

# Oregon

## Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2025

**DAS** DEPARTMENT OF  
ADMINISTRATIVE  
SERVICES



*Feature cover photo, Crater Lake, by Gwen Sunken*



# Oregon

**Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2025**



**Tina Koteck**  
Governor

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Department of Administrative Services Director

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For The Year Ended June 30, 2025**

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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

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January 30, 2026

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, 2025. 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, 2025. 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 2025 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, 2026.

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

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**

Oregon's economy faced notable challenges in the first half of 2025, with growth lagging behind national trends. Revised data from the Oregon Employment Department revealed weakening employment conditions across most industries, with year-over-year job growth remaining in negative territory. As of August, net job creation had declined by 0.9%, and year-to-date figures continued to reflect persistent job losses since the beginning of the year. These indicators underscore the economic headwinds Oregon has encountered, even as other parts of the country have begun to stabilize.

Despite these setbacks, there are emerging signs of resilience. The August jobs report showed a monthly gain of 6,900 jobs, the largest monthly increase Oregon has seen since 2022. This uptick may signal a turning point for the state's labor market. If such gains continue through the remainder of the year, it could indicate that Oregon is entering the rebound phase of the "hockey stick" recovery profile previously forecasted. The Office of Economic Analysis (OEA) anticipates a firmer economic rebound in the first half of 2026, with upcoming employment reports for September and October expected to provide further clarity on the state's trajectory.

However, the labor market remains under pressure.

Oregon's unemployment rate has edged above the national average, highlighting a divergence in labor market performance between the state and the broader U.S. economy. Additionally, a recent increase in Worker Adjustment and Retraining Notification (WARN) notices has raised concerns about potential vulnerabilities in specific industries. These developments suggest that while some sectors may be recovering, others continue to face significant challenges.

Encouragingly, other labor market indicators point to underlying resilience. Initial unemployment claims have remained relatively stable, and continuing claims have only seen moderate increases, levels that do not align with typical recessionary patterns. Combined with the recent positive job growth, these trends suggest that Oregon's labor market may be stabilizing. While the state continues to underperform compared to national employment trends, there is cautious optimism that the worst of the downturn may be behind us.

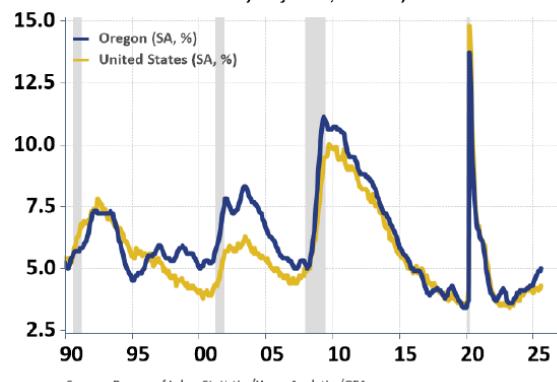
Oregon's economic performance has historically been closely tied to national trends, particularly in the aftermath of the pandemic. However, this alignment began to diverge in early 2024, as Oregon's growth decelerated more sharply due to slower population growth and industry-specific challenges. The state's economy has traditionally benefited from strong in-migration and a concentration in fast-growing sectors such as technology and semiconductors. Yet, Oregon's GDP growth lagged behind the national average, with a year-over-year growth rate of 0.8% in the second quarter of 2025, compared to 2.1% nationally.

Looking ahead, the economic outlook for Oregon is cautiously optimistic. Job creation forecasts have been revised upward by an annual average of 0.6%, reflecting recent trends and a more favorable long-term outlook.

While the unemployment rate is expected to remain elevated in the near term, population growth projections

### **Oregon vs. U.S. Unemployment Rate**

*Seasonally Adjusted, Monthly Data*



Source: Bureau of Labor Statistics/Haver Analytics/OEA

### **GDP: Oregon vs. U.S.**

*% Change Year to Year*



Source: Bureau of Economic Analysis/Haver Analytics/OEA

have been revised higher, supported by updated estimates from Portland State University's Population Research Center. This rebound in migration is expected to contribute to slow but steady population gains, which will help support economic recovery. The Office of Economic Analysis continues to anticipate improving conditions in the latter part of the biennium.

### ***Long-term Financial Planning***

#### Budget for the 2025-27 Biennium

The legislatively adopted budget (LAB) for the 2025–27 biennium totals \$138.9 billion in all funds, reflecting a \$7.7 billion increase, or 5.9% growth, compared to the 2023–25 legislatively approved budget of \$131.2 billion. This increase is driven primarily by a significant \$3.9 billion (11.8%) rise in General Fund appropriations, continuing a decade-long trend of double-digit growth in General Fund expenditures since the 2013–15 biennium. The adopted budget includes \$37.3 billion in General Fund, \$1.8 billion in Lottery Funds, \$56.1 billion in Other Funds, and \$43.7 billion in Federal Funds. Combined General Fund and Lottery Funds total \$39.1 billion, marking an 11.7% increase over the prior biennium. It is important to note that the final approved budget for 2025–27 may evolve over time to reflect additional Other Funds expenditure limitations and the receipt of federal funding. As revenue projections shift throughout the biennium, the Legislature may adjust the budget accordingly to ensure fiscal stability and responsiveness to Oregon's changing needs.

In the 2025–27 biennium, dedicated transfers from lottery resources are projected to total \$787.6 million, representing 40.8% of total lottery resources. These funds are constitutionally and statutorily earmarked for specific purposes, limiting their availability for general budgetary use. While statutory dedications can be modified through legislative action, constitutional dedications are fixed unless amended by voters.

Among the constitutionally dedicated transfers, the Parks and Natural Resources Fund includes \$356.4 million allocated under Ballot Measure 76 (2010). The Education Stability Fund (ESF) is set to receive \$254.4 million, with 10% of that amount directed to the Oregon Growth Account. Once the ESF reaches its statutory cap of 5% of prior biennium General Fund revenues, further transfers shift to the Oregon School Capital Matching Fund, which is projected to receive \$70.8 million in 2025–27. The Veterans' Services Fund, established by Ballot Measure 96 (2016), will receive \$31.1 million to support services across several agencies.

The Legislature also approved allocations for six statutorily dedicated transfers. These include \$59.8 million for County Economic Development, \$48.1 million for the Outdoor School Education Fund, a 32% increase over the prior biennium, \$18.9 million each for Collegiate Athletics and Scholarships and Gambling Addiction Treatment, and \$5.7 million for County Fairs, marking a 50.1% increase from the previous biennium. Notably, while no new allocation was made to the Employer Incentive Fund (EIF) for 2025–27, \$41.3 million in expenditures will be supported through carryforward balances and interest earnings.

These dedicated transfers reflect Oregon's commitment to preserving voter-approved funding priorities and supporting essential services such as education, natural resources, veterans' programs, and public health. They also demonstrate the Legislature's efforts to balance fiscal responsibility with targeted investments in areas that directly impact communities across the state.

#### State Bonding

In January 2025, 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 2024 revenue forecast, current market conditions, and bonding authorized during the 2023 and 2024 sessions.

The Commission's 2025 Report recommended a maximum issuance of \$2.2 billion in General Fund-supported debt, based on a target ratio of no more than 5% annual debt service to General Fund revenues. Due to \$93.1 million in previously authorized but unissued debt from the 2023–25 biennium, the available capacity increased to \$2.3 billion. Ultimately, the Legislature authorized \$1.8 billion in General Fund-supported debt, a 12.9% decrease from the prior biennium's approved level.

The authorized General Fund-supported debt includes significant investments across housing, education, infrastructure, and emergency preparedness. Key allocations include \$649.9 million for the Local Innovation and Fast Track (LIFT) Housing and Permanent Supportive Housing programs, \$314.6 million for public university capital projects, and \$251.8 million for Oregon's share of the Interstate 5 Bridge Replacement

project. Additional funding supports seismic rehabilitation grants, state facility maintenance, IT upgrades, and modifications to the Coos Bay Federal Navigation Channel. The budget also includes \$50.5 million for school district capital improvement matching grants and \$36.3 million for community college projects. General Fund debt service is projected at \$64.9 million for 2025–27, increasing to \$332.4 million in 2027–29, with \$513.3 million in remaining capacity for the biennium.

Beyond General Fund-supported debt, the Legislature authorized \$138.7 million in Article XI-F(1) bonds for self-supporting university capital projects. Additional dedicated fund bond authorizations include \$116 million for veterans' farm and home loans, \$20.1 million for Clean Water State Revolving Fund matching, \$50 million for elderly and disabled housing, and \$211.7 million for agency-supported capital costs.

The SDPAC recommended a limit of \$564 million in Lottery Funds-supported debt for the 2025–27 biennium, based on statutory covenants requiring a four-times coverage ratio. With \$16.8 million in unissued debt from 2023–25, the available capacity increased to \$580.8 million. The Legislature authorized \$494.5 million in lottery revenue bonds, generating \$442.7 million in net proceeds to fund 45 projects and programs across the state. Major lottery-funded investments include \$55.2 million for local drinking water and wastewater infrastructure, \$52.5 million for affordable housing preservation, and \$45 million each for the Hood River–White Salmon Interstate Bridge replacement and the Willamette Falls Inter-Tribal Access project. Additional funding supports levee and flood protection, broadband access for schools, container port improvements, and behavioral health infrastructure. Lottery Funds debt service is estimated at \$12.1 million for 2025–27, rising to \$92.2 million in 2027–29. The remaining Lottery Funds-supported debt capacity for the biennium stands at \$86.3 million, preserving flexibility for future needs.

### ***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% 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 12.5% of General Fund revenues collected in the prior biennium.

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% of lottery earnings, deposited on a quarterly basis. The fund balance is capped at 5% of General Fund revenues collected in the prior biennium.

At the end of the 2025–27 biennium, the Oregon Rainy Day Fund is estimated to be \$2.2 billion, and the Education Stability Fund will be \$1.2 billion, a combined total of \$3.4 billion, which is equal to 9.7% of the current General Fund forecast. It should be noted that Senate Bill 960 canceled the scheduled transfer to the Oregon Rainy Day Fund, equal to the lesser of 1% of the prior biennium's appropriation level or ending balance, that would have occurred in early 2026. Additionally, House Bill 3920 redirected 20% of the Rainy Day Fund's interest earnings for wildfire landscape resiliency and community risk reduction funds.

## ***Major Initiatives***

Since taking office, Governor Tina Kotek has centered her administration on bold and urgent action to address the issues that matter most to Oregonians. Her 2025–2027 recommended budget reflects a clear and unwavering commitment to three core priorities:

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

Governor Kotek's approach recognizes that Oregon's most pressing challenges are deeply interconnected and require sustained, coordinated efforts. Her budget aims to build on the progress made during the first half of her administration, with a focus on delivering tangible results for Oregonians, whether in urban centers, rural communities, or frontier regions. Through continued investment and collaboration, the Governor is working toward an Oregon where every resident has access to safe housing, responsive health care, and a strong public education system.

### **Housing and Homelessness**

Governor Kotek's housing and homelessness initiative is a cornerstone of her 2025–2027 recommended budget, reflecting a commitment to ensuring that no Oregonian has to sleep outside. The budget includes substantial investments to support shelter operations, rehousing efforts, and long-term housing stability. Specifically, it allocates \$204.9 million in General Fund support for homeless shelter operations, with \$102.5 million designated as ongoing funding through 2034. An additional \$50.3 million is directed toward rehousing services for unsheltered households, and \$44.6 million is dedicated to eviction prevention and support for service providers. The budget also includes \$87.4 million for long-term rental assistance, offering up to 24 months of support for vulnerable households.

To address long-term housing needs, the budget invests \$645 million in affordable housing production, including \$465 million for multifamily rental development, \$100 million for affordable homeownership, and \$80 million for development of 400 additional permanent supportive housing units. Tribal communities will benefit from a \$10 million investment in homelessness prevention, rental housing, and homeownership programs. Additional funding supports down payment assistance, foreclosure avoidance counseling, and manufactured housing repair and replacement, ensuring that housing stability is accessible across diverse communities. These investments align with the Governor's dual focus on immediate relief and systemic change, advancing her vision for an Oregon where every resident has access to safe, stable, and affordable housing.

### **Education and Early Literacy**

Governor Kotek's education initiative is rooted in the belief that every child in Oregon deserves a strong foundation for success. Her 2025–2027 recommended budget reflects this commitment through significant investments in early literacy, student support, and school funding stability. The budget increases the State School Fund by \$1.2 billion, bringing the total to \$11.4 billion, an 11.4% increase over the previous biennium. This enhanced funding aims to make Oregon a more predictable and reliable partner for school districts. To improve reading outcomes, the budget allocates \$117.2 million for early literacy programs, supporting evidence-based instruction for the state's youngest learners.

Beyond the classroom, the budget expands support for students facing systemic barriers. It includes \$48.6 million for a permanent Summer Learning program, \$20 million for grants targeting marginalized student populations, and \$9.6 million to enhance services for students with disabilities. Investments in specialized education settings, such as juvenile detention and recovery schools, total over \$24 million, ensuring that all students receive the support they need regardless of circumstance. Additionally, the budget provides \$70.8 million in Lottery Funds and \$50 million in Other Funds for school capital improvement matching grants, helping districts upgrade facilities and create safer, more effective learning environments. These investments reflect a comprehensive approach to education, one that recognizes the importance of academic instruction alongside housing, health, and wellness in shaping the future of Oregon's youth.

## Behavioral Health

Governor Kotek's behavioral health initiative is focused on expanding access to care, increasing treatment capacity, and strengthening the behavioral health workforce across Oregon. Her 2025–2027 recommended budget includes significant investments to address longstanding gaps in the system. To expand infrastructure, the budget provides \$65 million in General Fund support for adult behavioral health facility development, including \$42.6 million reestablished from prior appropriations and \$25 million in general obligation bond proceeds for Community Acute Psychiatric Facility projects. Additionally, \$10 million is allocated to increase youth residential treatment capacity, reflecting the Governor's commitment to serving both adults and young people.

To improve local behavioral health services, the budget includes targeted investments such as \$10 million for Aid and Assist services, \$13.2 million for Deflection and Diversion programs, and \$7 million each for community-based behavioral health and substance use disorder treatment and prevention in schools and communities. Funding also supports permanent supportive housing (\$5.2 million), civil commitment services (\$5.4 million), and behavioral health community navigators (\$2.4 million). At the Oregon State Hospital, \$56 million and 218 new positions have been approved to meet federal compliance requirements and improve court-ordered restoration services. The budget also expands the Certified Community Behavioral Health Clinic system statewide, with \$14.1 million in General Fund and \$33.7 million in Federal Funds, enabling the integration of 15 new clinics and supporting staff.

These investments align with the Governor's strategic focus on building a behavioral health system that is responsive, equitable, and accessible. By pairing infrastructure development with workforce expansion and community-based services, the State is taking meaningful steps toward ensuring that Oregonians can access the care they need, when and where they need it.

## **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, 2024. This was the thirty-third 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

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**State of Oregon**

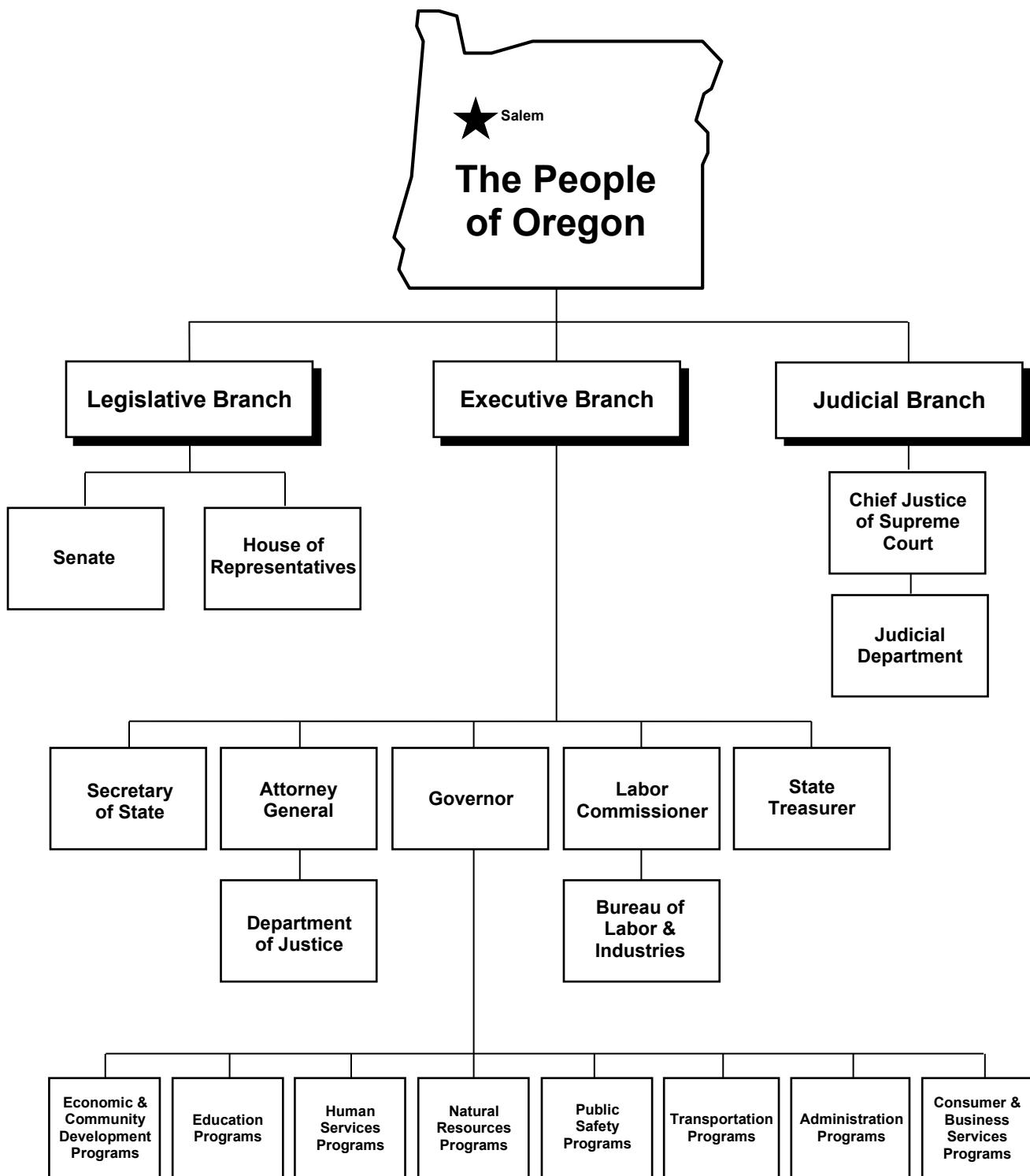
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

# STATE OF OREGON ORGANIZATION CHART



## Principal State Officials



### EXECUTIVE

**Tina Kotek**, Governor

**Tobias Read**, Secretary of State

**Elizabeth Steiner**, State Treasurer

**Dan Rayfield**, 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





# **Financial Section**



**Steve Bergmann**  
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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, 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, 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, the Public Employees Retirement System, the Oregon Short Term Fund (OSTF), and the Oregon Local Government Intermediate Fund (OLGIF). 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%

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Salem, Oregon 97310

**Tobias Read**  
Oregon Secretary of State

**Michael Kaplan**  
Deputy Secretary of State

Information (503) 986-2255  
[sos.oregon.gov/audits](http://sos.oregon.gov/audits)

Aggregate Remaining Fund:			
Public Employees Retirement System	81%	42%	50%
OSTF and OLGIF	8%	1%	6%

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 Opinions**

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.

### **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 opinions 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 January 28, 2026, 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**

January 28, 2026

# 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, 2025. 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, 2025, the State's net position on a government-wide basis was \$32.2 billion. Of this amount, the unrestricted portion was \$9.3 billion. The amount restricted for specific uses was \$8.6 billion. The State's net investment in capital assets was \$14.3 billion.
- Overall, the State's net position increased \$1.7 billion compared to the prior year, indicating the State's overall financial position has improved. Net position for governmental activities increased 3.9%, while net position for business-type activities increased 9.1%.
- As of June 30, 2025, the State's governmental funds reported combined ending fund balances of \$20.4 billion. Of this total, approximately 0.8% was considered nonspendable and included amounts related to inventories, prepaids, and permanent fund principal.
- Approximately 66.1% 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 \$13.5 billion.
- The remaining 33.1% 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 \$6.8 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 \$3.7 billion.
- The net pension liability for the State, as the primary government and excluding discretely presented component units, has increased from \$5.4 billion to \$6.0 billion. The State recognized pension expense of \$1.1 billion during the current year. State contributions to this defined benefit plan during the current fiscal year were \$834.7 million.
- The State implemented all or a portion of two accounting standards in fiscal year 2025, which are described further in Note 1. The most notable implementation was 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.
- Outstanding debt increased by \$1.1 billion during fiscal year 2025. As part of an overall plan to reduce borrowing costs, the State was involved in six debt refunding issuances and refunded \$1.1 billion of previously existing debt with \$998.5 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 (DPCUs) 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, 2025, was \$32.2 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 \$14.3 billion. Restricted net position represents resources that are subject to external restrictions on how they may be used. At June 30, 2025, restricted net position totaled \$8.6 billion. The remaining balance of \$9.3 billion was classified as unrestricted net position.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Capital assets	\$ 18,902.2	\$ 18,044.8	\$ 670.1	\$ 645.5	\$ 19,572.4	\$ 18,690.3
Other assets	29,618.9	28,398.9	12,335.4	11,263.9	41,954.3	39,662.8
<b>Total assets</b>	<b>48,521.1</b>	<b>46,443.8</b>	<b>13,005.5</b>	<b>11,909.3</b>	<b>61,526.6</b>	<b>58,353.1</b>
<b>Total deferred outflows</b>	<b>2,451.4</b>	<b>2,046.9</b>	<b>255.8</b>	<b>208.5</b>	<b>2,707.2</b>	<b>2,255.4</b>
Long-term liabilities	20,913.8	18,799.2	2,583.4	2,326.7	23,497.2	21,125.9
Other liabilities	7,371.0	7,922.1	565.9	523.1	7,937.0	8,445.2
<b>Total liabilities</b>	<b>28,284.9</b>	<b>26,721.3</b>	<b>3,149.4</b>	<b>2,849.7</b>	<b>31,434.3</b>	<b>29,571.0</b>
<b>Total deferred inflows</b>	<b>567.7</b>	<b>479.9</b>	<b>81.0</b>	<b>77.8</b>	<b>648.8</b>	<b>557.7</b>
Net investment in capital assets	13,940.0	12,982.1	621.5	577.3	14,267.7	13,253.6
Restricted	7,896.1	7,111.0	362.3	259.9	8,552.2	7,676.6
Unrestricted	283.8	1,196.3	9,047.1	8,353.2	9,330.9	9,549.5
<b>Total net position</b>	<b>\$ 22,119.9</b>	<b>\$ 21,289.5</b>	<b>\$ 10,031.0</b>	<b>\$ 9,190.3</b>	<b>\$ 32,150.8</b>	<b>\$ 30,479.8</b>

**Changes in net position.** The State's total net position increased \$1.7 billion compared to the prior year. The net position of governmental activities increased 3.9%, while the net position of business-type activities increased 9.1%.

The ending net position of governmental activities for fiscal year 2025 was \$22.1 billion compared to \$21.3 billion reported in fiscal year 2024. Expenses increased \$2.9 billion, or 6.7%, while revenues increased \$3.3 billion, or 7.6%.

Personal income taxes increased \$2.4 billion, or 19.2%, from fiscal year 2024, in large part due to strong gains in wages and salaries. Meanwhile, charges for services increased \$617.6 million, or 20.9%, due largely to changes in the funding sources for Child Care and Development Fund activity. In fiscal year 2024, the majority of this funding came from federal sources, whereas fiscal year 2025 saw most of the activity supported by the General Fund. Additionally, a transfer from the Oregon State Treasury pursuant to ORS 98.389(4), requiring all moneys and properties of escheated estates with expired claims to be transferred to the Common School Fund, contributed to the increase.

The predominant sources of growth in governmental activities expenses were the \$1.4 billion increase in the human services program, followed by a \$707.8 million increase in public safety. The significant increase in human services costs was largely attributed to rising Medicaid costs and inflation. Medicaid expenses increased due to higher caseloads, rate adjustments, and greater utilization of more expensive services within the Aging and People with Disabilities division. Public safety expenses increased primarily because the Public Defense Services Commission was reclassified from the judicial branch to the public safety classification in fiscal year 2025.

As shown in Table 2, the ending net position of business-type activities for fiscal year 2025 was \$10 billion, compared to \$9.2 billion reported in fiscal year 2024. Increases were reported for charges for services and expenses for other business type activities of \$112.4 million and \$291.5 million, respectively. The primary cause for both increases stems from the Paid Leave Oregon program operated by the Oregon Employment Department. The program became fully operational in fiscal year 2024. Additionally, increases in the tax rate for new employers and the taxable wage base contributed to the growth in fiscal year 2025.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,566.5	\$ 2,948.9	\$ 5,137.5	\$ 5,025.1	\$ 8,704.0	\$ 7,974.0
Operating grants and contributions	19,895.1	19,828.8	380.3	313.7	20,275.4	20,142.5
Capital grants and contributions	38.3	25.3	-	0.2	38.3	25.4
General revenues:						
Personal income taxes	14,720.0	12,347.8	-	-	14,720.0	12,347.8
Corporate income taxes	1,557.0	1,637.0	-	-	1,557.0	1,637.0
Other taxes	6,347.8	5,883.0	16.2	21.1	6,364.0	5,904.1
Unrestricted investment earnings	411.8	569.3	-	-	411.8	569.3
<b>Total revenues</b>	<b>46,536.5</b>	<b>43,240.1</b>	<b>5,534.0</b>	<b>5,360.1</b>	<b>52,070.5</b>	<b>48,600.2</b>
<b>Expenses:</b>						
Education	9,812.5	9,680.5	-	-	9,812.5	9,680.5
Human services	24,834.9	23,403.2	-	-	24,834.9	23,403.2
Public safety	3,161.7	2,453.9	-	-	3,161.7	2,453.9
Economic and community development	1,549.9	1,247.3	-	-	1,549.9	1,247.3
Natural resources	1,614.4	1,232.4	-	-	1,614.4	1,232.4
Transportation	2,355.8	2,416.1	-	-	2,355.8	2,416.1
Consumer and business services	518.8	494.6	-	-	518.8	494.6
Administration	835.4	754.3	-	-	835.4	754.3
Legislative	85.0	85.8	-	-	85.0	85.8
Judicial	630.1	755.6	-	-	630.1	755.6
Interest on long-term debt	429.3	431.2	-	-	429.3	431.2
Housing and community services	-	-	64.5	51.8	64.5	51.8
Veterans' loan	-	-	23.5	21.3	23.5	21.3
Lottery operations	-	-	815.7	803.8	815.7	803.8
Unemployment compensation	-	-	880.1	801.0	880.1	801.0
State hospitals	-	-	700.8	650.7	700.8	650.7
Liquor control	-	-	631.5	653.1	631.5	653.1
Other business-type activities	-	-	1,041.0	749.5	1,041.0	749.5
<b>Total expenses</b>	<b>45,827.7</b>	<b>42,955.0</b>	<b>4,157.2</b>	<b>3,731.2</b>	<b>49,984.9</b>	<b>46,686.2</b>
Increase (decrease) before contributions, special and extraordinary items, and transfers	708.8	285.2	1,376.8	1,628.9	2,085.6	1,914.0
Transfers	514.9	691.1	(514.9)	(691.1)	-	-
<b>Increase (decrease) in net position</b>	<b>1,223.9</b>	<b>976.3</b>	<b>861.9</b>	<b>937.8</b>	<b>2,085.8</b>	<b>1,914.1</b>
Net position – beginning	21,289.5	25,932.2	9,190.3	8,252.5	30,479.8	34,184.7
Corrections of an error	-	(5,619.0)	-	-	-	(5,619.0)
Cumulative effect of accounting change	(393.5)	-	(21.3)	-	(414.8)	-
Net position – beginning – as restated	20,895.9	20,313.2	9,169.1	8,252.5	30,065.0	28,565.7
<b>Net position – ending</b>	<b>\$ 22,119.9</b>	<b>\$ 21,289.5</b>	<b>\$ 10,031.0</b>	<b>\$ 9,190.3</b>	<b>\$ 32,150.8</b>	<b>\$ 30,479.8</b>

Figure 1 below illustrates fiscal year 2025 revenues of the State as a whole, by source. Approximately 38.9% 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 31.3% of total revenues, while charges for services accounted for 16.7%.

**Figure 1**  
**State of Oregon's Revenue by Source**  
**For the Year Ended June 30, 2025**

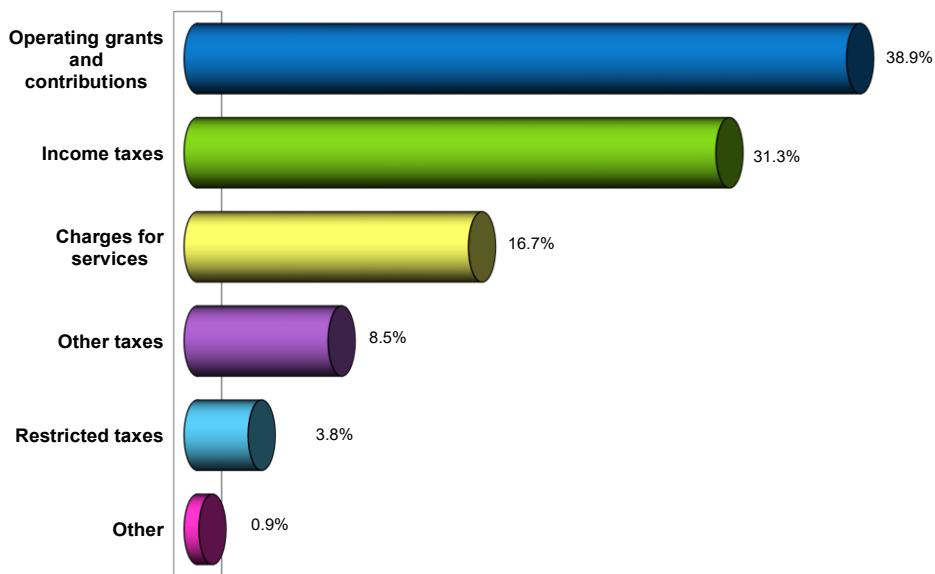
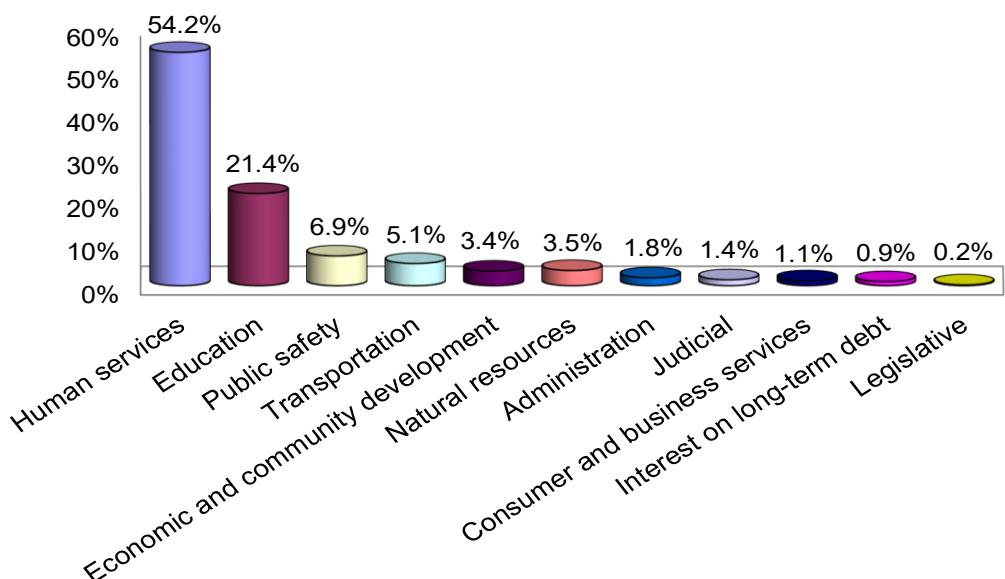


Figure 2 below shows expenses of the governmental activities by function. The cost of providing human services for Oregon citizens in need of assistance comprised 54.2% of total expenses. Elementary and secondary education accounted for 21.4% of the total.

**Figure 2**  
**State of Oregon's Governmental Expenses by Function**  
**For the Year Ended June 30, 2025**



## 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 2025, the State's governmental funds reported combined ending fund balances of \$20.4 billion, up \$1.2 billion compared to the prior year.

Nonspendable fund balances of \$167.2 million, or 0.8%, included amounts that were either not in spendable form or were legally or contractually required to be maintained intact, while restricted fund balances of \$13.5 billion, or 66.1%, 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 19.5% 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 \$1.1 billion 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 \$1.7 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 2025 with a total fund balance of \$5.2 billion. Total revenues increased by 7.1% from fiscal year 2024. A significant revenue increase included personal income taxes, up \$1.5 billion, which is in large part due to strong gains in wages and salaries. Federal revenue decreased \$177.8 million from the prior year, due in large part to a reduction in eligible expenditures under the State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act (ARPA). This downward trend is expected to continue in future years, as the SLFRF program is scheduled to sunset in fiscal year 2027. Other revenue decreased \$59.7 million due to Oregon participating in the Multistate Tax Compact, which is administered by the Multistate Tax Commission (MTC). This joint audit program allows states to pool resources to identify candidates for audits related to corporate income, sales and use, franchise, and gross receipts taxes. As part of this program, Department of Revenue received \$722 thousand in other revenue for fiscal year 2025, a significant decline from the \$20 million received in fiscal year 2024. Total expenditures increased by 8% over the prior year. Within the General Fund, Public Safety spending increased by \$439.1 million, a 29% increase, while Judicial expenditures declined by \$252.4 million, or 41.1%. This decrease is primarily due to the mid-year reclassification of the Oregon Public Defense Commission from the Judicial Branch to Public Safety. Natural Resources expenditures increased \$132.6 million, or 44.5%, in part due to the unusually active fire season, involving over 274 thousand acres, an increase of 257 thousand acres from fiscal year 2024. The Battle Mountain Complex, Lane 1, and Fossil Complex 272 fires comprised \$153.4 million of this increase. Administration expenditures increased \$146.7 million, or 33.7%, due to the implementation of Senate Bill 849 (2025), which directed the movement of moneys from the School Districts Unfunded Liability Fund (SDULF) to the Public Employees Defined Benefit Pension Plan Fund. Transfers from other funds increased \$451.3 million, or 21.8%. To support the increase in school funding, the Educational Support Fund transferred \$216.3 million to the State School Fund, which is reported within the General Fund, a transfer that consistently occurs in the second year of the biennium. Long-term debt issuances increased \$111.9 million, or 236.4%, and are attributable to grants for wastewater and utility infrastructure improvements, building leases, including for the Department of Human Services expansion of the Oregon Eligibility Program, and multiple capital improvements through the state, including the Hillsboro Hops Ballpark, the Willamette Falls Locks and Canal Restoration, and the Northpoint Affordable Housing project.

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 \$218.9 million to \$1.9 billion, attributed mostly to

transfers from other funds. The ending fund balance of the Oregon Rainy Day Fund is classified as committed fund balance.

The Health and Social Services Fund ended fiscal year 2025 with a \$591.4 million increase in fund balance, driven primarily by growth in healthcare provider taxes of \$180.6 million, federal revenue of \$456 million, and other revenue of \$228.6 million. The increase in healthcare provider taxes reflects higher nursing facility bed days and an increase in the per-day tax rate, as well as rising net patient revenues across Oregon hospitals. Federal revenue growth was largely attributed to the launch of the Oregon Health Plan (OHP) Bridge program, which expanded coverage to adults with incomes just above the traditional OHP Plus threshold, and to increased federal disbursements supporting higher Medicaid costs and compensation for non-state providers such as foster home caregivers, personal support workers, and home care aides. Other revenue rose significantly due to larger than usual payments through Qualified Directed Payment programs, particularly those involving the Oregon Health and Science University (OHSU), including a notable \$103 million payment in April 2025. The Health and Social Services Fund recognized an increase of \$1 billion, or 6.3%, in expenditures due primarily to the implementation of the OHP Bridge program, increased costs for the Aging and People with Disabilities (APD) division and expanded staffing to meet the growing service demands. Meanwhile, transfers from other funds increased \$190.4 million, primarily due to increases in non-federal moneys funding the Child Care and Development Fund.

In the Public Transportation Fund, ending fund balance totaled \$1.2 billion, an increase of \$557.9 million from the prior year, supported by increases across multiple revenue sources. Motor fuel tax revenue rose by \$66 million, reflecting the full-year impact of the final two cents per gallon increase implemented on January 1, 2024, as part of House Bill 2017. Similarly, licenses and fees increased by \$11.6 million, due to fee adjustments enacted under House Bill 2100, which raised costs for driver licenses, permits, identification cards, and vehicle registrations beginning in January 2024. Fiscal year 2025 marks the first full year of collections under these new rates. Federal revenue increased by \$149 million, driven by the new programs under the Infrastructure Investment and Jobs Act (IIJA). Oregon Department of Transportation (ODOT) began implementing several IIJA-funded initiatives, including the National Electric Vehicle Infrastructure program and new Carbon Reduction Program projects, which aim to reduce transportation-related greenhouse gas emissions. Long-term debt issuances increased by \$398 million from the prior year, reflecting the State's strategic investment in major infrastructure projects. In fiscal year 2025, the increase was driven by the issuance of Series 2025E XI(7) General Obligation Bonds totaling \$242.5 million to support the I-5 Bridge Replacement Project, Series 2024 Social Bonds under the Grant Anticipation Revenue Vehicle (GARVEE) program totaling \$230.5 million, and Series 2025A Lottery Revenue Bonds amounting to \$46.8 million for improvements to the Burnside Bridge, Hawthorne Avenue, and Hood River Salmon Bridge.

The Educational Support Fund experienced a decrease of \$291 million, or 9.8%, in fund balance for fiscal year 2025. Total revenues decreased \$273.2 million while total expenditures increased by \$163.1 million. The Oregon Department of Education reported a decrease of approximately \$365.2 million in federal revenue from the cessation of stimulus funding for the Elementary and Secondary School Emergency Relief III grant agreements, which ended in winter of 2024. Intergovernmental expenditures also declined by \$182.3 million, reflected by the same reduction in federal support. Bond principal payments increased by \$123.7 million reflective of the refunding of bond debt. Transfers to other funds increased \$545.2 million, or 119.1%. The primary source of this increase is the transfer to the Statewide Education Initiative Account, which was not made by the close of fiscal year 2024, and instead was made in fiscal year 2025. Additionally, debt service principal payments and long-term debt issued increased by \$123.7 and \$435.7 million, respectively. This growth was primarily driven by the new bond sales and refundings by the Higher Education Coordinating Commission (HECC) in April 2025, which provided funding for capital construction at public universities and community colleges, as well as a portion of HECC's IT modernization initiative.

Ending fund balance in the Common School Fund increased \$267.8 million, or 11.6%, in fiscal year 2025. While most revenues and expenditures remained consistent with the prior year, notable changes occurred in unclaimed and escheat property revenue and transfers to other funds. Unclaimed and escheat property revenue rose significantly from \$78.8 million in the prior fiscal year to \$175.8 million, driven by higher unclaimed property receipts and an increase in securities held in trust. The application of the unclaimed rate to these receipts and securities resulted in a combined \$172.1 million being recorded as revenue in fiscal year 2025, up from \$70.8 million in the prior year. Transfers to other funds increased \$48.7 million, primarily due to a \$36.8 million transfer to the Oregon Public Employee Retirement System (PERS) for the School District Unfunded Liability Fund, as required by Senate Bill 1566, following strong investment earnings in the prior fiscal year, since there was a market gain during the fiscal year.

**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 2025, the Housing and Community Services Fund reported a change in net position of \$14.8 million, a decrease of \$8.7 million from the prior year. The primary reason for the change was bond interest expense of \$39.4 million, compared to \$33.5 million in the prior year, which is the result of increased bond issuances and payments 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 2025, resources generated through the program totaled \$21.9 million, of which \$20.2 million, or 92.5%, 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 \$24 million, of which \$12.3 million is bond interest expense and \$7.2 million is salaries and other payroll expenses. The change in net position for the year ended June 30, 2025, resulted in a decrease of \$846 thousand.

The net position of the Lottery Operations Fund increased \$2.8 million, or 0.9%, in fiscal year 2025, after profits were committed for contractual obligations and future capital purchases. Operating income decreased \$51.9 million, or 5.6%, from the previous year due to a decrease in sales. Total operating expenses increased \$11.1 million, or 1.4%, over the prior year. Expenses for prizes, which are directly related to sales, decreased while product sales weakened 2.3%. In fiscal year 2024, a performance penalty was levied on a gaming vendor in the amount of \$1.2 million which did not occur in the current year. Additionally, a \$1 million increase in bad debt expense occurred in the current year related to a retailer closing 42 locations abruptly, leaving nearly \$1 million in accounts receivable uncollected by year end. The most significant increase in operating expense for fiscal-year 2025 came from the increase in sports wagering activity.

In the Unemployment Compensation Fund, the net position increased by \$658.7 million, or 10.2%, from the prior year. This increase is primarily due to \$85.8 million in additional assessments received compared to the prior year. The rate on unemployment insurance assessments increased from 2.1% at the start of calendar year 2024 to 2.4% at the start of calendar year 2025. Special payments increased by \$74.5 million from fiscal year 2024. Causes of increases from 2024 to 2025 include: the unemployment rate increased from 4.1% to 4.9%, an increase of about \$24 in the maximum weekly benefit amount, and an approximately 17% increase in claimants.

At the end of fiscal year 2025, approximately 90.2% 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 84.5% 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 \$5.2 billion. The fund reported a net appreciation in the fair value of investments in the current year of \$7 billion, an increase of \$2 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 \$1.3 billion, or 4.2%, compared to the original estimate.

For fiscal year 2025, actual expenditures and other financing uses exceeded actual General Fund revenues and other financing sources by \$1.6 billion, leaving an ending budget balance of \$3.4 billion. Actual revenues for the biennium were 111.2% of those budgeted, or \$27 billion, while actual cash expenditures were 98.9% of those budgeted, or \$32.8 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, 2025, and 2024, is summarized in Table 3. In fiscal year 2025, the State issued general obligation bonds for governmental activities and business-type activities. At Higher Education Coordinating Commission, general obligation bonds were issued for capital construction projects for public universities and community colleges. These bonds will help fund projects like the Oregon State University Collaborative Innovation Complex, the Portland State University Vernier Science Center and the University of Oregon Friendly Hall renovation. The Oregon Department of Education issued general obligation bonds to provide matching fund grants to school districts for capital construction projects. The Oregon Department of Transportation issued general obligation bonds for the Interstate 5 bridge replacement project. 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 2025, 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 improvement projects including restoration and reconstruction. 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 2025, there were no direct borrowings and direct placements.

The State was involved in six separate debt refunding issuances in fiscal year 2025 and refunded \$1.1 billion of previously existing debt with \$998.5 million of new debt.

Additional information on the State's long-term debt may be found in Note 8 of this report.

**Table 3**  
**State of Oregon's Outstanding Debt**  
**For the Years Ended June 30, 2025 and 2024**  
**(In Millions)**

	2025	2024	2025 Over (Under) 2024	
			Amount	Percent
General obligation bonds	\$ 8,929.9	\$ 8,303.7	\$ 626.2	7.5%
Revenue bonds	5,707.8	5,310.3	397.5	7.5%
Certificates of participation	77.4	81.6	(4.2)	-5.1%
Direct borrowings and placements	308.0	312.1	(4.1)	-1.3%
Lease Obligations	890.8	873.3	17.5	2.0%
SBITA Obligations	76.7	80.0	(3.3)	-4.1%
Contracts, mortgages, and notes payable	242.7	138.4	104.3	75.4%
<b>Total</b>	<b>\$ 16,233.3</b>	<b>\$ 15,099.5</b>	<b>\$ 1,133.8</b>	<b>7.5%</b>

## CAPITAL ASSETS

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2025, was \$19.6 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 2025 increased \$882.1 million, or 4.7%. 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	
	2025	2024	2025	2024	2025	2024
Land	\$ 2,144.8	\$ 2,136.9	\$ 49.8	\$ 49.8	\$ 2,194.6	\$ 2,186.7
Buildings, property, and equipment	3,655.3	3,548.7	529.3	544.9	4,184.6	4,093.2
Construction in progress	2,712.8	2,413.5	50.8	17.7	2,763.6	2,431.6
Infrastructure	10,299.0	9,849.2	2.1	2.2	10,301.1	9,851.4
Subscription-Based IT Arrangements	87.5	93.8	37.4	30.2	124.9	124.0
Works of art and other nondepreciable assets	2.7	2.7	0.8	0.8	3.5	3.5
<b>Total</b>	<b>\$ 18,902.2</b>	<b>\$ 18,044.8</b>	<b>\$ 670.1</b>	<b>\$ 645.5</b>	<b>\$ 19,572.4</b>	<b>\$ 18,690.3</b>

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

- The State's outstanding construction commitments related to road and bridge construction totaled \$1.6 billion at June 30, 2025.
- The Department of Transportation added \$802.7 million and \$693.1 million in infrastructure and construction in progress, respectively. The increase in infrastructure was primarily due to the completion of the U.S. Route 97 and U.S. Route 20 Bend North Corridor Project. Additionally, the increase in construction in progress was mainly a result of multiple construction projects including the Interstate 5 Aurora Donald Interchange project, the Interstate 5 Rose Quarter Improvement Project and the Van Buren Bridge in Corvallis.
- The Legislative Administrative Committee added \$140.5 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 Health Authority added \$39.6 million to construction in progress that was mainly a result of multiple projects including the Case Management Information Exchange and Reporting system, Medicaid Management Information System Infrastructure replacement, the race, ethnicity, spoken and written language and disability project, as well as the sexual orientation and gender identity project.
- The Department of Administrative Services added \$86.7 million in buildings, property and equipment. The increase in buildings, property and equipment is mainly attributed to the Executive Building remodel.
- The Oregon Department of Human Services added \$43.2 million in buildings, property and equipment related to enhancements to the Comprehensive Child Welfare Information System and Oregon Eligibility System.

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

## ECONOMIC FACTORS AND NEXT BIENNIIUM'S BUDGET

Oregon's unemployment rate for September 2025 was 5.2% compared to 4.3% in December 2024. The U.S. unemployment rate for September 2025 was 4.4% compared to 4.1% in December 2024.

The national and state economic trajectory appears to be largely in line with, if not slightly better than, the forecast trajectory from last quarter. By some metrics, Oregon has underperformed national trends related to output and labor conditions, but resilient national economic performance should provide critical support to state-level activity. In addition, robust financial market performance to date is set to bolster one of the most volatile sources of state revenue: capital gains taxes. As such, the current translation of economic and financial conditions into a revenue forecast drifts in a moderately favorable direction.

The Office of Economic Analysis continues to view the economic profile for the current biennium as resembling a checkmark or hockey stick — and it appears that a rebound in growth is catalyzing. Improving conditions later in the biennium are expected to mitigate weakness in the earlier period.

A partial blackout of vital economic statistics stemming from the federal government shutdown has impaired forecasters' ability to assess economic performance, but the message from alternative data sources - both in Oregon and at the national level - corroborate the Federal Reserve's recent assessment that economic activity has been expanding at a moderate pace. Recession risk remains elevated, but it appears to be diminishing. The first six months of the biennium are generally quiet in terms of eye-opening revenue data, particularly when compared to spring tax filing seasons. In addition, the impact of significant structural shocks, namely House Resolution 1 (H.R. 1), tariffs, and the federal government shutdown, won't be known for at least another 12-18 months.

Oregon faces a transportation funding crisis. House Bill 3991, passed in September 2025, aims to close Oregon Department of Transportation's (ODOT) funding gap by raising approximately \$4.3 billion over 10 years through measures such as a 15% increase in the gas tax, nearly doubling vehicle registration and title fees, doubling the transit payroll tax, increasing surcharges for electric and fuel efficient vehicles, and introducing a mandatory road usage charge for electric vehicles beginning in 2027. In response, the "No Tax Oregon" ballot referendum seeks to repeal these tax and fee hikes; nearly 200,000 signatures have paused most increases until voters decide in November 2026, creating a \$350 million shortfall and forcing ODOT to consider service cuts and layoffs unless alternative funding is secured.

For personal income taxes, while ten months of prospective payments are in the books, there remains significant uncertainty regarding how tax year 2025 will ultimately play out. Withholding and estimated payments are in line with mildly improved economic indicators. The full effects of H.R. 1, however, will not be known until the bulk of 2025 tax returns are filed come Fall 2026. The forecast for 2025-27 has been revised upward by \$48 million to \$30 billion. Compared to the Close of Session forecast, Personal Income Tax is down \$237.4 million.

The December 2025 forecast for General Fund revenues for the 2025-27 biennium is \$35.4 billion. This figure is \$318.8 million less than the amount forecasted at the close of the 2023 legislative session. The projected General Fund ending deficit for the 2025-27 biennium is \$63.1 million. The latest revenue forecast projects an increase in General Fund revenues for the next two biennia, up 17.2% to \$41.5 billion in 2027-29 and up 12.2% to \$46.6 billion in 2029-31.



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# **Basic Financial Statements**

**State of Oregon**

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**Statement of Net Position**  
**June 30, 2025**  
**(In Thousands)**

	<b>Primary Government</b>										
	<b>Governmental Activities</b>		<b>Business-type Activities</b>								
	<b>Component Units</b>										
<b>ASSETS</b>											
<b>Current Assets:</b>											
Cash and Cash Equivalents	\$ 11,388,175	\$ 8,797,911	\$ 20,186,086	\$ 1,036,969							
Cash and Cash Equivalents - Restricted	2,568,811	94,836	2,663,647	87,855							
Investments	1,775,723	36,840	1,812,562	4,509,464							
Investments - Restricted	894,938	21,608	916,546	-							
Securities Lending Collateral	48,356	8,605	56,961	139,025							
Accounts and Interest Receivable (net)	1,625,304	683,030	2,308,334	1,644,736							
Taxes Receivable (net)	1,694,928	-	1,694,928	-							
Pledges, Contributions, and Grants Receivable (net)	-	-	-	349,540							
Internal Balances	280,754	(280,754)	-	-							
Due from Component Units	171,306	7,569	178,875	-							
Due from Other Governments	49	3,314	3,363	-							
Due from Primary Government	-	-	-	314,513							
Inventories	99,022	66,831	165,853	96,955							
Prepaid Items	65,049	5,231	70,280	123,195							
Receivables for Right to Use Assets	1,449	-	1,449	6,491							
Loans Receivable (net)	56,037	87,898	143,935	-							
Foreclosed and Deeded Property	3,428	244	3,672	-							
Other Assets	2,495	60	2,555	-							
<b>Total Current Assets</b>	<b>20,675,823</b>	<b>9,533,224</b>	<b>30,209,047</b>	<b>8,308,743</b>							
<b>Noncurrent Assets:</b>											
Cash and Cash Equivalents	-	65,288	65,288	139,343							
Cash and Cash Equivalents - Restricted	3,717,154	323,654	4,040,808	18,671							
Investments	126,865	76,519	203,384	4,961,259							
Investments - Restricted	653,000	173,208	826,208	2,539,882							
Taxes Receivable (net)	406,296	-	406,296	-							
Pledges, Contributions, and Grants Receivable (net)	-	-	-	66,657							
Advances to Component Units	871,285	43,742	915,027	-							
Advances to Primary Government	-	-	-	25,866							
Net Contracts, Notes, and Other Receivables	1,205,129	205,937	1,411,067	45,117							
Receivables for Right to Use Assets	22,696	-	22,696	91,644							
Loans Receivable (net)	1,807,208	1,880,364	3,687,573	-							
Net OPEB Asset	133,411	10,061	143,472	43,107							
Derivative Instrument Assets	-	23,385	23,385	-							
Other Assets	-	-	-	16,703							
Capital Assets Not Being Depreciated	4,857,878	101,397	4,959,275	1,976,042							
Capital Assets Being Depreciated (net)	14,044,358	568,745	14,613,103	7,108,217							
<b>Total Noncurrent Assets</b>	<b>27,845,282</b>	<b>3,472,301</b>	<b>31,317,583</b>	<b>17,032,506</b>							
<b>Total Assets</b>	<b>48,521,105</b>	<b>13,005,524</b>	<b>61,526,629</b>	<b>25,341,249</b>							
<b>DEFERRED OUTFLOWS OF RESOURCES</b>											
Loss on Refunding	75,334	877	76,211	18,452							
Asset Retirement Obligation	-	-	-	16,568							
Related to Pensions	2,354,938	253,195	2,608,132	814,760							
Related to OPEB	21,087	1,759	22,846	13,086							
<b>Total Deferred Outflows of Resources</b>	<b>2,451,359</b>	<b>255,831</b>	<b>2,707,190</b>	<b>862,866</b>							

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

**State of Oregon**

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**Statement of Net Position**  
**June 30, 2025**  
**(In Thousands)**

	<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts and Interest Payable	3,425,779	372,237	3,798,017	1,154,493
Obligations Under Securities Lending	48,356	8,605	56,961	138,999
Obligations Under Life Income Agreements	-	-	-	71,425
Due to Component Units	315,865	-	315,865	-
Due to Other Governments	473,119	7,478	480,597	1,485
Due to Primary Government	-	-	-	180,396
Unearned Revenue	1,286,815	2,884	1,289,699	562,146
Other Liabilities	915,621	78,607	994,227	255,023
Reserve for Loss and Loss Adjustment Expense	-	-	-	416,599
Bonds/COPs Payable	905,516	96,125	1,001,641	17,645
Total Current Liabilities	7,371,071	565,937	7,937,008	2,798,211
<b>Noncurrent Liabilities:</b>				
Unearned Revenue	-	-	-	12,135
Obligations Under Life Income Agreements	-	-	-	28,425
Other Liabilities	3,166,214	191,585	3,357,799	470,223
Reserve for Loss and Loss Adjustment Expense	-	-	-	2,332,431
Bonds/COPs Payable	12,215,849	1,805,626	14,021,475	2,259,461
Net Pension Liability	5,418,495	576,347	5,994,842	1,933,429
Advances from Component Units	25,866	-	25,866	-
Advances from Primary Government	-	-	-	915,027
Asset Retirement Obligation	-	-	-	22,540
Total OPEB Liability	87,382	9,887	97,269	65,200
Total Noncurrent Liabilities	20,913,805	2,583,445	23,497,250	8,038,869
<b>Total Liabilities</b>	<b>28,284,876</b>	<b>3,149,382</b>	<b>31,434,258</b>	<b>10,837,080</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Receivables for Right to Use Assets	23,073	-	23,073	115,868
Hedging Derivatives	-	23,385	23,385	134
Gain on Refunding	42,002	131	42,134	5,515
Life Income Agreements and Pending Funds	-	-	-	137,603
Loan Origination	-	4,165	4,165	-
Related to Pensions	457,939	48,595	506,534	210,651
Related to OPEB	44,720	4,739	49,459	22,337
<b>Total Deferred Inflows of Resources</b>	<b>567,735</b>	<b>81,016</b>	<b>648,751</b>	<b>492,108</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	13,940,027	621,465	14,267,722	5,591,481
Restricted-Nonexpendable	10,902	-	10,902	3,418,357
Restricted for:				
Health and Social Services Programs	243,614	-	528,107	-
Transportation Programs	712,327	-	712,327	-
Natural Resource Programs	1,388,007	-	1,388,007	-
Education	3,361,902	-	3,361,902	2,211,538
Community Protection	118,609	-	126,461	-
Consumer Protection	240,537	-	240,537	-
Employment Services	217,343	-	217,343	-
Workers' Compensation	-	-	-	1,643,157
Residential Assistance	158,625	1,172	159,797	-
Debt Service	20,336	351,111	371,447	732
Capital Projects	95,431	-	95,431	170,273
OPEB	133,411	10,061	143,472	43,107
Other Purposes	1,195,027	-	1,196,452	-
Unrestricted	283,755	9,047,148	9,330,902	1,796,282
<b>Total Net Position</b>	<b>\$ 22,119,853</b>	<b>\$ 10,030,957</b>	<b>\$ 32,150,810</b>	<b>\$ 14,874,927</b>

**State of Oregon**

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**Statement of Activities**  
**For the Year Ended June 30, 2025**  
**(In Thousands)**

Functions/Programs	Program Revenues				Net (Expense) Revenue	
	Charges for Services Expenses	Operating Grants and Contributions	Capital Grants and Contributions			
<b>Primary Government:</b>						
Governmental Activities:						
Education	\$ 9,812,496	\$ 18,220	\$ 1,141,383	\$ -	\$ (8,652,893)	
Human Services	24,834,940	1,731,137	15,630,713	-	(7,473,090)	
Public Safety	3,161,656	110,252	531,887	37,935	(2,481,582)	
Economic and Community Development	1,549,869	175,102	517,376	-	(857,391)	
Natural Resources	1,614,380	576,714	591,166	211	(446,288)	
Transportation	2,355,821	241,737	998,900	193	(1,114,991)	
Consumer and Business Services	518,821	201,721	110,045	-	(207,055)	
Administration	835,436	226,339	364,933	-	(244,164)	
Legislative	84,986	692	2,345	-	(81,950)	
Judicial	630,055	284,589	6,322	-	(339,144)	
Interest on Long-term Debt	429,281	-	-	-	(429,281)	
<b>Total Governmental Activities</b>	<b>45,827,744</b>	<b>3,566,504</b>	<b>19,895,071</b>	<b>38,339</b>	<b>(22,327,830)</b>	
Business-type Activities:						
Housing and Community Services	64,507	60,086	18,238	-	13,817	
Veterans' Loan	23,542	13,310	8,541	-	(1,691)	
Lottery Operations	815,690	1,688,270	28,512	-	901,092	
Unemployment Compensation	880,056	1,321,498	211,502	-	652,945	
State Hospitals	700,837	138,247	4,145	-	(558,445)	
Liquor Control	631,535	832,451	1,753	-	202,669	
Other Business-type Activities	1,041,020	1,083,596	107,646	-	150,222	
<b>Total Business-type Activities</b>	<b>4,157,186</b>	<b>5,137,458</b>	<b>380,337</b>	<b>-</b>	<b>1,360,608</b>	
<b>Total Primary Government</b>	<b>\$ 49,984,930</b>	<b>\$ 8,703,961</b>	<b>\$ 20,275,407</b>	<b>\$ 38,339</b>	<b>\$ (20,967,222)</b>	
<b>Component Units:</b>						
SAIF Corporation	\$ 953,212	\$ 661,514	\$ 180,599	\$ -	\$ (111,098)	
University of Oregon	1,375,204	804,388	939,766	75,492	444,442	
Oregon State University	1,643,851	706,304	1,098,443	52,017	212,913	
Portland State University	580,705	215,501	362,300	49,427	46,523	
Other Component Units	6,699,112	5,254,592	1,483,285	48,028	86,793	
<b>Total Component Units</b>	<b>\$ 11,252,084</b>	<b>\$ 7,642,299</b>	<b>\$ 4,064,393</b>	<b>\$ 224,964</b>	<b>\$ 679,573</b>	

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

**State of Oregon**

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**Statement of Activities**  
**For the Year Ended June 30, 2025**  
**(In Thousands)**

	<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
Changes in Net Position:				
Net (Expense) Revenue	\$ (22,327,830)	\$ 1,360,608	\$ (20,967,222)	679,573
General Revenues:				
Taxes:				
Personal Income Taxes	14,719,981	-	14,719,981	-
Corporate Income Taxes	1,557,039	-	1,557,039	-
Corporate Activity Tax	1,470,577	-	1,470,577	-
Tobacco Taxes	338,206	-	338,206	-
Healthcare Provider Taxes	1,437,554	-	1,437,554	-
Insurance Premium Taxes	109,125	-	109,125	-
Marijuana Taxes	175,952	-	175,952	-
Other Taxes	857,752	16,197	873,948	-
Restricted for Transportation Purposes:				
Motor Fuel and Other Vehicle Taxes	1,657,834	-	1,657,834	-
Restricted for Workers' Compensation and Workplace Safety Programs:				
Workers' Compensation Insurance Taxes	100,354	-	100,354	-
Employer-Employee Taxes	200,414	-	200,414	-
Total Taxes	22,624,787	16,197	22,640,984	-
Unrestricted Investment Earnings	411,848	-	411,848	-
Contributions to Permanent Funds	204	-	204	-
Transfers - Internal Activities	514,901	(514,901)	-	-
Total General Revenues, Contributions, Special Items, Extraordinary Items, and Transfers	23,551,740	(498,704)	23,053,036	-
Change in Net Position	1,223,910	861,904	2,085,814	679,573
Net Position - Beginning	21,289,455	9,190,332	30,479,786	13,917,678
Cumulative Effect of a Change in Accounting Principles	(393,511)	(21,279)	(414,790)	277,676
Net Position - Beginning - As Restated	20,895,943	9,169,053	30,064,996	14,195,354
<b>Net Position - Ending</b>	<b>\$ 22,119,853</b>	<b>\$ 10,030,957</b>	<b>\$ 32,150,810</b>	<b>\$ 14,874,927</b>

**State of Oregon**

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**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**  
**(In Thousands)**

	General	Health and Social Services	Public Transportation
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,275,832	\$ 2,155,358	\$ 1,355,505
Investments	-	-	30,158
Securities Lending Collateral	15,278	5,137	3,261
Accounts and Interest Receivable (net)	18,427	657,601	85,368
Taxes Receivable (net)	1,314,029	366,605	88,989
Due from Other Funds	815,588	237,581	13,595
Due from Component Units	-	72,628	-
Due from Other Governments	49	-	-
Inventories	40,271	1,478	46,391
Prepaid Items	54,827	1,213	52
Advances to Other Funds	-	-	-
Advances to Component Units	-	-	-
Net Contracts, Notes, and Other Receivables	10,817	494,584	31,834
Receivables for Right to Use Assets	-	-	22,042
Loans Receivable (net)	26,602	219	21,003
Other Assets	-	-	-
<b>Total Assets</b>	<b>\$ 8,571,721</b>	<b>\$ 3,992,406</b>	<b>\$ 1,698,198</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts and Interest Payable	\$ 1,848,049	\$ 520,437	\$ 228,104
Obligations Under Securities Lending	15,278	5,137	3,261
Due to Other Funds	424,647	453,623	23,365
Due to Component Units	17,170	197,934	2,410
Due to Other Governments	140,155	-	116,150
Unearned Revenue	25,871	896,549	68,416
Deposit Liabilities	19,779	46,390	5,258
Contracts, Mortgages, and Notes Payable	-	160,000	-
Advances from Other Funds	-	-	-
Advances from Component Units	-	-	-
Total Liabilities	2,490,950	2,280,070	446,965
<b>Deferred Inflows of Resources:</b>			
Receivables for Right to Use Assets	-	-	20,875
Unavailable Revenue	889,668	522,095	35,747
<b>Total Deferred Inflows of Resources</b>	<b>889,668</b>	<b>522,095</b>	<b>56,622</b>
<b>Fund Balances:</b>			
Nonspendable	95,119	2,743	46,483
Restricted by:			
Federal Laws and Regulations	-	242,827	35,702
Oregon Constitution	1,388,847	7,579	89,317
Enabling Legislation	34,951	476,449	152,993
Debt Covenants	-	75,575	870,117
Donors and Other External Parties	-	7,171	-
Committed	2,018,557	177,810	-
Assigned	-	200,085	-
Unassigned	1,653,629	-	-
<b>Total Fund Balances</b>	<b>5,191,103</b>	<b>1,190,240</b>	<b>1,194,611</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 8,571,721</b>	<b>\$ 3,992,406</b>	<b>\$ 1,698,198</b>

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

**State of Oregon**

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<b>Educational Support</b>	<b>Common School</b>	<b>Other</b>	<b>Total</b>
\$ 1,608,564	\$ 122,522	\$ 5,556,393	\$ 17,074,174
236,513	2,859,675	323,761	3,450,107
3,901	10,499	9,095	47,173
137,393	5,279	452,420	1,356,487
292,493	-	39,109	2,101,225
73,469	222	181,622	1,322,077
80,945	-	17,732	171,306
-	-	-	49
-	-	9,187	97,327
-	-	2,358	58,450
-	300	847	1,147
871,285	-	-	871,285
155	37	668,424	1,205,851
504	-	1,599	24,145
-	-	1,815,421	1,863,245
-	-	2,495	2,495
<b>\$ 3,305,223</b>	<b>\$ 2,998,533</b>	<b>\$ 9,080,463</b>	<b>\$ 29,646,544</b>

\$ 276,054	\$ 14,795	\$ 367,155	\$ 3,254,596
3,901	10,499	9,095	47,173
955	581	73,928	977,098
82,316	-	16,034	315,865
140,735	-	76,080	473,119
60,072	-	235,907	1,286,815
248	387,422	32,282	491,379
-	-	7,999	167,999
-	-	1,147	1,147
25,866	-	-	25,866
<b>590,147</b>	<b>413,297</b>	<b>819,628</b>	<b>7,041,058</b>
593	-	1,606	23,073
36,047	37	674,481	2,158,075
36,640	37	676,087	2,181,149
-	-	22,895	167,240
5,988	-	1,199,124	1,483,642
435,953	1,639,719	308,058	3,869,474
1,472,915	945,480	1,328,421	4,411,209
700,137	-	2,036,931	3,682,760
13,859	-	35,470	56,500
23,844	-	1,768,020	3,988,231
25,739	-	887,010	1,112,834
-	-	(1,181)	1,652,448
<b>2,678,435</b>	<b>2,585,200</b>	<b>7,584,748</b>	<b>20,424,337</b>
<b>\$ 3,305,223</b>	<b>\$ 2,998,533</b>	<b>\$ 9,080,463</b>	<b>\$ 29,646,544</b>



**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2025**  
**(In Thousands)**

<b>Total fund balances of governmental funds</b>	\$ 20,424,337
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	\$ 2,129,884
Buildings, property, and equipment	4,912,562
Right To Use Assets	1,158,834
Construction in progress	2,681,333
Infrastructure	17,830,241
Works of Art and Other Nondepreciable Assets	2,278
Accumulated depreciation and amortization	<u>(10,405,395)</u>
Total capital assets	18,309,737
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.	
	2,873
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.	
	2,158,075
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	75,315
Deferred inflows-gain on refunding	(42,002)
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	(4,916,682)
Deferred outflows-related to pensions	2,136,870
Deferred inflows-related to pensions	(415,628)
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	120,331
Total OPEB liability	(79,675)
Deferred outflows-related to OPEB	19,298
Deferred inflows-related to OPEB	(40,665)
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.	
	96,451
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	(105,520)
Compensated absences payable	(721,885)
Claims and judgments payable	(953,669)
Arbitrage rebate payable	(53,756)
Contracts, mortgages, and notes payable	(60,479)
Right To Use Obligations	(833,214)
Bonds and COPs payable	(12,925,340)
Pollution remediation obligation	<u>(74,920)</u>
Total long-term liabilities	(15,728,782)
<b>Net position of governmental activities</b>	<u>\$ 22,119,853</u>

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

**State of Oregon**

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**Statement of Revenues, Expenditures, and Changes in Fund Balances**

**Governmental Funds**

**For the Year Ended June 30, 2025**

**(In Thousands)**

	General	Health and Social Services	Public Transportation
<b>REVENUES</b>			
Personal Income Taxes	\$ 14,139,606	-	\$ -
Corporate Income Taxes	1,515,346	-	-
Corporate Activity Taxes	10,836	-	-
Tobacco Taxes	44,196	292,182	-
Healthcare Provider Taxes	450	1,234,490	-
Insurance Premium Taxes	109,117	-	-
Motor Fuel and Other Vehicle Taxes	-	-	1,658,116
Employer-Employee Taxes	139,183	-	-
Workers' Compensation Insurance Taxes	-	-	-
Marijuana Taxes	-	170,274	-
Other Taxes	698,912	-	3,359
Licenses and Fees	124,548	17,587	138,512
Federal	16,441	14,406,010	906,093
Rebates and Recoveries	12,999	709,859	8,958
Charges for Services	29,550	20,062	63,267
Fines, Forfeitures, and Penalties	20,195	5,460	10,403
Rents and Royalties	749	915	4,518
Investment Income	411,848	29,424	63,074
Sales	1,733	4,828	18,111
Assessments	-	-	-
Donations and Grants	4,174	850	245
Contributions to Permanent Funds	-	-	-
Tobacco Settlement Proceeds	-	65,067	-
Unclaimed and Escheat Property Revenue	-	-	-
Other	12,105	821,892	3,166
<b>Total Revenues</b>	<b>17,291,987</b>	<b>17,778,899</b>	<b>2,877,820</b>
<b>EXPENDITURES</b>			
Current:			
Education	340,685	-	-
Human Resources	5,272,636	16,863,339	-
Public Safety	1,953,589	-	-
Economic and Community Development	394,364	-	-
Natural Resources	430,694	-	-
Transportation	30,395	-	977,474
Consumer and Business Services	19,202	-	-
Administration	581,322	89	-
Legislative	91,162	-	-
Judicial	361,480	2,603	-
Intergovernmental	7,573,845	582,229	822,572
Capital Outlay	161,932	43,450	920,900
Debt Service:			
Principal	343,865	24,206	4,955
Interest	218,928	5,088	1,200
Other Debt Service	645	114	2,921
<b>Total Expenditures</b>	<b>17,774,745</b>	<b>17,521,116</b>	<b>2,730,022</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(482,758)	257,782	147,798
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds	2,525,815	562,747	172,566
Transfers to Other Funds	(2,460,468)	(296,903)	(333,540)
Insurance Recoveries	808	-	361
Long-term Debt Issued	159,171	66,034	523,462
Debt Issuance Premium	7,029	2,123	40,228
Refunding Debt Issued	-	-	-
Refunded Debt Payment to Escrow Agent	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>232,356</b>	<b>334,001</b>	<b>403,076</b>
Net Change in Fund Balances	(250,402)	591,783	550,874
Fund Balances - Beginning	5,438,503	598,876	636,669
Change in Inventories	3,002	(420)	7,068
<b>Fund Balances - Ending</b>	<b>\$ 5,191,103</b>	<b>\$ 1,190,240</b>	<b>\$ 1,194,611</b>

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

**State of Oregon**

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<b>Educational Support</b>	<b>Common School</b>	<b>Other</b>	<b>Total</b>
\$ - \$	- \$	- \$	14,139,606
1,427,623	-	-	1,515,346
-	-	-	1,438,459
-	-	-	336,377
-	-	202,614	1,437,554
-	-	-	109,117
-	-	-	1,658,116
-	-	62,370	201,553
-	-	100,354	100,354
-	-	-	170,274
421	-	206,601	909,293
741	619	465,691	747,697
708,106	1,302	3,252,105	19,290,056
69	1	27,179	759,065
14,490	277	273,615	401,262
79	186	151,526	187,848
182	5,647	4,989	17,001
74,424	286,767	268,208	1,133,745
288	139	116,807	141,906
-	-	79,279	79,279
11,185	-	31,160	47,614
-	-	204	204
-	-	-	65,067
-	175,769	-	175,769
16	379	71,757	909,315
<b>2,237,624</b>	<b>471,087</b>	<b>5,314,459</b>	<b>45,971,876</b>
514,372	-	104,888	959,944
-	-	1,568,094	23,704,069
-	-	620,376	2,573,964
-	-	648,924	1,043,288
-	31,612	901,099	1,363,406
-	-	13,174	1,021,043
-	-	465,995	485,197
10,411	6,058	41,282	639,162
-	-	938	92,100
-	-	59,835	423,918
2,059,037	675	1,089,883	12,128,240
3,858	2,497	319,217	1,451,854
209,313	453	480,506	1,063,297
54,114	141	207,031	486,503
2,852	-	5,104	11,635
<b>2,853,956</b>	<b>41,436</b>	<b>6,526,345</b>	<b>47,447,621</b>
<b>(616,332)</b>	<b>429,651</b>	<b>(1,211,886)</b>	<b>(1,475,744)</b>
711,021	3,214	1,549,331	5,524,693
(1,002,754)	(165,843)	(717,718)	(4,977,226)
-	798	4,141	6,109
461,392	-	684,576	1,894,635
52,206	-	100,464	202,050
212,752	-	659,289	872,042
(109,262)	-	(770,141)	(879,402)
<b>325,356</b>	<b>(161,831)</b>	<b>1,509,942</b>	<b>2,642,901</b>
<b>(290,976)</b>	<b>267,820</b>	<b>298,056</b>	<b>1,167,156</b>
<b>2,969,411</b>	<b>2,317,380</b>	<b>7,286,515</b>	<b>19,247,355</b>
<b>-</b>	<b>-</b>	<b>176</b>	<b>9,827</b>
<b>\$ 2,678,435</b>	<b>\$ 2,585,200</b>	<b>\$ 7,584,748</b>	<b>\$ 20,424,337</b>



**State of Oregon**

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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, 2025**  
**(In Thousands)**

**Net change in fund balances of total governmental funds** \$ 1,167,156

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	\$ 1,576,817
Depreciation and amortization expense	<u>(698,316)</u>
Excess of capital outlays over depreciation and amortization	878,501

The net effect of sales, transfers, impairments, and donations of capital assets is a decrease to net position. (8,824)

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	(2,840,741)
Right To Use Assets incurred	<u>(127,718)</u>
Total proceeds from the issuance of debt	(2,968,459)

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. 1,956,607

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. 78,932

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. (5,517)

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	3,311
Accounts and interest payable	(5,911)
Compensated absences payable	(69,751)
Claims and judgments payable	24,340
Contracts, mortgages, and notes payable	89,278
Net pension liability	(274,483)
Pollution remediation obligation	(24,796)
Net OPEB liability	5,890
Total OPEB liability	<u>1,039</u>
Total	(251,083)

Investment income related to rebatable arbitrage does not provide current financial resources and is not reported as revenue in the governmental funds. (32,862)

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. 573,435

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. 9,827

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. (173,804)

**Change in net position of governmental activities** \$ 1,223,910

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

**State of Oregon**

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**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**  
**(In Thousands)**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Housing and Community Services</b>	<b>Veterans' Loan</b>	<b>Lottery Operations</b>	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 47,310	\$ 92,963	\$ 462,375	
Cash and Cash Equivalents - Restricted	82,168	4,540	-	
Investments	-	12,913	10,876	
Investments - Restricted	21,608	-	-	
Securities Lending Collateral	283	317	4,622	
Accounts and Interest Receivable (net)	6,638	1,867	40,415	
Due from Other Funds	155	258	-	
Due from Component Units	-	-	-	
Due from Other Governments	-	-	-	
Inventories	-	-	2,333	
Prepaid Items	12	6	4,463	
Loans Receivable (net)	29,157	10,874	-	
Foreclosed and Deeded Property	244	-	-	
Other Assets	60	-	-	
<b>Total Current Assets</b>	<b>187,636</b>	<b>123,738</b>	<b>525,084</b>	
<b>Noncurrent Assets:</b>				
Cash and Cash Equivalents	-	-	65,288	
Cash and Cash Equivalents - Restricted	215,190	62,286	-	
Investments	-	-	76,519	
Investments - Restricted	173,208	-	-	
Advances to Component Units	-	-	-	
Net Contracts, Notes, and Other Receivables	-	6,054	4,867	
Loans Receivable (net)	978,913	400,107	-	
Net OPEB Asset	212	166	1,977	
Derivative Instrument Assets	15,742	7,642	-	
Capital Assets (net)	322	8,557	113,360	
<b>Total Noncurrent Assets</b>	<b>1,383,588</b>	<b>484,812</b>	<b>262,011</b>	
<b>Total Assets</b>	<b>1,571,224</b>	<b>608,550</b>	<b>787,095</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Refunding	250	-	-	
Related to Pensions	4,713	2,419	29,246	
Related to OPEB	36	22	246	
<b>Total Deferred Outflows of Resources</b>	<b>4,999</b>	<b>2,441</b>	<b>29,492</b>	

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

**Business-type Activities - Enterprise Funds**

	<b>Unemployment Compensation</b>	<b>Other</b>	<b>Total</b>	<b>Governmental Activities Internal Service Funds</b>
\$	6,679,804	\$ 1,515,458	\$ 8,797,911	\$ 556,525
	-	8,129	94,836	16,654
	-	13,051	36,840	-
	-	-	21,608	418
	45	3,337	8,605	1,183
397,216		236,880	683,016	267,913
99		89,690	90,202	18,609
-		7,569	7,569	-
3,314		-	3,314	-
-		64,498	66,831	1,695
-		750	5,231	6,599
-		47,867	87,898	-
-		-	244	555
-		-	60	-
<b>7,080,478</b>	<b>1,987,228</b>	<b>9,904,165</b>	<b>870,150</b>	
	-	-	65,288	-
	-	46,178	323,654	26,788
	-	-	76,519	-
	-	-	173,208	-
	-	43,742	43,742	-
173,763		21,254	205,937	49
-		501,344	1,880,364	-
-		7,707	10,061	13,080
-		-	23,385	-
-		547,903	670,141	597,848
<b>173,763</b>	<b>1,168,127</b>	<b>3,472,301</b>	<b>637,765</b>	
<b>7,254,240</b>	<b>3,155,356</b>	<b>13,376,465</b>	<b>1,507,915</b>	
	-	627	877	19
	-	216,816	253,195	218,068
	-	1,455	1,759	1,790
	-	218,898	255,831	219,876

(continued on next page)

**State of Oregon**

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**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**  
**(In Thousands)**  
(continued from previous page)

<b>Business-type Activities - Enterprise Funds</b>			
	<b>Housing and Community Services</b>	<b>Veterans' Loan</b>	<b>Lottery Operations</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts and Interest Payable	23,549	2,241	23,282
Obligations Under Securities Lending	283	317	4,622
Due to Other Funds	168	3	236,604
Due to Other Governments	207	-	-
Unearned Revenue	276	-	1,345
Other Liabilities	652	4,933	51,504
Bonds/COPs Payable	60,395	15,130	-
<b>Total Current Liabilities</b>	<b>85,530</b>	<b>22,624</b>	<b>317,357</b>
<b>Noncurrent Liabilities:</b>			
Other Liabilities	3,892	19,850	104,756
Bonds/COPs Payable	1,149,616	420,766	-
Net Pension Liability	10,313	5,368	67,779
Total OPEB Liability	192	94	930
<b>Total Noncurrent Liabilities</b>	<b>1,164,014</b>	<b>446,078</b>	<b>173,465</b>
<b>Total Liabilities</b>	<b>1,249,544</b>	<b>468,702</b>	<b>490,822</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Hedging Derivatives	15,742	7,642	-
Gain on Refunding	-	-	-
Loan Origination	4,165	-	-
Related to Pensions	870	453	5,715
Related to OPEB	92	50	534
<b>Total Deferred Inflows of Resources</b>	<b>20,869</b>	<b>8,145</b>	<b>6,249</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	(32)	8,483	105,495
Restricted for:			
Residential Assistance	1,172	-	-
Debt Service	258,379	-	-
Capital Projects	-	-	-
OPEB	212	166	1,977
Unrestricted	46,079	125,495	212,045
<b>Total Net Position</b>	<b>\$ 305,810</b>	<b>\$ 134,145</b>	<b>\$ 319,517</b>

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

**Business-type Activities - Enterprise Funds**

Unemployment Compensation	Other	Total	Governmental Activities Internal Service Funds
133,698	189,017	371,787	67,739
45	3,337	8,605	1,183
2,170	125,760	364,705	89,416
5,465	1,806	7,478	-
-	1,263	2,884	-
-	21,519	78,607	172,894
-	20,600	96,125	11,855
<b>141,378</b>	<b>363,302</b>	<b>930,192</b>	<b>343,087</b>
-	63,087	191,585	554,885
-	235,243	1,805,626	184,169
-	492,887	576,347	501,813
-	8,671	9,887	7,707
<b>-</b>	<b>799,889</b>	<b>2,583,445</b>	<b>1,248,573</b>
<b>141,378</b>	<b>1,163,191</b>	<b>3,513,637</b>	<b>1,591,660</b>
-	-	23,385	-
-	131	131	-
-	-	4,165	-
-	41,558	48,595	42,311
-	4,063	4,739	4,055
<b>-</b>	<b>45,753</b>	<b>81,016</b>	<b>46,366</b>
-	507,518	621,465	311,507
-	-	1,172	-
-	92,732	351,111	9,565
-	-	-	26,505
-	7,707	10,061	13,080
<b>7,112,863</b>	<b>1,557,353</b>	<b>9,053,834</b>	<b>(270,892)</b>
<b>\$ 7,112,863</b>	<b>\$ 2,165,310</b>	<b>\$ 10,037,643</b>	<b>\$ 89,765</b>

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. (6,686)

Net position of business-type activities \$ 10,030,957

**State of Oregon**

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**Statement of Revenues, Expenses, and Changes in Fund Net Position**

**Proprietary Funds**

**For the Year Ended June 30, 2025**

**(In Thousands)**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Housing and Community Services</b>	<b>Veterans' Loan</b>	<b>Lottery Operations</b>
	\$	\$	\$
<b>OPERATING REVENUES:</b>			
Assessments	-	-	-
Licenses and Fees	-	101	-
Federal	-	-	-
Rebates and Recoveries	1	7	-
Charges for Services	16,527	578	-
Fines, Forfeitures, and Penalties	-	-	-
Rents and Royalties	-	889	-
Sales	-	-	1,686,951
Loan Interest Income	43,414	11,687	-
Other	4	60	1,381
Gain (Loss) on Foreclosed Property	164	-	-
<b>Total Operating Revenues</b>	<b>60,109</b>	<b>13,322</b>	<b>1,688,332</b>
<b>OPERATING EXPENSES:</b>			
Salaries and Wages	14,351	7,224	79,194
Services and Supplies	9,899	4,205	429,966
Cost of Goods Sold	-	-	-
Distributions to Other Governments	-	-	-
Special Payments	1,314	-	266,170
Interest Expense on Right to Use Asset Arrangements	13	2	-
Bond and COP Interest	39,398	12,324	-
Depreciation and Amortization	123	212	39,345
<b>Total Operating Expenses</b>	<b>65,098</b>	<b>23,967</b>	<b>814,675</b>
<b>Operating Income (Loss)</b>	<b>(4,988)</b>	<b>(10,645)</b>	<b>873,656</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment Income (Loss)	18,238	8,541	28,512
Other Taxes	-	-	-
Gain (Loss) on Disposition of Assets	-	-	(30)
Gain (Loss) on Leased Assets	-	-	-
Gain (Loss) on Debt Extinguishment	1,982	764	-
Insurance Recovery	-	-	18
Other Interest Expense	(1)	(1)	(230)
Other Nonoperating Items	(23)	(12)	(80)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>20,196</b>	<b>9,292</b>	<b>28,190</b>
Income (Loss) Before Contributions, Special Items, Extraordinary Items, and Transfers	15,208	(1,353)	901,846
Capital Contributions	-	-	-
Transfers from Other Funds	-	739	-
Transfers to Other Funds	(438)	(232)	(899,046)
<b>Change in Net Position</b>	<b>14,770</b>	<b>(846)</b>	<b>2,800</b>
<b>Net Position - Beginning</b>	<b>291,887</b>	<b>135,451</b>	<b>321,333</b>
Cumulative Effect of Change in Accounting Principles	(847)	(460)	(4,617)
<b>Net Position - Beginning - As Restated</b>	<b>291,040</b>	<b>134,991</b>	<b>316,716</b>
<b>Net Position - Ending</b>	<b>\$ 305,810</b>	<b>\$ 134,145</b>	<b>\$ 319,517</b>

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

**Business-type Activities - Enterprise Funds**

<b>Unemployment Compensation</b>			<b>Other</b>	<b>Total</b>	<b>Governmental Activities Internal Service Funds</b>
\$ 1,305,455	\$ 888,947	\$ 2,194,402	\$ -	\$ -	\$ -
-	12,397	12,498			
7,201	41,864	49,064			
-	432	440	76,863		
-	233,827	250,931	1,991,295		
-	34,093	34,093	1,893		
-	134	1,023	66,367		
-	854,421	2,541,372	2,293		
-	14,185	69,287	-		
16,043	11,316	28,804	29,494		
-	-	164	-		
<b>1,328,699</b>	<b>2,091,615</b>	<b>5,182,077</b>	<b>2,168,205</b>		
-	670,781	771,551	594,455		
-	338,369	782,438	1,648,726		
-	445,375	445,375	-		
-	78,103	78,103	-		
874,296	808,689	1,950,469	24,322		
-	386	401	3,744		
-	6,423	58,145	6,540		
-	24,906	64,586	65,559		
<b>874,296</b>	<b>2,373,032</b>	<b>4,151,069</b>	<b>2,343,346</b>		
<b>454,403</b>	<b>(281,417)</b>	<b>1,031,009</b>	<b>(175,141)</b>		
204,301	71,680	331,272	38,532		
-	16,197	16,197	-		
-	(333)	(363)	911		
-	1	1	-		
-	-	2,746	-		
-	12	30	1,243		
-	(27)	(258)	(18)		
-	4,530	4,414	(15,087)		
<b>204,301</b>	<b>92,059</b>	<b>354,039</b>	<b>25,582</b>		
658,705	(189,358)	1,385,047	(149,559)		
-	-	-	77		
-	609,277	610,016	10,671		
-	(225,201)	(1,124,917)	(43,235)		
<b>658,704</b>	<b>194,718</b>	<b>870,146</b>	<b>(182,046)</b>		
<b>6,454,158</b>	<b>1,985,946</b>	<b>9,188,776</b>	<b>323,332</b>		
-	(15,354)	(21,279)	(51,521)		
<b>6,454,158</b>	<b>1,970,592</b>	<b>9,167,497</b>	<b>271,811</b>		
<b>\$ 7,112,863</b>	<b>\$ 2,165,310</b>	<b>\$ 10,037,643</b>	<b>\$ 89,765</b>		

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.

\$ (8,242)

Change in net position of business-type activities

\$ 861,904

**State of Oregon**

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**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**  
**(In Thousands)**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Housing and Community Services</b>	<b>Veterans' Loan</b>	<b>Lottery Operations</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers	\$ 17,141	\$ 1,124	\$ 1,683,076
Receipts from Other Funds for Services	-	873	-
Loan Principal Repayments	69,211	44,399	-
Loan Interest Received	42,138	17,981	-
Grant Receipts	-	-	-
Taxes and Assessments Received	-	-	-
Payments to Employees for Services	(14,016)	(7,335)	(52,285)
Payments to Suppliers	(7,415)	(1,558)	(449,657)
Payments to Other Funds for Services	-	(2,222)	-
Payments to Prize Winners	-	-	(269,102)
Claims Paid	-	-	-
Loans Made	(81,626)	(68,831)	-
Distributions to Other Governments	-	-	-
Other Receipts (Payments)	(1,586)	-	1,696
Net Cash Provided (Used) in Operating Activities	<u>23,848</u>	<u>(15,569)</u>	<u>913,728</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Proceeds from Bond/COP Sales	264,435	50,976	-
Advances Received	-	-	-
Principal Payments on Bonds/COPs	(164,390)	(36,060)	-
Principal Payments on Loans	(80)	(106)	(669)
Repayments on Advances Received	-	-	-
Interest Payments on Bonds/COPs	(36,687)	(12,697)	-
Interest Payments on Loans	(1)	(1)	(4)
Bond/COP Issuance Costs	(1,699)	(822)	-
Taxes and Assessments Received	-	-	-
Insurance Recoveries for Other than Capital Assets	-	-	-
Transfers from Other Funds	-	739	-
Transfers to Other Funds	(436)	-	(939,217)
Other Derivative Instrument Receipts (Payments)	33	-	-
Net Cash Provided (Used) in Noncapital Financing Activities	<u>61,175</u>	<u>2,029</u>	<u>(939,891)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Proceeds from Bond/COP Sales	-	-	-
Principal Payments on Leases	-	-	(1,559)
Principal Payments on SBITAs	(113)	(9)	(3,735)
Principal Payments on Bonds/COPs	-	-	-
Principal Payments on Loans	-	-	(23)
Interest Payments on Leases	-	-	(69)
Interest Payments on SBITAs	(16)	(2)	(137)
Interest Payments on Bonds/COPs	-	-	-
Interest Payments on Loans	-	-	-
Bond/COP Issuance Costs	-	-	-
Acquisition of Capital Assets	-	(480)	(33,571)
Proceeds from Disposition of Capital Assets	-	-	562
Insurance Recoveries for Capital Assets	-	-	18
Contributions Restricted for Capital Purposes	-	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	<u>(129)</u>	<u>(492)</u>	<u>(38,514)</u>
<b>Cash Flows from Investing Activities:</b>			
Purchases of Investments	(396,505)	-	(2,065)
Proceeds from Sales and Maturities of Investments	331,617	-	11,264
Interest on Investments and Cash Balances	14,642	6,912	23,623
Interest Income from Securities Lending	27	14	89
Interest Expense from Securities Lending	(23)	(12)	(80)
Interest Expense	-	-	(11)
Loan Principal Repayments	-	-	-
Loan Interest Received	-	-	-
Loans Made	-	-	-
Net Cash Provided (Used) in Investing Activities	<u>(50,243)</u>	<u>6,914</u>	<u>32,820</u>
Net Increase (Decrease) in Cash and Cash Equivalents	34,652	(7,117)	(31,856)
Cash and Cash Equivalents - Beginning	310,016	166,906	559,520
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 344,668</b>	<b>\$ 159,789</b>	<b>\$ 527,664</b>

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

**State of Oregon**

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**Business-type Activities - Enterprise Funds**

<b>Unemployment Compensation</b>			<b>Governmental Activities Internal Service Funds</b>		
	<b>Other</b>	<b>Total</b>			
\$	\$		\$		
-	1,102,798	2,804,140	47,712		
-	2,157	3,030	2,407,081		
-	-	113,610	-		
-	-	60,119	-		
-	37,329	37,329	-		
1,289,892	933,401	2,223,293	-		
-	(656,529)	(730,165)	(610,024)		
-	(718,590)	(1,177,220)	(760,829)		
-	(69,397)	(71,618)	(101,696)		
-	-	(269,102)	-		
(878,044)	(751,255)	(1,629,299)	(1,039,061)		
-	-	(150,457)	-		
-	(73,231)	(73,231)	(117)		
22,581	(16,826)	5,865	70,422		
<b>434,429</b>	<b>(210,141)</b>	<b>1,146,295</b>	<b>13,489</b>		
-	28,145	343,556	4,017		
-	-	-	10,529		
-	(13,375)	(213,825)	-		
-	(4,042)	(4,897)	(2,651)		
-	(6,349)	(6,349)	-		
-	(4,555)	(53,940)	-		
-	(27)	(33)	(18)		
-	(126)	(2,647)	-		
-	16,081	16,081	-		
-	12	12	-		
-	599,984	600,724	16,147		
-	(219,779)	(1,159,432)	(46,660)		
-	-	33	-		
-	<b>395,969</b>	<b>(480,717)</b>	<b>(18,635)</b>		
-	16,550	16,550	-		
-	(583)	(2,142)	(9,908)		
-	(4,986)	(8,843)	(8,665)		
-	(2,945)	(2,945)	(11,185)		
-	-	(23)	(161)		
-	(74)	(143)	(2,580)		
-	(297)	(452)	(1,155)		
-	(4,274)	(4,274)	(7,994)		
-	-	-	(16)		
-	(50)	(50)	(37)		
-	(31,657)	(65,708)	(56,688)		
-	86	647	2,827		
-	-	18	1,243		
-	4,643	4,643	-		
-	<b>(23,588)</b>	<b>(62,722)</b>	<b>(94,319)</b>		
-	-	(398,570)	-		
-	-	342,881	36		
204,301	71,451	320,929	39,318		
-	133	263	78		
-	(113)	(229)	(63)		
-	-	(11)	-		
-	50,080	50,080	-		
-	14,111	14,111	-		
-	(83,007)	(83,007)	-		
<b>204,301</b>	<b>52,654</b>	<b>246,447</b>	<b>39,369</b>		
<b>638,730</b>	<b>214,895</b>	<b>849,303</b>	<b>(60,097)</b>		
<b>6,041,074</b>	<b>1,354,870</b>	<b>8,432,387</b>	<b>660,064</b>		
<b>\$ 6,679,804</b>	<b>\$ 1,569,765</b>	<b>\$ 9,281,690</b>	<b>\$ 599,967</b>		

(continued on next page)

# State of Oregon

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## Statement of Cash Flows

### Proprietary Funds

For the Year Ended June 30, 2025

(In Thousands)

(continued from previous page)

	Business-type Activities - Enterprise Funds		
	Housing and Community Services	Veterans' Loan	Lottery Operations
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (4,988)	\$ (10,645)	\$ 873,656
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	123	212	39,345
Amortization of Bond/COP Premium and Discount	(796)	(433)	-
Amortization of Other Bond/COP Related Costs	43	-	-
Interest Receipts Reported as Operating Revenue	-	-	-
Other Derivative Expense Reported as Operating Expense	22	-	-
Interest Payments Reported as Operating Expense	36,687	12,697	-
Bond/COP Issuance Costs Reported as Operating Expense	1,699	822	-
Net Changes in Assets and Liabilities:			
Accounts and Interest Receivable (net)	(67)	951	(2,821)
Due from Other Funds	68	-	-
Due from Other Governments	-	-	-
Inventories	-	-	445
Prepaid Items	(12)	-	3,542
Net Contracts, Notes and Other Receivables	-	(25,990)	(257)
Loans Receivable	(12,644)	(88)	-
Net OPEB Asset	(8)	11	(50)
Foreclosed and Deeded Property	(55)	-	-
Accounts and Interest Payable	3,618	604	1,751
Due to Other Funds	(179)	-	-
Due to Component Units	-	-	-
Due to Other Governments	207	-	-
Unearned Revenue	(68)	-	(240)
Other Liabilities	246	6,366	(1,980)
Net Pension Liability	807	428	3,720
Net OPEB Liability	-	-	-
Total OPEB Liability	47	(256)	130
Net Changes in Deferred Outflows of Resources:			
Loss on Refunding	-	-	-
Related to Pensions	(917)	(322)	(3,876)
Related to OPEB	(28)	-	(181)
Net Changes in Deferred Inflows of Resources:			
Gain on Refunding	-	-	-
Loan Origination	(64)	-	-
Related to Pensions	118	78	650
Related to OPEB	(10)	(3)	(104)
Total Adjustments	28,837	(4,924)	40,072
Net Cash Provided (Used) by Operating Activities	<u>\$ 23,848</u>	<u>\$ (15,569)</u>	<u>\$ 913,728</u>
<b>Noncash Investing and Capital and Related Financing Activities:</b>			
Net Change in Fair Value of Investments	\$ 5,248	\$ (805)	\$ 4,800
Leases Initiated as Lessee	-	-	-
SBITAs Initiated	1	-	-
Capital Assets Transferred from Governmental Activities	-	-	-
Capital Assets Transferred to Governmental Activities	-	-	-
Capital Assets Acquired Through Long-term Contracts	-	-	5,927
Foreclosed Property	225	-	-
Loan Modification	523	-	-

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

**State of Oregon**

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**Business-type Activities - Enterprise Funds**

	<b>Unemployment Compensation</b>	<b>Other</b>	<b>Total</b>	<b>Governmental Activities Internal Service Funds</b>
\$	454,403	(281,417)	1,031,009	\$ (175,141)
	-	24,906	64,586	65,559
	-	(1,564)	(2,793)	(1,440)
	-	-	43	-
	-	(14,111)	(14,111)	-
	-	-	22	-
	-	9,205	58,590	11,746
	-	176	2,697	37
	(9,098)	(23,131)	(34,166)	(30,384)
	20,034	42,890	62,992	1,582
	(598)	-	(598)	-
	-	(3,369)	(2,924)	(234)
	-	152	3,681	(959)
	(17,250)	(10,218)	(53,715)	(10)
	-	3,636	(9,096)	-
	-	(379)	(426)	(345)
	-	-	(55)	-
	10,550	31,620	48,143	8,356
	(24,102)	(16,994)	(41,274)	54,705
	-	(255)	(255)	(37)
	489	(186)	511	-
	-	(103)	(411)	(30,711)
	-	1,950	6,581	90,648
	-	59,716	64,670	50,608
	-	(1)	(1)	-
	-	2,282	2,203	1,296
	-	271	271	4
	-	(40,990)	(46,106)	(36,355)
	-	(1,149)	(1,358)	(1,346)
	-	(23)	(23)	-
	-	-	(64)	-
	-	7,308	8,154	6,634
	-	(366)	(483)	(726)
	(19,975)	71,276	115,286	188,630
\$	434,429	\$ (210,141)	1,146,295	\$ 13,489

\$	-	\$	814	\$	10,057	\$	-
	-		72		72		7,304
	-		5,739		5,740		8,909
	-		-		-		79
	-		-		-		1,117
	-		383		6,310		-
	-		-		225		-
	-		-		523		-

**State of Oregon**

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2025**  
**(In Thousands)**

	Pension and Other Employee Benefit Trust	Private Purpose Trust	Custodial Funds		
			External Investment Pools	Other	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,688,341	\$ 63,925	\$ 10,246,836	\$ 120,644	
Investments:					
Fixed Income	20,055,876	23	15,334		-
Public Equity	26,553,048	928	-		-
Real Estate and Real Estate Investment Trusts	13,934,159	-	-		-
Annuity Contracts	-	112	-		-
Private Equity	26,214,180	-	-		-
Real Assets	10,767,604	-	-		-
Diversifying Strategies	5,037,297	-	-		-
Opportunity Portfolio	2,760,036	-	-		-
Total Investments	105,322,199	1,062	15,334		-
Performance Deposits	-	1,781,733	-		-
Conservatorship and Other Assets	-	1,996	-		3,395
Securities Lending Collateral	610,866	138	19,819		-
Receivables:					
Employer Contributions	43,888	-	-		-
Plan Member Contributions	45,809	-	-		-
Interest and Dividends	204,284	-	44,550		-
Member Loans	15,452	-	-		-
Investment Sales	889,200	-	-		-
Transitional Liability	102,886	-	-		-
Accounts	-	95	-		844
From Other Funds	16,459	326	-		63
From Other Governments	-	2,094	-		-
Total Receivables	1,317,977	2,515	44,550		907
Prepaid Items	10,597	-	-		-
Receivership Assets	-	33,406	-		-
Capital Assets (net):	13,968	-	-		-
<b>Total Assets</b>	<b>110,963,949</b>	<b>1,884,774</b>	<b>10,326,539</b>	<b>124,947</b>	
<b>LIABILITIES</b>					
Accounts and Interest Payable	1,844,484	1,521	25,246		60
Obligations Under Securities Lending	610,811	138	19,812		-
Due to Other Funds	16,369	14	-		132
Other Liabilities	143,201	549	-		-
<b>Total Liabilities</b>	<b>2,614,865</b>	<b>2,222</b>	<b>45,058</b>	<b>193</b>	
<b>NET POSITION</b>					
Restricted for Pension Benefits	103,875,858	-	-		-
Restricted for Other Postemployment Benefits	864,368	-	-		-
Restricted for Other Employee Benefits	3,608,858	-	-		-
Restricted for Individuals, Organizations, and Other Governments	-	1,882,552	-		124,754
Amount Held for Pool Participants	-	-	10,281,481		-
<b>Total Net Position</b>	<b>\$ 108,349,083</b>	<b>\$ 1,882,552</b>	<b>\$ 10,281,481</b>	<b>\$ 124,754</b>	

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

**State of Oregon**

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**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2025**  
**(In Thousands)**

	<b>Custodial Funds</b>			
	<b>Pension and Other Employee Benefit Trust</b>	<b>Private Purpose Trust</b>	<b>External Investment Pools</b>	<b>Other</b>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 2,928,894	\$ -	\$ -	\$ -
Plan Members	1,224,735	-	-	-
Total Contributions	<u>4,153,629</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment Income:				
Net Appreciation (Depreciation) in Fair Value of Investments	7,033,805	(343)	20,580	-
Interest, Dividends, and Other Investment Income	2,591,373	3,075	597,172	463
Total Investment Income	<u>9,625,178</u>	<u>2,732</u>	<u>617,752</u>	<u>463</u>
Less Investment Expense	1,306,090	5	8,954	-
Net Investment Income	<u>8,319,088</u>	<u>2,727</u>	<u>608,798</u>	<u>463</u>
Taxes Collected on Behalf of Other Governments	-	-	-	618,152
Fines, Forfeitures, and Penalties	-	-	-	15,576
Income of Individuals in State Care	-	22	-	55,920
Veterans' Income	-	8,178	-	-
Unclaimed and Escheat Property Revenue	-	-	-	2,711
Other Income	5,762	644,137	-	40,307
Share Transactions:				
Participant Contributions	-	-	28,248,590	-
Participant Withdrawals	-	-	27,445,097	-
Net Share Transactions	<u>-</u>	<u>-</u>	<u>803,493</u>	<u>-</u>
<b>Total Additions</b>	<b>12,478,479</b>	<b>655,063</b>	<b>1,412,291</b>	<b>733,130</b>
<b>DEDUCTIONS</b>				
Benefits	7,091,731	-	-	-
Death Benefits	5,716	-	-	-
Contributions Refunded	14,141	-	-	-
Healthcare Premium Subsidies	30,583	-	-	-
Distribution to Other Governments	-	562	-	652,451
Special Payments to State Agencies	-	-	-	278
Distribution to Participants	-	-	579,329	-
Administrative Expenses	92,100	9,704	-	1,925
Payments in Accordance with Agreements	-	610,258	-	67,883
<b>Total Deductions</b>	<b>7,234,270</b>	<b>620,524</b>	<b>579,329</b>	<b>722,537</b>
Change in Net Position:				
Restricted for Pension Benefits	4,817,287	-	-	-
Restricted for Other Postemployment Benefits	31,554	-	-	-
Restricted for Other Employee Benefits	395,367	-	-	-
Restricted for Individuals, Organizations, and Other Governments	-	34,539	-	10,593
Amount Held for Pool Participants	-	-	832,962	-
Net Position - Beginning	103,108,911	1,848,013	9,448,519	114,161
Cumulative Effect of Change in Accounting Principles	(4,036)	-	-	-
Net Position - Beginning - As Restated	<u>103,104,875</u>	<u>1,848,013</u>	<u>9,448,519</u>	<u>114,161</u>
<b>Net Position - Ending</b>	<b>\$ 108,349,083</b>	<b>\$ 1,882,552</b>	<b>\$ 10,281,481</b>	<b>\$ 124,754</b>

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

**State of Oregon**

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**Statement of Net Position**  
**Discretely Presented Component Units**  
**June 30, 2025**  
**(In Thousands)**

	<b>SAIF Corporation</b>	<b>University of Oregon</b>	<b>Oregon State University</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 52,555	\$ 462,804	\$ 138,397
Cash and Cash Equivalents - Restricted	-	-	42,903
Investments	4,305,746	295	-
Securities Lending Collateral	135,641	794	1,169
Accounts and Interest Receivable (net)	432,215	77,698	154,914
Pledges, Contributions, and Grants Receivable (net)	-	49,495	148,204
Due from Primary Government	8,608	18,928	38,412
Inventories	-	4,634	7,897
Prepaid Items	-	45,125	23,285
Receivables for Right to Use Assets	-	1,097	2,052
<b>Total Current Assets</b>	<b>4,934,765</b>	<b>660,870</b>	<b>557,233</b>
<b>Noncurrent Assets:</b>			
Cash and Cash Equivalents	-	128,244	-
Cash and Cash Equivalents - Restricted	-	-	14,998
Investments	-	2,918,378	45,746
Investments - Restricted	-	-	1,304,236
Pledges, Contributions, and Grants Receivable (net)	-	36,483	-
Advances to Primary Government	-	-	-
Net Contracts, Notes, and Other Receivables	-	34,395	8,509
Receivables for Right to Use Assets	-	8,204	72,237
Net OPEB Asset	4,395	8,974	11,173
Other Assets	-	-	-
Capital Assets (Net)	136,039	2,599,417	2,321,560
<b>Total Noncurrent Assets</b>	<b>140,434</b>	<b>5,734,094</b>	<b>3,778,459</b>
<b>Total Assets</b>	<b>5,075,199</b>	<b>6,394,964</b>	<b>4,335,692</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on Refunding	-	-	-
Asset Retirement Obligations	-	-	16,568
Related to Pensions	65,778	197,165	196,786
Related to OPEB	2,263	1,718	2,431
<b>Total Deferred Outflows of Resources</b>	<b>68,041</b>	<b>198,883</b>	<b>215,785</b>

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

<b>Portland State University</b>	<b>Other</b>	<b>Total</b>
\$ 99,111	\$ 284,102	\$ 1,036,969
-	44,952	87,855
173,152	30,271	4,509,464
973	448	139,025
32,611	947,298	1,644,736
29,022	122,819	349,540
19,596	228,969	314,513
641	83,783	96,955
3,440	51,345	123,195
1,480	1,862	6,491
<b>360,026</b>	<b>1,795,849</b>	<b>8,308,743</b>
 - 11,099	 139,343	
 - 3,673	 18,671	
134,805 1,862,330		4,961,259
- 1,235,646		2,539,882
- 30,174		66,657
25,866 -		25,866
31 2,182		45,117
5,792 5,411		91,644
4,545 14,020		43,107
- 16,703		16,703
<b>649,798 3,377,446</b>		<b>9,084,259</b>
<b>820,835 6,558,684</b>		<b>17,032,506</b>
<b>1,180,861 8,354,533</b>		<b>25,341,249</b>
 - 18,452	 18,452	
 - -	 16,568	
77,117 277,914		814,760
842 5,832		13,086
<b>77,959 302,198</b>		<b>862,866</b>

(continued on next page)

**State of Oregon**

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**Statement of Net Position**  
**Discretely Presented Component Units**  
**June 30, 2025**  
**(In Thousands)**  
(continued from previous page)

	<b>SAIF Corporation</b>	<b>University of Oregon</b>	<b>Oregon State University</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts and Interest Payable	124,117	165,887	153,901
Obligations Under Securities Lending	135,615	794	1,169
Obligations Under Life Income Agreements	-	46,622	24,787
Due to Other Governments	1,485	-	-
Due to Primary Government	14,392	34,731	25,156
Unearned Revenue	260,405	29,239	80,960
Other Liabilities	16,484	66,815	47,981
Reserve for Loss and Loss Adjustment Expense	360,032	-	-
Bonds/COPs Payable	-	2,161	222
<b>Total Current Liabilities</b>	<b>912,530</b>	<b>346,249</b>	<b>334,176</b>
<b>Noncurrent Liabilities:</b>			
Unearned Revenue	-	379	-
Obligations Under Life Income Agreements	-	-	-
Other Liabilities	25,137	121,688	30,684
Reserve for Loss and Loss Adjustment Expense	2,267,839	-	-
Bonds/COPs Payable	-	439,702	637,059
Net Pension Liability	120,721	409,786	501,233
Advances from Primary Government	-	361,209	246,740
Asset Retirement Obligation	-	-	22,540
<b>Total OPEB Liability</b>	<b>9,805</b>	<b>10,110</b>	<b>12,118</b>
<b>Total Noncurrent Liabilities</b>	<b>2,423,502</b>	<b>1,342,874</b>	<b>1,450,373</b>
<b>Total Liabilities</b>	<b>3,336,032</b>	<b>1,689,123</b>	<b>1,784,549</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Receivables for Right to Use Assets	-	8,850	64,815
Hedging Derivatives	-	134	-
Gain on Refunding	-	-	5,035
Life Income Agreements and Pending Funds	-	-	-
Related to Pensions	21,814	42,280	51,665
Related to OPEB	1,803	4,511	6,283
<b>Total Deferred Inflows of Resources</b>	<b>23,617</b>	<b>55,775</b>	<b>127,798</b>
<b>Net Position</b>			
Net Investment in Capital Assets	136,039	1,614,200	1,457,665
Restricted-Nonexpendable	-	2,930,441	6,546
Restricted for:			
Education	-	19,896	1,314,448
Workers' Compensation	1,643,157	-	-
Debt Service	-	-	662
Capital Projects	-	103,771	15,089
OPEB	4,395	8,974	11,173
Unrestricted	-	171,667	(166,453)
<b>Total Net Position</b>	<b>\$ 1,783,591</b>	<b>\$ 4,848,949</b>	<b>\$ 2,639,130</b>

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

Portland State University	Other	Total
34,419	676,169	1,154,493
973	448	138,999
-	16	71,425
-	-	1,485
18,074	88,043	180,396
33,616	157,926	562,146
22,165	101,578	255,023
-	56,567	416,599
-	15,262	17,645
<b>109,247</b>	<b>1,096,009</b>	<b>2,798,211</b>
11,756	-	12,135
2,537	25,888	28,425
15,658	277,056	470,223
-	64,592	2,332,431
-	1,182,700	2,259,461
187,084	714,605	1,933,429
150,816	156,261	915,027
-	-	22,540
4,485	28,682	65,200
<b>372,336</b>	<b>2,449,784</b>	<b>8,038,869</b>
<b>481,583</b>	<b>3,545,793</b>	<b>10,837,080</b>
7,665	34,538	115,868
-	-	134
-	480	5,515
-	137,603	137,603
23,910	70,982	210,651
2,886	6,854	22,337
<b>34,461</b>	<b>250,457</b>	<b>492,108</b>
487,806	1,895,771	5,591,481
44,090	437,280	3,418,357
141,520	735,674	2,211,538
-	-	1,643,157
-	70	732
23,550	27,863	170,273
4,545	14,020	43,107
41,265	1,749,803	1,796,282
<b>\$ 742,776</b>	<b>\$ 4,860,481</b>	<b>\$ 14,874,927</b>

**State of Oregon**

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**Statement of Revenues, Expenses, and Changes in Net Position**

**Discretely Presented Component Units**

**For the Year Ended June 30, 2025**

**(In Thousands)**

	<b>SAIF Corporation</b>	<b>University of Oregon</b>	<b>Oregon State University</b>
<b>Operating Revenues:</b>			
Federal Revenue	\$ -	\$ 422,902	\$ 360,167
Charges for Services	-	485,758	440,935
Rents and Royalties	-	-	-
Sales	-	328,457	271,188
Premiums Earned (net)	605,093	-	-
Gifts, Grants, and Contracts	-	39,085	179,975
Other Revenues	56,421	10,932	44,838
<b>Total Operating Revenues</b>	<b>661,514</b>	<b>1,287,134</b>	<b>1,297,103</b>
<b>Operating Expenses:</b>			
Salaries and Wages	-	931,734	1,049,007
Services and Supplies	-	253,056	424,805
Loss and Loss Adjustment Expense	639,562	-	-
Policyholders' Dividends	59,938	-	-
Underwriting Expenses	250,230	-	-
Depreciation and Amortization	-	112,667	107,874
Special Payments	-	77,747	61,698
Interest	-	-	467
Other Expenses	3,482	-	-
<b>Total Operating Expenses</b>	<b>953,212</b>	<b>1,375,204</b>	<b>1,643,851</b>
<b>Operating Income (Loss)</b>	<b>(291,698)</b>	<b>(88,070)</b>	<b>(346,748)</b>
<b>Nonoperating Revenues (Expenses):</b>			
Investment Income	180,599	312,874	150,123
State Appropriations	-	108,329	317,698
Other Grants	-	56,576	90,480
Gain/(Loss) on Disposition of Assets	-	1,468	(1,295)
Gain/(Loss) on Leased Assets	-	-	-
Other Interest Expense	-	(25,657)	(33,331)
Other	-	3,430	(16,031)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>180,599</b>	<b>457,020</b>	<b>507,644</b>
<b>Income (Loss) Before Capital Contributions</b>	<b>(111,098)</b>	<b>368,950</b>	<b>160,896</b>
Capital Contributions	-	75,492	52,017
Change in Net Position	(111,098)	444,442	212,913
Net Position - Beginning	1,913,319	3,844,591	2,426,217
Cumulative Effect of Change in Accounting Principles	(18,630)	559,916	-
Net Position - Beginning - As Restated	1,894,689	4,404,507	2,426,217
<b>Net Position - Ending</b>	<b>\$ 1,783,591</b>	<b>\$ 4,848,949</b>	<b>\$ 2,639,130</b>

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

**State of Oregon**

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<b>Portland State University</b>		<b>Other</b>	<b>Total</b>	<b>Adjustments to Recast</b>	<b>Statement of Activities</b>
\$	49,563	\$ 435,488	\$ 1,268,120	\$ (1,268,120)	\$ -
144,572		4,599,405	5,670,670	1,971,629	7,642,299
28		1,641	1,669	(1,669)	-
80,420		61,693	741,758	(741,758)	-
-		-	605,093	(605,093)	-
57,997		499,039	776,096	3,288,297	4,064,393
8,271		567,167	687,629	(687,629)	-
<b>340,851</b>		<b>6,164,433</b>	<b>9,751,035</b>	<b>1,955,657</b>	<b>11,706,692</b>
385,527		3,901,160	6,267,428	-	6,267,428
105,850		2,386,849	3,170,560	-	3,170,560
-		-	639,562	-	639,562
-		-	59,938	-	59,938
-		-	250,230	-	250,230
33,810		260,713	515,064	-	515,064
55,454		101,172	296,071	-	296,071
64		49,218	49,749	-	49,749
-		-	3,482	-	3,482
<b>580,705</b>		<b>6,699,112</b>	<b>11,252,084</b>	<b>-</b>	<b>11,252,084</b>
<b>(239,854)</b>		<b>(534,679)</b>	<b>(1,501,049)</b>	<b>1,955,657</b>	<b>454,608</b>
32,005		315,478	991,079	(991,079)	-
142,432		194,696	763,155	(763,155)	-
80,303		38,584	265,943	(265,943)	-
(406)		448	215	(215)	-
(42)		-	(42)	42	-
(6,643)		(1,616)	(67,247)	67,247	-
(10,699)		25,854	2,554	(2,554)	-
<b>236,950</b>		<b>573,444</b>	<b>1,955,657</b>	<b>(1,955,657)</b>	<b>-</b>
<b>(2,904)</b>		<b>38,765</b>	<b>454,609</b>	<b>-</b>	<b>454,608</b>
<b>49,427</b>		<b>48,028</b>	<b>224,964</b>	<b>-</b>	<b>224,964</b>
<b>46,523</b>		<b>86,793</b>	<b>679,573</b>	<b>-</b>	<b>679,573</b>
<b>696,253</b>		<b>5,037,298</b>	<b>13,917,678</b>	<b>-</b>	<b>13,917,678</b>
-		(263,610)	277,676	-	277,676
<b>696,253</b>		<b>4,773,688</b>	<b>14,195,354</b>	<b>-</b>	<b>14,195,354</b>
<b>\$ 742,776</b>	<b>\$ 4,860,481</b>	<b>\$ 14,874,927</b>	<b>\$ -</b>	<b>\$ 14,874,927</b>	



# 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, 2024, 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 \$8.6 million as Due from Primary Government while the State reports a Due to Component Unit of \$10.2 million for SAIF. Similarly, SAIF reports \$14.4 million as Due to Primary Government whereas the State reports a Due from Component Unit of \$12.8 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.

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

**State of Oregon  
Notes to the Financial Statements**

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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, 2024, 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*.

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**Notes to the Financial Statements**

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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% 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**

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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.

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.

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**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 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 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

**State of Oregon  
Notes to the Financial Statements**

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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, 2025, as determined by 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. The general partner also considers any other pertinent information including the types of securities held and the general partner's own assumptions about 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, 2025, 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, 2025, 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. The general partner or account manager also considers any other pertinent information including the types of securities held and their own assumptions about 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 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

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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.

**State of Oregon  
Notes to the Financial Statements**

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**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. A liability for vacation leave, sick leave, and compensatory 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 PERS and additions to or deductions from their fiduciary net position have been determined on the same basis as they are reported within their financial statements. For this purpose, revenues are recognized when earned.

**State of Oregon**  
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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.

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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, 2025, the State implemented all or a portion of two new accounting standards issued by the Governmental Accounting Standards Board (GASB).

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. Refer to Section M of this note for additional general information, Note 8 for information regarding balances, and Note 18 for information regarding the change in accounting principle.

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.

**S. Pending Changes in Accounting Principle**

All or a portion of two new accounting standards are effective for the fiscal year ending June 30, 2026.

GASB Statement No. 103, *Financial Reporting Model Improvements*, which enhances the effectiveness of the financial reporting model in providing information that is essential for decision-making and assessing a government’s accountability. Key provisions include revised requirements for Management’s Discussion and Analysis (MD&A), including a more focused structure and improved clarity of analysis; separate presentation of unusual or infrequent items; and refined definitions for operating and nonoperating revenues and expenses in proprietary fund statements. Additionally, the Statement requires the separate presentation of major component units, mandates budgetary comparison information to be presented as required supplementary information (RSI) and introduces new requirements for variance explanations.

GASB Statement No. 104, *Classification of Certain Capital Assets*, which requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. In addition, the statement introduces enhanced disclosure requirements for capital assets held for sale.

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% of the moneys contributed to the Oregon Public Employees Retirement Fund (OPERF) and not more than 65% 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.

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

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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.

Unless otherwise directed by the Treasury, a well-capitalized depository is required to pledge collateral valued at no less than 10% 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% - up to 100%. An adequately- or under-capitalized depository is required to pledge collateral valued at no less than

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110% 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%:

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% 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% for under-capitalized, 150% for adequately capitalized, 200% 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%.
3. A depository may not hold more than 30% 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%.

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, 2025, \$1.1 billion in other depository balances were exposed to custodial credit risk as the balances were uninsured and uncollateralized. In addition, \$212.8 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% 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.

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**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.
  - **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

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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 23 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 20 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 10 of the 20 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 8 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 77 current funds, organized as limited partnerships and limited liability companies, participating in diversified strategies including venture capital, growth equity, leveraged buyouts, natural resources, private credit, 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 15 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% of the portfolio mature or reset within 93 days; not more than 25% 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% 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, 2025 (in thousands):

<b>Investment Type</b>	<b>Credit Rating</b>	<b>Investment Maturities</b>				
		<b>93 Days or less</b>	<b>94 to 366 Days</b>	<b>One to Three Years</b>	<b>Balance at June 30, 2025</b>	
U.S. Treasuries	Exempt	\$ 4,317,723	\$ 114,509	\$ 49,881	\$ 4,482,113	
Agency securities	Not rated <sup>3</sup>	1,698,349	24,986	386,718		2,110,053
Agency discount notes	AAA	-	24,571	-		24,571
Municipal commercial paper	A-1+	47,587	29,339	-		76,926
Municipal obligations	AAA	3,499	-	-		3,499
	AA	408,477	-	23,306		431,783
	A	276,981	-	-		276,981
<b>Total municipal obligations</b>		<b>688,957</b>	<b>-</b>	<b>23,306</b>		<b>712,263</b>
Corporate commercial paper	A-1+	1,996,620	73,609	-		2,070,229
	A-1	1,948,259	98,070	-		2,046,329
	A-2	895,275	49,176	-		944,451
<b>Total corporate commercial paper</b>		<b>4,840,154</b>	<b>220,855</b>	<b>-</b>		<b>5,061,009</b>
Corporate obligations	AAA	464,783	-	-		464,783
	AA	1,955,142	240,286	29,973		2,225,401
	A	6,226,245	706,682	187,561		7,120,488
	BBB <sup>1</sup>	392,004	82,994	4,814		479,812
<b>Total corporate obligations</b>		<b>9,038,174</b>	<b>1,029,962</b>	<b>222,348</b>		<b>10,290,484</b>
Non-U.S. government commercial paper	A-1+	1,006,277	126,209	-		1,132,486
	A-1	346,446	-	-		346,446
<b>Total non-U.S. government commercial paper</b>		<b>1,352,723</b>	<b>126,209</b>	<b>-</b>		<b>1,478,932</b>
Non-U.S. government obligations	AAA	1,852,258	-	-		1,852,258
	AA	170,888	60,066	-		230,954
<b>Total non-U.S. government obligations</b>		<b>2,023,146</b>	<b>60,066</b>	<b>-</b>		<b>2,083,212</b>
Asset-backed securities	AAA	6,039,835	802,470	614,833		7,457,138
Negotiable certificates of deposit	A	199,982	-	-		199,982
	BBB <sup>1</sup>	100,000	-	-		100,000
<b>Total negotiable certificates of deposit</b>		<b>299,982</b>	<b>-</b>	<b>-</b>		<b>299,982</b>
Commingled investment pool	Not rated <sup>2</sup>	-	-	238,933		238,933
Repurchase Agreements	A-2	350,000	-	-		350,000
<b>Total</b>		<b>\$ 30,696,630</b>	<b>\$ 2,432,967</b>	<b>\$ 1,536,019</b>		<b>\$ 34,665,616</b>

<sup>1</sup> 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.

<sup>2</sup> 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, 2025.

<sup>3</sup> 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 Fixed Income Senior Investment Officer's discretion. Rating groups were determined using the lowest actual rating from S&P, Moody's, or Fitch.

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The fair value measurement for investments held in the OSTF at June 30, 2025 (in thousands):

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Balance at June 30, 2025</b>
<b>Investments:</b>				
U.S. Treasuries	\$ -	\$ 4,248,166	\$ -	\$ 4,248,166
Agency securities	\$ -	\$ 2,110,053	\$ -	\$ 2,110,053
Agency discount notes	\$ -	\$ 24,571	\$ -	\$ 24,571
Municipal obligations	\$ -	\$ 275,172	\$ -	\$ 275,172
Municipal commercial paper	\$ -	\$ 29,339	\$ -	\$ 29,339
Non-U.S. government commercial paper	\$ -	\$ 557,861	\$ -	\$ 557,861
Non-U.S. government obligations	\$ -	\$ 2,083,212	\$ -	\$ 2,083,212
Corporate obligations	\$ -	\$ 10,262,535	\$ -	\$ 10,262,535
Corporate commercial paper	\$ -	\$ 699,962	\$ -	\$ 699,962
Asset-backed securities	\$ -	\$ 7,457,138	\$ -	\$ 7,457,138
Negotiable certificates of deposit	\$ -	\$ 299,982	\$ -	\$ 299,982
<b>Total</b>	<b>\$ -</b>	<b>\$ 28,047,991</b>	<b>\$ -</b>	<b>\$ 28,047,991</b>

The OSTF's investment in the 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 93.2% of the outstanding units of OLGIF at June 30, 2025.

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, of plus or minus 20% relative to the duration of the Bloomberg Intermediate U.S. Government/Credit Total Return Index (Benchmark). The weighted average duration for the Pool and the Benchmark at June 30, 2025, was 3.78 years and 3.84 years, respectively. The maximum maturity for any single investment should not be greater than 12.25 years from settlement date. Asset-backed securities, mortgage-backed securities, and commercial mortgage-backed securities use weighted average life (WAL) as a proxy for maturity.

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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, 2025 (in thousands):

<b>Investment Type</b>	<b>Credit Rating</b>	<b>Balance at June 30, 2025</b>	<b>Weighted Average Modified Duration (in years)</b>
U.S. Federal agency residential mortgage-backed securities <sup>1</sup>	Not Rated	\$ 23,917	
	Exempt	<u>1,080</u>	
<b>Total U.S. Federal agency residential mortgage-backed securities<sup>1</sup></b>		<b>24,997</b>	<b>5.46</b>
U.S. Treasury debt	Exempt	196,361	4.03
Asset-backed securities	AAA	19,128	
	AA	11,184	
	A	13,098	
	BBB	<u>5,538</u>	
<b>Total asset-backed securities</b>		<b>48,948</b>	<b>2.06</b>
Corporate debt	AA	255	
	A	9,375	
	BBB	83,692	
	BB <sup>3</sup>	<u>3,047</u>	
<b>Total corporate debt</b>		<b>96,369</b>	<b>4.23</b>
Commercial mortgage-backed securities	AAA	2,376	0.24
Municipal debt	AAA	215	0.79
External investment pool <sup>2</sup>	Not Rated	<u>10,724</u>	0.18
<b>Total</b>		<b><u>\$ 379,990</u></b>	

<sup>1</sup> 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.

<sup>2</sup> 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, 2025.

<sup>3</sup> 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. Asset-backed and mortgage-backed securities, 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). Collateralized loan obligations 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, 2025 (in thousands):

<b>Investment Type</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Balance at June 30, 2025</b>	
Asset-backed securities	\$ -	\$ 48,948	\$ -	\$ 48,948	
Commercial mortgage-backed securities	-	2,376	-	2,376	
U.S. Federal agency residential mortgage-backed securities	-	24,997	-	24,997	
Municipal debt	-	215	-	215	
Corporate debt	-	96,369	-	96,369	
U.S. Treasury debt	-	196,361	-	196,361	
<b>Total</b>	<b>\$ -</b>	<b>\$ 369,266</b>	<b>\$ -</b>	<b>\$ 369,266</b>	

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**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% 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, 2025, was 2.58 years and 2.69 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, 2025 (in thousands):

<b>Investment Type</b>	<b>Credit Rating</b>	<b>Balance at June 30, 2025</b>	<b>Weighted Average Modified Duration (in years)</b>
U.S. Treasuries	Exempt	\$ 91,308	4.16
Federal agency mortgages	Not Rated	6,567	
	Exempt	4,756	
<b>Total federal agency mortgages</b>		<u>11,323</u>	1.73
Short Term Investment Fund <sup>1</sup>	Not Rated	3,137	
Asset-backed securities	AAA	11,255	
	A	332	
<b>Total asset-backed securities</b>		<u>11,587</u>	1.22
Corporate debt	AAA	722	
	AA	5,296	
	A	59,338	
	BBB	60,437	
	BB	2,247	
<b>Total corporate debt</b>		<u>128,040</u>	1.87
Commercial mortgage-backed securities	AAA	11,518	
	AA	491	
<b>Total commercial mortgage-backed securities</b>		<u>12,009</u>	0.84
<b>Total</b>		<u><u>\$ 257,404</u></u>	

<sup>1</sup> 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 36 days at June 30, 2025.

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, 2025, the weighted average credit quality of both the Fund and of the Benchmark was AA.

**State of Oregon**  
**Notes to the Financial Statements**

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Fair value measurement for the OLGIF at June 30, 2025 (in thousands):

<b>Investment Type</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Balance at June 30, 2025</b>
Short Term Investment Fund	\$	-	\$ 3,137	\$ -	\$ 3,137
Asset-backed securities		-	11,587	-	11,587
Federal agency mortgages		-	11,323	-	11,323
Commercial mortgage-backed securities		-	12,009	-	12,009
Corporate debt		-	128,040	-	128,040
U.S. Treasuries		-	91,308	-	91,308
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$ 257,404</b>	<b>\$ -</b>	<b>\$ 257,404</b>

**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, 2025 (in thousands):

<b>Reporting Fund<sup>1</sup></b>	<b>Investment Type</b>	<b>Credit Rating</b>	<b>Investment Maturities (in years)</b>					<b>Balance at June 30, 2025</b>
			<b>Less than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>10 or none</b>		
Public Transportation	Corporate bonds	A	\$ 2,974	\$ -	\$ -	\$ -	\$ -	\$ 2,974
	Oregon Intermediate Term Pool <sup>2</sup>	Not rated	-	27,184	-	-	-	27,184
	<b>Total Public Transportation</b>		<b>2,974</b>	<b>27,184</b>				<b>30,158</b>
Employment Services	Oregon Intermediate Term Pool <sup>2</sup>	Not rated	-	258,777	-	-	-	258,777
Environmental Management	Oregon Intermediate Term Pool <sup>2</sup>	Not rated	-	1,544	-	-	-	1,544
Permanent	Oregon Intermediate Term Pool <sup>2</sup>	Not rated	-	1,715	-	-	-	1,715
Residential Assistance	U.S. Federal agency debt	AA	-	-	8,502	-	-	8,502
Business Development	Oregon Intermediate Term Pool <sup>2</sup>	Not rated	-	50,699	-	-	-	50,699
<b>Total</b>			<b>\$ 2,974</b>	<b>\$ 339,919</b>	<b>\$ 8,502</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 351,396</b>

<sup>1</sup> Refer to the separate Common School Fund schedule.

<sup>2</sup> 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, 2025 (in thousands):

<b>Reporting Fund</b>	<b>Investment type</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Public Transportation	Corporate bonds	\$ -	\$ 2,974	\$ -	\$ 2,974
Residential Assistance	U.S. Federal agency debt	-	8,502	-	8,502
<b>Total Debt Investments</b>		<b>\$ -</b>	<b>\$ 11,477</b>	<b>\$ -</b>	<b>\$ 11,477</b>

**Investments valued at Net Asset Value (NAV):**

Employment Services	Oregon Intermediate Term Pool	258,777
Environmental Management	Oregon Intermediate Term Pool	1,544
Permanent	Oregon Intermediate Term Pool	1,715
Business Development	Oregon Intermediate Term Pool	50,699
Public Transportation	Oregon Intermediate Term Pool	27,184
<b>Total Investments valued at NAV</b>		<b>339,919</b>
<b>Total</b>		<b>\$ 351,396</b>

**State of Oregon**  
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The credit rating for the Common School Fund's investments held at Treasury and using the segmented time distribution method at June 30, 2025 (in thousands):

Investment Type	Credit Rating <sup>1</sup>	Investment Maturities (in years)					Balance at June 30, 2025
		Less than 1	1 to 5	6 to 10	More than 10 or none		
U.S. Treasury	Exempt	\$ 5,466	\$ 80	\$ 56,134	\$ 15,553	\$ 77,233	
U.S. Treasury TIPS	Exempt	-	-	741	-	741	
U.S. Federal agency STRIPS	Exempt	10	3	200	-	212	
U.S. Federal agency TBA	Exempt	2,996	-	-	-	2,996	
	Not rated	5,683	-	-	-	5,683	
U.S. Federal agency mortgages	Exempt	924	1,318	10,613	251	13,106	
	Not rated	13,812	2,687	27,120	1,672	45,291	
<b>Total U.S. government debt</b>		<b>28,891</b>	<b>4,088</b>	<b>94,808</b>	<b>17,476</b>	<b>145,262</b>	
Corporate bonds	AAA	1,776	178	-	97	2,051	
	AA	526	552	890	1,181	3,149	
	A	11,262	6,056	4,463	6,045	27,826	
	BBB	11,879	13,857	9,480	10,129	45,344	
	BB	1,041	1,526	1,365	1,157	5,089	
<b>Total corporate bonds</b>		<b>26,484</b>	<b>22,169</b>	<b>16,197</b>	<b>18,610</b>	<b>83,460</b>	
Non-U.S. government debt	BBB	-	-	-	1,993	1,993	
	BB	-	-	-	466	466	
<b>Total non-U.S. government debt</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,459</b>	<b>2,459</b>	
Asset-backed securities	AAA	1,661	1,282	150	-	3,094	
	AA	686	162	-	-	848	
	A	2,260	203	335	266	3,063	
	BBB	461	578	-	-	1,039	
	BB	9	-	-	-	9	
	CC	58	-	-	-	58	
<b>Total asset-backed securities</b>		<b>5,135</b>	<b>2,226</b>	<b>486</b>	<b>266</b>	<b>8,111</b>	
Collateralized mortgage obligations	AAA	5,457	-	-	-	5,457	
	AA	18	-	-	-	18	
	A	917	-	-	-	917	
	BBB	2,103	-	-	-	2,103	
	BB	240	-	-	-	240	
	B	428	-	-	-	428	
	CCC	40	-	-	-	40	
	Not rated	26	-	-	-	26	
<b>Total collateralized mortgage obligations</b>		<b>9,229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,229</b>	

**State of Oregon**  
**Notes to the Financial Statements**

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<b>Investment Type</b>	<b>Credit Rating<sup>1</sup></b>	<b>Investment Maturities (in years) (continued)</b>				
		<b>Less than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>More than 10 or none</b>	<b>Balance at June 30, 2025</b>
Collateralized mortgage-backed securities	AAA	8,469	1,685	-	-	10,155
	AA	1,191	660	-	-	1,851
	A	615	-	-	-	615
	BBB	704	-	-	-	704
<b>Total collateralized mortgage-backed securities</b>		<b>10,979</b>	<b>2,345</b>	<b>-</b>	<b>-</b>	<b>13,324</b>
Domestic fixed income funds	Not rated	-	-	-	365,887	365,887
<b>Total debt investments</b>		<b>\$ 80,718</b>	<b>\$ 30,827</b>	<b>\$ 111,491</b>	<b>\$ 404,698</b>	<b>627,733</b>
Domestic equity securities						98,729
International equity securities						239,859
Domestic equity funds						645,054
International equity funds						357,212
Global equity funds						91,197
Private equity holdings						174,849
Domestic real estate investment trusts						8
International real estate investment trusts						1,777
Real estate LP						17,113
Real estate open ended funds						185,591
Alternative diversifying strategies						98,677
Alternative real assets						78,468
<b>Total</b>						<b>\$ 2,616,267</b>

<sup>1</sup> Investments of \$77,233 in U.S. Treasury securities, \$741 in U.S. Treasury Inflation Protected Securities (TIPS), \$212 in Federal Agency STRIPS, \$8,679 in Federal Agency TBA, and \$13,465 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, 2025 (in thousands):

<b>Investment type</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
U.S. Treasury	\$ -	\$ 77,233	\$ -	\$ 77,233
U.S. Treasury TIPS	-	741	-	741
U.S. Federal agency STRIPS	-	212	-	212
U.S. Federal agency TBA	-	8,679	-	8,679
U.S. Federal agency mortgages	-	58,397	-	58,397
Non-U.S. government debt	-	2,459	-	2,459
Corporate bonds	-	83,460	-	83,460
Asset-backed securities	-	8,111	-	8,111
Collateralized mortgage obligations	-	9,229	-	9,229
Collateralized mortgage-backed securities	-	13,324	-	13,324
<b>Total debt securities</b>	<b>-</b>	<b>261,846</b>	<b>-</b>	<b>261,846</b>
Domestic equity securities	338,587	-	1	338,587
Domestic equity funds	124	-	-	124
International equity funds	57,565	-	-	57,565
Domestic real estate investment trusts	8	-	-	8
International real estate investment trusts	1,777	-	-	1,777
<b>Total equity securities</b>	<b>398,061</b>	<b>-</b>	<b>1</b>	<b>398,061</b>
<b>Total</b>	<b>\$ 398,061</b>	<b>\$ 261,846</b>	<b>\$ 1</b>	<b>659,907</b>
<b>Investments measured at Net Asset Value (NAV)</b>				
Domestic equity funds				644,930
International equity funds				299,648
Global equity funds				91,197
Domestic fixed income funds				365,887
Private equity				174,849
Real estate LP				17,113
Real estate open ended funds				185,591
Alternative diversifying strategies				98,677
Alternative real assets				78,468
<b>Total investments measured at NAV</b>				<b>1,956,360</b>
<b>Total investments at fair value</b>				<b>\$ 2,616,267</b>

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, 2025 (in thousands):

<b>Investments Measured at Net Asset Value (NAV)</b>	<b>Fair Value</b>	<b>Unfunded Commitments<sup>1</sup></b>	<b>Redemption</b>		
			<b>Frequency (If Currently Eligible)</b>	<b>Redemption Notice Period</b>	
Private equity	\$ 174,849	\$ 115,319	N/A	N/A	
Real estate LP	17,113	22,681	N/A	N/A	
Real estate open ended funds	185,591	803	Monthly, Quarterly	15 days	
Alternative diversifying strategies	98,677	-	Monthly, Quarterly	2 - 65 days	
Alternative real assets	78,468	78,809	N/A	N/A	
Domestic fixed income funds	365,887	-	Daily	5 days	
Domestic equity funds	644,930	-	Daily	2 days	
International equity funds	299,648	-	Daily, Quarterly	2 - 120 days	
Global equity funds	91,197	-	Daily, Quarterly	2 - 120 days	
<b>Total</b>	<b>\$ 1,956,360</b>	<b>\$ 217,612</b>			

<sup>1</sup> Excludes new commitments not yet funded at June 30, 2025.

**State of Oregon**  
**Notes to the Financial Statements**

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**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, 2025 (in thousands):

<b>Reporting Fund</b>	<b>Investment Type</b>	<b>Credit Rating<sup>2</sup></b>	<b>Investment Maturities (in years)</b>					<b>Balance at June 30, 2025</b>
			<b>Less than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>More than 10 or none</b>		
Housing and Community Services <sup>1</sup>								
U.S. Treasury securities	Exempt	\$ -	\$ -	\$ -	\$ -	\$ 781	\$ 781	
U.S. Federal agency securities	AA	-	-	-	-	436	436	
<b>Total Housing and Community Services</b>			-	-	-	1,217	1,217	
Veterans' Loan								
Oregon Intermediate Term Pool <sup>3</sup>	Not rated		-	12,913	-	-	-	12,913
Lottery Operations								
U.S. Treasury STRIPS	Exempt	10,876	32,482	24,064	19,973			87,395
Special Public Works								
Oregon Intermediate Term Pool <sup>3</sup>	Not rated		-	13,051	-	-	-	13,051
Central Services								
U.S. Federal agency mortgages	Not rated	418	-	-	-			418
<b>Total</b>			<u>\$ 11,294</u>	<u>\$ 58,445</u>	<u>\$ 24,064</u>	<u>\$ 21,190</u>	<u>\$ 114,994</u>	

<sup>1</sup> \$406,439 in investments are held outside Treasury. Refer to the separate schedule.

<sup>2</sup> Investments of \$781 in U.S. Treasury securities and \$87,395 in U.S. Treasury STRIPS are explicitly guaranteed by the U.S. government and, therefore, are exempt from credit risk disclosure requirements.

<sup>3</sup> 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, 2025 (in thousands):

<b>Reporting Fund</b>	<b>Investment type</b>				<b>Balance at June 30, 2025</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Housing and Community Services	U.S. Treasury securities	\$ -	\$ 781	\$ -	\$ 781
	U.S. Federal agency securities	-	436	-	436
<b>Total Housing and Community Services</b>		-	1,217	-	1,217
Lottery Operations	U.S. Treasury STRIPS	-	87,395	-	87,395
Central Services	U.S. Federal agency mortgages	-	418	-	418
<b>Total Debt Investments</b>		<u>\$ -</u>	<u>\$ 89,030</u>	<u>\$ -</u>	<u>\$ 89,030</u>

**Investments valued at NAV**

Veterans' Loan	Oregon Intermediate Term Pool	12,913
Special Public Works	Oregon Intermediate Term Pool	13,051
<b>Total Investments Valued at NAV</b>		<u>25,963</u>
<b>Total</b>		<u><u>\$ 114,994</u></u>

**State of Oregon**  
**Notes to the Financial Statements**

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**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, 2025 (in thousands):

<b>Reporting Fund</b>	<b>Investment Type</b>	<b>Credit Rating<sup>1</sup></b>	<b>Investment Maturities (in years)</b>					<b>Balance at June 30, 2025</b>
			<b>Less than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>More than 10 or none</b>		
Common School	U.S. Treasury securities	Exempt	\$ -	\$ -	\$ 1	\$ 88	\$ -	\$ 89
	Municipal bonds	Not rated	-	20	-	39		59
	Corporate bonds	A	-	-	16	-		16
		BB	-	-	5	-		5
		BBB	-	-	17	-		17
		Not rated	-	-	26	-		26
	<b>Total corporate bonds</b>		-	-	65	-		65
<b>Total Common School</b>			-	20	66	128		214
Revenue Bond	Guaranteed investment contracts	N/A	-	2,523	-	-		2,523
Housing and Community Services	U.S. Treasury securities	Exempt	7,272	-	-	1,074		8,346
	GNMA	Exempt	-	-	-	40,445		40,445
	U.S. Federal agency securities	AA	12,856	9,652	5,380	33,094		60,982
		Not rated	51,767	-	-	32,059		83,826
	<b>Total federal agency debt</b>		64,623	9,652	5,380	65,153		144,808
	Money market mutual funds <sup>2</sup>	AAA	212,840	-	-	-		212,840
<b>Total Housing and Community Services</b>			284,735	9,652	5,380	106,672		406,439
Private Purpose Trust	U.S. Treasury securities <sup>3</sup>	Exempt	-	150	23	-		172
	Domestic mutual funds - debt <sup>3</sup>	Not rated	-	-	-	924		924
<b>Total Private Purpose Trust</b>			-	150	23	924		1,096
<b>Total Debt Investments</b>			\$ 284,735	\$ 12,345	\$ 5,468	\$ 107,724		410,272
Educational Support	Private equities	N/A						236,513
Common School	Mutual funds	N/A						75,698
	Domestic equity securities	N/A						163,577
	International equity securities	N/A						304
	Real estate	N/A						3,615
Private Purpose Trust	Domestic equity securities	N/A						4
	Annuity contracts	N/A						112
<b>Total</b>								\$ 890,095

<sup>1</sup> Investments of \$8,518 in U.S. Treasury securities and \$40,445 in GNMA are explicitly guaranteed by the U.S. government and, therefore, exempt from credit risk disclosure requirements.

<sup>2</sup> Included in Cash and Cash Equivalents - Restricted on the Statement of Net Position.

<sup>3</sup> Some investments (along with certain cash deposits) are reported as receivership assets on the statement of fiduciary net position.

**State of Oregon**  
**Notes to the Financial Statements**

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The fair value measurement for investments held outside Treasury at June 30, 2025 (in thousands):

<b>Reporting Fund</b>	<b>Investment type</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Balance at June 30, 2025</b>
Common School	U.S. agency securities	\$ -	\$ 89	\$ -	\$ 89
	Municipal bonds	-	59	-	59
	Corporate bonds	-	65	-	65
	Mutual funds	75,698	-	-	75,698
	Domestic equity securities	163,557	20	-	163,577
	International equity securities	304	-	-	304
	Real estate	-	-	3,615	3,615
		<b>239,559</b>	<b>234</b>	<b>3,615</b>	<b>243,407</b>
<b>Total Common School</b>					
Housing and Community Services	U.S. Treasury securities	-	8,346	-	8,346
	U.S. Federal agency securities	-	144,808	-	144,808
	Money market mutual funds	212,840	-	-	212,840
	GNMA	-	40,445	-	40,445
<b>Total Housing and Community Services</b>		<b>212,840</b>	<b>193,599</b>	<b>-</b>	<b>406,439</b>
Private Purpose Trust	U.S. Treasury securities	-	172	-	172
	Domestic equity securities	4	-	-	4
<b>Total Private Purpose Trust</b>		<b>4</b>	<b>172</b>	<b>-</b>	<b>176</b>
<b>Total Debt Investments</b>		<b>\$ 452,403</b>	<b>\$ 194,005</b>	<b>\$ 3,615</b>	<b>\$ 650,022</b>
<b>Investments reported at NAV:</b>					
Educational Support	Private equities				236,513
Revenue Bond	Guaranteed investment contracts				2,523
Private Purpose Trust	Domestic mutual funds - debt				924
	Annuity contracts				112
<b>Total</b>					<b>\$ 890,095</b>

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, 2025 (in thousands):

<b>Investments Measured at Net Asset Value (NAV)</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (If Currently Eligible)</b>	<b>Redemption Notice Period</b>
Private equities	\$ 236,513	\$ 73,256	N/A	N/A

**Interest Rate Sensitive Investments**

As of June 30, 2025, the primary government held approximately \$430.9 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 \$68.6 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% 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, 2025, there were no issuers that exceeded 5% 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, 2025, 31.2% of the Housing and Community Service Fund's total investments were Federal Home Loan Bank securities, 20.8% were GNMA securities, 19.6% were Federal National Mortgage Association (FNMA) securities, 8.7% were Tennessee Valley Authority securities, 7.6% were Federal Home Loan Mortgage Corporation securities, and 7.5% were Federal Farm Credit Bank securities.

Within the major governmental funds, the Public Transportation Fund's investments included \$2 million (6.6%) in Toronto-Dominion Bank and \$1 million (3.3%) in Toyota Motor Credit Corp.

**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, 2025 (in thousands):

Foreign Currency Denomination	Deposits and Investments (U.S. Dollars)				
	Deposits	International Equity Securities	Corporate Bonds	International Real Estate	Total
Australian dollar	\$ -	\$ 4,933	\$ -	\$ -	\$ 4,933
Brazilian real	7	1,115	-	-	1,122
British pound sterling	-	59,253	-	-	59,253
Canadian dollar	32	10,787	-	108	10,927
Chilean peso	-	408	-	-	408
Chinese yuan	2,749	-	-	-	2,749
Chinese yuan renminbi	(2,636)	3,636	-	-	1,000
Czech koruna	-	183	-	-	183
Danish krone	73	3,823	-	-	3,896
Euro	78	80,750	-	-	80,828
Hong Kong dollar	5	22,654	-	-	22,658
Hungarian forint	-	539	-	-	539
Indian rupee	-	-	1,588	-	1,588
Indonesian rupiah	10	901	-	-	911
Israeli new shekel	3	235	-	-	238
Japanese yen	117	29,644	-	-	29,762
Korean won	11	6,923	-	-	6,933
Kuwaiti dinar	11	2,110	-	-	2,120
Mexican peso	-	421	-	115	536
New Taiwan dollar	-	12,381	-	-	12,381
New Zealand dollar	-	31	-	-	31
Norwegian krone	-	1,225	-	-	1,225
Philippine peso	1	461	-	-	462
Polish zloty	5	3,095	-	-	3,100
Qatari riyal	12	-	-	-	12
Saudi riyal	-	2,627	-	34	2,661
Singapore dollar	263	1,447	-	1,500	3,210
South African rand	-	1,469	-	-	1,469
Swedish krona	8	4,663	-	-	4,672
Swiss franc	2	12,662	-	-	12,665
Thai baht	-	1,764	-	20	1,784
Turkish lira	-	306	-	-	306
United Arab Emirates dirham	3	3,595	-	-	3,599
<b>Total</b>	<b>\$ 754</b>	<b>\$ 274,042</b>	<b>\$ 1,588</b>	<b>\$ 1,777</b>	<b>\$ 278,161</b>

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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, 2025 (in thousands):

<b>Investment Type</b>	<b>Fair Value</b>
U.S. Treasury obligations	\$ 9,065,843
U.S. Treasury obligations - STRIPS	209,285
U.S. Treasury obligations - TIPS	55,050
U.S. Federal agency mortgage securities	982,348
U.S. Federal agency mortgage TBAs	436,868
U.S. Federal agency debt	105,023
U.S. Federal agency STRIPS	3,304
International debt securities	1,120,575
Non-U.S. government debt securities	272,608
Corporate bonds	2,621,210
Bank loans	903,326
Municipal bonds	31,734
Collateralized mortgage obligations	886,414
Commercial mortgage-backed securities	89,644
Asset-backed securities	720,868
Guaranteed investment contracts <sup>1</sup>	303,066
Domestic fixed income funds	1,211,152
Global fixed income funds	1,037,558
<b>Total debt securities</b>	<b>20,055,876</b>
Derivatives in asset positions	43,496
Domestic equity securities	12,100,923
International equity securities	6,578,557
Domestic equity funds	4,822,182
Global equity funds	1,245,791
International equity funds	510,244
Target date funds	1,148,512
Oregon Savings Growth Plan - self directed	103,342
Real estate and real estate investment trusts	13,934,159
Private equity	26,214,180
Real assets	10,767,604
Diversifying strategies	5,037,297
Opportunity portfolio	2,760,036
<b>Total investments</b>	<b>\$ 105,322,199</b>

<sup>1</sup> 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, 2025, the weighted average duration of the fixed income portfolio was 5.15 years and no individual fixed income investment manager's portfolio was outside the policy guidelines.

At June 30, 2025, the OPERF held approximately \$2 billion in debt instruments backed by pooled mortgages, collateralized mortgage obligations, or fixed-rate 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. The OPERF also held approximately \$436.9 million in to-be-announced federal agency-issued mortgage pools. An additional \$720.9 million of debt

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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, 2025 (in thousands):

<b>Investment Type</b>	<b>Balance at June 30, 2025</b>	<b>Effective Weighted Duration Rate (in years)</b>
U.S. Treasury obligations	\$ 9,065,843	6.36
U.S. Treasury obligations - STRIPS	209,285	0.71
U.S. Treasury obligations - TIPS	55,050	13.07
U.S. Federal agency mortgage securities	982,348	4.37
U.S. Federal agency mortgage TBAs	436,868	4.00
U.S. Federal agency debt	105,023	5.42
U.S. Federal agency STRIPS	3,304	(1.78) <sup>1</sup>
International debt securities	1,094,046	2.24
Non-U.S. government debt securities	271,718	7.05
Corporate bonds	2,619,898	5.97
Bank loans	847,304	0.25
Municipal bonds	31,734	5.11
Collateralized mortgage obligations	886,414	1.98
Commercial mortgage-backed securities	89,644	1.25
Asset-backed securities	720,868	2.13
Domestic fixed income funds	1,211,152	5.13
Global fixed income funds	1,037,558	6.03
 No effective duration:		
International debt securities	26,529	N/A
Non-U.S. government debt securities	890	N/A
Corporate bonds	1,313	N/A
Bank loans	56,022	N/A
Guaranteed investment contracts	<u>303,066</u>	N/A
<b>Total debt securities</b>	<u>20,055,876</u>	
Cash equivalent - Mutual Funds - STIF	860,327	36 days <sup>2</sup>
Cash equivalent - Oregon Short Term Fund	<u>2,232,981</u>	75 days <sup>2</sup>
<b>Total subject to interest rate risk</b>	<u><u>\$ 23,149,184</u></u>	

<sup>1</sup> Negative duration. As interest rates rise, the likelihood of prepayment of mortgages decreases. In turn, the interest-only strips duration becomes negative as the time horizon for payments grows longer.

<sup>2</sup> Weighted average maturity. Pools are not rated.

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### 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, 2025, the fair value of below grade investments, excluding unrated securities, is \$1.9 billion, or 17.7%, of total securities subject to credit risk and 9.3% of total debt securities. The weighted quality rating average is AA-. Unrated securities include \$113.2 million in bank loans, \$223.7 million in domestic and global fixed income funds, \$303.1 million in guaranteed investment contracts, and \$520.2 million in other debt securities.

Credit ratings for debt securities within the OPERF as of June 30, 2025 (in thousands):

<b>Credit Rating</b>	<b>Balance at June 30, 2025</b>
AAA	\$ 936,630
AA	2,413,395
A	1,004,745
BBB	1,926,766
BB	527,398
B	1,112,001
CCC	205,520
CC	6,262
C	452
D	2,597
Not rated	1,160,166
Not rated - U.S. Federal agency <sup>1</sup>	<u>1,173,250</u>
<b>Total subject to credit risk</b>	<b>10,469,182</b>
U.S. government guaranteed securities	<u>9,586,693</u>
<b>Total</b>	<b><u>\$ 20,055,876</u></b>

<sup>1</sup> 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, 2025, investment securities (excluding cash, cash equivalents, and repurchase agreements held as securities lending collateral) are registered and held in the name of the Council, 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, 2025, approximately 0.6% 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, 2025 (in thousands):

Foreign Currency Denomination	Deposits and Investments (U.S. Dollars)								
	Cash and Cash Equivalents		Debt Securities	Public Equity	Derivatives in Asset Positions		Real Estate	Real Assets and Diversifying Strategies	
									Total
Australian dollar	\$ 32	\$ -	\$ 164,724	\$ 2	\$ 4,115	\$ 57,042	\$ 225,915		
Brazilian real	81	-	83,718	56	-	-	-	83,855	
British pound sterling	8,310	8,888	806,383	-	-	63,979	887,560		
Canadian dollar	1,481	1,572	439,742	-	29	-	-	442,823	
Chilean peso	17	-	8,285	-	-	-	-	8,302	
Chinese yuan renminbi	22,849	-	122,126	-	-	-	-	144,975	
Colombian peso	38	-	3,130	-	-	-	-	3,168	
Czech koruna	25	-	5,027	-	-	-	-	5,052	
Danish krone	31	1	70,488	-	-	-	-	70,519	
Egyptian pound	-	-	3,358	-	-	-	-	3,358	
Euro	69,853	99,292	1,648,711	-	6,557	4,087,716	5,912,128		
Hong Kong dollar	328	-	413,568	-	53	-	-	413,949	
Hungarian forint	9	-	3,674	5,031	-	-	-	8,714	
Indian rupee	144	-	160,648	-	-	-	-	160,792	
Indonesian rupiah	505	-	32,440	-	-	-	-	32,945	
Israeli new shekel	56	-	43,846	-	-	-	-	43,902	
Japanese yen	4,936	-	656,967	-	1,095	-	-	662,999	
Malaysian ringgit	26	-	2,983	53	-	-	-	3,062	
Mexican peso	37	975	40,398	-	8,053	-	-	49,463	
Moroccan dirham	-	-	1,202	-	-	-	-	1,202	
New Taiwan dollar	319	-	196,015	-	-	-	-	196,335	
New Zealand dollar	-	-	4,741	-	-	-	-	4,741	
Nigerian naira	13	-	-	-	-	-	-	13	
Norwegian krone	2	-	24,004	-	-	-	-	24,006	
Pakistani rupee	22	-	15,610	-	-	-	-	15,632	
Philippine peso	33	-	4,518	-	-	-	-	4,552	
Polish zloty	6	-	32,431	66	-	-	-	32,503	
Qatari rial	-	-	2,483	-	-	-	-	2,483	
Saudi Arabian riyal	900	-	34,008	-	40	-	-	34,948	
Singapore dollar	77	-	91,241	-	21,415	-	-	112,733	
South African rand	22	-	50,402	1,668	-	-	-	52,093	
South Korean won	609	-	240,197	32,758	-	-	-	273,563	
Swedish krona	187	-	118,310	-	-	-	-	118,497	
Swiss franc	50	-	347,388	-	-	-	-	347,438	
Thailand baht	391	-	19,709	86	-	-	-	20,186	
Turkish lira	29	-	3,730	-	474	-	-	4,232	
United Arab Emirates dirham	13	-	27,219	-	-	-	-	27,232	
<b>Total</b>	<b>\$ 111,433</b>	<b>\$ 110,727</b>	<b>\$ 5,923,423</b>	<b>\$ 39,720</b>	<b>\$ 41,831</b>	<b>\$ 4,208,737</b>	<b>\$ 10,435,871</b>		

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**Fair Value Measurement**

Fair value measurement levels for investments in the OPERF as of June 30, 2025 (in thousands):

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Investments by Fair Value Level</b>				
Debt Securities:				
U.S. Treasury obligations	\$ -	\$ 9,065,843	\$ -	\$ 9,065,843
U.S. Treasury obligations - STRIPS	-	209,285	-	209,285
U.S. Treasury obligations - TIPS	-	55,050	-	55,050
U.S. Federal agency mortgage securities	-	982,348	-	982,348
U.S. Federal agency mortgage TBAs	-	436,868	-	436,868
U.S. Federal agency debt	-	105,023	-	105,023
U.S. Federal agency STRIPS	-	3,304	-	3,304
International debt securities	-	1,106,559	14,016	1,120,575
Non-U.S. government debt securities	-	272,608	-	272,608
Corporate bonds	-	2,610,868	10,342	2,621,210
Bank loans	-	835,683	67,643	903,326
Municipal bonds	-	31,734	-	31,734
Collateralized mortgage obligations	-	884,626	1,788	886,414
Commercial mortgage-backed securities	-	89,644	-	89,644
Asset-backed securities	-	689,837	31,030	720,868
Domestic fixed income funds	-	693,954	-	693,954
Global fixed income funds	-	1,019,692	-	1,019,692
<b>Total debt securities<sup>1</sup></b>	<b>-</b>	<b>19,092,926</b>	<b>124,820</b>	<b>19,217,746</b>
Public Equity:				
Domestic equity securities	12,082,224	-	18,700	12,100,923
International equity securities	6,578,269	-	288	6,578,557
Domestic equity funds	-	3,808,184	-	3,808,184
Global equity funds	-	987,177	-	987,177
International equity funds	382,376	127,868	-	510,244
Target date funds	-	1,148,512	-	1,148,512
Oregon Savings Growth Plan - self directed	103,342	-	-	103,342
<b>Total public equity</b>	<b>19,146,211</b>	<b>6,071,741</b>	<b>18,987</b>	<b>25,236,939</b>
Real estate investments	-	-	207,435	207,435
Real estate investment trusts	615,743	-	-	615,743
<b>Total investments by fair value level</b>	<b>\$ 19,761,954</b>	<b>\$ 25,164,667</b>	<b>\$ 351,242</b>	<b>45,277,862</b>
<b>Investments Measured at Net Asset Value (NAV)</b>				
Debt Securities:				
Domestic fixed income fund			517,198	
Global fixed income funds			17,866	
<b>Total debt securities</b>			<b>535,064</b>	
Public Equity:				
Domestic equity fund			1,013,998	
Global equity funds			258,614	
<b>Total public equity</b>			<b>1,272,612</b>	
Real estate:				
Real estate investments			9,868,690	
Real estate open ended funds			3,242,292	
<b>Total real estate</b>			<b>13,110,982</b>	
Private equity			26,214,180	
Real assets			10,767,604	
Diversifying strategies			5,037,297	
Opportunity portfolio:				
Opportunity private investments			1,705,849	
Opportunity open ended funds			1,054,187	
<b>Total opportunity portfolio</b>			<b>2,760,036</b>	
<b>Total investments measured at NAV</b>			<b>59,697,775</b>	
<b>Total investments measured at fair value</b>			<b>\$ 104,975,637</b>	

<sup>1</sup> 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, 2025 (in thousands):

	<b>Fair Value</b>	<b>Unfunded Commitments<sup>1</sup></b>	<b>Redemption Frequency (If Currently Eligible)</b>	<b>Redemption Notice Period</b>
<b>Debt securities:</b>				
Domestic fixed income funds	\$ 517,198	\$ -	Daily	5 Days
Global fixed income funds	17,866	-	Daily	5 Days
<b>Public equity:</b>				
Domestic equity funds	1,013,998	-	Twice Monthly	5 Days
Global equity funds	258,614	-	Daily	2 Days
<b>Real estate:</b>				
Real estate investments	9,868,690	2,724,848	N/A	N/A
Real estate open ended funds	3,242,292	178,331	Quarterly	15 - 90 days
<b>Private equity</b>	26,214,180	7,572,505	N/A	N/A
<b>Real assets</b>	10,767,604	4,337,721	N/A	N/A
<b>Diversifying strategies</b>	5,037,297	-	Monthly	3 - 90 days
<b>Opportunity portfolio:</b>				
Opportunity private investments	1,705,849	741,682	N/A	N/A
Opportunity open ended funds	1,054,187	119,784	Monthly, Quarterly	5 - 90 days
<b>Total</b>	<b>\$ 59,697,775</b>	<b>\$ 15,674,871</b>		

<sup>1</sup> 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, 2025.

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 60 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 18 open ended funds that permit quarterly redemption of shares, subject to certain requirements being met.

Private equity consists of approximately 215 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

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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.

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 92 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 16 funds are open-ended, permitting periodic redemption of shares, subject to certain requirements being met. These 16 funds are investing in diversifying hedge strategies.

The Opportunity Portfolio includes strategies that fall outside of other asset classes and include 20 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 15 of the 20 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 7 to 10 years. The remaining five 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, 2025:

- \$303.6 million, or 49.7% 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, 2025.

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% of the fair value of the loaned U.S. securities, international fixed income securities, or 105% 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.

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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, 2025, is effectively one day. On June 30, 2025, the State had no credit risk exposure to borrowers because the amounts the State owes to borrowers exceed the amounts borrowers owe the State.

Securities lending balances on loan, collateral received, and investments of cash collateral as of June 30, 2025, of the primary government, including the OPERF (in thousands):

<b>Investment Type</b>	<b>Cash and Securities Collateral Received</b>	<b>Securities on Loan at Fair Value</b>	<b>Investments of Cash Collateral at Fair Value</b>
U.S. Treasury and agency securities	\$ 10,031,057	\$ 9,400,591	\$ 14,165
Domestic equity securities	1,061,464	1,010,452	286,216
International equity securities	192,233	603,175	336,448
Domestic fixed income securities	621,831	179,686	41,398
International fixed income securities	32,214	31,597	15,425
<b>Total</b>	<b>\$ 11,938,800</b>	<b>\$ 11,225,501</b>	<b>\$ 693,652</b>

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, 2025, the primary government had restricted assets of \$6.7 billion in deposits and \$1.7 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 (OHCSD) 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. OHCSD had seven swaps at the end of the fiscal year. The fair value of the swaps on June 30, 2025, totaled \$15.8 million and the notional amount totaled \$188.7 million. The fair value of hedging derivative instruments totaled \$15.7 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 decreased by \$3.9 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

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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.

During the fiscal year, the Mortgage Revenue Bond (MRB) 2015 swap was moved to MRB 2024 E when MRB 2015 C bonds were refunded by the MRB 2024 E bond sale proceeds and the MRB 2018 E swap was moved to MRB 2024 D when the MRB 2018 E bonds were refunded by MRB 2024 D bond sale proceeds.

The terms, fair values, counterparties, and credit ratings of OHCSD's outstanding swaps as of June 30, 2025 (dollars in thousands):

Bond Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Term Date	Counterparty	Counterparty Rating <sup>2</sup>
Mortgage revenue bonds								
2016 B	\$ 13,140	1/1/2019	1.710%	66.5% of SOFR <sup>1</sup> + .1561292%	\$ 517	1/1/2033	Royal Bank of Canada	Aa1 / AA- / AA-
2016 C	15,000	1/1/2019	2.000%	66.5% of SOFR + .2261292%	1,008	7/1/2037	Royal Bank of Canada	Aa1 / AA- / AA-
2017 C	38,265	7/1/2019	2.407%	70% of SOFR + .130136%	1,038	7/1/2039	Bank of America, N.A.	Aa2 / A+ / AA
2020 B	24,500	7/13/2020	0.899%	<sup>3</sup>	2,951	7/1/2037	Royal Bank of Canada	Aa1 / AA- / AA-
2022 D	21,000	10/27/2022	4.417%	100% of SOFR + 0.15%	680	7/1/2047	Royal Bank of Canada	Aa1 / AA- / AA-
2024 D	41,000	5/4/2020	1.120%	<sup>4</sup>	7,566	7/1/2043	Bank of America, N.A.	Aa2 / A+ / AA
2024 E	33,600	9/6/2018	2.751%	70% of SOFR + .130136%	1,982	7/1/2045	Royal Bank of Canada	Aa1 / AA- / AA-
	<u>\$ 186,505</u>				<u>\$ 15,742</u>			

<sup>1</sup> Secured Overnight Financing Rate

<sup>2</sup> Moody's / S&P / Fitch

<sup>3</sup> USD Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index from the Effective Date weekly to, but excluding, July 1, 2026, and 70% of SOFR + .080136% thereafter.

<sup>4</sup> USD SIFMA Municipal Swap Index from the Effective Date weekly to, but excluding, January 1, 2028, and 70% of SOFR + .080136% thereafter.

The MRB swaps include options giving OHCSD 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 (2024 E), July 1, 2026 (2017 C and 2020 B), January 1, 2028 (2024 D), 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 OHCSD's tax exempt bonds are determined weekly by a remarketing agent. OHCSD 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, 2025, the SOFR rate was 4.4% and the SIFMA rate was 1.9%. OHCSD's variable interest rates as of June 30, 2025, can be found in Note 7.

Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. OHCSD 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 OHCSD would then be exposed to interest rate risk. Also, if any of the swaps had a negative value at termination, OHCSD 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. OHCSD is not exposed to rollover risk because the swap termination dates match the associated bond maturity dates.

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Debt service requirements of the variable-rate debt and net swap payments of OHCSD, using interest rates as of June 30, 2025 (in thousands):

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Interest Rate Swaps (Net)</b>	<b>Total</b>
2026	\$ 4,010	\$ 5,058	\$ (1,753)	\$ 7,315
2027	4,120	4,011	(1,636)	6,495
2028	4,240	3,932	(2,019)	6,153
2029	4,680	3,851	(2,255)	6,276
2030	7,260	3,752	(2,174)	8,838
2031-2035	46,215	16,393	(8,938)	53,671
2036-2040	65,570	10,219	(4,523)	71,266
2041-2045	43,480	3,987	(1,107)	46,359
2046-2048	6,930	338	(21)	7,247
<b>Total</b>	<b>\$ 186,505</b>	<b>\$ 51,538</b>	<b>\$ (24,425)</b>	<b>\$ 213,618</b>

OHCSD'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, 2025, of the swaps that include these provisions is \$15.8 million. As of June 30, 2025, 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 2025. During the fiscal year, the fair value of the Series 95 swap decreased by \$657.4 thousand. The fair value of the Series 105B and 106C swap decreased by \$431.7 thousand. The fair value of the Series 110 swap increased by \$586.3 thousand.

The fair value balance of the interest rate swaps is reported as a hedging derivative 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, 2025, 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.

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The terms and objectives of the DVA outstanding derivative instruments as of June 30, 2025 (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	\$ 19,755	12/1/2020	12/1/2036	1.012%	100% USD-SIFMA <sup>1</sup> Municipal Swap Index	\$ 2,493
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	1.165%	100% USD-SIFMA <sup>1</sup> Municipal Swap Index <sup>2</sup>	\$ 4,396
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	2.524%	70%+0.08% SOFR Index <sup>3</sup>	\$ 753

<sup>1</sup> Securities Industry and Financial Markets Association (resets weekly)

<sup>2</sup> 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.

<sup>3</sup> Receive 70% of USD-SOFR-Compound + .08% (Secured Overnight Financing Rate) until the termination date.

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 Aa2 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 <sup>1</sup>

<sup>1</sup> 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.

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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):

<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Threshold</b>	<b>Minimum Transfer Amount</b>	
			\$	-
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	<sup>1</sup>

<sup>1</sup> 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, 2025, 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, 2025, the interest rate on the DVA's Series 95 VRDO bonds is 2.1%, the interest rate on the Series 105B and Series 106C VRDO bonds is 3.6%, and the interest rate on the Series 110 VRDO bonds is 4% while the SIFMA Municipal Swap Index rate is 1.9%.

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, 2025, 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):

<b>Year Ending June 30,</b>	<b>Interest Rate Swaps (Net)</b>				<b>Total</b>
	<b>Principal</b>	<b>Interest</b>			
2026	\$ -	\$ 1,548	\$ (1,626)	\$ (78)	
2027	-	1,548	(1,626)	(78)	
2028	1,895	1,534	(1,584)	1,845	
2029	1,940	1,479	(1,530)	1,889	
2030	1,990	1,429	(1,478)	1,941	
2031-2035	12,410	6,310	(6,471)	12,249	
2036-2040	19,505	3,894	(3,694)	19,705	
2041-2045	16,015	1,150	(922)	16,243	
<b>Total</b>	<b>\$ 53,755</b>	<b>\$ 18,892</b>	<b>\$ (18,931)</b>	<b>\$ 53,716</b>	

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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):

<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Threshold</b>	<b>Minimum Transfer Amount (Series 95)</b>	<b>Minimum Transfer Amount (Series 105B, 106C &amp; 110)</b>
A- or higher	A3 or higher	Infinite	\$ 100	\$ -
BBB+ or below	Baa1 or below	\$ -	100 <sup>1</sup>	100 <sup>1</sup>

<sup>1</sup> 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, 2025 (in thousands):

<b>Currency Forward Contracts</b>				
<b>Currency</b>	<b>Net Receivables</b>	<b>Net Payables</b>	<b>Total Exposure</b>	
Canadian dollar	\$ 124	\$ (46)	\$ 78	
Indian Rupee	-	(15,641)	(15,641)	
<b>Total</b>	<b>\$ 124</b>	<b>\$ (15,687)</b>	<b>\$ (15,563)</b>	

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, 2025 (in thousands):

<b>Investment Derivatives</b>	<b>Net Appreciation / (Depreciation) in Fair Value <sup>1,4</sup></b>	<b>Classification</b>	<b>Fair Value <sup>2</sup></b>	<b>Notional Value <sup>3</sup></b>
Foreign exchange forwards	\$ 472	Long-term instruments	\$ (16)	\$ 1,587
Rights	22	Common stock	-	-
Warrants	1	Common stock	-	-
<b>Total</b>	<b>\$ 495</b>		<b>\$ (16)</b>	<b>\$ 1,587</b>

<sup>1</sup> Negative values (in brackets) refer to losses.

<sup>2</sup> Negative values refer to liabilities.

<sup>3</sup> Notional may be a dollar amount or size of underlying for futures and options.

<sup>4</sup> 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.

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**C. Other Derivative Instruments – (Excluding Oregon Public Employees Retirement Fund)**

Housing and Community Services Department

A portion of the MRB 2017 series C swap was reclassified from hedging derivative instruments to other derivative instruments in a prior fiscal year when the associated bonds were called. The fair value of other derivative instruments on June 30, 2025, was \$60 thousand. The fair value of the other derivative instruments decreased by \$45 thousand during the fiscal year.

The terms, fair values, counterparties, and credit ratings of OHCSD's outstanding swaps as of June 30, 2025 (dollars in thousands):

Bond Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Term Date	Counterparty	Counterparty Rating <sup>2</sup>
Mortgage revenue bonds								
2017 C	\$ 2,205	7/1/2019	2.407%	70% of SOFR <sup>1</sup> +.130136%	\$ 60	7/1/2039	Bank of America, N.A.	Aa2 / A+ / AA
	<u>\$ 2,205</u>				<u>\$ 60</u>			

<sup>1</sup> Secured Overnight Financing Rate

<sup>2</sup> 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 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.

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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, 2025 (in thousands):

<b>Investment Derivatives</b>	<b>Value of Investments<sup>1,3</sup></b>	<b>Classification</b>	<b>Fair</b>	<b>Notional</b>
			<b>Value<sup>2</sup></b>	
Credit Default Swaps Bought	\$ 395	Public Equity	\$ (150)	\$ 5,200
Credit Default Swaps Written	816	Public Equity	37	13,931
Fixed Income Futures Long	18,893	Public Equity	-	6,039,650
Fixed Income Futures Short	(4,409)	Public Equity	-	(133,591)
Fixed Income Options Bought	(53)	Public Equity	691	16,923
Fixed Income Options Written	137	Public Equity	-	-
Foreign Currency Options Bought	(178)	Public Equity	10	7,044
Foreign Currency Options Written	253	Public Equity	(58)	(4,868)
Foreign Exchange Forwards	(211,850)	Receivables/Payables	(71,589)	13,014,751
Futures Options Bought	2,482	Public Equity	-	-
Futures Options Written	(2,014)	Public Equity	-	-
Index Futures Long	1,204	Public Equity	-	5
Index Futures Short	(253,562)	Public Equity	-	(8,779)
Pay Fixed Interest Rate Swaps	(8,540)	Public Equity	(1,830)	301,795
Receive Fixed Interest Rate Swaps	5,087	Public Equity	3,102	341,725
Rights	211	Public Equity	15	-
Warrants	(202)	Public Equity	110	340
<b>Total</b>	<b>\$ (451,330)</b>		<b>\$ (69,663)</b>	<b>\$ 19,594,127</b>

<sup>1</sup> Negative values (in brackets) refer to losses.

<sup>2</sup> Notional may be a dollar amount or size of underlying for futures, rights, warrants, and options. Negative values refer to short positions.

<sup>3</sup> Excludes futures margin payments.

The following table shows the fair value measurement for investment derivative instruments as of June 30, 2025 (in thousands):

<b>Investment Derivative Instruments<sup>1</sup></b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Credit Default Swaps	\$ -	\$ 39	\$ -	\$ 39
Foreign Exchange Forwards	-	124,607	-	124,607
Interest Rate Swaps	-	42,630	-	42,630
Options	691	10	-	701
Rights and Warrants	53	73	-	125
<b>Total Assets</b>	<b>744</b>	<b>167,359</b>	<b>-</b>	<b>168,104</b>
Credit Default Swaps	-	(152)	-	(152)
Foreign Exchange Forwards	-	(196,197)	-	(196,197)
Interest Rate Swaps	-	(41,359)	-	(41,359)
Options	-	(58)	-	(58)
<b>Total Liabilities</b>	<b>-</b>	<b>(237,766)</b>	<b>-</b>	<b>(237,766)</b>
<b>Total</b>	<b>\$ 744</b>	<b>\$ (70,407)</b>	<b>\$ -</b>	<b>\$ (69,663)</b>

<sup>1</sup> 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 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

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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, 2025:

Counterparty Name	Percentage of Net Exposure	Lowest Rating <sup>1</sup>	Effective/Average <sup>2</sup>
UBS AG	10.91%	A	AA
Royal Bank of Canada (U.K.)	10.76%	A	AA
Bank of America, N.A.	9.91%	A	AA
HSBC Bank PLC	6.84%	A	A
Citibank N.A.	6.82%	A	A
State Street Bank London	6.72%	A	A
Westpac Banking Corporation	5.83%	AA	AA
HSBC Bank USA	5.54%	A	AA
JP Morgan Chase Bank N.A.	5.13%	AA	AA
Goldman Sachs Bank USA	4.78%	BBB	A
Morgan Stanley Capital Services Inc.	4.28%	A	A
Credit Agricole CIB	3.92%	A	A
Toronto Dominion Bank	3.89%	A	A
State Street Bank and Trust Company	3.12%	AA	AA
BNP Paribas	2.48%	A	A
The Bank of New York Mellon	1.72%	A	A
NatWest Markets PLC	1.59%	A	A
Australia and New Zealand Banking Group	1.52%	AA	AA
JP Morgan Chase Bank N.A. London	1.36%	AA	AA
Société Générale	1.34%	A	A
Standard Chartered Bank	0.62%	A	A
Morgan Stanley CME	0.39%	A	A
Morgan Stanley LCH	0.25%	A	A
JP Morgan CME	0.12%	A	A
JP Morgan LCH	0.05%	A	A
Goldman Sachs International	0.03%	A	A
Morgan Stanley and Co. International PLC	0.03%	A	A
Nomura International PLC	0.02%	BBB	BBB
Royal Bank of Canada	0.02%	A	AA
JP Morgan ICE	0.01%	A	A
<b>Total</b>	<b>100.00%</b>		

<sup>1</sup> Lowest rating of the three major rating agencies.

<sup>2</sup> Calculated based on the rating score of each rating agency.

**Interest Rate Risk**

As of June 30, 2025, 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, 2025 (in thousands):

Investment Type	Fair Value	Investment Maturity (in years)			
		Less Than 1		1 - 5	6 - 10
					10
Credit Default Swaps Bought	\$ (150)	\$ -	\$ (150)	\$ -	\$ -
Credit Default Swaps Written	37	-	37	-	-
Fixed Income Options Bought	691	-	691	-	-
Pay Fixed Interest Rate Swaps	(1,830)	2	(130)	(2,274)	572
Receive Fixed Interest Rate Swaps	3,102	-	1,518	1,584	-
<b>Total</b>	<b>\$ 1,850</b>	<b>\$ 2</b>	<b>\$ 1,966</b>	<b>\$ (690)</b>	<b>\$ 572</b>

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The following schedule presents derivative instruments that were highly sensitive to interest rate changes as of June 30, 2025 (in thousands):

<b>Investment Type</b>	<b>Reference Rate</b>	<b>Fair Value</b>	<b>Notional Value</b>
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month ZAR JIBAR, Pay Fixed 7.49000	\$ (21)	\$ 1,982
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month KRW KSDA, Pay Fixed 3.63900	(12)	445
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month PLN WIBOR, Pay Fixed 5.48740	(9)	397
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 2.88000	350	1,960
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 2.97000	1,104	6,765
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month MYR KLIBOR, Pay Fixed 3.38000	-	17
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.25000	312	2,695
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month ZAR JIBAR, Pay Fixed 8.45500	-	8
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.59000	351	6,045
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 4.20000	(254)	5,500
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month HUF BUBOR, Pay Fixed 6.19500	2	471
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month PLN WIBOR, Pay Fixed 4.81200	-	18
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month KRW KSDA, Pay Fixed 2.88550	(10)	549
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month HUF BUBOR, Pay Fixed 5.90900	2	342
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month ZAR JIBAR, Pay Fixed 8.06000	(9)	267
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.16000	(749)	27,975
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month ZAR JIBAR, Pay Fixed 7.76500	(4)	194
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.73000	(2,274)	178,634
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.85000	(542)	49,401
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.78000	(66)	18,130
Subtotal - Pay Fixed Interest Rate Swaps		(1,830)	301,795
Receive Fixed Interest Rate Swaps	Receive Fixed 4.97000, Pay Variable 6-Month PLN WIBOR	4	333
Receive Fixed Interest Rate Swaps	Receive Fixed 7.99500, Pay Variable 3-Month ZAR JIBAR	19	906
Receive Fixed Interest Rate Swaps	Receive Fixed 3.53500, Pay Variable 3-Month KRW KSDA	1	52
Receive Fixed Interest Rate Swaps	Receive Fixed 7.90000, Pay Variable 6-Month PLN WIBOR	13	171
Receive Fixed Interest Rate Swaps	Receive Fixed 9.16000, Pay Variable 3-Month ZAR JIBAR	16	213
Receive Fixed Interest Rate Swaps	Receive Fixed 6.84500, Pay Variable 6-Month PLN WIBOR	1	16
Receive Fixed Interest Rate Swaps	Receive Fixed 2.96500, Pay Variable 3-Month KRW KSDA	7	445
Receive Fixed Interest Rate Swaps	Receive Fixed 11.12000, Pay Variable 0-Month BRL BRCDI	(2)	25
Receive Fixed Interest Rate Swaps	Receive Fixed 3.74100, Pay Variable 0-Month SOFR	37	3,568
Receive Fixed Interest Rate Swaps	Receive Fixed 10.00000, Pay Variable 0-Month BRL BRCDI	(25)	238
Receive Fixed Interest Rate Swaps	Receive Fixed 4.47700, Pay Variable 0-Month SOFR	1,489	30,000
Receive Fixed Interest Rate Swaps	Receive Fixed 4.74900, Pay Variable 0-Month SOFR	738	60,000
Receive Fixed Interest Rate Swaps	Receive Fixed 7.42000, Pay Variable 6-Month HUF BUBOR	15	225
Receive Fixed Interest Rate Swaps	Receive Fixed 3.83030, Pay Variable 3-Month KRW KSDA	16	341
Receive Fixed Interest Rate Swaps	Receive Fixed 7.82500, Pay Variable 3-Month ZAR JIBAR	20	854
Receive Fixed Interest Rate Swaps	Receive Fixed 3.57050, Pay Variable 0-Month SOFR	161	25,000
Receive Fixed Interest Rate Swaps	Receive Fixed 8.68250, Pay Variable 3-Month ZAR JIBAR	12	464
Receive Fixed Interest Rate Swaps	Receive Fixed 7.98100, Pay Variable 3-Month ZAR JIBAR	11	374
Receive Fixed Interest Rate Swaps	Receive Fixed 8.82500, Pay Variable 3-Month ZAR JIBAR	16	484
Receive Fixed Interest Rate Swaps	Receive Fixed 1.35800, Pay Variable 12-Month THB THOR	3	673
Receive Fixed Interest Rate Swaps	Receive Fixed 2.42300, Pay Variable 3-Month KRW KSDA	(2)	755
Receive Fixed Interest Rate Swaps	Receive Fixed 3.21750, Pay Variable 6-Month CZK PRIBOR	(13)	676
Receive Fixed Interest Rate Swaps	Receive Fixed 3.30000, Pay Variable 0-Month SOFR	555	211,573
Receive Fixed Interest Rate Swaps	Receive Fixed 13.29000, Pay Variable 0-Month BRL BRCDI	7	843
Receive Fixed Interest Rate Swaps	Receive Fixed 13.25750, Pay Variable 0-Month BRL BRCDI	3	360
Receive Fixed Interest Rate Swaps	Receive Fixed 7.64700, Pay Variable 1-Month MXN TIIE	(1)	572
Receive Fixed Interest Rate Swaps	Receive Fixed 14.09000, Pay Variable 0-Month BRL BRCDI	-	2,282
Receive Fixed Interest Rate Swaps	Receive Fixed 2.48800, Pay Variable 3-Month KRW KSDA	-	281
Subtotal - Receive Fixed Interest Rate Swaps		3,102	341,725
<b>Total Interest Rate Swaps</b>		<b>\$ 1,271</b>	<b>\$ 643,520</b>

**State of Oregon**  
**Notes to the Financial Statements**

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**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, 2025 (in thousands):

<b>Currency Name</b>	<b>Currency Forward Contracts</b>		<b>Options/ Rights/ Warrants</b>		<b>Swaps</b>		<b>Total Exposure</b>	
	<b>Net Receivables</b>	<b>Net Payables</b>						
Australian dollar	\$ 4,582	\$ (15,577)	\$ 2	\$ -	\$ (17)	\$ (10,993)		
Brazilian real	27,035	(12,423)	-	-	(17)	14,596		
British pound sterling	4,663	(16,896)	-	-	-	(12,233)		
Canadian dollar	2,392	(10,309)	-	-	-	(7,917)		
Chilean peso	436	(423)	-	-	-	13		
Chinese yuan	(215)	(208)	-	-	-	(424)		
Chinese yuan - offshore	493	(1,742)	-	-	-	(1,249)		
Colombian peso	670	(561)	-	-	-	109		
Czech koruna	-	(29)	-	-	(13)	(41)		
Danish krone	865	(5,290)	-	-	-	(4,425)		
Egyptian pound	222	(548)	-	-	-	(327)		
Euro <sup>1</sup>	14,024	(66,257)	(3)	-	-	(52,236)		
Hong Kong dollar	(353)	721	-	-	-	368		
Hungarian forint	11	(5)	-	-	19	25		
Indian rupee	574	(288)	-	-	-	286		
Indonesian rupiah	773	(1,223)	-	-	-	(450)		
Japanese yen	3,586	1,586	-	-	-	5,173		
Kuwaiti dinar	(142)	(9)	-	-	-	(152)		
Malaysian ringgit	1	-	53	-	-	53		
Mexican peso	6,121	(1,097)	-	-	(1)	5,023		
Moroccan dirham	18	-	-	-	-	18		
New Israeli sheqel	6,359	(7,200)	-	-	-	(842)		
New Taiwan dollar	15,499	(13,170)	-	-	-	2,329		
New Zealand dollar	5,648	(4,598)	-	-	-	1,050		
Norwegian krone	7,941	(3,198)	-	-	-	4,744		
Peruvian nuevo sol	623	(569)	-	-	-	54		
Philippine peso	37	(49)	-	-	-	(12)		
Polish zloty	26	(68)	-	-	9	(33)		
Qatar rial	2	-	-	-	-	2		
Romanian leu	143	(2)	-	-	-	142		
Saudi riyal	-	(4)	-	-	-	(4)		
Singapore dollar	2,085	(4,404)	-	-	-	(2,319)		
South African rand	6,422	(921)	-	-	60	5,561		
South Korean won	5,578	(7,039)	15	-	-	(1,446)		
Swedish krona	1,916	(6,447)	-	-	-	(4,531)		
Swiss franc	6,542	(17,800)	-	-	-	(11,257)		
Thailand baht	6	(100)	-	-	3	(92)		
Turkish lira	12	(37)	-	-	-	(26)		
United Arab Emirates dirham	(2)	-	-	-	-	(2)		
<b>Total Subject to Foreign Currency Risk</b>	<b>\$ 124,595</b>	<b>\$ (196,184)</b>	<b>\$ 66</b>	<b>\$ 59</b>	<b>\$ (71,464)</b>			

<sup>1</sup> Represents all of the positions with a Euro leg. It is not solely USD/Euro activity.

**State of Oregon**  
**Notes to the Financial Statements**

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## 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.

Loans receivables reported for governmental activities at June 30, 2025 (in thousands):

	General	Health and Social Services	Public Transportation	Educational Support	Other	Total
<b>Governmental activities</b>						
Personal income taxes	\$ 1,378,585	\$ -	\$ -	\$ -	\$ -	\$ 1,378,585
Corporate income taxes	337,187	-	-	-	-	337,187
Corporate activity taxes	-	-	-	515,677	-	515,677
Inheritance taxes	54,135	-	-	-	-	54,135
Cigarette taxes	1,405	22,586	-	-	-	23,992
Marijuana taxes	-	30,673	-	-	-	30,673
Healthcare provider taxes	-	315,418	-	-	-	315,418
Motor fuel taxes	-	-	54,554	-	-	54,554
Weight mile taxes	-	-	41,381	-	-	41,381
Employer-employee taxes	-	-	-	-	20,893	20,893
Other	22,358	-	3,288	107	19,622	45,374
Gross receivables	1,793,671	368,678	99,223	515,784	40,515	2,817,871
Allowance for doubtful accounts	(479,642)	(2,073)	(10,234)	(223,291)	(1,406)	(716,647)
<b>Total receivables, net</b>	<b>\$ 1,314,029</b>	<b>\$ 366,605</b>	<b>\$ 88,989</b>	<b>\$ 292,493</b>	<b>\$ 39,109</b>	<b>\$ 2,101,225</b>

### 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, 2025 (in thousands):

	General	Health and Social Services	Public Transportation	Other	Total
<b>Governmental activities</b>					
Clean water state revolving fund	\$ -	\$ -	\$ -	\$ 605,929	\$ 605,929
Oregon transportation infrastructure bank	-	-	21,003	-	21,003
Private forests program	-	-	-	860	860
Disabled and senior property tax assistance program	-	-	-	100,291	100,291
Business development	-	-	-	13,892	13,892
Multi-family housing units	25,834	-	-	1,037,835	1,063,669
Foreclosure prevention	-	-	-	71,608	71,608
Mental health housing facilities	-	20,203	-	-	20,203
Other	2,325	35	-	11,481	13,841
Gross receivables	28,159	20,238	21,003	1,841,896	1,911,296
Allowance for doubtful accounts	(1,557)	(20,019)	-	(26,475)	(48,050)
<b>Total receivables, net</b>	<b>\$ 26,602</b>	<b>\$ 219</b>	<b>\$ 21,003</b>	<b>\$ 1,815,421</b>	<b>\$ 1,863,245</b>

**State of Oregon**  
**Notes to the Financial Statements**

Loans receivables reported for business-type activities at June 30, 2025 (in thousands):

	<b>Housing and Community Services</b>	<b>Veterans' Loan</b>	<b>Other</b>	<b>Total</b>
<b>Business-type activities</b>				
Single-family mortgage program	\$ 942,557	\$ -	\$ -	\$ 942,557
Elderly and disabled housing units	34,875	- -	- -	34,875
Multi-family housing units	23,687	- -	- -	23,687
Veterans' home loans	- -	410,981	- -	410,981
Small energy loan program	- -	- -	8,255	8,255
Business development	- -	- -	24,057	24,057
Special public works	- -	- -	208,421	208,421
Wastewater financing	- -	- -	54,328	54,328
Safe drinking water	- -	- -	255,237	255,237
Oregon ports/brownfields	- -	- -	13,989	13,989
Other loan receivable	6,952	- -	- -	6,952
Gross receivables	1,008,071	410,981	564,288	1,983,340
Allowance for doubtful accounts	- -	- -	(15,077)	(15,077)
<b>Total receivables, net</b>	<b>\$ 1,008,071</b>	<b>\$ 410,981</b>	<b>\$ 549,211</b>	<b>\$ 1,968,262</b>

**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, 2025 (in thousands):

	<b>General</b>	<b>Health and Social Services</b>	<b>Public Transportation</b>	<b>Educational Support</b>	<b>Common School</b>	<b>Other</b>	<b>Total</b>	<b>Internal Service</b>
<b>Governmental activities</b>								
General accounts	\$ 6,593	\$ 45,859	\$ 584	\$ 1,688	\$ 54	\$ 108,681	\$ 163,459	\$ 268,078
Due from federal government	509	645,351	58,750	135,705	171	299,850	1,140,336	-
Interest	6,216	- -	222	- -	3,127	25,966	35,530	59
Broker receivable	- -	- -	6	- -	1,927	- -	1,933	-
Contracts	192	- -	- -	- -	- -	8,748	8,940	-
Mortgages	- -	4,402	- -	- -	- -	- -	4,402	-
Benefit recoveries	11,026	72,622	- -	- -	- -	3,920	87,569	352
Medicaid drug rebate	- -	280,453	- -	- -	- -	- -	280,453	-
Forest fire claims	- -	- -	- -	- -	- -	116,673	116,673	-
Fines, forfeitures, and penalties	46,488	1,086	756	- -	20,472	274,664	343,467	3
Restitution recovery	- -	- -	- -	- -	- -	623,027	623,027	-
Court fines and fees	- -	- -	- -	- -	- -	846,926	846,926	-
Child support recoveries	- -	- -	- -	- -	- -	209,529	209,529	-
Workers' compensation assessment	- -	- -	- -	- -	- -	27,205	27,205	-
Other	2,947	142,533	60,265	199	- -	66,041	271,985	-
Gross receivables	73,971	1,192,308	120,584	137,592	25,751	2,611,231	4,161,436	268,492
Allowance for doubtful accounts	(44,726)	(40,122)	(3,382)	(44)	(20,436)	(1,490,387)	(1,599,097)	(530)
<b>Total receivables, net</b>	<b>\$ 29,245</b>	<b>\$ 1,152,185</b>	<b>\$ 117,202</b>	<b>\$ 137,548</b>	<b>\$ 5,315</b>	<b>\$ 1,120,844</b>	<b>\$ 2,562,339</b>	<b>\$ 267,962</b>

The allowance for doubtful accounts decreased for the Community Protection fund, a non-major governmental fund, due to a change in accounting methodology implemented by Oregon Judicial Department for calculating collected receivables against outstanding receivables throughout the fiscal year that more accurately represents how much will be collected in the following fiscal year. This change affects unavailable revenue for the Community Protection Fund and charges for services under the judicial function for governmental activities in the Statement of Activities.

**State of Oregon**  
**Notes to the Financial Statements**

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Receivables reported for business-type activities at June 30, 2025 (in thousands):

	Housing and Community Services	Veterans' Loan	Lottery Operations	Unemployment Compensation	Other	Total
<b>Business-type activities</b>						
General accounts	\$ 135	\$ -	\$ 41,506	\$ 409,623	\$ 266,617	\$ 717,880
Due from federal government	-	-	-	162	3,303	3,465
Interest	6,503	1,794	-	-	1,003	9,300
Mortgages	-	3	-	-	1,433	1,436
Benefit recoveries	-	-	-	185,155	3,722	188,876
Fines, forfeitures, and penalties	-	-	-	22,240	47,267	69,508
Other	-	6,124	4,867	-	458	11,449
Gross receivables	6,638	7,921	46,373	617,180	323,803	1,001,915
Allowance for doubtful accounts	-	-	(1,092)	(46,201)	(65,670)	(112,962)
<b>Total receivables, net</b>	<b>\$ 6,638</b>	<b>\$ 7,921</b>	<b>\$ 45,282</b>	<b>\$ 570,978</b>	<b>\$ 258,134</b>	<b>\$ 888,953</b>

Receivables reported for fiduciary funds at June 30, 2025 (in thousands):

	<u>Other</u>
<b>Fiduciary fund activities</b>	
General accounts	\$ 416
Benefit recoveries	1
Other	<u>838</u>
Gross receivables	1,255
Allowance for doubtful accounts	(410)
<b>Total receivables, net</b>	<b><u>\$ 844</u></b>

**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 3-20 years, and the ability to extend the lease varies by agreement. Generally, the agreements do not contain residual value guarantees or termination penalties. At June 30, 2025, there are no agreements with provisions for variable payments.

As of June 30, 2025, the total amount of lease-related revenues consisted of the following (in thousands):

Revenue Type	Amount
Lease revenue	\$ 2,220
Interest revenue	859
<b>Total</b>	<b><u>\$ 3,079</u></b>

There are no debt issuances for which the principal and interest payments are secured by these lease receipts as of June 30, 2025.

**State of Oregon**  
**Notes to the Financial Statements**

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**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, contain an option to extend for an additional five years, or as the lease starts to expire, the maximum term offered is 15 years, subject to certain conditions. The State does not provide preferential or exclusive use of the hangars to the counterparties under existing lease agreements.

As of June 30, 2025, the total amount of regulated lease-related revenues consisted of the following (in thousands):

<b>Revenue Type</b>	<b>Amount</b>
Lease revenue	\$ 266
Interest revenue	17
Other lease-related inflows	143
<b>Total</b>	<b>\$ 426</b>

Expected future minimum revenues for regulated leases as of June 30, 2025 (in thousands):

<b>Year Ending</b> <b>June 30,</b>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 216	\$ 14	\$ 230
2027	210	13	224
2028	213	14	227
2029	217	14	231
2030	184	12	196
2031-2035	822	52	875
2036-2040	641	41	682
2041-2045	305	19	324
2046-2050	121	8	129
2051-2055	134	9	142
2056-2060	148	9	157
2061-2065	163	10	173
2066-2070	35	2	37
<b>Total</b>	<b>\$ 3,408</b>	<b>\$ 218</b>	<b>\$ 3,625</b>

There are no debt issuances in which the principal and interest payments are secured by these lease receipts as of June 30, 2025.

**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, 2025 (in thousands):

	<b>General</b>	<b>Health and Social Services</b>	<b>Public Transportation</b>	<b>Educational Support</b>	<b>Common School</b>	<b>Other</b>	<b>Total</b>	<b>Internal Service</b>
<b>Governmental activities</b>								
General accounts	\$ 1,847,725	\$ 520,437	\$ 228,104	\$ 276,054	\$ 2,677	\$ 367,155	\$ 3,242,154	\$ 65,545
Interest	324	-	-	-	-	-	324	2,194
Broker payable	-	-	-	-	12,118	-	12,118	-
Pension-related debt	-	-	-	-	-	-	-	3,674
Loans	-	160,000	-	-	-	7,999	167,999	-
Contracts - retainage	-	-	-	-	-	-	-	537
<b>Total payables</b>	<b>\$ 1,848,049</b>	<b>\$ 680,437</b>	<b>\$ 228,104</b>	<b>\$ 276,054</b>	<b>\$ 14,795</b>	<b>\$ 375,154</b>	<b>\$ 3,422,595</b>	<b>\$ 71,950</b>

**State of Oregon**  
**Notes to the Financial Statements**

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Payables reported for business-type activities at June 30, 2025 (in thousands):

	Housing and Community Services	Veterans' Loan	Lottery Operations	Unemployment Compensation	Other	Total
<b>Business-type activities</b>						
General accounts	\$ 1,172	\$ 960	\$ 23,282	\$ 133,698	\$ 186,416	\$ 345,528
Interest	22,377	1,280	-	-	2,601	26,259
Pension-related debt	111	147	927	-	5,566	6,751
Contracts	-	-	-	-	606	606
<b>Total payables</b>	<b>\$ 23,660</b>	<b>\$ 2,388</b>	<b>\$ 24,209</b>	<b>\$ 133,698</b>	<b>\$ 195,190</b>	<b>\$ 379,145</b>

Payables reported for fiduciary funds at June 30, 2025 (in thousands):

	Pension and Other Employee Benefit Trust	Private Purpose Trust	Custodial Funds		
			External Investment Pools	Other	
<b>Fiduciary fund activities</b>					
General accounts	\$ 14,365	\$ 1,521	\$ 58	\$ 60	
Benefits payable	520,874	-	-	-	
Broker payable	1,282,470	-	25,188	-	
Investment fees	18,773	-	-	-	
Compensated absences	8,002	-	-	-	
Mortgages	-	549	-	-	
<b>Total payables</b>	<b>\$ 1,844,484</b>	<b>\$ 2,070</b>	<b>\$ 25,246</b>	<b>\$ 60</b>	

## 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 ended June 30, 2025, 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.

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Significant long-term liabilities of MUSL are prize annuities due, which are fully funded through investments in U.S. government securities. The schedule below presents the summarized financial activity of MUSL as of June 30, 2025 and 2024 (in thousands):

	<b>2025</b>	<b>2024</b>
Assets	<u>\$ 923,899</u>	<u>\$ 782,442</u>
Liabilities	\$ 855,888	\$ 719,604
Net assets <sup>1</sup> - unrestricted	<u>68,011</u>	<u>62,838</u>
<b>Total liabilities and net assets<sup>1</sup></b>	<b><u>\$ 923,899</u></b>	<b><u>\$ 782,442</u></b>
Revenue	\$ 40,627	\$ 45,604
Expenses	35,454	17,420
<b>Excess revenues over expenses</b>	<b><u>\$ 5,173</u></b>	<b><u>\$ 28,184</u></b>

<sup>1</sup> 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.

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, 2025 (in thousands):

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,134,117	\$ 12,129	\$ 3,924	\$ 2,142,322
Construction in progress	2,413,503	1,114,741	815,434	2,712,809
Works of art and other nondepreciable assets	2,728	20	-	2,747
<b>Total capital assets not being depreciated</b>	<b>4,550,347</b>	<b>1,126,890</b>	<b>819,359</b>	<b>4,857,878</b>
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	5,530,339	352,541	94,721	5,788,159
Infrastructure	17,088,400	827,251	84,643	17,831,008
<b>Total capital assets being depreciated</b>	<b>22,618,738</b>	<b>1,179,792</b>	<b>179,364</b>	<b>23,619,166</b>
<i>Right To Use assets being amortized:</i>				
Land	3,611	44	130	3,525
Building, property, and equipment	1,105,558	134,615	40,854	1,199,318
Infrastructure	4,798	-	-	4,798
Subscription-Based IT Assets	136,348	27,684	14,154	149,877
<b>Total Right To Use assets being amortized</b>	<b>1,250,314</b>	<b>162,344</b>	<b>55,139</b>	<b>1,357,519</b>
<i>Less accumulated depreciation for:</i>				
Buildings, property, and equipment	2,801,058	253,084	84,335	2,969,807
Infrastructure	7,243,081	377,032	84,611	7,535,502
<b>Total accumulated depreciation</b>	<b>10,044,139</b>	<b>630,116</b>	<b>168,946</b>	<b>10,505,310</b>
<i>Less accumulated amortization for Right To Use:</i>				
Land	797	393	130	1,060
Building, property, and equipment	286,091	101,959	25,727	362,323
Infrastructure	949	316	-	1,265
Subscription-Based IT Assets	42,564	31,089	11,284	62,369
<b>Total accumulated amortization</b>	<b>330,400</b>	<b>133,759</b>	<b>37,142</b>	<b>427,017</b>
<b>Total accumulated depreciation/amortization</b>	<b>10,374,539</b>	<b>763,875</b>	<b>206,088</b>	<b>10,932,327</b>
<b>Total capital assets being depreciated/amortized, net</b>	<b>13,494,513</b>	<b>578,261</b>	<b>28,415</b>	<b>14,044,358</b>
<b>Total capital assets, net</b>	<b>\$ 18,044,860</b>	<b>\$ 1,705,150</b>	<b>\$ 847,774</b>	<b>\$ 18,902,237</b>

**State of Oregon**  
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	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 49,811	\$ -	\$ -	\$ 49,811
Construction in progress	17,658	43,367	10,221	50,803
Works of art and other nondepreciable assets	794	1	13	782
Total capital assets not being depreciated	<u>68,263</u>	<u>43,368</u>	<u>10,234</u>	<u>101,397</u>
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	932,019	34,567	28,939	937,647
Infrastructure	3,606	-	-	3,606
Total capital assets being depreciated	<u>935,625</u>	<u>34,567</u>	<u>28,939</u>	<u>941,253</u>
<i>Right To Use assets being amortized:</i>				
Building, property, and equipment	8,198	2,036	211	10,023
Subscription-Based IT Assets	45,849	20,269	1,636	64,481
Total Right To Use assets being amortized	<u>54,047</u>	<u>22,305</u>	<u>1,847</u>	<u>74,505</u>
Less accumulated depreciation for:				
Buildings, property, and equipment	391,728	49,372	28,340	412,759
Infrastructure	1,445	95	-	1,540
Total accumulated depreciation	<u>393,173</u>	<u>49,467</u>	<u>28,340</u>	<u>414,299</u>
Less accumulated amortization for Right To Use:				
Building, property, and equipment	3,589	2,203	149	5,643
Subscription-Based IT Assets	15,694	12,917	1,540	27,071
Total accumulated amortization	<u>19,284</u>	<u>15,119</u>	<u>1,689</u>	<u>32,714</u>
Total accumulated depreciation/amortization	<u>412,456</u>	<u>64,586</u>	<u>30,029</u>	<u>447,013</u>
Total capital assets being depreciated/amortized, net	<u>577,216</u>	<u>(7,714)</u>	<u>757</u>	<u>568,745</u>
<b>Total capital assets, net</b>	<b>\$ 645,478</b>	<b>\$ 35,654</b>	<b>\$ 10,991</b>	<b>\$ 670,141</b>

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Fiduciary activities</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 944	\$ -	\$ -	\$ 944
Total capital assets not being depreciated	<u>944</u>	<u>-</u>	<u>-</u>	<u>944</u>
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	54,039	657	766	53,930
Total capital assets being depreciated	<u>54,039</u>	<u>657</u>	<u>766</u>	<u>53,930</u>
Less accumulated depreciation for:				
Buildings, property, and equipment	39,193	2,479	766	40,906
Total accumulated depreciation	<u>39,193</u>	<u>2,479</u>	<u>766</u>	<u>40,906</u>
Total capital assets being depreciated, net	<u>14,846</u>	<u>(1,822)</u>	<u>-</u>	<u>13,024</u>
<b>Total capital assets, net</b>	<b>\$ 15,790</b>	<b>\$ (1,822)</b>	<b>\$ -</b>	<b>\$ 13,968</b>

**State of Oregon**  
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**Depreciation and Amortization Expense**

Depreciation and amortization expense charged to functions of the primary government (in thousands):

<b>Governmental activities</b>	<b>Amount</b>
Education	\$ 5,616
Human services	112,342
Public safety	89,032
Economic and community development	8,928
Natural resources	25,750
Transportation	426,103
Consumer and business services	8,459
Administration	9,415
Legislative	2,099
Judicial	10,571
Subtotal	698,316
Internal service funds	65,559
<b>Total depreciation and amortization expense</b>	<b><u>\$ 763,875</u></b>

<b>Business-type activities</b>	<b>Amount</b>
Housing and Community Services	\$ 123
Veterans' Loan	212
Lottery Operations	39,345
Other business-type activities	24,906
<b>Total depreciation and amortization expense</b>	<b><u>\$ 64,586</u></b>

<b>Fiduciary activities</b>	<b>Amount</b>
Pension and Other Employee Benefit Trust	\$ 2,479
<b>Total depreciation and amortization expense</b>	<b><u>\$ 2,479</u></b>

**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, 2025 (in thousands):

<b>Project</b>	<b>Spent-to-Date</b>	<b>Remaining Commitment</b>	<b>Remaining Commitment Source of Funds</b>			
			<b>General</b>	<b>Federal</b>	<b>Lottery</b>	<b>Other</b>
Road and bridge construction	\$ 1,223,792	\$ 1,587,685	\$ -	\$ 781,957	\$ 225	\$ 805,503
Building improvement and maintenance	103,581	75,515	42	1,162	727	73,584
Correctional facility construction and upgrades	58,858	30,931	4,025	1,331	-	25,576
Natural resources facilities	2,247	1,251	-	276	548	427
Military facilities	88,447	49,337	322	40,596	-	8,420
Rural airports	3,122	1,721	-	1,549	-	172
Capitol building improvements	343,392	81,189	23,178	-	-	58,011
State hospital improvement	4,270	4,154	-	-	-	4,154
Veteran's Home improvement	2,661	1,136	-	-	-	1,136
<b>Total construction commitments</b>	<b>\$ 1,830,370</b>	<b>\$ 1,832,919</b>	<b>\$ 27,567</b>	<b>\$ 826,870</b>	<b>\$ 1,499</b>	<b>\$ 976,983</b>

**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,

**State of Oregon  
Notes to the Financial Statements**

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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):

<b>Governmental activities</b>	<b>Amount</b>
Education	\$ 2
Public safety	823
Natural resources	4,794
Transportation	361
Judicial	<u>130</u>
Subtotal	6,109
Internal service funds	<u>1,243</u>
<b>Total insurance recoveries</b>	<b><u>\$ 7,352</u></b>

**Business-type activities**

Lottery operations	\$ 18
State Hospital operation	<u>12</u>
<b>Total insurance recoveries</b>	<b><u>\$ 30</u></b>

***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**  
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Changes in capital assets for universities that are considered major component units are included below (in thousands):

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>University of Oregon</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 111,666	\$ 1,337	\$ 64	\$ 112,939
Construction in progress	151,841	321,721	85,250	388,312
Works of art and other nondepreciable assets	53,763	1,500	139	55,124
Total capital assets not being depreciated	<u>317,270</u>	<u>324,558</u>	<u>85,453</u>	<u>556,375</u>
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	3,196,195	96,648	8,376	3,284,467
Infrastructure	63,366	1,209	-	64,575
Total capital assets being depreciated	<u>3,259,561</u>	<u>97,857</u>	<u>8,376</u>	<u>3,349,042</u>
<i>Right To Use assets being amortized:</i>				
Land	55,535	1,192	4,913	51,814
Building, property, and equipment	2,000	1,049	291	2,758
Subscription-Based IT Assets	26,811	6,069	7,444	25,436
Total leased assets being amortized	<u>84,346</u>	<u>8,310</u>	<u>12,648</u>	<u>80,008</u>
Less accumulated depreciation for:				
Buildings, property, and equipment	1,218,421	101,718	7,131	1,313,008
Infrastructure	44,367	2,199	-	46,566
Total accumulated depreciation	<u>1,262,788</u>	<u>103,917</u>	<u>7,131</u>	<u>1,359,574</u>
Less accumulated amortization for Right to Use:				
Land	9,396	2,423	1,211	10,608
Buildings, property, and equipment	715	767	208	1,274
Subscription-Based IT Assets	10,815	5,560	1,823	14,552
Total accumulated amortization	<u>20,926</u>	<u>8,750</u>	<u>3,242</u>	<u>26,434</u>
Total accumulated depreciation/amortization	1,283,714	112,667	10,373	1,386,008
Total capital assets being depreciated/amortized, net	<u>2,060,193</u>	<u>(6,500)</u>	<u>10,651</u>	<u>2,043,042</u>
<b>Total capital assets, net</b>	<b><u>\$ 2,377,463</u></b>	<b><u>\$ 318,058</u></b>	<b><u>\$ 96,104</u></b>	<b><u>\$ 2,599,417</u></b>
 <b>Oregon State University</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 69,100	\$ 28,367	\$ 4,615	\$ 92,852
Construction in progress	361,329	236,228	343,085	254,472
Works of art and other nondepreciable assets	30,689	182	-	30,871
Total capital assets not being depreciated	<u>461,118</u>	<u>264,777</u>	<u>347,700</u>	<u>378,195</u>
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	2,835,107	280,116	13,566	3,101,657
Infrastructure	72,210	93,899	-	166,109
Total capital assets being depreciated	<u>2,907,317</u>	<u>374,015</u>	<u>13,566</u>	<u>3,267,766</u>
<i>Right To Use assets being amortized:</i>				
Land	50	-	-	50
Building, property, and equipment	17,599	668	606	17,661
Subscription-Based IT Assets	27,594	6,938	6,331	28,201
Total Right To Use assets being amortized	<u>45,243</u>	<u>7,606</u>	<u>6,937</u>	<u>45,912</u>
Less accumulated depreciation for:				
Buildings, property, and equipment	1,218,804	93,879	10,485	1,302,198
Infrastructure	37,074	5,051	2	42,123
Total accumulated depreciation	<u>1,255,878</u>	<u>98,930</u>	<u>10,487</u>	<u>1,344,321</u>
Less accumulated amortization for Right to Use:				
Land	32	8	-	40
Buildings, property, and equipment	7,854	2,335	439	9,751
Subscription-Based IT Assets	15,930	6,601	6,330	16,201
Total accumulated amortization	<u>23,816</u>	<u>8,944</u>	<u>6,769</u>	<u>25,992</u>
Total accumulated depreciation/amortization	1,279,694	107,874	17,256	1,370,313
Total capital assets being depreciated/amortized, net	<u>1,672,865</u>	<u>273,747</u>	<u>3,248</u>	<u>1,943,365</u>
<b>Total capital assets, net</b>	<b><u>\$ 2,133,983</u></b>	<b><u>\$ 538,524</u></b>	<b><u>\$ 350,948</u></b>	<b><u>\$ 2,321,560</u></b>

**State of Oregon**  
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	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Portland State University</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 69,220	\$ -	\$ -	\$ 69,220
Construction in progress	71,090	36,091	63,026	44,155
Works of art and other nondepreciable assets	5,336	205	63	5,478
Total capital assets not being depreciated	<u>145,646</u>	<u>36,296</u>	<u>63,089</u>	<u>118,853</u>
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	1,019,148	79,526	7,556	1,091,118
Infrastructure	33,139	207	-	33,346
Total capital assets being depreciated	<u>1,052,287</u>	<u>79,733</u>	<u>7,556</u>	<u>1,124,464</u>
<i>Right To Use assets being amortized:</i>				
Building, property, and equipment	16,219	-	666	15,553
Subscription-Based IT Assets	3,947	497	-	4,444
Total capital assets being amortized	<u>20,166</u>	<u>497</u>	<u>666</u>	<u>19,997</u>
<i>Less accumulated depreciation for:</i>				
Buildings, property, and equipment	554,660	29,760	7,017	577,403
Infrastructure	22,839	1,400	-	24,239
Total accumulated depreciation	<u>577,499</u>	<u>31,160</u>	<u>7,017</u>	<u>601,642</u>
<i>Less accumulated amortization for Right to Use:</i>				
Buildings, property, and equipment	7,975	1,982	611	9,346
Subscription-Based IT Assets	1,860	668	-	2,528
Total accumulated amortization	<u>9,835</u>	<u>2,650</u>	<u>611</u>	<u>11,874</u>
Total accumulated depreciation/amortization	<u>587,334</u>	<u>33,810</u>	<u>7,628</u>	<u>613,516</u>
Total capital assets being depreciated/amortized, net	<u>485,119</u>	<u>46,420</u>	<u>594</u>	<u>530,945</u>
<b>Total capital assets, net</b>	<b>\$ 630,765</b>	<b>\$ 82,716</b>	<b>\$ 63,683</b>	<b>\$ 649,798</b>

## **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% 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

**State of Oregon**  
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(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.

Debt service requirements for general obligation bonds as of June 30, 2025 (in thousands):

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal <sup>1</sup>	Interest	Principal <sup>2</sup>	Interest
2026	\$ 646,475	\$ 345,542	\$ 28,645	\$ 23,111
2027	676,740	317,477	29,590	22,123
2028	412,660	285,565	32,865	21,055
2029	417,115	268,703	32,890	19,966
2030	419,480	251,455	26,635	18,813
2031-2035	2,084,985	984,008	123,140	81,117
2036-2040	1,831,360	523,064	117,145	57,901
2041-2045	1,006,380	168,842	93,880	36,598
2046-2050	183,080	27,571	65,105	18,475
2051-2055	14,010	1,115	39,860	4,885
<b>Total</b>	<b>\$ 7,692,285</b>	<b>\$ 3,173,341</b>	<b>\$ 589,755</b>	<b>\$ 304,044</b>

<sup>1</sup> Includes \$499 million in pension bond debt.

<sup>2</sup> Includes a total of \$69.5 million of bonds with variable interest rates adjusted daily or weekly based on the rates determined by the remarketing agent, not to exceed 12%. The interest rates at the end of the fiscal year were 2.1% for \$19.7 million of these bonds, 3.6% for \$38.8 million, and 4% 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 (ODOT) 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 (OHCSD) 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 (OBDD) 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.

ORS 367.161 through 367.181 authorize the ODOT to issue grant anticipation revenue bonds for highway improvement projects, restoration, reconstruction or renovation of highway improvements and transportation projects. Grant anticipation revenue bonds have been issued for governmental activities and debt service payments for these bonds are funded by federal funds and moneys deposited in the State Highway Fund.

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Debt service requirements for revenue bonds as of June 30, 2025 (in thousands):

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal <sup>1</sup>	Interest
2026	\$ 253,106	\$ 166,110	\$ 64,765	\$ 47,220
2027	258,927	158,258	42,290	46,493
2028	252,699	148,688	42,150	45,226
2029	246,254	139,687	43,340	43,908
2030	251,415	131,369	44,520	42,501
2031-2035	1,258,790	512,375	231,225	189,016
2036-2040	977,298	260,843	229,700	148,173
2041-2045	543,935	57,854	207,485	109,749
2046-2050	22,085	1,780	200,185	67,500
2051-2055	-	-	129,865	18,277
2056-2060	-	-	3,195	100
<b>Total</b>	<b>\$ 4,064,508</b>	<b>\$ 1,576,963</b>	<b>\$ 1,238,720</b>	<b>\$ 758,162</b>

<sup>1</sup> Includes bonds with variable interest rates adjusted weekly based on the rates determined by the remarketing agent, not to exceed 12%. The interest rates at the end of the fiscal year were 1.9% for \$116.9 million of these bonds, 2% for \$48.6 million, and 4.4% 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, 2025 (in thousands):

Year ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 4,350	\$ 2,948
2027	4,485	2,810
2028	4,635	2,661
2029	4,795	2,503
2030	4,965	2,333
2031-2035	27,725	8,749
2036-2040	26,415	2,764
<b>Total</b>	<b>\$ 77,370</b>	<b>\$ 24,768</b>

**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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Debt service requirements for direct borrowings and direct placements as of June 30, 2025 (in thousands):

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 1,585	\$ 351	\$ 2,715	\$ 456
2027	84,865	19,130	1,870	410
2028	139,628	15,393	1,880	374
2029	51,462	1,506	1,935	338
2030	2,895	229	1,835	302
2031-2035	3,075	688	9,495	840
2036-2040	2,450	145	1,025	475
2041-2045	-	-	1,180	205
2046-2050	-	-	135	3
<b>Total</b>	<b>\$ 285,960</b>	<b>\$ 37,441</b>	<b>\$ 22,070</b>	<b>\$ 3,405</b>

**E. Changes in Long-Term Debt**

Changes in long-term debt for governmental activities for the year ended June 30, 2025 (in thousands):

	Beginning Balance	Additions <sup>1</sup>	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Bonds/certificates payable:					
General obligation bonds	\$ 7,082,365	\$ 1,443,900	\$ 833,980	\$ 7,692,285	\$ 646,475
Revenue bonds	3,852,903	1,198,516	986,911	4,064,508	253,106
Certificates of participation	81,590	-	4,220	77,370	4,350
Direct borrowings/placements payable	287,515	-	1,555	285,960	1,585
Adjusted by amounts:					
For issuance premiums	939,343	203,760	141,862	1,001,241	-
<b>Total</b>	<b>\$ 12,243,716</b>	<b>\$ 2,846,177</b>	<b>\$ 1,968,528</b>	<b>\$ 13,121,364</b>	<b>\$ 905,516</b>

<sup>1</sup> 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, 2025 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities</b>					
Bonds/certificates payable:					
General obligation bonds	\$ 572,670	\$ 65,060	\$ 47,975	\$ 589,755	\$ 28,645
Revenue bonds	1,120,835	284,190	166,305	1,238,720	64,765
Direct borrowings/placements payable	24,560	-	2,490	22,070	2,715
Adjusted by amounts:					
For issuance discounts	(15)	-	(1)	(14)	-
For issuance premiums	45,917	10,855	5,552	51,220	-
<b>Total</b>	<b>\$ 1,763,967</b>	<b>\$ 360,105</b>	<b>\$ 222,321</b>	<b>\$ 1,901,751</b>	<b>\$ 96,125</b>

**F. Debt Agreement Terms**

The OHCSD 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 OHCSD 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 OHCSD

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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% 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% of the bonds outstanding the trustee shall, declare via written notice to OHCSD that any principal and interest related to that bond is due and payable immediately.

OHCSD 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 OHCSD 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 OHCSD by the trustee, or written notice provided to OHCSD and the trustee by the owners of not less than 25% 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% 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 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%.

#### ***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, 2025 (dollars in thousands):

<b>Series</b>	<b>Outstanding</b>		<b>Expiration Date</b>	<b>Commitment Fee</b>	<b>Remarketing Agent</b>	<b>Remarketing Fee</b>
	<b>Amount</b>	<b>Liquidity Provider</b>				
95	\$ 19,755	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	4/8/2030	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	JPMorgan Chase Bank, N.A.	5/15/2029	0.2800%	JPMorgan Chase Bank, N.A.	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, 106C, and 110 (Series 95, 98B, 105B, 106C, and 110 SBPAs), U.S. Bank National Association and JPMorgan Chase Bank, will commit to purchase any Series 95, 98B, 105B, 106C, or 110 unmarketed bonds, subject to certain conditions set forth in the SBPAs.

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%, the federal funds rate plus 2%, the Securities Industry and Financial Markets Association (SIFMA) rate plus 1%, or 7% 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% for the time period covering 31 days up to 90 days; or at the bank's base rate plus 1.5% for the time period thereafter. If the tender advance is in default, interest would accrue at the bank's base rate plus 3%. Interest on tender advances must generally be repaid before the principal portion of a tender advance is

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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 unremarketed by the 91<sup>st</sup> 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 unremarketed bonds under the Series 95, 98B, 105B, 106C, and 110 SBPAs for fiscal year 2025. Therefore, no tender advances or draws were outstanding as of June 30, 2025.

**Oregon Housing and Community Services Department (OHCSD)**

Included in OHCSD's long-term debt is \$186.5 million in variable rate demand bonds. OHCSD'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.

OHCSD has entered into a standby bond purchase agreement (SBPA) with State Street Bank and Trust Company and 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%. 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, 2025.

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 <sup>1</sup> 2016 B	\$ 13,140	State Street Bank and Trust Company	1/26/2027	0.3000%	Bank of America Securities, Inc.	0.07%
MRB 2016 C	15,000	State Street Bank and Trust Company	1/26/2027	0.3000%	Bank of America Securities, Inc.	0.07%
MRB 2017 C	38,265	State Street Bank and Trust Company	1/26/2027	0.3300%	J.P. Morgan Securities, LLC	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%	<sup>2</sup>	0.07%
MRB 2024 D	41,000	Sumitomo Mitsui Banking Corporation	11/19/2029	0.3100%	Jeffries LLC	0.07%
MRB 2024 E	33,600	Sumitomo Mitsui Banking Corporation	11/19/2029	0.3100%	Jeffries LLC	0.07%

<sup>1</sup> Mortgage Revenue Bonds

<sup>2</sup> 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.

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OBDD has a balance of \$39.2 million as of June 30, 2025. 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, 2025. 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.

OHCSD has a balance of \$1.5 billion as of June 30, 2025. Bonds issued under the Housing Development Revenue Bond program are limited obligations of OHCS 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, 2025 (in thousands):

<b>Primary Government</b>	<b>Amount</b>
Oregon Business Development Department	\$ 39,225
Oregon Facilities Authority	1,867,594
Housing and Community Services Department	1,450,798
<b>Total no-commitment debt</b>	<b><u>\$ 3,357,617</u></b>

### ***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.

Current refunding issues that occurred between July 1, 2024, and June 30, 2025:

On July 8, 2024, the ODOT issued \$444.8 million in 2024 Series A revenue bonds with an average interest rate of 5%. These bonds refunded \$493 million of 2010 Series A revenue bonds with an average interest rate of 5.8%. The refunding resulted in an economic gain of 6.6 million.

On November 20, 2024, the OHCSD issued \$41 million in 2024 Series D Mortgage Revenue Bonds, which were used to refund all outstanding Mortgage Revenue Bonds 2018 Series E bonds, and \$33.6 million in 2024 Series E Mortgage Revenue Bonds, which were used to refund all outstanding Mortgage Revenue Bonds 2015 Series C bonds. All four series are variable rate demand bonds, so there was no economic gain or loss.

On April 29, 2025, the Oregon Department of Administrative Services on behalf of various agencies issued \$100.2 million in 2025 Series A general obligation bonds with an average interest rate of 5%. These bonds refunded \$106.8 million of various series outstanding general obligation bonds with an average interest rate of 5%. The refunding resulted in an economic gain of \$7.2 million.

On May 6, 2025, the Oregon Department of Administrative Services on behalf of various agencies issued \$216.4 million in 2025 Series A revenue bonds with an average interest rate of 5%. These bonds refunded

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\$256.4 million of various series outstanding revenue bonds with an average interest rate of 5%. The refunding resulted in an economic gain of \$11.2 million.

On May 7, 2025, the Oregon Department of Administrative Services on behalf of various agencies issued \$112.8 million in 2025 Series F and G general obligation bonds with an average interest rate of 5%. These bonds refunded \$121 million of various series outstanding general obligation bonds with an average interest rate of 4.6%. The refunding resulted in an economic gain of \$7.4 million.

On May 22, 2025, the Oregon Department of Veterans' Affairs issued \$49.7 million in 2025 Series H and I general obligation bonds with an average interest rate of 5%. These bonds refunded \$11.1 million of various series outstanding general obligation bonds with an average interest rate of 4.3%. The refunding resulted in an economic loss 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, 2025, \$236.3 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.

Short-term debt activity for the year ended June 30, 2025 (in thousands):

	<b>Beginning Balance</b>		<b>Additions</b>		<b>Deductions</b>		<b>Ending Balance</b>
<b>Governmental activities</b>							
Military treasury loan	\$ 4,000	\$ 18,000	\$ 14,001	\$ 7,999			
Health Authority treasury loan	-	160,000	-	160,000			
<b>Total short-term debt activity</b>	<b>\$ 4,000</b>	<b>\$ 178,000</b>	<b>\$ 14,001</b>	<b>\$ 167,999</b>			

***B. Changes in Other Long-Term Liabilities***

Changes in other long-term liabilities for governmental activities for the year ended June 30, 2025 (in thousands):

	<b>Beginning Balance</b>		<b>Additions</b>		<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental activities</b>							
Compensated absences payable <sup>1,2</sup>	\$ 741,386	\$ 80,764	\$ -	\$ 822,150	\$ 246,702		
Claims and judgments payable	1,408,497	267,357	223,757	1,452,096	198,616		
Arbitrage rebate payable	21,400	36,760	2,706	55,454	8,313		
Deposit liabilities	375,034	11,610,517	11,491,836	493,715	135,142		
Lease obligations	868,048	115,922	98,103	885,867	104,936		
SBITA obligations	65,544	18,488	21,193	62,840	15,407		
Pollution remediation obligation	50,124	31,813	7,016	74,920	13,514		
Contracts, mortgages, and notes payable	125,950	167,850	59,009	234,791	192,992		
<b>Total other long-term liabilities</b>	<b>\$ 3,655,984</b>	<b>\$ 12,329,471</b>	<b>\$ 11,903,620</b>	<b>\$ 4,081,834</b>	<b>\$ 915,621</b>		

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<sup>1</sup> The difference between the beginning balance and ending balance is reported as the net change.

<sup>2</sup> Beginning balances have been restated due to the implementation of GASB Statement 101, Compensated Absences.

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 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, Business Development Fund, and the Educational Support Fund. The deposit liabilities are expected to be primarily liquidated by the Common School Fund and the Health and Social Services 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 Health and Social 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, 2025 (in thousands):

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Business-type activities</b>					
Compensated absences payable <sup>1,2</sup>	\$ 50,805	\$ 5,975	\$ -	\$ 56,781	\$ 17,216
Claims and judgments payable	894	851	894	851	851
Lottery prize awards payable	139,960	275,358	278,289	137,029	42,883
Arbitrage rebate payable	14,492	8,974	719	22,748	-
Deposit liabilities	29,005	16,517	18,890	26,632	5,172
Lease obligations	5,156	2,036	2,230	4,962	2,138
SBITA obligations	14,462	9,721	10,352	13,831	7,686
Contracts, mortgages, and notes payable	11,847	464	4,954	7,358	2,662
<b>Total other long-term liabilities</b>	<b>\$ 266,623</b>	<b>\$ 319,896</b>	<b>\$ 316,328</b>	<b>\$ 270,192</b>	<b>\$ 78,607</b>

<sup>1</sup> The difference between the beginning balance and ending balance is reported as the net change.

<sup>2</sup> Beginning balances have been restated due to the implementation of GASB Statement 101, Compensated Absences.

Changes in other long-term liabilities for fiduciary fund activities for the year ended June 30, 2025 (in thousands):

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Fiduciary fund activities</b>					
Deposit liabilities	\$ 140,151	\$ 16,115,072	\$ 16,112,022	\$ 143,201	\$ 143,201
Contracts, mortgages, and notes payable	570	-	21	549	21
<b>Total other long-term liabilities</b>	<b>\$ 140,721</b>	<b>\$ 16,115,072</b>	<b>\$ 16,112,043</b>	<b>\$ 143,750</b>	<b>\$ 143,222</b>

#### **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, 2025, the State recognized expenses for variable payments of \$1.6 million, residual value guarantees of \$63 thousand, and termination penalties of \$29 thousand. Additionally, there were no impairment losses

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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, 2025 (in thousands):

<b>Year Ending June 30,</b>	<b>Governmental Activities</b>			<b>Total</b>
	<b>Principal</b>	<b>Interest</b>		
2026	\$ 104,936	\$ 20,832	\$ 125,768	
2027	83,603	18,129		101,732
2028	78,016	16,209		94,224
2029	70,177	13,318		83,494
2030	63,846	11,851		75,697
2031-2035	221,386	42,214		263,600
2036-2040	130,631	21,294		151,925
2041-2045	58,584	8,784		67,368
2046-2050	20,348	4,950		25,299
2051-2055	16,023	3,506		19,529
2056-2060	17,228	2,301		19,529
2061-2065	18,523	1,006		19,529
2066-2070	2,566	37		2,604
<b>Total</b>	<b>\$ 885,867</b>	<b>\$ 164,432</b>		<b>\$ 1,050,299</b>

<b>Year Ending June 30,</b>	<b>Business-type Activities</b>			<b>Total</b>
	<b>Principal</b>	<b>Interest</b>		
2026	\$ 2,138	\$ 108	\$ 2,245	
2027	865	67		932
2028	534	49		582
2029	423	35		458
2030	234	24		258
2031-2035	549	55		604
2036-2040	157	17		174
2041-2045	62	1		64
<b>Total</b>	<b>\$ 4,962</b>	<b>\$ 355</b>		<b>\$ 5,317</b>

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, 2025 (in thousands):

<b>Source of funding</b>	<b>Amount</b>
General Fund	\$ 46,548
Federal Funds	21,088
Other Funds	8
<b>Total</b>	<b>\$ 67,645</b>

**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, 2025, there were \$5 thousand of variable payments and no termination penalties. Additionally, there were no impairment losses associated with SBITA obligations.

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Principal and interest requirements for leases as of June 30, 2025 (in thousands):

<b>Year Ending June 30,</b>	<b>Governmental Activities</b>			<b>Total</b>
	<b>Principal</b>	<b>Interest</b>		
2026	\$ 15,407	\$ 1,775	\$ 17,181	
2027	12,367	1,389	13,756	
2028	10,050	1,087	11,136	
2029	6,951	727	7,678	
2030	5,945	530	6,474	
2031-2035	12,122	536	12,658	
<b>Total</b>	<b>\$ 62,840</b>	<b>\$ 6,044</b>	<b>\$ 68,883</b>	

<b>Year Ending June 30,</b>	<b>Business-type Activities</b>			<b>Total</b>
	<b>Principal</b>	<b>Interest</b>		
2026	\$ 7,686	\$ 363	\$ 8,049	
2027	3,243	178	3,421	
2028	1,179	93	1,272	
2029	1,071	51	1,122	
2030	627	17	644	
2031-2035	25	1	26	
<b>Total</b>	<b>\$ 13,831</b>	<b>\$ 703</b>	<b>\$ 14,534</b>	

Refer to Note 6 for information about the right to use assets associated with these SBITA obligations.

There were commitments before the commencement of the SBITA term as described in the following table for the fiscal year ended June 30, 2025 (in thousands):

<b>Source of funding</b>	<b>Amount</b>
Other Funds	\$ 1,407

***E. Contracts, Mortgages, and Notes Payable***

Debt service requirements for contracts, mortgages, and notes payable as of June 30, 2025 (in thousands):

<b>Year ending June 30,</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Fiduciary Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 192,992	\$ 3,985	\$ 2,662	\$ 446	\$ 21	\$ 25
2027	28,181	2,287	3,047	259	27	24
2028	13,619	470	1,574	59	29	23
2029	-	-	74	1	30	21
2030	-	-	-	-	31	20
2031-2035	-	-	-	-	178	77
2036-2040	-	-	-	-	225	33
2041-2045	-	-	-	-	8	-
<b>Total</b>	<b>\$ 234,791</b>	<b>\$ 6,742</b>	<b>\$ 7,358</b>	<b>\$ 765</b>	<b>\$ 549</b>	<b>\$ 223</b>

Refer to Note 4 for additional information on the purpose of these balances.

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**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.

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):

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>University of Oregon</b>					
Higher Education Coordinating Commission Loans	\$ 390,716	\$ -	\$ 23,901	\$ 366,815	\$ 23,548
Oregon Department of Energy Loans (SELP)	23,222	-	2,586	20,636	2,694
<b>Advances from primary government</b>	<u>\$ 413,938</u>	<u>\$ -</u>	<u>\$ 26,487</u>	<u>387,451</u>	<u>26,242</u>
Other current liabilities owed to primary government				8,489	8,489
<b>Total</b>				<u>\$ 395,940</u>	<u>\$ 34,731</u>

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Oregon State University</b>					
Higher Education Coordinating Commission Loans	\$ 277,840	\$ 12,540	\$ 31,027	\$ 259,353	\$ 18,237
Oregon Department of Energy Loans (SELP)	7,408	-	877	6,531	907
<b>Advances from primary government</b>	<u>\$ 285,248</u>	<u>\$ 12,540</u>	<u>\$ 31,904</u>	<u>265,884</u>	<u>19,145</u>
Other current liabilities owed to primary government				6,011	6,011
<b>Total</b>				<u>\$ 271,895</u>	<u>\$ 25,156</u>

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Portland State University</b>					
Higher Education Coordinating Commission Loans	\$ 138,639	\$ 23,250	\$ 12,299	\$ 149,590	\$ 12,321
Oregon Department of Energy Loans (SELP)	19,010	-	2,675	16,335	2,787
<b>Advances from primary government</b>	<u>\$ 157,649</u>	<u>\$ 23,250</u>	<u>\$ 14,974</u>	<u>165,925</u>	<u>15,108</u>
Other current liabilities owed to primary government				2,965	2,965
<b>Total</b>				<u>\$ 168,890</u>	<u>\$ 18,074</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-clean up 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, 2025, the State recognized an estimated liability of \$74.9 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, 2025.

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, 2025, 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 \$1.5 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 2045. Total principal and interest remaining to be paid on the bonds is \$2.1 billion. In fiscal year 2026, principal and interest payments on the bonds are expected to require approximately 21.5% of pledged revenue. Principal and interest paid for the current year and total pledged revenues recognized were \$175.5 million and \$896.7 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 \$2.4 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 \$3.3 billion. Fiscal year 2026 principal and interest payments on the bonds are expected to require approximately 24.8% of pledged revenues. Principal and interest paid for the current year and total pledged revenues recognized were \$202.4 million and \$844.7 million, respectively.

### ***C. Grant Anticipation Revenue Vehicle (GARVEE) Bonds***

The State has pledged future federal reimbursements and a state match using revenue from the State Highway Fund to repay \$218.6 million of grant anticipation revenue vehicle (GARVEE) bonds. Revenue in the State Highway Fund primarily consists of gas and diesel taxes, weight mile taxes, truck and vehicle registration, and licensing fees. These bonds issued under the GARVEE program are used to fund construction of curb ramps across the State, consistent with a 2016 settlement to bring curb ramps on Oregon Department of Transportation facilities into compliance with the Americans with Disabilities Act of 1990. The outstanding bonds are payable solely from the total pledged revenues and are payable through May 2039. Fiscal year 2026 principal and interest payments on the bonds are expected to require less than 4.6% of pledged revenues. The total principal and interest remaining to be paid on the bonds is \$309.1 million. Principal and interest paid for the current year and total estimated pledged revenues were \$22 million and \$478 million, respectively.

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## 11. INTERFUND TRANSACTIONS

Interfund balances reported in the fund financial statements as of June 30, 2025 (in thousands):

Due to Other Funds	Due from Other Funds							Nonmajor Governmental Funds
	General	Health and Social Services	Public Transportation	Educational Support	Common School	2	\$	
General	\$ -	\$ 234,573	\$ 6,256	\$ 67,357	\$ -	2	\$ 99,767	
Health and Social Services	361,102	-	288	6,041	-	-	3,610	
Public Transportation	79	-	-	-	-	-	22,213	
Educational Support	853	-	-	-	-	-	1	
Common School	-	-	-	-	-	-	574	
Nonmajor Governmental Funds	25,032	1,675	7,052	70	88	-	34,534	
Housing and Community Services	-	-	-	-	-	-	168	
Veterans' Loan	3	-	-	-	-	-	-	
Lottery Operations	236,405	-	-	-	-	-	199	
Unemployment Compensation	-	-	-	-	-	-	2,005	
Nonmajor Enterprise Funds	121,170	1,333	-	-	-	-	739	
Internal Service Funds	70,943	-	-	-	-	-	17,812	
Pension and Other Employee Benefit Trust	-	-	-	-	-	-	-	
Private Purpose Trust	-	-	-	-	-	-	-	
Other Custodial	-	-	-	-	-	132	-	1
<b>Total</b>	<b>\$ 815,588</b>	<b>\$ 237,581</b>	<b>\$ 13,595</b>	<b>\$ 73,469</b>	<b>\$ 222</b>	<b>\$ 181,622</b>		

### Advances to Other Funds

Advances from Other Funds	Non-Major Governmental Funds			Total
	Common School			
Nonmajor Governmental Funds	\$ 300	\$ 847	\$ 1,147	
<b>Total</b>	<b>\$ 300</b>	<b>\$ 847</b>	<b>\$ 1,147</b>	

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	\$ -	\$ -	\$ 8,645	\$ 8,043	\$ -	\$ -	\$ -	\$ 424,647
-	-	-	80,182	2,400	-	-	-	453,623
-	-	-	-	1,073	-	-	-	23,365
-	-	-	-	101	-	-	-	955
-	-	-	-	7	-	-	-	581
152	-	-	198	5,099	-	-	28	73,928
-	-	-	-	-	-	-	-	168
-	-	-	-	-	-	-	-	3
-	-	-	-	-	-	-	-	236,604
-	-	-	60	-	-	69	35	2,170
-	243	99	597	1,233	90	256	-	125,760
-	-	-	8	653	-	-	-	89,416
-	-	-	-	-	16,369	-	-	16,369
-	14	-	-	-	-	-	-	14
-	-	-	-	-	-	-	-	132
\$ 155	\$ 258	\$ 99	\$ 89,690	\$ 18,609	\$ 16,459	\$ 326	\$ 63	\$ 1,447,735

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Interfund transfers reported in the fund financial statements as of June 30, 2025 (in thousands):

Transfers to Other Funds	Transfers from Other Funds						Nonmajor Governmental Funds
	General	Health and Social Services	Public Transportation	Educational Support	Common School		
General	\$ -	\$ 396,335	\$ 167,372	\$ 657,964	\$ 212	\$ 680,519	
Health and Social Services	186,091	-	1,737	23,993	-	46,265	
Public Transportation	772	-	-	-	-	332,767	
Educational Support	997,165	-	-	-	-	4,777	
Common School	153,906	-	-	-	-	4,436	
Nonmajor Governmental Funds	99,226	157,785	3,457	24,353	3,001	421,577	
Housing and Community Services	-	-	-	-	-	438	
Veterans' Loan	-	-	-	-	-	232	
Lottery Operations	896,614	-	-	-	-	2,432	
Nonmajor Enterprise Funds	185,012	7,954	-	-	-	25,686	
Internal Service Funds	7,028	674	-	4,711	-	30,202	
<b>Total</b>	<b>\$ 2,525,815</b>	<b>\$ 562,747</b>	<b>\$ 172,566</b>	<b>\$ 711,021</b>	<b>\$ 3,214</b>	<b>\$ 1,549,331</b>	

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.

The Residential Assistance Fund received \$242.2 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.

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**Transfers from Other Funds (continued)**

Veterans' Loan	Nonmajor Enterprise Funds	Internal Service Funds	Total
\$	-	\$ 557,692	\$ 374
		38,776	296,903
	-	-	333,540
	-	813	1,002,754
	-	7,501	165,843
	7,884	434	717,718
	-	-	438
	-	-	232
	-	-	899,046
739	4,303	1,507	225,201
	-	621	43,235
\$	739	\$ 609,277	\$ 10,671
			\$ 6,145,380

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## 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 (OHCSD) to issue revenue bonds to finance single-family mortgage loans and multi-family housing projects. Article XI-I (2) of the Oregon Constitution authorized OHCSD 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 OHCSD's various bond funds for the year ended June 30, 2025 (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
<b>Assets:</b>					
Interfund receivables	\$ 144	\$ 38	\$ -	\$ -	\$ 104
Other current assets	245,804	41,825	130,947	3,369	5,678
Capital assets	-	-	-	-	16
Other noncurrent assets	183,520	51,020	1,196,441	55,187	102,298
Total assets	429,468	92,882	1,327,388	58,555	108,096
Deferred outflows of resources	872	426	218	32	335
<b>Liabilities:</b>					
Interfund payables	614	-	5	-	15
Other current liabilities	12,632	395	81,158	1,111	1,707
Noncurrent liabilities	78,514	1,197	1,118,279	17,027	17,586
Total liabilities	91,760	1,592	1,199,442	18,138	19,309
Deferred inflows of resources	185	90	19,531	175	271
<b>Net position:</b>					
Invested in capital assets, net of related debt	-	-	-	-	1
Restricted-Expendable	3,683	27	108,633	40,275	88,218
Unrestricted	334,713	91,600	-	-	631
<b>Total net position</b>	<b>\$ 338,396</b>	<b>\$ 91,626</b>	<b>\$ 108,633</b>	<b>\$ 40,275</b>	<b>\$ 88,850</b>

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
<b>Operating activities:</b>					
Loan interest income	\$ 5,973	\$ 471	\$ 39,740	\$ 1,444	\$ 1,999
Other operating revenue	1	-	2,125	-	116
Depreciation and amortization	-	-	-	-	7
Other operating expenses	7,193	3,709	45,392	910	1,567
Operating income (loss)	(1,218)	(3,238)	(3,527)	534	541
Total nonoperating revenues (expenses)	10,653	1,852	10,281	1,565	3,429
Transfers from other funds	2,495	1,135	105	-	-
Transfers to other funds	(9,364)	(1,300)	(2,000)	-	(32)
Change in net position	2,566	(1,551)	4,859	2,099	3,938
Beginning net position, as restated	335,830	93,177	103,774	38,176	84,912
<b>Ending net position</b>	<b>\$ 338,396</b>	<b>\$ 91,626</b>	<b>\$ 108,633</b>	<b>\$ 40,275</b>	<b>\$ 88,850</b>

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Condensed statement of cash flows	Special Public Works Fund	Water/ Wastewater Financing Fund	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Elderly and Disabled Housing Fund
Net cash provided (used) by:					
Operating activities	\$ (6,292)	\$ (3,974)	\$ 21,816	\$ 3,086	\$ 2,903
Noncapital financing activities	10,249	3,828	63,291	(1,507)	(2,039)
Capital and related financing activities	(3)	(48)	-	-	(8)
Investing activities	(6,400)	(168)	(57,678)	1,571	3,417
Net increase (decrease)	(2,446)	(362)	27,428	3,150	4,273
Beginning cash and cash equivalents	208,981	38,708	165,529	29,081	67,167
Ending cash and cash equivalents	\$ 206,536	\$ 38,346	\$ 192,958	\$ 32,231	\$ 71,441

## 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 (including community colleges and school districts), and public universities. 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 all Oregon public schools, charter schools, community colleges, state universities, and state agencies is optional, but irrevocable if elected. As of June 30, 2025, there were 907 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, 2025, Tier One was comprised of 6,496 active plan members, 126,515 inactive plan members or their beneficiaries currently receiving benefits, and 6,104 inactive plan members entitled to but not yet receiving benefits, for a total of 139,115 members. For Tier Two, as of June 30, 2025, there were 21,797 active plan members, 26,029 inactive plan members or their beneficiaries currently receiving benefits, and 11,726 inactive plan members entitled to but not yet receiving benefits, for a total of 59,552 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, 2025, there were 169,965 active plan members, 16,108 inactive plan members or their beneficiaries currently receiving benefits, 11,738 inactive plan members entitled to but not yet receiving benefits, and 25,456 inactive plan members not eligible for refund or retirement, for a total of 223,267 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 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.

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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 2025, if the member earns more than \$3,777 per month, 0.75% for OPSRP members and 2.5% 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% 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 \$238,567 as of January 1, 2025, 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. In 2019 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, 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% for all benefit recipients.

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**OPSRP**

The pension portion of OPSRP provides a life pension funded by employer contributions and earnings. For police and fire employees, 1.8% 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. Under House Bill (HB) 4045, passed during the 2024 legislative session and effective January 1, 2025, normal retirement age for Police and Fire members is lowered to age 55 or age 53 with 25 years of retirement credit. For general service employees, 1.5% 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 2020. The limit was equal to \$238,567 as of January 1, 2025, 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% 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% of the member's salary determined as of the last full month of employment before the disability occurred. Under Senate Bill (SB) 588, passed during the 2025 legislative session and effective May 27, 2025, the legislature expanded and clarified the conditions by which an OPSRP disability benefit under ORS 238A.235 will cease being paid. Under ORS 238A.210, monthly benefits are adjusted annually through COLA starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2%.

**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. SB 852, passed in the 2025 legislative session and effective on January 1, 2026, mandates that any remaining IAP balance will be paid out to beneficiaries in a lump-sum.

***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% 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:

<b>Tier One - Tier Two</b>		<b>OPSRP Employer Rates</b>	
General Service	Police and Fire	General Service	Police and Fire
21.78%	28.43%	18.28%	23.07%

State agencies' employer contributions to PERS for the fiscal year ended June 30, 2025, totaled \$834.7 million. Member contributions paid by the State on behalf of employees for the year ended June 30, 2025, were \$2.6 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.

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**D. Net Pension Liability**

At June 30, 2025, the State reported a liability of \$6 billion for its proportionate share of the net pension liability for the primary government and \$1.9 billion for component units. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. 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, 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, 2024, measurement date (MD), the primary government's proportionate share, excluding those component units, was 27% which is 1.6 percentage points lower than the proportion of 28.6% at the prior measurement date of June 30, 2023. The component units proportionate share was 8.7%. 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, 2025, the primary government recognized pension expenses of \$1.1 billion, and component units recognized \$339.6 million. At June 30, 2025, 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	\$ 355,139	\$ 14,308	\$ 114,538	\$ 4,615
Changes in assumptions	602,723	772	194,389	250
Net difference between projected and actual earnings on investments	380,840	-	122,827	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	434,685	491,455	162,726	205,785
Total (prior to post-MD contributions)	1,773,388	506,534	594,480	210,651
Net deferred outflow/(inflow) of resources before contributions subsequent to MD	-	1,266,853	-	383,830
Contributions subsequent to the MD	834,745	N/A	220,281	N/A
<b>Net deferred outflow/(inflow) of resources</b>	<b>\$ 2,101,598</b>		<b>\$ 604,110</b>	

The \$834.7 million reported as deferred outflows of resources related to pensions resulting from State contributions subsequent to the measurement date for the primary government and \$220.3 million for component units will be recognized as a decrease to the net pension liability in the year ended June 30, 2026.

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	Component Unit
	Amount	Amount
2026	\$ 54,304	\$ 4,139
2027	691,744	212,749
2028	346,109	107,080
2029	151,216	50,919
2030	23,480	8,943
	<b>\$ 1,266,853</b>	<b>\$ 383,830</b>

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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	
<b>Deferred Outflows:</b>							
Difference between expected and actual economic experience	\$ 320,996	\$ 611	\$ 318	\$ 4,015	\$ 29,199	\$ 34,143	\$ 355,139
Changes in assumptions	544,777	1,037	540	6,814	49,555	57,946	602,723
Net difference between projected and actual earnings on investments	344,226	655	341	4,306	31,312	36,614	380,840
Changes in proportion and differences between employer contributions and proportionate share of contributions	392,788	750	390	4,927	35,830	41,898	434,685
Contributions subsequent to the MD	752,151	1,661	830	9,184	70,919	82,593	834,745
<b>Total deferred outflows related to pensions</b>	<b>\$ 2,354,938</b>	<b>\$ 4,713</b>	<b>\$ 2,419</b>	<b>\$ 29,246</b>	<b>\$ 216,816</b>	<b>\$ 253,195</b>	<b>\$ 2,608,132</b>
<b>Deferred Inflows:</b>							
Difference between expected and actual economic experience	\$ 12,932	\$ 25	\$ 13	\$ 162	\$ 1,176	\$ 1,376	\$ 14,308
Changes in assumptions	698	1	1	9	63	74	772
Changes in proportion and differences between employer contributions and proportionate share of contributions	444,309	844	439	5,544	40,319	47,146	491,455
<b>Total deferred inflows related to pensions</b>	<b>\$ 457,939</b>	<b>\$ 870</b>	<b>\$ 453</b>	<b>\$ 5,715</b>	<b>\$ 41,558</b>	<b>\$ 48,595</b>	<b>\$ 506,534</b>

#### Actuarial Assumptions

The following methods and assumptions were used in the development of the total pension liability:

Valuation date	December 31, 2022
Experience study report	2022, published July 24, 2023
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.4%
Long-term expected rate of return	6.9%
Discount rate	6.9%
Projected salary increases	3.4%
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25% / 0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	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. 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. 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.

In January 2023, the PERS Board sought to develop an analytical basis for selecting the long-term expected rate of return assumptions. The 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.

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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:

<b>Asset Class</b>	<b>Compound Annual Return</b>	
	<b>Target</b>	<b>(Geometric)</b>
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 adjustments for the inflation assumption. These assumptions are not based on historical returns; instead, they are based on a forward-looking capital market economic model.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.9% 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 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 6.9%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.9%) or one percent higher (7.9%) than the current rate (in millions):

<b>Net Pension Liability</b>	<b>Primary Government</b>			<b>Component Units</b>		
	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>(5.9%)</b>	<b>(6.9%)</b>	<b>(7.9%)</b>	<b>(5.9%)</b>	<b>(6.9%)</b>	<b>(7.9%)</b>
Defined Benefit Pension Plan	\$ 9,456.6	\$ 5,994.8	\$ 3,095.4	\$ 3,049.9	\$ 1,933.4	\$ 998.3

**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 6.9% in fiscal year 2025. 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 balances as of June 30, 2025, for the State, as the primary government, is \$70.5 million, and \$20.3 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, 2025, the following employees were covered by the benefit terms:

	<b>RHIA</b>	<b>RHIPA</b>
Inactive employees or beneficiaries currently receiving benefit payments	37,765	379
Inactive employees entitled to but not yet receiving benefit payments	10,307	-
Active employees	<u>28,088</u>	<u>8,011</u>
	<u><u>76,160</u></u>	<u><u>8,390</u></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 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>

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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:

<b>RHIA</b>		<b>RHIPA</b>	
Tier 1 - Tier 2	OPSRP	Tier 1 - Tier 2	OPSRP
0%	0%	0%	0%

State agencies made no employer contributions to PERS for RHIA and RHIPA for the fiscal year ended June 30, 2025, while component units contributed negative \$6 thousand and \$15 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, 2025, the primary government reported an asset of \$102.4 million for its proportionate share of the net OPEB asset. Component units reported an asset of \$32.9 million. The net OPEB asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. The State's (employer's) allocation percentage of the net OPEB asset is based on the ratio of each employer's valuation payroll to the Plan's total valuation payroll during the measurement period. 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, 2024, measurement date (MD), the State's proportion, excluding those component units, was 25.4%, which is 4.1 percentage points lower than the proportion of 29.5% at the prior measurement date of June 30, 2023. Component units comprised 7.4% 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, 2025, the primary government and component units recognized OPEB expense of negative \$4.1 million and negative \$1.1 million, respectively. At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	<b>Primary Government</b>		<b>Component Units</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	2,003	\$ -	643
Change in assumptions	-	1,295	302	413
Net difference between projected and actual earnings on investments	2,891	-	1,243	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,663	312	1,250	68
Total (prior to post-MD contributions)	<u>10,554</u>	<u>3,609</u>	<u>2,795</u>	<u>1,125</u>
Net deferred outflow/(inflow) of resources before contributions subsequent to MD	-	6,945	-	1,670
Contributions subsequent to the MD	-	N/A	(6)	N/A
<b>Net deferred outflow/(inflow) of resources</b>	<b>\$ 6,945</b>		<b>\$ 1,665</b>	

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The negative \$6 thousand reported as deferred outflows of resources related to OPEB resulting from component units' contributions subsequent to the measurement date will be recognized as a decrease to the net OPEB asset in the year ended June 30, 2026. 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):

<b>Fiscal Year</b>	<b>Primary Government</b>	<b>Component Units</b>
2026	\$ 851	\$ (218)
2027	4,196	1,277
2028	1,564	504
2029	334	107
	<b>\$ 6,945</b>	<b>\$ 1,670</b>

Deferred outflows and inflows of resources related to OPEB are reported as follows (in thousands):

<b>Deferred Outflows and Deferred Inflows</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>						<b>Total Primary Government</b>
		<b>Housing and Community Services</b>		<b>Veterans' Loan</b>	<b>Lottery Operations</b>	<b>Other</b>	<b>Total</b>	
		<b>4</b>	<b>3</b>	<b>41</b>	<b>128</b>	<b>176</b>		
Deferred Outflows:								
Net difference between projected and actual earnings on investments	\$ 2,715	\$ 4	\$ 3	\$ 41	\$ 128	\$ 176	\$ 2,891	
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,315	8	7	81	253	349		7,663
<b>Total deferred outflows related to OPEB</b>	<b>\$ 10,030</b>	<b>\$ 12</b>	<b>\$ 10</b>	<b>\$ 123</b>	<b>\$ 380</b>	<b>\$ 525</b>		<b>\$ 10,554</b>
Deferred Inflows:								
Differences between expected and actual experience	\$ 1,881	\$ 3	\$ 2	\$ 28	\$ 88	\$ 122	\$ 2,003	
Change in assumptions	1,216	2	2	18	57	79		1,295
Changes in proportion and differences between employer contributions and proportionate share of contributions	305	-	-	1	5	6		312
<b>Total deferred inflows related to OPEB</b>	<b>\$ 3,403</b>	<b>\$ 5</b>	<b>\$ 4</b>	<b>\$ 48</b>	<b>\$ 150</b>	<b>\$ 207</b>		<b>\$ 3,609</b>

**RHIPA**

At June 30, 2025, the primary government and component units reported net OPEB assets of \$41.1 million and \$10.2 million, respectively. The net OPEB asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 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 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, 2025, the primary government and component units recognized OPEB expense of negative \$7.2 million and negative \$1.4 million, respectively.

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At June 30, 2025, 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	\$ -	\$ 8,067	\$ -	\$ 2,006
Change in assumptions	319	7,111	79	1,768
Net difference between projected and actual earnings on investments	1,511	-	376	4
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	27	228
Total (prior to post-MD contributions)	1,829	15,178	482	4,006
Net deferred outflow/(inflow) of resources before contributions subsequent to MD	-	(13,349)	-	(3,524)
Contributions subsequent to the MD	-	N/A	15	N/A
<b>Net deferred outflow/(inflow) of resources</b>	<b>\$ (13,349)</b>		<b>\$ (3,509)</b>	

The \$15 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, 2026.

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
2026	\$ (5,663)	\$ (1,457)
2027	(2,947)	(834)
2028	(2,842)	(713)
2029	(1,299)	(364)
2030	(598)	(155)
Thereafter	-	(1)
	<b>\$ (13,349)</b>	<b>\$ (3,524)</b>

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	
		1	2	3	4	5	6	
<b>Deferred Outflows:</b>								
Change in assumptions	\$ 289	\$ 1	\$ -	\$ 4	\$ 25	\$ 30	\$ 319	
Net difference between projected and actual earnings on investments	1,370	3	2	19	117	141		1,511
<b>Total deferred outflows related to OPEB</b>	<b>\$ 1,659</b>	<b>\$ 3</b>	<b>\$ 2</b>	<b>\$ 23</b>	<b>\$ 142</b>	<b>\$ 171</b>		<b>\$ 1,829</b>
<b>Deferred Inflows:</b>								
Differences between expected and actual experience	\$ 7,315	\$ 15	\$ 9	\$ 102	\$ 627	\$ 752	\$ 8,067	
Change in assumptions	6,448	13	8	90	552	663		7,111
<b>Total deferred inflows related to OPEB</b>	<b>\$ 13,764</b>	<b>\$ 27</b>	<b>\$ 16</b>	<b>\$ 192</b>	<b>\$ 1,179</b>	<b>\$ 1,415</b>		<b>\$ 15,178</b>

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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, 2024, is as follows (dollars in millions):

**Total OPEB Liability**

Service cost	\$ 0.9
Interest on total OPEB liability	3.2
Changes in benefit terms	-
Changes in assumptions	(1.7)
Differences between expected and actual experience	(4.4)
Benefit payments	(2.8)
Net change in total OPEB liability	(4.8)
Total OPEB liability - Beginning	47.4
Total OPEB liability - Ending	<u><u>\$ 42.6</u></u>

**Plan Fiduciary Net Position**

Employer contributions	\$ 0.7
Net investment and other income	5.4
Benefit payments	(2.8)
Administrative expense	(0.7)
Net change in plan fiduciary net position	2.6
Plan fiduciary net position - Beginning	91.4
Plan fiduciary net position - Ending	<u><u>\$ 94.0</u></u>
<b>Net OPEB Liability/(Asset)</b>	<u><u>\$ (51.4)</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	220.7%
Covered payroll	\$ 949.2
Net OPEB liability/(asset) as a percentage of covered payroll	(5.4%)

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**Actuarial Assumptions**

The following methods and assumptions were used in the development of the total OPEB liability:

	<b>RHIA</b>	<b>RHIPA</b>
Valuation date	December 31, 2022	December 31, 2022
Experience study report	2022, published July 24, 2023	2022, published July 24, 2023
Actuarial assumptions:		
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation rate	2.4%	2.4%
Long-term expected rate of return	6.9%	6.9%
Discount rate	6.9%	6.9%
Projected salary increases	3.4%	3.4%
Retiree healthcare participation	Healthy retirees: 25%; Disabled retirees: 15%	8-14 Years of Service: 10% 15-19 Years of Service: 11% 20-24 Years of Service: 12% 25-29 Years of Service: 20% 30+ Years of Service: 25%
Healthcare cost trend rate	Not Applicable	Applied at beginning of plan year, starting with 6.6% for 2023, increasing to 7% for 2024, decreasing to 4.2% for 2032, increasing to 4.3% for 2055, and decreasing to an ultimate rate of 3.8% for 2074 and beyond.
Mortality	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.  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.  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.	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.  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.  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.

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 RHIPA:

<b>Asset Class</b>	<b>20-Year Annualized Geometric Mean</b>	
	<b>Target</b>	<b>Geometric Mean</b>
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 6.9% 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 6.9%, 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 (5.9%) or one percentage point higher (7.9%) than the current rate (in millions):

Net OPEB Liability/(Asset)	Primary Government			Component Units		
	1% Decrease	Current Discount	1% Increase	1% Decrease	Current Discount	1% Increase
	(5.9%)	(6.9%)	(7.9%)	(5.9%)	(6.9%)	(7.9%)
RHIA	\$ (94.8)	\$ (102.4)	\$ (108.9)	\$ (30.4)	\$ (32.9)	\$ (35.0)
RHIPA	(39.3)	(41.1)	(42.8)	(9.8)	(10.2)	(10.6)

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):

Net OPEB Liability/(Asset)	Primary Government			Component Units		
	1% Decrease	Current Trend Rate	1% Increase	1% Decrease	Current Trend Rate	1% Increase
	(102.4)	(102.4)	(102.4)	(32.9)	(32.9)	(32.9)
RHIA	\$ (102.4)	\$ (102.4)	\$ (102.4)	\$ (32.9)	\$ (32.9)	\$ (32.9)
RHIPA	(43.6)	(41.1)	(38.3)	(10.8)	(10.2)	(9.5)

**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 7.2% to 6.9%, and the inflation rate from 2.5% to 2.4%. 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 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.

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As of June 30, 2025, membership in the PEBB Plan consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	832
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>59,156</u>
	<u><u>59,988</u></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, 2025, retired plan members contributed \$13 million through their required contributions. The average monthly contribution was \$1,298. Active employees do not contribute to the plan.

**Total OPEB Liability**

At June 30, 2025, the primary government and component units reported total OPEB liabilities of \$97.3 million and \$30.8 million, respectively. The total OPEB liability was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024. 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, 2025, the primary government and component units recognized OPEB expense of \$4.9 million and negative \$1.4 million, respectively. At June 30, 2025, 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	\$ 8,429	\$ 12,589	\$ 2,570	\$ 3,912
Change in assumptions	2,033	18,082	644	5,728
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	502	2,220
Total (prior to post-MD contributions)	<u>10,462</u>	<u>30,672</u>	<u>3,716</u>	<u>11,860</u>
Net deferred outflow/(inflow) of resources before contributions subsequent to MD	-	(20,209)	-	(8,144)
Contributions subsequent to the MD	-	N/A	-	N/A
<b>Net deferred outflow/(inflow) of resources</b>	<b><u>\$ (20,209)</u></b>		<b><u>\$ (8,144)</u></b>	

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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):

<b>Fiscal Year</b>	<b>Primary Government</b>	<b>Component Units</b>
2026	\$ (5,837)	\$ (2,271)
2027	(6,137)	(2,289)
2028	(5,434)	(2,032)
2029	(3,630)	(1,393)
2030	(1,138)	(513)
Thereafter	1,966	354
	<b><u>\$ (20,209)</u></b>	<b><u>\$ (8,144)</u></b>

Deferred outflows and inflows of resources related to OPEB are reported as follows (in thousands):

<b>Deferred Outflows and Deferred Inflows</b>	<b>Business-type Activities</b>						<b>Total Primary Government</b>	
	<b>Housing and Community Services</b>							
	<b>Governmental Activities</b>	<b>Veterans' Loan</b>	<b>Lottery Operations</b>	<b>Other</b>	<b>Total</b>			
<b>Deferred Outflows:</b>								
Differences between expected and actual experience	\$ 7,572	\$ 17	\$ 8	\$ 81	\$ 751	\$ 857	\$ 8,429	
Change in assumptions	1,827	4	2	19	181	207	2,033	
<b>Total deferred outflows related to OPEB</b>	<b><u>\$ 9,399</u></b>	<b><u>\$ 21</u></b>	<b><u>\$ 10</u></b>	<b><u>\$ 100</u></b>	<b><u>\$ 933</u></b>	<b><u>\$ 1,063</u></b>	<b><u>\$ 10,462</u></b>	
<b>Deferred Inflows:</b>								
Differences between expected and actual experience	\$ 11,310	\$ 25	\$ 12	\$ 120	\$ 1,122	\$ 1,280	\$ 12,589	
Change in assumptions	16,244	36	17	173	1,612	1,838	18,082	
<b>Total deferred inflows related to OPEB</b>	<b><u>\$ 27,554</u></b>	<b><u>\$ 61</u></b>	<b><u>\$ 30</u></b>	<b><u>\$ 293</u></b>	<b><u>\$ 2,734</u></b>	<b><u>\$ 3,118</u></b>	<b><u>\$ 30,672</u></b>	

#### Changes in Total OPEB Liability

The schedule of changes in the total OPEB liability measured as of June 30, 2025, is as follows (in millions):

Balance as of June 30, 2024	\$ 108.1
<b>Changes for the year</b>	
Service cost	7.6
Interest on TOL, Service Cost & cash flows	4.4
Effect of changes to benefit terms	-
Differences between expected and actual experience	12.5
Changes of assumptions or other inputs	2.0
Benefit payments	(6.5)
<b>Balance as of June 30, 2025</b>	<b><u>\$ 128.1</u></b>

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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, 2024
Experience study report	2022, published July 24, 2023
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.4%
Wage inflation	3.4%
Discount rate	5.2%
Healthcare cost trend rates	Growth in per-member expenditures under self-insured plans and premium amounts is assumed to be 4.5% per year.
Withdrawal, retirement, and mortality rates	<p><b>General Service and Beneficiary Mortality Rates</b>  Mortality rates were based on the Pub-2010 mortality tables, with adjustments for PERS experience and generational mortality improvements using the Milliman Unisex Social Security Data (60-year average) Scale, with data through 2019.</p> <p>Deaths Before Retirement: Rates for males are set back 1 year and multiplied by 115%. Rates for females are multiplied by 125%.</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><b>Public Safety and Beneficiary Mortality Rates</b>  Deaths Before Retirement: Rates for males are multiplied by 125%, and 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% of the Pub-2010 Headcount Weighted Non-Safety Mortality Table for Disabled Retirees base rates and 50% of the Pub-2010 Headcount Weighted Public-Safety Mortality Table for Disabled Retirees.</p> <p><b>Withdrawal, Disability, and Retirement</b>  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, 2022 adopted by PERS.</p>
Election and lapse rates	<p>30% of eligible employees</p> <p>60% spouse coverage for males, 35% for females</p> <p>7% annual lapse rate</p>

**Discount Rate**

The discount rate used to measure the total OPEB liability for PEBB was 5.2%, which reflects the Bond Buyer 20-year General Obligation Bond Index. The rate used to measure the total OPEB liability for fiscal year 2024 was 3.93%, which is 1.27 percentage points lower than the rate for fiscal year 2025.

The following table presents the total OPEB liability for the PEBB plan calculated using the discount rate of 5.2%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.2%) or one percentage point higher (6.2%) than the current rate (in millions):

	Primary Government			Component Units		
	1%	Current	1%	1%	Current	1%
	Decrease	Discount	Increase	Decrease	Discount	Increase
<b>Total OPEB Liability</b>	<b>(4.2%)</b>	<b>(5.2%)</b>	<b>(6.2%)</b>	<b>(4.2%)</b>	<b>(5.2%)</b>	<b>(6.2%)</b>
PEBB	\$ 104.2	\$ 97.3	\$ 90.8	\$ 33.0	\$ 30.8	\$ 28.8

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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):

Total OPEB Liability	Primary Government			Component Units		
	1% Decrease	Current Trend Rate	1% Increase	1% Decrease	Current Trend Rate	1% Increase
	PEBB	\$ 86.9	\$ 97.3	\$ 109.5	\$ 27.5	\$ 30.8

Changes in Plan Provisions

Since the Prior Measurement Date, the municipal bond rate assumption changed from 3.93% to 5.2% and the medical trend was updated from 3.4% to 4.5% in all years. Demographic actuarial assumptions were updated to reflect the results of the Oregon Public Employees Retirement System 2022 Experience Study.

**C. Collective Amount of OPEB Expense**

For the year ended June 30, 2025, the aggregate amounts of OPEB expense recognized by the primary government and component units were negative \$6.3 million and negative \$3.9 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% 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, 2025, averaged 0.3% 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, 2025, the fair value of the investments was \$3.6 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

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 \$ 89.2 million as of June 30, 2025. 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 at least 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, 2025, and 2024 (in thousands):

<b>Fiscal Year</b>	<b>Beginning Balance</b>	<b>Increase in Claims or Estimate</b>	<b>Claims Payments</b>	<b>Ending Balance</b>
2025	\$ 353,712	\$ 198,621	\$ (139,513)	\$ 412,821
2024	361,385	160,051	(167,723)	353,712

The balance of claim liabilities as of June 30, 2025, is included in other liabilities on the combining statement of net position of internal service funds under Central Services.

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**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 three of the statewide plans in 2024 and two of the statewide plans in 2023. The other plans did not have claims 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, 2025, and 2024 (in thousands):

<b>Fiscal Year</b>	<b>Beginning Balance</b>	<b>Increase in Claims or Estimate</b>	<b>Claims Payments</b>	<b>Ending Balance</b>
2025	\$ 76,776	\$ 1,047,892	\$ (1,039,061)	\$ 85,607
2024	76,056	864,490	(863,770)	76,776

The June 30, 2025, 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 (DCBS) 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 DCBS 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, 2025, using a 4% discount rate.

Changes in the balance of aggregate claims liabilities for supplemental workers' compensation insurance for the years ended June 30, 2025, and 2024 (in thousands):

<b>Fiscal Year</b>	<b>Beginning Balance</b>	<b>Increase in Claims or Estimate</b>	<b>Claims Payments</b>	<b>Ending Balance</b>
2025	\$ 978,008	\$ 51,299	\$ (75,639)	\$ 953,669
2024	973,191	79,850	(75,033)	978,008

The June 30, 2025, balance of claims liabilities is included in other liabilities on the government-wide statement of net position under governmental activities.

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**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 \$851 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, 2025, and 2024 (in thousands):

<b>Fiscal Year</b>	<b>Beginning Balance</b>	<b>Increase in Claims or Estimate</b>	<b>Claims Payments</b>	<b>Ending Balance</b>
2025	\$ 894	\$ 35,336	\$ (35,379)	\$ 851
2024	876	28,092	(28,074)	894

The June 30, 2025, 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 30<sup>th</sup> 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 \$117.3 million in calendar year 2024, which was net of favorable loss development of \$16.8 million. Loss reserves increased \$78.3 million as compared to the prior year. This was driven by establishing reserves for the 2024 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 2024 favorable medical claim development slowed due to increasing average medical payment per claim. Subsequently, there was less total favorable reserve development.

- Projected ultimate indemnity claim costs reduced primarily due to lower than expected frequency on disabling and non-disabling claims.
- Rising costs of medical services is driving medical escalation adding pressure to claim costs. These impacts are partially offset by decreased utilization.

LAE reserves increased \$39 million in 2024. This was driven by newly established reserves for the 2024 accident year, partially offset by paid LAE associated with previously incurred claims and unfavorable development in prior accident years. The unfavorable development in unpaid LAE for prior accident years was largely attributable to rising operating expenses.

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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 3.5%. For federal claims, SAIF uses the 1999 United States Life Tables and a discount rate of 3.5%. 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 \$209.6 million for 2024. The discounts were \$109.1 million as of December 31, 2024.

Anticipated salvage and subrogation of \$59.8 million was included as a reduction of the reserve for losses and LAE on December 31, 2024.

SAIF's exposure to asbestos claims arose from the sale of workers' compensation policies. Reserves of \$13.9 million for losses and LAE are related to asbestos claims as of December 31, 2024. Amounts paid for asbestos-related claims were \$409 thousand for the year ended December 31, 2024.

Changes in the balance of the liability for loss and LAE related to workers' compensation insurance underwritten by SAIF for 2024 and 2023 (in thousands):

Calendar Year	Beginning Balance	Incurred Losses	Loss and Loss Adjustment	Ending Balance
		and Loss Adjustment Expenses	Expense Payments	
2024	\$ 2,510,525	\$ 639,562	\$ (522,216)	\$ 2,627,871
2023	2,461,755	542,964	(494,194)	2,510,525

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, 2025 (in thousands):

Proprietary Funds	Type of Revenue	Amount
Lottery Operations	Sales	\$ 16,212
Unemployment Compensation	Assessments	15,849
Nonmajor Enterprise Funds	Assessments	196
Nonmajor Enterprise Funds	Fines and forfeitures	21,824
Nonmajor Enterprise Funds	Other Revenue	1
Nonmajor Enterprise Funds	Sales	8,613
Internal Service Funds	Fines and forfeitures	11
Internal Service Funds	Other Revenue	109
<b>Total discounts and allowances</b>		<b>\$ 62,816</b>

## **18. FUND EQUITY**

### **A. Net Position Restricted by Enabling Legislation**

The following schedule summarizes the State's net position at June 30, 2025, that is restricted by enabling legislation (in thousands). All of the legislative restrictions are in governmental activities.

	<b>Restricted Net Position</b>
<b>Expendable net position restricted for:</b>	
Health and social services programs	\$ 243,614
Transportation programs	293,997
Natural resource programs	433,469
Education	2,418,522
Community protection	100,475
Consumer protection	240,537
Employment services	175,478
Residential assistance	158,625
Other programs	578,454
<b>Nonexpendable net position restricted for:</b>	
Education	900
Residential assistance	5,727
Workers' compensation	1,000
<b>Total net position restricted by enabling legislation</b>	<b>\$ 4,650,797</b>

### **B. Changes to Beginning Equity**

As of June 30, 2025, the beginning fund balance was restated as follows (in thousands):

	<b>Beginning Balance</b>	<b>Accounting Changes</b>	<b>Beginning Balance-Restated</b>
<b>Government-wide</b>			
Governmental activities	\$ 21,289,455	\$ (393,511)	\$ 20,895,943
Business-type activities	9,190,332	(21,279)	9,169,053
<b>Total government-wide</b>	<b>\$ 30,479,786</b>	<b>\$ (414,790)</b>	<b>\$ 30,064,996</b>

	<b>Beginning Balance</b>	<b>Accounting Changes</b>	<b>Beginning Balance-Restated</b>
<b>Proprietary funds</b>			
Housing and Community Services	\$ 291,887	\$ (847)	\$ 291,040
Veterans' Loan	135,451	(460)	134,991
Lottery Operations	321,333	(4,617)	316,716
Unemployment Compensation	6,454,158	-	6,454,158
Other (nonmajor)	1,985,946	(15,354)	1,970,592
Internal service funds	323,332	(51,521)	271,811
<b>Total proprietary funds</b>	<b>\$ 9,512,108</b>	<b>\$ (72,800)</b>	<b>\$ 9,439,308</b>

**State of Oregon**  
**Notes to the Financial Statements**

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	<b>Beginning Balance</b>	<b>Accounting Changes</b>	<b>Beginning Balance- Restated</b>
<b>Fiduciary funds</b>			
Pension and Other Employee Benefit Trust	\$103,108,911	\$ (4,036)	\$ 103,104,875
Private Purpose Trust	1,848,013	-	1,848,013
External Investment Pools	9,448,519	-	9,448,519
Other	114,161	-	114,161
<b>Total fiduciary funds</b>	<b>\$114,519,604</b>	<b>\$ (4,036)</b>	<b>\$ 114,515,568</b>

The accounting changes recognized in the governmental activities, business type activities, proprietary funds and fiduciary funds are related to the implementation of Governmental Standard Accounting Board (GASB) statement No. 101, Compensated Absences. This Statement revises existing guidance by establishing new recognition and measurement criteria, resulting in a change in accounting principle. The cumulative effect of this change has been recorded as an adjustment to beginning balances. This statement is described further in Note 1 and Note 8.

**State of Oregon**  
**Notes to the Financial Statements**

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**C. Fund Balances - Governmental Funds**

The following table displays in detail the June 30, 2025, 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
<b>Nonspendable:</b>							
Not in spendable form	\$ 95,098	\$ 2,691	\$ 46,443	\$ -	\$ 11,545	\$ 155,777	
Legally or contractually required to be maintained intact	21	52	40	-	-	11,351	11,463
<b>Restricted for:</b>							
Public health and welfare	491	809,603	-	-	-	-	810,094
Roads and bridges	-	-	1,148,129	-	-	-	1,148,129
Conservation and natural resources	209,786	-	-	-	-	1,612,398	1,822,184
K-12 and higher education	-	-	-	2,628,852	2,585,200	-	5,214,052
Education stabilization	1,036,948	-	-	-	-	-	1,036,948
Business development	-	-	-	-	-	262,248	262,248
Community protection	-	-	-	-	-	407,765	407,765
Licensing and regulation	-	-	-	-	-	240,769	240,769
Employment related programs	-	-	-	-	-	217,343	217,343
Low income housing assistance	-	-	-	-	-	519,189	519,189
Debt service	-	-	-	-	-	497,946	497,946
Capital projects	-	-	-	-	-	1,105,828	1,105,828
Other purposes	176,573	-	-	-	-	44,519	221,091
<b>Committed to:</b>							
Public health and welfare	-	177,810	-	-	-	-	177,810
Conservation and natural resources	13,923	-	-	-	-	802,749	816,672
Education	-	-	-	23,844	-	-	23,844
Business development	79,532	-	-	-	-	93,548	173,080
Community protection	7,140	-	-	-	-	282,332	289,471
Licensing and regulation	-	-	-	-	-	73,571	73,571
Employment related programs	-	-	-	-	-	289,813	289,813
Low-income housing assistance	-	-	-	-	-	225,560	225,560
Stabilization	1,911,210	-	-	-	-	-	1,911,210
Capital projects	-	-	-	-	-	53	53
Other purposes	6,753	-	-	-	-	393	7,146
<b>Assigned to:</b>							
Public health and welfare	-	200,085	-	-	-	-	200,085
Conservation and natural resources	-	-	-	-	-	59,425	59,425
Education	-	-	-	25,739	-	-	25,739
Community protection	-	-	-	-	-	16,798	16,798
Low-income housing assistance	-	-	-	-	-	806,842	806,842
Capital projects	-	-	-	-	-	1,045	1,045
Other purposes	-	-	-	-	-	2,899	2,899
<b>Unassigned:</b>	1,653,629	-	-	-	-	(1,181)	1,652,448
<b>Total fund balances</b>	<b>\$ 5,191,103</b>	<b>\$ 1,190,240</b>	<b>\$ 1,194,611</b>	<b>\$ 2,678,435</b>	<b>\$ 2,585,200</b>	<b>\$ 7,584,748</b>	<b>\$ 20,424,337</b>

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.

**State of Oregon**  
**Notes to the Financial Statements**

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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 Central Services Fund, an internal service fund, reports a deficit net position of \$103.4 million as of June 30, 2025.

The Legal Services Fund, an internal service fund, reports a deficit net position of \$78.6 million as of June 30, 2025.

The Audit Services Fund, an internal service fund, reports a deficit net position of \$6.1 million as of June 30, 2025.

**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% 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 12.5% 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% 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% 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, 2025, was \$1.9 billion.

The Education Stability Fund is authorized in the Oregon Constitution, Article XV, Section 4, part (4)(d) and requires that 18% 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% 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, 2025, was \$1 billion.

## **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 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% 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%. 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, 2025, the State had extended nonexchange financial guarantees of \$10.1 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, 2054.

## **20. COMMITMENTS**

The State has significant commitments as of June 30, 2025, 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, 2025, and the anticipated sources of funding (in thousands):

<b>Purpose</b>	<b>General Fund</b>	<b>Federal Funds</b>	<b>Lottery Funds</b>	<b>Other Funds</b>	<b>Total</b>
Community services contracts	\$ 136,346	\$ 159,002	\$ 87,137	\$ 93,186	\$ 475,672
Grant and loan commitments	331,579	397,430	65,122	2,973,125	3,767,257
Personal services contracts	359,567	250,459	988	303,497	914,511
Public defense contracts	46,141	-	-	-	46,141
Systems development	113,928	158,230	248	79,896	352,303
Equipment purchases	1,440	-	-	3,708	5,148
<b>Total commitments</b>	<b>\$ 989,001</b>	<b>\$ 965,121</b>	<b>\$ 153,496</b>	<b>\$ 3,453,412</b>	<b>\$ 5,561,030</b>

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, 2025, the OPERF had \$9.1 billion in commitments to purchase private equity investments, which includes \$6.9 billion in recallable distributions, \$3.5 billion to purchase real estate investments, \$1 billion to purchase opportunity portfolio investments, which includes \$1 billion in recallable distributions, and \$4.5 billion to purchase real assets, which includes \$1.9 billion in recallable distributions. As of June 30, 2025, the CSF had \$287.6 million in commitments to purchase private equity, alternatives, and real estate open-ended fund investments while OGA had \$73.3 million and Oregon Growth Fund (OGF) had \$450 thousand, in commitments to purchase private equity investments. These amounts are unfunded and are not recorded in the financial statements.

Encumbrance balances are reported only in the first year of a biennium (even numbered years). At the end of each biennium, unfulfilled encumbrances are required to be cancelled in accordance with state policy.

## **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 30 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 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

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Notes to the Financial Statements**

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obligation to pay for most of the State's defense costs through 2025, 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 43 AICs that died while sick with COVID-19. Plaintiffs seek an award exceeding \$150 million.

**Oregon Youth Authority Sex Abuse Claims Involving a Physician**

The State has been sued in District Court by individuals who were once youth in the care of the Oregon Youth Authority (OYA), alleging sexual abuse by an OYA physician between 1996 and 2016. The case currently involves roughly 100 plaintiffs spread between 12 lawsuits. In the aggregate, plaintiffs seek awards of approximately \$600 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, 2025, totaled approximately \$9.8 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, 2025, 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, 2025 (in thousands):

<b>Type of Debt</b>	<b>Amount</b>
Revenue Bonds	
Oregon Housing and Community Services Department	\$ 59,520
Oregon Department of Administrative Services	106,885

**State of Oregon**  
**Notes to the Financial Statements**

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***B. Debt Guarantees***

Under Article XI-K of the Oregon Constitution, \$614.6 million in bonds for school districts (SD) were issued and guaranteed following the fiscal year ended June 30, 2025, as noted below (in thousands). Ultimately, the debt service payments remain the responsibility of the respective district.

<b>School District</b>	<b>Series</b>	<b>Amount</b>
Deschutes Cty SD 1 (Bend-La Pine)	2025	\$ 149,700
Chemeketa Community College	2025A	10,000
Chemeketa Community College	2025B	65,320
Mt Hood Community College	2025	136,445
Morrow Cty SD 1	2025	50,000
Yamhill Cty SD 48J (Sheridan)	2025	6,000
Washington Cty SD 23J (Tigard-Tualatin)	2025	197,120
<b>Total debt guarantees</b>		<b><u>\$ 614,585</u></b>

State of Oregon  
Notes to the Financial Statements

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# **Required Supplementary Information**



## 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

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**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, 2025**
**(In Thousands)**

	<b>General Fund</b>				
	<b>2023-2025 Original Budget</b>	<b>2023-2025 Final Budget</b>	<b>1st Year Actual</b>	<b>2nd Year Actual</b>	<b>Variance Over/ (Under)</b>
<b>Revenues:</b>					
Personal Income Taxes	\$ 20,983,995	\$ 20,983,995	\$ 8,817,813	\$ 13,038,473	\$ 872,290
Corporate Income Taxes	2,153,441	2,153,441	1,621,807	1,507,622	975,988
Tobacco Taxes	104,447	104,447	45,990	44,184	(14,274)
Motor Fuels Taxes	-	-	-	-	-
Weight-mile Taxes	-	-	-	-	-
Vehicle Registration Taxes	-	-	-	-	-
Other Taxes	693,630	693,630	416,232	527,380	249,982
Licenses and Fees	271,876	269,927	108,540	113,016	(48,370)
Federal	-	-	-	-	-
Charges for Services	16,153	16,153	8,077	8,078	1
Fines and Forfeitures	7,385	7,385	4,935	4,241	1,791
Rents and Royalties	-	-	-	-	-
Investment Income	331	331	413,049	236,669	649,386
Sales	2,131	2,131	849	1,058	(223)
Donations and Grants	-	-	-	-	-
Pension Bond Debt Service Assessment	-	-	-	-	-
Other	11,592	11,592	4,191	32,455	25,054
<b>Total Revenues</b>	<b>24,244,981</b>	<b>24,243,032</b>	<b>11,441,482</b>	<b>15,513,176</b>	<b>2,711,626</b>
<b>Expenditures:</b>					
Education	12,965,529	12,979,617	6,446,365	6,445,641	(87,612)
Human Resources	11,244,933	12,090,278	5,809,698	6,229,966	(50,613)
Public Safety	3,449,054	3,760,471	1,736,751	1,984,596	(39,124)
Economic and Community Development	795,445	1,173,564	347,739	732,377	(93,448)
Natural Resources	602,060	822,583	332,370	444,259	(45,954)
Transportation	33,879	83,379	22,762	56,440	(4,177)
Consumer and Business Services	44,565	46,813	21,090	20,157	(5,566)
Administration	405,501	616,654	250,386	348,515	(17,753)
Legislative	1,046,031	235,880	91,602	123,113	(21,164)
Judicial	1,269,423	1,396,543	661,709	729,475	(5,359)
<b>Total Expenditures</b>	<b>31,856,420</b>	<b>33,205,782</b>	<b>15,720,472</b>	<b>17,114,539</b>	<b>(370,771)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,611,439)	(8,962,750)	(4,278,990)	(1,601,363)	3,082,397
<b>Other Financing Sources (Uses):</b>					
Transfers from Other Funds	503,998	411,502	221,623	154,422	(35,458)
Transfers to Other Funds	(581,458)	(486,887)	(264,732)	(133,800)	88,354
Long-term Debt Issued	-	-	-	-	-
Debt Issuance Premium	-	-	-	-	-
Loan Proceeds	-	-	-	-	-
Gain (Loss) on Disposition of Assets	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u><u>\$ (7,688,899)</u></u>	<u><u>\$ (9,038,135)</u></u>	<u><u>(4,322,099)</u></u>	<u><u>(1,580,742)</u></u>	<u><u>\$ 3,135,294</u></u>
<b>Budgetary Fund Balances - Beginning</b>			9,215,268	4,920,809	
Prior Biennium Transactions			27,641	47,837	
<b>Budgetary Fund Balances - Ending</b>			<u><u>\$ 4,920,809</u></u>	<u><u>\$ 3,387,904</u></u>	

## State of Oregon

(continued on next page)

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**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, 2025**  
**(In Thousands)**  
(continued from previous page)

	Other Funds				
	2023-2025 Original Budget	2023-2025 Final Budget	1st Year Actual	2nd Year Actual	Variance Over/ (Under)
<b>Revenues:</b>					
Personal Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Income Taxes	-	-	-	-	-
Tobacco Taxes	722,500	722,500	330,199	291,922	(100,378)
Motor Fuels Taxes	1,368,350	1,368,350	622,298	699,988	(46,064)
Weight-mile Taxes	980,864	980,864	415,051	476,718	(89,095)
Vehicle Registration Taxes	953,531	953,531	426,213	466,350	(60,968)
Other Taxes	7,430,777	7,486,513	1,333,302	1,753,551	(4,399,660)
Licenses and Fees	1,131,747	1,135,284	575,411	619,562	59,689
Federal	2,495,137	2,496,690	688,291	847,880	(960,519)
Charges for Services	6,412,602	6,452,343	2,846,501	3,203,599	(402,242)
Fines and Forfeitures	161,097	164,558	93,086	107,955	36,483
Rents and Royalties	168,044	170,031	78,823	68,925	(22,284)
Investment Income	42,448	46,334	320,546	342,669	616,881
Sales	318,492	321,927	149,668	142,216	(30,043)
Donations and Grants	66,984	64,253	29,047	24,438	(10,768)
Pension Bond Debt Service Assessment	508,822	518,784	731,825	754,957	967,998
Other	4,314,427	4,796,402	2,256,197	443,490	(2,096,714)
<b>Total Revenues</b>	<b>27,075,823</b>	<b>27,678,364</b>	<b>10,896,459</b>	<b>10,244,221</b>	<b>(6,537,684)</b>
<b>Expenditures:</b>					
Education	4,797,215	5,048,552	1,346,757	2,376,595	(1,325,200)
Human Resources	11,197,127	12,381,484	5,051,922	6,599,341	(730,221)
Public Safety	1,168,726	1,295,288	476,234	586,608	(232,447)
Economic and Community Development	3,038,997	3,186,650	721,085	1,064,719	(1,400,845)
Natural Resources	1,630,835	2,010,158	599,201	801,795	(609,162)
Transportation	5,749,867	5,924,304	2,119,120	2,581,424	(1,223,761)
Consumer and Business Services	617,290	657,757	280,149	333,101	(44,507)
Administration	2,374,077	2,582,360	1,051,340	1,234,167	(296,853)
Legislative	234,110	235,939	70,269	104,438	(61,232)
Judicial	204,962	381,513	35,411	177,684	(168,418)
<b>Total Expenditures</b>	<b>31,013,207</b>	<b>33,704,007</b>	<b>11,751,489</b>	<b>15,859,872</b>	<b>(6,092,646)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,937,384)	(6,025,642)	(855,030)	(5,615,651)	(445,039)
<b>Other Financing Sources (Uses):</b>					
Transfers from Other Funds	16,869,018	18,075,692	8,494,921	10,111,106	530,335
Transfers to Other Funds	(480,884)	(386,516)	(5,926,972)	(6,392,805)	(11,933,261)
Long-term Debt Issued	2,694,390	2,904,254	949,063	1,901,222	(53,969)
Debt Issuance Premium	-	-	42,528	111,445	153,973
Loan Proceeds	-	-	-	26,613	26,613
Gain (Loss) on Disposition of Assets	-	-	7,672	2,732	10,404
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 15,145,140</u>	<u>\$ 14,567,788</u>	<u>2,712,182</u>	<u>144,662</u>	<u><u>\$ (11,710,944)</u></u>
<b>Budgetary Fund Balances - Beginning</b>					
Prior Biennium Transactions			7,108,309	12,290,793	
<b>Budgetary Fund Balances - Ending</b>			<u>2,470,303</u>	<u>485,111</u>	
			<u><u>\$ 12,290,793</u></u>	<u><u>\$ 12,920,566</u></u>	

Total All Funds					
2023-2025 Original Budget	2023-2025 Final Budget	1st Year Actual	2nd Year Actual	Variance Over/ (Under)	
\$ 20,983,995	\$ 20,983,995	\$ 8,817,813	\$ 13,038,473	\$ 872,290	
2,153,441	2,153,441	1,621,807	1,507,622	975,988	
826,947	826,947	376,189	336,106	(114,652)	
1,368,350	1,368,350	622,298	699,988	(46,064)	
980,864	980,864	415,051	476,718	(89,095)	
953,531	953,531	426,213	466,350	(60,968)	
8,124,407	8,180,143	1,749,534	2,280,932	(4,149,678)	
1,403,623	1,405,211	683,951	732,578	11,319	
35,960,862	36,660,036	16,067,250	17,622,104	(2,970,682)	
6,428,755	6,468,496	2,854,578	3,211,677	(402,241)	
168,482	171,942	98,020	112,196	38,274	
168,044	170,031	78,823	68,925	(22,284)	
122,230	145,453	802,260	652,342	1,309,149	
320,623	324,058	150,517	143,275	(30,266)	
66,984	64,253	29,047	24,438	(10,768)	
508,822	518,784	731,825	754,957	967,998	
4,326,019	4,807,994	2,260,388	475,946	(2,071,660)	
<u>84,865,979</u>	<u>86,183,530</u>	<u>37,785,564</u>	<u>42,604,625</u>	<u>(5,793,340)</u>	
20,630,484	21,130,157	9,032,263	10,477,719	(1,620,174)	
50,537,804	54,741,242	24,345,668	27,626,766	(2,768,808)	
6,127,790	7,123,805	2,726,487	3,767,484	(629,835)	
4,738,289	5,350,777	1,395,531	2,236,889	(1,718,357)	
2,988,720	3,714,949	1,159,666	1,563,256	(992,028)	
6,132,274	6,357,071	2,243,903	2,790,854	(1,322,314)	
800,712	845,886	371,713	419,461	(54,711)	
3,050,507	3,476,147	1,350,741	1,625,485	(499,922)	
1,280,141	471,819	161,871	227,552	(82,397)	
1,475,974	1,782,794	698,660	909,025	(175,109)	
<u>97,762,694</u>	<u>104,994,650</u>	<u>43,486,504</u>	<u>51,644,490</u>	<u>(9,863,655)</u>	
(12,896,715)	(18,811,120)	(5,700,940)	(9,039,865)	4,070,315	
21,449,185	22,633,070	10,566,320	11,753,169	(313,581)	
(1,346,350)	(1,151,632)	(6,991,164)	(7,161,590)	(13,001,122)	
2,694,390	2,904,254	949,063	1,901,222	(53,969)	
-	-	42,528	111,445	153,973	
-	-	-	26,613	26,613	
-	-	7,672	2,732	10,404	
<u>\$ 9,900,509</u>	<u>\$ 5,574,573</u>	<u>(1,126,522)</u>	<u>(2,406,274)</u>	<u>\$ (9,107,368)</u>	
16,366,096	18,389,791				
3,150,216	557,162				
<u>\$ 18,389,791</u>	<u>\$ 16,540,678</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 a 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, 2025. A copy of this report is available at the Department of Administrative Services, Chief Financial Office, 155 Cottage Street NE, Salem, Oregon 97301-3969. The report may also be accessed online at:

<https://www.oregon.gov/das/Financial/Acctng/Documents/2025%20BSLC%20Compilation.FINAL.pdf>

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, 2025, 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)**

GAAP Fund	Budgetary Balances Classified into GAAP Fund Structure							Non-Budgeted Funds	GAAP Balances
	Budgeted General Fund	Budgeted Federal Funds	Budgeted Lottery Funds	Budgeted Other Funds	Total Budgeted Funds	Timing Differences	Basis Differences		
General	\$ (1,580,742)	\$ (16,007)	\$ 157,381	\$ (10,184)	\$ (1,449,551)	\$ (80,345)	\$ 5,582,120	\$ (4,302,626)	\$ (250,402)
Health and Social Services	-	(1,340,741)	237	(33,894)	(1,374,398)	3,746	2,177,815	(215,379)	591,783
Public Transportation	-	(762)	(36)	71,492	70,694	15	419,138	61,028	550,874
Educational Support	-	167,252	(54,870)	8,665	121,048	(223,091)	(104,884)	(84,049)	(290,976)
Common School	-	-	-	(1,389)	(1,389)	-	(6,030)	275,239	267,820
Nonmajor Governmental	-	102,028	15,976	136,257	254,261	(248,857)	850,395	(557,743)	298,056
Housing and									
Community Services	-	-	-	2,387	2,387	(3,388)	14,729	1,041	14,770
Veterans' Loan	-	-	-	(955)	(955)	(1,842)	(1,860)	3,811	(846)
Lottery Operations	-	-	-	-	-	-	-	2,800	2,800
Unemployment Compensation	-	-	-	-	-	-	-	658,704	658,704
Nonmajor Enterprise	-	(653)	-	(25,215)	(25,868)	(13,240)	(117,846)	351,672	194,718
Internal Service	-	-	-	(2,242)	(2,242)	(185,703)	137,054	(131,155)	(182,046)
Pension and Other									
Employee Benefit Trust	-	-	-	(260)	(260)	-	(85,668)	5,330,137	5,244,208
Other Custodial	-	-	-	-	-	-	1,339	9,253	10,593
Private Purpose Trust	-	-	-	-	-	-	-	34,539	34,539
External Investment Pools	-	-	-	-	-	-	-	832,962	832,962
<b>Totals</b>	<b>\$ (1,580,742)</b>	<b>\$ (1,088,883)</b>	<b>\$ 118,689</b>	<b>\$ 144,662</b>	<b>\$ (2,406,274)</b>	<b>\$ (752,704)</b>	<b>\$ 8,866,301</b>	<b>\$ 2,270,235</b>	<b>\$ 7,977,559</b>



**Required Supplementary Information**

**Schedule of Proportionate Share of the Net Pension Liability/  
(Asset) For the Fiscal Year Ended June 30  
(Dollars in Thousands)**

<b>Primary Government</b>	<b>2024<sup>1</sup></b>	<b>2023<sup>1</sup></b>	<b>2022<sup>1</sup></b>	<b>2021<sup>1</sup></b>
Proportion of the net pension liability/(asset)	26.97070%	28.56447%	26.19718%	24.19019%
Proportionate share of the net pension liability/(asset)	\$ 5,994,842	\$ 5,350,320	\$ 4,011,314	\$ 2,894,714
Covered payroll	3,444,819	3,732,809	3,197,166	2,963,703
Employer net pension liability/(asset) as a percentage of covered payroll	174.02%	143.33%	125.46%	97.67%
Plan fiduciary net position as a percentage of the total pension liability	79.30%	81.70%	84.50%	87.60%
<b>Component Units</b>	<b>2024<sup>1</sup></b>	<b>2023<sup>1</sup></b>	<b>2022<sup>1</sup></b>	<b>2021<sup>1</sup></b>
Proportion of the net pension liability/(asset)	8.69520%	8.98400%	9.03400%	8.55800%
Proportionate share of the net pension liability/(asset)	\$ 1,933,429	\$ 1,680,748	\$ 1,383,649	\$ 1,023,792
Covered payroll	1,419,762	1,292,550	1,211,830	1,159,314
Employer net pension liability/(asset) as a percentage of covered payroll	136.18%	130.03%	114.18%	88.31%
Plan fiduciary net position as a percentage of the total pension liability	79.30%	81.70%	84.50%	87.60%

<sup>1</sup> The amounts presented were determined as of the net pension liability/(asset) measurement date.

2020 <sup>1</sup>	2019 <sup>1</sup>	2018 <sup>1</sup>	2017 <sup>1</sup>	2016 <sup>1</sup>	2015 <sup>1</sup>
22.99890%	22.26906%	21.08080%	20.72110%	20.68476%	19.73914%
\$ 5,019,150 2,743,340	\$ 3,852,015 2,302,682	\$ 3,193,464 2,188,520	\$ 2,793,212 2,293,042	\$ 3,105,262 2,154,318	\$ 1,133,315 2,137,616
182.96%	167.28%	145.92%	121.81%	144.14%	53.02%
75.80%	80.20%	82.10%	83.10%	80.50%	91.90%

2020 <sup>1</sup>	2019 <sup>1</sup>	2018 <sup>1</sup>	2017 <sup>1</sup>	2016 <sup>1</sup>	2015 <sup>1</sup>
8.73100%	9.20400%	9.14700%	10.34500%	9.81700%	9.79400%
\$ 1,904,780 1,169,289	\$ 1,591,398 1,124,476	\$ 1,384,354 1,082,835	\$ 1,346,711 1,067,169	\$ 1,475,320 1,022,542	\$ 561,907 1,009,913
162.90%	141.52%	127.85%	126.19%	144.28%	55.64%
75.80%	80.20%	82.10%	83.10%	80.50%	91.90%

**Required Supplementary Information**

**Schedule of Defined Benefit Pension Plan Contributions**

**Defined Benefit Plan**

**For the Fiscal Year Ended June 30**

**(Dollars in Thousands)**

<b>Primary Government</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Contractually required contributions <sup>1</sup>	\$ 834,745	\$ 740,470	\$ 609,404	\$ 576,845
Contributions in relation to the contractually required contributions	834,745	740,470	609,404	576,845
Contribution deficiency (excess)	-	-	-	-
Covered payroll	4,206,182	3,444,819	3,732,809	3,197,166
Contributions as a percentage of covered payroll	19.85%	21.50%	16.33%	18.04%

<b>Component Units</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Contractually required contributions <sup>1</sup>	\$ 230,644	\$ 221,553	\$ 191,580	\$ 187,173
Contributions in relation to the contractually required contributions	230,644	221,553	201,580	197,173
Contribution deficiency (excess)	-	-	(10,000)	(10,000)
Covered payroll	1,398,521	1,419,762	1,292,550	1,211,830
Contributions as a percentage of covered payroll	16.49%	15.60%	15.60%	16.27%

<sup>1</sup> 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
\$ 482,177	\$ 445,812	\$ 311,692	\$ 292,695	\$ 187,524	\$ 205,419
482,177	445,812	311,692	292,695	187,524	205,419
-	-	-	-	-	-
2,963,703	2,743,340	2,302,682	2,188,520	2,293,042	2,154,318
16.27%	16.25%	13.54%	13.37%	8.18%	9.54%
2021	2020	2019	2018	2017	2016
\$ 162,080	\$ 166,532	\$ 129,555	\$ 124,489	\$ 95,120	\$ 92,583
172,080	176,532	139,555	134,489	95,120	92,583
(10,000)	(10,000)	(10,000)	(10,000)	-	-
1,159,314	1,169,289	1,124,476	1,082,835	1,067,169	1,022,542
14.84%	15.10%	12.41%	12.42%	8.91%	9.05%

**Required Supplementary Information**

**Schedule of Proportionate Share of the Net OPEB Liability/(Asset)**

**For the Fiscal Year Ended June 30<sup>1</sup>**

**(Dollars in Thousands)**

<b>Primary Government</b>	<b>2024<sup>2</sup></b>	<b>2023<sup>2</sup></b>	<b>2022<sup>2</sup></b>	<b>2021<sup>2</sup></b>
<b>Retiree Health Insurance Account (RHIA)</b>				
Proportion of the net OPEB liability/(asset)	25.3504%	29.4825%	28.5302%	32.8592%
Proportionate share of the net OPEB liability/(asset)	\$ (102,392)	\$ (107,955)	\$ (101,378)	\$ (112,839)
Covered payroll	3,444,819	3,732,809	3,197,166	2,963,703
Employer net OPEB liability/(asset) as a percentage of covered payroll	(2.97%)	(2.89%)	(3.17%)	(3.81%)
Plan fiduciary net position as a percentage of the total OPEB liability	220.60%	201.60%	194.60%	183.90%
<b>Component Units</b>				
<b>Retiree Health Insurance Account (RHIA)</b>	<b>2024<sup>2</sup></b>	<b>2023<sup>2</sup></b>	<b>2022<sup>2</sup></b>	<b>2021<sup>2</sup></b>
Proportion of the net OPEB liability/(asset)	5.5825%	6.2522%	6.3799%	6.9610%
Proportionate share of the net OPEB liability/(asset)	\$ (22,197)	\$ (22,975)	\$ (22,135)	\$ (24,719)
Covered payroll	1,132,124	1,042,645	979,516	941,644
Employer net OPEB liability/(asset) as a percentage of covered payroll	(1.96%)	(2.20%)	(2.26%)	(2.63%)
Plan fiduciary net position as a percentage of the total OPEB liability	220.60%	201.60%	194.60%	183.90%

<sup>1</sup> 10-year trend information will be presented prospectively.

<sup>2</sup> The amounts presented were determined as of the net OPEB liability/(asset) measurement date.

2020 <sup>2</sup>	2019 <sup>2</sup>	2018 <sup>2</sup>	2017 <sup>2</sup>
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%
<hr/>			
2020 <sup>2</sup>	2019 <sup>2</sup>	2018 <sup>2</sup>	2017 <sup>2</sup>
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**  
**For the Fiscal Year Ended June 30<sup>1</sup>**  
**(Dollars in Thousands)**

<b>Primary Government</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Retiree Health Insurance Account (RHIA)</b>				
Contractually required contributions	\$ -	\$ -	\$ 436	\$ 464
Contributions in relation to the contractually required contributions	-	-	436	464
Contribution deficiency	-	-	-	-
Covered payroll	4,206,182	3,444,819	3,732,809	3,197,166
Contributions as a percentage of covered payroll	0.00%	0.00%	0.01%	0.01%
<b>Component Units</b>				
<b>Retiree Health Insurance Account (RHIA)</b>				
Contractually required contributions	\$ (7)	\$ 5	\$ 88	\$ 103
Contributions in relation to the contractually required contributions	(7)	5	88	103
Contribution deficiency	-	-	-	-
Covered payroll	1,078,792	1,132,124	1,042,645	979,516
Contributions as a percentage of covered payroll	0.00%	0.00%	0.01%	0.01%

<sup>1</sup> 10-year trend information will be presented prospectively.

State of Oregon

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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**  
**For the Fiscal Year Ended June 30<sup>1</sup>**  
**(Dollars in Thousands)**

Primary Government	2025	2024	2023	2022
<b>Retiree Health Insurance Premium Account (RHIPA)</b>				
Actuarially determined contributions	\$ -	\$ -	\$ 6,922	\$ 6,548
Contributions recognized by plan	-	-	6,922	6,548
Contribution deficiency	-	-	-	-
Covered payroll	4,206,182	3,444,819	3,732,809	3,197,166
Contributions as a percentage of covered payroll	0.00%	0.00%	0.19%	0.20%

Component Units	2025	2024	2023	2022
<b>Retiree Health Insurance Premium Account (RHIPA)</b>				
Actuarially determined contributions	\$ 15	\$ 47	\$ 1,643	\$ 1,705
Contributions recognized by plan	15	47	1,643	1,705
Contribution deficiency	-	-	-	-
Covered payroll	1,078,792	1,132,124	1,042,645	979,516
Contributions as a percentage of covered payroll	0.00%	0.00%	0.16%	0.17%

<sup>1</sup> 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 30<sup>1</sup>**  
**(Dollars in millions)**

**Retiree Health Insurance Premium Account (RHIPA)**

	2024	2023	2022	2021
<b>Total OPEB Liability<sup>2</sup></b>				
Service cost	\$ 0.9	\$ 0.9	\$ 1.2	\$ 1.3
Interest on total OPEB liability	3.2	3.3	4.3	4.5
Changes in benefit terms	-	-	-	-
Changes in assumptions	(1.7)	-	(11.4)	1.1
Differences between expected and actual experience	(4.4)	(3.0)	(4.5)	(4.6)
Benefit payments	(2.8)	(3.0)	(3.4)	(3.7)
Net change in total OPEB liability	(4.8)	(1.8)	(13.8)	(1.4)
Total OPEB liability - beginning	47.3	49.1	62.9	64.3
Total OPEB liability - ending	\$ 42.5	\$ 47.3	\$ 49.1	\$ 62.9

**Plan Fiduciary Net Position**

Employer contributions	\$ 0.7	\$ 8.8	\$ 8.3	\$ 11.8
Net investment and other income	5.4	3.0	0.8	16.3
Benefit payments	(2.8)	(3.0)	(3.4)	(3.7)
Administrative expense	(0.7)	(0.7)	(0.7)	(0.3)
Net change in plan fiduciary net position	2.6	8.1	4.9	24.1
Plan fiduciary net position - beginning	91.4	83.3	78.4	54.3
Plan fiduciary net position - ending	\$ 94.0	\$ 91.4	\$ 83.3	\$ 78.4
<b>Net OPEB Liability</b>	<b>\$ (51.5)</b>	<b>\$ (44.1)</b>	<b>\$ (34.2)</b>	<b>\$ (15.5)</b>

Plan fiduciary net position as a percentage of the total OPEB liability	220.70%	193.20%	169.70%	124.60%
Covered payroll (Primary Government)	\$ 949.2	\$ 1,153.1	\$ 1,125.8	\$ 1,159.0
Net OPEB liability as a percentage of covered payroll (Primary Government)	(5.42%)	(3.83%)	(3.04%)	(1.34%)
Covered payroll (Component Units)	\$ 1,096.2	\$ 1,006.8	\$ 968.1	\$ 947.3
Net OPEB liability as a percentage of covered payroll (Component Units)	(6.58%)	(7.23%)	(5.38%)	(2.49%)

<sup>1</sup> 10-year trend information will be presented prospectively.

<sup>2</sup> See Actuarial Assumptions table in Note 14 for Actuarial Methods and Assumptions used in fiscal year ended June 30, 2025.

	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**

**For the Fiscal Year Ended June 30<sup>1</sup>**

**(Dollars in Thousands)**

<b>Primary Government</b>	<b>2025<sup>2</sup></b>	<b>2024<sup>2</sup></b>	<b>2023<sup>2</sup></b>	<b>2022<sup>2</sup></b>
<b>Public Employees Benefit Board (PEBB)</b>				
Proportion of the total OPEB liability	75.9254%	74.5779%	74.6079%	75.2016%
Proportionate share of the total OPEB liability	\$ 97,269	\$ 80,606	\$ 78,796	\$ 92,753
Covered-employee payroll	4,509,729	4,020,355	3,642,884	3,385,265
Government's total OPEB liability as a percentage of covered-employee payroll	2.16%	2.00%	2.16%	2.74%
<b>Component Units</b>	<b>2025<sup>2</sup></b>	<b>2024<sup>2</sup></b>	<b>2023<sup>2</sup></b>	<b>2022<sup>2</sup></b>
<b>Public Employees Benefit Board (PEBB)</b>				
Proportion of the total OPEB liability	24.0419%	25.4005%	25.3685%	24.7842%
Proportionate share of the total OPEB liability	\$ 30,812	\$ 27,451	\$ 26,788	\$ 30,557
Covered-employee payroll	1,365,838	1,274,447	1,186,300	1,107,061
Government's total OPEB liability as a percentage of covered-employee payroll	2.26%	2.15%	2.26%	2.76%

<sup>1</sup> 10-year trend information will be presented prospectively.

<sup>2</sup> 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 <sup>2</sup>	2020 <sup>2</sup>	2019 <sup>2</sup>	2018 <sup>2</sup>
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 <sup>2</sup>	2020 <sup>2</sup>	2019 <sup>2</sup>	2018 <sup>2</sup>
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 30<sup>1</sup>****(Dollars in millions)****Public Employees Benefit Board (PEBB)**

Total OPEB Liability	2025	2024	2023	2022
Service cost	\$ 7.6	\$ 7.7	\$ 10.8	\$ 10.5
Interest on total OPEB liability	4.4	4.0	4.6	3.4
Effect of changes to benefit terms	2.0	-	-	-
Effect of differences between expected and actual experience	12.5	36.0	(12.7)	(17.0)
Effect of economic/demographic gains or losses	-	-	-	-
Effect of assumptions changes or inputs	2.0	(2.1)	(12.7)	(15.4)
Benefit payments	(6.5)	(7.2)	(7.7)	(9.2)
Net change in total OPEB liability	20.0	2.5	(17.7)	(27.8)
Total OPEB liability - beginning	108.1	105.6	123.3	151.1
Total OPEB liability - ending	<u>\$ 128.1</u>	<u>\$ 108.1</u>	<u>\$ 105.6</u>	<u>\$ 123.3</u>
Covered-employee payroll (Primary Government)	\$ 5,860.0	\$ 5,276.8	\$ 4,813.2	\$ 4,463.9
Total OPEB liability as a percentage of				
Covered-employee payroll (Primary Government)	2.19%	2.05%	2.19%	2.76%
Covered-employee payroll (Component Units)	\$ 1,365.8	\$ 1,274.4	\$ 1,186.3	\$ 1,107.1
Total OPEB liability as a percentage of				
Covered-employee payroll (Component Units)	15.26%	14.59%	15.25%	19.18%

<sup>1</sup> 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, 2024, reporting date was 3.93%, and the discount rate in effect for the June 30, 2025, reporting date is 5.20%. The discount rate reflects a 20-year General Obligation Bond Index.

	<b>2021</b>		<b>2020</b>		<b>2019</b>		<b>2018</b>	
\$	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	
<b>\$</b>	<b>151.1</b>	<b>\$</b>	<b>146.7</b>	<b>\$</b>	<b>161.2</b>	<b>\$</b>	<b>148.6</b>	
<b>\$</b>	<b>4,066.4</b>	<b>\$</b>	<b>3,889.1</b>	<b>\$</b>	<b>3,743.0</b>	<b>\$</b>	<b>3,362.1</b>	
	3.72%		3.77%		4.30%		4.40%	
<b>\$</b>	<b>1,075.1</b>	<b>\$</b>	<b>1,094.9</b>	<b>\$</b>	<b>1,042.6</b>	<b>\$</b>	<b>984.2</b>	
	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, 2025**

**(In Thousands)**

	<b>Special Revenue Funds</b>		
	<b>Agricultural Resources</b>	<b>Business Development</b>	<b>Community Protection</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 23,553	\$ 501,675	\$ 717,515
Investments	-	50,699	-
Securities Lending Collateral	51	1,080	1,546
Accounts and Interest Receivable (net)	6,262	3,931	84,257
Taxes Receivable (net)	-	-	-
Due from Other Funds	554	13,737	20,293
Due from Component Units	-	1,454	-
Inventories	-	-	809
Prepaid Items	41	-	-
Advances to Other Funds	-	-	-
Net Contracts, Notes, and Other Receivables	41	43	427,119
Receivables for Right to Use Assets	-	-	133
Loans Receivable (net)	-	2,061	-
Other Assets	-	2,495	-
<b>Total Assets</b>	<b>\$ 30,501</b>	<b>\$ 577,175</b>	<b>\$ 1,251,672</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts and Interest Payable	\$ 2,930	\$ 5,131	\$ 56,987
Obligations Under Securities Lending	51	1,080	1,546
Due to Other Funds	146	711	14,896
Due to Component Units	197	226	115
Due to Other Governments	-	10,520	6,230
Unearned Revenue	1,098	203,667	3,854
Deposit Liabilities	131	-	25,017
Contracts, Mortgages, and Notes Payable	-	-	7,999
Advances from Other Funds	-	-	-
Total Liabilities	4,553	221,334	116,644
<b>Deferred Inflows of Resources:</b>			
Receivables for Right to Use Assets	-	-	140
Unavailable Revenue	41	43	427,119
Total Deferred Inflows of Resources	41	43	427,258
<b>Fund Balances:</b>			
Nonspendable	66	1	875
Restricted by:			
Federal Laws and Regulations	251	16,205	20,052
Oregon Constitution	2,586	50,245	17,658
Enabling Legislation	20,157	103,876	75,674
Debt Covenants	-	91,923	290,480
Donors and Other External Parties	-	-	3,901
Committed	85	93,548	282,332
Assigned	2,761	-	16,798
Unassigned	-	-	-
Total Fund Balances	25,907	355,797	707,770
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 30,501</b>	<b>\$ 577,175</b>	<b>\$ 1,251,672</b>

**State of Oregon**

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**Special Revenue Funds**

Consumer Protection	Employment Services	Environmental Management	Nutritional Support	Residential Assistance	Other Special Revenue
\$ 388,861	\$ 173,268	\$ 1,860,210	\$ 743	\$ 340,491	\$ 19,265
-	258,777	1,544	-	8,502	-
838	272	4,510	2	734	42
48,026	87,781	134,401	62,576	17,603	771
12,509	19,488	1,307	-	5,806	-
12,080	2,841	21,336	-	7,345	9
-	12,347	-	-	-	-
66	2,108	4,747	-	8	1,450
83	320	1,755	-	18	91
-	847	-	-	-	-
70,209	71,767	50,417	14	48,814	-
-	-	1,466	-	-	-
-	-	592,931	-	1,220,429	-
-	-	-	-	-	-
<b>\$ 532,672</b>	<b>\$ 629,816</b>	<b>\$ 2,674,625</b>	<b>\$ 63,335</b>	<b>\$ 1,649,749</b>	<b>\$ 21,627</b>

\$ 122,635	\$ 17,462	\$ 68,331	\$ 54,005	\$ 20,639	\$ 1,495
838	272	4,510	2	734	42
18,580	10,208	12,178	469	2,060	2
-	14,271	1,208	17	-	-
4,891	-	34,031	6,058	14,351	-
-	-	15,723	36	11,529	-
181	1,626	4,780	-	7	9
-	-	-	-	-	-
847	-	300	-	-	-
<b>147,972</b>	<b>43,839</b>	<b>141,062</b>	<b>60,588</b>	<b>49,320</b>	<b>1,546</b>
-	-	1,466	-	-	-
70,209	77,471	50,770	14	48,814	-
<b>70,209</b>	<b>77,471</b>	<b>52,236</b>	<b>14</b>	<b>48,814</b>	<b>-</b>

150	2,530	6,755	-	25	1,541
823	52,424	949,848	1,830	150,788	6,652
-	193	48,122	-	-	-
239,850	164,727	413,216	904	304,756	4,898
-	-	186,292	-	53,979	-
96	-	14,919	-	9,665	6,543
73,571	289,813	802,749	-	225,560	308
-	-	59,425	-	806,842	138
-	(1,181)	-	-	-	-
<b>314,490</b>	<b>508,505</b>	<b>2,481,327</b>	<b>2,734</b>	<b>1,551,616</b>	<b>20,080</b>
<b>\$ 532,672</b>	<b>\$ 629,816</b>	<b>\$ 2,674,625</b>	<b>\$ 63,335</b>	<b>\$ 1,649,749</b>	<b>\$ 21,627</b>

(continued on next page)

**State of Oregon**

**Combining Balance Sheet**

**Nonmajor Governmental Funds**

**June 30, 2025**

**(In Thousands)**

(continued from previous page)

	<b>Debt Service Funds</b>			
	<b>Revenue Bond</b>	<b>Certificates of Participation</b>	<b>General Obligation Bond</b>	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 290,954	\$ 10	\$ 101,596	
Investments	2,523	-	-	
Securities Lending Collateral	-	-	-	
Accounts and Interest Receivable (net)	6	-	269	
Taxes Receivable (net)	-	-	-	
Due from Other Funds	78,535	-	20,897	
Due from Component Units	-	-	3,931	
Inventories	-	-	-	
Prepaid Items	-	-	-	
Advances to Other Funds	-	-	-	
Net Contracts, Notes, and Other Receivables	-	-	-	
Receivables for Right to Use Assets	-	-	-	
Loans Receivable (net)	-	-	-	
Other Assets	-	-	-	
<b>Total Assets</b>	<b>\$ 372,018</b>	<b>\$ 10</b>	<b>\$ 126,693</b>	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts and Interest Payable	\$ 177	\$ -	\$ -	
Obligations Under Securities Lending	-	-	-	
Due to Other Funds	-	-	68	
Due to Component Units	-	-	-	
Due to Other Governments	-	-	-	
Unearned Revenue	-	-	-	
Deposit Liabilities	529	-	1	
Contracts, Mortgages, and Notes Payable	-	-	-	
Advances from Other Funds	-	-	-	
<b>Total Liabilities</b>	<b>706</b>	<b>-</b>	<b>69</b>	
<b>Deferred Inflows of Resources:</b>				
Receivables for Right to Use Assets	-	-	-	
Unavailable Revenue	-	-	-	
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Fund Balances:</b>				
Nonspendable	-	-	-	
Restricted by:				
Federal Laws and Regulations	-	-	-	
Oregon Constitution	188,694	-	-	
Enabling Legislation	-	-	-	
Debt Covenants	182,618	10	126,624	
Donors and Other External Party	-	-	-	
Committed	-	-	-	
Assigned	-	-	-	
Unassigned	-	-	-	
<b>Total Fund Balances</b>	<b>371,312</b>	<b>10</b>	<b>126,624</b>	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 372,018</b>	<b>\$ 10</b>	<b>\$ 126,693</b>	

**State of Oregon**

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<b>Capital Projects</b>		<b>Permanent</b>		<b>Total</b>
\$	1,128,368	\$	9,883	\$ 5,556,393
	-		1,715	323,761
	-		21	9,095
6,537			-	452,420
-			-	39,109
3,994			-	181,622
-			-	17,732
-			-	9,187
50			-	2,358
-			-	847
-			-	668,424
-			-	1,599
-			-	1,815,421
-			-	2,495
<b>\$</b>	<b>1,138,950</b>	<b>\$</b>	<b>11,619</b>	<b>\$ 9,080,463</b>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$	17,364	\$	-	\$ 367,155
	-		21	9,095
14,610			-	73,928
-			-	16,034
-			-	76,080
-			-	235,907
-			-	32,282
-			-	7,999
-			-	1,147
<b>31,974</b>		<b>21</b>		<b>819,628</b>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-		-		1,606
-		-		674,481
-		-		676,087
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
50		10,902		22,895
251		-		1,199,124
560		-		308,058
12		351		1,328,421
1,105,004		-		2,036,931
-		346		35,470
53		-		1,768,020
1,045		-		887,010
-		-		(1,181)
<b>1,106,976</b>		<b>11,598</b>		<b>7,584,748</b>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>\$</b>	<b>1,138,950</b>	<b>\$</b>	<b>11,619</b>	<b>\$ 9,080,463</b>

**State of Oregon**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2025**  
**(In Thousands)**

	<b>Special Revenue Funds</b>		
	<b>Agricultural Resources</b>	<b>Business Development</b>	<b>Community Protection</b>
<b>REVENUES</b>			
Healthcare Provider Taxes	\$ -	\$ -	\$ -
Employer-Employee Taxes	- -	- -	- -
Workers' Compensation Insurance Taxes	- -	- -	- -
Other Taxes	- -	- -	- -
Licenses and Fees	9,510	4,668	29,406
Federal	10,668	80,855	525,392
Rebates and Recoveries	812	3,120	6,746
Charges for Services	9,883	216	29,797
Fines, Forfeitures, and Penalties	111	118	112,617
Rents and Royalties	- -	- -	1,752
Investment Income	1,200	26,738	23,960
Sales	27	3,141	1,224
Assessments	- -	- -	- -
Donations and Grants	- -	24,126	1,297
Contributions to Permanent Funds	- -	- -	- -
Other	22	249	3,131
<b>Total Revenues</b>	<b>32,233</b>	<b>143,231</b>	<b>735,321</b>
<b>EXPENDITURES</b>			
Current:			
Education	- -	- -	- -
Human Resources	- -	- -	1,325
Public Safety	- -	4,128	616,247
Economic and Community Development	- -	120,447	22
Natural Resources	42,019	36	- -
Transportation	- -	- -	13,144
Consumer and Business Services	- -	- -	- -
Administration	- -	3,966	16,935
Legislative	- -	- -	- -
Judicial	- -	- -	59,835
Intergovernmental	1,401	105,745	419,735
Capital Outlay	2,075	2,185	11,244
Debt Service:			
Principal	39	372	6,849
Interest	3	75	1,993
Other Debt Service	- -	242	859
<b>Total Expenditures</b>	<b>45,537</b>	<b>237,197</b>	<b>1,148,189</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,304)	(93,966)	(412,868)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds	10,902	108,605	190,435
Transfers to Other Funds	(896)	(21,803)	(65,434)
Insurance Recoveries	- -	- -	163
Long-term Debt Issued	59	58,950	123,004
Debt Issuance Premium	- -	2,314	9,028
Refunding Debt Issued	- -	- -	- -
Refunded Debt Payment to Escrow Agent	- -	- -	- -
<b>Total Other Financing Sources (Uses)</b>	<b>10,065</b>	<b>148,066</b>	<b>257,196</b>
Net Change in Fund Balances	(3,239)	54,100	(155,672)
Fund Balances - Beginning	29,146	301,697	863,433
Change in Inventories	- -	- -	9
<b>Fund Balances - Ending</b>	<b>\$ 25,907</b>	<b>\$ 355,797</b>	<b>\$ 707,770</b>

**State of Oregon**

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**Special Revenue Funds**

<b>Consumer Protection</b>	<b>Employment Services</b>	<b>Environmental Management</b>	<b>Nutritional Support</b>	<b>Residential Assistance</b>	<b>Other Special Revenue</b>
\$ 202,614	\$ 62,370	\$ 38,707	\$ 1,803,027	\$ 64,324	\$ -
-	100,354	-	-	-	-
103,570	-	215,318	-	94	-
203,125	3,568	262,451	1,803,027	251,123	5,552
65,700	191,715	-	-	-	-
562	86	167,462	13,060	2,348	6
3,707	36,889	-	1,458	12,433	11,770
4,259	32,373	1,997	-	50	-
-	407	2,792	-	-	38
13,833	25,623	86,780	25	19,130	785
16	375	111,776	-	-	249
-	78,721	-	-	557	-
-	-	5,502	-	-	201
-	-	-	-	-	-
645	1,400	16,703	8	68	498
<b>598,031</b>	<b>533,881</b>	<b>909,919</b>	<b>1,817,578</b>	<b>350,127</b>	<b>19,098</b>
7,875	65,160	-	27,342	-	4,511
15,209	-	-	1,551,561	-	-
-	-	-	-	-	-
-	215,852	-	-	311,384	1,219
4,500	-	854,545	-	-	-
30	-	-	-	-	-
320,832	139,078	-	-	6,056	-
9,294	1,468	-	-	727	8,891
-	-	-	-	-	938
-	-	-	-	-	-
17,394	49,539	159,855	237,967	97,791	456
3,437	2,547	40,041	1	108	813
4,586	5,414	5,268	1	991	215
341	714	331	-	145	1,401
-	-	418	-	1,296	-
<b>383,498</b>	<b>479,772</b>	<b>1,060,458</b>	<b>1,816,871</b>	<b>418,499</b>	<b>18,444</b>
214,533	54,108	(150,539)	707	(68,372)	655
23,004	5,957	242,456	-	269,909	641
(213,926)	(41,460)	(78,074)	(1,457)	(6,714)	(4,656)
2	-	3,977	-	-	-
2,606	2,433	81,792	1	28,171	-
-	-	6,457	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>(188,314)</b>	<b>(33,070)</b>	<b>256,607</b>	<b>(1,456)</b>	<b>291,366</b>	<b>(4,015)</b>
<b>26,220</b>	<b>21,038</b>	<b>106,068</b>	<b>(749)</b>	<b>222,994</b>	<b>(3,360)</b>
288,268	487,516	2,375,054	3,483	1,328,619	23,435
3	(48)	205	-	3	6
<b>\$ 314,490</b>	<b>\$ 508,505</b>	<b>\$ 2,481,327</b>	<b>\$ 2,734</b>	<b>\$ 1,551,616</b>	<b>\$ 20,080</b>

(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, 2025

(In Thousands)

(continued from previous page)

	Debt Service Funds		
	Revenue Bond	Certificates of Participation	General Obligation Bond
	\$	\$	\$
<b>REVENUES</b>			
Healthcare Provider Taxes	\$	\$	\$
Employer-Employee Taxes	-	-	-
Workers' Compensation Insurance Taxes	-	-	-
Other Taxes	-	-	-
Licenses and Fees	-	-	-
Federal	17,371	-	-
Rebates and Recoveries	-	-	-
Charges for Services	-	-	-
Fines, Forfeitures, and Penalties	-	-	-
Rents and Royalties	-	-	-
Investment Income	11,258	6	10,734
Sales	-	-	-
Assessments	-	-	-
Donations and Grants	-	-	-
Contributions to Permanent Funds	-	-	-
Other	-	-	49,034
<b>Total Revenues</b>	<b>28,629</b>	<b>6</b>	<b>59,768</b>
<b>EXPENDITURES</b>			
Current:			
Education	-	-	-
Human Resources	-	-	-
Public Safety	-	-	-
Economic and Community Development	-	-	-
Natural Resources	-	-	-
Transportation	-	-	-
Consumer and Business Services	-	-	-
Administration	-	-	-
Legislative	-	-	-
Judicial	-	-	-
Intergovernmental	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	219,698	-	236,809
Interest	153,804	7	48,079
Other Debt Service	1,920	-	93
<b>Total Expenditures</b>	<b>375,422</b>	<b>7</b>	<b>284,981</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(346,793)	(1)	(225,214)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds	439,668	-	233,490
Transfers to Other Funds	(24,309)	-	(12,317)
Insurance Recoveries	-	-	-
Long-term Debt Issued	-	-	-
Debt Issuance Premium	74,407	-	1,571
Refunding Debt Issued	632,439	-	26,850
Refunded Debt Payment to Escrow Agent	(741,813)	-	(28,328)
<b>Total Other Financing Sources (Uses)</b>	<b>380,392</b>	<b>-</b>	<b>221,267</b>
Net Change in Fund Balances	33,599	(1)	(3,947)
Fund Balances - Beginning	337,713	11	130,571
Change in Inventories	-	-	-
<b>Fund Balances - Ending</b>	<b>\$ 371,312</b>	<b>\$ 10</b>	<b>\$ 126,624</b>

**State of Oregon**

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<b>Capital Projects</b>	<b>Permanent</b>	<b>Total</b>
\$ -	\$ -	\$ 202,614
-	-	62,370
-	-	100,354
-	-	206,601
-	-	465,691
38,253	-	3,252,105
9	-	27,179
-	-	273,615
-	-	151,526
-	-	4,989
47,906	230	268,208
-	-	116,807
-	-	79,279
-	35	31,160
-	204	204
-	-	71,757
<b>86,168</b>	<b>469</b>	<b>5,314,459</b>
-	-	104,888
-	-	1,568,094
-	-	620,376
-	-	648,924
-	-	901,099
-	-	13,174
-	28	465,995
-	-	41,282
-	-	938
-	-	59,835
-	-	1,089,883
256,765	-	319,217
264	-	480,506
139	-	207,031
<b>276</b>	<b>-</b>	<b>5,104</b>
<b>257,443</b>	<b>28</b>	<b>6,526,345</b>
(171,276)	441	(1,211,886)
24,264	-	1,549,331
(246,671)	-	(717,718)
-	-	4,141
387,560	-	684,576
6,686	-	100,464
-	-	659,289
-	-	(770,141)
<b>171,839</b>	<b>-</b>	<b>1,509,942</b>
<b>563</b>	<b>441</b>	<b>298,056</b>
1,106,413	11,157	7,286,515
-	-	176
<b>\$ 1,106,976</b>	<b>\$ 11,598</b>	<b>\$ 7,584,748</b>

## 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, 2025

(In Thousands)

	Energy Loan	Business Development	Special Public Works	State Hospitals
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ -	\$ 27,942	\$ 205,048	\$ 315
Cash and Cash Equivalents - Restricted	8,129	-	-	-
Investments	-	-	13,051	-
Securities Lending Collateral	21	60	442	-
Accounts and Interest Receivable (net)	154	21	889	3,276
Due from Other Funds	-	-	144	71,576
Due from Component Units	7,569	-	-	-
Inventories	-	-	-	1,535
Prepaid Items	-	-	-	100
Loans Receivable (net)	2,006	3,329	26,375	-
<b>Total Current Assets</b>	<b>17,879</b>	<b>31,352</b>	<b>245,948</b>	<b>76,803</b>
<b>Noncurrent Assets:</b>				
Cash and Cash Equivalents - Restricted	1,688	-	1,488	-
Advances to Component Units	43,742	-	-	-
Net Contracts, Notes, and Other Receivables	-	-	-	-
Loans Receivable (net)	6,249	18,396	181,982	-
Net OPEB Asset	1	16	50	6,090
Capital Assets (net)	-	-	-	348,371
<b>Total Noncurrent Assets</b>	<b>51,680</b>	<b>18,412</b>	<b>183,520</b>	<b>354,461</b>
<b>Total Assets</b>	<b>69,559</b>	<b>49,764</b>	<b>429,468</b>	<b>431,264</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Refunding	627	-	-	-
Related to Pensions	33	428	866	172,906
Related to OPEB	-	3	6	1,123
<b>Total Deferred Outflows of Resources</b>	<b>660</b>	<b>431</b>	<b>872</b>	<b>174,030</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts and Interest Payable	559	71	4,632	13,186
Obligations Under Securities Lending	21	60	442	-
Due to Other Funds	-	2	614	88,376
Due to Other Governments	-	-	1,630	-
Unearned Revenue	16	-	-	1
Other Liabilities	23	36	183	15,322
Bonds/COPs Payable	10,550	-	5,745	-
<b>Total Current Liabilities</b>	<b>11,169</b>	<b>170</b>	<b>13,245</b>	<b>116,885</b>
<b>Noncurrent Liabilities:</b>				
Other Liabilities	1,737	82	418	27,700
Bonds/COPs Payable	53,936	-	76,047	-
Net Pension Liability	83	1,000	2,025	395,369
Total OPEB Liability	1	17	25	6,665
<b>Total Noncurrent Liabilities</b>	<b>55,756</b>	<b>1,099</b>	<b>78,514</b>	<b>429,734</b>
<b>Total Liabilities</b>	<b>66,926</b>	<b>1,269</b>	<b>91,760</b>	<b>546,619</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Gain on Refunding	131	-	-	-
Related to Pensions	7	84	171	33,336
Related to OPEB	1	8	14	3,204
<b>Total Deferred Inflows of Resources</b>	<b>139</b>	<b>92</b>	<b>185</b>	<b>36,540</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	-	-	342,925
Restricted for:				
Debt Service	3,165	-	3,633	-
OPEB	1	16	50	6,090
Unrestricted	(11)	48,818	334,713	(326,881)
<b>Total Net Position</b>	<b>\$ 3,154</b>	<b>\$ 48,834</b>	<b>\$ 338,396</b>	<b>\$ 22,134</b>

**State of Oregon**

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Liquor Control	Standard Retiree Health Insurance	Veterans' Home	Water/ Wastewater Financing	Safe Drinking Water	Paid Family and Medical Leave Insurance	Other	Total
\$ 72,578	\$ 88,827	\$ 28,104	\$ 38,346	\$ 126,488	\$ 686,267	\$ 241,542	\$ 1,515,458
-	-	-	-	-	-	-	8,129
-	-	-	-	-	-	-	13,051
250	185	61	83	273	1,479	484	3,337
346	1	4,552	61	319	219,705	7,556	236,880
5	-	-	38	17,857	60	9	89,690
-	-	-	-	-	-	-	7,569
51,127	-	-	-	-	-	11,836	64,498
-	-	135	-	-	-	516	750
-	-	-	3,335	10,787	-	2,035	47,867
<b>124,306</b>	<b>89,013</b>	<b>32,851</b>	<b>41,862</b>	<b>155,724</b>	<b>907,511</b>	<b>263,978</b>	<b>1,987,228</b>
43,003	-	-	-	-	-	-	46,178
-	-	-	-	-	-	-	43,742
-	-	34	-	-	21,220	-	21,254
-	-	-	50,993	234,386	-	9,337	501,344
702	31	17	27	4	320	450	7,707
100,994	-	53,423	-	-	16,756	28,360	547,903
144,698	31	53,474	51,020	234,390	38,296	38,146	1,168,127
<b>269,005</b>	<b>89,044</b>	<b>86,325</b>	<b>92,882</b>	<b>390,114</b>	<b>945,807</b>	<b>302,124</b>	<b>3,155,356</b>
-	-	-	-	-	-	-	627
14,423	315	141	423	101	17,879	9,302	216,816
109	4	2	3	-	128	75	1,455
<b>14,532</b>	<b>319</b>	<b>143</b>	<b>426</b>	<b>101</b>	<b>18,007</b>	<b>9,377</b>	<b>218,898</b>
52,139	1,261	7,254	217	396	87,226	22,077	189,017
250	185	61	83	273	1,479	484	3,337
35,155	90	243	-	-	1,177	104	125,760
-	-	-	17	158	-	-	1,806
751	-	93	-	-	-	402	1,263
2,233	889	18	79	20	778	1,937	21,519
4,305	-	-	-	-	-	-	20,600
<b>94,832</b>	<b>2,424</b>	<b>7,670</b>	<b>395</b>	<b>847</b>	<b>90,660</b>	<b>25,005</b>	<b>363,302</b>
10,364	87	26	195	46	1,816	20,616	63,087
105,261	-	-	-	-	-	-	235,243
33,517	717	328	991	255	36,901	21,701	492,887
545	13	8	11	1	976	408	8,671
<b>149,687</b>	<b>818</b>	<b>363</b>	<b>1,197</b>	<b>302</b>	<b>39,693</b>	<b>42,725</b>	<b>799,889</b>
<b>244,519</b>	<b>3,242</b>	<b>8,032</b>	<b>1,592</b>	<b>1,149</b>	<b>130,353</b>	<b>67,731</b>	<b>1,163,191</b>
-	-	-	-	-	-	-	131
2,826	60	28	84	21	3,111	1,830	41,558
268	8	4	7	1	351	198	4,063
<b>3,094</b>	<b>68</b>	<b>32</b>	<b>90</b>	<b>23</b>	<b>3,462</b>	<b>2,027</b>	<b>45,753</b>
67,011	-	53,423	-	-	16,756	27,404	507,518
-	85,935	-	-	-	-	-	92,732
702	31	17	27	4	320	450	7,707
(31,790)	87	24,964	91,600	389,040	812,922	213,890	1,557,353
<b>\$ 35,923</b>	<b>\$ 86,053</b>	<b>\$ 78,404</b>	<b>\$ 91,626</b>	<b>\$ 389,043</b>	<b>\$ 829,998</b>	<b>\$ 241,743</b>	<b>\$ 2,165,310</b>

**State of Oregon**

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**

**Nonmajor Enterprise Funds**

**For the Year Ended June 30, 2025**

**(In Thousands)**

	<b>Energy Loan</b>	<b>Business Development</b>	<b>Special Public Works</b>	<b>State Hospitals</b>
<b>OPERATING REVENUES:</b>				
Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Fees	-	-	-	32
Federal	-	-	-	4,145
Rebates and Recoveries	-	-	-	428
Charges for Services	-	84	-	135,904
Fines, Forfeitures, and Penalties	-	-	-	-
Rents and Royalties	-	-	-	134
Sales	-	-	-	1,298
Loan Interest Income	2,833	984	5,973	-
Other	723	6	1	439
<b>Total Operating Revenues</b>	<b>3,556</b>	<b>1,075</b>	<b>5,975</b>	<b>142,380</b>
<b>OPERATING EXPENSES:</b>				
Salaries and Wages	221	1,455	2,326	542,006
Services and Supplies	47	296	650	142,252
Cost of Goods Sold	-	-	-	-
Distributions to Other Governments	-	-	3,485	-
Special Payments	-	981	-	18
Interest Expense on Right to Use Asset Arrangements	-	-	-	214
Bond and COP Interest	1,869	-	731	-
Depreciation and Amortization	-	-	-	16,317
<b>Total Operating Expenses</b>	<b>2,138</b>	<b>2,732</b>	<b>7,193</b>	<b>700,807</b>
<b>Operating Income (Loss)</b>	<b>1,419</b>	<b>(1,657)</b>	<b>(1,218)</b>	<b>(558,427)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment Income (Loss)	417	1,064	10,668	-
Other Taxes	-	-	-	-
Gain (Loss) on Disposition of Assets	-	-	-	(8)
Gain (Loss) on Leased Assets	-	-	-	1
Insurance Recovery	-	-	-	12
Other Interest Expense	-	-	-	(22)
Other Nonoperating Items	(1)	(2)	(15)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>416</b>	<b>1,062</b>	<b>10,653</b>	<b>(18)</b>
Income (Loss) Before Contributions, Special Items, Extraordinary Items, and Transfers	1,835	(595)	9,434	(558,445)
Transfers from Other Funds	-	-	2,495	558,307
Transfers to Other Funds	(66)	(901)	(9,364)	(14,284)
Change in Net Position	1,769	(1,496)	2,566	(14,423)
Net Position - Beginning	1,396	50,362	336,160	46,846
Cumulative Effect of Change in Accounting Principles	(11)	(31)	(330)	(10,289)
Net Position - Beginning - As Restated	1,385	50,331	335,830	36,557
<b>Net Position - Ending</b>	<b>\$ 3,154</b>	<b>\$ 48,834</b>	<b>\$ 338,396</b>	<b>\$ 22,134</b>

**State of Oregon**

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Liquor Control	Standard Retiree Health Insurance	Veterans' Home	Water/ Wastewater Financing	Safe Drinking Water	Paid Family and Medical Leave Insurance	Other	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 888,947	\$ -	\$ 888,947
10,044	-	-	-	-	-	2,321	12,397
-	-	37,535	-	184	-	-	41,864
3	-	-	-	-	-	-	432
-	29,983	15,760	-	453	-	51,642	233,827
373	-	-	-	-	33,714	6	34,093
-	-	-	-	-	-	-	134
820,730	-	-	-	-	-	32,393	854,421
-	-	-	471	3,562	-	362	14,185
1,305	1	118	-	-	52	8,671	11,316
<b>832,455</b>	<b>29,984</b>	<b>53,412</b>	<b>471</b>	<b>4,200</b>	<b>922,713</b>	<b>95,396</b>	<b>2,091,615</b>
39,163	673	407	1,116	335	72,350	10,729	670,781
106,396	4,640	53,057	218	69	15,633	15,112	338,369
408,016	-	-	-	-	-	37,358	445,375
71,534	-	-	2,375	286	-	422	78,103
285	35,336	-	-	4,530	717,593	49,945	808,689
156	-	-	-	-	-	16	386
3,822	-	-	-	-	-	-	6,423
2,171	-	2,301	-	-	1,206	2,911	24,906
<b>631,545</b>	<b>40,649</b>	<b>55,765</b>	<b>3,709</b>	<b>5,220</b>	<b>806,782</b>	<b>116,494</b>	<b>2,373,032</b>
<b>200,910</b>	<b>(10,665)</b>	<b>(2,353)</b>	<b>(3,238)</b>	<b>(1,021)</b>	<b>115,931</b>	<b>(21,098)</b>	<b>(281,417)</b>
1,753	4,986	1,375	1,855	5,859	31,096	12,607	71,680
16,197	-	-	-	-	-	-	16,197
12	-	-	-	-	-	(337)	(333)
-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	12
(2)	-	-	-	-	-	(2)	(27)
(4)	(8)	(2)	(3)	(9)	(49)	4,624	4,530
<b>17,955</b>	<b>4,978</b>	<b>1,372</b>	<b>1,852</b>	<b>5,850</b>	<b>31,046</b>	<b>16,892</b>	<b>92,059</b>
218,865	(5,687)	(980)	(1,386)	4,830	146,978	(4,207)	(189,358)
4,963	-	359	1,135	41,396	-	621	609,277
(194,091)	(27)	(763)	(1,300)	(75)	(1,747)	(2,583)	(225,201)
29,738	(5,714)	(1,384)	(1,551)	46,150	145,231	(6,168)	194,718
8,391	91,828	79,799	93,415	342,902	685,593	249,253	1,985,946
(2,206)	(62)	(11)	(238)	(9)	(826)	(1,342)	(15,354)
6,186	91,766	79,788	93,177	342,893	684,768	247,912	1,970,592
<b>\$ 35,923</b>	<b>\$ 86,053</b>	<b>\$ 78,404</b>	<b>\$ 91,626</b>	<b>\$ 389,043</b>	<b>\$ 829,998</b>	<b>\$ 241,743</b>	<b>\$ 2,165,310</b>

**State of Oregon**

**Combining Statement of Cash Flows**

**Nonmajor Enterprise Funds**

**For the Year Ended June 30, 2025**

**(In Thousands)**

	<b>Energy Loan</b>	<b>Business Development</b>	<b>Special Public Works</b>	<b>State Hospitals</b>
<b>Cash Flows from Operating Activities:</b>				
Receipts from Customers	\$ -	\$ 85	\$ -	\$ 156,188
Receipts from Other Funds for Services	- -	- -	- -	925
Grant Receipts	- -	- -	- -	- -
Taxes and Assessments Received	- -	- -	- -	- -
Payments to Employees for Services	(147)	(1,316)	(2,304)	(531,069)
Payments to Suppliers	(31)	(475)	(151)	(107,155)
Payments to Other Funds for Services	(7)	(632)	(358)	(46,842)
Claims Paid	- -	- -	- -	(1)
Distributions to Other Governments	- -	- -	(3,481)	- -
Other Receipts (Payments)	(700)	6	1	711
Net Cash Provided (Used) in Operating Activities	<u>(885)</u>	<u>(2,333)</u>	<u>(6,292)</u>	<u>(527,244)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Proceeds from Bond/COP Sales	- -	- -	28,145	- -
Principal Payments on Bonds/COPs	(10,150)	- -	(3,225)	- -
Principal Payments on Loans	(13)	(7)	(23)	(3,355)
Repayments on Advances Received	- -	- -	- -	(6,349)
Interest Payments on Bonds/COPs	(2,384)	- -	(2,171)	- -
Interest Payments on Loans	- -	- -	- -	(22)
Bond/COP Issuance Costs	(6)	- -	(120)	- -
Taxes and Assessments Received	- -	- -	- -	- -
Insurance Recoveries for Other than Capital Assets	- -	- -	- -	12
Transfers from Other Funds	- -	- -	2,913	557,692
Transfers to Other Funds	(66)	(901)	(15,269)	(14,284)
Net Cash Provided (Used) in Noncapital Financing Activities	<u>(12,620)</u>	<u>(909)</u>	<u>10,249</u>	<u>533,692</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Proceeds from Bond/COP Sales	- -	- -	- -	- -
Principal Payments on Leases	- -	- -	- -	(137)
Principal Payments on SBITAs	- -	- -	- -	(4,663)
Principal Payments on Bonds/COPs	- -	- -	- -	- -
Interest Payments on Leases	- -	- -	- -	(6)
Interest Payments on SBITAs	- -	- -	- -	(208)
Interest Payments on Bonds/COPs	- -	- -	- -	- -
Bond/COP Issuance Costs	- -	- -	- -	- -
Acquisition of Capital Assets	- -	- -	(3)	(1,687)
Proceeds from Disposition of Capital Assets	- -	- -	- -	- -
Contributions Restricted for Capital Purposes	- -	- -	- -	- -
Net Cash Provided (Used) in Capital and Related Financing Activities	<u>- -</u>	<u>- -</u>	<u>(3)</u>	<u>(6,702)</u>
<b>Cash Flows from Investing Activities:</b>				
Interest on Investments and Cash Balances	416	1,062	9,643	- -
Interest Income from Securities Lending	1	2	20	- -
Interest Expense from Securities Lending	(1)	(2)	(15)	- -
Loan Principal Repayments	12,727	1,940	14,801	- -
Loan Interest Received	2,815	974	5,935	- -
Loans Made	- -	(5,009)	(36,782)	- -
Net Cash Provided (Used) in Investing Activities	<u>15,958</u>	<u>(1,034)</u>	<u>(6,400)</u>	- -
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,454</u>	<u>(4,275)</u>	<u>(2,446)</u>	<u>(254)</u>
Cash and Cash Equivalents - Beginning	<u>7,363</u>	<u>32,217</u>	<u>208,981</u>	<u>569</u>
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 9,816</b>	<b>\$ 27,942</b>	<b>\$ 206,536</b>	<b>\$ 315</b>

**State of Oregon**

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Liquor Control	Standard Retiree Health Insurance	Veterans' Home	Water/ Wastewater Financing	Safe Drinking Water	Paid Family and Medical Leave Insurance	Other	Total
\$ 831,570	\$ 29,984	\$ 15,526	\$ -	\$ -	\$ -	\$ 69,446	\$ 1,102,798
-	-	-	-	456	-	777	2,157
-	-	37,329	-	-	-	-	37,329
-	-	-	-	-	933,401	-	933,401
(36,347)	(914)	(430)	(1,089)	(372)	(56,005)	(26,535)	(656,529)
(509,729)	(4,636)	(50,351)	(14)	(14)	(5,683)	(40,352)	(718,590)
(6,436)	(24)	(1,505)	(198)	(50)	(9,604)	(3,740)	(69,397)
-	(35,379)	-	-	-	(715,875)	-	(751,255)
(66,385)	-	-	(2,674)	(269)	-	(422)	(73,231)
1,591	333	299	-	(270)	25	(18,822)	(16,826)
214,265	(10,636)	867	(3,974)	(519)	146,259	(19,649)	(210,141)
-	-	-	-	-	-	-	28,145
-	-	-	-	-	-	-	(13,375)
(297)	(4)	(4)	(10)	(7)	-	(320)	(4,042)
-	-	-	-	-	-	-	(6,349)
-	-	-	-	-	-	-	(4,555)
(2)	-	-	-	-	-	(2)	(27)
-	-	-	-	-	-	-	(126)
16,081	-	-	-	-	-	-	16,081
-	-	-	-	-	-	-	12
4,963	-	2,609	5,555	25,632	-	621	599,984
(180,103)	(27)	(3,013)	(1,717)	(75)	(1,747)	(2,576)	(219,779)
(159,358)	(31)	(408)	3,828	25,550	(1,747)	(2,277)	395,969
16,550	-	-	-	-	-	-	16,550
(281)	-	-	-	-	-	(165)	(583)
(316)	-	-	-	-	-	(6)	(4,986)
(2,945)	-	-	-	-	-	-	(2,945)
(58)	-	-	-	-	-	(10)	(74)
(89)	-	-	-	-	-	-	(297)
(4,274)	-	-	-	-	-	-	(4,274)
(50)	-	-	-	-	-	-	(50)
(22,101)	-	(3,473)	(48)	-	(1,160)	(3,186)	(31,657)
12	-	-	-	-	-	74	86
-	-	-	-	-	-	4,643	4,643
(13,554)	-	(3,473)	(48)	-	(1,160)	1,351	(23,588)
2,659	4,977	1,372	1,852	5,849	31,039	12,583	71,451
5	9	3	3	11	57	23	133
(4)	(8)	(2)	(3)	(9)	(49)	(19)	(113)
-	-	-	2,426	14,678	-	3,508	50,080
-	-	-	465	3,562	-	361	14,111
-	-	-	(4,911)	(34,541)	-	(1,764)	(83,007)
2,659	4,978	1,372	(168)	(10,450)	31,046	14,691	52,654
44,012	(5,689)	(1,641)	(362)	14,580	174,399	(5,885)	214,895
71,569	94,516	29,745	38,708	111,908	511,868	247,426	1,354,870
\$ 115,581	\$ 88,827	\$ 28,104	\$ 38,346	\$ 126,488	\$ 686,267	\$ 241,542	\$ 1,569,765

(continued on next page)

## State of Oregon

### Combining Statement of Cash Flows

#### Nonmajor Enterprise Funds

For the Year Ended June 30, 2025

(In Thousands)

(continued from previous page)

	Energy Loan	Business Development	Special Public Works	State Hospitals
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)				
	\$ 1,419	\$ (1,657)	\$ (1,218)	\$ (558,427)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	-	-	-	16,317
Amortization of Bond/COP Premium and Discount	(664)	-	(354)	-
Interest Receipts Reported as Operating Revenue	(2,815)	(974)	(5,935)	-
Interest Payments Reported as Operating Expense	2,384	-	2,171	214
Bond/COP Issuance Costs Reported as Operating Expense	6	-	120	-
Net Changes in Assets and Liabilities:				
Accounts and Interest Receivable (net)	31	(8)	(38)	(6,413)
Due from Other Funds	-	-	(26)	23,724
Inventories	-	-	-	(126)
Prepaid Items	-	-	-	26
Net Contracts, Notes and Other Receivables	-	-	-	-
Loans Receivable	(723)	101	-	-
Net OPEB Asset	-	-	(2)	(325)
Accounts and Interest Payable	(96)	(28)	(1,199)	(11,011)
Due to Other Funds	-	(39)	(82)	(858)
Due to Component Units	-	-	-	(255)
Due to Other Governments	-	(5)	84	-
Unearned Revenue	(50)	-	-	-
Other Liabilities	(689)	32	76	3,102
Net Pension Liability	78	347	224	29,491
Net OPEB Liability	-	(1)	-	-
Total OPEB Liability	-	1	3	1,264
Net Changes in Deferred Outflows of Resources:				
Loss on Refunding	271	-	-	-
Related to Pensions	(21)	(131)	(138)	(26,983)
Related to OPEB	-	(2)	(5)	(875)
Net Changes in Deferred Inflows of Resources:				
Gain on Refunding	(23)	-	-	-
Related to Pensions	7	33	28	4,406
Related to OPEB	-	(2)	(3)	(516)
Total Adjustments	(2,304)	(676)	(5,074)	31,183
Net Cash Provided (Used) by Operating Activities	<u>\$ (885)</u>	<u>\$ (2,333)</u>	<u>\$ (6,292)</u>	<u>\$ (527,244)</u>

### Noncash Investing and Capital and Related Financing Activities:

Net Change in Fair Value of Investments	\$ -	\$ -	\$ 814	\$ -
Leases Initiated as Lessee	-	-	-	72
SBITAs Initiated	-	-	-	5,739
Capital Assets Acquired Through Long-term Contracts	-	-	-	-

**State of Oregon**

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Liquor Control	Standard Retiree Health Insurance	Veterans' Home	Water/ Wastewater Financing	Safe Drinking Water	Paid Family and Medical Leave Insurance	Other	Total
\$ 200,910	\$ (10,665)	\$ (2,353)	\$ (3,238)	\$ (1,021)	\$ 115,931	\$ (21,098)	\$ (281,417)
2,171	-	2,301	-	-	1,206	2,911	24,906
(546)	-	-	-	-	-	-	(1,564)
-	-	-	(465)	(3,562)	-	(361)	(14,111)
4,421	-	-	-	-	-	15	9,205
50	-	-	-	-	-	-	176
50	355	(431)	(6)	(184)	(15,300)	(1,187)	(23,131)
1	-	-	98	-	19,093	-	42,890
(2,400)	-	-	-	-	-	(843)	(3,369)
-	-	(135)	-	-	-	261	152
-	-	28	-	-	(10,246)	-	(10,218)
-	-	-	(24)	4,282	-	-	3,636
(23)	(1)	-	(1)	-	(10)	(18)	(379)
5,827	(86)	1,624	(79)	(40)	33,531	3,177	31,620
-	(39)	(105)	(74)	(109)	(15,665)	(22)	(16,994)
-	-	-	-	-	-	-	(255)
-	-	-	(281)	17	-	(1)	(186)
(16)	-	(37)	-	-	-	-	(103)
985	(36)	8	11	39	628	(2,207)	1,950
5,028	(163)	(26)	147	74	23,912	603	59,716
-	-	-	-	-	-	-	(1)
91	4	2	1	-	844	74	2,282
-	-	-	-	-	-	-	271
(2,723)	7	(7)	(77)	(21)	(9,873)	(1,023)	(40,990)
(83)	(3)	(2)	(2)	-	(118)	(58)	(1,149)
-	-	-	-	-	-	-	(23)
573	(9)	-	17	7	2,084	162	7,308
(50)	(1)	(1)	(1)	-	242	(34)	(366)
13,355	29	3,220	(736)	502	30,328	1,449	71,276
\$ 214,265	\$ (10,636)	\$ 867	\$ (3,974)	\$ (519)	\$ 146,259	\$ (19,649)	\$ (210,141)

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 814
-	-	-	-	-	-	-	-	72
-	-	-	-	-	-	-	-	5,739
-	-	-	-	-	-	-	383	383



## 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 30,2025**

**(In Thousands)**

	<b>Central Services</b>	<b>Legal Services</b>	<b>Banking Services</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ -	\$ 15,400	\$ 60,532
Cash and Cash Equivalents - Restricted	16,654	-	-
Investments - Restricted	418	-	-
Securities Lending Collateral	-	33	130
Accounts and Interest Receivable (net)	212,106	26,810	1,536
Due from Other Funds	11,601	3,843	17
Inventories	1,252	185	-
Prepaid Items	5,977	-	-
Foreclosed and Deeded Property	555	-	-
Total Current Assets	<u>248,563</u>	<u>46,272</u>	<u>62,215</u>
<b>Noncurrent Assets:</b>			
Cash and Cash Equivalents - Restricted	26,788	-	-
Net Contracts, Notes, and Other Receivables	48	1	-
Net OPEB Asset	4,488	3,106	513
Capital Assets (net)	491,385	20,763	60,203
Total Noncurrent Assets	<u>522,709</u>	<u>23,870</u>	<u>60,716</u>
<b>Total Assets</b>	<b>771,271</b>	<b>70,142</b>	<b>122,931</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on Refunding	19	-	-
Related to Pensions	59,096	54,283	13,030
Related to OPEB	546	389	75
<b>Total Deferred Outflows of Resources</b>	<b>59,661</b>	<b>54,671</b>	<b>13,104</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts and Interest Payable	37,500	3,407	841
Obligations Under Securities Lending	-	33	130
Due to Other Funds	67,506	152	-
Other Liabilities	145,275	12,283	3,975
Bonds/COPs Payable	10,175	1,680	-
Total Current Liabilities	<u>260,456</u>	<u>17,556</u>	<u>4,946</u>
<b>Noncurrent Liabilities:</b>			
Other Liabilities	349,625	38,340	56,387
Bonds/COPs Payable	173,561	10,608	-
Net Pension Liability	136,184	124,031	30,087
Total OPEB Liability	1,942	1,522	369
Total Noncurrent Liabilities	<u>661,312</u>	<u>174,501</u>	<u>86,843</u>
<b>Total Liabilities</b>	<b>921,768</b>	<b>192,057</b>	<b>91,790</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to Pensions	11,482	10,458	2,537
Related to OPEB	1,107	891	204
<b>Total Deferred Inflows of Resources</b>	<b>12,590</b>	<b>11,349</b>	<b>2,741</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	277,739	2,287	7,113
Restricted for:			
Debt Service	9,565	-	-
Capital Projects	26,505	-	-
OPEB	4,488	3,106	513
Unrestricted	(421,723)	(83,986)	33,879
<b>Total Net Position</b>	<b>\$ (103,425)</b>	<b>\$ (78,592)</b>	<b>\$ 41,505</b>

**State of Oregon**

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<b>Audit Services</b>	<b>Forestry Services</b>	<b>Health Services</b>	<b>Other</b>	<b>Total</b>
\$ 37	\$ 7,774	\$ 466,733	\$ 6,047	\$ 556,525
-	-	-	-	16,654
-	-	-	-	418
-	17	989	13	1,183
3,576	1,922	21,763	199	267,913
-	183	2,965	-	18,609
-	250	3	5	1,695
106	-	517	-	6,599
-	-	-	-	555
<b>3,719</b>	<b>10,146</b>	<b>492,971</b>	<b>6,265</b>	<b>870,150</b>
-	-	-	-	26,788
-	-	-	-	49
289	88	4,557	39	13,080
194	11,053	11,445	2,805	597,848
483	11,141	16,002	2,844	637,765
<b>4,202</b>	<b>21,287</b>	<b>508,973</b>	<b>9,109</b>	<b>1,507,915</b>
-	-	-	-	19
5,198	2,985	82,548	928	218,068
36	11	728	5	1,790
<b>5,234</b>	<b>2,996</b>	<b>83,276</b>	<b>933</b>	<b>219,876</b>
78	513	25,174	225	67,739
-	17	989	13	1,183
-	-	21,746	11	89,416
640	247	10,377	97	172,894
-	-	-	-	11,855
<b>718</b>	<b>777</b>	<b>58,287</b>	<b>347</b>	<b>343,087</b>
1,452	553	108,301	227	554,885
-	-	-	-	184,169
12,135	8,734	188,398	2,244	501,813
142	44	3,665	22	7,707
<b>13,729</b>	<b>9,331</b>	<b>300,364</b>	<b>2,493</b>	<b>1,248,573</b>
<b>14,447</b>	<b>10,108</b>	<b>358,651</b>	<b>2,840</b>	<b>1,591,660</b>
1,023	736	15,885	189	42,311
84	24	1,731	13	4,055
<b>1,107</b>	<b>761</b>	<b>17,616</b>	<b>202</b>	<b>46,366</b>
194	11,053	10,319	2,802	311,507
-	-	-	-	9,565
-	-	-	-	26,505
289	88	4,557	39	13,080
(6,600)	2,273	201,106	4,159	(270,892)
<b>\$ (6,117)</b>	<b>\$ 13,414</b>	<b>\$ 215,981</b>	<b>\$ 7,000</b>	<b>\$ 89,765</b>

**State of Oregon**

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2025**  
**(In Thousands)**

	<b>Central Services</b>	<b>Legal Services</b>	<b>Banking Services</b>
<b>OPERATING REVENUES:</b>			
Rebates and Recoveries	\$ 1,223	\$ 20	\$ 16
Charges for Services	403,348	171,712	55,236
Fines, Forfeitures, and Penalties	-	4	-
Rents and Royalties	57,109	-	-
Sales	2,142	60	-
Other	3,683	37	12
<b>Total Operating Revenues</b>	<b>467,505</b>	<b>171,832</b>	<b>55,265</b>
<b>OPERATING EXPENSES:</b>			
Salaries and Wages	159,891	146,017	38,089
Services and Supplies	378,599	18,211	11,107
Special Payments	4,643	-	-
Interest Expense on Right to Use Asset Arrangements	1,290	1,141	1,311
Bond and COP Interest	5,911	629	-
Depreciation and Amortization	52,872	2,267	4,338
<b>Total Operating Expenses</b>	<b>603,206</b>	<b>168,265</b>	<b>54,844</b>
<b>Operating Income (Loss)</b>	<b>(135,701)</b>	<b>3,567</b>	<b>421</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment Income (Loss)	14,640	-	-
Gain (Loss) on Disposition of Assets	457	-	-
Insurance Recovery	1,210	-	-
Other Interest Expense	(8)	(7)	(1)
Other Nonoperating Items	(1,141)	(13,908)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>15,158</b>	<b>(13,915)</b>	<b>(1)</b>
Income (Loss) Before Contributions, Special Items, Extraordinary Items, and Transfers	(120,543)	(10,348)	419
Capital Contributions	-	-	-
Transfers from Other Funds	1,731	-	8,528
Transfers to Other Funds	(23,048)	(4,578)	(2,138)
Change in Net Position	(141,861)	(14,926)	6,809
Net Position - Beginning	53,745	(47,454)	38,603
Cumulative Effect of Change in Accounting Principles	(15,310)	(16,213)	(3,907)
Net Position - Beginning - As Restated	38,435	(63,667)	34,695
<b>Net Position - Ending</b>	<b>\$ (103,425)</b>	<b>\$ (78,592)</b>	<b>\$ 41,505</b>

**State of Oregon**

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<b>Audit Services</b>	<b>Forestry Services</b>	<b>Health Services</b>	<b>Other</b>	<b>Total</b>
\$ -	\$ -	\$ 75,375	\$ 227	\$ 76,863
20,550	4,810	1,331,301	4,337	1,991,295
-	-	1,889	-	1,893
-	9,259	-	-	66,367
-	91	-	-	2,293
-	-	25,753	10	29,494
<b>20,550</b>	<b>14,160</b>	<b>1,434,318</b>	<b>4,574</b>	<b>2,168,205</b>
13,393	8,469	227,021	1,575	594,455
1,636	3,884	1,233,220	2,069	1,648,726
-	-	19,679	-	24,322
-	-	2	-	3,744
-	-	-	-	6,540
62	2,239	3,465	315	65,559
<b>15,091</b>	<b>14,593</b>	<b>1,483,387</b>	<b>3,959</b>	<b>2,343,346</b>
<b>5,459</b>	<b>(433)</b>	<b>(49,069)</b>	<b>615</b>	<b>(175,141)</b>
-	-	23,892	-	38,532
-	408	-	46	911
-	32	-	-	1,243
(1)	-	-	-	(18)
-	-	(38)	-	(15,087)
<b>(1)</b>	<b>440</b>	<b>23,854</b>	<b>46</b>	<b>25,582</b>
5,459	8	(25,215)	661	(149,559)
-	-	-	77	77
-	371	39	2	10,671
(3,880)	(1,722)	(7,333)	(536)	(43,235)
<b>1,579</b>	<b>(1,343)</b>	<b>(32,509)</b>	<b>205</b>	<b>(182,046)</b>
<b>(6,823)</b>	<b>15,195</b>	<b>263,178</b>	<b>6,888</b>	<b>323,332</b>
<b>(872)</b>	<b>(438)</b>	<b>(14,688)</b>	<b>(93)</b>	<b>(51,521)</b>
<b>(7,695)</b>	<b>14,757</b>	<b>248,490</b>	<b>6,795</b>	<b>271,811</b>
<b>\$ (6,117)</b>	<b>\$ 13,414</b>	<b>\$ 215,981</b>	<b>\$ 7,000</b>	<b>\$ 89,765</b>

**State of Oregon**

**Combining Statement of Cash Flows**

**Internal Service Funds**

**For the Year Ended June 30, 2025**

**(In Thousands)**

	<b>Central Services</b>	<b>Legal Services</b>	<b>Banking Services</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers	\$ 47,618	\$ 94	\$ -
Receipts from Other Funds for Services	401,362	162,015	54,367
Payments to Employees for Services	(152,105)	(139,583)	(37,471)
Payments to Suppliers	(280,417)	(10,501)	(9,444)
Payments to Other Funds for Services	(37,861)	(4,152)	(1,241)
Claims Paid	-	-	-
Distributions to Other Governments	-	-	-
Other Receipts (Payments)	44,515	132	12
Net Cash Provided (Used) in Operating Activities	<u>23,112</u>	<u>8,004</u>	<u>6,223</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Proceeds from Bond/COP Sales	4,017	-	-
Advances Received	-	-	-
Principal Payments on Loans	(1,219)	(1,075)	(185)
Interest Payments on Loans	(8)	(7)	(1)
Transfers from Other Funds	6,466	-	9,472
Transfers to Other Funds	(26,406)	(4,578)	(2,860)
Net Cash Provided (Used) in Noncapital Financing Activities	<u>(17,149)</u>	<u>(5,660)</u>	<u>6,427</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Principal Payments on Leases	(7,063)	(1,379)	(1,433)
Principal Payments on SBITAs	(5,308)	(38)	(143)
Principal Payments on Bonds/COPs	(9,565)	(1,620)	-
Principal Payments on Loans	(161)	-	-
Interest Payments on Leases	(246)	(1,139)	(1,195)
Interest Payments on SBITAs	(1,146)	(2)	(5)
Interest Payments on Bonds/COPs	(7,366)	(629)	-
Interest Payments on Loans	(16)	-	-
Bond/COP Issuance Costs	(37)	-	-
Acquisition of Capital Assets	(52,790)	(40)	(840)
Proceeds from Disposition of Capital Assets	2,339	61	-
Insurance Recoveries for Capital Assets	1,210	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	<u>(80,149)</u>	<u>(4,786)</u>	<u>(3,615)</u>
<b>Cash Flows from Investing Activities:</b>			
Proceeds from Sales and Maturities of Investments	36	-	-
Interest on Investments and Cash Balances	15,475	-	-
Interest Income from Securities Lending	28	-	-
Interest Expense from Securities Lending	(25)	-	-
Net Cash Provided (Used) in Investing Activities	<u>15,515</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(58,671)	(2,442)	9,035
Cash and Cash Equivalents - Beginning	102,113	17,842	51,497
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 43,442</b>	<b>\$ 15,400</b>	<b>\$ 60,532</b>

**State of Oregon**

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<b>Audit Services</b>	<b>Forestry Services</b>	<b>Health Services</b>	<b>Other</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ 47,712
17,063	13,717	1,754,065	4,492	2,407,081
(12,975)	(3,145)	(263,086)	(1,659)	(610,024)
(1,076)	(2,767)	(455,384)	(1,239)	(760,829)
(577)	(998)	(56,081)	(786)	(101,696)
-	-	(1,039,061)	-	(1,039,061)
-	-	(117)	-	(117)
-	-	25,754	10	70,422
<u>2,435</u>	<u>6,808</u>	<u>(33,910)</u>	<u>817</u>	<u>13,489</u>
 - - -	 - - -	 - - -	 - - -	 4,017
- - -	- - -	10,529	- - -	10,529
(110)	(33)	(30)	- - -	(2,651)
(1)	- - -	- - -	- - -	(18)
- - -	188	20	- - -	16,147
<u>(3,880)</u>	<u>(1,722)</u>	<u>(6,679)</u>	<u>(535)</u>	<u>(46,660)</u>
<u>(3,990)</u>	<u>(1,567)</u>	<u>3,840</u>	<u>(535)</u>	<u>(18,635)</u>
 - - -	 - - -	 (32)	 (1)	 (9,908)
- - -	- - -	(3,176)	- - -	(8,665)
- - -	- - -	- - -	- - -	(11,185)
- - -	- - -	- - -	- - -	(161)
- - -	- - -	(1)	- - -	(2,580)
- - -	- - -	(2)	- - -	(1,155)
- - -	- - -	- - -	- - -	(7,994)
- - -	- - -	- - -	- - -	(16)
- - -	- - -	- - -	- - -	(37)
- - -	(652)	(1,474)	(892)	(56,688)
- - -	408	- - -	19	2,827
- - -	32	- - -	- - -	1,243
<u>- - -</u>	<u>(212)</u>	<u>(4,685)</u>	<u>(874)</u>	<u>(94,319)</u>
 - - -	 - - -	 - - -	 - - -	 36
- - -	- - -	23,843	- - -	39,318
- - -	- - -	49	- - -	78
- - -	- - -	(38)	- - -	(63)
- - -	- - -	23,854	- - -	39,369
<u>(1,555)</u>	<u>5,029</u>	<u>(10,901)</u>	<u>(592)</u>	<u>(60,097)</u>
<u>1,593</u>	<u>2,745</u>	<u>477,634</u>	<u>6,639</u>	<u>660,064</u>
<b>\$ 37</b>	<b>\$ 7,774</b>	<b>\$ 466,733</b>	<b>\$ 6,047</b>	<b>\$ 599,967</b>

(continued on next page)

**State of Oregon**

**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2025**  
**(In Thousands)**  
(continued from previous page)

	<b>Central Services</b>	<b>Legal Services</b>	<b>Banking Services</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided</b>			
Operating Income (Loss)	\$ (135,701)	\$ 3,567	\$ 421
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided</b>			
(Used) by Operating Activities:			
Depreciation and Amortization	52,872	2,267	4,338
Amortization of Bond/COP Premium and Discount	(1,440)	-	-
Interest Payments Reported as Operating Expense	8,774	1,770	1,200
Bond/COP Issuance Costs Reported as Operating Expense	37	-	-
Net Changes in Assets and Liabilities:			
Accounts and Interest Receivable (net)	(8,381)	(5,867)	(557)
Due from Other Funds	(48)	(3,817)	(65)
Inventories	(93)	(134)	-
Prepaid Items	(1,019)	-	-
Net Contracts, Notes and Other Receivables	(10)	-	-
Net OPEB Asset	(88)	(94)	(25)
Accounts and Interest Payable	7,551	2,252	197
Due to Other Funds	52,242	1,882	46
Due to Component Units	-	-	-
Unearned Revenue	(30,711)	-	-
Other Liabilities	73,668	4,104	462
Net Pension Liability	13,684	9,425	1,719
Total OPEB Liability	336	246	68
Net Changes in Deferred Outflows of Resources:			
Loss on Refunding	4	-	-
Related to pensions	(9,769)	(8,551)	(1,786)
Related to OPEB	(404)	(287)	(56)
Net Changes in Deferred Inflows of Resources:			
Related to Pensions	1,797	1,396	294
Related to OPEB	(189)	(154)	(32)
Total Adjustments	<u>158,813</u>	<u>4,437</u>	<u>5,803</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 23,112</u></u>	<u><u>\$ 8,004</u></u>	<u><u>\$ 6,223</u></u>

**Noncash Investing and Capital and Related Financing Activities:**

Leases Initiated as Lessee	\$ 7,268	\$ -	\$ -
SBITAs Initiated	3,804	-	-
Capital Assets Transferred from Governmental Activities	-	-	-
Capital Assets Transferred to Governmental Activities	1,117	-	-

**State of Oregon**

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<b>Audit Services</b>	<b>Forestry Services</b>	<b>Health Services</b>	<b>Other</b>	<b>Total</b>
\$ 5,459	\$ (433)	\$ (49,069)	\$ 615	\$ (175,141)
62	2,239	3,465	315	65,559
-	-	-	-	(1,440)
-	-	2	-	11,746
-	-	-	-	37
(3,485)	(443)	(11,579)	(73)	(30,384)
-	-	5,512	-	1,582
-	(10)	4	-	(234)
(48)	-	101	6	(959)
-	-	-	-	(10)
(9)	(2)	(125)	(2)	(345)
39	122	(1,840)	37	8,356
-	-	529	5	54,705
-	-	(37)	-	(37)
-	-	-	-	(30,711)
16	45	12,315	40	90,648
1,028	5,960	18,888	(96)	50,608
22	(1)	624	3	1,296
-	-	-	-	4
(752)	(1,170)	(14,297)	(30)	(36,355)
(27)	(8)	(561)	(3)	(1,346)
145	517	2,482	4	6,634
(15)	(8)	(325)	(3)	(726)
<b>(3,024)</b>	<b>7,241</b>	<b>15,159</b>	<b>202</b>	<b>188,630</b>
<b>\$ 2,435</b>	<b>\$ 6,808</b>	<b>\$ (33,910)</b>	<b>\$ 817</b>	<b>\$ 13,489</b>

\$ -	\$ -	\$ 36	\$ -	\$ 7,304
-	-	5,105	-	8,909
-	-	-	79	79
-	-	-	-	1,117



## 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, 2025**  
**(In Thousands)**

	<b>Pension Trust Funds</b>		
	<b>Public Employees Defined Benefit Pension Plan</b>	<b>Individual Account Program Defined Contribution Pension Plan</b>	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,793,842	\$	862,274
Investments:			
Fixed Income	16,047,385		3,342,442
Public Equity	18,156,504		5,127,612
Real Estate and Real Estate Investment Trusts	12,395,630		1,417,148
Private Equity	23,319,763		2,666,065
Real Assets	9,578,708		1,095,099
Diversifying Strategies	4,481,108		512,309
Opportunity Portfolio	2,455,289		280,704
Total Investments	<u>86,434,387</u>		<u>14,441,379</u>
Securities Lending Collateral	543,266		62,281
Receivables:			
Employer Contributions	43,615		-
Plan Member Contributions	12,247		33,562
Interest and Dividends	180,697		20,658
Member Loans	-		-
Investment Sales	791,021		90,433
Transitional Liability	102,886		-
From Other Funds	16,373		86
Total Receivables	<u>1,146,838</u>		<u>144,740</u>
Prepaid Items	9,645		877
Capital Assets (net):	13,879		89
<b>Total Assets</b>	<b><u>90,941,857</u></b>		<b><u>15,511,640</u></b>
<b>LIABILITIES</b>			
Accounts and Interest Payable	1,681,743		133,591
Obligations Under Securities Lending	543,217		62,276
Due to Other Funds	86		15,793
Other Liabilities	94,796		46,135
<b>Total Liabilities</b>	<b><u>2,319,843</u></b>		<b><u>257,796</u></b>
<b>NET POSITION</b>			
Restricted for Pension Benefits	88,622,014		15,253,844
Restricted for Other Postemployment Benefits	-		-
Restricted for Other Employee Benefits	-		-
<b>Total Net Position</b>	<b><u>\$ 88,622,014</u></b>	<b><u>\$</u></b>	<b><u>15,253,844</u></b>

**State of Oregon**

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**Other Employee Benefit Trust Funds**

<b>Other Postemployment Benefits</b>							
	<b>Retirement Health Insurance Account OPEB Plan</b>	<b>Retiree Health Insurance Premium Account OPEB Plan</b>		<b>Deferred Compensation Plan</b>		<b>Total</b>	
\$	21,736	\$ 2,875	\$	7,615	\$	3,688,341	
	139,467	17,673		508,910		20,055,876	
	155,549	19,710		3,093,672		26,553,048	
	107,730	13,651		-		13,934,159	
	202,671	25,681		-		26,214,180	
	83,248	10,549		-		10,767,604	
	38,945	4,935		-		5,037,297	
	21,339	2,704		-		2,760,036	
	<b>748,948</b>	<b>94,903</b>		<b>3,602,582</b>		<b>105,322,199</b>	
	4,721	598		-		610,866	
	6	267		-		43,888	
	-	-		-		45,809	
	1,570	199		1,160		204,284	
	-	-		15,452		15,452	
	6,875	871		-		889,200	
	-	-		-		102,886	
	-	-		-		16,459	
	<b>8,451</b>	<b>1,337</b>		<b>16,611</b>		<b>1,317,977</b>	
	67	8		-		10,597	
	-	-		-		13,968	
	<b>783,922</b>	<b>99,722</b>		<b>3,626,808</b>		<b>110,963,949</b>	
	12,366	1,292		15,492		1,844,484	
	4,720	598		-		610,811	
	107	106		277		16,369	
	63	25		2,181		143,201	
	<b>17,256</b>	<b>2,021</b>		<b>17,950</b>		<b>2,614,865</b>	
	-	-		-		103,875,858	
	<b>766,667</b>	<b>97,701</b>		<b>3,608,858</b>		<b>864,368</b>	
	-	-		3,608,858		3,608,858	
<b>\$</b>	<b>766,667</b>	<b>\$ 97,701</b>	<b>\$</b>	<b>3,608,858</b>	<b>\$</b>	<b>108,349,083</b>	

**State of Oregon**

**Combining Statement of Changes in Fiduciary Net Position**  
**Pension and Other Employee Benefit Trust Funds**  
**For the Year Ended June 30, 2025**  
**(In Thousands)**

	<b>Pension Trust Funds</b>	
	<b>Public Employees Defined Benefit Pension Plan</b>	<b>Individual Account Program Defined Contribution Pension Plan</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 2,928,878	\$ -
Plan Members	179,976	826,030
Total Contributions	<u>3,108,854</u>	<u>826,030</u>
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	5,499,485	1,113,513
Interest, Dividends, and Other Investment Income	2,255,069	279,785
Total Investment Income	<u>7,754,554</u>	<u>1,393,298</u>
Less Investment Expense	1,148,984	135,572
Net Investment Income	<u>6,605,570</u>	<u>1,257,726</u>
Other Income	1,674	1,132
<b>Total Additions</b>	<b>9,716,098</b>	<b>2,084,888</b>
<b>DEDUCTIONS</b>		
Benefits	6,102,031	775,505
Death Benefits	5,716	-
Contributions Refunded	14,141	-
Healthcare Premium Subsidies	-	-
Administrative Expenses	<u>67,633</u>	<u>18,673</u>
<b>Total Deductions</b>	<b>6,189,522</b>	<b>794,178</b>
Change in Net Position:		
Restricted for Pension Benefits	3,526,577	1,290,710
Restricted for Other Postemployment Benefits	-	-
Restricted for Other Employee Benefits	-	-
Net Position - Beginning	85,099,474	13,963,134
Cumulative Effect of Change in Accounting Principles	<u>(4,036)</u>	<u>-</u>
Net Position - Beginning - As Restated	<u>85,095,437</u>	<u>13,963,134</u>
<b>Net Position - Ending</b>	<b>\$ 88,622,014</b>	<b>\$ 15,253,844</b>

**State of Oregon**

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**Other Employee Benefit Trust Funds**

**Other Postemployment Benefits**

<b>Retirement Health Insurance Account OPEB Plan</b>	<b>Retiree Health Insurance Premium Account OPEB Plan</b>	<b>Deferred Compensation Plan</b>	<b>Total</b>
\$ 13	\$ 3	-	\$ 2,928,894
-	-	218,730	1,224,735
13	3	218,730	4,153,629
47,673	6,039	367,094	7,033,805
19,626	2,497	34,396	2,591,373
67,300	8,536	401,490	9,625,178
10,018	1,269	10,247	1,306,090
57,282	7,267	391,243	8,319,088
-	-	2,955	5,762
57,295	7,270	612,928	12,478,479
-	-	214,194	7,091,731
-	-	-	5,716
-	-	-	14,141
27,802	2,781	-	30,583
1,651	776	3,366	92,100
29,452	3,558	217,561	7,234,270
-	-	-	4,817,287
27,842	3,712	-	31,554
-	-	395,367	395,367
738,824	93,989	3,213,491	103,108,911
-	-	-	(4,036)
738,824	93,989	3,213,491	103,104,875
\$ 766,667	\$ 97,701	\$ 3,608,858	\$ 108,349,083



## 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, 2025**  
**(In Thousands)**

	<b>Local Government</b>			
	<b>Short Term Investment</b>	<b>Intermediate Investment</b>	<b>Elimination for Consolidation</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 10,243,699	\$ 3,137	\$ -	\$ 10,246,836
Investments:				
Fixed Income	-	254,267	(238,933)	15,334
Total Investments	-	254,267	(238,933)	15,334
Securities Lending Collateral	19,650	169	-	19,819
Receivables:				
Interest and Dividends	42,315	2,235	-	44,550
Total Receivables	42,315	2,235	-	44,550
<b>Total Assets</b>	<b>10,305,664</b>	<b>259,808</b>	<b>(238,933)</b>	<b>10,326,539</b>
<b>LIABILITIES</b>				
Accounts and Interest Payable	22,019	3,227	-	25,246
Obligations Under Securities Lending	19,643	169	-	19,812
<b>Total Liabilities</b>	<b>41,662</b>	<b>3,396</b>	<b>-</b>	<b>45,058</b>
<b>NET POSITION</b>				
Amount Held for Pool Participants	10,264,002	256,412	(238,933)	10,281,481
<b>Total Net Position</b>	<b>\$ 10,264,002</b>	<b>\$ 256,412</b>	<b>\$ (238,933)</b>	<b>\$ 10,281,481</b>

**State of Oregon**

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**Combining Statement of Changes in Fiduciary Net Position**

**Custodial Funds - External Investment Pools**

**For the Year Ended June 30, 2025**

**(In Thousands)**

	<b>Local Government</b>			
	<b>Short Term Investment</b>	<b>Intermediate Investment</b>	<b>Elimination for Consolidation</b>	<b>Total</b>
<b>ADDITIONS</b>				
Investment Income:				
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 13,978	\$ 6,602	- \$	20,580
Interest, Dividends, and Other Investment Income	587,609	9,563	-	597,172
Total Investment Income	<u>601,587</u>	<u>16,165</u>	-	617,752
Less Investment Expense	8,519	435	-	8,954
Net Investment Income	<u>593,068</u>	<u>15,730</u>	-	608,798
Share Transactions:				
Participant Contributions	28,262,284	1,000	(14,694)	28,248,590
Participant Withdrawals	27,445,097	-	-	27,445,097
Net Share Transactions	<u>817,187</u>	<u>1,000</u>	(14,694)	803,493
<b>Total Additions</b>	<b><u>1,410,255</u></b>	<b><u>16,730</u></b>	<b>(14,694)</b>	<b>1,412,291</b>
<b>DEDUCTIONS</b>				
Distribution to Participants	579,329	-	-	579,329
<b>Total Deductions</b>	<b><u>579,329</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b>579,329</b>
Change in Net Position:				
Amount Held for Pool Participants	830,926	16,730	(14,694)	832,962
Net Position - Beginning	9,433,076	239,682	(224,239)	9,448,519
<b>Net Position - Ending</b>	<b><u>\$ 10,264,002</u></b>	<b><u>\$ 256,412</u></b>	<b><u>\$ (238,933)</u></b>	<b><u>\$ 10,281,481</u></b>



## 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, 2025**  
**(In Thousands)**

	<b>Oregon Health and Science University</b>	<b>Western Oregon University</b>	<b>Southern Oregon University</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 204,886	\$ 19,640	\$ 7,285
Cash and Cash Equivalents - Restricted	32,684	8,529	887
Investments	30,271	-	-
Securities Lending Collateral	-	70	23
Accounts and Interest Receivable (net)	889,893	8,638	33,889
Pledges, Contributions, and Grants Receivable (net)	121,333	93	-
Due from Primary Government	201,665	2,826	625
Inventories	81,367	1,382	609
Prepaid Items	46,695	1,219	1,843
Receivables for Right to Use Assets	-	-	168
<b>Total Current Assets</b>	<b>1,608,794</b>	<b>42,397</b>	<b>45,329</b>
<b>Noncurrent Assets:</b>			
Cash and Cash Equivalents	-	-	4,496
Cash and Cash Equivalents - Restricted	-	675	1,850
Investments	1,843,250	7,525	-
Investments - Restricted	1,047,562	32,970	61,811
Pledges, Contributions, and Grants Receivable (net)	26,656	157	-
Net Contracts, Notes, and Other Receivables	-	275	984
Receivables for Right to Use Assets	-	-	1,123
Net OPEB Asset	10,690	1,121	1,090
Other Assets	15,706	-	-
Capital Assets (net)	2,729,858	151,104	176,416
<b>Total Noncurrent Assets</b>	<b>5,673,722</b>	<b>193,827</b>	<b>247,770</b>
<b>Total Assets</b>	<b>7,282,516</b>	<b>236,224</b>	<b>293,099</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on Refunding	18,452	-	-
Related to Pensions	215,807	19,038	16,550
Related to OPEB	5,069	230	262
<b>Total Deferred Outflows of Resources</b>	<b>239,328</b>	<b>19,268</b>	<b>16,812</b>

**State of Oregon**

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<b>Eastern Oregon University</b>	<b>Oregon Institute of Technology</b>	<b>State Fair Council</b>	<b>Total</b>
\$ 22,156	\$ 19,844	\$ 10,291	\$ 284,102
2,852	-	-	44,952
-	-	-	30,271
184	171	-	448
4,401	9,996	481	947,298
1,393	-	-	122,819
2,001	21,852	-	228,969
10	415	-	83,783
393	1,129	66	51,345
906	788	-	1,862
<b>34,296</b>	<b>54,195</b>	<b>10,838</b>	<b>1,795,849</b>
 -	 6,603	 -	 11,099
1,148	-	-	3,673
11,555	-	-	1,862,330
20,880	72,423	-	1,235,646
-	3,361	-	30,174
-	923	-	2,182
1,467	2,821	-	5,411
655	464	-	14,020
-	997	-	16,703
<b>105,345</b>	<b>213,232</b>	<b>1,491</b>	<b>3,377,446</b>
<b>141,050</b>	<b>300,824</b>	<b>1,491</b>	<b>6,558,684</b>
<b>175,346</b>	<b>355,019</b>	<b>12,329</b>	<b>8,354,533</b>
 -	 -	 -	 18,452
15,128	11,391	-	277,914
142	129	-	5,832
<b>15,270</b>	<b>11,520</b>	<b>-</b>	<b>302,198</b>

(continued on next page)

**State of Oregon**

**Combining Statement of Net Position**  
**Nonmajor Discretely Presented Component Units**  
**June 30, 2025**  
**(In Thousands)**  
(continued from previous page)

	<b>Oregon Health and Science University</b>	<b>Western Oregon University</b>	<b>Southern Oregon University</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts and Interest Payable	645,667	5,184	1,107
Obligations Under Securities Lending	-	70	23
Obligations Under Life Income Agreements	-	-	-
Due to Primary Government	73,896	4,000	2,790
Unearned Revenue	108,081	5,953	34,520
Other Liabilities	89,754	1,698	2,319
Reserve for Loss and Loss Adjustment Expense	56,567	-	-
Bonds/COPs Payable	15,262	-	-
<b>Total Current Liabilities</b>	<b>989,227</b>	<b>16,905</b>	<b>40,759</b>
<b>Noncurrent Liabilities:</b>			
Obligations Under Life Income Agreements	25,888	-	-
Other Liabilities	237,586	12,356	20,926
Reserve for Loss and Loss Adjustment Expense	64,592	-	-
Bonds/COPs Payable	1,182,700	-	-
Net Pension Liability	574,339	44,816	37,336
Advances from Primary Government	21,590	32,987	32,007
<b>Total OPEB Liability</b>	<b>24,582</b>	<b>1,390</b>	<b>1,041</b>
<b>Total Noncurrent Liabilities</b>	<b>2,131,277</b>	<b>91,549</b>	<b>91,310</b>
<b>Total Liabilities</b>	<b>3,120,504</b>	<b>108,454</b>	<b>132,069</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Receivables for Right to Use Assets	2,337	-	26,360
Gain on Refunding	480	-	-
Life income agreements and Pending Funds	137,603	-	-
Related to Pensions	52,739	3,779	7,972
Related to OPEB	4,455	593	779
<b>Total Deferred Inflows of Resources</b>	<b>197,614</b>	<b>4,372</b>	<b>35,111</b>
<b>Net Position</b>			
Net Investment in Capital Assets	1,445,277	112,659	99,404
Restricted-Nonexpendable	388,410	33,332	1,812
Restricted for:			
Education	610,666	6,105	71,136
Debt Service	-	-	-
Capital Projects	-	-	7,249
OPEB	10,690	1,121	1,090
Unrestricted	1,748,683	(10,551)	(37,960)
<b>Total Net Position</b>	<b>\$ 4,203,726</b>	<b>\$ 142,666</b>	<b>\$ 142,731</b>

**State of Oregon**

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<b>Eastern Oregon University</b>	<b>Oregon Institute of Technology</b>	<b>State Fair Council</b>	<b>Total</b>
7,755	16,408	48	676,169
184	171	-	448
-	16	-	16
1,584	5,773	-	88,043
3,652	5,230	490	157,926
3,079	4,728	-	101,578
-	-	-	56,567
-	-	-	15,262
<b>16,254</b>	<b>32,326</b>	<b>538</b>	<b>1,096,009</b>
<hr/>			
-	-	-	25,888
1,889	4,299	-	277,056
-	-	-	64,592
-	-	-	1,182,700
31,053	27,061	-	714,605
11,363	58,314	-	156,261
785	884	-	28,682
<b>45,090</b>	<b>90,558</b>	<b>-</b>	<b>2,449,784</b>
<b>61,344</b>	<b>122,884</b>	<b>538</b>	<b>3,545,793</b>
<hr/>			
2,309	3,532	-	34,538
-	-	-	480
-	-	-	137,603
3,112	3,380	-	70,982
470	557	-	6,854
<b>5,891</b>	<b>7,469</b>	<b>-</b>	<b>250,457</b>
<hr/>			
89,060	147,880	1,491	1,895,771
13,726	-	-	437,280
<hr/>			
10,801	36,966	-	735,674
-	70	-	70
62	20,544	8	27,863
655	464	-	14,020
<b>9,077</b>	<b>30,262</b>	<b>10,292</b>	<b>1,749,803</b>
<b>\$ 123,381</b>	<b>\$ 236,186</b>	<b>\$ 11,791</b>	<b>\$ 4,860,481</b>

**State of Oregon**

**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Discretely Presented Component Units**  
**For the Year Ended June 30, 2025**  
**(In Thousands)**

	<b>Oregon Health and Science University</b>	<b>Western Oregon University</b>	<b>Southern Oregon University</b>
<b>Operating Revenues:</b>			
Federal Revenue	\$ 408,488	\$ 8,392	\$ 11,392
Charges for Services	4,496,162	23,723	31,620
Rents and Royalties	-	-	-
Sales	-	16,972	12,695
Gifts, Grants, and Contracts	423,174	11,889	33,078
Other Revenues	561,898	2,720	418
<b>Total Operating Revenues</b>	<b>5,889,722</b>	<b>63,696</b>	<b>89,203</b>
<b>Operating Expenses:</b>			
Salaries and Wages	3,640,121	81,313	66,599
Services and Supplies	2,270,205	20,855	34,828
Depreciation and Amortization	226,531	7,796	5,461
Special Payments	55,432	15,399	17,887
Interest	45,373	-	1,334
<b>Total Operating Expenses</b>	<b>6,237,662</b>	<b>125,363</b>	<b>126,109</b>
<b>Operating Income (Loss)</b>	<b>(347,940)</b>	<b>(61,667)</b>	<b>(36,906)</b>
<b>Nonoperating Revenues (Expenses):</b>			
Investment Income	296,107	5,586	1,241
State Appropriations	70,396	36,463	22,988
Other Grants	-	18,512	-
Gain/(Loss) on Disposition of Assets	423	1	22
Other Interest Expense	-	(1,118)	-
Other	27,825	1,085	(1,960)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>394,751</b>	<b>60,529</b>	<b>22,291</b>
Income (Loss) Before Capital Contributions	46,811	(1,138)	(14,615)
Capital Contributions	7,036	16,691	3,529
Change in Net Position	53,847	15,553	(11,086)
Net Position - Beginning	4,405,168	135,434	153,817
Cumulative Effect of Change in Accounting Principles	(255,289)	(8,321)	-
Net Position - Beginning - As Restated	4,149,879	127,113	153,817
<b>Net Position - Ending</b>	<b>\$ 4,203,726</b>	<b>\$ 142,666</b>	<b>\$ 142,731</b>

**State of Oregon**

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<b>Eastern Oregon University</b>	<b>Oregon Institute of Technology</b>	<b>State Fair Council</b>	<b>Total</b>
\$ 5,117	\$ 2,099	-	\$ 435,488
21,770	26,130	-	4,599,405
-	-	1,641	1,641
7,771	15,890	8,365	61,693
10,469	20,429	-	499,039
1,307	664	160	567,167
<b>46,434</b>	<b>65,212</b>	<b>10,166</b>	<b>6,164,433</b>
49,125	62,890	1,112	3,901,160
18,743	34,006	8,212	2,386,849
6,381	14,367	177	260,713
5,841	6,613	-	101,172
-	2,511	-	49,218
<b>80,090</b>	<b>120,387</b>	<b>9,501</b>	<b>6,699,112</b>
<b>(33,656)</b>	<b>(55,175)</b>	<b>665</b>	<b>(534,679)</b>
3,397	8,817	330	315,478
27,214	37,635	-	194,696
9,304	10,768	-	38,584
2	-	-	448
(498)	-	-	(1,616)
<b>(1,678)</b>	<b>582</b>	<b>-</b>	<b>25,854</b>
<b>37,741</b>	<b>57,802</b>	<b>330</b>	<b>573,444</b>
4,085	2,627	995	38,765
11,105	8,768	898	48,027
15,190	11,395	1,893	86,792
<b>108,190</b>	<b>224,791</b>	<b>9,898</b>	<b>5,037,298</b>
-	-	-	<b>(263,610)</b>
<b>108,190</b>	<b>224,791</b>	<b>9,898</b>	<b>4,773,688</b>
<b>\$ 123,381</b>	<b>\$ 236,186</b>	<b>\$ 11,791</b>	<b>\$ 4,860,481</b>





# 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)**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 13,940,027	\$ 12,982,126	\$ 12,770,116	\$ 12,129,260
Restricted	7,896,072	7,110,989	6,981,303	6,360,375
Unrestricted	283,755	1,196,339	561,763	2,029,423
<b>Total Governmental Activities Net Position</b>	<u>\$ 22,119,853</u>	<u>\$ 21,289,455</u>	<u>\$ 20,313,182</u>	<u>\$ 20,519,058</u>
<b>Business-type Activities</b>				
Net Investment in Capital Assets	\$ 621,465	\$ 577,261	\$ 602,200	\$ 544,117
Restricted	362,345	259,901	241,379	233,536
Unrestricted	9,047,148	8,353,170	7,408,952	6,348,230
<b>Total Business-type Activities Net Position</b>	<u>\$ 10,030,957</u>	<u>\$ 9,190,332</u>	<u>\$ 8,252,532</u>	<u>\$ 7,125,882</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 14,267,722	\$ 13,253,633	\$ 13,048,689	\$ 12,329,175
Restricted	8,552,186	7,676,645	7,546,310	6,936,303
Unrestricted	9,330,902	9,549,509	7,970,716	8,379,462
<b>Total Primary Government Net Position</b>	<u>\$ 32,150,810</u>	<u>\$ 30,479,786</u>	<u>\$ 28,565,715</u>	<u>\$ 27,644,940</u>

2021	2020	2019	2018	2017	2016
\$ 11,902,923	\$ 11,343,771	\$ 10,980,266	\$ 9,981,128	\$ 9,694,241	\$ 9,563,039
5,541,452	5,396,688	4,882,727	5,054,204	4,316,623	4,052,223
(1,930,679)	(637,782)	(3,212,443)	(2,751,557)	(2,946,259)	(2,537,743)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 15,513,696	\$ 16,102,677	\$ 12,650,550	\$ 12,283,775	\$ 11,064,605	\$ 11,077,519
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 542,048	\$ 524,170	\$ 547,653	\$ 583,878	\$ 610,616	\$ 612,107
232,492	233,786	224,778	216,041	215,772	222,398
5,286,486	5,467,513	5,965,305	5,325,538	4,763,302	4,233,276
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 6,061,025	\$ 6,225,468	\$ 6,737,736	\$ 6,125,457	\$ 5,589,690	\$ 5,067,782
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 12,084,721	\$ 11,489,028	\$ 11,133,063	\$ 10,565,006	\$ 10,304,857	\$ 10,175,146
5,876,493	5,886,848	5,235,707	5,270,245	4,532,395	4,274,621
3,613,508	4,952,267	3,019,517	2,573,981	1,817,043	1,695,533
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\$ 21,574,722	\$ 22,328,143	\$ 19,388,287	\$ 18,409,232	\$ 16,654,295	\$ 16,145,300
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**Schedule 2**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years (In Thousands)**  
**(Accrual Basis of Accounting)**

	2025	2024	2023	2022
<b>Expenses</b>				
Governmental activities:				
Education	\$ 9,812,496	\$ 9,680,491	\$ 9,102,586	\$ 8,671,042
Human Services	24,834,940	23,403,214	22,495,019	20,868,785
Public Safety	3,161,656	2,453,869	2,368,376	1,940,672
Economic and Community Development	1,549,869	1,247,345	1,240,288	1,402,727
Natural Resources	1,614,380	1,232,408	1,115,340	1,061,719
Transportation	2,355,821	2,416,144	2,173,145	2,424,731
Consumer and Business Services	518,821	494,583	520,636	427,194
Administration	835,436	754,305	967,392	879,135
Legislative	84,986	85,765	76,896	69,927
Judicial	630,055	755,631	638,076	553,674
Interest on Long-term Debt	429,281	431,222	366,781	355,041
<b>Total governmental activities expenses</b>	<b>45,827,744</b>	<b>42,954,976</b>	<b>41,064,535</b>	<b>38,654,647</b>
Business-type activities:				
Housing and Community Services	64,507	51,844	48,867	47,157
Veterans' Loan	23,542	21,310	19,307	16,550
Lottery Operations	815,690	803,756	754,785	701,809
Unemployment Compensation	880,056	800,951	564,943	1,320,191
State Hospitals	700,837	650,733	623,517	490,836
Liquor Control	631,535	653,124	655,228	641,800
Other Business-type Activities	1,041,020	749,487	188,235	171,419
<b>Total business-type activities expenses</b>	<b>4,157,186</b>	<b>3,731,205</b>	<b>2,854,881</b>	<b>3,389,761</b>
<b>Total primary government expenses</b>	<b>\$ 49,984,930</b>	<b>\$ 46,686,181</b>	<b>\$ 43,919,417</b>	<b>\$ 42,044,408</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for Services:				
Human Services	\$ 1,731,137	\$ 1,284,977	\$ 1,311,441	\$ 1,228,724
Public Safety	110,252	87,038	798,645	66,958
Natural Resources	576,714	507,956	442,784	528,976
Transportation	241,737	233,409	205,732	197,000
Consumer and Business Services	201,721	187,803	154,968	169,552
Administration	226,339	280,163	189,548	215,202
Judicial	284,589	195,843	156,884	136,135
Other governmental activities	194,014	171,728	152,470	193,063
Operating Grants and Contributions	19,895,071	19,828,775	19,894,276	20,178,895
Capital Grants and Contributions	38,339	25,283	25,220	22,294
<b>Total governmental activities program revenues</b>	<b>23,499,913</b>	<b>22,802,974</b>	<b>23,331,967</b>	<b>22,936,799</b>

**State of Oregon**

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	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$	7,614,399	\$ 6,914,415	\$ 6,418,578	\$ 6,272,580	\$ 5,722,672	\$ 5,588,674
17,401,755	15,017,603	13,745,007	12,912,779	12,446,233	12,516,784	
2,000,090	1,844,670	1,711,657	1,659,150	1,604,349	1,683,095	
1,706,086	654,791	604,380	527,649	477,674	444,564	
1,045,119	896,949	970,404	842,882	800,960	845,601	
2,266,246	1,949,483	1,887,748	1,660,362	1,667,739	1,614,231	
520,979	443,364	394,611	298,499	260,420	364,373	
992,498	552,258	370,025	387,319	410,692	450,111	
81,095	61,859	59,681	49,415	49,497	48,293	
532,840	566,009	510,105	456,707	433,325	455,749	
346,208	396,486	413,532	430,169	427,671	403,769	
<b>34,507,315</b>	<b>29,297,887</b>	<b>27,085,729</b>	<b>25,497,511</b>	<b>24,301,233</b>	<b>24,415,243</b>	
44,139	51,654	50,329	42,904	42,246	48,060	
16,609	20,618	19,604	19,231	18,058	18,531	
659,109	587,551	637,164	608,499	578,629	595,692	
5,409,212	4,670,860	524,641	521,071	528,851	547,309	
509,919	500,839	440,355	422,663	408,488	399,766	
596,099	551,281	498,114	471,783	447,266	424,939	
160,127	163,340	209,950	281,383	266,455	315,720	
<b>7,395,215</b>	<b>6,546,142</b>	<b>2,380,156</b>	<b>2,367,534</b>	<b>2,289,995</b>	<b>2,350,017</b>	
<b>\$ 41,902,530</b>	<b>\$ 35,844,029</b>	<b>\$ 29,465,886</b>	<b>\$ 27,865,045</b>	<b>\$ 26,591,224</b>	<b>\$ 26,765,260</b>	

\$	1,043,398	\$ 1,030,658	\$ 1,002,665	\$ 738,454	\$ 688,009	\$ 711,764
75,454	84,448	77,101	85,772	131,406	80,479	
459,367	444,480	419,569	454,784	369,685	394,169	
175,544	150,920	153,641	183,907	159,842	163,195	
153,803	149,379	162,871	220,486	113,061	143,591	
173,782	191,361	171,960	171,603	151,025	179,412	
124,318	199,856	140,372	167,027	145,933	154,534	
146,731	114,700	127,474	105,995	96,994	78,511	
16,770,671	12,764,628	11,620,564	11,096,213	10,801,215	10,797,377	
27,604	19,608	8,639	18,684	11,153	18,426	
<b>19,150,671</b>	<b>15,150,038</b>	<b>13,884,856</b>	<b>13,242,925</b>	<b>12,668,324</b>	<b>12,721,458</b>	

(continued on next page)

**Schedule 2**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years (In Thousands)**  
**(Accrual Basis of Accounting)**  
(continued from previous page)

	2025	2024	2023	2022
<b>Business-type activities:</b>				
Charges for Services:				
Lottery Operations	1,688,270	1,729,548	1,677,763	1,678,219
Unemployment Compensation	1,321,498	1,251,955	1,130,895	1,225,792
Liquor Control	832,451	832,447	866,434	844,261
Other Business-type Activities	1,295,239	1,211,135	757,191	355,189
Operating Grants and Contributions	380,337	313,713	373,704	1,109,070
Capital Grants and Contributions	-	163	24	546
Total business-type activities program revenues	<b>5,517,794</b>	<b>5,338,961</b>	<b>4,806,010</b>	<b>5,213,076</b>
<b>Total primary government program revenues</b>	<b>\$ 29,017,707</b>	<b>\$ 28,141,935</b>	<b>\$ 28,138,108</b>	<b>\$ 28,149,874</b>
 Net (Expense)/Revenue				
Governmental activities	\$ (22,327,830)	\$ (20,152,002)	\$ (17,732,568)	\$ (15,717,848)
Business-type activities	1,360,608	1,607,756	1,951,128	1,823,315
<b>Total primary government net expense</b>	<b>\$ (20,967,222)</b>	<b>\$ (18,544,246)</b>	<b>\$ (15,781,440)</b>	<b>\$ (13,894,533)</b>
 General Revenues and Other Changes in Net Position				
<b>Governmental activities:</b>				
Taxes:				
Personal Income Taxes	\$ 14,719,981	\$ 12,347,800	\$ 10,847,234	\$ 10,846,167
Corporate Income Taxes	1,557,039	1,636,971	1,623,683	1,488,974
Corporate Activity Taxes	1,470,577	1,332,100	1,306,203	1,219,388
Tobacco Taxes	338,206	366,071	415,423	459,571
Healthcare Provider Taxes	1,437,554	1,218,144	1,224,148	1,055,164
Insurance Premium Taxes	109,125	77,444	85,094	85,403
Marijuana Taxes	175,952	176,378	167,551	201,627
Other Taxes	857,752	816,777	668,837	776,867
Motor Fuels and Other Vehicle Taxes	1,657,834	1,592,432	1,591,842	1,574,518
Workers' Compensation Insurance Taxes	100,354	99,555	95,077	92,391
Employer-Employee Taxes	200,414	204,142	204,312	190,859
Unrestricted Investment Earnings	411,848	569,344	341,177	59,464
Contributions to Permanent Fund	204	57	6	307
Transfers	514,901	691,058	854,975	779,800
<b>Total governmental activities</b>	<b>23,551,740</b>	<b>21,128,274</b>	<b>19,425,562</b>	<b>18,830,500</b>
 Business-type activities:				
Other Taxes	16,197	21,102	15,734	21,704
Special Items	-	-	-	-
Transfers	(514,901)	(691,058)	(854,975)	(779,800)
<b>Total business-type activities</b>	<b>(498,704)</b>	<b>(669,956)</b>	<b>(839,241)</b>	<b>(758,096)</b>
<b>Total primary government</b>	<b>\$ 23,053,036</b>	<b>\$ 20,458,318</b>	<b>\$ 18,586,321</b>	<b>\$ 18,072,404</b>
 Change in Net Position				
Governmental activities	\$ 1,223,910	\$ 976,272	\$ 1,692,994	\$ 3,112,652
Business-type activities	861,904	937,800	1,111,887	1,065,220
<b>Total primary government</b>	<b>\$ 2,085,814</b>	<b>\$ 1,914,072</b>	<b>\$ 2,804,881</b>	<b>\$ 4,177,872</b>

**State of Oregon**

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	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
1,298,805	1,144,786	1,347,465	1,302,541	1,246,531	1,229,979	
1,094,573	862,764	928,641	964,343	971,299	952,114	
803,504	737,837	674,421	633,927	604,621	577,662	
308,417	299,864	408,376	419,184	411,850	426,497	
4,225,808	3,412,052	203,080	153,982	128,325	131,900	
3,170	377	183	2,769	975	540	
<b>7,734,278</b>	<b>6,457,680</b>	<b>3,562,166</b>	<b>3,476,746</b>	<b>3,363,600</b>	<b>3,318,692</b>	
<b>\$ 26,884,949</b>	<b>\$ 21,607,718</b>	<b>\$ 17,447,022</b>	<b>\$ 16,719,671</b>	<b>\$ 16,031,924</b>	<b>\$ 16,040,150</b>	
\$ (15,356,644)	\$ (14,147,849)	\$ (13,200,873)	\$ (12,254,586)	\$ (11,632,909)	\$ (11,693,785)	
339,063	(88,462)	1,182,010	1,109,213	1,073,606	968,675	
<b>\$ (15,017,581)</b>	<b>\$ (14,236,312)</b>	<b>\$ (12,018,865)</b>	<b>\$ (11,145,375)</b>	<b>\$ (10,559,304)</b>	<b>\$ (10,725,110)</b>	
\$ 9,358,500	\$ 10,323,668	\$ 8,908,558	\$ 8,594,135	\$ 7,918,110	\$ 8,011,302	
1,223,523	892,484	910,929	804,453	633,046	633,871	
1,179,137	419,206	N/A	N/A	N/A	N/A	
377,921	245,318	250,156	263,860	247,406	270,199	
1,067,886	865,521	799,796	651,696	568,742	607,485	
49,633	76,462	80,618	70,903	68,481	65,903	
205,739	156,154	118,546	104,545	77,573	28,586	
650,519	672,583	549,703	503,298	469,181	378,602	
1,480,420	1,357,001	1,424,423	1,286,863	1,167,291	1,143,173	
74,489	68,107	72,016	66,782	55,798	58,192	
178,873	178,234	155,364	82,084	93,887	95,866	
52,106	101,487	96,035	52,597	27,786	12,164	
26	6	132	50	519	39	
539,185	442,009	598,875	608,500	581,535	(230,618)	
<b>16,437,957</b>	<b>15,798,240</b>	<b>13,965,151</b>	<b>13,089,766</b>	<b>11,909,355</b>	<b>11,074,764</b>	
17,690	18,260	19,156	18,455	18,819	18,286	
-	-	-	-	-	(335,632)	
(539,185)	(442,009)	(598,875)	(608,500)	(581,535)	230,618	
(521,495)	(423,749)	(579,719)	(590,045)	(562,716)	(86,727)	
<b>\$ 15,916,462</b>	<b>\$ 15,374,491</b>	<b>\$ 13,385,432</b>	<b>\$ 12,499,721</b>	<b>\$ 11,346,639</b>	<b>\$ 10,988,037</b>	
\$ 1,081,313	\$ 1,650,391	\$ 764,278	\$ 835,180	\$ 276,446	\$ (619,021)	
(182,432)	(512,210)	602,290	519,168	510,890	881,948	
<b>\$ 898,881</b>	<b>\$ 1,138,181</b>	<b>\$ 1,366,568</b>	<b>\$ 1,354,348</b>	<b>\$ 787,336</b>	<b>\$ 262,927</b>	

**Schedule 3**  
**FUND BALANCE – GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years (In Thousands)**  
**(Modified Accrual Basis of Accounting)**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>General Fund</b>				
Nonspendable	\$ 95,119	\$ 131,090	\$ 241,227	\$ 237,938
Restricted	1,423,798	1,324,476	1,136,281	1,084,368
Committed	2,018,557	1,935,228	1,635,450	1,285,824
Assigned	-	-	76,047	17,246
Unassigned	1,653,629	2,047,710	2,630,470	5,077,624
<b>Total General Fund</b>	<b>\$ 5,191,103</b>	<b>\$ 5,438,503</b>	<b>\$ 5,719,475</b>	<b>\$ 7,703,000</b>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ 72,121	\$ 84,216	\$ 71,912	\$ 147,730
Restricted	12,079,787	10,990,165	10,480,329	9,491,554
Committed	1,969,674	2,037,502	1,760,283	1,049,609
Assigned	1,112,834	697,302	455,188	351,021
Unassigned	(1,181)	(333)	(479,051)	(337,912)
<b>Total all other governmental funds</b>	<b>\$ 15,233,235</b>	<b>\$ 13,808,851</b>	<b>\$ 12,288,662</b>	<b>\$ 10,702,002</b>

	<b>2021</b>		<b>2020</b>		<b>2019</b>		<b>2018</b>		<b>2017</b>		<b>2016</b>
\$	141,946	\$	68,525	\$	24,703	\$	24,931	\$	27,869	\$	25,020
	791,174		1,260,078		950,784		869,084		666,091		505,844
	989,574		940,038		703,834		815,278		406,978		395,319
	16,765		14,292		13,009		12,038		12,478		12,793
	2,270,019		3,281,184		1,223,326		872,290		573,374		1,063,215
\$	4,209,478	\$	5,564,117	\$	2,915,657	\$	2,593,621	\$	1,686,789	\$	2,002,190
\$	62,793	\$	56,078	\$	68,774	\$	67,996	\$	79,437	\$	67,251
	8,331,272		7,370,053		7,054,520		6,672,783		6,603,630		5,655,799
	1,098,093		846,126		721,942		646,285		737,890		658,467
	442,223		195,100		146,837		211,667		48,419		45,171
	(435)		-		-		(17)		(12,208)		(32)
\$	9,933,945	\$	8,467,358	\$	7,992,073	\$	7,598,714	\$	7,457,168	\$	6,426,656

**Schedule 4**  
**CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years (Dollars In Thousands)  
(Modified Accrual Basis of Accounting)

	2025	2024	2023	2022
<b>Revenues</b>				
Taxes	\$ 22,016,048	\$ 20,119,348	\$ 17,809,575	\$ 18,565,451
Licenses and Fees	747,697	715,218	673,790	675,781
Federal	19,290,056	19,251,099	19,351,192	19,127,573
Rebates and Recoveries	759,065	741,892	673,897	569,948
Charges for Services	401,262	304,343	258,641	310,772
Fines, Forfeitures, and Penalties	187,848	205,270	880,304	163,089
Rents and Royalties	17,001	18,269	19,884	17,574
Investment Income	1,133,745	1,223,745	695,977	28,302
Sales	141,906	153,399	156,628	145,202
Assessments	79,279	66,858	61,169	58,491
Donations and Grants	47,614	58,368	48,512	45,007
Contributions to Permanent Funds	204	57	6	307
Tobacco Settlement Proceeds	65,067	68,735	77,073	84,433
Settlement Activities	-	-	-	-
Unclaimed and Escheat Property Revenue	175,769	78,849	71,238	271,066
Other	909,315	769,127	599,683	599,757
<b>Total Revenues</b>	<b>45,971,876</b>	<b>43,774,576</b>	<b>41,377,569</b>	<b>40,662,753</b>
<b>Expenditures</b>				
Education	959,944	833,794	727,846	881,050
Human Resources	23,704,069	22,368,867	21,540,595	20,038,449
Public Safety	2,573,964	1,881,238	1,887,096	1,554,438
Economic and Community Development	1,043,288	924,914	935,178	1,172,717
Natural Resources	1,363,406	1,095,325	979,896	931,640
Transportation	1,021,043	1,114,344	1,006,445	1,093,501
Consumer and Business Services	485,197	444,540	437,594	388,960
Administration	639,162	489,229	495,113	426,166
Legislative	92,100	74,835	75,128	61,204
Judicial	423,918	686,314	607,593	534,756
Intergovernmental	12,128,240	11,817,469	11,490,438	10,677,553
Capital Outlay	1,451,854	1,319,542	1,535,136	1,888,550
Debt Service:				
Principal	1,063,297	880,163	791,207	702,645
Interest	486,503	478,234	423,539	423,408
Other Debt Service	11,635	5,873	7,809	2,857
<b>Total Expenditures</b>	<b>47,447,621</b>	<b>44,414,680</b>	<b>42,940,614</b>	<b>40,777,895</b>
Excess of Revenues Over (Under) Expenditures	(1,475,744)	(640,104)	(1,563,045)	(115,142)
<b>Other Financing Sources (Uses)</b>				
Transfers from Other Funds	5,524,693	4,606,421	5,034,540	4,114,447
Transfers to Other Funds	(4,977,226)	(3,881,008)	(4,155,926)	(3,302,377)
Insurance Recoveries	6,109	48,063	4,614	9,349
Leases Incurred	-	-	-	-
Long-term Debt Issued	1,894,635	1,056,593	2,039,265	1,647,560
Debt Issuance Premium	202,050	49,698	196,992	43,389
Refunding Debt Issued	872,042	87,040	-	-
Refunded Debt Payment to Escrow Agent	(879,402)	(87,923)	-	-
Total Other Financing Sources (Uses)	2,642,901	1,878,884	3,119,486	2,512,368
Special Items	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 1,167,156</b>	<b>\$ 1,238,780</b>	<b>\$ 1,556,441</b>	<b>\$ 2,397,226</b>
Debt service as a percentage of noncapital expenditures	3.38%	3.16%	2.97%	2.90%

**State of Oregon**

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<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 15,632,366	\$ 15,406,277	\$ 13,348,420	\$ 12,501,320	\$ 11,120,655	\$ 11,299,030
639,354	595,254	675,514	629,021	563,129	538,591
16,036,549	12,440,995	11,122,076	10,728,658	10,310,284	10,553,352
666,758	459,971	599,701	557,629	555,032	507,710
210,731	302,379	205,408	241,644	188,513	239,976
122,491	80,662	118,765	124,535	148,872	127,788
16,887	17,042	17,117	17,255	17,845	17,435
701,162	268,116	387,524	341,356	332,171	108,875
173,827	158,686	192,072	173,360	143,789	136,989
71,924	46,297	49,404	45,125	45,775	35,154
45,444	40,523	42,958	41,639	40,253	38,610
26	6	132	50	519	39
74,705	65,933	69,915	69,536	142,200	80,239
-	-	-	-	25,218	N/A
27,930	25,961	15,082	13,275	10,731	13,629
536,614	534,984	447,572	267,654	190,499	280,196
<b>34,956,768</b>	<b>30,443,086</b>	<b>27,291,660</b>	<b>25,752,057</b>	<b>23,835,485</b>	<b>23,977,613</b>
635,417	419,273	410,924	6,269,848	5,714,090	5,572,518
16,544,932	14,381,203	13,158,705	12,934,967	12,427,872	12,322,549
1,518,228	1,416,846	1,351,758	1,573,565	1,462,808	1,425,482
1,441,807	470,187	429,691	518,518	465,401	417,634
806,059	718,261	753,813	822,361	768,431	758,592
1,663,047	1,348,917	1,412,939	1,763,839	1,826,813	1,716,411
411,441	378,412	366,424	290,183	305,144	298,410
578,649	368,775	195,779	403,270	404,691	441,111
69,865	55,435	56,720	43,987	45,456	38,984
477,045	479,189	394,240	437,320	415,091	407,265
9,656,448	8,644,629	8,069,800	N/A	N/A	N/A
209,890	158,252	157,529	73,152	77,717	61,522
596,926	540,009	508,152	451,874	435,702	407,072
410,777	469,752	457,907	463,976	433,520	431,197
9,024	5,907	4,867	3,075	8,108	3,210
<b>35,029,554</b>	<b>29,855,048</b>	<b>27,729,247</b>	<b>26,049,935</b>	<b>24,790,844</b>	<b>24,301,956</b>
(72,786)	588,038	(437,587)	(297,878)	(955,359)	(324,343)
5,026,004	3,234,653	3,500,028	3,006,402	2,889,176	3,811,108
(4,302,137)	(2,767,183)	(2,938,809)	(2,315,214)	(2,285,337)	(1,813,474)
4,108	7,708	2,322	9,689	3,632	6,027
-	-	-	-	999	503
874,500	189,690	950,477	170,437	1,235,289	245,921
201,921	127,496	127,269	36,921	252,799	96,002
1,386,205	1,140,875	-	132,800	645,082	224,581
(1,401,625)	(1,242,820)	-	(154,563)	(710,834)	(278,200)
<b>1,788,977</b>	<b>690,418</b>	<b>1,641,287</b>	<b>886,472</b>	<b>2,030,804</b>	<b>2,292,468</b>
<b>\$ 1,716,191</b>	<b>\$ 1,278,456</b>	<b>\$ 1,203,700</b>	<b>\$ 588,594</b>	<b>\$ 1,075,445</b>	<b>\$ 1,968,125</b>

2.95%

3.47%

3.59%

3.61%

3.61%

3.55%

**Schedule 5**  
**PERSONAL INCOME BY INDUSTRY**  
**Last Ten Calendar Years**  
**(Dollars in Thousands)**

	2024	2023	2022	2021
Farm earnings	\$ 1,769,949	\$ 1,792,739	\$ 1,905,755	\$ 1,697,659
Forestry, fishing, and related activities	2,209,446	1,977,356	1,687,131	1,782,847
Mining	223,418	190,156	161,131	163,801
Utilities	1,044,557	1,024,664	1,145,274	1,146,227
Construction	15,223,643	14,525,042	13,908,442	12,550,684
Manufacturing	22,435,039	21,335,792	21,449,365	19,270,851
Wholesale trade	9,614,750	9,324,755	8,861,361	8,220,421
Retail trade	12,301,983	12,142,477	11,850,193	11,462,263
Transportation and warehousing	6,952,051	6,738,756	6,437,440	6,226,862
Information	6,580,002	6,088,101	5,817,955	5,334,393
Finance and insurance	7,776,946	7,488,146	7,430,802	7,674,430
Real estate, rental, and leasing	7,471,012	7,294,753	7,442,305	7,363,238
Professional, scientific, and technical	17,585,510	16,750,999	15,755,673	14,603,695
Management of companies	8,753,125	9,063,950	8,190,233	8,954,618
Administrative & waste mgmt. services	7,492,121	7,653,831	7,712,449	6,654,828
Educational services	2,293,114	2,226,025	2,147,576	1,985,255
Health care and social assistance	27,110,931	24,649,138	22,850,596	21,630,456
Arts, entertainment, and recreation	2,316,802	2,182,975	2,108,916	1,736,056
Accommodation and food services	7,635,118	7,394,854	7,001,554	7,169,842
Other services	7,645,233	7,102,443	6,697,651	6,104,998
Federal government, civilian	4,270,479	3,889,455	3,626,853	3,525,848
Military	596,403	564,669	545,700	537,302
State government	6,075,187	5,597,458	5,180,907	5,011,011
Local government	24,098,597	22,666,696	21,351,018	20,436,092
Other <sup>1</sup>	93,106,867	87,314,684	79,161,587	85,300,960
<b>Total personal income</b>	<b>\$ 302,582,283</b>	<b>\$ 286,979,914</b>	<b>\$ 270,427,867</b>	<b>\$ 266,544,637</b>

<sup>2</sup>Overall effective tax rate<sup>2</sup> N/A 6.4% 6.5% 6.6%

<sup>1</sup> Includes income from all sources other than wages, salaries, tips, etc.

<sup>2</sup> Overall effective tax rate equals tax as a percentage of adjusted gross income (AGI). Overall effective tax rate for 2024 will not be available until May 2026.

Source: US Department of Commerce, Bureau of Economic Analysis and the Oregon Department of Revenue.

2020	2019	2018	2017	2016	2015
\$ 1,639,118	\$ 1,280,569	\$ 1,329,350	\$ 1,277,052	\$ 1,701,931	\$ 1,738,223
1,877,870	1,604,239	1,672,674	1,446,240	1,396,445	1,368,023
151,587	164,765	162,434	146,863	125,651	117,685
1,052,570	849,034	747,627	744,857	686,816	609,708
11,923,319	11,490,333	10,599,276	9,559,644	8,467,725	7,597,699
17,915,945	17,884,481	17,521,139	16,501,695	15,930,367	15,349,775
7,655,840	7,310,045	7,061,560	6,797,389	6,412,622	6,255,471
10,435,979	9,994,017	9,573,220	9,096,742	8,514,832	8,241,378
5,442,527	5,206,318	4,875,373	4,536,631	4,233,661	4,163,950
4,364,336	4,111,374	4,039,164	3,676,536	3,192,633	3,377,856
7,355,396	6,604,454	6,324,983	6,177,311	5,821,613	5,494,650
5,879,538	5,167,673	4,532,524	3,889,057	3,429,428	2,495,821
13,261,882	12,720,236	11,956,846	11,236,256	10,353,884	9,733,330
7,853,937	7,313,548	6,796,743	6,494,435	6,093,913	5,986,833
5,996,071	5,884,992	5,560,435	5,261,109	4,915,102	4,723,978
1,858,406	1,836,061	1,767,115	1,709,464	1,765,720	1,689,801
20,385,486	19,288,932	18,395,655	17,627,277	16,833,570	15,857,035
1,411,763	1,645,905	1,646,375	1,513,512	1,409,029	1,289,607
5,335,054	6,571,510	6,242,387	5,720,806	5,242,351	4,809,364
5,668,298	5,737,226	5,492,981	5,153,327	4,971,656	4,719,624
3,398,966	3,181,063	3,167,821	3,044,717	2,945,497	2,812,334
522,494	505,956	470,592	443,981	444,965	434,022
4,520,409	4,250,793	3,864,120	3,721,615	3,500,785	5,065,430
19,113,207	18,551,162	17,491,219	16,463,928	15,751,351	13,406,677
75,430,388	60,874,754	58,753,274	55,021,892	51,963,406	50,139,781
\$ 240,450,386	\$ 220,029,440	\$ 210,044,887	\$ 197,262,336	\$ 186,104,953	\$ 177,478,055

6.4%

6.3%

6.3%

6.1%

6.0%

6.0%

**Schedule 6**  
**PERSONAL INCOME TAX RATES**  
**Last Ten Calendar Years**

<b>Top Income Tax Rate is Applied to Taxable Income in Excess of</b>						
<b>Year</b>	<b>Top Rate</b>	<b>Single &amp; Married Filing Separately</b>	<b>Married/RDP<sup>1</sup> Filing Jointly &amp; Head of Household</b>	<b>Overall Effective Tax Rate<sup>2</sup></b>		
2024	9.9%	\$ 125,000	\$ 250,000			N/A
2023	9.9%	125,000	250,000			6.4%
2022	9.9%	125,000	250,000			6.5%
2021	9.9%	125,000	250,000			6.6%
2020	9.9%	125,000	250,000			6.4%
2019	9.9%	125,000	250,000			6.3%
2018	9.9%	125,000	250,000			6.3%
2017	9.9%	125,000	250,000			6.1%
2016	9.9%	125,000	250,000			6.0%
2015	9.9%	125,000	250,000			6.0%

<sup>1</sup> Registered Domestic Partners

<sup>2</sup> The overall effective tax rate equals tax as a percentage of adjusted gross income (AGI). The overall effective tax rate for 2024 will not be available until May 2026.

Source: Oregon Department of Revenue

**Schedule 7**  
**PERSONAL INCOME TAX FILERS AND TAX LIABILITY BY INCOME LEVEL**  
**Calendar Years 2014 and 2023**  
**(Dollars in Thousands)**

**2014**

<b>Income Level</b>	<b>Number of Filers</b>	<b>Percentage of Total</b>	<b>Personal Income Tax Liability</b>	<b>Percentage of Total</b>
\$500,001 and higher	11,067	0.57%	\$ 1,137,148	17.17%
\$100,001–\$500,000	268,356	13.81%	2,937,944	44.36%
\$80,001–\$100,000	130,307	6.71%	629,404	9.50%
\$60,001–\$80,000	183,007	9.42%	646,550	9.76%
\$40,001–\$60,000	262,536	13.51%	623,869	9.42%
\$20,001–\$40,000	426,161	21.94%	504,585	7.62%
\$10,001–\$20,000	287,972	14.82%	116,487	1.76%
\$10,000 and lower	373,284	19.21%	26,449	0.40%
<b>Total</b>	<b>1,942,690</b>	<b>100.00%</b>	<b>\$ 6,622,436</b>	<b>100.00%</b>

**2023**

<b>Income Level</b>	<b>Number of Filers</b>	<b>Percentage of Total</b>	<b>Personal Income Tax Liability</b>	<b>Percentage of Total</b>
\$500,001 and higher	24,552	1.09%	\$ 2,484,362	20.92%
\$100,001–\$500,000	527,777	23.43%	6,225,619	52.41%
\$80,001–\$100,000	173,228	7.69%	841,018	7.08%
\$60,001–\$80,000	232,989	10.34%	852,412	7.18%
\$40,001–\$60,000	339,883	15.09%	862,882	7.26%
\$20,001–\$40,000	396,488	17.60%	502,022	4.23%
\$10,001–\$20,000	220,168	9.77%	89,286	0.75%
\$10,000 and lower	337,628	14.99%	20,230	0.17%
<b>Total</b>	<b>2,252,713</b>	<b>100.00%</b>	<b>\$ 11,877,831</b>	<b>100.00%</b>

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 2023 is the most current year available.

**Schedule 8**  
**OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Governmental Activities</b>				
General Obligation Bonds	\$ 8,319,515	\$ 7,710,453	\$ 7,540,361	\$ 6,850,997
Revenue Bonds	4,438,519	4,164,158	4,304,298	3,809,556
Certificates of Participation	77,370	81,590	85,745	90,220
Direct Borrowings/Placements	285,960	287,515	169,065	14,745
Contracts, Mortgages, and Notes Payable	234,791	125,950	157,108	230,283
Lease Obligations	885,867	868,048	937,963	975,655
SBITA Obligations	62,840	65,544	69,991	N/A
Capital Leases <sup>2</sup>	N/A	N/A	N/A	N/A
<b>Business-type Activities</b>				
General Obligation Bonds	610,397	593,253	568,614	490,614
Revenue Bonds	1,269,284	1,146,154	1,012,532	940,409
Direct Borrowings/Placements	22,070	24,560	26,915	28,255
Contracts, Mortgages, and Notes Payable	7,358	11,847	15,847	24,910
Lease Obligations	4,962	5,156	8,127	8,393
SBITA Obligations	13,831	14,463	15,993	N/A
Capital Leases <sup>2</sup>	N/A	N/A	N/A	N/A
<b>Total Primary Government</b>	<b>\$ 16,232,764</b>	<b>\$ 15,098,691</b>	<b>\$ 14,912,559</b>	<b>\$ 13,464,037</b>
Percentage of Personal Income <sup>1</sup>	5.14%	4.99%	5.20%	4.98%
Per Capita <sup>1</sup>	\$ 3.77	\$ 3.52	\$ 3.49	\$ 3.16

<sup>1</sup> Ratios are calculated using personal income and population data found in Schedule 13.

<sup>2</sup> 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.

**State of Oregon**

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	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$	6,802,573	\$ 6,436,086	\$ 6,415,345	\$ 5,993,375	\$ 6,119,313	\$ 5,525,430
3,787,875	3,722,243	3,541,759	3,912,568	4,062,386	3,672,088	
95,670	100,940	315,743	246,559	289,137	340,753	
16,005	5,733	372,327	N/A	N/A	N/A	
229,816	271,476	408,577	319,221	337,675	353,620	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
1,700	2,701	3,141	4,274	4,148	5,779	
450,472	535,556	553,611	558,571	536,509	554,270	
996,882	1,085,878	1,007,006	957,733	897,572	984,935	
50,830	64,270	66,035	N/A	N/A	N/A	
28,276	32,847	37,408	41,793	44,001	34,900	
N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	N/A	
3,319	4,507	4,649	5,512	6,315	268	
<b>\$</b>	<b>12,463,418</b>	<b>\$ 12,262,237</b>	<b>\$ 12,725,601</b>	<b>\$ 12,039,606</b>	<b>\$ 12,297,056</b>	<b>\$ 11,472,043</b>
	4.68%	5.10%	5.78%	5.73%	6.23%	6.16%
\$	2.94	\$ 2.89	\$ 3.02	\$ 2.88	\$ 2.97	\$ 2.80

**Schedule 9**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**

Year	Resources Restricted for Repaying the Principal of Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Personal Income <sup>1</sup>		Per Capita
	General Bonded Debt Outstanding	Principal of Bonded Debt Outstanding		Personal Income <sup>1</sup>	Per Capita	
2025	\$ 8,929,912	\$ 27,302	\$ 8,902,610	2.82%	\$ 2.07	
2024	8,303,706	35,098	8,268,608	2.73%	1.93	
2023	8,108,975	29,836	8,079,139	2.82%	1.89	
2022	7,341,591	33,996	7,307,595	2.70%	1.72	
2021	7,253,045	34,988	7,218,057	2.71%	1.70	
2020	6,971,642	43,720	6,927,922	2.88%	1.63	
2019	6,968,956	45,985	6,922,971	3.15%	1.64	
2018	6,551,946	55,693	6,496,253	3.09%	1.55	
2017	6,655,822	66,987	6,588,835	3.34%	1.59	
2016	6,079,700	71,723	6,007,977	3.23%	1.47	

<sup>1</sup> 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.



**Schedule 10**  
**LEGAL DEBT MARGIN CALCULATION**  
**For Fiscal Year 2025**

	<b>Constitutional/Statutory Provision</b>	<b>Constitutional Debt Limit<sup>1</sup></b>	<b>Statutory Debt Limit</b>
<b>General Obligation Bonds</b>			
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 <sup>3</sup>	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) <sup>4</sup>	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%	-
<b>Revenue Bonds</b>			
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

<sup>1</sup> Percentages listed are of Real Market Value (RMV) of all taxable real property in the State, based on the January 1, 2024, RMV of \$1,039,377,859,012

<sup>2</sup> 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.

<sup>3</sup> Issuance of Pollution Control bonds is limited by statute to \$260 million at any one time.

<sup>4</sup> 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 <sup>2</sup>	Legal Debt Margin
\$ 50,000	\$ -	\$ 50,000
10,393,778,590	266,815,000	10,126,963,590
83,150,228,721	428,535,000	82,721,693,721
15,590,667,885	-	15,590,667,885
1,948,833,486	-	1,948,833,486
15,590,667,885	1,910,775,000	13,679,892,885
10,393,778,590	28,240,000	10,365,538,590
5,196,889,295	22,520,000	5,174,369,295
5,196,889,295	62,710,000	5,134,179,295
5,196,889,295	-	5,196,889,295
5,196,889,295	-	5,196,889,295
2,078,755,718	418,945,000	1,659,810,718
2,078,755,718	132,040,000	1,946,715,718
10,393,778,590	499,305,000	9,894,473,590
5,196,889,295	394,620,000	4,802,269,295
10,393,778,590	4,154,565,000	6,239,213,590
<b>\$ 187,997,520,249</b>	<b>\$ 8,319,070,000</b>	<b>\$ 179,678,450,249</b>
\$ 3,720,000,000	\$ 2,955,229,122	\$ 764,770,878
2,500,000,000	1,287,468,514	1,212,531,486
<b>\$ 6,220,000,000</b>	<b>\$ 4,242,697,636</b>	<b>\$ 1,977,302,364</b>

**Schedule 11**  
**LEGAL DEBT MARGIN INFORMATION**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**

	2025	2024	2023	2022
<b>General Obligation Bonds</b>				
Debt limit	\$ 187,997,520	\$ 185,080,820	\$ 174,488,889	\$ 148,985,661
Total debt applicable to limit	8,319,070	7,691,450	7,499,539	6,806,389
Legal debt margin	<u>\$ 179,678,450</u>	<u>\$ 177,389,370</u>	<u>\$ 166,989,350</u>	<u>\$ 142,179,272</u>
Total debt applicable to the limit as a percentage of debt limit	4.43%	4.16%	4.30%	4.57%
<b>Revenue Bonds</b>				
Debt limit	\$ 6,220,000	\$ 6,220,000	\$ 6,220,000	\$ 6,220,000
Total debt applicable to limit	4,242,698	4,105,754	4,119,506	3,747,762
Legal debt margin	<u>\$ 1,977,302</u>	<u>\$ 2,114,246</u>	<u>\$ 2,100,494</u>	<u>\$ 2,472,238</u>
Total debt applicable to the limit as a percentage of debt limit	68.21%	66.01%	66.23%	60.25%

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.

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2021	2020	2019	2018	2017	2016
\$ 126,046,905	\$ 119,254,357	\$ 112,798,205	\$ 103,514,944	\$ 98,858,028	\$ 81,952,523
6,745,985	6,510,272	6,413,769	6,055,473	6,135,461	6,079,700
<u>\$ 119,300,920</u>	<u>\$ 112,744,086</u>	<u>\$ 106,384,436</u>	<u>\$ 97,459,471</u>	<u>\$ 92,722,567</u>	<u>\$ 75,872,823</u>
5.35%	5.46%	5.69%	5.85%	6.21%	7.42%
\$ 6,220,000	\$ 6,220,000	\$ 5,740,000	\$ 5,740,000	\$ 5,740,000	\$ 5,740,000
3,917,058	3,871,098	3,577,354	3,950,940	3,989,587	4,063,270
<u>\$ 2,302,942</u>	<u>\$ 2,348,902</u>	<u>\$ 2,162,646</u>	<u>\$ 1,789,060</u>	<u>\$ 1,750,413</u>	<u>\$ 1,676,730</u>
62.98%	62.24%	62.32%	68.83%	69.51%	70.79%

**Schedule 12**  
**PLEDGED REVENUES**  
**Last Ten Fiscal Years**  
**(In Thousands)**

**Lottery Revenue Bonds**

Year			Interest Earnings on GICs <sup>1</sup>	Net Revenues Available for Debt Service	Debt Service Requirements			
	Revenues	Expenses			Principal	Interest	Total	Coverage
2025	\$ 1,716,522	\$ 819,908	\$ 133	\$ 896,747	\$ 116,135	\$ 59,344	\$ 175,479	5.11
2024	1,754,191	798,205	132	956,118	110,115	56,109	166,224	5.75
2023	1,693,918	785,118	133	908,933	95,695	49,906	145,601	6.24
2022	1,669,254	754,178	133	915,209	86,425	45,266	131,691	6.95
2021	1,295,918	637,649	133	658,401	80,990	52,281	133,271	4.94
2020	1,168,344	578,576	133	589,902	77,895	55,170	133,065	4.43
2019	1,367,397	645,536	132	721,993	73,005	51,671	124,676	5.79
2018	1,307,690	595,537	132	712,285	73,875	54,081	127,956	5.57
2017	1,245,383	544,156	133	701,360	67,170	50,260	117,430	5.97
2016	1,245,710	657,218	299	588,791	60,300	53,163	113,463	5.19

<sup>1</sup> 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			
		Principal	Interest	Total	Coverage
2025	\$ 844,659	\$ 111,515	\$ 90,933	\$ 202,448	4.17
2024	834,029	118,695	104,356	223,051	3.74
2023	825,554	108,730	92,683	201,413	4.10
2022	800,862	104,355	92,711	197,066	4.06
2021	772,286	87,580	91,075	178,655	4.32
2020	709,654	80,265	106,682	186,947	3.80
2019	730,313	77,785	110,603	188,388	3.88
2018	664,622	66,400	108,025	174,425	3.81
2017	620,869	75,465	99,649	175,114	3.55
2016	610,576	73,130	101,170	174,300	3.50

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.

**Grant Anticipation Revenue Bonds (GARVEE)**

<b>Year</b>	<b>Pledged Revenue</b>	<b>Debt Service Requirements</b>			<b>Total</b>	<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>			
2025	\$ 478,000	\$ 11,940	\$ 10,021	\$ 21,961	21.77	

Source: The Oregon Department of Transportation.

Note: In fiscal year 2025 the State issued GARVEE bonds for the first time, so additional historical data is not available.

GARVEE Bonds are secured by a pledge of motor fuels, weight-mile, vehicle registration and licenses 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**

<b>Year</b>	<b>Population</b>	<b>Personal Income<sup>1</sup></b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2025	4,300,400	\$ 315,600,000	\$ 73,389	5.0%
2024	4,285,265	302,582,283	70,610	4.2%
2023	4,268,319	286,979,914	67,235	3.8%
2022	4,254,526	270,427,867	63,562	4.0%
2021	4,234,403	266,544,637	62,947	5.2%
2020	4,240,296	240,450,386	56,706	7.6%
2019	4,215,959	220,029,440	52,190	3.7%
2018	4,183,398	210,044,887	50,209	4.0%
2017	4,147,171	197,262,336	47,566	4.1%
2016	4,093,165	186,104,953	45,467	4.8%

<sup>1</sup> Personal income presented in thousands.

Source: Population and personal income figures for 2016 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 2025 were provided by the Oregon Office of Economic Analysis.

**Schedule 14**  
**EMPLOYMENT BY INDUSTRY**  
**Calendar Year 2024 and Nine Years Prior**

	<b>2024</b>		<b>2015</b>	
	<b>Number of Employees</b>	<b>Percentage of Total</b>	<b>Number of Employees</b>	<b>Percentage of Total</b>
Agriculture, forestry, fishing and hunting	52,924	2.65%	49,225	2.75%
Mining, quarrying, and oil and gas extraction	1,894	0.10%	1,703	0.10%
Construction	116,068	5.82%	82,519	4.62%
Manufacturing	186,038	9.33%	185,510	10.38%
Wholesale trade	77,566	3.89%	73,726	4.12%
Retail trade	203,459	10.20%	202,034	11.30%
Transportation, warehousing & utilities	75,943	3.81%	56,556	3.16%
Information	36,114	1.81%	33,097	1.85%
Finance and insurance	52,799	2.65%	56,053	3.14%
Real estate and rental and leasing	29,166	1.46%	25,051	1.40%
Professional, scientific, and technical services	110,388	5.54%	87,200	4.88%
Management of companies and enterprises	49,546	2.49%	42,907	2.40%
Administrative, support, and waste management services	100,131	5.02%	97,945	5.48%
Private educational services	32,470	1.63%	29,777	1.67%
Private health care and social assistance	300,611	15.08%	221,702	12.40%
Arts, entertainment, and recreation	28,582	1.43%	23,861	1.34%
Accommodation and food services	178,127	8.93%	167,594	9.37%
Other services	68,971	3.46%	72,820	4.07%
Unclassified	794	0.04%	249	0.01%
Total federal government	29,566	1.48%	27,753	1.55%
Total state government	47,822	2.40%	72,581	4.06%
Total local government	215,159	10.79%	178,120	9.96%
<b>Total employment</b>	<b>1,994,138</b>	<b>100.00%</b>	<b>1,787,983</b>	<b>100.00%</b>

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**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Education	1,218	1,218	1,004	1,003	811	815	709	704	688	688
Human Services	16,675	16,674	15,472	15,455	13,792	13,673	12,998	12,970	12,360	12,373
Public Safety	9,807	9,804	9,384	9,380	9,187	9,182	8,891	8,891	8,677	8,667
Economic and Community Development	2,740	2,749	2,886	2,885	2,411	1,784	1,646	1,664	1,615	1,610
Natural Resources	4,865	4,862	4,624	4,632	4,313	4,282	4,282	4,267	4,313	4,324
Transportation	4,810	4,806	4,746	4,770	4,726	4,726	4,517	4,511	4,408	4,411
Consumer and Business Services	1,560	1,557	1,493	1,489	1,466	1,467	1,450	1,442	1,423	1,427
Administration	3,509	3,519	3,418	3,432	3,225	3,253	3,060	3,052	2,977	2,961
Legislative Branch	489	489	474	477	459	459	448	452	432	432
Judicial Branch	2,090	2,090	2,030	2,028	1,904	1,904	1,853	1,850	1,859	1,860
<b>Total FTE Positions</b>	<b>47,763</b>	<b>47,768</b>	<b>45,531</b>	<b>45,551</b>	<b>42,294</b>	<b>41,545</b>	<b>39,855</b>	<b>39,803</b>	<b>38,752</b>	<b>38,753</b>

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**

	2025	2024	2023
<b>Governmental Activities</b>			
<b>Education</b>			
Number of PreK-12 students	545,088	547,424	552,380
Number of FTE community college students	70,532	65,992	61,562
Special education school campuses	1	1	1
<b>Human Services</b>			
Number of individuals eligible for Oregon Health Plan	1,468,347	1,459,595	1,413,924
Average number of basic TANF individuals	42,832	42,040	39,102
<b>Public Safety</b>			
Number of sworn state police officers	716	721	697
Prison inmate population	12,100	12,042	12,176
Number of correctional facilities	12	12	12
<b>Economic and Community Development</b>			
Community development grants provided (in dollars)	\$ 14,859,090	\$ 24,428,878	\$ 25,755,426
Number of technical assistance grants provided	-	1	-
<b>Natural Resources</b>			
Forest acres burned	274,633	17,997	17,393
State park day use visitors (in millions)	53.0	53.3	53.0
Acreage of state parks	112,054	131,820	125,000
Miles of forest roads	5,603	3,745	3,729
<b>Transportation</b>			
Licensed drivers (in millions)	N/A	3.8	3.7
Vehicle miles traveled on state highway system (in billions)	N/A	22.1	22.0
State highway system miles	N/A	7,977	7,973
Number of state owned bridges	2,786	2,781	2,773
<b>Consumer and Business Services</b>			
Number of employers covered by workers' compensation	N/A	135,538	136,700
Historic premiums written for all insurance lines (in billions)	N/A	\$ 36.1	\$ 35.0
Average bank and credit union assets (in billions)	N/A	\$ 175.6	\$ 165.4
Construction employment (in thousands)	N/A	116.8	117.2
<b>Administration</b>			
Number of tax returns filed	N/A	N/A	2,252,710
Percent of returns filed electronically	N/A	N/A	94%
Uniform rent square footage (in millions)	1.9	1.9	1.8
Leased office space square footage (in millions)	4.8	5.1	5.3
Number of motor pool vehicles	3,880	4,163	4,148
<b>Legislative</b>			
Number of bills introduced	3,304	266	2,836
Number of bills becoming law	633	115	614
Length of legislative session (in days)	158	32	160
Capitol building	1	1	1
<b>Judicial</b>			
Cases filed in circuit courts	623,971	563,263	502,958
Number of circuit court judges	181	179	179

Sources: Various state agencies

Note: Figures for 2024 and 2025 that are not available until a later date are indicated with N/A.

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<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
553,012	560,917	582,661	581,730	580,684	578,947	576,407
60,863	64,814	73,836	81,809	85,642	88,167	90,478
1	1	1	1	1	1	1
1,356,894	1,226,697	1,110,339	991,189	1,077,267	1,067,322	1,109,321
36,289	31,611	43,039	43,257	44,646	48,502	50,490
698	692	694	714	680	700	732
12,267	12,044	13,149	14,632	14,916	14,742	14,721
12	14	14	14	14	14	14
<b>\$ 10,810,432</b>	<b>\$ 14,331,610</b>	<b>\$ 19,759,812</b>	<b>\$ 12,357,434</b>	<b>\$ 13,162,331</b>	<b>\$ 11,978,330</b>	<b>\$ 12,055,779</b>
<b>-</b>	<b>-</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>4</b>
34,859	231,494	541,408	17,164	75,608	45,463	5,649
51.0	53.0	42.0	52.1	51.4	49.0	51.5
111,485	113,177	113,085	113,276	113,143	108,499	107,960
3,702	3,681	3,663	3,642	3,598	3,569	3,528
3.7	3.6	3.5	3.2	3.2	3.1	3.1
21.9	22.0	19.5	21.9	21.8	21.4	21.4
7,982	7,346	7,346	7,341	7,350	7,401	7,402
2,772	2,767	2,763	2,760	2,744	2,737	2,738
<b>135,400</b>	<b>134,200</b>	<b>128,000</b>	<b>126,100</b>	<b>123,900</b>	<b>120,200</b>	<b>116,900</b>
<b>\$ 29.8</b>	<b>\$ 26.6</b>	<b>\$ 25.6</b>	<b>\$ 25.5</b>	<b>\$ 24.1</b>	<b>\$ 22.5</b>	<b>\$ 22.9</b>
<b>\$ 145.3</b>	<b>\$ 135.8</b>	<b>\$ 120.5</b>	<b>\$ 111.5</b>	<b>\$ 102.8</b>	<b>\$ 99.8</b>	<b>\$ 66.0</b>
<b>115.9</b>	<b>111.0</b>	<b>108.4</b>	<b>109.6</b>	<b>105.4</b>	<b>97.9</b>	<b>90.4</b>
2,214,160	2,236,140	2,224,020	2,212,690	2,128,750	2,085,153	2,040,738
93%	92.4%	91%	90%	88%	87%	86%
1.8	1.8	1.8	1.9	1.9	1.9	2.0
5.7	5.3	5.3	5.0	4.9	5.4	5.0
3,996	4,053	4,201	4,142	4,192	4,117	4,130
254	2,390	283	2,768	232	2,647	253
119	680	6	760	122	747	124
41	161	38	168	28	157	32
1	1	1	1	1	1	1
<b>493,247</b>	<b>366,645</b>	<b>433,881</b>	<b>493,361</b>	<b>522,013</b>	<b>489,135</b>	<b>491,681</b>
<b>179</b>	<b>177</b>	<b>177</b>	<b>175</b>	<b>173</b>	<b>173</b>	<b>173</b>

(continued on next page)

**Schedule 16**  
**OPERATING INDICATORS AND CAPITAL ASSET INFORMATION BY FUNCTION**  
**Last Ten Fiscal Years**  
(continued from previous page)

	2025	2024	2023
<b>Business-Type Activities</b>			
<b>Housing and Community Services</b>			
Number of low or moderate income single family home loans closed	467	479	463
Number of affordable rental units financed	2,133	964	1,205
<b>Veterans' Loan</b>			
Number of outstanding loans	1,594	1,560	1,448
Percent of delinquent loans	0.50%	0.64%	1.04%
<b>Lottery Operations</b>			
Number of retailers	3,764	3,803	3,797
Number of video terminals	10,524	10,803	10,936
<b>Unemployment Compensation</b>			
Number of claims paid	N/A	240,616	220,374
Amount of claims paid (in millions)	N/A	\$ 728.7	\$ 566.2
<b>State Hospital System</b>			
Number of mental health patient days served	251,492	250,272	250,283
Number of state owned hospital beds	738	742	742
<b>Liquor Control</b>			
Number of state retail outlets	284	284	284
Number of cases sold	3,714,754	3,820,720	3,935,579
<b>Other Business-type Activities</b>			
Number of residents in Oregon Veterans' Homes	252	245	236
Number of state owned parking spaces	3,995	3,970	4,547

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2022	2021	2020	2019	2018	2017	2016
<hr/>						
522 3,537	368 2,860	678 1,602	1,029 1,943	714 1,217	490 440	410 479
<hr/>						
1,376 0.94%	1,417 0.64%	1,777 0.51%	1,927 0.42%	1,877 0.91%	1,870 0.91%	1,864 0.80%
<hr/>						
3,829 10,999	3,896 10,851	3,919 11,567	3,975 11,586	3,923 11,742	3,934 11,817	3,920 11,909
<hr/>						
306,084 \$ 127.4	7,847,472 \$ 4,511.1	10,352,882 \$ 6,296.2	1,299,188 \$ 521.3	1,302,855 \$ 504.5	1,054,564 \$ 390.0	1,407,146 \$ 504.2
<hr/>						
232,626 743	218,570 758	225,699 758	221,496 742	212,309 742	218,966 766	220,202 786
<hr/>						
282 3,907,846	281 3,922,074	282 3,766,538	282 3,525,882	267 3,365,467	256 3,244,159	248 3,127,664
<hr/>						
233 4,584	239 4,641	280 4,657	279 4,752	268 4,710	284 4,661	235 4,595

