

Oregon

Annual Comprehensive Financial Report



For the Fiscal Year Ended June 30, 2023

Oregon

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023



Tina Kotek
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**ANNUAL COMPREHENSIVE FINANCIAL REPORT
For The Year Ended June 30, 2023**

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Introductory Section

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Oregon

Tina Kotek, Governor

Department of Administrative Services

Chief Financial Office
155 Cottage Street NE U10
Salem, OR 97301

January 19, 2024

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

We are pleased to provide you with the Annual Comprehensive Financial Report of the State of Oregon for the fiscal year ended June 30, 2023. This report is published to fulfill the requirement for annual financial statements in Oregon Revised Statute 291.040.

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

The Secretary of State Audits Division, the constitutional auditor of public accounts in Oregon, audited the State's financial statements for the fiscal year ended June 30, 2023. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. Based on the audit, the auditors concluded the financial statements for fiscal year 2023 are fairly presented in accordance with GAAP. The audit report is the first component in the financial section of this report.

The audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the needs of federal agencies that provide aid to the State. The standards governing single audit engagements require the auditor to report on the State's internal controls and compliance with legal requirements, particularly as they relate to federal awards. This information, also prepared by the Audits Division, will be available in a separately issued report on or about March 31, 2024.

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

Profile of the Government

The State provides services to Oregon's citizens through a wide range of programs, including education, human services, public safety, economic and community development, natural resources, transportation, consumer and business services, administrative support, legislative support, and judicial services. Oregon's primary government as reported in the accompanying financial statements consists of 84 state agencies. In addition to the primary government, 10 entities are reported as discretely presented component units to emphasize that they are legally separate from the State. Refer to Note 1 to the basic financial statements for a more detailed discussion of the reporting entity.

Oregon's Legislature adopts a budget on a biennial basis, where the biennium begins July 1 and ends June 30 of each odd-numbered year. This biennial budget serves as the foundation for the State's financial

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

Oregon Economy

Oregon’s economy is broadly aligned with the nation’s economy. Local economic growth is being driven by a return to full employment, combined with stronger productivity gains. The labor market remains healthy but has eased from its overheated state during the pandemic. This rebalancing is primarily the result of job openings declining as firms staffed back up, coupled with stronger productivity gains and an increase in the labor supply. This combination means wages and overall inflation have slowed, even with underlying economic growth and consumer spending remaining quite strong.

Looking forward, the economy will cool some due to higher interest rates. The better balance in the labor market likewise means underlying wage and spending pressures should be near pre-pandemic rates in the quarters ahead. As a result, the Federal Reserve is now looking to make surgical rate cuts. As inflation continues toward target, the Federal Reserve can ease off the brakes, allowing the economy to coast. Additionally, a modest rebound in migration in the years ahead will allow local businesses to hire and expand at a faster pace than the nation. However, should migration not return as expected, Oregon’s economy will not crater, but rather grow at a slower rate than in the baseline.

Oregon, like the U.S. overall, has a strong labor market. Job openings continue to outnumber the unemployed. However, the labor market has rebalanced and is no longer overheated like it was during the reopening phase of the cycle. As employment rates have picked up, job opening rates have fallen. Businesses no longer need to worry about staffing back up, but rather can now focus on growing their operations. In some cases that means hiring, but likely at a slower pace. In other cases, that may even mean laying off some workers as firms may have over hired while trying to compete in the post-pandemic world, or maybe the sales outlook is not quite as strong as expected. Either way, labor demand is slower today than a year ago.

The dramatic swings down and up during and after the pandemic can make getting a handle of the economy challenging. On one hand economic growth in terms of GDP and consumer spending remain quite strong. This points toward the possibility of a continued inflationary economic boom. On the other hand, national job growth has slowed, and the unemployment rate has risen from 3.4% in April 2023 to 3.9% in October 2023. Such a move up in the unemployment rate only tends to happen heading into recession. While the baseline outlook calls for the soft landing, there are both upside and downside risks in the near-term.

Locally, real GDP per worker continues to increase and remains above the pre-pandemic trend. From 2019 quarter four through 2023 quarter two, Oregon’s real GDP per worker has increased 7.1%, ranking fifth highest across all states. Now, real GDP per worker is a crude measure of productivity, but better metrics like the Bureau of Labor Statistics’ labor productivity by state is only available once a year. As of 2022, Oregon’s productivity growth so far this cycle ranked third best among all states, only trailing our neighbor to the north, Washington, which ranks first and Iowa which ranks second.

Oregon Real GDP per Worker

Inflation-adjusted value-added per employee



Latest Data: 2023q2 | Source: IHS Markit, Oregon Office of Economic Analysis

Inflation has slowed from a 9% pace in the summer of 2022 to 3% or 4% today, depending upon which measure one looks at. Much of this improvement in inflation has to do with goods prices easing following the surge in demand and overloaded supply chains early in the pandemic. The baseline outlook calls for further slowing in inflation, and fully reaching the Federal Reserve’s target on a sustained basis in 2025. It has been the baseline outlook that a cooling labor market and slower inflation numbers would mean the Federal Reserve could ease off the brakes. Declining interest rates will

spur additional economic activity. Consumers and businesses are likely to take on more loans for spending or expansion plans. Additionally, higher rates have sidelined many construction projects which will begin to pencil out better at lower rates, generating additional activity.

The economic bottom line is that this initial descent from the heights of the inflationary economy boom toward the soft landing has gone as well as could be hoped for. Inflation has slowed significantly. Underlying economic growth remains strong. The challenge is this initial path that leads to the soft landing and continued economic expansion looks the same as the path that leads to a recession. Only time will tell which fork in the road the economy ultimately takes.

Oregon typically outperforms most states over the entire economic cycle. This time is no different, however, the expectations are that the relative growth advantage may be a bit smaller than it has been historically. The primary reason being slower population and labor force growth than in decades past. Over the extended forecast horizon, the Oregon Office of Economic Analysis (OEA) has identified four main avenues for growth that are important to continue to monitor: the State's dynamic labor supply, the State's industrial structure, productivity, and the current number of start-ups, or new businesses formed.

Oregon's state revenue outlook appears to have stabilized. Aside from persistently strong corporate income taxes, collections in recent months have tracked closely with the September forecast. In particular, personal income tax collections have finally started to weaken. General Fund revenue collections are expected to decline significantly in the months ahead as corporate profits and business income return to trend, and a record personal income tax kicker credit is issued. Although the revenue outlook appears on track for now, Oregon has yet to go through its first personal income tax filing season of the biennium, so considerable uncertainty remains.

One major factor supporting the strong tax collections to date has been the current inflationary environment and related wage pressures. The majority of Oregon's taxes are not adjusted to inflation and rise along with prices. With demand outstripping supply, businesses and consumers have been paying premiums for their needs. This has translated into a wide range of taxable business and labor income, which has moved many filers into higher tax brackets. The new Corporate Activity Tax, Vehicle Privilege Tax, alcohol, and tobacco taxes have risen with inflation as well. With inflation now cooling, revenue gains will face additional downward pressure.

The primary downside risk facing the near-term revenue forecast is the uncertain future of the nationwide economic expansion. Should high interest rates, federal policy woes, or economic weakness among our trading partners derail the U.S. economy, the expected growth in Oregon's tax collections will not come to pass.

Longer term, revenue growth in Oregon and other states will face considerable downward pressure over the 10-year extended forecast horizon. As the baby boom population cohort works less and spends less, traditional state tax instruments such as personal income taxes and general sales taxes will become less effective, and revenue growth will fail to match the pace seen in the past.

Long-term Financial Planning

Budget for the 2023-25 Biennium

The legislatively adopted budget (LAB) for the 2023-25 biennium is \$121.3 billion total funds, which is a decrease of \$4.5 billion, or 3.6% from the 2021-23 legislatively approved budget of \$125.8 billion. The decrease is primarily attributable to a lower level of Federal Funds expenditures compared to the prior biennium, which includes considerable one-time federal funding provided to help offset the economic and other impacts of the COVID-19 pandemic.

The total adopted budget for the 2023-25 biennium includes \$31.9 billion General Fund, \$1.6 billion Lottery Funds, \$49.9 billion Other Funds, and \$37.9 billion Federal Funds. Combined General Fund and Lottery Funds of \$33.5 billion increased 17.2% over the prior biennium, continuing a trend of biennial double-digit growth in General Fund and Lottery Funds expenditures. The eventual 2023-25 biennium approved budget will likely change from the adopted level to reflect additional Other Funds expenditure limitation and receipt of federal funding over the course of the biennium. Additionally, if changes in the projected revenues for the

biennium occur, the Legislature may elect or be required to make adjustments to the budget, depending on whether revenues increase or decrease.

General Fund and Lottery Funds expenditures of \$31.6 billion included the cost of continuing programs, identified critical needs to ensure effective delivery of programming and services, as well as some reductions to current service level expenditures. Budgeted expenditures also reserved funding for statewide compensation plan changes; early investments in affordable housing, emergency homelessness response, and semiconductor development; and for investments to support the most critical issues facing the state, including Medicaid eligibility redeterminations, bridging health care coverage and establishing the Basic Health Plan, Oregon's Medicaid Waiver, the public defense crisis, as well as literacy, housing, behavioral health, and reproductive health.

It is also worth noting, net General Fund revenues projected for the 2021-23 biennium in the forecast released in August 2023 increased by \$7.3 billion since the 2021 close-of-session forecast, resulting in an estimated personal income tax kicker of \$5.6 billion, which will be returned to Oregon taxpayers in the form of a tax credit through future tax filings. The 2023-25 legislatively adopted budget assumes total available General Fund and Lottery Funds resources of \$33.9 billion and expenditures of \$33.5 billion, resulting in a General Fund ending balance of \$443.6 million and discretionary Lottery Funds ending balance of \$48.3 million. The approved General Fund ending balance represents 1.4% of expenditures, allowing for the statutory 1% Rainy Day Fund deposit, plus an additional 0.4% to mitigate revenue fluctuations, support potential needs during the biennium, and protect against growth in the future biennia for approved programs and services.

State Bonding

In January 2023, the State Debt Policy Advisory Commission (SDPAC) updated their recommended debt capacity limits for General Fund supported debt based upon the December 2022 revenue forecast published by the Oregon Office of Economic Analysis. At the time, the SDPAC recommended the Legislature and Governor issue no more than \$1.9 billion in General Fund supported debt for the 2023-25 biennium. This recommendation is based on a target debt capacity ratio of no more than 5% annual debt service to General Fund revenues. The SDPAC recommendation also considered that all debt authorized in the 2021 and 2022 sessions would be issued before the end of the 2021-23 biennium. However, there was \$152.5 million of General Fund supported debt that was not issued in 2021-23. After taking this into account, the overall available capacity for the 2023-25 biennium is approximately \$2.1 billion.

The 2023 Legislature approved \$2 billion in General Fund supported debt, the remaining \$65.8 million of debt capacity is available for approval during the 2024 legislative session. The amount authorized during the 2023 legislative session included \$151.5 million of Article XI-M and Article XI-N bonds for seismic rehabilitation grants to schools and emergency services facilities; \$100.9 million of Article XI-P bonds to fund matching grants to school districts for capital improvements; \$250 million of Article XI(7) bonds to fund the Interstate 5 Bridge Replacement project; \$604.3 million of Article XI-Q bonds for the Local Innovation and Fast Track (LIFT) and Permanent Supportive Housing programs; \$446.2 million to finance the capital costs of state property, including deferred maintenance on state-owned facilities and information technology projects; \$62.8 million of Article XI-Q bonds for the Benton County, Clackamas County, Curry County and Morrow County courthouse replacement projects; \$238.1 million of Article XI-Q bonds along with \$84.7 million of Article XI-G bonds to finance public university facilities capital improvement projects; and \$75 million of Article XI-G bonds to finance various community college projects.

Budgetary Reserves

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

Established by the 2007 Legislature, the Oregon Rainy Day Fund is funded from the General Fund's ending balance up to 1% of General Fund appropriations for the prior biennium. The Legislature may deposit additional funds; it originally created the fund using surplus corporate income tax revenues from the 2005-07 biennium. The Rainy Day Fund also earns interest on the moneys in the fund. Per statute, withdrawals from the Rainy Day Fund currently require one of three specific economic triggers to occur plus approval of three-fifths of both chambers of the Legislature. Additionally, per statute withdrawals are capped at two-thirds of the

balance as of the beginning of the biennium in question and no additional contributions are made once the fund balance reaches a level equal to 7.5% of General Fund revenues in the prior biennium.

The Education Stability Fund is the State's second general reserve fund. Its current reserve structure and mechanics are the result of a constitutional amendment in 2002. Amounts in the Education Stability Fund may be spent under the same conditions as those required for spending moneys in the Oregon Rainy Day Fund. However, if none of the conditions are met, the Education Stability Fund can also be used by the Legislature for public education in Oregon if the Governor declares an emergency and the expenditure is approved by a three-fifths majority in each chamber. This fund receives 18% of lottery earnings, deposited on a quarterly basis. The fund balance is capped at 5% of General Fund revenues collected in the prior biennium.

The forecast for the Rainy Day Fund includes two deposits for this biennium relating to the General Fund ending balance from the previous biennium (2021-23). A deposit of \$271.3 million will be made in early 2024 once financial reporting was finalized. Additionally, a \$91.6 million deposit relating to the increased corporate taxes from Measure 67 is expected at the end of the biennium in June 2025. This exact transfer amount is subject to some revision as corporate filings are processed. At the end of the 2023-25 biennium, the Rainy Day fund will total \$1.9 billion.

The forecast for the Education Stability Fund includes \$299.8 million in deposits during the 2023-25 biennium, based on the current Lottery forecast. At the end of the current 2023-25 biennium, the balance is expected to be \$1 billion.

Together the total projected reserve balance of \$2.9 billion at the close of the 2023-25 biennium, which is 11.1% of current biennial revenues, is larger than Oregon has held in past cycles and should help stabilize the State's budget should a recession occur.

Major Initiatives

Oregon elected Tina Kotek as the new Governor of Oregon in November 2022. Governor Kotek took office in January 2023 focusing the 2023-25 budget on three critical priorities. Though the new biennium did not begin until July 1, 2023, efforts were immediately focused on working on the following priorities as soon as the Governor was sworn in:

- Housing and Homelessness
- Mental Health and Addiction Care
- Education and Child Care

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

Housing and Homelessness

Across Oregon, housing has emerged as a paramount concern. The lack of available housing, high rents, and high home prices are causing housing instability and homelessness to increase rapidly. On Governor Kotek's first day in office, January 10, 2023, she declared a homelessness state of emergency and signed three executive orders to address the state's housing and homelessness crisis – Executive Orders 23-02, 23-03, and 23-04. On March 29, 2023, Kotek signed House Bill 5019 and House Bill 2001 into law, both of which addressed the state of emergency. Additionally, beginning with the 2021-23 biennium and continuing into the 2023-25 biennium, House Bill 5019 provided nearly \$159 million in funding to the Housing and Community Services Department (HCSD), and \$1.6 million to the Oregon Department of Emergency Management (ODEM) to provide resources for homelessness prevention services, addressing unsheltered homelessness in areas specified in Executive Order 23-02 and in other areas of the state, and for services and assistance to youth experiencing homelessness.

House Bill 2001, signed into law on the same day (March 29, 2023) provided initial funding to the Department of Land and Conservation Development (DLCD) for the 2021-23 biennium, and appropriated nearly \$37

million in the 2023-25 biennium to DLCD, HCSD, the Oregon Department of Agriculture (ODA), and the Oregon Facilities Authority for a variety of efforts associated with increasing housing production in Oregon. These efforts include analyzing data, communicating metrics, and financing for loan and grant programs, among others. House Bill 2001 also increased expenditure limitation by \$4 million for the Department of Administrative Services (DAS), the Oregon Facilities Authority, the Oregon State Treasury for these same purposes.

During the 2023 Legislative Session, the Governor proposed additional funding for the 2023-25 biennium to enhance and expand efforts to address the homelessness state of emergency and to ensure the goals of the Executive Orders could be met by the January 10, 2024, deadline. Including Senate Bill 5511 providing HCSD with an additional \$217.7 million in emergency housing investments, as well as \$10 million to support down payment assistance and foreclosure avoidance counseling for the 2023-25 biennium. House Bill 3995 was also passed providing various other one-time appropriations in the amount of \$48.5 million to DAS, DLCD, HCSD, and Oregon Department of Human Services (ODHS) for housing and affordable homeownership purposes. Additionally, House Bill 5005 passed authorizing the sale of \$604.3 million Article XI-Q bonds for the LIFT Housing Program and for Permanent Supportive Housing, and House Bill 5030 authorized \$50 million in lottery bonds to preserve affordable housing. Finally, Senate Bill 5506 set aside of \$39 million General Fund in a Special Purpose Appropriation for long-term rental assistance.

Mental Health and Addiction Care

Major behavioral health investments approved during the 2023 Legislative Session continue or expand on investments made in the 2021-23 biennium, including an additional \$69 million for the 9-8-8 behavioral health crisis line and mobile crisis response, \$491.3 million to continue 30% Medicaid rate increases started in 2022 to stabilize behavioral health providers and workforce and \$81.1 million to roll over unspent investments (primarily for behavioral health facilities) from the 2021-23 biennium. New investments include an additional \$85 million to expand behavioral health and substance use disorder facilities across the continuum of care, \$40 million in opioid settlement funds for harm reduction supplies, \$13 million to enhance services for jail diversion, civil commitment service coordination, and case management for patients exiting the state hospital, and \$9.1 million to improve recruitment and retention in the behavioral health workforce.

Education and Childcare

A major investment was made during the 2023 Legislative Session by increasing the State School Fund budget to \$10.2 billion, marking a 9.7% increase over the 2021-23 biennium. The State School Fund is the largest single investment of the State of Oregon and represents the largest, flexible source of funding for the state's K-12 schools. In addition to the State School Fund, with the Governor's support, the Legislature approved a new Early Literacy program, with an additional \$95 million from the State's Corporate Activity Tax revenues. The Corporate Activity Tax also funds the Student Investment Account, which was funded at \$1.1 billion in the 2023-25 biennium, an increase of \$157.4 million or 21.8% over the prior biennium. The Student Investment Account provides additional, targeted funding support to increase academic achievement for students that have historically experienced academic disparities.

Beginning on July 1, 2023, the new Department of Early Learning and Care (DELIC), began operating as a new, independent state agency at the start of the 2023-25 biennium. In addition to creating DELIC, the Legislature also moved the Employment Related Day Care (ERDC) program, the state's second largest early learning program, from the Oregon Department of Human Services to DELIC. The goal behind these two large-scale changes was to create a unified early learning and child care system, housed under one agency, to improve service delivery, center families within the policy development process, enhance community engagement and outreach, and streamline program administration. To expand child care capacity in Oregon, the Legislature also approved \$50 million in Lottery Bonds for child care infrastructure needs, along with a \$5 million investment for technical assistance for child care business owners. An additional \$15 million was provided to increase rates for ERDC providers, along with an additional \$8 million set aside to support increased caseload for the program. As part of the Governor's Early Literacy Proposal, the Legislature also created the Birth through Five Literacy Program and earmarked \$9.5 million from the Corporate Activity Tax for the new program.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Oregon for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the thirty-first consecutive year that the State has achieved this prestigious award. To receive the Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Kate Nass
Chief Financial Officer
State of Oregon



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

State of Oregon

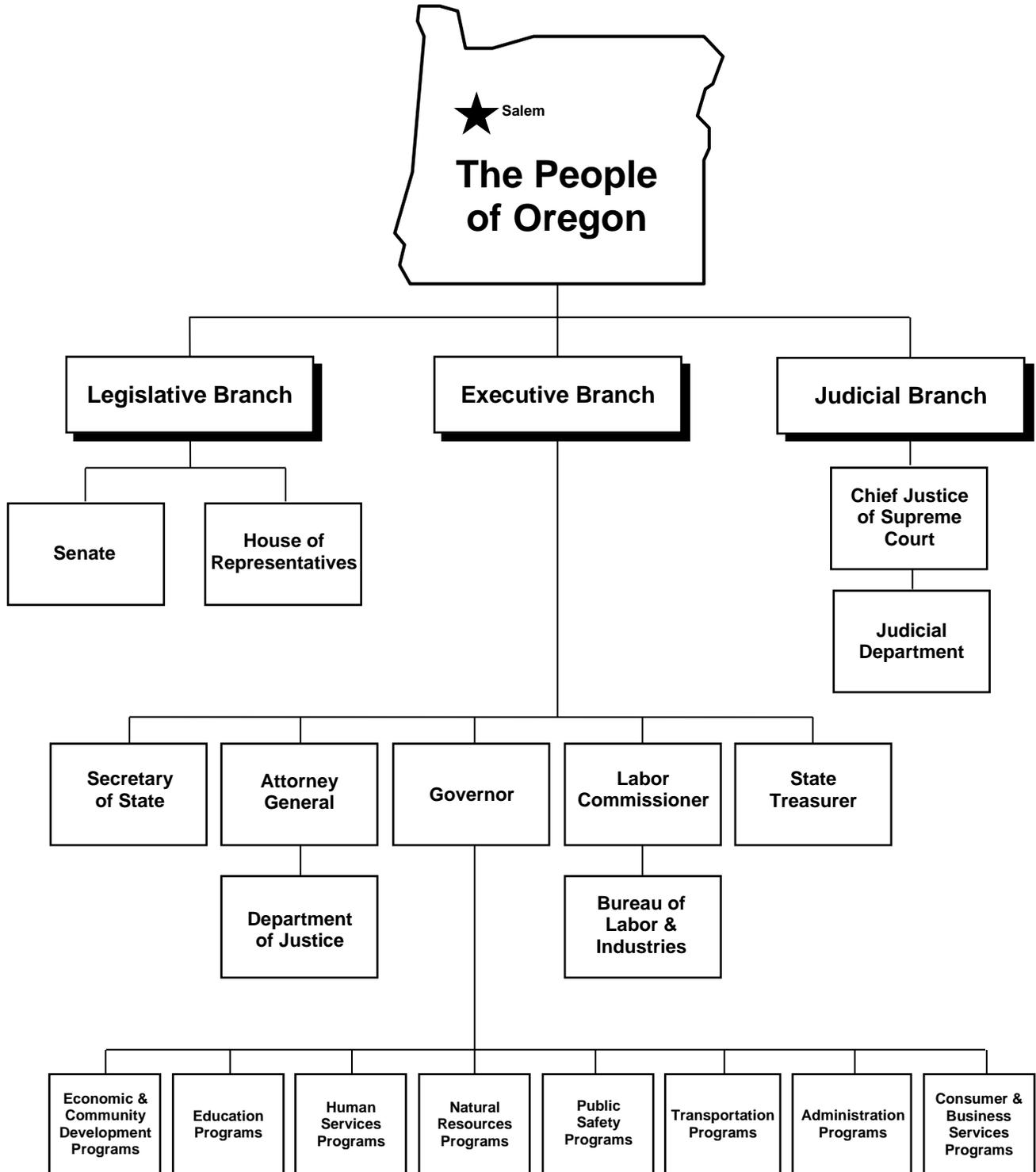
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

STATE OF OREGON ORGANIZATION CHART



Principal State Officials



EXECUTIVE

Tina Kotek, Governor

LaVonne Griffin-Valade, Secretary of State

Tobias Read, State Treasurer

Ellen F. Rosenblum, Attorney General

Christina Stephenson, Commissioner, Labor and Industries

LEGISLATIVE

Rob Wagner, Senate President

Dan Rayfield, Speaker of the House of Representatives

JUDICIAL

Meagan A. Flynn, Chief Justice of the Supreme Court



Financial Section

Independent Auditor’s Report

The Honorable Tina Kotek
 Governor of Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Oregon, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State of Oregon’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit, and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Oregon, as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Opinion Unit	Percent of Assets	Percent of Liabilities	Percent of Revenues/ Additions
Governmental Activities	5%	1%	0%
Business-Type Activities	1%	0%	1%
Discretely Presented Component Units	97%	97%	96%
Common School – Major Governmental Fund	100%	100%	100%
Aggregate Remaining Fund:			
Public Employees Retirement System	82%	66%	40%

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 section R, during the year ended June 30, 2023, the State of Oregon implemented the Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard resulted in the recognition of an intangible capital asset and subscription liability for some agreements previously recorded as expenses. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the State of Oregon's basic financial statements. The combining fund financial statements are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2024, on our consideration of the State of Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters in the Oregon Single Audit Report. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Oregon's internal control over financial reporting and compliance.

Office of the Secretary of State, Audits Division

State of Oregon
January 19, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial activities of the State of Oregon (State) for the fiscal year ended June 30, 2023. The MD&A is intended to serve as an introduction to the State's financial statements. It is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the State's financial activities, (c) identify any material changes from the original budget, and (d) highlight individual fund matters. The following presentation is by necessity highly summarized, and in order to gain a thorough understanding of the State's financial condition, the following financial statements, notes, and required supplementary information should be reviewed in their entirety.

We encourage readers to consider the information presented in this analysis in conjunction with the transmittal letter beginning on page 2 of this report.

FINANCIAL HIGHLIGHTS

- On June 30, 2023, the State's net position on a government-wide basis was \$34.2 billion. Of this amount, the unrestricted portion was \$13.6 billion. The amount restricted for specific uses was \$7.5 billion. The State's net investment in capital assets was \$13 billion.
- The State's net position increased \$5.6 billion compared to the prior year, indicating the State's overall financial position has improved. Net position for governmental activities increased 20.9%, while net position for business-type activities increased 15.8%.
- As of June 30, 2023, the State's governmental funds reported combined ending fund balances of \$23.6 billion. Of this total, approximately 1.3% was considered nonspendable and included amounts related to inventories, prepaid amounts, and permanent fund principal.
- Approximately 49.2% of ending governmental fund balances were classified as restricted and included amounts that were subject to constraints imposed by external parties, such as creditors, grantors, or the laws and regulations of other governments (including the federal government), or imposed by constitutional provisions or enabling legislation. Restricted fund balances totaled \$11.6 billion.
- The remaining 49.5% of ending fund balances were classified as unrestricted and included the fund balance categories designated as committed, assigned, and unassigned. Committed fund balances are available for spending only with legislative approval, while assigned fund balances express legislative intent as indicated through the budget process. Unassigned fund balances may be spent at the government's discretion. Total unrestricted fund balances equaled \$11.7 billion. Additional information on the classification of governmental fund balances may be found in Notes 1 and 18 in the notes to the financial statements.
- At fiscal year-end, unrestricted fund balance (committed, assigned, and unassigned categories) in the General Fund was \$10 billion.
- The net pension liability for the State, as the primary government and excluding discretely presented component units, has increased from \$2.9 billion to \$4 billion. The State recognized pension expense of \$610.7 million during the current year. State contributions to this defined benefit plan during the current fiscal year were \$609.4 million.
- The State implemented all or a portion of four accounting standards in fiscal year 2023, which are described further in Note 1. The most notable implementation was GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.
- Outstanding debt increased by \$1.4 billion during fiscal year 2023. There was no debt refunding in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Discretely Presented Component Units

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

Notes to the Financial Statements

The basic financial statements also include notes that provide additional information essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 63-168 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents a section of *required supplementary information* (RSI), beginning on page 169, which contains budget-to-actual comparison schedules for all of the State's budgeted appropriated funds as well as accompanying notes. This section also includes two schedules related to the State's pension plan, which is a cost-sharing multiple-employer plan: the Schedule of Proportionate Share of the Net Pension Liability/(Asset) and the Schedule of Defined Benefit Pension Plan Contributions. Lastly, this section includes six schedules as well as accompanying notes related to the three State postemployment benefit plans: the Retiree Health Insurance Account (RHIA), the Retiree Health Insurance Premium Account (RHIPA), and the Public Employees Benefit Board Plan (PEBB).

The combining financial statements referred to earlier are presented immediately following the required supplementary information beginning on page 197 of this report. These combining statements provide details about the nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and nonmajor discretely presented component units each of which has been aggregated and presented in a single column in the basic financial statements. The combining financial statements also provide details about the pension and other employee benefit trust funds and the custodial funds – external investment pool funds.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. The State's net position on a government-wide basis at June 30, 2023, was \$34.2 billion as shown in Table 1. Most of this balance was invested in capital assets, with infrastructure being the largest component. The net investment in capital assets was \$13 billion. Restricted net position represents resources that are subject to external restrictions on how they may be used. At June 30, 2023, restricted net position totaled \$7.5 billion. The remaining balance of \$13.6 billion was classified as unrestricted net position.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Capital assets	\$ 17,385.1	\$ 16,415.9	\$ 635.0	\$ 566.1	\$ 18,020.1	\$ 16,982.0
Other assets	31,569.0	27,105.3	10,110.0	8,879.9	41,679.0	35,985.2
Total assets	48,954.1	43,521.2	10,745.0	9,446.0	59,699.1	52,967.2
Total deferred outflows	1,799.7	1,769.2	183.8	168.6	1,983.5	1,937.8
Long-term liabilities	17,606.4	15,397.0	2,062.5	1,839.8	19,668.9	17,236.8
Other liabilities	6,012.0	6,249.3	459.7	417.2	6,471.7	6,666.5
Total liabilities	23,618.4	21,646.3	2,522.2	2,257.0	26,140.6	23,903.3
Total deferred inflows	1,203.2	2,198.3	154.1	231.7	1,357.3	2,430.1
Net investment in capital assets	12,770.1	12,129.3	602.2	544.1	13,048.7	12,329.2
Restricted	6,981.3	6,360.4	241.4	233.5	7,546.3	6,936.3
Unrestricted	6,180.8	2,956.1	7,409.0	6,348.2	13,589.7	9,306.2
Total net position	\$ 25,932.2	\$ 21,445.8	\$ 8,252.5	\$ 7,125.9	\$ 34,184.7	\$ 28,571.7

Changes in net position. The State's total net position increased \$5.6 billion compared to the prior year. The net position of governmental activities increased 20.9%, while the net position of business-type activities increased 15.8%.

The ending net position of governmental activities for fiscal year 2023 was \$25.9 billion compared to \$21.4 billion reported in fiscal year 2022. Expenses increased \$2.4 billion, or 6.2%, while revenues increased \$2.8 billion, or 6.6%.

Personal income taxes increased \$1.9 billion, or 15.9%, from fiscal year 2022, the result of Oregon's strong economic growth coming out of the pandemic, fueling the record personal income tax kicker credit that will be available to Oregon taxpayers in 2024. Charges for services increased \$676.9 million, or 24.7%, due almost entirely to a \$688 million settlement the State entered into with a manufacturer, seller, and distributor of products that formerly contained toxic compounds and are known to bioaccumulate in fish and wildlife. Revenue from operating grants and contributions decreased \$284.6 million, coinciding with a decrease in qualifying expenditures incurred under the State and Local Fiscal Recovery Fund (SLFRF), a program created by the American Rescue Plan Act (ARPA) and the Coronavirus Relief Fund (CRF), a program established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

The predominant sources of growth in governmental activities expenses were the \$1.6 billion increase in the human services program, followed by \$431.5 million and \$427.7 million increases in the education and public safety programs, respectively. The significant increase in human services costs was largely attributed to Medicaid costs rising. Education expenses increased due to the establishment of new programs pursuant to the Student Success Act and the awarding of Oregon Opportunity Grants. Public safety expenses increased for a variety of reasons, including attorney costs attributed to the settlement noted previously and an increase in distributions of Federal Emergency Management Agency (FEMA) awards to local governments throughout the state in response to various presidentially declared disasters Oregon has encountered in recent years.

As shown in Table 2, the ending net position of business-type activities for fiscal year 2023 was \$8.3 billion, compared to \$7.1 billion reported in fiscal year 2022. Decreases were reported for operating grants and contributions as well as unemployment compensation expenses, \$735.4 million and \$755.2 million, respectively. The primary cause for both decreases stems from the reduction of federal unemployment insurance programs and extensions. While the effects of the pandemic were decreasing significantly in fiscal year 2022, the decline continued in fiscal year 2023 resulting in significant decreases in unemployment compensation claimant activity.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 3,412.5	\$ 2,735.6	\$ 4,432.3	\$ 4,103.5	\$ 7,844.8	\$ 6,839.1
Operating grants and contributions	19,894.3	20,178.9	373.7	1,109.1	20,268.0	21,288.0
Capital grants and contributions	25.2	22.3	-	0.5	25.2	22.8
General revenues:						
Personal income taxes	13,641.1	11,772.9	-	-	13,641.1	11,772.9
Corporate income taxes	1,623.7	1,489.0	-	-	1,623.7	1,489.0
Other taxes	5,758.5	5,655.8	15.7	21.7	5,774.2	5,677.5
Unrestricted investment earnings	341.2	59.5	-	-	341.2	59.5
Total revenues	44,696.4	41,913.9	4,821.7	5,234.8	49,518.2	47,148.7
Expenses:						
Education	9,102.6	8,671.0	-	-	9,102.6	8,671.0
Human services	22,495.0	20,868.8	-	-	22,495.0	20,868.8
Public safety	2,368.4	1,940.7	-	-	2,368.4	1,940.7
Economic and community development	1,240.3	1,402.7	-	-	1,240.3	1,402.7
Natural resources	1,115.3	1,061.7	-	-	1,115.3	1,061.7
Transportation	2,173.1	2,424.7	-	-	2,173.1	2,424.7
Consumer and business services	520.6	427.2	-	-	520.6	427.2
Administration	967.4	879.1	-	-	967.4	879.1
Legislative	76.9	69.9	-	-	76.9	69.9
Judicial	638.1	553.7	-	-	638.1	553.7
Interest on long-term debt	366.8	355.0	-	-	366.8	355.0
Housing and community services	-	-	48.9	47.2	48.9	47.2
Veterans' loan	-	-	19.3	16.5	19.3	16.5
Lottery operations	-	-	754.8	701.8	754.8	701.8
Unemployment compensation	-	-	564.9	1,320.2	564.9	1,320.2
State hospitals	-	-	623.5	490.8	623.5	490.8
Liquor control	-	-	655.2	641.8	655.2	641.8
Other business-type activities	-	-	188.2	171.4	188.2	171.4
Total expenses	41,064.5	38,654.6	2,854.9	3,389.8	43,919.4	42,044.4
Increase (decrease) before contributions, special and extraordinary items, and transfers	3,631.9	3,259.3	1,966.9	1,845.0	5,598.8	5,104.3
Transfers	855.0	779.8	(855.0)	(779.8)	-	-
Increase (decrease) in net position	4,486.9	4,039.4	1,111.9	1,065.2	5,598.8	5,104.6
Net position – beginning	21,445.8	17,412.1	7,125.9	6,061.0	28,571.7	23,473.1
Prior period adjustments	(5.1)	(5.7)	14.7	-	9.6	(5.7)
Cumulative effect of accounting change	4.6	-	0.1	(0.4)	4.7	(0.4)
Net position – beginning – as restated	21,445.3	17,406.4	7,140.6	6,060.7	28,586.0	23,467.1
Net position – ending	\$ 25,932.2	\$ 21,445.8	\$ 8,252.5	\$ 7,125.9	\$ 34,184.7	\$ 28,571.7

Figure 1 below illustrates fiscal year 2023 revenues of the State as a whole, by source. Approximately 40.9% of total revenue was provided by other entities and governments in the form of operating grants and contributions (e.g., federal revenues). Personal and corporate income taxes provided 30.8% of total revenues, while charges for services accounted for 15.8%.

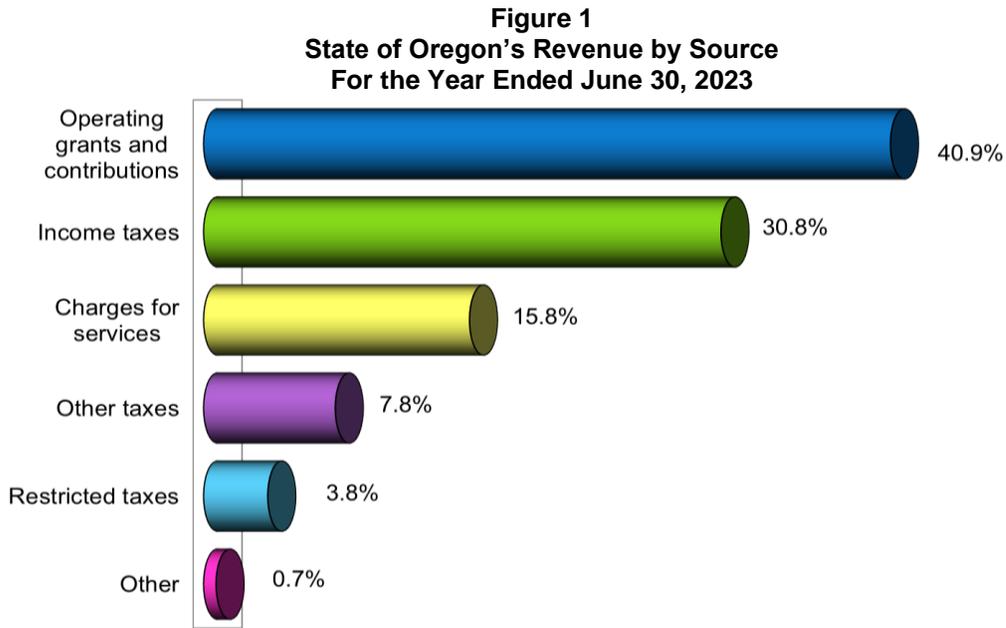
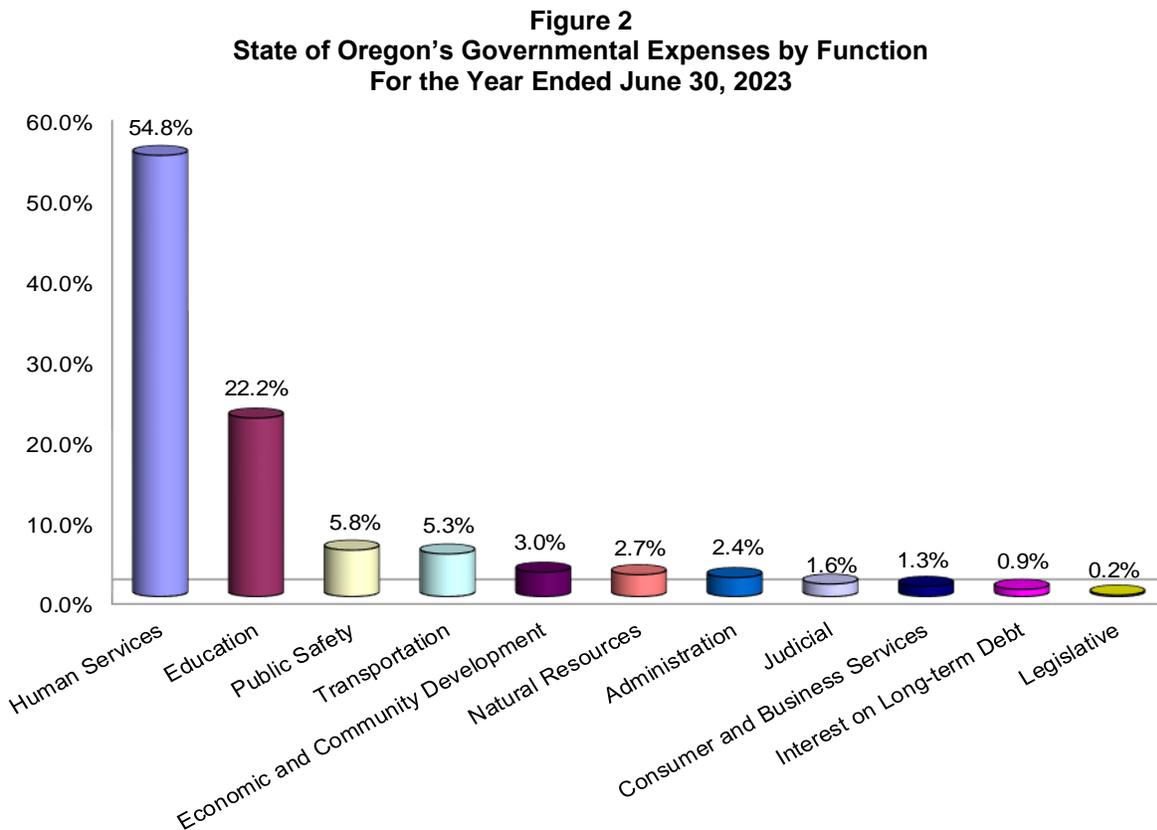


Figure 2 below shows expenses of the governmental activities by function. The cost of providing human services for Oregon citizens in need of assistance comprised 54.8% of total expenses. Elementary and secondary education accounted for 22.2% of the total.



FINANCIAL ANALYSIS OF THE STATE'S FUNDS

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

Governmental funds. The focus of the State's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* financial resources. In governmental funds, such information may serve as a useful measure of a government's net resources available for spending. At the end of fiscal year 2023, the State's governmental funds reported combined ending fund balances of \$23.6 billion, up \$4.3 billion compared to the prior year.

Nonspendable fund balances of \$313.1 million, or 1.3%, included amounts that were either not in spendable form or were legally or contractually required to be maintained intact, while restricted fund balances of \$11.6 billion, or 49.2%, were restricted for specific purposes. These restrictions included, for example, vehicle-related taxes that must be used for transportation purposes; federal funding that must be spent in accordance with the underlying grants; and lottery revenues restricted by the Oregon Constitution for job creation, economic development, financing public education, and restoring and protecting Oregon's parks and beaches.

Committed fund balances of \$3.4 billion comprised 14.4% of total fund balances. This category represents amounts committed to specific purposes, such as residential assistance and community protection programs, as the result of constraints imposed by legislation. These amounts may not be used for other purposes unless the legislation is modified or rescinded by passing additional legislation. The assigned fund balance category of \$531.2 million represents amounts constrained by the State's intent to use them for specific purposes. Intent is expressed by the Legislature via the budget process when there is no legislation other than the budget bill imposing the constraints. The unassigned fund balance category of \$7.8 billion represents the residual fund balance applicable to the General Fund.

The General Fund, which is the operating fund of the State, ended fiscal year 2023 with a total fund balance of \$11.3 billion. This represents a \$2.7 billion, or 31.4%, increase from the prior year's ending fund balance. Total revenues increased by 6.7% and total expenditures increased by 8.7%. Significant revenue increases included personal income taxes, up by \$861.4 million, which, as noted previously, is the result of Oregon's strong economic growth coming out of the pandemic. Federal revenue decreased \$157.2 million from the prior year, due in large part to a reduction in the incurrence of eligible expenditures financed by SLFRF and CRF. Investment income in the General Fund saw a \$281.7 million increase due to the increase in the interest rates at Oregon State Treasury. The General Fund recognized an increase of \$718.3 million, or 10.7%, in intergovernmental expenditures, attributable in large part to the expected increase in school funding that occurs in the second year of the biennium, but also the result of additional legislative funding for homeless and affordable housing. To support the increase in intergovernmental expenditures for school funding, the Educational Support Fund transferred \$232.8 million to the State School Fund, which is reported within the General Fund, a transfer that consistently occurs in the second year of the biennium.

Due to GASB Statement No. 54, the State reports the Oregon Rainy Day Fund as part of the General Fund. During the current fiscal year, the fund balance increased \$164 million to \$1.4 billion, attributed mostly to transfers from other funds. The ending fund balance of the Rainy Day Fund is classified as committed fund balance.

The Health and Social Services Fund ended fiscal year 2023 with a \$455.8 million decrease in fund balance, largely due to a \$1.5 billion increase in human resource expenditures that was only partially supported by a \$1.3 billion increase in federal revenue. Among the reasons for the increase in expenditures were higher costs for Medicaid and Temporary Assistance for Needy Families, in part because of inflationary pressures, but also the continuing need faced by Oregonians related to the effects of the pandemic. Increased hospital and Managed Care Organization tax applications also increased costs. Meanwhile, transfers from other funds decreased \$114 million, primarily due to a one-time transfer of COVID-19-related personal protective equipment inventory that occurred in the prior fiscal year but not the current fiscal year.

In the Public Transportation Fund, ending fund balance totaled \$826.4 million, an increase of \$341.4 million from the prior year. Overall, total revenues increased \$52.1 million, due to a combination of increases in motor fuel and other vehicle taxes, charges for services, and investment income. The motor fuel tax and the vehicle registration tax increases were due to driving habits and demand for vehicles returning to pre-

pandemic levels. The increase in charges for services was due to more locally billed amounts on federal projects. Investment income rose due to higher interest rates coupled with an increase of \$381.8 million in cash and cash equivalents, which was largely due to \$522.2 million increase in long-term debt issuances. Intergovernmental expenditures decreased by \$185.5 million, the result of decreased distributions to local governments as federal COVID-19 relief funds, such as ARPA, decreased.

The Educational Support Fund experienced an increase of \$88.6 million, or 3%, in fund balance for fiscal year 2023. Total revenues increased \$149.3 million while total expenditures increased by \$336 million. Most notably, transfers to other funds increased \$682.9 million, or 177.7%. The primary source of the increase was due to a transfer required by Oregon Revised Statutes (ORS) 327.001(4)(a) to the State School Fund, which resides in the General Fund. As the Oregon Department of Education implemented more programs that were established with the Student Success Act, intergovernmental expenditures increased \$215.5 million, while education expenditures increased by \$111.5 million, or 59.7%. Additionally, Oregon Opportunity Grant distributions made by the Higher Education Coordinating Commission attributed to the increase in education expenditures.

Ending fund balance in the Common School Fund increased \$107.2 million, or 5.3%. Many of the revenues and expenditures were comparable to the prior year with the exception of investment income, unclaimed and escheat property revenue, and transfers from other funds. Largely due to market fluctuations, investment income increased from negative \$119.2 million in the prior fiscal year to \$141.6 million. Unclaimed and escheat property revenue decreased \$199.8 million, primarily due to a change in the calculation methodology. Transfers from other funds decreased \$121.8 million from the prior year as there was no appropriation out of the General Fund to the Common School fund to ensure financial obligations related to Elliot Forest were satisfied, like there was in fiscal year 2022.

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

The Housing and Community Services Fund finances home ownership and multi-family units for elderly, disabled, and low to moderate-income persons through the issuance of bonds. For fiscal year 2023, the Housing and Community Services Fund reported a change in net position of \$17.4 million, an increase of \$16.6 million from the prior year. The primary reason for the change was investment income of \$8.2 million, compared to an investment loss in the prior year of \$4.6 million, which is the result of improved investment results over the past year.

The Veterans' Loan Program's revenue is generated principally from interest earned on mortgage loans and investment income. In fiscal year 2023, resources generated through the program totaled \$20 million, of which \$15.7 million, or 78% is from interest income earned on loans and investments. Expenses of the Veterans' Loan Program consist primarily of interest expense on debt incurred to fund lending programs and operational expenses. Operating expenses for the program totaled \$19.9 million, of which \$9 million is bond interest expense and \$5.1 million is salaries and other payroll expenses. The change in net position for the year ended June 30, 2023, resulted in an increase of \$377 thousand.

The net position of the Lottery Operations Fund increased \$22.9 million, or 7.5%, in fiscal year 2023, after profits were committed for contractual obligations and future capital purchases. Operating income decreased \$67.7 million, or 6.9%, from the previous year due to an increase in expenses. Total operating expenses increased \$67.2 million, or 9.7%, over the prior year. Expenses for prizes, which are directly related to sales, increased while product sales remained steady. The most significant increase in operating expense for fiscal year 2023 came from the annual share of the statewide PERS pension expense, which increased 252.6% from the prior year, or \$22.5 million.

In the Unemployment Compensation Fund, the net position increased by \$684.5 million, or 13.3%, from the prior year. This increase is primarily due to a reduction in expenses related to unemployment claims. In addition to regular unemployment insurance, several federal unemployment insurance programs and extensions discontinued during fiscal year 2022, resulting in \$837.5 million less federal revenue received in fiscal year 2023. Special payments decreased by \$751.1 million from fiscal year 2022. The decrease in special payments is related to the lack of unemployment insurance claims and federal insurance program payments stemming from the COVID-19 pandemic as numerous individuals returned to the workforce.

At the end of fiscal year 2023, approximately 89.8% of the net position reported by the State's proprietary funds was classified as unrestricted and was available for spending on business-type activities. However, restrictions significantly affected the availability of resources in the Housing and Community Services Fund with 86.3% of the fund's net position restricted for debt service.

Fiduciary funds. Fiduciary funds account for resources held for the benefit of parties outside the government. The net position of the Pension and Other Employee Benefit Trust Fund, which accounts for resources held in trust for the payment of retirement, disability, postemployment healthcare, and death benefits to members of the Public Employees Retirement System, increased by \$556.4 million. The fund reported a net appreciation in the fair value of investments in the current year of \$2.6 billion, an increase of \$3.2 billion from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The State budgets on a biennial basis rather than an annual basis. Budgets are prepared on the cash basis utilizing encumbrance accounting. The original budget amounts reported for revenues in the budgetary statements represent original estimates, while budgeted expenditures represent the first complete appropriated budget adopted by the Legislature. The final budget amounts reported for revenues represent revised estimates, while the final budgeted expenditures represent the original appropriated budget modified by legally authorized legislative and executive changes, as well as Emergency Board actions taken during the year. For the 2021-23 biennium, final estimated revenues for the General Fund were slightly higher than the original estimate. The General Fund's final budgeted expenditures increased by \$1.2 billion, or 4.8%, compared to the original estimate.

For fiscal year 2023, actual General Fund revenues and other financing sources exceeded actual expenditures and other financing uses by \$2.4 billion, leaving an ending budget balance of \$9.2 billion. Actual revenues for the biennium were 131.3% of those budgeted, or \$30 billion, while actual cash expenditures were 96.3% of those budgeted, or \$25.7 billion.

DEBT ADMINISTRATION

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

Debt outstanding for the years ended June 30, 2023, and 2022, is summarized in Table 3. In fiscal year 2023, the State issued general obligation bonds for governmental activities and business-type activities. At the Oregon Judicial Department, general obligation bonds were issued to finance the Supreme Court Building renovation and the capital construction improvements at the Oregon Courthouse. At the Higher Education Coordinating Commission, general obligation bonds were issued to finance capital construction projects for seven public universities in Oregon. At the Oregon Housing and Community Services Department, general obligation bonds were issued to finance affordable housing via the Local Innovation and Fast Track Housing Program and Permanent Supportive Housing Programs. The Oregon Department of Veterans' Affairs issued \$91.6 million in general obligation bonds to finance its home loan program for veterans.

During fiscal year 2023, revenue bonds were issued for governmental activities and business-type activities. At the Oregon Department of Transportation, revenue bonds were issued to finance state and local highway construction, multi-modal, and light rail projects. The Oregon Department of Administrative Services issued lottery revenue bonds to provide funding for projects statewide, including for the Pendleton Roundup, the Port of Morrow, Coos Bay Railway, and Oregon Judicial Department court facilities. At the Oregon Housing and Community Services Department, revenue bonds were issued to provide loans for first-time home buyers and affordable multi-family housing projects.

During fiscal year 2023, there were no direct borrowings and though direct placements were issued for governmental activities, including to finance the Interstate 205 Highway Project, along with other various projects through the Oregon Department of Transportation.

During fiscal year 2023 the State did not refund any debt.

Table 3
State of Oregon's Outstanding Debt
For the Years Ended June 30, 2023 and 2022
(In Millions)

	2023	2022	2023 Over (Under) 2022	
			Amount	Percent
General obligation bonds	\$ 8,109.0	\$ 7,341.6	\$ 767.4	10.5%
Revenue bonds	5,316.8	4,750.0	566.8	11.9%
Certificates of participation	85.7	90.2	(4.5)	-5.0%
Direct borrowings and placements	196.0	43.0	153.0	355.8%
Lease Obligations	946.1	984.5	(38.4)	-3.9%
SBITA Obligations	86.0	-	86.0	N/A
Contracts, mortgages, and notes payable	173.6	255.9	(82.3)	-32.2%
Total	\$ 14,913.3	\$ 13,465.2	\$ 1,448.1	10.8%

CAPITAL ASSETS

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2023, was \$18 billion (net of accumulated depreciation) as summarized in Table 4. Capital assets include land, buildings, improvements, equipment, construction in progress, highways, tunnels and bridges, software acquired through a subscription arrangement, and works of art and other non-depreciable assets. The State's investment in capital assets for fiscal year 2023 increased \$1 billion, or 6.1%. Within the table below, leased assets are reported based on the underlying asset.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,114.1	\$ 2,068.5	\$ 49.8	\$ 17.4	\$ 2,163.9	\$ 2,085.9
Buildings, property, and equipment	3,560.3	3,577.4	542.1	535.4	4,102.4	4,112.8
Construction in progress	2,032.2	1,340.5	16.0	10.2	2,048.2	1,350.7
Infrastructure	9,579.5	9,427.0	2.3	2.4	9,581.8	9,429.4
Subscription-Based IT Arrangements	96.2	-	24.0	-	120.2	-
Works of art and other nondepreciable assets	2.7	2.5	0.8	0.8	3.5	3.3
Total	\$ 17,385.1	\$ 16,415.9	\$ 635.0	\$ 566.1	\$ 18,020.1	\$ 16,982.0

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

- The State's outstanding construction commitments related to road and bridge construction totaled \$2.3 billion at June 30, 2023.
- The State implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting of such arrangements, known as SBITAs, for government end users. The implementation resulted in significant increases in capital assets statewide, amounting to \$144.9 million in additions before amortization.
- The Department of Transportation added \$41.4 million and \$467 million in land and construction in progress, respectively. The increase was mainly a result of multiple construction projects including Oregon Highway 217 Auxiliary Lanes Project and the Interstate 205 Abernathy Bridge Project.
- The Legislative Administrative Committee added \$94.1 million to construction in progress associated with improvements to the Capitol building which addressed ADA deficiencies, at-risk mechanical, electrical, and plumbing systems, and security and life-safety issues.

- The Oregon Liquor and Cannabis Commission added \$32.4 million in land to be used to build a new distribution center.
- The Oregon Military Department added \$32.4 million in construction in progress for capital improvements to military facilities throughout the state.

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

ECONOMIC FACTORS AND NEXT BIENNIUM'S BUDGET

Oregon's unemployment rate for November 2023 was 3.6% compared to 4.8% in December 2022. The U.S. unemployment rate for November 2023 was 3.7% compared to 3.5% in December 2022.

The economy is rebalancing. Inflation remains above the Federal Reserve's target. However, inflationary pressures have eased as stronger productivity gains and an increase in the number of Americans looking for work means the labor market is no longer overheated. As wage growth slows, so too will overall inflation in the year ahead. Oregon's baseline economic outlook continues to call for a soft landing. Local economic growth is driven by a return to full employment, combined with stronger business investment and productivity gains. Recently released Census data confirms that the economic recovery from the pandemic has been inclusive and broad-based. Looking forward, a modest rebound in migration in the years ahead will allow local businesses to hire and expand at a faster pace than the nation. However, should migration not return as expected, Oregon's economy will not crater, but rather grow at a slower rate than in the baseline.

General Fund revenue collections are expected to decline significantly in the months ahead as corporate profits and business income return to trend, and a record personal income tax kicker credit is issued. Even excluding the payment of the kicker credit, General Fund revenues were expected to be relatively unchanged when compared to the previous biennium. The revenue boom seen during tax year 2021 is unlikely to be repeated, with collections expected to revert back to their long-term trends. Traditional gains in General Fund collections are expected to resume in the 2025-27 biennium and beyond.

The December 2023 forecast for General Fund revenues for the 2023-25 biennium is \$25.8 billion. This figure is \$559 million more than the amount forecasted at the close of the 2021 legislative session. The projected General Fund ending balance for the 2023-25 biennium is \$1.1 billion. The latest revenue forecast projects an increase in General Fund revenues for the next two biennia, up 33.8% to \$34.6 billion in 2025-27 and up 13.4% to \$39.2 billion in 2027-29.

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Basic Financial Statements

State of Oregon

Statement of Net Position
June 30, 2023
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 15,383,971	\$ 7,063,321	\$ 22,447,292	\$ 884,923
Cash and Cash Equivalents - Restricted	2,731,702	103,245	2,834,948	88,917
Investments	1,499,544	34,202	1,533,746	4,344,360
Investments - Restricted	484,119	-	484,119	-
Securities Lending Collateral	11,634	2,516	14,150	52,186
Accounts and Interest Receivable (net)	1,923,405	638,801	2,562,206	1,419,835
Taxes Receivable (net)	1,266,779	-	1,266,779	-
Pledges, Contributions, and Grants Receivable (net)	-	-	-	356,513
Internal Balances	320,763	(320,763)	-	-
Due from Component Units	116,853	6,917	123,771	-
Due from Other Governments	144	4,182	4,326	-
Due from Primary Government	-	-	-	242,403
Inventories	93,665	63,108	156,773	86,674
Prepaid Items	222,221	4,116	226,337	111,283
Receivables for Right to Use Assets	2,123	-	2,123	5,944
Loans Receivable (net)	53,022	84,623	137,644	-
Foreclosed and Deeded Property	655	780	1,435	-
Other Assets	2,339	-	2,339	-
Total Current Assets	24,112,939	7,685,048	31,797,988	7,593,038
Noncurrent Assets:				
Cash and Cash Equivalents	-	88,346	88,346	185,521
Cash and Cash Equivalents - Restricted	2,359,018	287,064	2,646,082	11,293
Investments	115,523	89,369	204,892	4,616,577
Investments - Restricted	694,346	68,573	762,918	2,705,964
Taxes Receivable (net)	413,472	-	413,472	-
Pledges, Contributions, and Grants Receivable (net)	-	-	-	247,437
Advances to Component Units	977,478	58,823	1,036,301	-
Advances to Primary Government	-	-	-	19,798
Net Contracts, Notes, and Other Receivables	1,557,327	151,620	1,708,947	52,336
Receivables for Right to Use Assets	24,734	-	24,734	84,822
Loans Receivable (net)	1,194,529	1,647,562	2,842,090	-
Net OPEB Asset	119,651	8,645	128,296	40,903
Derivative Instrument Assets	-	24,978	24,978	-
Other Assets	-	-	-	19,930
Capital Assets (net)	17,385,072	635,019	18,020,091	7,708,411
Total Noncurrent Assets	24,841,150	3,059,997	27,901,147	15,692,991
Total Assets	48,954,089	10,745,046	59,699,135	23,286,027
DEFERRED OUTFLOWS OF RESOURCES				
Hedging Derivatives	-	-	-	98
Goodwill	-	-	-	174
Loss on Refunding	100,186	1,600	101,786	25,395
Asset Retirement Obligation	-	-	-	18,408
Related to Pensions	1,683,616	180,836	1,864,452	722,251
Related to OPEB	15,919	1,363	17,283	12,798
Total Deferred Outflows of Resources	1,799,721	183,800	1,983,521	779,124

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

State of Oregon

Statement of Net Position
June 30, 2023
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current Liabilities:				
Accounts and Interest Payable	2,815,936	252,098	3,068,034	863,015
Obligations Under Securities Lending	11,634	2,516	14,150	52,172
Obligations Under Life Income Agreements	-	-	-	70,456
Due to Component Units	241,636	131	241,767	-
Due to Other Governments	568,608	5,607	574,215	1,733
Due to Primary Government	-	-	-	124,214
Unearned Revenue	915,485	3,571	919,055	1,070,833
Other Liabilities	679,223	95,381	774,604	260,965
Reserve for Loss and Loss Adjustment Expense	-	-	-	386,963
Bonds/COPs Payable	779,510	100,410	879,920	59,113
Total Current Liabilities	6,012,032	459,713	6,471,746	2,889,464
Noncurrent Liabilities:				
Unearned Revenue	-	-	-	14,259
Obligations Under Life Income Agreements	-	-	-	22,324
Other Liabilities	2,576,366	154,989	2,731,355	308,289
Reserve for Loss and Loss Adjustment Expense	-	-	-	2,182,042
Bonds/COPs Payable	11,319,959	1,507,651	12,827,610	2,324,235
Net Pension Liability	3,619,004	392,310	4,011,314	1,405,342
Advances from Component Units	19,798	-	19,798	-
Advances from Primary Government	-	-	-	1,036,301
Asset Retirement Obligation	-	-	-	23,180
Total OPEB Liability	71,286	7,510	78,796	35,794
Total Noncurrent Liabilities	17,606,413	2,062,461	19,668,873	7,351,766
Total Liabilities	23,618,445	2,522,174	26,140,619	10,241,230
DEFERRED INFLOWS OF RESOURCES				
Receivables for Right to Use Assets	26,279	-	26,279	85,678
Hedging Derivatives	-	24,978	24,978	-
Gain on Refunding	11,010	218	11,228	841
Life Income Agreements and Pending Funds	-	-	-	193,512
Loan Origination	-	3,895	3,895	-
Related to Pensions	1,085,739	117,537	1,203,277	486,480
Related to OPEB	80,155	7,512	87,667	37,414
Total Deferred Inflows of Resources	1,203,183	154,140	1,357,323	803,925
NET POSITION				
Net Investment in Capital Assets	12,770,116	602,200	13,048,689	4,639,232
Restricted-Nonexpendable	10,640	-	10,640	2,416,226
Restricted for:				
Health and Social Services Programs	-	-	321,942	-
Transportation Programs	617,753	-	617,753	-
Natural Resource Programs	1,353,999	-	1,353,999	-
Education	3,129,475	-	3,129,475	2,011,704
Community Protection	116,941	-	116,941	-
Consumer Protection	224,237	-	224,237	-
Employment Services	230,440	-	230,440	-
Workers' Compensation	-	-	-	1,688,249
Residential Assistance	158,498	1,142	159,640	-
Debt Service	2,278	231,593	233,871	1,554
Capital Projects	99,074	-	99,074	130,739
OPEB	119,651	8,645	128,296	40,903
Other Purposes	918,316	-	920,001	-
Unrestricted	6,180,763	7,408,952	13,589,716	2,091,389
Total Net Position	\$ 25,932,182	\$ 8,252,532	\$ 34,184,714	\$ 13,019,996

State of Oregon

Statement of Activities
For the Year Ended June 30, 2023
(In Thousands)

	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Functions/Programs					
Primary Government:					
Governmental Activities:					
Education	\$ 9,102,586	\$ 32,873	\$ 1,313,466	\$ -	\$ (7,756,247)
Human Services	22,495,019	1,311,441	15,581,843	-	(5,601,735)
Public Safety	2,368,376	798,645	930,753	21,164	(617,814)
Economic and Community Development	1,240,288	118,629	517,003	-	(604,656)
Natural Resources	1,115,340	442,784	329,304	3,857	(339,395)
Transportation	2,173,145	205,732	822,408	94	(1,144,911)
Consumer and Business Services	520,636	154,968	82,738	-	(282,930)
Administration	967,392	189,548	311,242	105	(466,498)
Legislative	76,896	968	702	-	(75,226)
Judicial	638,076	156,884	4,817	-	(476,376)
Interest on Long-term Debt	366,781	-	-	-	(366,781)
Total Governmental Activities	41,064,535	3,412,471	19,894,276	25,220	(17,732,569)
Business-type Activities:					
Housing and Community Services	48,867	48,740	8,247	-	8,119
Veterans' Loan	19,307	14,802	5,184	-	679
Lottery Operations	754,785	1,677,763	11,418	-	934,396
Unemployment Compensation	564,943	1,130,895	106,838	-	672,790
State Hospitals	623,517	95,209	190,252	-	(338,057)
Liquor Control	655,228	866,434	907	-	212,112
Other Business-type Activities	188,235	598,440	50,858	24	461,088
Total Business-type Activities	2,854,881	4,432,282	373,704	24	1,951,128
Total Primary Government	\$ 43,919,417	\$ 7,844,753	\$ 20,267,980	\$ 25,244	\$ (15,781,440)
Component Units:					
SAIF Corporation	\$ 1,329,028	\$ 608,751	\$ -	\$ -	\$ (720,277)
University of Oregon	1,130,012	709,769	571,949	56,163	207,869
Oregon State University	1,403,042	597,620	906,016	75,710	176,304
Portland State University	536,593	231,468	308,598	21,604	25,077
Other Component Units	5,399,622	4,364,609	1,186,844	56,519	208,350
Total Component Units	\$ 9,798,297	\$ 6,512,217	\$ 2,973,407	\$ 209,996	\$ (102,677)

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

State of Oregon

Statement of Activities
For the Year Ended June 30, 2023
(In Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in Net Position:				
Net (Expense) Revenue	\$ (17,732,569)	\$ 1,951,128	\$ (15,781,440)	\$ (102,677)
General Revenues:				
Taxes:				
Personal Income Taxes	13,641,111	-	13,641,111	-
Corporate Income Taxes	1,623,683	-	1,623,683	-
Corporate Activity Tax	1,306,203	-	1,306,203	-
Tobacco Taxes	415,423	-	415,423	-
Healthcare Provider Taxes	1,224,148	-	1,224,148	-
Insurance Premium Taxes	85,094	-	85,094	-
Marijuana Taxes	167,551	-	167,551	-
Other Taxes	668,837	15,734	684,572	-
Restricted for Transportation Purposes:				
Motor Fuel and Other Vehicle Taxes	1,591,842	-	1,591,842	-
Restricted for Workers' Compensation and Workplace Safety Programs:				
Workers' Compensation Insurance Taxes	95,077	-	95,077	-
Employer-Employee Taxes	204,312	-	204,312	-
Total Taxes	<u>21,023,281</u>	<u>15,734</u>	<u>21,039,016</u>	<u>-</u>
Unrestricted Investment Earnings	341,177	-	341,177	-
Contributions to Permanent Funds	6	-	6	-
Transfers - Internal Activities	854,975	(854,975)	-	-
Total General Revenues, Contributions, Special Items, Extraordinary Items, and Transfers	<u>22,219,439</u>	<u>(839,241)</u>	<u>21,380,198</u>	<u>-</u>
Change in Net Position	<u>4,486,871</u>	<u>1,111,887</u>	<u>5,598,758</u>	<u>(102,677)</u>
Net Position - Beginning	21,445,777	7,125,882	28,571,659	13,120,649
Prior Period Adjustments	(5,113)	14,683	9,570	-
Cumulative Effect of a Change in Accounting Principles	4,648	79	4,727	2,025
Net Position - Beginning - As Restated	<u>21,445,312</u>	<u>7,140,644</u>	<u>28,585,956</u>	<u>13,122,674</u>
Net Position - Ending	<u>\$ 25,932,182</u>	<u>\$ 8,252,532</u>	<u>\$ 34,184,714</u>	<u>\$ 13,019,996</u>

Balance Sheet
Governmental Funds
June 30, 2023
(In Thousands)

	General	Health and Social Services	Public Transportation
ASSETS			
Cash and Cash Equivalents	\$ 10,843,513	\$ 808,416	\$ 956,836
Investments	-	-	27,117
Securities Lending Collateral	4,467	318	412
Accounts and Interest Receivable (net)	20,197	693,475	100,194
Taxes Receivable (net)	987,956	350,099	84,860
Due from Other Funds	1,278,371	102,735	16,525
Due from Component Units	-	22,560	-
Due from Other Governments	144	-	-
Inventories	34,771	7,344	41,291
Prepaid Items	206,437	1,126	55
Advances to Other Funds	-	-	-
Advances to Component Units	-	-	-
Net Contracts, Notes, and Other Receivables	7,542	1,050,794	31,136
Receivables for Right to Use Assets	-	1,106	24,586
Loans Receivable (net)	13,021	284	20,617
Other Assets	-	-	-
Total Assets	\$ 13,396,421	\$ 3,038,258	\$ 1,303,630
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts and Interest Payable	\$ 857,919	\$ 779,173	\$ 212,103
Obligations Under Securities Lending	4,467	318	412
Due to Other Funds	250,541	909,330	21,296
Due to Component Units	4,628	94,799	1,785
Due to Other Governments	114,013	-	118,276
Unearned Revenue	227,185	133,880	63,694
Deposit Liabilities	17,601	30,668	1,425
Contracts, Mortgages, and Notes Payable	-	-	-
Advances from Other Funds	-	-	-
Advances from Component Units	-	-	-
Total Liabilities	1,476,354	1,948,167	418,992
Deferred Inflows of Resources:			
Receivables for Right to Use Assets	-	1,084	23,909
Unavailable Revenue	581,593	1,062,618	34,303
Total Deferred Inflows of Resources	581,593	1,063,702	58,212
Fund Balances:			
Nonspendable	241,227	8,521	41,386
Restricted by:			
Federal Laws and Regulations	-	-	41,033
Oregon Constitution	1,065,215	5,091	-
Enabling Legislation	71,066	235,150	169,139
Debt Covenants	-	35,022	610,588
Donors and Other External Parties	-	13,812	-
Committed	1,635,450	169,710	-
Assigned	76,047	-	-
Unassigned	8,249,470	(440,919)	(35,720)
Total Fund Balances	11,338,475	26,388	826,426
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,396,421	\$ 3,038,258	\$ 1,303,630

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

State of Oregon

Educational Support	Common School	Other	Total
\$ 1,894,738	\$ 92,334	\$ 5,213,815	\$ 19,809,653
201,557	2,282,796	251,213	2,762,684
783	3,982	1,403	11,364
302,812	9,503	559,817	1,685,998
223,556	-	33,780	1,680,251
76,448	166	179,170	1,653,415
78,061	-	16,232	116,853
-	-	-	144
-	-	8,934	92,341
-	-	1,978	209,596
-	300	-	300
977,478	-	-	977,478
156	12	468,253	1,557,892
74	-	1,091	26,857
-	-	1,213,628	1,247,550
-	-	2,339	2,339
\$ 3,755,662	\$ 2,389,093	\$ 7,951,651	\$ 31,834,715
\$ 221,673	\$ 19,945	\$ 561,040	\$ 2,651,852
783	3,982	1,403	11,364
2,251	349	114,967	1,298,734
110,106	115	30,203	241,635
253,160	-	83,159	568,608
113,851	-	376,874	915,485
1	236,038	30,661	316,394
-	-	5,000	5,000
-	-	300	300
19,798	-	-	19,798
721,623	260,429	1,203,606	6,029,170
192	-	1,093	26,279
424	12	473,181	2,152,130
616	12	474,274	2,178,409
-	-	22,005	313,139
13,342	-	1,120,080	1,174,456
398,668	1,465,238	233,229	3,167,440
1,804,052	663,415	1,256,939	4,199,761
732,975	-	1,626,478	3,005,063
11,694	-	44,384	69,890
51,850	-	1,538,722	3,395,733
20,842	-	434,346	531,235
-	-	(2,412)	7,770,419
3,033,423	2,128,652	6,273,771	23,627,136
\$ 3,755,662	\$ 2,389,093	\$ 7,951,651	\$ 31,834,715

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Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023
(In Thousands)

Total fund balances of governmental funds \$ 23,627,136

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

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

Land	\$	2,097,818	
Buildings, property, and equipment		4,569,748	
Right To Use Assets		1,031,868	
Construction in progress		1,926,863	
Infrastructure		16,515,080	
Works of Art and Other Nondepreciable Assets		2,259	
Accumulated depreciation and amortization		<u>(9,323,607)</u>	
Total capital assets			16,820,029

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

Some of the State's governmental revenues will be collected after year-end but are not available soon enough to pay the current year liabilities. 2,152,130

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

Deferred outflows-loss on refunding		100,154	
Deferred inflows-gain on refunding		(10,990)	

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

Net pension liability		(3,289,969)	
Deferred outflows-related to pensions		1,529,418	
Deferred inflows-related to pensions		(987,160)	

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

Net OPEB asset		108,762	
Total OPEB liability		(65,254)	
Deferred outflows-related to OPEB		14,437	
Deferred inflows-related to OPEB		(73,098)	

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position. 292,888

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

Accounts and interest payable		(91,689)	
Compensated absences payable		(276,402)	
Claims and judgments payable		(973,191)	
Arbitrage rebate payable		(88)	
Contracts, mortgages, and notes payable		(137,212)	
Right To Use Obligations		(861,773)	
Pollution remediation obligation		(49,235)	
Bonds and COPs payable		<u>(11,896,811)</u>	
Total long-term liabilities			(14,286,402)

Net position of governmental activities \$ 25,932,182

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

State of Oregon

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023
(In Thousands)

	General	Health and Social Services	Public Transportation
REVENUES			
Personal Income Taxes	\$ 13,186,929	\$ -	\$ -
Corporate Income Taxes	1,617,850	-	-
Corporate Activity Taxes	7,947	-	-
Tobacco Taxes	54,344	359,446	-
Healthcare Provider Taxes	661	1,072,476	-
Insurance Premium Taxes	84,985	-	-
Motor Fuel and Other Vehicle Taxes	-	-	1,591,681
Employer-Employee Taxes	132,688	-	-
Workers' Compensation Insurance Taxes	-	-	-
Marijuana Taxes	-	157,511	-
Other Taxes	529,139	-	3,247
Licenses and Fees	121,518	17,747	118,679
Federal	617,777	13,306,747	811,215
Rebates and Recoveries	2,684	644,739	7,343
Charges for Services	28,437	16,075	45,613
Fines, Forfeitures, and Penalties	18,677	3,090	8,697
Rents and Royalties	874	334	4,997
Investment Income	341,177	15,277	25,719
Sales	3,177	4,251	13,960
Assessments	-	-	-
Donations and Grants	2,459	304	-
Contributions to Permanent Funds	-	-	-
Tobacco Settlement Proceeds	-	77,073	-
Unclaimed and Escheat Property Revenue	-	-	-
Other	11,634	511,650	1,668
Total Revenues	16,762,956	16,186,720	2,632,820
EXPENDITURES			
Current:			
Education	317,840	-	-
Human Resources	3,400,720	15,935,829	-
Public Safety	1,408,925	-	-
Economic and Community Development	250,068	-	-
Natural Resources	309,168	-	-
Transportation	2,154	-	993,498
Consumer and Business Services	28,408	-	-
Administration	437,057	10,566	-
Legislative	73,958	-	-
Judicial	525,617	1,498	-
Intergovernmental	7,422,703	513,447	780,176
Capital Outlay	219,520	32,132	1,023,235
Debt Service:			
Principal	291,559	26,616	7,025
Interest	170,876	2,793	1,228
Other Debt Service	603	82	2,519
Total Expenditures	14,859,176	16,522,963	2,807,681
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,903,780	(336,243)	(174,862)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	2,559,236	135,887	185,979
Transfers to Other Funds	(1,965,466)	(247,621)	(315,606)
Insurance Recoveries	868	-	268
Long-term Debt Issued	192,730	46,830	590,206
Debt Issuance Premium	17,293	-	56,442
Total Other Financing Sources (Uses)	804,661	(64,903)	517,289
Net Change in Fund Balances	2,708,441	(401,147)	342,427
Fund Balances - Beginning	8,629,719	482,224	485,012
Prior Period Adjustments	6,267	-	-
Fund Balances - Beginning - As Restated	8,635,986	482,224	485,012
Change in Inventories	(5,953)	(54,689)	(1,013)
Fund Balances - Ending	\$ 11,338,475	\$ 26,388	\$ 826,426

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

State of Oregon

Educational Support	Common School	Other	Total
\$ -	\$ -	\$ -	\$ 13,186,929
-	-	-	1,617,850
1,298,256	-	-	1,306,203
-	-	-	413,791
-	-	151,011	1,224,148
-	-	-	84,985
-	-	-	1,591,681
-	-	71,786	204,475
-	-	95,077	95,077
-	-	-	157,511
660	-	187,757	720,803
872	567	414,407	673,790
945,429	669	3,669,355	19,351,192
43	66	19,022	673,897
12,330	312	155,874	258,641
153	100	849,587	880,304
53	5,184	8,442	19,884
43,612	141,643	128,550	695,977
13,552	143	121,544	156,628
-	-	61,169	61,169
12,083	-	33,666	48,512
-	-	6	6
-	-	-	77,073
-	71,238	-	71,238
1,592	23	73,116	599,683
<u>2,328,635</u>	<u>219,944</u>	<u>6,040,371</u>	<u>44,171,445</u>
298,169	-	111,836	727,846
-	-	2,204,047	21,540,595
-	-	478,171	1,887,096
-	-	685,110	935,178
-	33,731	636,997	979,896
-	-	10,794	1,006,445
-	-	409,185	437,594
8,461	2,805	36,223	495,113
-	-	1,170	75,128
-	-	80,478	607,593
1,977,772	676	795,665	11,490,438
697	3,940	255,612	1,535,136
79,635	424	385,947	791,207
43,874	103	204,665	423,539
2,366	-	2,240	7,809
<u>2,410,974</u>	<u>41,678</u>	<u>6,298,142</u>	<u>42,940,614</u>
(82,339)	178,266	(257,771)	1,230,831
669,866	3,060	1,480,511	5,034,540
(1,067,182)	(78,858)	(481,192)	(4,155,926)
-	2,666	813	4,614
502,817	2,038	704,644	2,039,265
65,469	-	57,788	196,992
<u>170,970</u>	<u>(71,094)</u>	<u>1,762,563</u>	<u>3,119,486</u>
<u>88,631</u>	<u>107,173</u>	<u>1,504,792</u>	<u>4,350,317</u>
2,944,792	2,021,480	4,768,494	19,331,721
-	-	(55)	6,212
2,944,792	2,021,480	4,768,439	19,337,934
-	-	540	(61,115)
<u>\$ 3,033,423</u>	<u>\$ 2,128,652</u>	<u>\$ 6,273,771</u>	<u>\$ 23,627,136</u>

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**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2023
(In Thousands)**

Net change in fund balances of total governmental funds \$ 4,350,317

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

Capital outlay is reported as an expenditure in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation and amortization expense. In the current year, these amounts are:

Capital outlay	\$ 1,586,372	
Depreciation and amortization expense	<u>(658,826)</u>	
Excess of capital outlays over depreciation and amortization		927,546

The net effect of sales, transfers, impairments, and donations of capital assets is a decrease to net position. (13,735)

Proceeds from the issuance of debt provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position.

Bond proceeds	(2,062,392)	
Right To Use Assets incurred	<u>(156,392)</u>	
Total proceeds from the issuance of debt		(2,218,785)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 779,435

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these become a component of Bonds/COPs payable and are amortized in the Statement of Activities. 72,306

Deferred inflows/outflows of resources resulting from gain/(loss) on debt refunding are not recognized in the current period and therefore not reported in the governmental funds but these are amortized in the Statement of Activities. 1,128

Some expenses reported in the Statement of Activities do not require the use of current financial resources; thus, they are not reported as expenditures in governmental funds.

Net OPEB asset	26,121	
Accounts and interest payable	27,908	
Compensated absences payable	5,293	
Claims and judgments payable	(44,914)	
Contracts, mortgages, and notes payable	37,735	
Net pension liability	34,751	
Pollution remediation obligation	(8,913)	
Total OPEB liability	<u>2,227</u>	
Total		80,206

Investment income related to rebatable arbitrage does not provide current financial resources and is not reported as revenue in the governmental funds. 42

Some revenues will not be collected for several months after the State's fiscal year ends. Therefore, they are not considered "available" revenues in the governmental funds. 509,563

Change in inventory is reported as a separate line after the change in fund balances in the governmental statements, but is included in expenses in the governmental activities. (61,115)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported within governmental activities.

59,962

Change in net position of governmental activities \$ 4,486,871

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

State of Oregon

**Statement of Net Position
Proprietary Funds
June 30, 2023
(In Thousands)**

	Business-type Activities - Enterprise Funds		
	Housing and Community Services	Veterans' Loan	Lottery Operations
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 43,368	\$ 93,622	\$ 448,931
Cash and Cash Equivalents - Restricted	96,291	3,667	-
Investments	-	11,530	11,019
Investments - Restricted	-	-	-
Securities Lending Collateral	47	73	1,976
Accounts and Interest Receivable (net)	5,594	1,541	28,153
Due from Other Funds	303	265	-
Due from Component Units	-	-	-
Due from Other Governments	-	-	-
Inventories	-	-	2,398
Prepaid Items	21	12	3,417
Loans Receivable (net)	29,362	9,638	-
Foreclosed and Deeded Property	780	-	-
Total Current Assets	175,767	120,346	495,895
Noncurrent Assets:			
Cash and Cash Equivalents	-	-	88,346
Cash and Cash Equivalents - Restricted	153,105	89,718	-
Investments	-	-	89,369
Investments - Restricted	68,573	-	-
Advances to Component Units	-	-	-
Net Contracts, Notes, and Other Receivables	-	2,955	4,589
Loans Receivable (net)	877,197	333,118	-
Net OPEB Asset	207	137	1,834
Derivative Instrument Assets	16,842	8,136	-
Capital Assets (net)	5	5,866	105,494
Total Noncurrent Assets	1,115,929	439,929	289,631
Total Assets	1,291,696	560,276	785,526
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	388	-	-
Related to Pensions	3,689	1,586	22,591
Related to OPEB	29	19	234
Total Deferred Outflows of Resources	4,106	1,604	22,825

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

State of Oregon

Business-type Activities - Enterprise Funds				
Unemployment Compensation	Other	Total	Governmental Activities Internal Service Funds	
\$ 5,493,952	\$ 983,448	\$ 7,063,321	\$ 568,738	
-	3,288	103,245	11,963	
-	11,653	34,202	-	
-	-	-	30,847	
1	420	2,516	271	
336,038	266,543	637,870	236,814	
-	35,003	35,571	7,239	
-	6,917	6,917	-	
4,182	-	4,182	-	
-	60,709	63,108	1,324	
-	666	4,116	12,626	
-	45,622	84,623	-	
-	-	780	555	
5,834,173	1,414,269	8,040,451	870,377	
-	-	88,346	-	
-	44,241	287,064	84,337	
-	-	89,369	-	
-	-	68,573	-	
-	58,823	58,823	-	
139,818	4,259	151,620	29	
-	437,246	1,647,562	-	
-	6,467	8,645	10,889	
-	-	24,978	-	
-	523,654	635,019	565,043	
139,818	1,074,690	3,059,997	660,298	
5,973,991	2,488,960	11,100,448	1,530,675	
-	1,212	1,600	32	
-	152,970	180,836	154,198	
-	1,083	1,363	1,482	
-	155,265	183,800	155,712	

(continued on next page)

Statement of Net Position

Proprietary Funds

June 30, 2023

(In Thousands)

(continued from previous page)

	Business-type Activities - Enterprise Funds		
	Housing and Community Services	Veterans' Loan	Lottery Operations
LIABILITIES			
Current Liabilities:			
Accounts and Interest Payable	16,575	1,678	16,298
Obligations Under Securities Lending	47	73	1,976
Due to Other Funds	599	-	235,477
Due to Component Units	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	432	-	1,900
Other Liabilities	507	4,061	44,742
Bonds/COPs Payable	68,150	15,505	-
Total Current Liabilities	86,311	21,316	300,393
Noncurrent Liabilities:			
Other Liabilities	445	9,451	113,330
Bonds/COPs Payable	908,775	383,208	-
Net Pension Liability	8,343	3,336	48,951
Total OPEB Liability	109	68	844
Total Noncurrent Liabilities	917,672	396,062	163,125
Total Liabilities	1,003,984	417,378	463,518
DEFERRED INFLOWS OF RESOURCES			
Hedging Derivatives	16,842	8,136	-
Gain on Refunding	41	-	-
Loan Origination	3,895	-	-
Related to Pensions	2,500	999	14,666
Related to OPEB	136	83	1,078
Total Deferred Inflows of Resources	23,414	9,218	15,744
NET POSITION			
Net Investment in Capital Assets	3	5,562	98,377
Restricted for:			
Residential Assistance	1,142	-	-
Debt Service	231,593	-	-
Capital Projects	-	-	-
OPEB	207	137	1,834
Unrestricted	35,460	129,585	228,879
Total Net Position	\$ 268,405	\$ 135,284	\$ 329,089

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

State of Oregon

Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
Unemployment Compensation	Other	Total	
126,066	91,203	251,820	74,568
1	420	2,516	271
2,862	119,678	358,616	38,228
-	131	131	1
5,604	3	5,607	-
-	1,238	3,571	-
-	46,071	95,381	112,028
-	16,755	100,410	10,458
<u>134,532</u>	<u>275,498</u>	<u>818,051</u>	<u>235,553</u>
-	31,764	154,989	522,086
-	215,667	1,507,651	192,199
-	331,680	392,310	329,035
-	6,490	7,510	6,032
-	585,601	2,062,461	1,049,352
<u>134,532</u>	<u>861,100</u>	<u>2,880,512</u>	<u>1,284,906</u>
-	-	24,978	-
-	177	218	20
-	-	3,895	-
-	99,372	117,537	98,580
-	6,215	7,512	7,057
-	105,764	154,140	105,657
-	498,258	602,200	358,973
-	-	1,142	-
-	-	231,593	89
-	-	-	77,013
-	6,467	8,645	10,889
<u>5,839,458</u>	<u>1,172,635</u>	<u>7,406,016</u>	<u>(151,140)</u>
<u>\$ 5,839,458</u>	<u>\$ 1,677,360</u>	<u>\$ 8,249,596</u>	<u>\$ 295,824</u>

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

\$	2,936
Net position of business-type activities	<u>\$ 8,252,532</u>

State of Oregon

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023
(In Thousands)

	Business-type Activities - Enterprise Funds		
	Housing and Community Services	Veterans' Loan	Lottery Operations
OPERATING REVENUES:			
Assessments	\$ -	\$ -	\$ -
Licenses and Fees	-	96	-
Federal	-	-	-
Rebates and Recoveries	-	5	-
Charges for Services	16,069	3,246	-
Fines, Forfeitures, and Penalties	1	-	-
Rents and Royalties	-	816	-
Sales	-	-	1,677,653
Loan Interest Income	32,688	10,514	-
Other	-	139	600
Total Operating Revenues	<u>48,758</u>	<u>14,816</u>	<u>1,678,253</u>
OPERATING EXPENSES:			
Salaries and Wages	14,068	5,120	70,932
Services and Supplies	8,749	5,482	399,146
Cost of Goods Sold	-	-	-
Distributions to Other Governments	41	-	-
Special Payments	1,177	-	264,736
Interest Expense on Right to Use Asset Arrangements	-	7	214
Bond and COP Interest	26,448	8,997	-
Depreciation and Amortization	9	261	24,937
Total Operating Expenses	<u>50,491</u>	<u>19,866</u>	<u>759,966</u>
Operating Income (Loss)	<u>(1,733)</u>	<u>(5,050)</u>	<u>918,287</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Income (Loss)	8,247	5,184	11,418
Other Grants	-	-	-
Other Taxes	-	-	-
Gain (Loss) on Disposition of Assets	-	-	4,950
Gain (Loss) on Leased Assets	-	-	-
Gain (Loss) on Debt Extinguishment	1,328	472	-
Insurance Recovery	-	-	20
Other Interest Expense	(17)	(11)	(146)
Other Nonoperating Items	(18)	(14)	(363)
Total Nonoperating Revenues (Expenses)	<u>9,539</u>	<u>5,631</u>	<u>15,879</u>
Income (Loss) Before Contributions, Special Items, Extraordinary Items, and Transfers	7,806	581	934,166
Capital Contributions	-	-	-
Transfers from Other Funds	10,000	-	-
Transfers to Other Funds	(368)	(204)	(911,236)
Change in Net Position	<u>17,438</u>	<u>377</u>	<u>22,930</u>
Net Position - Beginning	250,967	134,906	306,159
Prior Period Adjustments	-	-	-
Cumulative Effect of Change in Accounting Principles	-	-	-
Net Position - Beginning - As Restated	<u>250,967</u>	<u>134,906</u>	<u>306,159</u>
Net Position - Ending	<u>\$ 268,405</u>	<u>\$ 135,284</u>	<u>\$ 329,089</u>

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

State of Oregon

Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
Unemployment Compensation	Other	Total		
\$ 1,111,176	\$ 430,395	\$ 1,541,571	\$ -	
-	12,614	12,710	-	
12,790	27,708	40,498	-	
-	284	290	48,087	
-	208,500	227,815	1,700,890	
4,471	1,281	5,753	97	
-	114	929	55,002	
-	885,864	2,563,517	1,960	
-	15,758	58,959	-	
15,502	5,322	21,563	26,182	
<u>1,143,938</u>	<u>1,587,841</u>	<u>4,473,606</u>	<u>1,832,219</u>	
-	520,059	610,179	446,678	
-	327,967	741,344	1,263,628	
-	460,302	460,302	-	
-	90,923	90,964	-	
567,738	36,089	869,741	14,051	
-	478	699	2,658	
-	7,446	42,890	4,706	
-	22,818	48,026	49,356	
<u>567,738</u>	<u>1,466,083</u>	<u>2,864,144</u>	<u>1,781,078</u>	
<u>576,200</u>	<u>121,759</u>	<u>1,609,462</u>	<u>51,141</u>	
94,048	24,057	142,954	22,480	
-	190,252	190,252	-	
-	15,734	15,734	-	
-	(21)	4,929	13,146	
-	-	-	73	
-	-	1,800	-	
-	15	34	769	
-	(876)	(1,050)	(1,818)	
(254)	(65)	(714)	(3,306)	
<u>93,794</u>	<u>229,096</u>	<u>353,939</u>	<u>31,345</u>	
669,994	350,854	1,963,401	82,486	
-	3,524	3,524	1,052	
-	298,471	308,471	20,711	
-	(255,139)	(1,166,947)	(40,849)	
<u>669,994</u>	<u>397,710</u>	<u>1,108,450</u>	<u>63,400</u>	
5,154,964	1,279,388	7,126,384	234,471	
14,500	183	14,683	(4,085)	
-	79	79	2,038	
<u>5,169,464</u>	<u>1,279,650</u>	<u>7,141,146</u>	<u>232,424</u>	
<u>\$ 5,839,458</u>	<u>\$ 1,677,360</u>	<u>\$ 8,249,596</u>	<u>\$ 295,824</u>	

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

	<u>\$ 3,438</u>
Change in net position of business-type activities	<u>\$ 1,111,887</u>

State of Oregon

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023
(In Thousands)**

	Business-type Activities - Enterprise Funds		
	Housing and Community Services	Veterans' Loan	Lottery Operations
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 16,667	\$ 3,321	\$ 1,673,489
Receipts from Other Funds for Services	-	839	-
Loan Principal Repayments	69,330	37,128	-
Loan Interest Received	31,480	11,467	-
Grant Receipts	-	-	-
Taxes and Assessments Received	-	-	-
Payments to Employees for Services	(10,508)	(5,328)	(48,422)
Payments to Suppliers	(6,709)	(3,380)	(419,238)
Payments to Other Funds for Services	-	(2,347)	-
Payments to Prize Winners	-	-	(271,802)
Claims Paid	-	-	-
Loans Made	(136,638)	(79,100)	-
Distributions to Other Governments	-	-	-
Other Receipts (Payments)	(1,938)	2,424	2,638
Net Cash Provided (Used) in Operating Activities	<u>(38,315)</u>	<u>(34,976)</u>	<u>936,666</u>
Cash Flows from Noncapital Financing Activities:			
Proceeds from Bond/COP Sales	114,018	94,916	-
Advances Received	-	-	-
Principal Payments on Bonds/COPs	(39,075)	(25,765)	-
Principal Payments on Loans	(68)	(91)	(571)
Repayments on Advances Received	-	-	-
Interest Payments on Bonds/COPs	(25,353)	(9,191)	-
Interest Payments on Loans	(17)	(23)	(145)
Bond/COP Issuance Costs	(989)	(1,266)	-
Taxes and Assessments Received	-	-	-
Grant Receipts	-	-	-
Interest Receipts on Advances Made	-	-	-
Insurance Recoveries for Other than Capital Assets	-	-	-
Transfers from Other Funds	10,000	-	-
Transfers to Other Funds	(387)	(204)	(908,886)
Net Cash Provided (Used) in Noncapital Financing Activities	<u>58,129</u>	<u>58,378</u>	<u>(909,603)</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Bond/COP Sales	-	-	-
Principal Payments on Leases	(8)	(16)	(539)
Principal Payments on SBITAs	-	(48)	(1,940)
Principal Payments on Bonds/COPs	-	-	-
Principal Payments on Loans	-	-	(1,158)
Interest Payments on Leases	-	(1)	(10)
Interest Payments on SBITAs	-	(6)	(122)
Interest Payments on Bonds/COPs	-	-	-
Interest Payments on Loans	-	-	(82)
Bond/COP Issuance Costs	-	-	-
Acquisition of Capital Assets	-	(105)	(46,676)
Proceeds from Disposition of Capital Assets	-	-	5,317
Insurance Recoveries for Capital Assets	-	-	20
Contributions Restricted for Capital Purposes	-	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	<u>(8)</u>	<u>(175)</u>	<u>(45,190)</u>
Cash Flows from Investing Activities:			
Purchases of Investments	(130,692)	-	(2,024)
Proceeds from Sales and Maturities of Investments	246,327	-	11,272
Interest on Investments and Cash Balances	6,759	5,125	13,768
Interest Income from Securities Lending	24	18	434
Interest Expense from Securities Lending	(18)	(14)	(363)
Interest Expense	-	-	(7)
Loan Principal Repayments	-	-	-
Loan Interest Received	-	-	-
Loans Made	-	-	-
Net Cash Provided (Used) in Investing Activities	<u>122,399</u>	<u>5,129</u>	<u>23,079</u>
Net Increase (Decrease) in Cash and Cash Equivalents	142,205	28,356	4,953
Cash and Cash Equivalents - Beginning	150,559	158,650	532,325
Cash and Cash Equivalents - Ending	<u>\$ 292,764</u>	<u>\$ 187,006</u>	<u>\$ 537,277</u>

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

State of Oregon

Business-type Activities - Enterprise Funds				Governmental
Unemployment	Other	Total	Activities Internal	
Compensation			Service Funds	
\$ -	\$ 1,246,861	\$ 2,940,339	\$ 37,927	
-	93,895	94,734	2,015,306	
-	-	106,459	-	
-	-	42,948	-	
13,901	-	13,901	-	
1,131,677	-	1,131,677	-	
-	(493,595)	(557,854)	(485,458)	
-	(705,792)	(1,135,120)	(639,920)	
-	(55,892)	(58,239)	(34,138)	
-	-	(271,802)	-	
(604,054)	(28,118)	(632,172)	(830,251)	
-	-	(215,738)	-	
-	(94,193)	(94,193)	-	
13,565	42,149	58,838	(69,164)	
555,089	5,315	1,423,778	(5,698)	
-	-	208,935	-	
-	50,304	50,304	-	
-	(13,595)	(78,435)	-	
-	(3,451)	(4,181)	(3,083)	
-	(40,304)	(40,304)	-	
-	(5,624)	(40,167)	-	
-	(876)	(1,061)	(574)	
-	(110)	(2,365)	-	
-	15,738	15,738	-	
-	150,000	150,000	-	
-	-	-	16	
-	15	15	-	
-	297,751	307,751	21,495	
-	(259,430)	(1,168,908)	(40,537)	
-	190,418	(602,679)	(22,683)	
-	25,282	25,282	54,287	
-	(1,338)	(1,901)	(9,269)	
-	(3,235)	(5,223)	(10,545)	
-	(1,700)	(1,700)	(9,192)	
-	-	(1,158)	(1,271)	
-	(103)	(113)	(2,336)	
-	(351)	(479)	(27)	
-	(2,600)	(2,600)	(5,682)	
-	-	(82)	(101)	
-	(335)	(335)	(204)	
-	(43,676)	(90,456)	(119,355)	
-	355	5,672	14,071	
-	-	20	763	
-	14	14	-	
-	(27,686)	(73,059)	(88,863)	
-	-	(132,716)	-	
-	-	257,599	68	
93,716	24,199	143,567	22,302	
332	85	892	79	
(254)	(65)	(714)	(60)	
-	-	(7)	-	
-	56,856	56,856	-	
-	15,124	15,124	-	
-	(56,546)	(56,546)	-	
93,794	39,653	284,054	22,388	
648,883	207,699	1,032,096	(94,857)	
4,845,069	823,278	6,509,881	759,895	
\$ 5,493,952	\$ 1,030,977	\$ 7,541,976	\$ 665,038	

(continued on next page)

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023
(In Thousands)
(continued from previous page)

	Business-type Activities - Enterprise Funds		
	Housing and Community Services	Veterans' Loan	Lottery Operations
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (1,733)	\$ (5,050)	\$ 918,287
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	9	261	24,937
Amortization of Bond/COP Premium and Discount	(783)	(499)	-
Amortization of Other Bond/COP Related Costs	14	-	-
Interest Receipts Reported as Operating Revenue	-	-	-
Interest Payments Reported as Operating Expense	25,353	9,197	214
Bond/COP Issuance Costs Reported as Operating Expense	989	1,266	-
Net Changes in Assets and Liabilities:			
Accounts and Interest Receivable (net)	(348)	(328)	(4,744)
Due from Other Funds	269	43	-
Due from Other Governments	-	-	-
Inventories	-	-	(562)
Prepaid Items	(21)	(4)	157
Net Contracts, Notes and Other Receivables	-	2,074	1,996
Loans Receivable	(66,926)	(44,118)	-
Net OPEB Asset	(48)	16	(272)
Foreclosed and Deeded Property	(780)	-	-
Accounts and Interest Payable	1,911	892	(1,909)
Due to Other Funds	457	-	-
Due to Component Units	-	-	-
Due to Other Governments	(41)	-	-
Unearned Revenue	(95)	-	530
Other Liabilities	449	1,604	(7,973)
Net Pension Liability	4,240	736	18,160
Total OPEB Liability	(12)	(4)	(112)
Net Changes in Deferred Outflows of Resources:			
Loss on Refunding	-	-	-
Related to Pensions	(752)	(6)	(2,513)
Related to OPEB	(1)	1	(11)
Net Changes in Deferred Inflows of Resources:			
Gain on Refunding	-	-	-
Loan Origination	238	-	-
Related to Pensions	(704)	(1,030)	(9,374)
Related to OPEB	-	(28)	(146)
Total Adjustments	<u>(36,582)</u>	<u>(29,925)</u>	<u>18,378</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (38,315)</u>	<u>\$ (34,976)</u>	<u>\$ 936,666</u>

Noncash Investing and Capital and Related Financing Activities:

Net Change in Fair Value of Investments	\$ 1,143	\$ 41	\$ (2,783)
Leases Initiated as Lessee	-	-	-
SBITAs Initiated	-	-	-
Capital Assets Transferred from Governmental Activities	-	-	-
Capital Assets Transferred to Governmental Activities	-	-	-
Capital Assets Acquired Through Long-term Contracts	-	-	8,167
Foreclosed Property	780	-	-
Loan Modification	398	-	-

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

State of Oregon

Business-type Activities - Enterprise Funds

Unemployment Compensation	Other	Total	Governmental Activities Internal Service Funds
\$ 576,200	\$ 121,759	\$ 1,609,462	\$ 51,141
-	22,818	48,026	49,356
-	(1,227)	(2,508)	(1,442)
-	(615)	(601)	-
-	(15,124)	(15,124)	-
-	8,702	43,465	8,146
-	445	2,700	204
35,278	(195,583)	(165,725)	(99,117)
(30)	15,266	15,547	(5,747)
(2,701)	-	(2,701)	-
-	(2,172)	(2,735)	(100)
-	(89)	43	(3,261)
(32,992)	(4,238)	(33,160)	(12)
-	3,685	(107,358)	-
-	(396)	(700)	(327)
-	-	(780)	-
(8,478)	26,738	19,154	23,486
(14,078)	458	(13,163)	2,965
-	43	43	1
1,890	(1)	1,848	-
-	(283)	152	(59,612)
-	(2,167)	(8,087)	32,105
-	112,305	135,442	92,175
-	(932)	(1,059)	(1,170)
-	353	353	78
-	(12,380)	(15,651)	(6,590)
-	52	41	9
-	(23)	(23)	(119)
-	-	238	-
-	(71,901)	(83,008)	(86,344)
-	(175)	(350)	(1,523)
(21,111)	(116,444)	(185,684)	(56,839)
<u>\$ 555,089</u>	<u>\$ 5,315</u>	<u>\$ 1,423,778</u>	<u>\$ (5,698)</u>

\$ -	\$ 41	\$ (1,558)	\$ 99
-	406	406	2,350
-	14,579	14,579	770
-	3,500	3,500	1,013
-	35	35	3,284
-	-	8,167	-
-	-	780	-
-	-	398	-

State of Oregon

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023
(In Thousands)

	Pension and Other Employee Benefit Trust	Private Purpose Trust	Custodial Funds	
			External Investment Pools	Other
ASSETS				
Cash and Cash Equivalents	\$ 2,811,586	\$ 49,833	\$ 9,051,368	\$ 136,263
Investments:				
Fixed Income	19,782,459	24	12,855	-
Public Equity	23,026,134	911	-	-
Real Estate and Real Estate Investment Trusts	13,481,577	-	-	-
Annuity Contracts	-	127	-	-
Private Equity	26,188,040	-	-	-
Real Assets	8,980,368	-	-	-
Diversifying Strategies	4,918,881	-	-	-
Opportunity Portfolio	2,449,303	-	-	-
Total Investments	98,826,761	1,061	12,855	-
Performance Deposits	-	1,688,749	-	-
Conservatorship and Other Assets	-	2,496	-	1,488
Securities Lending Collateral	607,923	21	5,111	-
Receivables:				
Employer Contributions	119,578	-	-	-
Plan Member Contributions	45,209	-	-	-
Interest and Dividends	284,029	-	54,332	-
Member Loans	13,128	-	-	-
Investment Sales	3,532,610	-	-	-
Transitional Liability	243,198	-	-	-
Accounts	-	883	-	1,222
From Other Funds	25,967	140	-	7
From Other Governments	-	2,522	-	-
Loans	-	-	1,352	-
Total Receivables	4,263,719	3,546	55,684	1,229
Prepaid Items	6,319	-	-	-
Receivership Assets	-	18,125	-	-
Capital Assets (net):	18,128	-	-	-
Total Assets	106,534,437	1,763,830	9,125,018	138,980
LIABILITIES				
Accounts and Interest Payable	5,709,966	1,354	21,216	262
Obligations Under Securities Lending	607,904	21	5,112	-
Due to Other Funds	25,830	31	-	900
Other Liabilities	99,388	687	-	-
Total Liabilities	6,443,088	2,093	26,328	1,162
NET POSITION				
Restricted for Pension Benefits	96,462,494	-	-	-
Restricted for Other Postemployment Benefits	817,948	-	-	-
Restricted for Other Employee Benefits	2,810,906	-	-	-
Amount Held for Pool Participants	-	-	9,098,690	-
Amount Held for Individuals, Organizations, and	-	1,761,736	-	137,819
Total Net Position	\$ 100,091,349	\$ 1,761,736	\$ 9,098,690	\$ 137,819

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

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023
(In Thousands)**

	Pension and Other Employee Benefit Trust	Private Purpose Trust	Custodial Funds	
			External Investment Pools	Other
ADDITIONS				
Contributions:				
Employer	\$ 2,403,884	\$ -	\$ -	\$ -
Plan Members	1,046,095	-	-	-
Total Contributions	3,449,979	-	-	-
Investment Income:				
Net Appreciation (Depreciation) in Fair Value of Investments	2,631,108	(103)	35,855	-
Interest, Dividends, and Other Investment Income	2,306,595	1,365	361,834	\$ 1,425
Total Investment Income	4,937,702	1,262	397,689	1,425
Less Investment Expense	1,215,319	4	8,163	-
Net Investment Income	3,722,383	1,258	389,526	1,425
Taxes Collected on Behalf of Other Governments	-	-	-	545,170
Federal	-	-	-	124,176
Fines, Forfeitures, and Penalties	-	-	-	2,305
Gifts, Grants, and Contracts	-	-	-	1
Income of Individuals in State Care	-	4	-	58,115
Veterans' Income	-	9,258	-	-
Unclaimed and Escheat Property Revenue	-	-	-	2,655
Other Income	8,235	429,810	-	38,959
Share Transactions:				
Participant Contributions	-	-	24,246,941	-
Participant Withdrawals	-	-	24,529,656	-
Net Share Transactions	-	-	(282,715)	-
Total Additions	7,180,597	440,330	106,811	772,805
DEDUCTIONS				
Benefits	6,490,943	-	-	-
Death Benefits	4,091	-	-	-
Contributions Refunded	10,172	-	-	-
Healthcare Premium Subsidies	32,802	-	-	-
Distribution to Other Governments	-	-	-	706,429
Special Payments to State Agencies	-	-	-	385
Distribution to Participants	-	-	320,202	-
Administrative Expenses	86,194	12,487	-	2,380
Payments in Accordance with Agreements	-	331,795	-	63,562
Total Deductions	6,624,203	344,281	320,202	772,756
Change in Net Position:				
Restricted for Pension Benefits	247,256	-	-	-
Restricted for Other Postemployment Benefits	3,921	-	-	-
Restricted for Other Employee Benefits	305,218	-	-	-
Amount Held for Pool Participants	-	-	(213,391)	-
Amount Held for Individuals, Organizations, and Other Governments	-	96,049	-	50
Net Position - Beginning	99,534,954	1,665,687	9,312,081	157,613
Prior Period Adjustments	-	-	-	(19,844)
Net Position - Beginning - As Restated	99,534,954	1,665,687	9,312,081	137,769
Net Position - Ending	\$ 100,091,349	\$ 1,761,736	\$ 9,098,690	\$ 137,819

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

Statement of Net Position
Discretely Presented Component Units
June 30, 2023
(In Thousands)

	SAIF Corporation	University of Oregon	Oregon State University
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 37,228	\$ 360,212	\$ 68,566
Cash and Cash Equivalents - Restricted	-	-	40,818
Investments	4,172,941	856	-
Securities Lending Collateral	50,288	69	573
Accounts and Interest Receivable (net)	400,328	82,853	127,530
Pledges, Contributions, and Grants Receivable (net)	-	57,583	158,004
Due from Primary Government	9,999	14,138	57,306
Inventories	-	3,944	7,518
Prepaid Items	-	37,012	26,265
Receivables for Right to Use Assets	-	556	1,843
Total Current Assets	4,670,784	557,223	488,423
Noncurrent Assets:			
Cash and Cash Equivalents	-	183,976	-
Cash and Cash Equivalents - Restricted	-	-	8,680
Investments	-	2,432,816	75,693
Investments - Restricted	-	-	1,336,520
Pledges, Contributions, and Grants Receivable (net)	-	132,548	-
Advances to Primary Government	-	-	-
Net Contracts, Notes, and Other Receivables	-	-	11,989
Receivables for Right to Use Assets	-	3,317	70,710
Net OPEB Asset	4,172	8,234	9,710
Other Assets	-	-	-
Capital Assets (Net)	138,921	2,260,258	1,860,254
Total Noncurrent Assets	143,093	5,021,149	3,373,556
Total Assets	4,813,877	5,578,370	3,861,979
DEFERRED OUTFLOWS OF RESOURCES			
Hedging Derivatives	-	98	-
Goodwill	-	-	-
Loss on Refunding	-	-	-
Asset Retirement Obligations	-	-	18,408
Related to Pensions	78,232	215,834	170,074
Related to OPEB	1,643	1,239	1,880
Total Deferred Outflows of Resources	79,875	217,171	190,362

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

Portland State University	Other	Total
\$ 90,599	\$ 328,318	\$ 884,923
-	48,099	88,917
141,617	28,946	4,344,360
871	385	52,186
36,639	772,485	1,419,835
22,160	118,766	356,513
16,735	144,225	242,403
649	74,563	86,674
3,340	44,666	111,283
1,606	1,939	5,944
<u>314,216</u>	<u>1,562,392</u>	<u>7,593,038</u>
-	1,545	185,521
-	2,613	11,293
184,099	1,923,969	4,616,577
-	1,369,444	2,705,964
-	114,889	247,437
-	19,798	19,798
32	40,315	52,336
7,490	3,305	84,822
3,984	14,803	40,903
-	19,930	19,930
600,828	2,848,149	7,708,411
<u>796,433</u>	<u>6,358,760</u>	<u>15,692,991</u>
<u>1,110,649</u>	<u>7,921,152</u>	<u>23,286,027</u>
-	-	98
-	174	174
-	25,395	25,395
-	-	18,408
57,443	200,668	722,251
653	7,383	12,798
<u>58,096</u>	<u>233,620</u>	<u>779,124</u>

(continued on next page)

State of Oregon

Statement of Net Position
Discretely Presented Component Units
June 30, 2023
(In Thousands)
(continued from previous page)

	SAIF Corporation	University of Oregon	Oregon State University
LIABILITIES			
Current Liabilities:			
Accounts and Interest Payable	130,848	109,502	172,696
Obligations Under Securities Lending	50,274	69	573
Obligations Under Life Income Agreements	-	46,523	23,720
Due to Other Governments	1,733	-	-
Due to Primary Government	13,060	34,611	23,814
Unearned Revenue	253,975	539,893	78,614
Other Liabilities	9,280	57,912	42,580
Reserve for Loss and Loss Adjustment Expense	341,566	-	-
Bonds/COPs Payable	-	2,161	40,367
Total Current Liabilities	800,736	790,671	382,364
Noncurrent Liabilities:			
Unearned Revenue	-	1,287	-
Obligations Under Life Income Agreements	-	-	-
Other Liabilities	10,072	102,742	47,067
Reserve for Loss and Loss Adjustment Expense	2,120,189	-	-
Bonds/COPs Payable	-	444,024	622,055
Net Pension Liability	72,674	309,915	369,042
Advances from Primary Government	-	413,932	285,267
Asset Retirement Obligation	-	-	23,180
Total OPEB Liability	9,007	8,403	10,200
Total Noncurrent Liabilities	2,211,942	1,280,303	1,356,811
Total Liabilities	3,012,678	2,070,974	1,739,175
DEFERRED INFLOWS OF RESOURCES			
Receivables for Right to Use Assets	-	3,671	66,602
Gain on Refunding	-	-	-
Life Income Agreements and Pending Funds	-	-	-
Related to Pensions	46,670	92,851	121,532
Related to OPEB	3,062	7,723	10,196
Total Deferred Inflows of Resources	49,732	104,245	198,330
Net Position			
Net Investment in Capital Assets	138,921	1,360,161	1,139,703
Restricted-Nonexpendable	-	1,999,552	6,712
Restricted for:			
Education	-	22,358	1,136,633
Workers' Compensation	1,688,249	-	-
Debt Service	-	-	662
Capital Projects	-	96,394	20,475
OPEB	4,172	8,234	9,710
Unrestricted	-	133,623	(199,059)
Total Net Position	\$ 1,831,342	\$ 3,620,322	\$ 2,114,836

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

State of Oregon

Portland State University	Other	Total
25,361	424,608	863,015
871	385	52,172
-	213	70,456
-	-	1,733
17,350	35,379	124,214
46,023	152,328	1,070,833
23,878	127,315	260,965
-	45,397	386,963
-	16,585	59,113
113,483	802,210	2,889,464
12,972	-	14,259
1,821	20,503	22,324
24,605	123,803	308,289
-	61,853	2,182,042
-	1,258,156	2,324,235
133,328	520,383	1,405,342
157,875	179,227	1,036,301
-	-	23,180
4,211	3,973	35,794
334,812	2,167,898	7,351,766
448,295	2,970,108	10,241,230
9,137	6,268	85,678
-	841	841
-	193,512	193,512
48,641	176,786	486,480
4,372	12,061	37,414
62,150	389,468	803,925
415,104	1,585,343	4,639,232
34,348	375,614	2,416,226
122,168	730,545	2,011,704
-	-	1,688,249
-	892	1,554
10,039	3,831	130,739
3,984	14,803	40,903
72,657	2,084,168	2,091,389
\$ 658,300	\$ 4,795,196	\$ 13,019,996

State of Oregon

**Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Units
For the Year Ended June 30, 2023
(In Thousands)**

	SAIF Corporation	University of Oregon	Oregon State University
Operating Revenues:			
Federal Revenue	\$ -	\$ 305,485	\$ 313,851
Charges for Services	-	445,729	381,437
Rents and Royalties	-	-	-
Sales	-	279,219	255,585
Premiums Earned (net)	555,377	-	-
Gifts, Grants, and Contracts	-	33,639	147,966
Other Revenues	53,374	13,441	43,925
Total Operating Revenues	<u>608,751</u>	<u>1,077,513</u>	<u>1,142,764</u>
Operating Expenses:			
Salaries and Wages	-	748,559	883,082
Services and Supplies	-	215,096	381,044
Loss and Loss Adjustment Expense	392,198	-	-
Policyholders' Dividends	74,995	-	-
Underwriting Expenses	207,503	-	-
Depreciation and Amortization	-	101,899	86,152
Special Payments	-	62,836	52,228
Interest	-	1,622	536
Other Expenses	1,765	-	-
Total Operating Expenses	<u>676,461</u>	<u>1,130,012</u>	<u>1,403,042</u>
Operating Income (Loss)	<u>(67,710)</u>	<u>(52,500)</u>	<u>(260,278)</u>
Nonoperating Revenues (Expenses):			
Investment Income	(652,567)	76,479	96,569
State Appropriations	-	117,421	289,922
Other Grants	-	38,925	57,708
Gain/(Loss) on Disposition of Assets	-	78	(1,780)
Gain/(Loss) on Leased Assets	-	7	-
Other Interest Expense	-	(29,757)	(33,039)
Other	-	1,052	(48,508)
Total Nonoperating Revenues (Expenses)	<u>(652,567)</u>	<u>204,206</u>	<u>360,872</u>
Income (Loss) Before Capital Contributions	<u>(720,277)</u>	<u>151,706</u>	<u>100,594</u>
Capital Contributions	-	56,163	75,710
Change in Net Position	<u>(720,277)</u>	<u>207,869</u>	<u>176,304</u>
Net Position - Beginning	2,551,897	3,413,057	1,936,079
Cumulative Effect of Change in Accounting Principles	(278)	(604)	2,453
Net Position - Beginning - As Restated	2,551,619	3,412,453	1,938,532
Net Position - Ending	<u>\$ 1,831,342</u>	<u>\$ 3,620,322</u>	<u>\$ 2,114,836</u>

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

State of Oregon

Portland State University	Other	Total	Adjustments to Recast	Statement of Activities
\$ 46,316	\$ 433,954	\$ 1,099,606	\$ (1,099,606)	\$ -
153,931	3,783,474	4,764,571	1,747,646	6,512,217
-	1,198	1,198	(1,198)	-
79,716	58,353	672,873	(672,873)	-
-	-	555,377	(555,377)	-
55,789	396,782	634,176	2,339,231	2,973,407
6,085	484,889	601,714	(601,714)	-
<u>341,837</u>	<u>5,158,650</u>	<u>8,329,515</u>	<u>1,156,109</u>	<u>9,485,624</u>
359,621	3,119,153	5,110,415	-	5,110,415
100,585	1,919,035	2,615,760	-	2,615,760
-	-	392,198	-	392,198
-	-	74,995	-	74,995
-	-	207,503	-	207,503
33,063	248,235	469,349	-	469,349
43,324	69,530	227,918	-	227,918
-	43,669	45,827	-	45,827
-	-	1,765	652,567	654,332
<u>536,593</u>	<u>5,399,622</u>	<u>9,145,730</u>	<u>652,567</u>	<u>9,798,297</u>
<u>(194,756)</u>	<u>(240,972)</u>	<u>(816,216)</u>	<u>503,542</u>	<u>(312,673)</u>
11,809	130,988	(336,722)	336,722	-
121,426	186,076	714,845	(714,845)	-
73,258	39,044	208,935	(208,935)	-
(231)	(440)	(2,373)	2,373	-
-	-	7	(7)	-
(7,603)	(4,975)	(75,374)	75,374	-
(430)	42,110	(5,776)	5,776	-
<u>198,229</u>	<u>392,803</u>	<u>503,542</u>	<u>(503,542)</u>	<u>-</u>
3,473	151,831	(312,673)	-	(312,673)
21,604	56,519	209,996	-	209,996
25,077	208,350	(102,677)	-	(102,677)
633,170	4,586,446	13,120,649	-	13,120,649
53	401	2,025	-	2,025
633,223	4,586,846	13,122,674	-	13,122,674
<u>\$ 658,300</u>	<u>\$ 4,795,196</u>	<u>\$ 13,019,996</u>	<u>\$ -</u>	<u>\$ 13,019,996</u>

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Discretely Presented Component Units

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

SAIF Corporation (SAIF) is a public corporation created by an act of the Legislature. SAIF is authorized to write workers' compensation insurance coverage in Oregon and certain other jurisdictions as required by the Oregon Department of Consumer and Business Services and to service accounts in the assigned risk pool. SAIF is governed by a board of directors appointed by the Governor and is financed solely through policyholder premiums and investment income. The term of office for a board member is four years, but a member serves at the pleasure of the Governor. SAIF reports on a fiscal year ended December 31 and uses proprietary fund accounting principles. The December 31, 2022, financial information of SAIF is included in this report. Because SAIF has a fiscal year different from the State, balances outstanding between SAIF and the State do not agree. SAIF reports \$10 million as Due from Primary Government while the State reports a Due to Component Unit of \$9.5 million for SAIF. Similarly, SAIF reports \$13.1 million as Due to Primary Government whereas the State reports a Due from Component Unit of \$12.6 million.

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

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

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

State of Oregon
Notes to the Financial Statements

The State Fair Council is an independent public corporation, charged with creating a sustainable business model for the Oregon State Fair and Exposition Center that can capitalize on sponsorships, rapidly changing market conditions, and streamlined contracting and employment practices. The State Fair Council is a governmental entity performing governmental functions and exercising governmental powers. The Governor appoints members of the Council and may remove them at will. It is financed primarily through fees for renting the fairground property and facilities and operating the annual Oregon State Fair. The December 31, 2022, financial information is included in this report.

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

Fiduciary Component Units

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

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

Related Organizations

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

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

B. Government-wide and Fund Financial Statements

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

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

State of Oregon
Notes to the Financial Statements

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

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

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

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

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

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

The State reports the following major governmental funds:

General Fund

The *General Fund* is the State's primary operating fund and accounts for all financial resources of the general government, except those accounted for in another fund. Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the General Fund also accounts for and reports the balances and activities of funds from which specific restricted or committed revenues comprise less than a substantial portion of the funds' "inflows". The State considers 30% as "substantial" for financial reporting purposes. Prior to the implementation of GASB Statement No. 54, the *Oregon Rainy Day Fund* was reported as an individual major special revenue fund but is now reported in the General Fund. The Rainy Day Fund relies on resources that are "transferred" from the General Fund in accordance with state law and which, along with investment income generated, can be appropriated by the Legislature only when certain specific criteria related to economic or revenue conditions have been met. The funding source for the Rainy Day Fund is not a specific restricted or committed revenue.

Special Revenue Funds

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

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

State of Oregon
Notes to the Financial Statements

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

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

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

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Additionally, the State reports the following fund types:

Governmental Fund Types (reported as nonmajor funds)

Like major special revenue funds, nonmajor *special revenue funds* also account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt service funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term obligations.

The *Capital Projects Fund* accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities.

The *Permanent Fund* accounts for and reports resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the State and its citizenry.

State of Oregon
Notes to the Financial Statements

Proprietary Fund Types (reported as nonmajor funds)

Nonmajor *enterprise funds* account for and report business-type activities for which fees are charged to external users for goods and services.

Internal service funds account for goods and services provided by state agencies to other state agencies and to other governmental units on a cost-reimbursement basis. These goods and services include central services such as accounting, budgeting, personnel, mail, printing, copy center, data center, property development, telecommunications, motor pool, and an insurance fund. Legal, banking, and audit services, as well as state employee health benefits programs are also accounted for and reported in the internal service funds.

Fiduciary Fund Types

The *Pension and Other Employee Benefit Trust Fund* accounts for activities of the Public Employees Retirement System (PERS), which administers resources for the payment of retirement, disability, postemployment healthcare, and death benefits to members and beneficiaries of the retirement system.

The *Private Purpose Trust Fund* accounts for all trust arrangements, other than those properly reported in pension and other employee benefit trust funds, under which principal and income benefit individuals, private organizations, or other governments.

The *External Investment Pools Fund* accounts for the portion of cash and investment pools managed by the Oregon State Treasury belonging to entities other than the State. Oregon reports the State's portion of the pools within the funds of the State.

The *Other Custodial Fund* accounts for assets held by the state of Oregon as an agent for other governmental units, organizations, or individuals. Balances reported include, but are not limited to, amounts held by the Oregon Department of Corrections for adult in custody accounts, amounts held by the Oregon Youth Authority for youth in custody accounts, and amounts held by the Oregon Health Authority for individuals in state care (e.g., Oregon State Hospital) accounts.

D. Deposits and Investments

Deposits

Cash deposits not held in a cash management or investment pool are classified as cash and cash equivalents. Cash deposits that are held in a cash management or investment pool are classified as cash and cash equivalents when the pool has the general characteristics of a demand deposit account. Cash and cash equivalents include: cash on hand, cash and investments held by the Oregon State Treasury in the Oregon Short Term Fund (OSTF), cash deposits held in demand deposit accounts with custodial banks, and cash deposits of debt proceeds in investment funds held by a trustee.

Investments – Excluding Oregon Public Employees Retirement Fund

Investments are reported at fair value with the following exceptions, which are reported using cost-based measures:

- Nonparticipating interest-earning investment contracts and certain investments not held for investment purposes.
- Investments in the OSTF with remaining maturities of up to 90 days are carried at amortized cost, which approximates fair value. The State reports these investments as cash and cash equivalents on the balance sheet or statement of net position, but as investments in Note 2.

Changes in the fair value of investments are recognized as investment income (loss) in the current year.

The fair value of publicly traded debt and equity securities in active markets is determined by the custodian's pricing agent using nationally recognized pricing services. The custodian's pricing agent values equity securities traded on a national or international exchange at the last reported sales price and generally values debt securities by using evaluated bid prices. The fair value of publicly traded real estate investment trust (REIT) securities is determined by the custodian's pricing agent using recognized pricing services and generally reflects the last reported sales price. For investments that do not have an active market, such as

State of Oregon
Notes to the Financial Statements

private placements or commingled investment vehicles, the value is stated at the net asset value (NAV) of units held, or its equivalent, as reported by the fund manager or general partner.

Investments – Oregon Public Employees Retirement Fund

Investments in private equities are recorded at fair value, as of June 30, 2023, as determined by Oregon Public Employees Retirement System (PERS) management based on valuation information provided by the general partner. Investments in private equities representing publicly traded securities are stated at quoted market price. Where observable market inputs are not available, valuation models are applied. The general partner determines fair value based on the best information available and by reference to information including, but not limited to, the following: projected sales, net earnings, earnings before interest, taxes, depreciation and amortization, balance sheets, public and private transactions, valuations for publicly traded comparable companies, and/or other measures, and consideration of any other pertinent information, including the types of securities held and the general partner's own assumptions regarding the investment. The methods used to determine the fair value of these investments typically include (1) the market approach, whereby fair value is derived by reference to observable valuation measures for comparable companies or assets, and (2) the income approach (e.g., the discounted cash flow method).

Investments in real estate, with the exception of publicly traded REITs, for which observable market prices in active markets do not exist, are reported at fair value as of June 30, 2023, as determined by PERS management based on valuation information provided in good faith by the general partner. Direct investments in real estate are appraised every one to two years and, between appraisals, investment managers adjust values to reflect current and projected operating performance and financial transactions. In the absence of observable market prices, general partners determine the fair value of real estate partnerships using valuation methods considered most appropriate. A variety of factors are considered, including the nature of the investment, local market conditions, trading values on public exchanges for comparable investments, current and projected operating performance, and financing transactions subsequent to the acquisition of the investment.

Investments in the PERS opportunity, real assets, and diversifying strategies portfolios are recorded at fair value as of June 30, 2023, as determined by the respective general partner or account manager. Investments in the PERS opportunity, real assets, and diversifying strategies portfolios representing publicly traded securities are stated at quoted market prices. Where observable market inputs are not available, valuation models are applied. The general partner or account manager determines fair value based on the best information available and by reference to information including, but not limited to, the following: projected sales, net earnings, earnings before interest, taxes, depreciation and amortization, balance sheets, public and private transactions, valuations for publicly traded comparable companies, and/or other measures, and consideration of any other pertinent information, including the types of securities held and the general partner's own assumptions regarding the investment. The methods used to determine the fair value of these investments typically include (1) the market approach, whereby fair value is derived by reference to observable valuation measures for comparable companies or assets, and (2) the income approach (e.g., the discounted cash flow method).

Due to the inherent uncertainty and the degree of judgment involved in determining real estate, private equity, opportunity, real assets, and diversifying strategies portfolios investment valuations, the fair values reflected in the accompanying financial statements may differ significantly from values that would have been used had a readily determinable fair value for the investments existed, and the difference could be material. In addition, these investments are generally considered illiquid long-term investments, and the recorded fair values may differ from the amounts that eventually may be realized from the sale or other disposition of these investments.

Derivative Instruments

In accordance with State investment policies, the Oregon State Treasury participates in contracts that have derivative characteristics. Derivative instruments are used to lower the cost of borrowing, to hedge against fluctuations in foreign currency rates, quickly and cost effectively replicate certain asset class exposures (e.g., stocks, bonds), and manage overall fund risk.

The fair value of *effective* hedging derivative instruments are reported on the proprietary funds statement of net position and the statement of fiduciary net position as assets and liabilities as applicable, with offsetting

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balances reported as deferred inflows of resources or deferred outflows of resources. The changes in fair value of effective hedging derivative instruments are also reflected on the proprietary funds statement of net position and the statement of fiduciary net position; such changes are not reported on the statement of revenues, expenses, and changes in proprietary fund net position and the statement of changes in fiduciary net position.

Ineffective hedging derivative instruments and derivatives purchased as investments are reported at fair value on the proprietary funds statement of net position and the statement of fiduciary net position. The related changes in fair value are reported on the statement of revenues, expenses, and changes in proprietary fund net position and the statement of changes in fiduciary net position.

E. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds”. All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Trade receivables consist of revenues earned or accrued in the current period and are shown net of estimated uncollectible amounts. Income tax receivables deemed reasonably estimable are reported, net of estimated uncollectible amounts, in the fiscal year when the underlying exchange has occurred. Income tax receivables that may arise in the future from audits of prior years and discovery of non-filers are not included in receivables or revenues in the financial statements because these transactions are not measurable.

F. Intrafund Transactions

Intrafund balances (due to/from other funds and advances to/from other funds) and intrafund activity (transfers to/from other funds) within each fund in the financial statements have been eliminated.

G. Inventories

Inventories, which consist primarily of operating supplies, are stated at cost utilizing the first-in, first-out cost valuation method. In governmental funds, inventories are recorded as expenditures when purchased. Reported inventories in governmental funds are offset by nonspendable fund balance since the fund balance associated with inventory is not in spendable form. In proprietary funds, inventories are expended when consumed rather than when purchased.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items. In governmental funds and proprietary funds, prepaid items are accounted for using the consumption method. In governmental funds, a portion of fund balance equal to the prepaid items is classified as nonspendable to indicate that it is not in spendable form.

I. Restricted Assets

Certain proceeds of the State’s bond and certificate of participation (COP) issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or COP financing agreements. Other restrictions on asset use may change the nature and availability of an asset. Various grant moneys, loan acquisition funds, customer deposits, and insurance funds are also classified as restricted assets.

J. Foreclosed and Deeded Properties

Properties acquired through foreclosure proceedings or by acceptance of deeds in lieu of foreclosure are recorded at the lower of cost or market.

K. Receivership Assets

When the Department of Consumer and Business Services is granted the authority by the court system to protect the assets and liabilities of an insurance company under receivership in accordance with Oregon Revised Statutes, the net amount is reported as receivership assets in the Private Purpose Trust Fund.

L. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (i.e., highways, tunnels, bridges, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the State as assets with an initial cost of \$5 thousand or more and an estimated useful life of more than one year. Such assets, when purchased or constructed, are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. Leased capital assets along with capital assets acquired through a subscription-based information technology arrangement are generally recorded at the present value of payments expected to be made during the term of the agreement. Major outlays for capital assets and improvements are capitalized as projects are constructed. Infrastructure acquired prior to fiscal years ended after June 30, 1980, is reported. The costs of normal maintenance and repairs that do not add to the value of assets or significantly extend asset lives are expensed rather than capitalized.

Capital assets of the primary government, as well as its component units, are depreciated over their estimated useful lives using the straight-line method, unless they are considered inexhaustible. Leased capital assets are generally amortized over the shorter of the lease term or the useful life of the underlying asset. Useful lives for buildings and related assets range from 10 to 75 years, while useful lives of equipment and machinery range from 3 to 50 years. For infrastructure assets, useful lives range from 5 to 75 years, with docks, dikes, and dams having useful lives between 30 to 50 years. Useful lives for depreciable works of art and historical treasures range from 10 to 30 years, and useful lives for motor vehicles range from 3 to 30 years. Data processing software and hardware have useful lives ranging from 3 to 10 years.

M. Compensated Absences

Employees accumulate earned but unused vacation and sick leave benefits. There is no liability for unpaid accumulated sick leave since the State does not pay any amounts when employees separate from state service. A liability for vacation leave (compensated absences) is accrued when incurred in the government-wide, proprietary fund, and fiduciary fund financial statements. A liability for compensated absences is reported in governmental funds only if the liabilities have matured, for example, as the result of employee resignations and retirements.

N. Long-term Obligations

In the government-wide statement of net position, long-term debt and other long-term obligations are reported as liabilities for governmental activities or business-type activities, as applicable. In proprietary funds, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond or COP premiums and discounts are reported as a direct addition to or deduction from the applicable bond/COP payable and amortized over the term of the debt. Bond/COP issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred. Prepaid insurance costs are reported as a prepaid item and are amortized over the duration of the related bond/COP.

In the fund financial statements, governmental funds recognize bond/COP premiums and discounts, as well as bond/COP issuance costs, in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issues are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as other debt service expenditures.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have

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been determined on the same basis as they are reported by PERS. For this purpose, revenues are recognized when earned. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable. Plan investments are reported at fair value.

P. Postemployment Benefits Other Than Pension (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, revenues are recognized when earned. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable. Plan investments are reported at fair value.

Q. Fund Equity

The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources is labeled "Net Position" on the government-wide, proprietary fund, and fiduciary fund financial statements and "Fund Balance" on the governmental fund financial statements.

In governmental funds, fund balance is reported in five components: (1) Nonspendable, (2) Restricted, (3) Committed, (4) Assigned, and (5) Unassigned.

Nonspendable fund balances include amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

Restricted fund balances are the result of constraints imposed by law through constitutional provisions or enabling legislation or by parties outside the State, such as creditors, grantors, contributors, or laws or regulations of other governments. Enabling legislation authorizes the State to levy, assess, charge, or otherwise mandate payment from external resource providers and includes a legally enforceable requirement that those resources be used only for specific purposes stipulated by the legislation. The restricted fund balance category has been further broken down on the face of the governmental fund financial statements to indicate the various sources of those constraints.

Committed fund balance results from constraints imposed by bills (passed by the Legislature and signed into law by the Governor) that are separate from the authorization to raise the underlying revenue. The constraints may be modified or rescinded only by passing additional legislation.

Assigned fund balance represents amounts that are constrained by the State's intent to use them for specific purposes, which are neither restricted nor committed. Intent is expressed by the Legislature via the budget process when there is no legislation other than a budget bill imposing constraints.

Unassigned fund balance is the residual amount in the General Fund not included in the previous four categories. Deficit fund balances in other governmental funds are reported as unassigned. Refer to Note 18 for additional information on fund equity.

In the government-wide statement of net position and the proprietary fund statement of net position, net position is reported in three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Restricted net position results from restrictions imposed on a portion of net position by law through constitutional provisions, enabling legislation, or by parties outside the State, such as creditors, grantors, contributors, or laws or regulations of other governments.

For fund balance classification purposes, state agencies determine the appropriate classification of each of their detail-level funds based on the resources accounted for in those funds and the constraints on spending those resources. Agencies expend resources from the appropriate funds based on each fund's specific spending constraints. Ending fund balances, therefore, are the result of that spending. In the event that an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available for use, the individual state agencies determine the order in which those resources are spent, as there is no statewide flow assumption policy. The same is true of an expenditure incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available.

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The State maintains two stabilization funds: the Oregon Rainy Day Fund and the Education Stability Fund, and both are reported in the General Fund. The resources in both funds may be expended only when specific non-routine budget shortfalls occur. Refer to Note 18 for additional information about the stabilization funds.

R. Changes in Accounting Principle

For the fiscal year ended June 30, 2023, the State implemented all or a portion of four new accounting standards issued by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 91, *Conduit Debt Obligations* will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Refer to Note 7 for additional information.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* addresses issues related to arrangements that occur over a period of time in an exchange or exchange-like transaction in which (1) a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, or (2) a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Refer to Notes 6 and 8 for additional information.

GASB Statement No. 99, *Omnibus 2022* paragraphs 11 – 25, which addresses practice issues related to leases, public-private and public-public partnerships, and SBITAs. Some portions of this Statement were implemented in fiscal year 2022, while the remaining sections are to be implemented in fiscal year 2024.

S. Pending Changes in Accounting Principle

All or a portion of two new accounting standards are effective for the fiscal year ending June 30, 2024.

GASB Statement No. 99, *Omnibus 2022* paragraphs 4 – 10, which addresses financial guarantees and the classification of and reporting of derivative instruments within the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Other portions of this Statement were implemented in fiscal years 2022 and 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, which defines “accounting changes” as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that would constitute those changes. The Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections.

The State is currently evaluating the impact of these standards on future financial statements.

2. DEPOSITS AND INVESTMENTS

The State’s investment policies are governed by statute and the Oregon Investment Council (Council). The State Treasurer (Treasurer) is the investment officer for the Council and is responsible for the funds on deposit with the Oregon State Treasury (Treasury). In accordance with Oregon statutes, the investment funds are invested, and the investments of those funds managed, as a prudent investor would do, exercising reasonable care, skill, and caution. The Treasurer is authorized to use demand deposit accounts, fixed income investments, and direct equity investments, although the majority of equity investments are currently directed by external investment managers under contract with the Council. Furthermore, common stock investments are limited to not more than 50% of the moneys contributed to the Oregon Public Employees

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Retirement Fund (OPERF) and not more than 65% of the other trust and endowment fund managed by the Council or the Treasury. The Deferred Compensation Fund, the Education Stability Fund, and the Common School Fund may also invest in common stock.

The Treasurer maintains the Oregon Short Term Fund (OSTF), a cash and investment pool that is available for use by all funds and local governments. Oregon reports the State's portion of the pool within the funds of the State. The portion of the pool belonging to local governments is reported in an external investment pool fund. Because the pool operates as a demand deposit account, each fund's portion of the pool is classified on the financial statements as cash and cash equivalents. A separate financial report for the OSTF is prepared by the Treasurer. Copies of the report may be obtained from the Oregon State Treasury, 867 Hawthorne Ave SE, Salem, Oregon 97301, or from the Treasury's website at:

<https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Pages/default.aspx>

The Treasurer maintains the Oregon Intermediate Term Pool (OITP), an investment pool that is available for use by state agencies with statutory authority and limited external participants. Currently, only state agencies participate in the pool, therefore amounts are reported within the funds of the State. A separate financial report for the OITP is prepared by the Treasurer. Copies of the report may be obtained from the Oregon State Treasury, 867 Hawthorne Ave SE, Salem, Oregon 97301, or from the Treasury's website at:

<https://www.oregon.gov/treasury/invested-for-oregon/pages/oregon-intermediate-term-investments.aspx#OITP>

The Treasurer maintains the Oregon Local Government Intermediate Fund (OLGIF), an investment pool available for use by local governments and reported in an external investment pool fund. A separate financial report for the OLGIF is prepared by the Treasurer. Copies of the report may be obtained from the Oregon State Treasury, 867 Hawthorne Ave SE, Salem, Oregon 97301, or from the Treasury's website at:

<https://www.oregon.gov/treasury/invested-for-oregon/pages/oregon-intermediate-term-investments.aspx#OLGIF>

The Treasurer also makes short-term and long-term investments, which are held separately by several of the State's funds. The Treasury's direct investments in short-term securities are limited by portfolio rules established by the OSTF Board and the Council. Other investments are made directly by state agencies with the approval of the Treasurer.

A. Custodial Credit Risk

Custodial Credit Risk for Deposits

The custodial credit risk for deposits is the risk that, in the event of a depository financial institution failure, the State will not be able to recover deposits or collateral securities that are in the possession of an outside party. The State does not have a formal policy regarding custodial credit risk for deposits. However, banking regulations and Oregon law establish the insurance and collateral requirements for deposits in the OSTF.

Oregon Revised Statutes (ORS), Chapter 295, governs the collateralization of public funds. Depositories are required to pledge collateral against any public fund deposits in excess of deposit insurance amounts. This requirement provides additional protection for public funds in the event of a depository failure or loss. ORS Chapter 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable.

ORS Chapter 295 provides the statutory authority for the Public Funds Collateralization Program (PFCP). The Treasury uses an internally-developed web application to administer the PFCP and facilitate depository, custodian, and public official compliance with ORS Chapter 295. Per the statute, depositories are required to report public fund balances in excess of Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) limits to the Treasury. The FDIC or NCUA assigns each bank or credit union a capitalization category quarterly: well-capitalized, adequately-capitalized, or under-capitalized. Depositories submit monthly or weekly reports to the Treasury depending on their capitalization category. Well-capitalized depositories report monthly; adequately- and under-capitalized depositories report weekly. In addition to uninsured public fund balances, depositories are also required to report their net worth, leverage, and capital ratios. Based on this information, each depository's minimum collateral required to be pledged with the

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custodian as well as the maximum liability in the pool of all depositories are calculated for the next reporting period. The maximum liability is reported to the depository and the Treasury.

Unless otherwise directed by the Treasury, a well-capitalized depository is required to pledge collateral valued at no less than 10% of its last reported uninsured public funds deposits. Per ORS Chapter 295, the Treasury may direct a well-capitalized depository to increase its collateral to a percentage greater than 10% - up to 100%. An adequately- or under-capitalized depository is required to pledge collateral valued at no less than 110% of its last reported uninsured public funds deposits. This percentage may not be decreased until such time the depository becomes well-capitalized.

There are three exceptions to the minimum collateral requirement calculation and these exceptions must be collateralized at 100%:

1. A depository may not accept public fund deposits from a single depositor in excess of the depository's net worth. If the depository has a drop in net worth that takes it out of compliance, the depository is required to post 100% collateral on any amount the depositor has in excess of the depository's net worth while working to eliminate that excess.
2. A depository may not hold a total public funds balance in excess of a percentage of the depository's net worth based on its capitalization category (100% for under-capitalized, 150% for adequately-capitalized, 200% for well-capitalized) unless approved for a period of up to 90 days by the Treasury. During this period, any public fund balances exceeding these limits must be collateralized at 100%.
3. A depository may not hold more than 30% of the aggregate public funds reported by all depositories in the pool unless the depository is well-capitalized and the excess is collateralized at 100%.

Where interest-bearing balances within the OSTF exceed the FDIC or NCUA amount of \$250 thousand, the balances are covered by collateral in the PFCP.

As of June 30, 2023, \$1.2 billion in other depository balances were exposed to custodial credit risk as the balances were uninsured and uncollateralized. In addition, \$1.2 million in depository balances were exposed to custodial credit risk as the balances were uninsured but collateralized with securities by the pledging financial institution.

Custodial Credit Risk for Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the State will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The Council has no formal policy regarding the holding of securities by a custodian or counterparty.

B. Investments – Primary Government (Excluding the OPERF)

Investments Managed by Treasury

Investments of the primary government (excluding OPERF) held by the Treasurer require the exercise of prudent and reasonable care in the context of a fund's investment portfolio and as part of an overall investment strategy. The Treasurer is required to diversify investments unless it is not prudent to do so. In addition, the Treasurer must exercise reasonable care to incorporate risk and return objectives suitable to the particular investment fund. Each Treasury fund has a policy and procedure that addresses objectives and strategies.

Interest Rate Risk

Investment policy for fixed income portfolios under the direct management of the Treasurer generally limits the time horizon of the portfolio to an average maturity of one to five years. In addition, externally managed fixed income investment funds are required by policy to maintain an average bond duration level within 20% of the benchmark bond index. For investments not under the management of the Treasurer, there are no formal policies on interest rate risk. Investment objectives and strategies of the primary government (excluding the OPERF) are based on credit quality, asset diversification, staggered maturities, and in some portfolios, duration. For variable rate securities, the next interest rate reset date is used instead of the maturity date.

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Credit risk

Investment policies for fixed income investments under the management of the Treasurer require that the portfolio maintain an average Standard and Poor's (S&P) credit quality of AA or A, as determined for each investment fund. For investments not under management of the Treasurer, there are no formal policies on credit risk.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Investments held by Treasury:

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
 - **Investments managed by Treasury:** funds priced using a fair value per share published daily and validated with a sufficient level of observable activity; investments in real estate, including real estate investment trusts, when their value is based on an active market price; and equity securities, including exchange-traded derivative instruments, when their value is based on quoted prices from an active market.
 - **Investments not managed by Treasury:** funds priced using a fair value per share that is published daily and validated with a sufficient level of observable activity; and equity securities, including exchange-traded derivative instruments, when their value is based on quoted prices from an active market.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
 - **Investments managed by Treasury:** investments with remaining maturities of fewer than 90 days are carried at amortized cost, which approximates fair value; investments with maturities of greater than 90 days, debt securities, and investments not valued at fair value per share are valued using the latest bid prices or evaluated quotes from independent pricing vendors, which use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions; certain non-U.S. government commercial paper is reported at amortized cost as independent vendor pricing was not available; and where observable activity is limited, yet supports that the fair value per share represents an exit value of the security at the measurement date.
 - **Investments not managed by Treasury:** debt securities are valued using the latest bid prices or evaluated quotes from independent pricing vendors, which use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions; and where observable activity is limited, yet supports that the fair value per share represents an exit value of the security at the measurement date.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.
 - **Investments managed by Treasury:** when independent price sources are not available, debt securities are priced based on the last traded price or a valuation provided by the investment manager; in the absence of quoted market prices, such as equity securities that trade infrequently or not at all, valuations are based on the last traded price or prices provided by investment managers; and funds that do not meet the criteria to be measured at fair value per share because the fair value per share (or its equivalent) was not calculated in a manner consistent with the

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Financial Accounting Standards Board (FASB) measurement principles for investment companies.

- o **Investments not managed by Treasury:** when independent price sources are not available, debt securities are priced based on last traded price or a valuation provided by the investment manager; and funds that do not meet the criteria to be measured at fair value per share because the fair value per share (or its equivalent) was not calculated in a manner consistent with the FASB measurement principles for investment companies. Real estate property investments are valued by appraisals using market sales approach and income approach.

Investments that are measured at net asset value (NAV) as a practical expedient, such as private equity, alternative, opportunity and real estate investments, are excluded from the fair value hierarchy if the NAV per share (or its equivalent) was calculated in a manner consistent with the FASB measurement principles for investment companies. In the Common School Fund, private equity consists of 16 funds, organized as limited partnerships and limited liability companies, participating in diversified strategies including leveraged-buyouts, venture capital, growth equity, fund of funds, co-investments, and special situations. The fair values of the private equity investments have been determined using the NAV per share (or its equivalent) as provided by the general partner or managing member. These funds have a finite term. Distributions will be received as the underlying investments of the funds are liquidated, which is expected to occur over the next 12 to 14 years.

Common School Fund investments in real estate, other than real estate investment trusts, which are generally valued based on an active market price, have been valued based on the NAV per share (or its equivalent) as provided by the general manager. This type includes three commingled real estate funds, structured as limited partnerships, where the funds have a finite term. Distributions from the funds will be received as the underlying investments of the funds are liquidated. Liquidation is expected to take place during the five-year period following the termination of investment period, which extends to 2035. Real estate also includes investment in three open ended funds that permit quarterly redemption of shares, subject to certain requirements being met. Alternative equity funds seek to provide diversification and inflation hedging characteristics in the Common School Fund and includes investments with a focus on infrastructure. Alternative equity consist of 14 investments in commingled funds organized as limited partnerships and limited liability companies. The fair values of the investment have been determined using NAV per share (or its equivalent) as provided by the fund manager. For alternative real assets, which include four of the 14 funds, the funds have a finite term. Distributions will be received as underlying investments of the funds are liquidated, which is expected to occur over the next 8 to 12 years. Alternative diversifying strategies permit periodic redemption of shares, subject to certain requirements being met, and consist of 10 funds investing in diversifying hedge strategies.

In the Educational Support Fund, private equity consists of 66 current funds, organized as limited partnerships and limited liability companies, participating in diversified strategies including venture capital, growth equity, leveraged buyouts, natural resources, and special situations. The fair values of the private equity investments have been determined using the NAV per share (or its equivalent) as provided by the general partner or managing member. The lifespan of these illiquid investments is intended to be between 10 to 12 years and the general partner determines how to return capital as each strategy develops. Commitments into these funds are spaced out annually as an attempt to smooth out the timing of these investments' distributions over the long-term.

Investments of the Oregon Short Term Fund (OSTF)

The OSTF is a short-term cash investment vehicle. A number of local governments in Oregon as well as all state agencies participate in the OSTF. Because the OSTF acts as a demand deposit account, both the cash and investments within the OSTF are shown as cash and cash equivalents on the balance sheet and statement of net position. The external portion of the OSTF is reported within an external investment pool fund. The OSTF staff manages interest rate risk by limiting the maturity of the investments. The portfolio rules require that at least 50% of the portfolio mature or reset within 93 days; not more than 25% of the portfolio may mature or reset in over a year; and no investments may mature or reset over three years from settlement date. For variable rate securities, the next interest rate reset date is used instead of the maturity date. For variable rate securities in a fixed rate period that will switch to variable rate at a later date, the maturity is based on the final maturity of the security, not the next variable reset date. For fixed rate securities with a put option, the date upon which the put option is fully exercisable for at least 100% of the face value is used

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instead of the maturity date, and for variable rate securities with a put option, the earlier of the next variable reset date or the put date is used instead of maturity date. For asset-backed securities, the weighted average life will be used as a proxy for the maturity date.

Interest rate and credit risk for the OSTF investments as of June 30, 2023 (in thousands):

Investment Type	Credit Rating	Investment Maturities			
		93 Days or less	94 to 366 Days	One to Three Years	Balance at June 30, 2023
U.S. Treasuries	Exempt	\$ 9,322,994	\$ 694,834	\$ 544,496	\$ 10,562,324
Agency securities	AA	489,463	627,217	300,583	1,417,263.00
Agency discount notes	AAA	190,806	73,743	-	264,549.00
	AA	105,591	14,685	-	120,276
Total agency discount notes		296,397	88,428	-	384,825
Municipal commercial paper	A-1+	234,942	-	-	234,942
	A-1	38,347	19,456	-	57,803
Total municipal commercial paper		273,289	19,456	-	292,745
Municipal obligations	AAA	82,382	14,107	39,173	135,662
	AA	407,344	45,116	962	453,422
	A	94,180	-	-	94,180
Total municipal obligations		583,906	59,223	40,135	683,264
Corporate commercial paper	A-1+	648,812	51,560	-	700,372
	A-1	844,768	52,690	-	897,458
	A-2	213,953	-	-	213,953
Total corporate commercial paper		1,707,533	104,250	-	1,811,783
Corporate obligations	AAA	10,010	78,367	113,313	201,690
	AA	1,414,646	254,910	351,675	2,021,231
	A	4,565,332	1,626,295	756,399	6,948,026
	BBB ¹	508,394	298,014	87,829	894,237
Total corporate obligations		6,498,382	2,257,586	1,309,216	10,065,184
Non-U.S. government commercial paper	A-1+	190,531	53,980	-	244,511
Non-U.S. government obligations	AAA	1,106,939	377,375	335,225	1,819,539
	AA	244,204	78,388	73,149	395,741
	A	-	59,516	-	59,516
Total non-U.S. government obligations		1,351,143	515,279	408,374	2,274,796
Asset-backed securities	AAA	3,107,364	850,512	1,364,550	5,322,426
Negotiable certificates of deposit	A	25,000	99,999	-	124,999
Commingled investment pool	Not rated ²	-	-	213,655	213,655
Time certificates of deposit ³	Not rated	-	8,000	-	8,000
Total		\$ 23,846,002	\$ 5,378,764	\$ 4,181,009	\$ 33,405,775

¹ Securities rated BBB on this table have been downgraded during the past fiscal year. The positions have been reviewed and retained at the Senior Investment Officer's discretion per the rules below.

² The Oregon Local Government Intermediate Fund (OLGIF) is not rated by the credit ratings agencies. The composite credit quality rating of the OLGIF's holdings was AA at June 30, 2023.

³ Time Certificate of Deposits are considered deposits for purposes of credit quality, and are fully covered by FDIC and state PFCP programs.

OSTF investment policies provide for a minimum composite weighted average credit quality rating for the Fund's holdings to be the equivalent of an AA Standard and Poor's (S&P) rating. The minimum ratings for corporate notes at the time of purchase are a S&P rating of A-, a Moody's rating of A3, or a Fitch rating of A-. Commercial paper is required to have a minimum short-term credit rating at the time of purchase from two of three ratings services; minimum ratings are S&P of A-1, Moody's of P-1, and Fitch of F-1. Foreign government securities are required to have a minimum credit rating from S&P of AA-, Moody's of Aa3, or Fitch of AA-. Asset-backed securities are required to have long-term ratings of AAA, Aaa, or AAA, or short-term ratings of A-1+, P-1, or F-1+ by S&P, Moody's, and Fitch, respectively. Fund policies allow securities downgraded below the minimum required ratings at the time of purchase to be retained at the Senior Investment Officer's discretion. Rating groups were determined using the lowest actual rating from S&P, Moody's, or Fitch.

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Notes to the Financial Statements

The fair value measurement for investments held in the OSTF at June 30, 2023 (in thousands):

	Level 1	Level 2	Level 3	Balance at June 30, 2023
Investments:				
U.S. Treasuries	\$ -	\$ 10,272,766	\$ -	\$ 10,272,766
Agency securities	-	1,413,766	-	1,413,766
Agency discount notes	-	384,825	-	384,825
Municipal obligations	-	683,264	-	683,264
Municipal commercial paper	-	32,347	-	32,347
Non-U.S. government commercial paper	-	143,068	-	143,068
Non-U.S. government obligations	-	2,274,796	-	2,274,796
Corporate obligations	-	10,057,585	-	10,057,585
Corporate commercial paper	-	196,856	-	196,856
Asset-backed securities	-	5,322,426	-	5,322,426
Negotiable certificates of deposit	-	124,999	-	124,999
Time certificates of deposit	-	8,000	-	8,000
Total	\$ -	\$ 30,914,698	\$ -	\$ 30,914,698

The OSTF's investment in the Oregon Local Government Intermediate Fund (OLGIF) is priced using a net asset value and the value of OLGIF's underlying investments are marked to market daily. The OSTF held approximately 93.5% of the outstanding units of OLGIF at June 30, 2023.

Investments of the Oregon Intermediate Term Pool (OITP)

The OITP provides qualified participants with a vehicle to invest funds over a long-term investment horizon. The investment objective of OITP is to maximize total return (i.e., principal and income) within stipulated risk parameters. The OITP staff manages interest rate risk by limiting the duration of investments held by the Pool. The portfolio guidelines require that the portfolio's modified duration, a measure of interest rate risk, shall not exceed three years. The weighted average duration for the Pool at June 30, 2023, was 4.05 years. The maximum maturity for any single investment should not be greater than 10.25 years from settlement date, with exceptions for asset-backed securities, mortgage-backed securities, and commercial mortgage-backed securities. These securities use weighted average life (WAL) as a proxy for maturity and are limited to a WAL of five years, or less, at the time of purchase.

State of Oregon
Notes to the Financial Statements

The credit rating for the investments held within the OITP and using the weighted average modified duration method at June 30, 2023 (in thousands):

Investment Type	Credit Rating	Balance at June 30, 2023	Weighted Average Modified Duration (in years)
U.S. Federal agency residential mortgage-backed securities ¹	AA	\$ 15,540	
	A	1,507	
Total U.S. federal agency residential mortgage-backed securities¹		17,047	6.36
U.S. Treasury debt	Exempt	177,135	4.10
Asset-backed securities	AAA	13,642	
	AA	12,509	
	A	4,992	
	BBB	1,958	
Total asset-backed securities		33,101	2.60
Corporate debt	A	32,089	
	BBB	43,770	
	BB	739	
Total corporate debt		76,598	4.16
Commercial mortgage-backed securities	AAA	3,075	
	A	499	
	BBB	483	
Total commercial mortgage-backed securities		4,057	2.64
Municipal debt	AAA	2,636	2.80
External investment pool ²	Not Rated	135	0.42
Total		\$ 310,709	

¹ U.S. federal debt carries an implicit guarantee of the U.S. Government. For credit quality rules, federal debt is considered to be the highest quality, except when rated differently.

² The Oregon Short Term Fund (OSTF) is not rated by the credit ratings agencies. The composite credit quality rating of the OSTF's holdings was AA at June 30, 2023.

OITP guidelines require that all investments meet minimum ratings requirements at the time of purchase. Minimum required ratings are subject to investment type as dictated by the Pool's guidelines. Corporate notes and municipal debt must be rated investment grade or higher at time of purchase. Foreign government securities are required to have a minimum credit rating of AA- or Aa3 by at least two Nationally Recognized Statistical Rating Organizations (NRSROs). Structured securities such as asset-backed and mortgage-backed securities must be rated AAA at the time of purchase. Pool guidelines allow securities downgraded below investment grade to be retained at the Senior Investment Officer's discretion.

Fair value measurement for the OITP at June 30, 2023 (in thousands):

Investment Type	Level 1	Level 2	Level 3	Balance at June 30, 2023
Asset-backed securities	\$ -	\$ 33,101	\$ -	\$ 33,101
Commercial mortgage-backed securities	-	4,057	-	4,057
U.S. Federal agency residential mortgage-backed securities	-	17,047	-	17,047
Municipal debt	-	2,636	-	2,636
Corporate debt	-	76,598	-	76,598
U.S. Treasury debt	-	177,135	-	177,135
Total	\$ -	\$ 310,574	\$ -	\$ 310,574

State of Oregon
Notes to the Financial Statements

Investments of the Oregon Local Government Intermediate Fund (OLGIF)

The OLGIF is an external commingled investment pool for local governments offered by the Oregon State Treasury. The OLGIF provides qualified local government participants with a vehicle to invest assets over an intermediate time horizon (three to five years). The OLGIF is reported within an external investment pool fund. The OLGIF staff manages interest rate risk by limiting the duration of investments held by the Fund. The portfolio guidelines require that the portfolio maintain a weighted average duration, a measure of interest rate risk, of plus or minus 20% relative to the duration of the Bloomberg Capital 1-5 Year Government/Credit Index (Benchmark). The duration for the Fund and the Benchmark at June 30, 2023, was 2.73 years. The maximum maturity for any single investment should not be greater than 10.25 years from settlement date, with exceptions for asset-backed securities, mortgage-backed securities, and commercial mortgage-backed securities. These securities use weighted average life (WAL) as a proxy for maturity and are limited to a WAL of five years, or less, at the time of purchase.

The credit rating for the investments held within the OLGIF and using the weighted average modified duration method at June 30, 2023 (in thousands):

Investment Type	Credit Rating	Balance at June 30, 2023	Weighted Average Modified Duration (in years)
U.S. Treasuries	Exempt	\$ 76,669	4.22
Federal agency debt	AA	843	1.83
Federal agency mortgages	Not Rated	12,942	2.26
Short Term Investment Fund ¹	Not Rated	374	
Asset-backed securities	AAA	9,316	
	AA	1,018	
	A	585	
Total asset-backed securities		10,919	1.27
Corporate debt	AAA	683	
	AA	5,387	
	A	46,391	
	BBB	54,756	
	BB	4,142	
	Not Rated	188	
Total corporate debt		111,547	2.12
Commercial mortgage-backed securities	AAA	13,590	1.16
Total		\$ 226,884	

¹ The Short-Term Investment Fund (STIF) is not rated by the credit ratings agencies. The average credit quality of the STIF holdings was A1P1 and the weighted average maturity of the STIF was 25 days at June 30, 2023.

OLGIF guidelines require that all investments meet minimum ratings requirements at the time of purchase. Minimum required ratings are subject to investment type as dictated by the Fund's guidelines. Corporate notes and municipal debt must be rated investment grade or higher at time of purchase. Foreign government securities are required to have a minimum credit rating from S&P of AA-, Moody's of Aa3, or Fitch of AA-. Structured securities such as asset-backed and mortgage-backed securities must be rated AAA at the time of purchase.

Fund guidelines allow securities downgraded below investment grade to be retained at the discretion of the external manager. At no time should the weighted average credit quality of the Fund be more than one rating category below that of the Benchmark. At June 30, 2023, the weighted average credit quality of both the Fund and of the Benchmark was AA.

State of Oregon
Notes to the Financial Statements

Fair value measurement for the OLGIF at June 30, 2023 (in thousands):

Investment Type	Level 1	Level 2	Level 3	Balance at June 30, 2023
Short Term Investment Fund	\$ -	\$ 374	\$ -	\$ 374
Asset-backed securities	-	10,919	-	10,919
Federal agency debt	-	843	-	843
Federal agency mortgages	-	12,942	-	12,942
Commercial mortgage-backed securities	-	13,590	-	13,590
Corporate debt	-	111,547	-	111,547
U.S. Treasuries	-	76,669	-	76,669
Total	\$ -	\$ 226,884	\$ -	\$ 226,884

Investments of the Governmental Funds, Managed by Treasury

The credit rating for the investments at Treasury held within the governmental funds, excluding the Common School Fund, and using the segmented time distribution method at June 30, 2023 (in thousands):

Reporting Fund¹	Investment Type	Credit Rating²	Investment Maturities (in years)				Balance at June 30, 2023
			Less than 1	1 to 5	6 to 10	More than 10 or none	
Public Transportation	U.S. Federal agency debt	AA	\$ 995	\$ -	\$ -	\$ -	\$ 995
	Corporate bonds	AAA	-	953	-	-	953
		A	3,786	7,993	-	-	11,779
		BBB	985	-	-	-	985
		Total corporate bonds	4,771	8,946	-	-	13,717
	Oregon Intermediate Term Pool ²	Not rated	-	12,405	-	-	12,405
Total Public Transportation		5,766	21,351	-	-	27,117	
Employment Services	Oregon Intermediate Term Pool ²	Not rated	-	206,147	-	-	206,147
Environmental Management	Oregon Intermediate Term Pool ²	Not rated	-	1,379	-	-	1,379
Permanent	Oregon Intermediate Term Pool ²	Not rated	-	1,531	-	-	1,531
Residential Assistance	U.S. Federal agency debt	AA	-	-	8,708	-	8,708
Business Development	Oregon Intermediate Term Pool ²	Not rated	-	30,924	-	-	30,924
Total			\$ 5,766	\$ 261,333	\$ 8,708	\$ -	\$ 275,806

¹ Refer to the separate Common School Fund schedule.

² Refer to the separate Oregon Intermediate Term Pool schedule.

State of Oregon
Notes to the Financial Statements

Fair value measurement for the investments at Treasury held within the governmental funds, excluding the Common School Fund, at June 30, 2023 (in thousands):

Reporting Fund	Investment type	Level 1	Level 2	Level 3	Total
Public Transportation	Corporate bonds	\$ -	\$ 13,717	\$ -	\$ 13,717
	U.S. Federal agency debt	-	995	-	995
Total Public Transportation		-	14,712	-	14,712
Residential Assistance	U.S. Federal agency debt	-	8,708	-	8,708
Total Residential Assistance		-	8,708	-	8,708
Total Debt Investments		\$ -	\$ 23,420	\$ -	23,420
Investments valued at Net Asset Value (NAV):					
Employment Services	Oregon Intermediate Term Pool				206,147
Environmental Management	Oregon Intermediate Term Pool				1,379
Permanent	Oregon Intermediate Term Pool				1,531
Business Development	Oregon Intermediate Term Pool				30,924
Public Transportation	Oregon Intermediate Term Pool				12,405
Total Investments valued at NAV					252,387
Total					\$ 275,806

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Notes to the Financial Statements

The credit rating for the Common School Fund's investments held at Treasury and using the segmented time distribution method at June 30, 2023 (in thousands):

Investment Type	Credit Rating ¹	Investment Maturities (in years)				Balance at June 30, 2023
		Less than 1	1 to 5	6 to 10	More than 10 or none	
U.S. Treasury	Exempt	\$ 2,974	\$ 3,981	\$ 2,141	\$ 25,372	\$ 34,468
U.S. Treasury TIPS	Exempt	-	-	2,994	-	2,994
U.S. Federal agency STRIPS	Exempt	15	-	-	3	18
U.S. Federal agency mortgages	Not rated	17,665	246	2,409	69,250	89,570
Total U.S. government debt		20,654	4,227	7,545	94,625	127,051
Corporate bonds	AAA	-	1,442	-	98	1,540
	AA	-	1,695	479	1,150	3,324
	A	10,704	7,888	7,635	6,981	33,207
	BBB	11,479	17,539	14,453	14,776	58,248
	BB	1,626	3,838	1,550	2,138	9,152
	B	-	-	-	7	7
Total corporate bonds		23,809	32,402	24,117	25,149	105,477
Non-U.S. government debt	AA	2,848	-	-	-	2,848
	A	-	-	176	-	176
	BBB	-	1,682	1,415	10,661	13,759
	BB	-	-	-	857	857
	Not Rated	-	226	786	161	1,173
Total non-U.S. government debt		2,848	1,908	2,378	11,679	18,814
Asset-backed securities	AAA	1,283	851	-	707	2,841
	AA	1,824	-	-	205	2,029
	A	1,008	-	-	405	1,413
	BBB	858	199	-	265	1,321
	BB	335	-	-	-	335
	B	971	-	-	-	971
	CCC	18	-	-	-	18
	CC	119	-	-	-	119
	Not Rated	224	-	-	-	224
Total asset-backed securities		6,639	1,050	-	1,582	9,271
Collateralized mortgage obligations	AAA	4,365	-	-	-	4,365
	A	1,083	-	-	-	1,083
	BBB	2,561	-	-	-	2,561
	CCC	64	-	-	-	64
	Not Rated	71	-	-	-	71
Total collateralized mortgage obligations		8,144	-	-	-	8,144
Collateralized mortgage-backed securities	AAA	5,847	-	-	2,301	8,148
	AA	1,582	-	-	891	2,473
	A	43	-	-	-	43
	BBB	-	-	-	26	26
	B	37	-	-	-	37
	CCC	5	-	-	-	5
	CC	6	-	-	-	6
	C	85	-	-	-	85
	Not rated	547	-	-	-	547
Total collateralized mortgage-backed securities		8,152	-	-	3,218	11,369
Domestic fixed income funds	Not rated	-	-	-	278,721	278,721
		\$ 70,246	\$ 39,587	\$ 34,039	\$ 414,974	558,847
Domestic equity securities						300,001
International equity securities						50,566
Domestic equity funds						300,574
International equity funds						473,078
Private equity holdings						173,715
Domestic real estate investment trusts						3,688
Real estate LP						5,165
Real estate open ended funds						194,539
Alternative diversifying strategies						82,117
Alternative real assets						38,905
Total						1,622,347
						\$ 2,181,194

¹ Investments of \$34,468 in U.S. Treasury securities, \$2,994 in U.S. Treasury Inflation Protected Securities (TIPS), \$18 in Federal Agency STRIPS, and \$21,441 in Government National Mortgage Association (GNMA), which are reported within U.S. Federal agency mortgages, are explicitly guaranteed by the U.S. government, and therefore, are exempt from credit risk disclosure requirements.

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Notes to the Financial Statements

Fair value measurement for the investments at Treasury held by the Common School Fund at June 30, 2023 (in thousands):

Investment type	Level 1	Level 2	Level 3	Total
U.S. Treasury	\$ -	\$ 34,468	\$ -	\$ 34,468
U.S. Treasury TIPS	-	2,994	-	2,994
U.S. Federal agency STRIPS	-	18	-	18
U.S. Federal agency mortgages	-	89,570	-	89,570
Corporate bonds	-	105,477	-	105,477
Non-U.S. government debt	-	18,814	-	18,814
Asset-backed securities	-	9,271	-	9,271
Collateralized mortgage obligations	-	8,144	-	8,144
Collateralized mortgage-backed securities	-	11,369	-	11,369
Total Debt Investments	-	280,126	-	280,126
Domestic equity securities	350,567	-	-	350,567
International equity funds	57,980	-	-	57,980
Domestic real estate investment trusts	3,688	-	-	3,688
Total Equity securities and derivatives	412,234	-	-	412,234
Total	\$ 412,234	\$ 280,126	\$ -	\$ 692,360

Investments measured at Net Asset Value (NAV)

Domestic equity funds	300,574
International equity funds	415,098
Domestic fixed income funds	278,721
Private equity	173,715
Real estate LP	5,165
Real estate open ended funds	194,539
Alternative diversifying strategies	82,117
Alternative real assets	38,905
Total investments measured at NAV	1,488,834
Total Investments at fair value	\$ 2,181,194

Disclosures regarding redemption and investments valued at NAV per share (or its equivalent), held by the Common School Fund, including unfunded commitments at June 30, 2023 (in thousands):

Investments Measured at Net Asset Value (NAV)	Fair Value	Unfunded Commitments ¹	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Private equity	\$ 173,715	\$ 22,383	N/A	N/A
Real estate LP	5,165	24,468	N/A	N/A
Real estate open ended funds	194,539	4,089	Monthly, Quarterly	15 days
Alternative diversifying strategies	82,117	-	Monthly, Quarterly	2 - 65 days
Alternative real assets	38,905	27,598	N/A	N/A
Domestic fixed income funds	278,721	-	Daily	5 days
Domestic equity funds	300,574	-	Daily	2 days
International equity funds	415,098	-	Daily, Quarterly	2 - 120 days
Total	\$ 1,488,834	\$ 78,538		

¹ Excludes new commitments not yet funded at June 30, 2023.

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Notes to the Financial Statements

Investments of the Proprietary Funds, Managed by Treasury

The credit rating for the investments at Treasury held by proprietary funds and using the segmented time distribution method at June 30, 2023 (in thousands):

Reporting Fund	Investment Type	Credit Rating ²	Investment Maturities (in years)				Balance at June 30, 2023
			Less than 1	1 to 5	6 to 10	More than 10 or none	
Housing and Community Services ¹	U.S. Treasury securities	Exempt	\$ -	\$ -	\$ -	\$ 829	\$ 829
	U.S. Federal agency debt	AA	-	-	-	451	451
Total Housing and Community Services			-	-	-	1,280	1,280
Veterans' Loan	Oregon Intermediate Term Pool ³	Not rated	-	11,530	-	-	11,530
Lottery Operations	U.S. Treasury STRIPS	Exempt	10,218	36,194	26,856	26,251	99,519
	U.S. Federal agency STRIPS	Not rated	802	68	-	-	870
Total Lottery Operations			11,019	36,262	26,856	26,251	100,389
Special Public Works	Oregon Intermediate Term Pool ³	Not rated	-	11,653	-	-	11,653
Central Services	U.S. Federal agency mortgages	Not rated	513	-	-	-	513
	Oregon Intermediate Term Pool ³	Not rated	-	30,334	-	-	30,334
Total Central Services			513	30,334	-	-	30,847
Total			\$ 11,533	\$ 89,779	\$ 26,856	\$ 27,531	\$ 155,698

¹ \$243,681 in investments are held outside Treasury. Refer to the separate schedule.

² Investments of \$829 in U.S. Treasury securities and \$99,519 in U.S. Treasury STRIPS are explicitly guaranteed by the U.S. government and, therefore, are exempt from credit risk disclosure requirements.

³ Refer to the separate Oregon Intermediate Term Pool schedule.

The fair value measurement for the investments at Treasury held by proprietary funds at June 30, 2023 (in thousands):

Reporting Fund	Investment type	Level 1	Level 2	Level 3	Balance at June 30, 2023
Housing and Community Services	U.S. Treasury securities	\$ -	\$ 829	\$ -	\$ 829
	U.S. Federal agency debt	-	451	-	451
Total Housing and Community Services		-	1,280	-	1,280
Lottery Operations	U.S. Treasury STRIPS	-	99,519	-	99,519
	U.S. Federal agency STRIPS	-	870	-	870
Total Lottery Operations		-	100,389	-	100,389
Central Services	U.S. Federal agency mortgages	-	513	-	513
Total Central Services		-	513	-	513
Total Debt Investments		\$ -	\$ 102,181	\$ -	102,181
Investments valued at NAV					
Veterans' Loan	Oregon Intermediate Term Pool				11,530
Special Public Works	Oregon Intermediate Term Pool				11,653
Central Services	Oregon Intermediate Term Pool				30,334
Total Investments Valued at NAV					53,517
Total					\$ 155,698

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Notes to the Financial Statements

Investments not Managed by Treasury

For investments held outside of the Treasury, statutes govern the placement of funds with outside parties as part of trust agreements or mandatory asset holdings by regulatory agencies. The credit rating and segmented time distribution for investments held outside Treasury at June 30, 2023 (in thousands):

Reporting Fund	Investment Type	Credit Rating ¹	Investment Maturities (in years)				Balance at June 30, 2023
			Less than 1	1 to 5	6 to 10	More than 10 or none	
Common School	U.S. agency securities	AAA	\$ -	\$ -	\$ -	\$ 9	\$ 9
	U.S. agency securities	Exempt	-	-	-	34	34
	Total U.S. agency securities		-	-	-	43	43
	U.S. Treasury STRIPS	Exempt	1	-	-	-	1
	GNMA	Exempt	-	-	-	25	25
	Municipal bonds	AAA	-	-	-	5	5
		AA	-	-	-	5	5
		Not rated	-	-	25	104	129
	Total municipal bonds		-	-	25	114	139
	Corporate bonds	A	-	-	16	-	16
		BAA	-	27	47	-	74
		BA	-	-	12	-	12
		Not rated	-	-	21	-	21
Total corporate bonds			-	27	95	-	122
Total Common School			1	27	120	181	329
Revenue Bond	Guaranteed investment contracts	N/A	-	2,523	-	-	2,523
Housing and Community Services	U.S. Treasury securities	Exempt	9,405	5,475	-	-	14,880
	U.S. Federal agency debt	AA	-	8,663	9,114	18,055	35,831
		Not rated	16,491	-	-	-	16,491
	Total federal agency debt		16,491	8,663	9,114	18,055	52,323
	Investment derivative instruments	Not rated	-	-	-	90	90
Money market mutual funds ²	AAA	176,388	-	-	-	176,388	
Total Housing and Community Services			202,284	14,138	9,114	18,145	243,681
Private Purpose Trust	U.S. Treasury securities ³	Exempt	503	1	13	9	526
	Domestic mutual funds - debt ³	Not rated	7	-	-	900	907
Total Private Purpose Trust			510	1	13	909	1,434
Total Debt Investments			<u>\$ 202,795</u>	<u>\$ 16,690</u>	<u>\$ 9,247</u>	<u>\$ 19,236</u>	<u>247,968</u>
Educational Support	Private equities	N/A					201,557
Common School	Mutual funds	N/A					35,253
	Domestic equity securities	N/A					62,944
	International equity securities	N/A					145
	Real estate investment trust	N/A					27
	Real estate	N/A					2,905
Private Purpose Trust	Domestic equity securities	N/A					3
	Annuity contracts	N/A					127
Total							<u>\$ 550,928</u>

¹ Investments of \$15,406 in U.S. Treasury securities and \$1 in U.S. Treasury STRIPS are explicitly guaranteed by the U.S. government and, therefore, exempt from credit risk disclosure requirements.

² Included in Cash and Cash Equivalents - Restricted on the Statement of Net Position.

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

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Notes to the Financial Statements

The fair value measurement for investments held outside Treasury at June 30, 2023 (in thousands):

Reporting Fund	Investment type	Level 1	Level 2	Level 3	Balance at June 30, 2023
Common School	U.S. agency securities	\$ -	\$ 43	\$ -	\$ 43
	U.S. Treasury STRIPS	-	1	-	1
	GNMA	-	25	-	25
	Municipal bonds	-	139	-	139
	Corporate bonds	-	122	-	122
	Mutual funds	35,253	-	-	35,253
	Domestic equity securities	62,934	9	-	62,944
	International equity securities	145	-	-	145
	Real estate	-	-	2,905	2,905
	Real estate investment trust	27	-	-	27
Total Common School		98,359	339	2,905	101,603
Housing and Community Services	U.S. Treasury securities	-	14,880	-	14,880
	U.S. Federal agency debt	-	52,323	-	52,323
	Investment derivative instruments	-	90	-	90
	Money market mutual funds	176,388	-	-	176,388
Total Housing and Community Services		176,388	67,293	-	243,681
Private Purpose Trust	U.S. Treasury securities	-	526	-	526
	Domestic equity securities	3	-	-	3
Total Private Purpose Trust		3	526	-	530
Total Debt Investments		\$ 274,750	\$ 68,158	\$ 2,905	345,813
Investments reported at NAV:					
Educational Support	Private equities				201,557
Revenue Bond	Guaranteed investment contracts				2,523
Private Purpose Trust	Domestic mutual funds - debt				907
	Annuity contracts				127
Total					\$ 550,928

Disclosures regarding redemption and investments valued at NAV per share (or its equivalent), held by the Educational Support Fund, including unfunded commitments at June 30, 2023 (in thousands):

Investments Measured at Net Asset Value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Private equities	\$ 201,557	\$ 57,053	N/A	N/A

Interest Rate Sensitive Investments

As of June 30, 2023, the primary government held approximately \$1.2 billion in debt instruments backed primarily by collateralized mortgage-backed securities and federal agency mortgages. These securities represent a stream of principal and interest payments from underlying mortgages. Assets with these characteristics are susceptible to prepayment by the mortgage holders, which may result in a decrease in total interest realized. The value of these securities can be volatile as interest rates fluctuate. Additionally, the risk of default exists and collateral held may potentially be insufficient to cover the principal due. In addition, the primary government held approximately \$5.7 billion of asset-backed securities collateralized primarily by credit card accounts, automobile loans, and equipment leases.

Concentration of Credit Risk

Investment policies for fixed income investments under the management of the Treasurer generally limit investments in a single issuer to 5% of the portfolio, with the exception of securities of the U.S. government and U.S. agencies. For investments not under the management of the Treasurer, there are no formal policies on concentration of credit risk. At June 30, 2023, there were no issuers that exceeded 5% of the primary government's holdings (excluding OPERF).

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. On June 30, 2023, 38.5% of the Housing and Community Service Fund's total investments were Federal Home

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Loan Bank securities, 16% were Federal National Mortgage Association (FNMA) securities, 10.7% are Tennessee Valley Authority securities, and 10.3% are Federal Farm Credit Bank securities.

Within the major governmental funds, the Public Transportation Fund's investments included \$2.8 million (10.4%) in Toyota Motor Corporation, \$2.8 million (10.3%) in Toronto-Dominion Bank, and \$1.6 million (5.8%) in Mitsubishi UFJ Financial Group.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Oregon state agencies are required to deposit moneys in state-qualified depositories under Oregon law. Exceptions due to foreign field offices and related circumstances are approved by the Treasurer. International debt securities denominated in U.S. dollars are not subject to currency risk if the investment's obligations will be paid in U.S. dollars. Investment policies for fixed income investments under the management of the Treasurer generally prohibit investments in non-dollar denominated securities. The Common School Fund is allowed to invest in non-dollar denominated securities. For investments not under the management of the Treasurer, there are no formal policies on foreign currency risk.

Deposits and investments exposed to foreign currency risk for the primary government (excluding the OPERF) as of June 30, 2023 (in thousands):

Foreign Currency Denomination	Deposits and Investments (U.S. Dollars)			
	International		Non-US	
	Deposits	Equity Securities	Government Debt	Total
Argentine peso	\$ 3	\$ -	\$ -	\$ 3
Brazilian real	-	756	-	756
British pound sterling	-	51,225	-	51,225
Canadian dollar	122	1,040	2,848	4,010
Euro	-	21,352	-	21,352
Hong Kong dollar	-	4,707	-	4,707
Japanese yen	-	4,963	-	4,963
Korean won	-	734	-	734
Mexican peso	280	-	10,656	10,936
Russian ruble	22	-	1,173	1,195
South African Rand	-	1,535	-	1,535
Swedish krona	-	2,955	-	2,955
Total	\$ 426	\$ 89,267	\$ 14,677	\$ 104,371

C. Investments – Primary Government – Oregon Public Employees Retirement Fund (OPERF)

The Council establishes policies for the investment and reinvestment of moneys in the OPERF. Policies are established based on the primary investment class of each investment manager and do not reflect the classifications of individual holdings as presented in the financial statements. Contracts with individual investment managers provide additional guidelines that vary from manager to manager.

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Notes to the Financial Statements

Investments in the OPERF as of June 30, 2023 (in thousands):

Investment Type	Fair Value
U.S. Treasury obligations	\$ 8,254,816
U.S. Treasury obligations - STRIPS	178,981
U.S. Treasury obligations - TIPS	49,491
U.S. Federal agency mortgage securities	1,052,529
U.S. Federal agency mortgage TBAs	1,152,459
U.S. Federal agency debt	129,212
U.S. Federal agency STRIPS	575
International debt securities	1,107,926
Non-government debt securities	1,188,251
Corporate bonds	1,830,330
Bank loans	1,279,434
Municipal bonds	38,811
Collateralized mortgage obligations	555,351
Commercial mortgage-backed securities	89,635
Asset-backed securities	529,215
Guaranteed investment contracts ¹	310,741
Domestic fixed income funds	965,473
Global fixed income funds	881,230
Repurchase agreements	188,000
Total debt securities	19,782,459
Derivatives in asset positions	87,005
Domestic equity securities	10,737,409
International equity securities	6,215,692
Domestic equity funds	3,511,250
Global equity funds	712,375
International equity funds	840,432
Target date funds	877,201
Oregon Savings Growth Plan - self directed	44,771
Real estate and real estate investment trusts	13,481,577
Private equity	26,188,040
Real assets	8,980,368
Diversifying strategies	4,918,881
Opportunity portfolio	2,449,303
Total investments	\$ 98,826,761

¹ Guaranteed investment contracts are stated at contract value.

Interest Rate Risk

Interest rate risk is managed within the OPERF using the effective duration methodology. There is no policy restriction regarding the interest rate risk. As of June 30, 2023, the weighted average duration of the fixed income portfolio was 5.24 years and no individual fixed income investment manager's portfolio was outside the policy guidelines.

At June 30, 2023, the OPERF held approximately \$1.7 billion in debt instruments backed by pooled mortgages, collateralized mortgage obligations, commercial mortgage-backed securities, or fixed-rate mortgages. These securities represent a stream of principal and interest payments from underlying mortgages. Assets with these characteristics are susceptible to prepayment by the mortgage holders, which may result in a decrease in total interest realized. The value of these securities can be volatile as interest rates fluctuate. Additionally, the risk of default exists and collateral held may potentially be insufficient to cover the principal due. The OPERF also held approximately \$1.2 billion in to-be-announced federal agency-issued mortgage pools. An additional \$529.2 million of debt instruments are asset-backed securities backed primarily by automobiles, consumer credit receivables, heavy equipment leases, and student loan receivables.

State of Oregon
Notes to the Financial Statements

Debt investments of the OPERF as of June 30, 2023 (in thousands):

Investment Type	Balance at June 30, 2023	Effective Weighted Duration Rate (in years)
U.S. Treasury obligations	\$ 8,254,816	4.30
U.S. Treasury obligations - STRIPS	178,981	0.76
U.S. Treasury obligations - TIPS	49,491	3.93
U.S. Federal agency mortgage securities	1,052,529	6.16
U.S. Federal agency mortgage TBAs	1,152,459	4.66
U.S. Federal agency debt	129,212	3.53
U.S. Federal agency STRIPS	575	22.48
International debt securities	1,107,613	7.86
Non-U.S. government debt securities	1,188,251	4.29
Corporate bonds	1,829,353	6.31
Bank loans	1,263,165	7.36
Municipal bonds	38,811	5.05
Collateralized mortgage obligations	555,046	7.35
Commercial mortgage-backed securities	89,635	9.56
Asset-backed securities	529,215	6.31
Domestic fixed income funds	965,473	5.23
Global fixed income funds	881,230	6.28
Repurchase agreements	188,000	0.00 ¹
No effective duration:		
International debt securities	313	N/A
Corporate bonds	977	N/A
Bank loans	16,270	N/A
Collateralized mortgage obligations	305	N/A
Guaranteed investment contracts	310,741	N/A
Total debt securities	<u>19,782,459</u>	
Cash equivalent - Mutual Funds - STIF	720,277	25 days ²
Cash equivalent - Oregon Short Term Fund	962,178	152 days ²
Total subject to interest rate risk	<u>\$ 21,464,914</u>	

¹ 0.002 year

² Weighted average maturity. Pools are not rated.

Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The Council has no formal policy regarding credit risk. As of June 30, 2023, the fair value of below grade investments, excluding unrated securities, is \$1.7 billion, or 16%, of total securities subject to credit risk and 8.8% of total debt securities. The weighted quality rating average is AA-. Unrated securities include \$577.3 million in bank loans, \$1.5 billion in domestic and global fixed income funds, \$310.7 million in guaranteed investment contracts, and \$838.9 million in other debt securities.

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Notes to the Financial Statements

Credit ratings for debt securities within the OPERF as of June 30, 2023 (in thousands):

Credit Rating	Balance at June 30, 2023
AAA	\$ 1,222,055
AA	471,619
A	969,411
BBB	1,473,216
BB	511,166
B	889,119
CCC	276,935
CC	56,490
C	624
D	8,761
Not rated	3,183,869
Not rated - U.S. Federal agency ¹	1,831,758
Total subject to credit risk	10,895,023
U.S. government guaranteed securities	8,887,436
Total	\$ 19,782,459

¹ Federal agency securities are not rated by the credit rating agencies as they carry an implicit guarantee of the U.S. government.

Custodial Credit Risk

Custodial credit risk for investments is the risk that in the event of a failure of the counterparty, the OPERF will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. There is no formal policy regarding the holding of securities by a custodian or counterparty. As of June 30, 2023, investment securities (excluding cash, cash equivalents, and repurchase agreements held as securities lending collateral) are registered and held in the name of the Oregon Investment Council (OIC), for the benefit of PERS, and are not exposed to custodial credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment or a deposit. As of June 30, 2023, approximately 5.4% of the debt investment portfolio was invested in non-dollar denominated securities. Policies for the OPERF portfolio do not limit non-dollar denominated investments. OPERF utilizes a currency overlay manager to reduce risk through offsetting investments in the developed foreign currency market for international equity portfolios.

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Notes to the Financial Statements

The OPERF's exposure to foreign currency risk as of June 30, 2023 (in thousands):

Foreign Currency Denomination	Cash and Cash Equivalents	Debt Securities	Public Equity	Derivatives in Asset Positions	Real Estate	Real Assets and Diversifying Strategies	Total
Argentine peso	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
Australian dollar	2,056	29,644	222,573	111	5,560	47,695	307,639
Brazilian real	436	-	90,215	420	-	-	91,070
British pound sterling	12,748	108,416	933,649	-	275	49,474	1,104,562
Canadian dollar	5,426	35,742	346,419	-	145	-	387,732
Chilean peso	19	-	819	4,265	-	-	5,103
Chinese yuan	90,332	80,530	132,585	1,343	-	-	304,790
Colombian peso	12	-	-	-	-	-	12
Czech koruna	30	1,566	-	-	-	-	1,596
Danish krone	169	2,043	158,601	-	-	-	160,813
Egyptian pound	35	-	2,953	-	-	-	2,988
Euro	16,594	356,714	1,406,787	108	1,634	3,176,860	4,958,697
Hong Kong dollar	1,542	-	338,548	-	431	-	340,521
Hungarian forint	619	4,131	2,074	-	-	-	6,824
Indian rupee	17	-	128,552	-	-	-	128,569
Indonesian rupiah	981	19,545	46,519	-	-	-	67,046
Israeli new shekel	85	3,564	8,641	-	-	-	12,290
Japanese yen	6,530	335,499	939,053	7,979	708	-	1,289,769
Kuwaiti dinar	20	-	428	-	-	-	448
Malaysian ringgit	240	11,657	3,888	423	-	-	16,208
Mexican peso	2,663	50,183	21,421	100	10,278	-	84,644
New Taiwan dollar	1,101	-	199,987	-	-	-	201,089
New Zealand dollar	532	14,423	2,705	-	-	-	17,659
Nigerian naira	2,439	-	-	-	-	-	2,439
Norwegian krone	118	329	34,964	-	-	-	35,411
Pakistani rupee	50	-	1,828	-	-	-	1,877
Peruvian nuevo sol	37	4,091	-	-	-	-	4,128
Philippine peso	24	-	5,608	-	-	-	5,632
Polish zloty	25	-	11,018	275	-	-	11,318
Qatari rial	50	-	4,049	-	-	-	4,100
Romanian leu	-	765	-	-	-	-	765
Russian ruble	907	3,299	34,444	-	-	-	38,649
Saudi Arabian riyal	1,652	-	49,981	-	85	-	51,718
Singapore dollar	479	2,703	55,583	1	15,409	-	74,173
South African rand	100	6,999	36,872	29	-	-	44,001
South Korean won	2,033	-	243,905	59,017	-	-	304,955
Swedish krona	168	-	108,091	-	-	-	108,260
Swiss franc	808	-	342,211	-	-	-	343,018
Thailand baht	485	3,761	28,112	-	-	-	32,358
Turkish lira	14	-	35,226	-	-	-	35,240
United Arab Emirates dirham	7	-	10,951	-	-	-	10,958
Vietnamese dong	-	-	1,339	-	-	-	1,339
Total	\$ 151,581	\$ 1,075,604	\$ 5,990,598	\$ 74,072	\$ 34,526	\$ 3,274,029	\$ 10,600,410

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Notes to the Financial Statements

Fair Value Measurement

Fair value measurement levels for investments in the OPERF as of June 30, 2023 (in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments by Fair Value Level				
Debt Securities:				
U.S. Treasury obligations	\$ -	\$ 8,254,816	\$ -	\$ 8,254,816
U.S. Treasury obligations - STRIPS	-	178,981	-	178,981
U.S. Treasury obligations - TIPS	-	49,491	-	49,491
U.S. Federal agency mortgage securities	-	1,052,529	-	1,052,529
U.S. Federal agency mortgage TBAs	-	1,152,459	-	1,152,459
U.S. Federal agency debt	-	129,212	-	129,212
U.S. Federal agency STRIPS	-	575	-	575
Non-U.S. government debt securities	-	1,188,251	-	1,188,251
Corporate bonds	-	2,207,183	61,615	2,268,798
Bank loans	-	889,906	484,769	1,374,675
Municipal bonds	-	38,811	-	38,811
Collateralized mortgage obligations	-	690,947	708	691,655
Commercial mortgage-backed securities	-	89,635	-	89,635
Asset-backed securities	-	917,571	49,558	967,129
Domestic fixed income funds	-	965,473	-	965,473
Global fixed income funds	-	881,230	-	881,230
Repurchase agreements	-	188,000	-	188,000
Total debt securities¹	-	18,875,069	596,650	19,471,719
Public Equity:				
Domestic equity securities	10,687,142	27	50,240	10,737,409
International equity securities	6,209,663	-	6,029	6,215,692
Domestic equity funds	-	3,511,250	-	3,511,250
Global equity funds	-	712,375	-	712,375
International equity funds	684,787	155,585	59	840,432
Target date funds	-	877,201	-	877,201
Oregon Savings Growth Plan - self directed	44,771	-	-	44,771
Total public equity	17,626,362	5,256,438	56,329	22,939,129
Real estate investment trusts	522,530	-	-	522,530
Total investments by fair value level	\$ 18,148,892	\$ 24,131,507	\$ 652,978	42,933,377
Investments Measured at Net Asset Value (NAV)				
Real estate:				
Real estate investments				9,696,356
Real estate open ended funds				3,262,692
Total real estate				12,959,048
Private equity				26,188,040
Real assets				8,980,368
Diversifying strategies				4,918,881
Opportunity portfolio:				
Opportunity private investments				1,262,012
Opportunity open ended funds				1,187,291
Total opportunity portfolio				2,449,303
Total investments measured at NAV				55,495,639
Total investments measured at fair value				\$ 98,429,016

¹ Guaranteed investment contracts are excluded from the table as these are stated at contract value.

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Investments Measured at Net Asset Value

Disclosures regarding redemption and investments valued at NAV per share (or its equivalent) including unfunded commitments at June 30, 2023 (in thousands):

	Fair Value	Unfunded Commitments ¹	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real estate:				
Real estate investments	\$ 9,696,356	\$ 3,602,065	N/A	N/A
Real estate open ended funds	3,262,692	187,209	Quarterly	15 - 90 days
Private equity	26,188,040	6,660,951	N/A	N/A
Real assets	8,980,368	3,341,982	N/A	N/A
Diversifying strategies	4,918,881	-	Monthly	3 - 90 days
Opportunity portfolio:				
Opportunity private investments	1,262,012	656,502	N/A	N/A
Opportunity open ended funds	1,187,291	493,613	Monthly, Quarterly	5 - 90 days
Total	\$ 55,495,639	\$ 14,942,323		

¹ Excludes unfunded commitments associated with investments included in the fair value hierarchy (Levels 1, 2, and 3) and new commitments not yet funded at June 30, 2023.

Equity securities are generally valued based on quoted prices from an active market and are therefore categorized in Level 1. In the absence of quoted market prices, such as equity securities that trade infrequently or not at all, valuations are based on the last traded price or a price provided by investment managers and are generally categorized in Level 3.

Debt securities classified as Level 2, are valued using the latest bid prices or evaluated quotes from independent pricing vendors. The third-party vendors use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions. When independent price sources are not available, debt securities are priced based on the last traded price or a valuation provided by the investment manager and are categorized in Level 3.

Funds priced using a NAV that is published daily and validated with a sufficient level of observable activity are categorized in Level 1. If observable activity is limited, yet supports that the NAV represents an exit value of the security at the measurement date, the securities are categorized in Level 2. Investments that are measured at NAV as a practical expedient, such as most private equity, real assets, diversifying strategies, opportunity, and real estate investments, are excluded from the fair value hierarchy if the NAV per share (or its equivalent) was calculated in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. Funds not meeting this criteria are categorized in Level 3.

Investments in real estate, other than real estate investment trusts which are generally valued based on an active market price and are categorized in Level 1, have been valued based on the NAV per share (or its equivalent), as provided by the general partner. This type includes 66 commingled real estate funds, structured as limited partnerships, where the funds have a finite term. Distributions from the funds will be received as the underlying investments of the funds are liquidated. Liquidation is expected to take place during the five year period following the termination of the investment period which extends to 2037. Investments in real estate also include 16 joint ventures where the investments are expected to be held for the long term and generate cash flow that will represent a significant component of the total return. Real estate also includes investments in 16 open ended funds that permit quarterly redemption of shares, subject to certain requirements being met.

Private equity consists of approximately 212 funds, organized as limited partnerships and limited liability companies, participating in diversified strategies including leveraged buyouts, venture capital, growth equity, fund-of-funds, co-investments, and special situations. The fair values of the private equity investments have been determined using the NAV per share (or its equivalent) as provided by the general partner or managing member. These funds have a finite term. Distributions will be received as the underlying investments of the funds are liquidated, which is expected to occur over the next 12 to 14 years.

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Real Asset and Diversifying Asset investments seek to provide diversification and inflation-hedging characteristics to the fund. They include investments with a focus on infrastructure and natural resources. Real assets consists of 94 investments in commingled funds organized as limited partnerships and limited liability companies. The fair values of the investments have been determined using a NAV per share (or its equivalent) of the investments. For real asset infrastructure and natural resource investments, which includes 78 of the 94 funds, the funds have a finite term. Distributions will be received as the underlying investments of the funds are liquidated, which is expected to occur over the next 10 to 14 years. The remaining 16 funds are open ended, permitting periodic redemption of shares, subject to certain requirements being met. These 16 funds are investing in diversifying hedge strategies.

The Opportunity Portfolio includes strategies that fall outside of other asset classes and include 23 funds investing in a broad range of performing and distressed debt and debt related securities as well as royalties and insurance-based investments. The fair values of the investments have been determined using a NAV per share (or its equivalent) of the investments. For 16 of the 23 funds, the funds have a finite term. Distributions will be received as the underlying investments of the funds are liquidated, which is expected to occur over the next seven to 10 years. The remaining seven funds are open ended, permitting periodic redemption of shares.

D. Repurchase Agreements

Investments in repurchase agreements made with cash collateral securities lending transactions had the following fair values at June 30, 2023:

- \$1.5 million, or 0.9% of the Oregon Short Term Investment Fund, the cash collateral pool for all agencies, excluding OPERF.
- \$351.3 million, or 57.7% of the OPERF cash collateral pool.

E. Securities Lending

The State participates in securities lending transactions in accordance with State investment policies. The Treasury has, through a Securities Lending Agreement, authorized State Street Bank and Trust Company (State Street) to lend the State's securities pursuant to a form of loan agreement. Both the State and borrowers maintain the right to terminate all securities lending transactions on demand. There were no significant violations of the provisions of securities lending agreements during the year ended June 30, 2023.

During the year, State Street had the authority to loan short-term, fixed income, and equity securities and to receive as collateral U.S. dollar and foreign currency cash, U.S. government and agency securities, letters of credit, and foreign sovereign debt of Organization of Economic Cooperation and Development countries. Borrowers were required to deliver collateral for each loan equal to not less than 102% of the fair value of the loaned U.S. securities, international fixed income securities, or 105% in the case of international equity. The custodian did not have the ability to pledge or sell collateral securities absent a borrower default, and during the fiscal year the State did not impose restrictions on the amount of loans the custodian made on its behalf. The State is fully indemnified against losses due to borrower default by its custodian. There were no losses during the year from the failure of borrowers to return loaned securities and no recoveries of amounts from prior losses.

State Street, as lending agent, has created a fund to reinvest cash collateral received on behalf of the OSTF and Oregon state agencies other than PERS. As permitted under the fund's Declaration of Trust (Declaration), participant purchases and redemptions are transacted at \$1 per unit ("constant value") based on the amortized cost of the fund's investments. Accordingly, the securities lending collateral held and the obligation to the lending agent are both stated at constant value on the balance sheet and statement of net position.

The maturities of investments made with cash collateral did not generally match the maturities of the securities loaned. Since the securities loaned are callable on demand by either the lender or borrower, the life of the loans at June 30, 2023, is effectively one day. On June 30, 2023, the State had no credit risk exposure to borrowers because the amounts the State owes to borrowers exceed the amounts borrowers owe the State.

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Securities lending balances on loan, collateral received, and investments of cash collateral as of June 30, 2023, of the primary government, including the OPERF (in thousands):

Investment Type	Cash and Securities Collateral Received	Securities on Loan at Fair Value	Investments of Cash Collateral at Fair Value
U.S. Treasury and agency securities	\$ 431,840	\$ 423,518	\$ 14,548
Domestic equity securities	493,613	485,641	465,452
International equity securities	25,352	23,838	14,943
Domestic fixed income securities	145,519	142,660	132,407
Total	\$ 1,096,324	\$ 1,075,657	\$ 627,350

State Street, as lending agent, has also created a fund, solely owned by OPERF, to reinvest cash collateral received. OPERF bears the entire risk of loss and the reinvested cash collateral is stated at fair value in the Pension and Other Employment Benefit Trust Funds in the statement of fiduciary net position.

F. Restricted Assets

Included in deposits and investments are amounts which are committed for specific purposes, including loan acquisitions, payment of debt service, lottery prizes, and deferred compensation. At June 30, 2023, the primary government had restricted assets of \$5.4 billion in deposits and \$1.3 billion in investments.

3. DERIVATIVE INSTRUMENTS

Derivative instruments are financial instruments whose value is derived from underlying assets, reference rates, or indexes. A derivative instrument generally takes the form of a contract in which two parties agree to make payments at some later date based on the value of the underlying assets, reference rates, or indexes. The main types of derivative instruments are futures, forwards, options, and swaps. The State uses derivative instruments as hedges against certain risks, for example, to counter increases in interest costs, and as investments. For investment derivative instruments, the Oregon State Treasury (Treasury) policy allows, with some restrictions, for the use of derivative instruments in the prudent management of the State's investments. Certain external management firms are allowed, through contract, to invest in derivative instruments in order to carry out their investment management activities.

A. Hedging Derivative Instruments (Excluding the Oregon Public Employees Retirement Fund)

Housing and Community Services Department

The Oregon Housing and Community Services Department (OHCS) has entered into pay-fixed, receive-variable interest rate swaps to hedge against changes in variable rate interest and to lower borrowing costs compared to fixed rate bonds. OHCS had seven swaps at the end of the fiscal year. The fair value of the swaps on June 30, 2023, totaled \$16.9 million and the notional amount totaled \$192.2 million. The fair value of hedging derivative instruments totaled \$16.8 million. Hedging derivative instrument swaps with positive fair values are shown on the proprietary funds statement of net position and the government-wide statement of net position under deferred inflows of resources and derivative instrument assets. During the fiscal year the fair value of the hedging derivative instruments increased by \$4.5 million.

The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for the hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. This methodology is believed to be consistent with accepted practice in the market for interest rate swaps. The fair value is categorized as Level 2 within the fair value hierarchy described in Note 2.

State of Oregon
Notes to the Financial Statements

The terms, fair values, counterparties, and credit ratings of OHCS D's outstanding swaps as of June 30, 2023 (dollars in thousands):

Bond Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Term Date	Counterparty	Counterparty Rating ²
Mortgage revenue bonds								
2015 C	\$ 33,600	9/6/2018	2.75%	70% of SOFR ¹ + .130136%	\$ 1,765	7/1/2045	Royal Bank of Canada	Aa1 / AA- / AA-
2016 B	13,140	1/1/2019	1.71%	66.5% of SOFR + .1561292%	871	1/1/2033	Royal Bank of Canada	Aa1 / AA- / AA-
2016 C	15,000	1/1/2019	2.00%	66.5% of SOFR + .2261292%	1,194	7/1/2037	Royal Bank of Canada	Aa1 / AA- / AA-
2017 C	41,605	7/1/2019	2.41%	70% of SOFR + .130136%	1,566	7/1/2039	Bank of America, N.A.	Aa1 / A+ / AA
2018 E	41,000	5/4/2019	1.12%	³	7,698	7/1/2043	Bank of America, N.A.	Aa1 / A+ / AA
2020 B	24,500	7/13/2020	0.90%	⁴	3,722	7/1/2037	Royal Bank of Canada	Aa1 / AA- / AA-
2022 D	21,000	10/27/2022	4.42%	100% of SOFR + 0.15%	26	7/1/2047	Royal Bank of Canada	Aa1 / AA- / AA-
	<u>\$ 189,845</u>				<u>\$ 16,842</u>			

¹ Secured Overnight Financing Rate

² Moody's / S&P / Fitch

³ USD Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index from the Effective Date weekly to, but excluding, January 1, 2028, and 70% of SOFR + .080136% thereafter.

⁴ USD SIFMA Municipal Swap Index from the Effective Date weekly to, but excluding, July 1, 2026, and 70% of SOFR + .080136% thereafter.

The mortgage revenue bonds (MRB) swaps include options giving OHCS D the right to call (cancel) the swaps in whole or in part, depending on the exercise date, semiannually on or after July 1, 2023 (2016 B and 2016 C), January 1, 2025 (2015 C), July 1, 2026 (2017 C and 2020 B), January 1, 2028 (2018 E), and January 1, 2031 (2022 D). These options provide flexibility to manage the prepayments of loans and the related bonds.

Basis risk is the risk that arises when variable interest rates on a derivative instrument and the associated bond are based on different indexes. All variable interest rates on OHCS D's tax exempt bonds are determined weekly by a remarketing agent. OHCS D is exposed to basis risk when the variable rates received, which are based on the Secured Overnight Financing Rate (SOFR) or the SIFMA rate, do not offset the variable rates paid on the bonds. As of June 30, 2023, the SOFR rate was 4% and the SIFMA rate was 5%. OHCS D's variable interest rates as of June 30, 2023, can be found in Note 7.

Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. OHCS D or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the swap agreement. If any of the swaps are terminated, the associated variable rate bonds would no longer carry synthetic fixed interest rates and OHCS D would then be exposed to interest rate risk. Also, if any of the swaps had a negative value at termination, OHCS D would be liable to the counterparty for a payment equal to the fair value of the swap.

Rollover risk is the risk that occurs when the swap termination date does not extend to the maturity date of the associated debt. OHCS D is not exposed to rollover risk because the swap termination dates match the associated bond maturity dates.

State of Oregon
Notes to the Financial Statements

Debt service requirements of the variable rate debt and net swap payments of OHCS D, using interest rates as of June 30, 2023 (in thousands):

Year Ending June 30,	Principal	Interest	Interest Rate Swaps (Net)	Total
2024	\$ -	\$ 7,057	\$ (3,258)	\$ 3,798
2025	3,340	7,814	(3,961)	7,193
2026	4,010	7,670	(3,893)	7,787
2027	4,120	7,511	(3,794)	7,837
2028	4,240	7,347	(3,617)	7,970
2029-2033	37,250	33,131	(16,108)	54,273
2034-2038	65,490	23,191	(11,075)	77,606
2039-2043	51,340	10,354	(4,785)	56,909
2044-2048	20,055	1,727	(785)	20,997
Total	\$ 189,845	\$ 105,801	\$ (51,275)	\$ 244,371

OHCS D's swaps include provisions that require collateral to be posted if the rating on the senior bonds issued under the 1988 indenture (MRB) is not above either Baa1 (Moody's) or BBB+ (S&P). If the bonds are at or below these levels, collateral in the amount of the current swap fair value (rounded to the nearest \$10 thousand) is required to be posted. The minimum transfer amount is \$100 thousand or \$0 if neither rating agency rates the bonds. The total fair value on June 30, 2023, of the swaps that include these provisions is \$16.9 million. At June 30, 2023, the bonds subject to these provisions are rated Aa2 by Moody's; the bonds are not rated by S&P.

Department of Veterans' Affairs

The Veterans' Loan Fund, a major enterprise fund managed by the Department of Veterans' Affairs (DVA), has interest rate swaps in connection with its Loan Program General Obligation Veterans' Welfare Bonds, 2015 Series P (Veterans' Welfare Bonds Series 95), 2020 Series J (Veterans' Welfare Bonds 105B), 2020 Series M (Veterans' Welfare Bonds Series 106C), and 2022 Series E (Veterans' Welfare Bonds Series 110). The swaps and underlying floating-rate bonds together create "synthetic" fixed-rate debt. The DVA did not have any maturities of derivative instruments during fiscal year 2023. During the fiscal year, the fair value of the Series 95 swap increased by \$317 thousand. The fair value of the Series 105B and 106C swap increased by \$574 thousand. The fair value of the Series 110 swap is \$213 thousand.

The fair value balance of the interest rate swaps is reported on the proprietary funds statement of net position and the government-wide statement of net position under deferred inflows of resources and derivative instrument assets.

The fair value as of June 30, 2023, is positive. The fair value of the interest rate swaps is estimated using the zero-coupon method. This method calculates the future payments required by the swaps, using the forward interest rates implied by the yield curve for the floating leg of the swaps and the fixed rate of the swaps for the fixed leg of the swaps. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the swaps. The fair value is categorized as Level 2 within the fair value hierarchy described in Note 2.

State of Oregon
Notes to the Financial Statements

The terms and objectives of the DVA outstanding derivative instruments as of June 30, 2023 (dollars in thousands):

Type	Objective	Notional Amount	Effective Date	Termination Date	Fixed Rate Paid	Variable Rate Received	Fair Value
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 95 bonds, specifically related to changes in municipal tax-exempt interest rates	\$ 25,140	12/1/2020	12/1/2036	1.01%	100% USD-SIFMA ¹ Municipal Swap Index	\$ 3,455
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 105B & 106C bonds, specifically related to changes in municipal tax-exempt interest rates	\$ 23,000	6/1/2021	12/1/2044	1.17%	100% USD-SIFMA ¹ Municipal Swap Index ²	\$ 4,467
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 110 bonds, specifically related to changes in municipal tax-exempt interest rates	\$ 11,000	8/10/2022	6/1/2045	2.52%	100% USD-SIFMA ¹ Municipal Swap Index ³	\$ 213

¹ Securities Industry and Financial Markets Association (resets weekly).

² Receive 100% SIFMA from July 1, 2021, until June 1, 2029, then 70% of 1-month IBOR (Interbank Offered Rate) from July 1, 2029, until the termination date.

³ Receive 100% SIFMA from August 10, 2022, until June 1, 2031, then 70%+ 0.06% of 1-month IBOR (Interbank Offered Rate) from July 1, 2031, until the termination date.

The Series 95 swap was structured with an option that gives the DVA the right to cancel or terminate the swap at par on the first day of each June and December, in whole or in part commencing June 1, 2025. The DVA may also terminate the Series 105B and 106C swap on the first day of each June and December commencing on June 1, 2029. The DVA may also terminate the Series 110 swap on the first day of each June or December beginning on June 1, 2031. These options enhance asset/liability matching and provide flexibility to adjust the outstanding notional amount of the swaps over time.

Credit risk is the risk that a counterparty will not fulfill its obligations. The DVA's Series 95 swap is with Bank of America, N.A. (the Series 95 swap counterparty), which is rated A+ and Aa2 by S&P and Moody's, respectively. The Series 105B, 106C, and 110 swap is with The Bank of New York Mellon (the Series 105B, 106C, and 110 swap counterparty), which is rated AA- and Aa1 by S&P and Moody's, respectively. If the Series 95 swap counterparty's credit rating falls below certain levels, the Series 95 swap counterparty is required to post collateral to the lower of the following ratings (in thousands):

S&P Rating	Moody's Rating	Threshold	Minimum Transfer Amount
AA- or higher	Aa3 or higher	Infinite	\$ 1,000
A+	A1	\$ 10,000	1,000
A	A2	5,000	1,000
A-	A3	2,500	1,000
BBB+ or below or not rated	Baa1 or below or not rated	-	100 ¹

¹ Minimum Transfer Amount shall be \$0 if, and for so long as, neither Moody's nor S&P rate the long-term unsecured, unsubordinated, debt securities of Bank of America N.A.

State of Oregon
Notes to the Financial Statements

If the Series 105B, 106C, and 110 swap counterparty's credit rating falls below certain levels, the Series 105B, 106C, and 110 swap counterparty is required to post collateral to the lower of the following ratings (in thousands):

S&P Rating	Moody's Rating	Threshold	Minimum Transfer Amount
AA- or higher	Aa3 or higher	Infinite	\$ -
A+	A1	\$ 10,000	1,000
A	A2	5,000	1,000
A-	A3	2,500	1,000
BBB+ or below or not rated	Baa1 or below or not rated	-	100 ¹

¹ Minimum Transfer Amount shall be \$0 if, and for so long as, neither Moody's nor S&P rate the long-term unsecured, unsubordinated, debt securities of The Bank of New York Mellon.

Since the fair value of the swaps as of June 30, 2023, are positive, but the threshold applicable to the ratings by S&P and Moody's has not been exceeded, the Series 95 swap counterparty and the Series 105B, 106C, and 110 swap counterparty are not required to post collateral. The State may require collateralization or other credit enhancements to secure any or all swap payment obligations where Treasury determines such security is necessary to limit the credit risk or otherwise protect the interests of the State.

The DVA is exposed to interest rate risk on its pay-fixed, receive-variable interest rate swaps. As the SIFMA Municipal Swap Index rate decreases, the net payments on the swaps increases.

The DVA is exposed to basis risk because the variable rate debt hedged by the interest rate swaps, are variable rate demand obligation (VRDO) bonds. The Series 95 VRDO bonds are remarketed weekly. The Series 105B, Series 106C, and Series 110 VRDO bonds are remarketed daily. The DVA becomes exposed to basis risk because the variable rate payments received by the DVA are based on a rate other than the interest rate paid on the VRDO bonds. At June 30, 2023, the interest rate on the DVA's Series 95 VRDO bonds is 3.8%, the interest rate on the Series 105B and Series 106C VRDO bonds is 4%, and the interest rate on the Series 110 VRDO bonds is 3.9% while the SIFMA Municipal Swap Index rate is 4%.

The DVA or its counterparties may terminate the interest rate swap if the other party fails to perform under the terms of the contract thereby exposing the DVA to termination risk.

As interest rates fluctuate, variable rate bond interest payments and net swap payments will differ between the fixed payments paid to the counterparties and the variable rate paid to the DVA. Using interest rates as of June 30, 2023, the following table presents the debt service requirements of the variable rate debt (on the notional amount of the swaps) and the net swap payments (in thousands):

Year Ending June 30,	Principal	Interest	Interest Rate Swaps (Net)	Total
2024	\$ -	\$ 2,247	\$ (1,471)	\$ 775
2025	1,730	2,056	(1,433)	2,353
2026	1,800	1,993	(1,390)	2,403
2027	1,855	1,925	(1,340)	2,439
2028	1,895	1,857	(1,289)	2,463
2029-2033	10,200	8,160	(5,635)	12,725
2034-2038	18,275	5,729	(3,865)	20,138
2039-2043	18,235	2,545	(1,656)	19,124
2044-2045	5,150	172	(106)	5,216
Total	\$ 59,140	\$ 26,683	\$ (18,185)	\$ 67,637

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

If the State's unsecured, unenhanced, general obligation debt rating reaches certain levels, the DVA is required to post collateral to the lower of the following ratings (in thousands):

S&P Rating	Moody's Rating	Threshold	Minimum Transfer Amount (Series 95)	Minimum Transfer Amount (Series 105B & 106C)
A- or higher	A3 or higher	Infinite	\$ 100	\$ -
BBB+ or below	Baa1 or below	\$ -	100 ¹	100 ¹

¹ Minimum Transfer Amount shall be \$0 if, and for so long as, neither Moody's nor S&P rate the applicable DVA debt.

B. Investment Derivative Instruments (Excluding the Oregon Public Employees Retirement Fund)

Housing and Community Services Department

A portion of the MRB 2017 C swap was reclassified from hedging derivative instruments to investment derivative instruments when the associated bonds were called. The fair value of investment derivative instruments on June 30, 2023, was \$90 thousand. The fair value of the investment derivative instruments increased by \$75 thousand on June 30, 2023, and is included in Investments – Restricted on the proprietary funds statement of net position and government-wide statement of net position. A total of \$84 thousand from investment derivative instruments is included in investment income.

The terms, fair values, counterparties, and credit ratings of OHCS D's outstanding swaps as of June 30, 2023 (dollars in thousands):

Bond Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Term Date	Counterparty	Counterparty Rating²
Mortgage revenue bonds								
2017 C	\$ 2,395	7/1/2019	2.41%	70% of SOFR ¹ + .130136%	\$ 90	7/1/2039	Bank of America, N.A.	Aa1 / A+ / AA
	<u>\$ 2,395</u>				<u>\$ 90</u>			

¹ Secured Overnight Financing Rate.

² Moody's / S&P / Fitch

Common School Fund

In the Common School Fund (CSF) portfolio, forward currency exchange contracts may be used to gain exposure or hedge against effects of fluctuations of foreign currency exchange rates. A foreign currency exchange contract is a forward contract that is a commitment to purchase or sell a foreign currency at the future date at a negotiated forward rate. Foreign currency forward contracts are privately negotiated contracts with customized terms and are transacted in over-the-counter markets. Risk associated with such contracts includes movement in the value of foreign currencies and the failure of the counterparty to perform.

The following table shows the foreign currency exchange contracts within the Common School Fund as of June 30, 2023 (in thousands):

Currency	Currency Forward Contracts		
	Net Receivables	Net Payables	Total Exposure
Canadian dollar	\$ 4	\$ (11)	\$ (8)
Mexican peso	6	(321)	(315)
Total	<u>\$ 9</u>	<u>\$ (333)</u>	<u>\$ (323)</u>

In the CSF portfolio, rights and warrants are often obtained and held due to existing investments. Rights are the right, but not the obligation, to purchase newly issued equity shares, often in proportion to the number of shares currently owned, in a specific company, at a pre-established price on or within a predetermined date.

State of Oregon
Notes to the Financial Statements

A warrant provides the holder the right, but not the obligation, to purchase securities from the issuing entity at a specific price and within a certain period. Rights and warrants are privately transacted in the over-the-counter markets. Both are subject to general market risk and liquidity risk.

The fair value of derivative instruments within the CSF portfolio as of June 30, 2023 (in thousands):

Investment Derivatives	Net Appreciation/ (Depreciation) in Fair Value ^{1,4}	Classification	Fair Value ²	Notional Value ³
Foreign exchange forwards	\$ (911)	Long-term instruments	\$ (323)	\$ 5,677
Total	\$ (911)		\$ (323)	\$ 5,677

¹ Negative values (in brackets) refer to losses.

² Negative values refer to liabilities.

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

⁴ Excludes futures margin payments.

The fair value of derivative instruments is reported on the balance sheet as investments, accounts and interest receivable, and accounts and interest payable. Changes in fair value of derivative instruments during the fiscal year are reported on the statement of revenues, expenditures, and changes in fund balances as investment income.

C. Investment Derivative Instruments – Oregon Public Employees Retirement Fund (OPERF)

Oregon Investment Council policy allows, with some restrictions, for the use of derivative instruments in the prudent management of the OPERF investments. Certain internally and externally managed accounts are allowed, through contract and policy, to invest in derivative instruments in order to carry out their investment management activities. Risks inherent with derivative instruments are managed through investment management's adherence to contractual and policy prescribed terms that are consistent with the OPERF's investing objectives. All derivative instruments held by OPERF are considered investments. The fair value of the derivative investments is reported in public equity investments, investment sales receivable, and accounts and interest payable on the statement of fiduciary net position. Changes in fair value during the fiscal year are reported in the net appreciation (depreciation) in fair value of investments line on the statement of changes in fiduciary net position.

State of Oregon
Notes to the Financial Statements

The following schedule presents the related net appreciation/(depreciation) in fair value amounts and the notional amounts of derivative instruments outstanding as of June 30, 2023 (in thousands):

Investment Derivatives	Net Appreciation/ (Depreciation) in Fair Value of Investments^{1,3}	Classification	Fair Value	Notional Value²
Commodity Futures Long	\$ 231	Public Equity	\$ -	\$ -
Commodity Futures Short	(1,745)	Public Equity	-	-
Credit Default Swaps Bought	(3,464)	Public Equity	(613)	47,980
Credit Default Swaps Written	7,469	Public Equity	827	55,319
Fixed Income Futures Long	(337,622)	Public Equity	-	4,952,869
Fixed Income Futures Short	31,514	Public Equity	-	(427,949)
Fixed Income Options Bought	(1,367)	Public Equity	10,434	228,130
Fixed Income Options Written	2,868	Public Equity	(966)	(75,325)
Foreign Currency Options Bought	1	Public Equity	20	5,687
Foreign Currency Options Written	2	Public Equity	(131)	(3,368)
Foreign Exchange Forwards	62,150	Receivables/Payables	117,281	13,710,721
Futures Options Bought	(823)	Public Equity	99	246
Futures Options Written	2,096	Public Equity	(114)	(183)
Index Futures Long	16,740	Public Equity	-	24
Index Futures Short	(206,822)	Public Equity	-	(12,839)
Pay Fixed Interest Rate Swaps	144,893	Public Equity	49,575	3,540,720
Receive Fixed Interest Rate Swaps	(124,933)	Public Equity	(48,366)	2,868,310
Rights	50	Public Equity	28	349
Total Return Swaps Bond	877	Public Equity	-	-
Total Return Swaps Equity	(2,109)	Public Equity	-	-
Warrants	23	Public Equity	280	47
Total	\$ (409,970)		\$ 128,354	\$ 24,890,739

¹ Negative values (in brackets) refer to losses.

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

³ Excludes futures margin payments.

The following table shows the fair value measurement for investment derivative instruments as of June 30, 2023 (in thousands):

Investment Derivative Instruments¹	Level 1	Level 2	Level 3	Total
Credit Default Swaps	\$ -	\$ 827	\$ -	\$ 827
Foreign Exchange Forwards	-	(10,501)	-	(10,501)
Interest Rate Swaps	-	75,317	-	75,317
Options	-	10,553	-	10,553
Rights and Warrants	233	75	-	308
Total Assets	233	76,271	-	76,504
Credit Default Swaps	-	(613)	-	(613)
Foreign Exchange Forwards	-	127,782	-	127,782
Interest Rate Swaps	-	(74,108)	-	(74,108)
Options	-	(1,211)	-	(1,211)
Total Liabilities	-	51,850	-	51,850
Total	\$ 233	\$ 128,121	\$ -	\$ 128,354

¹ Refer to Note 2 for more information on the fair value hierarchy.

State of Oregon
Notes to the Financial Statements

A forward foreign currency exchange contract is a forward contract that is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The fair value of a foreign currency forward is determined by the difference between the contract exchange rate and the closing exchange rate, at the end of the reporting period. Risks associated with such contracts include movement in the value of foreign currencies and the ability of the counterparty to perform.

A futures contract represents a commitment to purchase or sell an underlying asset at a future date and at a specified price. Futures contracts have standardized terms and are traded on exchanges. The counterparty credit risk for futures is generally less than for privately negotiated forward contracts, since the clearinghouse, which is the issuer or counterparty to each exchange-traded future, settles daily the net change in the futures contract's value in cash with the broker and results in the contract itself having no fair value at the end of any trading day.

A swap is an agreement that obligates two parties to exchange a series of cash flows or the net value of cash flows at specified intervals based upon, or calculated by, reference to changes in specified prices or rates for a specified amount of an underlying asset. Swaps are privately negotiated contracts with customized terms and are transacted in over-the-counter markets. OPERF held various types of swaps including credit default, interest rate, and total return swaps. The payment flows are usually netted against each other, with the difference being paid by one party or another. In addition, collateral may be pledged or received by OPERF in accordance with the terms of the respective swap agreements to provide value and recourse to OPERF or its counterparties. Swaps are subject to general market risk, liquidity risk, credit risk, interest rate risk, and the risk that the counterparty may fail to perform.

An option is an instrument that gives one party the right, but not the obligation, to buy or sell an underlying asset from or to another party at a fixed price over a specified period of time. In writing an option, OPERF bears the market risk of an unfavorable change in the price of the underlying investment of the written option. Exercise of an option written by OPERF could result in OPERF selling or buying an asset at a price different from the current fair value. Options may be subject to interest rate risk, general market risk, liquidity risk, credit risk, foreign currency risk, and, for non-exchange traded options, the risk of the counterparty's ability to perform.

Rights are the right, but not the obligation, to purchase newly issued equity shares, often in proportion to the number of shares currently owned, in a specified company, at a pre-established price on or within a predetermined date. A warrant provides the holder the right, but not the obligation, to purchase securities from the issuing entity at a specific price and within a certain time period. In the OPERF portfolio, rights and warrants are often obtained and held because of existing investments and are subject to general market risk and liquidity risk.

State of Oregon
Notes to the Financial Statements

Counterparty Credit Risk

The following schedule presents a summary of counterparty credit rating relating to derivative instruments in asset positions as of June 30, 2023:

Counterparty Name	Percentage of Net Exposure	S&P Rating	Fitch Rating	Moody's Rating
JP Morgan Chase Bank N.A.	10.03%	A+	AA	Aa2
HSBC Bank USA	9.67%	A+	AA-	Aa3
Royal Bank of Canada (U.K)	8.25%	AA-	AA-	A1
UBS AG	6.45%	A+	A+	Aa3
Goldman Sachs Bank USA	5.98%	BBB+	A	A2
Barclays Bank LCH	5.93%	A+	A+	A1
Citibank N.A.	5.65%	A+	A+	Aa3
Morgan Stanley Capital Services Inc.	5.20%	A-	A+	A1
Australia and New Zealand Banking Group	4.94%	AA-	A+	Aa3
State Street Bank London	3.55%	A	AA-	A1
Standard Chartered Bank	3.47%	A+	A+	A1
Société Générale	3.35%	A	A-	A1
BNP Paribas SA	3.22%	A+	A+	Aa3
Morgan Stanley and Co. International PLC	3.18%	A-	A+	A1
Morgan Stanley LCH	2.67%	A-	A+	A1
HSBC Bank PLC	2.54%	A-	A+	A3
Toronto Dominion Bank	2.23%	AA-	AA-	A1
Morgan Stanley CME	1.92%	A-	A+	A1
Westpac Banking Corporation	1.84%	AA-	A+	Aa3
Credit Agricole CIB	1.71%	A+	A+	Aa3
Bank of New York	1.64%	A	AA-	A1
NatWest Markets PLC	1.54%	A	A+	A1
State Street Bank and Trust Company	1.39%	AA-	AA	Aa3
JP Morgan Chase Bank N.A. London	1.24%	A+	AA	Aa2
Barclays Bank PLC Wholesale	0.92%	A+	A+	A1
Royal Bank of Canada	0.38%	AA-	AA-	A1
Bank of America, N.A.	0.31%	A+	AA	Aa1
The Bank of New York Mellon	0.25%	AA-	AA	Aa2
Morgan Stanley ICE	0.23%	A-	A+	A1
Canadian Imperial Bank of Commerce	0.12%	A+	AA-	Aa2
Goldman Sachs International	0.10%	A+	A+	A1
JP Morgan LCH	0.05%	A-	AA-	A1
JP Morgan CME	0.03%	A-	AA-	A1
Banco Santander Central Hispano	0.01%	A+	A-	A2
Deutsche Bank AG	0.01%	A-	A-	A1
Total	<u>100.00%</u>			

Interest Rate Risk

As of June 30, 2023, OPERF is exposed to interest rate risk on its various swap arrangements and options.

The following schedule presents a segmented time schedule of those instruments as of June 30, 2023 (in thousands):

Investment Type	Fair Value	Investment Maturity (in years)			
		Less Than 1	1 - 5	6 - 10	More than 10
Credit Default Swaps Bought	\$ (613)	\$ -	\$ (613)	\$ -	\$ (0)
Credit Default Swaps Written	827	-	827	-	-
Fixed Income Options Bought	10,434	217	10,217	-	-
Fixed Income Options Written	(966)	(818)	(148)	-	-
Pay Fixed Interest Rate Swaps	49,575	3,320	33,622	5,554	7,079
Receive Fixed Interest Rate Swaps	(48,366)	(3,617)	(25,810)	(8,181)	(10,757)
Total	<u>\$ 10,890</u>	<u>\$ (898)</u>	<u>\$ 18,095</u>	<u>\$ (2,627)</u>	<u>\$ (3,679)</u>

State of Oregon
Notes to the Financial Statements

The following schedule presents derivative instruments that were highly sensitive to interest rate changes as of June 30, 2023 (in thousands):

Investment Type	Reference Rate	Fair Value	Notional Value
Pay Fixed Interest Rate Swaps	Receive Variable 1-Month US CPI, Pay Fixed 2.32950%	\$ 53	\$ 500
Pay Fixed Interest Rate Swaps	Receive Variable 1-Month US CPI, Pay Fixed 2.27400%	1,046	9,300
Pay Fixed Interest Rate Swaps	Receive Variable 1-Month US CPI, Pay Fixed 2.34500%	126	1,200
Pay Fixed Interest Rate Swaps	Receive Variable 6-month AUD BBSW, Pay Fixed 1.75000%	650	3,728
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 1.52000%	4,082	14,048
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month Euro EURIBOR, Pay Fixed 0.00000%	-	11,565
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month JPY TONAR, Pay Fixed 0.44650%	100	623
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month JPY TONAR, Pay Fixed 0.06000%	-	22,763
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month JPY TONAR, Pay Fixed 0.07700%	-	2,214
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 1.32000%	98	5,100
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 1.43000%	3	100
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 1.85000%	2,948	104,500
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 1.75000%	216	800
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month JPY TONAR, Pay Fixed 0.70000%	-	692
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month JPY TONAR, Pay Fixed 0.25000%	-	1,937
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month JPY TONAR, Pay Fixed 0.50000%	-	3,252
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 2.50000%	210	1,624
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month JPY TONAR, Pay Fixed 0.45000%	-	2,422
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 2.60000%	766	13,741
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month ZAR JIBAR, Pay Fixed 7.49000%	71	1,865
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 2.96478%	957	23,600
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month CAD CDOR, Pay Fixed 3.25000%	415	10,504
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.40000%	11,092	500,000
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month KRW KSDA, Pay Fixed 3.63900%	(2)	455
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.27000%	170	6,112
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month PLN WIBOR, Pay Fixed 5.48740%	(5)	353
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month PLN WIBOR, Pay Fixed 6.54670%	(42)	775
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.27000%	586	21,036
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month JPY TONAR, Pay Fixed 0.06000%	-	484
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month CAD CDOR, Pay Fixed 3.25000%	440	11,464
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month CAD CDOR, Pay Fixed 3.25000%	206	4,685
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month ZAR JIBAR, Pay Fixed 8.86000%	(3)	382
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.63050%	(50)	13,665
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.06050%	54	2,082
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.05750%	55	2,082
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.64000%	(60)	13,665
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 4.32100%	10	921
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.05000%	1,357	32,293
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 4.18750%	424	32,988
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.80000%	3,579	442,463
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 4.20000%	1,906	143,703
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.82600%	162	19,633
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.85000%	(31)	9,829
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.71450%	(39)	3,750
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.68450%	(49)	6,127
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.37200%	(123)	3,859
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 4.48450%	128	13,718
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 4.43750%	216	21,737
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.53900%	(188)	2,987
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 4.73000%	123	20,136
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.47550%	105	12,823
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.49800%	571	62,345
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.39100%	460	31,132
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.39900%	85	5,969
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.42950%	155	13,191
Pay Fixed Interest Rate Swaps	Receive Variable 1-Month MXN TIIE, Pay Fixed 8.47500%	(1)	199
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.28900%	542	23,751
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.31050%	228	10,784
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.21500%	284	9,912
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.44050%	165	7,263

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State of Oregon
Notes to the Financial Statements

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Investment Type	Reference Rate	Fair Value	Notional Value
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 2.93500%	345	6,969
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.35500%	143	8,099
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month SOFR, Pay Fixed 3.15000%	247	10,032
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.37150%	140	8,610
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.70000%	5,759	518,135
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.66550%	595	84,062
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.14500%	501	37,352
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.88400%	116	19,173
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.16400%	478	36,323
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.44650%	209	21,237
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.07600%	(32)	14,478
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.86500%	72	11,056
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.02700%	-	12,239
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.90250%	26	5,530
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.64000%	151	10,169
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.38450%	148	9,676
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.50400%	49	7,963
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.33100%	(141)	5,984
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.33950%	(119)	4,691
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 2.94200%	739	15,299
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.33900%	(118)	4,691
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.52400%	96	21,013
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.80800%	(95)	5,351
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.47250%	64	7,436
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.82600%	111	22,536
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month Euro EURIBOR, Pay Fixed 3.00000%	(122)	11,019
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.00000%	137	2,900
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.09784%	20	520
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 2.88000%	116	1,960
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.10623%	7	200
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 2.97000%	286	6,765
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.06966%	48	1,200
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month MYR KLIBOR, Pay Fixed 3.38000%	-	16
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month COP CPIBR, Pay Fixed 9.09770%	(21)	387
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 2.75000%	326	3,900
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month MYR KLIBOR, Pay Fixed 3.75000%	(4)	1,097
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.25000%	(31)	2,695
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month Euro EURIBOR, Pay Fixed 2.50000%	30	11,346
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month Euro EURIBOR, Pay Fixed 3.50000%	145	25,311
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month CAD CORRA, Pay Fixed 3.25000%	(5)	680
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.23400%	7	242
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month MYR KLIBOR, Pay Fixed 3.5000%	11	1,651
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month JPY TONAR, Pay Fixed 0.20000%	(153)	70,294
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.15859%	321	24,400
Pay Fixed Interest Rate Swaps	Receive Variable 1-Month US CPI, Pay Fixed 2.50000%	9	1,700
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.04500%	19	441
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month MYR KLIBOR, Pay Fixed 3.50000%	46	6,848
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month BRL BRCDI, Pay Fixed 12.64000%	(45)	829
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month SOFR, Pay Fixed 0.75000%	2,843	13,900
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month SOFR, Pay Fixed 1.25000%	1,223	12,900
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month LIBOR, Pay Fixed 0.75000%	144	13,900
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month LIBOR, Pay Fixed 1.25000%	116	12,900
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month MYR KLIBOR, Pay Fixed 3.75000%	20	1,731
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month MYR KLIBOR, Pay Fixed 3.75000%	6	547
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.25300%	236	9,281
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month MYR KLIBOR, Pay Fixed 3.54500%	7	1,274
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month CZK PRIBOR, Pay Fixed 5.91857%	(2)	498
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month PLN WIBOR, Pay Fixed 6.02100%	(5)	932
Pay Fixed Interest Rate Swaps	Receive Variable 6-Month NOK NIBOR, Pay Fixed 3.03300%	2,597	52,348
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month COP CPIBR, Pay Fixed 8.76620%	(27)	589
Pay Fixed Interest Rate Swaps	Receive Variable 3-Month SOFR, Pay Fixed 5.06260%	11	3,000
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month BRL BRCDI, Pay Fixed 11.12000%	(15)	637
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.75000%	(6)	2,000

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State of Oregon
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Investment Type	Reference Rate	Fair Value	Notional Value
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month CLP CLICP, Pay Fixed 4.78500%	4	433
Pay Fixed Interest Rate Swaps	Receive Variable 0-Month CLP CLICP, Pay Fixed 4.86000%	1	292
Pay Fixed Interest Rate Swaps	Receive Variable 1-Month MXN TIIE, Pay Fixed 9.13600%	4	1,392
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.76100%	68	9,793
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.80650%	46	9,295
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.00000%	(2,775)	333,182
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.40000%	454	111,154
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.60000%	(362)	45,728
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.74950%	108	14,383
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 4.77200%	14	23,425
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.91700%	(3)	19,640
Pay Fixed Interest Rate Swaps	Receive Variable 12-Month SOFR, Pay Fixed 3.92550%	(11)	16,231
Subtotal - Pay Fixed Interest Rate Swaps		49,575	3,540,720
Receive Fixed Interest Rate Swaps	Receive Fixed 7.45000%, Pay Variable 1-Month MXN TIIE	(562)	15,725
Receive Fixed Interest Rate Swaps	Receive Fixed 7.44000%, Pay Variable 1-Month MXN TIIE	(593)	16,371
Receive Fixed Interest Rate Swaps	Receive Fixed 1.00000%, Pay Variable 3-Month CAD CDOR	(781)	7,708
Receive Fixed Interest Rate Swaps	Receive Fixed 1.25000%, Pay Variable 3-Month CAD CDOR	(27)	151
Receive Fixed Interest Rate Swaps	Receive Fixed 0.25000%, Pay Variable 6-Month Euro EURIBOR	(3,410)	11,565
Receive Fixed Interest Rate Swaps	Receive Fixed 0.50000%, Pay Variable 6-Month Euro EURIBOR	(529)	1,091
Receive Fixed Interest Rate Swaps	Receive Fixed 0.50000%, Pay Variable 6-Month Euro EURIBOR	(2,393)	7,201
Receive Fixed Interest Rate Swaps	Receive Fixed 0.00000%, Pay Variable 12-Month JPY TONAR	(111)	22,763
Receive Fixed Interest Rate Swaps	Receive Fixed 0.00000%, Pay Variable 12-Month JPY TONAR	(115)	3,252
Receive Fixed Interest Rate Swaps	Receive Fixed 0.00000%, Pay Variable 12-Month JPY TONAR	(31)	2,214
Receive Fixed Interest Rate Swaps	Receive Fixed 0.45000%, Pay Variable 12-Month JPY TONAR	(364)	2,422
Receive Fixed Interest Rate Swaps	Receive Fixed 0.00000%, Pay Variable 6-Month JPY TONAR	(23)	4,428
Receive Fixed Interest Rate Swaps	Receive Fixed 0.00000%, Pay Variable 6-Month JPY TONAR	(198)	5,397
Receive Fixed Interest Rate Swaps	Receive Fixed 0.50000%, Pay Variable 12-Month SOFR	(535)	11,300
Receive Fixed Interest Rate Swaps	Receive Fixed 1.00000%, Pay Variable 12-Month SOFR	(970)	6,600
Receive Fixed Interest Rate Swaps	Receive Fixed 0.34250%, Pay Variable 12-Month CHF SARON	(326)	5,701
Receive Fixed Interest Rate Swaps	Receive Fixed 0.25000%, Pay Variable 12-Month JPY TONAR	(40)	1,937
Receive Fixed Interest Rate Swaps	Receive Fixed 0.70000%, Pay Variable 12-Month JPY TONAR	(58)	692
Receive Fixed Interest Rate Swaps	Receive Fixed 1.69500%, Pay Variable 12-Month SOFR	(494)	3,600
Receive Fixed Interest Rate Swaps	Receive Fixed 1.75000%, Pay Variable 12-Month SOFR	(2,302)	68,000
Receive Fixed Interest Rate Swaps	Receive Fixed 0.80000%, Pay Variable 12-Month JPY TONAR	(31)	484
Receive Fixed Interest Rate Swaps	Receive Fixed 1.00000%, Pay Variable 6-Month Euro EURIBOR	(84)	4,037
Receive Fixed Interest Rate Swaps	Receive Fixed 3.75000%, Pay Variable 3-Month NZD NZDDB	(224)	5,698
Receive Fixed Interest Rate Swaps	Receive Fixed 2.77000%, Pay Variable 0-Month SOFR	(1,012)	33,131
Receive Fixed Interest Rate Swaps	Receive Fixed 4.00000%, Pay Variable 3-Month NZD NZDDB	(137)	8,210
Receive Fixed Interest Rate Swaps	Receive Fixed 2.96815%, Pay Variable 12-Month SOFR	(231)	10,000
Receive Fixed Interest Rate Swaps	Receive Fixed 2.25000%, Pay Variable 6-Month Euro EURIBOR	(333)	4,102
Receive Fixed Interest Rate Swaps	Receive Fixed 2.25000%, Pay Variable 6-Month Euro EURIBOR	(89)	1,036
Receive Fixed Interest Rate Swaps	Receive Fixed 4.97000%, Pay Variable 6-Month PLN WIBOR	(1)	296
Receive Fixed Interest Rate Swaps	Receive Fixed 2.78100%, Pay Variable 12-Month SOFR	(2,666)	55,600
Receive Fixed Interest Rate Swaps	Receive Fixed 4.50000%, Pay Variable 6-month AUD BBSW	74	29,222
Receive Fixed Interest Rate Swaps	Receive Fixed 7.99500%, Pay Variable 3-Month ZAR JIBAR	(17)	852
Receive Fixed Interest Rate Swaps	Receive Fixed 4.25000%, Pay Variable 6-month AUD BBSW	(9)	1,331
Receive Fixed Interest Rate Swaps	Receive Fixed 3.10000%, Pay Variable 12-Month SOFR	(55)	1,500
Receive Fixed Interest Rate Swaps	Receive Fixed 3.53500%, Pay Variable 3-Month KRW KSDA	-	53
Receive Fixed Interest Rate Swaps	Receive Fixed 8.95000%, Pay Variable 1-Month MXN TIIE	6	306
Receive Fixed Interest Rate Swaps	Receive Fixed 3.88400%, Pay Variable 0-Month SOFR	(117)	19,173
Receive Fixed Interest Rate Swaps	Receive Fixed 4.20000%, Pay Variable 0-Month SOFR	(1,881)	143,703
Receive Fixed Interest Rate Swaps	Receive Fixed 3.80000%, Pay Variable 0-Month SOFR	(3,620)	442,463
Receive Fixed Interest Rate Swaps	Receive Fixed 3.50400%, Pay Variable 0-Month SOFR	(49)	7,963
Receive Fixed Interest Rate Swaps	Receive Fixed 3.52400%, Pay Variable 0-Month SOFR	(96)	21,013
Receive Fixed Interest Rate Swaps	Receive Fixed 4.16400%, Pay Variable 0-Month SOFR	(477)	36,323
Receive Fixed Interest Rate Swaps	Receive Fixed 3.47250%, Pay Variable 0-Month SOFR	(64)	7,436
Receive Fixed Interest Rate Swaps	Receive Fixed 4.14500%, Pay Variable 0-Month SOFR	(500)	37,352
Receive Fixed Interest Rate Swaps	Receive Fixed 2.50000%, Pay Variable 3-Month CNY CNRR	30	4,763
Receive Fixed Interest Rate Swaps	Receive Fixed 3.45389%, Pay Variable 12-Month SOFR	(70)	3,900
Receive Fixed Interest Rate Swaps	Receive Fixed 3.86500%, Pay Variable 0-Month SOFR	(72)	11,056
Receive Fixed Interest Rate Swaps	Receive Fixed 4.66550%, Pay Variable 0-Month SOFR	(592)	84,062
Receive Fixed Interest Rate Swaps	Receive Fixed 7.90000%, Pay Variable 6-Month PLN WIBOR	43	409
Receive Fixed Interest Rate Swaps	Receive Fixed 4.02700%, Pay Variable 0-Month SOFR	(1)	12,239

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State of Oregon
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Investment Type	Reference Rate	Fair Value	Notional Value
Receive Fixed Interest Rate Swaps	Receive Fixed 3.89765%, Pay Variable 12-Month SOFR	20	3,600
Receive Fixed Interest Rate Swaps	Receive Fixed 3.80800%, Pay Variable 0-Month SOFR	95	5,351
Receive Fixed Interest Rate Swaps	Receive Fixed 3.33100%, Pay Variable 0-Month SOFR	145	5,984
Receive Fixed Interest Rate Swaps	Receive Fixed 3.90250%, Pay Variable 0-Month SOFR	(27)	5,530
Receive Fixed Interest Rate Swaps	Receive Fixed 4.82600%, Pay Variable 0-Month SOFR	(111)	22,536
Receive Fixed Interest Rate Swaps	Receive Fixed 4.07600%, Pay Variable 0-Month SOFR	31	14,478
Receive Fixed Interest Rate Swaps	Receive Fixed 9.16000%, Pay Variable 3-Month ZAR JIBAR	(5)	201
Receive Fixed Interest Rate Swaps	Receive Fixed 3.33950%, Pay Variable 12-Month SOFR	119	4,691
Receive Fixed Interest Rate Swaps	Receive Fixed 3.33900%, Pay Variable 12-Month SOFR	118	4,691
Receive Fixed Interest Rate Swaps	Receive Fixed 4.44650%, Pay Variable 12-Month SOFR	(209)	21,237
Receive Fixed Interest Rate Swaps	Receive Fixed 1.00000%, Pay Variable 12-Month Euro ESTR	(678)	17,892
Receive Fixed Interest Rate Swaps	Receive Fixed 3.38450%, Pay Variable 12-Month SOFR	(148)	9,676
Receive Fixed Interest Rate Swaps	Receive Fixed 2.68000%, Pay Variable 0-Month CNY CNRR	5	394
Receive Fixed Interest Rate Swaps	Receive Fixed 3.64000%, Pay Variable 12-Month SOFR	(151)	10,169
Receive Fixed Interest Rate Swaps	Receive Fixed 3.39900%, Pay Variable 12-Month SOFR	(85)	5,969
Receive Fixed Interest Rate Swaps	Receive Fixed 2.94200%, Pay Variable 12-Month SOFR	(739)	15,299
Receive Fixed Interest Rate Swaps	Receive Fixed 3.70000%, Pay Variable 12-Month SOFR	(5,759)	518,135
Receive Fixed Interest Rate Swaps	Receive Fixed 3.82600%, Pay Variable 12-Month SOFR	(161)	19,633
Receive Fixed Interest Rate Swaps	Receive Fixed 4.49800%, Pay Variable 12-Month SOFR	(571)	62,345
Receive Fixed Interest Rate Swaps	Receive Fixed 3.06050%, Pay Variable 12-Month SOFR	(56)	2,082
Receive Fixed Interest Rate Swaps	Receive Fixed 3.05750%, Pay Variable 12-Month SOFR	(57)	2,082
Receive Fixed Interest Rate Swaps	Receive Fixed 3.44050%, Pay Variable 12-Month SOFR	(165)	7,263
Receive Fixed Interest Rate Swaps	Receive Fixed 3.37200%, Pay Variable 12-Month SOFR	120	3,859
Receive Fixed Interest Rate Swaps	Receive Fixed 3.63050%, Pay Variable 12-Month SOFR	50	13,665
Receive Fixed Interest Rate Swaps	Receive Fixed 3.53900%, Pay Variable 12-Month SOFR	186	2,987
Receive Fixed Interest Rate Swaps	Receive Fixed 3.47550%, Pay Variable 12-Month SOFR	(105)	12,823
Receive Fixed Interest Rate Swaps	Receive Fixed 3.31050%, Pay Variable 12-Month SOFR	(228)	10,784
Receive Fixed Interest Rate Swaps	Receive Fixed 3.28900%, Pay Variable 12-Month SOFR	(542)	23,751
Receive Fixed Interest Rate Swaps	Receive Fixed 3.68450%, Pay Variable 12-Month SOFR	49	6,127
Receive Fixed Interest Rate Swaps	Receive Fixed 3.42950%, Pay Variable 12-Month SOFR	(155)	13,191
Receive Fixed Interest Rate Swaps	Receive Fixed 3.37150%, Pay Variable 12-Month SOFR	(140)	8,610
Receive Fixed Interest Rate Swaps	Receive Fixed 3.64000%, Pay Variable 12-Month SOFR	60	13,665
Receive Fixed Interest Rate Swaps	Receive Fixed 3.39100%, Pay Variable 12-Month SOFR	(460)	31,132
Receive Fixed Interest Rate Swaps	Receive Fixed 3.21500%, Pay Variable 12-Month SOFR	(284)	9,912
Receive Fixed Interest Rate Swaps	Receive Fixed 2.93500%, Pay Variable 12-Month SOFR	(345)	6,969
Receive Fixed Interest Rate Swaps	Receive Fixed 3.71450%, Pay Variable 12-Month SOFR	39	3,750
Receive Fixed Interest Rate Swaps	Receive Fixed 3.35500%, Pay Variable 12-Month SOFR	(143)	8,099
Receive Fixed Interest Rate Swaps	Receive Fixed 4.32100%, Pay Variable 12-Month SOFR	(10)	921
Receive Fixed Interest Rate Swaps	Receive Fixed 4.73000%, Pay Variable 12-Month SOFR	(124)	20,136
Receive Fixed Interest Rate Swaps	Receive Fixed 4.18750%, Pay Variable 12-Month SOFR	(425)	32,988
Receive Fixed Interest Rate Swaps	Receive Fixed 4.43750%, Pay Variable 12-Month SOFR	(217)	21,737
Receive Fixed Interest Rate Swaps	Receive Fixed 4.48450%, Pay Variable 12-Month SOFR	(128)	13,718
Receive Fixed Interest Rate Swaps	Receive Fixed 3.00000%, Pay Variable 6-Month Euro EURIBOR	(3)	24,798
Receive Fixed Interest Rate Swaps	Receive Fixed 6.84500%, Pay Variable 6-Month PLN WIBOR	19	282
Receive Fixed Interest Rate Swaps	Receive Fixed 3.25000%, Pay Variable 3-Month KRW KSDA	(120)	8,370
Receive Fixed Interest Rate Swaps	Receive Fixed 3.25000%, Pay Variable 12-Month SOFR	(209)	6,870
Receive Fixed Interest Rate Swaps	Receive Fixed 2.96500%, Pay Variable 3-Month KRW KSDA	(11)	455
Receive Fixed Interest Rate Swaps	Receive Fixed 3.22475%, Pay Variable 12-Month SOFR	(444)	14,900
Receive Fixed Interest Rate Swaps	Receive Fixed 12.50335%, Pay Variable 0-Month BRL BRCDI	14	274
Receive Fixed Interest Rate Swaps	Receive Fixed 3.16312%, Pay Variable 12-Month SOFR	(129)	3,900
Receive Fixed Interest Rate Swaps	Receive Fixed 4.19687%, Pay Variable 3-Month KRW KSDA	45	1,594
Receive Fixed Interest Rate Swaps	Receive Fixed 3.10000%, Pay Variable 3-Month KRW KSDA	(8)	455
Receive Fixed Interest Rate Swaps	Receive Fixed 8.71500%, Pay Variable 3-Month ZAR JIBAR	(19)	346
Receive Fixed Interest Rate Swaps	Receive Fixed 8.10850%, Pay Variable 1-Month MXN TIIE	(3)	254
Receive Fixed Interest Rate Swaps	Receive Fixed 12.68830%, Pay Variable 0-Month BRL BRCDI	27	481
Receive Fixed Interest Rate Swaps	Receive Fixed 3.25000%, Pay Variable 3-Month KRW KSDA	(463)	40,220
Receive Fixed Interest Rate Swaps	Receive Fixed 4.75000%, Pay Variable 3-Month NZD NZDDB	(52)	8,393
Receive Fixed Interest Rate Swaps	Receive Fixed 3.08000%, Pay Variable 12-Month SOFR	(46)	1,600
Receive Fixed Interest Rate Swaps	Receive Fixed 3.34000%, Pay Variable 12-Month SOFR	(69)	2,400
Receive Fixed Interest Rate Swaps	Receive Fixed 3.25000%, Pay Variable 12-Month GBP SONIA	(480)	5,085
Receive Fixed Interest Rate Swaps	Receive Fixed 4.00000%, Pay Variable 12-Month GBP SONIA	(235)	6,611
Receive Fixed Interest Rate Swaps	Receive Fixed 3.00000%, Pay Variable 6-Month Euro EURIBOR	82	43,967
Receive Fixed Interest Rate Swaps	Receive Fixed 5.25000%, Pay Variable 3-Month NZD NZDDB	(15)	9,435
Receive Fixed Interest Rate Swaps	Receive Fixed 3.00000%, Pay Variable 6-Month Euro EURIBOR	(866)	95,463

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Investment Type	Reference Rate	Fair Value	Notional Value
Receive Fixed Interest Rate Swaps	Receive Fixed 3.75000%, Pay Variable 12-Month GBP SONIA	(538)	10,044
Receive Fixed Interest Rate Swaps	Receive Fixed 3.50000%, Pay Variable 12-Month GBP SONIA	(2,841)	44,879
Receive Fixed Interest Rate Swaps	Receive Fixed 3.29750%, Pay Variable 12-Month SOFR	(5)	250
Receive Fixed Interest Rate Swaps	Receive Fixed 5.17386%, Pay Variable 6-Month PLN WIBOR	2	235
Receive Fixed Interest Rate Swaps	Receive Fixed 5.30500%, Pay Variable 6-Month PLN WIBOR	3	251
Receive Fixed Interest Rate Swaps	Receive Fixed 3.24800%, Pay Variable 12-Month SOFR	86	9,522
Receive Fixed Interest Rate Swaps	Receive Fixed 2.10000%, Pay Variable 3-Month Euro EURIBOR	(67)	4,800
Receive Fixed Interest Rate Swaps	Receive Fixed 2.10000%, Pay Variable 3-Month Euro EURIBOR	(154)	10,910
Receive Fixed Interest Rate Swaps	Receive Fixed 3.00000%, Pay Variable 6-Month SGD SORA	(60)	4,234
Receive Fixed Interest Rate Swaps	Receive Fixed 3.28300%, Pay Variable 12-Month SOFR	(16)	689
Receive Fixed Interest Rate Swaps	Receive Fixed 2.25000%, Pay Variable 3-Month THB THOR	(7)	936
Receive Fixed Interest Rate Swaps	Receive Fixed 0.50000%, Pay Variable 12-Month SOFR	(111)	8,700
Receive Fixed Interest Rate Swaps	Receive Fixed 0.50000%, Pay Variable 3-Month LIBOR	(92)	8,700
Receive Fixed Interest Rate Swaps	Receive Fixed 2.25000%, Pay Variable 3-Month Euro EURIBOR	(24)	1,746
Receive Fixed Interest Rate Swaps	Receive Fixed 2.25000%, Pay Variable 3-Month Euro EURIBOR	(24)	1,746
Receive Fixed Interest Rate Swaps	Receive Fixed 2.25000%, Pay Variable 3-Month Euro EURIBOR	(24)	1,746
Receive Fixed Interest Rate Swaps	Receive Fixed 7.76600%, Pay Variable 3-Month ZAR JIBAR	(32)	956
Receive Fixed Interest Rate Swaps	Receive Fixed 4.00000%, Pay Variable 6-month AUD BBSW	(38)	1,198
Receive Fixed Interest Rate Swaps	Receive Fixed 11.55000%, Pay Variable 0-Month BRL BRCDI	14	588
Receive Fixed Interest Rate Swaps	Receive Fixed 11.35880%, Pay Variable 0-Month BRL BRCDI	16	747
Receive Fixed Interest Rate Swaps	Receive Fixed 3.17838%, Pay Variable 12-Month SOFR	(397)	12,000
Receive Fixed Interest Rate Swaps	Receive Fixed 2.98000%, Pay Variable 0-Month SOFR	(2,361)	63,998
Receive Fixed Interest Rate Swaps	Receive Fixed 3.25000%, Pay Variable 6-Month CAD CORRA	(723)	32,874
Receive Fixed Interest Rate Swaps	Receive Fixed 3.25000%, Pay Variable 6-Month CAD CORRA	(102)	6,197
Receive Fixed Interest Rate Swaps	Receive Fixed 2.10000%, Pay Variable 3-Month Euro EURIBOR	(53)	3,382
Receive Fixed Interest Rate Swaps	Receive Fixed 3.26100%, Pay Variable 12-Month SOFR	(194)	6,569
Receive Fixed Interest Rate Swaps	Receive Fixed 3.40950%, Pay Variable 12-Month SOFR	(209)	11,415
Receive Fixed Interest Rate Swaps	Receive Fixed 1.61700%, Pay Variable 3-Month SOFR	(371)	3,000
Receive Fixed Interest Rate Swaps	Receive Fixed 5.25514%, Pay Variable 3-Month LIBOR	(11)	3,000
Receive Fixed Interest Rate Swaps	Receive Fixed 3.59750%, Pay Variable 3-Month MYR KLIBOR	(2)	686
Receive Fixed Interest Rate Swaps	Receive Fixed 3.56500%, Pay Variable 3-Month MYR KLIBOR	(2)	471
Receive Fixed Interest Rate Swaps	Receive Fixed 4.47100%, Pay Variable 3-Month NZD NZDDB	(12)	4,031
Receive Fixed Interest Rate Swaps	Receive Fixed 3.61500%, Pay Variable 3-Month MYR KLIBOR	(1)	471
Receive Fixed Interest Rate Swaps	Receive Fixed 2.75000%, Pay Variable 0-Month CNY CNRR	150	9,017
Receive Fixed Interest Rate Swaps	Receive Fixed 5.09500%, Pay Variable 6-Month CLP CLICP	4	497
Receive Fixed Interest Rate Swaps	Receive Fixed 0.68600%, Pay Variable 12-Month JPY TONAR	55	4,359
Receive Fixed Interest Rate Swaps	Receive Fixed 8.45500%, Pay Variable 3-Month ZAR JIBAR	(2)	185
Receive Fixed Interest Rate Swaps	Receive Fixed 10.53850%, Pay Variable 0-Month BRL BRCDI	8	739
Receive Fixed Interest Rate Swaps	Receive Fixed 3.50000%, Pay Variable 12-Month SOFR	19	3,800
Receive Fixed Interest Rate Swaps	Receive Fixed 10.36000%, Pay Variable 0-Month BRL BRCDI	4	1,013
Receive Fixed Interest Rate Swaps	Receive Fixed 5.00800%, Pay Variable 6-Month CLP CLICP	1	348
Receive Fixed Interest Rate Swaps	Receive Fixed 3.54500%, Pay Variable 3-Month MYR KLIBOR	(2)	428
Receive Fixed Interest Rate Swaps	Receive Fixed 4.42000%, Pay Variable 3-Month NZD NZDDB	(23)	3,345
Receive Fixed Interest Rate Swaps	Receive Fixed 4.85000%, Pay Variable 6-Month CLP CLICP	(1)	521
Receive Fixed Interest Rate Swaps	Receive Fixed 8.98000%, Pay Variable 3-Month ZAR JIBAR	2	188
Receive Fixed Interest Rate Swaps	Receive Fixed 10.34500%, Pay Variable 0-Month BRL BRCDI	3	410
Receive Fixed Interest Rate Swaps	Receive Fixed 7.97000%, Pay Variable 1-Month MXN TIIE	-	270
Receive Fixed Interest Rate Swaps	Receive Fixed 7.87240%, Pay Variable 1-Month MXN TIIE	(3)	370
Receive Fixed Interest Rate Swaps	Receive Fixed 3.20000%, Pay Variable 12-Month SOFR	129	16,654
Receive Fixed Interest Rate Swaps	Receive Fixed 4.65000%, Pay Variable 12-Month SOFR	(61)	20,136
Receive Fixed Interest Rate Swaps	Receive Fixed 10.31400%, Pay Variable 0-Month BRL BRCDI	1	314
Receive Fixed Interest Rate Swaps	Receive Fixed 4.79850%, Pay Variable 12-Month SOFR	1	45,660
Receive Fixed Interest Rate Swaps	Receive Fixed 3.56250%, Pay Variable 12-Month SOFR	12	19,039
Subtotal - Pay Fixed Interest Rate Swaps		(48,366)	2,868,310
Total Interest Rate Swaps		\$ 1,209	\$ 6,409,029

State of Oregon
Notes to the Financial Statements

Foreign Currency Risk

OPERF is exposed to foreign currency risk on its derivative instruments. The following schedule presents a summary of derivative instruments subject to foreign currency risk as of June 30, 2023 (in thousands):

Currency Name	Currency Forward Contracts		Options/Rights/	Swaps	Total Exposure
	Net Receivables	Net Payables	Warrants		
Australian dollar	\$ (8,142)	\$ 9,412	\$ -	\$ 677	\$ 1,946
Bahraini dinar	-	(9)	-	-	(9)
Brazilian real	19,883	(20,315)	-	27	(405)
British pounds sterling	12,770	(16,983)	(5)	(4,094)	(8,313)
Canadian dollar	4,243	(8,485)	-	(578)	(4,819)
Chilean peso	217	(3,198)	-	9	(2,972)
Chinese yuan	(255)	3,283	-	185	3,212
Chinese yuan - offshore	(7,848)	10,940	-	-	3,092
Colombian peso	3,058	(2,858)	-	(49)	151
Czech koruna	746	(2,458)	-	(2)	(1,714)
Danish krone	1,715	1,213	-	-	2,928
Egyptian pound	(301)	(41)	-	-	(342)
Euro ¹	5,197	(3,610)	31	(8,595)	(6,977)
Hong Kong dollar	(24)	137	-	-	114
Hungarian forint	99	(6,102)	-	-	(6,003)
Indian rupee	1,274	(466)	-	-	808
Indonesian rupiah	56	183	-	-	239
Japanese yen	(28,145)	145,655	-	(969)	116,542
Kazakhstan tenge	11	(17)	-	-	(7)
Kuwaiti dinar	5	(1)	-	-	4
Malaysian Ringgit	-	358	-	78	436
Mexican peso	15,308	(11,460)	-	(1,152)	2,697
Moroccan dirham	179	(8)	-	-	171
New Israeli sheqel	(1,949)	2,744	-	-	795
New Taiwan dollar	(2,947)	4,939	-	-	1,993
New Zealand dollar	(4,963)	4,996	-	(463)	(430)
Norwegian krone	(6,754)	4,089	-	2,597	(69)
Peruvian nuevo sol	85	(125)	-	-	(40)
Philippine peso	269	(99)	-	-	170
Polish zloty	629	(3,805)	-	15	(3,161)
Romanian leu	5	7	-	-	11
Russian ruble	803	3,620	-	-	4,423
Saudi riyal	2	(5)	-	-	(3)
Serbian dinar	54	-	-	-	54
Singapore dollar	(2,381)	2,246	1	(60)	(194)
South African rand	(7,483)	3,631	-	(6)	(3,859)
South Korean won	(2,753)	3,000	-	(560)	(312)
Swedish krona	(6,281)	10,525	-	-	4,244
Swiss franc	5,752	(3,537)	-	(326)	1,889
Thailand baht	(80)	167	-	(7)	79
Turkish lira	(2,552)	218	-	-	(2,334)
United Arab Emirates dirham	(1)	-	-	-	(1)
Total Subject to Foreign Currency Risk	\$ (10,501)	\$ 127,782	\$ 26	\$ (13,275)	\$ 104,033

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

State of Oregon
Notes to the Financial Statements

4. RECEIVABLES AND PAYABLES

A. Taxes Receivable

The following table presents the types of taxes which are reported in the fund financial statements as taxes receivable (net). Some taxes receivable are not expected to be collected within one year of the date of the financial statements.

Taxes receivables reported for governmental activities at June 30, 2023 (in thousands):

	General	Health and Social Services	Public Transportation	Educational Support	Other	Total
Governmental activities						
Personal income taxes	\$ 1,119,515	\$ -	\$ -	\$ -	\$ -	\$ 1,119,515
Corporate income taxes	253,497	-	-	-	-	253,497
Corporate activity taxes	-	-	-	295,808	-	295,808
Inheritance taxes	28,727	-	-	-	-	28,727
Cigarette taxes	5,743	56,149	-	-	-	61,892
Marijuana taxes	-	22,979	-	-	-	22,979
Healthcare provider taxes	-	272,720	-	-	-	272,720
Motor fuel taxes	-	-	55,851	-	-	55,851
Weight mile taxes	-	-	36,135	-	-	36,135
Employer-employee taxes	-	-	-	-	16,920	16,920
Other	44,844	-	2	292	17,917	63,055
Gross receivables	1,452,326	351,848	91,988	296,100	34,837	2,227,099
Allowance for doubtful accounts	(464,369)	(1,749)	(7,128)	(72,544)	(1,057)	(546,847)
Total receivables, net	\$ 987,956	\$ 350,099	\$ 84,860	\$ 223,556	\$ 33,780	\$ 1,680,251

B. Loans Receivable

The following tables disaggregate loans receivable balances reported in the fund financial statements as loans receivable (net).

Loans receivables reported for governmental activities at June 30, 2023 (in thousands):

	General	Health and Social Services	Public Transportation	Other	Total
Governmental activities					
Clean water state revolving fund	\$ -	\$ -	\$ -	\$ 548,291	\$ 548,291
Oregon transportation infrastructure bank	-	-	20,617	-	20,617
Private forests program	-	-	-	960	960
Disabled and senior property tax assistance program	-	-	-	98,022	98,022
Business development	-	-	-	11,021	11,021
Multi-family housing units	12,421	-	-	521,308	533,729
Foreclosure prevention	-	-	-	44,054	44,054
Mental health housing facilities	-	24,122	-	-	24,122
Other	600	52	-	5,501	6,153
Gross receivables	13,021	24,174	20,617	1,229,155	1,286,967
Allowance for doubtful accounts	-	(23,890)	-	(15,527)	(39,416)
Total receivables, net	\$ 13,021	\$ 284	\$ 20,617	\$ 1,213,628	\$ 1,247,550

State of Oregon
Notes to the Financial Statements

Loans receivables reported for business-type activities at June 30, 2023 (in thousands):

	Housing and Community Services	Veterans' Loans	Other	Total
Business-type activities				
Single-family mortgage program	\$ 839,917	\$ -	\$ -	\$ 839,917
Elderly and disabled housing units	38,853	-	-	38,853
Multi-family housing units	27,790	-	-	27,790
Veterans' home loans	-	342,757	-	342,757
Small energy loan program	-	-	17,253	17,253
Business development	-	-	20,816	20,816
Special public works	-	-	171,072	171,072
Wastewater financing	-	-	52,953	52,953
Safe drinking water	-	-	228,364	228,364
Oregon ports/brownfields	-	-	11,046	11,046
Gross receivables	906,560	342,757	501,505	1,750,821
Allowance for doubtful accounts	-	(1)	(18,636)	(18,637)
Total receivables, net	\$ 906,560	\$ 342,756	\$ 482,869	\$ 1,732,184

C. Receivables Other Than Taxes and Loans

The following tables disaggregate receivable balances reported in the fund financial statements as accounts and interest receivable (net) and net contracts, notes, and other receivables. Contracts, notes, and other receivables are not expected to be collected within one year of the date of the financial statements.

Receivables reported for governmental activities at June 30, 2023 (in thousands):

	General	Health and Social Services	Public Transportation	Educational Support	Common School	Other	Total	Internal Service
Governmental activities								
General accounts	\$ 19,296	\$ 185,065	\$ 18,898	\$ 2,535	\$ 87	\$ 85,975	\$ 311,857	\$ 236,782
Due from federal government	338	1,343,126	80,459	300,276	-	496,585	2,220,783	-
Interest	5,778	-	200	-	2,450	21,028	29,456	240
Broker receivable	-	-	90	-	6,965	-	7,055	-
Contracts	305	-	408	-	-	5,029	5,742	-
Mortgages	-	5,423	-	-	-	-	5,423	-
Benefit recoveries	1,334	50,102	-	-	-	7,000	58,436	-
Medicaid drug rebate	-	184,616	-	-	-	-	184,616	-
Forest fire claims	-	-	-	-	-	74,865	74,865	-
Fines, forfeitures, and penalties	43,265	-	597	-	124	181,046	225,032	2
Restitution recovery	-	-	-	-	-	611,245	611,245	-
Court fines and fees	-	-	-	-	-	911,664	911,664	-
Child support recoveries	-	-	-	-	-	247,537	247,537	-
Workers' compensation assessment	-	-	-	-	-	29,241	29,241	-
Other	2,091	5,570	33,498	201	-	52,238	93,597	1,369
Gross receivables	72,407	1,773,902	134,150	303,012	9,627	2,723,454	5,016,551	238,393
Allowance for doubtful accounts	(44,668)	(29,633)	(2,820)	(44)	(113)	(1,695,384)	(1,772,661)	(1,550)
Total receivables, net	\$ 27,739	\$ 1,744,269	\$ 131,330	\$ 302,967	\$ 9,514	\$ 1,028,070	\$ 3,243,890	\$ 236,842

State of Oregon
Notes to the Financial Statements

Receivables reported for business-type activities at June 30, 2023 (in thousands):

	Housing and Community Services	Veterans' Loan	Lottery Operations	Unemployment Compensation	Other	Total
Business-type activities						
General accounts	\$ 1,553	\$ 47	\$ 32,776	\$ 351,884	\$ 301,928	\$ 688,188
Due from federal government	-	-	-	54	44,306	44,360
Interest	4,041	1,445	-	-	9,278	14,763
Mortgages	-	50	-	-	-	50
Benefit recoveries	-	-	-	199,602	-	199,602
Fines, forfeitures, and penalties	-	-	-	13,280	1,081	14,361
Other	-	2,955	-	-	592	3,546
Gross receivables	5,594	4,496	32,776	564,820	357,185	964,870
Allowance for doubtful accounts	-	-	(34)	(88,964)	(86,383)	(175,380)
Total receivables, net	\$ 5,594	\$ 4,496	\$ 32,742	\$ 475,856	\$ 270,802	\$ 789,490

Receivables reported for fiduciary funds at June 30, 2023 (in thousands):

	Other
Fiduciary fund activities	
General accounts	\$ 861
Contracts	18
Other	716
Gross receivables	1,595
Allowance for doubtful accounts	(373)
Total receivables, net	\$ 1,222

D. State as Lessor

The State enters into lease agreements providing rental income related to various plots of land, buildings, rights-of-way, railroad corridors, and furniture. The lease terms generally range from 2-15 years, and the ability to extend the lease varies by agreement. Generally, the agreements do not contain residual value guarantees or termination penalties. At times the agreements include provisions for variable payments that are based on future performance of the lessee or usage of the underlying asset. In those situations, the calculation of the lease receivable excludes those variable payments, instead revenue is recognized when the amounts are received, which was \$3 thousand for the fiscal year ended June 30, 2023.

As of June 30, 2023, the total amount of lease-related revenues consisted of the following (in thousands):

Revenue Type	Amount
Lease revenue	\$ 2,442
Interest revenue	947
Total	\$ 3,389

There are no debt issuances for which the principal and interest payments are secured by these lease receipts as of June 30, 2023.

State of Oregon
Notes to the Financial Statements

E. State as Lessor – Regulated Leases

The State has regulated leases with 11 state airports consistent with Federal Aviation Administration regulations and guidelines to provide land to lessees to use predominately for hangar space. The leases generally have a lease term of 25 years and contain an option to extend for an additional five years. The State does not provide preferential or exclusive use of the hangars to the counterparties under existing lease agreements.

As of June 30, 2023, the total amount of regulated lease-related revenues consisted of the following (in thousands):

Revenue Type	Amount
Lease revenue	\$ 237
Interest revenue	16
Other lease-related inflows	139
Total	\$ 392

Expected future minimum revenues for regulated leases as of June 30, 2023 (in thousands):

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 243	\$ 15	\$ 258
2025	204	13	217
2026	150	12	162
2027	146	11	157
2028	149	11	160
2029-2033	744	38	782
2034-2038	571	22	592
2039-2043	384	8	392
2044-2048	57	1	58
Total	\$ 2,648	\$ 130	\$ 2,778

There are no debt issuances in which the principal and interest payments are secured by these lease receipts as of June 30, 2023.

F. Payables

The following tables disaggregate payables reported in the fund financial statements as accounts and interest payable and contracts, mortgages, and notes payable.

Payables reported for governmental activities at June 30, 2023 (in thousands):

Governmental activities	Health and						Total	Internal Service
	General	Social Services	Public Transportation	Educational Support	Common School	Other		
General accounts	\$ 857,919	\$ 779,173	\$ 212,103	\$ 221,673	\$ 2,501	\$ 561,040	\$ 2,634,409	\$ 71,961
Interest	-	-	-	-	-	-	-	2,607
Broker payable	-	-	-	-	17,444	-	17,444	-
Pension-related debt	-	-	-	-	-	-	-	8,205
Loans	-	-	-	-	-	5,000	5,000	-
Contracts - retainage	-	-	-	-	-	-	-	3,842
Other	-	-	-	-	-	-	-	629
Total payables	\$ 857,919	\$ 779,173	\$ 212,103	\$ 221,673	\$ 19,945	\$ 566,040	\$ 2,656,852	\$ 87,243

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

Payables reported for business-type activities at June 30, 2023 (in thousands):

Business-type activities	Housing and Community Services	Veterans' Loan	Lottery Operations	Unemployment Compensation	Other	Total
General accounts	\$ 1,431	\$ 598	\$ 16,298	\$ 126,066	\$ 88,537	\$ 232,931
Interest	15,144	1,080	-	-	2,666	18,890
Pension-related debt	247	328	2,071	-	12,509	15,155
Contracts	-	-	486	-	206	692
Total payables	\$ 16,822	\$ 2,006	\$ 18,855	\$ 126,066	\$ 103,918	\$ 267,668

Payables reported for fiduciary funds at June 30, 2023 (in thousands):

Fiduciary fund activities	Custodial Funds			
	Pension and Other Employee Benefit Trust	Private Purpose Trust	External Investment Pools	Other
General accounts	\$ 7,613	\$ 1,354	\$ 54	\$ 262
Benefits payable	495,776	-	-	-
Broker payable	5,181,187	-	21,162	-
Investment fees	22,336	-	-	-
Compensated absences	3,055	-	-	-
Mortgages	-	687	-	-
Total payables	\$ 5,709,966	\$ 2,042	\$ 21,216	\$ 262

5. JOINT VENTURE

The Multi-State Lottery Association (MUSL) was established in 1987 to coordinate lottery games with larger prizes than the individual states could offer by themselves. The Oregon State Lottery has been a participating member since the inception of MUSL. Each participating state sells its choice of MUSL products and keeps all profits earned. Participating states contribute amounts necessary to fund the estimated and actual prizes won, reserve prize pools, and cost of services of MUSL. For the year ending June 30, 2023, MUSL service fees were \$57 thousand.

MUSL is a non-profit, government-benefit association owned and operated by its member lotteries. It is governed by a board on which each member lottery is represented. Each member lottery has one vote. The board's responsibilities to administer multi-state lottery games are performed through product groups, advisory committees, or panels staffed by officers and independent contractors as appointed by the board. These officers and consultants serve at the pleasure of the board and the board prescribes their powers, duties, and qualifications. MUSL is subject to annual audits conducted by independent auditors retained by the board. Upon termination of the MUSL's existence, if such termination should occur, the member lotteries would receive any proceeds determined available for distribution by the board.

State of Oregon
Notes to the Financial Statements

Long-term liabilities of MUSL are limited to prize annuities due, which are fully funded through investments in U.S. government securities. The following schedule presents the summarized financial activity of MUSL as of June 30, 2023 and 2022 (in thousands):

	<u>2023²</u>	<u>2022</u>
Assets	<u>\$ 857,188</u>	<u>\$ 766,593</u>
Liabilities	\$ 822,534	\$ 756,516
Net assets ¹ - unrestricted	<u>34,654</u>	<u>10,077</u>
Total liabilities and net assets¹	<u>\$ 857,188</u>	<u>\$ 766,593</u>
Revenue	\$ 30,929	\$ 3,442
Expenses	<u>6,353</u>	<u>5,579</u>
Excess revenues over expenses	<u>\$ 24,576</u>	<u>\$ (2,137)</u>

¹ Because MUSL is organized as a non-profit, its financial statements have been prepared in accordance with accounting standards promulgated by the Financial Accounting Standards Board (FASB). Therefore, MUSL's financial statements use the term "net assets" rather than "net position" for equity.

Separate financial statements for MUSL may be obtained from the Multi-State Lottery Association, 8101 Birchwood Court, Suite R, Johnston, Iowa, 50131.

6. CAPITAL ASSETS

A. Primary Government

Capital Assets Activity

Capital asset activity for the primary government for the year ended June 30, 2023 (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,065,544	\$ 47,964	\$ 2,120	\$ 2,111,388
Construction in progress	1,340,522	1,079,465	387,783	2,032,204
Works of art and other nondepreciable assets	2,474	254	-	2,728
Total capital assets not being depreciated	<u>3,408,540</u>	<u>1,127,682</u>	<u>389,903</u>	<u>4,146,319</u>
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	5,078,563	281,446	72,729	5,287,280
Infrastructure	16,084,895	503,458	72,506	16,515,847
Total capital assets being depreciated	<u>21,163,459</u>	<u>784,904</u>	<u>145,235</u>	<u>21,803,127</u>
<i>Right To Use assets being amortized:</i>				
Land	3,202	72	-	3,274
Building, property, and equipment	1,056,251	79,734	33,149	1,102,836
Infrastructure	4,739	59	-	4,798
Subscription-Based IT Assets	-	118,148	3,599	114,549
Total Right To Use assets being amortized	<u>1,064,192</u>	<u>198,013</u>	<u>36,747</u>	<u>1,225,458</u>
Less accumulated depreciation/amortization for:				
Land	247	278	-	525
Buildings, property, and equipment	2,557,463	338,647	66,303	2,829,807
Infrastructure	6,662,636	350,878	72,393	6,941,122
Subscription-Based IT Assets	-	18,379	-	18,379
Total accumulated depreciation/amortization	<u>9,220,346</u>	<u>708,182</u>	<u>138,696</u>	<u>9,789,832</u>
Total capital assets being depreciated/amortized, net	<u>13,007,305</u>	<u>274,735</u>	<u>43,287</u>	<u>13,238,753</u>
Total capital assets, net	<u>\$ 16,415,845</u>	<u>\$ 1,402,417</u>	<u>\$ 433,190</u>	<u>\$ 17,385,072</u>

State of Oregon
Notes to the Financial Statements

	Beginning Balance ¹	Increases	Decreases	Ending Balance
Business-type activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 17,446	\$ 32,365	\$ -	\$ 49,811
Construction in progress	15,651	8,939	8,608	15,982
Works of art and other nondepreciable assets	794	-	-	794
Total capital assets not being depreciated	33,891	41,304	8,608	66,587
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	937,783	57,880	80,307	915,356
Infrastructure	3,606	-	-	3,606
Total capital assets being depreciated	941,389	57,880	80,307	918,962
<i>Right To Use assets being amortized:</i>				
Building, property, and equipment	9,642	2,174	547	11,269
Subscription-Based IT Assets	1,874	28,512	2	30,384
Total Right To Use assets being amortized	11,516	30,686	549	41,653
Less accumulated depreciation/amortization for:				
Buildings, property, and equipment	418,979	41,583	76,076	384,486
Infrastructure	1,254	95	-	1,350
Subscription-Based IT Assets	-	6,347	-	6,347
Total accumulated depreciation/amortization	420,234	48,026	76,076	392,183
Total capital assets being depreciated/amortized, net	532,671	40,540	4,780	568,432
Total capital assets, net	\$ 566,562	\$ 81,844	\$ 13,388	\$ 635,019

¹ Certain beginning balances have been restated due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* and due to prior period adjustments.

	Beginning Balance	Increases	Decreases	Ending Balance
Fiduciary activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 944	\$ -	\$ -	\$ 944
Total capital assets not being depreciated	944	-	-	944
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	55,148	205	1,698	53,655
Total capital assets being depreciated	55,148	205	1,698	53,655
<i>Right To Use assets being amortized:</i>				
Building, property, and equipment	811	-	-	811
Total Right To Use assets being amortized	811	-	-	811
Less accumulated depreciation/amortization for:				
Buildings, property, and equipment	35,874	3,107	1,698	37,283
Total accumulated depreciation/amortization	35,874	3,107	1,698	37,283
Total capital assets being depreciated/amortized, net	20,085	(2,902)	-	17,183
Total capital assets, net	\$ 21,030	\$ (2,902)	\$ -	\$ 18,128

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Depreciation and Amortization Expense

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

Governmental activities	Amount
Education	\$ 2,919
Human services	102,958
Public safety	74,534
Economic and community development	8,928
Natural resources	37,308
Transportation	403,311
Consumer and business services	8,104
Administration	8,265
Legislative	220
Judicial	12,280
Subtotal	658,826
Internal service funds	49,356
Total depreciation and amortization expense	\$ 708,182

Business-type activities	Amount
Housing and Community Services	\$ 9
Veterans' Loan	261
Lottery Operations	24,937
Other business-type activities	22,818
Total depreciation and amortization expense	\$ 48,026

Fiduciary activities	Amount
Pension and Other Employee Benefit Trust	\$ 3,107
Total depreciation and amortization expense	\$ 3,107

Construction Commitments

The State has active construction projects, which will be funded through either general fund appropriations, federal grants, lottery resources, or other funding sources as noted in the schedule below.

The State's construction commitments with contractors as of June 30, 2023 (in thousands):

Project	Spent-to-Date	Remaining Commitment	Remaining Commitment Source of Funds			
			General	Federal	Lottery	Other
Road and bridge construction	\$ 970,206	\$ 2,323,305	\$ -	\$ 1,846,517	\$ 1,541	\$ 475,247
Building improvement and maintenance	194,420	248,287	953	13,699	252	233,382
Correctional facility construction and upgrades	50,146	20,112	316	-	-	19,796
Natural resources facilities	-	310	-	-	79	231
Military facilities	56,899	18,090	19	17,966	-	104
Rural airports	710	436	-	392	-	44
Capitol building improvements	145,034	85,032	-	-	-	85,032
Land Improvements	406	105	9	-	-	96
Total construction commitments	\$ 1,417,823	\$ 2,695,675	\$ 1,297	\$ 1,878,575	\$ 1,872	\$ 813,932

Collections Not Capitalized

Certain collections of historic artifacts and works of art are not reported in the accompanying financial statements. These assets include highway maintenance equipment displayed at various district and regional offices; printing equipment displayed at the Salem print plant; historic documents displayed at the Oregon State Archives; a museum of military artifacts at Camp Withycombe in Clackamas, Oregon; special collections of old, rare, and fragile books at the State Library; a collection of historic buildings, furniture, paintings, and ancestral artifacts displayed at various state parks; a collection of wildlife mounts displayed at various Department of Fish and Wildlife locations; and a collection of photographs portraying various Oregon locales displayed at the Oregon Liquor & Cannabis Commission headquarters. These assets have not been

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capitalized because they meet the conditions to qualify as collections that are not subject to capitalization. These conditions are:

1. The collections are held for public exhibition or education in the furtherance of public service, not held for financial gain;
2. The collections are protected, kept unencumbered, cared for, and preserved; and
3. The collections are subject to state agency policy that requires the proceeds from sales of collection items to be used to acquire other items for the collections.

Insurance Recoveries

In the government-wide statement of activities, program revenues include insurance recoveries of the applicable functions (in thousands):

Governmental activities	<u>Amount</u>
Public safety	\$ 886
Natural resources	3,460
Transportation	<u>268</u>
Subtotal	4,614
Internal service funds	<u>769</u>
Total insurance recoveries	<u><u>\$ 5,384</u></u>

Business-type activities

Lottery operations	\$ 20
State Hospital operation	<u>15</u>
Total insurance recoveries	<u><u>\$ 34</u></u>

Idle Impaired Capital Assets

At fiscal year-end, the Department of Corrections' Deer Ridge Correctional Institution, a minimum security facility with a carrying value of \$31.9 million, and the Oregon State Penitentiary minimum security facility with a carrying value of \$2.5 million were temporarily idle due to budget constraints and a delay in the implementation of Ballot Measure 57, the Mandatory Prison Sentences for Three or More Felonies Act. Additionally, the Department of Corrections' Shutter Creek Correctional Institution, a minimum security facility with a carrying value of \$8.5 million, was closed as part of the State's sentencing reform efforts.

B. Discretely Presented Component Units

Under Oregon Revised Statutes 352.113, real property acquired by a university with a governing board shall be taken and held in the name of the State of Oregon acting by and through the governing board. In addition, legal title to all personal property acquired, constructed, remodeled, repaired, equipped, or furnished with the proceeds of bonds issued pursuant to Article XI-Q of the Oregon Constitution for the benefit of a university with a governing board must be taken and held in the name of the State of Oregon, acting by and through the governing board.

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Notes to the Financial Statements

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

	Beginning Balance ¹	Increases	Decreases	Ending Balance
University of Oregon				
<i>Capital assets not being depreciated:</i>				
Land	\$ 110,696	\$ 1,472	\$ 503	\$ 111,665
Construction in progress	76,140	158,611	25,022	209,729
Works of art and other nondepreciable assets	48,809	3,117	-	51,926
Total capital assets not being depreciated	235,645	163,200	25,525	373,320
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	2,907,122	39,334	6,435	2,940,021
Infrastructure	59,267	746	-	60,012
Total capital assets being depreciated	2,966,389	40,080	6,435	3,000,033
<i>Right To Use assets being amortized:</i>				
Land	61,390	130	322	61,198
Building, property, and equipment	2,228	146	104	2,270
Subscription-Based IT Assets	13,780	469	111	14,138
Total leased assets being amortized	77,398	745	537	77,606
Less accumulated depreciation and amortization for:				
Land	5,787	2,899	258	8,428
Buildings, property, and equipment	1,046,988	93,101	7,300	1,132,789
Infrastructure	40,256	2,063	-	42,319
Subscription-Based IT Assets	3,440	3,836	111	7,165
Total accumulated depreciation/amortization	1,096,471	101,899	7,669	1,190,701
Total capital assets being depreciated/amortized, net	1,947,316	(61,074)	(697)	1,886,938
Total capital assets, net	\$ 2,182,961	\$ 102,126	\$ 24,828	\$ 2,260,258

¹ Certain beginning balances have been restated due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

	Beginning Balance ¹	Increases	Decreases	Ending Balance
Oregon State University				
<i>Capital assets not being depreciated:</i>				
Land	\$ 68,892	\$ 257	\$ 158	\$ 68,991
Construction in progress	157,682	286,226	58,750	385,158
Works of art and other nondepreciable assets	30,370	188	80	30,478
Total capital assets not being depreciated	256,944	286,671	58,988	484,627
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	2,399,345	77,200	22,722	2,453,823
Infrastructure	58,396	9,380	-	67,776
Total capital assets being amortized	2,457,741	86,580	22,722	2,521,599
<i>Right To Use assets being amortized:</i>				
Land	72	-	-	72
Building, property, and equipment	15,249	4,239	1,204	18,284
Subscription-Based IT Assets	25,803	11,071	132	36,742
Total capital assets being amortized	41,124	15,310	1,336	55,098
Less accumulated depreciation and amortization for:				
Land	14	10	-	24
Buildings, property, and equipment	1,091,870	74,366	15,148	1,151,088
Infrastructure	31,350	2,756	-	34,106
Subscription-Based IT Assets	6,964	9,020	132	15,852
Total accumulated depreciation/amortization	1,130,198	86,152	15,280	1,201,070
Total capital assets being depreciated/amortized, net	1,368,667	15,738	8,778	1,375,627
Total capital assets, net	\$ 1,625,611	\$ 302,409	\$ 67,766	\$ 1,860,254

¹ Certain beginning balances have been restated due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* and due to prior period adjustments.

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	Beginning Balance ¹	Increases	Decreases	Ending Balance
Portland State University				
<i>Capital assets not being depreciated:</i>				
Land	\$ 67,256	\$ -	\$ -	\$ 67,256
Construction in progress	7,802	14,698	3,256	19,244
Works of art and other nondepreciable assets	4,993	286	-	5,279
Total capital assets not being depreciated	80,051	14,984	3,256	91,779
<i>Capital assets being depreciated:</i>				
Building, property, and equipment	1,015,791	11,708	4,189	1,023,310
Infrastructure	33,139	-	-	33,139
Total capital assets being depreciated	1,048,930	11,708	4,189	1,056,449
<i>Right To Use assets being amortized:</i>				
Building, property, and equipment	8,984	5,537	-	14,521
Subscription-Based IT Assets	3,202	745	-	3,947
Total capital assets being amortized	12,186	6,282	-	18,468
Less accumulated depreciation and amortization for:				
Buildings, property, and equipment	516,771	30,962	4,461	543,272
Infrastructure	20,025	1,407	-	21,432
Subscription-Based IT Assets	470	694	-	1,164
Total accumulated depreciation/amortization	537,266	33,063	4,461	565,868
Total capital assets being depreciated/amortized, net	523,850	(15,073)	(272)	509,049
Total capital assets, net	\$ 603,901	\$ (89)	\$ 2,984	\$ 600,828

¹ Certain beginning balances have been restated due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

7. BONDS AND CERTIFICATES OF PARTICIPATION

A. General Obligation Bonds

The State issues general obligation bonds to provide funds for a variety of projects as authorized by the Oregon Constitution. General obligation bonds are secured by a pledge of the full faith, credit, and taxing power of the State.

Specific provisions of the Oregon Constitution authorize general obligation debt to be issued for governmental activities. Obligations issued for highway construction pursuant to Article XI, Section 7, are financed through an appropriation from the General Fund. Article XI-G provides authorization to finance buildings and projects for community colleges. Debt service requirements for community colleges are financed through an appropriation from the General Fund. Issuance of general obligation bonds to finance higher education building projects is authorized in Article XI-F (1) and these bonds are repaid with university resources. Article XI-G authorizes financing of higher education facilities and institution activities. Debt service requirements for these higher education obligations are financed through an appropriation from the General Fund. Article XI-H authorizes the financing of pollution abatement and control facilities, as well as pollution control and disposal activities. Facilities acquired under the pollution control program are required to conservatively appear to be at least 70% self-supporting and self-liquidating from revenues, gifts, federal grants, assessments, user charges, and other fees. Article XI-L provides authorization to finance capital costs of Oregon Health and Science University. Article XI-M provides authorization to finance seismic rehabilitation projects for public education buildings and XI-N for emergency service buildings. Article XI-O provides authorization to finance pension liabilities through the issuance of general obligation bonds. Article XI-P authorizes the State to issue general obligation bonds to provide funds to be advanced by grant or loan to school districts to finance the capital costs of the school districts. Article XI-Q provides authorization to finance real or personal property projects to be owned or operated by the State.

The Oregon Constitution also authorizes general obligation debt to be used for business-type activities. Article XI-A authorizes the creation of the Oregon War Veterans' Fund to finance farm and home loans for eligible veterans. Financing of multi-family housing for the elderly and disabled persons is authorized in Article XI-I (2). Article XI-J provides authorization to finance loans for the development of small-scale local energy projects. The preceding bonds of business-type activities are fully self-supporting.

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Debt service requirements for general obligation bonds as of June 30, 2023 (in thousands):

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal ¹	Interest	Principal ²	Interest
2024	\$ 544,995	\$ 305,681	\$ 28,050	\$ 19,058
2025	556,330	277,409	27,900	17,970
2026	586,900	251,709	28,550	17,147
2027	608,695	224,430	28,880	14,141
2028	342,095	195,643	29,090	15,317
2029-2033	1,691,685	772,357	98,690	64,407
2034-2038	1,548,550	413,864	111,275	48,131
2039-2043	886,579	130,061	90,580	31,403
2044-2048	125,300	16,655	70,795	16,055
2049-2053	13,305	2,174	33,120	4,064
2054-2058	2,535	65	660	18
Total	\$ 6,906,969	\$ 2,590,049	\$ 547,590	\$ 247,712

¹ Includes \$904.7 million in pension bond debt.

² Includes a total of \$74.9 million of bonds with variable interest rates adjusted daily or weekly based on the rates determined by the remarketing agent, not to exceed 12%. The interest rates at the end of the fiscal year were 3.75% for \$25.1 million of these bonds, 4% for \$38.8 million, and 3.9% for \$11 million.

B. Revenue Bonds

Oregon Revised Statutes (ORS) authorizes the State to issue revenue bonds. Revenue bonds are secured by a pledge of revenues derived from the operation of the programs funded by the issuance of these obligations. The resulting bond obligations are not general obligations of the State.

ORS 286A.560 through 286A.585, 327.700 through 327.711, and 348.716 authorize the State to issue revenue bonds that are supported by unobligated net lottery proceeds. To date, lottery revenue bonds have been issued for infrastructure improvements, state parks, expansion and refurbishment of school facilities, light rail transportation, improvements to state fair facilities, acquisition of state forestland, watershed project grants, higher education and community college building improvements, preservation of affordable housing as well as development of community-based housing and treatment facilities, economic development in rural and distressed communities, and providing broadband access to eligible schools in the state. Lottery revenue bonds have been issued for governmental activities.

ORS 367.605 through 367.665 authorize the Oregon Department of Transportation to issue highway user tax bonds for governmental activities to build and maintain public roads. Debt service payments for these bonds are funded by highway user taxes and vehicle registration fees.

ORS 456.645 authorizes the Oregon Housing and Community Services Department to issue revenue bonds for financing single-family mortgage loans and multi-family housing projects. Mortgage payments and fees and rental revenues support these bonds. ORS 285B.467 through 285B.482 authorize the Oregon Business Development Department to issue revenue bonds for financing infrastructure improvement projects through the Special Public Works Fund, while ORS 285B.572 through 285B.599 authorize the issuance of revenue bonds for financing water projects through the Water/Wastewater Financing Fund. Loan repayments support the bonds associated with these business-type activities.

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Notes to the Financial Statements

Debt service requirements for revenue bonds as of June 30, 2023 (in thousands):

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal ¹	Interest
2024	\$ 228,810	\$ 160,437	\$ 70,005	\$ 32,490
2025	236,985	152,930	31,890	32,672
2026	244,475	143,231	33,505	31,814
2027	247,170	133,443	33,490	30,861
2028	240,060	124,216	33,320	29,889
2029-2033	1,118,960	501,904	171,570	131,263
2034-2038	904,175	280,634	186,980	100,295
2039-2043	697,830	89,909	174,580	65,992
2044-2048	34,990	4,785	149,795	35,330
2049-2053	-	-	94,025	9,239
2054-2058	-	-	6,100	1,250
Total	\$ 3,953,455	\$ 1,591,488	\$ 985,260	\$ 501,097

¹ Includes bonds with variable interest rates adjusted weekly based on the rates determined by the remarketing agent, not to exceed 12%. The interest rates at the end of the fiscal year were 3.95% for \$75.2 million of these bonds, 3.97% for \$13.1 million, 4.04% for \$15 million, 4.08% for \$65.5 million, and 5.1% for \$21 million.

C. Certificates of Participation

ORS 283.085 through 283.092 authorize the State to enter into financing agreements through the issuance of certificates of participation. The State has issued certificates of participation to provide funds for the acquisition of computer and telecommunication systems, to decouple the Elliott State Forest from the Common School Fund so as to compensate the Fund for preservation of noneconomic benefits, and the acquisition, construction, or remodeling of State facilities. Certificates of participation have been issued for governmental activities.

Debt service requirements for certificates of participation as of June 30, 2023 (in thousands):

Year ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 4,155	\$ 3,198
2025	4,220	3,077
2026	4,350	2,948
2027	4,485	2,810
2028	4,635	2,661
2029-2033	25,775	10,708
2034-2038	31,115	5,354
2039-2043	7,010	288
Total	\$ 85,745	\$ 31,043

D. Direct Borrowings and Direct Placements

The State has issued direct borrowings and direct placements for governmental activities to finance pollution control and disposal activities, state capitol construction, software application development projects, and various highway projects, including the Interstate 205 highway project. Direct borrowings and direct placements have been issued for business-type activities to finance projects that serve elderly and disabled persons, to provide loans for first-time home buyers, or affordable multifamily housing projects, and to provide loans to municipalities, schools, and other entities for energy conservation and generation of renewable energy.

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Debt service requirements for direct borrowings and direct placements as of June 30, 2023 (in thousands):

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 1,550	\$ 389	\$ 2,355	\$ 537
2025	1,555	381	2,490	497
2026	47,969	351	2,715	456
2027	78,500	320	1,870	410
2028	29,386	288	1,880	374
2029-2033	6,360	961	12,840	1,216
2034-2038	3,405	347	1,050	580
2039-2043	340	5	1,075	319
2044-2048	-	-	640	50
Total	\$ 169,065	\$ 3,041	\$ 26,915	\$ 4,439

E. Changes in Long-Term Debt

Changes in long-term debt for governmental activities for the year ended June 30, 2023 (in thousands):

	Beginning Balance	Additions ¹	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds/certificates payable:					
General obligation bonds	\$ 6,290,914	\$ 1,105,850	\$ 489,795	\$ 6,906,969	\$ 544,995
Revenue bonds	3,506,510	651,370	204,425	3,953,455	228,810
Certificates of participation	90,220	-	4,475	85,745	4,155
Direct borrowings/placements payable	14,745	155,595	1,275	169,065	1,550
Adjusted by amounts:					
For issuance premiums	863,129	203,865	82,758	984,235	-
Total	\$ 10,765,518	\$ 2,116,680	\$ 782,728	\$ 12,099,469	\$ 779,510

¹ Amounts identified in the additions column will not agree to total long-term debt issued as reported in the governmental funds statement of revenues, expenditures, and changes in fund balance due to: (1) the other financing source associated with leases and subscription-based information technology arrangements are reported within that category; and (2) the table above includes activity reported within the internal service funds.

Changes in long-term debt for business-type activities for the year ended June 30, 2023 (in thousands):

	Beginning Balance ¹	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds/certificates payable:					
General obligation bonds	\$ 472,475	\$ 113,630	\$ 38,515	\$ 547,590	\$ 28,050
Revenue bonds	913,515	112,025	40,280	985,260	70,005
Direct borrowings/placements payable	28,255	-	1,340	26,915	2,355
Adjusted by amounts:					
For issuance discounts	(18)	-	(2)	(16)	-
For issuance premiums	43,989	8,916	4,593	48,312	-
Total	\$ 1,458,217	\$ 234,571	\$ 84,726	\$ 1,608,061	\$ 100,410

¹ Certain beginning balances have been restated due to prior period adjustments.

F. Debt Agreement Terms

The Oregon Housing and Community Services Department (OHCS D) mortgage revenue bond and housing revenue bond indentures identify the following events that would lead to a default: payment of principal is not made when due, payment of interest is not made when due, or OHCS D defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 90 days after

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written notice for remedy has been provided to OHCSO by the trustee. The trustee may give such notice at their discretion, or at the written request of the owners of not less than 25% in aggregate of the principal amount of the outstanding bonds.

If a default does occur for mortgage revenue bonds or housing revenue bonds the trustee may, or upon the written direction of the owners of not less than 51% of the bonds outstanding the trustee shall, declare via written notice to OHCSO that any principal and interest related to that bond is due and payable immediately.

OHCSO multifamily housing revenue bond indenture identifies the following events that would lead to a default: payment of principal is not made when due, payment of interest is not made when due, or OHCSO defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 60 days after written notice for remedy has been provided to OHCSO by the trustee, or written notice provided to OHCSO and the trustee by the owners of not less than 25% in aggregate of the principal amount of the outstanding bonds.

If a default occurs for a multifamily housing revenue bond the trustee may, or upon the written direction of the owners of not less than 25% of the bonds outstanding the trustee shall, proceed, in its own name, to protect and enforce the rights of the bond owners. Protecting and enforcing the rights of the bond owners could include declaring all outstanding bonds due and payable.

The Oregon Department of Transportation (ODOT) outstanding notes from all direct borrowings contain the following terms in event of a default, a termination date would occur 15 days after a receipt of notice by ODOT. At that point, all outstanding obligations are subject to repayment upon demand, including interest up to a maximum of 12%.

G. Demand Bonds

Oregon Department of Veterans' Affairs

Included in long-term debt are the following State of Oregon, General Obligation, Veterans' Welfare Variable Rate Demand Bonds, along with selected terms of their standby bond purchase agreements (SBPAs) at June 30, 2023 (dollars in thousands):

Series	Outstanding Amount	Liquidity Provider	Expiration Date	Commitment Fee	Remarketing Agent	Remarketing Fee
95	\$ 25,140	U.S. Bank National Association	5/17/2027	0.3100%	U.S. Bank National Association	0.05%
98B	15,800	U.S. Bank National Association	4/7/2025	0.3200%	U.S. Bank National Association	0.05%
105B	11,565	U.S. Bank National Association	5/17/2027	0.3100%	U.S. Bank National Association	0.05%
106C	11,435	U.S. Bank National Association	5/17/2027	0.3100%	U.S. Bank National Association	0.05%
110	11,000	JP Morgan Securities	8/9/2027	0.2750%	JP Morgan Securities	0.05%

These bonds are general obligations of the State and are payable from revenues and reserves of the Veterans' Loan Program. The bondholders may tender these bonds on specified dates at a price equal to principal plus accrued interest.

The Oregon Department of Veterans' Affairs (DVA) remarketing agent is authorized to use their best efforts to sell the repurchased bonds at face value by adjusting the interest rate on a daily or weekly basis based on the applicable mode. The designated remarketing agent for such bonds will determine the interest rate borne by each series of bonds. The DVA pays its designated remarketing agent a fee for this service.

In the event the bonds cannot be remarketed, they will be purchased as specified by the respective SBPA. Under the SBPAs for Series 95, 98B, 105B, and 106C (Series 95, 98B, 105B, and 106C SBPAs), U.S. Bank National Association will commit to purchase any Series 95, 98B, 105B, or 106C unremarketed bonds, subject to certain conditions set forth in the SBPAs. Under the SBPA for Series 110, JP Morgan Securities will commit to purchase any Series 110 unremarketed bonds, subject to certain conditions set forth in the SBPA.

If a tender advance did occur under the Series 95, 98B, 105B, 106C, and 110 SBPAs, it would accrue interest at the bank's base rate (either the prime lending rate plus 1%, the federal funds rate plus 2%, the Securities Industry and Financial Markets Association (SIFMA) rate plus 1%, or 7% for the time period 31 days after the purchase date and thereafter, whichever is higher) for the time period up to 30 days; at the bank's base rate

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plus 1% for the time period covering 31 days up to 90 days; or at the bank's base rate plus 1.5% for the time period thereafter. If the tender advance is in default, interest would accrue at the bank's base rate plus 3%. Interest on tender advances must generally be repaid before the principal portion of a tender advance is repaid. In most cases, tender advances are required to be paid off on the earliest to occur of (a) the date the applicable bonds are paid in full; (b) the conversion date of all or a portion of the applicable bonds to a fixed rate, an indexed rate, or a non-covered interest rate; or (c) the effective date of delivery of a substitute alternative liquidity facility. Tendered bonds that are unremarketed by the 91st day after the purchase date of the tender advance must be paid in full over a four year period in eight equal (or nearly equal) semi-annual installments, unless and until the bonds are remarketed or redeemed. If repayment of any tender advance does not occur within the specified timeframe contained in the Series 95, 98B, 105B, 106C, and 110 SBPAs, a default would have occurred.

No tender advances or draws were necessary to purchase unremarketed bonds under the Series 95, 98B, 105B, 106C, and 110 SBPAs for fiscal year 2023. Therefore, no tender advances or draws were outstanding as of June 30, 2023.

Oregon Housing and Community Services Department

Included in Oregon Housing and Community Services Department's (OHCS) long-term debt is \$189.8 million in variable rate demand bonds. OHCS's variable rate demand bonds are remarketed weekly by a remarketing agent. Bondholders may elect to tender their bonds by providing written notice to the remarketing agent as specified in the official statement for the series. On the date that bonds are tendered, the remarketing agent will use its best effort to sell the bonds or may purchase the bonds for its own account.

OHCS has entered into a standby bond purchase agreement (SBPA) with State Street Bank and Trust Company and U.S. Bancorp Investments, Inc., together with U.S. Bank Municipal Products Group, a division of U.S. Bank National Association and a standby letter of credit and reimbursement agreement with Sumitomo Mitsui Banking Corporation (the "liquidity facilities") to provide liquidity in the event that the remarketing agent is unable to sell the tendered bonds and does not choose to buy the bonds for its own account. The liquidity facilities require the liquidity provider to provide funds for the purchase of the tendered bonds. On the purchase date, the bonds become known as liquidity provider bonds or bank bonds and bear interest at the bank rate in accordance with the relevant liquidity facility. The maximum rate for both liquidity facilities is 12%. The bonds remain bank bonds until they are sold by the remarketing agent or the remarketing agent purchases them for its own account. If the bonds are not remarketed or purchased by the remarketing agent for its own account, mandatory redemption installments are to be paid commencing on the first business day of the eighteenth full month following the date the bonds became liquidity provider bonds in an amount equal to three-tenths of the initial amount of the liquidity provider bonds outstanding, with seven semi-annual installments due thereafter in an amount equal to one-tenth of the initial amount of liquidity provider bonds outstanding. There were no bank bonds as of June 30, 2023.

Certain terms of the standby purchase agreements and remarketing agreements are listed below (dollars in thousands):

Series	Outstanding Amount	Liquidity Provider	Expiration Date	Commitment Fee	Remarketing Agent	Remarketing Fee
MRB ¹ 2015 C	\$ 33,600	Sumitomo Mitsui Banking Corporation	1/27/2025	0.2700%	J.P. Morgan Securities, LLC	0.07%
MRB 2016 B	13,140	State Street Bank and Trust Company	1/27/2025	0.3000%	Bank of America Securities, Inc.	0.07%
MRB 2016 C	15,000	State Street Bank and Trust Company	1/27/2025	0.3000%	Bank of America Securities, Inc.	0.07%
MRB 2017 C	41,605	State Street Bank and Trust Company	1/27/2027	0.3300%	J.P. Morgan Securities, LLC	0.07%
MRB 2018 E	41,000	Sumitomo Mitsui Banking Corporation	1/27/2025	0.2700%	Bank of America Securities, Inc.	0.07%
MRB 2020 B	24,500	Sumitomo Mitsui Banking Corporation	1/27/2027	0.3100%	Bank of America Securities, Inc.	0.07%
MRB 2022 D	21,000	U.S. Bank National Association	10/27/2027	0.2200%	²	0.07%

¹ Mortgage Revenue Bonds

² U.S. Bancorp Investments, Inc., together with U.S. Bank Municipal Products Group, a division of U.S. Bank National Association

State of Oregon
Notes to the Financial Statements

H. Conduit Debt

Conduit debt refers to debt issued to finance public purpose expenditures intended for beneficial ownership by private entities. Such debt bears the name of the State but is secured solely by the credit of the private entity and usually is serviced and administered by a trustee independent of the State.

Oregon Business Development Department (OBDD) has a balance of \$411.3 million as of June 30, 2023. This balance consists entirely of limited commitments as the bond documents fully indemnify the state from any obligation associated with the debt. OBDD issues conduit debt to support manufacturing and exempt facility projects in Oregon.

Oregon Facilities Authority (OFA) has a balance of \$1.8 billion as of June 30, 2023. This balance consists entirely of limited commitments for if a borrower does not meet its obligations, the bondholder or other lenders may declare a default. The state does not have any obligation to cure any default, or otherwise take action that would support the borrower or repay the debt. OFA issues conduit debt to facilitate Oregon State Treasury's issuance of tax-exempt bonds and loans.

Oregon Housing and Community Services Department (OHCS) has a balance of \$1.3 billion as of June 30, 2023. Bonds issued under the Housing Development Revenue Bond program are limited obligations of OHCS payable out of the trust estate specifically pledged to each bond issue. No recourse may be taken against any properties, funds, or assets of the state for the payment of any amounts owing with respect to these bonds. Bond owners will have no right to compel the payment of any amount with respect to these bonds out of any tax revenues, funds, or other assets of the state, other than the security pledged to each bond issue.

Limited commitments indicate that the State has no obligation for payment of this debt unless the State has specified voluntary or additional commitments. Accordingly, this debt is not reported in the accompanying financial statements and there is no associated liability.

Conduit debt outstanding as of June 30, 2023 (in thousands):

Primary Government	Amount
Oregon Business Development Department	\$ 411,272
Oregon Facilities Authority	1,767,274
Housing and Community Services Department	1,260,271
Total	\$ 3,438,818

I. Debt Refundings

Occasionally, the State issues new long-term debt to extinguish the obligation of previously issued bonds or certificates of participation in order to take advantage of lower interest rates. In instances of advanced refunding, the money from the sale of the new debt is placed in an irrevocable trust to provide for all future debt service payments on the old debt. The amount of these issuances has provided funds to pay the interest and principal when due on the refunded debt to and including the dates irrevocably fixed for redemption. The trust account assets and liabilities for the defeased debt are not included in the accompanying financial statements.

There were no current/advance refunding issues that occurred between July 1, 2022, and June 30, 2023.

J. Defeased Debt

The State has defeased certain general obligation and revenue bonds, as well as certificates of participation, by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the liability for defeased debt is not included in the State's financial statements. On June 30, 2023, \$1.3 billion of debt outstanding is considered defeased.

8. OTHER LIABILITIES

A. Short-Term Debt

During the year, the Oregon Military Department (OMD) received a loan from the Oregon Short Term Fund (OSTF). The OMD needed funds to cover cash flow requirements due to a delay in receiving federal fund reimbursements and State Active-Duty National Guard Activations.

Short-term debt activity for the year ended June 30, 2023 (in thousands):

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental activities				
Military treasury loan	\$ 3,500	\$ 8,000	\$ 6,500	\$ 5,000
Total short-term debt activity	<u>\$ 3,500</u>	<u>\$ 8,000</u>	<u>\$ 6,500</u>	<u>\$ 5,000</u>

B. Changes in Other Liabilities

Changes in other liabilities for governmental activities for the year ended June 30, 2023 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences payable	\$ 316,273	\$ 76,358	\$ 82,438	\$ 310,193	\$ 198,380
Claims and judgments payable	1,339,488	396,157	325,013	1,410,632	146,007
Arbitrage rebate payable	157	28	70	115	17
Deposit liabilities	341,302	22,796,006	22,816,956	320,352	192,868
Lease obligations	975,655	54,082	91,774	937,963	88,601
SBITA obligations	-	78,630	8,639	69,991	11,590
Pollution remediation obligation	40,322	14,456	5,542	49,235	5,766
Contracts, mortgages, and notes payable	230,283	16,878	90,053	157,108	35,996
Total other liabilities	<u>\$ 3,243,479</u>	<u>\$ 23,432,596</u>	<u>\$ 23,420,486</u>	<u>\$ 3,255,589</u>	<u>\$ 679,223</u>

Internal service funds predominantly serve the governmental funds. Therefore, long-term liabilities for internal service funds are included as part of the totals for governmental activities. The compensated absences liability is mainly liquidated through the General Fund, Health and Social Services Fund, and the Public Transportation Fund. The claims and judgments liability is generally liquidated through the Employment Services Fund and the Central Services Fund, an internal service fund. The arbitrage rebate liability is generally liquidated through the Environmental Management Fund and Educational Support Fund. The deposit liabilities are expected to be primarily liquidated by the Common School Fund and Health and Social Services Fund. Lease obligations will be primarily liquidated through the General Fund and Health and Social Services Fund. Subscription-based information technology arrangement (SBITA) obligations will be primarily liquidated through the General Fund and Employment Services Fund. The pollution remediation obligation will be mainly liquidated through the Environmental Management Fund, Public Transportation Fund, and the Common School Fund. The liability for contracts, mortgages, and notes payable is generally liquidated through the General Fund, the Environmental Management Fund, the Health and Social Services Fund, and the Public Transportation Fund.

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Changes in other liabilities for business-type activities for the year ended June 30, 2023 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Compensated absences payable	\$ 27,152	\$ 5,600	\$ 6,226	\$ 26,526	\$ 17,072
Claims and judgments payable	848	876	848	876	876
Lottery prize awards payable	151,309	274,199	281,264	144,244	38,103
Arbitrage rebate payable	7,611	1,333	-	8,944	82
Deposit liabilities	31,363	938,491	940,042	29,812	27,539
Lease obligations	8,393	284	550	8,127	2,320
SBITA obligations	-	19,683	3,690	15,993	5,739
Contracts, mortgages, and notes payable	21,090	206	5,448	15,847	3,649
Total other liabilities	\$ 247,766	\$ 1,240,672	\$ 1,238,068	\$ 250,370	\$ 95,381

Changes in other liabilities for fiduciary fund activities for the year ended June 30, 2023 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Fiduciary fund activities					
Deposit liabilities	\$ 67,584	\$ 15,057,985	\$ 15,026,217	\$ 99,352	\$ -
Lease obligations	488	-	452	36	23
Contracts, mortgages, and notes payable	708	-	21	687	21
Total other liabilities	\$ 68,780	\$ 15,057,985	\$ 15,026,690	\$ 100,075	\$ 44

C. Lease Obligations

The State routinely utilizes lease arrangements to obtain the right to use various capital assets instead of purchasing them. These leased capital assets include land, buildings, office space, furniture, and equipment. The contracts, at times, include variable payments that are based on future performance of the State or usage of the underlying asset, residual value guarantees, or termination penalties that are not known or reasonably certain to be exercised, therefore these amounts are not included in the calculation of the lease obligation, instead they are recognized as expenses in the period they occur. For the fiscal year ended June 30, 2023, the State recognized expenses for variable payments of \$797 thousand and termination penalties of \$18 thousand. There were no residual guarantee payments recognized during the fiscal year. Additionally, there were no impairment losses associated with lease obligations. All collateral pledged as security for the lease arrangements are solely the underlying asset.

Principal and interest requirements for leases as of June 30, 2023 (in thousands):

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 88,601	\$ 17,273	\$ 105,874
2025	81,649	15,723	97,372
2026	71,723	14,336	86,059
2027	66,094	13,097	79,191
2028	61,416	11,982	73,398
2029-2033	238,339	45,747	284,086
2034-2038	179,158	26,270	205,428
2039-2043	73,770	9,685	83,455
2044-2048	16,578	5,157	21,736
2049-2053	15,566	3,964	19,529
2054-2058	16,736	2,794	19,529
2059-2063	17,993	1,536	19,529
2064-2068	10,341	279	10,620
Total	\$ 937,963	\$ 167,842	\$ 1,105,805

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Year Ending June 30,	Business-type Activities		
	Principal	Interest	Total
2024	\$ 2,320	\$ 215	\$ 2,535
2025	1,620	171	1,790
2026	1,310	130	1,439
2027	892	101	993
2028	802	77	879
2029-2033	866	156	1,022
2034-2038	305	33	337
2039-2043	13	1	14
Total	\$ 8,127	\$ 882	\$ 9,009

Year Ending June 30,	Fiduciary Activities		
	Principal	Interest	Total
2024	\$ 23	\$ 1	\$ 24
2025	8	-	8
2026	6	-	6
Total	\$ 36	\$ 1	\$ 38

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

There were commitments under leases before the commencement of the lease term as described in the following table for the fiscal year ended June 30, 2023 (in thousands):

Source of funding	Amount
General Fund	\$ 2,026
Federal Funds	1,051
Other Funds	2,646
Total	\$ 5,723

D. Subscription-Based Information Technology Arrangement (SBITA) Obligations

The State routinely utilizes SBITAs to obtain the right to use various information technology assets instead of purchasing them. The contracts, at times, include variable payments that are based on future performance of the State, usage of the underlying asset, or termination penalties that are not known or reasonably certain to be exercised, therefore these amounts are not included in the calculation of the SBITA obligation, instead they are recognized as expenses in the period they occur. For the fiscal year ended June 30, 2023, there were no variable payments or termination penalties. Additionally, there were no impairment losses associated with SBITA obligations.

Principal and interest requirements for leases as of June 30, 2023 (in thousands):

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 11,590	\$ 1,926	\$ 13,516
2025	10,117	1,590	11,706
2026	7,833	1,298	9,131
2027	7,700	1,063	8,763
2028	7,078	839	7,917
2029-2033	25,674	1,585	27,259
Total	\$ 69,991	\$ 8,302	\$ 78,292

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Year Ending June 30,	Business-type Activities		
	Principal	Interest	Total
2024	\$ 5,739	\$ 281	\$ 6,020
2025	4,501	252	4,753
2026	3,237	137	3,374
2027	998	72	1,070
2028	598	48	646
2029-2033	920	50	970
Total	\$ 15,993	\$ 841	\$ 16,835

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

There were commitments before the commencement of the SBITA term as described in the following table for the fiscal year ended June 30, 2023 (in thousands):

Source of funding	Amount
General Fund	\$ 117
Lottery Funds	5
Other Funds	3,165
Total	\$ 3,287

E. Contracts, Mortgages, and Notes Payable

Debt service requirements for contracts, mortgages, and notes payable as of June 30, 2023 (in thousands):

Year ending June 30,	Governmental Activities		Business-type Activities		Fiduciary Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 35,996	\$ 9,607	\$ 3,649	\$ 1,009	\$ 21	\$ 31
2025	34,035	7,430	3,212	786	34	30
2026	32,288	5,287	3,413	562	36	28
2027	36,756	3,039	3,652	323	37	27
2028	18,033	622	1,921	66	39	25
2029-2033	-	-	-	-	222	98
2034-2038	-	-	-	-	280	43
2039-2043	-	-	-	-	19	1
Total	\$ 157,108	\$ 25,985	\$ 15,847	\$ 2,747	\$ 687	\$ 284

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

F. Discretely Presented Component Units

The State of Oregon has issued various debt instruments to fund capital projects for its university component units, which are the University of Oregon (UO), Oregon State University (OSU), Portland State University (PSU), Oregon Health and Science University (OHSU), Western Oregon University (WOU), Southern Oregon University (SOU), Eastern Oregon University (EOU), and Oregon Institute of Technology (OIT). These debt instruments include general obligation bonds, certificates of participation (COPs), and lottery revenue bonds, which are liabilities of the State, and are disclosed in greater detail in Note 7. These universities have entered into debt management agreements with the State, through the Higher Education Coordinating Commission to repay the State for certain debt instruments identified above. Pursuant to the debt management agreements, the universities have reported a payable to the State and the State has reported a receivable from the universities.

In addition, many of the universities have borrowed from the Oregon Department of Energy through the Small Scale Energy Loan Program (SELP) for energy conservation projects.

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Notes to the Financial Statements

Changes in notes payable to the State of Oregon for the State's major component units, which are UO, OSU, and PSU are included below (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
University of Oregon					
Higher Education Coordinating Commission Loans	\$ 430,693	\$ -	\$ 17,308	\$ 413,385	\$ 22,669
Oregon Department of Energy Loans (SELP)	28,061	-	2,374	25,687	2,471
Advances from primary government	\$ 458,754	\$ -	\$ 19,682	439,072	25,140
Other current liabilities owed to primary government				9,471	9,471
Total				\$ 448,543	\$ 34,611

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Oregon State University					
Higher Education Coordinating Commission Loans	\$ 268,125	\$ 40,275	\$ 13,568	\$ 294,832	\$ 16,992
Oregon Department of Energy Loans (SELP)	9,041	-	796	8,245	818
Advances from primary government	\$ 277,166	\$ 40,275	\$ 14,364	303,077	17,810
Other current liabilities owed to primary government				6,004	6,004
Total				\$ 309,081	\$ 23,814

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Portland State University					
Higher Education Coordinating Commission Loans	\$ 160,802	\$ -	\$ 10,652	\$ 150,150	\$ 11,511
Oregon Department of Energy Loans (SELP)	24,210	-	2,429	21,781	2,545
Advances from primary government	\$ 185,012	\$ -	\$ 13,081	171,931	14,056
Other current liabilities owed to primary government				3,294	3,294
Total				\$ 175,225	\$ 17,350

The outstanding amounts above have been included in the discretely presented component unit financial statements as due to primary government and advances from primary government. The State, as the primary government, has included the above balances, along with other balances, as due from component units and advances to component units.

9. POLLUTION REMEDIATION OBLIGATION

Pollution remediation obligations address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. This includes pre-cleanup activities, cleanup activities, government oversight and enforcement-related activities, and post remediation monitoring. Excluded from pollution remediation obligations are obligations for pollution prevention and control activities, fines and penalties, landfill closure and postclosure care, and other future remediation activities required upon retirement of an asset.

The State recognizes a pollution remediation obligation when it can reasonably estimate the range of expected cash outlays. As of June 30, 2023, the State recognized an estimated liability of \$49.2 million for pollution remediation activities. The liability, which is reported in the government-wide statement of net position, was recorded at the current value of the costs the State expects to incur to perform the work.

For many projects, the State can reasonably estimate the range of expected outlays early in the process, using the State's remediation history for similar sites as the basis for the calculations. In other cases, the estimated liability is based on the amount specified in a contract for remediation services or the estimate of the cleanup costs provided by an environmental consulting firm. Expected recoveries from responsible parties or potentially responsible parties and insurance recoveries are included in the estimates and reduce the

State of Oregon
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State's expense. No material expected recoveries were included in the measurement of the State's pollution remediation obligation at June 30, 2023.

The most recent, relevant, analogous, and known costs are used to estimate potential liability for each remediation site. Pollution remediation liability estimates are adjusted for recent experience and include a contingency allowance. Adjustments may occur due to price fluctuations resulting from delays in contracting specific remediation jobs, changes in technology, changes in legal or regulatory requirements, and changes in the remediation plan or operating conditions.

Currently, the Oregon Department of Environmental Quality (DEQ), as a government responsible for sharing cost under federal law, is obligated to clean up two Superfund sites. One site is contaminated with chemicals used in the wood-treating industry. Contamination was found in the soil, groundwater, and sediments of adjacent rivers. The second site is contaminated with asbestos in the soil resulting from demolition of approximately eighty 1940s era military barracks buildings. The Oregon Department of Transportation (ODOT) also performs ongoing pollution remediation. For example, to facilitate the agency's transportation goals, ODOT voluntarily conducts the cleanup of contaminated soil and ground water found within the footprint of construction projects and removes lead-based paint when performing bridge repairs. In other cases, DEQ has named ODOT as a responsible party or potentially responsible party, or ODOT has entered the contaminated site into the DEQ's Voluntary Cleanup Program as the responsible party.

Portland Harbor is also a Superfund site, however, DEQ and the U.S. Environmental Protection Agency (EPA) expect responsible parties to fund all remediation costs. The Portland Harbor is a stretch of the Columbia River and the Willamette River with contaminated sediment from many historical industrial sites. EPA has identified over 100 parties as potentially responsible for costs related to investigation and cleanup of hazardous substances at the site, including the State of Oregon. EPA issued a Record of Decision (ROD) estimating the cleanup to cost \$1.1 billion and 13 years to complete. The State had entered into Administrative Settlements and Orders on Consent with EPA to perform the cleanup. As of June 30, 2023, the State has participated in a confidential, non-binding private mediation process to achieve an allocation of responsibility for the costs of implementing the ROD among the responsible parties. If successful, the process will culminate in the parties developing a comprehensive settlement proposal to EPA based on the allocation. If accepted by EPA, the settlement will be memorialized in a judicial Consent Decree filed in the Oregon federal district court. It is not possible to predict the relative share of cleanup costs that will be assigned to each agency through this confidential mediation or, should it fail, through litigation. It is also too early to predict when the mediation will conclude or whether it will result in a durable comprehensive settlement with EPA.

10. PLEDGED REVENUES

A. Lottery Revenue Bonds

The State has pledged future unobligated net lottery proceeds and interest earnings on guaranteed investment contracts to repay \$1.3 billion of lottery revenue bonds. Unobligated net lottery proceeds consist of all revenues derived from the operation of the Oregon State Lottery except for revenues used for payment of prizes and expenses of the Lottery. Proceeds from lottery revenue bonds have been used for a variety of purposes, which are described in greater detail in Note 7 within the section covering revenue bonds. The bonds are payable solely from the pledged revenues and are payable through fiscal year 2043. Total principal and interest remaining to be paid on the bonds is \$1.8 billion. In fiscal year 2024, principal and interest payments on the bonds are expected to require approximately 18.3% of pledged revenue. Principal and interest paid for the current year and total pledged revenues recognized were \$145.6 million and \$908.9 million, respectively.

B. Highway User Taxes Revenue Bonds

The State has pledged future highway user taxes and vehicle registration fees, net of administrative expenses, operating transfers, and statutory transfers to counties, to repay \$2.7 billion of highway user tax revenue bonds. Proceeds from the bonds provide financing for the construction, reconstruction, improvement, repair, maintenance and operation, and use of public highways, roads, streets, and roadside rest areas for the State. The bonds are payable solely from the pledged revenues and are payable through November 2048.

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Total principal and interest remaining to be paid on the bonds is \$3.8 billion. Fiscal year 2024 principal and interest payments on the bonds are expected to require approximately 27% of pledged revenues. Principal and interest paid for the current year and total pledged revenues recognized were \$201.4 million and \$825.6 million, respectively.

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Notes to the Financial Statements

11. INTERFUND TRANSACTIONS

Interfund balances reported in the fund financial statements as of June 30, 2023 (in thousands):

Due to Other Funds	Due from Other Funds					
	General	Health and Social Services	Public Transportation	Educational Support	Common School	Nonmajor Governmental Funds
General	\$ -	\$ 67,311	\$ 8,891	\$ 68,759	\$ 2	\$ 92,706
Health and Social Services	877,188	-	-	7,179	-	3,840
Public Transportation	265	-	-	-	-	21,031
Educational Support	501	-	-	-	-	1,750
Common School	-	-	-	-	-	343
Nonmajor Governmental Funds	35,203	34,753	7,635	510	164	34,766
Housing and Community Services	-	-	-	-	-	599
Lottery Operations	235,277	-	-	-	-	200
Unemployment Compensation	-	-	-	-	-	2,698
Nonmajor Enterprise Funds	110,944	671	-	-	-	2,759
Internal Service Funds	18,992	-	-	-	-	18,479
Pension and Other Employee Benefit Trust	-	-	-	-	-	-
Private Purpose Trust	-	-	-	-	-	-
Other Custodial	-	-	-	-	-	-
Total	\$ 1,278,371	\$ 102,735	\$ 16,525	\$ 76,448	\$ 166	\$ 179,170

Advances to Other Funds

Advances from Other Funds	Common School	Total
Nonmajor Governmental Funds	\$ 300	\$ 300
Total	\$ 300	\$ 300

Interfund balances result from the time lag between the date a transaction for interfund goods and services or reimbursable expenditures/expenses is recorded and the date the payment between funds is made. Advances to and from other funds are not expected to be repaid within one year.

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Due from Other Funds (continued)							
Housing and Community Services	Veterans' Loan	Nonmajor Enterprise Funds	Internal Service Funds	Pension and Other Employee Benefit Trust	Private Purpose Trust	Other Custodial	Total
\$ 158	\$ 59	\$ 8,942	\$ 3,712	\$ -	\$ -	\$ -	\$ 250,541
-	-	20,395	728	-	-	-	909,330
-	-	-	-	-	-	-	21,296
-	-	-	-	-	-	-	2,251
-	-	-	-	-	-	6	349
145	-	32	1,761	-	-	-	114,967
-	-	-	-	-	-	-	599
-	-	-	-	-	-	-	235,477
-	-	24	-	-	140	-	2,862
-	174	4,854	138	138	-	-	119,678
-	-	757	-	-	-	-	38,228
-	-	-	-	25,830	-	-	25,830
-	31	-	-	-	-	-	31
-	-	-	900	-	-	-	900
<u>\$ 303</u>	<u>\$ 265</u>	<u>\$ 35,003</u>	<u>\$ 7,239</u>	<u>\$ 25,967</u>	<u>\$ 140</u>	<u>\$ 7</u>	<u>\$ 1,722,339</u>

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Interfund transfers reported in the fund financial statements as of June 30, 2023 (in thousands):

Transfers to Other Funds	Transfers from Other Funds				
	General	Health and Social Services	Public Transportation	Educational Support	Common School
General	\$ -	\$ 29,767	\$ 173,698	\$ 633,861	\$ 2
Health and Social Services	165,320	-	-	27,994	-
Public Transportation	12,496	-	-	-	-
Educational Support	1,054,983	836	-	-	-
Common School	72,205	-	-	16	-
Nonmajor Governmental Funds	105,278	97,363	12,281	4,454	3,058
Housing and Community Services	-	-	-	-	-
Veterans' Loan	-	-	-	-	-
Lottery Operations	908,800	-	-	-	-
Nonmajor Enterprise Funds	225,069	7,922	-	-	-
Internal Service Funds	15,086	-	-	3,541	-
Total	\$ 2,559,236	\$ 135,887	\$ 185,979	\$ 669,866	\$ 3,060

Transfers are used to move (1) revenues collected by one fund to the fund authorized by statute or the State's budget to expend them, (2) receipts restricted to debt service or capital construction to the appropriate funds, and (3) unrestricted revenues collected by the General Fund for various programs accounted for in other funds according to State budget requirements.

The Residential Assistance Fund received significant transfers from the Capital Projects Fund during the fiscal year using proceeds from the issuance of debt to help finance loans for the construction of new affordable housing.

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Transfers from Other Funds (continued)

Nonmajor Governmental Funds	Housing and Community Services	Nonmajor Enterprise Funds	Internal Service Funds	Total
\$ 824,117	\$ 10,000	\$ 283,895	\$ 10,127	\$ 1,965,466
48,531	-	5,776	-	247,621
303,110	-	-	-	315,606
10,736	-	-	627	1,067,182
4,565	-	14	2,059	78,858
247,176	-	5,090	6,494	481,192
368	-	-	-	368
204	-	-	-	204
2,435	-	-	-	911,236
17,918	-	2,826	1,405	255,139
21,350	-	872	-	40,849
\$ 1,480,511	\$ 10,000	\$ 298,471	\$ 20,711	\$ 5,363,722

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12. SEGMENT INFORMATION

Oregon Revised Statutes (ORS) 285B.410 through 285B.482 create the Special Public Works Fund and authorize the Oregon Business Development Department (OBDD) to issue revenue bonds to finance loans to municipalities for infrastructure projects. ORS 285B.560 through 285B.599 establish the Water/Wastewater Financing Fund and authorize OBDD to issue revenue bonds to finance loans to municipalities for safe drinking water projects and wastewater system improvement projects. Loan repayments are pledged to repay the outstanding bonds.

ORS 456.645 authorizes the Oregon Housing and Community Services Department (OHCS) to issue revenue bonds to finance single-family mortgage loans and multi-family housing projects. Article XI-I (2) of the Oregon Constitution authorized OHCS to finance multi-family housing for elderly and disabled persons. Mortgage payments and fees and rental revenues support these bonds.

Summary financial information for the Special Public Works Fund, the Water/Wastewater Financing Fund and OHCS's various bond funds for the year ended June 30, 2023 (in thousands):

Condensed statement of net position	Special Public Works Fund	Water/ Wastewater Financing Fund	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Elderly and Disabled Housing Fund
Assets:					
Interfund receivables	\$ 433	\$ 4,428	\$ -	\$ -	\$ -
Other current assets	257,480	44,837	122,711	3,288	6,673
Capital assets	-	-	-	-	1
Other noncurrent assets	149,406	47,184	946,212	52,393	96,153
Total assets	407,319	96,448	1,068,923	55,681	102,827
Deferred outflows of resources	583	267	340	48	471
Liabilities:					
Interfund payables	4,435	417	-	-	170
Other current liabilities	4,727	246	81,564	1,074	1,584
Noncurrent liabilities	58,903	600	871,417	18,366	20,149
Total liabilities	68,065	1,264	952,981	19,440	21,903
Deferred inflows of resources	382	173	20,302	216	586
Net position:					
Invested in capital assets, net of related debt	-	-	-	-	1
Restricted-Expendable	45	18	95,981	36,072	79,806
Unrestricted	339,410	95,260	-	-	1,003
Total net position	\$ 339,455	\$ 95,279	\$ 95,981	\$ 36,072	\$ 80,809
Condensed statement of revenues, expenses, and changes in net position	Special Public Works Fund	Water/ Wastewater Financing Fund	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Elderly and Disabled Housing Fund
Operating activities:					
Loan interest income	\$ 5,933	\$ 1,573	\$ 29,325	\$ 1,689	\$ 1,658
Other operating revenue	54	12	1,329	-	62
Depreciation and amortization	-	-	-	-	1
Other operating expenses	4,921	2,509	30,553	1,005	3,046
Operating income (loss)	1,066	(924)	101	684	(1,328)
Total nonoperating revenues (expenses)	6,327	1,090	4,829	662	1,726
Transfers from other funds	982	-	-	-	-
Transfers to other funds	(3,019)	(1,737)	(1,500)	-	(52)
Change in net position	5,356	(1,570)	3,431	1,346	346
Beginning net position, as restated	334,099	96,849	92,550	34,726	80,463
Ending net position	\$ 339,455	\$ 95,279	\$ 95,981	\$ 36,072	\$ 80,809

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Condensed statement of cash flows	Special Public Works Fund	Water/ Wastewater Financing Fund	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Elderly and Disabled Housing Fund
Net cash provided (used) by:					
Operating activities	\$ (3,201)	\$ (2,392)	\$ (52,161)	\$ 6,038	\$ 4,381
Noncapital financing activities	(7,576)	(1,747)	54,257	(4,581)	(2,644)
Capital and related financing activities	-	-	-	-	(1)
Investing activities	24,786	5,118	99,637	19,308	1,829
Net increase (decrease)	14,008	979	101,732	20,766	3,564
Beginning cash and cash equivalents, as restated	205,211	37,136	58,788	5,197	58,807
Ending cash and cash equivalents	\$ 219,220	\$ 38,115	\$ 160,519	\$ 25,963	\$ 62,372

13. EMPLOYEE RETIREMENT PLANS

A. Plan Descriptions

Public Employees Retirement Plan

The Public Employees Retirement System (PERS) administers a cost-sharing, multiple-employer plan (Plan) for units of state government, political subdivisions, community colleges, and school districts. The Plan contains multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the plan. Participation by state government units, school districts, and community colleges is mandatory. Participation by most political subdivisions is optional, but irrevocable if elected. As of June 30, 2023, there were 897 participating employers.

PERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage the System. All members of the Board are appointed by the governor and confirmed by the state Senate. The governor designates the chairperson. One member must be a public employer manager or a local elected official, one member must be a union-represented public employee or retiree, and three members must have experience in business management, pension management, or investing.

In 1995 the Oregon Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. The legislation created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to 58 for Tier One. Both Tier One and Tier Two are defined benefit plans. As of June 30, 2023, Tier One was comprised of 9,502 active plan members, 128,931 inactive plan members or their beneficiaries currently receiving benefits, and 7,566 inactive plan members entitled to but not yet receiving benefits, for a total of 145,999 members. For Tier Two, as of June 30, 2023, there were 25,243 active plan members, 22,647 inactive plan members or their beneficiaries currently receiving benefits, and 12,835 inactive plan members entitled to but not yet receiving benefits, for a total of 60,725 members. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

In 2003 the Oregon Legislature enacted House Bill 2020, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program (defined benefit) and the Individual Account Program (IAP). The IAP is a defined contribution plan. Membership includes public employees hired on or after August 29, 2003. As of June 30, 2023, there were 153,991 active plan members, 11,959 inactive plan members or their beneficiaries currently receiving benefits, 9,492 inactive plan members entitled to but not yet receiving benefits, and 23,207 inactive plan members not eligible for refund or retirement, for a total of 198,649 OPSRP Pension Program members.

Beginning January 1, 2004, active PERS Tier One and Tier Two plan members became members of the IAP of OPSRP. PERS members retain their existing Defined Benefit Plan accounts, but a portion of member contributions are now deposited into the member's IAP account, not into the member's Defined Benefit Plan account. Accounts are credited with earnings and losses net of administrative expenses. OPSRP is part of

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PERS and is administered by the Board. The PERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Public Employees Defined Benefit Pension Plan Fund. In 2023, if the member earns more than \$3,570 per month, 0.75% for OPSRP members and 2.5% for Tier One and Tier Two members' contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account.

The PERS defined benefit and defined contribution retirement plans are reported as pension trust funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the fiduciary funds basic financial statements. PERS issues a separate, publicly available financial report that includes audited financial statements and required supplementary information that may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

B. Benefits Provided

Tier One and Tier Two

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is most commonly based on years of service and final average salary. A percentage (2% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which they are entitled. Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary is limited for all members beginning in 2021. The limit was equal to 225,533 as of January 1, 2023, and it is indexed with inflation every year. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they had a contribution in each of five calendar years or have reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Tier Two members are eligible for full benefits at age 60.

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided certain criteria exist. As of 2020, the Legislature introduced an Optional Spouse Death Benefit (OSDB) which may provide a higher survivor benefit than the standard preretirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and meet certain conditions.

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit. Monthly benefits are adjusted annually through cost-of-living adjustments (COLA). The COLA is capped at 2% for all benefit recipients.

OPSRP

The pension portion of OPSRP provides a life pension funded by employer contributions. For police and fire employees, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. For general service employees, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. Under

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Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary is limited for all members beginning in 2021. The limit was equal to \$225,533 as of January 1, 2023, and is indexed with inflation every year. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as a spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

OPSRP IAP

An IAP member becomes vested on the date the employee account is established. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer-funded account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

C. Funding

Primary Government

To pay for PERS pension benefits, state agencies make required contributions based on a percentage of employee payrolls. The retirement contribution rates include an actuarially determined employer rate and a member contribution rate. The PERS Board updates the employer rates every two years, so that, over time, those contributions will be sufficient to fund the benefits earned, if earnings follow assumptions. A 6% member contribution is set by statute and is paid by state employees directly from their salary. These two contributions are paid to the State's pension system and are invested at an acceptable level of investment risk as determined by the Oregon Investment Council.

The PERS employer contribution rates for state agencies for the biennium beginning July 1, 2021, and ending June 30, 2023, expressed as a percentage of covered payroll:

Tier One - Tier Two		OPSRP Employer Rates	
General Service	Police and Fire	General Service	Police and Fire
21.03%	27.02%	17.12%	21.48%

State agencies' employer contributions to PERS for the fiscal year ended June 30, 2023, totaled \$609.4 million. Member contributions paid by the State on behalf of employees for the year ended June 30, 2023, were \$2.6 million. The actual contribution equaled the contractually required contribution for the fiscal year. In fiscal year 2004, the State issued \$2 billion in pension obligation bonds to reduce the PERS pension liability. State agencies pay an additional assessment to cover the annual debt service requirements attributable to the pension bonds.

Discretely Presented Component Units

The SAIF Corporation's employer contributions to PERS for the fiscal year ended December 31, 2022, were \$17.5 million.

The respective employer contributions to PERS for the fiscal year ended June 30, 2023, for University of Oregon, Oregon State University, and Portland State University were \$44 million, \$49.5 million, and \$20.1 million.

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D. Net Pension Liability

At June 30, 2023, the State reported a liability of \$4 billion for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The State's portion of the net pension liability was based on a projection of the State's long-term share of contributions of all participating employers, actuarially determined. Certain component units are considered by the pension plan to be part of the State. The State determined those component units' proportionate share of the net pension liability and allocated it to them. At the June 30, 2022, measurement date (MD), the State's proportionate share, excluding those component units, was 26.2% which is two percentage points higher than the proportion of 24.2% at the prior measurement date of June 30, 2021. Each governmental fund, excluding the debt service funds, is responsible for liquidating the liability not reported in the proprietary funds.

For the year ended June 30, 2023, the State recognized pension expenses of \$610.7 million. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 194,717	\$ 25,015
Changes in assumptions	629,397	5,750
Net difference between projected and actual earnings on investments	-	717,145
Changes in proportion and differences between employer contributions and proportionate share of contributions	430,935	455,366
Total (prior to post-MD contributions)	<u>1,255,049</u>	<u>1,203,277</u>
Net deferred outflow/(inflow) of resources before contributions subsequent to MD	-	51,772
Contributions subsequent to the MD	609,404	N/A
Net deferred outflow/(inflow) of resources		<u><u>\$ 661,176</u></u>

The \$609.4 million reported as deferred outflows of resources related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a decrease to the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Year	Amount
2024	\$ 60,476
2025	(49,455)
2026	(287,107)
2027	331,727
2028	(3,869)
	<u><u>\$ 51,772</u></u>

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

Deferred Outflows and Deferred Inflows	Governmental Activities	Business-type Activities					Total	Total Primary Government
		Housing and Community Services	Veterans' Loan	Lottery Operations	Other			
Deferred Outflows:								
Difference between expected and actual economic experience	\$ 175,673	\$ 405	\$ 162	\$ 2,376	\$ 16,100	\$ 19,043	\$ 194,717	
Changes in assumptions	567,841	1,309	523	7,681	52,042	61,556	629,397	
Changes in proportion and differences between employer contributions and proportionate share of contributions	388,978	892	357	5,235	35,473	41,957	430,935	
Contributions subsequent to the MD	551,123	1,083	544	7,299	49,354	58,280	609,404	
Total deferred outflows related to pensions	\$ 1,683,616	\$ 3,689	\$ 1,586	\$ 22,591	\$ 152,970	\$ 180,836	\$ 1,864,452	
Deferred Inflows:								
Difference between expected and actual economic experience	\$ 22,569	\$ 52	\$ 21	\$ 305	\$ 2,068	\$ 2,447	\$ 25,015	
Changes in assumptions	5,188	12	5	70	475	562	5,750	
Net difference between projected and actual earnings on investments	647,008	1,492	596	8,752	59,298	70,137	717,145	
Changes in proportion and differences between employer contributions and proportionate share of contributions	410,975	944	377	5,539	37,530	44,391	455,366	
Total deferred inflows related to pensions	\$ 1,085,739	\$ 2,500	\$ 999	\$ 14,666	\$ 99,372	\$ 117,537	\$ 1,203,277	

Actuarial Assumptions

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

Valuation date	December 31, 2020
Experience study report	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Projected salary increases	3.40%
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25% / 0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

To develop an analytical basis for the selection of the long-term expected rate of return assumptions, in June 2021, the PERS Board reviewed long-term assumptions developed by both a consulting actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors.

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The following table shows the consulting actuary's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation:

Asset Class	Target	Compound Annual Return (Geometric)
Global equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core fixed income	23.75%	2.73%
Real estate	12.25%	5.66%
Master limited partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge fund of funds - multistrategy	1.25%	5.11%
Hedge fund equity - hedge	0.63%	5.31%
Hedge fund - macro	5.62%	5.06%
US cash	-2.50% ¹	1.76%
Assumed inflation - mean		2.40%

¹ Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

The OIC's description of each asset class was used to map the target allocation to the asset classes. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Discount Rate

The discount rate used to measure the total pension liability was 6.9% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the net pension liability calculated using the discount rate of 6.9%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.9%) or one percentage point higher (7.9%) than the current rate (in millions):

Net Pension Liability	1% Decrease (5.9%)	Current Discount (6.9%)	1% Increase (7.9%)
Defined Benefit Pension Plan	\$ 7,113.7	\$ 4,011.3	\$ 1,414.7

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

E. Separately Financed Specific Liability

Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), the State and community colleges were pooled together in the State and Community College Pool (SCCP), while local government employers participated in the Local Government Rate Pool (LGRP). These two pools combined to form the SLGRP, effective January 1, 2002. The unfunded actuarial liability (UAL) attributable to the SCCP

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at the time the SLGRP was formed is maintained separately from the SLGRP and is reduced by contributions and increased for interest charges at the assumed interest rate, which was 6.9% in fiscal year 2023. The pre-SLGRP pooled liability, which has been referred to as pension-related debt in this report, attributable to the State is being amortized over the period ending December 31, 2027. The outstanding pension-related debt balance as of June 30, 2023, for the State, as the primary government, is \$157.4 million, and is reported in the accompanying financial statements as part of the contracts, mortgages, and notes payable balance.

14. OTHER POSTEMPLOYMENT BENEFIT PLANS

A. Public Employees Retirement System

Plan Descriptions

The Public Employees Retirement System (PERS) Board contracts for health insurance coverage on behalf of the members of PERS. Eligible retirees pay their own age-adjusted premiums. To help retirees defray the cost of these premiums, PERS also administers two separate defined benefit other postemployment benefit (OPEB) plans: the Retirement Health Insurance Account (RHIA) and the Retiree Health Insurance Premium Account (RHIPA).

The RHIA is a cost-sharing multiple-employer OPEB plan. Established under Oregon Revised Statute (ORS) 238.420, the plan provides a payment of up to \$60 toward the monthly cost of health insurance for eligible PERS members. To be eligible to receive the RHIA subsidy, the member must (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991. The Legislature has sole authority to amend the benefit provisions and employer obligations for the RHIA plan.

Established under ORS 238.415, the RHIPA is considered a single-employer OPEB plan for financial reporting purposes, although certain discretely presented component units and related organizations, which are described in Note 1, do participate in the plan. The plan provides payment of the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the PERS Board and health insurance premiums paid by state employees who are not retired. PERS members are qualified to receive the RHIPA subsidy if they have eight or more years of qualifying service in PERS at the time of retirement or receive a disability pension calculated as if they had eight or more years of qualifying service but are not eligible for federal Medicare coverage. A non-Medicare eligible surviving spouse or dependent of a deceased retired state employee is eligible to receive the subsidy if they (1) are receiving a retirement benefit or allowance from PERS or (2) were insured at the time the member died and the member retired on or after September 29, 1991. The Legislature has sole authority to amend the benefit provisions and employer obligations of the RHIPA plan.

At June 30, 2023, the following employees were covered by the benefit terms:

	<u>RHIA</u>	<u>RHIPA</u>
Inactive employees or beneficiaries currently receiving benefit payments	40,703	529
Inactive employees entitled to but not yet receiving benefit payments	11,710	-
Active employees	<u>34,508</u>	<u>10,256</u>
	<u>86,921</u>	<u>10,785</u>

Both RHIA and RHIPA are closed to employees hired on or after August 29, 2003, who had not established membership prior to that date.

The RHIA and RHIPA defined benefit OPEB plans are reported separately under Other Employee Benefit Trust Funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the fiduciary funds basic financial statements. PERS issues a separate, publicly available financial report that includes audited financial statements and required supplementary information. The report

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may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Funding

Both of the OPEB plans administered by PERS are funded through actuarially determined employer contributions.

The PERS employer contribution rates for state agencies for the biennium beginning July 1, 2021, and ending June 30, 2023, expressed as a percentage of covered-employee payroll:

RHIA		RHIPA	
Tier 1 - Tier 2	OPSRP	Tier 1 - Tier 2	OPSRP
0.05%	0.00%	0.28%	0.17%

State agencies' employer contributions to PERS for RHIA and RHIPA for fiscal year ended June 30, 2023, totaled \$436 thousand and \$6.9 million, respectively. The actual contribution equaled the contractually required contribution for both RHIA and RHIPA for the fiscal year.

As noted previously, because certain discretely presented component units and related organizations contribute to the RHIPA plan, the contributions identified in the combining statement of changes in fiduciary net position exceed the State's required employer contributions.

Net OPEB Asset

RHIA

At June 30, 2023, the State reported an asset of \$101.4 million for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The State's portion of the net OPEB asset was determined by comparing the State's actual, legally required contributions made to the Plan during the fiscal year with the total actual contributions made in the fiscal year by all employers. Certain component units are considered by the OPEB plan to be part of the State and the State determined those component units' proportionate share of the net OPEB asset and allocated it to them. At the June 30, 2022, measurement date (MD), the State's proportion, excluding those component units, was 28.5%, which is 4.4 percentage points lower than the proportion of 32.9% at the prior measurement date of June 30, 2021. Each governmental fund, excluding the debt service funds, is responsible for liquidating the liability not reported in the proprietary funds.

For the year ended June 30, 2023, the State recognized OPEB expense of negative \$19.4 million. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,747
Change in assumptions	794	3,379
Net difference between projected and actual earnings on investments	-	7,731
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,732	9,802
Total (prior to post-MD contributions)	<u>7,526</u>	<u>23,660</u>
Net deferred outflow/(inflow) of resources before contributions subsequent to MD	-	(16,134)
Contributions subsequent to the MD	436	N/A
Net deferred outflow/(inflow) of resources	<u>\$</u>	<u>(15,698)</u>

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The \$436 thousand reported as deferred outflows of resources related to OPEB resulting from state contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Fiscal Year	Amount
2024	\$ (11,218)
2025	(2,513)
2026	(4,879)
2027	2,476
	<u>\$ (16,134)</u>

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

Deferred Outflows and Deferred Inflows	Business-type Activities						Total Primary Government
	Governmental Activities	Housing and Community Services	Veterans' Loan	Lottery Operations	Other	Total	
Deferred Outflows:							
Change in assumptions	\$ 746	\$ 1	\$ 1	\$ 12	\$ 34	\$ 48	\$ 794
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,316	11	8	101	296	415	6,732
Contributions subsequent to the MD	409	1	1	6	19	27	436
Total deferred outflows related to OPEB	<u>\$ 7,472</u>	<u>\$ 12</u>	<u>\$ 9</u>	<u>\$ 119</u>	<u>\$ 350</u>	<u>\$ 490</u>	<u>\$ 7,961</u>
Deferred Inflows:							
Differences between expected and actual experience	\$ 2,582	\$ 4	\$ 3	\$ 40	\$ 118	\$ 165	\$ 2,747
Change in assumptions	3,176	5	4	49	145	203	3,379
Net difference between projected and actual earnings on investments	7,267	12	8	113	331	464	7,731
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,218	15	11	142	417	584	9,802
Total deferred inflows related to OPEB	<u>\$ 22,244</u>	<u>\$ 36</u>	<u>\$ 26</u>	<u>\$ 344</u>	<u>\$ 1,010</u>	<u>\$ 1,416</u>	<u>\$ 23,660</u>

RHIPA

At June 30, 2023, the State reported a net OPEB asset of \$26.9 million. The net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. Certain component units are considered by the OPEB plan to be part of the State and the State determined those component units' proportionate share of the net OPEB asset and allocated it to them. Each governmental fund, excluding the debt service funds, is responsible for liquidating the liability not reported in the proprietary funds.

For the year ended June 30, 2023, the State recognized OPEB expenses of negative \$4.2 million. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,102
Change in assumptions	692	10,805
Net difference between projected and actual earnings on investments	-	1,750
Total (prior to post-MD contributions)	<u>692</u>	<u>19,657</u>
Net deferred outflow/(inflow) of resources before contributions subsequent to MD	-	(18,965)
Contributions subsequent to the MD	6,922	N/A
Net deferred outflow/(inflow) of resources		<u>\$ (12,043)</u>

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The \$6.9 million reported as deferred outflows of resources related to OPEB resulting from state contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Fiscal Year	Amount
2024	\$ (4,718)
2025	(4,749)
2026	(4,915)
2027	(2,240)
2028	(2,138)
Thereafter	(205)
	<u>\$ (18,965)</u>

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

Deferred Outflows and Deferred Inflows	Governmental Activities	Business-type Activities					Total	Total Primary Government
		Housing and Community Services	Veterans' Loan	Lottery Operations	Other			
Deferred Outflows:								
Change in assumptions	\$ 626	\$ 1	\$ 1	\$ 9	\$ 55	\$ 66	\$ 692	
Contributions subsequent to the MD	6,276	12	8	88	538	645	6,922	
Total deferred outflows related to OPEB	<u>\$ 6,902</u>	<u>\$ 14</u>	<u>\$ 8</u>	<u>\$ 97</u>	<u>\$ 592</u>	<u>\$ 711</u>	<u>\$ 7,613</u>	
Deferred Inflows:								
Differences between expected and actual experience	\$ 6,427	\$ 14	\$ 7	\$ 93	\$ 561	\$ 675	\$ 7,102	
Change in assumptions	9,777	21	11	142	853	1,027	10,805	
Net difference between projected and actual earnings on investments	1,584	3	2	23	138	166	1,750	
Total deferred inflows related to OPEB	<u>\$ 17,788</u>	<u>\$ 39</u>	<u>\$ 19</u>	<u>\$ 258</u>	<u>\$ 1,552</u>	<u>\$ 1,869</u>	<u>\$ 19,657</u>	

Changes in Net OPEB Asset

The schedule of changes in net OPEB asset and related ratios measured as of June 30, 2022, is as follows (dollars in millions):

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Total OPEB Liability

Service cost	\$	1.2
Interest on total OPEB liability		4.3
Changes in assumptions		(11.4)
Differences between expected and actual experience		(4.5)
Benefit payments		(3.4)
Net change in total OPEB liability		(13.8)
Total OPEB liability - Beginning		62.9
Total OPEB liability - Ending	\$	49.1

Plan Fiduciary Net Position

Employer contributions	\$	8.3
Net investment and other income		0.8
Benefit payments		(3.4)
Administrative expense		(0.7)
Net change in plan fiduciary net position		4.9
Plan fiduciary net position - Beginning		78.4
Plan fiduciary net position - Ending	\$	83.3
Net OPEB Liability/(Asset)	\$	(34.2)

Plan fiduciary net position as a percentage of the total OPEB liability	169.7%
Covered payroll	\$ 1,125.8
Net OPEB liability/(asset) as a percentage of covered payroll	(3.04%)

Actuarial Assumptions

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

	RHIA	RHIPA
Valuation date	December 31, 2020	December 31, 2020
Experience study report	2020, published July 20, 2021	2020, published July 20, 2021
Actuarial assumptions:		
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation rate	2.40%	2.40%
Long-term expected rate of return	6.90%	6.90%
Discount rate	6.90%	6.90%
Projected salary increases	3.40%	3.40%
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%	8-14 Years of Service: 10%
		15-19 Years of Service: 11%
		20-24 Years of Service: 14%
		25-29 Years of Service: 22%
		30+ Years of Service: 27%
Healthcare cost trend rate	Not Applicable	Applied at beginning of plan year, starting with 5.9% for 2021, decreasing to 4.7% for 2028, increasing to 4.8% for 2037, and decreasing to an ultimate rate of 3.9% for 2074 and beyond.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both a consulting actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors.

The following table shows the consulting actuary's assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation for both RHIA and RHIPA:

Asset Class	Target	20-Year Annualized Geometric Mean
Global equity	30.62%	5.85%
Private equity	25.50%	7.71%
Core fixed income	23.75%	2.73%
Real estate	12.25%	5.66%
Master limited partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge fund of funds - multistrategy	1.25%	5.11%
Hedge fund equity - hedge	0.63%	5.31%
Hedge fund - macro	5.62%	5.06%
US cash	-2.50% ¹	1.76%
Assumed inflation - mean		2.40%

¹ Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

The OIC's description of each asset class was used to map the target allocation to the asset classes. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.9% for both RHIA and RHIPA plans, which is unchanged from the prior year. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA and RHIPA plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA and RHIPA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the net OPEB liability/asset for the RHIA and RHIPA plans calculated using the discount rate of 6.9%, as well as what the net OPEB liability/asset would be if it were calculated using a discount rate that is one percentage point lower (5.9%) or one percentage point higher (7.9%) than the current rate (in millions):

Net OPEB Liability/(Asset)	1% Decrease (5.9%)	Current Discount (6.9%)	1% Increase (7.9%)
RHIA	\$ (91.4)	\$ (101.4)	\$ (110.0)
RHIPA	(24.7)	(26.9)	(29.8)

The following table presents the net OPEB liability/asset for the RHIA and RHIPA plans calculated using the healthcare cost trend rates, as well as what the net OPEB liability/asset would be if it were calculated using healthcare cost trend rates that are one percent lower or one percent higher than the current trend rates (in millions):

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Net OPEB Liability/(Asset)	1% Decrease	Current Trend Rate	1% Increase
RHIA	\$ (101.4)	\$ (101.4)	\$ (101.4)
RHIPA	(30.0)	(26.9)	(23.5)

Changes in Plan Provisions

The PERS Board adopted assumption changes that were used to measure the June 30, 2021, total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.2% to 6.9%, and the inflation rate from 2.5% to 2.4%. In addition, healthy retiree participation and healthy mortality assumptions for RHIA and RHIPA were changed to reflect an updated trends and mortality improvement scale for all groups.

RHIA and RHIPA Plans' Fiduciary Net Position

Detailed information about the RHIA and RHIPA's fiduciary net position is available in the separately issued PERS financial report.

B. Public Employees Benefit Board (PEBB)

Plan Description

The State participates in a defined benefit postemployment healthcare plan administered by the Public Employees Benefit Board (PEBB). This plan offers healthcare assistance to eligible retired employees and their beneficiaries. Chapter 243 of the Oregon Revised Statutes gives the Board the authority to establish and amend the benefit provisions of the PEBB Plan. The PEBB Plan is considered a multiple-employer plan for financial reporting purposes, and certain discretely presented component units and related organizations, which are described in Note 1, also participate in the PEBB plan. As a result, the State reports only a portion of the overall total OPEB liability under the primary government section of the Statement of Net Position. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. PEBB does not issue a separate, publicly available financial report.

As of June 30, 2023, membership in the PEBB Plan consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	970
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	55,269
	56,239

The PEBB Plan allows qualifying retired employees to continue their "active" health insurance coverage on a self-pay basis until they are eligible for Medicare. Participating retirees pay their own monthly premiums. However, the premium amount is based on a blended rate that is determined by pooling the qualifying retirees with active employees, thus, creating an "implicit rate subsidy".

Funding

The PEBB's funding policy provides for employer contributions in amounts sufficient to fund the cost of active employee health benefits, including the retiree rate subsidy, on a pay-as-you-go basis. For the year ended June 30, 2023, retired plan members contributed \$14 million through their required contributions. The average monthly contribution was \$1,204. Active employees do not contribute to the plan.

Total OPEB Liability

At June 30, 2023, the State reported a total OPEB liability of \$78.8 million. The total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022. Certain component units are considered by the OPEB plan to be part of the State and the State determined those component units' proportionate share of the OPEB liability and allocated it to them. Each governmental fund, excluding the debt service funds, is responsible for liquidating the liability not reported in the proprietary funds.

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For the year ended June 30, 2023, the State recognized OPEB expenses of \$3.4 million. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 18,059
Change in assumptions	1,707	26,292
Total	1,707	44,350
Net deferred outflow/(inflow) of resources		\$ (42,643)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Fiscal Year	Amount
2024	\$ (7,192)
2025	(7,192)
2026	(6,923)
2027	(7,218)
2028	(6,527)
Thereafter	(7,591)
	\$ (42,643)

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

Deferred Outflows and Deferred Inflows	Governmental Activities	Business-type Activities					Total	Total Primary Government
		Housing and Community Services	Veterans' Loan	Lottery Operations	Other			
Deferred Outflows:								
Change in assumptions	\$ 1,545	\$ 2	\$ 1	\$ 18	\$ 141	\$ 163	\$ 1,707	\$ 1,707
Total deferred outflows related to OPEB	\$ 1,545	\$ 2	\$ 1	\$ 18	\$ 141	\$ 163	\$ 1,707	\$ 1,707
Deferred Inflows:								
Differences between expected and actual experience	\$ 16,338	\$ 25	\$ 16	\$ 193	\$ 1,487	\$ 1,721	\$ 18,059	\$ 18,059
Change in assumptions	23,786	36	23	282	2,165	2,506	26,292	26,292
Total deferred inflows related to OPEB	\$ 40,123	\$ 61	\$ 38	\$ 475	\$ 3,653	\$ 4,227	\$ 44,350	\$ 44,350

Changes in Total OPEB Liability

The schedule of changes in the total OPEB liability measured as of June 30, 2023, is as follows (in millions):

Balance as of June 30, 2022	\$ 123.3
Changes for the year	
Service cost	10.8
Interest on total OPEB liability	4.6
Differences between expected and actual experience	(12.7)
Changes of assumptions or other input	(12.7)
Benefit payments	(7.7)
Balance as of June 30, 2023	<u>\$ 105.6</u>

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Actuarial Assumptions

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

Valuation date	July 1, 2022
Experience study report	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40%
Wage inflation	3.40%
Discount rate	3.65%
Healthcare cost trend rates	Growth in per-member expenditures under self-insured plans and premium amounts is assumed to be 3.4% per year.
Withdrawal, retirement, and mortality rates	<p><u>General Service and Beneficiary Mortality Rates</u> Mortality rates were based on the Pub-2010 mortality tables, with adjustments for PERS experience and generational mortality improvements using Scale: Milliman Unisex Social Security Data (60-year average), with data through 2017.</p> <p>Deaths Before Retirement: Rates for males are set back 1 year and multiplied by 115%. Rates for females are multiplied by 125%.</p> <p>Deaths After Retirement (Healthy): Rates for males are set back 1 year.</p> <p>Deaths After Retirement (Disabled): Rates are set forward 2 years for males and set forward 1 year for females for all ages.</p> <p><u>Public Safety and Beneficiary Mortality Rates</u> Deaths Before Retirement: Rates for females are set back 1 year.</p> <p>Deaths After Retirement (Healthy): Rates for females are set back 1 year.</p> <p>Deaths After Retirement (Disabled): 50% of the Pub-2010 Headcount Weighted Non-Safety Mortality Table for Disabled Retirees base rates and 50% of the Pub-2010 Headcount Weighted Public-Safety Mortality Table for Disabled Retirees.</p> <p><u>Withdrawal, Disability, and Retirement</u> The demographic actuarial assumptions for retirement, disability incidence, and withdrawal were based on the results of an actuarial experience study for the period January 1, 2017, through December 31, 2020, adopted by PERS.</p>
Election and lapse rates	<p>30% of eligible employees</p> <p>60% spouse coverage for males, 35% for females</p> <p>7% annual lapse rate</p>

Discount Rate

The discount rate used to measure the total OPEB liability for PEBB was 3.65%, which reflects the Bond Buyer 20-year General Obligation Bond Index. The rate used to measure the total OPEB liability for fiscal year 2022 was 3.54%, which is 0.11 percentage points lower than the rate for fiscal year 2023.

The following table presents the total OPEB liability for the PEBB plan calculated using the discount rate of 3.65%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate (in millions):

Total OPEB Liability	1% Decrease (2.65%)	Current Discount (3.65%)	1% Increase (4.65%)
PEBB	\$ 84.2	\$ 78.8	\$ 73.6

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The following table presents the total OPEB liability for the PEBB plan calculated using the healthcare cost trend rates, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current trend rates (in millions):

Total OPEB Liability	1% Decrease	Current Trend Rate	1% Increase
PEBB	\$ 69.7	\$ 78.8	\$ 89.6

Changes in Plan Provisions

The general inflation and payroll growth assumptions were revised based on the 2020 PERS Experience Study, and the aging factors assumption was changed to the Society of Actuaries' June 2013 research report.

C. Collective Amount of OPEB Expense

For the year ended June 30, 2023, the aggregate amount of OPEB expense recognized by the primary government was negative \$20.3 million.

D. Discretely Presented Component Units

The SAIF Corporation's employer contributions to RHIA and RHIPA for the fiscal year ended December 31, 2022, were \$14 thousand and \$192 thousand, respectively.

The employer contributions to RHIA for the fiscal year ended June 30, 2023, for University of Oregon, Oregon State University, and Portland State University are \$25 thousand, \$33 thousand, and \$13 thousand, respectively.

The employer contributions to RHIPA for the fiscal year ended June 30, 2023, for University of Oregon, Oregon State University, and Portland State University are \$514 thousand, \$594 thousand, and \$245 thousand, respectively.

15. DEFERRED COMPENSATION PLANS

The Oregon Savings Growth Plan (OSGP) is a deferred compensation plan available to eligible state employees. Employee contributions are deposited into the Deferred Compensation Fund established by Oregon Revised Statute 243.411. To participate, an employee enters into an individual agreement with the State to defer current earnings to be paid at a future date. The Public Employees Retirement System (PERS) administers the plan. As trustee of the assets, PERS contracts with Voya Financial to maintain OSGP participant records. The Oregon State Treasury, as custodian of the assets, contracts with State Street Corporation to provide financial services. PERS may assess a charge to participants not to exceed 2% on amounts deferred, both contributions and investment earnings, to cover costs incurred for administering the program. Actual charges to participants, including investment charges, for the year ended June 30, 2023, averaged 0.2% of amounts deferred.

Participants direct the selection of investment options and bear any market risk. Although the State has no liability for losses under the OSGP, the State does have the prudent investor responsibility of due care. Activity of the OSGP is reported under the Deferred Compensation Plan in the fiduciary funds combining financial statements. As of June 30, 2023, the fair value of the investments was \$2.8 billion.

16. RISK FINANCING

A. Property, Liability, and Workers' Compensation Coverage for State Government

The Department of Administrative Services, Enterprise Goods and Services Division, Risk Management section (Risk Management) administers the State's property, liability, and workers' compensation insurance program. Risk Management has found it is more economical to manage the risk of loss internally and, therefore, minimizes the purchases of commercial insurance policies to the extent possible. The moneys set

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aside by Risk Management under Chapter 278 of the Oregon Revised Statutes are used to service the following risks:

- Direct physical loss or damage to State property
- Tort liability claims brought against the State, its officers, employees, or agents
- Inmate injury
- Worker's compensation
- Employee dishonesty
- Faithful performance bonds for key position as required by law and additional positions as determined by agency policy

Risk Management purchases commercial insurance for specific insurance needs not covered by self-funding. For example, the self-insured property and liability program is backed by an excess property policy with a limit of \$425 million and a blanket commercial crime policy with a limit of \$5 million. The amount of claim settlements did not exceed commercial insurance coverage for each of the past three fiscal years.

All State agencies, commissions, and boards participate in the self-insured property and liability program. Risk Management allocates the cost of claims and claims administration by charging an assessment to each State entity, based on its share of losses. Statewide risk charges are based on independent annual actuarial forecasts and division expenses, less any available fund balance from the prior biennium.

Risk Management purchases workers' compensation insurance for the State from SAIF Corporation, a discretely presented component unit, utilizing retrospective paid loss plans. These plans are ten years in length and have cash flow and investment earnings advantages. The accumulated claim loss liability for the plans was approximately \$64.2 million as of June 30, 2023. Independent actuaries determine annual loss forecasts.

Periodically, Risk Management re-evaluates claims liabilities taking into consideration recently settled claims, the frequency of claims, and other economic and social factors. Contracted actuaries estimate claims and allocated expenses using the last 20 to 25 years of State claims experience and the projected numbers of employees, payroll, vehicles, and other property. Liabilities include claims and legal expenses that have been incurred but not reported (IBNR) and are based on an undiscounted actuarial expected liability. The actuaries forecast ultimate losses by line of coverage.

Changes in the balance of aggregate claims liabilities for the property, liability, inmate injury, and workers' compensation insurance program for the years ended June 30, 2023, and 2022 (in thousands):

Fiscal Year	Beginning Balance	Increase in Claims or Estimate	Claims Payments	Ending Balance
2023	\$ 337,006	\$ 122,935	\$ (98,556)	\$ 361,385
2022	265,889	155,932	(84,815)	337,006

The balance of claim liabilities as of June 30, 2023, is included in other liabilities on the combining statement of net position of internal service funds under Central Services.

B. State Healthcare Plans

Chapter 243 of the Oregon Revised Statutes authorized the Public Employees' Benefit Board (PEBB) to establish and maintain medical, dental, and vision insurance plans for the benefit of PEBB members. Currently the State provides these benefits through five self-insurance plans.

PEBB is responsible for controlling expenditures, stabilizing benefit premium rates, and minimizing the risk of loss. Funds set aside in a stabilization fund may be used to offset any actual premium deficiencies in the self-funded plans. The reserve is considered adequate to cover catastrophic losses due to large claims in the self-

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insured plans, as well as unexpected increases in trend, utilization, or other potential fluctuations. PEBB has not purchased stop-loss coverage on any of the self-insured plans.

Contracted actuaries and consultants estimate the claims liability. IBNR expenses are estimated by using claims lag triangles from the plans to develop completion factors. For the most recent months, incurred claims are estimated based upon reviewing the most recent claims experience per employee and adjusting for trend and seasonality to the projection month. Since most of the claims will be paid out within the year, the estimated amounts are not discounted. Specific adjustments for subrogation or other anticipated recoveries are not included. Overall, these adjustments are not expected to be significant.

The amount of claim settlements did not exceed the self-insured coverage for the past three years.

Changes in the balance of aggregate claims liabilities for the healthcare plans for the years ended June 30, 2023, and 2022 (in thousands):

Fiscal Year	Beginning Balance	Increase in Claims or Estimate	Claims Payments	Ending Balance
2023	\$ 74,205	\$ 824,176	\$ (822,325)	\$ 76,056
2022	58,396	758,060	(742,251)	74,205

The June 30, 2023, balance of claims liabilities is included in other liabilities on the combining statement of net position of internal service funds under Health Services.

C. Supplemental Workers' Compensation Insurance

The Department of Consumer and Business Services operates several supplemental workers' compensation benefit programs. These programs are accounted for in special revenue funds. The primary program is the Retroactive Program, established by Oregon Revised Statute 656.506. It provides increased insurance benefits to claimants or their beneficiaries when current payment requirements exceed benefits in effect at the time of injury.

The Department of Consumer and Business Services determines the funding of supplemental workers' compensation insurance programs through cash flow projections based on historical data and economic forecasts. Employer work hour assessments, contributions by employees, workers' compensation insurance premium assessments, and investment and interest earnings pay for the programs. Long-term liabilities were actuarially computed as of June 30, 2023, using a 4% discount rate.

Changes in the balance of aggregate claims liabilities for supplemental workers' compensation insurance for the years ended June 30, 2023, and 2022 (in thousands):

Fiscal Year	Beginning Balance	Increase in Claims or Estimate	Claims Payments	Ending Balance
2023	\$ 928,276	\$ 121,678	\$ (76,764)	\$ 973,191
2022	929,452	75,621	(76,797)	928,276

The June 30, 2023, balance of claims liabilities is included in other liabilities on the government-wide statement of net position under governmental activities.

D. Standard Retiree Health Insurance Account

Chapter 238 of the Oregon Revised Statutes authorizes the Public Employees Retirement System (PERS) to contract with health insurance carriers to provide health care insurance for eligible retired members of PERS. The Standard Retiree Health Insurance Account (SRHIA) establishes claim liabilities based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been IBNR. The estimated claims liability was calculated by contracted health insurance consultants using a variety of mathematical and statistical techniques and adjusted for actual

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experience to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The estimated claims liability of \$876 thousand is carried at its face amount and no interest discount is assumed.

Changes in the balance of aggregate claims liabilities for the SRHIA for the years ended June 30, 2023, and 2022 (in thousands):

Fiscal Year	Beginning Balance	Increase in Claims or Estimate	Claims Payments	Ending Balance
2023	\$ 848	\$ 28,146	\$ (28,118)	\$ 876
2022	830	31,053	(31,035)	848

The June 30, 2023, balance of claims liabilities for SRHIA is included in other liabilities on the statement of net position of proprietary funds under Other.

E. SAIF Corporation Workers' Compensation Insurance

The Legislature created SAIF Corporation (SAIF) to transact workers' compensation insurance and reinsurance business. SAIF is an independent public corporation, a discretely presented component unit of the State, and the largest workers' compensation insurer in Oregon.

SAIF has established a reserve for both reported and unreported insured events, which includes estimates of future payments of losses and related loss adjustment expenses (LAE). In estimating the reserve for loss and LAE, SAIF considers prior experience, industry information, currently recognized trends affecting data specific to SAIF, and other factors related to workers' compensation insurance underwritten by SAIF. During the year, SAIF changed the year-end reserving process to use data as of September 30, 2022, versus the prior approach to use data as of December 31, 2022. Ultimate loss estimates derived from the September 30th data were reevaluated alongside a comparison between actual and expected emergence during fourth quarter.

The net reserve for losses and LAE decreased \$78.1 million in calendar year 2022, which was net of favorable loss development of \$242.4 million. Loss reserves decreased \$57.9 million as compared to the prior year. This was driven by establishing reserves for the 2022 accident year, offset by payments made on previously incurred claims, and favorable development in prior accident years. A significant portion of the favorable development on prior accident years is due to a decrease in estimated ultimate medical claims costs. Estimates of ultimate medical claims costs are based on numerous assumptions, including future increases in medical costs (i.e., medical escalation), the number and types of claims, and how far into the future payments will be made. The reduction in ultimate medical claims costs for 2022 was attributed primarily to permanent disability reserves. The key drivers are continued low average medical payments and lower frequency rates of permanent disabling claims during recent years.

LAE reserves decreased \$20.2 million in 2022. This was driven by paid LAE associated with previously incurred claims and favorable development in prior accident years, offset by newly established reserves for the 2022 accident year. The favorable development in unpaid LAE was largely attributable to the decrease in loss reserves.

SAIF discounts the indemnity case reserves for workers' compensation claims on a tabular basis using the 2007 United States Life Tables, the 1997 United States of America Railroad Retirement Board Remarriage Table, and a discount rate of 3.5%. For federal claims, SAIF uses the 1999 United States Life Tables and a discount rate of 3.5%. SAIF does not discount any IBNR reserves, medical reserves, or LAE, except for assumed IBNR reserves reported by the National Workers Compensation Reinsurance Pool. Net reserves subject to tabular discounting were \$202.9 million for 2022. The discounts were \$102.6 million as of December 31, 2022.

Anticipated salvage and subrogation of \$53.1 million was included as a reduction of the reserve for losses and LAE at December 31, 2022.

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SAIF's exposure to asbestos claims arose from the sale of workers' compensation policies. Reserves of \$11.9 million for losses and LAE are related to asbestos claims as of December 31, 2022. Amounts paid for asbestos-related claims were \$414 thousand for the year ended December 31, 2022.

Changes in the balance of the liability for loss and LAE related to workers' compensation insurance underwritten by SAIF for 2022 and 2021 (in thousands):

Calendar Year	Beginning Balance	Incurred Losses and Loss Adjustment Expenses	Loss and Loss Adjustment Expense Payments	Ending Balance
2022	\$ 2,539,826	\$ 392,198	\$ (470,269)	\$ 2,461,755
2021	2,469,481	506,926	(436,581)	2,539,826

This liability is reported as the reserve for loss and loss adjustment expenses on the statement of net position of discretely presented component units under SAIF Corporation.

17. DISCOUNTS AND ALLOWANCES IN PROPRIETARY FUNDS

Proprietary fund revenues are reported net of discounts and allowances in the accompanying financial statements. Discounts and allowances in proprietary funds for the year ended June 30, 2023 (in thousands):

Proprietary Funds	Type of Revenue	Amount
Lottery Operations	Sales	\$ 9,886
Unemployment Compensation	Assessments	9,577
Unemployment Compensation	Fines and forfeitures	310
Unemployment Compensation	Other Revenue	3
Nonmajor Enterprise Funds	Charges for services	50,122
Nonmajor Enterprise Funds	Sales	9,151
Internal Service Funds	Charges for services	2,693
Internal Service Funds	Fines and forfeitures	9
Internal Service Funds	Other Revenue	206
Total discounts and allowances		<u><u>\$ 81,957</u></u>

18. FUND EQUITY

A. Net Position Restricted by Enabling Legislation

The following schedule summarizes the State's net position at June 30, 2023, that is restricted by enabling legislation (in thousands). All of the legislative restrictions are in governmental activities.

	Restricted Net Position
Expendable net position restricted for:	
Transportation programs	\$ 17,910
Natural resource programs	342,655
Education	1,227,280
Community protection	64,122
Consumer protection	224,237
Employment services	158,643
Residential assistance	33,901
Other programs	77,356
Nonexpendable net position restricted for:	
Education	1,000
Residential assistance	5,727
Workers' compensation	1,000
Total net position restricted by enabling legislation	\$ 2,153,830

B. Changes to Beginning Equity

As of June 30, 2023, the beginning fund balance was restated as follows (in thousands):

	Beginning Balance	Prior Period Adjustments	Accounting Changes	Beginning Balance- Restated
Government-wide				
Governmental activities	\$ 21,445,777	\$ (5,113)	\$ 4,648	\$ 21,445,312
Business-type activities	7,125,882	14,683	79	7,140,644
Total government-wide	\$ 28,571,659	\$ 9,570	\$ 4,727	\$ 28,585,956

	Beginning Balance	Prior Period Adjustments	Accounting Changes	Beginning Balance- Restated
Governmental funds and activities				
General	\$ 8,629,719	\$ 6,267	\$ -	\$ 8,635,986
Health and Social Services	482,224	-	-	482,224
Public Transportation	485,012	-	-	485,012
Educational Support	2,944,792	-	-	2,944,792
Common School	2,021,480	-	-	2,021,480
Other (nonmajor)	4,768,494	(55)	-	4,768,439
Total governmental funds and activities	\$ 19,331,721	\$ 6,212	\$ -	\$ 19,337,934

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	Beginning Balance	Prior Period Adjustments	Accounting Changes	Beginning Balance- Restated
Proprietary funds				
Housing and Community Services	\$ 250,967	\$ -	\$ -	\$ 250,967
Veterans' Loan	134,906	-	-	134,906
Lottery Operations	306,159	-	-	306,159
Unemployment Compensation	5,154,964	14,500	-	5,169,464
Other (nonmajor)	1,279,388	183	79	1,279,650
Internal service funds	234,471	(4,085)	2,038	232,424
Total proprietary funds	\$ 7,360,855	\$ 10,598	\$ 2,117	\$ 7,373,570

	Beginning Balance	Prior Period Adjustments	Accounting Changes	Beginning Balance- Restated
Fiduciary funds				
Pension and Other Employee Benefit Trust	\$ 99,534,954	\$ -	\$ -	\$ 99,534,954
Private Purpose Trust	1,665,687	-	-	1,665,687
External Investment Pools	9,312,081	-	-	9,312,081
Other	157,613	(19,844)	-	137,769
Total fiduciary funds	\$ 110,670,336	\$ (19,844)	\$ -	\$ 110,650,492

The General Fund did not accrue \$6.3 million due from the federal government related to eligible costs incurred in the prior year. In addition, there was an erroneous accrual of \$14.5 million in the prior year for administrative costs owed from the Unemployment Compensation Fund to the Employment Services Fund, a nonmajor governmental fund. The Other Custodial Fund reported moneys that were received on behalf of state agencies of \$13.7 million, of this amount, \$10 million of beginning fund balance was restated in the Environmental Management Fund and \$3.7 million of beginning fund balance was restated in the Community Protection Fund.

The accounting changes recognized in the governmental activities, business-type activities, and proprietary funds are related to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement is described further in Note 1.

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C. Fund Balances - Governmental Funds

The following table displays in detail the June 30, 2023, fund balances that are reported in the aggregate on the governmental funds balance sheet (in thousands):

	General	Health and Social Services	Public Transportation	Educational Support	Common School	Other	Total
Nonspendable:							
Not in spendable form	\$ 241,209	\$ 8,470	\$ 41,346	\$ -	\$ -	\$ 10,912	\$ 301,937
Legally or contractually required to be maintained intact	18	52	40	-	-	11,093	11,202
Restricted for:							
Public health and welfare	406	289,075	-	-	-	-	289,482
Roads and bridges	-	-	820,760	-	-	-	820,760
Conservation and natural resources	202,461	-	-	-	-	1,384,155	1,586,616
K-12 and higher education	-	-	-	2,960,731	2,128,652	-	5,089,384
Education stabilization	746,809	-	-	-	-	-	746,809
Business development	-	-	-	-	-	155,741	155,741
Community protection	-	-	-	-	-	480,004	480,004
Licensing and regulation	-	-	-	-	-	224,415	224,415
Employment related programs	-	-	-	-	-	230,440	230,440
Low income housing assistance	-	-	-	-	-	516,689	516,689
Debt service	-	-	-	-	-	434,056	434,056
Capital projects	-	-	-	-	-	808,308	808,308
Other purposes	186,604	-	-	-	-	47,300	233,905
Committed to:							
Public health and welfare	-	169,710	-	-	-	-	169,710
Conservation and natural resources	-	-	-	-	-	747,696	747,696
Education	5,193	-	-	51,850	-	-	57,043
Business development	211,573	-	-	-	-	60,856	272,429
Community protection	9,913	-	-	-	-	225,598	235,511
Licensing and regulation	-	-	-	-	-	54,116	54,116
Employment related programs	-	-	-	-	-	211,263	211,263
Low-income housing assistance	-	-	-	-	-	219,142	219,142
Stabilization	1,353,470	-	-	-	-	-	1,353,470
Capital projects	-	-	-	-	-	231	231
Other purposes	55,302	-	-	-	-	19,821	75,122
Assigned to:							
Conservation and natural resources	-	-	-	-	-	37,516	37,516
Education	-	-	-	20,842	-	-	20,842
Business development	-	-	-	-	-	41	41
Community protection	-	-	-	-	-	15,149	15,149
Employment related programs	-	-	-	-	-	539	539
Low-income housing assistance	-	-	-	-	-	373,736	373,736
Capital projects	-	-	-	-	-	1,688	1,688
Other purposes	76,047	-	-	-	-	5,677	81,724
Unassigned:	8,249,470	(440,919)	(35,720)	-	-	(2,412)	7,770,419
Total fund balances	\$ 11,338,475	\$ 26,388	\$ 826,426	\$ 3,033,423	\$ 2,128,652	\$ 6,273,771	\$ 23,627,136

Nonspendable fund balances include inventories, advances to other funds, and prepaid items, which are not in spendable form, and fund balances associated with the corpus of revolving funds and permanent fund principal, which are legally or contractually required to be maintained intact.

Restricted fund balances result from constraints imposed on net position by law through constitutional provisions or enabling legislation or by parties outside the State, such as creditors, grantors, contributors, or laws or regulations of other governments. Enabling legislation authorizes the State to levy, access, charge, or otherwise mandate payment from external resource providers and includes a legally enforceable requirement that those resources be used only for specific purposes stipulated by the legislation.

Committed fund balance results from constraints imposed by bills passed by the Legislature and signed into law by the Governor. The constraints on the use of resources are separate from the authorization to raise the underlying revenue and may be modified or rescinded only by passing additional legislation.

Assigned fund balance represents amounts that are constrained by the State's intent to use them for specific purposes, which are neither restricted nor committed. Intent is expressed by the Legislature via the budget process when there is no legislation other than a budget bill imposing constraints.

D. Deficit Net Position

The Energy Loan Fund, a nonmajor enterprise fund, reports a deficit net position of \$89 thousand as of June 30, 2023.

The Legal Services Fund, an internal service fund, reports a deficit net position of \$52.9 million as of June 30, 2023.

The Audit Services Fund, an internal service fund, reports a deficit net position of \$4 million as of June 30, 2023.

E. Stabilization Arrangements

Oregon maintains two stabilization funds – the Oregon Rainy Day Fund and the Education Stability Fund.

Established by the 2007 legislature, the Oregon Rainy Day Fund is funded from the General Fund's ending balance up to 1% of General Fund appropriations for the prior biennium. The Legislature may deposit additional funds as it did to create the fund, using surplus corporate income tax revenues from the 2005-07 biennium. The Rainy Day Fund also earns interest on the moneys in the fund. No additional contributions are made once the fund balance reaches a level equal to 7.5% of General Fund revenues in the prior biennium.

Stabilization amounts in the Oregon Rainy Day Fund may be spent if approved by three-fifths of the members of the Legislative Assembly and one of the following conditions exists:

- The last quarterly economic and revenue forecast for a biennium indicates that moneys available to the General Fund for the next biennium will be at least 3% less than appropriations from the General Fund for the current biennium;
- There has been a decline for two or more consecutive quarters in the last 12 months in seasonally adjusted nonfarm payroll employment; or
- A quarterly economic and revenue forecast projects that revenues in the General Fund in the current biennium will be at least 2% below what the revenues were projected to be in the revenue forecast on which the legislatively adopted budget for the current biennium was based.

For any one biennium, the Legislative Assembly may not appropriate more than two-thirds of the amount that is in the Oregon Rainy Day Fund at the beginning of the biennium. If the appropriation is for a biennium that has not yet begun, the Legislative Assembly may use as the base the most recent estimate of the amount that will be in the Oregon Rainy Day Fund at the beginning of the biennium for which the appropriation is made. The fund balance of the Oregon Rainy Day Fund as of June 30, 2023, was \$1.4 billion.

The Education Stability Fund is authorized in the Oregon Constitution, Article XV, Section 4, part (4)(d) and requires that 18% of net lottery proceeds be deposited in the fund. Earnings on moneys in the fund are retained by the fund or continuously appropriated to finance public education under Oregon Revised Statute 348.696. The balance in the fund may not exceed 5% of General Fund revenues of the prior biennium.

Amounts in the Education Stability Fund may be spent under the same conditions as those required for spending moneys in the Oregon Rainy Day Fund. However, if none of the conditions are met, the Education Stability Fund can also be used by the Legislature for public education. The Governor must declare an emergency and the expenditure must be approved by a three-fifths majority in each chamber. The fund balance of the Education Stability Fund as of June 30, 2023, was \$746.8 million.

19. NONEXCHANGE FINANCIAL GUARANTEES

Article XI-K of the Oregon Constitution allows the State to guarantee the general obligations bonded indebtedness of school districts, education service districts, and community college districts in order to secure lower interest costs on general obligation bonds of such districts, without receiving equal or approximately equal value in exchange. Payment of the principal and interest on the bonds when due is guaranteed by the full faith and credit of the State under the provisions of the Oregon School Bond Guaranty Act – Oregon Revised Statutes (ORS) 328.321 to 328.356. The amount of debt that the State may incur in honoring its

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guaranty of school bonds may not exceed, at any one time, one-half of 1% of the real market value of all taxable property in the State. School districts, education service districts, and community college districts are entities legally separate from the State.

To apply and qualify for the Oregon School Bond Guaranty (OSBG) certification, districts must provide comprehensive information to the Office of Debt Management of the Oregon State Treasury. After application approval and issuance of guaranteed bonds, no additional information is required to be provided to the Office of Debt Management, except when a district becomes aware that it will not make scheduled payment(s) on the State OSBG bonds it has issued. The district is then required to notify the trustee and the Office of Debt Management 15 days prior to the scheduled payment of OSBG bond debt service. The qualifying certification analysis requires that each district demonstrate adequate coverage of OSBG and other debt service claims against state aid to ensure coverage using just the state aid. The evaluation also reviews all overlapping debt of the district and requires that the ratio of all overlapping debt meet the guideline of less than 5%. If this ratio is exceeded at application, special approval is requested, or the application may not be granted. Since inception of the program, no district has ever defaulted.

If one or more payments are made by the State, as provided for in the Oregon School Bond Guaranty Act, the Oregon State Treasurer shall pursue recovery from the district of all moneys necessary to reimburse the State. In seeking recovery, the Treasurer may (i) intercept any payments from the General Fund, the State School Fund, the income of the Common School Fund, and any other source of operating moneys provided by or through the State to the district that issued the bonds that would otherwise be paid to the district by the State and (ii) exercise the rights of a secured creditor in any money or assets pledged by the district to secure its reimbursement obligation to the State. The Treasurer may apply any intercepted payments or secured assets to reimburse the State for payments made pursuant to the State's guaranty until all obligations of the district to the State arising from those payments, including any interest and penalties, are paid in full.

At June 30, 2023, the State had extended nonexchange financial guarantees of \$10.1 billion for outstanding general obligation indebtedness of school districts, education service districts, and community college districts. The longest current guaranty is for outstanding general obligation bonds that mature June 15, 2053.

20. COMMITMENTS

The State has significant commitments as of June 30, 2023, in addition to the construction contract commitments disclosed in Note 6. Commitments are defined as existing arrangements to enter into future transactions or events, such as contractual obligations with vendors for future purchases or services at specified prices and sometimes at specified quantities. Commitments may also include agreements to make grants and loans.

Commitments in effect as of June 30, 2023, and the anticipated sources of funding (in thousands):

Purpose	General Fund	Federal Funds	Lottery Funds	Other Funds	Total
Community services contracts	\$ 144,685	\$ 126,242	\$ 80,511	\$ 128,075	\$ 479,512
Grant and loan commitments	316,284	482,357	34,017	2,652,393	3,485,051
Personal services contracts	204,001	184,598	1,779	442,898	833,275
Public defense contracts	41,278	-	-	135	41,413
Systems development	17,809	40,007	225	100,549	158,589
Equipment purchases	1,019	-	-	1,437	2,456
Total commitments	\$ 725,075	\$ 833,203	\$ 116,531	\$ 3,325,487	\$ 5,000,296

The Oregon Investment Council has entered into agreements that commit the investment manager for the Oregon Public Employees Retirement Fund (OPERF) and the Common School Fund (CSF), upon request, to make additional investment purchases up to a predetermined amount. The Oregon Growth Account (OGA) makes similar commitments for investment purchases. As of June 30, 2023, the OPERF had \$9.6 billion in commitments to purchase private equity investments, which includes \$6.7 billion in callable distributions, \$4.2 billion to purchase real estate investments, \$1.3 billion to purchase opportunity portfolio investments, which includes \$692.1 million in callable distributions, and \$5 billion to purchase real assets, which includes

\$1.3 billion in recallable distributions. As of June 30, 2023, the CSF had \$242.4 million in commitments to purchase private equity, alternatives, and real estate open-ended fund investments while OGA had \$57.1 million, in commitments to purchase private equity investments. These amounts are unfunded and are not recorded in the financial statements.

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

21. CONTINGENCIES

A. Litigation

Portland Harbor Superfund

In 2000, the US Environmental Protection Agency (EPA) listed a ten-mile stretch of the lower Willamette River area as a Superfund site under the federal Superfund law (CERCLA). Over 100 parties may eventually be found liable for a share of the costs related to investigation and cleanup of hazardous substances at the Site, including the State of Oregon, acting through its Department of Transportation (ODOT) and Department of State Lands (DSL).

On January 6, 2017, EPA issued its final cleanup plan for the Portland Harbor Superfund site in a document called the Record of Decision (ROD). The ROD requires active remediation (through dredging, capping, enhanced natural recovery, and monitored natural recovery) of nearly 400 acres of contaminated sediments and over 20 thousand lineal feet of riverbank. The EPA initially estimated costs of \$1.1 billion and approximately 13 years to complete. Other parties estimate that it will be a \$3 billion remedy that will take 20 years to complete. Liable parties under CERCLA are responsible for funding this remedial action, as well as other preliminary actions such as additional investigations, remedial design, and agency oversight. The EPA has asked potentially responsible parties (PRPs) to step forward to perform components of the ROD or risk enforcement action. Numerous parties, including DSL and ODOT, have entered into Administrative Settlements and Orders on Consent with EPA to perform pre-remedial design and related work.

A group of Portland Harbor Superfund PRPs are engaged in a confidential, non-binding private mediation process that will result in an allocation of the ROD's cleanup costs among all liable parties. If the mediation is successful, it will culminate in a settlement proposal, which if accepted by EPA will be memorialized in a Consent Decree filed in the Oregon federal district court.

It is not possible to estimate the proportionate share of liability for cleanup costs that will be assigned to each agency through this confidential mediation or, should it fail, through litigation. It is also too early to predict when the mediation will conclude or whether it will result in a durable comprehensive settlement with EPA.

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

The State is pursuing claims for insurance coverage of its Portland Harbor defense costs and any future liabilities for cleanup costs and NRD. These claims are based on commercial general liability insurance policies the State held from 1968 to 1972, and on insurance policies that listed DSL and ODOT as additional insureds. The State has executed a settlement agreement with several of its insurers regarding their obligation to pay for most of the State's defense costs through 2024 but the insurers have reserved their rights to deny indemnity coverage.

Department of Corrections COVID-19

More than 5,100 adults in custody (AIC) confined in the Oregon Department of Correction's (ODOC) 14 facilities throughout the State ultimately contracted COVID-19. The State has been sued in a class action in federal court where the judge overseeing the case has certified the class. The case involves two classes of

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AICs. One class seeks damages for all AIC's who contracted COVID-19, and the other class consists of the estates of 47 AICs that died while sick with COVID-19. Plaintiffs seek an award exceeding \$50 million.

B. Unemployment Benefits

State employees, who qualify, are entitled to benefit payments during periods of unemployment. Each state agency is required to reimburse the Employment Department for benefit payments made to former employees. The amount of future benefit payments to claimants, and the resulting liability to the State, cannot be reasonably estimated. Consequently, this potential obligation is not reported in the accompanying financial statements. Expenditures relating to these benefits for the year ended June 30, 2023, totaled approximately \$10.4 million.

C. Federal Issues

The State receives significant financial assistance from the federal government. Entitlement to these resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2023, there is no indication that such audits will result in a material liability.

22. SUBSEQUENT EVENTS

A. Long-term Debt Issues

Long-term debt issued, including refundings, since July 1, 2023 (in thousands):

Type of Debt	Amount
General Obligation Bonds	
Oregon Department of Administrative Services	\$ 158,070
Revenue Bonds	
Housing and Community Services Department	147,665

B. Bond Calls

Bond calls that have occurred since July 1, 2023 (in thousands):

Type of Call	Amount
General Obligation Bonds	
Department of Veterans' Affairs	\$ 5,260
Revenue Bonds	
Housing and Community Services Department	43,290

C. Debt Guarantees

Under Article XI-K of the Oregon Constitution, \$50.7 million in bonds for school districts (SD) were issued and guaranteed following the fiscal year ended June 30, 2023, as noted below (dollars in thousands). Ultimately, the debt service payments remain the responsibility of the respective district.

School District	Series	Amount
Columbia Cty SD 502 (St Helens)	2023	\$ 4,000
Curry Cty SD 1 (Central Curry)	2023A	1,475
Curry Cty SD 1 (Central Curry)	2023B	13,525
Jackson Cty SD 35 (Rogue River)	2023	4,465
Jefferson Cty SD 41 (Black Butte)	2023	2,000
Lane Cty SD 40 (Creswell)	2023	18,207
Marion Cty SD 91 (Mt Angel)	2023	7,000
Total debt guarantees		<u>\$ 50,672</u>



Required Supplementary Information

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Budgeted Appropriated Funds

The State accounts for budgetary activities based on the source of moneys used to pay expenditures. Separate appropriated funds are established for each funding source.

General Fund

This fund accounts for expenditures made with General Fund revenue. General Fund revenue consists largely of personal and corporate income taxes.

Federal Funds

This fund accounts for budgeted expenditures made with Federal Revenue.

Lottery Funds

This fund accounts for expenditures made with Lottery funds. These funds, which are earned by the Oregon State Lottery, are transferred to the Economic Development Fund at the Department of Administrative Services for disbursement to agencies where the funds are expended.

Other Funds

This fund accounts for budgeted expenditures other than those funded by General, Federal, and Lottery funds.

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**Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Budgetary (Non-GAAP) Basis -
All Budgeted Appropriated Funds
For the Biennium Ending June 30, 2023
As of June 30, 2023
(In Thousands)**

	General Fund				
	2021-2023 Original Budget	2021-2023 Final Budget	1st Year Actual	2nd Year Actual	Variance Over/ (Under)
Revenues:					
Personal Income Taxes	\$ 20,627,298	\$ 20,664,498	\$ 12,253,632	\$ 13,145,734	\$ 4,734,868
Corporate Income Taxes	1,290,183	1,290,183	1,538,497	1,604,664	1,852,978
Tobacco Taxes	110,032	110,032	52,210	50,801	(7,020)
Motor Fuels Taxes	-	-	-	-	-
Weight Mile Taxes	-	-	-	-	-
Vehicle Registration Taxes	-	-	-	-	-
Other Taxes	506,934	506,934	418,694	395,895	307,655
Licenses and Fees	246,017	246,017	106,208	113,543	(26,267)
Federal	-	-	-	-	-
Charges for Services	12,749	12,749	6,373	6,373	(3)
Fines and Forfeitures	17,048	17,048	2,929	3,989	(10,129)
Rents and Royalties	-	-	-	-	-
Investment Income	677	677	39,963	262,484	301,770
Sales	2,096	2,096	735	867	(495)
Donations and Grants	-	-	-	-	-
Pension Bond Debt Service Assessments	-	-	-	-	-
Other	11,380	11,380	3,977	17,337	9,934
Total Revenues	22,824,414	22,861,614	14,423,217	15,601,687	7,163,289
Expenditures:					
Education	11,467,545	11,816,245	5,837,213	5,772,834	(206,199)
Human Services	8,140,439	7,960,200	3,753,807	3,855,661	(350,732)
Public Safety	2,264,727	2,316,126	1,053,862	1,193,421	(68,842)
Economic and Community Development	767,075	1,132,054	359,578	694,193	(78,283)
Natural Resources	516,360	874,231	466,088	339,968	(68,175)
Transportation	36,021	76,760	25,658	47,903	(3,198)
Consumer and Business Services	32,745	55,860	10,580	32,441	(12,839)
Administration	380,171	980,371	340,474	618,262	(21,635)
Legislative	949,305	417,431	80,214	170,262	(166,956)
Judicial	906,831	1,060,455	493,479	554,802	(12,174)
Total Expenditures	25,461,220	26,689,734	12,420,954	13,279,746	(989,034)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,636,806)	(3,828,119)	2,002,263	2,321,941	8,152,323
Other Financing Sources (Uses):					
Transfers from Other Funds	470,795	482,180	181,803	188,977	(111,400)
Transfers to Other Funds	-	-	(220,723)	(128,600)	(349,323)
Long-term Debt Issued	-	-	-	-	-
Debt Issuance Premium	-	-	-	-	-
Loan Proceeds	-	-	-	-	-
Gain (Loss) on Disposition of Assets	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (2,166,010)</u>	<u>\$ (3,345,940)</u>	1,963,343	2,382,317	<u>\$ 7,691,600</u>
Budgetary Fund Balances - Beginning			4,687,372	6,743,266	
Prior Period Adjustments			16	-	
Budgetary Fund Balances - Beginning - As Restated			4,687,388	6,743,266	
Prior Biennium Transactions			92,535	89,684	
Budgetary Fund Balances - Ending			<u>\$ 6,743,266</u>	<u>\$ 9,215,267</u>	

State of Oregon

Federal Funds					Lottery Funds				
2021-2023 Original Budget	2021-2023 Final Budget	1st Year Actual	2nd Year Actual	Variance Over/ (Under)	2021-2023 Original Budget	2021-2023 Final Budget	1st Year Actual	2nd Year Actual	Variance Over/ (Under)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
32,722,067	36,977,739	16,677,769	15,786,890	(4,513,080)	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	11,325	41,528	27,660	47,279	33,411
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
32,722,067	36,977,739	16,677,769	15,786,890	(4,513,080)	11,325	41,528	27,660	47,279	33,411
3,074,113	3,076,953	983,606	1,422,760	(670,587)	711,854	790,382	303,807	484,433	(2,143)
24,033,868	27,074,082	11,886,058	13,553,190	(1,634,834)	18,642	19,670	7,417	11,269	(984)
1,425,732	1,495,673	232,228	762,045	(501,400)	11,648	11,897	5,113	5,158	(1,626)
818,209	1,189,167	598,602	366,043	(224,523)	197,028	195,372	64,289	106,352	(24,731)
345,400	373,721	118,180	142,518	(113,023)	251,728	254,198	71,454	83,130	(99,614)
135,418	231,022	28,116	82,615	(120,292)	122,894	121,933	56,309	65,271	(352)
121,294	130,085	63,362	65,124	(1,599)	261	271	77	125	(68)
2,642,610	3,249,885	2,815,617	213,100	(221,169)	48,571	50,726	13,133	31,928	(5,665)
-	-	-	-	-	-	-	-	-	-
1,476	2,732	1,057	1,453	(222)	-	-	-	-	-
32,598,121	36,823,321	16,726,826	16,608,846	(3,487,649)	1,362,627	1,444,449	521,599	787,666	(135,184)
123,946	154,418	(49,057)	(821,956)	(1,025,431)	(1,351,302)	(1,402,921)	(493,940)	(740,387)	168,595
2,371	2,378	97,934	15,959	111,515	3,612,511	3,982,329	1,426,361	1,309,450	(1,246,518)
(400)	(200)	(62,384)	(54,649)	(116,833)	(191,463)	(221,728)	(386,571)	(370,218)	(535,061)
-	-	-	-	-	-	-	353	-	353
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 125,917</u>	<u>\$ 156,596</u>	<u>(13,507)</u>	<u>(860,646)</u>	<u>\$ (1,030,750)</u>	<u>\$ 2,069,746</u>	<u>\$ 2,357,680</u>	<u>546,203</u>	<u>198,845</u>	<u>\$ (1,612,632)</u>
		199,085	(20,885)				418,868	718,921	
		4	-				-	-	
		199,090	(20,885)				418,866	718,921	
		(206,467)	21,342				(246,148)	(15,059)	
		<u>\$ (20,885)</u>	<u>\$ (860,189)</u>				<u>\$ 718,921</u>	<u>\$ 902,708</u>	

(continued on next page)

State of Oregon

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Budgetary (Non-GAAP) Basis -
All Budgeted Appropriated Funds
For the Biennium Ending June 30, 2023
As of June 30, 2020
(In Thousands)**

(continued from previous page)

	Other Funds				
	2021-2023 Original Budget	2021-2023 Final Budget	1st Year Actual	2nd Year Actual	Variance Over/ (Under)
Revenues:					
Personal Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Income Taxes	-	-	-	-	-
Tobacco Taxes	710,297	710,297	374,964	362,824	27,490
Motor Fuels Taxes	1,415,485	1,415,485	600,717	671,494	(143,273)
Weight Mile Taxes	858,142	858,142	421,625	458,174	21,657
Vehicle Registration Taxes	919,983	919,983	426,406	449,038	(44,538)
Other Taxes	7,007,677	7,151,578	1,203,141	1,540,798	(4,407,639)
Licenses and Fees	1,039,520	1,039,658	548,507	556,429	65,278
Federal	1,792,380	2,269,786	597,982	733,261	(938,543)
Charges for Services	5,757,830	5,799,439	2,543,354	3,208,141	(47,943)
Fines and Forfeitures	191,042	191,042	79,184	100,287	(11,571)
Rents and Royalties	156,704	156,841	71,759	74,114	(10,968)
Investment Income	119,191	119,970	32,335	171,363	83,728
Sales	1,637,459	1,711,717	142,263	155,943	(1,413,511)
Donations and Grants	65,468	68,052	63,688	24,805	20,441
Pension Bond Debt Service Assessments	485,476	484,721	667,862	242,849	425,990
Other	2,698,003	4,538,635	1,684,999	728,959	(2,124,676)
Total Revenues	24,854,656	27,435,345	9,458,788	9,478,479	(8,498,078)
Expenditures:					
Education	3,929,433	4,158,344	1,028,122	2,050,291	(1,079,932)
Human Services	10,373,009	12,140,647	4,874,748	5,987,464	(1,278,436)
Public Safety	2,123,461	2,309,186	902,105	1,058,823	(348,258)
Economic and Community Development	2,423,899	2,811,257	469,793	720,669	(1,620,796)
Natural Resources	1,354,754	1,597,555	561,580	602,833	(433,142)
Transportation	4,845,169	5,601,493	2,124,816	2,510,047	(966,631)
Consumer and Business Services	556,520	572,924	240,760	277,902	(54,262)
Administration	2,350,722	2,702,183	1,046,595	1,192,235	(463,353)
Legislative	14,012	38,310	5,890	25,109	(7,311)
Judicial	193,508	296,347	23,708	46,294	(226,345)
Total Expenditures	28,164,488	32,228,246	11,278,115	14,471,666	(6,478,464)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,309,832)	(4,792,901)	(1,819,327)	(4,993,187)	(2,019,613)
Other Financing Sources (Uses):					
Transfers from Other Funds	14,739,392	16,881,226	9,611,212	8,627,498	1,357,484
Transfers to Other Funds	(192,814)	(168,504)	(4,978,870)	(5,795,895)	(10,606,262)
Long-term Debt Issued	2,596,617	2,953,482	612,632	1,919,731	(421,118)
Debt Issuance Premium	-	-	51,971	205,900	257,871
Loan Proceeds	-	-	125,340	-	125,340
Gain (Loss) on Disposition of Assets	-	-	3,336	14,068	17,404
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 13,833,363	\$ 14,873,303	3,606,294	(21,886)	\$ (11,288,895)
Budgetary Fund Balances - Beginning			5,872,045	7,494,543	
Prior Period Adjustments			(525)	-	
Budgetary Fund Balances - Beginning - As Restated			5,871,519	7,494,543	
Prior Biennium Transactions			(1,983,271)	(364,348)	
Budgetary Fund Balances - Ending			\$ 7,494,543	\$ 7,108,309	

State of Oregon

Total All Budgeted Appropriated Funds

2021-2023 Original Budget	2021-2023 Final Budget	1st Year Actual	2nd Year Actual	Variance Over/ (Under)
\$ 20,627,298	\$ 20,664,498	\$ 12,253,632	\$ 13,145,734	\$ 4,734,868
1,290,183	1,290,183	1,538,497	1,604,664	1,852,978
820,329	820,329	427,174	413,625	20,470
1,415,485	1,415,485	600,717	671,494	(143,273)
858,142	858,142	421,625	458,174	21,657
919,983	919,983	426,406	449,038	(44,538)
7,514,611	7,658,512	1,621,835	1,936,693	(4,099,984)
1,285,538	1,285,676	654,715	669,972	39,011
34,514,447	39,247,525	17,275,751	16,520,152	(5,451,623)
5,770,579	5,812,188	2,549,727	3,214,514	(47,947)
208,090	208,090	82,113	104,276	(21,701)
156,704	156,841	71,759	74,114	(10,968)
131,193	162,175	99,957	481,126	418,909
1,639,555	1,713,813	142,998	156,810	(1,414,006)
65,468	68,052	63,688	24,805	20,441
485,476	484,721	667,862	242,849	425,990
2,709,383	4,550,015	1,688,976	746,296	(2,114,743)
<u>80,412,462</u>	<u>87,316,226</u>	<u>40,587,434</u>	<u>40,914,335</u>	<u>(5,814,457)</u>
19,182,946	19,841,925	8,152,748	9,730,317	(1,958,860)
42,565,958	47,194,599	20,522,029	23,407,584	(3,264,986)
5,825,568	6,132,882	2,193,308	3,019,447	(920,127)
4,206,212	5,327,850	1,492,262	1,887,256	(1,948,332)
2,468,243	3,099,705	1,217,302	1,168,449	(713,954)
5,139,504	6,031,208	2,234,899	2,705,836	(1,090,473)
710,820	759,141	314,780	375,592	(68,768)
5,422,074	6,983,166	4,215,819	2,055,524	(711,822)
963,317	455,741	86,103	195,371	(174,266)
1,101,816	1,359,534	518,244	602,548	(238,742)
<u>87,586,456</u>	<u>97,185,749</u>	<u>40,947,495</u>	<u>45,147,924</u>	<u>(11,090,330)</u>
(7,173,995)	(9,869,523)	(360,061)	(4,233,589)	5,275,873
18,825,069	21,348,114	11,317,310	10,141,884	111,080
(384,677)	(390,432)	(5,648,549)	(6,349,362)	(11,607,479)
2,596,617	2,953,482	612,985	1,919,731	(420,766)
-	-	51,971	205,900	257,871
-	-	125,340	-	125,340
-	-	3,336	14,068	17,404
<u>\$ 13,863,014</u>	<u>\$ 14,041,640</u>	6,102,333	1,698,631	<u>\$ (6,240,676)</u>
		11,177,369	14,935,845	
		(505)	-	
		11,176,863	14,935,845	
		(2,343,351)	(268,380)	
		<u>\$ 14,935,845</u>	<u>\$ 16,366,096</u>	

1. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The State's budget is approved on a biennial basis, where the biennium begins July 1 and ends June 30 of each odd-numbered year. The Governor is required to submit budget recommendations to the Legislature no later than December 1 preceding the biennium. The Governor establishes priorities for the State based on function (e.g., education, human services, etc.) and the budget is summarized by these functions. Expenditures are budgeted based on the following revenue sources: general, federal, lottery, and other.

A constitutional amendment adopted by the people in 2010 changed the historical Oregon "biennial" session process into "annual" sessions. The amendment limited the session length to 160 calendar days in odd-numbered years and to 35 calendar days in even-numbered years. In odd-numbered years, the budget is adopted by the Legislature's passage of separate appropriation bills and by the Governor's approval of those bills. The resulting approved appropriation bills become the appropriated budget for the State. Appropriation bills include one or more appropriations (budgeted expenditure items) which may be at the agency, program, or activity level. The Oregon Constitution requires the budget to be in balance at the end of each biennium. Because of this provision, the State may not budget a deficit and is required to compensate for any revenue shortfalls within each biennium.

Also included in the Governor's budget recommendations are legally authorized, nonappropriated budget items that are not legislatively limited by an appropriation bill. These nonlimited funds include other funds, federal funds, and other funds debt service. Spending plans for nonbudgeted financial activities are also established by agencies for certain expenditures to enhance fiscal control. These nonbudgeted items include federal funds and other funds and are not included in the Governor's budget recommendations.

When the Legislature is not in session, the Legislative Emergency Board is authorized to amend the legally adopted budget. The Emergency Board authorizes and allocates all changes in funding and takes other actions to meet emergency needs. Emergency Board approval is required to authorize the transfer of expenditure authority between appropriations. Management can reallocate within an appropriation without Emergency Board approval.

The State does not budget by the prescribed fund types of generally accepted accounting principles (GAAP). Appropriations may be at the agency, program, or activity level. Accordingly, the legal level of budgetary control is at one of these three levels depending on the Legislature's view of the activity. The State uses the Relational Statewide Accounting and Reporting System (R*STARS) to control expenditures by budgeted expenditure item. Each item on an approved appropriation bill is assigned an appropriation number. In R*STARS, the appropriated funds are tied to one or more appropriation numbers to ensure expenditures do not exceed approved appropriations. The following budgeted appropriated fund types have been established in R*STARS to account for the State's budgetary activities: General Fund, Federal Funds, Lottery Funds, and Other Funds.

Budgets are prepared on the cash basis. Spending limits are established using quarterly allotments. Allotments are required for both appropriated and nonappropriated items. The spending limits are monitored by the Chief Financial Office of the Department of Administrative Services and are controlled by R*STARS. Encumbrance accounting provides additional budgetary control. Encumbrances represent commitments related to unperformed contracts for goods or services. For budgetary reporting purposes, encumbrances are treated like expenditures and are shown as a reduction of fund balance.

The accompanying "Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - All Budgeted Appropriated Funds" is not presented at the legal level of budgetary control. Such a presentation would be extremely cumbersome. To demonstrate compliance with the legal level of budgetary control, the State has prepared a separate report for the 2021-2023 biennium as of June 30, 2023. A copy of this report is available at the Department of Administrative Services, Chief Financial Office, 155 Cottage Street NE, Salem, Oregon 97301-3969.

Unexpended appropriations at the end of each biennium are available for subsequent expenditure to the extent liabilities have been incurred at June 30, provided payment of those liabilities occurs during the succeeding six-month period of July 1 through December 31. Any remaining unexpended appropriations lapse December 31 following the end of the biennium, except for appropriations related to capital construction.

Agencies are required to provide estimates of expected revenues for program revenue and segregated revenue categories. General Fund revenues consist primarily of general taxes and other receipts that are paid into the General Fund and are then available for appropriation by the Legislature. Revenues not recorded in the General Fund consist of function specific revenues, which are credited by law to an appropriation to finance a specified program, and segregated revenues that are paid into separate identifiable funds.

The original budget amounts reported for revenues in the accompanying "Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - All Budgeted Appropriated Funds" represent original estimates, while budgeted expenditures represent the first complete appropriated budget adopted by the Legislature. The final budget amounts reported for revenues represent revised estimates, while the final budget amounts reported for expenditures represent the original budget modified by legally authorized legislative and executive changes, as well as Emergency Board actions taken during the year.

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

- Encumbrances are recorded as expenditures for budgetary purposes when purchase orders are issued.
- Revenues are recognized when received in cash (budgetary basis) versus when they are susceptible to accrual (GAAP basis).
- Expenditures are recognized when paid in cash or encumbered (budgetary basis) as opposed to when the liability is incurred (GAAP basis).
- Nonappropriated and nonbudgeted funds are not included in the budgetary schedule.
- Timing differences occur because of a six-month lapse period between June 30 and December 31 of each odd-numbered year.

These different accounting principles may result in basis, perspective, entity, and timing differences in the excess (deficiency) of revenues and other financial resources over (under) expenditures and other uses of financial resources. A reconciliation of these differences is presented in Note 2 of the required supplementary information.

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2. BUDGETARY BASIS TO GAAP BASIS RECONCILIATION

The accompanying "Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual- Budgetary (Non-GAAP) Basis - All Budgeted Appropriated Funds" presents comparisons of the legally approved budget (more fully described in RSI Note 1) with actual data on a budgetary basis.

Accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles. A reconciliation of the resulting differences in excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses for the year ended June 30, 2023, is presented below. Governmental funds are reconciled to the net change in fund balances. Proprietary funds and fiduciary fund types are reconciled to the change in net position.

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses (In Thousands)									
Budgetary Balances Classified into GAAP Fund Structure									
GAAP Fund	Budgeted General Fund	Budgeted Federal Funds	Budgeted Lottery Funds	Budgeted Other Funds	Total Budgeted Funds	Timing Differences	Basis Differences	Non-Budgeted Funds	GAAP Balances
General	\$ 2,382,317	\$ (580,903)	\$ 203,701	\$ (112,522)	\$ 1,892,593	\$ 4,112	\$ 4,828,324	\$ (4,016,588)	\$ 2,708,441
Health and									
Social Services	-	(327,630)	-	(851,323)	(1,178,952)	1,220	695,310	81,276	(401,147)
Public Transportation	-	(95)	(189)	356,155	355,871	-	30,700	(44,144)	342,427
Educational Support	-	40,233	(16,295)	251,957	275,895	(213,415)	306,413	(280,262)	88,631
Common School	-	-	-	(21,140)	(21,140)	-	(838)	129,151	107,173
Nonmajor Governmental	-	8,942	11,627	372,766	393,336	(164,042)	692,150	583,349	1,504,792
Housing and									
Community Services	-	-	-	5,335	5,335	-	(3,700)	15,802	17,438
Veterans' Loan	-	-	-	(5,200)	(5,200)	-	(89)	5,666	377
Lottery Operations	-	-	-	-	-	-	-	22,930	22,930
Unemployment									
Compensation	-	-	-	-	-	-	-	669,994	669,994
Nonmajor Enterprise	-	(1,193)	-	(107,699)	(108,891)	(6,345)	(41,831)	554,779	397,710
Internal Service	-	-	-	90,319	90,319	(8,689)	31,738	(49,969)	63,400
Pension and Other									
Employee Benefit Trust	-	-	-	225	225	-	(69,197)	625,367	556,395
Other Custodial	-	-	-	(761)	(761)	-	-	811	50
Private Purpose Trust	-	-	-	-	-	-	-	96,049	96,049
External Investment									
Pools	-	-	-	-	-	-	-	(213,391)	(213,391)
Totals	\$ 2,382,317	\$ (860,646)	\$ 198,845	\$ (21,886)	\$ 1,698,631	\$ (387,160)	\$ 6,468,979	\$ (1,819,181)	\$ 5,961,269

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability/(Asset)
For the Fiscal Year Ended June 30¹
(Dollars in Thousands)

	2022²	2021²	2020²
Proportion of the net pension liability/(asset)	26.19718%	24.19019%	22.9989%
Proportionate share of the net pension liability/(asset)	\$ 4,011,314	\$ 2,894,714	\$ 5,019,150
Covered payroll	3,197,166	2,963,703	2,743,334
Employer net pension liability/(asset) as a percentage of covered payroll	125.5%	97.7%	183.0%
Plan fiduciary net position as a percentage of the total pension liability	84.5%	87.6%	75.8%

¹ 10-year trend information will be presented prospectively.

² The amounts presented were determined as of the net pension liability/(asset) measurement date.

	2019²	2018²	2017²	2016²	2015²
	22.26906%	21.0808%	20.7211%	20.68476%	19.73914%
\$	3,852,015	\$ 3,193,464	\$ 2,793,212	\$ 3,105,262	\$ 1,133,315
	2,302,682	2,188,520	2,293,042	2,154,318	2,137,616
	167.3%	145.9%	121.8%	144.1%	53.0%
	80.2%	82.1%	83.1%	80.5%	91.9%

Required Supplementary Information
Schedule of Defined Benefit Pension Plan Contributions
Defined Benefit Plan
For the Fiscal Year Ended June 30¹
(Dollars in Thousands)

	2023	2022	2021
Contractually required contributions ²	\$ 609,404	\$ 576,845	\$ 482,177
Contributions in relation to the contractually required contributions	609,404	576,845	482,177
Contribution deficiency	-	-	-
Covered payroll	3,732,809	3,197,166	2,963,703
Contributions as a percentage of covered payroll	16.33%	18.04%	16.27%

¹ 10-year trend information will be presented prospectively.

² The contractually required contributions on this Schedule of Defined Benefit Pension Plan Contributions have been adjusted to remove amounts contributed to finance employer-specific liabilities and employer optional contributions.

State of Oregon

2020	2019	2018	2017	2016	2015
\$ 445,812	\$ 311,692	\$ 292,695	\$ 187,524	\$ 205,419	\$ 152,789
445,812	311,692	292,695	187,524	205,419	152,789
-	-	-	-	-	-
2,743,340	2,302,682	2,188,520	2,293,042	2,154,318	2,137,616
16.25%	13.54%	13.37%	8.18%	9.54%	7.15%

Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability/(Asset)
For the Fiscal Year Ended June 30¹
(Dollars in Thousands)

	2022 ²	2021 ²	2020 ²
Retiree Health Insurance Account (RHIA)			
Proportion of the net OPEB liability/(asset)	28.5302%	32.8592%	8.6755%
Proportionate share of the net OPEB liability/(asset)	\$ (101,378)	\$ (112,839)	\$ (17,677)
Covered payroll	3,197,166	2,963,703	2,743,340
Employer net OPEB liability/(asset) as a percentage of covered payroll	(3.2%)	(3.8%)	(0.6%)
Plan fiduciary net position as a percentage of the total OPEB liability	194.6%	183.9%	150.1%

¹ 10-year trend information will be presented prospectively.

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

	2019 ²	2018 ²	2017 ²
	22.8100%	22.8805%	23.3603%
\$	(44,077)	\$ (25,541)	\$ (9,749)
	2,302,682	2,188,520	2,293,042
	(1.9%)	(1.2%)	(0.4%)
	144.4%	124.0%	108.9%

**Required Supplementary Information
Schedule of OPEB Plan Contributions
For the Fiscal Year Ended June 30¹
(Dollars in Thousands)**

	2023	2022	2021
Retiree Health Insurance Account (RHIA)			
Contractually required contributions	\$ 436	\$ 464	\$ 562
Contributions in relation to the contractually required contributions	436	464	562
Contribution deficiency	-	-	-
Covered payroll	3,732,809	3,197,166	2,963,703
Contributions as a percentage of covered payroll	0.01%	0.01%	0.02%

¹ 10-year trend information will be presented prospectively.

2020	2019	2018
\$ 587	\$ 10,773	\$ 11,210
<u>587</u>	<u>10,773</u>	<u>11,210</u>
-	-	-
2,743,340	2,302,682	2,188,520
0.02%	0.47%	0.51%

**Required Supplementary Information
Schedule of OPEB Plan Contributions
For the Fiscal Year Ended June 30¹
(Dollars in Thousands)**

	2023	2022	2021
Retiree Health Insurance Premium Account (RHIPA)			
Actuarially determined contributions	\$ 6,922	\$ 6,548	\$ 9,061
Contributions recognized by plan	6,922	6,548	9,061
Contribution deficiency	-	-	-
Covered payroll	3,732,809	3,197,166	2,963,703
Contributions as a percentage of covered payroll	0.19%	0.20%	0.31%

¹ 10-year trend information will be presented prospectively.

Notes to schedule of OPEB plan contributions:

Actuarial assumptions and methods used to set the actuarially determined contributions.

Actuarial valuation	December 31, 2019
Effective	July 2021 - June 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Amortization period	10 years
Asset valuation method	Market value
Remaining amortization periods	10 years
Actuarial assumptions:	
Inflation rate	2.40%
Healthcare cost trend rate	Graded from 7.1% in 2019 to 4.0% in 2074
Projected salary increases	3.40%
Investment rate of return	6.90%

	2020	2019	2018
	<u>\$ 8,770</u>	<u>\$ 10,603</u>	<u>\$ 10,392</u>
	8,770	10,603	10,392
	-	-	-
	2,743,340	2,302,682	2,188,520
	0.32%	0.46%	0.47%

Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30¹
(Dollars in millions)

Retiree Health Insurance Premium Account (RHIPA)

Total OPEB Liability

	2022	2021	2020
Service cost	\$ 1.2	\$ 1.3	\$ 1.4
Interest on total OPEB liability	4.3	4.5	5.1
Changes in assumptions	(11.4)	1.1	(7.9)
Differences between expected and actual experience	(4.5)	(4.6)	(2.2)
Benefit payments	(3.4)	(3.7)	(4.1)
Net change in total OPEB liability	(13.8)	(1.4)	(7.7)
Total OPEB liability - beginning	62.9	64.3	72.0
Total OPEB liability - ending	<u>\$ 49.1</u>	<u>\$ 62.9</u>	<u>\$ 64.3</u>

Plan Fiduciary Net Position

Employer contributions	\$ 8.3	\$ 11.8	\$ 11.2
Net investment and other income	0.8	16.3	0.8
Benefit payments	(3.4)	(3.7)	(4.1)
Administrative expense	(0.7)	(0.3)	(0.3)
Net change in plan fiduciary net position	4.9	24.1	7.6
Plan fiduciary net position - beginning	78.4	54.3	46.7
Plan fiduciary net position - ending	<u>\$ 83.3</u>	<u>\$ 78.4</u>	<u>\$ 54.3</u>
Net OPEB Liability	<u>\$ (34.2)</u>	<u>\$ (15.5)</u>	<u>\$ 10.0</u>

Plan fiduciary net position as a percentage of the total OPEB liability	169.7%	124.6%	84.5%
Covered payroll	\$ 1,125.8	\$ 1,159.0	\$ 1,166.4
Net OPEB liability as a percentage of covered payroll	(3.0%)	(1.3%)	0.9%

¹ 10-year trend information will be presented prospectively.

	2019		2018		2017
\$	1.5	\$	1.5	\$	1.5
	5.0		5.2		5.0
	-		0.4		-
	(0.3)		(3.0)		-
	(4.5)		(4.7)		(4.3)
	1.7		(0.6)		2.2
	70.3		70.9		68.7
\$	72.0	\$	70.3	\$	70.9

\$	14.0	\$	13.3	\$	11.9
	2.5		2.4		2.0
	(4.5)		(4.7)		(4.3)
	(0.3)		(0.3)		(0.3)
	11.7		10.7		9.3
	35.0		24.3		15.0
\$	46.7	\$	35.0	\$	24.3
\$	25.3	\$	35.3	\$	46.6

	64.9%		49.8%		34.3%
\$	1,120.5	\$	1,165.3	\$	1,327.1
	2.3%		3.0%		3.5%

Required Supplementary Information
Schedule of Proportionate Share of the Total OPEB Liability
For the Fiscal Year Ended June 30¹
(Dollars in Thousands)

	2023 ²	2022 ²	2021 ²
Public Employees Benefit Board (PEBB)			
Proportion of the total OPEB liability	74.6079%	75.2016%	74.8025%
Proportionate share of the total OPEB liability	\$ 78,796	\$ 92,753	\$ 113,020
Covered-employee payroll	3,642,884	3,385,265	3,148,338
Government's total OPEB liability as a percentage of covered-employee payroll	2.2%	2.7%	3.6%

¹ 10-year trend information will be presented prospectively.

² The amounts presented were determined as of the total OPEB liability measurement date.

Notes to schedule of proportionate share of the total OPEB liability:

The plan does not accumulate assets in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

2020²	2019²	2018²
73.8195%	73.7321%	73.0657%
\$ 108,291	\$ 118,835	\$ 108,548
2,904,809	2,700,487	2,381,726
3.7%	4.4%	4.6%

Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30¹
(Dollars in millions)

Public Employees Benefit Board (PEBB)

Total OPEB Liability

	2023	2022	2021
Service cost	\$ 10.8	\$ 10.5	\$ 10.1
Interest on total OPEB liability	4.6	3.4	3.4
Effect of differences between expected and actual experience	(12.7)	(17.0)	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	(12.7)	(15.4)	0.5
Benefit payments	(7.7)	(9.2)	(9.6)
Net change in total OPEB liability	(17.7)	(27.8)	4.4
Total OPEB liability - beginning	123.3	151.1	146.7
Total OPEB liability - ending	<u>\$ 105.6</u>	<u>\$ 123.3</u>	<u>\$ 151.1</u>
Covered-employee payroll	\$ 4,813.2	\$ 4,463.9	\$ 4,066.4
Total OPEB liability as a percentage of Covered-employee payroll	2.2%	2.8%	3.7%

¹ 10-year trend information will be presented prospectively.

Notes to schedule of changes in total OPEB liability and related ratios:

Change of assumptions

The discount rate in effect for the June 30, 2022, reporting date was 3.54%, and the discount rate in effect for the June 30, 2023, reporting date is 3.65%. The discount rate reflects a 20-year General Obligation Bond Index. The change in aging factors assumption was revised to the Society of Actuaries' June 2013 research report, Health Care Costs – From Birth to Death by Dale Yamamoto. There is no aging factor for vision and the aging factor assumption for dental has been removed. Therefore, dental and vision liabilities are assumed to be zero. Additionally, the general inflation and payroll growth assumptions were revised based on the 2020 PERS Experience Study.

2020	2019	2018
\$ 10.1	\$ 9.1	\$ 9.3
5.9	6.0	5.4
-	-	-
(0.8)	-	-
(21.7)	5.0	(3.7)
(7.9)	(7.5)	(7.2)
(14.4)	12.6	3.8
161.2	148.6	144.8
<u>\$ 146.7</u>	<u>\$ 161.2</u>	<u>\$ 148.6</u>
\$ 3,889.1	\$ 3,743.0	\$ 3,362.1
3.8%	4.3%	4.4%

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Combining Fund Financial Statements

Nonmajor Governmental Funds

Special Revenue Funds

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

Agricultural Resources Fund

This fund accounts for programs related to the promotion, inspection, and regulation of the State's agricultural industry. Funding for these programs include licenses and fees, charges for services, and federal grants.

Business Development Fund

This fund is used to account for programs that expand existing businesses as well as attract and promote new businesses. Federal grants, donations, and transfers from other funds comprise the main funding sources for these programs.

Community Protection Fund

This fund accounts for a variety of activities that help to ensure the safety of the State's citizens and their property through the courts, police, military, and correctional facilities. The main funding sources for these programs include federal grants, fines, and state court fees.

Consumer Protection Fund

This fund is used to account for programs that regulate existing businesses and license various professionals and organizations. Public utilities taxes, healthcare provider taxes, and business license fees comprise the main funding sources.

Employment Services Fund

This fund accounts for programs that provide workers with a safe and secure workplace. Funding for these employment-related programs include federal grants, employer and employee taxes, and workers' compensation insurance taxes.

Environmental Management Fund

This fund accounts for programs that promote, protect, and preserve the State's forests, parks, wildlife, fish, and waterways. The main funding sources for these programs are user fees, federal grants, and sales revenue.

Nutritional Support Fund

This fund accounts for programs to improve the diets of low-income households and school children. Federal grants provide the main source of revenue for these programs.

Residential Assistance Fund

This fund accounts for programs that help to meet the housing and energy needs of low-income Oregonians. Major funding sources include federal grants, senior citizen property tax repayments, and public utilities taxes.

Other Special Revenue Funds

This fund accounts for a variety of small programs that are funded mainly by federal grants and charges for services.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term obligations.

Revenue Bond Fund

This fund accounts for the accumulation of resources for the payment of principal and interest on long-term revenue bonds not reported in proprietary funds. The portion of these bonds that is not self-supporting is funded by a legislative appropriation.

Certificates of Participation Fund

This fund accounts for the accumulation of resources for the payment of principal and interest on certificates of participation not reported in proprietary funds. Debt service requirements are funded by a legislative appropriation.

General Obligation Bond Fund

This fund accounts for the accumulation of resources for the payment of principal and interest on long-term general obligation bonds not reported in the general fund, other governmental funds, or in proprietary funds. The issuance of general obligation debt is authorized in the Oregon Constitution. The portion of these bonds that is not self-supporting is funded by a legislative appropriation.

Capital Projects Fund

The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent Fund

The permanent fund is used to account for and report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the State's programs. These earnings provide funding for programs such as the upkeep on fish hatcheries, scholarship funds for injured workers, special library book purchases, and homes for the developmentally disabled.

State of Oregon

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023
 (In Thousands)

	Special Revenue Funds		
	Agricultural Resources	Business Development	Community Protection
ASSETS			
Cash and Cash Equivalents	\$ 45,806	\$ 454,403	\$ 760,178
Investments	-	30,924	-
Securities Lending Collateral	19	187	311
Accounts and Interest Receivable (net)	4,786	1,575	179,433
Taxes Receivable (net)	-	-	-
Due from Other Funds	335	14,844	19,166
Due from Component Units	-	-	-
Inventories	-	-	867
Prepaid Items	41	-	-
Net Contracts, Notes, and Other Receivables	15	20	266,038
Receivables for Right to Use Assets	-	-	65
Loans Receivable (net)	-	2,560	-
Other Assets	-	2,339	-
Total Assets	\$ 51,002	\$ 506,851	\$ 1,226,057
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts and Interest Payable	\$ 1,182	\$ 13,090	\$ 146,655
Obligations Under Securities Lending	19	187	311
Due to Other Funds	57	129	44,209
Due to Component Units	396	829	6,189
Due to Other Governments	-	3,549	5,043
Unearned Revenue	22	272,408	5,464
Deposit Liabilities	134	-	25,398
Contracts, Mortgages, and Notes Payable	-	-	5,000
Advances from Other Funds	-	-	-
Total Liabilities	1,811	290,192	238,269
Deferred Inflows of Resources:			
Receivables for Right to Use Assets	-	-	67
Unavailable Revenue	15	20	266,038
Total Deferred Inflows of Resources	15	20	266,105
Fund Balances:			
Nonspendable	66	1	932
Restricted by:			
Federal Laws and Regulations	14	20,702	34,611
Oregon Constitution	1,775	36,298	16,845
Enabling Legislation	22,908	84,535	67,504
Debt Covenants	-	14,206	358,171
Donors and Other External Parties	-	-	2,874
Committed	19,228	60,856	225,598
Assigned	5,185	41	15,149
Unassigned	-	-	-
Total Fund Balances	49,176	216,639	721,683
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 51,002	\$ 506,851	\$ 1,226,057

State of Oregon

Special Revenue Funds

Consumer Protection	Employment Services	Environmental Management	Nutritional Support	Residential Assistance	Other Special Revenue
\$ 392,689	\$ 180,222	\$ 1,632,102	\$ 1,296	\$ 556,833	\$ 19,737
-	206,147	1,379	-	8,708	-
162	45	436	1	230	8
10,370	113,642	65,402	154,918	23,534	905
11,353	15,863	1,646	-	4,919	-
5,681	5,194	31,189	-	9,613	804
-	12,139	-	-	-	-
68	2,120	4,226	-	15	1,639
86	700	69	-	791	290
62,211	39,833	57,842	14	42,281	-
-	-	1,026	-	-	-
-	-	542,366	-	668,702	-
-	-	-	-	-	-
\$ 482,621	\$ 575,904	\$ 2,337,681	\$ 156,228	\$ 1,315,626	\$ 23,384
\$ 113,831	\$ 31,017	\$ 47,267	\$ 143,322	\$ 51,298	\$ 1,354
162	45	436	1	230	8
23,188	23,774	10,520	162	1,312	126
1	22,111	648	28	-	-
4,103	9,120	22,892	9,218	29,234	-
266	-	17,806	11	80,898	-
166	754	4,188	-	-	18
-	-	-	-	-	-
-	-	300	-	-	-
141,718	86,821	104,057	152,743	162,972	1,507
-	-	1,026	-	-	-
62,211	43,919	58,684	14	42,281	-
62,211	43,919	59,710	14	42,281	-
160	2,922	4,547	-	806	1,930
549	71,692	887,160	2,011	92,642	9,910
-	105	22,996	-	-	-
223,548	158,643	341,886	1,461	354,116	2,220
-	-	128,800	-	37,975	1,090
318	-	3,313	-	31,956	5,642
54,116	211,263	747,696	-	219,142	592
-	539	37,516	-	373,736	492
-	-	-	-	-	-
278,691	445,164	2,173,915	3,472	1,110,373	21,877
\$ 482,621	\$ 575,904	\$ 2,337,681	\$ 156,228	\$ 1,315,626	\$ 23,384

(continued on next page)

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023
(In Thousands)
(continued from previous page)

	Debt Service Funds		
	Revenue Bond	Certificates of Participation	General Obligation Bond
ASSETS			
Cash and Cash Equivalents	\$ 255,752	\$ 9	\$ 81,744
Investments	2,523	-	-
Securities Lending Collateral	-	-	-
Accounts and Interest Receivable (net)	135	-	247
Taxes Receivable (net)	-	-	-
Due from Other Funds	68,497	-	18,826
Due from Component Units	-	-	4,093
Inventories	-	-	-
Prepaid Items	-	-	-
Net Contracts, Notes, and Other Receivables	-	-	-
Receivables for Right to Use Assets	-	-	-
Loans Receivable (net)	-	-	-
Other Assets	-	-	-
Total Assets	\$ 326,907	\$ 9	\$ 104,910
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts and Interest Payable	\$ 58	\$ -	\$ 124
Obligations Under Securities Lending	-	-	-
Due to Other Funds	-	-	-
Due to Component Units	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	-	-	-
Deposit Liabilities	-	-	1
Contracts, Mortgages, and Notes Payable	-	-	-
Advances from Other Funds	-	-	-
Total Liabilities	58	-	125
Deferred Inflows of Resources:			
Receivables for Right to Use Assets	-	-	-
Unavailable Revenue	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances:			
Nonspendable	-	-	-
Restricted by:			
Federal Laws and Regulations	-	-	-
Oregon Constitution	155,209	-	-
Enabling Legislation	-	-	-
Debt Covenants	171,640	9	107,197
Donors and Other External Party	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	(2,412)
Total Fund Balances	326,850	9	104,786
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 326,907	\$ 9	\$ 104,910

State of Oregon

<u>Capital Projects</u>	<u>Permanent</u>	<u>Total</u>
\$ 823,665	\$ 9,378	\$ 5,213,815
-	1,531	251,213
-	4	1,403
4,870	-	559,817
-	-	33,780
5,022	-	179,170
-	-	16,232
-	-	8,934
-	-	1,978
-	-	468,253
-	-	1,091
-	-	1,213,628
-	-	2,339
<u>\$ 833,556</u>	<u>\$ 10,914</u>	<u>\$ 7,951,651</u>
\$ 11,842	\$ -	\$ 561,040
-	4	1,403
11,488	-	114,967
-	-	30,203
-	-	83,159
-	-	376,874
-	-	30,661
-	-	5,000
-	-	300
<u>23,330</u>	<u>4</u>	<u>1,203,606</u>
-	-	1,093
-	-	473,181
-	-	474,274
-	10,640	22,005
789	-	1,120,080
-	-	233,229
10	108	1,256,939
807,390	-	1,626,478
119	162	44,384
231	-	1,538,722
1,688	-	434,346
-	-	(2,412)
<u>810,226</u>	<u>10,910</u>	<u>6,273,771</u>
<u>\$ 833,556</u>	<u>\$ 10,914</u>	<u>\$ 7,951,651</u>

State of Oregon

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023
(In Thousands)**

	Special Revenue Funds		
	Agricultural Resources	Business Development	Community Protection
REVENUES			
Healthcare Provider Taxes	\$ -	\$ -	\$ -
Employer-Employee Taxes	-	-	-
Workers' Compensation Insurance Taxes	-	-	-
Other Taxes	-	-	-
Licenses and Fees	10,205	5,004	27,485
Federal	10,620	65,430	395,833
Rebates and Recoveries	134	3	6,038
Charges for Services	9,864	1,654	26,918
Fines, Forfeitures, and Penalties	27	70	139,027
Rents and Royalties	-	-	1,760
Investment Income	705	12,617	11,130
Sales	19	2,793	1,744
Assessments	-	-	-
Donations and Grants	-	23,839	1,781
Contributions to Permanent Funds	-	-	-
Other	5	1,000	2,194
Total Revenues	31,579	112,410	613,911
EXPENDITURES			
Current:			
Education	-	-	-
Human Resources	-	-	2,186
Public Safety	-	3,374	343,796
Economic and Community Development	-	95,708	43
Natural Resources	39,766	1	-
Transportation	-	-	10,779
Consumer and Business Services	-	-	-
Administration	-	3,786	15,333
Legislative	-	-	-
Judicial	-	-	80,478
Intergovernmental	1,348	70,386	290,470
Capital Outlay	165	2,035	7,277
Debt Service:			
Principal	47	507	5,374
Interest	1	41	1,492
Other Debt Service	-	72	1,065
Total Expenditures	41,327	175,910	758,295
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,748)	(63,500)	(144,384)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	8,857	77,610	189,292
Transfers to Other Funds	(881)	(2,520)	(106,438)
Insurance Recoveries	-	-	83
Long-term Debt Issued	20	14,810	186,369
Debt Issuance Premium	-	2,022	24,363
Total Other Financing Sources (Uses)	7,996	91,921	293,669
Net Change in Fund Balances	(1,752)	28,422	149,286
Fund Balances - Beginning	50,929	188,522	568,730
Prior Period Adjustments	-	(288)	3,689
Fund Balances - Beginning - As Restated	50,929	188,234	572,419
Change in Inventories	-	(17)	(21)
Fund Balances - Ending	\$ 49,176	\$ 216,639	\$ 721,683

State of Oregon

Special Revenue Funds

Consumer Protection	Employment Services	Environmental Management	Nutritional Support	Residential Assistance	Other Special Revenue
\$ 151,011	\$ -	\$ -	\$ -	\$ -	\$ -
-	71,786	-	-	-	-
-	95,077	-	-	-	-
98,973	-	29,049	-	59,735	-
162,663	3,332	205,625	-	93	-
63,966	233,656	220,548	2,387,474	255,212	5,420
4	80	388	12,285	85	-
3,627	33,145	63,623	923	7,767	8,353
2,188	18,847	689,403	-	26	-
-	275	6,301	-	-	107
8,293	5,902	43,065	38	15,800	535
16	374	116,139	-	-	459
-	59,940	-	-	1,229	-
-	-	7,297	-	285	304
-	-	-	-	-	-
592	885	14,310	33	74	511
491,334	523,298	1,395,749	2,400,755	340,306	15,689
6,826	76,344	-	25,577	-	3,089
11,204	-	-	2,190,656	-	-
-	-	131,002	-	-	-
-	209,824	-	-	374,293	5,241
3,972	-	593,259	-	1	-
14	-	-	-	-	-
283,497	121,542	-	-	4,143	-
7,320	1,288	-	-	164	8,332
-	-	-	-	-	1,170
-	-	-	-	-	-
14,736	54,638	104,592	184,262	74,180	1,053
7,376	49,375	24,411	-	1,238	2,385
4,158	8,631	3,727	-	157	180
394	772	647	-	7	103
-	-	305	-	717	-
339,499	522,415	857,944	2,400,495	454,900	21,552
151,835	883	537,806	260	(114,594)	(5,864)
19,330	1,961	241,368	-	343,275	148
(159,835)	(28,667)	(40,598)	(1,267)	(5,491)	(3,229)
-	-	729	-	-	-
6,873	42,357	34,510	-	27,798	2,361
-	-	3,572	-	-	-
(133,632)	15,651	239,581	(1,267)	365,582	(720)
18,203	16,534	777,387	(1,007)	250,988	(6,584)
260,504	441,610	1,386,334	4,494	859,412	28,445
(23)	(13,357)	10,000	-	(25)	-
260,481	428,252	1,396,334	4,494	859,387	28,445
8	378	194	(14)	(3)	15
\$ 278,691	\$ 445,164	\$ 2,173,915	\$ 3,472	\$ 1,110,373	\$ 21,877

(continued on next page)

State of Oregon

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023
(In Thousands)
(continued from previous page)**

	Debt Service Funds		
	Revenue Bond	Certificates of Participation	General Obligation Bond
REVENUES			
Healthcare Provider Taxes	\$ -	\$ -	\$ -
Employer-Employee Taxes	-	-	-
Workers' Compensation Insurance Taxes	-	-	-
Other Taxes	-	-	-
Licenses and Fees	-	-	-
Federal	9,663	-	-
Rebates and Recoveries	-	-	-
Charges for Services	-	-	-
Fines, Forfeitures, and Penalties	-	-	-
Rents and Royalties	-	-	-
Investment Income	6,034	6	5,222
Sales	-	-	-
Assessments	-	-	-
Donations and Grants	-	-	-
Contributions to Permanent Funds	-	-	-
Other	-	-	53,511
Total Revenues	15,696	6	58,733
EXPENDITURES			
Current:			
Education	-	-	-
Human Resources	-	-	-
Public Safety	-	-	-
Economic and Community Development	-	-	-
Natural Resources	-	-	-
Transportation	-	-	-
Consumer and Business Services	-	-	-
Administration	-	-	-
Legislative	-	-	-
Judicial	-	-	-
Intergovernmental	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	187,230	50	175,885
Interest	135,255	1	65,949
Other Debt Service	81	-	-
Total Expenditures	322,567	51	241,834
Excess (Deficiency) of Revenues Over (Under) Expenditures	(306,870)	(45)	(183,102)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	343,232	51	205,317
Transfers to Other Funds	(1)	-	(274)
Insurance Recoveries	-	-	-
Long-term Debt Issued	18,595	-	-
Debt Issuance Premium	-	-	-
Total Other Financing Sources (Uses)	361,826	51	205,042
Net Change in Fund Balances	54,956	6	21,941
Fund Balances - Beginning	271,894	3	82,845
Prior Period Adjustments	-	-	-
Fund Balances - Beginning - As Restated	271,894	3	82,845
Change in Inventories	-	-	-
Fund Balances - Ending	\$ 326,850	\$ 9	\$ 104,786

State of Oregon

Capital Projects	Permanent	Total
\$ -	\$ -	\$ 151,011
-	-	71,786
-	-	95,077
-	-	187,757
-	-	414,407
21,533	-	3,669,355
4	-	19,022
-	-	155,874
-	-	849,587
-	-	8,442
19,132	69	128,550
-	-	121,544
-	-	61,169
160	-	33,666
-	6	6
1	-	73,116
<u>40,831</u>	<u>75</u>	<u>6,040,371</u>
-	-	111,836
-	-	2,204,047
-	-	478,171
-	-	685,110
-	-	636,997
-	-	10,794
-	3	409,185
-	-	36,223
-	-	1,170
-	-	80,478
-	-	795,665
161,350	-	255,612
-	-	385,947
-	-	204,665
-	-	2,240
<u>161,350</u>	<u>4</u>	<u>6,298,142</u>
<u>(120,519)</u>	<u>71</u>	<u>(257,771)</u>
50,069	-	1,480,511
(131,990)	-	(481,192)
-	-	813
370,952	-	704,644
<u>27,831</u>	<u>-</u>	<u>57,788</u>
<u>316,861</u>	<u>-</u>	<u>1,762,563</u>
<u>196,342</u>	<u>71</u>	<u>1,504,792</u>
613,934	10,839	4,768,494
(50)	-	(55)
<u>613,884</u>	<u>10,839</u>	<u>4,768,439</u>
-	-	540
<u>\$ 810,226</u>	<u>\$ 10,910</u>	<u>\$ 6,273,771</u>

Nonmajor Enterprise Funds

Enterprise Funds account for goods and services provided to the general public on a continuous basis, either when all or most of the cost involved in operating the enterprise is intended to be financed from user charges, or when periodic measurement of the results of operations is appropriate for management control or accountability.

Energy Loan Fund

This fund accounts for activities to provide low-interest loans for renewable energy resource and energy conservation projects. Funding is from the issuance of bonds that are repaid from the interest and principal payments on loans.

Business Development Fund

This fund accounts for resources used to finance land, buildings, machinery, and permanent working capital for eligible activities including those determined to diversify an economic base.

Special Public Works Fund

This fund accounts for loans and grants to local governments for construction of infrastructure required to support needed public services. The Special Public Works Fund is financed through lottery resources, the sale of revenue bonds, loan repayments, and interest earnings.

State Hospitals Fund

This fund accounts for the operations of State hospitals and State operated residential group homes that provide treatment services for specific citizens as well as training and care for developmentally disabled persons. Clinical programs include the adult psychiatric program, the child and adolescent treatment program, the forensic and correctional treatment program, and the geropsychiatric treatment and medical service program.

Liquor Control Fund

This fund accounts for the operation of the Oregon Liquor and Cannabis Commission that regulates the sale and use of alcoholic beverages and promotes responsible alcohol use.

Standard Retiree Health Insurance Fund

This fund accounts for the accumulation of retiree insurance premiums, reinsurance reimbursements, and interest earnings less insurance claims and administrative expenses.

Veterans' Home Fund

This fund accounts for activities of the Oregon Veterans' Home, which provides skilled nursing and Alzheimer's disease care to some of Oregon's most vulnerable veterans.

Water/Wastewater Financing Fund

This fund accounts for loans and grants to municipalities to improve compliance with federal and State of Oregon water quality standards. The Water/Wastewater Financing Fund is financed through lottery resources, the sale of revenue bonds, loan repayments, and interest earnings.

Safe Drinking Water

This fund accounts for activities of the Safe Drinking Water financing program, which provides low-cost financing for construction and/or improvements of public and private water systems.

Paid Family and Medical Leave Insurance Fund

This fund, established within the Oregon Employment Department in fiscal year 2020, accounts for the family and medical leave insurance program that provides compensated time off from work to care for and bond with a child during the first year after the child's birth or arrival through adoption or foster care, provide care for a family member who has a serious health condition, or to recover from one's own serious health condition. The Paid Family and Medical Leave Insurance Fund is financed through payroll taxes and started collecting assessments in January of 2023.

Other Enterprise Funds

This fund is used to account for the sale of goods and services to other than governmental entities through activities not specifically accounted for in another enterprise fund. The fund includes programs within the following state agencies: the Oregon Department of Human Services, Oregon Business Development Department, the Department of Administrative Services, the Department of Corrections, the Department of Environmental Quality, the Department of Forestry, the Judicial Department, the Legislative Administration Committee, the Oregon State Treasury, Oregon Corrections Enterprises, the Oregon Facilities Authority, the Oregon Health Authority, and the Water Resources Department.

State of Oregon

**Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2023
(In Thousands)**

	Energy Loan	Business Development	Special Public Works	State Hospitals
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,985	\$ 31,553	\$ 218,063	\$ 7
Cash and Cash Equivalents - Restricted	3,090	-	-	-
Investments	-	-	11,653	-
Securities Lending Collateral	3	13	90	-
Accounts and Interest Receivable (net)	300	-	4,936	41,624
Due from Other Funds	-	9	433	29,306
Due from Component Units	6,917	-	-	-
Inventories	-	-	-	1,523
Prepaid Items	-	-	-	-
Loans Receivable (net)	2,889	3,305	22,739	-
Total Current Assets	15,185	34,880	257,913	72,461
Noncurrent Assets:				
Cash and Cash Equivalents - Restricted	2,273	-	1,157	-
Advances to Component Units	58,823	-	-	-
Net Contracts, Notes, and Other Receivables	-	-	-	-
Loans Receivable (net)	13,413	14,823	148,205	-
Net OPEB Asset	1	16	45	5,242
Capital Assets (net)	-	-	-	367,979
Total Noncurrent Assets	74,509	14,838	149,406	373,222
Total Assets	89,694	49,719	407,319	445,682
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Refunding	1,212	-	-	-
Related to Pensions	17	322	577	131,232
Related to OPEB	-	2	6	895
Total Deferred Outflows of Resources	1,229	324	583	132,127
LIABILITIES				
Current Liabilities:				
Accounts and Interest Payable	777	106	1,422	17,741
Obligations Under Securities Lending	3	13	90	-
Due to Other Funds	41	269	4,435	71,834
Due to Component Units	-	-	-	130
Due to Other Governments	-	1	1	-
Unearned Revenue	101	-	-	52
Other Liabilities	28	42	113	14,987
Bonds/COPs Payable	11,425	-	3,100	-
Total Current Liabilities	12,375	431	9,162	104,744
Noncurrent Liabilities:				
Other Liabilities	2,318	39	114	18,608
Bonds/COPs Payable	76,071	-	57,580	-
Net Pension Liability	52	793	1,189	286,640
Total OPEB Liability	2	12	20	5,621
Total Noncurrent Liabilities	78,443	844	58,903	310,868
Total Liabilities	90,819	1,275	68,065	415,612
DEFERRED INFLOWS OF RESOURCES				
Gain on Refunding	177	-	-	-
Related to Pensions	16	237	356	85,878
Related to OPEB	2	13	26	5,284
Total Deferred Inflows of Resources	194	251	382	91,162
NET POSITION				
Net Investment in Capital Assets	-	-	-	361,593
Restricted for:				
OPEB	1	16	45	5,242
Unrestricted	(90)	48,501	339,410	(295,799)
Total Net Position	\$ (89)	\$ 48,517	\$ 339,455	\$ 71,036

State of Oregon

Liquor Control	Standard Retiree Health Insurance	Veterans' Home	Water/Wastewater Financing	Safe Drinking Water	Paid Family and Medical Leave Insurance	Other	Total
\$ 67,573	\$ 94,346	\$ 23,889	\$ 38,115	\$ 112,827	\$ 201,374	\$ 193,717	\$ 983,448
-	-	198	-	-	-	-	3,288
-	-	-	-	-	-	-	11,653
45	38	10	16	47	83	75	420
584	-	7,770	918	3,030	200,338	7,042	266,543
-	-	-	4,428	31	24	773	35,003
-	-	-	-	-	-	-	6,917
49,546	-	-	-	-	-	9,640	60,709
-	-	-	-	-	-	666	666
-	-	-	5,788	9,381	-	1,520	45,622
117,748	94,384	31,867	49,264	125,315	401,819	213,433	1,414,269
40,811	-	-	-	-	-	-	44,241
-	-	-	-	-	-	-	58,823
-	-	85	-	-	4,174	-	4,259
-	-	-	47,166	204,725	-	8,916	437,246
564	18	14	18	7	148	394	6,467
70,369	-	52,118	-	-	12,239	20,949	523,654
111,744	18	52,218	47,184	204,732	16,561	30,258	1,074,690
229,492	94,402	84,085	96,448	330,047	418,380	243,692	2,488,960
-	-	-	-	-	-	-	1,212
10,061	270	120	265	71	3,185	6,850	152,970
84	3	2	3	1	28	59	1,083
10,145	273	122	267	72	3,213	6,909	155,265
41,084	1,311	5,231	174	14	17,075	6,267	91,203
45	38	10	16	47	83	75	420
37,916	138	174	417	-	4,312	140	119,678
-	-	-	-	-	-	1	131
-	-	-	1	-	-	-	3
680	-	406	-	-	-	-	1,238
5,029	908	7	56	4	454	24,443	46,071
2,230	-	-	-	-	-	-	16,755
86,983	2,395	5,828	664	65	21,926	30,926	275,498
8,360	26	13	52	18	256	1,961	31,764
82,016	-	-	-	-	-	-	215,667
21,814	545	255	540	160	5,459	14,233	331,680
459	8	7	9	5	45	301	6,490
112,650	579	275	600	183	5,760	16,495	585,601
199,633	2,974	6,103	1,264	248	27,685	47,421	861,100
-	-	-	-	-	-	-	177
6,536	163	76	162	48	1,636	4,264	99,372
462	11	8	11	5	77	316	6,215
6,997	174	85	173	53	1,713	4,581	105,764
52,392	-	52,118	-	-	12,239	19,917	498,258
564	18	14	18	7	148	394	6,467
(19,949)	91,509	25,886	95,260	329,811	379,808	178,288	1,172,635
\$ 33,006	\$ 91,527	\$ 78,018	\$ 95,279	\$ 329,817	\$ 392,195	\$ 198,600	\$ 1,677,360

State of Oregon

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023
(In Thousands)**

	Energy Loan	Business Development	Special Public Works	State Hospitals
OPERATING REVENUES:				
Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Fees	-	-	-	27
Federal	-	-	-	-
Rebates and Recoveries	-	-	-	284
Charges for Services	-	48	-	93,046
Fines, Forfeitures, and Penalties	8	-	-	-
Rents and Royalties	-	-	-	113
Sales	-	-	-	1,198
Loan Interest Income	3,776	840	5,933	-
Other	49	7	54	524
Total Operating Revenues	3,833	895	5,987	95,194
OPERATING EXPENSES:				
Salaries and Wages	130	889	1,795	463,178
Services and Supplies	36	231	383	145,737
Cost of Goods Sold	-	-	-	-
Distributions to Other Governments	-	-	646	-
Special Payments	-	14	-	212
Interest Expense on Right to Use Asset Arrangements	-	-	-	230
Bond and COP Interest	2,512	-	2,097	-
Depreciation and Amortization	-	-	-	13,410
Total Operating Expenses	2,677	1,135	4,921	622,766
Operating Income (Loss)	1,156	(240)	1,066	(527,573)
NONOPERATING REVENUES (EXPENSES):				
Investment Income (Loss)	167	895	6,349	-
Other Grants	-	-	-	190,252
Other Taxes	-	-	-	-
Gain (Loss) on Disposition of Assets	-	-	-	(24)
Insurance Recovery	-	-	-	15
Other Interest Expense	(3)	(2)	(5)	(727)
Other Nonoperating Items	-	(3)	(17)	-
Total Nonoperating Revenues (Expenses)	163	890	6,327	189,516
Income (Loss) Before Contributions, Special Items, Extraordinary Items, and Transfers	1,319	650	7,393	(338,057)
Capital Contributions	-	-	-	3,500
Transfers from Other Funds	1,000	-	982	286,942
Transfers to Other Funds	(70)	(240)	(3,019)	(13,790)
Change in Net Position	2,249	410	5,356	(61,404)
Net Position - Beginning	(2,338)	48,107	333,466	132,361
Prior Period Adjustments	-	-	633	-
Cumulative Effect of Change in Accounting Principles	-	-	-	79
Net Position - Beginning - As Restated	(2,338)	48,107	334,099	132,440
Net Position - Ending	\$ (89)	\$ 48,517	\$ 339,455	\$ 71,036

State of Oregon

Liquor Control	Standard Retiree Health Insurance	Veterans' Home	Water/Wastewater Financing	Safe Drinking Water	Paid Family and Medical Leave Insurance	Other	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,395	\$ -	\$ 430,395
10,542	-	-	-	-	-	2,045	12,614
-	-	27,708	-	-	-	-	27,708
-	-	-	-	-	-	-	284
-	28,412	17,606	-	80	-	69,308	208,500
276	-	-	-	-	990	8	1,281
-	-	-	-	-	-	-	114
854,226	-	-	-	-	-	30,440	885,864
-	-	-	1,573	3,309	-	328	15,758
1,392	-	12	12	3	28	3,241	5,322
866,436	28,412	45,326	1,585	3,391	431,413	105,370	1,587,841
28,905	936	324	832	174	16,600	6,296	520,059
103,320	4,223	48,040	147	16	6,493	19,340	327,967
427,250	-	-	-	-	-	33,052	460,302
88,198	-	-	1,530	217	-	333	90,923
284	28,146	-	-	4,367	-	3,066	36,089
213	-	-	-	-	-	36	478
2,837	-	-	-	-	-	-	7,446
4,159	-	2,299	-	-	584	2,368	22,818
655,166	33,305	50,663	2,509	4,773	23,676	64,492	1,466,083
211,270	(4,893)	(5,337)	(924)	(1,382)	407,736	40,878	121,759
907	2,983	770	1,095	3,549	1,617	5,725	24,057
-	-	-	-	-	-	-	190,252
15,734	-	-	-	-	-	-	15,734
2	-	-	-	-	-	-	(21)
-	-	-	-	-	-	-	15
(64)	(1)	(1)	(2)	(2)	-	(69)	(876)
(2)	(8)	(2)	(3)	(10)	(4)	(15)	(65)
16,577	2,974	767	1,090	3,538	1,613	5,640	229,096
227,847	(1,919)	(4,570)	167	2,157	409,349	46,518	350,854
-	-	24	-	-	-	-	3,524
5,877	-	27	-	2,758	-	886	298,471
(234,047)	(31)	(13)	(1,737)	(55)	(469)	(1,669)	(255,139)
(323)	(1,951)	(4,531)	(1,570)	4,860	408,880	45,736	397,710
33,330	93,478	82,550	96,790	324,958	(16,685)	153,372	1,279,388
-	-	-	59	-	-	(509)	183
-	-	-	-	-	-	-	79
33,330	93,478	82,550	96,849	324,958	(16,685)	152,864	1,279,650
\$ 33,006	\$ 91,527	\$ 78,018	\$ 95,279	\$ 329,817	\$ 392,195	\$ 198,600	\$ 1,677,360

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023
(In Thousands)

	Energy Loan	Business Development	Special Public Works	State Hospitals
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 8	\$ 48	\$ -	\$ 7,210
Receipts from Other Funds for Services	-	-	-	92,719
Payments to Employees for Services	(112)	(730)	(1,524)	(432,705)
Payments to Suppliers	(6)	(74)	(153)	(82,846)
Payments to Other Funds for Services	(18)	(161)	(387)	(52,217)
Claims Paid	-	-	-	-
Distributions to Other Governments	-	-	(1,111)	-
Other Receipts (Payments)	66	(7)	(27)	563
Net Cash Provided (Used) in Operating Activities	(61)	(924)	(3,201)	(467,275)
Cash Flows from Noncapital Financing Activities:				
Advances Received	-	-	-	50,304
Principal Payments on Bonds/COPs	(10,625)	-	(2,970)	-
Principal Payments on Loans	(12)	(6)	(20)	(2,865)
Repayments on Advances Received	-	-	-	-
Interest Payments on Bonds/COPs	(3,173)	-	(2,451)	-
Interest Payments on Loans	(3)	(2)	(5)	(727)
Bond/COP Issuance Costs	(17)	-	(93)	-
Taxes and Assessments Received	-	-	-	-
Grant Receipts	-	-	-	150,000
Insurance Recoveries for Other than Capital Assets	-	-	-	15
Transfers from Other Funds	1,000	-	982	286,893
Transfers to Other Funds	(34)	(240)	(3,019)	(13,741)
Net Cash Provided (Used) in Noncapital Financing Activities	(12,863)	(248)	(7,576)	469,880
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Bond/COP Sales	-	-	-	-
Principal Payments on Leases	-	-	-	(168)
Principal Payments on SBITAs	-	-	-	(1,675)
Principal Payments on Bonds/COPs	-	-	-	-
Interest Payments on Leases	-	-	-	(9)
Interest Payments on SBITAs	-	-	-	(221)
Interest Payments on Bonds/COPs	-	-	-	-
Bond/COP Issuance Costs	-	-	-	-
Acquisition of Capital Assets	-	-	-	(1,665)
Proceeds from Disposition of Capital Assets	-	-	-	-
Contributions Restricted for Capital Purposes	-	-	-	-
Net Cash Provided (Used) in Capital and Related Financing	-	-	-	(3,737)
Cash Flows from Investing Activities:				
Interest on Investments and Cash Balances	166	1,160	6,286	-
Interest Income from Securities Lending	1	4	22	-
Interest Expense from Securities Lending	-	(3)	(17)	-
Loan Principal Repayments	9,781	3,638	28,550	-
Loan Interest Received	3,782	840	5,678	-
Loans Made	-	(5,243)	(15,733)	-
Net Cash Provided (Used) in Investing Activities	13,729	395	24,786	-
Net Increase (Decrease) in Cash and Cash Equivalents	805	(777)	14,008	(1,132)
Cash and Cash Equivalents - Beginning	6,544	32,330	205,270	1,140
Prior Period Adjustments Restating Beginning Cash Balances	-	-	(59)	-
Cash and Cash Equivalents - Ending	\$ 7,348	\$ 31,553	\$ 219,220	\$ 7

State of Oregon

Liquor Control	Standard Retiree Health Insurance	Veterans' Home	Water/Wastewater Financing	Safe Drinking Water	Paid Family and Medical Leave Insurance	Other	Total
\$ 864,945	\$ 28,412	\$ 46,332	\$ -	\$ -	\$ 241,057	\$ 58,849	\$ 1,246,861
-	-	-	-	-	-	1,176	93,895
(30,042)	(867)	(402)	(770)	(275)	(223)	(25,946)	(493,595)
(536,416)	(4,155)	(46,566)	(17)	(4)	(482)	(35,072)	(705,792)
(275)	(24)	(1,246)	(109)	(13)	(171)	(1,271)	(55,892)
-	(28,118)	-	-	-	-	-	(28,118)
(89,783)	-	-	(1,508)	(211)	-	(1,580)	(94,193)
1,312	175	219	12	(68)	-	39,905	42,149
209,740	(4,578)	(1,664)	(2,392)	(572)	240,182	36,061	5,315
-	-	-	-	-	-	-	50,304
-	-	-	-	-	-	-	(13,595)
(254)	(3)	(4)	(8)	(6)	-	(273)	(3,451)
-	-	-	-	-	(40,304)	-	(40,304)
-	-	-	-	-	-	-	(5,624)
(64)	(1)	(1)	(2)	(2)	-	(69)	(876)
-	-	-	-	-	-	-	(110)
15,738	-	-	-	-	-	-	15,738
-	-	-	-	-	-	-	150,000
-	-	-	-	-	-	-	15
5,877	-	27	-	2,828	-	144	297,751
(238,469)	(31)	(13)	(1,737)	(55)	(469)	(1,622)	(259,430)
(217,173)	(35)	10	(1,747)	2,766	(40,773)	(1,822)	190,418
25,282	-	-	-	-	-	-	25,282
(575)	-	-	-	-	-	(595)	(1,338)
(1,560)	-	-	-	-	-	-	(3,235)
(1,700)	-	-	-	-	-	-	(1,700)
(83)	-	-	-	-	-	(12)	(103)
(130)	-	-	-	-	-	-	(351)
(2,600)	-	-	-	-	-	-	(2,600)
(335)	-	-	-	-	-	-	(335)
(38,606)	-	(609)	-	-	-	(2,797)	(43,676)
2	-	-	-	-	353	-	355
-	-	14	-	-	-	-	14
(20,304)	-	(594)	-	-	353	(3,404)	(27,686)
904	2,972	767	1,091	3,537	1,612	5,704	24,199
3	11	3	4	13	6	20	85
(2)	(8)	(2)	(3)	(10)	(4)	(15)	(65)
-	-	-	4,461	8,766	-	1,660	56,856
-	-	-	1,645	2,888	-	292	15,124
-	-	-	(2,080)	(32,309)	-	(1,182)	(56,546)
904	2,975	768	5,118	(17,115)	1,613	6,479	39,653
(26,832)	(1,639)	(1,480)	979	(14,920)	201,374	37,314	207,699
135,215	95,984	25,568	37,077	127,747	-	156,403	823,278
-	-	-	59	-	-	-	-
\$ 108,384	\$ 94,346	\$ 24,087	\$ 38,115	\$ 112,827	\$ 201,374	\$ 193,717	\$ 1,030,977

(continued on next page)

State of Oregon

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023
(In Thousands)
(continued from previous page)

	Energy Loan	Business Development	Special Public Works	State Hospitals
Reconciliation of Operating Income (Loss) to Net Cash Provided				
Operating Income (Loss)	\$ 1,156	\$ (240)	\$ 1,066	\$ (527,573)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	-	-	-	13,410
Amortization of Bond/COP Premium and Discount	(873)	-	(354)	-
Amortization of Other Bond/COP Related Costs	-	-	-	-
Interest Receipts Reported as Operating Revenue	(3,782)	(840)	(5,678)	-
Interest Payments Reported as Operating Expense	3,173	-	2,451	230
Bond/COP Issuance Costs Reported as Operating Expense	17	-	93	-
Net Changes in Assets and Liabilities:				
Accounts and Interest Receivable (net)	48	4	(684)	7,910
Due from Other Funds	-	(9)	(16)	(3,890)
Inventories	-	-	-	741
Prepaid Items	-	-	-	20
Net Contracts, Notes and Other Receivables	-	-	-	-
Loans Receivable	(49)	-	(479)	-
Net OPEB Asset	-	(2)	(2)	(653)
Accounts and Interest Payable	(124)	93	319	12,490
Due to Other Funds	-	-	96	1,054
Due to Component Units	-	-	-	42
Due to Other Governments	-	(3)	1	-
Unearned Revenue	(42)	-	-	-
Other Liabilities	66	(22)	(27)	(227)
Net Pension Liability	22	260	366	100,453
Total OPEB Liability	-	(3)	(3)	(764)
Net Changes in Deferred Outflows of Resources:				
Loss on Refunding	353	-	-	-
Related to Pensions	3	18	(57)	(11,172)
Related to OPEB	-	1	-	31
Net Changes in Deferred Inflows of Resources:				
Gain on Refunding	(23)	-	-	-
Related to Pensions	(8)	(178)	(287)	(59,484)
Related to OPEB	-	(1)	(6)	108
Total Adjustments	(1,217)	(684)	(4,267)	60,298
Net Cash Provided (Used) by Operating Activities	<u>\$ (61)</u>	<u>\$ (924)</u>	<u>\$ (3,201)</u>	<u>\$ (467,275)</u>
Noncash Investing and Capital and Related Financing Activities:				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 41	\$ -
Leases Initiated as Lessee	-	-	-	94
SBITAs Initiated	-	-	-	8,094
Capital Assets Transferred from Governmental Activities	-	-	-	3,500
Capital Assets Transferred to Governmental Activities	-	-	-	-

State of Oregon

Liquor Control	Standard Retiree Health Insurance	Veterans' Home	Water/Wastewater Financing	Safe Drinking Water	Paid Family and Medical Leave Insurance	Other	Total
\$ 211,270	\$ (4,893)	\$ (5,337)	\$ (924)	\$ (1,382)	\$ 407,736	\$ 40,878	\$ 121,759
4,159	-	2,299	-	-	584	2,368	22,818
-	-	-	-	-	-	-	(1,227)
(615)	-	-	-	-	-	-	(615)
-	-	-	(1,645)	(2,888)	-	(292)	(15,124)
2,812	-	-	-	-	-	36	8,702
335	-	-	-	-	-	-	445
(187)	-	(947)	72	(421)	(200,338)	(1,040)	(195,583)
-	-	-	(8)	-	19,188	-	15,266
(2,306)	-	-	-	-	-	(608)	(2,172)
-	-	-	-	-	286	(395)	(89)
-	-	(64)	-	-	(4,174)	-	(4,238)
-	-	-	(2)	4,216	-	-	3,685
16	(6)	-	(1)	5	(92)	339	(396)
(4,906)	157	2,857	106	12	14,561	1,171	26,738
-	19	26	-	-	-	(736)	458
-	-	-	-	-	-	1	43
-	-	-	1	-	-	-	(1)
70	-	(311)	-	-	-	-	(283)
(133)	21	(112)	-	(28)	404	(2,110)	(2,167)
5,549	259	18	169	(20)	3,543	1,685	112,305
(64)	(3)	-	(1)	-	(60)	(33)	(932)
-	-	-	-	-	-	-	353
(37)	(71)	17	(30)	28	(1,589)	509	(12,380)
5	(1)	-	-	-	(12)	27	52
-	-	-	-	-	-	-	(23)
(6,163)	(60)	(108)	(127)	(92)	140	(5,533)	(71,901)
(66)	-	(2)	(3)	(3)	6	(208)	(175)
(1,529)	315	3,673	(1,469)	810	(167,554)	(4,818)	(116,444)
\$ 209,740	\$ (4,578)	\$ (1,664)	\$ (2,392)	\$ (572)	\$ 240,182	\$ 36,061	\$ 5,315

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41
311	-	-	-	-	-	1	406
6,485	-	-	-	-	-	-	14,579
-	-	-	-	-	-	-	3,500
-	-	-	-	-	-	35	35

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Internal Service Funds

Internal Service Funds account for goods and services provided by state agencies or departments to other state agencies or departments and to other governmental units on a cost-reimbursement basis.

Central Services Fund

This fund accounts for activities to provide various services to state agencies. These services include accounting, budgeting, personnel, mail and shuttle, purchasing, printing, copy center, data center, property development, telecommunications, motor pool, and an insurance fund.

Legal Services Fund

This fund accounts for activities of the Department of Justice Attorney General's office to represent and advise the State's elected and appointed officials, agencies, boards, and commissions.

Banking Services Fund

This fund accounts for activities of the Oregon State Treasury to provide banking, investment, and debt management services to state agencies.

Audit Services Fund

This fund accounts for activities of the Secretary of State, Audits Division, to provide independent auditing services to state agencies.

Forestry Services Fund

This fund accounts for activities of the Department of Forestry to operate an equipment and maintenance pool that provides transportation, heavy equipment, and aircraft support for operating programs and other state agencies.

Health Services Fund

This fund accounts, primarily, for the activities of the Public Employees' Benefit Board, through the Oregon Health Authority, to provide health care benefits and related services for the employees of state agencies.

Other Internal Service Funds

This fund accounts for the sale of goods and services to other governmental units through activities not specifically accounted for in another internal service fund.

**Combining Statement of Net Position
Internal Service Funds
June 30, 2023
(In Thousands)**

	Central Services	Legal Services	Banking Services
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ 9,930	\$ 47,732
Cash and Cash Equivalents - Restricted	11,963	-	-
Investments - Restricted	30,847	-	-
Securities Lending Collateral	39	4	20
Accounts and Interest Receivable (net)	197,538	17,582	952
Due from Other Funds	158	3,226	-
Inventories	1,028	32	-
Prepaid Items	12,220	-	-
Foreclosed and Deeded Property	555	-	-
Total Current Assets	<u>254,347</u>	<u>30,775</u>	<u>48,704</u>
Noncurrent Assets:			
Cash and Cash Equivalents - Restricted	84,337	-	-
Net Contracts, Notes, and Other Receivables	27	1	-
Net OPEB Asset	3,722	2,586	452
Capital Assets (net)	446,831	26,782	68,259
Total Noncurrent Assets	<u>534,918</u>	<u>29,369</u>	<u>68,712</u>
Total Assets	<u>789,265</u>	<u>60,144</u>	<u>117,416</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	32	-	-
Related to Pensions	42,288	39,081	9,747
Related to OPEB	473	357	70
Total Deferred Outflows of Resources	<u>42,792</u>	<u>39,438</u>	<u>9,817</u>
LIABILITIES			
Current Liabilities:			
Accounts and Interest Payable	49,745	1,568	2,851
Obligations Under Securities Lending	39	4	20
Due to Other Funds	18,637	1	742
Due to Component Units	-	-	-
Other Liabilities	87,792	12,185	3,255
Bonds/COPs Payable	10,458	-	-
Total Current Liabilities	<u>166,671</u>	<u>13,757</u>	<u>6,867</u>
Noncurrent Liabilities:			
Other Liabilities	351,102	27,725	56,029
Bonds/COPs Payable	192,199	-	-
Net Pension Liability	90,688	83,302	20,853
Total OPEB Liability	1,619	1,214	286
Total Noncurrent Liabilities	<u>635,608</u>	<u>112,241</u>	<u>77,168</u>
Total Liabilities	<u>802,279</u>	<u>125,998</u>	<u>84,035</u>
DEFERRED INFLOWS OF RESOURCES			
Gain on Refunding	20	-	-
Related to Pensions	27,170	24,957	6,248
Related to OPEB	2,108	1,576	335
Total Deferred Inflows of Resources	<u>29,298</u>	<u>26,534</u>	<u>6,582</u>
NET POSITION			
Net Investment in Capital Assets	329,805	1,286	11,805
Restricted for:			
Debt Service	89	-	-
Capital Projects	77,013	-	-
OPEB	3,722	2,586	452
Unrestricted	(410,149)	(56,821)	24,358
Total Net Position	<u>\$ 480</u>	<u>\$ (52,949)</u>	<u>\$ 36,615</u>

State of Oregon

Audit Services	Forestry Services	Health Services	Other	Total
\$ 2,058	\$ 4,924	\$ 500,006	\$ 4,086	\$ 568,738
-	-	-	-	11,963
-	-	-	-	30,847
1	2	203	2	271
1,709	104	18,794	134	236,814
-	-	3,852	3	7,239
-	240	10	14	1,324
48	-	358	-	12,626
-	-	-	-	555
<u>3,816</u>	<u>5,270</u>	<u>523,224</u>	<u>4,240</u>	<u>870,377</u>
-	-	-	-	84,337
-	-	-	-	29
239	70	3,781	39	10,889
<u>289</u>	<u>9,411</u>	<u>11,861</u>	<u>1,609</u>	<u>565,043</u>
<u>528</u>	<u>9,481</u>	<u>15,642</u>	<u>1,648</u>	<u>660,298</u>
<u>4,344</u>	<u>14,751</u>	<u>538,866</u>	<u>5,888</u>	<u>1,530,675</u>
-	-	-	-	32
3,801	941	57,592	750	154,198
<u>34</u>	<u>9</u>	<u>533</u>	<u>5</u>	<u>1,482</u>
<u>3,835</u>	<u>950</u>	<u>58,125</u>	<u>755</u>	<u>155,712</u>
107	249	19,915	133	74,568
1	2	203	2	271
-	-	18,824	24	38,228
-	-	1	-	1
619	174	7,893	109	112,028
-	-	-	-	10,458
<u>727</u>	<u>426</u>	<u>46,836</u>	<u>268</u>	<u>235,553</u>
583	173	86,412	61	522,086
-	-	-	-	192,199
8,116	1,999	122,531	1,546	329,035
<u>120</u>	<u>41</u>	<u>2,732</u>	<u>20</u>	<u>6,032</u>
<u>8,820</u>	<u>2,213</u>	<u>211,675</u>	<u>1,627</u>	<u>1,049,352</u>
<u>9,547</u>	<u>2,639</u>	<u>258,511</u>	<u>1,896</u>	<u>1,284,906</u>
-	-	-	-	20
2,432	599	36,711	463	98,580
<u>151</u>	<u>46</u>	<u>2,817</u>	<u>24</u>	<u>7,057</u>
<u>2,583</u>	<u>645</u>	<u>39,528</u>	<u>487</u>	<u>105,657</u>
289	9,409	4,771	1,607	358,973
-	-	-	-	89
-	-	-	-	77,013
239	70	3,781	39	10,889
<u>(4,480)</u>	<u>2,939</u>	<u>290,400</u>	<u>2,613</u>	<u>(151,140)</u>
<u>\$ (3,952)</u>	<u>\$ 12,417</u>	<u>\$ 298,952</u>	<u>\$ 4,260</u>	<u>\$ 295,824</u>

State of Oregon

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2023
(In Thousands)

	Central Services	Legal Services	Banking Services
OPERATING REVENUES:			
Rebates and Recoveries	\$ 1,028	\$ 16	\$ 13
Charges for Services	348,900	141,436	52,001
Fines, Forfeitures, and Penalties	-	95	-
Rents and Royalties	49,644	-	-
Sales	1,945	9	-
Other	2,432	23	2
Total Operating Revenues	<u>403,950</u>	<u>141,578</u>	<u>52,017</u>
OPERATING EXPENSES:			
Salaries and Wages	117,558	116,646	31,151
Services and Supplies	257,450	12,979	8,947
Special Payments	65	-	-
Interest Expense on Right to Use Asset Arrangements	615	652	1,289
Bond and COP Interest	4,706	-	-
Depreciation and Amortization	35,842	4,579	4,628
Total Operating Expenses	<u>416,236</u>	<u>134,856</u>	<u>46,016</u>
Operating Income (Loss)	<u>(12,285)</u>	<u>6,723</u>	<u>6,001</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Income (Loss)	8,072	-	-
Gain (Loss) on Disposition of Assets	12,929	-	-
Gain (Loss) on Leased Assets	74	-	-
Insurance Recovery	608	-	-
Other Interest Expense	(1,508)	(233)	(40)
Other Nonoperating Items	(3,267)	-	-
Total Nonoperating Revenues (Expenses)	<u>16,908</u>	<u>(233)</u>	<u>(40)</u>
Income (Loss) Before Contributions, Special Items, Extraordinary Items, and Transfers	4,622	6,490	5,961
Capital Contributions	105	-	-
Transfers from Other Funds	17,513	-	2,940
Transfers to Other Funds	(21,509)	(4,407)	(1,817)
Change in Net Position	<u>732</u>	<u>2,083</u>	<u>7,084</u>
Net Position - Beginning	139	(51,338)	28,977
Prior Period Adjustments	(390)	(3,694)	-
Cumulative Effect of Change in Accounting Principles	-	-	555
Net Position - Beginning - As Restated	<u>(252)</u>	<u>(55,032)</u>	<u>29,532</u>
Net Position - Ending	<u>\$ 480</u>	<u>\$ (52,949)</u>	<u>\$ 36,615</u>

State of Oregon

Audit Services	Forestry Services	Health Services	Other	Total
\$ -	\$ -	\$ 46,792	\$ 238	\$ 48,087
17,712	3,127	1,133,657	4,057	1,700,890
-	1	1	-	97
-	5,358	-	-	55,002
-	4	-	1	1,960
-	1	23,566	158	26,182
<u>17,712</u>	<u>8,491</u>	<u>1,204,016</u>	<u>4,455</u>	<u>1,832,219</u>
11,143	2,397	166,330	1,452	446,678
1,896	4,188	976,096	2,072	1,263,628
-	-	13,986	-	14,051
-	-	102	-	2,658
-	-	-	-	4,706
47	1,846	2,051	363	49,356
<u>13,086</u>	<u>8,432</u>	<u>1,158,565</u>	<u>3,888</u>	<u>1,781,078</u>
<u>4,625</u>	<u>59</u>	<u>45,452</u>	<u>566</u>	<u>51,141</u>
-	-	14,408	-	22,480
-	219	-	(2)	13,146
-	-	(1)	-	73
-	162	-	-	769
(24)	(7)	(6)	-	(1,818)
-	-	(39)	-	(3,306)
<u>(24)</u>	<u>374</u>	<u>14,362</u>	<u>(2)</u>	<u>31,345</u>
4,602	433	59,813	564	82,486
-	909	-	38	1,052
-	257	-	-	20,711
<u>(5,391)</u>	<u>(1,231)</u>	<u>(5,973)</u>	<u>(520)</u>	<u>(40,849)</u>
<u>(790)</u>	<u>368</u>	<u>53,840</u>	<u>83</u>	<u>63,400</u>
<u>(3,162)</u>	<u>12,050</u>	<u>243,629</u>	<u>4,177</u>	<u>234,471</u>
-	-	-	-	(4,085)
-	-	1,483	-	2,038
<u>(3,162)</u>	<u>12,050</u>	<u>245,112</u>	<u>4,177</u>	<u>232,424</u>
<u>\$ (3,952)</u>	<u>\$ 12,417</u>	<u>\$ 298,952</u>	<u>\$ 4,260</u>	<u>\$ 295,824</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023
(In Thousands)

	Central Services	Legal Services	Banking Services
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 37,807	\$ 121	\$ -
Receipts from Other Funds for Services	319,585	140,779	52,370
Payments to Employees for Services	(121,420)	(114,996)	(29,737)
Payments to Suppliers	(199,343)	(8,845)	(7,569)
Payments to Other Funds for Services	(20,454)	(2,706)	(1,243)
Claims Paid	(7,926)	-	-
Other Receipts (Payments)	(95,598)	1,014	2
Net Cash Provided (Used) in Operating Activities	<u>(87,349)</u>	<u>15,367</u>	<u>13,823</u>
Cash Flows from Noncapital Financing Activities:			
Principal Payments on Loans	(1,860)	(918)	(158)
Interest Payments on Loans	(264)	(233)	(40)
Interest Receipts on Advances Made	16	-	-
Transfers from Other Funds	22,705	(4,407)	2,940
Transfers to Other Funds	(26,320)	-	(1,075)
Net Cash Provided (Used) in Noncapital Financing Activities	<u>(5,723)</u>	<u>(5,557)</u>	<u>1,667</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Bond/COP Sales	54,287	-	-
Principal Payments on Leases	(3,840)	(3,342)	(1,359)
Principal Payments on SBITAs	(5,681)	(1,047)	(287)
Principal Payments on Bonds/COPs	(9,192)	-	-
Principal Payments on Loans	(1,271)	-	-
Interest Payments on Leases	(510)	(442)	(1,281)
Interest Payments on SBITAs	(4)	(15)	(8)
Interest Payments on Bonds/COPs	(5,682)	-	-
Interest Payments on Loans	(101)	-	-
Bond/COP Issuance Costs	(204)	-	-
Acquisition of Capital Assets	(117,696)	-	(436)
Proceeds from Disposition of Capital Assets	13,848	-	-
Insurance Recoveries for Capital Assets	601	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	<u>(75,447)</u>	<u>(4,846)</u>	<u>(3,372)</u>
Cash Flows from Investing Activities:			
Proceeds from Sales and Maturities of Investments	68	-	-
Interest on Investments and Cash Balances	7,944	-	-
Interest Income from Securities Lending	28	-	-
Interest Expense from Securities Lending	(21)	-	-
Net Cash Provided (Used) in Investing Activities	<u>8,019</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(160,500)</u>	<u>4,964</u>	<u>12,118</u>
Cash and Cash Equivalents - Beginning	256,800	4,966	35,614
Cash and Cash Equivalents - Ending	<u><u>\$ 96,300</u></u>	<u><u>\$ 9,930</u></u>	<u><u>\$ 47,732</u></u>

State of Oregon

Audit Services	Forestry Services	Health Services	Other	Total
\$ -	\$ -	\$ -	\$ -	\$ 37,927
18,478	8,925	1,470,792	4,378	2,015,306
(11,115)	(2,863)	(203,558)	(1,769)	(485,458)
(1,152)	(2,664)	(418,820)	(1,527)	(639,920)
(660)	(1,086)	(7,508)	(480)	(34,138)
-	-	(822,325)	-	(830,251)
-	-	25,385	31	(69,164)
5,551	2,311	43,966	632	(5,698)
(94)	(28)	(25)	-	(3,083)
(24)	(7)	(6)	-	(574)
-	-	-	-	16
-	257	-	-	21,495
(5,391)	(1,231)	(5,973)	(547)	(40,537)
(5,509)	(1,009)	(6,005)	(547)	(22,683)
-	-	-	-	54,287
-	(2)	(726)	-	(9,269)
-	-	(3,530)	-	(10,545)
-	-	-	-	(9,192)
-	-	-	-	(1,271)
-	-	(102)	-	(2,336)
-	-	-	-	(27)
-	-	-	-	(5,682)
-	-	-	-	(101)
-	-	-	-	(204)
(208)	(2,389)	1,481	(108)	(119,355)
-	219	-	3	14,071
-	162	-	-	763
(208)	(2,010)	(2,876)	(105)	(88,863)
-	-	-	-	68
-	-	14,357	-	22,302
-	-	51	-	79
-	-	(39)	-	(60)
-	-	14,369	-	22,388
(165)	(708)	49,454	(19)	(94,857)
2,223	5,633	450,553	4,106	759,895
\$ 2,058	\$ 4,924	\$ 500,006	\$ 4,086	\$ 665,038

(continued on next page)

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023
(In Thousands)
(continued from previous page)

	Central Services	Legal Services	Banking Services
Reconciliation of Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Operating Income (Loss)	\$ (12,285)	\$ 6,723	\$ 6,001
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Depreciation and Amortization	35,842	4,579	4,628
Amortization of Bond/COP Premium and Discount	(1,442)	-	-
Interest Payments Reported as Operating Expense	6,298	457	1,290
Bond/COP Issuance Costs Reported as Operating Expense	204	-	-
Net Changes in Assets and Liabilities:			
Accounts and Interest Receivable (net)	(91,878)	1,777	181
Due from Other Funds	(19)	(3,618)	-
Inventories	(149)	36	-
Prepaid Items	(2,948)	-	-
Net Contracts, Notes and Other Receivables	(13)	-	-
Net OPEB Asset	(13)	(102)	(31)
Accounts and Interest Payable	13,878	313	1,924
Due to Other Funds	(368)	1,503	-
Due to Component Units	-	-	-
Unearned Revenue	(59,612)	-	-
Other Liabilities	29,458	1,379	(378)
Net Pension Liability	22,894	25,682	6,081
Total OPEB Liability	(237)	(254)	(53)
Net Changes in Deferred Outflows of Resources:			
Loss on Refunding	78	-	-
Related to pensions	(541)	(2,704)	(493)
Related to OPEB	2	-	2
Net Changes in Deferred Inflows of Resources:			
Gain on Refunding	(119)	-	-
Related to Pensions	(25,759)	(20,028)	(5,285)
Related to OPEB	(620)	(376)	(44)
Total Adjustments	(75,063)	8,644	7,822
Net Cash Provided (Used) by Operating Activities	<u>\$ (87,349)</u>	<u>\$ 15,367</u>	<u>\$ 13,823</u>
Noncash Investing and Capital and Related Financing Activities:			
Net Change in Fair Value of Investments	\$ 99	\$ -	\$ -
Leases Initiated as Lessee	2,228	-	-
SBITAs Initiated	596	-	-
Capital Assets Transferred from Governmental Activities	105	-	-
Capital Assets Transferred to Governmental Activities	3,245	-	-

State of Oregon

Audit Services	Forestry Services	Health Services	Other	Total
\$ 4,625	\$ 59	\$ 45,452	\$ 566	\$ 51,141
47	1,846	2,051	363	49,356
-	-	-	-	(1,442)
-	-	102	-	8,146
-	-	-	-	204
766	1,559	(11,477)	(46)	(99,117)
-	-	(2,106)	(3)	(5,747)
-	(10)	28	(7)	(100)
4	-	(357)	39	(3,261)
-	-	-	-	(12)
(17)	36	(219)	18	(327)
(93)	(679)	8,115	28	23,486
-	-	1,812	19	2,965
-	-	1	-	1
-	-	-	-	(59,612)
(26)	17	1,663	(10)	32,105
2,502	213	34,581	223	92,175
(21)	(11)	(588)	(6)	(1,170)
-	-	-	-	78
(256)	103	(2,731)	33	(6,590)
-	3	1	1	9
-	-	-	-	(119)
(1,952)	(796)	(31,955)	(570)	(86,344)
(28)	(30)	(408)	(16)	(1,523)
926	2,251	(1,486)	66	(56,839)
\$ 5,551	\$ 2,311	\$ 43,966	\$ 632	\$ (5,698)

\$ -	\$ -	\$ -	\$ -	\$ 99
-	-	122	-	2,350
-	-	173	-	770
-	909	-	-	1,013
-	-	-	38	3,284

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Fiduciary Funds

Combining Pension and Other Employee Benefit Trust Funds

Pension Trust Funds

Pension trust funds account for the transactions, assets, liabilities, and net position held in trust for public employees by the Public Employees Retirement System (PERS) for the payment of retirement, disability, and death benefits to members of the retirement system.

Public Employees Defined Benefit Pension Plan Fund

This fund accounts for the activities of the defined benefit retirement plan for units of state government, political subdivisions, community colleges, and school districts. Also included in this fund are the activities of the defined benefit portion of the Oregon Public Service Retirement Plan (OPSRP). Public employees hired on or after August 29, 2003, as well as inactive PERS members who return to employment following a six-month or greater break in service, participate in the OPSRP pension program. The plan is administered by the Public Employees Retirement Board under Oregon Revised Statutes, Chapter 238, and Section 401(a) of the Internal Revenue Code.

Individual Account Program Defined Contribution Pension Plan Fund

This fund accounts for the activities of the defined contribution portion of the OPSRP. Beginning January 1, 2004, PERS member contributions, account earnings and losses, as well as administrative costs of the plan, are reflected in this fund. The OPSRP is administered by PERS.

Other Employee Benefit Trust Funds

Other employee benefit trust funds account for the transactions, assets, liabilities, and net position held in trust for public employees by PERS for the payment of postemployment healthcare benefits and deferred compensation to members of the retirement system.

Retirement Health Insurance Account (RHIA) OPEB Plan Fund

This fund accounts for the activities of the RHIA cost-sharing, multiple-employer other postemployment benefit (OPEB) plan administered by PERS for units of state government, political subdivisions, community colleges, and school districts. The RHIA is a defined benefit OPEB plan established pursuant to section 401(h) of the Internal Revenue Code. The plan authorizes a payment of up to \$60 towards the monthly cost of health insurance for eligible PERS members participating in PERS-sponsored health insurance plans. Employer contributions, investment income, healthcare premium subsidy payments, and administrative costs are accounted for within this fund.

Retiree Health Insurance Premium Account (RHIPA) OPEB Plan Fund

This fund accounts for the activities of the RHIPA single-employer OPEB plan administered by PERS. The RHIPA is a defined benefit OPEB plan established pursuant to Section 401(h) of the Internal Revenue Code. The plan authorizes payment to eligible retired state employees of the average difference between the health insurance premiums paid by retirees under contracts entered into by the PERS Board and health insurance premiums paid by state employees who are not retired. Employer contributions, investment income, healthcare premium subsidy payments, and administrative costs are accounted for within this fund.

Deferred Compensation Plan Fund

This fund accounts for the activities of the Oregon Savings Growth Plan, an Internal Revenue Code Section 457 deferred compensation plan, offered to employees of the State and administered by PERS.

**Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2023
(In Thousands)**

	Pension Trust Funds	
	Public Employees Defined Benefit Pension Plan	Individual Account Program Defined Contribution Pension Plan
ASSETS		
Cash and Cash Equivalents	\$ 2,114,119	\$ 675,077
Investments:		
Fixed Income	16,020,047	3,128,704
Public Equity	16,927,358	3,610,050
Real Estate and Real Estate Investment Trusts	11,988,808	1,374,091
Private Equity	23,288,326	2,669,180
Real Assets	7,986,002	915,312
Diversifying Strategies	4,374,229	501,350
Opportunity Portfolio	2,178,100	249,642
Total Investments	<u>82,762,870</u>	<u>12,448,328</u>
Securities Lending Collateral	540,519	62,054
Receivables:		
Employer Contributions	116,675	-
Plan Member Contributions	-	45,209
Interest and Dividends	251,725	28,851
Member Loans	-	-
Investment Sales	3,141,238	360,358
Transitional Liability	243,198	-
From Other Funds	25,905	62
Total Receivables	<u>3,778,741</u>	<u>434,479</u>
Prepaid Items	5,750	524
Capital Assets (net):	17,995	133
Total Assets	<u>89,219,993</u>	<u>13,620,596</u>
LIABILITIES		
Accounts and Interest Payable	5,122,830	531,065
Obligations Under Securities Lending	540,502	62,052
Due to Other Funds	63	25,363
Other Liabilities	68,980	27,240
Total Liabilities	<u>5,732,375</u>	<u>645,720</u>
NET POSITION		
Restricted for Pension Benefits	83,487,618	12,974,876
Restricted for Other Postemployment Benefits	-	-
Restricted for Other Employee Benefits	-	-
Total Net Position	<u>\$ 83,487,618</u>	<u>\$ 12,974,876</u>

State of Oregon

Other Employee Benefit Trust Funds

Other Postemployment Benefits

Retirement Health Insurance Account OPEB Plan	Retiree Health Insurance Premium Account OPEB Plan	Deferred Compensation Plan	Total
\$ 13,732	\$ 2,360	\$ 6,298	\$ 2,811,586
141,167	17,417	475,124	19,782,459
147,002	18,137	2,323,587	23,026,134
105,644	13,034	-	13,481,577
205,215	25,319	-	26,188,040
70,372	8,682	-	8,980,368
38,545	4,756	-	4,918,881
19,193	2,368	-	2,449,303
<u>727,139</u>	<u>89,713</u>	<u>2,798,711</u>	<u>98,826,761</u>
4,763	588	-	607,923
1,915	988	-	119,578
-	-	-	45,209
2,218	274	961	284,029
-	-	13,128	13,128
27,587	3,427	-	3,532,610
-	-	-	243,198
-	1	-	25,967
<u>31,721</u>	<u>4,689</u>	<u>14,089</u>	<u>4,263,719</u>
40	5	-	6,319
-	-	-	18,128
<u>777,395</u>	<u>97,354</u>	<u>2,819,099</u>	<u>106,534,437</u>
43,261	5,040	7,769	5,709,966
4,763	588	-	607,904
102	193	109	25,830
2,718	136	314	99,388
<u>50,844</u>	<u>5,956</u>	<u>8,192</u>	<u>6,443,088</u>
-	-	-	96,462,494
726,551	91,398	-	817,948
-	-	2,810,906	2,810,906
<u>\$ 726,551</u>	<u>\$ 91,398</u>	<u>\$ 2,810,906</u>	<u>\$ 100,091,349</u>

**Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended June 30, 2023
(In Thousands)**

	Pension Trust Funds	
	Public Employees Defined Benefit Pension Plan	Individual Account Program Defined Contribution Pension Plan
ADDITIONS		
Contributions:		
Employer	\$ 2,392,962	\$ -
Plan Members	167,473	692,612
Total Contributions	<u>2,560,436</u>	<u>692,612</u>
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	1,948,452	394,144
Interest, Dividends, and Other Investment Income	2,026,680	239,822
Total Investment Income	<u>3,975,132</u>	<u>633,966</u>
Less Investment Expense	1,073,222	125,304
Net Investment Income	<u>2,901,911</u>	<u>508,662</u>
Other Income	2,177	3,935
Total Additions	<u>5,464,524</u>	<u>1,205,208</u>
DEDUCTIONS		
Benefits	5,664,540	661,980
Death Benefits	4,091	-
Contributions Refunded	10,172	-
Healthcare Premium Subsidies	-	-
Administrative Expenses	67,655	14,038
Total Deductions	<u>5,746,458</u>	<u>676,018</u>
Change in Net Position:		
Restricted for Pension Benefits	(281,935)	529,190
Restricted for Other Postemployment Benefits	-	-
Restricted for Other Employee Benefits	-	-
Net Position - Beginning	<u>83,769,553</u>	<u>12,445,686</u>
Net Position - Ending	<u>\$ 83,487,618</u>	<u>\$ 12,974,876</u>

State of Oregon

Other Employee Benefit Trust Funds

Other Postemployment Benefits

Retirement Health Insurance Account OPEB Plan	Retiree Health Insurance Premium Account OPEB Plan	Deferred Compensation Plan	Total
\$ 2,139	\$ 8,783	\$ -	\$ 2,403,884
-	-	186,010	1,046,095
2,139	8,783	186,010	3,449,979
16,773	2,042	269,697	2,631,108
17,835	2,117	20,141	2,306,595
34,608	4,159	289,838	4,937,702
9,450	1,123	6,221	1,215,319
25,158	3,036	283,617	3,722,383
-	-	2,123	8,235
27,297	11,819	471,750	7,180,597
-	-	164,424	6,490,943
-	-	-	4,091
-	-	-	10,172
29,794	3,008	-	32,802
1,651	742	2,108	86,194
31,445	3,750	166,532	6,624,203
-	-	-	247,256
(4,149)	8,070	-	3,921
-	-	305,218	305,218
730,700	83,328	2,505,688	99,534,954
\$ 726,551	\$ 91,398	\$ 2,810,906	\$ 100,091,349

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Fiduciary Funds

Combining Custodial Funds - External Investment Pools

External investment funds account for the portion of cash and investment pools managed by the Oregon State Treasury belonging to entities other than the State.

Short Term Investment Fund

This fund accounts for the portion of the Oregon Short Term Fund (OSTF) belonging to entities other than the State. The OSTF is a cash and investment pool, managed by the Oregon State Treasury, which is available for use by all funds and local governments. Oregon reports the State's portion of this pool within the funds of the State.

Local Government Intermediate Investment Fund

This fund accounts for the portion of the Oregon Local Government Intermediate Fund (OLGIF) belonging to entities other than the State. The OLGIF is an intermediate term fixed income investment vehicle managed by the Oregon State Treasury, participants include OSTF and several local governments. The State does not participate directly in this pool.

State of Oregon

**Combining Statement of Fiduciary Net Position
Custodial Funds - External Investment Pools
June 30, 2023
(In Thousands)**

	Local Government			Total
	Short Term Investment	Intermediate Investment	Elimination for Consolidation	
ASSETS				
Cash and Cash Equivalents	\$ 9,050,994	\$ 374	\$ -	\$ 9,051,368
Investments:				
Fixed Income	-	226,510	(213,655)	12,855
Total Investments	-	226,510	(213,655)	12,855
Securities Lending Collateral	3,289	1,822	-	5,111
Receivables:				
Interest and Dividends	52,789	1,543	-	54,332
Loans	1,352	-	-	1,352
Total Receivables	54,141	1,543	-	55,684
Total Assets	9,108,424	230,249	(213,655)	9,125,018
LIABILITIES				
Accounts and Interest Payable	21,162	54	-	21,216
Obligations Under Securities Lending	3,290	1,822	-	5,112
Total Liabilities	24,452	1,876	-	26,328
NET POSITION				
Amount Held for Pool Participants	9,083,972	228,373	(213,655)	9,098,690
Total Net Position	\$ 9,083,972	\$ 228,373	\$ (213,655)	\$ 9,098,690

State of Oregon

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds - External Investment Pools
For the Year Ended June 30, 2023
(In Thousands)**

	Short Term Investment	Local Government Intermediate Investment	Elimination for Consolidation	Total
ADDITIONS				
Investment Income:				
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 39,645	\$ (3,790)	\$ -	\$ 35,855
Interest, Dividends, and Other Investment Income	355,541	6,293	-	361,834
Total Investment Income	395,186	2,503	-	397,689
Less Investment Expense	7,752	411	-	8,163
Net Investment Income	387,434	2,092	-	389,526
Share Transactions:				
Participant Contributions	24,248,815	-	(1,874)	24,246,941
Participant Withdrawals	24,522,075	7,581	-	24,529,656
Net Share Transactions	(273,260)	(7,581)	(1,874)	(282,715)
Total Additions	114,174	(5,489)	(1,874)	106,811
DEDUCTIONS				
Distribution to Participants	320,202	-	-	320,202
Total Deductions	320,202	-	-	320,202
Change in Net Position:				
Amount Held for Pool Participants	(206,028)	(5,489)	(1,874)	(213,391)
Net Position - Beginning	9,290,000	233,862	(211,781)	9,312,081
Net Position - Ending	\$ 9,083,972	\$ 228,373	\$ (213,655)	\$ 9,098,690

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Nonmajor Discretely Presented Component Units

Component units are legally separate entities for which the primary government is financially accountable or entities that warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government. The State reports discretely presented component units in a separate column in the government-wide financial statements to emphasize they are legally separate from the State.

Oregon Health and Science University

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

Western Oregon University, Southern Oregon University, Eastern Oregon University, and the Oregon Institute of Technology

Pursuant to Senate Bill (SB) 270, passed by the Oregon Legislature during fiscal year 2013, Western Oregon University (WOU), Southern Oregon University (SOU), Eastern Oregon University (EOU), and Oregon Institute of Technology (OIT) are each an independent public body legally separate from the State as of July 1, 2015. These four universities join University of Oregon (UO), Oregon State University (OSU), and Portland State University (PSU) which became independent public bodies legally separate from the State the year before. Each university is governed by a citizen board appointed by the Governor. The universities are primarily financed through student tuition and fees, sales and services of auxiliary enterprises, and federal, state, and local grants and contracts. The financial information presented for the universities include the related university's foundation. These universities also receive General Fund moneys from the State and use proprietary fund accounting principles.

State Fair Council

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

**Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
June 30, 2023
(In Thousands)**

	Oregon Health and Science University	Western Oregon University	Southern Oregon University
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 295,242	\$ 6,571	\$ 2,703
Cash and Cash Equivalents - Restricted	31,475	4,883	2,210
Investments	28,946	-	-
Securities Lending Collateral	-	121	51
Accounts and Interest Receivable (net)	737,160	12,072	11,963
Pledges, Contributions, and Grants Receivable (net)	115,949	167	1,305
Due from Primary Government	100,098	9,097	2,884
Inventories	72,602	1,273	483
Prepaid Items	41,089	586	910
Receivables for Right to Use Assets	-	-	237
Total Current Assets	1,422,561	34,770	22,746
Noncurrent Assets:			
Cash and Cash Equivalents	-	-	1,262
Cash and Cash Equivalents - Restricted	-	-	783
Investments	1,831,874	53,714	3,310
Investments - Restricted	1,245,656	-	56,947
Pledges, Contributions, and Grants Receivable (net)	106,197	-	7,269
Advances to Primary Government	-	-	-
Net Contracts, Notes, and Other Receivables	33,500	734	5,317
Receivables for Right to Use Assets	-	-	1,291
Net OPEB Asset	11,743	1,024	1,096
Other Assets	18,792	6	775
Capital Assets (net)	2,296,279	125,051	142,357
Total Noncurrent Assets	5,544,041	180,529	220,407
Total Assets	6,966,602	215,299	243,153
DEFERRED OUTFLOWS OF RESOURCES			
Goodwill	174	-	-
Loss on Refunding	25,395	-	-
Related to Pensions	153,221	14,849	14,702
Related to OPEB	6,728	157	198
Total Deferred Outflows of Resources	185,518	15,006	14,900

State of Oregon

Eastern Oregon University	Oregon Institute of Technology	State Fair Council	Total
\$ 8,972	\$ 7,409	\$ 7,421	\$ 328,318
3,894	5,637	-	48,099
-	-	-	28,946
103	110	-	385
4,882	6,333	75	772,485
1,345	-	-	118,766
3,394	28,752	-	144,225
6	199	-	74,563
701	1,373	7	44,666
849	853	-	1,939
<u>24,146</u>	<u>50,666</u>	<u>7,503</u>	<u>1,562,392</u>
-	283	-	1,545
422	1,408	-	2,613
18,375	16,696	-	1,923,969
17,538	49,303	-	1,369,444
-	1,423	-	114,889
-	19,798	-	19,798
-	764	-	40,315
1,010	1,004	-	3,305
535	405	-	14,803
-	357	-	19,930
90,328	192,611	1,523	2,848,149
<u>128,208</u>	<u>284,052</u>	<u>1,523</u>	<u>6,358,760</u>
<u>152,354</u>	<u>334,718</u>	<u>9,026</u>	<u>7,921,152</u>
-	-	-	174
-	-	-	25,395
9,219	8,677	-	200,668
127	173	-	7,383
<u>9,346</u>	<u>8,850</u>	<u>-</u>	<u>233,620</u>

(continued on next page)

Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
June 30, 2023
(In Thousands)
(continued from previous page)

	Oregon Health and Science University	Western Oregon University	Southern Oregon University
LIABILITIES			
Current Liabilities:			
Accounts and Interest Payable	390,915	6,048	5,184
Obligations Under Securities Lending	-	121	51
Obligations Under Life Income Agreements	-	-	196
Due to Primary Government	23,957	3,962	2,572
Unearned Revenue	120,057	17,416	3,938
Other Liabilities	115,509	2,746	3,658
Reserve for Loss and Loss Adjustment Expense	45,397	-	-
Bonds/COPs Payable	16,585	-	-
Total Current Liabilities	712,420	30,293	15,599
Noncurrent Liabilities:			
Obligations Under Life Income Agreements	20,503	-	-
Other Liabilities	102,419	3,355	12,392
Reserve for Loss and Loss Adjustment Expense	61,853	-	-
Bonds/COPs Payable	1,258,156	-	-
Net Pension Liability	418,071	32,042	29,535
Advances from Primary Government	23,430	39,824	36,554
Total OPEB Liability	-	1,299	1,068
Total Noncurrent Liabilities	1,884,432	76,520	79,549
Total Liabilities	2,596,852	106,813	95,148
DEFERRED INFLOWS OF RESOURCES			
Receivables for Right to Use Assets	822	-	1,942
Gain on Refunding	841	-	-
Life income agreements and Pending Funds	193,512	-	-
Related to Pensions	141,040	9,600	13,177
Related to OPEB	8,406	1,086	1,128
Total Deferred Inflows of Resources	344,621	10,686	16,247
Net Position			
Net Investment in Capital Assets	1,215,606	81,232	92,869
Restricted-Nonexpendable	340,236	21,656	1,812
Restricted for:			
Education	640,629	6,450	50,047
Debt Service	-	82	711
Capital Projects	-	-	3,780
OPEB	11,743	1,024	1,096
Unrestricted	2,002,433	2,362	(3,657)
Total Net Position	\$ 4,210,647	\$ 112,806	\$ 146,658

State of Oregon

Eastern Oregon University	Oregon Institute of Technology	State Fair Council	Total
7,577	14,766	118	424,608
103	110	-	385
-	17	-	213
1,622	3,266	-	35,379
7,017	3,623	277	152,328
2,701	2,701	-	127,315
-	-	-	45,397
-	-	-	16,585
19,020	24,483	395	802,210
-	-	-	20,503
3,332	2,305	-	123,803
-	-	-	61,853
-	-	-	1,258,156
21,253	19,482	-	520,383
14,397	65,022	-	179,227
717	889	-	3,973
39,699	87,698	-	2,167,898
58,719	112,181	395	2,970,108
1,726	1,778	-	6,268
-	-	-	841
-	-	-	193,512
6,451	6,518	-	176,786
662	779	-	12,061
8,839	9,075	-	389,468
70,139	123,974	1,523	1,585,343
11,910	-	-	375,614
8,274	25,145	-	730,545
99	-	-	892
43	-	8	3,831
535	405	-	14,803
3,142	72,788	7,100	2,084,168
\$ 94,142	\$ 222,312	\$ 8,631	\$ 4,795,196

State of Oregon

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Discretely Presented Component Units
For the Year Ended June 30, 2023
(In Thousands)**

	Oregon Health and Science University	Western Oregon University	Southern Oregon University
Operating Revenues:			
Federal Revenue	\$ 410,837	\$ 14,080	\$ 1,672
Charges for Services	3,689,792	23,052	25,949
Rents and Royalties	-	-	-
Sales	-	15,390	14,826
Gifts, Grants, and Contracts	346,624	7,603	19,331
Other Revenues	477,796	3,321	2,220
Total Operating Revenues	<u>4,925,049</u>	<u>63,446</u>	<u>63,998</u>
Operating Expenses:			
Salaries and Wages	2,878,492	74,424	61,745
Services and Supplies	1,817,573	25,277	22,224
Depreciation and Amortization	218,076	7,030	6,192
Special Payments	44,125	11,214	4,588
Interest	43,522	16	-
Total Operating Expenses	<u>5,001,788</u>	<u>117,961</u>	<u>94,749</u>
Operating Income (Loss)	<u>(76,739)</u>	<u>(54,515)</u>	<u>(30,751)</u>
Nonoperating Revenues (Expenses):			
Investment Income	122,340	3,101	3,353
State Appropriations	62,690	33,823	28,430
Other Grants	-	14,436	8,948
Gain/(Loss) on Disposition of Assets	8	-	(448)
Other Interest Expense	-	(1,469)	(1,436)
Other	46,133	(54)	(2,176)
Total Nonoperating Revenues (Expenses)	<u>231,171</u>	<u>49,837</u>	<u>36,671</u>
Income (Loss) Before Capital Contributions	<u>154,432</u>	<u>(4,678)</u>	<u>5,920</u>
Capital Contributions	8,156	6,541	10,059
Change in Net Position	<u>162,588</u>	<u>1,863</u>	<u>15,979</u>
Net Position - Beginning	4,048,059	110,943	130,529
Cumulative Effect of Change in Accounting Principles	-	-	150
Net Position - Beginning - As Restated	<u>4,048,059</u>	<u>110,943</u>	<u>130,679</u>
Net Position - Ending	<u><u>\$ 4,210,647</u></u>	<u><u>\$ 112,806</u></u>	<u><u>\$ 146,658</u></u>

State of Oregon

Eastern Oregon University	Oregon Institute of Technology	State Fair Council	Total
\$ 4,595	\$ 2,770	\$ -	\$ 433,954
18,974	25,707	-	3,783,474
-	-	1,198	1,198
6,383	13,896	7,858	58,353
11,136	12,088	-	396,782
631	579	342	484,889
<u>41,719</u>	<u>55,040</u>	<u>9,398</u>	<u>5,158,650</u>
45,464	58,107	921	3,119,153
19,477	27,897	6,587	1,919,035
6,223	10,542	172	248,235
4,216	5,387	-	69,530
131	-	-	43,669
<u>75,511</u>	<u>101,933</u>	<u>7,680</u>	<u>5,399,622</u>
<u>(33,792)</u>	<u>(46,893)</u>	<u>1,718</u>	<u>(240,972)</u>
(1,757)	3,903	48	130,988
25,959	35,174	-	186,076
8,008	7,652	-	39,044
-	-	-	(440)
(586)	(1,484)	-	(4,975)
<u>(2,631)</u>	<u>838</u>	<u>-</u>	<u>42,110</u>
<u>28,993</u>	<u>46,083</u>	<u>48</u>	<u>392,803</u>
<u>(4,799)</u>	<u>(810)</u>	<u>1,766</u>	<u>151,831</u>
<u>3,953</u>	<u>27,317</u>	<u>493</u>	<u>56,519</u>
<u>(846)</u>	<u>26,507</u>	<u>2,259</u>	<u>208,350</u>
94,737	195,805	6,372	4,586,446
251	-	-	401
<u>94,988</u>	<u>195,805</u>	<u>6,372</u>	<u>4,586,846</u>
<u>\$ 94,142</u>	<u>\$ 222,312</u>	<u>\$ 8,631</u>	<u>\$ 4,795,196</u>

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Statistical Section

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Statistical Section Index

This part of the State of Oregon's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the State's financial performance has changed over time.

Schedule 1	Net Position by Component
Schedule 2	Changes in Net Position
Schedule 3	Fund Balance – Governmental Funds
Schedule 4	Changes in Fund Balance – Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the State's most significant revenue source, personal income taxes.

Schedule 5	Personal Income by Industry
Schedule 6	Personal Income Tax Rates
Schedule 7	Personal Income Tax Filers and Tax Liability by Income Level

Debt Capacity

These schedules present information concerning the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

Schedule 8	Outstanding Debt by Type
Schedule 9	Ratios of Net General Bonded Debt Outstanding
Schedule 10	Legal Debt Margin Calculation
Schedule 11	Legal Debt Margin Information
Schedule 12	Pledged Revenues

Demographic and Economic Information

These schedules provide demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Schedule 13	Demographic and Economic Indicators
Schedule 14	Employment by Industry

Operating Information

These schedules present operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

Schedule 15	Government Employees
Schedule 16	Operating Indicators and Capital Asset Information by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

Schedule 1
NET POSITION BY COMPONENT
 Last Ten Fiscal Years (In Thousands)
 (Accrual Basis of Accounting)

	2014	2015	2016	2017
Governmental Activities				
Net Investment in Capital Assets	\$ 9,982,055	\$ 11,116,322	\$ 9,563,039	\$ 9,694,241
Restricted	3,494,851	3,812,040	4,052,223	4,316,623
Unrestricted	(1,077,265)	(3,243,523)	(2,937,300)	(2,482,259)
Total Governmental Activities Net Position	\$ 12,399,641	\$ 11,684,839	\$ 10,677,962	\$ 11,528,605
Business-type Activities				
Net Investment in Capital Assets	\$ 1,443,136	\$ 633,944	\$ 612,107	\$ 610,616
Restricted	578,740	311,509	222,398	215,772
Unrestricted	3,613,692	3,205,302	4,233,276	4,763,302
Total Business-type Activities Net Position	\$ 5,635,568	\$ 4,150,755	\$ 5,067,782	\$ 5,589,690
Primary Government				
Net Investment in Capital Assets	\$ 11,425,191	\$ 11,750,266	\$ 10,175,146	\$ 10,304,857
Restricted	4,073,591	4,123,549	4,274,621	4,532,395
Unrestricted	2,536,427	(38,221)	1,295,976	2,281,043
Total Primary Government Net Position	\$ 18,035,209	\$ 15,835,594	\$ 15,745,743	\$ 17,118,295

State of Oregon

2018	2019	2020	2021	2022	2023
\$ 9,981,128	\$ 10,980,266	\$ 11,343,771	\$ 11,902,923	\$ 12,129,260	\$ 12,770,116
5,054,204	4,882,727	5,396,688	5,541,452	6,360,375	6,981,303
(2,466,140)	(1,524,443)	(2,325,782)	(32,275)	2,956,142	6,180,763
<u>\$ 12,569,192</u>	<u>\$ 14,338,550</u>	<u>\$ 14,414,675</u>	<u>\$ 17,412,100</u>	<u>\$ 21,445,777</u>	<u>\$ 25,932,182</u>
\$ 583,878	\$ 547,653	\$ 524,170	\$ 542,048	\$ 544,117	\$ 602,200
216,041	224,778	233,786	232,492	233,536	241,379
5,325,538	5,965,305	5,467,513	5,286,486	6,348,230	7,408,952
<u>\$ 6,125,457</u>	<u>\$ 6,737,736</u>	<u>\$ 6,225,468</u>	<u>\$ 6,061,025</u>	<u>\$ 7,125,882</u>	<u>\$ 8,252,532</u>
\$ 10,565,006	\$ 11,133,063	\$ 11,489,028	\$ 12,084,721	\$ 12,329,175	\$ 13,048,689
5,270,245	5,235,707	5,886,848	5,876,493	6,936,303	7,546,310
2,859,398	4,707,517	3,264,267	5,511,912	9,306,181	13,589,716
<u>\$ 18,694,649</u>	<u>\$ 21,076,287</u>	<u>\$ 20,640,143</u>	<u>\$ 23,473,125</u>	<u>\$ 28,571,659</u>	<u>\$ 34,184,714</u>

Schedule 2
CHANGES IN NET POSITION
Last Ten Fiscal Years (In Thousands)
(Accrual Basis of Accounting)

	2014	2015	2016	2017
Expenses				
Governmental activities:				
Education	\$ 4,420,704	\$ 4,693,469	\$ 5,588,674	\$ 5,722,672
Human Services	9,880,251	11,556,800	12,516,784	12,446,233
Public Safety	1,300,085	1,179,299	1,683,095	1,604,349
Economic and Community Development	385,464	375,497	444,564	477,674
Natural Resources	724,185	661,438	845,601	800,960
Transportation	1,555,822	1,437,587	1,614,231	1,667,739
Consumer and Business Services	283,039	204,614	364,373	260,420
Administration	404,182	684,677	450,111	410,692
Legislative	37,234	39,621	48,293	49,497
Judicial	340,313	331,253	455,749	433,325
Interest on Long-term Debt	347,010	321,032	403,769	427,671
Total governmental activities expenses	19,678,289	21,485,287	24,415,243	24,301,233
Business-type activities:				
Housing and Community Services	56,473	49,422	48,060	42,246
Veterans' Loan	-	-	18,531	18,058
Lottery Operations	493,652	522,185	595,692	578,629
Unemployment Compensation	831,914	573,992	547,309	528,851
University System	2,505,392	351,959	-	-
State Hospitals	278,804	269,549	399,766	408,488
Liquor Control	384,491	400,683	424,939	447,266
Other Business-type Activities	306,212	362,326	315,720	266,455
Total business-type activities expenses	4,856,938	2,530,116	2,350,017	2,289,995
Total primary government expenses	\$ 24,535,227	\$ 24,015,403	\$ 26,765,260	\$ 26,591,224
Program Revenues				
Governmental activities:				
Charges for Services:				
Human Services	\$ 615,829	\$ 581,530	\$ 711,764	\$ 688,009
Public Safety	85,549	67,756	80,479	131,406
Natural Resources	335,198	337,857	394,169	369,685
Transportation	171,154	161,937	163,195	159,842
Consumer and Business Services	126,482	114,971	143,591	113,061
Administration	92,358	130,508	179,412	151,025
Judicial	33,722	131,951	154,534	145,933
Other governmental activities	44,347	87,253	78,511	96,994
Operating Grants and Contributions	9,055,464	10,371,663	10,797,377	10,801,215
Capital Grants and Contributions	17,766	17,615	18,426	11,153
Total governmental activities program revenues	10,577,869	12,003,041	12,721,458	12,668,324

State of Oregon

	2018	2019	2020	2021	2022	2023
\$	6,272,580	\$ 6,418,578	\$ 6,914,415	\$ 7,614,399	\$ 8,671,042	\$ 9,102,586
	12,912,779	13,745,007	15,017,603	17,401,755	20,868,785	22,495,019
	1,659,150	1,711,657	1,844,670	2,000,090	1,940,672	2,368,376
	527,649	604,380	654,791	1,706,086	1,402,727	1,240,288
	842,882	970,404	896,949	1,045,119	1,061,719	1,115,340
	1,660,362	1,887,748	1,949,483	2,266,246	2,424,731	2,173,145
	298,499	394,611	443,364	520,979	427,194	520,636
	387,319	370,025	552,258	992,498	879,135	967,392
	49,415	59,681	61,859	81,095	69,927	76,896
	456,707	510,105	566,009	532,840	553,674	638,076
	430,169	413,532	396,486	346,208	355,041	366,781
	<u>25,497,511</u>	<u>27,085,729</u>	<u>29,297,887</u>	<u>34,507,315</u>	<u>38,654,647</u>	<u>41,064,535</u>
	42,904	50,329	51,654	44,139	47,157	48,867
	19,231	19,604	20,618	16,609	16,550	19,307
	608,499	637,164	587,551	659,109	701,809	754,785
	521,071	524,641	4,670,860	5,409,212	1,320,191	564,943
	-	-	-	-	-	-
	422,663	440,355	500,839	509,919	490,836	623,517
	471,783	498,114	551,281	596,099	641,800	655,228
	281,383	209,950	163,340	160,127	171,419	188,235
	<u>2,367,534</u>	<u>2,380,156</u>	<u>6,546,142</u>	<u>7,395,215</u>	<u>3,389,761</u>	<u>2,854,881</u>
\$	<u>27,865,045</u>	<u>\$ 29,465,886</u>	<u>\$ 35,844,029</u>	<u>\$ 41,902,530</u>	<u>\$ 42,044,408</u>	<u>\$ 43,919,417</u>
\$	738,454	\$ 1,002,665	\$ 1,030,658	\$ 1,043,398	\$ 1,228,724	\$ 1,311,441
	85,772	77,101	84,448	75,454	66,958	798,645
	454,784	419,569	444,480	459,367	528,976	442,784
	183,907	153,641	150,920	175,544	197,000	205,732
	220,486	162,871	149,379	153,803	169,552	154,968
	171,603	171,960	191,361	173,782	215,202	189,548
	167,027	140,372	199,856	124,318	136,135	156,884
	105,995	127,474	114,700	146,731	193,063	152,470
	11,096,213	11,620,564	12,764,628	16,770,671	20,178,895	19,894,276
	18,684	8,639	19,608	27,604	22,294	25,220
	<u>13,242,925</u>	<u>13,884,856</u>	<u>15,150,038</u>	<u>19,150,671</u>	<u>22,936,799</u>	<u>23,331,967</u>

(continued on next page)

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

	2014	2015	2016	2017
Business-type activities:				
Charges for Services:				
Lottery Operations	1,052,945	1,117,175	1,229,979	1,246,531
Unemployment Compensation	1,064,234	1,009,913	952,114	971,299
University System	1,527,836	156,824	-	-
Liquor Control	524,218	550,405	577,662	604,621
Other Business-type Activities	428,344	475,414	426,497	411,850
Operating Grants and Contributions	851,199	181,961	131,900	128,325
Capital Grants and Contributions	158,927	7,584	540	975
Total business-type activities program revenues	5,607,703	3,499,276	3,318,692	3,363,600
Total primary government program revenues	\$ 16,185,572	\$ 15,502,317	\$ 16,040,150	\$ 16,031,924
Net (Expense)/Revenue				
Governmental activities	\$ (9,100,420)	\$ (9,482,246)	\$ (11,693,785)	\$ (11,632,910)
Business-type activities	750,765	969,160	968,675	1,073,606
Total primary government net expense	\$ (8,349,655)	\$ (8,513,086)	\$ (10,725,110)	\$ (10,559,304)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Personal Income Taxes	\$ 6,596,708	\$ 7,292,582	\$ 7,611,745	\$ 8,379,255
Corporate Income Taxes	506,889	595,327	633,871	633,046
Corporate Activity Taxes	N/A	N/A	N/A	N/A
Tobacco Taxes	260,882	266,831	270,199	247,406
Healthcare Provider Taxes	485,584	569,831	607,485	568,742
Inheritance Taxes	N/A	N/A	N/A	N/A
Public Utilities Taxes	N/A	N/A	N/A	N/A
Insurance Premium Taxes	85,196	58,193	65,903	68,481
Marijuana Taxes	N/A	N/A	28,586	77,573
Other Taxes	380,783	384,585	378,602	469,181
Motor Fuels and Other Vehicle Taxes	1,053,611	1,096,505	1,143,173	1,167,291
Motor Fuels Taxes	N/A	N/A	N/A	N/A
Weight Mile Taxes	N/A	N/A	N/A	N/A
Vehicle Registration Taxes	N/A	N/A	N/A	N/A
Workers' Compensation Insurance Taxes	54,126	54,957	58,192	55,798
Employer-Employee Taxes	91,343	91,232	95,866	93,887
Unrestricted Investment Earnings	5,516	7,374	12,164	27,786
Contributions to Permanent Fund	297	518	39	519
Capital Contributions	-	-	-	-
Special Items	-	(3,276)	-	-
Transfers	133,008	285,417	(230,618)	581,535
Total governmental activities	9,653,943	10,700,076	10,675,206	12,370,501
Business-type activities:				
Other Taxes	17,584	17,689	18,286	18,819
Capital Contributions	-	-	-	-
Additions to Permanent Endowments	776	-	-	-
Special Items	-	(1,956,089)	(335,632)	-
Transfers	(133,008)	(285,417)	230,618	(581,535)
Total business-type activities	(114,648)	(2,223,817)	(86,727)	(562,716)
Total primary government	\$ 9,539,295	\$ 8,476,259	\$ 10,588,479	\$ 11,807,784
Change in Net Position				
Governmental activities	\$ 553,523	\$ 1,217,830	\$ (1,018,580)	\$ 737,591
Business-type activities	636,117	(1,254,657)	881,948	510,890
Total primary government	\$ 1,189,640	\$ (36,827)	\$ (136,632)	\$ 1,248,481

State of Oregon

	2018	2019	2020	2021	2022	2023
	1,302,541	1,347,465	1,144,786	1,298,805	1,678,219	1,677,763
	964,343	928,641	862,764	1,094,573	1,225,792	1,130,895
	-	-	-	-	-	-
	633,927	674,421	737,837	803,504	844,261	866,434
	419,184	408,376	299,864	308,417	355,189	757,191
	153,982	203,080	3,412,052	4,225,808	1,109,070	373,704
	2,769	183	377	3,170	546	24
	3,476,746	3,562,166	6,457,680	7,734,278	5,213,076	4,806,010
\$	16,719,671	\$ 17,447,022	\$ 21,607,718	\$ 26,884,949	\$ 28,149,874	\$ 28,137,976
\$	(12,254,588)	\$ (13,200,874)	\$ (14,147,850)	\$ (15,356,644)	\$ (15,717,848)	\$ (17,732,569)
	1,109,213	1,182,010	(88,462)	339,063	1,823,315	1,951,128
\$	(11,145,375)	\$ (12,018,865)	\$ (14,236,312)	\$ (15,017,581)	\$ (13,894,533)	\$ (15,781,440)
\$	8,879,552	\$ 9,847,141	\$ 8,635,668	\$ 11,256,904	\$ 11,772,886	\$ 13,641,111
	804,453	910,929	892,484	1,223,523	1,488,974	1,623,683
	N/A	N/A	419,206	1,179,137	1,219,388	1,306,203
	263,860	250,156	245,318	377,921	459,571	415,423
	651,696	799,796	865,521	1,067,886	1,055,164	1,224,148
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	70,903	80,618	76,462	49,633	85,403	85,094
	104,545	118,546	156,154	205,739	201,627	167,551
	503,298	549,703	672,583	650,519	776,867	668,837
	1,286,863	1,424,423	1,357,001	1,480,420	1,574,518	1,591,842
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	66,782	72,016	68,107	74,489	92,391	95,077
	82,084	155,364	178,234	178,873	190,859	204,312
	52,597	96,035	101,487	52,106	59,464	341,177
	50	132	6	26	307	6
	-	-	-	-	-	-
	-	-	-	-	-	-
	608,500	598,875	442,009	539,185	779,800	854,975
	13,375,183	14,903,733	14,110,240	18,336,363	19,757,219	22,219,439
	18,455	19,156	18,260	17,690	21,704	15,734
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	(608,500)	(598,875)	(442,009)	(539,185)	(779,800)	(854,975)
	(590,045)	(579,719)	(423,749)	(521,495)	(758,096)	(839,241)
\$	12,785,138	\$ 14,324,013	\$ 13,686,491	\$ 17,814,867	\$ 18,999,124	\$ 21,380,198
\$	1,120,594	\$ 1,702,858	\$ (37,610)	\$ 2,979,719	\$ 4,039,371	\$ 4,486,871
	519,168	602,290	(512,210)	(182,432)	1,065,220	1,111,887
\$	1,639,762	\$ 2,305,148	\$ (549,821)	\$ 2,797,286	\$ 5,104,590	\$ 5,598,758

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

	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 24,430	\$ 20,139	\$ 25,020	\$ 27,869
Restricted	255,539	358,784	505,844	666,091
Committed	92,978	226,081	395,319	406,978
Assigned	1,327	5,164	12,793	12,478
Unassigned	394,999	675,921	663,658	1,037,374
Total General Fund	<u>\$ 769,273</u>	<u>\$ 1,286,089</u>	<u>\$ 1,602,633</u>	<u>\$ 2,150,789</u>
All Other Governmental Funds				
Nonspendable	\$ 60,728	\$ 68,229	\$ 67,251	\$ 79,437
Restricted	4,132,949	4,452,289	5,655,799	6,603,630
Committed	586,296	614,287	658,467	737,890
Assigned	23,298	24,444	45,171	48,419
Unassigned	(18,237)	(3,788)	(32)	(12,208)
Total all other governmental funds	<u>\$ 4,785,034</u>	<u>\$ 5,155,461</u>	<u>\$ 6,426,656</u>	<u>\$ 7,457,168</u>

State of Oregon

2018	2019	2020	2021	2022	2023
\$ 24,931	\$ 24,703	\$ 68,525	\$ 141,946	\$ 237,938	\$ 241,227
869,084	950,784	1,260,078	791,174	1,084,368	1,136,281
815,278	703,834	940,038	989,574	1,285,824	1,635,450
12,038	13,009	14,292	16,765	17,246	76,047
1,157,707	2,911,326	1,593,184	4,168,423	6,004,343	8,249,470
\$ 2,879,038	\$ 4,603,657	\$ 3,876,117	\$ 6,107,882	\$ 8,629,719	\$ 11,338,475
\$ 67,996	\$ 68,774	\$ 56,078	\$ 62,793	\$ 147,730	\$ 71,912
6,672,783	7,054,520	7,370,053	8,331,272	9,491,554	10,480,329
646,285	721,942	846,126	1,098,093	1,049,609	1,760,283
211,667	146,837	195,100	442,223	351,021	455,188
(17)	-	-	(435)	(337,912)	(479,051)
\$ 7,598,714	\$ 7,992,073	\$ 8,467,358	\$ 9,933,945	\$ 10,702,002	\$ 12,288,662

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

	2014	2015	2016	2017
Revenues				
Taxes	\$ 9,542,069	\$ 10,460,831	\$ 10,899,473	\$ 11,581,800
Licenses and Fees	495,774	504,355	538,591	563,129
Federal	8,623,136	10,166,298	10,553,352	10,310,284
Rebates and Recoveries	292,805	342,598	507,710	555,032
Charges for Services	250,738	229,578	239,976	188,513
Fines, Forfeitures, and Penalties	107,326	120,574	127,788	148,872
Rents and Royalties	17,293	17,312	17,435	17,845
Investment Income	274,861	103,132	108,875	332,171
Sales	124,071	126,601	136,989	143,789
Assessments	N/A	37,185	35,154	45,775
Donations and Grants	44,372	50,342	38,610	40,253
Contributions to Permanent Funds	297	518	39	519
Tobacco Settlement Proceeds	86,924	76,600	80,239	142,200
Foreclosure Settlement Proceeds	N/A	N/A	N/A	N/A
Pension Bond Debt Service Assessments	N/A	N/A	N/A	N/A
Settlement Activities	N/A	N/A	N/A	25,218
Unclaimed and Escheat Property Revenue	24,360	18,214	13,629	10,731
Other	281,831	222,011	280,196	190,499
Total Revenues	20,165,857	22,476,149	23,578,059	24,296,631
Expenditures				
Education	4,421,231	4,702,795	5,572,518	5,714,090
Human Resources	9,959,458	11,626,788	12,322,549	12,427,872
Public Safety	1,289,232	1,281,050	1,425,482	1,462,808
Economic and Community Development	384,392	392,966	417,634	465,401
Natural Resources	685,357	750,784	758,592	768,431
Transportation	1,698,418	1,763,595	1,716,411	1,826,813
Consumer and Business Services	299,925	288,066	298,410	305,144
Administration	341,549	715,932	441,111	404,691
Legislative	36,319	42,923	38,984	45,456
Judicial	346,710	367,669	407,265	415,091
Intergovernmental	N/A	N/A	N/A	N/A
Capital Outlay	73,976	66,071	61,522	77,717
Debt Service:				
Principal	330,745	324,485	407,072	435,702
Interest	339,476	322,091	431,197	433,520
Other Debt Service	4,759	10,032	3,210	8,108
Total Expenditures	20,211,547	22,655,247	24,301,956	24,790,844
Excess of Revenues Over (Under) Expenditures	(45,690)	(179,098)	(723,897)	(494,214)
Other Financing Sources (Uses)				
Transfers from Other Funds	2,223,916	2,434,341	3,811,108	2,889,176
Transfers to Other Funds	(2,054,506)	(2,024,246)	(1,813,474)	(2,285,337)
Insurance Recoveries	1,839	2,502	6,027	3,632
Long-term Debt Issued	538,877	435,459	246,424	1,236,288
Debt Issuance Premium	57,611	304,732	96,002	252,799
Refunding Debt Issued	266,635	1,146,120	224,581	645,082
Refunded Debt Payment to Escrow Agent	(266,425)	(1,377,597)	(278,200)	(710,834)
Total Other Financing Sources (Uses)	767,947	921,311	2,292,468	2,030,804
Special Items	-	(3,054)	-	-
Net Change in Fund Balances	\$ 722,257	\$ 739,159	\$ 1,568,571	\$ 1,536,591
Debt service as a percentage of noncapital expenditures	3.42%	2.95%	3.55%	3.61%

State of Oregon

	2018	2019	2020	2021	2022	2023
\$	12,786,737	\$ 14,287,003	\$ 13,718,277	\$ 17,530,770	\$ 19,492,170	\$ 20,603,452
	629,021	675,514	595,254	639,354	675,781	673,790
	10,728,658	11,122,076	12,440,995	16,036,549	19,127,573	19,351,192
	557,629	599,701	459,971	666,758	569,948	673,897
	241,644	205,408	302,379	210,731	310,772	258,641
	124,535	118,765	80,662	122,491	163,089	880,304
	17,255	17,117	17,042	16,887	17,574	19,884
	341,356	387,524	268,116	701,162	28,302	695,977
	173,360	192,072	158,686	173,827	145,202	156,628
	45,125	49,404	46,297	71,924	58,491	61,169
	41,639	42,958	40,523	45,444	45,007	48,512
	50	132	6	26	307	6
	69,536	69,915	65,933	74,705	84,433	77,073
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	-	-	-	-	-	-
	13,275	15,082	25,961	27,930	271,066	71,238
	267,654	447,572	534,984	536,614	599,757	599,683
	26,037,474	28,230,243	28,755,086	36,855,170	41,589,473	44,171,445
	6,269,848	410,924	419,273	635,417	881,050	727,846
	12,934,967	13,158,705	14,381,203	16,544,932	20,038,449	21,540,595
	1,573,565	1,351,758	1,416,846	1,518,228	1,554,438	1,887,096
	518,518	429,691	470,187	1,441,807	1,172,717	935,178
	822,361	753,813	718,261	806,059	931,640	979,896
	1,763,839	1,412,939	1,348,917	1,663,047	1,093,501	1,006,445
	290,183	366,424	378,412	411,441	388,960	437,594
	403,270	195,779	368,775	578,649	426,166	495,113
	43,987	56,720	55,435	69,865	61,204	75,128
	437,320	394,240	479,189	477,045	534,756	607,593
	N/A	8,069,800	8,644,629	9,656,448	10,677,553	11,490,438
	73,152	157,529	158,252	209,890	1,888,550	1,535,136
	451,874	508,152	540,009	596,926	702,645	791,207
	463,976	457,907	469,752	410,777	423,408	423,539
	3,075	4,867	5,907	9,024	2,857	7,809
	26,049,935	27,729,247	29,855,048	35,029,554	40,777,895	42,940,614
	(12,461)	500,996	(1,099,962)	1,825,616	811,577	1,230,831
	3,006,402	3,500,028	3,234,653	5,026,004	4,114,447	5,034,540
	(2,315,214)	(2,938,809)	(2,767,183)	(4,302,137)	(3,302,377)	(4,155,926)
	9,689	2,322	7,708	4,108	9,349	4,614
	170,437	950,477	189,690	874,500	1,647,560	2,039,265
	36,921	127,269	127,496	201,921	43,389	196,992
	132,800	-	1,140,875	1,386,205	-	-
	(154,563)	-	(1,242,820)	(1,401,625)	-	-
	886,472	1,641,287	690,418	1,788,977	2,512,368	3,119,486
	-	-	-	-	-	-
\$	874,014	\$ 2,142,283	\$ (409,544)	\$ 3,614,594	\$ 3,323,945	\$ 4,350,317
	3.61%	3.59%	3.47%	2.95%	2.90%	2.97%

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

	2013	2014	2015	2016
Farm earnings	\$ 1,622,635	\$ 1,549,926	\$ 1,738,223	\$ 1,701,931
Forestry, fishing, and related activities	1,203,407	1,249,624	1,368,023	1,396,445
Mining	111,012	110,626	117,685	125,651
Utilities	716,276	699,907	609,708	686,816
Construction	6,497,788	7,166,702	7,597,699	8,467,725
Manufacturing	14,074,925	14,436,404	15,349,775	15,930,367
Wholesale trade	5,741,182	5,895,637	6,255,471	6,412,622
Retail trade	7,476,211	7,776,171	8,241,378	8,514,832
Transportation and warehousing	3,591,101	3,855,129	4,163,950	4,233,661
Information	3,015,243	3,228,372	3,377,856	3,192,633
Finance and insurance	5,158,432	5,156,580	5,494,650	5,821,613
Real estate, rental, and leasing	1,668,169	1,886,261	2,495,821	3,429,428
Professional, scientific, and technical	8,359,884	9,028,620	9,733,330	10,353,884
Management of companies	4,836,914	5,218,904	5,986,833	6,093,913
Administrative & waste mgmt. services	4,180,079	4,462,897	4,723,978	4,915,102
Educational services	1,625,485	1,667,873	1,689,801	1,765,720
Health care and social assistance	14,043,509	14,636,604	15,857,035	16,833,570
Arts, entertainment, and recreation	1,146,150	1,272,174	1,289,607	1,409,029
Accommodation and food services	3,821,418	4,264,190	4,809,364	5,242,351
Other services	4,182,458	4,460,514	4,719,624	4,971,656
Federal government, civilian	2,690,794	2,730,997	2,812,334	2,945,497
Military	463,136	437,490	434,022	444,965
State government	4,578,286	4,869,772	5,065,430	3,500,785
Local government	12,381,583	12,861,636	13,406,677	15,751,351
Other ¹	41,665,171	46,248,907	50,139,781	51,963,406
Total personal income	\$ 154,851,248	\$ 165,171,917	\$ 177,478,055	\$ 186,104,953

Overall effective tax rate ²	5.8%	6.0%	6.0%	6.0%
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¹ Includes income from all sources other than wages, salaries, tips, etc.

² Overall effective tax rate equals tax as a percentage of adjusted gross income (AGI). Overall effective tax rate for 2022 will not be available until May 2024.

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

State of Oregon

	2017	2018	2019	2020	2021	2022
\$	1,277,052	\$ 1,329,350	\$ 1,266,373	\$ 1,489,388	\$ 1,509,975	\$ 1,600,328
	1,446,240	1,672,674	1,604,541	1,878,200	1,781,669	1,686,966
	146,863	162,434	164,781	151,636	164,192	159,193
	744,857	747,627	849,160	1,052,777	1,134,634	1,048,711
	9,559,644	10,599,276	11,491,267	11,922,842	12,585,802	13,884,571
	16,501,695	17,521,139	17,885,078	17,900,456	19,161,810	21,059,291
	6,797,389	7,061,560	7,311,289	7,653,404	8,202,878	8,722,957
	9,096,742	9,573,220	9,996,863	10,422,836	11,457,359	12,049,501
	4,536,631	4,875,373	5,205,458	540,601	6,086,889	6,585,503
	3,676,536	4,039,164	4,111,559	4,363,790	5,312,659	5,513,115
	6,177,311	6,324,983	6,605,527	7,356,787	7,602,478	7,415,226
	3,889,057	4,532,524	5,167,833	5,878,322	7,310,508	7,471,548
	11,236,256	11,956,846	12,720,788	13,258,162	14,599,917	15,826,074
	6,494,435	6,796,743	7,313,980	7,856,635	8,897,431	8,128,302
	5,261,109	5,560,435	585,908	5,995,036	6,644,108	7,721,940
	1,709,464	1,767,115	1,836,129	1,857,247	1,992,500	2,074,165
	17,627,277	18,395,655	19,291,904	20,351,858	21,472,652	22,762,642
	1,513,512	1,646,375	1,646,080	1,410,027	1,720,891	2,375,589
	5,720,806	6,242,387	6,572,216	5,269,190	6,990,936	7,153,411
	5,153,327	5,492,981	5,737,823	5,650,113	6,054,000	6,619,182
	3,044,717	3,167,821	3,193,475	3,390,774	3,509,278	3,599,740
	443,981	470,952	508,338	521,330	535,011	546,072
	3,721,615	3,864,120	4,253,969	4,501,315	4,985,019	5,164,986
	16,463,928	17,491,219	18,564,591	19,005,278	20,313,708	21,167,229
	55,021,892	58,752,914	66,097,732	80,184,470	82,356,072	73,837,602
\$	197,262,336	\$ 210,044,887	\$ 219,982,662	\$ 239,862,474	\$ 262,382,376	\$ 264,173,844
	6.1%	6.3%	6.3%	6.4%	6.6%	N/A

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

Year	Top Rate	Top Income Tax Rate is Applied to Taxable Income in Excess of		Overall Effective Tax Rate ²
		Single & Married Filing Separately	Married/RDP ¹ Filing Jointly & Head of Household	
2013	9.9%	125,000	250,000	5.8%
2014	9.9%	125,000	250,000	6.0%
2015	9.9%	125,000	250,000	6.0%
2016	9.9%	125,000	250,000	6.0%
2017	9.9%	125,000	250,000	6.1%
2018	9.9%	125,000	250,000	6.3%
2019	9.9%	125,000	250,000	6.3%
2020	9.9%	125,000	250,000	6.4%
2021	9.9%	125,000	250,000	6.6%
2022	9.9%	125,000	250,000	N/A

¹ Registered Domestic Partners

² The overall effective tax rate equals tax as a percentage of adjusted gross income (AGI). The overall effective tax rate for 2022 will not be available until May 2024.

Source: Oregon Department of Revenue

Schedule 7
PERSONAL INCOME TAX FILERS AND TAX LIABILITY BY INCOME LEVEL
 Calendar Years 2012 and 2021
 (Dollars in Thousands)

2012				
Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$500,001 and higher	9,275	0.50%	\$ 1,002,599	17.52%
\$100,001–\$500,000	224,292	12.15%	2,349,434	41.05%
\$80,001–\$100,000	119,868	6.49%	565,450	9.88%
\$60,001–\$80,000	176,040	9.53%	605,372	10.58%
\$40,001–\$60,000	253,271	13.72%	584,287	10.21%
\$20,001–\$40,000	410,593	22.24%	477,459	8.34%
\$10,001–\$20,000	287,486	15.57%	113,772	1.99%
\$10,000 and lower	365,432	19.79%	24,657	0.43%
Total	1,846,257	100.00%	\$ 5,723,030	100.00%

2021				
Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$500,001 and higher	27,723	1.24%	\$ 3,296,650	27.29%
\$100,001–\$500,000	457,301	20.45%	5,512,975	45.63%
\$80,001–\$100,000	162,202	7.25%	823,961	6.82%
\$60,001–\$80,000	220,320	9.85%	839,397	6.95%
\$40,001–\$60,000	319,791	14.30%	847,763	7.02%
\$20,001–\$40,000	453,056	20.26%	628,920	5.21%
\$10,001–\$20,000	246,417	11.02%	110,190	0.91%
\$10,000 and lower	349,326	15.62%	22,139	0.18%
Total	2,236,136	100.00%	\$ 12,081,995	100.00%

Source: Oregon Department of Revenue

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue. Tax year 2021 is the most current year available.

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

	2014	2015	2016	2017
Governmental Activities				
General Obligation Bonds	\$ 3,193,894	\$ 3,512,256	\$ 5,525,430	\$ 6,119,313
Revenue Bonds	3,509,036	3,616,493	3,672,088	4,062,386
Certificates of Participation	620,270	485,271	340,753	289,137
Direct Borrowings/Placements	N/A	N/A	N/A	N/A
General Appropriation Bonds	-	-	-	-
Contracts, Mortgages, and Notes Payable	412,560	377,200	353,620	337,675
Lease Obligations	N/A	N/A	N/A	N/A
SBITA Obligations	N/A	N/A	N/A	N/A
Capital Leases ²	3,027	3,845	5,779	4,148
Business-type Activities				
General Obligation Bonds	2,419,832	2,411,599	554,270	536,509
Revenue Bonds	1,362,942	1,208,434	984,935	897,572
Certificates of Participation	78,057	49,261	-	-
Direct Borrowings/Placements	N/A	N/A	N/A	N/A
Contracts, Mortgages, and Notes Payable	160,108	50,919	34,900	44,001
Lease Obligations	N/A	N/A	N/A	N/A
SBITA Obligations	N/A	N/A	N/A	N/A
Capital Leases ²	69	578	268	6,315
Total Primary Government	\$ 11,759,795	\$ 11,715,856	\$ 11,472,043	\$ 12,297,056
Percentage of Personal Income ¹	7.04%	6.52%	6.09%	6.18%
Per Capita ¹	\$ 2.98	\$ 2.93	\$ 2.83	\$ 2.98

¹ Ratios are calculated using personal income and population data found in Schedule 13.

² Beginning in 2022, Capital Leases are no longer being reported due to the implementation of GASB Statement No 87, *Leases*.

Note: Details regarding the State's bonds, certificates of participation, and direct borrowings and placements can be found in Note 7 of the financial statements, while information about lease obligations, Subscription-based information technology arrangements (SBITA) obligations, and contracts, mortgages, and notes payable is located within Note 8. Amounts of outstanding debt for bonds and certificates of participation represent the outstanding principal, net of discounts, premiums, and other adjustments.

State of Oregon

	2018	2019	2020	2021	2022	2023
\$	5,993,375	\$ 6,415,345	\$ 6,436,086	\$ 6,802,573	\$ 6,850,997	\$ 7,540,361
	3,912,568	3,541,759	3,722,243	3,787,875	3,809,556	4,304,298
	246,559	315,743	100,940	95,670	90,220	85,745
	N/A	372,327	5,733	16,005	14,745	169,065
	-	-	-	-	-	-
	319,221	408,577	271,476	229,816	230,283	157,108
	N/A	N/A	N/A	N/A	975,655	937,963
	N/A	N/A	N/A	N/A	N/A	69,991
	4,274	3,141	2,701	1,700	N/A	N/A
	558,571	553,611	535,556	450,472	490,614	568,614
	957,733	1,007,006	1,085,878	996,882	940,409	1,012,532
	-	-	-	-	-	-
	N/A	66,035	64,270	50,830	28,255	26,915
	41,793	37,408	32,847	28,276	24,910	15,847
	N/A	N/A	N/A	N/A	8,393	8,127
	N/A	N/A	N/A	N/A	N/A	15,993
	5,512	4,649	4,507	3,319	N/A	N/A
\$	12,039,606	\$ 12,725,601	\$ 12,262,237	\$ 12,463,418	\$ 13,464,037	\$ 14,912,559
	5.69%	5.73%	5.07%	4.77%	5.06%	5.28%
\$	2.88	\$ 3.02	\$ 2.89	\$ 2.92	\$ 3.14	\$ 3.47

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

Year	General Bonded Debt Outstanding	Resources Restricted for Repaying the Principal of Bonded Debt Outstanding	Net General Bonded Debt Outstanding	Percentage of Personal Income¹	Per Capita
2014	\$ 5,613,726	\$ 66,985	\$ 5,546,741	3.32%	\$ 1.40
2015	5,923,855	68,147	5,855,708	3.26%	1.46
2016	6,079,700	71,723	6,007,977	3.19%	1.48
2017	6,655,822	66,987	6,588,835	3.31%	1.60
2018	6,551,946	55,693	6,496,253	3.07%	1.56
2019	6,968,956	45,985	6,922,971	3.11%	1.64
2020	6,971,642	43,720	6,927,922	2.87%	1.63
2021	7,253,045	34,988	7,218,057	2.76%	1.69
2022	7,341,591	33,996	7,307,595	2.75%	1.71
2023	8,108,975	29,836	8,079,139	2.86%	1.88

¹ Ratios are calculated using personal income and population data found in Statistical Schedule 13.

Note: Details regarding the State's debt can be found in Notes 7 and 8 of the financial statements. Amounts of outstanding general bonded debt represent the outstanding principal, net of discounts, premiums, and other adjustments.

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**Schedule 10
LEGAL DEBT MARGIN CALCULATION
For Fiscal Year 2023**

	Constitutional/Statutory Provision	Constitutional Debt Limit¹
General Obligation Bonds		
General Purpose	Article XI Section 7	0.00%
State Highway	Article XI Section 7	1.00%
Veterans' Welfare	Article XI-A	8.00%
State Power Development	Article XI-D	1.50%
Forest Rehabilitation	Article XI-E	0.19%
Higher Education	Article XI-F & XI-G	1.50%
Pollution Control ³	Article XI-H/ORS 468.195	1.00%
Elderly and Disabled Housing	Article XI-I/ORS 456.519	0.50%
Alternate Energy Projects	Article XI-J	0.50%
Oregon School Bond Guarantee	Article XI-K	0.50%
Oregon Opportunity Bonds (OHSU) ⁴	Article XI-L/ORS 353.556	0.50%
Seismic Rehab-Public Education Buildings	Article XI-M	0.20%
Seismic Rehab-Emergency Service Building	Article XI-N	0.20%
Pension Obligation	Article XI-O	1.00%
School District Capital Cost	Article XI-P	0.50%
General Purpose	Article XI-Q	1.00%
Revenue Bonds		
Highway User Tax	ORS 367.620	0.00%
Single and Multi-Family Housing Programs	ORS 456.661	0.00%

¹ Percentages listed are of Real Market Value (RMV) of all taxable real property in the State, based on the January 1, 2022, RMV of \$964,692,961,481.

² Amount outstanding includes Direct Borrowings and Direct Placements and excludes commercial paper that was issued by the Oregon Department of Transportation during the fiscal year.

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

⁴ Bonds issued to finance capital costs of Oregon Health and Science University shall be in an aggregate principal amount that produces net proceeds in an amount that does not exceed \$200 million plus the amount of any costs and expenses of issuing the bonds.

Source: Oregon State Treasury, Debt Management Division, and Oregon Constitution.

Note: The legal debt limit for lottery revenue bonds is based on the requirement that unobligated net lottery proceeds be at least 400% of the maximum annual debt service on outstanding bonds, including the estimated debt service on proposed new bonds. The debt limit for lottery bonds is not a specific dollar amount; the limit varies based on changes in estimated net lottery proceeds and changes in estimated debt service on proposed new bonds. Therefore, lottery revenue bonds are not included in this schedule.

State of Oregon

Statutory Debt Limit	Legal Debt Limit	Amount Outstanding ²	Legal Debt Margin
\$ -	\$ 50,000	\$ -	\$ 50,000
-	9,646,929,615	25,910,000	9,621,019,615
-	77,175,436,918	390,355,000	76,785,081,918
-	14,470,394,422	-	14,470,394,422
-	1,808,799,303	-	1,808,799,303
-	14,470,394,422	1,972,880,000	12,497,514,422
260,000,000	9,646,929,615	23,640,000	9,623,289,615
-	4,823,464,807	25,075,000	4,798,389,807
-	4,823,464,807	84,285,000	4,739,179,807
-	4,823,464,807	-	4,823,464,807
261,495,000	4,823,464,807	7,150,000	4,816,314,807
-	1,929,385,923	357,598,797	1,571,787,126
-	1,929,385,923	99,495,000	1,829,890,923
-	9,646,929,615	904,710,000	8,742,219,615
-	4,823,464,807	328,390,000	4,495,074,807
-	9,646,929,615	3,280,050,000	6,366,879,615
	<u>\$ 174,488,889,408</u>	<u>\$ 7,499,538,797</u>	<u>\$ 166,989,350,611</u>
\$ 3,720,000,000	\$ 3,720,000,000	\$ 3,094,275,352	\$ 625,724,648
2,500,000,000	2,500,000,000	1,025,230,321	1,474,769,679
	<u>\$ 6,220,000,000</u>	<u>\$ 4,119,505,673</u>	<u>\$ 2,100,494,327</u>

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

	2014	2015	2016	2017
General Obligation Bonds				
Debt limit	\$ 76,758,613	\$ 76,048,937	\$ 81,952,523	\$ 98,858,028
Total debt applicable to limit	5,613,726	5,923,856	6,079,700	6,135,461
Legal debt margin	<u>\$ 71,144,887</u>	<u>\$ 70,125,081</u>	<u>\$ 75,872,823</u>	<u>\$ 92,722,567</u>
Total debt applicable to the limit as a percentage of debt limit	7.31%	7.79%	7.42%	6.21%
Revenue Bonds				
Debt limit	\$ 5,750,000	\$ 5,740,000	\$ 5,740,000	\$ 5,740,000
Total debt applicable to limit	4,242,316	4,168,546	4,063,270	3,989,587
Legal debt margin	<u>\$ 1,507,684</u>	<u>\$ 1,571,454</u>	<u>\$ 1,676,730</u>	<u>\$ 1,750,413</u>
Total debt applicable to the limit as a percentage of debt limit	73.78%	72.62%	70.79%	69.51%

Source: Oregon State Treasury, Debt Management Division, and state agencies' disclosures.

Note: Amounts of outstanding debt applicable to the debt limit represent the outstanding principal, net of discounts, premiums, and other adjustments.

State of Oregon

2018	2019	2020	2021	2022	2023
\$ 103,514,944	\$ 112,798,205	\$ 119,254,357	\$ 126,046,905	\$ 148,985,661	\$ 174,488,889
6,055,473	6,413,769	6,510,272	6,745,985	6,806,389	7,499,539
<u>\$ 97,459,471</u>	<u>\$ 106,384,436</u>	<u>\$ 112,744,086</u>	<u>\$ 119,300,920</u>	<u>\$ 142,179,272</u>	<u>\$ 166,989,350</u>
5.85%	5.69%	5.46%	5.35%	4.57%	4.30%
\$ 5,740,000	\$ 5,740,000	\$ 6,220,000	\$ 6,220,000	\$ 6,220,000	\$ 6,220,000
3,950,940	3,577,354	3,871,098	3,917,058	3,747,762	4,119,506
<u>\$ 1,789,060</u>	<u>\$ 2,162,646</u>	<u>\$ 2,348,902</u>	<u>\$ 2,302,942</u>	<u>\$ 2,472,238</u>	<u>\$ 2,100,494</u>
68.83%	62.32%	62.24%	62.98%	60.25%	66.23%

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

Lottery Revenue Bonds

Year	Revenues	Expenses	Interest Earnings on GICs ¹	Net Revenues Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2014	\$ 1,058,703	\$ 546,276	\$ 2,739	\$ 515,166	\$ 72,310	\$ 54,310	\$ 126,620	4.07
2015	1,122,156	570,297	957	552,816	58,855	41,511	100,366	5.51
2016	1,245,710	657,218	299	588,791	60,300	53,163	113,463	5.19
2017	1,245,383	544,156	133	701,360	67,170	50,260	117,430	5.97
2018	1,307,690	595,537	132	712,285	73,875	54,081	127,956	5.57
2019	1,367,397	645,536	132	721,993	73,005	51,671	124,676	5.79
2020	1,168,344	578,576	133	589,902	77,895	55,170	133,065	4.43
2021	1,295,918	637,649	133	658,401	80,990	52,281	133,271	4.94
2022	1,669,254	754,178	133	915,209	86,425	45,266	131,691	6.95
2023	1,693,918	785,118	133	908,933	95,695	49,906	145,601	6.24

¹ In accordance with the bond indenture, interest earnings on Guaranteed Investment Contracts (GICs) have been included.

Source: Oregon State Lottery financial statements and the Oregon Department of Administrative Services, Chief Financial Office.

Lottery Bonds are secured by future unobligated net lottery proceeds. For additional information, refer to Note 10.

Highway User Tax Revenue Bonds

Year	Pledged Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	\$ 578,008	\$ 58,340	\$ 100,325	\$ 158,665	3.64
2015	588,295	70,020	99,528	169,548	3.47
2016	610,576	73,130	101,170	174,300	3.50
2017	620,869	75,465	99,649	175,114	3.55
2018	664,622	66,400	108,025	174,425	3.81
2019	730,313	77,785	110,603	188,388	3.88
2020	709,654	80,265	106,682	186,947	3.80
2021	772,286	87,580	91,075	178,655	4.32
2022	800,862	104,355	92,711	197,066	4.06
2023	825,554	108,730	92,683	201,413	4.10

Source: Highway User Tax Bond official statements and the Oregon Department of Transportation.

Highway User Tax Revenue Bonds are secured by a pledge of motor fuels, weight-mile, and vehicle registration fees.

Note: The State also issues revenue bonds that are primarily paid using loan repayments. Schedules for these bonds are not presented because an association of net revenues with debt service requirements is not meaningful.

**Schedule 13
DEMOGRAPHIC AND ECONOMIC INDICATORS
Last Ten Calendar Years**

Year	Population	Personal Income¹	Per Capita Personal Income	Unemployment Rate
2014	3,952,000	\$ 167,077,325	\$ 42,277	6.7%
2015	4,000,400	179,600,218	44,896	5.5%
2016	4,060,100	188,283,318	46,374	4.7%
2017	4,122,000	198,957,532	48,267	4.1%
2018	4,173,200	211,541,630	50,691	4.0%
2019	4,211,400	222,256,958	52,775	3.7%
2020	4,243,959	241,790,308	56,973	7.6%
2021	4,263,581	261,546,508	61,344	5.2%
2022	4,281,851	266,139,195	62,155	4.2%
2023	4,296,800	282,500,000	65,747	3.8%

¹ Personal income presented in thousands.

Source: Population and personal income figures for 2014 through 2022 were supplied by the US Department of Commerce, Bureau of Economic Analysis. The unemployment rates for all years are annual averages and were provided by the Oregon Employment Department.

Population and personal income estimates for 2023 were provided by the Oregon Office of Economic Analysis.

Schedule 14
EMPLOYMENT BY INDUSTRY
Calendar Year 2022 and Nine Years Prior

	2013		2022	
	Number of Employees	Percent of Total	Number of Employees	Percent of Total
Farm employment	63,721	2.82%	57,344	2.16%
Forestry, fishing, and related activities	32,160	1.42%	32,859	1.24%
Mining	5,776	0.26%	4,621	0.17%
Utilities	4,775	0.21%	5,299	0.20%
Construction	107,297	4.75%	153,517	5.78%
Manufacturing	191,642	8.48%	206,906	7.78%
Wholesale trade	79,364	3.51%	86,064	3.24%
Retail trade	236,752	10.47%	264,677	9.96%
Transportation and warehousing	65,279	2.89%	132,623	4.99%
Information	40,416	1.79%	49,275	1.85%
Finance and insurance	94,217	4.17%	108,772	4.09%
Real estate, rental, and leasing	102,831	4.55%	143,199	5.39%
Professional and technical services	142,770	6.32%	187,980	7.07%
Management of companies	39,063	1.73%	52,792	1.99%
Administrative and waste services	120,328	5.32%	136,310	5.13%
Educational services	57,012	2.52%	50,885	1.91%
Health care and social assistance	260,929	11.54%	312,843	11.77%
Arts, entertainment, and recreation	55,008	2.43%	60,435	2.27%
Accommodation and food services	167,481	7.41%	190,276	7.16%
Other services	118,009	5.22%	129,476	4.87%
Federal government, civilian	27,608	1.22%	27,876	1.05%
Military	12,151	0.54%	10,604	0.40%
State government	60,965	2.70%	43,172	1.62%
Local government	174,783	7.73%	210,480	7.92%
Total employment	2,260,337	100.00%	2,658,285	100.00%

Source: US Department of Commerce, Bureau of Economic Analysis.

Note: Due to confidentiality issues, the names of the ten principal employers are not available. The categories presented are intended to provide alternative information regarding the concentration of employment in various business sectors.

**Schedule 15
GOVERNMENT EMPLOYEES
Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Education	624	642	688	688	704	709	815	811	1,003	1,004
Human Services	11,694	11,671	12,373	12,360	12,970	12,998	13,673	13,792	15,455	15,472
Public Safety	8,615	8,618	8,667	8,677	8,891	8,891	9,182	9,187	9,380	9,384
Economic and Community Development	1,651	1,670	1,610	1,615	1,664	1,646	1,784	2,411	2,885	2,886
Natural Resources	4,338	4,348	4,324	4,313	4,267	4,282	4,282	4,313	4,632	4,624
Transportation	4,480	4,475	4,411	4,408	4,511	4,517	4,726	4,726	4,770	4,746
Consumer and Business Services	1,421	1,410	1,427	1,423	1,442	1,450	1,467	1,466	1,489	1,493
Administration	2,827	2,827	2,961	2,977	3,052	3,060	3,253	3,225	3,432	3,418
Legislative Branch	429	429	432	432	452	448	459	459	477	474
Judicial Branch	1,840	1,839	1,860	1,859	1,850	1,853	1,904	1,904	2,028	2,030
Total FTE Positions	37,919	37,929	38,753	38,752	39,803	39,855	41,545	42,294	45,551	45,531

Source: Department of Administrative Services, Chief Financial Office.

Note: The number of full time equivalent (FTE) positions is established in the legislatively adopted biennial budget. A distinction between governmental and business-type activities is not available.

In 2014, the Oregon University System was legislatively approved to act as a private entity and will no longer be included in the Education FTE figure.

Schedule 16
OPERATING INDICATORS AND CAPITAL ASSET INFORMATION BY FUNCTION
Last Ten Fiscal Years

	2014	2015	2016
Governmental Activities			
Education			
Number of PreK-12 students	567,100	570,857	576,407
Number of FTE community college students	104,339	97,362	90,478
Special education school campuses	1	1	1
Human Services			
Number of individuals eligible for Oregon Health Plan	971,104	1,050,178	1,109,321
Average number of basic TANF individuals	70,046	60,188	50,490
Public Safety			
Number of sworn state police officers	606	719	732
Prison inmate population	14,632	14,706	14,721
Number of correctional facilities	14	14	14
Economic and Community Development			
Community development grants provided (in dollars)	\$ 18,590,649	\$ 20,287,281	\$ 12,055,779
Number of technical assistance grants provided	5	1	4
Natural Resources			
Forest acres burned	53,018	87,793	5,649
State park day use visitors (in millions)	43.2	47.6	51.5
Acreage of state parks	108,499	109,587	107,960
Miles of forest roads	3,456	3,488	3,528
Transportation			
Licensed drivers (in millions)	3.1	3.1	3.1
Vehicle miles traveled on state highway system (in billions)	19.8	20.7	21.4
State highway system miles	7,399	7,401	7,402
Number of state owned bridges	2,725	2,726	2,738
Consumer and Business Services			
Number of employers covered by workers' compensation	107,900	112,100	116,900
Historic premiums written for all insurance lines (in billions)	\$ 19.5	\$ 20.6	\$ 22.9
Average bank and credit union assets (in billions)	\$ 56.6	\$ 61.0	\$ 66.0
Construction employment (in thousands)	80.1	83.3	90.4
Administration			
Number of tax returns filed	1,942,678	1,993,570	2,040,738
Percent of returns filed electronically	84.0%	86.0%	86.0%
Uniform rent square footage (in millions)	2.0	2.0	2.0
Leased office space square footage (in millions)	4.6	4.6	5.0
Number of motor pool vehicles	3,993	4,022	4,130
Legislative			
Number of bills introduced	252	2,641	253
Number of bills becoming law	126	847	124
Length of legislative session (in days)	36	155	32
Capitol building	1	1	1
Judicial			
Cases filed in circuit courts	536,922	522,377	491,681
Number of circuit court judges	173	173	173

Sources: Various state agencies

Note: Figures for 2022 and 2023 that are not available until a later date are indicated with N/A.

State of Oregon

2017	2018	2019	2020	2021	2022	2023
578,947	580,684	581,730	582,661	560,917	553,012	552,380
88,167	85,642	81,809	73,836	64,814	60,863	61,562
1	1	1	1	1	1	1
1,067,322	1,077,267	991,189	1,110,339	1,226,697	1,356,894	1,413,924
48,502	44,646	43,257	43,039	31,611	36,289	39,102
700	680	714	694	692	698	697
14,742	14,916	14,632	13,149	12,044	12,267	12,176
14	14	14	14	14	12	12
\$ 11,978,330	\$ 13,162,331	\$ 12,357,434	\$ 19,759,812	\$ 14,331,610	\$ 10,810,432	\$ 25,755,426
2	2	3	4	-	-	-
45,463	75,608	17,164	541,408	231,494	34,859	17,393
49.0	51.4	52.1	42.0	53.0	51.0	53.0
108,499	113,143	113,276	113,085	113,177	111,485	125,000
3,569	3,598	3,642	3,663	3,681	3,702	3,729
3.1	3.2	3.2	3.5	3.6	N/A	N/A
21.4	21.8	21.9	19.5	22.0	21.9	N/A
7,401	7,350	7,341	7,346	7,346	7,982	N/A
2,737	2,744	2,760	2,763	2,767	2,772	2,773
120,200	123,900	126,100	128,000	134,200	135,400	N/A
\$ 22.5	\$ 24.1	\$ 25.5	\$ 25.6	\$ 26.6	\$ 29.8	N/A
\$ 99.8	\$ 102.8	\$ 111.5	\$ 120.5	\$ 135.8	\$ 145.3	N/A
97.9	105.4	109.6	108.4	111.0	115.9	N/A
2,085,153	2,128,750	2,212,690	2,224,020	2,236,140	N/A	N/A
87.0%	88.0%	90.0%	91%	92.4%	N/A	N/A
1.9	1.9	1.9	1.8	1.8	1.8	1.8
5.4	4.9	5.0	5.3	5.3	5.7	5.3
4,117	4,192	4,142	4,201	4,053	3,996	4,148
2,647	232	2,768	283	2,390	254	2,836
747	122	760	6	680	119	614
157	28	168	38	161	41	160
1	1	1	1	1	1	1
489,135	522,013	493,361	433,881	366,645	493,247	502,958
173	173	175	177	177	179	179

(continued on next page)

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

	2014	2015	2016
Business-Type Activities			
Housing and Community Services			
Number of low or moderate income single family home loans closed	394	334	410
Number of affordable rental units financed	94	564	479
Veterans' Loan			
Number of outstanding loans	1,934	1,881	1,864
Percent of delinquent loans	1.45%	0.80%	0.80%
Lottery Operations			
Number of retailers	3,843	3,939	3,920
Number of video terminals	11,951	11,925	11,909
Unemployment Compensation			
Number of claims paid	1,762,202	1,604,461	1,407,146
Amount of claims paid (in millions)	\$ 561.7	\$ 544.9	\$ 504.2
University System			
Total headcount enrollment	94,129	94,011	*
Degrees awarded	21,359	21,429	*
Number of university campuses	7	7	*
State Hospital System			
Number of mental health patient days served	222,776	218,127	220,202
Number of state owned hospital beds	727	786	786
Liquor Control			
Number of state retail outlets	248	248	248
Number of cases sold	2,955,352	3,021,190	3,127,664
Other Business-type Activities			
Number of residents in Oregon Veterans' Homes	140	155	235
Number of state owned parking spaces	4,605	4,616	4,595

* Starting with FY 2016, the university system is no longer part of the primary government and will no longer be reported.

State of Oregon

2017	2018	2019	2020	2021	2022	2023
490	714	1,029	678	368	522	463
440	1,217	1,943	1,602	2,860	3,537	1,205
1,870	1,877	1,927	1,777	1,417	1,376	1,448
0.91%	0.91%	0.42%	0.51%	0.64%	0.94%	1.04%
3,934	3,923	3,975	3,919	3,896	3,829	3,797
11,817	11,742	11,586	11,567	10,851	10,999	10,936
1,054,564	1,302,855	1,299,188	10,352,882	7,847,472	306,084	N/A
\$ 390.0	\$ 504.5	\$ 521.3	\$ 6,296.2	\$ 4,511.1	\$ 127.4	N/A
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
218,966	212,309	221,496	225,699	218,570	232,626	250,283
766	742	742	758	758	743	742
256	267	282	282	281	282	284
3,244,159	3,365,467	3,525,882	3,766,538	3,922,074	3,929,953	3,928,093
284	268	279	280	239	233	236
4,661	4,710	4,752	4,657	4,641	4,584	4,547

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