



# OREGON DEPARTMENT OF TRANSPORTATION Annual Financial Report

*For the Fiscal Year Ended June 30, 2022*

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





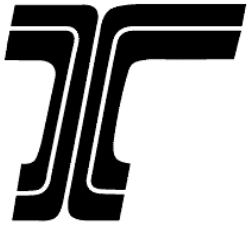




**State of Oregon  
Department of Transportation  
Annual Financial Report  
For the Fiscal Year Ended June 30, 2022**

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# Oregon

Kate Brown, Governor

## Department of Transportation

Financial Services

355 Capitol St NE

MS#21

Salem, OR 97301

December 31, 2022

To the Honorable Governor Kate Brown, and Citizens of the State of Oregon:

The Oregon Department of Transportation (Department) is pleased to present its annual financial report for the fiscal year ended June 30, 2022. The Department produces a non-audited annual financial report based on generally accepted accounting principles prescribed by the Governmental Accounting Standards Board. The financial data summarized in the annual financial report comes from the Department's detailed financial data and the Oregon Statewide Financial Management Application. The financial data in the Department's annual financial report supports the audited State of Oregon Annual Comprehensive Financial Report.

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

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

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

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

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

The Department's internal control system includes both automated controls and comprehensive policies and procedures. In addition, the Department has an Office of Audit Services that maintains an independent and objective position within the Department. The Office of Audit Services performs independent internal audits of programs and divisions within the Department in accordance with generally accepted government auditing standards.

## **MISSION STATEMENT**

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

## **OUR VALUES**

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

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

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

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

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

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

## **OREGON TRANSPORTATION INVESTMENT ACT**

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

### **The OTIA Bond Program**

In 2007, the Department completed issuance of the \$500 million net proceeds of Highway User Tax Revenue Bonds under OTIA I and II authority, and in 2010 the Department completed the

issuance of \$1.9 billion net proceeds of Highway User Tax Revenue Bonds authorized under OTIA III. Of the \$2.4 billion of bonds issued for OTIA projects, as of June 30, 2022, approximately \$1.57 billion of principal is outstanding.

## **THE JOBS AND TRANSPORTATION ACT**

In 2009, the Legislative Assembly enacted the Oregon Jobs and Transportation Act of 2009 (JTA). JTA, as amended, authorized a number of programs including, among other things, \$840 million in net proceeds of Highway User Tax Revenue Bonds to finance a specific list of projects set out in the JTA (the JTA projects) and \$100 million in Lottery Revenue Bonds for the Connect Oregon III program to provide financing for multimodal transportation facilities.

The JTA projects consisted of 37 specific highway projects plus allocations for 14 additional projects selected by local governments in eastern Oregon, for a total of 51 JTA projects. The Legislative Assembly approved certain fee and tax increases in JTA to, among other things, provide additional revenues for JTA projects and to pay debt service on Highway User Tax Revenue Bonds including bonds issued to finance the JTA projects.

### **The JTA Bond Program**

The state issued three series of Highway User Tax Revenue Bonds, including State of Oregon Department of Transportation Highway User Tax Revenue Bonds, Senior Lien Bonds, Series 2013A; State of Oregon Department of Transportation Highway User Tax Revenue Subordinate Lien Bonds, Series 2017S-2; and State of Oregon Department of Transportation Highway User Revenue Bonds Senior Lien Bonds, Series 2017A, for JTA Projects and has no remaining bond authorization under JTA. As of June 30, 2022, approximately \$560 million of the JTA program bond principal is outstanding.

For more information see <https://www.oregon.gov/ODOT/pages/jta.aspx>

## **THE KEEP OREGON MOVING ACT**

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

### **The Keep Oregon Moving Act Bond Program**

The Keep Oregon Moving Act, as amended, authorized the issuance of \$480 million in net proceeds of Highway User Tax Revenue Bonds and allowed the department to issue Highway User Tax Revenue Bonds against an allocation of \$30 million for the Interstate 5 Rose Quarter project. The proceeds of Highway User Tax Revenue Bonds authorized by the Keep Oregon Moving Act are designated to finance projects across the state. The Department is authorized to use amounts produced by certain increases in taxes and fees under the Keep Oregon Moving Act to pay debt service. In the fall of 2020, ODOT issued the first round of Highway User Tax Revenue Bonds, generating \$240 million in bond proceeds. As of June 30, 2022, approximately \$186 million of the Keep Oregon Moving program bond principal is outstanding.

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

## **ECONOMIC CONDITIONS AND OUTLOOK**

The crosscurrents in the economic data today make assessing the outlook more challenging than usual. Economists are on recession watch given the combination of slower economic growth, high inflation, and rising interest rates. According to public surveys, the majority of Americans think the economy is already in a recession, even if the underlying data do not support it. Such sentiment could matter given that recessions are in part psychological events. If consumers pull back on their spending out of fear of potentially losing their job, and businesses delay investments and expansions out of fear of potentially lower sales, that could create a recession even if the fundamentals are still sound. Importantly, right now the fundamentals still look to be sound.

Employment and industrial production are growing. Personal income and consumer spending are rising quickly, but struggling to outpace the fastest inflation the U.S. has experienced since the early 1980s. These indicators – employment, production, income, and sales – are the main data points that the National Bureau of Economic Research (NBER) uses to identify when recessions begin and end. Despite the crosscurrents so far in 2022, the data overall do not support the U.S. economy currently being in recession.

While it may feel reassuring that knowing “this too shall pass” in terms of the immediate state of the economy, the risks are still clearly to the downside. The possibility that the current bout of inflation is more persistent than expected increases the probability that the Federal Reserve will ultimately have to raise interest rates even higher, and hold them there for a longer period of time. This combination increases the likelihood of tipping the economy back into recession in the future. The risk of recession is very high. Many advisors believed that putting a recession in the baseline, or most probable outlook was the right thing to do. However the consensus was also that the potential recession would begin at the end of 2023 or beginning of 2024. The risks are real. The outlook is essentially a coin flip between the soft landing and a recession.

However, given the uncertainty and the expected timing of a potential recession being a year out, we know a lot can happen between now and then. The key issue to watch is inflation. No other macroeconomic data is more important as it will dictate Federal Reserve policy in the quarters ahead.

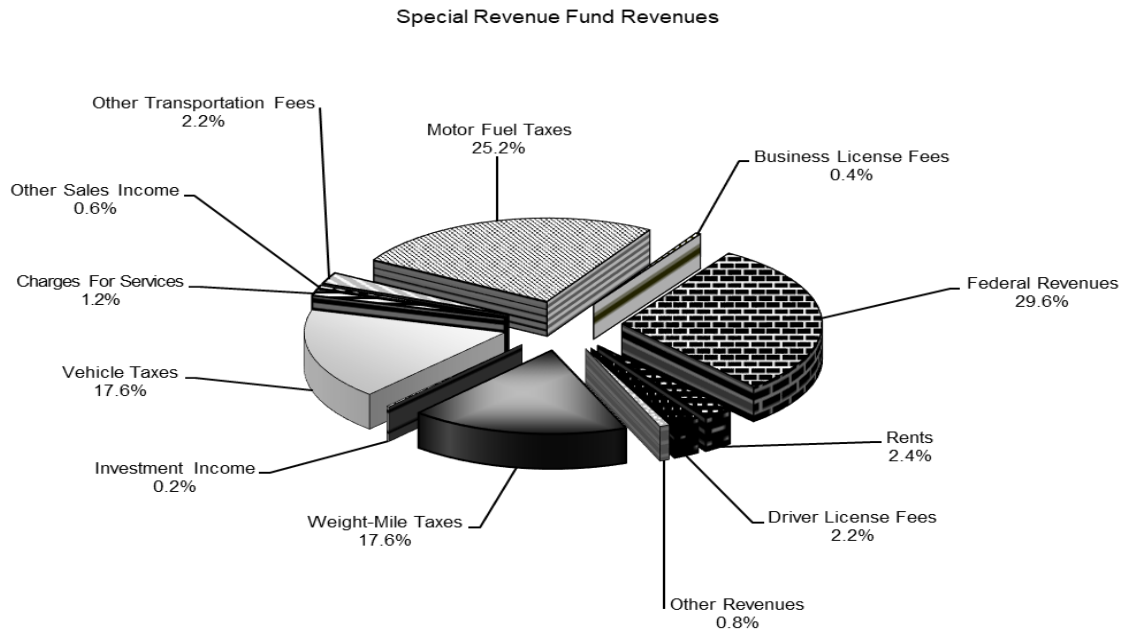
In the soft landing, employment and income are still growing, but at a downwardly revised pace as slower economic growth is needed to bring inflation all the way back down to the Federal Reserve’s target. An alternative scenario has the Federal Reserve raising interest rates even higher than anticipated which eventually results in a mild recession. Household incomes are strong which supports spending, and firms are more likely to try and hold onto workers even during a period of weak economic growth due to the trouble they have had finding and keeping workers in recent years. The risks are that the recession could ultimately start a bit earlier, and/or need to be more severe to truly bring inflation back down.



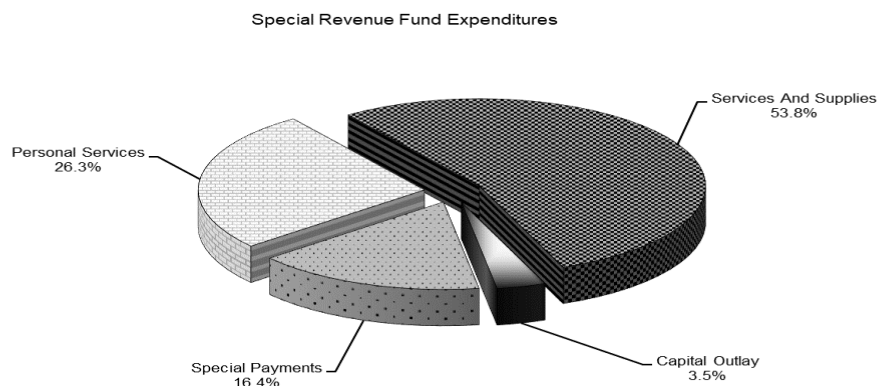
## FINANCIAL ANALYSIS OF THE DEPARTMENT'S GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources such as taxes, licenses, and other revenue allocated by law to specific purposes. The Department accounts for 87.4% of its expenditures in special revenue funds. The other 12.6% of the expenditures are in debt service funds (10.2%), capital project funds (0.7%) and general fund (1.7%). Special revenue fund revenues include taxes (60.4%) and federal revenues (29.6%). Special revenue fund revenues increased from \$2.3 billion in 2021 to \$2.6 billion in 2022.



Special revenue fund expenditures are composed primarily of services and supplies (53.8%) which include payments for highway construction contracts. Personal services payments include salaries, benefits, and related expenditures. Special payments include distributions to governmental entities and others. Capital outlay payments include machinery and equipment.



## **FINANCIAL INTRODUCTION**

The financial introduction section presents an overview of the financial performance of the Department for the fiscal year ended June 30, 2022. It serves as an introduction to the Department's basic financial statements and focuses on significant financial matters.

### **FINANCIAL HIGHLIGHTS**

#### **Fund Level**

As of June 30, 2022, the Department's governmental funds reported combined ending fund balances of \$573.3 million, compared to \$844.0 million for the previous year. Debt issuances in the previous year were greater than in the current year increasing the previous year's ending fund balance.

#### **Long-Term Debt**

The Department's total long-term debt decreased by \$139.4 million, or 4.53 percent, during the current fiscal year. The decrease was due to payments on long-term debt exceeding new debt issuances.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

#### **Fund Financial Statements**

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

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

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

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

#### **Notes to the Financial Statements**

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

**Other Information**

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

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

**ACKNOWLEDGEMENTS**

The Department's annual financial report provides citizens, taxpayers, customers, investors, and creditors with a general overview of the Department's finances and demonstrates the Department's accountability for the money it receives. The Department appreciates the efforts of the Financial Services Branch staff who contributed to the preparation of this report. Of particular note was the work of Scott Smyth and Wendy Feth under the direct supervision of Rich Brock.

Sincerely,



Kristopher W. Strickler, Director  
Oregon Department of Transportation



Tracy Wroblewski  
Chief Financial Officer

**Principal Officers of the Oregon Department of Transportation  
June 30, 2022**

**Oregon Transportation Commission**

<b><u>Commissioner</u></b>	<b><u>Commission Expires</u></b>
Robert Van Brocklin, Chair	June 30, 2025
Alando Simpson, Vice Chair	June 30, 2022
Julie Brown	June 30, 2024
Sharon Smith	June 30, 2023
Marcilynn Burke	June 30, 2024

**Oregon Department of Transportation**

Director – Kristopher Strickler

Assistant Director for Government and External Relations – Lindsay Baker

Assistant Director for Revenue, Finance, and Compliance – Travis Brouwer

Assistant Director for Operations – Cooper Brown

Assistant Director for Social Equity – Erika McCalpine

Administrator, Driver and Motor Vehicle Services Division – Amy Joyce

Administrator, Commerce and Compliance Division – Amy Ramsdell

Administrator, Delivery and Operations Division – Mac Lynde

Administrator, Policy, Data, and Analysis Division – Amanda Pietz

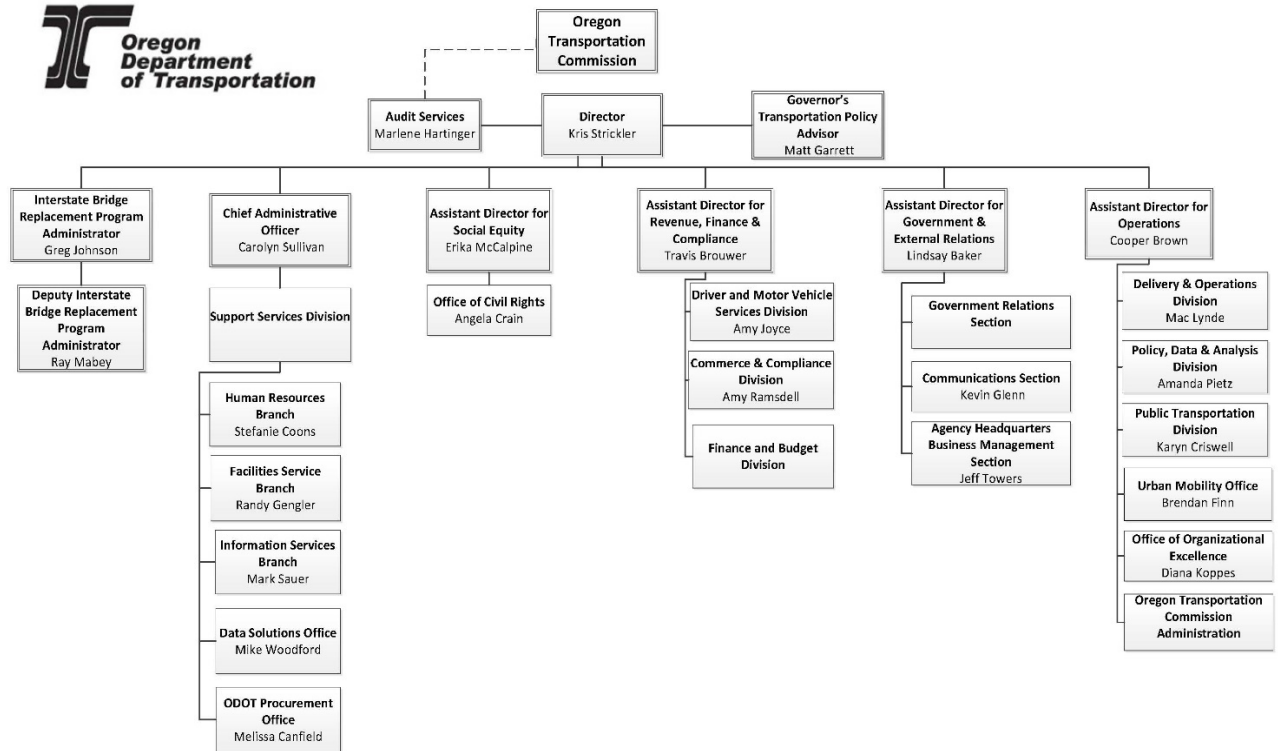
Administrator, Public Transportation Division – Karyn Criswell

Chief Administrative Officer – Carolyn Sullivan

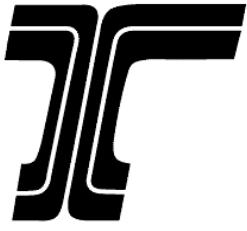
Chief Financial Officer, Financial Services – Tracy Wroblewski

Chief Internal Auditor – Marlene Hartinger

# State of Oregon Department of Transportation Organization Chart June 30, 2022

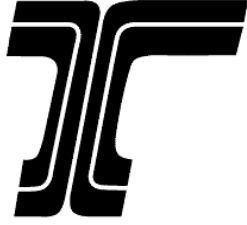






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## **FINANCIAL SECTION**

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**State of Oregon**  
**Department of Transportation**  
**Balance Sheet - All Fund Types**  
**June 30, 2022**

	Governmental Funds					Fiduciary Funds
	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds	Custodial Funds
<b>Assets</b>						
Cash and Cash Equivalents	\$ -	\$ 568,129,160	\$ 70,575,266	\$ -	\$ 638,704,426	\$ 32,532,075
Investments	-	27,206,628	-	-	27,206,628	-
Loans Receivable (net)	-	22,239,575	-	-	22,239,575	-
Taxes Receivable (net)	-	62,493,381	-	-	62,493,381	-
Due from Federal Government	-	78,324,743	-	-	78,324,743	-
Due from Other Funds/Agencies	-	173,963,830	31,849,205	2,045,402	207,858,437	-
Due from State General Fund	3,749,301	-	-	-	3,749,301	-
Other Accounts Receivable (net)	-	69,162,806	-	-	69,162,806	2,711,763
Inventories	-	42,314,465	-	-	42,314,465	-
Prepaid Assets	-	242,758	-	-	242,758	-
Contracts Receivable (net)	-	3,756	-	-	3,756	-
<b>Total Assets</b>	<b>\$ 3,749,301</b>	<b>\$ 1,044,081,102</b>	<b>\$ 102,424,471</b>	<b>\$ 2,045,402</b>	<b>\$ 1,152,300,276</b>	<b>\$ 35,243,838</b>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>						
<u>Liabilities:</u>						
Accounts Payable	\$ 399,341	\$ 135,948,444	\$ -	\$ 1,619,668	\$ 137,967,453	\$ -
Deposit Liabilities	-	299,917	-	-	299,917	-
Due to Other Governments	3,349,960	119,584,230	-	-	122,934,190	-
Due to Other Funds/Agencies	-	179,456,269	-	1,764	179,458,033	-
Unearned Revenue	-	112,741,104	-	-	112,741,104	-
<b>Total Liabilities</b>	<b>3,749,301</b>	<b>548,029,964</b>	<b>-</b>	<b>1,621,432</b>	<b>553,400,697</b>	<b>-</b>
<u>Deferred Inflows:</u>						
Unavailable Revenue	-	25,622,918	-	-	25,622,918	-
	-	25,622,918	-	-	25,622,918	-
<u>Fund Balances:</u>						
Nonspendable:						
Inventories	-	42,314,465	-	-	42,314,465	-
Revolving Accounts	-	500	-	-	500	-
Prepaid Assets	-	242,758	-	-	242,758	-
Restricted by:						
Oregon Constitution	-	75,319,845	102,424,471	423,970	178,168,286	-
Federal Laws and Regulations	-	32,032,445	-	-	32,032,445	-
Debt Covenants	-	182,982,107	-	-	182,982,107	-
Enabling Legislation	-	137,425,255	-	-	137,425,255	-
Committed	-	110,845	-	-	110,845	-
Net Position Held for Others	-	-	-	-	-	35,243,838
<b>Total Fund Balances</b>	<b>-</b>	<b>470,428,220</b>	<b>102,424,471</b>	<b>423,970</b>	<b>573,276,661</b>	<b>35,243,838</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 3,749,301</b>	<b>\$ 1,044,081,102</b>	<b>\$ 102,424,471</b>	<b>\$ 2,045,402</b>	<b>\$ 1,152,300,276</b>	<b>\$ 35,243,838</b>

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

State of Oregon  
Department of Transportation  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - All Fund Types  
For the Fiscal Year Ended June 30, 2022

	Governmental Funds				Total Governmental Funds	Fiduciary Funds  Custodial Funds
	General	Special Revenue	Debt Service	Capital Projects		
<b>Revenues:</b>						
Motor Fuel Taxes	\$ -	\$ 658,713,547	\$ -	\$ -	\$ 658,713,547	\$ -
Federal Revenues	-	772,246,088	-	-	772,246,088	-
Weight-Mile Taxes	-	458,123,654	-	-	458,123,654	-
Vehicle Registration Taxes	-	458,297,628	-	-	458,297,628	-
Driver License Fees	-	57,049,287	-	-	57,049,287	-
Other Transportation Fees	-	57,366,425	-	-	57,366,425	96,237,905
Charges for Services	-	32,570,971	-	-	32,570,971	-
Other Sales Income	-	14,642,731	-	-	14,642,731	-
Investment Income	-	4,856,147	84,077	-	4,940,224	6,231
Business License Fees	-	9,971,866	-	-	9,971,866	-
Rents	-	61,659,836	-	-	61,659,836	-
Other Revenues	-	20,861,522	9,837,884	-	30,699,406	4,348,955
<b>Total Revenues</b>	-	2,606,359,702	9,921,961	-	2,616,281,663	100,593,091
<b>Expenditures:</b>						
Personal Services	270,257	573,823,971	-	531,507	574,625,735	-
Services and Supplies	28,727,948	1,176,360,747	350	2,792,766	1,207,881,811	-
Capital Outlay	-	76,486,196	-	13,287,198	89,773,394	-
Special Payments	3,349,960	358,469,837	-	-	361,819,797	37,685,930
Principal and Interest	9,209,228	-	256,479,952	-	265,689,180	-
Other Debt Service	-	37,800	-	-	37,800	-
<b>Total Expenditures</b>	41,557,393	2,185,178,551	256,480,302	16,611,471	2,499,827,717	37,685,930
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,557,393)	421,181,151	(246,558,341)	(16,611,471)	116,453,946	62,907,161
<b>Other Financing Sources (Uses):</b>						
General Fund Appropriation	41,557,393	-	-	-	41,557,393	-
Long-Term Debt Issued	-	4,304,698	-	-	4,304,698	-
Transfers In - Net of Intrafund Activity	-	160,480,758	253,397,038	18,180,031	432,057,827	-
Transfers Out - Net of Intrafund Activity	-	(865,844,778)	-	(1,371,628)	(867,216,406)	-
Gain (Loss) on Sale of Capital Assets	-	240,066	-	-	240,066	-
Insurance Recoveries	-	1,366,702	-	227,038	1,593,740	-
<b>Total Other Financing Sources (Uses)</b>	41,557,393	(699,452,554)	253,397,038	17,035,441	(387,462,682)	-
Net Change in Fund Balances	-	(278,271,403)	6,838,697	423,970	(271,008,736)	62,907,161
Fund Balances - Beginning	-	748,799,312	95,585,774	-	844,385,086	7,685,426
Prior Period Adjustment	-	-	-	-	-	(35,348,749)
Change in Nonspendable Fund Balances	-	(99,689)	-	-	(99,689)	-
<b>Fund Balances - Ending</b>	\$ -	\$ 470,428,220	\$ 102,424,471	\$ 423,970	\$ 573,276,661	\$ 35,243,838

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

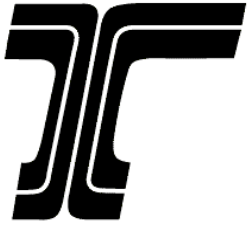
State of Oregon  
Department of Transportation  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - Budgetary (Non-GAAP) Basis  
Governmental Funds  
For the Fiscal Year Ended June 30, 2022

	General Fund			Special Revenue Funds		
	2021-2023 Biennial Budget	2021-2023 Biennial Actuals	Variance Uncollected/ Unspent	2021-2023 Biennial Budget	2021-2023 Biennial Actuals	Variance Uncollected/ Unspent
<b>Revenues:</b>						
Motor Fuel Taxes	\$ -	\$ -	\$ -	\$1,415,484,523	\$ 658,713,547	\$ 756,770,976
Federal Revenues	-	-	-	2,430,284,671	772,246,088	1,658,038,583
Weight-Mile Taxes	-	-	-	858,141,782	458,123,654	400,018,128
Vehicle Registration Taxes	-	-	-	919,982,540	458,297,628	461,684,912
Driver License Fees	-	-	-	99,865,085	57,049,287	42,815,798
Other Transportation Fees	-	-	-	107,526,881	57,366,425	50,160,456
Charges for Services	-	-	-	10,278,205	32,570,971	(22,292,766)
Other Sales Income	-	-	-	14,379,880	14,642,731	(262,851)
Investment Income	-	-	-	32,065,334	4,856,147	27,209,187
Business License Fees	-	-	-	5,559,246	9,971,866	(4,412,620)
Rents	-	-	-	2,309,169	61,659,836	(59,350,667)
Other Revenues	-	-	-	693,215,524	20,861,522	672,354,002
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,589,092,840</u>	<u>2,606,359,702</u>	<u>3,982,733,138</u>
<b>Expenditures:</b>						
Personal Services	-	270,257	(270,257)	1,178,943,552	573,823,971	605,119,581
Services and Supplies	47,499,960	28,727,948	18,772,012	3,307,849,973	1,176,353,182	2,131,496,791
Capital Outlay	-	-	-	116,813,129	76,486,196	40,326,933
Special Payments	10,000,000	3,349,960	6,650,040	509,519,800	360,277,910	149,241,890
Debt Service (combined)	18,371,213	9,209,228	9,161,985	-	37,800	(37,800)
<b>Total Expenditures</b>	<u>75,871,173</u>	<u>41,557,393</u>	<u>34,313,780</u>	<u>5,113,126,454</u>	<u>2,186,979,059</u>	<u>2,926,147,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(75,871,173)</u>	<u>(41,557,393)</u>	<u>(34,313,780)</u>	<u>1,475,966,386</u>	<u>419,380,643</u>	<u>1,056,585,743</u>
<b>Other Financing Sources (Uses):</b>						
General Fund Appropriation	75,871,173	41,557,393	34,313,780	-	-	-
Long-Term Debt Issued	-	-	-	6,202,928	4,304,698	1,898,230
Transfers In (gross)	-	-	-	692,280,116	1,570,930,079	(878,649,963)
Transfers Out (gross)	-	-	-	(1,342,571,532)	(2,276,294,099)	933,722,567
Loan Payments	-	-	-	6,168,102	-	6,168,102
Gain (Loss) on Sale of Capital Assets	-	-	-	-	240,066	(240,066)
Insurance Recoveries	-	-	-	-	1,366,702	(1,366,702)
<b>Total Other Financing Sources (Uses)</b>	<u>75,871,173</u>	<u>41,557,393</u>	<u>34,313,780</u>	<u>(637,920,386)</u>	<u>(699,452,554)</u>	<u>61,532,168</u>
Net Change in Budgetary Fund Balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 838,046,000</u>	<u>(280,071,911)</u>	<u>\$ 1,118,117,911</u>
Budgetary Fund Balances - Beginning		-			748,799,312	
Prior Period Adjustment		-			1,800,508	
Change in Nonspendable Fund Balances		-			(99,689)	
<b>Budgetary Fund Balances - Ending</b>		<u>\$ -</u>			<u>\$ 470,428,220</u>	

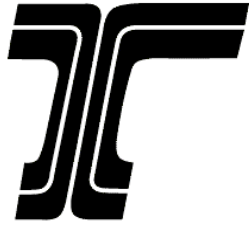


Debt Service Funds			Capital Projects Funds <sup>(1)</sup>		
2021-2023 Biennial Budget	2021-2023 Biennial Actuals	Variance Uncollected/ Unspent	2021-2023 Biennial Budget	2021-2023 Biennial Actuals	Variance Uncollected/ Unspent
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	84,077	(84,077)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,837,884	(9,837,884)	-	-	-
-	9,921,961	(9,921,961)	-	-	-
-	-	-	-	-	-
-	-	-	-	531,507	(531,507)
-	350	(350)	-	2,792,766	(2,792,766)
-	-	-	32,000,000	13,287,198	18,712,802
-	-	-	-	-	-
542,981,470	256,479,952	286,501,518	-	-	-
542,981,470	256,480,302	286,501,168	32,000,000	16,611,471	15,388,529
(542,981,470)	(246,558,341)	(296,423,129)	(32,000,000)	(16,611,471)	(15,388,529)
-	-	-	-	-	-
-	-	-	-	-	-
-	253,397,038	(253,397,038)	-	18,180,031	(18,180,031)
-	-	-	-	(1,371,628)	1,371,628
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	227,038	(227,038)
-	253,397,038	(253,397,038)	-	17,035,441	(17,035,441)
<u>\$ (542,981,470)</u>	6,838,697	<u>\$ (549,820,167)</u>	<u>\$ (32,000,000)</u>	423,970	<u>\$ (32,423,970)</u>
	95,585,774			-	
	-			-	
	-			-	
	<u>\$ 102,424,471</u>			<u>\$ 423,970</u>	

<sup>(1)</sup> Capital Projects Funds are budgeted on a 6-year cycle.



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# **NOTES TO THE FINANCIAL STATEMENTS**

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## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### ***A. Reporting Entity***

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

The Oregon Transportation Commission (OTC), in cooperation with the governor, appoints the director of the Department. The director works with the OTC to provide direction for the Department's programs.

### ***B. Governmental Fund Statements***

#### Fund Financial Statements

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

### ***C. Measurement Focus and Basis of Accounting***

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

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

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

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

#### ***D. Basis of Presentation***

The Department records its financial activities in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other related assets, together with all related liabilities and residual net position or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

##### Governmental Funds

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

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

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

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

##### Fiduciary Funds

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

#### ***E. Assets, Liabilities, and Fund Balance***

##### Deposits and Investments

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

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

##### Receivables and Payables

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

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

##### Inventories

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



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

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**Capital Assets**

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

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

***F. Pollution Remediation Obligation***

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

Pollution remediation obligations are recognized when the range of expected cash outlays can be reasonably estimated. The Department recognized an estimated pollution remediation liability of \$8.0 million as of June 30, 2022, for statewide reporting purposes. However, this liability is not reported in the Department's fund financial statements. For many projects, the Department can reasonably estimate the range of expected outlays early in the process because the site situation is common or similar to other sites with which the Department has experience. In other cases, the estimates are limited to an amount specified in a contract for remediation services or provided by environmental consulting firms.

When new information indicates changes in expected outlays, the liability for pollution remediation is adjusted. Adjustments may be the result of price fluctuations resulting from delays in contracting specific remediation jobs, changes in technology, changes in legal or regulatory requirements, and changes in the remediation plan or operating conditions.

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

***G. Retainage Payable***

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

***H. Unearned Revenue***

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

***I. Long-Term Liabilities***

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

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

***J. Fund Balance***

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

***K. Deferred Outflows and Inflows of Resources***

Deferred Outflows of Resources represents a consumption of net assets by the Department that is applicable to a future reporting period. Deferred Inflows of Resources represents an acquisition of net assets by the Department that is applicable to a future reporting period. Deferred outflows of resources have a positive effect on net position, similar to assets, and deferred inflows of resources have a negative effect on net position, similar to liabilities. Notwithstanding those similarities, deferred outflows of resources are not assets and deferred inflows of resources are not liabilities and are not included in those sections.

***L. Use of Estimates***

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

## 2. BUDGETARY INFORMATION

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

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

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

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

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

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

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### **3. CASH AND INVESTMENTS**

#### Deposits

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

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

#### Investments

At June 30, 2022, the Department's investments consisted primarily of corporate bonds and U.S. Agency securities.

Cash and cash equivalents and investments as of June 30, 2022:

	<u>Total</u>
Cash and Deposits in Transit	\$ 8,187,623
Deposits with State Treasury	662,141,485
Deposits with Fiscal Agents	907,393
Investments with State Treasury	<u>27,206,628</u>
Total	<u>\$ 698,443,129</u>

### **4. TRANSFERS**

#### Fund Transfers

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

#### Special Payments

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

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

Transfer activity for the year ended June 30, 2022:

<u>Departmental transfers:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Special Revenue Funds</b>		
Capital Projects	\$ 17,313,037	\$ 1,371,628
Debt Service	193,441,343	-
<b>Debt Service Funds</b>		
Special Revenue	-	193,441,343
<b>Capital Projects Funds</b>		
Special Revenue	1,371,628	17,313,037
Total departmental transfers	<u>212,126,008</u>	<u>212,126,008</u>
<u>State agency transfers:</u>		
<b>Special Revenue Funds</b>		
Business Oregon	-	1,760,214
Department of Administrative Services	-	282,352
Department of Aviation	-	5,819,573
Oregon State Police	4,916,738	-
Department of Environmental Quality	-	486,518
Department of Parks and Recreation	266,591	30,258,622
Department of Revenue	153,737,854	-
Military Department	187,947	-
Department of Veterans' Affairs	-	116,600
State Marine Board	-	5,447,561
Travel Information Council	-	9,603,900
Watershed Enhancement Board	-	235,883
<b>Capital Projects Funds</b>		
Department of Administrative Services	-	-
Oregon State Police	866,994	-
<b>Debt Service Funds</b>		
Department of Administrative Services	59,955,695	-
Total state agency transfers	<u>219,931,819</u>	<u>54,011,223</u>
<u>Local government transfers:</u>		
<b>Special Revenue Funds</b>		
Cities	-	239,891,979
Counties	-	356,900,054
Total local government transfers	<u>-</u>	<u>596,792,033</u>
<u>Transfers to nongovernmental entities:</u>		
<b>Special Revenue Funds</b>	<u>-</u>	<u>4,287,142</u>
Total transfers	<u>\$ 432,057,827</u>	<u>\$ 867,216,406</u>



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

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## 5. CAPITAL ASSETS

Major capital asset events during fiscal year 2022 included the following:

The US101 McCullough Bridge Painting and Repair project was completed. The paint on the steel truss section of the McCullough Bridge was deteriorating and rust was visible in numerous areas. The completed project:

- Removed rust from the steel truss.
- Replaced rivets.
- Repaired damaged steel.
- Painted the repaired truss.

The I-5 Roberts Mountain to South Umpqua River Paving and Climbing Lanes project was completed, which helped ease congestion and improve safety on I-5 at Roberts Mountain. The completed project:

- Constructed a climbing lane on both approaches to the pass.
- Repaved the freeway in both directions.
- Replaced substandard guardrail and median barrier.

Capital asset activity for the fiscal year ended June 30, 2022:

	Beginning Balance	Increases	Decreases	Ending Balance
Buildings	\$ 294,387,438	\$ 6,443,156	\$ (230,253)	\$ 300,600,341
Construction in progress - infrastructure	767,013,079	500,216,606	(246,029,909)	1,021,199,776
Construction in progress - other	43,432,047	24,628,668	(30,645,529)	37,415,186
Data processing software	138,907,432	13,498,470	(802,571)	151,603,331
Land	1,733,680,637	38,635,495	(180,731)	1,772,135,401
Land improvements	196,030,302	2,658,164	(49,811)	198,638,655
Land use rights (amortized)	781,932	-	-	781,932
Leasehold improvements	4,012,833	601,657	-	4,614,490
Machinery and equipment	457,690,810	13,115,700	(14,895,074)	455,911,436
State highway and bridge system	15,136,581,752	387,241,135	(79,758,785)	15,444,064,102
Works of art and historical treasures	101,151	-	-	101,151
Total capital assets	<u>\$18,772,619,413</u>	<u>\$ 987,039,051</u>	<u>\$ (372,592,663)</u>	<u>\$19,387,065,801</u>

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

## **6. COMMITMENTS**

### Construction Commitments

Construction commitments represent the estimated dollar amount of planned highway construction approved by the Oregon Transportation Commission and presented in the State Transportation Improvement Program. There were \$1.8 billion in outstanding commitments for highway and bridge construction contracts as of June 30, 2022.

## **7. LONG-TERM DEBT**

Oregon Revised Statutes (ORS) provide the Department with the authority to issue bonds and to assume other forms of long-term debt to finance construction projects. The individual debt issuances are summarized below for all long-term debt outstanding as of June 30, 2022. The Department's long term debt consists of Lottery Revenue Bonds, Highway User Tax Revenue Bonds, Certificates of Participation, and General Obligation Bonds.

### Revenue Bonds Repaid by Lottery Proceeds

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

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

- Lottery Revenue Refunding Bonds, Series 2012B (CUSIP No. 68607V): In April 2012, DAS issued Oregon Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$4,863,850. The net proceeds from these bonds were used to refund a portion of the Lottery Revenue Bonds Series 2004B and Series 2005A. The final maturity date for this bond series was April 2022. The Series 2012B Bonds were partially refunded with the issuance of the 2021B Bonds. The bonds had an outstanding principal balance at June 30, 2022, of zero.
- Lottery Revenue Bonds, Series 2013A (CUSIP No. 68607V): In April 2013, DAS issued Oregon Lottery Revenue Bonds on behalf of the Department in the amount of \$28,621,997. The net proceeds from these bonds were used to fund Connect Oregon multimodal transportation projects. The final maturity date for this bond series is April 2023. The Series 2013A Bonds were partially refunded with the issuance of the 2021B Bonds. The bonds had an outstanding principal balance at June 30, 2022, of \$1,759,377.
- Lottery Revenue Refunding Bonds, Series 2014A (CUSIP No. 68607V): In July 2014, DAS issued Oregon Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$15,018,198. The net proceeds from these bonds were used to partially refund the Lottery Revenue Bonds, Series 2006A. The final maturity date for this bond series is April 2027. The bonds had an outstanding principal balance at June 30, 2022, of \$8,650,303.
- Lottery Revenue Refunding Bonds, Series 2014B (CUSIP No. 68607V): In July 2014, DAS issued Oregon Lottery Revenue Refunding Bonds on behalf of the Department in the amount

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

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of \$76,153,631. The net proceeds from these bonds were used to partially refund the Lottery Revenue Bonds, Series 2007A. The final maturity date for this bond series is April 2027. The bonds had an outstanding principal balance at June 30, 2022, of \$42,040,985.

- Lottery Revenue Refunding Bonds, Series 2014C (CUSIP No. 68607V): In July 2014, DAS issued Oregon Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$91,440,704. The net proceeds from these bonds were used to partially refund the Lottery Revenue Bonds, Series 2009A. The final maturity date for this bond series is April 2025. The bonds had an outstanding principal balance at June 30, 2022, of \$69,459,771.
- Lottery Revenue Bonds, Series 2015A (CUSIP No. 68607V): In January 2015, DAS issued Oregon Lottery Revenue Bonds on behalf of the Department in the amount of \$48,624,463. The net proceeds from these bonds were used to fund Connect Oregon multimodal transportation projects, the Port of Coos Bay Rail Link, and the Salem-Keizer Transit Center. The final maturity date for this bond series is April 2035. The bonds had an outstanding principal balance at June 30, 2022, of \$48,624,463.
- Lottery Revenue Refunding Bonds, Series 2015C (CUSIP No. 68607V): In January 2015, DAS issued Oregon Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$47,864,226. The net proceeds from these bonds were used to partially refund the Lottery Revenue Bonds, Series 2011A. The final maturity date for this bond series is April 2027. The bonds had an outstanding principal balance at June 30, 2022, of \$47,864,226.
- Lottery Revenue Refunding Bonds, Series 2015D (CUSIP No. 68607V): In January 2015, DAS issued Oregon Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$142,172,601. The net proceeds from these bonds were used to partially refund the Lottery Revenue Bonds, Series 2009A. The final maturity date for this bond series is April 2029. The bonds had an outstanding principal balance at June 30, 2022, of \$105,425,600.
- Lottery Revenue Bonds, Series 2017A (CUSIP No. 68607V): In April 2017, DAS issued Oregon Lottery Revenue Bonds on behalf of the Department in the amount of \$50,144,754. The net proceeds from these bonds were used to fund Connect Oregon multimodal transportation projects, the Port of Coos Bay Rail Link, and the Juntura Road project in Harney County. The final maturity date for this bond series is April 2037. The bonds had an outstanding principal balance at June 30, 2022, of \$50,114,754.
- Lottery Revenue Refunding Bonds, Series 2017C (CUSIP No. 68607V): In April 2017, DAS issued Oregon Lottery Revenue Refunding Bonds on behalf of the Department in the amount of \$32,057,363. The net proceeds from these bonds were used to partially refund the Lottery Revenue Bonds, Series 2011A. The final maturity date for this bond series is April 2031. The bonds had an outstanding principal balance at June 30, 2022, of \$32,057,363.
- Lottery Revenue Bonds, Series 2019A (CUSIP No. 68607V): In April 2019, DAS issued Oregon Lottery Revenue Bonds on behalf of the Department in the amount of \$31,245,000. The net proceeds from these bonds were used to fund Connect Oregon multimodal transportation projects, the City of Portland infrastructure improvements on Southwest Capitol Highway, and upgrades and improvements to the Lane Transit District. The final maturity date for this bond series is April 2039. The bonds had an outstanding principal balance at June 30, 2022, of \$31,245,000.

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

- Lottery Revenue Refunding Bonds, Series 2021A (CUSIP No. 68607V): In April 2021, DAS issued Oregon Lottery Revenue Bonds on behalf of the Department in the amount of \$10,590,000. The net proceeds from these bonds were used to refund in its entirety the Lottery Revenue Bonds, Series 2011A. The final maturity date for this bond series is April 2031. The bonds had an outstanding principal balance at June 30, 2022, of \$10,590,000.
- Lottery Revenue Bonds, Series 2021B (CUSIP No. 68607V): In April 2021, DAS issued Oregon Lottery Revenue Bonds on behalf of the Department in the amount of \$25,325,000. The net proceeds from these bonds were used to partially refund the Lottery Revenue Bonds, Series 2012B and Series 2013A. The final maturity date for this bond series is April 2033. The bonds had an outstanding principal balance at June 30, 2022, of \$25,325,000.
- Lottery Revenue Bonds, Series 2022A (CUSIP No. 68607V): In May 2022, DAS issued Oregon Lottery Revenue Bonds on behalf of the Department in the amount of \$3,675,000. The net proceeds from these bonds were used to fund construction of the Sherwood Pedestrian Bridge. The final maturity date for this bond series is April 2042. The bonds had an outstanding principal balance at June 30, 2022, of \$3,675,000.

Debt service requirements to maturity on the Department's Lottery Revenue Bonds as of June 30, 2022:

Year Ending June 30	Principal	Interest	Total
2023	\$ 42,631,491	\$ 22,937,595	\$ 65,569,086
2024	45,423,926	20,841,902	66,265,828
2025	50,859,985	18,663,679	69,523,664
2026	54,471,664	16,199,205	70,670,869
2027	51,176,225	13,588,901	64,765,126
2028-2032	157,949,976	37,436,966	195,386,942
2033-2037	64,833,575	11,240,975	76,074,550
2038-2042	9,485,000	912,250	10,397,250
Total	<u>\$ 476,831,842</u>	<u>\$ 141,821,473</u>	<u>\$ 618,653,315</u>

**Revenue Bonds Repaid by State Highway Fund Revenues**

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

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

- State Highway User Tax Revenue Bonds, Series 2010A (Federally Taxable Build America Bonds) (CUSIP No. 68607D): In April 2010, the Department issued Highway User Tax Revenue Bonds in the amount of \$544,675,000. The proceeds from these bonds were used to

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

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finance projects under the OTIA III program. This series was issued as federally taxable Build America Bonds (BABs) qualifying for a federal subsidy of 35% of the interest through the American Recovery and Reinvestment Act of 2009. The final maturity for this bond series is November 2034. The bonds had an outstanding principal balance at June 30, 2022, of \$515,505,000.

- State Highway User Tax Revenue Refunding Bonds, Series 2012A (CUSIP No. 68607D): In June 2012, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$129,980,000. The proceeds from these bonds were used to refund certain maturities of the Series 2004A Bonds, Series 2005A Bonds, and Series 2006A Bonds. Certain maturities of the 2012A Bonds were refunded with the issuance of the Series 2019B Bonds. The final maturity for this bond series is November 2029. The bonds had an outstanding principal balance at June 30, 2022, of \$15,025,000.
- State Highway User Tax Revenue Bonds, Series 2013A (CUSIP No. 68607D): In October 2013, the Department issued Highway User Tax Revenue Bonds in the amount of \$409,775,000. The proceeds from these bonds were used to finance projects under the Jobs and Transportation Act (JTA) program. Certain maturities of the 2013A Bonds were refunded with the issuance of the Series 2017B, 2019B, and 2020B Bonds. The final maturity for this bond series is November 2024. The bonds had an outstanding principal balance at June 30, 2022, of \$39,965,000.
- State Highway User Tax Revenue Refunding Bonds, Series 2014A (CUSIP No. 68607D): In July 2014, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$194,530,000. The proceeds from these bonds were used to refund certain maturities of the Series 2006A Bonds, Series 2007A Bonds, and Series 2009A Bonds. The Series 2014A Bonds were partially refunded with the issuance of the 2020B Bonds. The final maturity for this bond series is November 2032. The bonds had an outstanding principal balance at June 30, 2022, of \$61,680,000.
- State Highway User Tax Revenue Refunding Bonds, Series 2015A (CUSIP No. 68607D): In January 2015, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$381,305,000. The proceeds from these bonds were used to refund certain maturities of the Series 2007A Bonds and the Series 2009A Bonds. The Series 2015A Bonds were partially refunded with the issuance of the 2020B Bonds. The final maturity for this bond series is November 2033. The bonds had an outstanding principal balance at June 30, 2022, of \$16,365,000.
- State Highway User Tax Revenue Bonds, Series 2017A (CUSIP No. 68607D): In June 2017, the Department issued Highway User Tax Revenue Bonds in the amount of \$244,030,000. The proceeds from these bonds were used to finance projects under the JTA program. The final maturity for this bond series is November 2027. The bonds had an outstanding principal balance at June 30, 2022 of \$169,780,000.
- State Highway User Tax Revenue Refunding Bonds, Series 2017B (CUSIP No. 68607D): In June 2017, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$91,675,000. The proceeds from these bonds were used to refund certain maturities of the Series 2009A Bonds and the Series 2013A Bonds. The final maturity for this

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

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bond series is November 2029. The bonds had an outstanding principal balance at June 30, 2022, of \$68,975,000.

- State Highway User Tax Revenue Refunding Bonds, Series 2017C (CUSIP No. 68607D): In September 2017, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$132,800,000. The proceeds from these bonds were used to refund certain maturities of the Series 2007C Bonds. The final maturity for this bond series is November 2026. The bonds had an outstanding principal balance at June 30, 2022, of \$51,090,000.
- State Highway User Tax Revenue Refunding Bonds, Series 2019A (CUSIP No. 68607D): In November 2019, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$297,840,000. The proceeds from these bonds were used to refund the Series 2017 S-1 Bonds and the Series 2017 S-2 Bonds in their entirety. The final maturity for this bond series is November 2042. The bonds had an outstanding principal balance at June 30, 2022, of \$297,840,000.
- State Highway User Tax Revenue Refunding Bonds, Series 2019B (CUSIP No. 68607D): In November 2019, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$323,050,000. The proceeds from these bonds were used to refund certain maturities of the Series 2012A Bonds and the Series 2013A Bonds. The final maturity for this bond series is November 2038. The bonds had an outstanding principal balance at June 30, 2022, of \$315,680,000.
- State Highway User Tax Revenue Bonds, Series 2020A (CUSIP No. 68607D): In September 2020, the Department issued Highway User Tax Revenue Bonds in the amount of \$186,465,000. The proceeds from these bonds were used to finance projects under the Keep Oregon Moving Act. The final maturity for this bond series is November 2040. The bonds had an outstanding principal balance at June 30, 2022, of \$186,465,000.
- State Highway User Tax Revenue Refunding Bonds, Series 2020B (CUSIP No. 68607D): In September 2020, the Department issued Highway User Tax Revenue Refunding Bonds in the amount of \$611,505,000. The proceeds from these bonds were used to refund certain maturities of the Series 2013A Bonds, the Series 2014A Bonds, and the Series 2015A Bonds. The final maturity for this bond series is November 2034. The bonds had an outstanding principal balance at June 30, 2022, of \$599,345,000.

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

Debt service requirements to maturity on the Department's Highway Revenue Bonds as of June 30, 2022:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 108,730,000	\$ 88,157,206	\$ 196,887,206
2024	113,355,000	83,573,548	196,928,548
2025	117,760,000	78,964,482	196,724,482
2026	121,735,000	74,296,523	196,031,523
2027	126,055,000	69,745,361	195,800,361
2028-2032	688,695,000	291,371,852	980,066,852
2033-2037	627,385,000	161,972,520	789,357,520
2038-2042	390,375,000	51,898,663	442,273,663
2043-2047	43,625,000	1,003,200	44,628,200
Total	<u>\$ 2,337,715,000</u>	<u>\$ 900,983,355</u>	<u>\$ 3,238,698,355</u>

Certificates of Participation

ORS chapter 283 authorizes DAS to enter into financing agreements through the issuance of Certificates of Participation for state agencies, including the Department.

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

- Certificates of Participation Series 2009B (CUSIP No. 68607H): In February 2009, DAS issued certificates of participation for the State Radio Project in the amount of \$15,215,000. The final maturity date for this series is May 2023. The debt had an outstanding principal balance at June 30, 2022, of \$435,000.

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

Debt Service requirements to maturity on the Department's certificates of participation as of June 30, 2022:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 435,000	\$ 23,642	\$ 458,642
Total	<u>\$ 435,000</u>	<u>\$ 23,642</u>	<u>\$ 458,642</u>

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

Article XI-Q General Obligation Bonds are issued on behalf of the Department by the State, acting by and through the State Treasurer, at the request of DAS, pursuant to the authority granted by Article XI-Q of the Oregon Constitution and ORS chapter 286A. Article XI, Section 7 General Obligation Bonds are issued by the State on behalf of the Department pursuant to the authority granted by Article XI, Section 7 of the Oregon Constitution and ORS chapter 286A. Article XI-Q and Article XI, Section 7 General Obligation Bonds are direct, general obligations of the State,

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

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and the full faith and credit and taxing power of the State are irrevocably pledged to their repayment when due.

- General Obligation Bonds Series 2012I (CUSIP No. 68608U): In April 2012, DAS issued Article XI-Q General Obligation Bonds on behalf of the Department in the amount of \$54,445,000. The net proceeds from the bonds were used to fund a portion of the State Radio Project. Certain maturities of the 2012I Bonds were refunded with the issuance of the 2020G Bonds. The final maturity date for this bond series is May 2022. The bonds had an outstanding principal balance at June 30, 2022, of zero.
- General Obligation Bonds Series 2015H (CUSIP No. 68608U): In March 2015, DAS issued Article XI-Q General Obligation Bonds on behalf of the Department in the amount of \$12,620,263. The net proceeds from the bonds were used to refund certain maturities of the Certificates of Participation, Series 2009A. The final maturity date for this bond series is May 2027. The bonds had an outstanding principal balance at June 30, 2022, of \$10,410,437.
- General Obligation Bonds Series 2016E (CUSIP No. 68608U): In May 2016, DAS issued Article XI-Q General Obligation Bonds on behalf of the Department in the amount of \$15,055,000. The net proceeds from the bonds were used to fund a portion of the State Radio Project. The final maturity date for this bond series is May 2031. The bonds had an outstanding principal balance at June 30, 2022, of \$9,555,000.
- General Obligation Bonds Series 2016F (CUSIP No. 68608U): In May 2016, DAS issued Article XI-Q General Obligation Bonds on behalf of the Department in the amount of \$64,100,600. The net proceeds from the bonds were used to refund certain maturities of the Certificates of Participation Series 2008A, the Certificates of Participation Series 2009A and the General Obligation Bonds Series 2011K. The final maturity date for this bond series is May 2039. The bonds had an outstanding principal balance at June 30, 2022, of \$60,690,000.
- General Obligation Bonds Series 2017M (CUSIP No. 68609B): In May 2017, DAS issued Article XI, Section 7 General Obligation Bonds on behalf of the Department in the amount of \$30,005,000. The net proceeds from the bonds were used to fund a portion of five state highway projects. The final maturity date for this bond series is November 2042. The bonds had an outstanding principal balance at June 30, 2022, of \$26,665,000.
- General Obligation Bonds Series 2020G (CUSIP No. 68609B): In June 2020, DAS issued Article XI-Q General Obligation Bonds on behalf of the Department in the amount of \$13,865,000. The net proceeds from the bonds were used to refund certain maturities of the General Obligation Bonds Series 2012I. The final maturity date for this bond series is May 2037. The bonds had an outstanding principal balance at June 30, 2022, of \$13,500,000.

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



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

Debt service requirements to maturity on the Department's General Obligation Bonds as of June 30, 2022:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 6,584,323	\$ 5,322,434	\$ 11,906,757
2024	7,276,330	5,068,376	12,344,706
2025	6,201,842	4,778,464	10,980,306
2026	6,446,612	4,536,642	10,983,254
2027	6,701,330	4,275,467	10,976,797
2028-2032	35,965,000	16,919,592	52,884,592
2033-2037	35,255,000	8,661,303	43,916,303
2038-2042	14,390,000	2,057,000	16,447,000
2043-2047	2,000,000	50,000	2,050,000
Total	<u>\$ 120,820,437</u>	<u>\$ 51,669,278</u>	<u>\$ 172,489,715</u>

Changes in the Department's long-term debt for the year ended June 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation bonds	\$ 126,059,674	\$ -	\$ (5,239,237)	\$ 120,820,437	\$ 6,584,323
Highway User Tax Revenue bonds	2,442,070,000	-	(104,355,000)	2,337,715,000	108,730,000
Lottery Revenue bonds	505,082,505	3,675,000	(31,925,663)	476,831,842	42,181,491
Certificates of Participation	1,960,000	-	(1,525,000)	435,000	435,000
Total long-term debt	<u>\$3,075,172,179</u>	<u>\$ 3,675,000</u>	<u>\$ (143,044,900)</u>	<u>\$2,935,802,279</u>	<u>\$ 157,930,814</u>

### Arbitrage Rebate Liability

The Tax Reform Act of 1986 placed restrictions on the non-purpose investment earnings from the proceeds of qualified tax-exempt bonds issued after August 15, 1986. Specifically, the non-purpose investment earnings on these bonds are limited to the yield on each individual bond issue (based on the initial offering price to the public). Non-purpose investment earnings in excess of the bond yield limitations are subject to rebate to the federal government. At June 30, 2022, the Department's arbitrage rebate liability is zero.

### Pledged Revenues

The Department, pursuant to its Master Highway User Tax Revenue Bond Declaration, has pledged certain motor-carrier revenues, fuels tax revenues, and DMV revenues, net of administrative expenses, operating transfers, set-asides, and statutory transfers to cities and counties, to repay \$2.3 billion of Highway User Tax Revenue Bonds. Proceeds from Highway User Tax Revenue Bonds provide financing for the construction, reconstruction, improvement, repair, maintenance, operation, and use of public highways, roads, streets, and roadside rest areas. The Highway User Tax Revenue Bonds are payable solely from the pledged revenues and are payable through November 2042. Fiscal year 2022 principal and interest payments on the bonds are expected to require approximately 24.1 percent of pledged revenues. Highway User Tax Revenue Bond principal and interest paid for the current fiscal year totaled \$197.1 million and pledged revenues totaled \$800.9 million. The estimated total principal and interest remaining to be paid on Highway User Tax Revenue Bonds is \$3.2 billion.

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

**Debt Service Coverage for fiscal years through June 30, 2025<sup>(1)</sup>**

	Actual 2019	Actual 2020	Actual 2021	Estimated 2022	Estimated 2023	Estimated 2024	Estimated 2025
Total Pledged Revenues	\$724,645,000	\$697,881,000	\$753,907,000	\$823,987,000	\$836,244,000	\$843,689,000	\$846,612,000
Outstanding Senior Lien Debt Service	143,577,000	139,765,000	122,176,000	133,045,000	133,366,000	133,567,000	133,538,000
Estimated Senior Lien Debt Service Series 2022 HB 2017 1st Issue: Fixed Rate	-	-	-	-	-	14,996,000	14,995,125
Total Senior Lien Debt Service	143,577,000	139,765,000	122,176,000	133,045,000	133,366,000	148,563,000	148,533,125
Senior Lien Debt Service Coverage	<b>5.0</b>	<b>5.0</b>	<b>6.2</b>	<b>6.2</b>	<b>6.3</b>	<b>5.7</b>	<b>5.7</b>
Subordinate Lien Debt Service	44,747,000	47,182,000	56,480,000	64,022,000	63,521,000	63,361,000	63,187,000
(Less Subordinate Lien BAB Payments)	(10,076,000)	(10,025,000)	(10,573,000)	(9,838,000)	(10,247,000)	(10,053,000)	(9,846,000)
Total Subordinate Lien Debt Service	34,671,000	37,157,000	45,907,000	54,184,000	53,274,000	53,308,000	53,341,000
Aggregate Senior and Subordinate Lien Debt Service	178,248,000	176,922,000	168,083,000	187,229,000	186,640,000	201,871,000	201,874,125
Total Pledged Revenues	724,645,000	697,881,000	753,907,000	823,987,000	836,244,000	843,689,000	846,612,000
(Less Subordinate Lien BAB Payments)	(10,076,000)	(10,025,000)	(10,573,000)	(9,838,000)	(10,247,000)	(10,053,000)	(9,846,000)
Net Pledged Revenue	714,569,000	687,856,000	743,334,000	814,149,000	825,997,000	833,636,000	836,766,000
Aggregate Senior and Subordinate Lien Debt Service Coverage	<b>4.0</b>	<b>3.9</b>	<b>4.4</b>	<b>4.3</b>	<b>4.4</b>	<b>4.1</b>	<b>4.1</b>

<sup>(1)</sup> Rounded to nearest thousand; totals may not add due to rounding.

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

## 8. LEASES

Governmental Accounting Standards Board Statement No. 87 established new accounting and financial reporting requirements for leases. Statement No. 87 requires governments to recognize certain lease assets and lease liabilities for leases that were previously classified as operating leases and recognize the inflows or outflows of resources based on the payment provisions of the lease contract. The Department implemented Statement No. 87 for fiscal year 2022.

### Department as Lessee

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

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

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

The Department's Wireless Communications Section (WCS) operates and maintains over 200 communications sites. The majority are under a lease or other similar type agreement, e.g. licenses, permits, authorizations, and agreements. Many sites are on federal lands with no rent charged, but fees may be charged depending on other users at the site. WCS also has leases with commercial tower owners that charge a commercial rate. Communications site facilities typically consist of an equipment shelter and a tower for antennas. Terms tend to be general in nature, an initial term, options to extend, and reasonable escalators.

Lessee Assets and Accumulated Amortization as of June 30, 2022:

Leased Asset	Amount	Accumulated Amortization
Equipment and Machinery	\$ 3,533,871	\$ 315,546
Motor Vehicles	1,130,041	356,336
Tunnels and Bridges	4,739,385	296,212
Land	2,978,396	246,821
Buildings	51,922,251	4,535,232
Total	<u>\$64,303,944</u>	<u>\$ 5,750,147</u>

New Lessee Leases Entered into During Fiscal Year 2022:

Leased Asset	Amount
Motor Vehicles	\$ 512,091
Buildings	3,346,554
Land	239,814
Total	<u>\$ 4,098,459</u>

Principal and Interest to Maturity on Lessee Leases as of June 30, 2022:

Year Ending June 30	Principal	Interest	Total
2023	\$ 5,910,418	\$ 1,202,551	\$ 7,112,969
2024	5,034,489	1,030,131	6,064,620
2025	4,936,354	920,497	5,856,851
2026	4,867,207	825,250	5,692,457
2027	4,793,579	744,541	5,538,120
2028-2032	8,699,029	1,423,942	10,122,971
2033-2037	7,373,164	420,523	7,793,687
2038-2042	5,339,990	1,158,493	6,498,483
2043-2047	6,118,048	1,048,129	7,166,177
2048-2052	3,162,614	495,703	3,658,317
2053-2057	1,809,760	136,830	1,946,590
Total	<u>\$58,044,652</u>	<u>\$9,406,590</u>	<u>\$67,451,242</u>

Department as Lessor

The Department leases land and other assets to outside parties. The Department's Right-of-Way Section leases long-term occupancies of commercial, industrial, agricultural, and residential

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

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property generally located on non-operating right-of-way. The lease rate for these leases is determined by a fair market value rent study or rent justification. Typical terms are five years with two 5-year extensions possible for a total of 15 years. At every five-year interval, the lease rate is evaluated. Lessees are required to keep current a certificate of insurance to indemnify ODOT.

The Department's Rail Section owns and manages approximately 155 miles of railroad corridors. A private company owns the tracks and possesses an exclusive, permanent rail service easement over the entire length and width of these state-owned rail corridors. The Department's ownership is subject to the private company's rail service easement. The Department currently has approximately two dozen leases, many of which came to the Department from the predecessor railroad. It is unknown how the predecessor railroad established the rental rate for those leases. Since coming into the Department's possession, the lease rate is adjusted annually, based on Consumer Price Index data from the U.S. Department of Labor. Typical terms are between 5 and 15 years.

The department received \$1.4 million in lease principal payments and \$900 thousand in lease interest during the fiscal year.

Schedule of Future Payments as Lessor as of June 30, 2022:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,551,675	\$ 886,329	\$ 2,438,004
2024	1,655,986	833,109	2,489,095
2025	1,401,579	777,103	2,178,682
2026	1,124,336	725,776	1,850,112
2027	1,176,073	679,694	1,855,767
2028-2032	5,663,804	2,662,810	8,326,614
2033-2037	3,765,945	1,641,164	5,407,109
2038-2042	1,740,644	1,158,984	2,899,628
2043-2047	1,427,242	896,372	2,323,614
2048-2052	1,594,101	704,654	2,298,755
2053-2057	1,333,454	510,464	1,843,918
2058-2062	1,367,027	354,893	1,721,920
2063-2067	1,503,645	188,435	1,692,080
2068-2072	715,164	27,659	742,823
Total	<u>\$26,020,675</u>	<u>\$ 12,047,446</u>	<u>\$38,068,121</u>

## 9. PENSION BENEFITS

The Public Employees Retirement System (PERS) is a defined benefit retirement plan for units of state government, school districts, community colleges, and political subdivisions of the State. PERS is administered by the Public Employees Retirement Board under the guidelines of Chapter 238 of the Oregon Revised Statutes, and provides retirement benefits and cost-of-living adjustments as well as disability, post-employment healthcare, and death benefits to plan members and beneficiaries. PERS issues a separate, publicly available financial report that includes audited financial statements and required supplementary information, which may be obtained by writing to the Fiscal Services Division, Public Employees Retirement System, 11410 SW 68<sup>th</sup> Parkway, Tigard, Oregon 97223. For the fiscal year ended June 30, 2022, the Department contributed a total of \$66.8 million to PERS.

## **10. UNEMPLOYMENT BENEFITS**

State employees who qualify are entitled to benefit payments during periods of unemployment. State agencies are required to pay the Employment Department for benefit payments made to their former employees. Total payments made by the Department for the fiscal year ended June 30, 2022, were \$411.5 thousand.

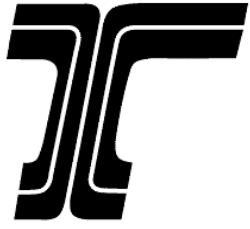
## **11. INSURANCE**

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

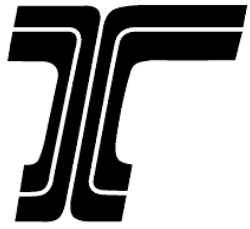
All state agencies, commissions, and boards participate in the State Insurance Fund. The Division allocates the cost of servicing insurance claims and payments by charging an assessment to each state entity, based on its share of losses. Statewide risk charges are based on independent, biennial actuarial forecasts and Division expenses, less any available fund balance from the prior biennium. Risk insurance payments for the fiscal year ended June 30, 2022, were \$19.2 million.

## **12. CONTINGENCIES**

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



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## **COMBINING STATEMENTS**

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State of Oregon  
Department of Transportation  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 2022

	Highway	Central Services	Commerce and Compliance	Driver and Motor Vehicle Services	Other	Total Special Revenue Funds
<b>Assets</b>						
Cash and Cash Equivalents	\$ 349,937,027	\$ 25,837,454	\$ 37,592,284	\$ 40,734,819	\$ 114,027,576	\$ 568,129,160
Investments	27,206,628	-	-	-	-	27,206,628
Loans Receivable (net)	-	-	-	-	22,239,575	22,239,575
Taxes Receivable (net)	-	50,594,678	11,891,415	-	7,288	62,493,381
Due from Federal Government	59,873,688	-	3,978,016	-	14,473,039	78,324,743
Due from Other Funds/Agencies	166,263,519	57,405	-	5,794,056	1,848,850	173,963,830
Other Accounts Receivable (net)	60,989,943	77,556	556,889	6,420,416	1,466,172	69,510,976
Inventories	37,750,843	96,995	54,061	2,683,492	1,729,074	42,314,465
Prepaid Assets	-	10,872	39,348	192,538	-	242,758
Contracts Receivable (net)	3,756	-	-	-	-	3,756
<b>Total Assets</b>	<b>\$ 702,025,404</b>	<b>\$ 76,674,960</b>	<b>\$ 54,112,013</b>	<b>\$ 55,825,321</b>	<b>\$ 155,791,574</b>	<b>\$ 1,044,429,272</b>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>						
<u>Liabilities:</u>						
Accounts Payable	\$ 126,991,902	\$ 1,390,257	\$ 722,025	\$ 744,720	\$ 6,447,710	\$ 136,296,614
Deposit Liabilities	267,407	32,510	-	-	-	299,917
Due to Other Governments	109,653,535	-	-	-	9,930,695	119,584,230
Due to Other Funds/Agencies	5,260,522	74,360,555	51,078,473	47,796,266	960,453	179,456,269
Unearned Revenue	105,331,422	783,771	2,218,106	4,407,805	-	112,741,104
<b>Total Liabilities</b>	<b>347,504,788</b>	<b>76,567,093</b>	<b>54,018,604</b>	<b>52,948,791</b>	<b>17,338,858</b>	<b>548,378,134</b>
<u>Deferred Inflows:</u>						
Unavailable Revenue	25,622,918	-	-	-	-	25,622,918
	25,622,918	-	-	-	-	25,622,918
<u>Fund Balances:</u>						
Nonspendable:						
Inventories	37,750,843	96,995	54,061	2,683,492	1,729,074	42,314,465
Revolving Accounts	-	-	-	500	-	500
Prepaid Assets	-	10,872	39,348	192,538	-	242,758
Restricted by:						
Oregon Constitution	-	-	-	-	75,319,845	75,319,845
Federal Laws and Regulations	31,803,855	-	-	-	228,590	32,032,445
Debt Covenants	182,982,107	-	-	-	-	182,982,107
Enabling Legislation	76,360,893	-	-	-	61,064,362	137,425,255
Committed	-	-	-	-	110,845	110,845
<b>Total Fund Balances</b>	<b>328,897,698</b>	<b>107,867</b>	<b>93,409</b>	<b>2,876,530</b>	<b>138,452,716</b>	<b>470,428,220</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 702,025,404</b>	<b>\$ 76,674,960</b>	<b>\$ 54,112,013</b>	<b>\$ 55,825,321</b>	<b>\$ 155,791,574</b>	<b>\$ 1,044,429,272</b>



**State of Oregon**  
**Department of Transportation**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2022**

	<b>Highway</b>	<b>Central Services</b>	<b>Commerce and Compliance</b>	<b>Driver and Motor Vehicle Services</b>	<b>Other</b>	<b>Total Special Revenue Funds</b>
<b>Revenues:</b>						
Motor Fuel Taxes	\$ -	\$ 658,713,547	\$ -	\$ -	\$ -	\$ 658,713,547
Federal Revenues	717,012,117	-	4,226,773	-	51,007,198	772,246,088
Weight-Mile Taxes	-	-	458,123,654	-	-	458,123,654
Vehicle Registration Taxes	-	-	-	458,041,351	256,277	458,297,628
Driver License Fees	-	-	-	42,706,853	14,342,434	57,049,287
Other Transportation Fees	-	-	55,234,017	109,413	2,022,995	57,366,425
Charges for Services	31,477,693	1,056,240	70	-	36,968	32,570,971
Other Sales Income	11,750,757	16,291	79,527	2,786,101	10,055	14,642,731
Investment Income	1,089,546	191,669	2,502,302	-	1,072,630	4,856,147
Business License Fees	344,362	-	5,197,354	271,979	4,158,171	9,971,866
Rents	33,889,529	404,374	1,439,091	25,768,834	158,008	61,659,836
Other Revenues	10,363,995	31,022	6,522,545	3,500,724	443,236	20,861,522
<b>Total Revenues</b>	<b>805,927,999</b>	<b>660,413,143</b>	<b>533,325,333</b>	<b>533,185,255</b>	<b>73,507,972</b>	<b>2,606,359,702</b>
<b>Expenditures:</b>						
Personal Services	381,517,731	71,465,696	28,457,723	80,155,094	12,227,727	573,823,971
Services and Supplies	1,074,881,954	49,278,613	5,891,920	18,164,110	28,136,585	1,176,353,182
Capital Outlay	44,267,360	958,544	2,160,479	28,934,426	165,387	76,486,196
Loan Interest	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-
Special Payments	290,348,204	-	-	-	69,929,706	360,277,910
Other Debt Service	37,800	-	-	-	-	37,800
<b>Total Expenditures</b>	<b>1,791,053,049</b>	<b>121,702,853</b>	<b>36,510,122</b>	<b>127,253,630</b>	<b>110,459,405</b>	<b>2,186,979,059</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(985,125,050)	538,710,290	496,815,211	405,931,625	(36,951,433)	419,380,643
<b>Other Financing Sources (Uses):</b>						
Long-Term Debt Issued	4,304,698	-	-	-	-	4,304,698
Refunding Debt Issued	-	-	-	-	-	-
Refunded Debt Payment to Escrow Agent	-	-	-	-	-	-
Long-Term Debt Costs	-	-	-	-	-	-
Transfers In	1,605,345,377	122,543,971	7,638,948	234	51,529,040	1,787,057,570
Transfers Out	(920,370,229)	(661,253,815)	(496,770,853)	(405,943,278)	(8,083,415)	(2,492,421,590)
Loans Made to Others	-	-	-	-	-	-
Loan Payments	-	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	240,066	-	-	-	-	240,066
Insurance Recoveries	1,183,444	-	5,449	4,625	173,184	1,366,702
<b>Total Other Financing Sources (Uses)</b>	<b>690,703,356</b>	<b>(538,709,844)</b>	<b>(489,126,456)</b>	<b>(405,938,419)</b>	<b>43,618,809</b>	<b>(699,452,554)</b>
Net Change in Fund Balances	(294,421,694)	446	7,688,755	(6,794)	6,667,376	(280,071,911)
Fund Balances - Beginning	615,701,065	78,621	70,880	3,259,360	129,689,386	748,799,312
Prior Period Adjustment	7,685,426	-	(7,685,426)	-	1,800,508	1,800,508
Change in Nonspendable Fund Balances	(67,099)	28,800	19,200	(376,036)	295,446	(99,689)
<b>Fund Balances - Ending</b>	<b>\$ 328,897,698</b>	<b>\$ 107,867</b>	<b>\$ 93,409</b>	<b>\$ 2,876,530</b>	<b>\$ 138,452,716</b>	<b>\$ 470,428,220</b>

**State of Oregon**  
**Department of Transportation**  
**Combining Balance Sheet**  
**Special Revenue Funds - Other**  
**June 30, 2022**

	<b>Public Transit</b>	<b>Transportation Safety</b>	<b>Rail</b>	<b>Snowmobile</b>	<b>Transportation Operating</b>
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,273,907	\$ 39,246,477	\$ 12,374,964	\$ 2,594,269	\$ 26,230,008
Assets Held for Others	-	-	-	-	-
Securities Lending Cash Collateral	-	-	-	-	-
Investments	-	-	-	-	-
Loans Receivable (net)	-	-	-	-	-
Taxes Receivable (net)	-	-	-	4,963	-
Due from Federal Government	10,047,385	4,391,515	34,139	-	-
Due from Other Funds/Agencies	648,202	464,753	469,305	266,590	-
Advances to Other Funds	-	-	-	-	-
Other Accounts Receivable (net)	30,000	4,472	21,035	1,990	1,408,675
Inventories	5,268	130,228	1,593,578	-	-
Prepaid Expenses	-	-	-	-	-
Contracts Receivable	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 12,004,762</b>	<b>\$ 44,237,445</b>	<b>\$ 14,493,021</b>	<b>\$ 2,867,812</b>	<b>\$ 27,638,683</b>
<b>Liabilities and Fund Balances</b>					
<u><b>Liabilities:</b></u>					
Accounts Payable	\$ 2,427,597	\$ 1,749,455	\$ 130,152	\$ -	\$ 1,713,100
Deposit Liabilities	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Securities Lending Obligations	-	-	-	-	-
Due to Other Governments	9,461,052	428,889	-	-	40,754
Due to Other Funds/Agencies	-	728,798	-	3,689	227,966
Unearned Revenue	-	-	-	-	-
Retainage Payable	-	-	-	-	-
<b>Total Liabilities</b>	<b>11,888,649</b>	<b>2,907,142</b>	<b>130,152</b>	<b>3,689</b>	<b>1,981,820</b>
<u><b>Fund Balances:</b></u>					
Nonspendable:					
Inventories	5,268	130,228	1,593,578	-	-
Nonspendable Fund Balance-Revolving Accounts	-	-	-	-	-
Nonspendable Fund Balance - Prepaid Assets	-	-	-	-	-
Nonspendable Fund Balance - Noncurrent Receivables	-	-	-	-	-
Restricted by:					
Oregon Constitution	-	31,644,211	1,895,455	-	-
Federal Laws and Regulations	-	228,590	-	-	-
Debt Covenants	-	-	-	-	-
Enabling Legislation	-	9,327,274	10,873,836	2,864,123	25,656,863
Committed	110,845	-	-	-	-
Assigned Fund Balance	-	-	-	-	-
<b>Total Fund Balances</b>	<b>116,113</b>	<b>41,330,303</b>	<b>14,362,869</b>	<b>2,864,123</b>	<b>25,656,863</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,004,762</b>	<b>\$ 44,237,445</b>	<b>\$ 14,493,021</b>	<b>\$ 2,867,812</b>	<b>\$ 27,638,683</b>

<b>Winter Recreational Parking</b>	<b>Consumer Protection</b>	<b>Transportation Infrastructure Bank</b>	<b>Total Other Special Revenue Funds</b>
\$ 6,853,385	\$ 128,910	\$ 25,325,656	\$ 114,027,576
-	-	-	-
-	-	-	-
-	-	-	-
-	-	22,239,575	22,239,575
-	2,325	-	7,288
-	-	-	14,473,039
-	-	-	1,848,850
-	-	-	-
-	-	-	1,466,172
-	-	-	1,729,074
-	-	-	-
<u>\$ 6,853,385</u>	<u>\$ 131,235</u>	<u>\$ 47,565,231</u>	<u>\$ 155,791,574</u>
\$ 385,203	\$ 615	\$ 41,588	\$ 6,447,710
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	9,930,695
-	-	-	960,453
-	-	-	-
-	-	-	-
<u>385,203</u>	<u>615</u>	<u>41,588</u>	<u>17,338,858</u>
-	-	-	1,729,074
-	-	-	-
-	-	-	-
-	-	-	-
-	-	41,780,179	75,319,845
-	-	-	228,590
-	-	-	-
6,468,182	130,620	5,743,464	61,064,362
-	-	-	110,845
-	-	-	-
<u>6,468,182</u>	<u>130,620</u>	<u>47,523,643</u>	<u>138,452,716</u>
<u>\$ 6,853,385</u>	<u>\$ 131,235</u>	<u>\$ 47,565,231</u>	<u>\$ 155,791,574</u>

**State of Oregon**  
**Department of Transportation**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Special Revenue Funds - Other**  
**For the Fiscal Year Ended June 30, 2022**

	<b>Public Transit</b>	<b>Transportation Safety</b>	<b>Rail</b>	<b>Snowmobile</b>	<b>Transportation Operating</b>
<b>Revenues:</b>					
Federal Revenues	\$ 42,122,094	\$ 8,274,487	\$ 610,617	\$ -	\$ -
Vehicle Registration Taxes	-	-	-	256,277	-
Driver License Fees	-	-	-	-	14,342,434
Other Transportation Fees	-	-	-	-	-
Charges for Services	-	1,187	3,597	-	-
Other Sales Income	1,947	4,394	3,714	-	-
Investment Income	7,091	203,450	22,380	17,951	173,704
Business License Fees	-	-	2,898,567	-	1,259,604
Rents	36,318	-	121,690	-	-
Other Revenues	56,003	4,648	5,647	-	376,938
<b>Total Revenues</b>	<b>42,223,453</b>	<b>8,488,166</b>	<b>3,666,212</b>	<b>274,228</b>	<b>16,152,680</b>
<b>Expenditures:</b>					
Personal Services	3,671,846	2,800,592	4,086,896	-	1,474,027
Services and Supplies	999,126	2,264,062	1,078,502	1,686,000	21,170,432
Capital Outlay	41,671	-	123,716	-	-
Special Payments	51,031,495	12,213,097	2,781	-	6,682,333
<b>Total Expenditures</b>	<b>55,744,138</b>	<b>17,277,751</b>	<b>5,291,895</b>	<b>1,686,000</b>	<b>29,326,792</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,520,685)</u>	<u>(8,789,585)</u>	<u>(1,625,683)</u>	<u>(1,411,772)</u>	<u>(13,174,112)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In	13,888,862	16,916,936	4,741,519	266,591	15,715,132
Transfers Out	(257,332)	(682,421)	(612,076)	(179,906)	(6,351,680)
Insurance Recoveries	-	-	173,184	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>13,631,530</b>	<b>16,234,515</b>	<b>4,302,627</b>	<b>86,685</b>	<b>9,363,452</b>
Net Change in Fund Balances	110,845	7,444,930	2,676,944	(1,325,087)	(3,810,660)
Fund Balances - Beginning	1,555	33,896,234	9,582,823	4,189,210	29,467,523
Prior Period Adjustment	-	-	1,800,508	-	-
Change in Nonspendable Fund Balances	3,713	(10,861)	302,594	-	-
<b>Fund Balances - Ending</b>	<b>\$ 116,113</b>	<b>\$ 41,330,303</b>	<b>\$ 14,362,869</b>	<b>\$ 2,864,123</b>	<b>\$ 25,656,863</b>

Winter Recreational Parking	Consumer Protection	Transportation Infrastructure Bank	Total Other Special Revenue Funds
\$ -	\$ -	\$ -	\$ 51,007,198
-	-	-	256,277
-	-	-	14,342,434
1,963,392	59,603	-	2,022,995
-	-	32,184	36,968
-	-	-	10,055
36,202	560	611,292	1,072,630
-	-	-	4,158,171
-	-	-	158,008
-	-	-	443,236
<u>1,999,594</u>	<u>60,163</u>	<u>643,476</u>	<u>73,507,972</u>
164,065	30,301	-	12,227,727
919,375	8,012	11,076	28,136,585
-	-	-	165,387
-	-	-	69,929,706
<u>1,083,440</u>	<u>38,313</u>	<u>11,076</u>	<u>110,459,405</u>
<u>916,154</u>	<u>21,850</u>	<u>632,400</u>	<u>(36,951,433)</u>
-	-	-	51,529,040
-	-	-	(8,083,415)
-	-	-	173,184
<u>-</u>	<u>-</u>	<u>-</u>	<u>43,618,809</u>
916,154	21,850	632,400	6,667,376
5,552,028	108,770	46,891,243	129,689,386
-	-	-	1,800,508
-	-	-	295,446
<u>\$ 6,468,182</u>	<u>\$ 130,620</u>	<u>\$ 47,523,643</u>	<u>\$ 138,452,716</u>



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## **STATISTICAL SECTION**

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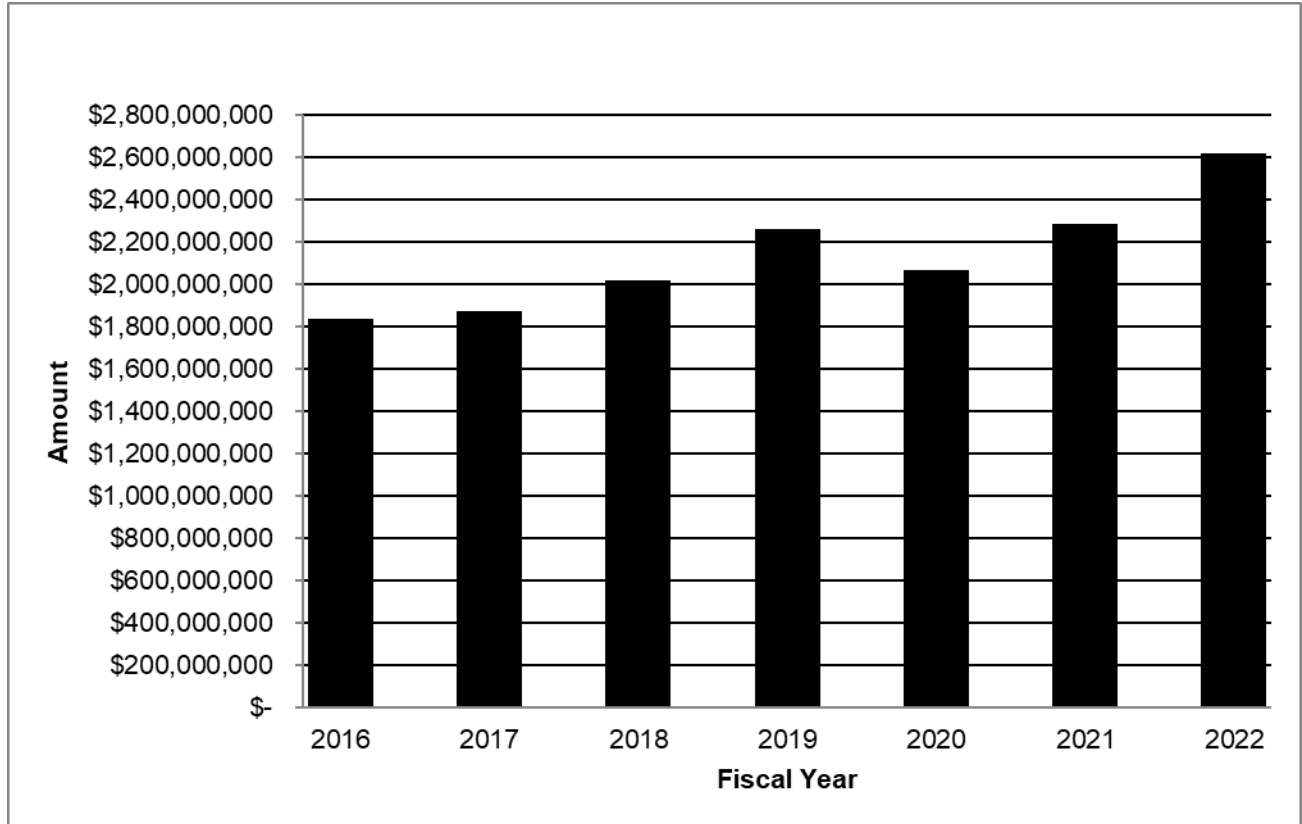
**Table 1**

**Schedule of Federal Financial Assistance  
for the Fiscal Year Ended June 30, 2022**

<b>CFDA #</b>	<b>Federal Program Description</b>	<b>Amount</b>
20.200	Highway Research and Development Program	\$ 149,900
20.205	Highway Planning and Construction	633,743,020
20.218	National Motor Carrier Safety	4,049,326
20.224	Federal Lands Access Program	38,405
20.301	Railroad Safety	34,828
20.319	High Speed And Intercity Passenger Rail	51,294
20.505	Federal Transit Metropolitan Planning Grants	23,831
20.509	Formula Grants for Other Than Urbanized Areas	10,510,202
20.509	Formula Grants for Other Than Urbanized Areas	13,209,944
20.513	Capital Assistance for Elderly And Disabled	14,232,765
20.526	Bus and Bus Facilities Formula Program	4,610,057
20.528	Rail Fixed Guideway Oversight Program	21,385
20.600	State and Community Highway Safety	2,697,117
20.608	Minimum Penalties Repeat Offenders DWI	540,802
20.611	Incentive Grant Program to Prohibit Racial Profiling	198,648
20.614	NHTSA Discretionary Safety Grants	52,857
20.616	National Priority Safety Programs	3,081,707
21.027	Corona Virus Recovery Funds	85,000,000
Total		<u>\$ 772,246,088</u>



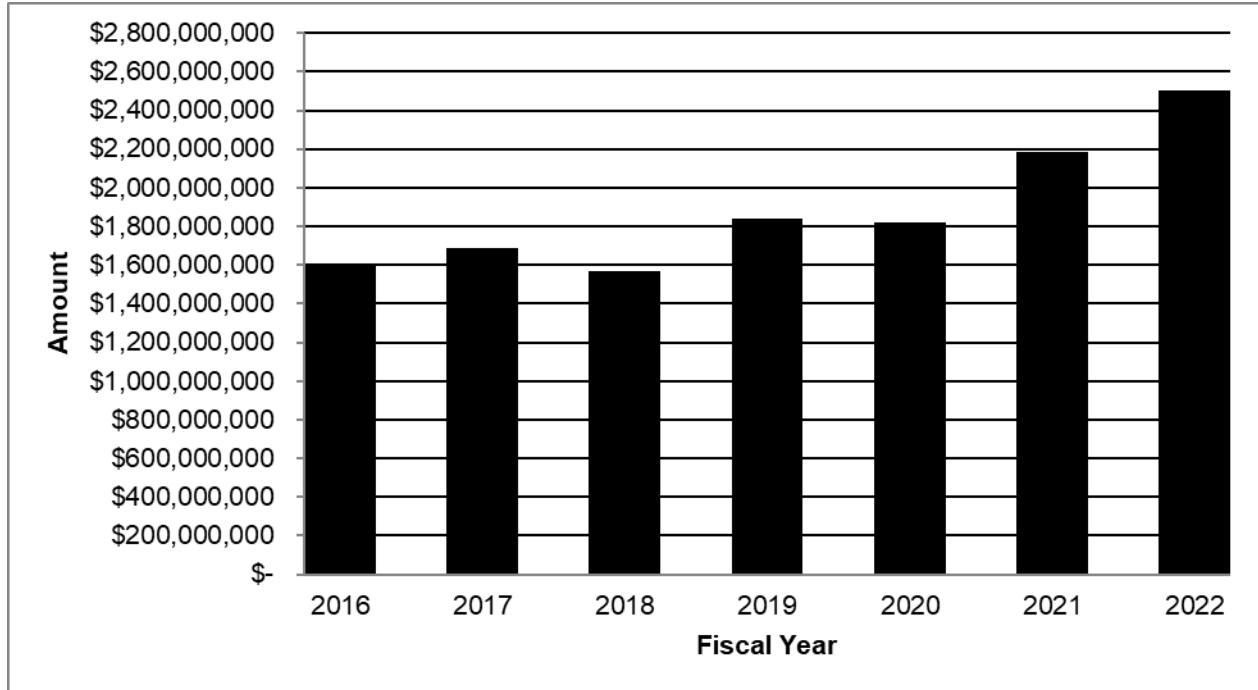
**Table 2**  
**Net Revenues - Seven-Year Trend**



	2016	2017	2018	2019	2020	2021	2022
Motor Fuel Taxes	\$ 532,171,382	\$ 546,574,309	\$ 586,689,979	\$ 631,698,325	\$ 600,004,238	\$ 622,538,233	\$ 658,713,547
Federal Revenues	524,704,337	532,240,747	525,209,342	643,944,178	532,505,272	607,060,609	772,246,088
Weight-Mile Taxes	291,302,037	297,052,489	332,646,408	388,304,040	388,981,333	428,769,684	458,123,654
Vehicle Registration Taxes	318,586,259	325,010,406	366,849,272	403,577,419	363,577,767	428,449,475	458,297,628
Driver License Fees	44,102,338	37,695,247	36,653,776	36,499,092	27,985,404	53,326,791	57,049,287
Other Transportation Fees	46,522,588	48,137,252	49,180,847	50,643,161	51,114,235	63,179,605	57,366,425
Charges for Services	30,885,656	31,902,600	51,764,182	27,000,786	28,742,230	15,025,396	32,570,971
Other Sales Income	10,215,406	11,265,492	13,711,580	10,932,046	12,629,716	14,013,291	14,642,731
Investment Income	10,776,161	8,492,507	18,513,524	30,161,929	26,301,452	14,604,811	4,940,224
Business License Fees	5,413,005	6,549,420	8,233,116	9,177,968	8,595,878	9,815,656	9,971,866
Rents	3,981,554	4,446,716	3,806,014	4,075,595	4,447,995	4,458,657	61,659,836
Other Revenues	21,500,912	22,111,854	24,511,999	24,113,857	25,850,258	25,876,254	30,699,406
Total Net Revenues	\$ 1,840,161,635	\$ 1,871,479,039	\$ 2,017,770,039	\$ 2,260,128,396	\$ 2,070,735,778	\$ 2,287,118,462	\$ 2,616,281,663

**Table 3**

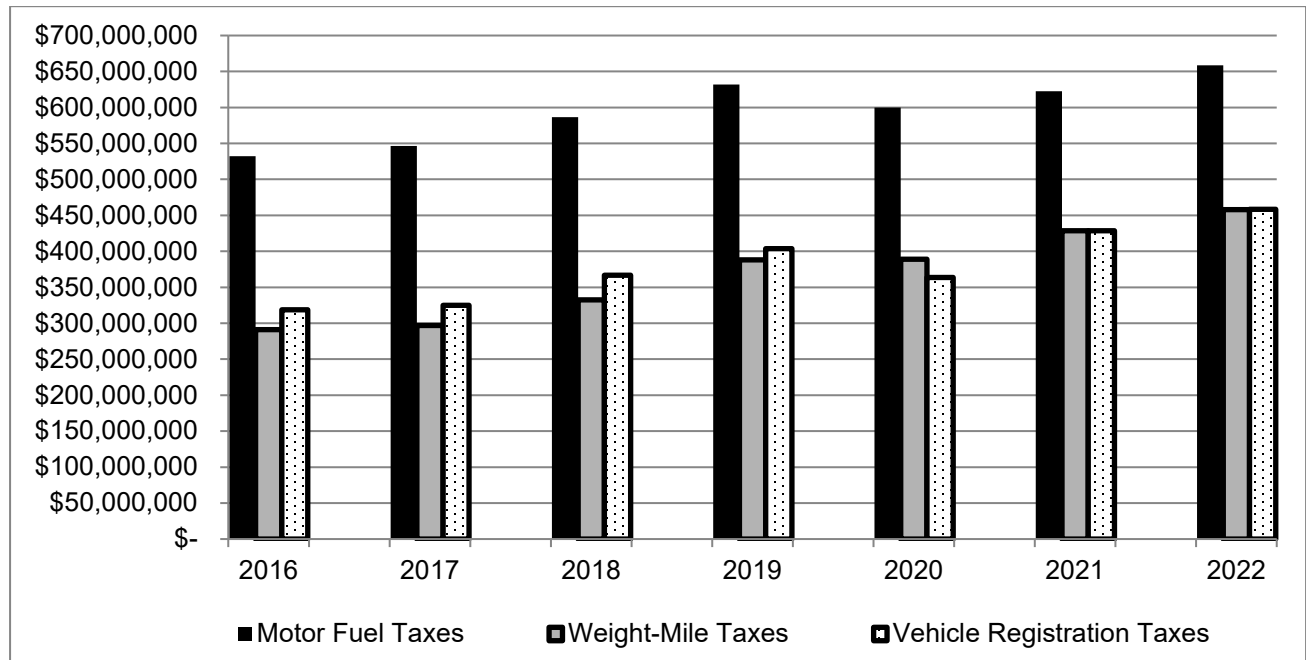
**Total Expenditures - Seven-Year Trend**



	2016	2017	2018	2019	2020	2021	2022
Personal Services	\$ 427,471,395	\$ 445,411,083	\$ 465,161,967	\$ 495,832,169	\$ 521,343,202	\$ 553,178,093	\$ 574,625,735
Services and Supplies	797,613,475	864,160,839	760,733,200	906,173,784	821,866,327	1,123,042,881	1,207,881,811
Capital Outlay	28,086,799	44,593,198	19,875,533	38,203,845	21,143,447	43,789,821	89,773,394
Loan Interest	234,374	11,425	-	-	-	-	-
Special Payments	84,377,981	84,482,353	70,568,283	129,457,957	185,177,563	209,690,523	361,819,797
Debt Service (combined)	263,021,793	251,686,534	254,361,330	267,585,762	268,101,584	252,956,520	265,726,980
Total Expenditures	<u>\$ 1,600,805,817</u>	<u>\$ 1,690,345,432</u>	<u>\$ 1,570,700,313</u>	<u>\$ 1,837,253,517</u>	<u>\$ 1,817,632,123</u>	<u>\$ 2,182,657,838</u>	<u>\$ 2,499,827,717</u>

**Table 4**

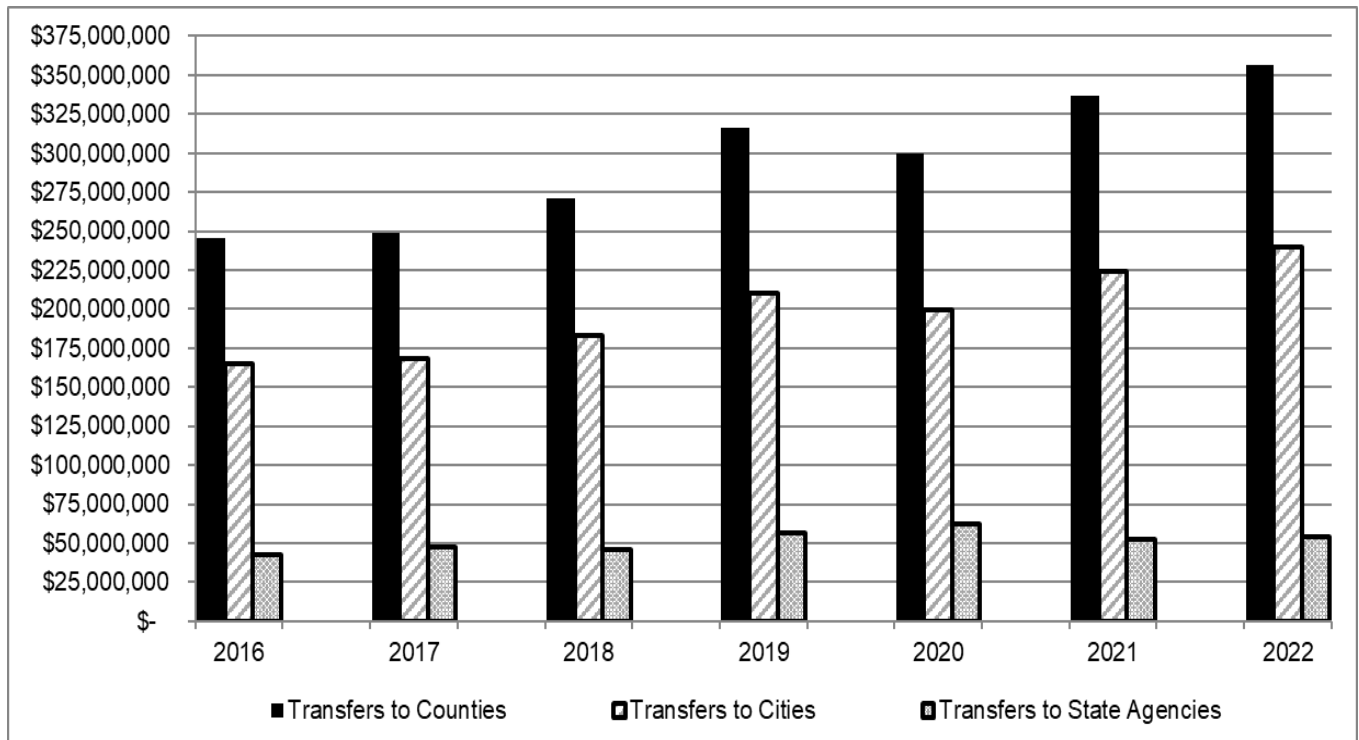
**Net Vehicle-Related Tax Collections - Seven-Year Trend**



	2016	2017	2018	2019	2020	2021	2022
Motor Fuel Taxes	\$ 532,171,382	\$ 546,574,309	\$ 586,689,979	\$ 631,698,325	\$ 600,004,238	\$ 622,538,233	\$ 658,713,547
Weight-Mile Taxes	291,302,037	297,052,489	332,646,408	388,304,040	388,981,333	428,769,684	458,123,654
Vehicle Registration Taxes	318,586,259	325,010,406	366,849,272	403,577,419	363,577,767	428,449,475	458,297,628
Total Vehicle Related Taxes	\$ 1,142,059,678	\$ 1,168,637,204	\$ 1,286,185,659	\$ 1,423,579,784	\$ 1,352,563,338	\$ 1,479,757,392	\$ 1,575,134,829

**Table 5**

**Transfers to Others - Seven-Year Trend**



	2016	2017	2018	2019	2020	2021	2022
Transfers to Counties	\$ 245,771,166	\$ 249,057,363	\$ 271,005,159	\$ 316,465,733	\$ 299,933,343	\$ 337,022,081	\$ 356,900,054
Transfers to Cities	164,775,679	168,563,914	183,039,670	210,503,093	199,236,326	224,213,929	239,891,979
Transfers to State Agencies	42,693,360	47,506,294	45,649,490	56,284,836	62,632,712	52,349,422	54,011,223
Total Distributions	\$ 453,240,205	\$ 465,127,571	\$ 499,694,319	\$ 583,253,662	\$ 561,802,381	\$ 613,585,432	\$ 650,803,256

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

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

[Oregon Department of Transportation: Financial Services: About Us: State of Oregon](#) - under the Highway Revenues Apportionment Section.