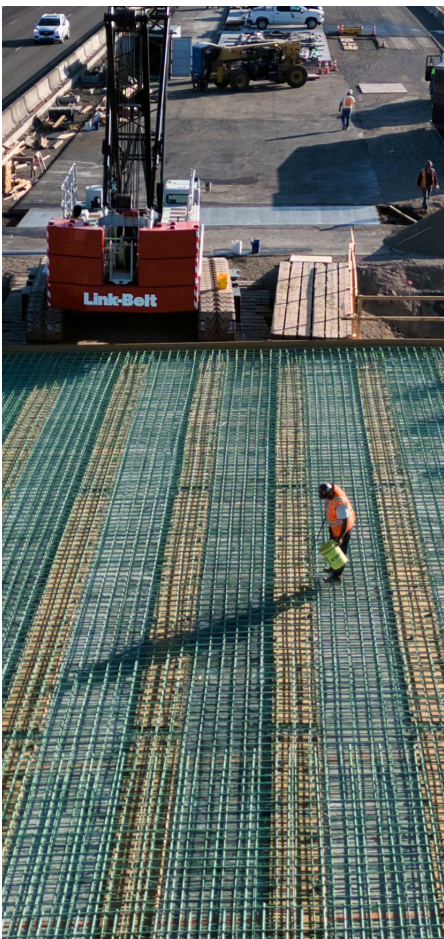
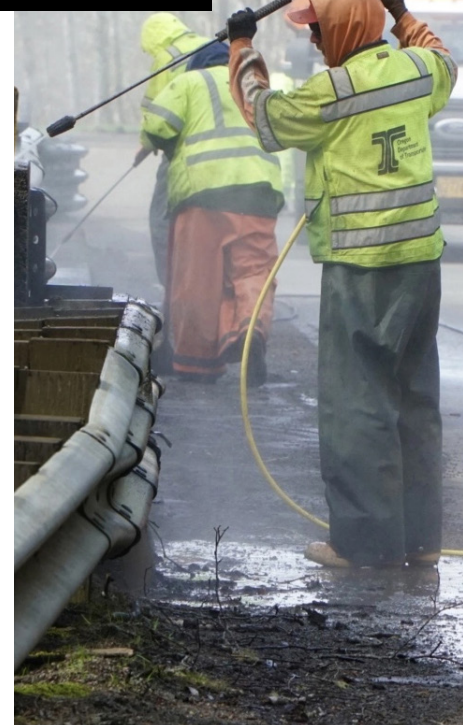


OREGON DEPARTMENT OF TRANSPORTATION Annual Financial Report

For the Fiscal Year Ended June 30, 2025

"We provide a safe and reliable multimodal transportation system that connects people and helps Oregon's communities and economy thrive."

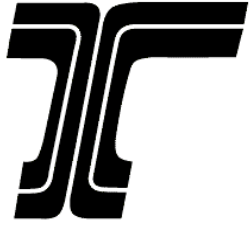




**State of Oregon
Department of Transportation
Annual Financial Report
For the Fiscal Year Ended June 30, 2025**

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Oregon

Tina Kotek, Governor

Department of Transportation

Financial Services

355 Capitol St NE

MS#21

Salem, OR 97301

December 31, 2025

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

The Oregon Department of Transportation (Department) is pleased to present its annual financial report for the fiscal year ended June 30, 2025. The Department produces a non-audited annual financial report based on generally accepted accounting principles prescribed by the Governmental Accounting Standards Board. The financial data summarized in the annual financial report comes from the Department's detailed financial data and the Oregon Statewide Financial Management Application. The financial data in the Department's annual financial report supports the audited State of Oregon Annual Comprehensive Financial Report.

Per Oregon Revised Statute (ORS) 184.637, the responsibility for the accuracy of the data and the overall completeness of this report, including all disclosures, rests with the chief financial officer of the Department. To the best of the Department's knowledge, the financial activity presented in this report accurately and fairly presents the Department's financial position and results of operations. The report includes all disclosures necessary to enable the reader to gain an understanding of the Department's financial activities.

The primary responsibilities of the Department include management of the state's highway and bridge system, and the administration of laws related to fuels taxation, motor vehicles, motor carriers, safety, rail, public transit, and transportation development.

The Oregon Transportation Commission (OTC) is a five-member, volunteer citizens' board established by ORS 184.612 that oversees department activities. In addition to providing policy direction for the Department, the OTC is empowered to, among other goals:

- Develop and maintain state transportation policies related to the management, construction, and maintenance of highways, aviation, ports, rail, and other transportation systems.
- Develop and maintain a comprehensive, 20-year long-range plan for a safe, multimodal transportation system for the state which encompasses efficiency, orderly economic development, and environmental quality.
- Coordinate and administer programs relating to highways, motor vehicles, rail/public transit, bike/pedestrian, transportation safety, and other transportation-related programs.
- Review and approve proposed transportation projects.
- Review and approve the agency's budget request.

Per ORS 184.637 and ORS 184.638, the chief financial officer's responsibilities include compiling adequate accounting data for the preparation of financial statements. The Department's internal controls provide reasonable assurance that the Department meets this objective. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires

estimates and judgments by Department management. The Department's internal control system includes both automated controls and comprehensive policies and procedures. In

addition, the Department has an Office of Audit Services that maintains an independent and objective position within the Department.

MISSION STATEMENT

To provide a safe and reliable multimodal transportation system that connects people and helps Oregon's communities and economy thrive.

OUR VALUES

These principles inform decision making and guide our behavior in working with each other, our partners, and the communities we serve:

Integrity: We are accountable and transparent with public funds and hold ourselves to the highest ethical standards.

Safety: We share ownership and responsibility for ensuring safety in all that we do.

Equity: We embrace diversity and foster a culture of inclusion.

Excellence: We use our skills and expertise to continuously strive to be more efficient, effective, and innovative.

Unity: We work together as One ODOT to provide better solutions and ensure alignment in our work.

OREGON TRANSPORTATION INVESTMENT ACT

Beginning in 2001, the Legislative Assembly passed a series of bills known collectively as the Oregon Transportation Investment Act (OTIA, or the OTIA Program). The first bill authorized the state to issue \$400 million in net proceeds of Highway User Tax Revenue Bonds for modernization and preservation projects (OTIA I). In a 2002 Special Session, the Legislative Assembly authorized an additional \$100 million in net proceeds of Highway User Tax Revenue Bonds (OTIA II) for the same general purposes as OTIA I. In 2003, the Legislative Assembly authorized an additional \$1.9 billion in net proceeds of Highway User Tax Revenue Bonds for replacement and repair of bridges on state, county, and city highways and modernization projects (OTIA III).

The OTIA Bond Program

In 2007, the Department completed issuance of the \$500 million net proceeds of Highway User Tax Revenue Bonds under OTIA I and II authority, and in 2010 the Department completed the issuance of \$1.9 billion net proceeds of Highway User Tax Revenue Bonds authorized under OTIA III. Of the \$2.4 billion bonds issued for OTIA projects, as of June 30, 2025, approximately \$1.35 billion of principal is outstanding.

THE JOBS AND TRANSPORTATION ACT

In 2009, the Legislative Assembly enacted the Oregon Jobs and Transportation Act of 2009 (JTA). JTA, as amended, authorized a number of programs including, among other things, \$840 million in net proceeds of Highway User Tax Revenue Bonds to finance a specific list of projects set out in the JTA (the JTA projects) and \$100 million in lottery revenue bonds for the Connect Oregon III program to provide financing for multimodal transportation facilities. The JTA projects consisted of 37 specific highway projects plus allocations for 14 additional projects selected by local governments in eastern Oregon, for a total of 51 JTA projects. The Legislative Assembly approved certain fee and tax increases in JTA to provide additional revenues for JTA projects and to pay debt service on Highway User Tax Revenue Bonds including bonds issued to finance the JTA projects.

The JTA Bond Program

The Department issued three series of Highway User Tax Revenue Bonds, including Department of Transportation Highway User Tax Revenue Bonds, Senior Lien Bonds, Series 2013A; Department of Transportation Highway User Tax Revenue Subordinate Lien Bonds, Series 2017S-2; and Department of Transportation Highway User Revenue Bonds Senior Lien Bonds, Series 2017A, for JTA Projects and has no remaining bond authorization under JTA. As of June 30, 2025, approximately \$430 million of the JTA program bond principal is outstanding.

OREGON HOUSE BILL 2017 (HB 2017)

HB 2017, signed into law on August 18, 2017, included a multitude of tax and fee increases, as well as the creation of new taxes, to invest in transportation infrastructure throughout Oregon. Revenues generated from these new or increased fees and taxes are dedicated to either the State Highway Fund, the Connect Oregon Fund, or other funds established for specified purposes, including safe routes to schools, congestion relief, and transit.

The HB 2017 Bond Program

HB 2017, as amended, authorized the issuance of \$480 million in net proceeds of Highway User Tax Revenue Bonds and allowed the department to issue Highway User Tax Revenue Bonds against an allocation of \$30 million for the I-5 Rose Quarter project, I-205 improvements, I-5 Boone Bridge project, and implementation of tolling. The proceeds of Highway User Tax Revenue Bonds authorized by HB 2017 are designated to finance projects across the state. The Department is authorized to use amounts produced by certain increases in taxes and fees under HB 2017 to pay debt service. In the fall of 2020, the Department issued the first round of Highway User Tax Revenue Bonds, generating \$240 million in bond proceeds. In the fall of 2022, the Department issued the series 2022A Highway User Tax Revenue Bonds as part of the \$30 million allocated for the urban mobility projects set aside under HB 2017. In the spring of 2023, the Department issued the series 2023A Highway User Tax Revenue Bonds as the second half of the \$480 million authorization. As of June 30, 2025, approximately \$605 million of the HB 2017 bond principal is outstanding.

For more information, please visit <https://www.oregon.gov/ODOT/Pages/HB2017.aspx>.

GRANT ANTICIPATION REVENUE VEHICLE (GARVEE BONDS)

The Department uses Grant Anticipation Revenue Vehicle Bonds (GARVEE Bonds) to finance transportation projects by issuing debt that is repaid with future federal highway grant funds. These bonds allow the Department to raise funding upfront for federally eligible highway or other approved transportation projects, for example, the Americans with Disabilities Act (ADA)

Ramp Program. The Department then receives federal reimbursement for the debt service payments.

The GARVEE Bond Program

The Department began issuing GARVEE bonds during 2024 with the Series 2024 (Social Bonds). The Series 2024 bonds were issued to finance highway improvement projects, including curb ramp and intersection construction to comply with the ADA. As of June 30, 2025, approximately \$219 million of GARVEE bond principal is outstanding.

ECONOMIC CONDITIONS AND OUTLOOK

State Of Oregon

An ongoing deceleration in the national economy is imposing a dominant set of conditions on the state economic and revenue outlook. History shows (particularly recent history) that Oregon's economic fortunes are increasingly bound by prevailing national trends. The silver lining of this connection is that while Oregon has underperformed national trends related to output and labor conditions of late, a slowing but still growing national economy should provide a lifeline to the state and thus avert a sustained contraction. Furthermore, robust financial market performance to date - despite slowing growth and tariff pressures - is set to support one of the most volatile sources of state revenue: capital gains taxes. As such, the latest translation of economic conditions into a revenue forecast does not change significantly, at least prior to adjustments related to federal tax law changes. A cooler outlook for labor-generated income taxes is offset by firmer expectations related to capital gains. Major sources of uncertainty pertaining to tariffs, federal fiscal policy, and tax reforms have been resolved, or at least diminished, during the summer months. This alone should remove a significant damper of hiring, investment, and production.

Oregon Department of Transportation

Under the national backdrop, the Department's revenues have been somewhat stronger than expected. DMV revenues have been slightly revised upward due to the most recent actuals being much stronger than expected in the Department's previous (April 2025) forecast. Despite expectations that tariffs will have a negative impact on vehicle sales, new car registrations and titles have been surprisingly resilient, and that contributed positively to our short-term expectations of new vehicle titles and registrations in Oregon. Heavy truck revenues come in primarily from the weight-mile tax. Trucking has been steady, showing marginal increases in 2025. However, future expectations of revenues are less optimistic, as revenue projections have been revised downward amidst weaker state employment numbers. Revenues from fuels taxes are expected to start declining due to a presumed shift away from combustion engine vehicles. In general, population growth and policy changes have historically been the two main drivers of the Department's revenues.

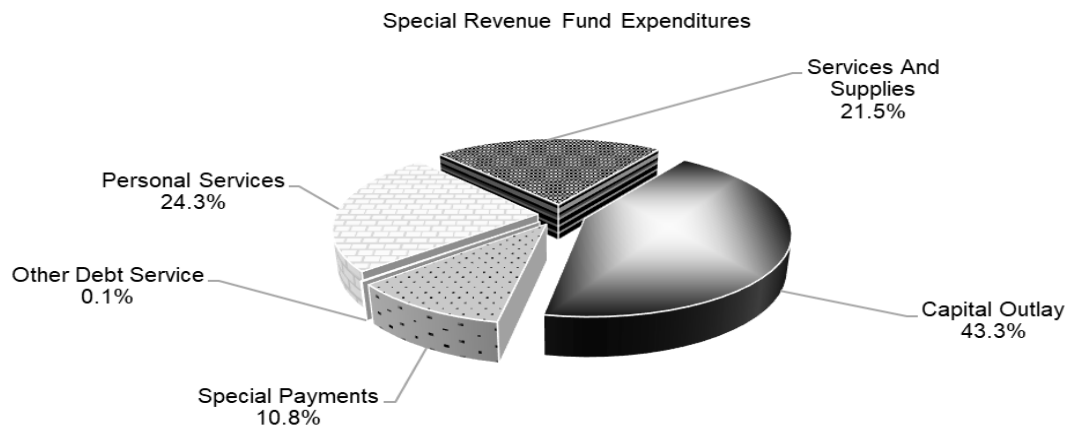
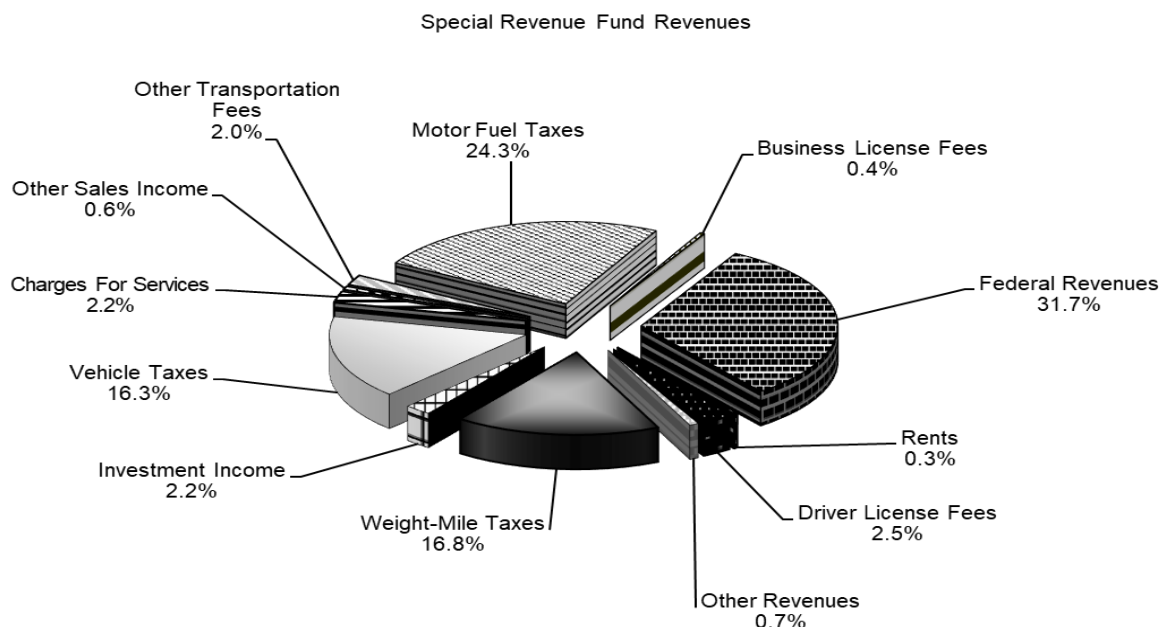
Population growth has always been positively correlated with demand for transportation-related activities. State level population estimates are showing some signs of weakness; Oregon's population is projected to grow at a very low growth rate of 0.4% per year. For a while, Oregon's natural increase in population (births minus deaths) has been negative, that means that we rely on positive net migration as a major factor contributing to Oregon's population growth. The Department is tracking out-of-state surrendered licenses as one of the key indicators of population growth as well as growth in transportation-related activities. The out-of-state surrendered licenses have been steady, which means that we can continue counting on slow-growing population as a main factor contributing to long-term growth in our transaction volumes.

FINANCIAL ANALYSIS OF THE DEPARTMENT'S GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources such as taxes, licenses, and other revenue allocated by law to specific purposes. The Department accounts for 85.3% of its expenditures in special revenue funds. The other 14.7% of the expenditures are in debt service funds (11.9%), capital project funds (.8%) and general funds (2.0%). Special revenue fund revenues include taxes (57.4%) and federal revenues (31.7%). Special revenue fund revenues increased for the year with \$2.6 billion in 2024 and \$2.9 billion in 2025.

Special revenue fund expenditures are composed primarily of capital outlay payments (43.3%) which include payments for highway construction contracts, machinery, and equipment. Capital outlay expenditures increased from 39.8% in 2024 to 43.3% in 2025. Personal services payments include salaries, benefits, and related expenditures. Special payments include distributions to governmental entities and others.



FINANCIAL INTRODUCTION

The financial introduction section presents an overview of the financial performance of the Department for the fiscal year ended June 30, 2025. It serves as an introduction to the Department's basic financial statements and focuses on significant financial matters.

FINANCIAL HIGHLIGHTS

Fund Level

As of June 30, 2025, the Department's governmental funds reported combined ending fund balances of \$1,323 million, compared to \$744.3 million for the previous year. Debt issuances in the current year were higher than the previous year contributing to the increase in ending fund balance.

Long-Term Debt

The Department's total long-term debt increased by \$265.8 million, or 8.1 percent, during the current fiscal year. The increase was due to issuing the Series 2024 Grant Anticipation Revenue Vehicle Bonds, the Series 2025A General Obligation Bonds, the Series 2025E General Obligation Bonds, and the Series 2025A Lottery Revenue Bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Department's basic financial statements include two components: (1) fund financial statements and (2) notes to the financial statements. In addition to the basic financial statements, the financial section of this report also contains combining financial statements for the Department's special revenue funds. A statistical section is presented following the combining financial statements.

Fund Financial Statements

The fund financial statements provide detailed information about the Department's governmental and fiduciary funds. State law and bond covenants require the Department to establish certain funds. The Department also establishes funds to account for certain taxes and grants or for specific legal purposes.

Governmental Funds – The Department reports its basic services in the governmental fund financial statements. These statements provide a detailed short-term view of the Department's operations. The Department prepares these statements in the governmental fund financial statement format using the current financial resources measurement focus and modified accrual basis of accounting.

The Department presents its governmental funds by the following fund types: general, special revenue, debt service, and capital projects. The combining financial statements provide detail for the special revenue funds.

Fiduciary Funds – Fiduciary funds account for assets held in a safekeeping capacity or as an agent for individuals, private organizations, or other governmental units. The Department reports its fiduciary fund activities within the custodial funds.

Notes to the Financial Statements

The notes (located immediately following the financial statements) provide additional information intended to assist the reader in understanding the Department's financial condition.

Other Information

The combining financial statements provide additional detail about the Department's special revenue funds. A statistical section at the end of the report contains selected trend information for the Department's revenues and expenditures.

If you have questions about this report or need additional financial information, please contact the Oregon Department of Transportation, Chief Financial Officer, 355 Capitol St NE MS # 21, Salem, Oregon 97301, Phone: (503) 986-3900.

ACKNOWLEDGEMENTS

The Department's annual financial report provides citizens, taxpayers, customers, investors, and creditors with a general overview of the Department's finances and demonstrates the Department's accountability for the money it receives. The Department appreciates the efforts of the Financial Services Branch staff who contributed to the preparation of this report.

Sincerely,



Kristopher W. Strickler
Director



Tracy Wroblewski
Chief Financial Officer

**Principal Officers of the Oregon Department of Transportation
June 30, 2025**

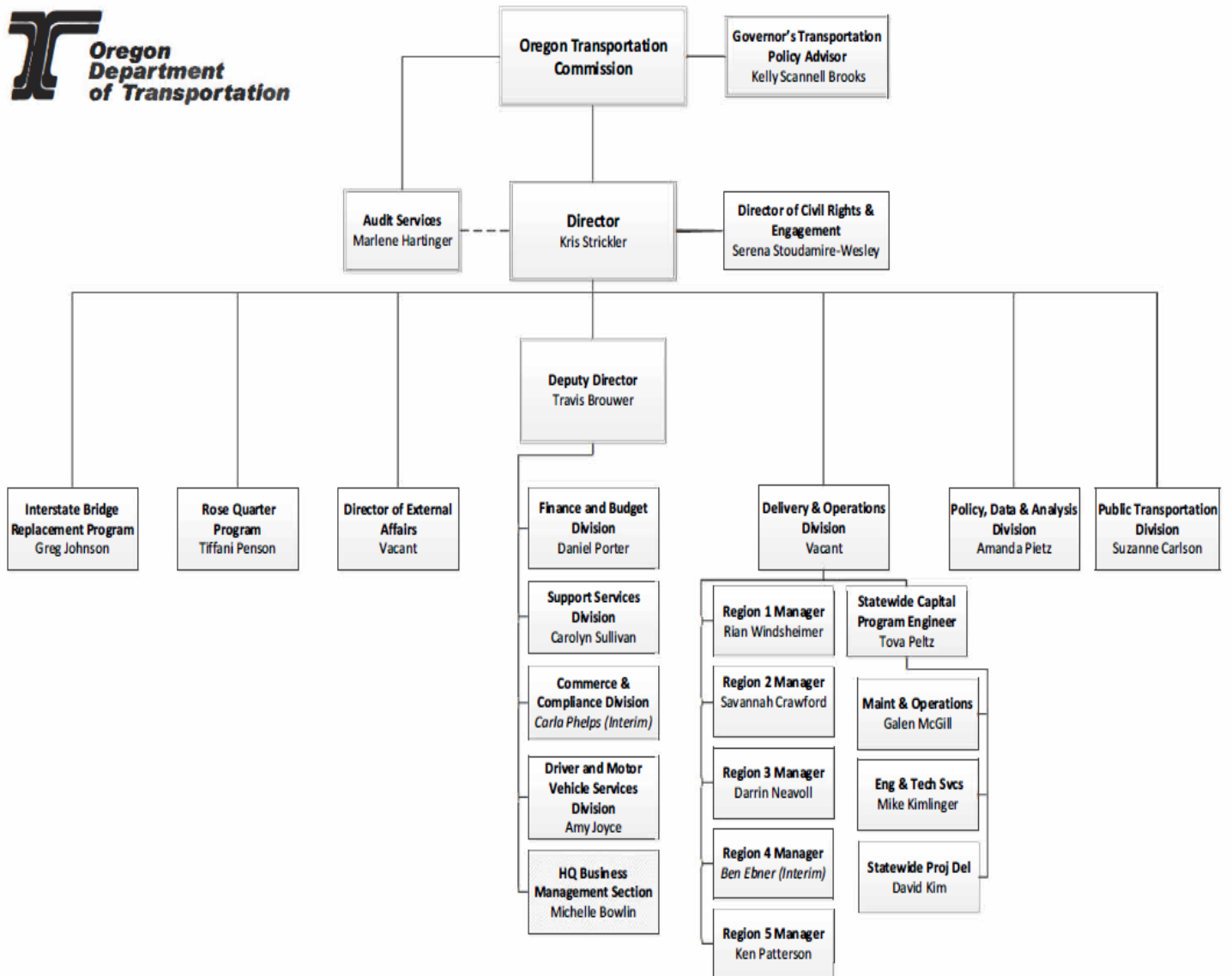
Oregon Transportation Commission

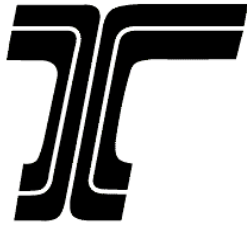
<u>Commissioner</u>	<u>Commission Expires</u>
Julie Brown, Chair	June 30, 2028
Lee Beyer, Vice Chair	June 30, 2025
Jeff Baker	June 30, 2025
Phil Chang	June 30, 2027
Alicia Chapman	June 30, 2028

Oregon Department of Transportation

Director – Kristopher Strickler
Deputy Director – Travis Brouwer
Administrator, Commerce and Compliance Division – Carla Phelps (Interim)
Administrator, Delivery and Operations Division – Vacant
Administrator, Driver and Motor Vehicle Services Division – Amy Joyce
Administrator, Finance and Budget Division – Daniel Porter
Administrator, Policy, Data and Analysis Division – Amanda Pietz
Administrator, Public Transportation Division – Suzanne Carlson
Administrator, Support Services Division – Carolyn Sullivan
Director of Civil Rights and Engagement – Serena Stoudamire-Wesley
Chief Financial Officer, Financial Services – Tracy Wroblewski
Chief Internal Auditor – Marlene Hartinger

State of Oregon Department of Transportation
Organization Chart
June 30, 2025





FINANCIAL SECTION

State of Oregon
Department of Transportation
Balance Sheet - All Fund Types
June 30, 2025

	Governmental Funds					Fiduciary Funds
	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds	Custodial Funds
Assets						
Cash and Cash Equivalents	\$ -	\$ 1,342,438,392	\$ 100,878,325	\$ -	\$ 1,443,316,717	\$ 33,966,275
Investments	-	30,158,329	-	-	30,158,329	-
Loans Receivable (net)	-	21,002,666	-	-	21,002,666	-
Taxes Receivable (net)	-	88,989,160	-	-	88,989,160	-
Due from Federal Government	-	65,314,403	-	-	65,314,403	-
Due from Other Funds/Agencies	5,111,563	220,610,252	35,481,808	570,394	261,774,017	-
Other Accounts Receivable (net)	-	79,893,759	-	-	79,893,759	-
Inventories	-	46,476,405	-	-	46,476,405	-
Prepaid Assets	-	52,097	-	-	52,097	-
Total Assets	\$ 5,111,563	\$ 1,894,935,463	\$ 136,360,133	\$ 570,394	\$ 2,036,977,553	\$ 33,966,275
Liabilities, Deferred Inflows, and Fund Balances						
<u>Liabilities:</u>						
Accounts Payable	\$ 5,111,563	\$ 234,016,043	\$ -	\$ -	\$ 239,127,606	\$ -
Deposit Liabilities	-	230,936	-	-	230,936	-
Due to Other Governments	-	116,743,562	-	-	116,743,562	3,770
Due to Other Funds/Agencies	-	232,259,876	395,487	9,797	232,665,160	-
Unearned Revenue	-	104,038,496	-	-	104,038,496	-
Total Liabilities	5,111,563	687,288,913	395,487	9,797	692,805,760	3,770
<u>Deferred Inflows:</u>						
Leases Receivable	-	20,874,993	-	-	20,874,993	-
Total Deferred Inflows	-	20,874,993	-	-	20,874,993	-
<u>Fund Balances:</u>						
Nonspendable:						
Inventories	-	46,476,405	-	-	46,476,405	-
Revolving Accounts	-	500	-	-	500	-
Prepaid Assets	-	52,097	-	-	52,097	-
Restricted by:						
Oregon Constitution	-	127,033,492	135,964,646	560,597	263,558,735	-
Federal Laws and Regulations	-	35,623,671	-	-	35,623,671	-
Debt Covenants	-	870,116,634	-	-	870,116,634	-
Enabling Legislation	-	135,385,539	-	-	135,385,539	-
Unassigned Fund Balance	-	(27,916,781)	-	-	(27,916,781)	-
Net Position Held for Others	-	-	-	-	-	33,962,505
Total Fund Balances	-	1,186,771,557	135,964,646	560,597	1,323,296,800	33,962,505
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 5,111,563	\$ 1,894,935,463	\$ 136,360,133	\$ 570,394	\$ 2,036,977,553	\$ 33,966,275

The accompanying notes are an integral part of the financial statements. These statements are not audited.

State of Oregon
Department of Transportation
Statement of Revenues, Expenditures, and
Changes in Fund Balances - All Fund Types
For the Fiscal Year Ended June 30, 2025

	Governmental Funds					Fiduciary Funds
	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds	Custodial Funds
Revenues:						
Motor Fuel Taxes	\$ -	\$ 700,432,679	\$ -	\$ -	\$ 700,432,679	\$ -
Federal Revenues	-	914,143,796	15,884,678	-	930,028,474	-
Weight-Mile Taxes	-	486,508,243	-	-	486,508,243	-
Vehicle Registration Taxes	-	471,174,853	-	-	471,174,853	-
Driver License Fees	-	72,955,042	-	-	72,955,042	-
Other Transportation Fees	-	57,487,567	-	-	57,487,567	34,041,776
Charges for Services	-	63,239,529	-	-	63,239,529	-
Other Sales Income	-	18,017,408	-	-	18,017,408	-
Investment Income	-	62,668,485	1,543,671	-	64,212,156	480
Business License Fees	-	10,728,670	-	-	10,728,670	-
Rents	-	8,527,543	-	-	8,527,543	-
Other Revenues	-	21,636,611	1,486,172	-	23,122,783	313,035
Total Revenues	-	2,887,520,426	18,914,521	-	2,906,434,947	34,355,291
Expenditures:						
Personal Services	4,782,412	517,776,992	-	47,348	522,606,752	-
Services and Supplies	25,110,216	458,125,239	-	1,296,458	484,531,913	-
Capital Outlay	5,019,081	920,751,623	-	20,183,455	945,954,159	-
Special Payments	6,100,000	228,809,270	-	-	234,909,270	33,774,123
Principal and Interest	7,782,806	-	294,347,064	-	302,129,870	-
Other Debt Service	-	2,920,859	1,885,928	-	4,806,787	-
Total Expenditures	48,794,515	2,128,383,983	296,232,992	21,527,261	2,494,938,751	33,774,123
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,794,515)	759,136,443	(277,318,471)	(21,527,261)	411,496,196	581,168
Other Financing Sources (Uses):						
General Fund Appropriation	48,794,515	-	-	-	48,794,515	-
Long-Term Debt Issued	-	560,082,777	-	-	560,082,777	-
Refunding Debt Issued	-	-	662,049,886	-	662,049,886	-
Refunded Debt Payment to Escrow Agent	-	-	(693,488,303)	-	(693,488,303)	-
Transfers In - Net of Intrafund Activity	-	172,296,693	339,910,035	23,012,347	535,219,075	-
Transfers Out - Net of Intrafund Activity	-	(942,677,141)	(9,685,699)	(1,873,192)	(954,236,032)	-
Gain (Loss) on Sale of Capital Assets	-	1,030,100	-	-	1,030,100	-
Insurance Recoveries	-	1,029,795	-	-	1,029,795	-
Total Other Financing Sources (Uses)	48,794,515	(208,237,776)	298,785,919	21,139,155	160,481,813	-
Net Change in Fund Balances	-	550,898,667	21,467,448	(388,106)	571,978,009	581,168
Fund Balances - Beginning	-	628,827,691	114,497,198	948,703	744,273,592	33,381,337
Change in Nonspendable Fund Balances	-	7,045,199	-	-	7,045,199	-
Fund Balances - Ending	\$ -	\$ 1,186,771,557	\$ 135,964,646	\$ 560,597	\$ 1,323,296,800	\$ 33,962,505

The accompanying notes are an integral part of the financial statements. These statements are not audited.

Budgeted Appropriated Funds

The State of Oregon 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.

Budgetary Schedule

The State does not budget by the prescribed fund types of generally accepted accounting principles (GAAP). The State and Department use 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, appropriated funds are tied to appropriation numbers to ensure expenditures do not exceed approved appropriations. Budgeted appropriated funds in R*STARS include General Fund, Federal Funds, Lottery Funds, and Other Funds.

Major differences between budgetary (non-GAAP) basis and GAAP basis are:

- Revenues are recognized when received in cash (budgetary basis) as opposed to when they are susceptible to accrual (GAAP basis).
- Expenditures are recognized when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP basis).
- 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 or 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 the table following the Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Budgetary (Non-GAAP) Basis - All Budgeted Appropriated Funds.

State of Oregon
Department of Transportation
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

	General Fund				Federal Funds			
	2023-2025 Biennial Budget	1st Year Actual	2nd Year Actual*	Variance Over/ (Under)	2023-2025 Biennial Budget	1st Year Actual	2nd Year Actual*	Variance Over/ (Under)
Revenues:								
Motor Fuel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Revenues	-	-	-	-	212,214,788	43,903,424	84,586,090	(83,725,274)
Weight-Mile Taxes	-	-	-	-	-	-	-	-
Vehicle Registration Taxes	-	-	-	-	-	-	-	-
Driver License Fees	-	-	-	-	-	-	-	-
Other Transportation Fees	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Other Sales Income	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-
Business License Fees	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,214,788</u>	<u>43,903,424</u>	<u>84,586,090</u>	<u>(83,725,274)</u>
Expenditures:								
Personal Services	4,500,000	790,437	4,492,070	782,507	4,698,893	5,477,714	7,312,249	8,091,070
Services and Supplies	38,500,000	5,258,137	27,663,665	(5,578,198)	30,508,409	3,514,238	11,719,350	(15,274,821)
Capital Outlay	-	-	4,019,081	4,019,081	2,346,629	356,945	407,881	(1,581,803)
Special Payments	21,000,000	7,500,000	10,100,000	(3,400,000)	155,896,210	25,074,915	63,660,438	(67,160,857)
Debt Service (combined)	16,930,280	9,147,456	7,782,805	(19)	18,764,647	9,479,612	1,486,172	(7,798,863)
Total Expenditures	<u>80,930,280</u>	<u>22,696,030</u>	<u>54,057,621</u>	<u>(4,176,629)</u>	<u>212,214,788</u>	<u>43,903,424</u>	<u>84,586,090</u>	<u>(83,725,274)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(80,930,280)</u>	<u>(22,696,030)</u>	<u>(54,057,621)</u>	<u>4,176,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):								
General Fund Appropriation	80,930,280	22,696,030	54,057,621	(4,176,629)	-	-	-	-
Long-Term Debt Issued	-	-	-	-	-	-	-	-
Refunding Debt Issued	-	-	-	-	-	-	-	-
Refunded Debt Payment to Escrow Agent	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Loan Repayments	-	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>80,930,280</u>	<u>22,696,030</u>	<u>54,057,621</u>	<u>(4,176,629)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Budgetary Fund Balances	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Budgetary Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>			<u>\$ -</u>	<u>\$ -</u>		

*Biennial transactions continue through December 31, 2025. Final amounts may vary.

Lottery Funds				Other Funds			
2023-2025 Biennial Budget	1st Year Actual	2nd Year Actual*	Variance Over/ (Under)	2023-2025 Biennial Budget	1st Year Actual	2nd Year Actual*	Variance Over/ (Under)
\$ -	\$ -	\$ -	\$ -	\$ 1,368,350,366	\$ 622,297,689	\$ 762,537,478	\$ 16,484,801
-	-	-	-	2,489,237,858	645,711,061	802,858,961	(1,040,667,836)
-	-	-	-	980,864,085	415,051,236	524,340,000	(41,472,849)
-	-	-	-	953,530,830	426,212,655	508,060,411	(19,257,764)
-	-	-	-	127,400,421	51,993,974	78,195,881	2,789,434
-	-	-	-	110,039,724	58,548,386	59,781,330	8,289,992
-	-	-	-	10,384,372	46,607,278	67,737,552	103,960,458
-	-	-	-	5,952,857	17,717,042	19,066,236	30,830,421
-	-	-	-	12,775,388	49,134,237	61,372,142	97,730,991
-	-	-	-	6,687,408	7,572,961	7,819,279	8,704,832
-	-	-	-	2,018,844	5,422,402	5,002,917	8,406,475
-	-	-	-	461,874,569	22,154,925	28,866,869	(410,852,775)
-	-	-	-	6,529,116,722	2,368,423,846	2,925,639,056	(1,235,053,820)
-	-	-	-	1,339,330,738	613,143,856	650,767,487	(75,419,395)
-	-	-	-	3,502,124,445	1,068,223,852	1,394,562,064	(1,039,338,529)
-	-	-	-	99,135,687	26,098,031	57,562,496	(15,475,160)
650,000	168,076	428,765	(53,159)	541,050,313	195,365,740	197,549,461	(148,135,112)
134,554,750	66,403,708	66,554,025	(1,597,017)	1,203,319,003	272,576,592	226,307,426	(704,434,985)
135,204,750	66,571,784	66,982,790	(1,650,176)	6,684,960,186	2,175,408,071	2,526,748,934	(1,982,803,181)
(135,204,750)	(66,571,784)	(66,982,790)	1,650,176	(155,843,464)	193,015,775	398,890,122	747,749,361
-	-	-	-	-	-	-	-
-	-	-	-	327,339,349	120,000,000	560,082,777	352,743,428
-	-	-	-	768,354,030	60,915,187	662,057,812	(45,381,031)
-	-	-	-	-	(7,288,571)	(693,487,743)	700,776,314
135,204,750	98,027,531	31,529,065	(5,648,154)	3,947,342,368	2,339,589,867	2,933,959,148	1,326,206,647
-	-	-	-	(4,802,339,150)	(2,745,275,253)	(2,701,464,022)	644,400,125
-	-	-	-	6,600,000	3,314,826	2,676,785	(608,389)
-	-	-	-	-	4,504,541	1,561,027	6,065,568
135,204,750	98,027,531	31,529,065	(5,648,154)	247,296,597	(224,239,403)	765,385,784	2,984,202,662
\$ -	31,455,747	(35,453,725)	<u>\$ (3,997,978)</u>	<u>\$ 91,453,133</u>	(31,223,628)	1,164,275,907	<u>\$ 3,731,952,023</u>
	<u>\$31,455,747</u>	<u>\$ (35,453,725)</u>			<u>\$ (31,223,628)</u>	<u>\$1,164,275,907</u>	

Budgetary Basis to GAAP Basis Reconciliation

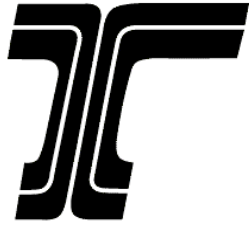
The accompanying "Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP Basis) – All Budgeted Appropriated Funds" presents comparison of the legally approved budget with actual data on a budgetary basis.

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.

State of Oregon
Department of Transportation
Budgetary Basis to GAAP Basis Reconciliation
All Budgeted Appropriated Funds
For the Biennium Ending June 30, 2025

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses								
Budgetary Balances Classified into GAAP								
Fund Type Structure								
GAAP Fund Type	Budgeted General Fund	Budgeted Federal Funds	Budgeted Lottery Funds	Budgeted Other Funds	Total Budgeted Funds	Timing Differences	Basis Differences	GAAP Balances
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue*	-	-	(103,765)	1,152,800,073	1,152,696,308	127,187,421	(728,985,062)	550,898,667
Debt Service	-	-	(35,349,960)	22,374,776	(12,975,184)	32,904,731	1,537,901	21,467,448
Capital Projects	-	-	-	(10,898,942)	(10,898,942)	10,510,836	-	(388,106)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,453,725)</u>	<u>\$ 1,164,275,907</u>	<u>\$ 1,128,822,182</u>	<u>\$ 170,602,988</u>	<u>\$ (727,447,161)</u>	<u>\$ 571,978,009</u>

* In Special Revenue Funds, some federal transactions are budgeted as Other Funds.



NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Oregon Department of Transportation (Department) financial statements conform to the Oregon Department of Administrative Services statewide accounting and reporting policies. These accounting and reporting policies adhere to generally accepted accounting principles prescribed by the Governmental Accounting Standards Board (GASB). These statements have not been audited for compliance or conformity.

A. Reporting Entity

The Department became an Executive Branch agency in the State of Oregon in 1969. Its mission is to provide a safe and reliable multimodal transportation system that connects people and helps Oregon's communities and economy thrive.

The governor appoints the director of the Department subject to confirmation by the senate. The director works with the OTC to provide direction for the Department's programs.

B. Governmental Fund Statements

Fund Financial Statements

The Department presents financial information for all governmental funds by fund type. Individual fund detail for the special revenue funds is provided in the *combining financial statements*.

C. Measurement Focus and Basis of Accounting

Measurement focus describes what type of information is presented in a fund. Basis of accounting describes the criteria governing the timing of the recognition of transactions and events.

The Department uses the current financial resources measurement focus and the modified accrual basis of accounting to prepare the governmental fund statements. The current financial resources measurement focus only takes into consideration those resources available for spending in the near future. Accordingly, only transactions and events affecting a fund's current financial resources during the period are reported.

Under the modified accrual basis of accounting, revenues are recognized as soon as they become both measurable and available. Revenues become available if collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department considers revenues available if the Department expects to collect the revenue within 90 days of the end of the current fiscal period. The Department recognizes derived tax revenues (such as motor fuel and weight-mile taxes) in the year that the taxes become measurable and available. Federal reimbursement grants are recognized as revenue when the Department incurs the qualifying expenditures and meets all other grant requirements. Licenses and fees or cash sales of goods and services are recognized as revenue when received as cash.

The Department generally records expenditures when incurring a liability as under the accrual basis of accounting. Expenditures related to debt service, compensated absences, and claims and judgments are recognized when payment is due.

**Oregon Department of Transportation
Notes to the Financial Statements**

D. Basis of Presentation

The Department records its financial activities in individual funds. A fund is defined as a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Fund accounting demonstrates legal compliance and aids in financial management by segregating transactions related to certain governmental functions or activities.

Governmental Funds

The *General Fund* accounts for the activities of the Department financed with general tax revenues of the State of Oregon.

Special Revenue Funds account for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes.

Debt Service Funds account for the accumulation of resources for the payment of principal and interest on the Department's debt.

Capital Projects Funds account for financial resources segregated for the construction, improvement, and acquisition of capital assets.

Fiduciary Funds

Custodial Funds account for assets held in a safekeeping capacity or as an agent for individuals, private organizations, or other governmental units.

E. Assets, Liabilities, and Fund Balance

Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less at date of purchase. In addition to deposits in the statewide cash management pool, the Department may also have cash deposits with fiscal agents outside of the State Treasurer.

The State Treasurer designates and holds certain investments for the Department. Other investments may be held by the Department's fiscal agent. The Department reports all investments (including equity in pooled investments) at fair value.

Receivables and Payables

Advances to/from Other Funds represent lending/borrowing arrangements outstanding at the end of the fiscal year. All other outstanding balances between funds are reported as *Due to/from Other Funds*.

The Department states receivables net of allowances for uncollectible amounts. The uncollectible amounts are based on Department policy, collection experience, and a review of the status of existing receivables.

Inventories

The Department uses the first-in/first-out method for cost valuation of inventories of materials and supplies in its governmental funds. Reported inventories in governmental funds are equally offset by nonspendable fund balance.

**Oregon Department of Transportation
Notes to the Financial Statements**

Capital Assets

The Department values capital assets, which include land, buildings, equipment, and infrastructure assets, at historical cost or, if donated, at the estimated acquisition value at the date of donation. The Department added infrastructure as a capital asset beginning July 1, 2001, when the state highway and bridge system was added in accordance with GASB Statement No. 34. All additions to infrastructure assets, beginning July 1, 2001, were added based on cost. In the governmental fund statements, capital assets are charged to expenditures when acquired. Capital assets are not reported in the financial statements but are included in the notes to the financial statements.

The Department defines a capital asset as an asset costing \$5,000 or more that has an estimated useful life of at least one year. Additions or improvements that significantly extend the useful life of an asset or that significantly increase the capacity of an asset are capitalized. The cost of normal maintenance and repairs are expensed as incurred.

F. Pollution Remediation Obligation

GASB Statement No. 49 established accounting and financial reporting for pollution remediation obligations. These obligations address the current or potential effects of existing pollution. The Department incurs pollution remediation liabilities by participating in pollution remediation activities including pre-cleanup activities, cleanup activities, government oversight and enforcement-related activities, and post-remediation monitoring. Excluded from the scope of Statement No. 49 are obligations for pollution prevention and control activities, fines and penalties, landfill closure and post-closure care, and other future remediation activities required upon retirement of an asset.

Pollution remediation obligations are recognized when the range of expected cash outlays can be reasonably estimated. The Department recognized an estimated pollution remediation liability of \$36.5 million as of June 30, 2025, for statewide reporting purposes. However, this liability is not reported in the Department's fund financial statements. For many projects, the Department can reasonably estimate the range of expected outlays early in the process because the site situation is common or similar to other sites with which the Department has experience. In other cases, the estimates are limited to an amount specified in a contract for remediation services or provided by environmental consulting firms.

When new information indicates changes in expected outlays, the liability for pollution remediation is adjusted. Adjustments may be the result of 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.

The Department also performs ongoing pollution remediation. In many instances, the Department voluntarily conducts the cleanup of contaminated soil and groundwater found within the footprint of a construction project or removes lead-based paint during bridge repairs. In other cases, the Department of Environmental Quality (DEQ) has named the Department as a responsible party, or potentially responsible party, or the Department has entered a site as part of the DEQ's Voluntary Cleanup Program, as the responsible party.

Oregon Department of Transportation
Notes to the Financial Statements

G. Retainage Payable

Oregon Revised Statute 279C.570 allows the Department to retain up to five percent of each progress payment made to contractors engaged in public improvement projects. The amounts withheld are invested in interest-bearing accounts. The retainage, plus the interest earned, is released to the contractor as the project is completed.

H. Unearned Revenue

Unearned revenue arises when resources are received before the Department has earned them or has legal claim to them. In subsequent periods, when the earnings process is complete or when all revenue recognition criteria have been met, the unearned revenue is reduced, and revenue is recognized.

I. Long-Term Liabilities

Proceeds received from the issuance of debt are reported under other financing sources in the Statement of Revenues, Expenditures, and Changes in Fund Balances.

The accounting for proceeds received upon issuance of refunding debt closely parallels the accounting for original issue debt. However, when the refunding debt proceeds are paid to an escrow agent for purposes of repaying the old debt, that payment is reported separately under other financing uses in the fund financial statements.

J. Fund Balance

Fund balances for governmental funds are classified based on the nature of the resource restrictions within each fund. Fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Restricted balances are further classified as constitutional, federal, debt covenant, or enabling legislation. Nonspendable balances are further classified as inventories, revolving accounts, or prepaid assets.

K. Use of Estimates

In preparing the Department's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. BUDGETARY INFORMATION

The Department submits its budget request to the Governor every other year (biennial basis). State agencies, including the Department, prepare their budgets based on the source of funding. The four primary revenue sources available to state agencies to budget for expenditures are General Funds, Federal Funds, Lottery Funds, and Other Funds.

The Legislature formally adopts the budget and authorizes the Department to spend against one of three types of spending authority. General Fund appropriations represent the legal authority provided by the Legislature to use resources from the General Fund (primarily personal and corporate income taxes). The Legislature provides the spending authority and the funding for both the General Funds and the Lottery funds. The other spending authorities are *limited* and *nonlimited*. Limited spending authorities approved by the Legislature authorize the Department to spend up to a specific level of expenditures. The Department uses limitations of this type for all programs financed with federal funds, lottery funds, and other funds (e.g., fuels tax and vehicle registration). Nonlimited spending authorities are authorized by the Legislature for expenditures that fluctuate based on variables outside the Department's control and for which the Legislature does not legally specify an amount.

A major component of the Department's budget request to the Governor is the Statewide Transportation Improvement Program (STIP). The STIP is the Department's four-year capital improvement program. In the STIP, the Department assigns resources to those projects that have been given the highest priority through the STIP update process. For more information, please visit <http://www.oregon.gov/odot/stip>.

During interim periods when the Legislature is not in session, the Legislative Emergency Board is authorized to amend the legally adopted budget. Any changes in the Department's original spending authority must be approved by the Emergency Board.

A budgetary comparison report is provided and presents the Department's budget by governmental fund type.

**Oregon Department of Transportation
Notes to the Financial Statements**

3. CASH AND INVESTMENTS

Deposits

The State of Oregon maintains the Oregon Short-Term Fund, a cash and investment management pool in which the Department participates. Participant account balances are determined by the amount of each participant's deposits adjusted for withdrawals and distributed interest. Interest is calculated and accrued daily on each participant's account based on the ending account balance and a variable interest rate determined periodically.

Deposits with fiscal agents may include money market accounts held by the pledging financial institution or its trust department for the purpose of debt service.

Investments

As of June 30, 2025, the Department's investments consisted primarily of corporate bonds and U.S. Agency securities.

Cash (including cash equivalents) and investments as of June 30, 2025:

	<u>Cash and Investments</u>
Cash and Deposits in Transit	\$ 78,413,920
Deposits with State Treasury	1,363,885,772
Deposits with Fiscal Agents	1,017,025
Investments with State Treasury	30,158,329
Total	<u>\$ 1,473,475,046</u>

4. TRANSFERS

Fund Transfers

Internal transfer activity is included at the combining financial statement (detail) level and eliminated at the combined (summary) level.

Special Payments

Special Payments are payments the Department makes to other governmental jurisdictions including counties and cities. The distinguishing characteristic of this type of payment is that the Department does not receive any associated goods or services in exchange for the payment. Special Payments may include the distribution of federal and state funds directly to governmental entities and others.

Oregon Department of Transportation
Notes to the Financial Statements

Transfer activity for the year ended June 30, 2025:

<u>Departmental transfers:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Special Revenue Funds		
Capital Projects	\$ 21,313,399	\$ 1,873,192
Debt Service	245,218,983	-
Debt Service Funds		
Special Revenue	-	245,218,983
Capital Projects Funds		
Special Revenue	1,873,192	21,313,399
Total departmental transfers	<u>268,405,574</u>	<u>268,405,574</u>
<u>State agency transfers:</u>		
Special Revenue Funds		
Business Oregon	-	1,036,108
Department of Administrative Services	31,991,719	14,639,028
Department of Aviation	-	6,454,227
Oregon State Police	3,993,380	-
Department of Environmental Quality	-	901,397
Department of Parks and Recreation	235,778	27,812,543
Department of Revenue	164,790,354	-
Department of Veterans' Affairs	325,000	96,893
State Marine Board	-	5,245,509
Travel Information Council	-	12,460,000
Watershed Enhancement Board	-	232,509
Capital Projects Funds		
Oregon State Police	1,698,948	-
Debt Service Funds		
Department of Administrative Services	63,778,322	-
Total state agency transfers	<u>266,813,501</u>	<u>68,878,214</u>
<u>Local government transfers:</u>		
Special Revenue Funds		
Cities	-	245,984,553
Counties	-	364,740,722
Total local government transfers	<u>-</u>	<u>610,725,275</u>
<u>Transfers to nongovernmental entities:</u>		
Special Revenue Funds	-	6,226,969
Total transfers	<u>\$ 535,219,075</u>	<u>\$ 954,236,032</u>

Oregon Department of Transportation
Notes to the Financial Statements

5. CAPITAL ASSETS

Major capital asset events during fiscal year 2025 included the following:

The Bend North Corridor Project (U.S. 20 and U.S. 97) was completed. The project enhanced safety and access for vehicles, pedestrians, and cyclists on the north end of Bend by alleviating congestion and enhancing routes on both U.S. 97 and U.S. 20. The enhancements have improved freight mobility and travel times, while making it safer for residents to access essential services, recreational areas, and employment centers. Key features of the project include:

- A new section of U.S. 97.
- Two roundabouts on U.S. 20.
- Miles of multi-use paths.
- Americans with Disabilities Act upgrades.
- Transit enhancements.
- New overpasses and bridges to allow for uninterrupted traffic flow across busy intersections.

The OR18 McMinnville Spur: South Yamhill River Bridge project was completed. The original South Yamhill River bridge was constructed in 1951. It was 990 feet in length and had 32 timber spans and 120 timber piles. The bridge suffered from considerable deterioration of the timber structure. The project replaced the old bridge with a new 970-foot, five-span steel bridge.

- New bridge is wider at 48 feet compared to 35 feet for improved efficiency.
- Original bridge was designed to last 30 to 40 years and was 70 years old. New bridge provides a critical link between McMinnville and OR18 and carries approximately 16,000 vehicles per day.

Capital asset activity for the fiscal year ended June 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance
Buildings	\$ 312,407,241	\$ 7,242,270	\$ (42,693)	\$ 319,606,818
Construction in progress - infrastructure	1,660,942,019	648,458,164	(593,070,733)	1,716,329,450
Construction in progress - other	62,140,019	43,318,181	(31,499,520)	73,958,680
Data processing software	157,229,796	11,935,852	(3,432,148)	165,733,500
Land	1,826,797,069	5,589,467	(1,576,716)	1,830,809,820
Land improvements	209,887,843	268,497	(66,178)	210,090,162
Land use rights (amortized)	781,932	-	-	781,932
Leasehold improvements	6,974,353	-	-	6,974,353
Machinery and equipment	487,869,972	37,715,412	(14,241,206)	511,344,178
Right-to-use leased assets	71,873,305	3,404,801	(1,356,155)	73,921,951
Right-to-use SBITA assets	3,801,338	177,236	(213,707)	3,764,867
State highway and bridge system	16,420,875,329	802,876,025	(76,945,914)	17,146,805,440
Works of art and historical treasures	101,151	-	-	101,151
Total capital assets	<u>\$ 21,221,681,367</u>	<u>\$ 1,560,985,905</u>	<u>\$ (722,444,970)</u>	<u>\$ 22,060,222,302</u>

Construction in progress - infrastructure includes all state highway and bridge system construction projects currently underway. *Construction in progress - other* includes equipment fabrication and facility projects located throughout the state.

6. CONSTRUCTION COMMITMENTS

Construction commitments represent the estimated dollar amount of planned highway construction approved by the Oregon Transportation Commission and presented in the State Transportation Improvement Program. There were \$1.6 billion in outstanding commitments for highway and bridge construction contracts as of June 30, 2025.

7. LONG-TERM DEBT

Oregon Revised Statutes (ORS) provide the Department with the authority to issue bonds and to assume other forms of long-term debt to finance construction projects. The individual debt issuances are summarized below for all long-term debt outstanding as of June 30, 2025. The Department's long-term debt consists of Lottery Revenue Bonds, Highway User Tax Revenue Bonds, and General Obligation Bonds.

Revenue Bonds Repaid by Lottery Proceeds

Lottery Revenue Bonds are issued on behalf of the Department by the State, acting by and through the State Treasurer, at the request of the Department of Administrative Services (DAS), pursuant to the authority of Article XV, Section 4 of the Oregon Constitution and ORS chapter 286A. Lottery Revenue Bonds are special obligations of the State payable solely from unobligated net lottery proceeds and other legally available funds.

For more information regarding individual securities, please visit the Municipal Securities Rulemaking Board at <https://emma.msrb.org>.

- Lottery Revenue Bonds, Series 2015A (CUSIP No. 68607V): In January 2015, DAS issued Lottery Revenue Bonds on behalf of the Department in the amount of \$48,624,463. The net proceeds from the bonds were used to fund Connect Oregon multimodal transportation projects, the Port of Coos Bay Rail Link, and the Salem-Keizer Transit Center. The bonds were refunded in their entirety with the issuance of Lottery Revenue Bonds Series 2025A. The bonds had an outstanding principal balance at June 30, 2025, of zero.
- Lottery Revenue Refunding Bonds, Series 2015C (CUSIP No. 68607V): In January 2015, DAS issued Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$47,864,226. The net proceeds from the bonds were used to partially refund the Lottery Revenue Bonds, Series 2011A. The bonds were refunded in their entirety with the issuance of Lottery Revenue Bonds Series 2025A. The bonds had an outstanding principal balance at June 30, 2025, of zero.
- Lottery Revenue Refunding Bonds, Series 2015D (CUSIP No. 68607V): In January 2015, DAS issued Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$142,172,601. The net proceeds from the bonds were used to partially refund the Lottery Revenue Bonds, Series 2009A. The bonds were refunded in their entirety with the issuance of Lottery Revenue Bonds Series 2025A. The bonds had an outstanding principal balance at June 30, 2025, of zero.
- Lottery Revenue Bonds, Series 2017A (CUSIP No. 68607V): In April 2017, DAS issued Lottery Revenue Bonds on behalf of the Department in the amount of \$50,144,754. The net

**Oregon Department of Transportation
Notes to the Financial Statements**

proceeds from the bonds were used to fund Connect Oregon multimodal transportation projects, the Port of Coos Bay Rail Link, and the Juntura Road project in Harney County. The final maturity date for this bond series is April 2037. The bonds had an outstanding principal balance at June 30, 2025, of \$50,114,754.

- Lottery Revenue Refunding Bonds, Series 2017C (CUSIP No. 68607V): In April 2017, DAS issued Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$32,057,363. The net proceeds from the bonds were used to partially refund the Lottery Revenue Bonds, Series 2011A. The final maturity date for this bond series is April 2031. The bonds had an outstanding principal balance at June 30, 2025, of \$32,057,362.
- Lottery Revenue Bonds, Series 2019A (CUSIP No. 68607V): In April 2019, DAS issued Lottery Revenue Bonds on behalf of the Department in the amount of \$31,245,000. The net proceeds from the bonds were used to fund Connect Oregon multimodal transportation projects, the City of Portland infrastructure improvements on Southwest Capitol Highway, and upgrades and improvements to the Lane Transit District. The final maturity date for this bond series is April 2039. The bonds had an outstanding principal balance at June 30, 2025, of \$31,245,000.
- Lottery Revenue Refunding Bonds, Series 2021A (CUSIP No. 68607V): In April 2021, DAS issued Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$10,590,000. The net proceeds from the bonds were used to refund in its entirety the Lottery Revenue Bonds, Series 2011A. The final maturity date for this bond series is April 2031. The bonds had an outstanding principal balance at June 30, 2025, of \$8,510,000.
- Lottery Revenue Refunding Bonds, Series 2021B (CUSIP No. 68607V): In April 2021, DAS issued Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$25,325,000. The net proceeds from the bonds were used to partially refund the Lottery Revenue Bonds, Series 2012B and Series 2013A. The Series 2021B Bonds were partially refunded with the issuance of the 2024A Series Bonds. The final maturity date for this bond series is April 2033. The bonds had an outstanding principal balance at June 30, 2025, of \$14,056,970.
- Lottery Revenue Bonds, Series 2022A (CUSIP No. 68607V): In May 2022, DAS issued Lottery Revenue Bonds on behalf of the Department in the amount of \$3,675,000. The net proceeds from the bonds were used to fund construction of the Sherwood Pedestrian Bridge. The final maturity date for this bond series is April 2042. The bonds had an outstanding principal balance at June 30, 2025, of \$3,675,000.
- Lottery Revenue Bonds, Series 2023A (CUSIP No. 68607V): In May 2023, DAS issued Lottery Revenue Bonds on behalf of the Department in the amount of \$1,965,000. The net proceeds from the bonds were used to fund construction of the Fanno Creek Trail Improvements. The final maturity date for this bond series is April 2043. The bonds had an outstanding balance at June 30, 2025, of \$1,870,000.
- Lottery Revenue Refunding Bonds, Series 2024A (CUSIP No. 68607V): In May 2024, DAS issued Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$12,165,000. The net proceeds from the bonds were used to refund in its entirety the Lottery Revenue Refunding Bonds, Series 2014A and partially refund the Lottery Revenue Refunding

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Bonds, Series 2021B. The final maturity date for this bond series is April 2033. The bonds had an outstanding balance at June 30, 2025, of \$9,920,000.

- Lottery Revenue Refunding Bonds, Series 2024C (CUSIP No. 68607V): In May 2024, DAS issued Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$25,180,000. The net proceeds from the bonds were used to refund in its entirety the Lottery Revenue Refunding Bonds, Series 2014B. The final maturity date for this bond series is April 2027. The bonds had an outstanding balance at June 30, 2025, of \$16,660,000.
- Lottery Revenue Refunding Bonds, Series 2024D (CUSIP No. 68607V): In May 2024, DAS issued Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$21,820,000. The net proceeds from the bonds were used to refund in its entirety the Lottery Revenue Refunding Bonds, Series 2014C. The final maturity date for this bond series is April 2025. The bonds had an outstanding balance at June 30, 2025, of zero.
- Lottery Revenue Bonds (projects and refunding), Series 2025A (CUSIP No. 68607V): In May 2025, DAS issued Lottery Revenue Bonds (projects and refunding) on behalf of the Department in the amount of \$188,900,035. The net proceeds from the bonds were used to refund in their entirety the 2015A, 2015C, and 2015D Lottery Revenue Bonds and provide funding for the Earthquake-Ready Burnside Bridge, Hawthorne Avenue Pedestrian and Bicycle Overcrossing, and the Hood River-White Salmon Interstate Bridge Projects. The final maturity date for this bond series is April 2045. The bonds had an outstanding balance at June 30, 2025, of \$188,900,035.

Debt service requirements to maturity on the Department's Lottery Revenue Bonds as of June 30, 2024:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 49,893,090	\$ 16,512,705	\$ 66,405,795
2027	45,526,342	14,989,369	60,515,711
2028	35,597,606	12,772,123	48,369,729
2029	36,169,790	10,994,543	47,164,333
2030	33,058,729	9,211,569	42,270,298
2031-2035	96,838,835	27,855,617	124,694,452
2036-2040	42,024,730	9,770,356	51,795,086
2041-2045	17,900,000	2,778,312	20,678,312
Total	<u>\$ 357,009,122</u>	<u>\$ 104,884,594</u>	<u>\$ 461,893,716</u>

Revenue Bonds Repaid by State Highway Fund Revenues

Highway User Tax Revenue Bonds are issued by the State, acting by and through the State Treasurer, at the request of the Department, pursuant to Article IX, Section 3a of the Oregon Constitution, ORS 286A, as amended, and ORS 367.605 to 367.665 as amended. Highway User Tax Revenue Bonds are special revenue obligations secured by and payable solely from monies deposited in the State Highway Fund established under ORS 366.605.

For more information regarding individual securities, please visit the Municipal Securities Rulemaking Board at <https://emma.msrb.org>.

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- Highway User Tax Revenue Bonds, Series 2010A (Federally Taxable Build America Bonds) (CUSIP No. 68607D): In April 2010, the Department issued Highway User Tax Revenue Bonds in the amount of \$544,675,000. The proceeds from the bonds were used to finance projects under the OTIA III program. This series was issued as federally taxable Build America Bonds (BABs) qualifying for a federal subsidy of 35% of the interest through the American Recovery and Reinvestment Act of 2009. The bonds were refunded in their entirety with the issuance of the Highway User Tax Revenue Refunding Series 2024A bonds. The bonds had an outstanding principal balance at June 30, 2025, of zero.
- Highway User Tax Revenue Bonds, Series 2013A (CUSIP No. 68607D): In October 2013, the Department issued Highway User Tax Revenue Bonds in the amount of \$409,775,000. The proceeds from the bonds were used to finance projects under the Jobs and Transportation Act (JTA) program. Certain maturities of the 2013A Bonds were refunded with the issuance of the Series 2017B, 2019B, and 2020B Bonds. The final maturity for this bond series was November 2024. The bonds had an outstanding principal balance at June 30, 2025, of zero.
- Highway User Tax Revenue Refunding Bonds, Series 2014A (CUSIP No. 68607D): In July 2014, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$194,530,000. The proceeds from the bonds were used to refund certain maturities of the Series 2006A Bonds, Series 2007A Bonds, and Series 2009A Bonds. The Series 2014A Bonds were partially refunded with the issuance of the 2020B Bonds. The final maturity for this bond series is November 2031. The bonds had an outstanding principal balance at June 30, 2025, of \$4,135,000.
- Highway User Tax Revenue Refunding Bonds, Series 2015A (CUSIP No. 68607D): In January 2015, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$381,305,000. The proceeds from the bonds were used to refund certain maturities of the Series 2007A Bonds and the Series 2009A Bonds. The Series 2015A Bonds were partially refunded with the issuance of the 2020B Bonds. The final maturity for this bond series is November 2033. The bonds had an outstanding principal balance at June 30, 2025, of \$15,035,000.
- Highway User Tax Revenue Bonds, Series 2017A (CUSIP No. 68607D): In June 2017, the Department issued Highway User Tax Revenue Bonds in the amount of \$244,030,000. The proceeds from the bonds were used to finance projects under the JTA program. The final maturity for this bond series is November 2027. The bonds had an outstanding principal balance at June 30, 2025, of \$87,345,000.
- Highway User Tax Revenue Refunding Bonds, Series 2017B (CUSIP No. 68607D): In June 2017, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$91,675,000. The proceeds from the bonds were used to refund certain maturities of the Series 2009A Bonds and the Series 2013A Bonds. The final maturity for this bond series is November 2029. The bonds had an outstanding principal balance at June 30, 2025, of \$68,975,000.
- Highway User Tax Revenue Refunding Bonds, Series 2017C (CUSIP No. 68607D): In September 2017, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$132,800,000. The proceeds from the bonds were used to refund certain

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maturities of the Series 2007C Bonds. The final maturity for this bond series is November 2026. The bonds had an outstanding principal balance at June 30, 2025, of \$21,880,000.

- Highway User Tax Revenue Refunding Bonds, Series 2019A (CUSIP No. 68607D): In November 2019, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$297,840,000. The proceeds from the bonds were used to refund the Series 2017 S-1 Bonds and the Series 2017 S-2 Bonds in their entirety. The final maturity for this bond series is November 2042. The bonds had an outstanding principal balance at June 30, 2025, of \$297,840,000.
- Highway User Tax Revenue Refunding Bonds, Series 2019B (CUSIP No. 68607D): In November 2019, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$323,050,000. The proceeds from the bonds were used to refund certain maturities of the Series 2012A Bonds and the Series 2013A Bonds. The final maturity for this bond series is November 2038. The bonds had an outstanding principal balance at June 30, 2025, of \$272,420,000.
- Highway User Tax Revenue Bonds, Series 2020A (CUSIP No. 68607D): In September 2020, the Department issued Highway User Tax Revenue Bonds in the amount of \$186,465,000. The proceeds from the bonds were used to finance projects under Oregon House Bill 2017 (HB 2017). The final maturity for this bond series is November 2040. The bonds had an outstanding principal balance at June 30, 2025, of \$186,465,000.
- Highway User Tax Revenue Refunding Bonds, Series 2020B (CUSIP No. 68607D): In September 2020, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$611,505,000. The proceeds from the bonds were used to refund certain maturities of the Series 2013A Bonds, the Series 2014A Bonds, and the Series 2015A Bonds. The final maturity for this bond series is November 2034. The bonds had an outstanding principal balance at June 30, 2025, of 562,625,000.
- Highway User Tax Revenue Senior Lien Bonds, Series 2022A (CUSIP No. 68607D): In December 2022, the Department issued Highway User Tax Revenue Senior Lien Bonds in the amount of \$214,035,000. The proceeds from the bonds were used to finance Regional Mobility Projects under HB 2017. The final maturity for this bond series is November 2047. The bonds had an outstanding principal balance at June 30, 2025, of \$203,080,000.
- Highway User Tax Revenue Subordinate Lien Bonds, Series 2023A (CUSIP No. 68607D): In May 2023, the Department issued Highway User Tax Revenue Subordinate Lien Bonds in the amount of \$215,090,000. The proceeds from the bonds were used to finance Statewide Projects under HB 2017. The final maturity for this bond series is May 2043. The bonds had an outstanding principal balance at June 30, 2025, of \$215,090,000.
- Highway User Tax Revenue Refunding Bonds, Series 2024A (CUSIP No. 68607D): In July 2024, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$444,760,000. The proceeds from the bonds to refund in their entirety the Highway User Tax Revenue Bonds, Series 2010A (Federally Taxable Build America Bonds). The final maturity for this bond series is November 2034. The bonds had an outstanding principal balance at June 30, 2025, of \$444,760,000.

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Debt service requirements to maturity on the Department's Highway Revenue Bonds as of June 30, 2025:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 119,320,000	\$ 89,780,465	\$ 209,100,465
2027	128,420,000	85,272,496	213,692,496
2028	134,830,000	81,113,785	215,943,785
2029	135,815,000	77,596,292	213,411,292
2030	139,665,000	73,953,751	213,618,751
2031-2035	791,560,000	300,567,292	1,092,127,292
2036-2040	586,155,000	153,905,399	740,060,399
2041-2045	321,800,000	28,654,281	350,454,281
2046-2050	22,085,000	1,779,619	23,864,619
Total	<u>\$ 2,379,650,000</u>	<u>\$ 892,623,380</u>	<u>\$ 3,272,273,380</u>

General Obligation Bonds Repaid by General Funds and State Highway Revenue Funds

Article XI-Q general obligation bonds are issued on behalf of the Department by the State, acting by and through the State Treasurer, at the request of DAS, pursuant to the authority granted by Article XI-Q of the Oregon Constitution and ORS chapter 286A. Article XI, Section 7 general obligation bonds are issued by the State on behalf of the Department pursuant to the authority granted by Article XI, Section 7 of the Oregon Constitution and ORS chapter 286A. Article XI-Q and Article XI, Section 7 General Obligation Bonds are direct, general obligations of the State, and the full faith and credit and taxing power of the State are irrevocably pledged to their repayment when due.

For more information regarding individual securities, please visit the Municipal Securities Rulemaking Board at <https://emma.msrb.org>.

- General Obligation Refunding Bonds Series 2015H (CUSIP No. 68608U): In March 2015, DAS issued Article XI-Q General Obligation Refunding Bonds on behalf of the Department in the amount of \$12,620,263. The net proceeds from the bonds were used to refund certain maturities of the Certificates of Participation, Series 2009A. The bonds were refunded in their entirety with the issuance of the General Obligation Series 2025A Bonds. The bonds had an outstanding principal balance at June 30, 2025, of zero.
- General Obligation Bonds Series 2016E (CUSIP No. 68608U): In May 2016, DAS issued Article XI-Q General Obligation Bonds on behalf of the Department in the amount of \$15,055,000. The net proceeds from the bonds were used to fund a portion of the State Radio Project. The final maturity date for this bond series is May 2031. The bonds had an outstanding principal balance at June 30, 2025, of \$6,610,000.
- General Obligation Refunding Bonds Series 2016F (CUSIP No. 68608U): In May 2016, DAS issued Article XI-Q General Obligation Refunding Bonds on behalf of the Department in the amount of \$64,100,600. The net proceeds from the bonds were used to refund certain maturities of the Certificates of Participation Series 2008A, the Certificates of Participation Series 2009A and the General Obligation Bonds Series 2011K. The final maturity date for this bond series is May 2039. The bonds had an outstanding principal balance at June 30, 2025, of \$55,595,000.

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- General Obligation Bonds Series 2017M (CUSIP No. 68609B): In May 2017, DAS issued Article XI, Section 7 General Obligation Bonds on behalf of the Department in the amount of \$30,005,000. The net proceeds from the bonds were used to fund a portion of five state highway projects. The final maturity date for this bond series is November 2042. The bonds had an outstanding principal balance at June 30, 2025, of \$24,310,000.
- General Obligation Refunding Bonds Series 2020G (CUSIP No. 68609B): In June 2020, DAS issued Article XI-Q General Obligation Refunding Bonds on behalf of the Department in the amount of \$13,865,000. The net proceeds from the bonds were used to refund certain maturities of the General Obligation Bonds Series 2012I. The final maturity date for this bond series is May 2037. The bonds had an outstanding principal balance at June 30, 2025, of \$10,680,000.
- General Obligation Refunding Bonds Series 2025A (CUSIP No. 68609B): In April 2025, DAS issued Article XI-Q General Obligation Refunding Bonds on behalf of the Department in the amount of \$3,485,000. The net proceeds from the bonds were used to refund in their entirety the General Obligation Bonds Series 2015H. The final maturity date for this bond series is May 2045. The bonds had an outstanding principal balance at June 30, 2025, of \$3,485,000.
- General Obligation Refunding Bonds Series 2025E (CUSIP No. 68609B): In May 2025, DAS issued Article XI, Section 7 General Obligation Bonds on behalf of the Department in the amount of \$242,505,000. The net proceeds from the bonds were used to fund a portion of the Interstate 5 Bridge Replacement Project. The final maturity date for this bond series is May 2047. The bonds had an outstanding principal balance at June 30, 2025, of \$242,505,000.

Overall Debt service requirements for bonds issued for the State Radio Project are projected to be paid from General Fund and State Highway Fund revenues.

Debt service requirements to maturity on the Department's General Obligation Bonds as of June 30, 2025:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 11,235,000	\$ 16,928,415	\$ 28,163,415
2027	12,005,000	16,157,399	28,162,399
2028	12,490,000	15,615,508	28,105,508
2029	13,055,000	15,042,080	28,097,080
2030	13,565,000	14,439,224	28,004,224
2031-2035	72,600,000	62,328,316	134,928,316
2036-2040	69,515,000	44,414,517	113,929,517
2041-2045	64,145,000	28,131,500	92,276,500
2046-2050	74,575,000	11,550,000	86,125,000
Total	<u>\$ 343,185,000</u>	<u>\$ 224,606,959</u>	<u>\$ 567,791,959</u>

Grant Anticipation Revenue Vehicle (GARVEE Bonds)

GARVEE bonds are issued by the State, acting by and through the State Treasurer, at the request of the Department, pursuant to ORS 367.161 through 367.181. GARVEE bonds are

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secured by anticipated federal grant revenues and are used in conjunction with advance construction to enable using federal aid funds for future debt service payments.

For more information regarding individual securities, please visit the Municipal Securities Rulemaking Board at <https://emma.msrb.org>.

- Grant Anticipation Revenue Vehicle Bonds Series 2024, Social Bonds (CUSIP No. 68608U): In July, 2024, the Department issued Grant Anticipation Revenue Vehicle bonds in the amount of \$230,510,000. The proceeds from the bonds were used to finance highway improvement projects including curb ramp construction and intersection improvements throughout the State. The final maturity for this bond series is May 2039. The bonds had an outstanding principal balance at June 30, 2025, of \$218,570,000.

Debt service requirements to maturity on the Department's Grant Anticipation Revenue Vehicle Bonds as of June 30, 2025:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 11,155,000	\$ 10,928,500	\$ 22,083,500
2027	11,710,000	10,370,750	22,080,750
2028	12,295,000	9,785,250	22,080,250
2029	12,910,000	9,170,500	22,080,500
2030	13,555,000	8,525,000	22,080,000
2031-2035	78,645,000	31,754,750	110,399,750
2036-2040	78,300,000	10,026,250	88,326,250
Total	<u>\$ 218,570,000</u>	<u>\$ 90,561,000</u>	<u>\$ 309,131,000</u>

Commercial Paper

Commercial Paper is issued by the State, acting by and through the State Treasurer, at the request of the Department, pursuant to ORS 367.105. Commercial Paper is a special revenue obligation secured by and payable solely from monies deposited in the State Highway Fund established under ORS 366.505.

- As of June 30, 2025, Department had outstanding Commercial Paper notes of \$271,000,000. The respective interest rate in effect as of June 30, 2025, was not to exceed 12% per annum. The Commercial Paper notes mature no more than 270 days from the date of issuance. The Commercial Paper notes were issued as a means of interim financing for eligible capital expenditures.
- As of June 30, 2025, Department had letters of credit and reimbursement agreements with the following institutions to provide credit support for the Commercial Paper program: Wells Fargo for \$272,500,000; Bank of Montreal, acting through its Chicago Branch for \$272,500,000.
- In fiscal year 2025, the Department paid the letters of credit banks dealer fees of 0.045% of the outstanding note balance quarterly in arrears.

The debt service requirements to maturity on the Department's commercial paper as of June 30, 2025, included \$271 million in principal and \$35.2 million in interest.

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Changes in the Department's long-term debt for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds	\$ 106,959,784	\$ 245,990,000	\$ (9,764,784)	\$ 343,185,000	\$ 11,235,000
Highway User Tax Revenue Bonds	2,539,415,000	444,760,000	(604,525,000)	2,379,650,000	119,320,000
GARVEE Bonds	-	230,510,000	(11,940,000)	218,570,000	11,155,000
Lottery Revenue Bonds	386,241,235	188,900,035	(218,132,148)	357,009,122	49,893,090
Commercial Paper	271,000,000	-	-	271,000,000	-
Total long-term debt	<u>\$ 3,303,616,019</u>	<u>\$ 1,110,160,035</u>	<u>\$ (844,361,932)</u>	<u>\$ 3,569,414,122</u>	<u>\$ 191,603,090</u>

Arbitrage Rebate Liability

The Tax Reform Act of 1986 placed restrictions on the non-purpose investment earnings from the proceeds of qualified tax-exempt bonds issued after August 15, 1986. Specifically, the non-purpose investment earnings on these bonds are limited to the yield on each individual bond issue (based on the initial offering price to the public). Non-purpose investment earnings in excess of the bond yield limitations are subject to rebate to the federal government. At June 30, 2025, the Department's arbitrage rebate liability is \$227,873.

Pledged Revenues

The Department, pursuant to its Master Highway User Tax Revenue Bond Declaration, has pledged certain motor-carrier revenues, fuels tax revenues, and DMV revenues, net of administrative expenses, operating transfers, set-asides, and statutory transfers to cities and counties, to repay \$2.4 billion of Highway User Tax Revenue Bonds. Proceeds from Highway User Tax Revenue Bonds provide financing for the construction, reconstruction, improvement, repair, maintenance, operation, and use of public highways, roads, streets, and roadside rest areas. The Highway User Tax Revenue Bonds are payable solely from the pledged revenues and are payable through November 2048. Fiscal year 2026 principal and interest payments on the bonds are expected to require less than 24.80 percent of pledged revenues. Highway User Tax Revenue Bond principal and interest paid for the current fiscal year totaled \$202.4 million and estimated pledged revenues totaled \$844.7 million. The total principal and interest remaining to be paid on the Highway User Tax Revenue Bonds is \$3.3 billion.

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Debt Service Coverage for fiscal years through June 30, 2029⁽¹⁾:

	Actual 2021	Actual 2022	Actual 2023	Estimated 2024	Estimated 2025	Estimated 2026	Estimated 2027
Total Pledged Revenues	\$753,824,000	\$819,279,000	\$825,179,000	\$834,029,000	\$844,659,000	\$844,926,000	\$845,514,000
Outstanding Senior Lien Debt Service	122,176,000	133,045,000	137,892,000	149,563,000	149,535,000	149,028,000	148,959,000
Total Senior Lien Debt Service	122,176,000	133,045,000	137,892,000	149,563,000	149,535,000	149,028,000	148,959,000
Senior Lien Debt Service Coverage	6.2	6.2	6.0	5.6	5.6	5.7	5.7
Outstanding Subordinate Lien Debt Service	56,480,000	64,022,000	63,521,000	73,488,000	33,949,000	33,949,000	33,949,000
Subordinate Lien Debt Service for 2024 Bonds	-	-	-	-	18,964,000	26,123,000	30,785,000
(Less Subordinate Lien BAB Payments)	(9,970,000)	(9,838,000)	(9,663,000)	(9,480,000)	(1,382,000)	-	-
Total Subordinate Lien Debt Service	46,510,000	54,184,000	53,858,000	64,008,000	51,531,000	60,072,000	64,734,000
Aggregate Senior and Subordinate Lien Debt Service	168,686,000	187,229,000	191,750,000	213,571,000	201,066,000	209,100,000	213,693,000
Total Pledged Revenues	753,824,000	819,279,000	825,179,000	834,029,000	844,659,000	844,926,000	845,514,000
(Less Subordinate Lien BAB Payments)	(9,970,000)	(9,838,000)	(9,663,000)	(9,480,000)	(1,382,000)	-	-
Net Pledged Revenue	\$743,854,000	\$809,441,000	\$815,516,000	\$824,549,000	\$843,277,000	\$844,926,000	\$845,514,000
Aggregate Senior and Subordinate Lien Debt Service Coverage	4.4	4.3	4.3	3.9	4.2	4.0	4.0

⁽¹⁾ Rounded to nearest thousand; totals may not add due to rounding.

8. LEASES

Governmental Accounting Standards Board Statement No. 87 established new accounting and financial reporting requirements for leases. Statement No. 87 requires governments to recognize certain lease assets and lease liabilities for leases that were previously classified as operating leases and recognize the inflows or outflows of resources based on the payment provisions of the lease contract.

Department as Lessee

The Department leases buildings, equipment, and other assets from outside parties. The Department's Fleet Division has lease options in price agreements on two types of equipment: motor graders and tool carrier-style wheel loaders. Machines are typically leased for 24-48 months depending on business needs. All leases of equipment come with full service for the lease term. Vendors are allowed to adjust pricing on new unit leases annually. Leased units are locked into the monthly pricing for the term of the lease. There is no buy-out option on any Fleet leases, all equipment is returned to vendor at end of term.

Leased buildings are located and negotiated on the Department's behalf by the State of Oregon Department of Administrative Services Real Estate Division. The lease term for space ranges from monthly to 10-year terms with 1 to 5-year options and the total lease commitment capped at 20 years. Some contracts are full service, which include tax, insurance, and utilities in the monthly rent. Others are triple-net leases where the Department pays for utilities and is billed monthly for taxes, insurance and maintenance with expenses being reconciled annually against payments. Rents are negotiated at market rate and annual escalations are negotiated at the current Consumer Price Index. No security deposits are paid for Department leases.

The Department's Wireless Communications Section (WCS) operates and maintains over 200 communications sites. The majority are under a lease or other similar type agreement, e.g.,

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leases/licenses/permits/authorizations/and agreements. Most of the sites are on federal lands with no rent charged, but fees may be charged depending on other users at the site. WCS does have leases with commercial tower owners that charge a commercial rate, but most sites are either on federal lands or leased lands where the Department owns the facilities. Communications site facilities typically consist of an equipment shelter and a tower for antennas. Terms tend to be general in nature, an initial term, options to extend, and starting rent with reasonable escalators.

Lessee Assets and Accumulated Amortization as of June 30, 2025:

	Leased Asset	Accumulated Amortization
Equipment and Machinery	\$ 4,032,947	\$ 1,238,884
Motor Vehicles	1,368,051	1,030,779
Tunnels and Bridges	4,798,178	1,265,454
Land	3,272,948	1,001,224
Buildings	60,449,827	16,759,386
Total	<u>\$ 73,921,951</u>	<u>\$ 21,295,727</u>

Principal and Interest to Maturity on Lessee Leases as of June 30, 2025:

Year Ending June 30	Principal	Interest	Total
2026	\$ 6,054,738	\$ 1,010,149	\$ 7,064,887
2027	5,850,911	888,874	6,739,785
2028	5,816,043	793,030	6,609,073
2029	5,695,967	698,119	6,394,086
2030	4,803,910	609,407	5,413,317
2031-2035	17,137,295	2,003,248	19,140,543
2036-2040	6,101,008	795,005	6,896,013
2041-2045	2,693,402	271,836	2,965,238
2046-2050	809,720	21,627	831,347
Total	<u>\$ 54,962,994</u>	<u>\$ 7,091,295</u>	<u>\$ 62,054,289</u>

Department as Lessor

The Department leases land and other assets to outside parties. The Department's Right-of-Way Section leases long-term occupancies of commercial, industrial, agricultural, and residential property generally located on non-operating right-of-way. The lease rate for these leases is determined by a fair market value rent study or rent justification. Typical terms are five years with two 5-year extensions possible for a total of 15 years. At every five-year interval, the lease rate is evaluated. Lessees are required to keep current a certificate of insurance to indemnify the Department.

The Department's Rail Section owns and manages approximately 155 miles of railroad corridors. A private company owns the tracks and possesses an exclusive, permanent rail service easement over the entire length and width of these state-owned rail corridors. The Department's ownership is subject to the private company's rail service easement. The Department currently has approximately two dozen leases, many of which came to the Department from the predecessor railroad. It is unknown how the predecessor railroad established the rental rate for those leases.

Oregon Department of Transportation
Notes to the Financial Statements

Since coming into the Department's possession, the lease rate is adjusted annually, based on Consumer Price Index data from the U.S. Department of Labor. Typical terms are between 5 and 15 years.

The department received approximately \$1.4 million in lease principal payments and \$791 thousand in lease interest during the fiscal year.

Subscription-based Information Technology (IT) Arrangements (SBITA)

The Department has implemented GASB Statement No. 96 *Subscription-based Information Technology (IT) Arrangements* (SBITA). SBITA are contracts that convey the right to use another party's IT software for a period of time in an exchange or exchange-like transaction. The Department's Information Services partners with the Procurement office to obtain IT software subscriptions. Each procurement is handled differently based on the software services required, cost, requested term, and other requirements. In some cases, the Department procures a single agreement for a single product, and in other cases the Department has a master agreement for multiple products and services. The Department typically uses a one or two-year subscription term to allow for usage adjustments as needed at the time of renewal. Some larger agreements may be for three years or more where the Department still performs annual usage adjustments. As of June 30, 2025, the Department reported a SBITA asset of \$3.8 million and Accumulated Amortization of \$2.4 million.

Principal and Interest to Maturity on SBITA as of June 30, 2025:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 517,380	\$ 36,600	\$ 553,980
2027	207,346	21,972	229,318
2028	189,827	16,419	206,246
2029	196,576	10,819	207,395
2030	170,175	5,020	175,195
Total	<u>\$ 1,281,304</u>	<u>\$ 90,830</u>	<u>\$ 1,372,134</u>

9. PENSION BENEFITS

The Public Employees Retirement System (PERS) is a defined benefit retirement plan for units of state government, school districts, community colleges, and political subdivisions of the State. PERS is administered by the Public Employees Retirement Board under the guidelines of Chapter 238 of the Oregon Revised Statutes and provides retirement benefits and cost-of-living adjustments as well as disability, post-employment healthcare, and death benefits to plan members and beneficiaries. PERS issues a separate, publicly available financial report that includes audited financial statements and required supplementary information, which may be obtained by writing to the Fiscal Services Division, Public Employees Retirement System, 11410 SW 68th Parkway, Tigard, Oregon 97223. For the fiscal year ended June 30, 2025, the Department contributed a total of \$81.4 million to PERS.

10. UNEMPLOYMENT BENEFITS

State employees who qualify are entitled to benefit payments during periods of unemployment. State agencies are required to pay the Employment Department for benefit payments made to their former employees. Total payments made by the Department for the fiscal year ended June 30, 2025, were \$289.8 thousand.

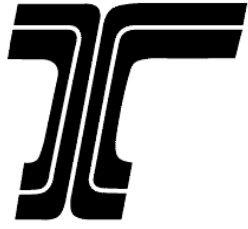
11. INSURANCE

The Risk Management Division of the Department of Administrative Services (Division) administers the state's property and liability insurance programs. It is the policy of the Division not to purchase commercial insurance for most of the risks of loss to which the state is exposed. Instead, the Division manages the state's risks by setting aside assets for actuarially forecasted losses in the State Insurance Fund. ORS Chapter 278 established the State Insurance Fund to service claims for the risk of (1) direct physical loss or damage to state property; (2) tort liability claims brought against the state, its officers, employees, or agents; (3) workers compensation losses; (4) employee dishonesty and (5) faithful performance bonds for key positions.

All state agencies, commissions, and boards participate in the State Insurance Fund. The Division allocates the cost of servicing insurance claims and payments by charging an assessment to each state entity, based on its share of losses. Statewide risk charges are based on independent, biennial actuarial forecasts and Division expenses, less any available fund balance from the prior biennium. Risk insurance payments for the fiscal year ended June 30, 2025, were \$10.7 million.

12. CONTINGENCIES

The Department is involved in various legal proceedings arising through the normal course of business. Although it is not possible to predict with certainty the outcome of these legal matters, management believes the disposition of these matters will not have a material impact on the Department's financial position.



COMBINING STATEMENTS

State of Oregon
Department of Transportation
Combining Balance Sheet
Special Revenue Funds
June 30, 2025

	Highway	Central Services	Commerce and Compliance	Driver and Motor Vehicle Services	Other	Total Special Revenue Funds
Assets						
Cash and Cash Equivalents	\$ 989,155,118	\$ 34,636,402	\$ 71,956,305	\$ 42,205,925	\$ 204,484,642	\$ 1,342,438,392
Investments	30,158,329	-	-	-	-	30,158,329
Loans Receivable (net)	-	-	-	-	21,002,666	21,002,666
Taxes Receivable (net)	16,500	54,499,653	31,201,576	3,268,274	3,157	88,989,160
Due from Federal Government	37,779,928	-	5,915,365	-	21,619,110	65,314,403
Due from Other Funds/Agencies	209,940,652	205,247	-	6,693,952	3,770,401	220,610,252
Other Accounts Receivable (net)	69,273,899	63,840	1,585,480	6,326,596	2,643,943	79,893,758
Inventories	37,973,405	28,232	53,358	5,169,919	3,251,492	46,476,406
Prepaid Assets	-	2,325	13,751	36,021	-	52,097
Total Assets	\$ 1,374,297,831	\$ 89,435,699	\$ 110,725,835	\$ 63,700,687	\$ 256,775,411	\$ 1,894,935,463
Liabilities, Deferred Inflows, and Fund Balances						
<u>Liabilities:</u>						
Accounts Payable	\$ 196,955,348	\$ 12,248,786	\$ 5,443,050	\$ 10,159,069	\$ 9,209,790	\$ 234,016,043
Deposit Liabilities	230,936	-	-	-	-	230,936
Due to Other Governments	110,743,710	-	-	-	5,999,852	116,743,562
Due to Other Funds/Agencies	7,001,857	76,294,653	102,163,961	44,963,106	1,836,299	232,259,876
Unearned Revenue	96,753,006	861,703	3,051,715	3,372,072	-	104,038,496
Total Liabilities	411,684,857	89,405,142	110,658,726	58,494,247	17,045,941	687,288,913
<u>Deferred Inflows:</u>						
Leases Receivable	20,548,783	-	-	-	326,210	20,874,993
Total Deferred Inflows	20,548,783	-	-	-	326,210	20,874,993
<u>Fund Balances:</u>						
Nonspendable:						
Inventories	37,973,405	28,232	53,358	5,169,919	3,251,491	46,476,405
Revolving Accounts	-	-	-	500	-	500
Prepaid Assets	-	2,325	13,751	36,021	-	52,097
Restricted by:						
Oregon Constitution	-	-	-	-	127,033,492	127,033,492
Federal Laws and Regulations	35,623,671	-	-	-	-	35,623,671
Debt Covenants	870,116,634	-	-	-	-	870,116,634
Enabling Legislation	26,267,262	-	-	-	109,118,277	135,385,539
Unassigned Fund Balance	(27,916,781)	-	-	-	-	(27,916,781)
Total Fund Balances	942,064,191	30,557	67,109	5,206,440	239,403,260	1,186,771,557
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 1,374,297,831	\$ 89,435,699	\$ 110,725,835	\$ 63,700,687	\$ 256,775,411	\$ 1,894,935,463

State of Oregon
Department of Transportation
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Special Revenue Funds
For the Fiscal Year Ended June 30, 2025

	Highway	Central Services	Commerce and Compliance	Driver and Motor Vehicle Services	Other	Total Special Revenue Funds
Revenues:						
Motor Fuel Taxes	\$ -	\$ 700,432,679	\$ -	\$ -	\$ -	\$ 700,432,679
Federal Revenues	851,639,994	-	10,060,277	-	52,443,525	914,143,796
Weight-Mile Taxes	-	-	486,508,243	-	-	486,508,243
Vehicle Registration Taxes	219,957	-	-	470,756,618	198,278	471,174,853
Driver License Fees	-	-	-	50,548,671	22,406,371	72,955,042
Other Transportation Fees	-	-	55,617,767	65,643	1,804,157	57,487,567
Charges for Services	61,257,781	1,613,109	787	3,400	364,452	63,239,529
Other Sales Income	13,368,461	1,634	79,669	4,562,424	5,220	18,017,408
Investment Income	49,504,826	113,260	2,406,406	-	10,643,993	62,668,485
Business License Fees	371,277	-	5,558,409	233,073	4,565,911	10,728,670
Rents	5,033,599	-	-	3,404,801	89,143	8,527,543
Other Revenues	9,851,637	329,785	7,882,151	2,409,046	1,163,992	21,636,611
Total Revenues	991,247,532	702,490,467	568,113,709	531,983,676	93,685,042	2,887,520,426
Expenditures:						
Personal Services	294,629,281	84,211,388	35,432,909	83,738,888	19,764,526	517,776,992
Services and Supplies	327,248,396	51,173,191	8,421,723	28,911,440	42,370,489	458,125,239
Capital Outlay	908,827,519	3,902,616	824,623	6,792,096	404,769	920,751,623
Special Payments	18,256,757	-	170,247	-	210,382,266	228,809,270
Other Debt Service	2,920,859	-	-	-	-	2,920,859
Total Expenditures	1,551,882,812	139,287,195	44,849,502	119,442,424	272,922,050	2,128,383,983
Excess (Deficiency) of Revenues Over (Under) Expenditures	(560,635,280)	563,203,272	523,264,207	412,541,252	(179,237,008)	759,136,443
Other Financing Sources (Uses):						
Long-Term Debt Issued	560,082,777	-	-	-	-	560,082,777
Transfers In	1,554,019,969	127,722,677	204,566	347,941	207,267,159	1,889,562,312
Transfers Out	(992,641,900)	(690,923,622)	(523,544,323)	(412,892,672)	(39,940,243)	(2,659,942,760)
Gain (Loss) on Sale of Capital Assets	1,030,100	-	-	-	-	1,030,100
Insurance Recoveries	955,964	-	50,986	-	22,845	1,029,795
Total Other Financing Sources (Uses)	1,123,446,910	(563,200,945)	(523,288,771)	(412,544,731)	167,349,761	(208,237,776)
Net Change in Fund Balances	562,811,630	2,327	(24,564)	(3,479)	(11,887,247)	550,898,667
Fund Balances - Beginning	373,810,995	33,691	69,228	3,662,192	251,251,585	628,827,691
Change in Nonspendable Fund Balances	5,441,566	(5,461)	22,445	1,547,727	38,922	7,045,199
Fund Balances - Ending	\$ 942,064,191	\$ 30,557	\$ 67,109	\$ 5,206,440	\$ 239,403,260	\$ 1,186,771,557

State of Oregon
Department of Transportation
Combining Balance Sheet
Special Revenue Funds - Other
June 30, 2025

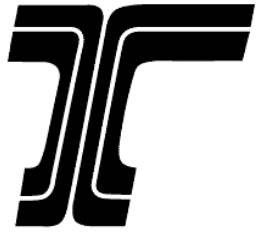
	Public Transit	Transportation Safety	Rail	Snowmobile	Transportation Operating
Assets					
Cash and Cash Equivalents	\$ 59,826,129	\$ 64,161,787	\$ 14,593,111	\$ 1,594,622	\$ 16,504,516
Loans Receivable (net)	-	-	-	-	-
Taxes Receivable (net)	-	-	-	3,157	-
Due from Federal Government	14,412,770	7,161,173	38,589	-	-
Due from Other Funds/Agencies	2,008,250	365,628	395,985	1,000,538	-
Other Accounts Receivable (net)	-	908	347,548	6,028	2,265,412
Inventories	11,468	130,000	3,108,810	-	1,213
Total Assets	\$ 76,258,617	\$ 71,819,496	\$ 18,484,043	\$ 2,604,345	\$ 18,771,141
Liabilities and Fund Balances					
<u>Liabilities:</u>					
Accounts Payable	\$ 1,284,565	\$ 3,892,193	\$ 1,194,525	\$ -	\$ 2,542,734
Due to Other Governments	2,785,124	2,901,358	-	-	313,370
Due to Other Funds/Agencies	-	1,599,283	-	2,286	234,730
Total Liabilities	4,069,689	8,392,834	1,194,525	2,286	3,090,834
<u>Deferred Inflows:</u>					
Leases Receivable	-	-	326,210	-	-
Total Deferred Inflows	-	-	326,210	-	-
<u>Fund Balances:</u>					
Nonspendable:					
Inventories	11,468	130,000	3,108,810	-	1,213
Restricted by:					
Oregon Constitution	576,467	61,766,119	2,544,938	-	-
Enabling Legislation	71,600,993	1,530,543	11,309,560	2,602,059	15,679,094
Total Fund Balances	72,188,928	63,426,662	16,963,308	2,602,059	15,680,307
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 76,258,617	\$ 71,819,496	\$ 18,484,043	\$ 2,604,345	\$ 18,771,141

Winter Recreational Parking	Community Protection	Transportation Infrastructure Bank	Total Other Special Revenue Funds
\$ 5,769,001	\$ 232,167	\$ 41,803,309	\$ 204,484,642
-	-	21,002,666	21,002,666
-	-	-	3,157
-	-	6,578	21,619,110
-	-	-	3,770,401
22,046	2,002	-	2,643,944
-	-	-	3,251,491
<u>\$ 5,791,047</u>	<u>\$ 234,169</u>	<u>\$ 62,812,553</u>	<u>\$ 256,775,411</u>
\$ 4,675	\$ 2,405	\$ 288,693	\$ 9,209,790
-	-	-	5,999,852
-	-	-	1,836,299
<u>4,675</u>	<u>2,405</u>	<u>288,693</u>	<u>17,045,941</u>
-	-	-	326,210
-	-	-	326,210
-	-	-	3,251,491
-	-	62,145,968	127,033,492
<u>5,786,372</u>	<u>231,764</u>	<u>377,892</u>	<u>109,118,277</u>
<u>5,786,372</u>	<u>231,764</u>	<u>62,523,860</u>	<u>239,403,260</u>
<u>\$ 5,791,047</u>	<u>\$ 234,169</u>	<u>\$ 62,812,553</u>	<u>\$ 256,775,411</u>

State of Oregon
Department of Transportation
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Special Revenue Funds - Other
For the Fiscal Year Ended June 30, 2025

	Public Transit	Transportation Safety	Rail	Snowmobile	Transportation Operating
Revenues:					
Federal Revenues	\$ 34,922,876	\$ 16,225,500	\$ 1,274,992	\$ -	\$ -
Vehicle Registration Taxes	-	-	-	198,278	-
Driver License Fees	-	-	-	-	22,406,371
Other Transportation Fees	-	-	-	-	-
Charges for Services	-	1,582	2,270	-	105
Other Sales Income	-	-	5,220	-	-
Investment Income	2,984,454	2,992,528	181,962	96,935	1,094,611
Business License Fees	-	-	3,359,468	-	1,206,443
Rents	-	-	89,143	-	-
Other Revenues	133,092	907	658,253	-	371,740
Total Revenues	38,040,422	19,220,517	5,571,308	295,213	25,079,270
Expenditures:					
Personal Services	6,096,619	4,121,677	5,023,145	-	3,361,402
Services and Supplies	2,536,615	6,127,157	3,662,448	1,163,339	26,611,474
Capital Outlay	-	-	-	-	39,447
Special Payments	175,011,439	26,046,035	4,659,166	-	3,071,635
Total Expenditures	183,644,673	36,294,869	13,344,759	1,163,339	33,083,958
Excess (Deficiency) of Revenues Over (Under) Expenditures	(145,604,251)	(17,074,352)	(7,773,451)	(868,126)	(8,004,688)
Other Financing Sources (Uses):					
Transfers In	165,030,594	20,193,738	4,231,823	1,000,538	16,810,466
Transfers Out	(25,276,671)	(664,459)	-	(137,785)	(7,492,095)
Insurance Recoveries	-	-	22,845	-	-
Total Other Financing Sources (Uses)	139,753,923	19,529,279	4,254,668	862,753	9,318,371
Net Change in Fund Balances	(5,850,328)	2,454,927	(3,518,783)	(5,373)	1,313,683
Fund Balances - Beginning	78,031,518	60,988,978	20,432,969	2,607,432	14,367,319
Change in Nonspendable Fund Balances	7,738	(17,243)	49,122	-	(695)
Fund Balances - Ending	\$ 72,188,928	\$ 63,426,662	\$ 16,963,308	\$ 2,602,059	\$ 15,680,307

Winter Recreational Parking	Community Protection	Transportation Infrastructure Bank	Total Other Special Revenue Funds
\$ -	\$ -	\$ 20,157	\$ 52,443,525
-	-	-	198,278
-	-	-	22,406,371
1,747,457	56,700	-	1,804,157
-	-	360,495	364,452
-	-	-	5,220
306,481	9,667	2,977,355	10,643,993
-	-	-	4,565,911
-	-	-	89,143
-	-	-	1,163,992
<u>2,053,938</u>	<u>66,367</u>	<u>3,358,007</u>	<u>93,685,042</u>
503,375	27,249	631,059	19,764,526
2,121,160	3,419	144,877	42,370,489
-	-	365,322	404,769
-	-	1,593,991	210,382,266
<u>2,624,535</u>	<u>30,668</u>	<u>2,735,249</u>	<u>272,922,050</u>
<u>(570,597)</u>	<u>35,699</u>	<u>622,758</u>	<u>(179,237,008)</u>
-	-	-	207,267,159
-	-	(6,369,233)	(39,940,243)
-	-	-	22,845
-	-	(6,369,233)	167,349,761
(570,597)	35,699	(5,746,475)	(11,887,247)
6,356,969	196,065	68,270,335	251,251,585
-	-	-	38,922
<u>\$ 5,786,372</u>	<u>\$ 231,764</u>	<u>\$ 62,523,860</u>	<u>\$ 239,403,260</u>



STATISTICAL SECTION

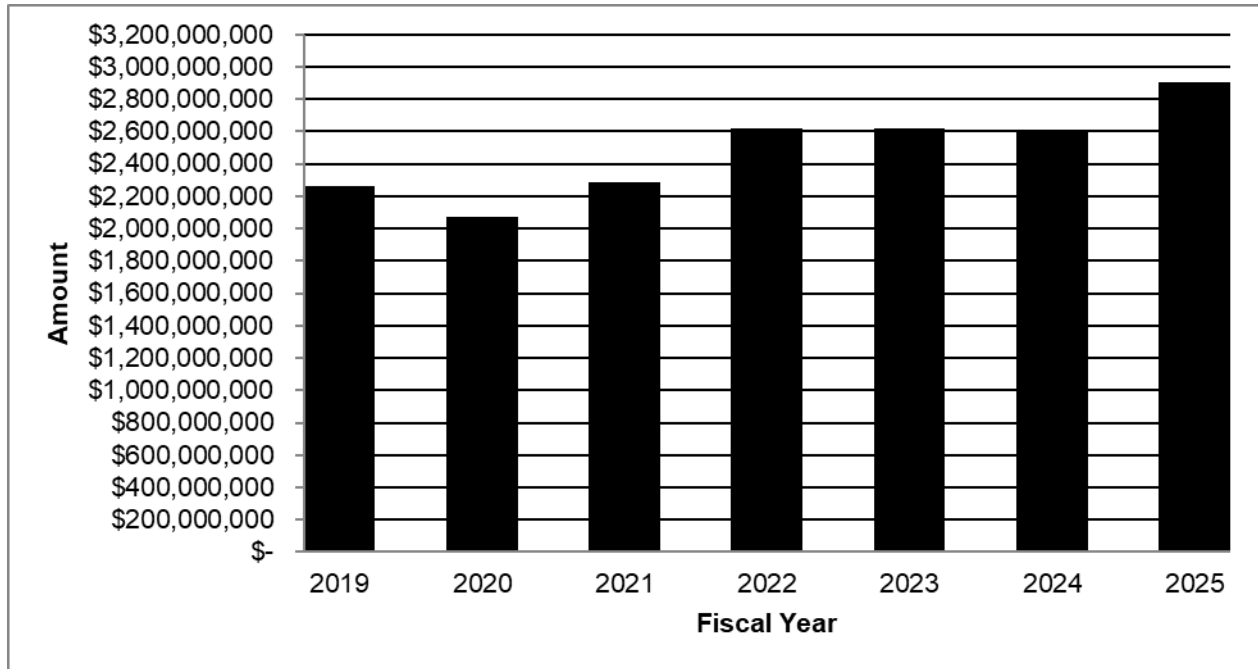
Table 1

**Schedule of Federal Financial Assistance
for the Fiscal Year Ended June 30, 2025**

Assistance Listing	Federal Program Description	Amount
20.200	Highway Research and Development Program	\$ 738,718
20.205	Highway Planning and Construction	770,099,646
20.218	National Motor Carrier Safety	9,363,404
20.232	Commercial Driver License State Programs	328,098
20.301	Railroad Safety	1,307
20.319	High Speed And Intercity Passenger Rail	51,740
20.321	Railroad Safety Technology Grants	385,898
20.509	Formula Grants for Other Than Urbanized Areas	21,103,994
20.513	Capital Assistance for Elderly And Disabled	11,030,972
20.526	Bus and Bus Facilities Formula Program	3,499,479
20.528	Rail Fixed Guideway Oversight Program	4,975
20.530	Public Transportation Innovation	94,004
20.534	Community Project Funding	25,500
20.600	State and Community Highway Safety	5,964,648
20.608	Minimum Penalties Repeat Offenders DWI	892,828
20.611	Incentive Grant Program to Prohibit Racial Profiling	1,253,230
20.614	NHTSA Discretionary Safety Grants	79,205
20.616	National Priority Safety Programs	5,984,116
97.036	Disaster Grants Public Assistance	99,126,712
Total		<u>\$ 930,028,474</u>

Table 2

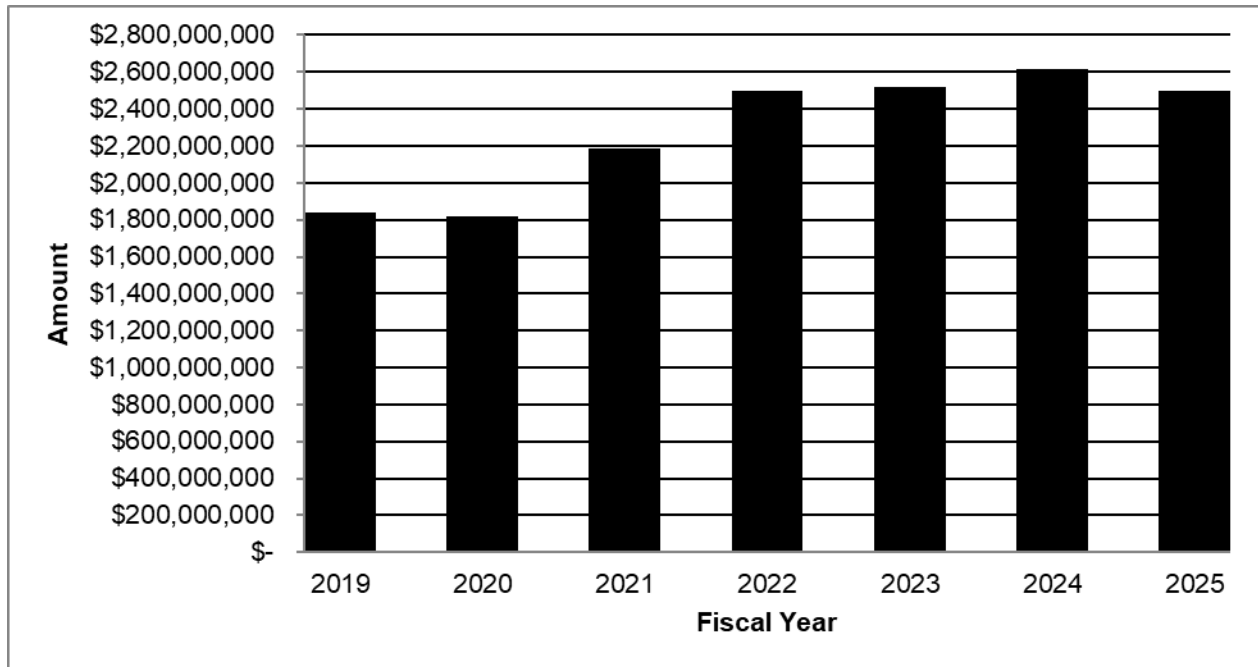
Net Revenues - Seven-Year Trend



	2019	2020	2021	2022	2023	2024	2025
Motor Fuel Taxes	\$ 631,698,325	\$ 600,004,238	\$ 622,538,233	\$ 658,713,547	\$ 675,339,314	\$ 684,402,488	\$ 700,432,679
Federal Revenues	643,944,178	532,505,272	607,060,609	772,246,088	785,866,445	731,184,114	930,028,474
Weight-Mile Taxes	388,304,040	388,981,333	428,769,684	458,123,654	467,892,124	445,787,578	486,508,243
Vehicle Registration Taxes	403,577,419	363,577,767	428,449,475	458,297,628	448,449,755	461,930,529	471,174,853
Driver License Fees	36,499,092	27,985,404	53,326,791	57,049,287	56,004,540	57,189,636	72,955,042
Other Transportation Fees	50,643,161	51,114,235	63,179,605	57,366,425	54,272,411	60,950,961	57,487,567
Charges for Services	27,000,786	28,742,230	15,025,396	32,570,971	45,606,559	54,269,447	63,239,529
Other Sales Income	10,932,046	12,629,716	14,013,291	14,642,731	13,801,507	14,977,151	18,017,408
Investment Income	30,161,929	26,301,452	14,604,811	4,940,224	25,901,513	51,553,824	64,212,156
Business License Fees	9,177,968	8,595,878	9,815,656	9,971,866	11,082,792	11,624,837	10,728,670
Rents	4,075,595	4,447,995	4,458,657	61,659,836	7,575,752	11,123,191	8,527,543
Other Revenues	24,113,857	25,850,258	25,876,254	30,699,406	26,896,198	28,971,348	23,122,783
Total Net Revenues	<u>\$ 2,260,128,396</u>	<u>\$ 2,070,735,778</u>	<u>\$ 2,287,118,462</u>	<u>\$ 2,616,281,663</u>	<u>\$ 2,618,688,910</u>	<u>\$ 2,613,965,104</u>	<u>\$ 2,906,434,947</u>

Table 3

Total Expenditures - Seven-Year Trend

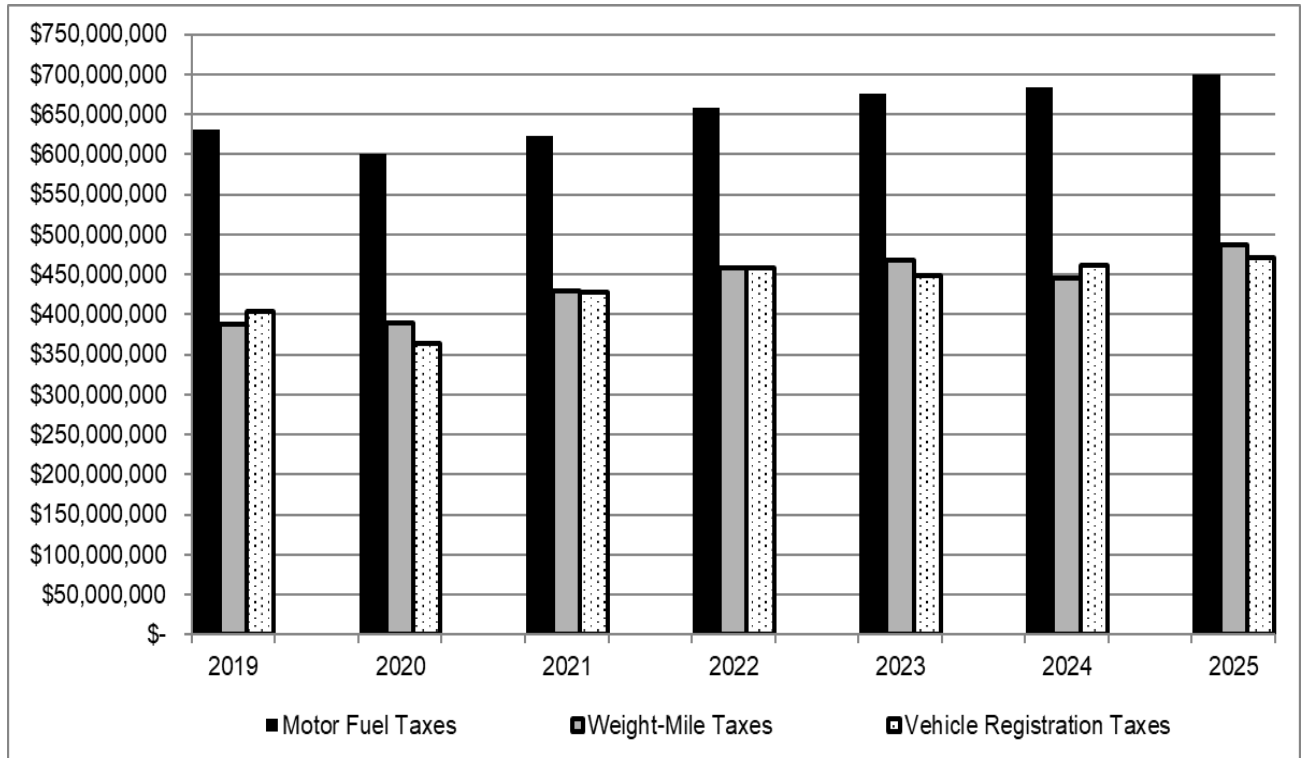


	2019	2020	2021	2022	2023	2024	2025
Personal Services	\$ 495,832,169	\$ 521,343,202	\$ 553,178,093	\$ 574,625,735	\$ 483,288,058	\$ 540,499,568	\$ 522,606,751
Services and Supplies	906,173,784	821,866,327	1,123,042,881	1,207,881,811	508,186,443	560,998,440	484,531,914
Capital Outlay ¹	38,203,845	21,143,447	43,789,821	89,773,394	1,052,322,136	887,510,602	945,954,159
Special Payments	129,457,957	185,177,563	209,690,523	361,819,797	189,959,006	266,269,763	234,909,272
Debt Service (combined)	267,585,762	268,101,584	252,956,520	265,726,980	281,865,655	358,347,914	306,936,657
Total Expenditures	\$ 1,837,253,517	\$ 1,817,632,123	\$ 2,182,657,838	\$ 2,499,827,717	\$ 2,515,621,298	\$ 2,613,626,287	\$ 2,494,938,753

¹Infrastructure expenditures previously classified as Services and Supplies/Personal Services were reclassified as Capital Outlay beginning in fiscal year 2023.

Table 4

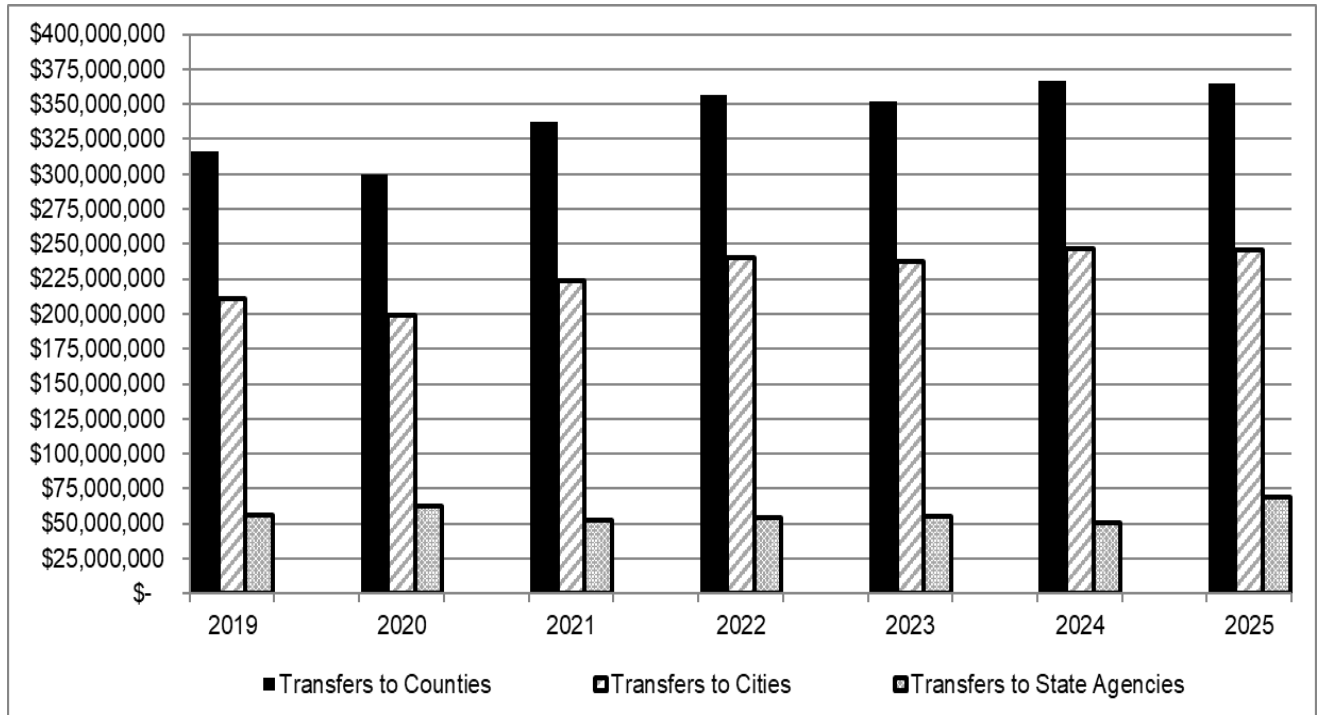
Net Vehicle-Related Tax Collections - Seven-Year Trend



	2019	2020	2021	2022	2023	2024	2025
Motor Fuel Taxes	\$ 631,698,325	\$ 600,004,238	\$ 622,538,233	\$ 658,713,547	\$ 675,339,314	\$ 684,402,488	\$ 700,432,679
Weight-Mile Taxes	388,304,040	388,981,333	428,769,684	458,123,654	467,892,124	445,787,578	486,508,243
Vehicle Registration Taxes	403,577,419	363,577,767	428,449,475	458,297,628	448,449,755	461,930,529	471,174,853
Total Vehicle Related Taxes	\$ 1,423,579,784	\$ 1,352,563,338	\$ 1,479,757,392	\$ 1,575,134,829	\$ 1,591,681,193	\$ 1,592,120,595	\$ 1,658,115,775

Table 5

Transfers to Others - Seven-Year Trend



	2019	2020	2021	2022	2023	2024	2025
Transfers to Counties	\$ 316,465,733	\$ 299,933,343	\$ 337,022,081	\$ 356,900,054	\$ 352,110,590	\$ 366,469,213	\$ 364,740,722
Transfers to Cities	210,503,093	199,236,326	224,213,929	239,891,979	237,043,040	246,759,880	245,984,553
Transfers to State Agencies	56,284,836	62,632,712	52,349,422	54,011,223	55,596,386	51,038,124	68,878,214
Total Distributions	\$ 583,253,662	\$ 561,802,381	\$ 613,585,432	\$ 650,803,256	\$ 644,750,016	\$ 664,267,217	\$ 679,603,489

The Department is required by law to apportion Highway Funds to counties and cities based on specific criteria. As certain revenues increase, the apportionments to counties and cities also increase (e.g. increases in motor fuels tax revenues will cause an increase in apportionments).

For more information on the Highway Revenues Apportionment process, please visit the Oregon Department of Financial Services at:

<https://www.oregon.gov/odot/about/pages/financial-information.aspx> - under the Highway Revenues Apportionment Section.