00%	0.00%	0.00%	0.00%

State agencies made no employer contributions to PERS for RHIA and RHIPa for the fiscal year ended June 30, 2024, while component units contributed \$9 thousand and \$79 thousand, respectively. There were no contractually required contributions for both RHIA and RHIPa for the fiscal year.

As noted previously, because certain discretely presented component units and related organizations contribute to the RHIPa plan, the contributions identified in the combining statement of changes in fiduciary net position exceed the State's required employer contributions.

Net OPEB Asset

RHIA

At June 30, 2024, the primary government reported an asset of \$108 million for its proportionate share of the net OPEB asset. Component units reported an asset of \$33.6 million. The net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. The State's portion of the net OPEB asset was determined by comparing the State's actual, legally required contributions made to the Plan during the fiscal year with the total actual contributions made in the fiscal year by all employers. Certain component units are considered by the OPEB plan to be part of the State, and the State determined those component units' proportionate share of the net OPEB asset and allocated it to them. At the June 30, 2023, measurement date (MD), the State's proportion, excluding those component units, was 29.48%, which is 0.95 percentage points higher than the proportion of 28.53% at the prior measurement date of June 30, 2022. Component units comprised 9.05% of the State's total. Each governmental fund, excluding the debt service funds, is responsible for liquidating the liability not reported in the proprietary funds.

For the year ended June 30, 2024, the primary government and component units recognized OPEB expense of negative \$19.6 million and negative \$5.5 million, respectively. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Primary Government		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,710	\$ -	\$ 843
Change in assumptions	-	1,164	31	361
Net difference between projected and actual earnings on investments	306	-	127	189
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,258	1,401	560	191
Total (prior to post-MD contributions)	2,565	5,276	718	1,584
Net deferred outflow/(inflow) of resources before contributions subsequent to MD	-	(2,711)	-	(866)
Contributions subsequent to the MD	-	N/A	9	N/A
Net deferred outflow/(inflow) of resources	\$ (2,711)		\$ (857)	

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The \$9 thousand reported as deferred outflows of resources related to OPEB resulting from component units' contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Fiscal Year	Primary Government	Component Units
2025	\$ (3,760)	\$ (741)
2026	(4,371)	(1,809)
2027	3,990	1,240
2028	1,431	445
	<u>\$ (2,711)</u>	<u>\$ (866)</u>

Deferred outflows and inflows of resources related to OPEB are reported as follows (in thousands):

Deferred Outflows and Deferred Inflows	Governmental Activities	Business-type Activities						Total Primary Government
		Housing and Community Services	Veterans' Loan	Lottery Operations	Other	Total		
Deferred Outflows:								
Net difference between projected and actual earnings on investments	\$ 288	\$ -	\$ -	\$ 4	\$ 13	\$ 18	\$ 306	
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,120	3	3	32	101	139	2,258	
Total deferred outflows related to OPEB	\$ 2,408	\$ 3	\$ 3	\$ 37	\$ 114	\$ 157	\$ 2,565	
Deferred Inflows:								
Differences between expected and actual experience	\$ 2,551	\$ 4	\$ 3	\$ 37	\$ 115	\$ 159	\$ 2,710	
Change in assumptions	1,096	2	1	16	50	68	1,164	
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,374	1	1	6	20	27	1,401	
Total deferred inflows related to OPEB	\$ 5,021	\$ 6	\$ 5	\$ 59	\$ 184	\$ 254	\$ 5,276	

RHIPA

At June 30, 2024, the primary government and component units reported net OPEB assets of \$35.2 million and \$9 million, respectively. The net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. Certain component units are considered by the OPEB plan to be part of the State, and the State determined those component units' proportionate share of the net OPEB asset and allocated it to them. Each governmental fund, excluding the debt service funds, is responsible for liquidating the liability not reported in the proprietary funds. For the year ended June 30, 2024, the primary government and component units recognized OPEB expense of negative \$5.7 million and negative \$1.6 million, respectively.

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At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Primary Government		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,381	\$ -	\$ 1,896
Change in assumptions	508	8,491	130	2,179
Net difference between projected and actual earnings on investments	720	-	184	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	46	217
Total (prior to post-MD contributions)	1,228	15,871	361	4,293
Net deferred outflow/(inflow) of resources before contributions subsequent to MD	-	(14,643)	-	(3,932)
Contributions subsequent to the MD	-	N/A	79	N/A
Net deferred outflow/(inflow) of resources		\$ (14,643)		\$ (3,853)

The \$79 thousand reported as deferred outflows of resources related to OPEB resulting from component units' contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Fiscal Year	Primary Government	Component Units
2025	\$ (4,774)	\$ (1,253)
2026	(4,943)	(1,285)
2027	(2,226)	(663)
2028	(2,122)	(537)
2029	(578)	(188)
Thereafter	-	(6)
	\$ (14,643)	\$ (3,932)

Deferred outflows and inflows of resources related to OPEB are reported as follows (in thousands):

		Business-type Activities					Total Primary Government
		Housing and Community Services	Veterans' Loan	Lottery Operations	Other	Total	
Deferred Outflows and Deferred Inflows	Governmental Activities						
Deferred Outflows:							
Change in assumptions	\$ 461	\$ 1	\$ 1	\$ 6	\$ 39	\$ 47	\$ 508
Net difference between projected and actual earnings on investments	653	1	1	9	56	67	720
Total deferred outflows related to OPEB	\$ 1,114	\$ 2	\$ 1	\$ 16	\$ 95	\$ 114	\$ 1,228
Deferred Inflows:							
Differences between expected and actual experience	\$ 6,693	\$ 13	\$ 8	\$ 93	\$ 573	\$ 688	\$ 7,381
Change in assumptions	7,699	15	9	107	659	791	8,491
Total deferred inflows related to OPEB	\$ 14,392	\$ 29	\$ 17	\$ 201	\$ 1,233	\$ 1,479	\$ 15,871

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Changes in Net OPEB Asset

The schedule of changes in net OPEB asset and related ratios measured as of June 30, 2023, is as follows (dollars in millions):

Total OPEB Liability

Service cost	\$ 0.9
Interest on total OPEB liability	3.3
Changes in benefit terms	-
Changes in assumptions	-
Differences between expected and actual experience	(3.0)
Benefit payments	(3.0)
Net change in total OPEB liability	(1.8)
Total OPEB liability - Beginning	49.1
Total OPEB liability - Ending	<u>\$ 47.3</u>

Plan Fiduciary Net Position

Employer contributions	\$ 8.8
Net investment and other income	3.0
Benefit payments	(3.0)
Administrative expense	(0.7)
Net change in plan fiduciary net position	8.1
Plan fiduciary net position - Beginning	83.3
Plan fiduciary net position - Ending	<u>\$ 91.4</u>
Net OPEB Liability/(Asset)	<u>\$ (44.1)</u>

Plan fiduciary net position as a percentage of the total OPEB liability	193.20%
Covered payroll	\$ 1,153.1
Net OPEB liability/(asset) as a percentage of covered payroll	(3.83%)

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Actuarial Assumptions

The following methods and assumptions were used in the development of the total OPEB liability:

	RHIA	RHIPA
Valuation date	December 31, 2021	December 31, 2021
Experience study report	2020, published July 20, 2021	2020, published July 20, 2021
Actuarial assumptions:		
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation rate	2.40%	2.40%
Long-term expected rate of return	6.90%	6.90%
Discount rate	6.90%	6.90%
Projected salary increases	3.40%	3.40%
Retiree healthcare participation	Healthy retirees: 27.50%;	8-14 Years of Service: 10.00%
	Disabled retirees: 15.00%	15-19 Years of Service: 11.00%
		20-24 Years of Service: 14.00%
		25-29 Years of Service: 22.00%
		30+ Years of Service: 27.00%
Healthcare cost trend rate	Not Applicable	Applied at beginning of plan year, starting with 5.90% for 2021, decreasing to 4.70% for 2028, increasing to 4.80% for 2037, increasing to 4.90% for 2046, and decreasing to an ultimate rate of 3.90% for 2074 and beyond.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both a consulting actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The following table shows the consulting actuary's assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation for both RHIA and RHIP:

Asset Class	Target	Compound Annual Return (Geometric)
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
Assumed inflation - mean		2.35%

The OIC's description of each asset class was used to map the target allocation to the asset classes. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment

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for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90% for both RHIA and RHIPA plans, which is unchanged from the prior year. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA and RHIPA plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA and RHIPA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the net OPEB liability/(asset) for the RHIA and RHIPA plans calculated using the discount rate of 6.90%, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate (in millions):

	Primary Government			Component Units		
	1.00% Decrease (5.90%)	Current Discount (6.90%)	1.00% Increase (7.90%)	1.00% Decrease (5.90%)	Current Discount (6.90%)	1.00% Increase (7.90%)
Net OPEB Liability/(Asset)						
RHIA	\$ (98.1)	\$ (108.0)	\$ (116.4)	\$ (30.5)	\$ (33.6)	\$ (36.2)
RHIPA	(33.1)	(35.2)	(37.2)	(8.5)	(9.0)	(9.6)

The following table presents the net OPEB liability/(asset) for the RHIA and RHIPA plans calculated using the healthcare cost trend rates, as well as what the net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current trend rates (in millions):

	Primary Government			Component Units		
	1.00% Decrease	Current Trend Rate	1.00% Increase	1.00% Decrease	Current Trend Rate	1.00% Increase
Net OPEB Liability/(Asset)						
RHIA	\$ (108.0)	\$ (108.0)	\$ (108.0)	\$ (33.6)	\$ (33.6)	\$ (33.6)
RHIPA	(38.1)	(35.2)	(32.0)	(9.8)	(9.0)	(8.2)

Changes in Plan Provisions

The PERS Board adopted assumption changes that were used to measure the June 30, 2021, total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.20% to 6.90%, and the inflation rate from 2.50% to 2.40%. In addition, healthy retiree participation and healthy mortality assumptions for RHIA and RHIPA were changed to reflect updated trends and mortality improvement scale for all groups.

RHIA and RHIPA Plans' Fiduciary Net Position

Detailed information about the RHIA and RHIPA's fiduciary net position is available in the separately issued PERS financial report.

B. Public Employees Benefit Board (PEBB)

Plan Description

The State participates in a defined benefit postemployment healthcare plan administered by the Public Employees Benefit Board (PEBB). This plan offers healthcare assistance to eligible retired employees and their beneficiaries. Chapter 243 of the Oregon Revised Statutes gives the Board the authority to establish and amend the benefit provisions of the PEBB Plan. The PEBB Plan is considered a multiple-employer plan for financial reporting purposes, and certain discretely presented component units and related organizations, which are described in Note 1, also participate in the PEBB plan. As a result, the State reports only a portion of the overall total OPEB liability under the primary government section of the Statement of Net Position. No

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assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. PEBB does not issue a separate, publicly available financial report.

As of June 30, 2024, membership in the PEBB Plan consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	896
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	57,343
	<u>58,239</u>

The PEBB Plan allows qualifying retired employees to continue their “active” health insurance coverage on a self-pay basis until they are eligible for Medicare. Participating retirees pay their own monthly premiums. However, the premium amount is based on a blended rate that is determined by pooling the qualifying retirees with active employees, thus, creating an “implicit rate subsidy”.

Funding

The PEBB’s funding policy provides for employer contributions in amounts sufficient to fund the cost of active employee health benefits, including the retiree rate subsidy, on a pay-as-you-go basis. For the year ended June 30, 2024, retired plan members contributed \$13.3 million through their required contributions. The average monthly contribution was \$1,237. Active employees do not contribute to the plan.

Total OPEB Liability

At June 30, 2024, the primary government and component units reported total OPEB liabilities of \$80.6 million and \$27.5 million, respectively. The total OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022. Certain component units are considered by the OPEB plan to be part of the State, and the State determined those component units’ proportionate share of the OPEB liability and allocated it to them. Each governmental fund, excluding the debt service funds, is responsible for liquidating the liability not reported in the proprietary funds.

For the year ended June 30, 2024, the primary government and component units recognized OPEB expense of \$1.3 million and \$1.4 million, respectively. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Primary Government		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24	\$ 15,209	\$ 7	\$ 5,179
Change in assumptions	1,208	22,794	412	7,462
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	459	2,435
Total (prior to post-MD contributions)	1,232	38,002	878	15,075
Net deferred outflow/(inflow) of resources before contributions subsequent to MD	-	(36,771)	-	(14,197)
Contributions subsequent to the MD	-	N/A	-	N/A
Net deferred outflow/(inflow) of resources	<u>\$ (36,771)</u>		<u>\$ (14,197)</u>	

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Fiscal Year	Primary Government	Component Units
2025	\$ (7,373)	\$ (2,615)
2026	(7,105)	(2,817)
2027	(7,399)	(2,842)
2028	(6,709)	(2,570)
2029	(4,937)	(1,901)
Thereafter	(3,247)	(1,452)
	<u>\$ (36,771)</u>	<u>\$ (14,197)</u>

Deferred outflows and inflows of resources related to OPEB are reported as follows (in thousands):

		Business-type Activities					Total Primary Government
		Governmental Activities	Housing and Community Services	Veterans' Loan	Lottery Operations	Other	
Deferred Outflows and Deferred Inflows							
Deferred Outflows:							
Differences between expected and actual experience	\$ 21	\$ -	\$ -	\$ -	\$ 2	\$ 2	\$ 24
Change in assumptions	1,097	2	1	12	96	111	1,208
Total deferred outflows related to OPEB	<u>\$ 1,119</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 12</u>	<u>\$ 98</u>	<u>\$ 113</u>	<u>\$ 1,232</u>
Deferred Inflows:							
Differences between expected and actual experience	\$ 13,813	\$ 27	\$ 12	\$ 151	\$ 1,205	\$ 1,396	\$ 15,209
Change in assumptions	20,701	41	18	226	1,807	2,092	22,794
Total deferred inflows related to OPEB	<u>\$ 34,514</u>	<u>\$ 68</u>	<u>\$ 31</u>	<u>\$ 377</u>	<u>\$ 3,012</u>	<u>\$ 3,488</u>	<u>\$ 38,002</u>

Changes in Total OPEB Liability

The schedule of changes in the total OPEB liability measured as of June 30, 2024, is as follows (in millions):

Balance as of June 30, 2023	\$ 105.6
Changes for the year	
Service cost	7.7
Interest on total OPEB liability	4.0
Effect of changes to benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	(2.1)
Benefit payments	(7.2)
Balance as of June 30, 2024	<u>\$ 108.1</u>

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Actuarial Assumptions

The following methods and assumptions were used in the development of the PEBB total OPEB liability:

Valuation date	July 1, 2022
Experience study report	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40%
Wage inflation	3.40%
Discount rate	3.93%
Healthcare cost trend rates	Growth in per-member expenditures under self-insured plans and premium amounts is assumed to be 3.40% per year.
Withdrawal, retirement, and mortality rates	<p><u>General Service and Beneficiary Mortality Rates</u> Mortality rates were based on the Pub-2010 mortality tables, with adjustments for PERS experience and generational mortality improvements using Scale: Milliman Unisex Social Security Data (60-year average), with data through 2017.</p> <p>Deaths Before Retirement: Rates for males are set back 1 year and multiplied by 115.00%. Rates for females are multiplied by 125.00%.</p> <p>Deaths After Retirement (Healthy): Rates for males are set back 1 year.</p> <p>Deaths After Retirement (Disabled): Rates are set forward 2 years for males and set forward 1 year for females for all ages.</p> <p><u>Public Safety and Beneficiary Mortality Rates</u> Deaths Before Retirement: Rates for females are set back 1 year.</p> <p>Deaths After Retirement (Healthy): Rates for females are set back 1 year.</p> <p>Deaths After Retirement (Disabled): 50.00% of the Pub-2010 Headcount Weighted Non-Safety Mortality Table for Disabled Retirees base rates and 50.00% of the Pub-2010 Headcount Weighted Public-Safety Mortality Table for Disabled Retirees.</p> <p><u>Withdrawal, Disability, and Retirement</u> The demographic actuarial assumptions for retirement, disability incidence, and withdrawal were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020 adopted by PERS.</p>
Election and lapse rates	<p>30.00% of eligible employees</p> <p>60.00% spouse coverage for males, 35.00% for females</p> <p>7.00% annual lapse rate</p>

Discount Rate

The discount rate used to measure the total OPEB liability for PEBB was 3.93%, which reflects the Bond Buyer 20-year General Obligation Bond Index. The rate used to measure the total OPEB liability for fiscal year 2023 was 3.65%, which is 0.28 percentage points lower than the rate for fiscal year 2024.

The following table presents the total OPEB liability for the PEBB plan calculated using the discount rate of 3.93%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current rate (in millions):

	Primary Government			Component Units		
	1.00% Decrease (2.93%)	Current Discount (3.93%)	1.00% Increase (4.93%)	1.00% Decrease (2.93%)	Current Discount (3.93%)	1.00% Increase (4.93%)
Total OPEB Liability						
PEBB	\$ 86.2	\$ 80.6	\$ 75.3	\$ 29.4	\$ 27.5	\$ 22.4

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The following table presents the total OPEB liability for the PEBB plan calculated using the healthcare cost trend rates, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current trend rates (in millions):

	Primary Government			Component Units		
	1.00% Decrease	Current Trend Rate	1.00% Increase	1.00% Decrease	Current Trend Rate	1.00% Increase
Total OPEB Liability						
PEBB	\$ 70.7	\$ 80.6	\$ 92.4	\$ 24.1	\$ 27.5	\$ 31.5

Changes in Plan Provisions

Since the Prior Measurement Date, the municipal bond rate assumption changed from 3.65% to 3.93%.

C. Collective Amount of OPEB Expense

For the year ended June 30, 2024, the aggregate amounts of OPEB expense recognized by the primary government and component units were negative \$23.9 million and negative \$5.7 million, respectively.

15. DEFERRED COMPENSATION PLANS

The Oregon Savings Growth Plan (OSGP) is a deferred compensation plan available to eligible state employees. Employee contributions are deposited into the Deferred Compensation Fund established by Oregon Revised Statute 243.411. To participate, an employee enters into an individual agreement with the State to defer current earnings to be paid at a future date. The Public Employees Retirement System (PERS) administers the plan. As trustee of the assets, PERS contracts with Voya Financial to maintain OSGP participant records. The Oregon State Treasury, as custodian of the assets, also contracts with State Street Corporation to provide financial services. PERS may assess a charge to participants not to exceed 2.00% on amounts deferred, both contributions and investment earnings, to cover costs incurred for administering the program. Actual charges to participants, including investment charges, for the year ended June 30, 2024, averaged 0.24% of amounts deferred.

Participants direct the selection of investment options and bear any market risk. Although the State has no liability for losses under the OSGP, the State does have the prudent investor responsibility of due care. Activity of the OSGP is reported under the Deferred Compensation Plan in the fiduciary funds combining financial statements. As of June 30, 2024, the fair value of the investments was \$3.2 billion.

16. RISK FINANCING

A. Property, Liability, and Workers' Compensation Coverage for State Government

The Department of Administrative Services, Enterprise Goods and Services Division, Risk Management section (Risk Management) administers the State's property, liability, and workers' compensation insurance program. Risk Management has found it is more economical to manage the risk of loss internally and, therefore, minimizes the purchases of commercial insurance policies to the extent possible. The moneys set aside by Risk Management under Chapter 278 of the Oregon Revised Statutes are used to service the following risks:

- Direct physical loss or damage to State property
- Tort liability claims brought against the State, its officers, employees, or agents
- Inmate injury
- Worker's compensation
- Employee dishonesty
- Faithful performance bonds for key position as required by law and additional positions as determined by agency policy

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Risk Management purchases commercial insurance for specific insurance needs not covered by self-funding. For example, the self-insured property and liability program is backed by an excess property policy with a limit of \$425 million and a blanket commercial crime policy with a limit of \$5 million. The amount of claim settlements did not exceed commercial insurance coverage for each of the past three fiscal years.

All State agencies, commissions, and boards participate in the self-insured property and liability program. Risk Management allocates the cost of claims and claims administration by charging an assessment to each State entity, based on its share of losses. Statewide risk charges are based on independent annual actuarial forecasts and division expenses, less any available fund balance from the prior biennium.

Risk Management purchases workers' compensation insurance for the State from SAIF Corporation, a discretely presented component unit, utilizing retrospective paid loss plans. These plans are 10 years in length and have cash flow and investment earnings advantages. The accumulated claim loss liability for the plans was approximately \$77.7 million as of June 30, 2024. Independent actuaries determine annual loss forecasts.

Periodically, Risk Management re-evaluates claims liabilities taking into consideration recently settled claims, the frequency of claims, and other economic and social factors. Contracted actuaries estimate claims and allocated expenses using the last 20 to 25 years of State claims experience and the projected numbers of employees, payroll, vehicles, and other property. Liabilities include claims and legal expenses that have been incurred but not reported (IBNR) and are based on an undiscounted actuarial expected liability. The actuaries forecast ultimate losses by line of coverage.

Changes in the balance of aggregate claims liabilities for the property, liability, inmate injury, and workers' compensation insurance program for the years ended June 30, 2024, and 2023 (in thousands):

Fiscal Year	Beginning Balance	Increase in Claims or Estimate	Claims Payments	Ending Balance
2024	\$ 361,385	\$ 160,051	\$ (167,723)	\$ 353,712
2023	337,006	122,935	(98,556)	361,385

The balance of claim liabilities as of June 30, 2024, is included in other liabilities on the combining statement of net position of internal service funds under Central Services.

B. State Healthcare Plans

Chapter 243 of the Oregon Revised Statutes authorized the Public Employees' Benefit Board (PEBB) to establish and maintain medical, dental, and vision insurance plans for the benefit of PEBB members. Currently the State provides these benefits through five self-insurance plans.

PEBB is responsible for controlling expenditures, stabilizing benefit premium rates, and minimizing the risk of loss. Funds set aside in a stabilization fund may be used to offset any actual premium deficiencies in the self-funded plans. The reserve is considered adequate to cover catastrophic losses due to large claims in the self-insured plans, as well as unexpected increases in trend, utilization, or other potential fluctuations. PEBB has not purchased stop-loss coverage on any of the self-insured plans.

Contracted actuaries and consultants estimate the claims liability. IBNR expenses are estimated by using claims lag triangles from the plans to develop completion factors. For the most recent months, incurred claims are estimated based upon reviewing the most recent claims experience per employee and adjusting for trend and seasonality to the projection month. Since most of the claims will be paid out within the year, the estimated amounts are not discounted. Specific adjustments for subrogation or other anticipated recoveries are not included. Overall, these adjustments are not expected to be significant.

Settlements exceeded coverage for two of the statewide plans in 2023, but the amount of claims for the other plans did not exceed the self-insured coverage for the past three years.

Changes in the balance of aggregate claims liabilities for the healthcare plans for the years ended June 30, 2024, and 2023 (in thousands):

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Fiscal Year	Beginning Balance	Increase in Claims or Estimate	Claims Payments	Ending Balance
2024	\$ 76,056	\$ 864,490	\$ (863,770)	\$ 76,776
2023	74,205	824,176	(822,325)	76,056

The June 30, 2024, balance of claims liabilities is included in other liabilities on the combining statement of net position of internal service funds under Health Services.

C. Supplemental Workers' Compensation Insurance

The Department of Consumer and Business Services operates several supplemental workers' compensation benefit programs. These programs are accounted for in special revenue funds. The primary program is the Retroactive Program, established by Oregon Revised Statute 656.506. It provides increased insurance benefits to claimants or their beneficiaries when current payment requirements exceed benefits in effect at the time of injury.

The Department of Consumer and Business Services determines the funding of supplemental workers' compensation insurance programs through cash flow projections based on historical data and economic forecasts. Employer work hour assessments, contributions by employees, workers' compensation insurance premium assessments, and investment and interest earnings pay for the programs. Long-term liabilities were actuarially computed as of June 30, 2024, using a 4.00% discount rate.

Changes in the balance of aggregate claims liabilities for supplemental workers' compensation insurance for the years ended June 30, 2024, and 2023 (in thousands):

Fiscal Year	Beginning Balance	Increase in Claims or Estimate	Claims Payments	Ending Balance
2024	\$ 973,191	\$ 79,850	\$ (75,033)	\$ 978,008
2023	928,276	121,678	(76,764)	973,191

The June 30, 2024, balance of claims liabilities is included in other liabilities on the government-wide statement of net position under governmental activities.

D. Standard Retiree Health Insurance Account

Chapter 238 of the Oregon Revised Statutes authorizes the Public Employees Retirement System (PERS) to contract with health insurance carriers to provide health care insurance for eligible retired members of PERS. The Standard Retiree Health Insurance Account (SRHIA) establishes claim liabilities based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been IBNR. The estimated claims liability was calculated by contracted health insurance consultants using a variety of mathematical and statistical techniques and adjusted for actual experience to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The estimated claims liability of \$894 thousand is carried at its face amount and no interest discount is assumed.

Changes in the balance of aggregate claims liabilities for the SRHIA for the years ended June 30, 2024, and 2023 (in thousands):

Fiscal Year	Beginning Balance	Increase in Claims or Estimate	Claims Payments	Ending Balance
2024	\$ 876	\$ 28,092	\$ (28,074)	\$ 894
2023	848	28,146	(28,118)	876

The June 30, 2024, balance of claims liabilities for SRHIA is included in other liabilities on the statement of net position of proprietary funds under Other.

E. SAIF Corporation Workers' Compensation Insurance

The Legislature created SAIF Corporation (SAIF) to transact workers' compensation insurance and reinsurance business. SAIF is an independent public corporation, a discretely presented component unit of the State, and the largest workers' compensation insurer in Oregon.

SAIF has established a reserve for both reported and unreported insured events, which includes estimates of future payments of losses and related loss adjustment expenses (LAE). In estimating the reserve for loss and LAE, SAIF considers prior experience, industry information, currently recognized trends affecting data specific to SAIF, and other factors related to workers' compensation insurance underwritten by SAIF. During 2022, SAIF changed the year-end reserving process to use data as of September 30, 2022, versus the prior approach to use data as of December 31, 2022. Ultimate loss estimates derived from the September 30th data were reevaluated alongside a comparison between actual and expected emergence during fourth quarter. Beginning with the 2023 financial statement, SAIF will use the Appointed Actuary's models and analysis to inform SAIF's recorded liabilities for unpaid claims. When necessary, SAIF adjusted the Appointed Actuary's model assumptions to reflect SAIF's reserving philosophy.

The net reserve for losses and LAE increased \$48.8 million in calendar year 2023, which was net of favorable loss development of \$101.1 million. Loss reserves increased \$36 million as compared to the prior year. This was driven by establishing reserves for the 2023 accident year, offset by payments made on previously incurred claims, and favorable development in prior accident years. In past years, favorable development was strongly driven by medical claims. However, in 2023 favorable medical claim development slowed due to increasing average medical payment per claim. Subsequently, there was less total favorable reserve development, and the favorable development is even spread across all portfolio segments.

- Projected ultimate medical claims costs reduced primarily due to fewer than expected permanent partial disability (PPD) claims and favorable average medical cost per claim. Although medical costs have emerged more favorably than expected, medical escalation is increasing, partially due to changes in the Oregon medical fee schedule.
- Projected ultimate indemnity claim costs reduced primarily due to favorable frequency rates for permanent disabling and fatal claims.
- Projected ultimate COVID-19 claim costs reduced due to fewer than expected severe claims as well as overall favorable frequency trends.

LAE reserves increased \$12.8 million in 2023. This was driven by newly established reserves for the 2023 accident year, partially offset by paid LAE associated with previously incurred claims and favorable development in prior accident years. The favorable development in unpaid LAE was largely attributable to the decrease in loss reserves.

SAIF discounts the indemnity case reserves for workers' compensation claims on a tabular basis using the 2007 United States Life Tables, the 1997 United States of America Railroad Retirement Board Remarriage Table, and a discount rate of 3.50%. For federal claims, SAIF uses the 1999 United States Life Tables and a discount rate of 3.50%. SAIF does not discount any IBNR reserves, medical reserves, or LAE, except for assumed IBNR reserves reported by the National Workers Compensation Reinsurance Pool. Net reserves subject to tabular discounting were \$209.2 million for 2023. The discounts were \$106 million as of December 31, 2023.

Anticipated salvage and subrogation of \$54.7 million was included as a reduction of the reserve for losses and LAE on December 31, 2023.

SAIF's exposure to asbestos claims arose from the sale of workers' compensation policies. Reserves of \$12.6 million for losses and LAE are related to asbestos claims as of December 31, 2023. Amounts paid for asbestos-related claims were \$841 thousand for the year ended December 31, 2023.

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Changes in the balance of the liability for loss and LAE related to workers' compensation insurance underwritten by SAIF for 2023 and 2022 (in thousands):

Calendar Year	Beginning Balance	Incurred Losses and Loss Adjustment Expenses	Loss and Loss Adjustment Expense Payments	Ending Balance
2023	\$ 2,461,755	\$ 542,964	\$ (494,194)	\$ 2,510,525
2022	2,539,826	392,198	(470,269)	2,461,755

This liability is reported as the reserve for loss and loss adjustment expenses on the statement of net position of discretely presented component units under SAIF Corporation.

17. DISCOUNTS AND ALLOWANCES IN PROPRIETARY FUNDS

Proprietary fund revenues are reported net of discounts and allowances in the accompanying financial statements. Discounts and allowances in proprietary funds for the year ended June 30, 2024 (in thousands):

Proprietary Funds	Type of Revenue	Amount
Lottery Operations	Sales	\$ 14,296
Unemployment Compensation	Assessments	17,319
Unemployment Compensation	Fines and forfeitures	4,750
Nonmajor Enterprise Funds	Sales	8,885
Internal Service Funds	Charges for services	2,832
Internal Service Funds	Fines and forfeitures	6
Total discounts and allowances		<u><u>\$ 48,087</u></u>

18. FUND EQUITY

A. Net Position Restricted by Enabling Legislation

The following schedule summarizes the State's net position at June 30, 2024, that is restricted by enabling legislation (in thousands). All of the legislative restrictions are in governmental activities.

	Restricted Net Position
Expendable net position restricted for:	
Health and social services programs	\$ 146,146
Transportation programs	88,011
Natural resource programs	386,207
Education	2,648,926
Community protection	92,866
Consumer protection	219,447
Employment services	160,311
Residential assistance	321,535
Other programs	156,178
Nonexpendable net position restricted for:	
Education	900
Residential assistance	5,727
Workers' compensation	1,000
Total net position restricted by enabling legislation	<u><u>\$ 4,227,252</u></u>

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B. Changes to Beginning Equity

As of June 30, 2024, the beginning fund balance was restated as follows (in thousands):

	Beginning Balance	Corrections of an Error	Beginning Balance-Restated
Government-wide			
Governmental activities	\$ 25,932,182	\$ (5,619,000)	\$ 20,313,182
Business-type activities	8,252,532	-	8,252,532
Total government-wide	<u>\$ 34,184,714</u>	<u>\$ (5,619,000)</u>	<u>\$ 28,565,714</u>

	Beginning Balance	Corrections of an Error	Beginning Balance-Restated
Governmental funds and activities			
General	\$ 11,338,475	\$ (5,619,000)	\$ 5,719,475
Health and Social Services	26,388	-	26,388
Public Transportation	826,426	-	826,426
Educational Support	3,033,423	-	3,033,423
Common School	2,128,652	-	2,128,652
Other (nonmajor)	6,273,771	-	6,273,771
Total governmental funds and activities	<u>\$ 23,627,136</u>	<u>\$ (5,619,000)</u>	<u>\$ 18,008,136</u>

The State determined that its accounting for the tax surplus credit, commonly referred to as the “kicker” was not in accordance with generally accepted accounting principles (GAAP), resulting in a correction of an error of \$5.6 billion, decreasing beginning net position in the Governmental Activities and beginning fund balance in the General Fund. The kicker is pursuant to Article IX, Section 14 of the Oregon Constitution and is available on personal income tax returns if certain actual budgetary General Fund revenues exceed the amounts forecasted at the close of the legislative session in which the budget is adopted by 2.00% or more, which occurred during the 2021-2023 biennium by \$5.6 billion. In accordance with GAAP, the State should have reduced personal income tax revenue in fiscal years 2022 and 2023 by the estimated kicker attributable to each fiscal year as the kicker became probable of occurring, rather than when the kicker was certified by the Oregon Office of Economic Analysis, which occurred in fiscal year 2024. If the error had not occurred, approximately \$2.8 billion would have been reduced from personal income tax revenue in both fiscal year 2022 and fiscal year 2023, in both the Governmental Activities column of the Statement of Activities and the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. On the Governmental Activities Statement of Net Position and General Fund Balance Sheet, accounts and interest payable would have increased by \$2.8 billion in fiscal year 2022 and \$5.6 billion in fiscal year 2023, offset each year by unrestricted net position in the Governmental Activities and unassigned fund balance in the General Fund. In fiscal year 2023, the change in net position for the Governmental Activities should have been \$1.7 billion and the change in fund balance in the General Fund should have been \$1.6 billion. Statistical schedules 1 through 4 reflect the correction for the 2021-2023 kicker along with kickers from previous biennia.

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C. Fund Balances - Governmental Funds

The following table displays in detail the June 30, 2024, fund balances that are reported in the aggregate on the governmental funds balance sheet (in thousands):

	General	Health and Social Services	Public Transportation	Educational Support	Common School	Other	Total
Nonspendable:							
Not in spendable form	\$ 131,069	\$ 23,221	\$ 39,361	\$ -	\$ -	\$ 10,392	\$ 204,042
Legally or contractually required to be maintained intact	21	52	40	-	-	11,151	11,263
Restricted for:							
Public health and welfare	411	350,048	-	-	-	-	350,459
Roads and bridges	-	-	597,268	-	-	-	597,268
Conservation and natural resources	202,643	-	-	-	-	1,490,676	1,693,319
K-12 and higher education	-	-	-	2,887,725	2,317,380	-	5,205,105
Education stabilization	895,891	-	-	-	-	-	895,891
Business development	-	-	-	-	-	214,685	214,685
Community protection	-	-	-	-	-	532,800	532,800
Licensing and regulation	-	-	-	-	-	219,643	219,643
Employment related programs	-	-	-	-	-	214,685	214,685
Low income housing assistance	-	-	-	-	-	543,703	543,703
Debt service	-	-	-	-	-	468,085	468,085
Capital projects	-	-	-	-	-	1,105,274	1,105,274
Other purposes	225,530	-	-	-	-	48,194	273,725
Committed to:							
Public health and welfare	-	184,764	-	-	-	-	184,764
Conservation and natural resources	6,641	-	-	-	-	822,483	829,124
Education	-	-	-	61,890	-	-	61,890
Business development	126,966	-	-	-	-	86,968	213,934
Community protection	8,867	-	-	-	-	315,502	324,369
Licensing and regulation	-	-	-	-	-	68,012	68,012
Employment related programs	-	-	-	-	-	270,220	270,220
Low-income housing assistance	-	-	-	-	-	226,739	226,739
Stabilization	1,692,306	-	-	-	-	-	1,692,306
Debt service	-	-	-	-	-	209	209
Capital projects	-	-	-	-	-	112	112
Other purposes	100,448	-	-	-	-	601	101,049
Assigned to:							
Public health and welfare	-	40,792	-	-	-	-	40,792
Conservation and natural resources	-	-	-	-	-	57,179	57,179
Education	-	-	-	19,796	-	-	19,796
Business development	-	-	-	-	-	43	43
Community protection	-	-	-	-	-	14,265	14,265
Low-income housing assistance	-	-	-	-	-	558,134	558,134
Capital projects	-	-	-	-	-	1,027	1,027
Other purposes	-	-	-	-	-	6,065	6,065
Unassigned:	2,047,710	-	-	-	-	(333)	2,047,378
Total fund balances	\$ 5,438,503	\$ 598,876	\$ 636,669	\$ 2,969,411	\$ 2,317,380	\$ 7,286,515	\$ 19,247,355

Nonspendable fund balances include inventories, advances to other funds, and prepaid items, which are not in spendable form, and fund balances associated with the corpus of revolving funds and permanent fund principal, which are legally or contractually required to be maintained intact.

Restricted fund balances result from constraints imposed on net position by law through constitutional provisions or enabling legislation or by parties outside the State, such as creditors, grantors, contributors, or laws or regulations of other governments. Enabling legislation authorizes the State to levy, access, charge, or otherwise mandate payment from external resource providers and includes a legally enforceable requirement that those resources be used only for specific purposes stipulated by the legislation.

Committed fund balance results from constraints imposed by bills passed by the Legislature and signed into law by the Governor. The constraints on the use of resources are separate from the authorization to raise the underlying revenue and may be modified or rescinded only by passing additional legislation.

Assigned fund balance represents amounts that are constrained by the State's intent to use them for specific purposes, which are neither restricted nor committed. Intent is expressed by the Legislature via the budget process when there is no legislation other than a budget bill imposing constraints.

D. Deficit Net Position

The Legal Services Fund, an internal service fund, reports a deficit net position of \$47.5 million as of June 30, 2024.

The Audit Services Fund, an internal service fund, reports a deficit net position of \$6.8 million as of June 30, 2024.

E. Stabilization Arrangements

Oregon maintains two stabilization funds – the Oregon Rainy Day Fund and the Education Stability Fund.

Established by the 2007 legislature, the Oregon Rainy Day Fund is funded from the General Fund's ending balance up to 1.00% of General Fund appropriations for the prior biennium. The Legislature may deposit additional funds as it did to create the fund, using surplus corporate income tax revenues from the 2005-07 biennium. The Rainy Day Fund also earns interest on the moneys in the fund. No additional contributions are made once the fund balance reaches a level equal to 7.50% of General Fund revenues in the prior biennium.

Stabilization amounts in the Oregon Rainy Day Fund may be spent if approved by three-fifths of the members of the Legislative Assembly and one of the following conditions exists:

- The last quarterly economic and revenue forecast for a biennium indicates that moneys available to the General Fund for the next biennium will be at least 3.00% less than appropriations from the General Fund for the current biennium;
- There has been a decline for two or more consecutive quarters in the last 12 months in seasonally adjusted nonfarm payroll employment; or
- A quarterly economic and revenue forecast projects that revenues in the General Fund in the current biennium will be at least 2.00% below what the revenues were projected to be in the revenue forecast on which the legislatively adopted budget for the current biennium was based.

For any one biennium, the Legislative Assembly may not appropriate more than two-thirds of the amount that is in the Oregon Rainy Day Fund at the beginning of the biennium. If the appropriation is for a biennium that has not yet begun, the Legislative Assembly may use as the base the most recent estimate of the amount that will be in the Oregon Rainy Day Fund at the beginning of the biennium for which the appropriation is made. The fund balance of the Oregon Rainy Day Fund as of June 30, 2024, was \$1.7 billion.

The Education Stability Fund is authorized in the Oregon Constitution, Article XV, Section 4, part (4)(d) and requires that 18.00% of net lottery proceeds be deposited in the fund. Earnings on moneys in the fund are retained by the fund or continuously appropriated to finance public education under Oregon Revised Statute 348.696. The balance in the fund may not exceed 5.00% of General Fund revenues of the prior biennium.

Amounts in the Education Stability Fund may be spent under the same conditions as those required for spending moneys in the Oregon Rainy Day Fund. However, if none of the conditions are met, the Education Stability Fund can also be used by the Legislature for public education. The Governor must declare an emergency and the expenditure must be approved by a three-fifths majority in each chamber. The fund balance of the Education Stability Fund as of June 30, 2024, was \$895.9 million.

19. NONEXCHANGE FINANCIAL GUARANTEES

Article XI-K of the Oregon Constitution allows the State to guarantee the general obligations bonded indebtedness of school districts, education service districts, and community college districts in order to secure lower interest costs on general obligation bonds of such districts, without receiving equal or approximately equal value in exchange. Payment of the principal and interest on the bonds when due is guaranteed by the full faith and credit of the State under the provisions of the Oregon School Bond Guaranty Act – Oregon

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Revised Statutes (ORS) 328.321 to 328.356. The amount of debt that the State may incur in honoring its guaranty of school bonds may not exceed, at any one time, one-half of 1.00% of the real market value of all taxable property in the State. School districts, education service districts, and community college districts are entities legally separate from the State.

To apply and qualify for the Oregon School Bond Guaranty (OSBG) certification, districts must provide comprehensive information to the Office of Debt Management of the Oregon State Treasury. After application approval and issuance of guaranteed bonds, no additional information is required to be provided to the Office of Debt Management, except when a district becomes aware that it will not make scheduled payment(s) on the State OSBG bonds it has issued. The district is then required to notify the trustee and the Office of Debt Management 15 days prior to the scheduled payment of OSBG bond debt service. The qualifying certification analysis requires that each district demonstrate adequate coverage of OSBG and other debt service claims against state aid to ensure coverage using just the state aid. The evaluation also reviews all overlapping debt of the district and requires that the ratio of all overlapping debt meet the guideline of less than 5.00%. If this ratio is exceeded at application, special approval is requested, or the application may not be granted. Since inception of the program, no district has ever defaulted.

If one or more payments are made by the State, as provided for in the Oregon School Bond Guaranty Act, the Oregon State Treasurer shall pursue recovery from the district of all moneys necessary to reimburse the State. In seeking recovery, the Treasurer may (i) intercept any payments from the General Fund, the State School Fund, the income of the Common School Fund, and any other source of operating moneys provided by or through the State to the district that issued the bonds that would otherwise be paid to the district by the State and (ii) exercise the rights of a secured creditor in any money or assets pledged by the district to secure its reimbursement obligation to the State. The Treasurer may apply any intercepted payments or secured assets to reimburse the State for payments made pursuant to the State's guaranty until all obligations of the district to the State arising from those payments, including any interest and penalties, are paid in full.

At June 30, 2024, the State had extended nonexchange financial guarantees of \$9.6 billion for outstanding general obligation indebtedness of school districts, education service districts, and community college districts. The longest current guaranty is for outstanding general obligation bonds that mature June 15, 2053.

20. COMMITMENTS

The State has significant commitments as of June 30, 2024, in addition to the construction contract commitments disclosed in Note 6. Commitments are defined as existing arrangements to enter into future transactions or events, such as contractual obligations with vendors for future purchases or services at specified prices and sometimes at specified quantities. Commitments may also include agreements to make grants and loans.

Commitments in effect as of June 30, 2024, and the anticipated sources of funding (in thousands):

Purpose	General Fund	Federal Funds	Lottery Funds	Other Funds	Total
Community services contracts	\$ 351,379	\$ 199,453	\$ 87,150	\$ 220,667	\$ 858,649
Grant and loan commitments	646,859	688,171	69,629	2,527,520	3,932,179
Personal services contracts	273,026	217,133	2,172	317,629	809,961
Public defense contracts	182,750	-	-	-	182,750
Systems development	14,777	25,162	76	38,845	78,859
Equipment purchases	1,302	-	-	15,019	16,322
Total commitments	\$ 1,470,094	\$ 1,129,919	\$ 159,026	\$ 3,119,680	\$ 5,878,719

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Notes to the Financial Statements

Encumbrance balances in the governmental funds as of June 30, 2024 (in thousands):

Governmental Funds	Amount
General	\$ 4,273
Other Nonmajor	17,731
Total encumbrances	<u><u>\$ 22,004</u></u>

The Oregon Investment Council has entered into agreements that commit the investment manager for the Oregon Public Employees Retirement Fund (OPERF) and the Common School Fund (CSF), upon request, to make additional investment purchases up to a predetermined amount. The Oregon Growth Account (OGA) makes similar commitments for investment purchases. As of June 30, 2024, the OPERF had \$10 billion in commitments to purchase private equity investments, which includes \$6.9 billion in recallable distributions, \$3.4 billion to purchase real estate investments, \$1.1 billion to purchase opportunity portfolio investments, which includes \$851 million in recallable distributions, and \$4.8 billion to purchase real assets, which includes \$1.6 billion in recallable distributions. As of June 30, 2024, the CSF had \$259.8 million in commitments to purchase private equity, alternatives, and real estate open-ended fund investments while OGA had \$55.3 million and Oregon Growth Fund (OGF) had \$350 thousand, in commitments to purchase private equity investments. These amounts are unfunded and are not recorded in the financial statements.

21. CONTINGENCIES

A. Litigation

Portland Harbor Superfund

In 2000, the US Environmental Protection Agency (EPA) listed a ten-mile stretch of the lower Willamette River area as a Superfund site under the federal Superfund law (CERCLA). Over 100 parties may eventually be found liable for a share of the costs related to investigation and cleanup of hazardous substances at the Site, including the State of Oregon, acting through its Department of Transportation (ODOT) and Department of State Lands (DSL).

On January 6, 2017, EPA issued its final cleanup plan for the Portland Harbor Superfund site in a document called the Record of Decision (ROD). The ROD requires active remediation (through dredging, capping, enhanced natural recovery, and monitored natural recovery) of nearly 400 acres of contaminated sediments and over 20 thousand lineal feet of riverbank. The EPA initially estimated costs of \$1.1 billion and approximately 13 years to complete. Other parties estimate that it will be a \$3 billion remedy that will take 20 years to complete. Liable parties under CERCLA are responsible for funding this remedial action, as well as other preliminary actions such as additional investigations, remedial design, and agency oversight. The EPA has asked potentially responsible parties (PRPs) to step forward to perform components of the ROD or risk enforcement action. Numerous parties, including DSL and ODOT, have entered into Administrative Settlements and Orders on Consent with EPA to perform pre-remedial design and related work.

A group of Portland Harbor Superfund PRPs are engaged in a confidential, non-binding private mediation process that will result in an allocation of the ROD's cleanup costs among all liable parties. If the mediation is successful, it will culminate in a settlement proposal, which if accepted by EPA will be memorialized in a Consent Decree filed in the Oregon federal district court.

It is not possible to estimate the proportionate share of liability for cleanup costs that will be assigned to each agency through this confidential mediation or, should it fail, through litigation. It is also too early to predict when the mediation will conclude or whether it will result in a durable comprehensive settlement with EPA.

Separately, the Portland Harbor natural resources trustees, a group composed of five tribes, two federal agencies, and the State, acting through its trustee, the Oregon Department of Fish and Wildlife, are asserting a CERCLA claim for natural resource damages (NRD) against all PRPs, including ODOT and DSL. The trustees have initiated a cooperative injury assessment process funded by thirty parties, the goal of which is to reach settlements of the NRD claim based on readily available information. The State is seeking a settlement of its NRD liabilities through this process.

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The State is pursuing claims for insurance coverage of its Portland Harbor defense costs and any future liabilities for cleanup costs and NRD. These claims are based on commercial general liability insurance policies the State held from 1968 to 1972, and on insurance policies that listed DSL and ODOT as additional insureds. The State has executed a settlement agreement with several of its insurers regarding their obligation to pay for most of the State's defense costs through 2024, but the insurers have reserved their rights to deny indemnity coverage.

Department of Corrections COVID-19

More than 5,100 adults in custody (AIC) confined in the Oregon Department of Correction's (ODOC) 14 facilities throughout the State ultimately contracted COVID-19. The State has been sued in a class action in federal court where the judge overseeing the case has certified the class. The case involves two classes of AICs. One class seeks damages for all AIC's who contracted COVID-19, and the other class consists of the estates of 47 AICs that died while sick with COVID-19. Plaintiffs seek an award exceeding \$50 million.

B. Unemployment Benefits

State employees, who qualify, are entitled to benefit payments during periods of unemployment. Each state agency is required to reimburse the Employment Department for benefit payments made to former employees. The amount of future benefit payments to claimants, and the resulting liability to the State, cannot be reasonably estimated. Consequently, this potential obligation is not reported in the accompanying financial statements. Expenditures relating to these benefits for the year ended June 30, 2024, totaled approximately \$10 million.

C. Federal Issues

The State receives significant financial assistance from the federal government. Entitlement to these resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2024, there is no indication that such audits will result in a material liability.

22. SUBSEQUENT EVENTS

A. Long-term Debt Issues

Long-term debt issued, including refundings, since July 1, 2024 (in thousands):

Type of Debt	Amount
Revenue Bonds	
Oregon Department of Transportation	\$ 675,270
Housing and Community Services Department	163,925

B. Bond Calls

Bond calls that have occurred since July 1, 2024 (in thousands):

Type of Call	Amount
General Obligation Bonds	
Department of Veterans' Affairs	\$ 7,100
Revenue Bonds	
Oregon Department of Transportation	493,010
Housing and Community Services Department	43,110

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C. Debt Guarantees

Under Article XI-K of the Oregon Constitution, \$211.2 million in bonds for school districts (SD) were issued and guaranteed following the fiscal year ended June 30, 2024, as noted below (dollars in thousands). Ultimately, the debt service payments remain the responsibility of the respective district.

School District	Series	Amount
Oregon Coast Community College	2024	\$ 33,162
Lane City School District 28J (Fern Ridge)	2024	16,114
Clackamas City School District 35 (Molalla River)	2024	77,460
Douglas City School District 1 (Oakland)	2024	4,500
Yamhill City School District 30J (Willamina)	2024	2,500
Marion City School District 1 (Gervais)	2024	28,130
Washington City School District 13 (Banks)	2024A	31,055
Washington City School District 13 (Banks)	2024B	18,250
Total debt guarantees		<u>\$ 211,171</u>



Required Supplementary Information

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Budgeted Appropriated Funds

The State accounts for budgetary activities based on the source of moneys used to pay expenditures. Separate appropriated funds are established for each funding source.

General Fund

This fund accounts for expenditures made with General Fund revenue. General Fund revenue consists largely of personal and corporate income taxes.

Federal Funds

This fund accounts for budgeted expenditures made with Federal Revenue.

Lottery Funds

This fund accounts for expenditures made with Lottery funds. These funds, which are earned by the Oregon State Lottery, are transferred to the Economic Development Fund at the Department of Administrative Services for disbursement to agencies where the funds are expended.

Other Funds

This fund accounts for budgeted expenditures other than those funded by General, Federal, and Lottery funds.

State of Oregon

**Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Budgetary (Non-GAAP) Basis -
All Budgeted Appropriated Funds
For the Biennium Ending June 30, 2025
As of June 30, 2024
(In Thousands)**

	General Fund			
	2023-2025	2023-2025	1st	Variance
	Original Budget	Final Budget	Year Actual	Over/ (Under)
Revenues:				
Personal Income Taxes	\$ 20,983,995	\$ 20,983,995	\$ 8,817,813	\$ (12,166,182)
Corporate Income Taxes	2,153,441	2,153,441	1,621,807	(531,634)
Tobacco Taxes	104,447	104,447	45,990	(58,457)
Motor Fuels Taxes	-	-	-	-
Weight-mile Taxes	-	-	-	-
Vehicle Registration Taxes	-	-	-	-
Other Taxes	693,630	693,630	416,232	(277,398)
Licenses and Fees	271,876	269,927	108,540	(161,386)
Federal	-	-	-	-
Charges for Services	16,153	16,153	8,077	(8,076)
Fines and Forfeitures	7,385	7,385	4,935	(2,450)
Rents and Royalties	-	-	-	-
Investment Income	331	331	413,049	412,718
Sales	2,131	2,131	849	(1,282)
Donations and Grants	-	-	-	-
Pension Bond Debt Service Assessment	-	-	-	-
Other	11,592	11,592	4,191	(7,401)
Total Revenues	24,244,981	24,243,032	11,441,482	(12,801,550)
Expenditures:				
Education	12,965,529	12,986,348	6,446,365	(6,539,983)
Human Resources	11,244,933	11,710,726	5,809,698	(5,901,028)
Public Safety	3,449,054	3,698,103	1,736,751	(1,961,351)
Economic and Community Development	795,445	1,180,841	347,739	(833,102)
Natural Resources	602,060	694,917	332,370	(362,548)
Transportation	33,879	83,379	22,762	(60,617)
Consumer and Business Services	44,565	46,806	21,090	(25,716)
Administration	405,501	614,875	250,386	(364,490)
Legislative	1,046,031	495,947	91,602	(404,345)
Judicial	1,269,423	1,371,100	661,709	(709,391)
Total Expenditures	31,856,420	32,883,041	15,720,472	(17,162,570)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,611,439)	(8,640,009)	(4,278,990)	4,361,020
Other Financing Sources (Uses):				
Transfers from Other Funds	503,998	411,502	221,623	(189,879)
Transfers to Other Funds	(581,458)	(486,887)	(264,732)	222,154
Transfers to Component Units	-	-	-	-
Long-term Debt Issued	-	-	-	-
Debt Issuance Premium	-	-	-	-
Gain (Loss) on Disposition of Assets	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (7,688,899)</u>	<u>\$ (8,715,394)</u>	<u>(4,322,099)</u>	<u>\$ 4,393,295</u>
Budgetary Fund Balances - Beginning			9,215,268	
Correction of an Error			-	
Budgetary Fund Balances - Beginning - As Restated			9,215,268	
Prior Biennium Transactions			27,641	
Budgetary Fund Balances - Ending			<u>\$ 4,920,809</u>	

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Federal Funds				Lottery Funds			
2023-2025 Original Budget	2023-2025 Final Budget	1st Year Actual	Variance Over/ (Under)	2023-2025 Original Budget	2023-2025 Final Budget	1st Year Actual	Variance Over/ (Under)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33,465,725	34,163,346	15,378,959	(18,784,388)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	79,450	98,788	68,665	(30,123)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33,465,725	34,163,346	15,378,959	(18,784,388)	79,450	98,788	68,665	(30,123)
2,056,868	2,069,107	939,279	(1,129,828)	810,871	842,983	299,862	(543,121)
28,068,472	28,546,895	13,472,275	(15,074,620)	27,271	27,414	11,772	(15,642)
1,500,011	1,538,648	508,398	(1,030,250)	9,999	10,355	5,104	(5,251)
680,191	757,903	268,335	(489,568)	223,656	230,390	58,373	(172,018)
435,890	498,022	147,713	(350,309)	319,935	327,724	80,383	(247,342)
211,810	214,184	35,450	(178,733)	136,718	135,205	66,572	(68,633)
138,559	140,999	70,363	(70,636)	297	316	110	(206)
184,737	191,878	19,276	(172,602)	86,192	85,005	29,739	(55,266)
-	-	-	-	-	-	-	-
1,589	4,738	1,540	(3,198)	-	-	-	-
33,278,128	33,962,375	15,462,629	(18,499,746)	1,614,940	1,659,394	551,915	(1,107,479)
187,597	200,971	(83,671)	(284,642)	(1,535,490)	(1,560,606)	(483,250)	1,077,356
321	353	249,216	248,863	4,075,847	4,145,523	1,600,561	(2,544,962)
-	-	(307,402)	(307,402)	(284,008)	(278,229)	(492,057)	(213,828)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 187,919	\$ 201,325	(141,857)	\$ (343,182)	\$ 2,256,350	\$ 2,306,688	625,254	\$ (1,681,435)
		(860,189)				902,708	
		-				-	
		(860,189)				902,708	
		369,165				283,107	
		\$ (632,881)				\$ 1,811,068	

(continued on next page)

State of Oregon

**Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Budgetary (Non-GAAP) Basis -
All Budgeted Appropriated Funds
For the Biennium Ending June 30, 2025
As of June 30, 2024
(In Thousands)**

(continued from previous page)

	Other Funds			
	2023-2025 Original Budget	2023-2025 Final Budget	1st Year Actual	Variance Over/ (Under)
Revenues:				
Personal Income Taxes	\$ -	\$ -	\$ -	-
Corporate Income Taxes	-	-	-	-
Tobacco Taxes	722,500	722,500	330,199	(392,301)
Motor Fuels Taxes	1,368,350	1,368,350	622,298	(746,053)
Weight-mile Taxes	980,864	980,864	415,051	(565,813)
Vehicle Registration Taxes	953,531	953,531	426,213	(527,318)
Other Taxes	7,430,777	7,486,513	1,333,302	(6,153,211)
Licenses and Fees	1,131,747	1,135,284	575,411	(559,873)
Federal	2,495,137	2,496,690	688,291	(1,808,399)
Charges for Services	6,412,602	6,452,343	2,846,501	(3,605,842)
Fines and Forfeitures	161,097	164,558	93,086	(71,472)
Rents and Royalties	168,044	170,031	78,823	(91,208)
Investment Income	42,448	46,334	320,546	274,212
Sales	318,492	321,927	149,668	(172,259)
Donations and Grants	66,984	64,253	29,047	(35,206)
Pension Bond Debt Service Assessment	508,822	518,784	731,825	213,041
Other	4,314,427	4,796,402	2,256,197	(2,540,204)
Total Revenues	27,075,823	27,678,364	10,896,459	(16,781,905)
Expenditures:				
Education	4,797,215	5,006,613	1,346,757	(3,659,856)
Human Resources	11,197,127	11,540,835	5,051,922	(6,488,912)
Public Safety	1,168,726	1,275,555	476,234	(799,321)
Economic and Community Development	3,038,997	3,184,443	721,085	(2,463,358)
Natural Resources	1,630,835	1,829,841	599,201	(1,230,640)
Transportation	5,749,867	5,909,304	2,119,120	(3,790,184)
Consumer and Business Services	617,290	652,771	280,149	(372,621)
Administration	2,374,077	2,574,957	1,051,340	(1,523,617)
Legislative	234,110	235,939	70,269	(165,671)
Judicial	204,962	386,990	35,411	(351,579)
Total Expenditures	31,013,207	32,597,248	11,751,489	(20,845,759)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,937,384)	(4,918,884)	(855,030)	4,063,854
Other Financing Sources (Uses):				
Transfers from Other Funds	16,869,018	18,075,692	8,494,921	(9,580,771)
Transfers to Other Funds	(480,884)	(386,516)	(5,926,972)	(5,540,456)
Long-term Debt Issued	2,694,390	2,904,254	949,063	(1,955,191)
Debt Issuance Premium	-	-	42,528	42,528
Gain (Loss) on Disposition of Assets	-	-	7,672	7,672
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 15,145,140</u>	<u>\$ 15,674,546</u>	2,712,182	<u>\$ (12,962,364)</u>
Budgetary Fund Balances - Beginning			7,108,309	
Prior Biennium Transactions			2,470,303	
Budgetary Fund Balances - Ending			<u>\$ 12,290,793</u>	

Total All Funds			
2023-2025 Original Budget	2023-2025 Final Budget	1st Year Actual	Variance Over/ (Under)
\$ 20,983,995	\$ 20,983,995	\$ 8,817,813	\$ (12,166,182)
2,153,441	2,153,441	1,621,807	(531,634)
826,947	826,947	376,189	(450,758)
1,368,350	1,368,350	622,298	(746,053)
980,864	980,864	415,051	(565,813)
953,531	953,531	426,213	(527,318)
8,124,407	8,180,143	1,749,534	(6,430,609)
1,403,623	1,405,211	683,951	(721,259)
35,960,862	36,660,036	16,067,250	(20,592,786)
6,428,755	6,468,496	2,854,578	(3,613,918)
168,482	171,942	98,020	(73,922)
168,044	170,031	78,823	(91,208)
122,230	145,453	802,260	656,807
320,623	324,058	150,517	(173,541)
66,984	64,253	29,047	(35,206)
508,822	518,784	731,825	213,041
4,326,019	4,807,994	2,260,388	(2,547,605)
84,865,979	86,183,530	37,785,564	(48,397,966)
20,630,484	20,905,051	9,032,263	(11,872,788)
50,537,804	51,825,870	24,345,668	(27,480,202)
6,127,790	6,522,661	2,726,487	(3,796,174)
4,738,289	5,353,578	1,395,531	(3,958,047)
2,988,720	3,350,505	1,159,666	(2,190,839)
6,132,274	6,342,071	2,243,903	(4,098,168)
800,712	840,892	371,713	(469,179)
3,050,507	3,466,716	1,350,741	(2,115,975)
1,280,141	731,886	161,871	(570,015)
1,475,974	1,762,828	698,660	(1,064,168)
97,762,694	101,102,058	43,486,504	(57,615,554)
(12,896,715)	(14,918,528)	(5,700,940)	9,217,588
21,449,185	22,633,070	10,566,320	(12,066,750)
(1,346,350)	(1,151,632)	(6,991,164)	(5,839,532)
2,694,390	2,904,254	949,063	(1,955,191)
-	-	42,528	42,528
-	-	7,672	7,672
\$ 9,900,509	\$ 9,467,164	(1,126,522)	\$ (10,593,686)
		16,366,096	
		3,150,216	
		<u>\$ 18,389,791</u>	

1. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The State's budget is approved on a biennial basis, where the biennium begins July 1 and ends June 30 of each odd-numbered year. The Governor is required to submit budget recommendations to the Legislature no later than December 1 preceding the biennium. The Governor establishes priorities for the State based on function (e.g., education, human services, etc.) and the budget is summarized by these functions. Expenditures are budgeted based on the following revenue sources: general, federal, lottery, and other.

A constitutional amendment adopted by the people in 2010 changed the historical Oregon "biennial" session process into "annual" sessions. The amendment limited the session length to 160 calendar days in odd-numbered years and to 35 calendar days in even-numbered years. In odd-numbered years, the budget is adopted by the Legislature's passage of separate appropriation bills and by the Governor's approval of those bills. The resulting approved appropriation bills become the appropriated budget for the State. Appropriation bills include one or more appropriations (budgeted expenditure items) which may be at the agency, program, or activity level. The Oregon Constitution requires the budget to be in balance at the end of each biennium. Because of this provision, the State may not budget a deficit and is required to compensate for any revenue shortfalls within each biennium.

Also included in the Governor's budget recommendations are legally authorized, nonappropriated budget items that are not legislatively limited by an appropriation bill. These nonlimited funds include other funds, federal funds, and other funds debt service. Spending plans for nonbudgeted financial activities are also established by agencies for certain expenditures to enhance fiscal control. These nonbudgeted items include federal funds and other funds and are not included in the Governor's budget recommendations.

When the Legislature is not in session, the Legislative Emergency Board is authorized to amend the legally adopted budget. The Emergency Board authorizes and allocates all changes in funding and takes other actions to meet emergency needs. Emergency Board approval is required to authorize the transfer of expenditure authority between appropriations. Management can reallocate within an appropriation without Emergency Board approval.

The State does not budget by the prescribed fund types of generally accepted accounting principles (GAAP). Appropriations may be at the agency, program, or activity level. Accordingly, the legal level of budgetary control is at one of these three levels depending on the Legislature's view of the activity. The State uses the Relational Statewide Accounting and Reporting System (R*STARS) to control expenditures by budgeted expenditure item. Each item on an approved appropriation bill is assigned an appropriation number. In R*STARS, the appropriated funds are tied to one or more appropriation numbers to ensure expenditures do not exceed approved appropriations. The following budgeted appropriated fund types have been established in R*STARS to account for the State's budgetary activities: General Fund, Federal Funds, Lottery Funds, and Other Funds.

Budgets are prepared on the cash basis. Spending limits are established using quarterly allotments. Allotments are required for both appropriated and nonappropriated items. The spending limits are monitored by the Chief Financial Office of the Department of Administrative Services and are controlled by R*STARS. Encumbrance accounting provides additional budgetary control. Encumbrances represent commitments related to unperformed contracts for goods or services. For budgetary reporting purposes, encumbrances are treated like expenditures and are shown as a reduction of fund balance.

The accompanying "Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual- Budgetary (Non-GAAP) Basis - All Budgeted Appropriated Funds" is not presented at the legal level of budgetary control. Such a presentation would be extremely cumbersome. To demonstrate compliance with the legal level of budgetary control, the State has prepared a separate report for the 2023-2025 biennium as of June 30, 2024. A copy of this report is available at the Department of Administrative Services, Chief Financial Office, 155 Cottage Street NE, Salem, Oregon 97301-3969.

Unexpended appropriations at the end of each biennium are available for subsequent expenditure to the extent liabilities have been incurred at June 30, provided payment of those liabilities occurs during the succeeding six-month period of July 1 through December 31. Any remaining unexpended appropriations lapse December 31 following the end of the biennium, except for appropriations related to capital construction.

Agencies are required to provide estimates of expected revenues for program revenue and segregated revenue categories. General Fund revenues consist primarily of general taxes and other receipts that are paid into the General Fund and are then available for appropriation by the Legislature. Revenues not recorded in the General Fund consist of function specific revenues, which are credited by law to an appropriation to finance a specified program, and segregated revenues that are paid into separate identifiable funds.

The original budget amounts reported for revenues in the accompanying "Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - All Budgeted Appropriated Funds" represent original estimates, while budgeted expenditures represent the first complete appropriated budget adopted by the Legislature. The final budget amounts reported for revenues represent revised estimates, while the final budget amounts reported for expenditures represent the original budget modified by legally authorized legislative and executive changes, as well as Emergency Board actions taken during the year.

The major differences between budgetary (non-GAAP) basis and GAAP basis are:

- Encumbrances are recorded as expenditures for budgetary purposes when purchase orders are issued.
- Revenues are recognized when received in cash (budgetary basis) versus when they are susceptible to accrual (GAAP basis).
- Expenditures are recognized when paid in cash or encumbered (budgetary basis) as opposed to when the liability is incurred (GAAP basis).
- Nonappropriated and nonbudgeted funds are not included in the budgetary schedule.
- Timing differences occur because of a six-month lapse period between June 30 and December 31 of each odd-numbered year.

These different accounting principles may result in basis, perspective, entity, and timing differences in the excess (deficiency) of revenues and other financial resources over (under) expenditures and other uses of financial resources. A reconciliation of these differences is presented in Note 2 of the required supplementary information.

2. BUDGETARY BASIS TO GAAP BASIS RECONCILIATION

The accompanying "Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual- Budgetary (Non-GAAP Basis) - All Budgeted Appropriated Funds" presents comparisons of the legally approved budget (more fully described in RSI Note 1) with actual data on a budgetary basis.

Accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles. A reconciliation of the resulting differences in excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses for the year ended June 30, 2024, is presented below. Governmental funds are reconciled to the net change in fund balances. Proprietary funds and fiduciary fund types are reconciled to the change in net position.

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses (In Thousands)									
Budgetary Balances Classified into GAAP Fund Structure									
GAAP Fund	Budgeted General Fund	Budgeted Federal Funds	Budgeted Lottery Funds	Budgeted Other Funds	Total Budgeted Funds	Timing Differences	Basis Differences	Non- Budgeted Funds	GAAP Balances
General	\$ (4,322,099)	\$ (383)	\$ 296,745	\$ (41,768)	\$ (4,067,505)	\$ (205,748)	\$ 3,861,936	\$ 127,847	\$ (283,470)
Health and Social Services	-	(133,176)	7,878	53,430	(71,867)	(656,532)	1,225,389	75,864	572,853
Public Transportation	-	(1,277)	188	(371,298)	(372,387)	(106,272)	346,288	(55,537)	(187,909)
Educational Support	-	22,754	186,826	633,294	842,874	(1,028,262)	163,809	(42,432)	(64,012)
Common School	-	-	-	27,393	27,393	(1,743)	(9,347)	172,425	188,727
Nonmajor Governmental Housing and	-	(29,918)	133,617	1,606,154	1,709,853	(472,371)	(355,385)	130,492	1,012,590
Community Services	-	-	-	542	542	(781)	1,433	22,288	23,482
Veterans' Loan	-	-	-	(7,323)	(7,323)	(495)	4,709	3,277	168
Lottery Operations	-	-	-	-	-	-	-	(7,756)	(7,756)
Unemployment Compensation	-	-	-	-	-	-	-	614,700	614,700
Nonmajor Enterprise	-	142	-	95,198	95,339	(153,169)	(31,650)	398,065	308,585
Internal Service	-	-	-	731,475	731,475	(483,070)	(234,633)	13,736	27,508
Pension and Other	-	-	-	-	-	-	-	-	-
Employee Benefit Trust	-	-	-	(5,153)	(5,153)	(4,276)	(64,315)	3,091,306	3,017,562
Other Custodial	-	-	-	(9,764)	(9,764)	(15,370)	25,379	(23,902)	(23,658)
Private Purpose Trust	-	-	-	-	-	-	-	86,276	86,276
External Investment Pools	-	-	-	-	-	-	-	349,829	349,829
Totals	\$ (4,322,099)	\$ (141,857)	\$ 625,254	\$ 2,712,182	\$ (1,126,522)	\$ (3,128,091)	\$ 4,933,612	\$ 4,956,478	\$ 5,635,478

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Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability/(Asset)
For the Fiscal Year Ended June 30
(Dollars in Thousands)

Primary Government	2023¹	2022¹	2021¹
Proportion of the net pension liability/(asset)	28.56447%	26.19718%	24.19019%
Proportionate share of the net pension liability/(asset)	\$ 5,350,320	\$ 4,011,314	\$ 2,894,714
Covered payroll	3,732,809	3,197,166	2,963,703
Employer net pension liability/(asset) as a percentage of covered payroll	143.33%	125.46%	97.67%
Plan fiduciary net position as a percentage of the total pension liability	81.70%	84.50%	87.60%
Component Units	2023¹	2022¹	2021¹
Proportion of the net pension liability/(asset)	8.98400%	9.03400%	8.55800%
Proportionate share of the net pension liability/(asset)	\$ 1,680,748	\$ 1,383,649	\$ 1,023,792
Covered payroll	1,292,550	1,211,830	1,159,314
Employer net pension liability/(asset) as a percentage of covered payroll	130.03%	114.18%	88.31%
Plan fiduciary net position as a percentage of the total pension liability	81.70%	84.50%	87.60%

¹ The amounts presented were determined as of the net pension liability/(asset) measurement date.

2020 ¹	2019 ¹	2018 ¹	2017 ¹	2016 ¹	2015 ¹	2014 ¹
22.99890%	22.26906%	21.08080%	20.72110%	20.68476%	19.73914%	19.01053%
\$ 5,019,150	\$ 3,852,015	\$ 3,193,464	\$ 2,793,212	\$ 3,105,262	\$ 1,133,315	\$ (430,914)
2,743,340	2,302,682	2,188,520	2,293,042	2,154,318	2,137,616	2,487,982
182.96%	167.28%	145.92%	121.81%	144.14%	53.02%	17.32%
75.80%	80.20%	82.10%	83.10%	80.50%	91.90%	103.60%
2020 ¹	2019 ¹	2018 ¹	2017 ¹	2016 ¹	2015 ¹	2014 ¹
8.73100%	9.20400%	9.14700%	10.34500%	9.81700%	9.79400%	9.80300%
\$ 1,904,780	\$ 1,591,398	\$ 1,384,354	\$ 1,346,711	\$ 1,475,320	\$ 561,907	\$ (222,339)
1,169,289	1,124,476	1,082,835	1,067,169	1,022,542	1,009,913	983,201
162.90%	141.52%	127.85%	126.19%	144.28%	55.64%	22.61%
75.80%	80.20%	82.10%	83.10%	80.50%	91.90%	103.60%

Required Supplementary Information
Schedule of Defined Benefit Pension Plan Contributions
Defined Benefit Plan
For the Fiscal Year Ended June 30
(Dollars in Thousands)

Primary Government	2024	2023	2022
Contractually required contributions ¹	\$ 740,470	\$ 609,404	\$ 576,845
Contributions in relation to the contractually required contributions	740,470	609,404	576,845
Contribution deficiency (excess)	-	-	-
Covered payroll	3,444,819	3,732,809	3,197,166
Contributions as a percentage of covered payroll	21.50%	16.33%	18.04%
Component Units	2024	2023	2022
Contractually required contributions ¹	\$ 210,980	\$ 191,580	\$ 187,173
Contributions in relation to the contractually required contributions	210,980	201,580	197,173
Contribution deficiency (excess)	-	(10,000)	(10,000)
Covered payroll	1,264,579	1,292,550	1,211,830
Contributions as a percentage of covered payroll	16.68%	15.60%	16.27%

¹ The contractually required contributions on this Schedule of Defined Benefit Pension Plan Contributions have been adjusted to remove amounts contributed to finance employer-specific liabilities and employer optional contributions.

2021	2020	2019	2018	2017	2016	2015
\$ 482,177	\$ 445,812	\$ 311,692	\$ 292,695	\$ 187,524	\$ 205,419	\$ 152,789
482,177	445,812	311,692	292,695	187,524	205,419	152,789
-	-	-	-	-	-	-
2,963,703	2,743,340	2,302,682	2,188,520	2,293,042	2,154,318	2,137,616
16.27%	16.25%	13.54%	13.37%	8.18%	9.54%	7.15%

2021	2020	2019	2018	2017	2016	2015
\$ 162,080	\$ 166,532	\$ 129,555	\$ 124,489	\$ 95,120	\$ 92,583	\$ 82,860
172,080	176,532	139,555	134,489	95,120	92,583	90,360
(10,000)	(10,000)	(10,000)	(10,000)	-	-	(7,500)
1,159,314	1,169,289	1,124,476	1,082,835	1,067,169	1,022,542	1,009,913
14.84%	15.10%	12.41%	12.42%	8.91%	9.05%	8.95%

Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability/(Asset)
Other Postemployment Benefit Plans
For the Fiscal Year Ended June 30¹
(Dollars in Thousands)

Primary Government	2023²	2022²	2021²
Retiree Health Insurance Account (RHIA)			
Proportion of the net OPEB liability/(asset)	29.4825%	28.5302%	32.8592%
Proportionate share of the net OPEB liability/(asset)	\$ (107,955)	\$ (101,378)	\$ (112,839)
Covered payroll	3,732,809	3,197,166	2,963,703
Employer net OPEB liability/(asset) as a percentage of covered payroll	(2.89%)	(3.17%)	(3.81%)
Plan fiduciary net position as a percentage of the total OPEB liability	201.60%	194.60%	183.90%

Component Units	2023²	2022²	2021²
Retiree Health Insurance Account (RHIA)			
Proportion of the net OPEB liability/(asset)	6.2522%	6.3799%	6.9610%
Proportionate share of the net OPEB liability/(asset)	\$ (22,975)	\$ (22,135)	\$ (24,719)
Covered payroll	1,042,645	979,516	941,644
Employer net OPEB liability/(asset) as a percentage of covered payroll	(2.20%)	(2.26%)	(2.63%)
Plan fiduciary net position as a percentage of the total OPEB liability	201.60%	194.60%	183.90%

¹ 10-year trend information will be presented prospectively.

² The amounts presented were determined as of the net OPEB liability/(asset) measurement date.

2020 ²	2019 ²	2018 ²	2017 ²
8.6755%	22.8100%	22.8805%	23.3603%
\$ (17,677)	\$ (44,077)	\$ (25,541)	\$ (9,749)
2,743,340	2,302,682	2,188,520	2,293,042
(0.64%)	(1.91%)	(1.17%)	(0.43%)
150.10%	144.40%	124.00%	108.90%

2020 ²	2019 ²	2018 ²	2017 ²
6.0130%	7.4996%	7.0719%	6.9633%
\$ (15,839)	\$ (13,470)	\$ (7,894)	\$ (2,904)
944,235	906,165	868,478	756,157
(1.68%)	(1.49%)	(0.91%)	(0.38%)
150.10%	144.40%	124.00%	108.90%

Required Supplementary Information
Schedule of OPEB Plan Contributions
Other Postemployment Benefit Plans
For the Fiscal Year Ended June 30¹
(Dollars in Thousands)

Primary Government	2024	2023	2022
Retiree Health Insurance Account (RHIA)			
Contractually required contributions	\$ -	\$ 436	\$ 464
Contributions in relation to the contractually required contributions	-	436	464
Contribution deficiency	-	-	-
Covered payroll	3,444,819	3,732,809	3,197,166
Contributions as a percentage of covered payroll	0.00%	0.01%	0.01%
Component Units	2024	2023	2022
Retiree Health Insurance Account (RHIA)			
Contractually required contributions	\$ 5	\$ 88	\$ 103
Contributions in relation to the contractually required contributions	5	88	103
Contribution deficiency	-	-	-
Covered payroll	1,004,817	1,042,645	979,516
Contributions as a percentage of covered payroll	0.00%	0.01%	0.01%

¹ 10-year trend information will be presented prospectively.

2021	2020	2019	2018
\$ 562	\$ 587	\$ 10,773	\$ 11,210
562	587	10,773	11,210
-	-	-	-
2,963,703	2,743,340	2,302,682	2,188,520
0.02%	0.02%	0.47%	0.51%

2021	2020	2019	2018
\$ 126	\$ 357	\$ 3,373	\$ 3,411
126	357	3,373	3,411
-	-	-	-
941,644	944,325	906,165	868,478
0.01%	0.04%	0.37%	0.39%

Required Supplementary Information
Schedule of OPEB Plan Contributions
Other Postemployment Benefit Plans
For the Fiscal Year Ended June 30¹
(Dollars in Thousands)

Primary Government	2024	2023	2022
Retiree Health Insurance Premium Account (RHIPA)			
Actuarially determined contributions	\$ -	\$ 6,922	\$ 6,548
Contributions recognized by plan	-	6,922	6,548
Contribution deficiency	-	-	-
Covered payroll	3,444,819	3,732,809	3,197,166
Contributions as a percentage of covered payroll	0.00%	0.19%	0.20%

Component Units	2024	2023	2022
Retiree Health Insurance Premium Account (RHIPA)			
Actuarially determined contributions	\$ 47	\$ 1,643	\$ 1,705
Contributions recognized by plan	47	1,643	1,705
Contribution deficiency	-	-	-
Covered payroll	1,004,817	1,042,645	979,516
Contributions as a percentage of covered payroll	0.00%	0.16%	0.17%

¹ 10-year trend information will be presented prospectively.

Notes to schedule of OPEB plan contributions:

Actuarial assumptions and methods used to set the actuarially determined contributions.

Actuarial valuation	December 31, 2021
Effective	July 2023 - June 2025
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Amortization period	10 years
Asset valuation method	Market value
Remaining amortization periods	10 years
Actuarial assumptions:	
Inflation rate	2.40%
Healthcare cost trend rate	Graded from 5.90% in 2021 to 3.90% in 2074
Projected salary increases	3.40%
Investment rate of return	6.90%

2021	2020	2019	2018
\$ 9,061	\$ 8,770	\$ 10,603	\$ 10,392
9,061	8,770	10,603	10,392
-	-	-	-
2,963,703	2,743,340	2,302,682	2,188,520
0.31%	0.32%	0.46%	0.47%

2021	2020	2019	2018
\$ 2,410	\$ 2,527	\$ 3,203	\$ 3,128
2,410	2,527	3,203	3,128
-	-	-	-
941,644	944,235	906,165	868,478
0.26%	0.27%	0.35%	0.36%

Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30¹
(Dollars in millions)

Retiree Health Insurance Premium Account (RHIPA)

Total OPEB Liability²

	2023	2022	2021
Service cost	\$ 0.9	\$ 1.2	\$ 1.3
Interest on total OPEB liability	3.3	4.3	4.5
Changes in assumptions	-	(11.4)	1.1
Differences between expected and actual experience	(3.0)	(4.5)	(4.6)
Benefit payments	(3.0)	(3.4)	(3.7)
Net change in total OPEB liability	(1.8)	(13.8)	(1.4)
Total OPEB liability - beginning	49.1	62.9	64.3
Total OPEB liability - ending	\$ 47.3	\$ 49.1	\$ 62.9

Plan Fiduciary Net Position

Employer contributions	\$ 8.8	\$ 8.3	\$ 11.8
Net investment and other income	3.0	0.8	16.3
Benefit payments	(3.0)	(3.4)	(3.7)
Administrative expense	(0.7)	(0.7)	(0.3)
Net change in plan fiduciary net position	8.1	4.9	24.1
Plan fiduciary net position - beginning	83.3	78.4	54.3
Plan fiduciary net position - ending	\$ 91.4	\$ 83.3	\$ 78.4
Net OPEB Liability	\$ (44.1)	\$ (34.2)	\$ (15.5)

Plan fiduciary net position as a percentage of the total OPEB liability	193.20%	169.70%	124.60%
Covered payroll (Primary Government)	\$ 1,153.1	\$ 1,125.8	\$ 1,159.0
Net OPEB liability as a percentage of covered payroll (Primary Government)	(3.83%)	(3.04%)	(1.34%)
Covered payroll (Component Units)	\$ 1,006.8	\$ 968.1	\$ 947.3
Net OPEB liability as a percentage of covered payroll (Component Units)	(7.23%)	(5.38%)	(2.49%)

¹ 10-year trend information will be presented prospectively.

² See Actuarial Assumptions table in Note 14 for Actuarial Methods and Assumptions used in fiscal year ended June 30, 2024.

2020	2019	2018	2017
\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.5
5.1	5.0	5.2	5.0
(7.9)	-	0.4	-
(2.2)	(0.3)	(3.0)	-
(4.1)	(4.5)	(4.7)	(4.3)
(7.7)	1.7	(0.6)	2.2
72.0	70.3	70.9	68.7
\$ 64.3	\$ 72.0	\$ 70.3	\$ 70.9

\$ 11.2	\$ 14.0	\$ 13.3	\$ 11.9
0.8	2.5	2.4	2.0
(4.1)	(4.5)	(4.7)	(4.3)
(0.3)	(0.3)	(0.3)	(0.3)
7.6	11.7	10.7	9.3
46.7	35.0	24.3	15.0
\$ 54.3	\$ 46.7	\$ 35.0	\$ 24.3
\$ 10.0	\$ 25.3	\$ 35.3	\$ 46.6

84.50%	64.90%	49.80%	34.30%
\$ 1,166.4	\$ 1,120.5	\$ 1,165.3	\$ 1,327.1
0.86%	2.26%	3.03%	3.50%
\$ 926.8	\$ 886.2	\$ 853.8	\$ 742.0
1.42%	6.28%	9.25%	10.55%

Required Supplementary Information
Schedule of Proportionate Share of the Total OPEB Liability
Other Postemployment Benefit Plans
For the Fiscal Year Ended June 30¹
(Dollars in Thousands)

Primary Government	2024²	2023²	2022²
Public Employees Benefit Board (PEBB)			
Proportion of the total OPEB liability	74.5779%	74.6079%	75.2016%
Proportionate share of the total OPEB liability	\$ 80,606	\$ 78,796	\$ 92,753
Covered-employee payroll	4,020,355	3,642,884	3,385,265
Government's total OPEB liability as a percentage of covered-employee payroll	2.00%	2.16%	2.74%
Component Units	2024²	2023²	2022²
Public Employees Benefit Board (PEBB)			
Proportion of the total OPEB liability	25.4005%	25.3685%	24.7842%
Proportionate share of the total OPEB liability	\$ 27,451	\$ 26,788	\$ 30,557
Covered-employee payroll	1,274,447	1,186,300	1,107,061
Government's total OPEB liability as a percentage of covered-employee payroll	2.15%	2.26%	2.76%

¹ 10-year trend information will be presented prospectively.

² The amounts presented were determined as of the total OPEB liability measurement date.

Notes to schedule of proportionate share of the total OPEB liability:

The plan does not accumulate assets in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

2021 ²	2020 ²	2019 ²	2018 ²
74.8025%	73.8195%	73.7321%	73.0657%
\$ 113,020	\$ 108,291	\$ 118,835	\$ 108,548
3,148,338	2,904,809	2,700,487	2,381,726
3.59%	3.73%	4.40%	4.56%

2021 ²	2020 ²	2019 ²	2018 ²
25.1718%	26.1584%	26.2454%	26.9148%
\$ 38,027	\$ 38,358	\$ 42,282	\$ 39,975
1,075,081	1,094,905	1,042,552	984,168
3.54%	3.50%	4.06%	4.06%

Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30¹
(Dollars in millions)

Public Employees Benefit Board (PEBB)

Total OPEB Liability	2024	2023	2022
Service cost	\$ 7.7	\$ 10.8	\$ 10.5
Interest on total OPEB liability	4.0	4.6	3.4
Effect of changes to benefit terms	-	-	-
Effect of differences between expected and actual experience	-	(12.7)	(17.0)
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	(2.1)	(12.7)	(15.4)
Benefit payments	(7.2)	(7.7)	(9.2)
Net change in total OPEB liability	2.5	(17.7)	(27.8)
Total OPEB liability - beginning	105.6	123.3	151.1
Total OPEB liability - ending	\$ 108.1	\$ 105.6	\$ 123.3
Covered-employee payroll (Primary Government)	\$ 5,276.8	\$ 4,813.2	\$ 4,463.9
Total OPEB liability as a percentage of Covered-employee payroll (Primary Government)	2.05%	2.19%	2.76%
Covered-employee payroll (Component Units)	\$ 1,274.4	\$ 1,186.3	\$ 1,107.1
Total OPEB liability as a percentage of Covered-employee payroll (Component Units)	14.59%	15.25%	19.18%

¹ 10-year trend information will be presented prospectively.

Notes to schedule of changes in total OPEB liability and related ratios:

Change of assumptions

The discount rate in effect for the June 30, 2023, reporting date was 3.65%, and the discount rate in effect for the June 30, 2024, reporting date is 3.93%. The discount rate reflects a 20-year General Obligation Bond Index.

2021	2020	2019	2018
\$ 10.1	\$ 10.1	\$ 9.1	\$ 9.3
3.4	5.9	6.0	5.4
-	-	-	-
-	-	-	-
-	(0.8)	-	-
0.5	(21.7)	5.0	(3.7)
(9.6)	(7.9)	(7.5)	(7.2)
4.4	(14.4)	12.6	3.8
146.7	161.2	148.6	144.8
\$ 151.1	\$ 146.7	\$ 161.2	\$ 148.6
\$ 4,066.4	\$ 3,889.1	\$ 3,743.0	\$ 3,362.1
3.72%	3.77%	4.30%	4.40%
\$ 1,075.1	\$ 1,094.9	\$ 1,042.6	\$ 984.2
25.61%	25.96%	29.66%	30.23%

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Combining Fund Financial Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Agricultural Resources Fund

This fund accounts for programs related to the promotion, inspection, and regulation of the State's agricultural industry. Funding for these programs include licenses and fees, charges for services, and federal grants.

Business Development Fund

This fund is used to account for programs that expand existing businesses as well as attract and promote new businesses. Federal grants, donations, and transfers from other funds comprise the main funding sources for these programs.

Community Protection Fund

This fund accounts for a variety of activities that help to ensure the safety of the State's citizens and their property through the courts, police, military, and correctional facilities. The main funding sources for these programs include federal grants, fines, and state court fees.

Consumer Protection Fund

This fund is used to account for programs that regulate existing businesses and license various professionals and organizations. Public utilities taxes and business license fees comprise the main funding sources.

Employment Services Fund

This fund accounts for programs that provide workers with a safe and secure workplace. Funding for these employment-related programs include federal grants, employer and employee taxes, and workers' compensation insurance taxes.

Environmental Management Fund

This fund accounts for programs that promote, protect, and preserve the State's forests, parks, wildlife, fish, and waterways. The main funding sources for these programs are user fees, federal grants, and sales revenue.

Nutritional Support Fund

This fund accounts for programs to improve the diets of low-income households and school children. Federal grants provide the main source of revenue for these programs.

Residential Assistance Fund

This fund accounts for programs that help to meet the housing and energy needs of low-income Oregonians. Major funding sources include federal grants, senior citizen property tax repayments, and public utilities taxes.

Other Special Revenue Funds

This fund accounts for a variety of small programs that are funded mainly by federal grants and charges for services.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term obligations.

Revenue Bond Fund

This fund accounts for the accumulation of resources for the payment of principal and interest on long-term revenue bonds not reported in proprietary funds. The portion of these bonds that is not self-supporting is funded by a legislative appropriation.

Certificates of Participation Fund

This fund accounts for the accumulation of resources for the payment of principal and interest on certificates of participation not reported in proprietary funds. Debt service requirements are funded by a legislative appropriation.

General Obligation Bond Fund

This fund accounts for the accumulation of resources for the payment of principal and interest on long-term general obligation bonds not reported in the general fund, other governmental funds, or in proprietary funds. The issuance of general obligation debt is authorized in the Oregon Constitution. The portion of these bonds that is not self-supporting is funded by a legislative appropriation.

Capital Projects Fund

The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent Fund

The permanent fund is used to account for and report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the State's programs. These earnings provide funding for programs such as the upkeep on fish hatcheries, scholarship funds for injured workers, special library book purchases, and homes for the developmentally disabled.

State of Oregon

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024
(In Thousands)

	Special Revenue Funds		
	Agricultural Resources	Business Development	Community Protection
ASSETS			
Cash and Cash Equivalents	\$ 26,135	\$ 508,322	\$ 856,991
Investments	-	41,080	-
Securities Lending Collateral	41	790	1,344
Accounts and Interest Receivable (net)	4,302	1,145	139,752
Taxes Receivable (net)	-	-	-
Due from Other Funds	137	21,646	55,726
Due from Component Units	-	-	-
Due from Other Governments	-	-	6
Inventories	-	-	800
Prepaid Items	41	-	-
Advances to Other Funds	-	-	-
Net Contracts, Notes, and Other Receivables	37	20	282,872
Receivables for Right to Use Assets	-	-	117
Loans Receivable (net)	-	2,168	-
Other Assets	-	1,523	-
Total Assets	\$ 30,693	\$ 576,694	\$ 1,337,608
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts and Interest Payable	\$ 836	\$ 6,017	\$ 62,497
Obligations Under Securities Lending	41	790	1,344
Due to Other Funds	-	213	65,138
Due to Component Units	269	2,070	436
Due to Other Governments	-	4,120	29,894
Unearned Revenue	4	261,767	4,552
Deposit Liabilities	360	-	23,315
Contracts, Mortgages, and Notes Payable	-	-	4,000
Advances from Other Funds	-	-	-
Total Liabilities	1,510	274,977	191,177
Deferred Inflows of Resources:			
Receivables for Right to Use Assets	-	-	127
Unavailable Revenue	37	20	282,872
Total Deferred Inflows of Resources	37	20	282,999
Fund Balances:			
Nonspendable	66	1	866
Restricted by:			
Federal Laws and Regulations	129	16,205	28,756
Oregon Constitution	1,553	47,150	16,383
Enabling Legislation	21,359	98,010	92,866
Debt Covenants	-	53,320	391,325
Donors and Other External Parties	-	-	3,471
Committed	40	86,968	315,502
Assigned	5,999	43	14,265
Unassigned	-	-	-
Total Fund Balances	29,146	301,697	863,433
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 30,693	\$ 576,694	\$ 1,337,608

State of Oregon

Special Revenue Funds

Consumer Protection	Employment Services	Environmental Management	Nutritional Support	Residential Assistance	Other Special Revenue
\$ 476,971	\$ 194,323	\$ 1,806,952	\$ 1,148	\$ 428,629	\$ 21,657
-	219,849	1,448	-	8,392	-
748	204	2,833	2	672	34
14,732	109,311	64,219	222,084	20,761	678
12,198	20,965	1,684	-	4,913	-
4,562	4,935	19,584	-	7,630	867
-	12,493	-	-	-	-
-	-	-	-	-	-
63	2,156	4,492	-	5	1,455
544	685	240	-	39	140
-	1,254	-	-	-	-
62,063	53,219	32,978	14	45,912	-
-	-	976	-	-	-
-	-	577,964	-	914,090	-
-	-	-	-	-	-
\$ 571,880	\$ 619,395	\$ 2,513,371	\$ 223,247	\$ 1,431,042	\$ 24,831
<hr/>					
\$ 118,091	\$ 24,254	\$ 39,972	\$ 214,805	\$ 13,399	\$ 1,343
748	204	2,833	2	672	34
46,892	27,796	10,875	168	885	10
-	17,766	538	15	-	-
4,971	-	27,420	4,759	12,049	-
-	-	17,262	1	29,506	-
49,593	1,722	4,265	-	-	9
-	-	-	-	-	-
1,254	-	300	-	-	-
221,549	71,742	103,465	219,751	56,511	1,396
-	-	976	-	-	-
62,063	60,138	33,876	14	45,912	-
62,063	60,138	34,852	14	45,912	-
613	2,943	4,716	-	44	1,597
626	54,222	926,144	2,525	142,934	8,743
-	143	45,542	-	-	661
218,806	160,320	380,627	958	328,100	4,171
-	-	127,560	-	53,147	1,284
211	-	10,803	-	19,522	6,352
68,012	270,220	822,483	-	226,739	561
-	-	57,179	-	558,134	66
-	(333)	-	-	-	-
288,268	487,516	2,375,054	3,483	1,328,619	23,435
\$ 571,880	\$ 619,395	\$ 2,513,371	\$ 223,247	\$ 1,431,042	\$ 24,831

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State of Oregon

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024
(In Thousands)
(continued from previous page)

	Debt Service Funds		
	Revenue Bond	Certificates of Participation	General Obligation Bond
ASSETS			
Cash and Cash Equivalents	\$ 273,137	\$ 11	\$ 106,035
Investments	2,523	-	-
Securities Lending Collateral	-	-	-
Accounts and Interest Receivable (net)	106	-	267
Taxes Receivable (net)	-	-	-
Due from Other Funds	62,658	-	21,114
Due from Component Units	-	-	3,685
Due from Other Governments	-	-	-
Inventories	-	-	-
Prepaid Items	-	-	-
Advances to Other Funds	-	-	-
Net Contracts, Notes, and Other Receivables	-	-	-
Receivables for Right to Use Assets	-	-	-
Loans Receivable (net)	-	-	-
Other Assets	-	-	-
Total Assets	\$ 338,426	\$ 11	\$ 131,101
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts and Interest Payable	\$ 309	\$ -	\$ 529
Obligations Under Securities Lending	-	-	-
Due to Other Funds	-	-	-
Due to Component Units	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	-	-	-
Deposit Liabilities	404	-	1
Contracts, Mortgages, and Notes Payable	-	-	-
Advances from Other Funds	-	-	-
Total Liabilities	713	-	530
Deferred Inflows of Resources:			
Receivables for Right to Use Assets	-	-	-
Unavailable Revenue	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances:			
Nonspendable	-	-	-
Restricted by:			
Federal Laws and Regulations	-	-	-
Oregon Constitution	153,355	-	-
Enabling Legislation	-	-	-
Debt Covenants	184,357	11	130,362
Donors and Other External Parties	-	-	-
Committed	-	-	209
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	337,713	11	130,571
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 338,426	\$ 11	\$ 131,101

State of Oregon

Capital Projects	Permanent	Total
\$ 1,127,085	\$ 9,549	\$ 5,836,945
-	1,608	274,901
-	15	6,685
6,282	-	583,639
-	-	39,760
6,197	-	205,055
-	-	16,178
-	-	6
-	-	8,971
-	-	1,689
-	-	1,254
-	-	477,114
-	-	1,093
-	-	1,494,222
-	-	1,523
<u>\$ 1,139,564</u>	<u>\$ 11,172</u>	<u>\$ 8,949,036</u>
\$ 14,605	\$ -	\$ 496,658
-	15	6,685
18,546	-	170,523
-	-	21,095
-	-	83,213
-	-	313,092
-	-	79,667
-	-	4,000
-	-	1,554
<u>33,151</u>	<u>15</u>	<u>1,176,488</u>
-	-	1,103
-	-	484,930
-	-	486,033
-	10,697	21,543
259	-	1,180,542
948	-	265,736
11	221	1,305,448
1,104,056	-	2,045,421
-	239	40,598
112	-	1,790,847
1,027	-	636,713
-	-	(333)
<u>1,106,413</u>	<u>11,157</u>	<u>7,286,515</u>
<u>\$ 1,139,564</u>	<u>\$ 11,172</u>	<u>\$ 8,949,036</u>

State of Oregon

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024
(In Thousands)

	Special Revenue Funds		
	Agricultural Resources	Business Development	Community Protection
REVENUES			
Healthcare Provider Taxes	\$ -	\$ -	\$ -
Employer-Employee Taxes	-	-	-
Workers' Compensation Insurance Taxes	-	-	-
Other Taxes	-	-	-
Licenses and Fees	9,166	4,838	31,035
Federal	8,097	40,064	493,845
Rebates and Recoveries	798	8	6,577
Charges for Services	10,176	538	28,563
Fines, Forfeitures, and Penalties	166	106	138,131
Rents and Royalties	-	-	1,889
Investment Income	1,219	23,284	24,547
Sales	9	2,750	1,072
Assessments	-	-	-
Donations and Grants	-	24,301	819
Contributions to Permanent Funds	-	-	-
Other	7	1,453	8,738
Total Revenues	29,638	97,343	735,215
EXPENDITURES			
Current:			
Education	-	-	-
Human Resources	-	-	2,447
Public Safety	-	3,786	362,982
Economic and Community Development	-	78,901	39
Natural Resources	35,865	-	-
Transportation	-	-	10,978
Consumer and Business Services	-	-	-
Administration	-	3,294	16,802
Legislative	-	-	-
Judicial	-	-	70,974
Intergovernmental	1,121	73,681	338,243
Capital Outlay	82	966	25,124
Debt Service:			
Principal	43	621	6,195
Interest	1	49	1,273
Other Debt Service	-	249	572
Total Expenditures	37,113	161,546	835,627
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,475)	(64,204)	(100,412)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	8,297	110,904	239,640
Transfers to Other Funds	(20,900)	(5,268)	(108,762)
Insurance Recoveries	-	-	312
Long-term Debt Issued	48	43,626	100,860
Debt Issuance Premium	-	-	10,178
Refunding Debt Issued	-	-	-
Refunded Debt Payment to Escrow Agent	-	-	-
Total Other Financing Sources (Uses)	(12,556)	149,262	242,229
Net Change in Fund Balances	(20,030)	85,058	141,817
Fund Balances - Beginning	49,176	216,639	721,683
Change in Inventories	-	-	(67)
Fund Balances - Ending	\$ 29,146	\$ 301,697	\$ 863,433

State of Oregon

Special Revenue Funds

Consumer Protection	Employment Services	Environmental Management	Nutritional Support	Residential Assistance	Other Special Revenue
\$ 163,593	\$ -	\$ -	\$ -	\$ -	\$ -
-	66,335	-	-	-	-
-	99,555	-	-	-	-
99,332	-	36,583	-	60,085	-
185,343	3,401	206,346	-	92	-
70,750	190,883	191,270	1,993,836	247,146	5,271
29	1,210	757	14,660	4,174	9
3,546	36,808	86,803	1,235	9,006	12,077
2,651	29,872	794	-	28	-
-	328	3,731	-	-	37
14,589	20,935	81,302	50	22,448	825
30	329	125,764	-	-	1,270
-	65,829	-	-	1,029	-
-	-	13,455	-	-	604
-	-	-	-	-	-
870	1,247	20,104	15	76	517
540,733	516,733	766,909	2,009,796	344,084	20,609
6,838	69,232	-	26,912	-	3,831
13,757	-	-	1,790,930	-	-
-	-	-	-	-	-
-	201,653	-	-	315,123	723
4,402	-	728,105	-	-	-
43	-	-	-	-	-
303,544	122,581	-	-	4,024	-
8,270	1,347	37	-	510	8,758
-	-	-	-	-	1,365
-	-	-	-	-	-
17,004	41,166	63,341	190,631	48,682	372
1,522	20,832	16,267	-	1,452	56
5,166	7,853	4,915	-	951	202
451	713	1,179	-	168	103
-	-	212	-	1,355	-
360,996	465,378	814,057	2,008,473	372,265	15,411
179,737	51,355	(47,147)	1,324	(28,180)	5,198
29,213	361	217,529	-	223,150	1,585
(200,292)	(20,535)	(44,026)	(1,313)	(4,825)	(5,274)
-	-	41,556	-	-	-
924	11,134	29,741	-	28,112	56
-	-	3,280	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(170,156)	(9,040)	248,079	(1,313)	246,436	(3,632)
9,582	42,315	200,932	11	218,256	1,566
278,691	445,164	2,173,915	3,472	1,110,373	21,877
(5)	36	207	-	(10)	(8)
\$ 288,268	\$ 487,516	\$ 2,375,054	\$ 3,483	\$ 1,328,619	\$ 23,435

(continued on next page)

State of Oregon

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2024

(In Thousands)

(continued from previous page)

	Debt Service Funds		
	Revenue Bond	Certificates of Participation	General Obligation Bond
REVENUES			
Healthcare Provider Taxes	\$ -	\$ -	\$ -
Employer-Employee Taxes	-	-	-
Workers' Compensation Insurance Taxes	-	-	-
Other Taxes	-	-	-
Licenses and Fees	-	-	-
Federal	9,480	-	-
Rebates and Recoveries	-	-	-
Charges for Services	-	-	-
Fines, Forfeitures, and Penalties	-	-	-
Rents and Royalties	-	-	-
Investment Income	10,696	5	11,963
Sales	-	-	-
Assessments	-	-	-
Donations and Grants	-	-	-
Contributions to Permanent Funds	-	-	-
Other	-	-	55,864
Total Revenues	20,176	5	67,827
EXPENDITURES			
Current:			
Education	-	-	-
Human Resources	-	-	-
Public Safety	-	-	-
Economic and Community Development	-	-	-
Natural Resources	-	-	-
Transportation	79	-	-
Consumer and Business Services	-	-	-
Administration	-	-	-
Legislative	-	-	-
Judicial	-	-	-
Intergovernmental	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	215,167	-	197,065
Interest	153,651	3	65,032
Other Debt Service	1,250	-	63
Total Expenditures	370,146	3	262,160
Excess (Deficiency) of Revenues Over (Under) Expenditures	(349,971)	2	(194,333)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	359,105	-	208,433
Transfers to Other Funds	(382)	-	(378)
Insurance Recoveries	-	-	-
Long-term Debt Issued	-	-	11,425
Debt Issuance Premium	1,803	-	638
Refunding Debt Issued	61,245	-	-
Refunded Debt Payment to Escrow Agent	(60,939)	-	-
Total Other Financing Sources (Uses)	360,833	-	220,118
Net Change in Fund Balances	10,863	2	25,785
Fund Balances - Beginning	326,850	9	104,786
Change in Inventories	-	-	-
Fund Balances - Ending	\$ 337,713	\$ 11	\$ 130,571

State of Oregon

Capital Projects	Permanent	Total
\$ -	\$ -	\$ 163,593
-	-	66,335
-	-	99,555
-	-	196,000
-	-	440,220
24,813	-	3,275,456
6	-	28,228
-	-	188,753
-	-	171,749
-	-	5,984
37,323	190	249,376
-	-	131,223
-	-	66,858
-	-	39,178
-	57	57
47	-	88,940
<u>62,189</u>	<u>247</u>	<u>5,211,504</u>
-	-	106,813
-	-	1,807,134
-	-	366,768
-	-	596,438
-	-	768,373
-	-	11,100
-	-	430,149
-	-	39,018
-	-	1,365
-	-	70,974
-	-	774,241
217,072	-	283,372
-	-	438,178
-	-	222,622
1,046	-	4,746
<u>218,118</u>	<u>-</u>	<u>5,921,291</u>
(155,930)	247	(709,787)
19,951	-	1,418,167
(181,075)	-	(593,029)
-	-	41,868
585,319	-	811,244
27,921	-	43,820
-	-	61,245
-	-	(60,939)
<u>452,116</u>	<u>-</u>	<u>1,722,377</u>
<u>296,187</u>	<u>247</u>	<u>1,012,590</u>
810,226	10,910	6,273,771
-	-	154
<u>\$ 1,106,413</u>	<u>\$ 11,157</u>	<u>\$ 7,286,515</u>

Nonmajor Enterprise Funds

Enterprise Funds account for goods and services provided to the general public on a continuous basis, either when all or most of the cost involved in operating the enterprise is intended to be financed from user charges, or when periodic measurement of the results of operations is appropriate for management control or accountability.

Energy Loan Fund

This fund accounts for activities to provide low-interest loans for renewable energy resource and energy conservation projects. Funding is from the issuance of bonds that are repaid from the interest and principal payments on loans.

Business Development Fund

This fund accounts for resources used to finance land, buildings, machinery, and permanent working capital for eligible activities including those determined to diversify an economic base.

Special Public Works Fund

This fund accounts for loans and grants to local governments for construction of infrastructure required to support needed public services. The Special Public Works Fund is financed through lottery resources, the sale of revenue bonds, loan repayments, and interest earnings.

State Hospitals Fund

This fund accounts for the operations of State hospitals and State operated residential group homes that provide treatment services for specific citizens as well as training and care for developmentally disabled persons. Clinical programs include the adult psychiatric program, the child and adolescent treatment program, the forensic and correctional treatment program, and the geropsychiatric treatment and medical service program.

Liquor Control Fund

This fund accounts for the operation of the Oregon Liquor and Cannabis Commission that regulates the sale and use of alcoholic beverages and promotes responsible alcohol use.

Standard Retiree Health Insurance Fund

This fund accounts for the accumulation of retiree insurance premiums, reinsurance reimbursements, and interest earnings less insurance claims and administrative expenses.

Veterans' Home Fund

This fund accounts for activities of the Oregon Veterans' Home, which provides skilled nursing and Alzheimer's disease care to some of Oregon's most vulnerable veterans.

Water/Wastewater Financing Fund

This fund accounts for loans and grants to municipalities to improve compliance with federal and State of Oregon water quality standards. The Water/Wastewater Financing Fund is financed through lottery resources, the sale of revenue bonds, loan repayments, and interest earnings.

Safe Drinking Water

This fund accounts for activities of the Safe Drinking Water financing program, which provides low-cost financing for construction and/or improvements of public and private water systems.

Paid Family and Medical Leave Insurance Fund

This fund, established within the Oregon Employment Department in fiscal year 2020, accounts for the family and medical leave insurance program that provides compensated time off from work to care for and bond with a child during the first year after the child's birth or arrival through adoption or foster care, provide care for a family member who has a serious health condition, or to recover from one's own serious health condition. The Paid Family and Medical Leave Insurance Fund is financed through payroll taxes and started collecting assessments in January of 2023.

Other Enterprise Funds

This fund is used to account for the sale of goods and services to other than governmental entities through activities not specifically accounted for in another enterprise fund. The fund includes programs within the following state agencies: the Oregon Department of Human Services, Oregon Business Development Department, the Department of Administrative Services, the Department of Corrections, the Department of Environmental Quality, the Department of Forestry, the Judicial Department, the Legislative Administration Committee, the Oregon State Treasury, Oregon Corrections Enterprises, the Oregon Facilities Authority, the Oregon Health Authority, and the Water Resources Department.

State of Oregon

Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2024
(In Thousands)

	Energy Loan	Business Development	Special Public Works	State Hospitals	Liquor Control
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 3,764	\$ 32,217	\$ 208,981	\$ 569	\$ 16,469
Cash and Cash Equivalents - Restricted	1,211	-	-	-	-
Investments	-	-	12,237	-	-
Securities Lending Collateral	12	51	330	1	112
Accounts and Interest Receivable (net)	185	70	773	42,754	399
Due from Other Funds	-	-	532	49,410	380
Due from Component Units	7,234	-	-	-	-
Inventories	-	-	-	1,410	48,727
Prepaid Items	-	-	-	26	-
Loans Receivable (net)	3,465	1,419	9,903	-	-
Total Current Assets	15,871	33,758	232,756	94,168	66,086
Noncurrent Assets:					
Cash and Cash Equivalents - Restricted	2,387	-	-	-	55,100
Advances to Component Units	51,352	-	-	-	-
Net Contracts, Notes, and Other Receivables	-	-	-	-	-
Loans Receivable (net)	9,519	17,279	171,093	-	-
Net OPEB Asset	1	15	49	5,765	679
Capital Assets (net)	-	-	-	357,201	70,024
Total Noncurrent Assets	63,260	17,295	171,142	362,966	125,803
Total Assets	79,131	51,052	403,898	457,135	191,889
DEFERRED OUTFLOWS OF RESOURCES					
Loss on Refunding	899	-	-	-	-
Related to Pensions	12	297	728	145,923	11,700
Related to OPEB	-	1	2	248	26
Total Deferred Outflows of Resources	910	298	730	146,171	11,726
LIABILITIES					
Current Liabilities:					
Accounts and Interest Payable	656	99	2,501	24,851	35,275
Obligations Under Securities Lending	12	51	330	1	112
Due to Other Funds	-	41	5,998	95,583	21,168
Due to Component Units	-	-	-	255	-
Due to Other Governments	-	5	21	-	-
Unearned Revenue	65	-	-	1	885
Other Liabilities	29	34	120	16,842	2,900
Bonds/COPs Payable	10,150	-	3,225	-	2,945
Total Current Liabilities	10,911	229	12,195	137,533	63,284
Noncurrent Liabilities:					
Other Liabilities	2,422	29	290	14,999	6,862
Bonds/COPs Payable	65,150	-	54,001	-	93,562
Net Pension Liability	5	653	1,801	365,878	28,490
Total OPEB Liability	1	16	22	5,401	455
Total Noncurrent Liabilities	67,578	698	56,113	386,278	129,368
Total Liabilities	78,489	927	68,308	523,811	192,653
DEFERRED INFLOWS OF RESOURCES					
Gain on Refunding	154	-	-	-	-
Related to Pensions	-	52	142	28,930	2,253
Related to OPEB	1	10	17	3,719	318
Total Deferred Inflows of Resources	155	62	160	32,649	2,571
NET POSITION					
Net Investment in Capital Assets	-	-	-	352,901	15,996
Restricted for:					
Natural Resource Programs	-	-	-	-	-
Debt Service	1,395	-	533	-	-
OPEB	1	15	49	5,765	679
Unrestricted	-	50,346	335,578	(311,820)	(8,284)
Total Net Position	\$ 1,396	\$ 50,362	\$ 336,160	\$ 46,846	\$ 8,391

State of Oregon

Standard Retiree Health Insurance	Veterans' Home	Water/ Wastewater Financing	Safe Drinking Water	Paid Family and Medical Leave Insurance	Other	Total
\$ 94,516	\$ 29,745	\$ 38,708	\$ 111,908	\$ 511,868	\$ 247,426	\$ 1,296,172
-	-	-	-	-	-	1,211
-	-	-	-	-	-	12,237
145	47	61	176	803	368	2,104
356	4,121	1	22	204,405	6,380	259,466
-	-	4,481	1,486	19,153	8	75,450
-	-	-	-	-	-	7,234
-	-	-	-	-	10,775	60,912
-	-	-	-	-	776	802
-	-	3,262	11,057	-	1,714	30,820
95,017	33,913	46,513	124,648	736,229	267,448	1,746,408
-	-	-	-	-	-	57,487
-	-	-	-	-	-	51,352
-	62	-	-	10,974	-	11,036
-	-	48,400	218,945	-	12,750	477,987
30	17	26	3	310	432	7,327
-	51,219	-	-	17,890	26,635	522,969
30	51,298	48,425	218,949	29,174	39,817	1,128,158
95,047	85,211	94,938	343,597	765,403	307,265	2,874,566
-	-	-	-	-	-	899
322	135	346	80	8,006	8,279	175,826
1	1	1	-	11	17	307
323	135	347	80	8,016	8,296	177,031
1,347	4,598	89	266	53,695	18,220	141,596
145	47	61	176	803	368	2,104
129	349	460	109	17,930	120	141,886
-	-	-	-	-	-	255
-	-	298	-	-	1	325
-	130	-	-	-	-	1,081
930	17	13	10	741	20,600	42,235
-	-	-	-	-	-	16,320
2,551	5,141	921	560	73,169	39,309	345,803
25	12	21	16	399	3,666	28,741
-	-	-	-	-	-	212,713
880	354	844	181	12,989	21,097	433,171
9	6	10	1	133	335	6,389
914	373	875	198	13,521	25,099	681,014
3,465	5,513	1,796	759	86,690	64,408	1,026,817
-	-	-	-	-	-	154
70	28	67	14	1,027	1,668	34,251
8	5	8	1	109	232	4,429
78	33	75	16	1,136	1,900	38,834
-	51,219	-	-	17,890	25,896	463,902
-	-	-	-	-	3	3
-	-	41	-	-	-	1,969
30	17	26	3	310	432	7,327
91,798	28,564	93,349	342,899	667,393	222,922	1,512,745
\$ 91,828	\$ 79,799	\$ 93,415	\$ 342,902	\$ 685,593	\$ 249,253	\$ 1,985,946

State of Oregon

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024
(In Thousands)

	Energy Loan	Business Development	Special Public Works	State Hospitals	Liquor Control
OPERATING REVENUES:					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Fees	-	-	-	22	4,408
Federal	-	725	60	2,812	-
Rebates and Recoveries	-	-	-	225	46
Charges for Services	-	15	-	141,828	-
Fines, Forfeitures, and Penalties	-	-	-	-	332
Rents and Royalties	-	-	-	124	-
Sales	-	-	-	1,256	825,684
Loan Interest Income	3,332	784	1,737	-	-
Other	228	39	3	849	1,980
Total Operating Revenues	3,560	1,562	1,801	147,117	832,451
OPERATING EXPENSES:					
Salaries and Wages	98	903	2,272	474,926	34,645
Services and Supplies	38	201	362	161,612	105,928
Cost of Goods Sold	-	-	-	-	419,742
Distributions to Other Governments	-	-	3,633	-	85,892
Special Payments	-	5	-	18	374
Interest Expense on Right to Use Asset Arrangements	-	-	-	174	202
Bond and COP Interest	2,169	-	3,045	-	4,654
Depreciation and Amortization	-	-	-	13,407	1,675
Total Operating Expenses	2,304	1,109	9,313	650,136	653,113
Operating Income (Loss)	1,256	453	(7,513)	(503,019)	179,338
NONOPERATING REVENUES (EXPENSES):					
Investment Income (Loss)	315	2,163	11,152	-	1,835
Other Taxes	-	-	-	-	21,102
Gain (Loss) on Disposition of Assets	-	-	-	(23)	39
Gain (Loss) on Leased Assets	-	-	-	(8)	-
Other Interest Expense	(2)	(1)	(4)	(566)	(50)
Other Nonoperating Items	(1)	(3)	(19)	-	(4)
Total Nonoperating Revenues (Expenses)	312	2,158	11,128	(597)	22,922
Income (Loss) Before Contributions, Special Items, Extraordinary Items, and Transfers	1,568	2,611	3,616	(503,616)	202,260
Capital Contributions	-	-	-	-	-
Transfers from Other Funds	-	6	55	492,693	3,968
Transfers to Other Funds	(82)	(772)	(6,966)	(13,267)	(230,844)
Change in Net Position	1,486	1,845	(3,295)	(24,190)	(24,615)
Net Position - Beginning	(89)	48,517	339,455	71,036	33,006
Net Position - Ending	\$ 1,396	\$ 50,362	\$ 336,160	\$ 46,846	\$ 8,391

State of Oregon

Standard Retiree Health Insurance	Veterans' Home	Water/ Wastewater Financing	Safe Drinking Water	Paid Family and Medical Leave Insurance	Other	Total
\$ -	\$ -	\$ -	\$ -	\$ 840,489	\$ -	\$ 840,489
-	-	-	-	-	1,932	6,363
-	33,831	-	-	-	-	37,427
-	-	-	-	-	-	271
28,814	15,846	-	5	-	67,240	253,748
-	-	-	-	2,707	5	3,044
-	-	-	-	-	-	124
-	-	-	-	-	30,430	857,370
-	-	99	853	-	314	7,119
356	26	-	-	11	5,769	9,263
29,170	49,703	99	858	843,207	105,690	2,015,219
921	402	1,023	307	44,707	11,076	571,280
4,909	46,052	151	32	10,335	22,835	352,455
-	-	-	-	-	33,781	453,523
-	-	2,618	825	-	935	93,904
28,092	-	-	4,652	514,740	2,530	550,412
-	-	-	-	3	15	394
-	-	-	-	-	-	9,869
-	2,275	-	-	897	2,548	20,802
33,922	48,729	3,792	5,816	570,682	73,721	2,052,638
(4,752)	974	(3,693)	(4,958)	272,525	31,969	(37,419)
5,088	1,344	1,908	5,509	22,183	11,580	63,076
-	-	-	-	-	-	21,102
-	-	-	-	-	-	16
-	-	-	-	-	2	(5)
(1)	(1)	(2)	(1)	-	(88)	(716)
(9)	(2)	(3)	(10)	(40)	2,728	2,637
5,078	1,341	1,903	5,498	22,143	14,222	86,110
326	2,315	(1,790)	541	294,669	46,191	48,691
-	163	-	-	-	1,554	1,717
-	54	218	12,555	-	5,029	514,578
(25)	(751)	(292)	(11)	(1,270)	(2,121)	(256,400)
301	1,781	(1,863)	13,085	293,398	50,654	308,585
91,527	78,018	95,279	329,817	392,195	198,600	1,677,360
\$ 91,828	\$ 79,799	\$ 93,415	\$ 342,902	\$ 685,593	\$ 249,253	\$ 1,985,946

State of Oregon

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024
(In Thousands)

	Energy Loan	Business Development	Special Public Works	State Hospitals	Liquor Control
Cash Flows from Operating Activities:					
Receipts from Customers	\$ -	\$ 15	\$ -	\$ 124,640	\$ 830,698
Receipts from Other Funds for Services	-	-	-	704	-
Grant Receipts	-	725	60	-	-
Taxes and Assessments Received	-	-	-	-	-
Payments to Employees for Services	(156)	(1,175)	(2,057)	(468,276)	(33,673)
Payments to Suppliers	(25)	(30)	(110)	(97,573)	(519,028)
Payments to Other Funds for Services	(6)	(166)	(238)	(53,874)	(5,761)
Claims Paid	-	-	-	-	-
Distributions to Other Governments	-	-	(3,586)	-	(92,423)
Other Receipts (Payments)	114	33	(67)	854	1,290
Net Cash Provided (Used) in Operating Activities	(73)	(598)	(5,999)	(493,526)	181,104
Cash Flows from Noncapital Financing Activities:					
Advances Received	-	-	-	21,863	-
Principal Payments on Bonds/COPs	(11,425)	-	(3,100)	-	-
Principal Payments on Loans	(10)	(5)	(17)	(2,378)	(211)
Interest Payments on Bonds/COPs	(2,771)	-	(2,314)	-	-
Interest Payments on Loans	(2)	(1)	(4)	(566)	(50)
Bond/COP Issuance Costs	(7)	-	(8)	-	-
Taxes and Assessments Received	-	-	-	-	21,099
Transfers from Other Funds	-	6	55	492,293	3,968
Transfers to Other Funds	(123)	(772)	(5,480)	(13,267)	(247,592)
Net Cash Provided (Used) in Noncapital Financing Activities	(14,338)	(773)	(10,868)	497,945	(222,786)
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Bond/COP Sales	-	-	-	-	14,064
Principal Payments on Leases	-	-	-	(111)	(258)
Principal Payments on SBITAs	-	-	-	(3,560)	(1,534)
Principal Payments on Bonds/COPs	-	-	-	-	(2,230)
Interest Payments on Leases	-	-	-	(8)	(138)
Interest Payments on SBITAs	-	-	-	(167)	(143)
Interest Payments on Bonds/COPs	-	-	-	-	(4,166)
Bond/COP Issuance Costs	-	-	-	-	(65)
Acquisition of Capital Assets	-	-	-	(13)	(2,935)
Proceeds from Disposition of Capital Assets	-	-	-	-	39
Contributions Restricted for Capital Purposes	-	-	-	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	-	-	-	(3,857)	2,634
Cash Flows from Investing Activities:					
Interest on Investments and Cash Balances	314	1,890	10,738	-	2,232
Interest Income from Securities Lending	1	4	22	-	4
Interest Expense from Securities Lending	(1)	(3)	(19)	-	(4)
Loan Principal Repayments	10,699	2,148	9,854	-	-
Loan Interest Received	3,412	782	5,900	-	-
Loans Made	-	(2,785)	(19,866)	-	-
Net Cash Provided (Used) in Investing Activities	14,425	2,036	6,628	-	2,233
Net Increase (Decrease) in Cash and Cash Equivalents	14	665	(10,238)	562	(36,815)
Cash and Cash Equivalents - Beginning	7,348	31,553	219,220	7	108,384
Cash and Cash Equivalents - Ending	\$ 7,363	\$ 32,217	\$ 208,981	\$ 569	\$ 71,569

State of Oregon

Standard Retiree Health Insurance	Veterans' Home	Water/ Wastewater Financing	Safe Drinking Water	Paid Family and Medical Leave Insurance	Other	Total
\$ 28,814	\$ 16,015	\$ -	\$ -	\$ -	\$ 62,704	\$ 1,062,886
-	-	-	-	-	1,443	2,147
-	33,201	-	-	-	-	33,985
-	-	-	-	852,411	-	852,411
(761)	(366)	(994)	(197)	(40,104)	(19,655)	(567,414)
(4,876)	(45,051)	(53)	(15)	(4,383)	(46,485)	(717,628)
(20)	(154)	(118)	(12)	(5,709)	(940)	(66,998)
(28,074)	-	-	-	(500,400)	-	(528,473)
-	-	(2,560)	(830)	-	(2,261)	(101,660)
37	965	34	(28)	29	50,020	53,281
(4,880)	4,610	(3,692)	(1,082)	301,845	44,826	22,536
-	-	-	-	-	-	21,863
-	-	-	-	-	-	(14,525)
(3)	(3)	(7)	(5)	-	(227)	(2,865)
-	-	-	-	-	-	(5,085)
(1)	(1)	(2)	(1)	-	(54)	(682)
-	-	-	-	-	-	(15)
-	-	-	-	-	-	21,099
-	54	218	11,100	-	4,225	511,919
(25)	(751)	(292)	(11)	(3,135)	(1,786)	(273,234)
(28)	(701)	(82)	11,083	(3,135)	2,157	258,474
-	-	-	-	-	-	14,064
-	-	-	-	-	(218)	(587)
-	-	-	-	(569)	(5)	(5,667)
-	-	-	-	-	-	(2,230)
-	-	-	-	-	(12)	(157)
-	-	-	-	(3)	-	(312)
-	-	-	-	-	-	(4,166)
-	-	-	-	-	-	(65)
-	(1,278)	-	-	(9,788)	(2,226)	(16,241)
-	-	-	-	-	-	39
-	1,686	-	-	-	2,054	3,740
-	407	-	-	(10,360)	(407)	(11,582)
5,078	1,341	1,904	5,498	22,139	11,558	62,692
10	3	4	11	45	23	125
(9)	(2)	(3)	(10)	(40)	(20)	(112)
-	-	3,474	8,497	-	928	35,601
-	-	1,017	3,860	-	229	15,200
-	-	(2,029)	(28,777)	-	(5,585)	(59,041)
5,079	1,342	4,367	(10,920)	22,143	7,132	54,465
170	5,658	593	(919)	310,494	53,709	323,893
94,346	24,087	38,115	112,827	201,374	193,717	1,030,977
\$ 94,516	\$ 29,745	\$ 38,708	\$ 111,908	\$ 511,868	\$ 247,426	\$ 1,354,870

(continued on next page)

State of Oregon

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024
(In Thousands)

(continued from previous page)

	Energy Loan	Business Development	Special Public Works	State Hospitals	Liquor Control
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 1,256	\$ 453	\$ (7,513)	\$ (503,019)	\$ 179,338
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization	-	-	-	13,407	1,675
Amortization of Bond/COP Premium and Discount	(772)	-	(354)	-	426
Interest Receipts Reported as Operating Revenue	(3,412)	(782)	(5,900)	-	-
Interest Payments Reported as Operating Expense	2,771	-	2,314	174	4,447
Bond/COP Issuance Costs Reported as Operating Expense	7	-	8	-	65
Net Changes in Assets and Liabilities:					
Accounts and Interest Receivable (net)	115	(4)	4,163	(2,448)	(428)
Due from Other Funds	-	9	(99)	(19,026)	(78)
Inventories	-	-	-	114	819
Prepaid Items	-	-	-	(26)	-
Net Contracts, Notes and Other Receivables	-	-	-	-	-
Loans Receivable	(228)	-	48	-	-
Net OPEB Asset	-	-	(4)	(523)	(115)
Accounts and Interest Payable	(122)	(7)	1,078	7,766	(6,471)
Due to Other Funds	-	41	(3)	808	-
Due to Component Units	-	-	-	126	-
Due to Other Governments	-	5	11	-	-
Unearned Revenue	(36)	-	-	(51)	210
Other Liabilities	114	(13)	8	2,711	554
Net Pension Liability	(47)	(140)	612	79,238	6,675
Total OPEB Liability	(1)	4	2	(220)	(5)
Net Changes in Deferred Outflows of Resources:					
Loss on Refunding	313	-	-	-	-
Related to Pensions	5	25	(151)	(14,691)	(1,639)
Related to OPEB	-	1	4	647	59
Net Changes in Deferred Inflows of Resources:					
Gain on Refunding	(23)	-	-	-	-
Related to Pensions	(15)	(186)	(214)	(56,948)	(4,283)
Related to OPEB	(1)	(3)	(9)	(1,564)	(144)
Total Adjustments	(1,329)	(1,051)	1,514	9,494	1,766
Net Cash Provided (Used) by Operating Activities	\$ (73)	\$ (598)	\$ (5,999)	\$ (493,526)	\$ 181,104

Noncash Investing and Capital and Related Financing Activities:

Net Change in Fair Value of Investments	\$ -	\$ -	\$ 584	\$ -	\$ -
Leases Initiated as Lessee	-	-	-	11	106
SBITAs Initiated	-	-	-	113	12
Capital Assets Transferred from Governmental Activities	-	-	-	-	-

State of Oregon

Standard Retiree Health Insurance	Veterans' Home	Water/ Wastewater Financing	Safe Drinking Water	Paid Family and Medical Leave Insurance	Other	Total
\$ (4,752)	\$ 974	\$ (3,693)	\$ (4,958)	\$ 272,525	\$ 31,969	\$ (37,419)
-	2,275	-	-	897	2,548	20,802
-	-	-	-	-	-	(699)
-	-	(1,017)	(3,860)	-	(229)	(15,200)
-	-	-	-	3	16	9,725
-	-	-	-	-	-	80
-	-	-	-	-	-	-
(356)	2,127	917	3,007	(4,067)	534	3,560
-	-	(54)	-	(19,129)	-	(38,377)
-	-	-	-	-	(1,189)	(257)
-	-	-	-	-	(593)	(619)
-	23	-	-	(6,800)	-	(6,776)
-	-	(194)	4,604	-	-	4,230
(12)	(3)	(7)	3	(162)	(38)	(860)
36	(730)	(45)	32	39,068	10,587	51,191
(9)	174	43	109	16,843	(1)	18,005
-	-	-	-	-	(1)	125
-	-	297	-	-	1	314
-	(276)	-	-	-	-	(152)
23	12	(67)	8	430	(1,609)	2,172
335	99	304	21	7,530	6,864	101,491
1	(1)	1	(3)	88	34	(101)
-	-	-	-	-	-	313
(52)	(15)	(82)	(9)	(4,820)	(1,429)	(22,856)
2	1	2	1	17	42	776
-	-	-	-	-	-	(23)
(94)	(48)	(95)	(34)	(609)	(2,596)	(65,122)
(3)	(3)	(3)	(4)	32	(85)	(1,786)
(128)	3,636	1	3,876	29,320	12,857	59,955
\$ (4,880)	\$ 4,610	\$ (3,692)	\$ (1,082)	\$ 301,845	\$ 44,826	\$ 22,536

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 584
-	-	-	-	-	-	117
-	-	-	-	569	-	693
-	-	-	-	-	1,554	1,554

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Internal Service Funds

Internal Service Funds account for goods and services provided by state agencies or departments to other state agencies or departments and to other governmental units on a cost-reimbursement basis.

Central Services Fund

This fund accounts for activities to provide various services to state agencies. These services include accounting, budgeting, personnel, mail and shuttle, purchasing, printing, copy center, data center, property development, telecommunications, motor pool, and an insurance fund.

Legal Services Fund

This fund accounts for activities of the Department of Justice Attorney General's office to represent and advise the State's elected and appointed officials, agencies, boards, and commissions.

Banking Services Fund

This fund accounts for activities of the Oregon State Treasury to provide banking, investment, and debt management services to state agencies.

Audit Services Fund

This fund accounts for activities of the Secretary of State, Audits Division, to provide independent auditing services to state agencies.

Forestry Services Fund

This fund accounts for activities of the Department of Forestry to operate an equipment and maintenance pool that provides transportation, heavy equipment, and aircraft support for operating programs and other state agencies.

Health Services Fund

This fund accounts, primarily, for the activities of the Public Employees' Benefit Board, through the Oregon Health Authority, to provide health care benefits and related services for the employees of state agencies.

Other Internal Service Funds

This fund accounts for the sale of goods and services to other governmental units through activities not specifically accounted for in another internal service fund.

State of Oregon

Combining Statement of Net Position
Internal Service Funds
June 30, 2024
(In Thousands)

	Central Services	Legal Services	Banking Services
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 45,063	\$ 17,842	\$ 51,497
Cash and Cash Equivalents - Restricted	20,141	-	-
Investments - Restricted	454	-	-
Securities Lending Collateral	135	28	81
Accounts and Interest Receivable (net)	203,755	20,943	979
Due from Other Funds	76	1,768	223
Inventories	1,159	51	-
Prepaid Items	5,364	-	-
Foreclosed and Deeded Property	555	-	-
Total Current Assets	276,703	40,632	52,780
Noncurrent Assets:			
Cash and Cash Equivalents - Restricted	36,909	-	-
Net Contracts, Notes, and Other Receivables	39	1	-
Net OPEB Asset	4,400	3,013	488
Capital Assets (net)	483,323	22,801	63,701
Total Noncurrent Assets	524,670	25,815	64,189
Total Assets	801,373	66,447	116,969
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	23	-	-
Related to Pensions	49,327	45,731	11,244
Related to OPEB	142	102	19
Total Deferred Outflows of Resources	49,492	45,833	11,262
LIABILITIES			
Current Liabilities:			
Accounts and Interest Payable	26,510	1,105	520
Obligations Under Securities Lending	135	28	81
Due to Other Funds	15,308	14	2
Due to Component Units	-	-	-
Unearned Revenue	30,711	-	-
Other Liabilities	100,354	9,800	3,532
Bonds/COPs Payable	9,565	-	-
Total Current Liabilities	182,583	10,947	4,134
Noncurrent Liabilities:			
Other Liabilities	298,291	22,798	54,346
Bonds/COPs Payable	181,158	-	-
Net Pension Liability	122,499	114,606	28,368
Total OPEB Liability	1,607	1,277	302
Total Noncurrent Liabilities	603,556	138,681	83,016
Total Liabilities	786,138	149,627	87,150
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	9,686	9,062	2,243
Related to OPEB	1,296	1,045	236
Total Deferred Inflows of Resources	10,982	10,107	2,479
NET POSITION			
Net Investment in Capital Assets	259,402	3,199	8,911
Restricted for:			
Debt Service	2,785	-	-
Capital Projects	32,487	-	-
OPEB	4,400	3,013	488
Unrestricted	(245,329)	(53,666)	29,204
Total Net Position	\$ 53,745	\$ (47,454)	\$ 38,603

State of Oregon

Audit Services	Forestry Services	Health Services	Other	Total
\$ 1,593	\$ 2,745	\$ 477,634	\$ 6,639	\$ 603,014
-	-	-	-	20,141
-	-	-	-	454
2	4	738	10	998
91	1,480	10,250	127	237,624
-	-	8,498	-	10,565
-	240	6	11	1,467
58	-	618	-	6,040
-	-	-	-	555
1,743	4,469	497,745	6,787	880,859
-	-	-	-	36,909
-	-	-	-	40
280	85	4,432	37	12,735
256	12,737	8,245	2,030	593,095
537	12,823	12,678	2,067	642,778
2,280	17,292	510,422	8,854	1,523,637
-	-	-	-	23
4,446	1,815	68,251	898	181,713
9	3	167	2	444
4,455	1,818	68,418	900	182,179
39	488	26,475	94	55,232
2	4	738	10	998
-	-	10,708	12	26,043
-	-	37	-	37
-	-	-	-	30,711
752	199	8,339	123	123,098
-	-	-	-	9,565
794	692	46,297	239	245,684
561	152	81,355	66	457,569
-	-	-	-	181,158
11,107	2,774	169,510	2,340	451,205
120	46	3,041	19	6,411
11,788	2,972	253,907	2,425	1,096,343
12,582	3,663	300,203	2,664	1,342,027
878	219	13,403	185	35,676
99	33	2,056	16	4,780
977	252	15,459	201	40,457
256	12,737	8,190	2,030	294,725
-	-	-	-	2,785
-	-	-	-	32,487
280	85	4,432	37	12,735
(7,360)	2,372	250,556	4,822	(19,400)
\$ (6,823)	\$ 15,195	\$ 263,178	\$ 6,888	\$ 323,332

State of Oregon

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2024
(In Thousands)

	Central Services	Legal Services	Banking Services
OPERATING REVENUES:			
Rebates and Recoveries	\$ 1,985	\$ 15	\$ 15
Charges for Services	402,466	163,950	52,629
Fines, Forfeitures, and Penalties	-	3	-
Rents and Royalties	55,341	-	-
Sales	2,105	4	-
Other	2,986	111	8
Total Operating Revenues	<u>464,883</u>	<u>164,083</u>	<u>52,652</u>
OPERATING EXPENSES:			
Salaries and Wages	146,081	134,929	36,159
Services and Supplies	293,517	15,540	10,114
Special Payments	2,750	-	-
Interest Expense on Right to Use Asset Arrangements	1,501	388	1,368
Bond and COP Interest	6,328	-	-
Depreciation and Amortization	46,803	2,890	4,651
Total Operating Expenses	<u>496,980</u>	<u>153,747</u>	<u>52,292</u>
Operating Income (Loss)	<u>(32,097)</u>	<u>10,336</u>	<u>359</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Income (Loss)	16,555	-	-
Gain (Loss) on Disposition of Assets	163	-	-
Gain (Loss) on Leased Assets	17	-	-
Gain (Loss) on SBITA Assets	(3,966)	(325)	(31)
Insurance Recovery	682	-	-
Other Interest Expense	(206)	(181)	(31)
Other Nonoperating Items	(245)	-	-
Total Nonoperating Revenues (Expenses)	<u>12,999</u>	<u>(506)</u>	<u>(62)</u>
Income (Loss) Before Contributions, Special Items, Extraordinary Items, and Transfers	(19,098)	9,830	297
Capital Contributions	399	-	-
Transfers from Other Funds	91,473	-	2,716
Transfers to Other Funds	(19,509)	(4,335)	(1,026)
Change in Net Position	<u>53,265</u>	<u>5,495</u>	<u>1,987</u>
Net Position - Beginning	480	(52,949)	36,615
Net Position - Ending	<u><u>\$ 53,745</u></u>	<u><u>\$ (47,454)</u></u>	<u><u>\$ 38,603</u></u>

State of Oregon

Audit Services	Forestry Services	Health Services	Other	Total
\$ -	\$ 1	\$ 60,603	\$ 253	\$ 62,872
16,825	4,636	1,245,961	6,475	1,892,942
-	-	5,481	-	5,483
-	8,069	-	-	63,410
-	4	-	-	2,113
-	1	25,323	135	28,564
16,825	12,711	1,337,367	6,863	2,055,385
12,933	3,046	204,671	2,067	539,885
1,516	4,619	1,069,788	1,622	1,396,716
-	-	28,393	-	31,143
-	-	4	-	3,261
-	-	-	-	6,328
62	1,944	2,838	296	59,484
14,511	9,609	1,305,694	3,985	2,036,818
2,314	3,102	31,674	2,878	18,567
-	-	26,619	-	43,175
-	252	-	-	414
-	-	114	-	131
-	-	-	-	(4,322)
-	310	-	38	1,030
(18)	(6)	(5)	-	(447)
-	-	(48)	-	(293)
(18)	556	26,681	38	39,689
2,296	3,659	58,355	2,917	58,256
-	-	1,640	15	2,054
-	338	399	203	95,130
(5,168)	(1,219)	(96,168)	(506)	(127,931)
(2,872)	2,778	(35,774)	2,629	27,508
(3,952)	12,417	298,952	4,260	295,824
\$ (6,823)	\$ 15,195	\$ 263,178	\$ 6,888	\$ 323,332

State of Oregon

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024
(In Thousands)

	Central Services	Legal Services	Banking Services
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 53,766	\$ 164	\$ -
Receipts from Other Funds for Services	444,585	162,313	52,715
Payments to Employees for Services	(123,623)	(126,129)	(35,798)
Payments to Suppliers	(286,428)	(10,730)	(8,558)
Payments to Other Funds for Services	(15,425)	(6,099)	(1,774)
Claims Paid	(11,874)	-	-
Other Receipts (Payments)	(55,016)	(781)	8
Net Cash Provided (Used) in Operating Activities	5,985	18,738	6,593
Cash Flows from Noncapital Financing Activities:			
Principal Payments on Loans	(919)	(762)	(131)
Interest Payments on Loans	(213)	(181)	(31)
Transfers from Other Funds	98,906	-	1,771
Transfers to Other Funds	(27,732)	(4,335)	(1,046)
Net Cash Provided (Used) in Noncapital Financing Activities	70,042	(5,278)	562
Cash Flows from Capital and Related Financing Activities:			
Principal Payments on Leases	(4,280)	(4,099)	(1,537)
Principal Payments on SBITAs	(4,939)	(12)	(251)
Principal Payments on Bonds/COPs	(10,458)	-	-
Principal Payments on Loans	(468)	-	-
Interest Payments on Leases	(366)	(387)	(1,469)
Interest Payments on SBITAs	(1,266)	(1)	(10)
Interest Payments on Bonds/COPs	(7,961)	-	-
Bond/COP Issuance Costs	(12)	-	-
Acquisition of Capital Assets	(96,691)	(1,049)	(124)
Proceeds from Disposition of Capital Assets	7,385	-	-
Insurance Recoveries for Capital Assets	688	-	-
Capital Contributions	399	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	(117,970)	(5,549)	(3,391)
Cash Flows from Investing Activities:			
Purchases of Investments	(520)	-	-
Proceeds from Sales and Maturities of Investments	32,062	-	-
Interest on Investments and Cash Balances	16,211	-	-
Interest Income from Securities Lending	33	-	-
Interest Expense from Securities Lending	(29)	-	-
Net Cash Provided (Used) in Investing Activities	47,756	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	5,813	7,912	3,764
Cash and Cash Equivalents - Beginning	96,300	9,930	47,732
Cash and Cash Equivalents - Ending	\$ 102,113	\$ 17,842	\$ 51,497

State of Oregon

Audit Services	Forestry Services	Health Services	Other	Total
\$ -	\$ -	\$ -	\$ -	\$ 53,930
18,447	11,335	1,646,614	6,862	2,342,871
(12,023)	(3,404)	(235,838)	(1,703)	(538,518)
(1,004)	(3,290)	(477,114)	(1,444)	(788,568)
(593)	(1,209)	(32,809)	(229)	(58,139)
-	-	(863,770)	-	(875,644)
-	-	17,207	9	(38,573)
4,827	3,433	54,289	3,494	97,359
(78)	(23)	(21)	-	(1,935)
(18)	(6)	(5)	-	(454)
-	338	-	203	101,219
(5,168)	(1,219)	(96,165)	(479)	(136,144)
(5,264)	(910)	(96,192)	(276)	(37,314)
-	(2)	(19)	(1)	(9,939)
-	-	(5,666)	-	(10,869)
-	-	-	-	(10,458)
-	-	-	-	(468)
-	-	-	-	(2,222)
-	-	(3)	-	(1,281)
-	-	-	-	(7,961)
-	-	-	-	(12)
(28)	(5,313)	(1,353)	(703)	(105,261)
-	303	-	-	7,688
-	310	-	38	1,037
-	-	-	-	399
(28)	(4,702)	(7,042)	(665)	(139,347)
-	-	-	-	(520)
-	-	-	-	32,062
-	-	26,566	-	42,777
-	-	53	-	86
-	-	(48)	-	(77)
-	-	26,572	-	74,328
(465)	(2,179)	(22,372)	2,553	(4,974)
2,058	4,924	500,006	4,086	665,038
\$ 1,593	\$ 2,745	\$ 477,634	\$ 6,639	\$ 660,064

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State of Oregon

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024
(In Thousands)
(continued from previous page)

	Central Services	Legal Services	Banking Services
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (32,097)	\$ 10,336	\$ 359
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	46,803	2,890	4,651
Amortization of Bond/COP Premium and Discount	(1,476)	-	-
Interest Payments Reported as Operating Expense	9,593	388	1,479
Bond/COP Issuance Costs Reported as Operating Expense	12	-	-
Net Changes in Assets and Liabilities:			
Accounts and Interest Receivable (net)	(6,132)	(3,361)	(27)
Due from Other Funds	20	3,026	722
Inventories	(131)	(19)	-
Prepaid Items	7,262	-	-
Net Contracts, Notes and Other Receivables	(11)	-	-
Net OPEB Asset	(678)	(426)	(36)
Accounts and Interest Payable	(22,780)	(339)	(2,206)
Due to Other Funds	(2,876)	(1,556)	(721)
Due to Component Units	-	-	-
Unearned Revenue	30,711	-	-
Other Liabilities	(29,017)	(746)	388
Net Pension Liability	31,812	31,304	7,515
Total OPEB Liability	(12)	62	16
Net Changes in Deferred Outflows of Resources:			
Loss on Refunding	9	-	-
Related to pensions	(7,039)	(6,650)	(1,497)
Related to OPEB	331	255	52
Net Changes in Deferred Inflows of Resources:			
Gain on Refunding	(20)	-	-
Related to Pensions	(17,484)	(15,896)	(4,005)
Related to OPEB	(812)	(531)	(99)
Total Adjustments	38,082	8,402	6,233
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,985</u>	<u>\$ 18,738</u>	<u>\$ 6,593</u>
Noncash Investing and Capital and Related Financing Activities:			
Net Change in Fair Value of Investments	\$ 1,669	\$ -	\$ -
Leases Initiated as Lessee	4,226	-	-
SBITAs Initiated	48,922	-	-
Capital Assets Transferred from Governmental Activities	399	-	-
Capital Assets Transferred to Governmental Activities	216	-	-

State of Oregon

Audit Services	Forestry Services	Health Services	Other	Total
\$ 2,314	\$ 3,102	\$ 31,674	\$ 2,878	\$ 18,567
62	1,944	2,838	296	59,484
-	-	-	-	(1,476)
-	-	4	-	11,464
-	-	-	-	12
-	-	-	-	-
1,619	(1,376)	8,610	8	(660)
-	-	(4,646)	3	(875)
-	-	4	3	(143)
(10)	-	(260)	-	6,992
-	-	-	-	(11)
(42)	(16)	(651)	3	(1,846)
(68)	230	9,502	(39)	(15,700)
-	-	(8,116)	(40)	(13,309)
-	-	36	-	36
-	-	-	-	30,711
188	29	2,369	19	(26,768)
2,990	775	46,979	794	122,169
(1)	5	309	-	379
-	-	-	-	9
(645)	(875)	(10,659)	(148)	(27,515)
25	6	366	4	1,039
-	-	-	-	(20)
(1,553)	(380)	(23,308)	(278)	(62,903)
(53)	(14)	(761)	(8)	(2,277)
2,513	330	22,616	616	78,792
\$ 4,827	\$ 3,433	\$ 54,289	\$ 3,494	\$ 97,359
\$ -	\$ -	\$ -	\$ -	\$ 1,669
-	-	-	-	4,226
-	-	3,078	-	52,001
-	909	1,640	15	2,962
-	-	-	-	216

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Fiduciary Funds

Combining Pension and Other Employee Benefit Trust Funds

Pension Trust Funds

Pension trust funds account for the transactions, assets, liabilities, and net position held in trust for public employees by the Public Employees Retirement System (PERS) for the payment of retirement, disability, and death benefits to members of the retirement system.

Public Employees Defined Benefit Pension Plan Fund

This fund accounts for the activities of the defined benefit retirement plan for units of state government, political subdivisions, community colleges, and school districts. Also included in this fund are the activities of the defined benefit portion of the Oregon Public Service Retirement Plan (OPSRP). Public employees hired on or after August 29, 2003, as well as inactive PERS members who return to employment following a six-month or greater break in service, participate in the OPSRP pension program. The plan is administered by the Public Employees Retirement Board under Oregon Revised Statutes, Chapter 238, and Section 401(a) of the Internal Revenue Code.

Individual Account Program Defined Contribution Pension Plan Fund

This fund accounts for the activities of the defined contribution portion of the OPSRP. Beginning January 1, 2004, PERS member contributions, account earnings and losses, as well as administrative costs of the plan, are reflected in this fund. The OPSRP is administered by PERS.

Other Employee Benefit Trust Funds

Other employee benefit trust funds account for the transactions, assets, liabilities, and net position held in trust for public employees by PERS for the payment of postemployment healthcare benefits and deferred compensation to members of the retirement system.

Retirement Health Insurance Account (RHIA) OPEB Plan Fund

This fund accounts for the activities of the RHIA cost-sharing, multiple-employer other postemployment benefit (OPEB) plan administered by PERS for units of state government, political subdivisions, community colleges, and school districts. The RHIA is a defined benefit OPEB plan established pursuant to section 401(h) of the Internal Revenue Code. The plan authorizes a payment of up to \$60 towards the monthly cost of health insurance for eligible PERS members participating in PERS-sponsored health insurance plans. Employer contributions, investment income, healthcare premium subsidy payments, and administrative costs are accounted for within this fund.

Retiree Health Insurance Premium Account (RHIPA) OPEB Plan Fund

This fund accounts for the activities of the RHIPA single-employer OPEB plan administered by PERS. The RHIPA is a defined benefit OPEB plan established pursuant to Section 401(h) of the Internal Revenue Code. The plan authorizes payment to eligible retired state employees of the average difference between the health insurance premiums paid by retirees under contracts entered into by the PERS Board and health insurance premiums paid by state employees who are not retired. Employer contributions, investment income, healthcare premium subsidy payments, and administrative costs are accounted for within this fund.

Deferred Compensation Plan Fund

This fund accounts for the activities of the Oregon Savings Growth Plan, an Internal Revenue Code Section 457 deferred compensation plan, offered to employees of the State and administered by PERS.

State of Oregon

**Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2024
(In Thousands)**

	Pension Trust Funds	
	Public Employees Defined Benefit Pension Plan	Individual Account Program Defined Contribution Pension Plan
ASSETS		
Cash and Cash Equivalents	\$ 2,872,762	\$ 839,978
Investments:		
Fixed Income	15,382,498	3,105,702
Public Equity	15,670,302	4,450,079
Real Estate and Real Estate Investment Trusts	11,804,492	1,280,985
Private Equity	24,028,365	2,607,480
Real Assets	9,087,889	986,188
Diversifying Strategies	4,437,641	481,558
Opportunity Portfolio	2,424,592	263,109
Total Investments	82,835,780	13,175,102
Securities Lending Collateral	543,988	59,142
Receivables:		
Employer Contributions	61,770	-
Plan Member Contributions	-	29,937
Interest and Dividends	176,262	19,127
Member Loans	-	-
Investment Sales	412,678	46,230
Transitional Liability	191,376	-
From Other Funds	17,586	90
Total Receivables	859,671	95,385
Prepaid Items	7,143	575
Capital Assets (net):	15,679	111
Total Assets	87,135,024	14,170,294
LIABILITIES		
Accounts and Interest Payable	1,388,000	96,867
Obligations Under Securities Lending	543,892	59,131
Due to Other Funds	2,879	14,330
Other Liabilities	100,779	36,832
Total Liabilities	2,035,550	207,160
NET POSITION		
Restricted for Pension Benefits	85,099,474	13,963,134
Restricted for Other Postemployment Benefits	-	-
Restricted for Other Employee Benefits	-	-
Total Net Position	\$ 85,099,474	\$ 13,963,134

State of Oregon

Other Employee Benefit Trust Funds				
Other Postemployment Benefits				
Retirement Health Insurance Account OPEB Plan	Retiree Health Insurance Premium Account OPEB Plan	Deferred Compensation Plan	Total	
\$ 22,850	\$ 2,991	\$ 7,289	\$ 3,745,871	
134,307	16,984	470,521	19,110,011	
134,592	17,020	2,733,269	23,005,263	
103,067	13,033	-	13,201,577	
209,795	26,529	-	26,872,170	
79,348	10,034	-	10,163,459	
38,746	4,900	-	4,962,845	
21,169	2,677	-	2,711,548	
721,023	91,176	3,203,790	100,026,872	
4,749	601	-	608,480	
1,781	541	-	64,092	
-	-	-	29,937	
1,539	195	1,030	198,153	
-	-	14,301	14,301	
3,520	466	-	462,894	
-	-	-	191,376	
-	-	-	17,676	
6,840	1,201	15,331	978,429	
46	6	-	7,770	
-	-	-	15,790	
755,509	95,975	3,226,411	105,383,211	
10,114	989	12,260	1,508,229	
4,748	600	-	608,373	
78	80	179	17,547	
1,744	316	481	140,151	
16,684	1,986	12,920	2,274,300	
-	-	-	99,062,607	
738,824	93,989	-	832,813	
-	-	3,213,491	3,213,491	
\$ 738,824	\$ 93,989	\$ 3,213,491	\$ 103,108,911	

State of Oregon

**Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended June 30, 2024
(In Thousands)**

	Pension Trust Funds	
	Public Employees Defined Benefit Pension Plan	Individual Account Program Defined Contribution Pension Plan
ADDITIONS		
Contributions:		
Employer	\$ 2,524,552	\$ -
Plan Members	168,214	744,677
Total Contributions	2,692,766	744,677
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	3,850,571	792,061
Interest, Dividends, and Other Investment Income	2,111,395	260,316
Total Investment Income	5,961,966	1,052,377
Less Investment Expense	1,060,273	123,479
Net Investment Income	4,901,693	928,898
Other Income	3,456	702
Total Additions	7,597,915	1,674,277
DEDUCTIONS		
Benefits	5,904,564	670,064
Death Benefits	2,705	-
Contributions Refunded	10,831	-
Healthcare Premium Subsidies	-	-
Administrative Expenses	67,959	15,956
Total Deductions	5,986,059	686,020
Change in Net Position:		
Restricted for Pension Benefits	1,611,855	988,258
Restricted for Other Postemployment Benefits	-	-
Restricted for Other Employee Benefits	-	-
Net Position - Beginning	83,487,618	12,974,876
Net Position - Ending	\$ 85,099,474	\$ 13,963,134

State of Oregon

Other Employee Benefit Trust Funds

Other Postemployment Benefits				
Retirement Health Insurance Account OPEB Plan	Retiree Health Insurance Premium Account OPEB Plan	Deferred Compensation Plan	Total	
\$ 220	\$ 731	\$ -	\$	2,525,502
-	-	195,476		1,108,367
220	731	195,476		3,633,870
33,355	4,216	397,505		5,077,708
18,456	2,331	25,783		2,418,281
51,811	6,547	423,288		7,495,989
9,288	1,170	8,530		1,202,741
42,523	5,376	414,758		6,293,248
-	-	2,659		6,817
42,743	6,107	612,892		9,933,935
-	-	208,130		6,782,758
-	-	-		2,705
-	-	-		10,831
28,842	2,772	-		31,614
1,627	743	2,179		88,464
30,470	3,516	210,308		6,916,372
-	-	-		2,600,113
12,273	2,592	-		14,865
-	-	402,584		402,584
726,551	91,398	2,810,906		100,091,349
\$ 738,824	\$ 93,989	\$ 3,213,491	\$	103,108,911

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Fiduciary Funds

Combining Custodial Funds - External Investment Pools

External investment funds account for the portion of cash and investment pools managed by the Oregon State Treasury belonging to entities other than the State.

Short Term Investment Fund

This fund accounts for the portion of the Oregon Short Term Fund (OSTF) belonging to entities other than the State. The OSTF is a cash and investment pool, managed by the Oregon State Treasury, which is available for use by all funds and local governments. Oregon reports the State's portion of this pool within the funds of the State.

Local Government Intermediate Investment Fund

This fund accounts for the portion of the Oregon Local Government Intermediate Fund (OLGIF) belonging to entities other than the State. The OLGIF is an intermediate term fixed income investment vehicle managed by the Oregon State Treasury, participants include OSTF and several local governments. The State does not participate directly in this pool.

State of Oregon

Combining Statement of Fiduciary Net Position
Custodial Funds - External Investment Pools
June 30, 2024
(In Thousands)

	Short Term Investment	Local Government Intermediate Investment	Elimination for Consolidation	Total
ASSETS				
Cash and Cash Equivalents	\$ 9,471,618	\$ 2,443	\$ -	\$ 9,474,061
Investments:				
Fixed Income	-	238,195	(224,239)	13,956
Total Investments	-	238,195	(224,239)	13,956
Securities Lending Collateral	12,899	5,236	-	18,135
Receivables:				
Interest and Dividends	54,071	2,001	-	56,072
Total Receivables	54,071	2,001	-	56,072
Total Assets	9,538,588	247,875	(224,239)	9,562,224
LIABILITIES				
Accounts and Interest Payable	92,619	2,958	-	95,577
Obligations Under Securities Lending	12,893	5,235	-	18,128
Total Liabilities	105,512	8,193	-	113,705
NET POSITION				
Amount Held for Pool Participants	9,433,076	239,682	(224,239)	9,448,519
Total Net Position	\$ 9,433,076	\$ 239,682	\$ (224,239)	\$ 9,448,519

State of Oregon

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds - External Investment Pools
For the Year Ended June 30, 2024
(In Thousands)

	Short Term Investment	Local Government Intermediate Investment	Elimination for Consolidation	Total
ADDITIONS				
Investment Income:				
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 75,216	\$ 3,521	\$ -	\$ 78,737
Interest, Dividends, and Other Investment Income	545,674	8,252	-	553,926
Total Investment Income	620,890	11,773	-	632,663
Less Investment Expense	7,923	464	-	8,387
Net Investment Income	612,967	11,309	-	624,276
Share Transactions:				
Participant Contributions	25,205,129	-	(10,584)	25,194,545
Participant Withdrawals	24,935,907	-	-	24,935,907
Net Share Transactions	269,222	-	(10,584)	258,638
Total Additions	882,189	11,309	(10,584)	882,914
DEDUCTIONS				
Distribution to Participants	533,085	-	-	533,085
Total Deductions	533,085	-	-	533,085
Change in Net Position:				
Amount Held for Pool Participants	349,104	11,309	(10,584)	349,829
Net Position - Beginning	9,083,972	228,373	(213,655)	9,098,690
Net Position - Ending	\$ 9,433,076	\$ 239,682	\$ (224,239)	\$ 9,448,519

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Nonmajor Discretely Presented Component Units

Component units are legally separate entities for which the primary government is financially accountable or entities that warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government. The State reports discretely presented component units in a separate column in the government-wide financial statements to emphasize they are legally separate from the State.

Oregon Health and Science University

The Oregon Health and Science University (OHSU) is a governmental entity performing governmental functions and exercising governmental powers. OHSU is an independent public corporation governed by a board of directors appointed by the Governor and confirmed by the Senate. As an academic health center, OHSU provides education and training to healthcare professionals, conducts biomedical research, and provides patient care and public service. It is financed primarily through patient service fees, government grants and contracts, tuition charges, and other incidental fees. OHSU also receives General Fund moneys from the State. OHSU uses proprietary fund accounting principles.

Western Oregon University, Southern Oregon University, Eastern Oregon University, and the Oregon Institute of Technology

Western Oregon University (WOU), Southern Oregon University (SOU), Eastern Oregon University (EOU), and the Oregon Institute of Technology (OIT) are independent public bodies legally separate from the State. Each university is governed by a citizen board appointed by the Governor. The universities are primarily financed through student tuition and fees, sales and services of auxiliary enterprises, and federal, state, and local grants and contracts. The financial information presented for the universities include the related university's foundation. These universities also receive General Fund moneys from the State and use proprietary fund accounting principles.

State Fair Council

The State Fair Council is a newly formed independent public corporation, charged with creating a new, sustainable business model for the Oregon State Fair and Exposition Center that can capitalize on sponsorships, rapidly changing market conditions, and streamlined contracting and employment practices. The State Fair Council is a governmental entity performing governmental functions and exercising governmental powers. The Governor appoints members of the Council and may remove them at will. It is financed primarily through fees for renting the fairground property and facilities and operating the annual Oregon State Fair.

State of Oregon

Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
June 30, 2024
(In Thousands)

	Oregon Health and Science University	Western Oregon University	Southern Oregon University
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 271,310	\$ 5,745	\$ 770
Cash and Cash Equivalents - Restricted	31,909	3,730	-
Investments	28,647	-	-
Securities Lending Collateral	-	437	26
Accounts and Interest Receivable (net)	871,160	12,144	47,561
Pledges, Contributions, and Grants Receivable (net)	137,777	1,546	-
Due from Primary Government	46,263	10,036	1,612
Inventories	75,964	1,181	517
Prepaid Items	39,978	504	676
Receivables for Right to Use Assets	-	-	146
Total Current Assets	1,503,008	35,323	51,308
Noncurrent Assets:			
Cash and Cash Equivalents	-	-	2,368
Cash and Cash Equivalents - Restricted	-	676	-
Investments	2,003,210	32,679	18,292
Investments - Restricted	1,118,836	25,550	50,982
Pledges, Contributions, and Grants Receivable (net)	28,243	-	-
Advances to Primary Government	-	-	-
Net Contracts, Notes, and Other Receivables	8,500	496	1,259
Receivables for Right to Use Assets	-	-	1,382
Net OPEB Asset	10,576	1,084	1,065
Other Assets	13,862	-	-
Capital Assets (net)	2,516,146	140,966	165,559
Total Noncurrent Assets	5,699,373	201,451	240,907
Total Assets	7,202,381	236,774	292,215
DEFERRED OUTFLOWS OF RESOURCES			
Goodwill	87	-	-
Loss on Refunding	21,588	-	-
Related to Pensions	166,465	16,806	16,212
Related to OPEB	6,320	47	-
Total Deferred Outflows of Resources	194,460	16,853	16,212

State of Oregon

Eastern Oregon University	Oregon Institute of Technology	State Fair Council	Total
\$ 10,484	\$ 7,058	\$ 8,587	\$ 303,954
3,044	-	-	38,683
-	-	-	28,647
352	289	-	1,104
5,230	13,157	173	949,425
1,697	-	-	141,020
3,977	28,576	-	90,464
10	251	-	77,923
303	1,913	2	43,376
633	853	-	1,632
25,730	52,097	8,762	1,676,228
-	2,667	-	5,035
423	-	-	1,099
16,539	-	-	2,070,720
20,702	64,036	-	1,280,106
-	2,170	-	30,413
-	19,798	-	19,798
-	-	-	10,255
582	165	-	2,129
629	405	-	13,759
-	997	-	14,859
98,428	194,276	1,612	3,116,987
137,303	284,514	1,612	6,565,160
163,033	336,611	10,374	8,241,388
-	-	-	87
-	-	-	21,588
9,009	8,677	-	217,169
51	173	-	6,591
9,060	8,850	-	245,435

(continued on next page)

State of Oregon

Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
June 30, 2024
(In Thousands)
(continued from previous page)

	Oregon Health and Science University	Western Oregon University	Southern Oregon University
LIABILITIES			
Current Liabilities:			
Accounts and Interest Payable	447,840	11,077	215
Obligations Under Securities Lending	-	437	26
Obligations Under Life Income Agreements	-	-	-
Due to Primary Government	21,175	4,037	2,592
Unearned Revenue	119,359	12,615	26,370
Other Liabilities	129,578	3,460	4,555
Reserve for Loss and Loss Adjustment Expense	61,167	-	-
Bonds/COPs Payable	15,434	-	-
Total Current Liabilities	794,553	31,626	33,758
Noncurrent Liabilities:			
Obligations Under Life Income Agreements	24,715	-	-
Other Liabilities	131,777	2,224	13,194
Reserve for Loss and Loss Adjustment Expense	52,559	-	-
Bonds/COPs Payable	1,220,405	-	-
Net Pension Liability	512,611	42,472	37,910
Advances from Primary Government	22,530	36,682	34,425
Total OPEB Liability	22,363	1,131	914
Total Noncurrent Liabilities	1,986,960	82,509	86,443
Total Liabilities	2,781,513	114,135	120,201
DEFERRED INFLOWS OF RESOURCES			
Receivables for Right to Use Assets	1,721	-	27,720
Gain on Refunding	649	-	-
Life income agreements and Pending Funds	153,369	-	-
Related to Pensions	48,522	3,358	5,775
Related to OPEB	5,899	700	914
Total Deferred Inflows of Resources	210,160	4,058	34,409
Net Position			
Net Investment in Capital Assets	1,219,614	98,817	117,742
Restricted-Nonexpendable	369,145	26,878	1,812
Restricted for:			
Education	598,249	5,340	54,170
Debt Service	-	66	711
Capital Projects	-	-	3,780
OPEB	10,576	1,084	1,065
Unrestricted	2,207,584	3,249	(25,463)
Total Net Position	\$ 4,405,168	\$ 135,434	\$ 153,817

State of Oregon

Eastern Oregon University	Oregon Institute of Technology	State Fair Council	Total
7,705	15,040	41	481,918
352	-	-	815
-	305	-	305
1,662	4,288	-	33,754
5,967	3,824	435	168,570
2,878	2,362	-	142,833
-	-	-	61,167
-	-	-	15,434
18,564	25,819	476	904,796
-	-	-	24,715
3,019	2,947	-	153,161
-	-	-	52,559
-	-	-	1,220,405
22,808	25,323	-	641,124
12,869	61,957	-	168,463
706	889	-	26,003
39,402	91,115	-	2,286,429
57,966	116,934	476	3,191,225
1,146	955	-	31,542
-	-	-	649
-	-	-	153,369
4,261	2,002	-	63,918
530	779	-	8,822
5,937	3,736	-	258,300
79,239	182,514	1,612	1,699,538
13,060	-	-	410,895
9,957	27,784	-	695,500
5	-	-	782
135	-	8	3,923
629	405	-	13,759
5,165	14,088	8,278	2,212,901
\$ 108,190	\$ 224,791	\$ 9,898	\$ 5,037,298

State of Oregon

Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Discretely Presented Component Units
For the Year Ended June 30, 2024
(In Thousands)

	Oregon Health and Science University	Western Oregon University	Southern Oregon University
Operating Revenues:			
Federal Revenue	\$ 425,246	\$ 13,495	\$ 30,044
Charges for Services	4,045,279	24,002	31,214
Rents and Royalties	-	-	-
Sales	-	16,925	23,599
Gifts, Grants, and Contracts	380,136	9,954	14,486
Other Revenues	528,857	1,917	781
Total Operating Revenues	5,379,518	66,293	100,124
Operating Expenses:			
Salaries and Wages	3,353,503	78,394	40,324
Services and Supplies	2,007,068	24,425	49,181
Depreciation and Amortization	221,166	7,220	-
Special Payments	48,288	11,772	44,378
Interest	43,601	-	-
Total Operating Expenses	5,673,626	121,811	133,883
Operating Income (Loss)	(294,108)	(55,518)	(33,759)
Nonoperating Revenues (Expenses):			
Investment Income	272,611	6,232	2,813
State Appropriations	72,886	36,356	29,400
Other Grants	-	16,755	7,542
Gain/(Loss) on Disposition of Assets	(5,455)	2	4
Other Interest Expense	-	(1,458)	(1,487)
Other	141,434	-	(1,500)
Total Nonoperating Revenues (Expenses)	481,476	57,887	36,772
Income (Loss) Before Capital Contributions	187,368	2,369	3,013
Capital Contributions	7,153	20,259	4,146
Change in Net Position	194,521	22,628	7,159
Net Position - Beginning	4,210,647	112,806	146,658
Net Position - Ending	\$ 4,405,168	\$ 135,434	\$ 153,817

State of Oregon

Eastern Oregon University	Oregon Institute of Technology	State Fair Council	Total
\$ 4,486	\$ 7,986	\$ -	\$ 481,257
19,752	31,708	-	4,151,955
-	-	1,380	1,380
7,049	15,825	7,866	71,264
11,321	17,862	-	433,759
1,003	1,963	419	534,940
43,611	75,344	9,665	5,674,555
46,449	62,462	1,019	3,582,151
19,023	41,221	7,902	2,148,820
6,475	11,208	160	246,229
5,557	13,481	-	123,476
94	2,508	-	46,203
77,598	130,880	9,081	6,146,879
(33,987)	(55,536)	584	(472,324)
3,337	6,851	143	291,987
27,019	38,399	-	204,060
9,662	-	-	33,959
(10)	-	-	(5,459)
(530)	-	-	(3,475)
(3,345)	-	-	136,589
36,133	45,250	143	657,661
2,146	(10,286)	727	185,337
11,902	12,765	541	56,766
14,048	2,479	1,268	242,103
94,142	222,312	8,631	4,795,196
\$ 108,190	\$ 224,791	\$ 9,898	\$ 5,037,298

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Statistical Section

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Statistical Section Index

This part of the State of Oregon's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the State's financial performance has changed over time.

Schedule 1	Net Position by Component
Schedule 2	Changes in Net Position
Schedule 3	Fund Balance – Governmental Funds
Schedule 4	Changes in Fund Balance – Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the State's most significant revenue source, personal income taxes.

Schedule 5	Personal Income by Industry
Schedule 6	Personal Income Tax Rates
Schedule 7	Personal Income Tax Filers and Tax Liability by Income Level

Debt Capacity

These schedules present information concerning the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

Schedule 8	Outstanding Debt by Type
Schedule 9	Ratios of Net General Bonded Debt Outstanding
Schedule 10	Legal Debt Margin Calculation
Schedule 11	Legal Debt Margin Information
Schedule 12	Pledged Revenues

Demographic and Economic Information

These schedules provide demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Schedule 13	Demographic and Economic Indicators
Schedule 14	Employment by Industry

Operating Information

These schedules present operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

Schedule 15	Government Employees
Schedule 16	Operating Indicators and Capital Asset Information by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

Schedule 1
NET POSITION BY COMPONENT
Last Ten Fiscal Years (In Thousands)
(Accrual Basis of Accounting)

	2015	2016	2017	2018
Governmental Activities				
Net Investment in Capital Assets	\$ 11,116,322	\$ 9,563,039	\$ 9,694,241	\$ 9,981,128
Restricted	3,812,040	4,052,223	4,316,623	5,054,204
Unrestricted	(3,645,935)	(2,537,743)	(2,946,259)	(2,751,557)
Total Governmental Activities Net Position	\$ 11,282,427	\$ 11,077,519	\$ 11,064,605	\$ 12,283,775
Business-type Activities				
Net Investment in Capital Assets	\$ 633,944	\$ 612,107	\$ 610,616	\$ 583,878
Restricted	311,509	222,398	215,772	216,041
Unrestricted	3,205,302	4,233,276	4,763,302	5,325,538
Total Business-type Activities Net Position	\$ 4,150,755	\$ 5,067,782	\$ 5,589,690	\$ 6,125,457
Primary Government				
Net Investment in Capital Assets	\$ 11,750,266	\$ 10,175,146	\$ 10,304,857	\$ 10,565,006
Restricted	4,123,549	4,274,621	4,532,395	5,270,245
Unrestricted	(440,633)	1,695,533	1,817,043	2,573,981
Total Primary Government Net Position	\$ 15,433,182	\$ 16,145,300	\$ 16,654,295	\$ 18,409,232

State of Oregon

2019		2020		2021		2022		2023		2024	
\$	10,980,266	\$	11,343,771	\$	11,902,923	\$	12,129,260	\$	12,770,116	\$	12,982,126
	4,882,727		5,396,688		5,541,452		6,360,375		6,981,303		7,110,989
	(3,212,443)		(637,782)		(1,930,679)		2,029,423		561,763		1,196,339
<hr/>											
\$	12,650,550	\$	16,102,677	\$	15,513,696	\$	20,519,058	\$	20,313,182	\$	21,289,455
<hr/>											
\$	547,653	\$	524,170	\$	542,048	\$	544,117	\$	602,200	\$	577,261
	224,778		233,786		232,492		233,536		241,379		259,901
	5,965,305		5,467,513		5,286,486		6,348,230		7,408,952		8,353,170
<hr/>											
\$	6,737,736	\$	6,225,468	\$	6,061,025	\$	7,125,882	\$	8,252,532	\$	9,190,332
<hr/>											
\$	11,133,063	\$	11,489,028	\$	12,084,721	\$	12,329,175	\$	13,048,689	\$	13,253,633
	5,235,707		5,886,848		5,876,493		6,936,303		7,546,310		7,676,645
	3,019,517		4,952,267		3,613,508		8,379,462		7,970,716		9,549,509
<hr/>											
\$	19,388,287	\$	22,328,143	\$	21,574,722	\$	27,644,940	\$	28,565,715	\$	30,479,786
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Schedule 2
CHANGES IN NET POSITION
Last Ten Fiscal Years (In Thousands)
(Accrual Basis of Accounting)

	2015	2016	2017	2018
Expenses				
Governmental activities:				
Education	\$ 4,693,469	\$ 5,588,674	\$ 5,722,672	\$ 6,272,580
Human Services	11,556,800	12,516,784	12,446,233	12,912,779
Public Safety	1,179,299	1,683,095	1,604,349	1,659,150
Economic and Community Development	375,497	444,564	477,674	527,649
Natural Resources	661,438	845,601	800,960	842,882
Transportation	1,437,587	1,614,231	1,667,739	1,660,362
Consumer and Business Services	204,614	364,373	260,420	298,499
Administration	684,677	450,111	410,692	387,319
Legislative	39,621	48,293	49,497	49,415
Judicial	331,253	455,749	433,325	456,707
Interest on Long-term Debt	321,032	403,769	427,671	430,169
Total governmental activities expenses	21,485,287	24,415,243	24,301,233	25,497,511
Business-type activities:				
Housing and Community Services	49,422	48,060	42,246	42,904
Veterans' Loan	-	18,531	18,058	19,231
Lottery Operations	522,185	595,692	578,629	608,499
Unemployment Compensation	573,992	547,309	528,851	521,071
University System	351,959	-	-	-
State Hospitals	269,549	399,766	408,488	422,663
Liquor Control	400,683	424,939	447,266	471,783
Other Business-type Activities	362,326	315,720	266,455	281,383
Total business-type activities expenses	2,530,116	2,350,017	2,289,995	2,367,534
Total primary government expenses	\$ 24,015,403	\$ 26,765,260	\$ 26,591,224	\$ 27,865,045
Program Revenues				
Governmental activities:				
Charges for Services:				
Human Services	\$ 581,530	\$ 711,764	\$ 688,009	\$ 738,454
Public Safety	67,756	80,479	131,406	85,772
Natural Resources	337,857	394,169	369,685	454,784
Transportation	161,937	163,195	159,842	183,907
Consumer and Business Services	114,971	143,591	113,061	220,486
Administration	130,508	179,412	151,025	171,603
Judicial	131,951	154,534	145,933	167,027
Other governmental activities	87,253	78,511	96,994	105,995
Operating Grants and Contributions	10,371,663	10,797,377	10,801,215	11,096,213
Capital Grants and Contributions	17,615	18,426	11,153	18,684
Total governmental activities program revenues	12,003,041	12,721,458	12,668,324	13,242,925

State of Oregon

2019	2020	2021	2022	2023	2024
\$ 6,418,578	\$ 6,914,415	\$ 7,614,399	\$ 8,671,042	\$ 9,102,586	\$ 9,680,491
13,745,007	15,017,603	17,401,755	20,868,785	22,495,019	23,403,214
1,711,657	1,844,670	2,000,090	1,940,672	2,368,376	2,453,869
604,380	654,791	1,706,086	1,402,727	1,240,288	1,247,345
970,404	896,949	1,045,119	1,061,719	1,115,340	1,232,408
1,887,748	1,949,483	2,266,246	2,424,731	2,173,145	2,416,144
394,611	443,364	520,979	427,194	520,636	494,583
370,025	552,258	992,498	879,135	967,392	754,305
59,681	61,859	81,095	69,927	76,896	85,765
510,105	566,009	532,840	553,674	638,076	755,631
413,532	396,486	346,208	355,041	366,781	431,222
27,085,729	29,297,887	34,507,315	38,654,647	41,064,535	42,954,976
50,329	51,654	44,139	47,157	48,867	51,844
19,604	20,618	16,609	16,550	19,307	21,310
637,164	587,551	659,109	701,809	754,785	803,756
524,641	4,670,860	5,409,212	1,320,191	564,943	800,951
-	-	-	-	-	-
440,355	500,839	509,919	490,836	623,517	650,733
498,114	551,281	596,099	641,800	655,228	653,124
209,950	163,340	160,127	171,419	188,235	749,487
2,380,156	6,546,142	7,395,215	3,389,761	2,854,881	3,731,205
\$ 29,465,886	\$ 35,844,029	\$ 41,902,530	\$ 42,044,408	\$ 43,919,417	\$ 46,686,181
\$ 1,002,665	\$ 1,030,658	\$ 1,043,398	\$ 1,228,724	\$ 1,311,441	\$ 1,284,977
77,101	84,448	75,454	66,958	798,645	87,038
419,569	444,480	459,367	528,976	442,784	507,956
153,641	150,920	175,544	197,000	205,732	233,409
162,871	149,379	153,803	169,552	154,968	187,803
171,960	191,361	173,782	215,202	189,548	280,163
140,372	199,856	124,318	136,135	156,884	195,843
127,474	114,700	146,731	193,063	152,470	171,728
11,620,564	12,764,628	16,770,671	20,178,895	19,894,276	19,828,775
8,639	19,608	27,604	22,294	25,220	25,283
13,884,856	15,150,038	19,150,671	22,936,799	23,331,967	22,802,974

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Schedule 2
CHANGES IN NET POSITION
Last Ten Fiscal Years (In Thousands)
(Accrual Basis of Accounting)
(continued from previous page)

	2015	2016	2017	2018
Business-type activities:				
Charges for Services:				
Lottery Operations	1,117,175	1,229,979	1,246,531	1,302,541
Unemployment Compensation	1,009,913	952,114	971,299	964,343
University System	156,824	-	-	-
Liquor Control	550,405	577,662	604,621	633,927
Other Business-type Activities	475,414	426,497	411,850	419,184
Operating Grants and Contributions	181,961	131,900	128,325	153,982
Capital Grants and Contributions	7,584	540	975	2,769
Total business-type activities program revenues	3,499,276	3,318,692	3,363,600	3,476,746
Total primary government program revenues	\$ 15,502,317	\$ 16,040,150	\$ 16,031,924	\$ 16,719,671
Net (Expense)/Revenue				
Governmental activities	\$ (9,482,246)	\$ (11,693,785)	\$ (11,632,909)	\$ (12,254,586)
Business-type activities	969,160	968,675	1,073,606	1,109,213
Total primary government net expense	\$ (8,513,086)	\$ (10,725,110)	\$ (10,559,304)	\$ (11,145,375)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Personal Income Taxes	\$ 7,008,886	\$ 8,011,302	\$ 7,918,110	\$ 8,594,135
Corporate Income Taxes	595,327	633,871	633,046	804,453
Corporate Activity Taxes	N/A	N/A	N/A	N/A
Tobacco Taxes	266,831	270,199	247,406	263,860
Healthcare Provider Taxes	569,831	607,485	568,742	651,696
Insurance Premium Taxes	58,193	65,903	68,481	70,903
Marijuana Taxes	N/A	28,586	77,573	104,545
Other Taxes	384,585	378,602	469,181	503,298
Motor Fuels and Other Vehicle Taxes	1,096,505	1,143,173	1,167,291	1,286,863
Workers' Compensation Insurance Taxes	54,957	58,192	55,798	66,782
Employer-Employee Taxes	91,232	95,866	93,887	82,084
Unrestricted Investment Earnings	7,374	12,164	27,786	52,597
Contributions to Permanent Fund	518	39	519	50
Special Items	(3,276)	-	-	-
Transfers	285,417	(230,618)	581,535	608,500
Total governmental activities	10,416,380	11,074,764	11,909,355	13,089,766
Business-type activities:				
Other Taxes	17,689	18,286	18,819	18,455
Special Items	(1,956,089)	(335,632)	-	-
Transfers	(285,417)	230,618	(581,535)	(608,500)
Total business-type activities	(2,223,817)	(86,727)	(562,716)	(590,045)
Total primary government	\$ 8,192,563	\$ 10,988,037	\$ 11,346,639	\$ 12,499,721
Change in Net Position				
Governmental activities	\$ 934,134	\$ (619,021)	\$ 276,446	\$ 835,180
Business-type activities	(1,254,657)	881,948	510,890	519,168
Total primary government	\$ (320,523)	\$ 262,927	\$ 787,336	\$ 1,354,348

State of Oregon

2019	2020	2021	2022	2023	2024
1,347,465	1,144,786	1,298,805	1,678,219	1,677,763	1,729,548
928,641	862,764	1,094,573	1,225,792	1,130,895	1,251,955
-	-	-	-	-	-
674,421	737,837	803,504	844,261	866,434	832,447
408,376	299,864	308,417	355,189	757,191	1,211,135
203,080	3,412,052	4,225,808	1,109,070	373,704	313,713
183	377	3,170	546	24	163
3,562,166	6,457,680	7,734,278	5,213,076	4,806,010	5,338,961
\$ 17,447,022	\$ 21,607,718	\$ 26,884,949	\$ 28,149,874	\$ 28,138,108	\$ 28,141,935
\$ (13,200,873)	\$ (14,147,849)	\$ (15,356,644)	\$ (15,717,848)	\$ (17,732,568)	\$ (20,152,002)
1,182,010	(88,462)	339,063	1,823,315	1,951,128	1,607,756
\$ (12,018,865)	\$ (14,236,312)	\$ (15,017,581)	\$ (13,894,533)	\$ (15,781,440)	\$ (18,544,246)
\$ 8,908,558	\$ 10,323,668	\$ 9,358,500	\$ 10,846,167	\$ 10,847,234	\$ 12,347,800
910,929	892,484	1,223,523	1,488,974	1,623,683	1,636,971
N/A	419,206	1,179,137	1,219,388	1,306,203	1,332,100
250,156	245,318	377,921	459,571	415,423	366,071
799,796	865,521	1,067,886	1,055,164	1,224,148	1,218,144
80,618	76,462	49,633	85,403	85,094	77,444
118,546	156,154	205,739	201,627	167,551	176,378
549,703	672,583	650,519	776,867	668,837	816,777
1,424,423	1,357,001	1,480,420	1,574,518	1,591,842	1,592,432
72,016	68,107	74,489	92,391	95,077	99,555
155,364	178,234	178,873	190,859	204,312	204,142
96,035	101,487	52,106	59,464	341,177	569,344
132	6	26	307	6	57
-	-	-	-	-	-
598,875	442,009	539,185	779,800	854,975	691,058
13,965,151	15,798,240	16,437,957	18,830,500	19,425,562	21,128,274
19,156	18,260	17,690	21,704	15,734	21,102
-	-	-	-	-	-
(598,875)	(442,009)	(539,185)	(779,800)	(854,975)	(691,058)
(579,719)	(423,749)	(521,495)	(758,096)	(839,241)	(669,956)
\$ 13,385,432	\$ 15,374,491	\$ 15,916,462	\$ 18,072,404	\$ 18,586,321	\$ 20,458,318
\$ 764,278	\$ 1,650,391	\$ 1,081,313	\$ 3,112,652	\$ 1,692,994	\$ 976,272
602,290	(512,210)	(182,432)	1,065,220	1,111,887	937,800
\$ 1,366,568	\$ 1,138,181	\$ 898,881	\$ 4,177,872	\$ 2,804,881	\$ 1,914,072

Schedule 3
FUND BALANCE – GOVERNMENTAL FUNDS
 Last Ten Fiscal Years (In Thousands)
 (Modified Accrual Basis of Accounting)

	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 20,139	\$ 25,020	\$ 27,869	\$ 24,931
Restricted	358,784	505,844	666,091	869,084
Committed	226,081	395,319	406,978	815,278
Assigned	5,164	12,793	12,478	12,038
Unassigned	273,509	1,063,215	573,374	872,290
Total General Fund	\$ 883,677	\$ 2,002,190	\$ 1,686,789	\$ 2,593,621
All Other Governmental Funds				
Nonspendable	\$ 68,229	\$ 67,251	\$ 79,437	\$ 67,996
Restricted	4,452,289	5,655,799	6,603,630	6,672,783
Committed	614,287	658,467	737,890	646,285
Assigned	24,444	45,171	48,419	211,667
Unassigned	(3,788)	(32)	(12,208)	(17)
Total all other governmental funds	\$ 5,155,461	\$ 6,426,656	\$ 7,457,168	\$ 7,598,714

State of Oregon

2019	2020	2021	2022	2023	2024
\$ 24,703	\$ 68,525	\$ 141,946	\$ 237,938	\$ 241,227	\$ 131,090
950,784	1,260,078	791,174	1,084,368	1,136,281	1,324,476
703,834	940,038	989,574	1,285,824	1,635,450	1,935,228
13,009	14,292	16,765	17,246	76,047	-
1,223,326	3,281,184	2,270,019	5,077,624	2,630,470	2,047,710
<u>\$ 2,915,657</u>	<u>\$ 5,564,117</u>	<u>\$ 4,209,478</u>	<u>\$ 7,703,000</u>	<u>\$ 5,719,475</u>	<u>\$ 5,438,503</u>
\$ 68,774	\$ 56,078	\$ 62,793	\$ 147,730	\$ 71,912	\$ 84,216
7,054,520	7,370,053	8,331,272	9,491,554	10,480,329	10,990,165
721,942	846,126	1,098,093	1,049,609	1,760,283	2,037,502
146,837	195,100	442,223	351,021	455,188	697,302
-	-	(435)	(337,912)	(479,051)	(333)
<u>\$ 7,992,073</u>	<u>\$ 8,467,358</u>	<u>\$ 9,933,945</u>	<u>\$ 10,702,002</u>	<u>\$ 12,288,662</u>	<u>\$ 13,808,851</u>

Schedule 4
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
Last Ten Fiscal Years (In Thousands)
(Modified Accrual Basis of Accounting)

	2015	2016	2017	2018
Revenues				
Taxes	\$ 10,177,135	\$ 11,299,030	\$ 11,120,655	\$ 12,501,320
Licenses and Fees	504,355	538,591	563,129	629,021
Federal	10,166,298	10,553,352	10,310,284	10,728,658
Rebates and Recoveries	342,598	507,710	555,032	557,629
Charges for Services	229,578	239,976	188,513	241,644
Fines, Forfeitures, and Penalties	120,574	127,788	148,872	124,535
Rents and Royalties	17,312	17,435	17,845	17,255
Investment Income	103,132	108,875	332,171	341,356
Sales	126,601	136,989	143,789	173,360
Assessments	37,185	35,154	45,775	45,125
Donations and Grants	50,342	38,610	40,253	41,639
Contributions to Permanent Funds	518	39	519	50
Tobacco Settlement Proceeds	76,600	80,239	142,200	69,536
Settlement Activities	N/A	N/A	25,218	-
Unclaimed and Escheat Property Revenue	18,214	13,629	10,731	13,275
Other	222,011	280,196	190,499	267,654
Total Revenues	22,192,453	23,977,613	23,835,485	25,752,057
Expenditures				
Education	4,702,795	5,572,518	5,714,090	6,269,848
Human Resources	11,626,788	12,322,549	12,427,872	12,934,967
Public Safety	1,281,050	1,425,482	1,462,808	1,573,565
Economic and Community Development	392,966	417,634	465,401	518,518
Natural Resources	750,784	758,592	768,431	822,361
Transportation	1,763,595	1,716,411	1,826,813	1,763,839
Consumer and Business Services	288,066	298,410	305,144	290,183
Administration	715,932	441,111	404,691	403,270
Legislative	42,923	38,984	45,456	43,987
Judicial	367,669	407,265	415,091	437,320
Intergovernmental	N/A	N/A	N/A	N/A
Capital Outlay	66,071	61,522	77,717	73,152
Debt Service:				
Principal	324,485	407,072	435,702	451,874
Interest	322,091	431,197	433,520	463,976
Other Debt Service	10,032	3,210	8,108	3,075
Total Expenditures	22,655,247	24,301,956	24,790,844	26,049,935
Excess of Revenues Over (Under) Expenditures	(462,794)	(324,343)	(955,359)	(297,878)
Other Financing Sources (Uses)				
Transfers from Other Funds	2,434,341	3,811,108	2,889,176	3,006,402
Transfers to Other Funds	(2,024,246)	(1,813,474)	(2,285,337)	(2,315,214)
Insurance Recoveries	2,502	6,027	3,632	9,689
Leases Incurred	-	503	999	-
Long-term Debt Issued	435,459	245,921	1,235,289	170,437
Debt Issuance Premium	304,732	96,002	252,799	36,921
Refunding Debt Issued	1,146,120	224,581	645,082	132,800
Refunded Debt Payment to Escrow Agent	(1,377,597)	(278,200)	(710,834)	(154,563)
Total Other Financing Sources (Uses)	921,311	2,292,468	2,030,804	886,472
Special Items	(3,054)	-	-	-
Net Change in Fund Balances	\$ 455,463	\$ 1,968,125	\$ 1,075,445	\$ 588,594
Debt service as a percentage of noncapital expenditures	2.95%	3.55%	3.61%	3.61%

State of Oregon

2019	2020	2021	2022	2023	2024
\$ 13,348,420	\$ 15,406,277	\$ 15,632,366	\$ 18,565,451	\$ 17,809,575	\$ 20,119,348
675,514	595,254	639,354	675,781	673,790	715,218
11,122,076	12,440,995	16,036,549	19,127,573	19,351,192	19,251,099
599,701	459,971	666,758	569,948	673,897	741,892
205,408	302,379	210,731	310,772	258,641	304,343
118,765	80,662	122,491	163,089	880,304	205,270
17,117	17,042	16,887	17,574	19,884	18,269
387,524	268,116	701,162	28,302	695,977	1,223,745
192,072	158,686	173,827	145,202	156,628	153,399
49,404	46,297	71,924	58,491	61,169	66,858
42,958	40,523	45,444	45,007	48,512	58,368
132	6	26	307	6	57
69,915	65,933	74,705	84,433	77,073	68,735
-	-	-	-	-	-
15,082	25,961	27,930	271,066	71,238	78,849
447,572	534,984	536,614	599,757	599,683	769,127
27,291,660	30,443,086	34,956,768	40,662,753	41,377,569	43,774,576
410,924	419,273	635,417	881,050	727,846	833,794
13,158,705	14,381,203	16,544,932	20,038,449	21,540,595	22,368,867
1,351,758	1,416,846	1,518,228	1,554,438	1,887,096	1,881,238
429,691	470,187	1,441,807	1,172,717	935,178	924,914
753,813	718,261	806,059	931,640	979,896	1,095,325
1,412,939	1,348,917	1,663,047	1,093,501	1,006,445	1,114,344
366,424	378,412	411,441	388,960	437,594	444,540
195,779	368,775	578,649	426,166	495,113	489,229
56,720	55,435	69,865	61,204	75,128	74,835
394,240	479,189	477,045	534,756	607,593	686,314
8,069,800	8,644,629	9,656,448	10,677,553	11,490,438	11,817,469
157,529	158,252	209,890	1,888,550	1,535,136	1,319,542
508,152	540,009	596,926	702,645	791,207	880,163
457,907	469,752	410,777	423,408	423,539	478,234
4,867	5,907	9,024	2,857	7,809	5,873
27,729,247	29,855,048	35,029,554	40,777,895	42,940,614	44,414,680
(437,587)	588,038	(72,786)	(115,142)	(1,563,045)	(640,104)
3,500,028	3,234,653	5,026,004	4,114,447	5,034,540	4,606,421
(2,938,809)	(2,767,183)	(4,302,137)	(3,302,377)	(4,155,926)	(3,881,008)
2,322	7,708	4,108	9,349	4,614	48,063
-	-	-	-	-	-
950,477	189,690	874,500	1,647,560	2,039,265	1,056,593
127,269	127,496	201,921	43,389	196,992	49,698
-	1,140,875	1,386,205	-	-	87,040
-	(1,242,820)	(1,401,625)	-	-	(87,923)
1,641,287	690,418	1,788,977	2,512,368	3,119,486	1,878,884
-	-	-	-	-	-
\$ 1,203,700	\$ 1,278,456	\$ 1,716,191	\$ 2,397,226	\$ 1,556,441	\$ 1,238,780
3.59%	3.47%	2.95%	2.90%	2.97%	3.16%

Schedule 5
PERSONAL INCOME BY INDUSTRY
Last Ten Calendar Years
(Dollars in Thousands)

	2014	2015	2016	2017
Farm earnings	\$ 1,549,926	\$ 1,738,223	\$ 1,701,931	\$ 1,277,052
Forestry, fishing, and related activities	1,249,624	1,368,023	1,396,445	1,446,240
Mining	110,626	117,685	125,651	146,863
Utilities	699,907	609,708	686,816	744,857
Construction	7,166,702	7,597,699	8,467,725	9,559,644
Manufacturing	14,436,404	15,349,775	15,930,367	16,501,695
Wholesale trade	5,895,637	6,255,471	6,412,622	6,797,389
Retail trade	7,776,171	8,241,378	8,514,832	9,096,742
Transportation and warehousing	3,855,129	4,163,950	4,233,661	4,536,631
Information	3,228,372	3,377,856	3,192,633	3,676,536
Finance and insurance	5,156,580	5,494,650	5,821,613	6,177,311
Real estate, rental, and leasing	1,886,261	2,495,821	3,429,428	3,889,057
Professional, scientific, and technical	9,028,620	9,733,330	10,353,884	11,236,256
Management of companies	5,218,904	5,986,833	6,093,913	6,494,435
Administrative & waste mgmt. services	4,462,897	4,723,978	4,915,102	5,261,109
Educational services	1,667,873	1,689,801	1,765,720	1,709,464
Health care and social assistance	14,636,604	15,857,035	16,833,570	17,627,277
Arts, entertainment, and recreation	1,272,174	1,289,607	1,409,029	1,513,512
Accommodation and food services	4,264,190	4,809,364	5,242,351	5,720,806
Other services	4,460,514	4,719,624	4,971,656	5,153,327
Federal government, civilian	2,730,997	2,812,334	2,945,497	3,044,717
Military	437,490	434,022	444,965	443,981
State government	4,869,772	5,065,430	3,500,785	3,721,615
Local government	12,861,636	13,406,677	15,751,351	16,463,928
Other ¹	46,248,907	50,139,781	51,963,406	55,021,892
Total personal income	\$ 165,171,917	\$ 177,478,055	\$ 186,104,953	\$ 197,262,336
Overall effective tax rate ²	6.00%	6.00%	6.00%	6.10%

¹ Includes income from all sources other than wages, salaries, tips, etc.

² Overall effective tax rate equals tax as a percentage of adjusted gross income (AGI). Overall effective tax rate for 2023 will not be available until May 2025.

Source: US Department of Commerce, Bureau of Economic Analysis and the Oregon Department of Revenue.

2018	2019	2020	2021	2022	2023
\$ 1,329,350	\$ 1,280,569	\$ 1,552,124	\$ 1,629,466	\$ 1,836,807	\$ 1,352,542
1,672,674	1,604,239	1,877,574	1,782,696	1,687,780	1,943,917
162,434	164,765	151,604	163,734	167,576	192,552
747,627	849,034	1,052,574	1,146,261	1,146,164	1,173,127
10,599,276	11,490,333	11,922,474	12,549,710	13,913,564	14,627,217
17,521,139	17,884,481	17,908,585	19,246,205	21,378,914	21,304,913
7,061,560	7,310,045	7,655,790	8,219,971	8,850,337	9,279,528
9,573,220	9,994,017	10,436,261	11,454,778	11,721,911	12,209,502
4,875,373	5,206,318	5,441,941	6,226,066	6,438,800	6,736,352
4,039,164	4,111,374	4,363,636	5,333,806	5,726,713	6,258,843
6,324,983	6,604,454	7,354,172	7,673,349	7,464,065	7,602,645
4,532,524	5,167,673	5,880,182	7,365,141	7,442,984	7,611,873
11,956,846	12,720,236	13,260,895	14,601,220	15,772,997	16,834,840
6,796,743	7,313,548	7,856,153	8,962,736	8,461,768	9,287,657
5,560,435	5,884,992	5,995,872	6,653,667	7,720,870	7,716,646
1,767,115	1,836,061	1,858,457	1,984,660	2,098,639	2,223,380
18,395,655	19,288,932	20,385,295	21,614,415	22,839,469	24,687,393
1,646,375	1,645,905	1,411,646	1,734,580	2,108,660	2,414,147
6,242,387	6,571,510	5,334,676	7,149,287	6,997,853	7,588,578
5,492,981	5,737,226	5,667,777	6,099,844	6,675,910	7,111,274
3,167,821	3,181,063	3,381,575	3,508,179	3,605,904	3,862,644
470,592	505,956	522,494	537,182	545,425	562,969
3,864,120	4,250,793	4,501,196	4,988,367	5,201,761	5,574,729
17,491,219	18,551,162	19,003,638	20,324,802	21,446,821	22,630,870
58,753,274	60,874,754	75,397,106	84,428,771	80,521,557	86,394,314
\$ 210,044,887	\$ 220,029,440	\$ 240,173,697	\$ 265,378,893	\$ 271,773,249	\$ 287,182,452
6.30%	6.30%	6.40%	6.60%	6.50%	N/A

Schedule 6
PERSONAL INCOME TAX RATES
Last Ten Calendar Years

Top Income Tax Rate is Applied to Taxable Income
in Excess of

Year	Top Rate	in Excess of		Overall Effective Tax Rate ²
		Single & Married Filing Separately	Married/RDP ¹ Filing Jointly & Head of Household	
2014	9.90%	\$ 125,000	\$ 250,000	6.00%
2015	9.90%	125,000	250,000	6.00%
2016	9.90%	125,000	250,000	6.00%
2017	9.90%	125,000	250,000	6.10%
2018	9.90%	125,000	250,000	6.30%
2019	9.90%	125,000	250,000	6.30%
2020	9.90%	125,000	250,000	6.40%
2021	9.90%	125,000	250,000	6.60%
2022	9.90%	125,000	250,000	6.50%
2023	9.90%	125,000	250,000	N/A

¹ Registered Domestic Partners

² The overall effective tax rate equals tax as a percentage of adjusted gross income (AGI). The overall effective tax rate for 2023 will not be available until May 2025.

Source: Oregon Department of Revenue

Schedule 7
PERSONAL INCOME TAX FILERS AND TAX LIABILITY BY INCOME LEVEL
Calendar Years 2013 and 2022
(Dollars in Thousands)

2013

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$500,001 and higher	8,783	0.47%	\$ 844,159	14.28%
\$100,001–\$500,000	243,150	12.89%	2,612,066	44.19%
\$80,001–\$100,000	124,204	6.58%	597,211	10.10%
\$60,001–\$80,000	178,586	9.47%	625,680	10.58%
\$40,001–\$60,000	256,959	13.62%	603,673	10.21%
\$20,001–\$40,000	417,106	22.11%	488,952	8.27%
\$10,001–\$20,000	288,110	15.27%	114,410	1.94%
\$10,000 and lower	369,540	19.59%	24,953	0.42%
Total	1,886,438	100.00%	\$ 5,911,104	100.00%

2022

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$500,001 and higher	24,191	1.09%	\$ 2,656,439	22.78%
\$100,001–\$500,000	487,318	22.01%	5,829,766	50.00%
\$80,001–\$100,000	167,765	7.58%	828,909	7.11%
\$60,001–\$80,000	225,323	10.18%	834,702	7.16%
\$40,001–\$60,000	328,885	14.85%	847,483	7.27%
\$20,001–\$40,000	411,462	18.58%	541,589	4.64%
\$10,001–\$20,000	230,406	10.41%	99,126	0.85%
\$10,000 and lower	338,811	15.30%	22,456	0.19%
Total	2,214,161	100.00%	\$ 11,660,470	100.00%

Source: Oregon Department of Revenue

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue. Tax year 2022 is the most current year available.

Schedule 8
OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Dollars in Thousands)

	2015	2016	2017	2018
Governmental Activities				
General Obligation Bonds	\$ 3,512,256	\$ 5,525,430	\$ 6,119,313	\$ 5,993,375
Revenue Bonds	3,616,493	3,672,088	4,062,386	3,912,568
Certificates of Participation	485,271	340,753	289,137	246,559
Direct Borrowings/Placements	N/A	N/A	N/A	N/A
Contracts, Mortgages, and Notes Payable	377,200	353,620	337,675	319,221
Lease Obligations	N/A	N/A	N/A	N/A
SBITA Obligations	N/A	N/A	N/A	N/A
Capital Leases ²	3,845	5,779	4,148	4,274
Business-type Activities				
General Obligation Bonds	2,411,599	554,270	536,509	558,571
Revenue Bonds	1,208,434	984,935	897,572	957,733
Certificates of Participation	49,261	-	-	-
Direct Borrowings/Placements	N/A	N/A	N/A	N/A
Contracts, Mortgages, and Notes Payable	50,919	34,900	44,001	41,793
Lease Obligations	N/A	N/A	N/A	N/A
SBITA Obligations	N/A	N/A	N/A	N/A
Capital Leases ²	578	268	6,315	5,512
Total Primary Government	\$ 11,715,856	\$ 11,472,043	\$ 12,297,056	\$ 12,039,606
Percentage of Personal Income ¹	6.60%	6.16%	6.23%	5.73%
Per Capita ¹	\$ 2.92	\$ 2.80	\$ 2.97	\$ 2.88

¹ Ratios are calculated using personal income and population data found in Schedule 13.

² Beginning in 2022, Capital Leases are no longer being reported due to the implementation of GASB Statement No 87, *Leases*.

Note: Details regarding the State's debt can be found in Note 7 of the financial statements, while information about lease obligations, SBITA obligations, and contracts, mortgages, and notes payable is located within Note 8. Amounts of outstanding debt for bonds and certificates of participation represent the outstanding principal, net of discounts, premiums, and other adjustments.

2019		2020		2021		2022		2023		2024	
\$	6,415,345	\$	6,436,086	\$	6,802,573	\$	6,850,997	\$	7,540,361	\$	7,710,453
	3,541,759		3,722,243		3,787,875		3,809,556		4,304,298		4,164,158
	315,743		100,940		95,670		90,220		85,745		81,590
	372,327		5,733		16,005		14,745		169,065		287,515
	408,577		271,476		229,816		230,283		157,108		125,950
	N/A		N/A		N/A		975,655		937,963		868,048
	N/A		N/A		N/A		N/A		69,991		65,544
	3,141		2,701		1,700		N/A		N/A		N/A
	553,611		535,556		450,472		490,614		568,614		593,253
	1,007,006		1,085,878		996,882		940,409		1,012,532		1,146,154
	-		-		-		-		-		-
	66,035		64,270		50,830		28,255		26,915		24,560
	37,408		32,847		28,276		24,910		15,847		11,847
	N/A		N/A		N/A		8,393		8,127		5,156
	N/A		N/A		N/A		N/A		15,993		14,463
	4,649		4,507		3,319		N/A		N/A		N/A
\$	12,725,601	\$	12,262,237	\$	12,463,418	\$	13,464,037	\$	14,912,559	\$	15,098,691
	5.78%		5.11%		4.70%		4.95%		5.19%		4.99%
\$	3.02	\$	2.89	\$	2.96	\$	3.18	\$	3.51	\$	3.55

Schedule 9
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Dollars in Thousands)

Year	General Bonded Debt Outstanding	Resources Restricted for Repaying the Principal of Bonded Debt Outstanding	Net General Bonded Debt Outstanding	Percentage of Personal Income¹	Per Capita
2015	\$ 5,923,855	\$ 68,147	\$ 5,855,708	3.30%	\$ 1.46
2016	6,079,700	71,723	6,007,977	3.23%	1.47
2017	6,655,822	66,987	6,588,835	3.34%	1.59
2018	6,551,946	55,693	6,496,253	3.09%	1.55
2019	6,968,956	45,985	6,922,971	3.15%	1.64
2020	6,971,642	43,720	6,927,922	2.88%	1.64
2021	7,253,045	34,988	7,218,057	2.72%	1.71
2022	7,341,591	33,996	7,307,595	2.69%	1.73
2023	8,108,975	29,836	8,079,139	2.81%	1.90
2024	8,303,706	35,098	8,268,608	2.73%	1.94

¹ Ratios are calculated using personal income and population data found in Statistical Schedule 13.

Note: Details regarding the State's debt can be found in Notes 7 and 8 of the financial statements. Amounts of outstanding general bonded debt represent the outstanding principal, net of discounts, premiums, and other adjustments.

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Schedule 10
LEGAL DEBT MARGIN CALCULATION
For Fiscal Year 2024

	Constitutional/Statutory Provision	Constitutional Debt Limit¹	Statutory Debt Limit
General Obligation Bonds			
General Purpose	Article XI Section 7	0.00%	\$ -
State Highway	Article XI Section 7	1.00%	-
Veterans' Welfare	Article XI-A	8.00%	-
State Power Development	Article XI-D	1.50%	-
Forest Rehabilitation	Article XI-E	0.19%	-
Higher Education	Article XI-F & XI-G	1.50%	-
Pollution Control ³	Article XI-H/ORS 468.195	1.00%	260,000,000
Elderly and Disabled Housing	Article XI-I/ORS 456.519	0.50%	-
Alternate Energy Projects	Article XI-J	0.50%	-
Oregon School Bond Guarantee	Article XI-K	0.50%	-
Oregon Opportunity Bonds (OHSU) ⁴	Article XI-L/ORS 353.556	0.50%	261,495,000
Seismic Rehab-Public Education Buildings	Article XI-M	0.20%	-
Seismic Rehab-Emergency Service Building	Article XI-N	0.20%	-
Pension Obligation	Article XI-O	1.00%	-
School District Capital Cost	Article XI-P	0.50%	-
General Purpose GO's	Article XI-Q	1.00%	-
Revenue Bonds			
Highway User Tax	ORS 367.620	0.00%	3,720,000,000
Single and Multi-Family Housing Programs	ORS 456.661	0.00%	2,500,000,000

¹ Percentages listed are of Real Market Value (RMV) of all taxable real property in the State, based on the January 1, 2023, RMV of \$1,023,252,357,141.

² Amount outstanding includes Direct Borrowings and Direct Placements and excludes commercial paper that was issued by the Oregon Department of Transportation during the fiscal year.

³ Issuance of Pollution Control bonds is limited by statute to \$260 million at any one time.

⁴ Bonds issued to finance capital costs of Oregon Health and Science University shall be in an aggregate principal amount that produces net proceeds in an amount that does not exceed \$200 million plus the amount of any costs and expenses of issuing the bonds.

Source: Oregon State Treasury, Debt Management Division, and Oregon Constitution.

Note: The legal debt limit for lottery revenue bonds is based on the requirement that unobligated net lottery proceeds be at least 400% of the maximum annual debt service on outstanding bonds, including the estimated debt service on proposed new bonds. The debt limit for lottery bonds is not a specific dollar amount; the limit varies based on changes in estimated net lottery proceeds and changes in estimated debt service on proposed new bonds. Therefore, lottery revenue bonds are not included in this schedule.

Legal Debt Limit	Amount Outstanding ²	Legal Debt Margin
\$ 50,000	\$ -	\$ 50,000
10,232,523,571	25,125,000	10,207,398,571
81,860,188,571	414,880,000	81,445,308,571
15,348,785,357	-	15,348,785,357
1,918,598,170	-	1,918,598,170
15,348,785,357	1,869,760,000	13,479,025,357
10,232,523,571	20,910,000	10,211,613,571
5,116,261,786	23,830,000	5,092,431,786
5,116,261,786	72,860,000	5,043,401,786
5,116,261,786	-	5,116,261,786
5,116,261,786	-	5,116,261,786
2,046,504,714	399,625,000	1,646,879,714
2,046,504,714	117,520,000	1,928,984,714
10,232,523,571	712,870,000	9,519,653,571
5,116,261,786	315,430,000	4,800,831,786
10,232,523,571	3,723,300,000	6,509,223,571
<u>\$ 185,080,820,097</u>	<u>\$ 7,696,110,000</u>	<u>\$ 177,384,710,097</u>
\$ 3,720,000,000	\$ 2,925,656,235	\$ 794,343,765
2,500,000,000	1,180,097,725	1,319,902,275
<u>\$ 6,220,000,000</u>	<u>\$ 4,105,753,960</u>	<u>\$ 2,114,246,040</u>

Schedule 11
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Dollars in Thousands)

	2015	2016	2017	2018
General Obligation Bonds				
Debt limit	\$ 76,048,937	\$ 81,952,523	\$ 98,858,028	\$ 103,514,944
Total debt applicable to limit	5,923,856	6,079,700	6,135,461	6,055,473
Legal debt margin	<u>\$ 70,125,081</u>	<u>\$ 75,872,823</u>	<u>\$ 92,722,567</u>	<u>\$ 97,459,471</u>
Total debt applicable to the limit as a percentage of debt limit	7.79%	7.42%	6.21%	5.85%
Revenue Bonds				
Debt limit	\$ 5,740,000	\$ 5,740,000	\$ 5,740,000	\$ 5,740,000
Total debt applicable to limit	4,168,546	4,063,270	3,989,587	3,950,940
Legal debt margin	<u>\$ 1,571,454</u>	<u>\$ 1,676,730</u>	<u>\$ 1,750,413</u>	<u>\$ 1,789,060</u>
Total debt applicable to the limit as a percentage of debt limit	72.62%	70.79%	69.51%	68.83%

Source: Oregon State Treasury, Debt Management Division, and state agencies' disclosures.

Note: Amounts of outstanding debt applicable to the debt limit represent the outstanding principal, net of discounts, premiums, and other adjustments.

State of Oregon

2019		2020		2021		2022		2023		2024	
\$	112,798,205	\$	119,254,357	\$	126,046,905	\$	148,985,661	\$	174,488,889	\$	185,080,820
	6,413,769		6,510,272		6,745,985		6,806,389		7,499,539		7,691,450
\$	106,384,436	\$	112,744,086	\$	119,300,920	\$	142,179,272	\$	166,989,350	\$	177,389,370
	5.69%		5.46%		5.35%		4.57%		4.30%		4.16%
\$	5,740,000	\$	6,220,000	\$	6,220,000	\$	6,220,000	\$	6,220,000	\$	6,220,000
	3,577,354		3,871,098		3,917,058		3,747,762		4,119,506		4,105,754
\$	2,162,646	\$	2,348,902	\$	2,302,942	\$	2,472,238	\$	2,100,494	\$	2,114,246
	62.32%		62.24%		62.98%		60.25%		66.23%		66.01%

Schedule 12
PLEDGED REVENUES
Last Ten Fiscal Years
(In Thousands)

Lottery Revenue Bonds

Year	Revenues	Expenses	Interest Earnings on GICs ¹	Net Revenues Available for Debt Service	Debt Service Requirements			
					Principal	Interest	Total	Coverage
2015	\$ 1,122,156	\$ 570,297	\$ 957	\$ 552,816	\$ 58,855	\$ 41,511	\$ 100,366	5.51
2016	1,245,710	657,218	299	588,791	60,300	53,163	113,463	5.19
2017	1,245,383	544,156	133	701,360	67,170	50,260	117,430	5.97
2018	1,307,690	595,537	132	712,285	73,875	54,081	127,956	5.57
2019	1,367,397	645,536	132	721,993	73,005	51,671	124,676	5.79
2020	1,168,344	578,576	133	589,902	77,895	55,170	133,065	4.43
2021	1,295,918	637,649	133	658,401	80,990	52,281	133,271	4.94
2022	1,669,254	754,178	133	915,209	86,425	45,266	131,691	6.95
2023	1,693,918	785,118	133	908,933	95,695	49,906	145,601	6.24
2024	1,754,191	798,205	132	956,118	110,115	56,109	166,224	5.75

¹ In accordance with the bond indenture, interest earnings on Guaranteed Investment Contracts (GICs) have been included.

Source: Oregon State Lottery financial statements and the Oregon Department of Administrative Services, Chief Financial Office.

Lottery Bonds are secured by future unobligated net lottery proceeds. For additional information, refer to Note 10.

Highway User Tax Revenue Bonds

Year	Pledged Revenue	Debt Service Requirements				Coverage
		Principal	Interest	Total		
2015	\$ 588,295	\$ 70,020	\$ 99,528	\$ 169,548		3.47
2016	610,576	73,130	101,170	174,300		3.50
2017	620,869	75,465	99,649	175,114		3.55
2018	664,622	66,400	108,025	174,425		3.81
2019	730,313	77,785	110,603	188,388		3.88
2020	709,654	80,265	106,682	186,947		3.80
2021	772,286	87,580	91,075	178,655		4.32
2022	800,862	104,355	92,711	197,066		4.06
2023	825,554	108,730	92,683	201,413		4.10
2024	834,029	118,695	104,356	223,051		3.74

Source: Highway User Tax Bond official statements and the Oregon Department of Transportation.

Highway User Tax Revenue Bonds are secured by a pledge of motor fuels, weight-mile, and vehicle registration fees.

Note: The State also issues revenue bonds that are primarily paid using loan repayments. Schedules for these bonds are not presented because an association of net revenues with debt service requirements is not meaningful.

Schedule 13
DEMOGRAPHIC AND ECONOMIC INDICATORS
Last Ten Calendar Years

Year	Population	Personal Income¹	Per Capita Personal Income	Unemployment Rate
2015	4,018,500	\$ 177,478,055	\$ 44,165	5.50%
2016	4,093,200	186,104,953	45,467	4.70%
2017	4,147,200	197,262,336	47,565	4.10%
2018	4,183,400	210,044,887	50,209	4.00%
2019	4,216,000	220,029,440	52,189	3.70%
2020	4,236,615	240,173,697	56,690	7.60%
2021	4,216,137	265,378,893	62,944	5.20%
2022	4,230,711	271,773,249	64,238	3.90%
2023	4,246,688	287,182,452	67,625	3.70%
2024	4,259,132	302,400,000	71,000	4.20%

¹ Personal income presented in thousands.

Source: Population and personal income figures for 2015 through 2024 were supplied by the US Department of Commerce, Bureau of Economic Analysis. The unemployment rates for all years are annual averages and were provided by the Oregon Employment Department.

Population and personal income estimates for were provided by the Oregon Office of Economic Analysis.

Schedule 14
EMPLOYMENT BY INDUSTRY
Calendar Year 2023 and Nine Years Prior

	2014		2023	
	Number of Employees	Percent of Total	Number of Employees	Percent of Total
Agriculture, forestry, fishing and hunting	49,409	2.86%	52,281	2.63%
Mining, quarrying, and oil and gas extraction	1,549	0.09%	1,694	0.09%
Construction	79,366	4.60%	117,429	5.91%
Manufacturing	179,081	10.37%	189,784	9.54%
Wholesale trade	72,424	4.19%	78,065	3.93%
Retail trade	195,924	11.34%	207,818	10.45%
Transportation, warehousing & utilities	54,489	3.16%	76,685	3.86%
Information	32,092	1.86%	36,843	1.85%
Finance and insurance	55,702	3.23%	53,853	2.71%
Real estate and rental and leasing	24,244	1.40%	29,734	1.50%
Professional, scientific, and technical services	83,960	4.86%	111,328	5.60%
Management of companies and enterprises	40,153	2.33%	51,235	2.58%
Administrative, support, and waste management services	94,769	5.49%	103,110	5.19%
Private educational services	28,972	1.68%	32,312	1.63%
Private health care and social assistance	212,683	12.32%	283,869	14.27%
Arts, entertainment, and recreation	23,224	1.35%	27,513	1.38%
Accommodation and food services	159,412	9.23%	178,951	9.00%
Other services	67,381	3.90%	68,042	3.42%
Unclassified	88	0.01%	2,227	0.11%
Total federal government	27,434	1.59%	28,462	1.43%
Total state government	69,826	4.04%	45,824	2.30%
Total local government	174,896	10.13%	211,612	10.64%
Total employment	1,727,078	100.00%	1,988,671	100.00%

Source: Oregon Employment Department, Quarterly Census of Employment and Wages.

Note: Due to confidentiality issues, the names of the ten principal employers are not available. The categories presented are intended to provide alternative information regarding the concentration of employment in various business sectors.

Schedule 15
GOVERNMENT EMPLOYEES
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Education	642	688	688	704	709	815	811	1,003	1,004	1,218
Human Services	11,671	12,373	12,360	12,970	12,998	13,673	13,792	15,455	15,472	16,674
Public Safety	8,618	8,667	8,677	8,891	8,891	9,182	9,187	9,380	9,384	9,804
Economic and Community Development	1,670	1,610	1,615	1,664	1,646	1,784	2,411	2,885	2,886	2,749
Natural Resources	4,348	4,324	4,313	4,267	4,282	4,282	4,313	4,632	4,624	4,862
Transportation	4,475	4,411	4,408	4,511	4,517	4,726	4,726	4,770	4,746	4,806
Consumer and Business Services	1,410	1,427	1,423	1,442	1,450	1,467	1,466	1,489	1,493	1,557
Administration	2,827	2,961	2,977	3,052	3,060	3,253	3,225	3,432	3,418	3,519
Legislative Branch	429	432	432	452	448	459	459	477	474	489
Judicial Branch	1,839	1,860	1,859	1,850	1,853	1,904	1,904	2,028	2,030	2,090
Total FTE Positions	37,929	38,753	38,752	39,803	39,855	41,545	42,294	45,551	45,531	47,768

Source: Department of Administrative Services, Chief Financial Office.

Note: The number of full time equivalent (FTE) positions is established in the legislatively adopted biennial budget. A distinction between governmental and business-type activities is not available.

Schedule 16
OPERATING INDICATORS AND CAPITAL ASSET INFORMATION BY FUNCTION
Last Ten Fiscal Years

	2015	2016	2017	2018
Governmental Activities				
Education				
Number of PreK-12 students	570,857	576,407	578,947	580,684
Number of FTE community college students	97,362	90,478	88,167	85,642
Special education school campuses	1	1	1	1
Human Services				
Number of individuals eligible for Oregon Health Plan	1,050,178	1,109,321	1,067,322	1,077,267
Average number of basic TANF individuals	60,188	50,490	48,502	44,646
Public Safety				
Number of sworn state police officers	719	732	700	680
Prison inmate population	14,706	14,721	14,742	14,916
Number of correctional facilities	14	14	14	14
Economic and Community Development				
Community development grants provided (in dollars)	\$ 20,287,281	\$ 12,055,779	\$ 11,978,330	\$ 13,162,331
Number of technical assistance grants provided	1	4	2	2
Natural Resources				
Forest acres burned	87,793	5,649	45,463	75,608
State park day use visitors (in millions)	47.6	51.5	49.0	51.4
Acreage of state parks	109,587	107,960	108,499	113,143
Miles of forest roads	3,488	3,528	3,569	3,598
Transportation				
Licensed drivers (in millions)	3.1	3.1	3.1	3.2
Vehicle miles traveled on state highway system (in billions)	20.7	21.4	21.4	21.8
State highway system miles	7,401	7,402	7,401	7,350
Number of state owned bridges	2,726	2,738	2,737	2,744
Consumer and Business Services				
Number of employers covered by workers' compensation	112,100	116,900	120,200	123,900
Historic premiums written for all insurance lines (in billions)	\$ 20.6	\$ 22.9	\$ 22.5	\$ 24.1
Average bank and credit union assets (in billions)	\$ 61.0	\$ 66.0	\$ 99.8	\$ 102.8
Construction employment (in thousands)	83.3	90.4	97.9	105.4
Administration				
Number of tax returns filed	1,993,570	2,040,738	2,085,153	2,128,750
Percent of returns filed electronically	86.00%	86.00%	87.00%	88.00%
Uniform rent square footage (in millions)	2.0	2.0	1.9	1.9
Leased office space square footage (in millions)	4.6	5.0	5.4	4.9
Number of motor pool vehicles	4,022	4,130	4,117	4,192
Legislative				
Number of bills introduced	2,641	253	2,647	232
Number of bills becoming law	847	124	747	122
Length of legislative session (in days)	155	32	157	28
Capitol building	1	1	1	1
Judicial				
Cases filed in circuit courts	522,377	491,681	489,135	522,013
Number of circuit court judges	173	173	173	173

Sources: Various state agencies

Note: Figures for 2023 and 2024 that are not available until a later date are indicated with N/A.

State of Oregon

2019	2020	2021	2022	2023	2024
581,730	582,661	560,917	553,012	552,380	547,424
81,809	73,836	64,814	60,863	61,562	65,992
1	1	1	1	1	1
991,189	1,110,339	1,226,697	1,356,894	1,413,924	1,459,595
43,257	43,039	31,611	36,289	39,102	42,040
714	694	692	698	697	721
14,632	13,149	12,044	12,267	12,176	12,042
14	14	14	12	12	12
\$ 12,357,434	\$ 19,759,812	\$ 14,331,610	\$ 10,810,432	\$ 25,755,426	\$ 24,428,878
3	4	-	-	-	1
17,164	541,408	231,494	34,859	17,393	17,997
52.1	42.0	53.0	51.0	53.0	53.3
113,276	113,085	113,177	111,485	125,000	131,820
3,642	3,663	3,681	3,702	3,729	3,745
3.2	3.5	3.6	3.7	3.8	N/A
21.9	19.5	22.0	21.9	22.0	N/A
7,341	7,346	7,346	7,982	7,973	N/A
2,760	2,763	2,767	2,772	2,773	2,781
126,100	128,000	134,200	135,400	136,700	N/A
\$ 25.5	\$ 25.6	\$ 26.6	\$ 29.8	\$ 35.0	N/A
\$ 111.5	\$ 120.5	\$ 135.8	\$ 145.3	\$ 165.4	N/A
109.6	108.4	111.0	115.9	117.2	N/A
2,212,690	2,224,020	2,236,140	2,214,160	N/A	N/A
90.00%	91.00%	92.38%	93.00%	N/A	N/A
1.9	1.8	1.8	1.8	1.8	1.9
5.0	5.3	5.3	5.7	5.3	5.1
4,142	4,201	4,053	3,996	4,148	4,163
2,768	283	2,390	254	2,836	266
760	6	680	119	614	115
168	38	161	41	160	32
1	1	1	1	1	1
493,361	433,881	366,645	493,247	502,958	563,263
175	177	177	179	179	179

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Schedule 16
OPERATING INDICATORS AND CAPITAL ASSET INFORMATION BY FUNCTION
Last Ten Fiscal Years
(continued from previous page)

	2015	2016	2017	2018
Business-Type Activities				
Housing and Community Services				
Number of low or moderate income single family home loans closed	334	410	490	714
Number of affordable rental units financed	564	479	440	1,217
Veterans' Loan				
Number of outstanding loans	1,881	1,864	1,870	1,877
Percent of delinquent loans	0.80%	0.80%	0.91%	0.91%
Lottery Operations				
Number of retailers	3,939	3,920	3,934	3,923
Number of video terminals	11,925	11,909	11,817	11,742
Unemployment Compensation				
Number of claims paid	1,604,461	1,407,146	1,054,564	1,302,855
Amount of claims paid (in millions)	\$ 544.9	\$ 504.2	\$ 390.0	\$ 504.5
University System				
Total headcount enrollment	94,011	*	*	*
Degrees awarded	21,429	*	*	*
Number of university campuses	7	*	*	*
State Hospital System				
Number of mental health patient days served	218,127	220,202	218,966	212,309
Number of state owned hospital beds	786	786	766	742
Liquor Control				
Number of state retail outlets	248	248	256	267
Number of cases sold	3,021,190	3,127,664	3,244,159	3,365,467
Other Business-type Activities				
Number of residents in Oregon Veterans' Homes	155	235	284	268
Number of state owned parking spaces	4,616	4,595	4,661	4,710

* Starting with FY 2016, the university system is no longer part of the primary government and will no longer be reported.

2019	2020	2021	2022	2023	2024
1,029	678	368	522	463	479
1,943	1,602	2,860	3,537	1,205	964
1,927	1,777	1,417	1,376	1,448	1,560
0.42%	0.51%	0.64%	0.94%	1.04%	0.64%
3,975	3,919	3,896	3,829	3,797	3,803
11,586	11,567	10,851	10,999	10,936	10,803
1,299,188	10,352,882	7,847,472	306,084	N/A	N/A
\$ 521.3	\$ 6,296.2	\$ 4,511.1	\$ 127.4	N/A	N/A
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
221,496	225,699	218,570	232,626	250,283	250,272
742	758	758	743	742	742
282	282	281	282	284	284
3,525,882	3,766,538	3,922,074	3,907,846	3,935,579	3,820,720
279	280	239	233	236	245
4,752	4,657	4,641	4,584	4,547	3,970

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APPENDIX C

FORM OF BOND COUNSEL OPINION

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May __, 2025

State Treasurer of the State of Oregon
State of Oregon Department of Administrative Services
Salem, Oregon

\$242,505,000
State of Oregon
General Obligation Bonds, 2025 Series E
(Interstate 5 Bridge Replacement Project)
(Final Opinion)

To whom it may concern:

We have acted as bond counsel to the State of Oregon (the “State”), acting by and through its State Treasurer, at the request of the Oregon Department of Transportation (the “Department” and collectively, the “Issuer”) in connection with issuance of \$242,505,000 aggregate principal amount of State of Oregon General Obligation Bonds, 2025 Series E (Interstate 5 Bridge Replacement Project) (the “Bonds”). The Bonds are issued pursuant to an Issuance Certificate, dated May 7, 2025 (the “Issuance Certificate”) executed and delivered by the Issuer. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Issuance Certificate.

In such connection, we have reviewed the Issuance Certificate, the Tax Certificate, Resolution No. GO-100 adopted by the Oregon Transportation Commission on September 14, 2023 authorizing and requesting the issuance of the Bonds, certificates of the Issuer and others, and such other documents and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery of each such document by each party thereto other than the Issuer and that each such document constitutes a valid and binding agreement of such party. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore,

we have assumed compliance with all covenants and agreements contained in the Issuance Certificate and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Issuance Certificate and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against the State. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding obligations of the Issuer.
2. The Issuance Certificate has been duly executed and delivered by, and constitutes the valid and binding agreement of, the Issuer.
3. The Bonds are general obligations of the State, and the full faith and credit of the State is irrevocably pledged to the successive owners of the Bonds for the punctual payment of the principal of and interest on the Bonds when due, including the power to levy an *ad valorem* property tax.
4. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of Oregon personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

\$242,505,000
STATE OF OREGON
GENERAL OBLIGATION BONDS
2025 SERIES E
(INTERSTATE 5 BRIDGE REPLACEMENT PROJECT)

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by the State of Oregon (the “State”), acting by and through the Office of the State Treasurer (the “State Treasurer” and collectively, the “Issuer”), in connection with the issuance of the State of Oregon General Obligation Bonds 2025 Series E (Interstate 5 Bridge Replacement Project), in the aggregate principal amount of \$242,505,000 (collectively, the “Bonds”). The Bonds are being issued for the purpose of undertaking the Interstate 5 bridge replacement project, a bistate, multimodal corridor improvement project between the Washington State Route 500 interchange with Interstate 5 in Vancouver, Washington, and the Victory Boulevard interchange with Interstate 5 in Portland, Oregon. The Bonds are issued pursuant to an Issuance Certificate, of the Issuer, dated the date of delivery of the Bonds (the “Issuance Certificate”) at the request of the Oregon Department of Transportation.

The State covenants and agrees as follows:

SECTION 1. Purpose of Certificate. This Certificate is being executed and delivered by the State for the benefit of the Registered Owners and Beneficial Owners of the Bonds and to assist the Participating Underwriters in complying with Securities and Exchange Commission (“Commission”) Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Issuance Certificate, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean the annual financial information defined in Section 3(a) provided by the State pursuant to, and as described in, Section 3 of this Certificate.

“Dissemination Agent” shall mean any person designated in writing by the Issuer for the purposes of assisting the State in disseminating information hereunder and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 4(a)(10) and Section 4(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“EMMA” shall mean the Electronic Municipal Market Access (“EMMA”) website of the MSRB, which as of the date of this Certificate is located at <http://emma.msrb.org>.

“Listed Events” shall mean any of the events listed in Section 4(a) or 4(b) of this Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Commission, filings with the MSRB are to be made through EMMA.

“Official Statement” shall mean the Official Statement, dated April 29, 2025, prepared and distributed in connection with the initial sale of the Bonds.

“Participating Underwriters” shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Financial Information.

(a) The State, as the “obligated person” for purposes of the Rule, hereby agrees to provide or cause to be provided at least annually to the MSRB, the financial information regarding the State of the type set forth (i) in Tables 11 through 15, 17, 19 through 22, and 26 through 30 of Appendix A “General Information Relating to the State of Oregon” of the Official Statement and (ii) in the Basic Financial Statements for the State for the Year Ended June 30, 2024 (which are presented in Appendix B of the Official Statement in audited form).

(b) The Annual Report described above will be available no later than nine (9) months after the end of the preceding fiscal year, beginning with the State’s fiscal year ending June 30, 2025. Such information will include audited financial statements prepared in accordance with generally accepted accounting principles as established by the Governmental Accounting Standards Board as in effect from time to time; provided, however, that if audited financial statements are not available within nine (9) months after the end of the preceding fiscal year, unaudited financial statements will be provided with audited financial statements to follow when available.

(c) The Annual Report must be submitted in electronic format in compliance with applicable MSRB rules, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information previously provided to the MSRB.

(d) The State may provide any of the financial information listed above in the form of a reference to another document that is available to the public on EMMA. The State shall clearly identify such other document provided by reference. The State may modify the format in which this information is presented in the State’s discretion, if the

State determines that the modified format is consistent with the Rule and the purposes of this Certificate.

SECTION 4. Reporting of Material Events.

(a) The State agrees to give, or cause to be given, notice to the MSRB of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions; issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes;
- (9) Bankruptcy, insolvency, receivership or similar event of the State; or
- (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the State, any of which reflect financial difficulties.

For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the State in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the State, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the State.

(b) The State agrees to give, or cause to be given, notice to the MSRB of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

- (1) Unless described in Section 5(a)(5) of this Certificate, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (2) Modifications to rights of Bondholders;
- (3) Bond calls;
- (4) Release, substitution, or sale of property securing repayment of the Bonds;
- (5) Non-payment related defaults;
- (6) The consummation of a merger, consolidation, or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (7) Appointment of a successor or additional trustee or the change of name of a trustee; or
- (8) Incurrence of a Financial Obligation of the State, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the State, any of which affect security holders.

(c) Whenever the State obtains knowledge of the occurrence of a Listed Event described in Section 4(b) of this Certificate, the State shall determine if such event would be material under applicable federal securities laws.

(d) If the State learns of the occurrence of a Listed Event described in Section 4(a) of this Certificate, or determines that knowledge of a Listed Event described in Section 4(b) of this Certificate would be material under applicable federal securities law, the State shall file, or shall cause to be filed, in a timely manner not in excess of ten business days of occurrence, a notice of such occurrence with the MSRB.

(e) Nothing in this Certificate shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Certificate, in addition to that which is required by this Certificate. If the State chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Certificate, the State shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

(f) The State intends to comply with the Listed Events described in Section 4(a)(10) and Section 4(b)(8), and the definition of “Financial Obligation” in

Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Commission in Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

SECTION 5. Failure to File Annual Reports. The State agrees to provide or cause to be provided, in a timely manner, to the MSRB, notice of a failure by the State to provide the Annual Report described in Section 3 above on or prior to the time set forth in Section 3.

SECTION 6. Termination of Reporting Obligation. Pursuant to paragraph (b)(5)(iii) of the Rule, the State’s obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. In addition, and notwithstanding the provisions of Section 8 below, the State may rescind its obligations under this Certificate, in whole or in part, if (i) the State obtains an opinion of nationally recognized bond counsel that those portions of the Rule that required the execution and delivery of this Certificate are invalid, have been repealed, or otherwise do not apply to the Bonds, and (ii) the State notifies and provides the MSRB a copy of such legal opinion.

SECTION 7. Dissemination Agent. The State may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate. The State may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the State pursuant to this Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Certificate, the State may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver is made only in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the State with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interest of holders of the Bonds, as determined either by parties unaffiliated with the State (such as nationally recognized bond counsel), or by approving vote of holders representing at least sixty percent (60%) of the aggregate outstanding principal amount represented by the Bonds, as applicable.

In the event of any amendment or waiver of a provision of this Certificate, the State shall describe such amendment in the next Annual Report, and shall include, as applicable, a

narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the State. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 10. Submitting Information Through EMMA. So long as the MSRB continues to approve the use of the EMMA continuing disclosure service, any information required to be provided to the MSRB under this Certificate may be provided through EMMA.

SECTION 11. Default. In the event of a failure of the State to comply with any provision of this Certificate, any Registered Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the State to comply with its obligations under this Certificate; provided, that any such action may be instituted only in Marion County Circuit Court or if a federal forum is required, in the federal courts of the State of Oregon; provided further that nothing in this Certificate may be construed as a waiver by the State of any defense or immunity available to it related to the jurisdiction of the federal courts. The sole remedy under this Certificate in the event of any failure of the State to comply with this Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the State, the Participating Underwriters, Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Choice of Law. This Certificate shall be governed by and construed and enforced in accordance with the laws of the State of Oregon without regard to principles of conflicts of laws, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 14. Counterparts. This Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

[SIGNATURE PAGE FOLLOWS]

Dated as of the 7th day of May 2025.

STATE OF OREGON

By: _____
Jaime Alvarez
Director, Debt Management Division,
Office of the State Treasurer

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APPENDIX E

DESCRIPTION OF DTC AND ITS BOOK-ENTRY SYSTEM

The Depository Trust Company (“DTC”), will act as securities depository for the 2025 Bonds. The 2025 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each series of the 2025 Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2025 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2025 Bonds, except in the event that use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2025 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents relating to the 2025 Bonds. For example, Beneficial Owners of 2025 Bonds may wish to ascertain that the nominee holding the 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Certificate Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2025 Bonds within a Series maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments represented by the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State or the Fiscal Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Fiscal Agent, or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the State or the Fiscal Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2025 Bonds at any time by giving reasonable notice to the State or the Fiscal Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

To the extent permitted by law, the State may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The above information concerning DTC and DTC's book-entry system has been obtained from sources that the State believes to be reliable, but the State takes no responsibility for the accuracy thereof. Neither the State nor the Fiscal Agent will have any responsibility or obligation to Participants or the persons for whom they act as nominees or Beneficial Owners with respect to DTC's record keeping, payments by DTC or Participants, notices to be delivered by DTC, or any other action taken by DTC as Registered Owner of the 2025 Bonds.

So long as Cede & Co. is the registered owner of the 2025 Bonds, as nominee for DTC, references herein to the holders or registered owners of the 2025 Bonds (other than under the caption "TAX

MATTERS”) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the 2025 Bonds. When reference is made to any action, which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given the State or the Fiscal Agent shall send them to DTC only.

For every transfer and exchange of the 2025 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

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