

## FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1979

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## ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1979

STATE OF OREGON
VICTOR ATIYEH , GOVERNOR

EXECUTIVE DEPARTMENT

J. B. BEDINGFIELD, DIRECTOR

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# STATE OF OREGON ANNUAL FINANCIAL REPORT For the Year Ended June 30, 1979

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## Executive Department

240 COTTAGE STREET S.E., SALEM, OREGON 97310

October 31, 1979

GOVERNOR
MEMBERS OF THE LEGISLATURE
AND OTHER CITIZENS OF OREGON

It is a pleasure to present the first statewide financial statements for the State of Oregon prepared in accordance with ORS 291.040.

The accompanying unaudited statements present the financial condition of the State of Oregon as of June 30, 1979 and the results of operations for the year then ended. These statements are presented in accordance with generally accepted accounting principles applicable to governmental agencies.

The financial statements include the financial transactions of all state agencies. Supporting financial information, statistics, and notes are provided as considered necessary to completely and adequately disclose the financial status of the State.

Since this is the first effort to prepare a financial statement on a statewide basis, many variances in accounting procedures, policies, and accounting systems complicated statement preparation and presentation. New administrative requirements have been established to improve and standardize future reporting statewide. The notes to the financial statements will identify any material variances affecting this report.

Inasmuch as these financial statements were prepared from the accounting records of the agencies prior to audit, they are presented as unaudited financial statements, and no independent auditor's opinion is provided.

The efforts expended in developing these financial statements provided many benefits to the State including establishment of statewide accounting policies, standardization of accounting and reporting in the state agencies, requirement of agencies to maintain more complete and timely accounting records, and an opportunity to provide additional training and guidance to the agency accountants.

We trust that this report is a step forward in preparing future statewide financial statements which will be valuable to legislators, concerned citizens, and investors. Suggestions or comments are always welcome.

J. B. Bedingfield

Director

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I AN EQUAL OPPORTUNITY EMPLOYER

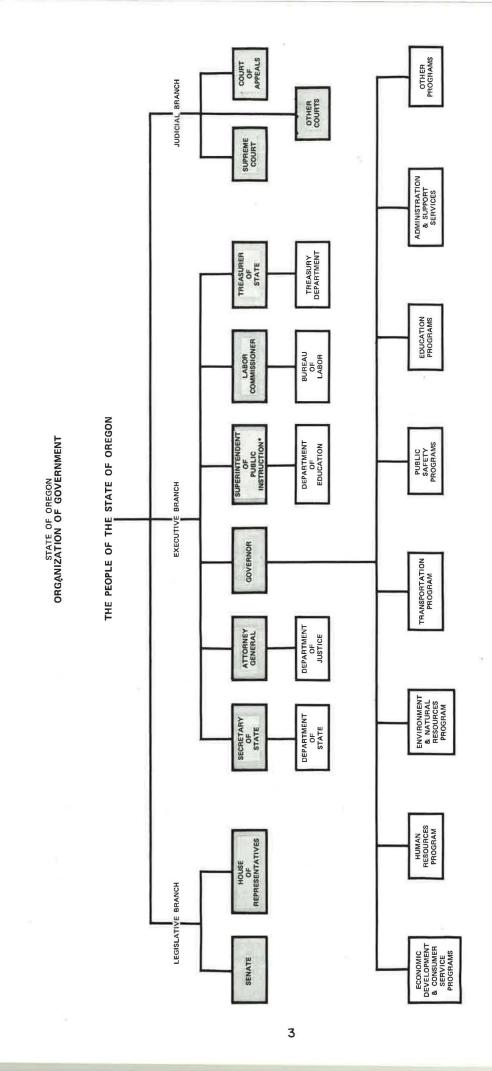
### ORGANIZATION OF OREGON STATE GOVERNMENT

Oregon's state government is comprised of three separate branches - Executive, Judicial and Legislative.

The Executive Branch encompasses numerous agencies, boards, commissions, and departments. The Executive Branch is headed by six independently elected officials, including the Governor, Secretary of State, State Treasurer, Attorney General, Superintendent of Public Instruction, and the Labor Commissioner.

Functions of the judicial branch include interpretation of the law, determination of compliance with laws, determination of constitutionality of laws, and the resolution of legal conflicts.

The Legislative Branch, comprised of the House of Representatives and the Senate, serves as the state's lawmaker and determines fiscal policy, together with the Executive Branch. The House of Representatives is comprised of 60 members elected for two-year terms, and the Senate's 30 members are elected for four-year terms. The Legislature convenes biennially and therefore the finances of the State are managed on a biennial basis.



#### STATE PROGRAM AREAS

#### Economic Development and Consumer Services

Since 1970, Oregon's economy has expanded rapidly. However, this expansion has also given rise to increasing demands for a wide variety of public services related to consumer protection, business regulation and public safety in the commercial sector. These demands have been met through more effective operation of existing programs and through the consolidation of overlapping activities wherever possible. The common elements of the many State agencies in this program are the safety and protection of the Oregon public as consumers and producers, as employes and employers, and as savers and investors. In the area of economic development, a variety of local economic stimulation projects are intended to provide more job opportunities for Oregonians and to generally stimulate Oregon's economy.

#### Education

The education program area includes the Department of Education and the Department of Higher Education and educational support agencies. The Department of Education, acting under the direction of the State Board of Education, exercises all administrative functions of the State relating to supervision, management and control of public, elementary and secondary schools and community colleges. The Department of Higher Education provides direct educational services through the State colleges and universities. The activities of both Departments are coordinated by the Oregon Educational Coordinating Commission.

#### Human Resources

Human resource agencies offer a variety of social services. Services offered include financial support to needy persons, medical care, protective services, and rehabilitation.

#### Natural Resources

The overall goal of the seventeen agencies in this program area is to conserve, develop and protect the State's natural resources.

#### Public Safety

The overall goal for the public safety program area is a reduction in the amount of harm to individuals and damage to property caused by events of natural disasters, civil disorders, traffic accidents, criminal activities and armed conflict. Other major objectives include improvement of criminal prosecution and consumer protection from fraudulent business practices.

#### Transportation

The transportation program area consists of the Department of Transportation, the Traffic Safety Commission and the Travel Information Council. The basic goal of the Department of Transportation is to provide the State with systems of transportation which are safe, are environmentally compatible and provide for orderly economic growth. The objective of the Traffic Safety Commission is to promote traffic safety in Oregon by the use of Federal grants to State agencies and local governments. The Travel information Council develops and maintains a Motorist Information and Sign Plaza Program and promulgates regulations to control on-premise signs and signs in unzoned commercial and industrial areas.

#### Administration and Support Services

This program area includes those agencies which provide either executive leadership or administrative and planning support services to line agencies.

#### Legislative Branch

The Legislative Branch is comprised of the Legislative Assembly and the permanent and temporary legislative committees. The bicameral ninety member Oregon Legislative Assembly convenes in odd-numbered years in regular legislative session. The Assembly considers an estimated 3,500 to 4,000 measures introduced during the regular session and enacts 20% to 25% of these measures. Permanent, statutorily established legislative committees provide special staff services to the Legislature. The Emergency Board is a joint legislative committee authorized to make allocations to State agencies from the State Emergency Fund and Other Funds, including dedicated or continuously appropriated funds, and to take other actions to meet emergency needs when the Legislature is not in session.

#### Judicial Branch

The judicial program area is comprised of the State supported portion of the judicial branch of government to ensure an effective judicial system for the State.

#### STATE BUDGETARY PROCESS

Each agency of the State of Oregon is required by Oregon Revised Statute 291.208 to submit a budget request to the Executive Department prior to September 1 of each even-numbered year. Throughout the fall these budget requests are reviewed and budget hearings are held by the Executive Department and by the Governor. The Governor's budget recommendations to the Legislature must be printed and distributed by the beginning of December. Appropriation bills for each agency are prepared separately and filed during December so that when the Legislature convenes in early January the Committee on Ways and Means, a joint committee of both legislative Houses, can begin consideration of each bill.

The Legislative Fiscal Office functions as the staff of the Ways and Means Committee, analyzing each budget. Public hearings are held by Ways and Means Subcommittees before the recommended budget bill is referred to both houses of the Legislature for a final vote. The governor may veto any bill. This would render that particular agency budgetless, but the Governor's veto may be overridden by a two-thirds vote of the Legislature.

Since the Oregon Legislature is in session for only approximately six months out of every two years, agencies may request supplemental funding from the Emergency Board of the Legislature, for the interim period. The Emergency Board is a joint legislative committee authorized to make allocations to state agencies from the State Emergency Fund and Other Funds, including dedicated or continuously appropriated funds, and to take other actions to meet emergency needs when the Legislature is not in session. The Emergency Board is composed of seven Senators and eight Representatives who meet once a month.

An analysis of Oregon's 1977-79 biennial budget is presented in the Supplemental Information Section of this report, pages 67 through 73.

#### STATE ACCOUNTING FUNDS

For the purposes of governmental accounting, a "fund" is an independent accounting entity, with a self-balancing group of accounts, for recording assets, liabilities, and equity of the government with respect to certain activities or objectives. There are ten such categories recognized by the National Council on Governmental Accounting, which is the primary source of authority and guidance in governmental accounting. The nine categories which are utilized in Oregon's financial reports are:

Governmental Funds
General Funds
Special Revenue Funds
Debt Service Funds
Capital Project Fund

Proprietary Funds
Enterprise Funds
Intergovernmental Service Funds

Trust & Agency

Account Groups
General Fixed Assets
General Long-Term Debt

#### General Fund

The General Fund accounts for ordinary operations financed by appropriations from general revenues and used for general governmental purposes.

The General Fund is used to account for all state revenues not allocated for specific purposes. These revenues are collected by various state agencies and are deposited to the account of the State Treasurer to be credited to the State General Fund. Disbursements from the State General Fund are made to pay expenditures against legislatively approved appropriations.

General Fund appropriations for debt service, capital improvement or capital construction projects are reported in the Debt Service Fund or the Capital Project Fund.

#### Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulations. Special Revenue Funds are established to account for taxes, licenses and other revenue allocated by law to specific purposes. These revenues are collected by an agency and deposited in the State Treasury in the agency's own receipted account. Expenditures are then made out of the account and are usually charged against a legislative approved limitation.

Any portion of an agency's operation not covered by another fund definition is reported as a Special Revenue Fund.

A Special Assessment Fund accounts for special assessments levied to finance public improvements or services deemed to benefit the properties against which the assessments are levied. Only one Special Assessment Fund, Forest Protection, exists in the State of Oregon. For expediency, this fund has been combined with the Special Revenue Funds.

#### Debt Service Funds

Debt Service Funds account for the accumulation of resources for and the payment of interest and principal on long-term debt other than revenue bonds. They include debt service funds provided by General Fund appropriation.

Most Debt Service Funds are essentially "flow-through" vehicles through which current period principal and interest requirements and payments are accounted. Such funds are apt to have minimal (if any) fund balances at year-end. These funds reflect the liability for matured general obligation bonds which have not been redeemed.

#### Capital Projects Fund

Capital Project Funds account for financial resources segregated for the construction or acquisition of major capital facilities. They include construction financed by General Fund appropriations.

A Capital Projects Fund is established upon project or debt issue authorization by the legislature. All expenditures necessary to bring the facility in question to a state of readiness for its intended purpose are reported as Capital Project Fund costs. In addition to the direct cost of items such as land, buildings, materials, and labor, total project costs include such related items as engineering and architect fees, transportation costs, damages occasioned by the project, and other costs associated with the endeaver.

Upon completion of a project, the buildings, or other structures are recorded at cost in the General Fixed Asset Group of Accounts.

#### Enterprise Funds

Enterprise Funds account for the provision of goods and services to the general public where all or most of the costs involved are paid in the form of charges by the users of such services.

Among the many types of self-supporting activities financed through Enterprise Funds are insurance operations, fair operations and liquor retailing operations.

Issuance of revenue bonds to finance an activity is also indicative of the self-supporting nature of an activity that should be accounted for through an Enterprise Fund.

Enterprise Funds are self-supporting funds. For this reason the revenue and expenditures included in the combined financial statements have been re-structured in the Enterprise Fund report to reflect a net profit or loss from operations. Depreciation has been included as an expense while transfers in, transfers out, debt service payments on principal and capital outlay expenditures are reflected as equity adjustments.

#### Intergovernmental Service Funds

Intergovernmental Service Funds account for the financing of goods and services provided by an agency on a cost-reimbursement basis to any other governmental unit, whether state, federal, or local.

Activities handled through IGS Funds vary widely both as to type and complexity of operation. Among the types are those used to acquire and distribute items of inventory, such as office supplies or gasoline; operation of motor pools; duplicating and printing facilities; and repair shops and garages. Other examples are purchasing, accounting, auditing, and data processing services.

Intergovernmental Service Funds are self-supporting funds. For this reason the revenue and expenditures included in the combined financial statements have been re-structured in the IGS fund to reflect a net profit or loss from operations. Depreciation has been included as an expense while transfers in, transfers out, and capital outlay expenditures are reflected as equity adjustments.

#### Trust & Agency Funds

Trust and Agency Funds account for resources received and held by a state agency as trustee or agent for individuals, private organizations, and other governmental units to be expended or invested in accordance with the conditions of the trust or agency agreement.

A <u>Trust</u> Fund is established to account for assets received and held by an agency acting in the capacity of <u>trustee</u> or custodian. An <u>Agency</u> Fund is established to account for assets received by an agency in its capacity as an agent for <u>individuals</u>, other funds, or other governmental organizations.

If an agency receives resources in a trust and agency capacity, the agency should account and report for the resources in a trust and agency fund. This would include resources collected for redistribution to other funds in the same agency; to the general fund at the State Treasurer; or to other governmental units.

#### General Fixed Assets Group of Accounts

The General Fixed Asset Group of Accounts are used to account for fixed assets acquired through governmental funds. Fixed assets acquired through sources of Enterprise, Trust or Intergovernmental Service Funds are  $\underline{not}$  general fixed assets, but are reported in the accounts of the acquiring fund.

Depreciation on general fixed assets is recorded in the general accounting records only when computed for rate determination or to meet other requirements.

#### General Long-Term Debt Group of Accounts

The General Long-Term Debt includes all general obligation bonds other than the self-supporting Oregon Veteran's bonds included in the Enterprise Funds.

General obligation bonds are secured by full faith and credit of the State and are not deemed to be the obligation of any specific fund. Revenue bonds, however, are the obligation of specific funds and not included in general long-term debt.

#### GOVERNMENTAL FUNDS

Most government functions of the State of Oregon are accounted for through the four governmental funds. Governmental funds of the State are financed usually from revenue sources received from outside the governmental unit and are expendable only on the general operations of the State of Oregon. Typical resources include proceeds from taxes, licenses, federal reimbursements, long-term debt issuances, and collections made on behalf of other government units, persons, and organizations. The revenues are expended on general government services, acquisition of general fixed assets, payments of interest and principal of long-term general obligation debt, and distributions made to other government units, persons or organizations.

A graphic presentation of revenues and expenditures of the Governmental Funds of the State of Oregon follows on page 11 of this report.

#### Revenues

The State of Oregon reported a variety of revenues for the fiscal year ended June 30, 1979. Tax revenues constituted the largest single source of revenue. Federal revenue was second. Together they totalled 81% of the revenue collected in the governmental funds. The following is a brief description of the major revenue sources:

Taxes Revenues from individual income taxes and corporation excise taxes represent the largest portion of taxes by Oregon. The tax revenue reported is the net tax after relief refund programs which have been initiated in recent years to help reduce the ever increasing property tax payments made directly by landowners and indirectly by the renters of real property.

Selective sales and use taxes are taxes imposed on the sale and consumption of selected goods, such as cigarettes or motor fuels.

Gross receipts business taxes are levied on business activities such as amusement devices and public utilities in proportion to the gross receipts of the business.

Various other taxes are collected such as those based on the payroll paid in businesses, on the value of property transferred at death or in contemplation of death, and on the removal of designated natural resources from the land and water.

<u>Licenses and Fees</u> Revenue is collected from licensing of certain business and non-business activities within the State of Oregon. Examples of business licenses and fees include fees placed on corporations and licenses necessary for professional individuals to engage in their particular occupations. Examples of non-business licenses and fees include fishing, hunting, and motor vehicle licenses.

Federal Revenues Revenues and cost reimbursements received from the federal government are included under this revenue source. Examples include the revenue received for specific projects undertaken by Oregon and federal reimbursement for highway construction.

Bond Sales Revenue from the proceeds of the sale of bonds is included under this revenue source. More detailed information of bond sales for the fiscal year ended June 30, 1979, is included in the Supplemental Information section of this financial report.

<u>Interest Income</u> <u>Included in this revenue source is the proceeds from interest earned on investments, delinquent taxes, etc.</u>

Other Revenues Examples of other revenue sources of the governmental funds of the State of Oregon include charges for services, fines and forfeitures, sales income, rents and royalties, and contributions and loan repayments made to the State.

A detailed listing of revenues for each accounting fund is provided on page 20 in the Combined Summary of Revenues.

#### Expenditures

The State of Oregon used various expenditure categories to report the amounts expended during the fiscal year. Almost 53% of the total expended by the governmental funds for the fiscal year ended June 30, 1979 was through special payments. The following is a brief description of the six major expenditure categories:

Personal Services The personal services category includes the gross compensations paid for regular or temporary employment, full and part-time, and all employer payroll taxes and employe fringe benefits.

Services and Supplies This expenditure category includes expenditures in connection with the current operation and maintenance of the State. Services are expenditures in payment of fees for personal services provided by someone who is not an employe of the agency. Supplies are purchases of articles or materials of a consumable nature including repair parts and small tools.

<u>Capital Outlay</u> All expenditures for land and its improvements including buildings, structures, alterations and additions thereto; and expenditures for the acquisition, replacement or increase of tangible personal property of a nonexpendable nature will be included in capital outlay.

<u>Special Payments</u> This expenditure category includes payments for distributing contributions, deposits, or collections; distribution of federal funds or state funds to governmental subdivisions or quasi-public agencies; and other budgeted transfers and payments where goods or services are not directly received in return.

Debt Service Debt service includes payments relative to the maintenance of state debts, including bonds, certificates or indebtedness, etc.

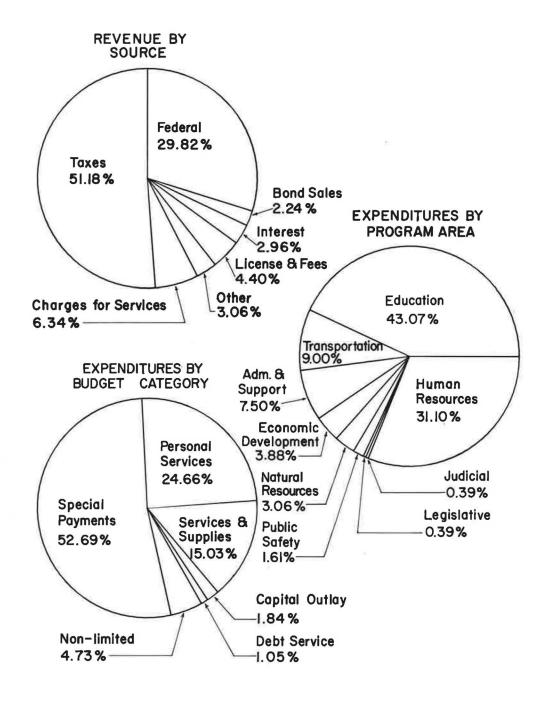
Nonlimited Expenditures This category includes distributions other than shared revenue of taxes, grants, subsidies, etc. to individuals and state agencies of other governmental subdivisions. Depreciation is also reflected in this expenditure category.

A detailed listing of expenditures for each accounting fund is provided on page 22 in the Combined Summary of Expenditures.

#### STATE OF OREGON

## ACTUAL REVENUES AND EXPENDITURES FOR THE YEAR ENDING JUNE 30, '79

(Governmental Funds Only)



#### FINANCIAL STATEMENTS

The following sections include combined and individual financial statements for the various funds maintained by the State of Oregon.

#### NOTES TO THE STATEMENTS

The notes to the combined financial statements contain a summary of significant accounting policies and other notes considered necessary for a clearer understanding of the financial statements.

#### STATE OF OREGON NOTES TO FINANCIAL STATEMENTS

#### 1. Basis of Presentation

The accompanying financial statements are prepared in conformity with generally accepted accounting principles (GAAP) applicable to state governments. The principal authority for accounting and reporting requirements in Oregon is the Executive Department through promulgation of Administrative Rules and the State Accounting Manual. The Department interprets the guidelines with respect to GAAP applicable to state governments presented by the National Council (Committee) on Governmental Accounting (NCGA) and, more recently, the American Institute of Certified Public Accountants (AICPA) as published in "Governmental Accounting, Auditing, and Financial Reporting (GAAFR)," 1968, and "Audits of State and Local Governmental Units (ASLGU)," 1974.

The Department of Higher Education accounting records are maintained using the generally accepted accounting principles prescribed by the National Association of College and University Business Officers in College and University Business Administration (CUBA, 1974). In order to conform with the financial statement presentation followed by other state agencies, Higher Education's financial data has been restructured.

#### 2. Basis of Accounting

This report is presented under the modified accrual basis of accounting.

Revenues are realized and reported under the following conditions:

- A. Revenues, not previously accrued, are reported when cash is received.
- B. Revenues which are both objectively measurable and available at the end of the fiscal year are accrued.
- C. Revenues of a material amount which normally would have been received at the end of the fiscal year are accrued.

Expenditures are recognized either when the liability is incurred or when cash has been disbursed in payment of the obligation. Encumbrances, consisting of contingent liabilities for purchase orders, contracts, or salary commitments, and limited to those that will be liquidated by December 31, are included at the end of each fiscal year.

One exception exists to the modified accrual basis of accounting Oregon Revised Statutes (ORS) 366.518 allows the Department of Transportation, Highway Division, to operate using the cash basis of accounting. Therefore, that program area within the report will recognize revenues and expenditures when received or paid, and no encumbrances will be reported. The accounting records of the Highway Division are maintained on a cash basis, and they are unable to provide an estimate of the encumbrances outstanding at June 30, 1979. The most current financial report prepared by the Division of Audits showed that Highway Division encumbrances as of June 30, 1976 totalled \$56,638,026. Of this amount, \$43,974,118 was estimated to be reimbursable from federal revenues.

#### Accounting Records

Most basic accounting data is initiated at the agency level. Accounting records are maintained by the state agencies using hand-posted systems, bookkeeping machines, or computer data processing systems.

There are various data processing systems throughout the State of Oregon. The largest, in terms of number of state agencies using the system, is the Executive Department Accounting System. Currently, over sixty agencies use that system. The next largest system, the Department of Higher Education system, includes eighteen agencies, most of which are state universities.

This is the first financial report prepared on a statewide basis by the State of Oregon. The 1977 Legislature passed House Bill 3258 (Chapter 897, Oregon Laws 1977) which requires the preparation of this report. At the time this law was passed, there were many variances in the accounting procedures followed by the ninety-plus agencies of the State of Oregon. Since then, the State Accounting Manual has been published which requires all state agencies to follow the same reporting procedures.

#### 11. Pension Plan for State Employes

Pursuant to Oregon Revised Statutes Chapter 237, after six months trial service with the State of Oregon, all employes must belong to the Oregon Public Employes Retirement System. The Oregon Public Employes Retirement System collects contributions from both employers and employes for the purpose of funding retirement benefits (called "retirement allowances"). The system covers approximately 108,700 active State and local government Oregon employes and 27,000 retired employe beneficiaries. The system is administered by the Oregon Public Employe Retirement Board.

Employe contributions are collected to fund an annuity portion of retirement allowances. Annuities are based on the actual amount of principal and interest accumulated by each employe in his or her account. Effective July 1, 1979 Oregon law changed requiring the State of Oregon to make the employe contribution for most state employes.

Employer contributions are used to fund a pension portion of retirement allowances. The pension portion is based on a statutory formula and is set according to employe's final average salary and term of service.

Such pensions are paid exclusively out of interest and principal accumulations from employer contributions.

The system's pension program is a defined benefit plan, and requires periodic actuarial review. Under ORS 237, this review must be performed at least every four years.

The most recent actuarial valuation of PERS (as of December 31, 1977) indicated that there was an unfunded liability for benefits due current employe participants in the plan. That unfunded liability for the State of Oregon as of December 31, 1977, the latest date for which such information is available from the Retirement Board, was \$742,500,000 after taking into account PERS assets allocated to the State of Oregon of \$125,700,000. In order to liquidate the unfunded liability over a 30 year period, and adequately fund present benefits provided by the plan, an adjustment in employer contribution rates was determined by the Board to be necessary. The present value of nonforfeitable benefits as presented in PERS financial statements as of December 31, 1978 is \$265,100,000.

The employer contribution rate for State agencies became 8.75% on July 1, 1978 and will increase to 11.44% by July 1, 1981.

The financial information regarding the Oregon Retirement System is shown in the Trust and Agency Funds. Oregon law allows the Oregon Public Employes Retirement System to defer charges of \$50,476,669 which are capital gains or losses of more than \$10,000 on individual sales left to be amortized over the period from the date of sale to the maturity date of the security sold. As this is not a generally accepted accounting principle, this financial report does not include these deferred expenditures. The amount was adjusted to the amounts reserved in the PERS Trust Fund.

STATE OF OREGON
OREGON PUBLIC EMPLOYES RETIREMENT SYSTEM

Year	State Contribution To Fund	Percent Increase	Number Active State Members	Percent Increase
1967	\$ 4,753,792		27,007	
1968	\$ 5,580,723	17.40%	27,141	.50%
1969	\$ 10,798,679	93.50	27,773	2.33
1970	\$ 11,931,387	10.49	28,735	3.45
1971	\$ 13,061,551	9.47	29,822	3.78
1972	\$ 14,088,263	7.86	30,621	2.68
1973	\$ 21,735,491	54.28	31,014	1.28
1974	\$ 23,910,839	10.01	33,099	6.72
1975	\$ 28,059,467	17.35	35,191	6.32
1976	\$ 32,943,567	17.41	35,111	23
1977	\$ 36,425,539	10.57	35,951	2.39
1978	\$ 42,270,175	16.05	36,172	.61

Source: Oregon Public Employes Retirement System

#### 12. Insurance

Insurance programs are administered for the State of Oregon by the Services Division of the Department of General Services. Various specific insurance policies are available to State agencies when the agency has a particular insurance requirement that must be dealt with. The following statewide insurance coverage is available to all State agencies:

Blanket Honesty and Faithful Performance Bond All employes, including elected officials and members of boards and commissions are covered. Currently this Blanket Bond covers the limits of liability in the amount of \$100,000 per incident. It also covers the Director of the Department of Transportation and all members of the State Treasurer's office to the liability limit of \$200,000 per incident.

General Liability and Vehicle Liability Self-Insurance The tort liability of the State, its officers, employes, and agents, including members of boards and commissions, is self-insured under ORS 30.260 to ORS 30.300. The State is also self-insured for vehicle liability whether the operated vehicle is owned, commercially leased, or controlled. The limits of liability are:

- \$50,000 to any claimant for any number of claims for damage to or destruction of property, including consequential damages arising out of single accident or occurrence.
- \$100,000 to any claimant for all other claims arising out of a single accident or occurrence.
- \$300,000 for any number of claims arising out of a single accident or occurrence.

The Liability Fund has reserves set up in five categories as follows:

Auto Bodily Injury	\$ 327,315
Auto Property Damage	138,903
Other Liability Bodily Injury	1,416,720
Other Liability Property Damage	224,065
Unreported claim reserves	191,725

TOTAL LIABILITY RESERVES

\$2,298,728

Restoration Fund Insurance This is a self-insurance property damage or loss program to protect all State property from specific types of losses as provided in ORS 278.020. The Restoration Fund has catastrophic re-insurance to insure the stability of the Fund. This additional commercial policy has limits of \$35,000,000 with a \$5,000,000 maximum on flood. A \$10,000 deductible applies to each and every loss with an annual aggregate deductible of \$3,000,000 before the policy comes into effect. The \$10,000 deductible continues to apply to every loss after the \$3,000,000 aggregate is satisfied.

#### 13. Employe Leave

It is the State's policy to record the cost of employe leave at the time that the leave is paid. State employes earn annual leave ranging from 8 to 16 hours per month with a maximum leave accumulation of 250 hours per employe. The annual leave accumulations do not cause additional costs to the State until the employe terminates -- then the employe is paid for the amount of annual leave that has accrued in his payroll records.

Sick leave is earned at a rate of 8 hours per month with no limit on the maximum accumulation. The employe is paid when absent due to illness, injury, or a related family problem. Sick leave accumulations only cost the State of Oregon to the extent that amounts are paid to employes even though work is not performed during the period that the employe is absent from work. When the employe terminates, all sick leave accumulations are rescinded. When an employe retires, however, one-half of the value of his unused sick leave is used in computing retirement benefits.

Each employe may also be paid an additional 8 hours per year for any personal occurances that may cause him to be absent from work. This personal leave cannot accumulate from year to year.

Because of the variables (i.e. salary rate, leave accrual rate, etc.) involved in computing the employe leave for the State of Oregon, and the lack of any reporting method, we cannot determine the contingent liability at June 30, 1979.

#### 14. Leases

Financial reporting and accounting procedures differ between leases and lease-purchase agreements. Lease payments are chargeable as services and supplies expenditures; lease-purchase payments are chargeable as capital outlay expenditures. Lease-purchase agreements are considered purchase contracts, and the liability is recorded in the financial statements.

The state has entered into various leases for land, buildings, and equipment. Leases at June 30, 1979 included the following:

- 1. Building space including office and warehouse space approximately 2,643,536 square feet at a monthly rental of \$899,530.
- 2. Land approximately 109,107 acres at a monthly rental of \$18,247.
- Equipment and machinery rental and lease payment information was not determinable at the time of this report.

The liability for future lease and rental payments is not reflected in the financial report. However, if the Oregon Legislature should disallow the necessary funding for particular leases, all lease agreements contain termination clauses which provide for cancellation of the lease at the end of a fiscal year.

#### 15. Commodity Commissions

Commodity commissions were originally established for the purpose of expanding the markets for specific commodities and encouraging scientific research within those areas. The Department of Agriculture, a state agency, has general supervisory authority over the commissions. Although the commodity commissions are considered state agencies for some purposes (employe eligibility for the State's medical and dental plans, membership in the Oregon Public Employes Retirement System, etc.), ORS 576.311 exempts them from certain financial administration laws. Therefore, the financial information pertaining to agricultural commodity commissions is not included in this report.

#### 16. Litigation

Contingent liability for pending lawsuits has not been determined at June 30, 1979.

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## COMBINED STATEMENTS

Combined Statements provide a summary overview of the financial position of all funds and account groups and of the operating results by fund type. They also serve as an introduction to the more detailed statements and schedules that follow.

### STATE OF OREGON COMBINED BALANCE SHEET ALL FUNDS AND ACCOUNT GROUPS

(Expressed in Thousands)

	TOTAL (ME		GOVERNMENT	
	June 30, 1978	June 30, 1979	GENERAL	SPECIAL REVENUE
ASSETS				
1.000.1				
Cash on Hand and in Banks Cash on Deposit - State Treasury (Note 5 Cash with Fiscal Agent Investments - State Treasury (Note 6) Investments - Other (Note 6) Securities Held in Trust Receivables Interfund Receivables Inventories (Note 8) Prepaid and Deferred Expenses Discount on Bonds Sold Contracts, Mortgage and Notes Receivable Land, Buildings and Improvements (Note 9) Construction in Process Equipment and Machinery Allowance for Depreciation (Note 10) Available for Retirement of LT Debt To be Provided for Payment of LT Debt	\$ 5,295 474,323 4,644 2,001,512 1,079 643,893 469,403 64,149 38,922 2,992 988 2,690,920 1,042,096 17,437 279,185 (45,722) 23,901 310,565	\$ 9,149 868,753 3,891 2,261,699 69,332 532,301 559,455 68,001 43,597 3,407 2,375 3,369,732 1,104,298 9,248 313,227 (54,975) 26,419 305,470	\$ 301,298    852 26,897 4,506     	\$ 1,145 159,159  33,495 3 6,682 169,810 17,926 13,876 3,218  2,894   
Total Assets	\$8,025,582	\$9,495,379	\$ 333,553	\$ 408,208
LIABILITIES AND FUND EQUITY				
Liabilities: Accounts and Interest Payable Interfund Payables Trust Funds Payable Contracts, Mortgages and Notes Payable Matured Bonds Payable Bonds Payable (Page 81) Premium on Bonds Deferred Income	\$ 131,519 64,149 824,051 10,735 4,832 3,108,701 10,037 10,363	\$ 161,940 68,001 774,964 13,711 3,920 3,783,864 9,543 10,765	\$ 3,138       	\$ 17,116 17,778 881    9,773 \$ 45,548
Total Liabilities	\$4,164,387	\$4,826,708	\$ 3,146	\$ 40,340
Fund Equity: Reserve for Encumbrances Reserve for Receivables (Note 7) Reserves for Inventories Reserves - Other Reserves for Trust Funds Invested in Fixed Assets Retained Earnings Fund Balance	\$ 70,080 165,755 17,104 2,818 1,792,224 1,204,793 271,739 336,682	\$ 91,454 201,251 18,853 2,703 2,244,475 1,284,456 325,312 500,167	\$ 39,925  4,506    285,976	\$ 41,547 119,938 13,605 (3,452) 6,676  184,346
Total Fund Equity	\$3,861,195	\$4,668,671	\$ 330,407	\$ 362,660
Total Liabilities and Equity	\$8,025,582	\$9,495,379	\$ 333,553	\$ 408,208

GOVERNME DEBT SERVICE	NTAL FUNDS CAPITAL PROJECT	PROPRIETA ENTERPRISE	RY FUNDS INTERGOV. SERVICE	TRUST AND AGENCY	ACCOUNT GEN. FIXED ASSETS	GROUPS GEN. LONG TERM DEBT
13,527 3,891 12,863  104 5,669             	\$ (3,939)  11,343  27 2,412             	\$ 5,103 51,613  641,930 67,903  159,457 101 14,512 149 2,375 3,363,447 13,665  3,631 (4,008) 	\$ 33 12,292  12,545  6,627 8 10,085 29  1,390 21,765 8,363 73,390 (32,584)  \$ 113,943	\$ 2,868 334,803  1,549,523 1,426 525,592 220,193 17,400 618 11  2,001 3,551  301 (96)	\$      1,065,317 885 235,905 (18,287)   \$1,283,820	\$       26,419 305,470 \$ 331,889
33 5,644  3,920  38	\$ 646 27 	\$ 72,225 58 552,277  3,451,975 9,543 960	\$ 300 330  10,644  	\$ 71,612 41,053 221,779    (6)	\$  .3,067  	\$   331,889
9,635	\$ 673	\$4,087,038	\$ 11,274	\$ 334,438	\$ 3,067	\$ 331,889
      26,419	\$ 5,744      3,426	\$ 1,456 4,345   227,039	\$ 2,608 1,390 350 48  98,273	\$ 174 75,578 392 6,107 2,237,799 3,703	\$   1,280,753	\$     
26,419	\$ 9,170	\$ 232,840	\$ 102,668	\$2,323,753	\$1,280,753	\$
36,054	\$ 9,843	\$4,319,878	\$ 113,943	\$2,658,191	\$1,283,820	\$ 331,88

#### STATE OF OREGON COMBINED SUMMARY OF REVENUE ALL FUNDS

(Expressed in Thousands)

	Fiscal Year Ended	
	June 30, 1978	June 30, 1979
Revenue Income Taxes Selective Sales and Use Taxes Gross Receipts Business Taxes Employer - Employe Taxes Inheritance and Gift Taxes Severance Taxes Other Taxes Business Licenses and Fees Non-Business Licenses and Fees Federal Revenues Charges for Services Fines and Forfeitures Rents and Royalties Bond Sales Interest Income Sales Income Cost of Goods Sold Donations and Grants (Non-Federal) Contributions Loan Repayments	\$ 810,364 141,557 32,332 405,452 26,069 10,996 2,922 21,720 121,637 762,637 260,217 4,090 13,465 758,852 278,479 193,617 (66,544) 21,920 374,870 9,226 36,176	\$ 973,683 145,084 36,683 581,742 30,395 42,739 3,429 24,467 124,187 721,820 352,393 4,253 13,899 734,754 384,230 206,115 (71,389) 26,346 431,088 20,010 36,461
Other Revenue	\$4,220,054	\$4,822,389
Total Revenue	<u> </u>	<del>+.,,</del>
Additions to Revenue Transfers In Intrafund Transfers from State Agencies Transfers In - Indirect Cost Credit Transfers from General Fund Transfers In - Other	\$ 305,715 401,044 13,420 347,790	\$ 257,955 435,096 15,086 423,316 534
Total Additions	\$1,067,986	\$1,131,987
Deductions from Revenue Transfers Out Intrafund Transfers to State Agencies Transfers Out - Indirect Cost Credit Transfers to Cities Transfers to Counties Transfers to Others	\$ 305,715 299,998 13,420 32,261 85,387 298,857	\$ 257,955 356,288 15,086 38,773 147,799 293,758
Total Deductions	\$1,035,638	\$1,109,659
Net Revenue	\$4,252,402	\$4,844,717

	GOVERNMENTAL FUNDS		PROPRIETARY FUNDS		TRUST	
GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	ENTERPRISE	INTERGOV. SERVICE	AND AGENCY
\$ 973,683 23,806 33,647  30,395 462  544 230 2,899 4,253  28,386 34,062  2,725 \$1,135,092	\$ 1,356  37,538  17,355 76,658 636,313 131,148  1,662 3,339 7,358 29,550 (30) 24,101  11,628 \$ 977,976	\$     4  326 2,390   12,385   8,346 851 \$ 24,302	\$      4,681 24    5 13  99   8,942 \$ 13,764	\$ 240,812  1,844 1,874 378 49,832  413 731,415 239,458 105,547 (70,669) 247  11,207 2,390 \$1,324,388	\$ -284  2,086  264 87,480  10,526  290 17,100 (690) 10  5,017 \$ 122,367	\$ 110,282 3,036 303,108 42,277 3,429 3,178 45,111 79,628 78,620 1,298 1,298 96,348 19,843 1,889 431,088 457 4,908
\$    \$	\$ 144,233 366,366 14,534 314,957 484 \$ 840,574	\$ 5,410  3,158  \$ 8,568	\$ 15,151 1,406 552  50 \$ 17,159	\$ 27,484    \$ 27,484	\$ 11,285 38    \$ 11,323	\$ 81,876 39,802  105,201  \$ 226,879
\$    \$ \$1,135,092	\$ 19,728 84,464 14,729 21,083 48,170 9,059 \$ 197,233	\$ 7,238     \$ 7,238 \$ 25,632	\$ 8,640      \$ 8,640 \$ 22,283	\$ 7,090 43,455 10 11,662 5,831  \$ 68,048 \$1,283,824	\$ 12,212 733 3   \$ 12,948 \$ 120,742	\$ 203,047 227,636 344 6,028 93,798 284,699 \$ 815,552 \$ 635,827

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## STATE OF OREGON COMBINED SUMMARY OF EXPENDITURES ALL FUNDS

(Expressed in Thousands)

	Year Ended	d June 30,
Expenditures by Budget Category	1978	1979
Personal Services Services and Supplies Capital Outlay Special Payments Debt Service Non-Limited	\$ 694,684 470,671 39,824 1,262,902 34,047 1,407,076 \$3,909,204	\$ 757,748 523,869 56,064 1,437,048 29,278 1,557,921 \$4,361,928
Total Expenditures		
Expenditures by Program Area		
Economic Development and Consumer Services Education Human Resources Natural Resources Public Safety Transportation Admininstration and Support Legislative Judicial	\$1,237,940 1,079,689 777,816 89,207 53,424 249,504 405,821 7,036 8,767	\$1,357,223 1,232,920 852,415 99,676 54,669 279,829 464,073 10,901
Total Expenditures	\$3,909,204	\$4,361,928

GENERAL	GOVERNMEN SPECIAL REVENUE	TAL FUNDS DEBT SERVICE	CAPITAL PROJECT	PROPRIETAR ENTERPRISE	RY FUNDS INTERGOV. SERVICE	TRUST & AGENCY FUNDS
\$ 264,692 82,056 10,427 706,847 13	\$ 406,409 319,174 19,584 727,940 183 129,000	\$ 737  28,332	\$ 298 7,234 20,226 12	\$ 44,472 41,592 862 560  1,206,084	\$ 38,580 69,060 4,946 1,524 750 5,314	\$ 3,297 4,016 19 165  217,523
\$1,064,035	\$1,602,290	\$ 29,069	\$ 27,770	\$1,293,570	\$ 120,174	\$ 225,020
\$ 11,872 552,930 310,458 20,126 10,713 5,666 132,676 9,880 9,714	\$ 93,770 588,558 533,370 50,779 32,524 233,927 67,833 1,021 508	\$ 13,214  10,481  5,374 	\$ 18,160 2,960 1,865 732  4,053	\$1,248,994 42,148 277 2,141  10	\$ 1,115 17,638 5,194 2,261 10,700 34,533 48,733	\$ 1,472 272 156 12,023  329 210,768 
\$1,064,035	\$1,602,290	\$ 29,069	\$ 27,770	\$1,293,570	\$ 120,174	\$ 225,020

As of June 30,

## **GENERAL FUND**

The General Fund accounts for ordinary operations financed by appropriations from general revenues and used for general governmental purposes.

#### STATE OF OREGON COMPARATIVE BALANCE SHEET GENERAL FUND

(Expressed in Thousands)

ASSETS	1978	1979
Cash on Deposit - Treasury	\$ 71,172	\$ 301,298
Accounts Receivable - Other Interfund Receivables	 15,773	852 26,897
Inventories	3,804	4,506
Total Assets	\$ 90,749	\$ 333,553
LIABILITIES AND FUND BALANCE  Liabilities Accounts Payable Interfund Payables	\$ 4,463	\$ 8 
Total Liabilities	\$ 4,463	\$ 3,146
Fund Balance Reserves for Encumbrances Reserves for Inventories Fund Balance	\$ 13,224 3,804 69,258	\$ 39,925 4,506 285,976
Total Fund Balance	\$ 86,286	\$ 330,407
Total Liabilities and Fund Balance	\$ 90,749	\$ 333,553

#### STATE OF OREGON COMPARATIVE STATEMENT OF REVENUES GENERAL FUND

(Expressed in Thousands)

	Year Ended June 30,	
	1978	1979
Income Taxes Selective Sales and Use Taxes Gross Receipts Business Taxes Inheritance and Gift Taxes Severance Taxes	\$ 810,365 25,275 29,659 26,069 2,207	\$ 973,683 23,806 33,647 30,395 462
Other Taxes		
Business Licenses and Fees Non-business Licenses and Fees Federal Revenues Charges for Services Fines and Forfeitures Interest Income Sales Income Donations and Grants (Non-Federal) Other Revenue	4,584 478 1,158 4,090 22,822 35,530 19	544 230 2,899 4,253 28,386 34,062  2,725
Total Revenue	\$ 964,250	\$1,135,092

Prepared without audit - see letter of transmittal for comments.

## STATE OF OREGON COMPARATIVE STATEMENT OF EXPENDITURES GENERAL FUND

(Expressed in Thousands)

	Year End	ded June 30,
EXPENDITURES BY BUDGET CATEGORY	1978	1979
Personal Services Services and Supplies Capital Outlay Special Payments Debt Service Non-Limited	\$ 231,064 68,702 9,382 592,051 15	\$ 264,692 82,056 10,427 706,847 13
Total Expenditures	\$ 901,214	\$1,064,035
EXPENDITURES BY PROGRAM AREA		
Economic Development and Consumer Services Education Human Resources Natural Resources Public Safety Transportation Administration and Support Legislative Judicial	\$ 15,085 469,404 261,687 19,582 10,619 4,019 106,181 6,158 8,479	\$ 11,872 552,930 310,458 20,126 10,713 5,666 132,676 9,880 9,714
Total Expenditures	\$ 901,214	\$1,064,035

STATE OF OREGON STATEMENT OF CHANGES IN GENERAL FUND BALANCE Fiscal Year Ended June 30, 1979

(Expressed in Thousands)

Fund Balance - June 30, 1978		\$	69,258
Prior Period Adjustments(A)			145,661
Excess of 1978-79 Revenues over Expenditures Revenues Less Expenditures	\$1,135,092 (1,064,035)	-	71,057
Fund Balance - June 30, 1979		\$	285,976

(A) See note 3 of the Notes to Financial Statements.

## SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulations.

### STATE OF OREGON COMPARATIVE BALANCE SHEET SPECIAL REVENUE FUNDS

(Expressed in Thousands)

	As of June 30,			
ASSETS		19/9		
Cash on Hand and in Banks Cash on Deposit - State Treasury	\$ 931 146,921	\$ 1,145 159,159		
Investments - State Treasury Investments - Other	26,673 1,079	33,495 3		
Securities Held in Trust Advances Receivable Interest Receivable Accounts Receivable Interfund Receivables	933 3 142,182 27,542	6,682 923 2 168,885 17,926		
Inventories	13,219	13,876		
Prepaid Expenses	2,835	3,218		
Contracts, Notes and Mortgages Receivable	1,850	2,894		
Total Assets	\$ 364,168	\$ 408,208		
LIABILITIES AND FUND BALANCE				
Liabilities Accounts and Interest Payables Interfund Payables Trust Funds Payables Contracts, Notes and Mortgages Payable Deferred Income Total Liabilities	\$ 8,659 30,535 870 4,823 9,528 \$ 54,415	\$ 17,116 17,778 881  9,773 \$ 45,548		
Fund Balance Reserves for Encumbrances Reserves for Receivables Reserves for Inventories Reserves - Other Reserve for Trust Funds Fund Balance	\$ 43,694 100,940 12,981 (3,410)  155,548	\$ 41,547 119,938 13,605 (3,452) 6,676 184,346		
Total Fund Balance	\$ 309,753	\$ 362,660		
Total Liabilities and Fund Balance	\$ 364,168	\$ 408,208		

#### STATE OF OREGON COMPARATIVE STATEMENT OF REVENUES SPECIAL REVENUE FUNDS

(Expressed in Thousands)

	Year Ended	ed June 30,	
	1978	1979	
Revenue		ACCOUNT OF THE PARTY.	
Selective Sales and Use Taxes	\$ 1,369	\$ 1,356	
Employer - Employe Taxes	29,260	37,538	
Business Licenses and Fees	14,424	17,355	
Non-business Licenses and Fees	75,053	76,658	
Federal Revenues	612,085	636,313	
Charges for Services	120,598	131,148	
Rents and Royalties	1,287	1,662	
Bond Sales	40,401	3,339	
Interest Income	12,636	7,358	
Sales Income (Net)	24,885	29,520	
Donations and Grants (Non-Federal)	20,394	24,101	
Other Revenue	24,137	11,628	
Total Revenue	\$ 976,529	\$ 977,976	
Additions to Revenue			
Transfers In - Intrafund	\$ 262,321	\$ 144,233	
Transfers from State Agencies	338,748	366,366	
Transfers In - Indirect Cost Credit	13,109	14,534	
Transfers from General Fund	262,670	314,957	
Transfers In - Other	17	484	
	4 (144)	* ***	
Total Additions	\$ 876,865	\$ 840,574	
Deductions From Revenue			
Transfers Out - Intrafund	\$ 150,693	\$ 19,728	
Transfers to State Agencies	108,718	84,464	
Transfers Out - Indirect Cost Credit	13,075	14,729	
Transfers to Cities	18,363	21,083	
Transfers to Counties	43,186	48,170	
Transfers to Others	1,093	9,059	
Total Deductions	\$ 335,128	\$ 197,233	
Net Deveryor	¢1 510 266	¢1 621 217	
Net Revenue	\$1,518,266	\$1,621,317	

Prepared without audit - see letter of transmittal for comments.

## STATE OF OREGON COMPARATIVE STATEMENT OF EXPENDITURES SPECIAL REVENUE FUND

(Expressed in Thousands)

EXPENDITURES BY BUDGET CATEGORY	Year Ended	
EM EMPTIONES BY BUDGET CATEGORY	1376	1979
Personal Services Services and Supplies Capital Outlay Special Payments Debt Service Non-Limited	\$ 385,017 286,563 15,436 649,134 58	\$ 406,409 319,174 19,584 727,940 183
Total Expenditures	138,337	129,000
- Expenditures	\$1,474,545	\$1,602,290
EXPENDITURES BY PROGRAM AREA		
Economic Development and Consumer Service Education Human Resources Natural Resources Public Safety Transportation Administration and Support Legislative Judicial	\$ 83,696 532,682 510,635 45,115 31,699 208,447 61,104 878	\$ 93,770 588,558 533,370 50,779 32,524 233,927 67,833 1,021
Total Expenditures	289	508
	\$1,474,545	\$1,602,290

### STATE OF OREGON STATEMENT OF CHANGES IN SPECIAL REVENUE FUND BALANCE Fiscal Year Ended June 30, 1979

(Expressed in Thousands)

Fund Balance - June 30, 1978		\$ 155,548
Prior Period Adjustments(A)		9,771
Excess of 1978-79 Revenues over Expenditures Revenues Less Expenditures	\$1,621,317 (1,602,290)	19,027
Fund Balance - June 30, 1979		\$ 184,346

(A) See note 3 of the Notes to Financial Statements.

Prepared without audit - see letter of transmittal for comments.

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## DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for and the payment of interest and principal on long-term debt other than special assessment and revenue bonds.

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#### STATE OF OREGON COMPARATIVE BALANCE SHEET DEBT SERVICE FUNDS

(Expressed in Thousands)

	As of C	June 30,	
ASSETS	1978	1979	
Cash on Deposit - State Treasury Cash with Fiscal Agent	\$ 4,648 4,644	\$ 13,527 3,891	
Investments - State Treasury	15,165	12,863	
Interest Receivables Interfund Receivables	84 5,450	104 5,669	
Total Assets	\$ 29,991	\$ 36,054	
LIABILITIES AND FUND BALANCE  Liabilities Accounts and Interest Payable Interfund Payables Matured Bonds Payable Deferred Income	\$ 4 5,299 4,831 35	\$ 33 5,644 3,920 38	
Total Liabilities	\$ 10,169	\$ 9,635	
Fund Balance	\$ 19,822	\$ 26,419	
Total Liabilities and Fund Balance	\$ 29,991	\$ 36,054	

CUSTODIAL STATE TREASURY	COMMUNITY COLLEGE & ED. CENTER	OREGON FOREST REHAB.	BOND ISSUE OREGON POLLUTION CONTROL	OREGON STATE HIGHWAY	WATER RESOURCES DEVELOP.	HIGHER EDUCATION FACILITIES
\$ 29 3,891	\$ 7	\$ 229	\$ 11,943 	\$	\$ 235 	\$ 1,084
		35				12,828
		_=_	69			35 5,669
\$ 3,920	\$ 7	\$ 264	\$ 12,012	\$	\$ 235	\$ 19,616
\$	\$	\$	\$ 10	\$	\$ 23	\$
3,920 			3  	  		5,641  38
\$ 3,920	\$	\$	\$ 13	\$	\$ 23	\$ 5,679
_==	7	264	11,999		212	13,937
\$ 3,920	\$ 7	\$ 264	\$ 12,012	\$	\$ 235	\$ 19,616

#### STATE OF OREGON COMPARATIVE STATEMENT OF REVENUES DEBT SERVICE FUNDS

(Expressed in Thousands)

		Year Er	nded June 30,
Davier		1978	1979
Revenue Business Licenses and Fees Federal Revenues Charges for Services Interest Income Loan Repayments Other Income		\$ 84 2,282 1,503  490	2 2,390 3 12,385 8,346
Total Revenue		\$ 4,359	\$ 24,302
Additions to Revenue Transfers In - Intrafund Transfers from General Fund		\$ 21,822 3,779	
Total Additions		\$ 25,60	\$ 8,568
Deductions from Revenue Transfers Out - Intrafund	×.	\$ 4,662	\$ 7,238
Net Revenue		\$ 25,298	\$ 25,632
			The second secon

		BOND ISS	UE		
COMMUNITY COLLEGE & ED. CENTER	OREGON FOREST REHAB.	OREGON POLLUTION CONTROL	OREGON STATE HIGHWAY	WATER RESOURCES DEVELOP.	HIGHER EDUCATION FACILITIES
\$  34  7	\$  39 	\$  10,389 8,346 (112)	\$    	\$   	\$ 326 2,390 1,923  956
\$ 41	\$ 39	\$ 18,623	\$	\$ 4	\$ 5,595
\$ 10 2,119	\$ 1,039	\$ (8,402) 	\$ 5,374 	\$ 254	\$ 8,174
\$ 2,129	\$ 1,039	\$ (8,402)	\$ 5,374	\$ 254	\$ 8,174
\$	\$	\$	\$	\$	\$ 7,238
\$ 2,170	\$ 1,078	\$ 10,221	\$ 5,374	\$ 258	\$ 6,531

#### STATE OF OREGON COMPARATIVE STATEMENT OF EXPENDITURES DEBT SERVICE FUND

## (Expressed in Thousands)

	_	Year Ended	Jun	
EXPENDITURES WITHIN BUDGET CATEGORY	-	1978	_	1979
Services and Supplies	\$	(181)	\$	737
Debt Service Principal Interest Taxes and Fees Other	\$	12,087 15,855 	\$	12,808 15,524 
Total Expenditures	\$	27,761	\$	29,069
EXPENDITURES BY PROGRAM AREA				
Economic Development and Consumer Service Education Human Resources Natural Resources Public Safety Transportation Administration and Support Legislation Judicial	\$	12,772  9,498  5,491 	\$	13,213  10,482  5,374 
Total Expenditures	\$	27,761	\$	29,069

COMMUNITY COLLEGE & ED. CENTER	OREGON FOREST REHAB.	BOND ISSUE OREGON POLLUTION CONTROL	OREGON STATE HIGHWAY	WATER RESOURCES DEVELOP.	HIGHER EDUCATION FACILITIES
\$	\$	\$ 3	\$	\$ 46	\$ 688
\$ 755 1,634 	775 115 	4,500 5,043 	2,300 3,074 		4,478 5,658 
\$ 2,389	\$ 890	\$ 9,546	\$ 5,374	\$ 46	\$ 10,824
\$ 2,389     	\$  890   	\$  9,546   	\$    5,374 	\$  46   	\$ 10,824     
\$ 2,389	\$ 890	\$ 9,546	\$ 5,374	\$ 46	\$ 10,824

#### STATE OF OREGON STATEMENT OF CHANGES IN DEBT SERVICE FUND BALANCE Fiscal Year Ended June 30, 1979

(Expressed in Thousands)

Fund Balance - June 30, 1978	9	\$	19,822
Prior Period Adjustments(A)			10,034
Excess of 1978-79 Revenues over Expenditures Revenues <u>Less</u> Expenditures	\$ 25,632 (29,069)	_	(3,437)
Fund Balance - June 30, 1979		\$	26,419

(A) See note 3 of the Notes to Financial Statements.

## CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources segregated for the acquisition of major capital facilities other than those financed by Special Assessment and Enterprise Funds.

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#### STATE OF OREGON COMPARATIVE BALANCE SHEET CAPITAL PROJECTS FUND

(Expressed in Thousands)

	As of Jur			
ASSETS	978		1979	
Cash on Deposit - State Treasury	\$ 5,004	\$	(3,939)	
Investments - State Treasury Securities Held in Trust Receivables	 9,979  2,042	-	11,343 27 2,412	
Total Assets	\$ 17,025	\$	9,843	
LIABILITIES AND FUND BALANCE Liabilities Accounts Payable Trust Funds Payable	\$ 290 110	\$	646 27	
Total Liabilities	\$ 400	\$	673	
Fund Balance Reserves for Encumbrances Fund Balance	\$ 9,640 6,985	\$	5,744 3,426	
Total Fund Balance	\$ 16,625	\$	9,170	
Total Liabilities and Fund Balance	\$ 17,025	\$	9,843	

Prepared without audit - see letter of transmittal for comments.

## STATE OF OREGON COMPARATIVE STATEMENT OF REVENUES CAPITAL PROJECTS FUNDS

(Expressed in Thousands)

		ed June 30,		
Revenue	1978	1979		
Federal Revenues Other Revenue	\$ 3,571 	\$ 4,681 9,083		
Total Revenue	\$ 13,251	\$ 13,764		
Additions to Revenue Transfers In - Intrafund (Net) Transfers - Other	\$ 4,280 983	\$ 6,511 2,008		
Total Additions	\$ 5,263	\$ 8,519		
Net Revenue	\$ 18,514	\$ 22,283		

#### STATE OF OREGON COMPARATIVE STATEMENT OF EXPENDITURES CAPITAL PROJECT FUND

(Expressed in Thousands)

	Year Ende	ed June 30,
	1978	1979
EXPENDITURES BY BUDGET CATEGORY		
Personal Services Services and Supplies Capital Outlay Special Payments Debt Service	\$ 136 12,347 8,379 	\$ 298 7,234 20,226 12
Total Expenditures	\$ 20,875	\$ 27,770
EXPENDITURES BY PROGRAM AREA		
Economic Development and Consumer Service Education Human Resources Natural Resources Public Safety Transportation Administration and Support Legislation Judicial	\$ 7,926 788 1,695 254  10,212	\$ 18,160 2,960 1,865 732  4,053
Total Expenditures	\$ 20,875	\$ 27,770

GENERAL SERVICES	FISH & WILDLIFE	MENTAL HEALTH	HIGHER EDUCATION	MILITARY	CORRECTION
\$ 3,389 652 12	\$ 10 1,855 	\$ 242 83 2,273 	\$ 56 3,752 14,352 	\$  732	\$  362 
\$ 4,053	\$ 1,865	\$ 2,598	\$ 18,160	\$ 732	\$ 362
\$     4,053	\$  1,865   	\$ 2,598     	\$ 18,160     	\$   732   	\$ 362     
\$ 4,053	\$ 1,865	\$ 2,598	\$ 18,160	\$ 732	\$ 362

## STATE OF OREGON STATEMENT OF CHANGES IN CAPITAL PROJECTS FUND BALANCE Fiscal Year Ended June 30, 1979

(Expressed in Thousands)

(27,770)	3,426
(11,770)	(0,10)
22,283 (27,770)	(5,487
	1,928
\$	6,985

(A) See note 3 of the Notes to Financial Statements.

Prepared without audit - see letter of transmittal for comments.

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#### **ENTERPRISE FUNDS**

Enterprise Funds account for the provision of goods and services to the general public where all or most of the costs involved are paid in the form of charges by the users of such services. Oregon Enterprise Fund activities are provided primarily by the six state agencies described below:

State Accident Insurance Their major activity is providing workmen's compensation insurance coverage to employers in the State of Oregon.

Department of Commerce, Housing Division Their major activity is the sale of revenue bonds to make residential mortgage loans available to lower income residents of Oregon.

<u>Department of Veteran's Affairs</u> They provide farm and home loans and other services to war veterans of Oregon.

Fair and Exposition Center They provide an annual State Fair and rent Fair facilities for public use throughout the year.

 $\underline{\text{Liquor Commission}}$  Activities include regulation, control, and sale of all alcoholic liquor and certain wines.

<u>Higher Education</u> Activities include providing students with residence halls, parking, bookstores, dining halls, and student centers.

#### STATE OF OREGON COMPARATIVE BALANCE SHEET ENTERPRISE FUNDS

(Expressed in Thousands)

ASSETS	As of Ju 1978	ne 30, 1979
Cash on Hand and in Banks Cash on Deposit - State Treasury	\$ 2,226 49,486	\$ 5,103 51,613
Investments - State Treasury Investments - Other Advances Receivable Interest Receivable Accounts Receivable Interfund Receivable	585,882  4 20,156 87,266 22	641,930 67,903 287 25,150 134,019
Inventories	12,952	14,513
Prepaid Expenses Discount on Bonds Sold	129 988	149 2,375
Contracts, Notes, and Mortgages Receivable	2,686,936	3,363,447
Land, Buildings and Improvements Equipment and Machinery Less Allowance for Depreciation	13,513 3,438 (3,462)	13,665 3,631 (4,008)
Total Assets	\$3,459,536	\$4,319,878
LIABILITIES AND FUND BALANCE		
Liabilities Accounts Payable Interest Payable Interfund Payables Trust Funds Payable	\$ 22,117 32,864 75 444,037	\$ 24,541 47,684 58 552,277
Premium on Bonds Sold Deferred Income Bonds Payable	10,037 801 2,774,235	9,543 960 3,451,975
Total Liabilities	\$3,284,166	\$4,087,038
Fund Balance Reserve for Encumbrances Reserve for Receivables Retained Earnings	\$ 1,319 2,385 171,666	\$ 1,456 4,345 227,039
Total Fund Balance	\$ 175,370	\$ 232,840
Total Liabilities and Fund Balance	\$3,459,536	\$4,319,878

\$ 10 7,311	\$ 1,840 14,723	\$ 14,932	\$ 328	\$ 3,253 11,222	\$ 2,622	\$ 475
537,730	67,903	104,159			41	
			7			280
7,991 116,001	40 15,095	17,119 1,380	(120)	100	1,415	148
93	8			***		
226	7	150	26	13,747	316	41
	2,375			90	59 	
	111,889	3,251,558				
5,202 1,279 (488)	25 (5)	649 (383)	6,327 315 (1,730)	2,136 1,130 (1,272)		233 (130)
\$ 675,355	\$ 213,900	\$3,389,564	\$ 5,153	\$ 30,406	\$ 4,453	\$ 1,047
			-		,	
						,
\$ 9,369	\$ 2	\$ 1,762	\$	\$ 13,354	\$ 25	\$ 29
	4,720	42,964	==		 58	
547,772	1,306	2,374			825	
		9,543	3		957	== 7
	197,975	3,254,000				
\$ 557,141	\$ 204,003	\$3,310,643	\$ 3	\$ 13,354	\$ 1,865	\$ 29
\$ 426	\$ 8	\$	\$ 141	\$ 217	\$ 651	\$ 13
4,022 113,766	9,889	78,921	5,009	16,835	323 1,614	1,005
\$ 118,214	\$ 9,897	\$ 78,921	\$ 5,150	\$ 17,052	\$ 2,588	\$ 1,018
						4.7

STATE FAIR LIQUOR COMMISSION HIGHER EDUCATION OTHER ENTERPRISE

\$ 1,047

4,453

COMMERCE HOUSING

\$ 213,900

\$ 675,355

\$3,389,564

STATE

ACC. INS.

VETERANS AFFAIRS

Prepared without audit - see letter of transmittal for comments.

5,153

\$ 30,406

### STATE OF OREGON COMPARATIVE STATEMENT OF OPERATIONS ENTERPRISE FUNDS

## (Expressed in Thousands)

			Year Ended June 30		
			1978		1979
Sales Income		\$	100,730	\$	138,200
Cost of Goods Sold			(66,015)		(70,669)
Gross Profit on Sales		\$	34,715	\$	67,531
Other Income					
Selective Sales Tax			8,091		9,640
Employer/Employe Taxes			220,227		240,812
Business Licenses and Fees			1,338		1,844
Non-Business Licenses Federal Revenue			••		1,874
			346		378
Charge for Services			46,456		49,832
Rents and Royalties Interest Income			1,155		413
Donations and Grants (Non-Federal)			179,015		239,458
Other Revenue			188		247
Amortization of Bond Premium			4,575		2,455
And creation of bond Fremfull				_	860
Total Income		\$	496,106	\$	615,344
Operating Expenses					
Personal Services	12	\$	40,043	\$	44,472
Services and Supplies	77		36,766	•	41,592
Special Payments			564		560
Debt Service					
Non-Limited - Other			274,452		348,982
Depreciation			212		399
		\$	352,037	\$	436,005
Excess Income over Expenditures		\$	144,069	\$	179,339
		-		-	

	TATE . INS.		OMMERCE OUSING		VETERANS AFFAIRS		STATE FAIR		LIQUOR COMMISSION		HIGHER EDUCATION		THER ERPRISE
\$	2	\$		\$	2	\$	535	\$	135,827	\$	<del></del>	\$	1,834
		-			-	_		_	(70,669)				
\$	2	\$	:=:=	\$	2	\$	535	\$	65,158	\$		\$	1,834
-	-			-	_				9,640				
24	10,812		480		₹ -				1,364				
-	·=:		1,874	_	-				1,304				
_	-			_	-						378		
-	-		75		4,470		1,027				44,301		(41)
	30			-	-		376				7		
4	0,095		12,145	18	7,018						200		
-	076		,	-					46		247		
<u> 2</u>	276		1		558 860		(6)		46		1,515		65
		-			000			-				-	
\$ 28	215	\$	14,575	\$ 19	2,908	\$	1,932	\$_	76,208	\$	46,648	\$	1,858
	1,611 4,375	\$	360 162		7,736 4,153	\$	836 1,396	\$	5,212 6,758	\$	17,582 23,998 515	\$	7,135 750 45
					-						313		45
17	6,939		14,746	15	7,257						40		
	124		3	-	63	-	196			_			13
\$ 19	3,049	\$	15,271	\$ 16	9,209	\$	2,428	\$	11,970	\$	42,135	\$	1,943
\$ 8	8,166	\$	(696)	\$ 2	3,699	\$	(496)	\$	64,238	\$	4,513	\$	(85)

#### STATE OF OREGON STATEMENT OF RETAINED EARNINGS ENTERPRISE FUNDS Fiscal Year Ended June 30, 1979

(Expressed in Thousands)

TOTAL
\$ 171,666
179,339
(49,233)
27,484
21
\$ 329,277
\$ (50,545)
(11,662) (5,879) (572)
(32,719)
(861)
\$ (102,238)
\$ 227,039

STATE ACC. INS.	COMMERCE HOUSING	VETERANS AFFAIRS	STATE FAIR	LIQUOR COMMISSION	HIGHER EDUCATION	OTHER ENTERPRISE
\$ 104,310	\$ (14,883)	\$ 57,431	\$ 5,455	\$ 15,667	\$ 2,017	\$ 1,669
88,166	(696)	23,699	(496)	64,238	4,513	(85)
(76,025)	28,303	(1,714)	99	(20)	121	3
27,484	-					
84	25	(280)	6	158		28
\$ 144,019	\$ 12,749	\$ 79,136	\$ 5,064	\$ 80,043	\$ 6,651	\$ 1,615
\$ (30,185)	\$ (2,850)	\$	\$	\$ (12,982)	\$ (4,508)	\$ (20)
==		 (48) (57)	==	(11,662) (5,831) 	 (515)	
	<del></del>	(66)		(32,653)	*-	
(68)	(10)	(44)	(55)	(80)	(14)	(590)
\$ (30,253)	\$ (2,860)	\$ (215)	\$ (55)	\$ (63,208)	\$ (5,037)	\$ (610)
\$ 113,766	\$ 9,889	\$ 78,921	\$ 5,009	\$ 16,835	\$ 1,614	\$ 1,005

#### INTERGOVERNMENTAL SERVICE FUNDS

Intergovernmental Service Funds account for the financing of goods and services provided by an agency on a cost-reimbursement basis to any other governmental unit, whether state, federal, or local.

The Oregon activities reported in Intergovernmental Service Funds (IGS) vary widely both as to type and complexity of operations. Most of the centralized services are provided by five agencies. These agencies and the services they provide or goods they sell are described below. Their operations as well as other major service operations of the state are reflected in the IGS financial statements that follow:

Executive Department Services include accounting, budgeting, personnel, and data processing.

<u>Department of General Services</u> Services include purchasing, printing, mail, motor pool, leasing, and insurance.

Department of Justice Services include legal and research.

Penitentiary Industries Manufacture and sale of furniture, machinery, and equipment.

Higher Education Services include printing, duplicating, data processing, and motor pool.

#### STATE OF OREGON COMPARATIVE BALANCE SHEET INTERGOVERNMENTAL SERVICE FUNDS

(Expressed in Thousands)

ASSETS	As of Ju 1978	ne 30, 1979	HIGHER EDUCATION FACILITIES
Cash on Hand and in Banks Cash on Deposit - State Treasury	\$ 2 7,901	\$ 33 12,292	\$ 1,309
Investments - State Treasury	12,261	12,545	
Advances Receivable Interest Receivable Accounts Receivable Interfund Receivables	21 7 7,749 	21 47 6,559 8	  
Inventories	8,776	10,085	
Prepaid Expenses Contracts, Mortgages, and Notes Receivable	23	29 1,390	
Land, Buildings, and Improvements Construction in Process Equipment and Machinery Less Allowance for Depreciation	25,206 17,101 57,455 (25,101)	21,765 8,363 73,390 (32,584)	
Total Assets  LIABILITIES AND FUND BALANCE	\$ 111,401	<u>\$ 113,943</u>	\$ 1,309
Liabilities			
Accounts Payable Interfund Payables	\$ 2,438 334	\$ 300 330	\$ 
Contracts, Mortgages, and Notes Payable	5,912	10,644	
Total Liabilities	\$ 8,684	\$ 11,274	<u>\$</u>
Fund Balance			
Reserve for Encumbrances Reserve for Receivables Reserve for Inventories Reserve - Other Retained Earnings	\$ 2,017 60  31 100,609	\$ 2,608 1,390 350 21 98,300	\$ 386    923
Total Fund Balance	\$ 102,717	\$ 102,669	\$ 1,309
Total Liabilities and Fund Balance	\$ 111,401	\$ 113,943	\$ 1,309

Prepared wit	hout audit	000	latter	of	trancmittal	for	comments	
Prepared Wit	nout audit -	· see	retter	O I	transmittai	101	COMMETTES.	

EXECUTIVE DEPARTMENT SERVICES	DEPARTMENT OF GENERAL SERVICES	JUSTICE DEPARTMENT SERVICES	PENITEN. INDUSTRIES SALES	OTHER DATA PROC. SERVICES	OTHER MOTOR POOLS	MISC. INTERGOV. SERVICES
\$ 1,029	\$ 2 8,388	\$ 37	\$ 167	\$ (186)	\$	\$ 31 742
	12,545					
923	1 47 4,128	14  541 	  313	 416 	 26	212 8
55	1,259	50	796	an an	7,178	747
	2 1,390		20			7
 9,414 (1,132)	21,008 8,363 9,555 (5,511)	1,270 (565)	757  817 (843)	 9,336 (4,681)	 42,499 (19,666)	  499 (186)
\$ 10,295	\$ 61,177	\$ 1,347	\$ 2,027	\$ 4,885	\$ 30,843	\$ 2,060
\$ 250	\$ 	\$	\$ <b></b> 45	\$ <del></del>	\$ 	\$ 300 35
4,809	5,835					
\$ 5,059	\$ 5,835	\$	\$ 45	\$	\$	\$ 335
\$ 213 55 4,968	\$ 1,337 1,390 287 5 52,323	\$ 166    1,181	\$   1,982	\$ 267    4,618	\$ 171   30,672	\$ 68  8 16 1,633
\$ 5,236	\$ 55,342	\$ 1,347	\$ 1,982	\$ 4,885	\$ 30,843	\$ 1,725
\$ 10,295	\$ 61,177	\$ 1,347	\$ 2,027	\$ 4,885	\$ 30,843	\$ 2,060

## STATE OF OREGON COMPARATIVE STATEMENT OF OPERATIONS INTERGOVERNMENTAL SERVICE FUNDS

(Expressed in Thousands)

	Year Ended June 30, 1978 1979				EDU	HIGHER EDUCATION SERVICES		
Sales Income	\$	16,939	\$	17,100	\$			
Cost of Goods Sold	_	(528)	_	(690)	_			
Gross Profit on Sales	\$	16,411	\$	16,410	\$			
Other Income								
Employer - Employe Taxes Licenses and Fees Federal Revenue Charge for Services Rents and Royalties Interest Income Other Revenue		139 1,631 370 82,374 10,159 947 3,082		284 2,086 264 87,480 10,526 290 5,027		60 18,520   54		
Total Income	\$	115,113	\$_	122,367	\$	18,634		
Operating Expenses								
Personal Services Services and Supplies Depreciation	\$	35,462 63,650 2,573	\$	38,580 69,060 5,255	\$	8,174 9,418 		
Total Operating Expenses	\$	101,685	\$_	112,895	\$	17,592		
Excess Income over Expenses	\$	13,428	\$	9,472	\$	1,042		

DEPA	CUTIVE ARTMENT RVICES	OF	PARTMENT GENERAL ERVICES	DE!	JUSTICE PARTMENT ERVICES	IN	NITEN. DUSTRY ALES	DAT	THER A PROC. RVICES	1	OTHER MOTOR POOLS	INT	ISC. ERGOV. RVICES
\$	230	\$	14,668	\$	35	\$	1,892	\$	(36)	\$	296	\$	15
				_			(690)	i i i		_			
\$	230	\$	14,668	\$	35	\$	1,202	\$	(36)	\$	296	\$	15
	 430 40 8,514 72 		284 111  10,693 10,452 290 4,705		 163 10,275 2  173	-	   1		1,514  5,253 		  31,628   83		2,597
\$	9,286	\$	41,203	\$	10,648	\$	1,203	\$	6,731	\$	32,007	\$	2,655
\$	4,036 3,188 551	\$	7,198 25,121 1,326	\$	8,433 2,951 23	\$	921 248 64	\$	2,817 3,289 770	\$	4,633 24,370 2,468	\$	2,368 475 53
\$	7,775	\$	33,645	\$	11,407	\$	1,233	\$	6,876	\$	31,471	\$	2,896
\$	1,511	\$	7,558	\$	(759)	\$	(30)	\$	(145)	\$	536	\$	(241)

#### STATE OF OREGON STATEMENT OF RETAINED EARNINGS INTERGOVERNMENTAL SERVICE FUND For the Year Ended June 30, 1979

#### (Expressed in Thousands)

HIGHER

	TOTAL 1979	EDUCATION FACILITIES
Retained Earnings - June 30, 1978	\$ 100,609	\$ 549
Excess Income over Expenditures: For the year	9,472	1,042
Prior Period Adjustments	(6,630)	116
Other Additions: Transfers In - Intrafund Increases In Fixed Assets	11,323 3,753	25 
	\$ 118,527	\$ 1,732
Other Deductions: Transfers Out - Intrafund Revenue Transfers Debt Service Distribution - Special Payments	\$ (12,948) (750) (1,582)	\$ (764) 
Capital Outlay Expenditures	(4,947)	(45)
Total Other Deductions	\$ (20,227)	\$ (809)
Retained Earnings - June 30, 1979	\$ 98,300	\$ 923

DEF	ECUTIVE PARTMENT ERVICES	DEPT. OF GENERAL SERVICES	JUSTICE DEPARTMENT SERVICES	PEN. INDUSTRIES SALES	OTHER DATA PROCESSING SERVICES	OTHER MOTOR POOLS	MISC. INTERGOV. SERVICES
\$	3,304	\$ 62,375	\$ 2,247	\$ 2,023	\$ 2,872	\$ 24,683	\$ 2,556
	1,511	7,558	(759)	(30)	(145)	536	(241)
	(3,191)	(990)	(37)	33	(918)	(652)	(991)
	353 5,195	10,072 (11,931)	2 299	11	3,754	790 6,269	81 156
\$	7,172	\$ 67,084	\$ 1,752	\$ 2,037	\$ 5,563	\$ 31,626	\$ 1,561
\$	(999) (45) (58)	\$ (11,265) (705) (1,182)	\$ (342)	\$ 	\$ 	\$ 	\$ 80 
_	(1,102)	(1,609)	(229)	(55)	(945)	(954)	(8)
\$	(2,204)	\$ (14,761)	\$ (571)	\$ (55)	\$ (945)	\$ (954)	\$ 72
\$	4,968	\$ 52,323	\$ 1,181	\$ 1,982	\$ 4,618	\$ 30,672	\$ 1,633

#### TRUST AND AGENCY FUNDS

Trust and Agency Funds account for resources received and held by a governmental unit as trustee or agent for individuals, private organizations, and other governmental units to be expended or invested in accordance with the conditions of the trust or agency agreement.



(Expressed in Thousands)

<u>ASSETS</u>	As of J 1978	une 30, 1979	PUB. EMPL RETIREMENT SYSTEM	HIGHER EDUCATION
Cash on Hand and in Banks Cash on Deposit - State Treasury	\$ 2,135 189,190	\$ 2,868 334,803	\$ 11,157	\$ 5,680
Investments - State Treasury Investments - Other Securities Held in Trust	1,351,553  641,892	1,549,523 1,426 525,592	1,460,828 202	11,241 1,052
Receivables Interfund Receivables	125,880 15,363	220,193 17,400	15,101 	47,739 14,884
Inventories	171	618	16	
Prepaid Expenses	5	11		
Contracts, Notes and Mortgages Receivable	2,134	2,001		
Land, Buildings and Improvements Equipment Less Allowance for Depreciation	2,965 255 (80)	3,551 301 (96)	 149 (96)	
Total Assets	\$2,331,463	\$2,658,191	\$1,487,357	\$ 80,596
LIABILITIES AND FUND BALANCE				
Liabilities Accounts Payable Due to Other Governments Due to Other Funds Trust Funds Payable Deferred Income	\$ 8,071 56,970 23,444 379,144 (2)	\$ 1,585 70,027 41,053 221,779 (6)	\$ 801 47,221  	\$ 14,884 1,916 (6)
Total Liabilities	\$ 467,627	\$ 334,438	\$ 48,022	\$ 16,794
Fund Balance Reserve for Encumbrances Reserve for Receivables Reserve for Inventories Reserves - Other Reserve for Funds in Trust Investment in Fixed Assets	\$ 182 62,370 7 5,968 1,792,223 3,086	\$ 174 75,578 392 6,107 2,237,799 3,703	\$ 77   1,439,258	\$ 1,408  62,394
Total Fund Balance	\$1,863,836	\$2,323,753	\$1,439,335	\$ 63,802
Total Liabilities and Fund Balance	\$2,331,463	\$2,658,191	\$1,487,357	\$ 80,596

STATE LANDS TRUSTS	EMPLOYMENT TRUSTS	LOCAL GOVERNMENT INV. POOL	ADULT & FAMILY SERV.TRUST	PATIENT & RESIDENT TRUSTS	AGENCY FLOW-THRU FUNDS	MISC.TRUST & AGENCY FUNDS
\$ 12,459	\$ 242,715	\$ 95	\$ 15,174	\$ 8,508	\$ 904 31,822	\$ 1,964 7,193
76,327 172	  644	  193,478	 	  6	866  325,213	261  6,251
2,323	73,790 	==	13,628 487	2,488	62,835 2,029	2,289
218				17	364	3
				5.74	11	
876	1,125					
3,545 132					 	20
\$ 96,052	\$ 318,274	\$ 193,573	\$ 29,289	\$ 11,019	\$ 424,050	\$ 17,981
\$ 13 8,057	\$ 	\$ 	\$ 713 42 16,129	\$  	\$ 1 14,707 9,947	\$ 57  93
94	686	193,573	1,470	1,843	10,741	11,456
\$ 8,164	\$ 686	\$ 193,573	\$ 18,354	\$ 1,843	\$ 35,396	\$ 11,606
\$ 25 7 6,044 78,135 3,677	\$ 1,125  316,463	\$   	\$ 10,885  50 	\$ 17  9,159	\$ 66 62,160 365 13 326,044	\$ 6 -3 -6,346 -20
\$ 87,888	\$ 317,588	\$	\$ 10,935	\$ 9,176	\$ 388,654	\$ 6,375
\$ 96,052	\$ 318,274	\$ 193,573	\$ 29,289	\$ 11,019	\$ 424,050	\$ 17,981

#### STATE OF OREGON COMPARATIVE STATEMENT OF REVENUES TRUST AND AGENCY FUNDS

(Expressed in Thousands)

Revenue	Year Ended	d June 30, 1979	PUB. EMPL. RETIREMENT SYSTEM	HIGHER EDUCATION
Selective Sales and Use Taxes Gross Receipts Business Taxes Employer - Employe Taxes Severance Taxes Other Taxes Business Licenses and Fees Non-Business Licenses and Fees Federal Revenues Charges for Services Rents and Royalties Interest Income Sales Income Donations and Grants (Non-Federal) Contributions Loan Repayments Other Revenue	\$ 106,821 2,672 155,826 8,790 2,922 1,379 44,944 141,394 7,345 863 65,875 15,875 15,532 1,147 367,264 923 6,842	\$ 110,282 3,036 303,108 42,277 3,429 3,178 45,111 79,628 78,620 1,298 96,348 19,843 1,889 431,088 457 4,908	\$      75,974  431,088	\$    4,103  626  1,699  457 (617)
Total Revenue	\$ 930,539	\$1,224,500	\$ 507,067	\$ 6,268
Additions to Revenue Transfers In - Intrafund Transfers from State Agencies Transfers from General Fund Total Additions	\$ 1,151 35,270 81,338 \$ 117,759	\$ 81,876 39,802 105,201 \$ 226,879	\$  703 \$ 703	\$ 4,766  432 \$ 5,198
Deductions from Revenue Transfers Out - Intrafund Transfers to Agencies Transfers Out - Indirect Cost Credit Transfers to Cities Transfers to Counties Transfers to Others	\$ (132,189) (151,937) (344) (3,611) (37,058) (297,764)	\$ (203,047) (227,636) (344) (6,028) (93,798) (284,699)	\$ (3,073)   (208,153)	\$ (4,794)  (344) 
Total Deductions	\$ (622,903)	\$ (815,552)	\$ (211,226)	\$ (5,138)
Net Revenue	\$ 425,395	\$ 635,827	\$ 296,544	\$ 6,328

STATE LANDS TRUSTS	EMPLOYMENT TRUSTS	LOCAL GOVERNMENT INV. POOL	ADULT & FAMILY SERV.TRUST	PATIENT & RESIDENT TRUSTS	AGENCY FLOW-THRU FUNDS	MISC.TRUST & AGENCY FUNDS
\$      78	\$ 272,120   	\$     	\$     	\$    	\$ 110,282 3,036 30,988 42,277 3,429 1,520 45,032 75,518	\$    1,658
1,296 8,157 106   861	14,082    		   (3)	78,825  390    (207)	(210)  (2,881) 19,737   2,380	193  2,486
\$ 10,498	\$ 286,202	\$	\$ (3)	\$ 79,008	\$ 331,108	\$ 4,352
\$ 17,352	\$  	\$  	\$  	\$ 76,383 2,341	\$ 729 19,100 104,066	\$ (2) 1,009
\$ 17,352	\$	<del>\$</del>	\$ ~-	\$ 78,724	\$ 123,895	\$ 1,007
\$ (36)   	\$ (104,219)     	\$    	\$     	\$ (75,713) (73,727)   (4,000)	\$ (18,068) (148,910)  (6,028) (93,798) (72,546)	\$ (253) (1,890)   
\$ (36)	\$ (104,219)	\$	\$	\$ (153,440)	\$ (339,350)	\$ (2,143)
\$ 27,814	\$ 181,983	\$	\$ (3)	\$ 4,292	\$ 115,653	\$ 3,216

#### STATE OF OREGON COMPARATIVE STATEMENT OF EXPENDITURES TRUST AND AGENCY FUNDS

#### (Expressed in Thousands)

	Year Ended	1 June 30, 1979	PUB. EMPL. RETIREMENT SYSTEM	HIGHER EDUCATION
Expenditures by Budget Category Personal Services Services and Supplies Capital Outlay Special Payments Debt Service Non-Limited	\$ 2,960 2,824 163 1,260 3	\$ 3,297 4,016 19 165  217,523	\$ 1,053 711 (30)  91,720	\$ 1,218  (1,123)
Total Expenditures	\$ 199,611	\$ 225,020	\$ 93,454	\$ 95
Expenditures by Program Area Economic Development and Consumer Service Education Human Resources Natural Resources Public Safety Transportation Administration and Support Legislation Judicial	\$ 1,866 1,488 876 10,412  509 184,460	\$ 1,472 272 156 12,023  329 210,768	\$     93,454	\$ 95   
Total Expenditures	\$ 199,611	\$ 225,020	\$ 93,454	\$ 95

STATE LANDS TRUSTS	EMPLOYMENT TRUSTS	LOCAL GOVERNMENT INV. POOL	ADULT & FAMILY SERV.TRUST	PATIENT & RESIDENT TRUSTS	AGENCY FLOW-THRU FUNDS	MISC.TRUST & AGENCY FUNDS
\$ 580 224 2   7,704	\$    	\$    	\$    	\$ (5)  	\$ 1,405 1,480 40 1,147  117,395	\$ 259 388 7 141  704
\$ 8,510	\$	\$	<u>\$</u>	\$ (5)	\$ 121,467	\$ 1,499
\$  8,510	\$  	\$  	\$  	\$  (5)	\$ 510  161 3,482	\$ 962 177  31
	=		==	=	117,314 	329  
\$ 8,510	\$	\$	\$	\$ (5)	\$ 121,467	\$ 1,499

STATE OF OREGON STATEMENT OF CHANGES IN TRUST AND AGENCY RESERVE BALANCE Fiscal Year Ended June 30, 1979

(Expressed in Thousands)

Reserve Balance - June 30, 1978 \$1,792,223 Prior Period Adjustments(A) 34,769 Excess of 1978-79 Revenues over Expenditures Revenues \$ 635,827 (225,020) Less Expenditures 410,807 Reserve Balance - June 30, 1979 \$2,237,799

(A) See note 3 of the Notes to Financial Statements. Prepared without audit - see letter of transmittal for comments.

#### **GENERAL FIXED ASSETS ACCOUNT GROUP**

General Fixed Assets Account Group accounts for fixed assets acquired through governmental funds.

#### STATE OF OREGON COMPARATIVE BALANCE SHEET GENERAL FIXED ASSET ACCOUNT GROUP

#### (Expressed in Thousands)

	As of Jur	ie 30,
	1978	1979
Land	\$ 504,740	\$ 507,651
Buildings	453,276	516,972
Improvements	42,397	40,694
Construction in Process	337	885
Equipment and Machinery	218,036	235,905
Total (Note 9)	\$1,218,786	\$1,302,107
Less Allowance for Depreciation	(17,079)	(18,287)
Contracts Payable (Note 14)		(3,067)
Investment in Fixed Assets	\$1,201,707	\$1,280,753

#### GENERAL LONG-TERM DEBT ACCOUNT GROUP

General Long-Term Debt Account Group accounts for long-term bonded debt other than those incurred in proprietary and certain trust funds.

#### STATE OF OREGON STATEMENT OF GENERAL LONG-TERM DEBT

(Expressed in Thousands)

ti di	As of Ju	
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF LONG-TERM DEBT	1978	1979
Amount Available in Debt Service Fund	\$ 23,901	\$ 26,419
Amount to be Provided	310,565	305,470
Total Available and to be Provided	\$ 334,446	\$ 331,889
GENERAL LONG-TERM DEBT PAYABLE		
Board of Higher Education Facilities Building Projects	\$ 54,220 74,091	\$ 57,030 73,888
Community College and Education Center	36,655	35,900
Oregon Forest Rehabilitation and Forestation	3,100	2,125
Oregon Pollution Control	108,300	103,800
Oregon State Highway	58,100	55,800
Water Resources		3,346
Total In Long-Term Account Group	\$ 334,466	\$ 331,889
Oregon Veteran's Welfare Bonds Reported in Enterprise Fund	2,657,000	3,254,000
Elderly Housing Bonds Reported in Enterprise Fund		8,135
Total General Obligation Bonds (Pages 79 through 86)	\$2,991,466	\$3,594,024

#### ANALYSIS OF OREGON'S BIENNIAL BUDGET

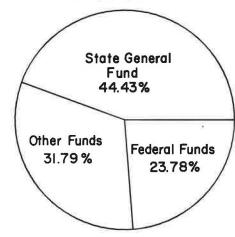
Oregon's biennial budget is a two-year fiscal plan balancing proposed spending against expected revenues. The expenditures are classified by budget authority:

- 1. The State General Fund classification includes all appropriations subject to legislative approval.
- The Other Fund classification includes all legislatively approved limitations other than those specified as Federal limitations.
- The Federal Fund classification includes all expenditures subject to legislatively approved Federal limitations.
- 4. The Non-limited Fund classification includes expenditures on which the legislature did not place limitations. These expenditures usually are included in the agencies' biennial budget requests.

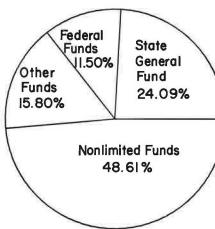
#### STATE OF OREGON EXPENDITURES BY BUDGET AUTHORITY

(Expressed in Thousands)

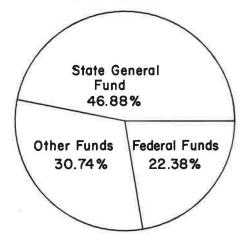
I977-79
BIENNIAL BUDGET
EXCLUDING NONLIMITED FUNDS
\$ 4,617,842



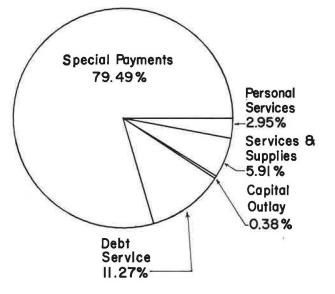
I977-79
ACTUAL EXPENDITURES
INCLUDING NONLIMITED FUNDS
\$8,262,663



1977-79
ACTUAL EXPENDITURES
EXCLUDING NONLIMITED FUNDS
\$4,245,556



1977-79
ACTUAL EXPENDITURES
NONLIMITED FUNDS ONLY
\$4,017,107



STATE OF OREGON COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES BY BUDGET AUTHORITY

(Expressed in Thousands)

#### EXPENDITURES

	FIRST YEAR	SECOND YEAR	TOTAL 1977-79 ACTUALS	1977-79 BUDGET	ACTUALS OVER (UNDER) BUDGETED
State General Fund Expenditures Personal Services Services and Supplies Capital Outlay Special Payments Debt Service	\$ 231,147 74,251 11,427 592,051 4,095	\$ 264,804 83,515 13,939 706,859 8,134	\$ 495,951 157,766 25,366 1,298,910 12,229	\$ 493,155 179,447 39,787 1,326,910 12,201	
	\$ 912,971	\$1,077,251	\$1,990,222	\$2,051,500	\$ (61,278)
Other Fund Expenditures Personal Services Services and Supplies Capital Outlay Special Payments Debt Service	\$ 306,257 249,332 19,596 41,069 5,747	\$ 341,367 283,133 29,402 23,516 5,700	\$ 647,624 532,465 48,998 64,585 11,447	\$ 675,585 628,524 56,083 96,498 11,129	k
	\$ 622,001	\$ 683,118	\$1,305,119	\$1,467,819	\$ (162,700)
Federal Fund Expenditures Personal Services Services and Supplies Capital Outlay Special Payments	\$ 100,238 33,156 2,288 328,693	\$ 90,276 33,871 3,800 357,893	\$ 190,514 67,027 6,088 686,586	\$ 222,773 78,552 8,403 788,795	
	\$ 464,375	\$ 485,840	\$ 950,215	\$1,098,523	\$ (148,308)
Non-Limited Fund Expenditures Personal Services Services and Supplies Capital Outlay Special Payments Debt Service	\$ 57,042 113,932 6,513 1,520,550 209,035	\$ 61,302 123,349 8,923 1,672,781 243,680	\$ 118,344 237,281 15,436 3,193,331 452,715		i es
	\$1,907,072	\$2,110,035	\$4,017,107		

## STATE OF OREGON COMBINED STATEMENT OF EXPENDITURES ALL FUNDS BY BUDGET AUTHORITY

#### (Expressed in Thousands)

	Year Ended	l June 30,
	<u>1978</u>	1979
State General Fund Expenditures Personal Services Services and Supplies Capital Outlay Special Payments Debt Service	\$ 231,147 74,251 11,427 592,051 4,095	\$ 264,804 83,515 13,939 706,859 8,134
Total General Fund	\$ 912,971	\$1,077,251
Other Fund Expenditures Personal Services Services and Supplies Capital Outlay Special Payments Debt Service	\$ 306,257 249,332 19,596 41,069 5,747	\$ 341,367 283,133 29,402 23,516 5,700
Total Other Funds	\$ 622,001	\$ 683,118
Federal Fund Expenditures Personal Services Services and Supplies Capital Outlay Special Payments	\$ 100,238 33,156 2,288 328,693	\$ 90,276 33,871 3,800 357,893
Total Federal Funds	\$ 464,375	\$ 485,840
Non-Limited Fund Expenditures Personal Services Services and Supplies Capital Outlay Special Payments Debt Service	\$ 57,042 113,932 6,513 1,520,550 209,035	\$ 61,302 123,349 8,923 1,672,781 243,680
Total Non-Limited Funds	\$1,907,072	\$2,110,035
Total Expenditures	\$3,906,419	\$4,356,244

		TAL FUNDS		PROPRIET	ARY FUNDS	TRUST AND
GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	ENTERPRISE	INTERGOV. SERVICE	AGENCY FUNDS
\$ 264,693 82,055 10,426 706,848 13	\$    \$	\$    8,121	\$ 111 1,460 3,513 11 	\$   	\$   	\$   
\$1,064,035	3	\$ 8,121	\$ 5,095	<u>\$</u>	<u>\$</u>	3
\$    \$	\$ 268,752 214,393 13,669 22,547 44 \$ 519,405	\$   5,375 \$ 5,375	\$ 184 4,075 11,619  \$ 15,878	\$ 43,528 40,962 272 622 41 \$ 85,425	\$ 25,671 20,966 3,823 343 240 \$ 51,043	\$ 3,232 2,737 19 4  \$ 5,992
\$  	\$ 90,161 32,971 1,716 357,893	\$  	\$ 643 2,084	\$ 84 257 	\$  	\$ 31  
\$	\$ 482,741	\$	\$ 2,727	\$ 341	\$	\$ 31
\$   	\$ 47,494 71,809 4,199 476,501	\$ 736  14,837	\$ 1,056 3,010 	\$ 944 630 590 977,386 228,195	\$ 12,826 47,837 1,124 1,240 510	\$ 34 1,281  217,654
\$	\$ 600,141	\$ 15,573	\$ 4,070	\$1,207,745	\$ 63,537	\$ 218,969
\$1,064,035	\$1,602,287	\$ 29,069	\$ 27,770	\$1,293,511	\$ 114,580	\$ 224,992

#### STATE OF OREGON COMBINED STATEMENT OF REVENUES ESTIMATED AND ACTUALS

(Expressed in Thousands)

#### REVENUES

	FIRST YEAR	_	SECOND YEAR	TOTAL 1977-79 ACTUALS	ESTIMATED REVENUES	(	CTUALS OVER UNDER) TIMATED(A)
Income Taxes	\$ 810,364	\$	973,683	\$1,784,04	7 \$1,809,000	\$	(24,953)
Selective Sales and Use Taxes	141,557		145,084	286,64			219,972
Gross Receipts Business Taxes	32,332		36,683	69,01	58,567		10,448
Employer - Employe Taxes	405,452		581,742	987,19			653,106
Inheritance and Gift Taxes	26,069		30,395	56,46	4 56,299		165
Severance Taxes	10,996		42,739	53,73	5 3,458		50,277
Other Taxes	2,922		3,429	6,35	]		6,351
Business Licenses and Fees	21,720		24,467	46,18	7 18,314		27,873
Non-Business Licenses and Fees	121,637		124,187	245,82			108,198
Federal Revenues	762,637		721,820	1,484,45			193,180
Charges for Services	260,217		352,393	612,61			156,587
Fines and Forfeitures	4,090		4,253	8,34			120
Rents and Royalties	13,465		13,899	27,36			(4,197)
Bond Sales	758,852		734,754	1,493,60	6 1,277,931		215,675
Interest Income	278,479		384,230	662,70	Control of the contro		35,376
Sales Income	193,617		206,115	399,73			(7,618)
Cost of Goods Sold	(66,544)	)	(71,389)	(137,93			(7,055)
Donations and Grants (Non-Feder	al) 21,920		26,346	48,26	6 5,809		42,457
Contributions	374,870		431,088	805,95			85,455
Loan Repayments	9,226		20,010	29,23			28,748
Other Revenue	36,176		36,461	72,63			(64,685)
Revenue Transfers (Net)	32,348	-	22,328	54,67	45,358	_	9,318
Tota1	\$4,252,402	\$4	,844,717	\$9,097,11	9 \$7,362,321	\$1	,734,798
		-					

#### STATE OF OREGON REDISTRIBUTIONS OF REVENUE FOR THE TWO YEARS ENDED JUNE 30, 1979

(Expressed in Thousands)

Numerous moneys are distributed biennially by the State to local government units and individuals. Redistributions of revenue are recorded and reported in various ways by the state agencies depending on their legislative approved budgets. This is a summary of the distributions that are reported as Deductions from Revenue, Special Payments Expenditures, or Nonlimited Expenditures in the financial statements. During the 1977-79 biennium the State of Oregon made the following distributions:

		REVENUE SOURCE					
	1977-79 TOTAL	NONLIMITED FUNDS	OTHER FUNDS	FEDERAL FUNDS	STATE GENERAL FUND		
Cities Counties Other Governmental Units Nongovernmental Units Individuals Local School Districts Community Colleges Other	\$ 105,920 515,468 61,319 19,418 1,454,836 728,860 116,218 2,247,330	\$ 32,974 334,661 1,750 1,812 263,600 606,280 579 224,291	\$ 64,858 124,628 746 1,617 443,773 2,158 21,237 2,009,459	\$ 4,146 20,532 52,069 14,909 404,508 90,903 4,974 4,473	\$ 3,942 35,647 6,754 1,080 342,955 29,519 89,428 9,107		
Total	\$5,249,369	\$1,465,947	\$2,668,476	\$ 596,514	\$ 518,432		

<sup>(</sup>A) Variances in dollars may be due to classification of actual revenues.

<sup>(</sup>A) Prior to 1979 the detailed classifications were not required of state agencies. Consequently, many agencies used "Other" instead of the more specific classification.

#### ANALYSIS OF CASH AND INVESTMENTS WITH STATE TREASURY

Most of the state agencies are required to deposit the cash they receive in an account with the State Treasurer. The State Treasurer manages the funds similar to the way a commercial bank would do.

On the following page is an analysis of the cash on deposit - State Treasury account shown in the combined Balance Sheet as cash maintained by the State Treasurer. The portion of these funds which is considered to be excess funds is invested by the State Treasurer. A schedule of these investments is presented by classification. (Note 5, page 13)

Some agencies are allowed to designate amounts of cash to be invested separately by the Treasurer. These amounts, totalling \$2,261,699 thousand, are included in the Investments account on the Combined Balance sheet. A schedule of designated investments by classification is included in the following presentation. (Note 6, page 13)

## STATE OF OREGON ANALYSIS OF CASH ON DEPOSIT WITH STATE TREASURER June 30, 1979

(Expressed in Thousands)

#### CASH ON DEPOSIT - STATE TREASURER

Cash on Deposit - State Treasurer		\$ 868,753
Adjusted by Outstanding Vouchers, Warrants, and Deposits in Transit - Net		184,920
Total Cash on Deposit with State Treasurer		\$1,053,673
CASH AS MAINTAINED BY STATE TREASURER		
Accounts Receivable - Salary Advances		\$ 9
Cash Items Federal Depositories State Depositories - Demand Deposit ( Overdrawn)	\$ 238,361 (9,712)	
Net Cash Items		228,649
Investments of Excess Funds Short Term Long Term	\$ 603,041 221,974	
Total Investments (Page 76)		825,015
Total Cash and Excess Fund Investments		\$1,053,673

#### STATE OF OREGON

#### TREASURY DEPARTMENT

CUSTODIAL ACCOUNTS STATE FUNDS Investments by Classification June 30, 1979

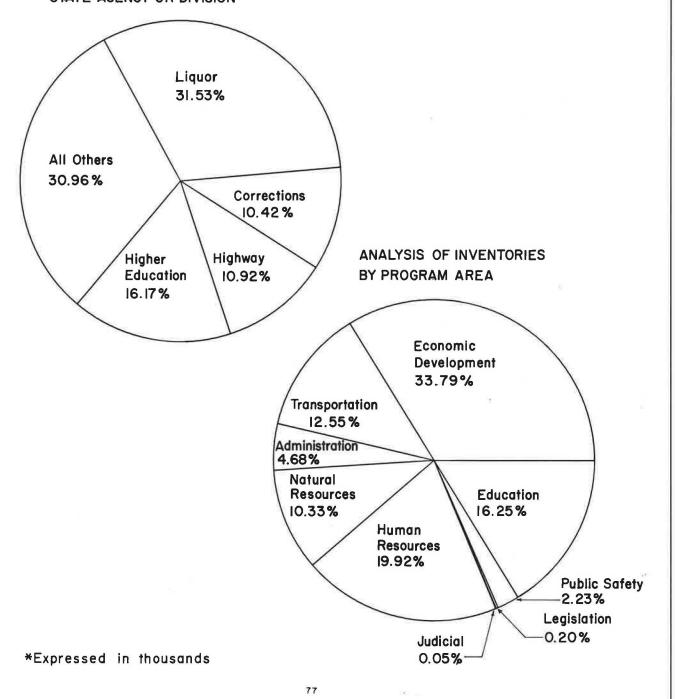
#### (Expressed in Thousands)

CLASS	DESCRIPTION	EXCESS FUNDS	DESIGNATED FUND INVESTMENT
Short Term			
1110 1120 1210 1220 1310 1320 1330 1340 1350 1370	U. S. Treasury Bills U. S. Agency Paper Time Certificate of Deposit Bankers Certificate of Acceptance Utilities Industrial Banks Finance Credit Real Estate Commercial Paper Repurchases	\$ 134,200 45,719 35,881 19,836 17,503 105,799 63,076 4,974 176,053	\$ 557 7,202 1,927 19,876 3,948 43,191 61,491 20,177  9,850
Long Term	Total	\$ 603,047	\$ 168,219
2111 2112 2113 2114 2115 2121 2122 2123 2130 2140 2150 2160 2170 2180 2211 2212 2213 2230 2310 2320 2330 2400	U. S. Treasury Bonds U. S. Agency Bonds Canadian Bonds Municipal Bonds GNMA Passthrus and FHLMC Telephone Electricity Gas Corporate Industrial Bonds Corporate Financial Bonds Corporate Railroad Bonds Corporate Railroad Terminal Bonds Mortgage Passthrus Securities Mortgage Backed Securities Capehart Residential Blocks Apartments and Nursing Homes Convential RE Mortgage State Agency Loans Business Loans Tax Deferrals Equity Funds	\$ 64,106 62,510  38,064  8,500 16,506  6,442  14,711  8,357  2,778  \$ 221,974	\$ 6,027 69,127 123,061 246 109,428 82,679 146,296 41,008 236,912 172,139 77,949 2,578 203,485 24,268 6,009 32,649 4,251 147,566 5,949 10,974  590,879
	Total Investments	\$ 825,015	\$2,261,699

#### ANALYSIS OF INVENTORIES

The total inventories in all accounting funds amounts to \$43,597.\* These inventories are held for use in the operations or for sale in subsequent periods. This figure is understated as all agencies are not recording inventories at this time.

### ANALYSIS OF INVENTORIES BY STATE AGENCY OR DIVISION

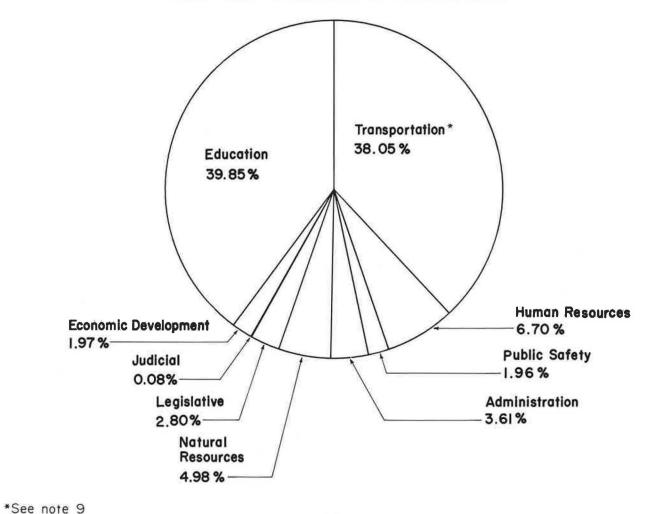


#### ANALYSIS OF FIXED ASSETS

The fixed assets reported in all accounting funds at June 30, 1979 may be summarized as follows: (Expressed in thousands)

Land	\$511,462
Buildings	547,686
Improvements other than buildings	45,149
Construction in process	9,248
Equipment and machinery	313,228
Total	\$1,426,773

#### FIXED ASSET UTILIZATION BY PROGRAM AREA



#### ANALYSIS OF BONDED DEBT

The State of Oregon Constitution provides for the issuance of general obligation debt for a number of purposes. The State may also issue revenue bonds under various State laws.

General obligation bonds are secured by the full faith and credit of the government and are not deemed a primary obligation of any specific fund of the organization.

Revenue bonds such as the housing revenue bonds are not secured by the full faith and credit of the State nor are the bonds an obligation of the State. They are secured and payable only from the obligations of the mortgage lenders as collaterally secured by approved securities or to first mortgage liens on low income family residential property.

The following summary information is provided for the year ended June 30, 1979 to aid in analysis of State bonded debt.

Summary of Outstanding Debt and Constitutional and Statutory Provisions. Summary of Changes in Bonded Debt.

Summary of General Obligation Debt Service.

Summary of Revenue Bond Debt Service.

Analysis of General Obligation Debt.

Summary of Oregon State Constitutional Provisions regarding General Obligation Debt.

STATE OF OREGON SUMMARY OF CHANGES IN BONDED DEBT OUTSTANDING

(Expressed in Thousands)

	BONDS OUTSTAND. July 1, 78	DEBT INCURRED DUR. YEAR	DEBT REDUCED DUR. YEAR	BONDS OUTSTAND. June 30,79
General Obligation Bonds				
General Fund Obligations				
Oregon Forest Rehabilitation Bonds Community College Bonds Higher Education Facilities Bonds Pollution Control Bonds	\$ 3,100 36,655 54,220 108,300	\$ 4,190	\$ 975 755 1,380 4,500	\$ 2,125 35,900 57,030 103,800
Total General Fund Obligations	\$ 202,275	\$ 4,190	\$ 7,610	\$ 198,855
Dedicated Fund Obligations				
Oregon Veterans' Welfare Bonds Higher Education Project Bonds Oregon State Highway Bonds Elderly Housing Bonds Water Resources Bonds	\$2,657,000 74,091 58,100 	\$ 650,000 2,895  8,135 3,346	\$ 53,000 3,098 2,300 	\$3,254,000 73,888 55,800 8,135 3,346
Total Dedicated Fund Obligations	\$2,789,191	\$ 664,376	\$ 58,398	\$3,395,169
Total General Obligation Bonds	\$2,991,466	\$ 668,566	\$ 66,008	\$3,594,024
Revenue Bonds			3	
Housing Bonds ORS 456.660	\$ 117,235	\$ 74,150	\$ 1,545	\$ 189,840
Total Obligation	\$3,108,701	\$ 742,716	\$ 67,553	\$3,783,864

# STATE OF OREGON SUMMARY OF OUTSTANDING DEBT AND CONSTITUTIONAL AND STATUTORY PROVISIONS June 30, 1979

(Expressed in Thousands)

Total Revenue Bonds

\$ 191,385

## STATE OF OREGON SUMMARY OF GENERAL OBLIGATION DEBT SERVICE June 30, 1979

(Expressed in Thousands)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL REQUIRED
1979-80 1980-81 1981-82 1982-83 1983-84 1984-85 1985-86 1986-87 1987-88 1988-89 1989-90 1990-91 1991-92 1992-93 1993-94 1994-95 1995-96 1996-97 1997-98 1998-99 1999-00 2000-01 2001-02 2002-03 2003-04 2004-05 2005-06 2006-07 2007-08 2008-09	\$ 107,263 120,696 172,199 173,406 204,844 219,263 230,778 229,833 234,579 225,822 237,602 218,356 204,585 204,708 195,869 161,186 130,031 129,888 109,426 39,128 8,209 7,293 7,151 6,626 4,815 4,367 2,285 2,233 957 626	\$ 190,117 184,766 177,956 168,489 159,264 147,753 136,213 123,775 111,392 98,927 87,212 74,543 63,112 52,482 41,344 31,246 22,933 15,934 9,345 4,083 2,426 1,969 1,573 1,176 845 560 330 202 78 20	\$ 297,380 305,462 350,155 341,895 364,108 367,016 366,991 353,608 345,971 324,749 324,814 292,899 267,697 257,190 237,213 192,432 152,964 145,822 118,771 43,211 10,635 9,262 8,724 7,802 5,660 4,927 2,615 2,435 1,035 646
TOTALS	\$3,594,024	\$1,910,065	\$5,504,089

#### STATE OF OREGON SUMMARY OF REVENUE BOND DEBT SERVICE June 30, 1979

(Expressed in Thousands)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL REQUIRED
1979-80. 1980-81. 1981-82. 1982-83. 1983-84. 1984-85. 1985-86. 1986-87. 1987-88. 1988-89. 1989-90. 1990-91. 1991-92. 1992-93. 1993-94. 1994-95. 1995-96. 1996-97. 1997-98. 1998-99. 1999-00. 2000-01. 2001-02. 2002-03.	\$ 3,055 4,730 6,580 8,595 9,770 10,865 10,465 10,315 7,625 7,185 6,260 5,810 5,525 5,260 5,020 4,545 4,155 4,015 4,530 4,760 4,780 4,765 4,700	\$ 11,689 10,989 10,666 10,235 9,756 9,226 8,684 8,155 7,613 7,209 6,822 6,456 6,108 5,779 5,465 5,155 4,854 4,583 4,325 4,053 3,753 3,445 3,125 2,812	\$ 14,744 15,719 17,246 18,830 19,526 20,091 19,149 18,470 15,238 14,394 13,572 12,716 11,918 11,304 10,725 10,175 9,399 8,738 8,340 8,583 8,513 8,513 8,513 8,513
2002-03 2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11	4,620 4,540 4,435 4,305 4,160 3,695 12,140 1,885	2,504 2,205 1,905 1,611 1,324 1,065 535 68	7,124 6,745 6,340 5,916 5,484 4,760 12,675 1,953
TOTALS	\$ 189,840	\$ 172,174	\$ 362,014

STATE OF OREGON

Summaries of Oregon State Constitutional Provisions Regarding General Obligation Debt.

#### ARTICLE IX

Section 2 of this Article states that the legislature shall provide for raising enough revenue to defray the expenses of the State for each fiscal year and also to pay the interest on the State debt. Section 3 of this Article restricts the use of gasoline taxes to activities associated with the State's roads including the retirement of bonds where these taxes have been pledged as the source of revenue. In addition, however, these taxes may be used to acquire and care for State parks, recreational, scenic and historic places. Section 6 requires the legislature to increase taxes to cover deficits occuring in the previous year and estimated expenses for the ensuing year.

#### ARTICLE XI

Section 7 limits the State's indebtedness for purposes not otherwise provided for in the constitution to \$50,000 and for building and maintaining roads to 1% TCV of property in the state. The section does not apply to real property leases up to 20 years entered into by the State for a public purpose.

#### ARTICLE XI-A

Section 1 of this Article authorizes the State to borrow up to 8% TCV of property in the state to create the Oregon War Veteran's Fund. Section 2 states that bonds of the Oregon War Veteran's Fund shall be a direct obligation of the state. An annual tax of up to 2 mills on all taxable property within the State is allowed by Section 4 as a source of interest and repayment for the bonds. This amount of tax however is limited by Statute to 0.25 mill.

#### ARTICLE XI-D

This Article establishes a debt limit of 1.5% TCV of all taxable property in the State to provide primarily for the development of hydroelectric power.

#### ARTICLE XI-E

This Article establishes a maximum debt limit of 3/16% TCV of all taxable property in the State to provide for the reforestation of land which the State currently owns and that which it may acquire for the purpose of reforestation. Funds generated from the reforested lands must be used to repay any outstanding debt issued under this provision and property taxes are also authorized to assist in repaying this debt. A debt limit of \$750,000/year is currently set by statute.

#### ARTICLE XI-F(I)

Here the constitution provides a debt limit of ½ of 1% TCV to all taxable property in the State for higher education building projects (which are limited by statute to \$90.5 million in total indebtedness). These projects must be wholely self-supporting and self-liquidating from revenues, gifts, grants or building fees. If the projects do not provide enough funds to repay the debt and the interest on the debt, property taxes are allowed.

#### ARTICLE XI-G

In addition to the debt provisions of Art. XI-F(I) this article allows a debt limit of up to ½ of 1% TCV for higher education projects (including those of community colleges). Unlike Art. XI-F(I), however, these projects cannot be totally self-supporting. Property taxes are allowed to repay this debt and its interest. In addition, any funds spent under this provision must be matched by the legislature from the General Fund.

## STATE OF OREGON ANALYSIS OF GENERAL OBLIGATION DEBT

(Expressed in Whole Dollars)

	1974	1975	1976	1977	1978	1979	
Total General Obligation Debt	\$ 1,268,261,000 \$ 1,676,559,000 \$ 2,001,580,000 \$ 2,412,178,000 \$ 2,991,466,000 \$ 3,594,024,000	1,676,559,000	\$ 2,001,580,000 \$	\$ 2,412,178,000 \$	\$ 2,991,466,000 \$	3,594,024,000	
Revenue Supported General Obligation Debt	1,121,101,000	1,508,379,000	1,829,495,000	2,246,208,000	2,865,001,000	3,467,829,000	
Non-Revenue Supported General Obligation Debt	147,160,000	168,180,000	172,085,000	165,970,000	126,465,000	126,195,000	
Population	2,266,000	2,299,000	2,341,750	2,396,100	2,472,000	2,472,200	
Total Debt per Capita	\$559.69	\$729.26	\$854.74	\$1,006.71	\$1,210.14	\$1,453.77	4
True Cash Value (TCV)	\$28,401,904,377 \$32,174,593,141 \$35,320,998	32,174,593,141 \$	\$35,320,998,508 \$	\$40,703,679,586 \$	,508 \$40,703,679,586 \$46,646,448,760 \$46,646,448,760	46,646,448,760	84
Total Debt as Percent TCV	4.46%	5.21%	5.63%	5.93%	6.41%	7.70%	
Non-Revenue Supported General Obligation Debt per Capita	\$64.94	\$73.15	\$73.49	\$69.27	\$51.16	\$51.04	
Non-Revenue Supported General Obligation Debt as Percent TCV	. 52%	.52%	.52%	.41%	.27%	.27%	
Source. State Treasurer							

#### ARTICLE XI-H

Funds for pollution abatement projects of State and local government agencies may be provided under this section, up to 1% TCV of all taxable property in this State. Facilities acquired under this program are required to "conservatively appear" to be at least 70% self-supporting and self-liquidating from revenues, gifts, grants from the Federal Government, user charges, assessments and other fees. Property taxes are provided as a source of additional revenue to support these bonds.

#### ARTICLE XI-I (Water)

Funds for loans to construct water development projects for irrigation and drainage are to be provided up to  $1\frac{1}{2}\%$  TCV of all the property within the state. Property taxes may be levied to repay this debt if revenues are insufficient.

#### ARTICLE XI-I (Housing)

Provides funds for additional financing for multifamily housing for elderly households of low income. Debt outstanding for this purpose may not exceed  $\frac{1}{2}$  of 1% TCV of all taxable property in the state. Property taxes may be levied to repay this debt if revenues from loan repayments are insufficient.

APPROVED BY:

ATTORNEY GENERAL, State of Oregon

#### **ECONOMIC INFORMATION**

Economic information is presented to allow a broader understanding of the economic and social environment in which State government operates.

#### LOCATION AND GEOGRAPHY

Oregon is bounded on the north by Washington; on the east by Idaho; by California and Nevada on the south; and by 429 miles of the Pacific Ocean in its western boundary. Oregon encompasses 97,073 square miles, 96,184 square miles of land area, and 889 square miles of water area. Oregon ranks tenth in physical size among the states. The Portland metropolitan area offers 90 million square feet of industrial space, ranking it second to Los Angeles.

Oregon has a varied climate due to its location, size and varied topography. The Pacific Ocean is the most important geographic feature controlling the climate. Three large mountain ranges - the Coast Range, the Cascade Mountains, and the Blue Mountains - are the second major controlling feature. Temperatures are moderate with relatively small ranges between summer highs and winter lows. Rainfall in the state varies, with as little as eight inches a year in the arid plateau regions, and as much as 130 inches a year in parts of the Coast Range.

#### POPULATION

Oregon's 1978 population is estimated at 2,472,200 by Portland State University's Center for Population Research and Census, the state's official bureau for population data. Since 1960, the state's population has increased by approximately 35%. The Center's projections show a population of 3,020,208 for the year 2000, an increase of approximately 31.4% over the next 20 years.

The City of Portland, located in Multnomah County, is the state's largest city and is situated at the confluence of the Columbia and Willamette rivers. The City of Portland has a population of 384,500; the Portland Statistical Metropolitan Area, comprised of Clackamas, Multnomah and Washington counties in Oregon and Clark County, Washington, has a population of 1.1 million. The second largest urban center is the Eugene metropolitan area located in Lane County. 100,450 people live in the city limits of Eugene, which is located in the Upper Willamette Valley and is the site of the University of Oregon. Salem is the third largest city with a population of 83,170. Salem is situated in the heart of the Willamette Valley and serves as the State Capital.

#### AGGREGATE TRENDS

The last decade, with an increased impact since 1970, has witnessed a turnaround in the performance exhibited by the Oregon economy throughout most of the post-World War II era. Since 1964, the real value (1958 dollars) of goods and services produced in the state has advanced at an annual rate of 4.7%, over half again greater than the average expansion of 3.1% attained in the years 1950 through 1963. During the same ten-year interval, Oregon also outpaced the mean annual real growth (4.1%) attained by the United States economy as a whole. This economic climate resulted in corresponding advances in real personal income and employment, as well as attracting increasing numbers of new residents from other states. Oregon's population grew at the rate of 2% per year between 1964 and 1974, almost double the United States rate, with approximately two-thirds of this increase attributable to net migration.

Oregon's recent rate of economic expansion and population growth is definitely not unique. Throughout the nation, the low density and less industrialized states have experienced above-average gains in output, income, and population. On the other hand, the economics of such industrially mature areas as New York, Ohio, and Illinois have expanded at a slower average pace than they maintained during the first 20 to 25 years after World War II. Underlying this variation in current growth performance is the interplay among many variables such as regional industrial structure, improving transportation technology and the development of "amenities" as factors in both individual and firm location decisions. Hence, recent economic and demographic trends in Oregon have occurred within the context of a larger national framework which can be expected to influence the state's development for some time to come. In the absence of any radical departure from recent past trends, this indicates that Oregon's population and labor force should continue to grow at a greater rate than the United States as a whole, while per capita output and income should tend toward equalization with national averages.

#### LEGISLATION TO AID ECONOMIC GROWTH

The 1977 Legislature authorized several programs to aid businesses:

Port Revolving Loan Fund provides loans up to \$250,000 to ports for attracting new industry. (Chapter 838 Laws of 1977)

Tax Credits for Investments in Economically Lagging Areas (Chapter 839 Laws of 1977)

Tax Credit for Noise Pollution Control Facilities (Chapter 795 Laws of 1977)

Streamlining Industrial Revenue Bond Applications (Chapter 147 Laws of 1977)

#### **EMPLOYMENT**

Material in this section is extracted from "Occupational Employment Trends in the State of Oregon 1974-1980," prepared by the Research and Statistics Section of the Oregon Employment Division.

Most of the individual nonagricultural wage and salary employment projections (1970-1980) for Oregon are affected by national nonagricultural wage employment projections in the same industry. This means that the validity of the national economic assumptions will play a very important role in determining the accuracy of the long-range industry employment projections in Oregon. These new national employment projections are a revision of the projections made in 1973 and represent a change in the national assumptions used during 1973. The purpose of these revisions is to provide a set of projections at the national level with underlying assumptions that more realistically reflect current conditions in light of recent events such as the severe economic recession of 1974-1975, the Arab oil embargo and the radical changes in the nation's energy outlook. Directly related to these changes in the national assumptions are the following discussions of the industry employment projections for Oregon between 1975 and 1980.

#### General Industry Outlook 1970-1980

Total nonagricultural wage and salary employment in Oregon is projected to rise from 709,200 in 1970 to 960,100 in 1980 or by 35% over the ten-year period (Table 1). By major industry sector, nonmanufacturing is expected to increase much more repidly than manufacturing during this period. Employment requirements for non-manufacturing show a jump of almost 40% (+213,400) while manufacturing rises by 22% (+37,500) between 1970 and 1980. The trends in each of these major sectors are the sum of a large number of variables affecting the more specific industry divisions classified under these major industry headings.

#### Manufacturing Employment Trends 1970-1980

Manufacturing of goods in Oregon between 1970 and 1980 shows a wide variety of trends which are expected to influence the employment requirements for this major industry sector. In general, employment in the durable goods industries are projected to increase faster than the nondurable industries (i.e., 26% to 11%), mainly as a result of greater increases in production in certain durable goods industries.

Table 2 lists Oregon manufacturing employers with 700 or more employees. Forest products firms are over one-third of the listed manufacturers on the table. Two industries showing significant expansion in the state are the electronics and the machinery industries. Table 3 shows the type of manufacturing firms reporting to the Department of Economic Development between June 1976 and June 1977 their intention to locate or expand plants in the state. While it is only a partial listing of new industry activity, the table indicates the electronics, lumber, and metals industries rank as the top industries in terms of anticipated new jobs.

TABLE 1 STATE OF OREGON OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT±

(Calendar Year Annual Averages)\*

	1970	1977	1980	% Increase 1970 to 1977	% Increase 1970 to 1980
TOTAL ALL INDUSTRY	709.2	929.5	960.1	31.1%	35.4%
Manufacturing	172.3	204.7	209.8	18.8	21.8
Durable Goods	122.9	151.3	154.7	23.1	25.9
Lumber & Wood Products	66.8	79.1	70.9	18.4	6.1
Primary Metals	7.6	9.7	10.0	27.6	31.6
Fabricated Metals	8.0	11.6	12.0	45.0	50.0
Machinery	10.1	13.4	15.2	32.7	52.0
Electrical Equipment & Supplies	10.9	4.5	17.6	(58.7)	61.5
Transportation Equipment	9.0	9.8	13.9	8.9	54.4
Other Durable Goods	10.5	23.2	15.1	120.9	43.8
Nondurable Goods	49.4	53.4	55.1	8.1	11.5
Food & Kindred Products	24.0	23.8	24.7	(.8)	2.9
Paper & Allied Products	9.4	10.2	10.8	8.5	14.9
Printing & Publishing	6.7	8.8	8.3	31.3	23.9
Other Nondurable Goods	9.3	10.6	11.3	13.9	21.5
Nonmanufacturing	536.9	724.8	750.3	35.0	39.7
Mining	1.3	1.7	1.9	30.8	46.2
Contract Construction	29.5	41.5	45.4	40.7	53.9
Transportation, Communications & Public Utilities	48.7	53.5	56.2	9.9	15.4
Transportation	30.4	32.8	33.9	7.9	11.5
Communications	11.5	13.2	14.1	14.8	22.6
Public Utilities	6.8	7.5	8.2	10.3	20.6
Trade	162.0	223.7	221.9	38.1	37.0
Wholesale Trade	43.9	57.8	57.4	31.7	30.8
Retail Trade	118.1	165.9	164.5	40.5	39.3
Finance, Insurance & Real Estate	36.0	57.0	53.9	58.3	49.7
Services & Miscellaneous	112.7	161.9	181.5	43.7	61.0
Government	146.7	185.5	189.5	26.4	29.2
Federal	25.9	27.0	28.2	4.2	8.9
State & Local	120.8	158.5	161.3	31.2	33.5

± - Includes full- and part-time nonfarm wage and salary workers on payrolls in pay periods including the 12th of the month. Job totals are on a place of work basis and are unadjusted for multiple job holders (1967 SIC). Data are thus not directly comparable to the Oregon occupational employment projections which include agricultural, self employed, unpaid family workers and domestics employment, as well as adjustments for multiple job holding and unpaid absences.

\* In Thousands

Source: State Department of Human Resources, Employment Division

TABLE 2
STATE OF OREGON
MANUFACTURING EMPLOYERS WITH 700 OR MORE EMPLOYES

Firm Name	Product(s)	Number of Employes
Tektronix, Inc.	Electronic instrumentation	14,024
Weyerhauser Company, Inc.	Lumber and wood products	6,030
Georgia Pacific Corp.	Lumber, wood and paper products	4,095
Roseburg Lumber Company	Lumber and wood products	3,570
Crown Zellerbach Company	Wood and paper products	3,002
Freightliner Corp.	Transportation equipment	3,000
Boise Cascade Corp.	Lumber, wood, and paper products	2,250
U. S. Plywood-Champion Intl.	Lumber and wood products	2,230
Teledyne Wah Chang	Primary metal products	1,925
Medford Corporation	Lumber and wood products	1,850
Esco Corporation	Primary metal products	1,600
FMC Corporation	Transportation equipment	1,475
International Paper Company	Paper products	1,465
Boeing of Portland	Transportation equipment	1,310
Brooks-Scanlon Inc.	Lumber and wood products	1,100
Hewlett-Packard Inc.	Electronic instruments	1,072
Jantzen, Inc.	Textile products	1,050
Precision Castparts Corp.	Primary metal products	1,050
Hyster Company Inc.	Machinery	1,048
Champion Building Products	Lumber and wood products	1,000
Hines Lumber Company	Lumber and wood products	1,000
Ore-Ida Foods	Food products	1,000
Oregonian Publishing Company	Printing and publishing	950
Willamette Industries	Lumber and wood products	935
Omark Industries Inc.	Fabricated metal products	920
Reynolds Metals Co.	Primary metals products	900
Bumble Bee Seafoods	Food Products	800
Bingham-Willamette Co.	Machinery	750
GAF Corporation	Electronic instruments	700

Note: Some of the above firms operate from one or more locations throughout the state. Source: State Department of Economic Development 1978

TABLE 3
STATE OF OREGON
NEW PLANTS LOCATING IN OREGON AND PLANT EXPANSIONS\*
JUNE 1976 - JUNE 1977

	New Plants	Expansions	Number of Jobs	Construction Dollar Value
Electrical & Electronic Machinery Equip. and Supplies	2	1	1130	\$25,000,000
Electrical & Electronic machinery Equip, and Supplies		5	180	7,000,000
Primary Metals/Fabricated Metal Products	2	4	170	21,040,000
Lumber and Wood Products Food and Food Related Products	4	3	145	8,540,000
Transportation Equipment/Mobile Homes/Ship & Boat				
Transportation Equipment/mobile nomes/ship a boas		5	170	8,100,000
Building & Repair	1	2	20	14,700,000
Paper and Paper Products		ī	25	750,000
Measuring/Optical-Dental Goods	1		20	550,000
Machinery		1	5	150,000
Rubber and Plastics		2		4,000,000
Glass, Clay, Concrete Products	10	$\frac{2}{24}$	1865	\$89,830,000

Source: Compiled from copies of Oregon Progress, distributed by the Oregon Department of Economic Development. The table is not a comprehensive listing of all new plants or expansions occurring between June 1976 and June 1977. It is merely an accounting of those who voluntarily notified the Department of their plans during that time period and the approximate number of additional jobs and construction dollar value of the new or expanded plants.

\* - Expansion plans announced since June 1977 include:

Intel Corp., a computer parts manufacturer and a leader in integrated circuits announced plans for a \$3.75 million expansion expected to create 300 to 350 new jobs. INTEL also plans a \$15 million expansion at the existing \$8 million plant in Aloha.

Weyerhaeuser Co. has begun facilities construction on a \$10 million investment in salmon ranching. It will be the largest operation of its kind in the U.S. and the second largest in the world.

Wacker Chemie, a German chemical corporation, announced plans to build a \$40 million silicon crystal and wafer manufacturing plant in Portland, creating an estimated 600 to 1,000 new jobs.

Omark Industries has announced a \$20 million capital expenditures plan and plans to develop a new hay-cutting saw chain.

TABLE 4
STATE OF OREGON
MANPOWER PROJECTIONS, 1976-1982 (Non-Agricultural)

Occupational Title	1976 Employment	Projected 1982 Employment	Percent Change 1976 to 1982
Professional and Technical	131,000	155,370	18.60%
Managers and Officers	66,840	79,410	18.79
Sales Workers	64,890	76,980	18.63
Clerical Workers	168,660	198,480	17.69
Craft Workers and Supervisors	103,260	117,450	13.77
Operatives	133,850	152,390	13.89
Service Workers	138,950	183,500	32.06
Laborers except farm	64,450	71,520	10.99
TOTAL	871,900	1,035,100	18.72

Source: State Department of Human Resources, Employment Division

#### Nonmanufacturing Employment Trends 1970-1980

Nonmanufacturing contains a wide array of non-goods producing industries which accounted for 76% of the nonagricultural wage and salary employment in Oregon during 1974. Employment in nonmanufacturing is expected to increase from 536,900 in 1970 to approximately 750,300 (+213,400 employees) by 1980 and will account for about 78% of the total nonagricultural wage and salary employment. By 1980, the percentage distribution of industries in nonmanufacturing is expected to be: construction (6%); transportation, communication and public utilities (7%); trade (30%); finance, insurance and real estate (7%); services (24%); and government (25%). These 1970-1980 trends point out some significant changes from the 1960-1970 growth patterns for some of these specific industries.

#### Updated Projections: Broad Occupational Groups 1976-1982

Total non-agricultural wage and salary employment growth is expected to create approximately 163,330 new jobs between 1976 and 1982. This represents a continuation of the overall economic expansion Oregon experienced during the previous decade.

Overall, total non-agricultural wage and salary employment should increase 18.7 percent between 1976 and 1982 (Table 4). This may differ substantially, however, at the major occupational group level. For instance, a growth rate of 18.6 percent is projected for professional, technical, and manager groups, while craft workers and operatives are expected to expand only 13.8 percent. The fastest growing group for the same time interval is service occupations (+32.1 percent) while the slowest is laborers except farm (+11 percent). In 1982 white collar non-agricultural wage and salary workers should total approximately 433,260 and will account for about 42 percent of total non-agricultural wage and salary employment. Blue collar workers are expected to increase from about 302,000 in 1976 to 341,600 in 1982. At that time, blue collar workers are expected to represent nearly 33 percent of total non-agricultural wage and salary employment, down from almost 35 percent in 1976. Service occupations comprise the third largest occupational group in Oregon. Employment in this group is expected to expand from 138,950 in 1976 to an estimated 183,500 in 1982 and will account for roughly 16 percent of all non-agricultural wage and salary employment.

#### PERSONAL INCOME

Oregon's personal income is about 1% of the United States total, and as Table 5 shows, Oregon's share has increased steadily in the past six years. Per capita income is below the national average. In 1976, it was \$6,331 or 98.3% of the national figure.

The Department of Energy's projections of personal income utilize Bonneville Power Authority's forecast of total state employment. Also, it is assumed that labor productivity (output per employed person) will increase 2.4 percent annually throughout the forecast period. This equals the historical rate from 1950 to 1974.

Using this approach, total personal income is projected to grow at an average rate of 3.7 percent annually for the next 20 years. Per capita income is forecasted to grow at the rate of 2.4 percent annually over the same period.

TABLE 5 STATE OF OREGON PERSONAL INCOME

	Total	Income		Per Capita	Income
Year	Oregon (Millions)	U.S. (Billions)	Percent in Oregon	Oregon	U.S.
1971	\$8,522	\$ 865.0	0.99	\$3,992	\$4,195
1972	9,457	944.6	1.00	4,328	4,537
1973	10,759	1,059.5	1.02	4,848	5,049
1974	12,156	1,159.5	1.05	5,390	5,486
1975	13,163	1,257.5	1.05	5,752	5,903
1975	14,743	1,382.5	1.07	6,331	6,441
	+12.0%	+9.9%		+10.1%	+9.1%
1975/1976 1966/1976	+156.4%	+135.6%		+116.8%	\$114.6%

Source: U. S. Department of Commerce, "Survey of Current Business".
August 1976, April 1977

#### HOUSING

1977 Oregon housing starts (see Table 6) show a continued upswing from the slowdown during 1973-1975. This recovery began in 1976 and figures for 1977 indicate a 26.7% increase in permits for single-family dwellings and a 26.4% increase for multi-family permits over the same period a year ago.

#### TABLE 6 STATE OF OREGON HOUSING STARTS

Year	Single Family Dwellings	Multi-Family Dwellings
1972	14,213	16,128
1973	13,153	9,639
1974	10,732	4,739
1975	14,527	5,617
1976	20,505	10,687
1977	25,986	13,506
1978 (as of April 30)	8,905	5,418

Source: State Department of Commerce, Housing Division

#### AGRICULTURE

As a result of diversity in topography, climate and soils, Oregon's agricultural sector yields a variety of both crops and livestock. The production of well over 100 different farm commodities has given Oregon a diversified and stable agricultural base. Activity is concentrated in the Willamette Valley which 1976 estimates show earned \$435,851,000 or almost 42% of all farm income, although some type of agricultural production occurs in every county in the state. According to figures furnished by the Oregon State University Extension Service, Oregon currently ranks fourth in the nation for acres of vegetables harvested for processing, and third in both physical output and the processed value of these crops.

Grains and field crops were the largest single source of income received by Oregon's crops during 1977, accounting for \$270.6 million in cash receipts. Other significant crops are hay, potatoes, ryegrass seed, peppermint, pears, snap beans, barley, sweet corn and strawberries. Livestock is the other sector of agricultural activity with a combined total of 1,900,000 head of cattle, sheep and hogs currently grazing within the state. This sector accounted for an estimated income in 1977 of \$400,501,000.

#### INTERNATIONAL TRADE

Like other segments of Oregon's economy, geography and natural resources have played a role in the development of the state's international trade activities. Her strategic historical location at the confluence of a major internal waterway (the Columbia River) and the Pacific Ocean has enabled Oregon to establish and maintain a position as the distribution center for a large inland area of the Pacific Northwest as well as a gateway port for foreign commerce. The majority of the state's international trade activities occur at Portland. Here an efficient system for dealing with a large number of vessels has been developed, including modern grain elevators, cranes and containerized cargo facilities in addition to ship repair and drydock facilities. Other important ports are located at the coastal cities of Astoria, Newport and Coos Bay. In all, the state has 23 established port districts handling over 4,000 vessels annually.

Exports constitute over two-thirds of all foreign trade dollars earned in the region. During 1976, 2.13 billion dollars' worth of goods cleared the Oregon Customs District (comprised of all ports in Oregon and on the Columbia River in Washington) bound for destinations throughout the world. 1976 exports increased 7.7% over 1975.

While relatively small compared to the export sector, imports have grown rapidly during the last decade, reaching a value of over 1.1 billion during 1976. 1976 imports represented a 36.9% increase over the dollar volume of imports in 1975, a recovery from the 1975 slump in both imports and exports. The Pacific Rim countries are the state's largest import suppliers, accounting for approximately 60% of dollar volume. European nations are responsible for an additional 25%.

#### TOURISM

Oregon has many outstanding features which favor development of tourism within the state. These include over 400 miles of seacoast; 47,000 miles of streams; 1,400 lakes and reservoirs; over 213 state parks; and many more developed and undeveloped recreational resources. While summer is traditionally the peak vacation, tourism is of year-around importance to the state's economy due to the wide variety of leisure time activities available in Oregon.

Twelve million out-of-state visitors spent \$700 million in Oregon in 1976. This compares to \$620 million spent by visitors to Oregon in 1975, an increase of about 12.9%. A 1971 study prepared for the State Highway Division by the Economics Department of Oregon State University estimates that in-state recreational purchases were more than 40% greater than the sum of all out-of-state expenditures, pointing up the fact that Oregon is a favorite vacation spot for her own residents as well as visitors from other states.

#### POST SECONDARY EDUCATION

The Oregon State Board of Higher Education is the governing board for the Oregon State System of Higher Education. Approximately 59,000 students attend the eight institutions composing the system. The University of Oregon at Eugene, Oregon State University at Corvallis, and Portland State University in downtown Portland, are the three state-run universities. Other state schools include Eastern Oregon State College, Oregon College of Education, Oregon Institute of Technology, Southern Oregon State College, and the University of Oregon Health Sciences Center, which includes the Medical, Dental, and Nursing Schools.

In addition, there are twenty-one independent colleges, thirteen community colleges and various proprietary vocational schools in the state.

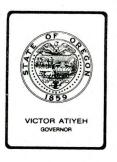
#### ENERGY UTILIZATION AND PROJECTIONS

Preliminary estimates indicate that the state and federal policies currently expected to be in effect may reduce residential energy growth significantly. State programs initiated in 1977 can be expected to reduce annual energy expenditures by Oregon consumers by as much as \$100 million by 1997.

Energy use in Oregon's manufacturing sector as a whole has increased with employment and production. Energy use per worker and per unit of output historically has been increasing. This is primarily due to a greater emphasis on energy intensive industries in Oregon and a decreasing energy price to wage rate ratio. The importance of the lumber and wood products and food processing industries in Oregon's manufacturing sector has declined while paper, chemicals, and primary metals have increased. This changing manufacturing structure has contributed to the increasing trends of energy use per employed person and increasing energy use per unit of production in the manufacturing sector is the relative decline of energy prices as compared to wage rates. This trend is to be reversed to the future and expected to result in a reduced amount of energy required for employing an additional worker or producing an additional unit of output.

Based on the Department of Energy's econometric forecast, which does not include the impacts of conservation legislation, both total and per capita energy consumption in Oregon are projected to grow steadily over the next 20 years but at a slower rate than in the past. Total energy consumption is expected to increase at an average annual rate of 2.5 percent for 1977-97 period. This is down from a 5 percent annual increase during the 1962-73 period. The major factors underlying the slower growth in energy use are increases in real energy prices; slower growth in employment, population, income, and manufacturing production; and an improvement in the operating efficiency of automobiles.

Federal hydroelectric generation is currently not allocated equitably. Several significant pieces of legislation are being proposed to provide a more equitable allocation. The supply of natural gas to Oregon is expected to improve from what has been experienced during the past three to four years. This is primarily due to the improvement in gas deliverability in Canada and the expected flow of Alaskan North slope gas. The renewable resources having the most potential for development in the next 20-year period appear to be solar for direct heating uses, geothermal for direct heating uses, wind for the production of electrical energy, wood waste for the production of electricity and process heat, and hydroelectric development. The continued development of alternative energy resources will provide Oregon with a greater internal energy supply; thus, providing a more flexible and reliable future supply system.



## Executive Department ACCOUNTING DIVISION

SALEM, OREGON 97310 PHONE (503) 378-3156

October 31, 1979

TO ALL STATE AGENCY HEADS

Enclosed is your agency's copy of the first Statewide Financial Report for the State of Oregon.

We wish to thank your finance personnel for the part they played in providing the financial information needed to prepare this report. Please notify them that you have received the report and make it available if they wish to review it.

The past year has been one of great change with the release of the State Accounting Manual, which provides standard accounting and reporting requirements for all state agencies. We hope to work closer with your agency in the next year to refine these requirements and provide additional training where needed.

If you or your staff have any questions or if we can be of assistance in training your finance people, please contact us.

Neal R. Fisher Administrator

clf Enclosure