



OREGON STATE UNIVERSITY FOUNDATION

Consolidated Financial Statements and Supplementary Schedules

June 30, 2024 and 2023

(With Independent Auditors' Report Thereon)

OREGON STATE UNIVERSITY FOUNDATION

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KPMG LLP
Suite 3800
1300 South West Fifth Avenue
Portland, OR 97201

Independent Auditors' Report

The Board of Trustees
Oregon State University Foundation:

Opinion

We have audited the consolidated financial statements of Oregon State University Foundation and its subsidiaries (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

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

KPMG LLP

Portland, Oregon
September 23, 2024

OREGON STATE UNIVERSITY FOUNDATION

Consolidated Statements of Financial Position

June 30, 2024 and 2023

Assets	2024	2023
Cash and cash equivalents	\$ 13,013,930	8,912,201
Investments (including assets held for Oregon State University of \$59,428,678 and \$56,352,572, respectively)	1,023,063,621	949,415,841
Pledges receivable, net	110,272,111	101,058,161
Property and equipment, net	24,350,528	25,387,033
Assets held-for-sale	5,333,381	5,549,381
Assets held under split-interest agreements	54,123,003	53,414,942
Charitable trusts held outside the foundation	11,108,579	10,486,402
Other assets	4,160,958	6,097,232
Total assets	<u>\$ 1,245,426,111</u>	<u>1,160,321,193</u>
Liabilities and Net Assets		
Liabilities:		
Obligations under split-interest agreements	\$ 22,752,311	23,720,072
Endowment assets held for Oregon State University	59,428,678	56,352,572
Other liabilities	38,376,410	37,910,142
Total liabilities	<u>120,557,399</u>	<u>117,982,786</u>
Net assets:		
Without donor restrictions	39,623,937	33,549,678
With donor restrictions	1,085,244,775	1,008,788,729
Total net assets	<u>1,124,868,712</u>	<u>1,042,338,407</u>
Total liabilities and net assets	<u>\$ 1,245,426,111</u>	<u>1,160,321,193</u>

See accompanying notes to consolidated financial statements.

OREGON STATE UNIVERSITY FOUNDATION

Consolidated Statement of Activities

Year ended June 30, 2024

	Without donor restrictions	With donor restrictions	Total
Revenue, gains, and other support:			
Contributions	\$ 578,918	136,863,907	137,442,825
Investment return, net of expenses	10,143,631	69,048,858	79,192,489
Other	27,059,679	5,132,342	32,192,021
Change in value of charitable annuities and trusts	—	3,646,339	3,646,339
Net assets released from restrictions and other transfers	138,235,400	(138,235,400)	—
	<u>176,017,628</u>	<u>76,456,046</u>	<u>252,473,674</u>
Expenses:			
Direct university support	130,423,976	—	130,423,976
Development	23,313,138	—	23,313,138
Management and general	16,206,255	—	16,206,255
	<u>169,943,369</u>	<u>—</u>	<u>169,943,369</u>
Change in net assets	6,074,259	76,456,046	82,530,305
Net assets, beginning of year	<u>33,549,678</u>	<u>1,008,788,729</u>	<u>1,042,338,407</u>
Net assets, end of year	<u>\$ 39,623,937</u>	<u>1,085,244,775</u>	<u>1,124,868,712</u>

See accompanying notes to consolidated financial statements.

OREGON STATE UNIVERSITY FOUNDATION

Consolidated Statement of Activities

Year ended June 30, 2023

	Without donor restrictions	With donor restrictions	Total
Revenue, gains, and other support:			
Contributions	\$ 967,937	80,347,901	81,315,838
Investment return, net of expenses	7,774,106	57,026,191	64,800,297
Other	25,347,352	3,892,494	29,239,846
Change in value of charitable annuities and trusts	—	1,245,305	1,245,305
Net assets released from restrictions and other transfers	113,061,680	(113,061,680)	—
	<u>147,151,075</u>	<u>29,450,211</u>	<u>176,601,286</u>
Expenses:			
Direct university support	109,031,820	—	109,031,820
Development	22,815,889	—	22,815,889
Management and general	15,111,504	—	15,111,504
	<u>146,959,213</u>	<u>—</u>	<u>146,959,213</u>
Change in net assets	191,862	29,450,211	29,642,073
Net assets, beginning of year	<u>33,357,816</u>	<u>979,338,518</u>	<u>1,012,696,334</u>
Net assets, end of year	<u>\$ 33,549,678</u>	<u>1,008,788,729</u>	<u>1,042,338,407</u>

See accompanying notes to consolidated financial statements.

OREGON STATE UNIVERSITY FOUNDATION

Consolidated Statements of Cash Flows

Years ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 82,530,305	29,642,073
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Gain on investments	(84,164,288)	(67,814,794)
Noncash contributions	(20,382,040)	(15,351,180)
Proceeds from sale of noncash contributions	19,573,026	14,592,720
Investment gains on charitable gift annuity and remainder trust agreements	(2,201,952)	(772,569)
Depreciation and amortization	1,643,569	1,607,637
Gain on sale of equipment and other assets	(50,302)	—
Provision for unfulfilled pledges, net	23,313	(4,471)
Change in cash surrender value of life insurance	(29,300)	37,359
Net change in value of charitable gift annuities and trusts	(995,351)	2,167,796
Contributions and income restricted for permanent endowments	(27,094,321)	(17,379,121)
Decrease (increase) in cash due to changes in assets and liabilities:		
Charitable trusts held outside the Foundation	(552,644)	676,355
Endowment assets held for Oregon State University	3,076,106	2,144,500
Pledges receivable	(9,237,263)	5,176,530
Other assets	1,965,574	(110,907)
Other liabilities	466,268	23,420,479
Net cash used in operating activities	(35,429,300)	(21,967,593)
Cash flows from investing activities:		
Proceeds from sale of investments	238,199,529	183,147,051
Purchase of investments	(227,696,310)	(177,025,076)
Proceeds from disposal of property, equipment, and assets held for sale	813,000	1,579,900
Purchases of property and equipment	(556,762)	(236,158)
Net cash provided by investing activities	10,759,457	7,465,717
Cash flows from financing activities:		
Additions to charitable gift annuity and remainder trust agreements	5,044,428	645,473
Payments on charitable gift annuity and remainder trust agreements	(3,284,608)	(2,455,998)
Contributions and income restricted for permanent endowments	27,094,321	17,379,121
Net cash provided by financing activities	28,854,141	15,568,596
Net increase in cash and cash equivalents	4,184,298	1,066,720
Cash and cash equivalents, beginning of year	10,119,343	9,052,623
Cash and cash equivalents, end of year	\$ 14,303,641	10,119,343
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	\$ 13,013,930	8,912,201
Cash held temporarily in trust	1,289,711	1,207,142
	\$ 14,303,641	10,119,343

See accompanying notes to consolidated financial statements.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(1) Description of Organization and Summary of Significant Accounting Policies

(a) General

The Oregon State University Foundation (the Foundation) was incorporated in 1947 to encourage, receive, and administer gifts and bequests for the support of Oregon State University (the University). The Foundation is governed by a board of trustees, with a membership of 30 individuals at June 30, 2024.

During 1999, the Foundation implemented an agreement with the University to assume all fundraising responsibilities for the University. As a result, the Foundation has added to its investment management and fiduciary responsibilities those fundraising and related services, such as marketing, donor relations, and stewardship.

The Foundation is an organization exempt from taxation under Section 501(c)(3), 509(a)(1), and 170(b)(1)(a)(iv) of the Internal Revenue Code and is generally not subject to federal or state income taxes. However, the Foundation is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded, as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the consolidated financial statements taken as a whole.

(b) Basis of Accounting

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting.

(c) Basis of Presentation and Principles of Consolidation

The financial statements of the Foundation and operating affiliates and associates have been consolidated and all significant intercompany amounts and transactions have been eliminated. The operating affiliates and associates consist of the Alumni Association, Oregon 4-H Foundation, Trysting Tree Golf Club, Inc., 4238 Research Way, LLC, and The Beaver Caucus.

In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

- *Without donor restrictions* – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes, such as board-designated or quasi-endowments, by action of the board of trustees or may otherwise be limited by contractual agreements with outside parties. Unless otherwise designated, net assets without donor restrictions are used for the support of university programs and operations of the Foundation.
- *With donor restrictions* – Net assets with donor restrictions are subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire with the passage of time. Other donor-imposed restrictions are to maintain resources permanently. Such assets consist primarily of the Foundation's permanent endowment funds. Generally, the donors of these assets permit the Foundation's use of all or part of the investment return on these assets.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Revenue is reported as increases in net assets without donor restrictions unless its use is limited by donor-imposed restrictions. Expenses are generally reported as decreases in net assets without restrictions. Expirations of donor-imposed stipulations are reported as net assets released from donor restrictions.

(d) Contributions and Pledges

Contributions, including unconditional pledges and memberships, are recognized as revenue in the period received. Unconditional pledges that extend beyond one year are recorded at a discount rate as determined by the creditworthiness of the donor, which approximates fair value, and an allowance for credit losses is established for those pledged contributions that have been identified as having potential collection problems. Conditional pledges are not recognized until they become unconditional; that is, when the donor-imposed conditions are substantially met. Contributions of assets other than cash are recorded at their estimated fair value on the date of gift.

(e) Investments

Investments in marketable debt and equity securities, mutual funds, partnerships, and real estate funds are stated at fair value. Collateralized mortgage obligations, directly held real estate, and other investments are stated at cost. Mortgage notes and contracts are initially recorded at face value and are collateralized by the associated real estate. Interest on mortgage notes receivable is recognized when earned. Mortgage notes and contracts are reviewed annually to assess credit risks. Uncollectible notes are written off upon approval of the board of trustees. As of June 30, 2024 and 2023, no mortgage notes or contracts were deemed to be uncollectible; therefore, no allowance for credit losses was established.

Investment return, net of expenses, includes interest, dividends, and realized and unrealized gains and losses. Realized gains and losses from the sale of investments are computed based on the difference between the proceeds received and the carrying value of the asset. Unrealized gains and losses result from changes in the fair value of investments.

(f) Pooled Investment Program

The Foundation places certain investments with investment managers who invest the funds in an investment pool (Pooled Investment Program). Investment income and realized gains and losses on these pooled assets are allocated to the participating endowment funds. Each endowment fund is assigned a percentage of its prorated value to the fair value of all assets at the time of entry into or liquidation from the pool.

(g) Charitable Trusts Held Outside the Foundation

Charitable trusts held outside the Foundation are trusts established and administered by a donor or a third party. These trusts may be a lead, remainder, or perpetual trust. Charitable lead trusts are trusts established and funded by donors that provide distributions to the Foundation over a specified period. Lead trusts are measured at the present value of the future distributions expected to be received by the Foundation. The Foundation is also the recipient for charitable remainder trusts. Upon termination of a charitable remainder trust, the assets of the trust are transferred to the Foundation. These trusts are measured at their fair value. Perpetual trusts provide the Foundation the right, in perpetuity, to the income earned on the assets of the trust. The Foundation's beneficial interest in a perpetual trust is

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

measured at fair value. Donors may restrict the use of lead, remainder, and perpetual trust contributions.

(h) Property, Equipment, Right-of-Use Assets and Assets Held for Sale

Real property, equipment, and assets held for sale are recorded at cost except for donated assets, which are recorded at fair value on the date of donation. Right-of-use assets are recorded at the present value of known lease payments, at inception. Depreciation is computed for purchased operating equipment of the Foundation based on the straight-line method over the estimated useful lives of the related assets. Amortization related to right-of-use assets is computed on a straight-line basis over the lease period. Real property and equipment held for sale or held for transfer to the University are not depreciated.

Management reviews the carrying value of capitalized and right-of-use assets whenever events or changes in circumstances indicate that the carrying value of an asset group may not be recoverable. This review considers, among other factors, (1) the net realizable value of each major classification of assets, (2) the cash flow associated with the asset, (3) potential impairment of right-of-use assets, and (3) significant changes in the extent or manner in which major assets are used. Management believes the carrying value of assets is recoverable.

Realized gains and losses from the sale or disposal of real property, equipment, and other assets are computed based on the difference between the proceeds received and the net carrying value of the asset. Realized gains and losses are recorded in other on the consolidated statement of activities.

(i) Assets Held under Split-Interest Agreements

Charitable gift annuity and remainder trust agreements require periodic payment of either the income earned or a fixed percentage of the assets to designated beneficiaries and terminate either at a specific time or upon the death of the designated individual. A liability for each gift annuity and remainder trust, where the Foundation is a trustee, is established and calculated as the present value of future payments to be made to the designated beneficiaries. Upon termination, the remaining assets of the annuity or remainder trust are then available for use by the Foundation in accordance with the donor's intent. The Foundation uses an actuarial approach to determine both the contribution and liability amounts to be recognized. For gift annuities and remainder trusts entered into by the Foundation during the year ended June 30, 2024, the discount rate varied between 4.6% and 5.6%; during the year ended June 30, 2023, the discount rate varied between 4.8% and 5.2%. The discount rate varies between 0.4% and 10.6% for the Foundation's entire portfolio of gift annuities and remainder trusts at June 30, 2024 and 2023.

(j) Other Liabilities

Other liabilities consist of accrued reimbursements payable to the University, payroll and related liabilities, deferred revenue, right-of-use lease liabilities, and other accrued operational expenses of the Foundation.

(k) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(I) *Immaterial Adjustments*

The Foundation adjusted immaterial prior period amounts included within financial statement disclosures and the statements of cash flows. The adjustments are for presentation purposes only and do not change the results of operations in the prior period.

(2) **Cash and Cash Equivalents**

For purposes of the consolidated financial statements, the Foundation considers short-term cash investments and highly liquid debt instruments, if any, purchased with an original maturity of three months or less, to be cash equivalents, except for amounts held in the investment portfolio.

The Foundation, on occasion, has cash balances, which may exceed depository insurance limits. The Foundation makes such investments with high-credit quality entities and has not incurred any credit-related losses.

(3) **Investments**

At June 30, 2024 and 2023, the fair and cost values of investments were as follows:

	2024		2023	
	Fair value	Cost or amortized cost	Fair value	Cost or amortized cost
Global equities	\$ 420,386,460	288,232,480	392,077,829	310,046,775
Global fixed income	171,090,231	175,314,214	155,597,027	164,282,977
Absolute return	75,365,557	51,642,008	67,116,749	50,427,770
Real assets	58,088,512	62,350,910	57,915,095	65,213,518
Private equity partnerships	245,960,573	156,035,189	225,515,822	146,855,944
Investment receivable	600,915	600,915	448,760	448,760
Investment income receivable	153,981	153,981	151,030	151,030
Real estate, mortgages, and other	— (a)	9,009,981	— (a)	9,031,800
Cash equivalents	42,407,411	42,407,411	41,561,729	41,561,729
Total investments	\$ 1,014,053,640	785,747,089	940,384,041	788,020,303

(a) These investments do not list a fair value in the table as they are accounted for at cost. At June 30, 2024 total investments of \$1,023,063,621 equals total investments at fair value of \$1,014,053,640 plus real estate, mortgages and other assets at cost of \$9,009,981. At June 30, 2023 total investments of \$949,415,841 equals total investments at fair value of \$940,384,041 plus real estate, mortgages and other assets at cost of \$9,031,800.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

At June 30, 2024 and 2023, the Foundation had \$676,310,211 and \$647,790,158, respectively, in investments with underlying investments that are not readily marketable that are held at fair value. These investments, which the Foundation refers to as alternative investments, include diversified arbitrage, distressed, and mezzanine debt, real estate, and private equity. Such investments represent approximately 66% and 68% of the total investments and approximately 60% and 62% of net assets at June 30, 2024 and 2023, respectively.

These investment instruments may contain elements of both credit and market risk. Such risks include, but are not limited to, limited liquidity, absence of regulatory oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and nonmarketable investments), and nondisclosure of full portfolio composition. Because these investments are not readily marketable, their estimated values are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such differences could be significant.

Included in investment expenses are internal costs of the endowment, which supports the development activities and ongoing operations of the Foundation.

(4) Endowment and Quasi-Endowment Funds

The Foundation's endowment pool at June 30, 2024 and 2023 consists of 2,820 and 2,729 individual funds, respectively, established for a variety of purposes. The Foundation's endowment includes contributed funds to be maintained in perpetuity, donor-restricted funds contributed for a specific purpose or term, and funds designated by the board of trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Board Interpretation of Relevant Law

The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies all amounts held in donor-restricted endowment funds as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund
- b. The purposes of the Foundation and the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the Foundation

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

g. The investment policies of the Foundation

Donor-restricted endowment funds are consolidated under the Pooled Investment Program. In addition to these funds, net assets with donor restrictions contains split-interest agreements (charitable gift annuities and remainder trusts) where the Foundation is the trustee. Donors may also establish split-interest agreements held outside the Foundation. The nonpooled endowments consist of real estate, note receivables, pledges, and equity interests outside the Pooled Investment Program. At the point proceeds are realized from these annuities, trusts, and nonpooled investments, they are transferred to the Pooled Investment Program unless otherwise designated by the donor.

Endowments by net asset classification by type of fund as of June 30, 2024 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	783,436,127	783,436,127
Board-designated endowment funds	48,316,541	—	48,316,541
Assets held under split-interest agreements	—	29,010,354	29,010,354
Charitable trusts held outside the Foundation	—	9,207,642	9,207,642
Nonpooled endowment funds	<u>—</u>	<u>28,130,090</u>	<u>28,130,090</u>
Total endowment funds	<u>\$ 48,316,541</u>	<u>849,784,213</u>	<u>898,100,754</u>

Endowments by net asset classification by type of fund as of June 30, 2023 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	718,519,434	718,519,434
Board-designated endowment funds	46,207,408	—	46,207,408
Assets held under split-interest agreements	—	25,672,793	25,672,793
Charitable trusts held outside the Foundation	—	8,579,899	8,579,899
Nonpooled endowment funds	<u>—</u>	<u>17,617,978</u>	<u>17,617,978</u>
Total endowment funds	<u>\$ 46,207,408</u>	<u>770,390,104</u>	<u>816,597,512</u>

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Changes in endowments by net asset classification for the fiscal years ended June 30, 2024 and 2023 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, end of the year, June 30, 2022	\$ 44,446,479	717,047,304	761,493,783
Investment return:			
Interest and dividends	—	8,440,097	8,440,097
Realized and unrealized gains	1,799,134	63,671,988	65,471,122
Contributions	120,419	19,687,281	19,807,700
Appropriation of endowment assets for expenditure	—	(30,014,871)	(30,014,871)
Change in value of assets held under split-interest agreements	—	746,719	746,719
Other changes	<u>(158,624)</u>	<u>(9,188,414)</u>	<u>(9,347,038)</u>
Endowment net assets, end of the year, June 30, 2023	\$ 46,207,408	770,390,104	816,597,512
Investment return:			
Interest and dividends	—	11,619,128	11,619,128
Realized and unrealized gains	2,309,043	72,544,541	74,853,584
Contributions	37,189	34,377,839	34,415,028
Appropriation of endowment assets for expenditure	—	(32,215,364)	(32,215,364)
Change in value of assets held under split-interest agreements	—	3,131,007	3,131,007
Other changes	<u>(237,099)</u>	<u>(10,063,042)</u>	<u>(10,300,141)</u>
Endowment net assets, end of the year, June 30, 2024	\$ <u>48,316,541</u>	<u>849,784,213</u>	<u>898,100,754</u>

Certain endowments were underwater by \$2,974,334 and \$5,352,428, along with the corresponding original gift amounts of \$49,857,508 and \$65,303,565 as of June 30, 2024 and 2023, respectively.

(b) Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for pooled endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce above-average, long-term total returns as measured against specific indexes within each investment asset allocation.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(c) *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis monetarily on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

(d) *Pooled Investment Program Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Foundation has a policy of appropriating for distribution each year 4% of its pooled endowment fund's average fair value over the prior 12 quarters through the quarter-end that precedes the quarter in which the distribution occurs. In establishing this policy, the Foundation considered the long-term expected return on its endowment and its objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment returns. Spending distributions are monitored and potentially limited for individual endowment accounts if the fair value of that account is less than the corpus.

(5) Fair Value Measurements

Investments are reported at estimated fair value as determined by the Foundation, based upon a fair value hierarchy, which prioritizes the input techniques used to measure fair value. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active

Level 3 – Inputs that are unobservable

Inputs are used in applying valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Other inputs may include liquidity factors and broad credit data. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Specific investments in the Foundation's portfolio have been classified within Level 3, as their values are based on unobservable inputs and they trade infrequently or not at all. For investments not traded on organized exchanges, fair value estimates are provided by investment managers. For applicable investments, manager-reported net asset value (NAV) is used as a practical expedient to estimate fair value. For investments where no NAV is available, and thus remain in Level 3, the market approach or the income approach is used to estimate the fair value of such Level 3 instruments. Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of net present value of estimated future cash flows, adjusted as appropriate for market and/or other risk factors.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

The following table presents the investments included on the consolidated statements of financial position by levels within valuation hierarchy as of June 30, 2024:

	Assets at fair value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Pooled Investment Program:				
Global equities	\$ 203,742,651	—	—	203,742,651
Global fixed income	38,214,596	—	—	38,214,596
Real asset funds	35,718,362	—	—	35,718,362
Investment and income receivable	746,215	—	—	746,215
Cash equivalents	42,203,894	—	—	42,203,894
Assets held under split-interest agreements:				
U.S. equity funds	17,758,228	—	—	17,758,228
International funds	11,187,977	—	—	11,187,977
Real estate funds	7,696,681	—	—	7,696,681
Fixed income funds	15,843,356	—	—	15,843,356
Cash equivalents	1,289,711	—	—	1,289,711
Total pooled investments	<u>374,401,671</u>	<u>—</u>	<u>—</u>	<u>374,401,671</u>
Charitable trusts held outside the Foundation	—	—	11,108,579	11,108,579
Other nonpooled investments:				
Global equities	14,991,563	—	—	14,991,563
Global fixed income	1,916,199	—	—	1,916,199
Investment income receivable	6,433	—	—	6,433
Cash equivalents	203,515	—	—	203,515
Total nonpooled investments	<u>17,117,710</u>	<u>—</u>	<u>11,108,579</u>	<u>28,226,289</u>
Real estate held for investment and other investments measured at cost				9,357,032
Investments measured at NAV				<u>676,310,211</u>
Total assets at fair value	<u>\$ 391,519,381</u>	<u>—</u>	<u>11,108,579</u>	<u>1,088,295,203</u>

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June 30, 2024 and 2023

The following table presents the investments included on the consolidated statements of financial position by levels within valuation hierarchy as of June 30, 2023:

	Assets at fair value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Pooled Investment Program:				
Global equities	\$ 169,353,049	—	—	169,353,049
Global fixed income	33,286,401	—	—	33,286,401
Real asset funds	37,071,973	—	—	37,071,973
Investment and income receivable	588,788	—	—	588,788
Cash equivalents	41,466,074	—	—	41,466,074
Assets held under split-interest agreements:				
U.S. equity funds	17,182,964	—	—	17,182,964
International funds	10,997,598	—	—	10,997,598
Real estate funds	7,241,915	—	—	7,241,915
Fixed income funds	15,738,271	—	—	15,738,271
Cash equivalents	1,207,143	—	—	1,207,143
Total pooled investments	<u>334,134,176</u>	<u>—</u>	<u>—</u>	<u>334,134,176</u>
Charitable trusts held outside the Foundation	—	—	10,486,402	10,486,402
Other nonpooled investments:				
Global equities	8,694,992	—	—	8,694,992
Global fixed income	2,033,555	—	—	2,033,555
Investment income receivable	3,395	—	—	3,395
Cash equivalents	95,656	—	—	95,656
Total nonpooled investments	<u>10,827,598</u>	<u>—</u>	<u>10,486,402</u>	<u>21,314,000</u>
Real estate held for investment and other investments measured at cost	—	—	—	10,078,851
Investments measured at NAV	—	—	—	<u>647,790,158</u>
Total assets at fair value	<u>\$ 344,961,774</u>	<u>—</u>	<u>10,486,402</u>	<u>1,013,317,185</u>

The Foundation applies an accounting policy to record non-equity interest investments at cost, rather than fair value. These investments, consisting of real estate held for investment and mortgages, are included in the table above for internal consistency purposes and are not held at fair value.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Charitable trusts held outside the Foundation are carried on the consolidated statements of financial position and are measured at fair value using Level 3 unobservable inputs.

The following table presents a rollforward of the amounts for the year ended June 30, 2024 for the investments classified within Level 3:

Investments of the Foundation:	
Balance at June 30, 2023	\$ 10,486,402
Purchases/issuances	—
Sales/settlements	—
Total net gains for the period	<u>622,177</u>
Balance at June 30, 2024	<u>\$ 11,108,579</u>

The following table presents a rollforward of the amounts for the year ended June 30, 2023 for the investments classified within Level 3:

Investments of the Foundation:	
Balance at June 30, 2022	\$ 11,451,933
Purchases/issuances	—
Sales/settlements	(1,312,467)
Total net gains for the period	<u>346,936</u>
Balance at June 30, 2023	<u>\$ 10,486,402</u>

The following table presents information for investments where the NAV was used as a practical expedient to measure fair value at June 30, 2024 and 2023:

	Fair value		Redemption frequency	Redemption notice period
	2024	2023		
Global equities	\$ 201,652,247	214,029,788	Weekly—annually	5–90 Days
Global fixed income	129,268,674	118,186,090	Daily—quarterly	5–90 Days
Absolute return	68,252,212	60,926,360	Monthly—annually	45–105 Days
Real asset funds	15,577,360	12,929,676	Monthly	30 Days
Private equity partnerships	<u>180,711,847</u>	<u>153,658,714</u>	Monthly-Quarterly	5–90 Days
Total	<u>\$ 595,462,340</u>	<u>559,730,628</u>		

Additionally, the Foundation holds investments in private equity and real asset limited partnerships, where NAV was used as a practical expedient to measure fair value at June 30, 2024 and 2023. The funds have various vintage years and seek global exposure to the private asset subclasses of venture capital, buyouts, debt, real estate and real assets through diversified fund of funds. These partnerships do not allow for periodic redemptions, but rather liquidate upon the termination date as stated in the partnership agreement.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

At June 30, 2024, \$65,248,726 of private equity partnerships, \$6,792,790 of real assets, \$7,115,593 of absolute return investments and \$1,690,762 of global fixed income had termination dates that ranged from 2024 to 2033. At June 30, 2023, \$71,857,107 of private equity partnerships, \$7,913,447 of real assets, \$6,197,996 of absolute return investments and \$2,090,980 of global fixed income had termination dates that ranged from 2023 to 2032.

(6) Derivative Instruments

The Foundation has executed master netting arrangements with the counterparties of the futures purchase and sale contracts whereby the financial instruments held by the same counterparty are legally offset as the instruments are settled. The following table presents gross investment derivative assets and liabilities reported on a net basis at fair value included in investments in the consolidated statements of financial position as of June 30:

	2024	2023
Derivative assets:		
Futures contracts	\$ 18,497,025	17,728,588
Total derivative assets	\$ 18,497,025	17,728,588
Derivative liabilities:		
Futures contracts	\$ (18,497,025)	(17,728,588)
Total derivative liabilities	\$ (18,497,025)	(17,728,588)

(7) Pledges Receivable

Unconditional promises are included in the consolidated financial statements as pledges receivable and revenue in the appropriate net asset category. An allowance for uncollectible pledges is provided based upon management's judgment, including such factors as prior collections history, type of contribution, and nature of fundraising activity. Pledges are considered past due if payment is not received by the date due. Annual giving pledges are charged off upon the start of the subsequent year's campaign; the need for charge offs for all other pledges is determined on a case-by-case basis.

Pledges receivable due in excess of one year are discounted between 3.75% and 8.25% based on past collection experience, which has indicated the creditworthiness of Oregon State University Foundation donors. The schedule of payments at June 30, 2024 and 2023 is as follows:

	2024	2023
In one year or less	\$ 49,357,089	29,921,653
Between one year and five years	59,931,972	65,951,801
More than five years	9,136,250	16,230,000
Total	118,425,311	112,103,454

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

	2024	2023
Less:		
Allowance for uncollectible amounts	\$ (502,571)	(479,259)
Discount to present value of future cash flows	(7,650,629)	(10,566,034)
Total reductions	(8,153,200)	(11,045,293)
Total pledges receivable, net	\$ 110,272,111	101,058,161

(8) Property and Equipment

Property, equipment and right-of-use assets consist of the following at June 30:

	2024	2023
Operating assets:		
Land and structures	\$ 31,737,416	31,628,436
Equipment and other	3,439,878	3,103,887
Finance lease right-of-use assets	131,912	131,912
Operating lease right-of-use assets	1,447,451	1,448,001
	36,756,657	36,312,236
Less:		
Accumulated depreciation	(11,940,139)	(10,690,418)
Accumulated amortization	(465,990)	(234,785)
Total property and equipment, net	\$ 24,350,528	25,387,033
Nonoperating assets:		
Land, structures, and timber held for sale	\$ 5,333,381	5,549,381
Total assets held for sale	\$ 5,333,381	5,549,381

For the years ended June 30, 2024 and 2023, respectively, depreciation was \$1,406,529 and \$1,372,853 and amortization was \$237,040 and \$234,784.

(9) Leases

The Foundation has historically entered into a number of lease arrangements under which the Foundation is the lessee. Specifically, the Foundation has four finance leases and three operating leases. The Foundation's finance leases are for property and equipment, while the operating leases are for office space, land, and property. The Foundation has elected the short-term lease practical expedient for qualifying leases.

As of June 30, 2024, the Foundation has no known material leases that have yet to commence.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

All leases include fixed rental payments but may include variable rental payments. The Foundation has elected the practical expedient not to separate lease and nonlease components for our building leases.

During 2024 and 2023, the Foundation recognized expenses associated with our leases as follows:

	2024	2023
Finance lease cost:		
Amortization of ROU assets	\$ 43,971	37,738
Interest expense	5,893	2,553
Operating lease cost:		
Amortization of ROU assets	\$ 193,069	197,046
Interest expense	19,623	18,171
Net lease cost	\$ 262,556	255,508

Amounts recognized as right-of-use assets related to both finance and operating leases are included in property and equipment, net in the accompanying statement of financial position, while related lease liabilities are included in other liabilities.

As of June 30, 2024 and 2023, right-of-use assets and lease liabilities related to leases were as follows:

	2024	2023
Finance lease ROU assets	\$ 50,202	94,713
Operating lease ROU assets	1,063,171	1,256,240
	\$ 1,113,373	1,350,953
Finance lease liabilities	\$ (49,226)	(92,678)
Operating lease liabilities	(913,153)	(1,174,935)
	\$ (962,379)	(1,267,613)

Because rates implicit in leases are generally not accessible, the Foundation utilizes an incremental borrowing rate as the discount rate. Rates related to lease term length are provided by our banking institution. The discount rate associated with operating and finance leases for FY24 and FY23 is approximately 6.67%, depending on the lease term.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Supplemental cash flow information related to operating leases was as follows for the fiscal year ended June 30, 2024.

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows for financing leases	\$ 49,864	40,291
Operating cash outflows for operating leases	212,692	215,217
Right-of-Use assets obtained in exchange for lease obligations:		
Operating leases	—	29,172
Financing leases	—	20,398
	\$ 262,556	305,078

As of June 30, 2024, future minimum payments required under the Foundation's operating and financing leases were as follows:

Year ending June 30:	
2025	\$ 353,477
2026	300,551
2027	287,945
2028	296,139
2029	31,803
Thereafter	72,000
Interest	(379,536)
Total lease commitments	\$ 962,379

As of June 30, 2023, future minimum payments required under the Foundation's operating and financing leases were as follows:

Year ending June 30, 2023:	
2024	\$ 351,165
2025	329,011
2026	312,113
2027	295,385
2028	298,779
Thereafter	103,803
Interest	(422,643)
Total lease commitments	\$ 1,267,613

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Total lease expense amounted to approximately \$262,556 and \$255,508 for the years ended June 30, 2024 and 2023, respectively, which is included in either direct university support or management, general, and development expense depending on the intended use.

(10) Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	2024	2023
Subject to expenditure for specified purposes:		
Facilities and equipment	\$ 9,762,471	25,906,336
Academic program support	59,927,844	54,936,734
Instruction and research	28,109,487	27,360,380
Student aid	27,384,500	26,249,429
Other activities	1,749,806	1,900,470
	126,934,108	136,353,349
Subject to passage of time:		
Facilities and equipment	81,184,734	77,626,564
Academic program support	29,544,294	25,692,193
Instruction and research	23,856,668	24,324,934
Student aid	23,398,073	19,295,905
Other activities	699,871	477,642
	158,683,640	147,417,238
Subject to endowment spending policy and appropriation:		
Facilities and equipment	13,598,970	12,786,629
Academic program support	205,714,115	186,815,524
Instruction and research	240,534,288	223,418,113
Student aid	328,834,242	291,574,472
Foundation-controlled activities	10,945,412	10,423,404
	799,627,027	725,018,142
Total	\$ 1,085,244,775	1,008,788,729

(11) Retirement Plan

Employees of the Foundation participate in a money purchase retirement plan covering substantially all employees with at least one year of service and vest generally after four years of service. The Foundation is obligated to contribute 17% of all eligible employees' salaries, including the six-month period prior to eligibility, up to federal limits. The Foundation's contributions to the employee-directed accounts amounted to approximately \$3,003,000 and \$2,677,000 for the years ended June 30, 2024 and 2023, respectively.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(12) Assets Held under Split-Interest Agreements

The Foundation receives certain planned gift donations in the form of charitable gift annuities and remainder trusts.

A charitable gift annuity is an arrangement between a donor and the Foundation in which the assets contributed by the donor are provided in exchange for a promise by the Foundation to pay a fixed amount for a period of time to the donor or designated beneficiary. Upon completion of the agreed term (usually the beneficiary's death), the remaining value of the gift annuity reverts to the Foundation to be used in accordance with the original annuity agreement.

The Foundation is also a remainderman and trustee to certain charitable remainder trusts. Assets contributed are established in a trust and invested. During the term of the trust, distributions are made to a designated beneficiary or beneficiaries. Upon the death of the beneficiary, the remaining assets revert to the Foundation to be used according to the donor's wishes.

At June 30, the fair value and cost of assets held under split-interest agreements were as follows:

	2024		2023	
	Fair value	Cost	Fair value	Cost
Gift annuities:				
Mutual funds:				
Small cap	\$ 241,198	137,090	283,780	167,954
Large cap	1,833,156	1,249,935	2,132,107	1,609,090
International	1,441,492	1,328,823	1,701,580	1,663,705
Real estate	1,113,066	1,100,529	1,176,074	1,181,562
High-quality/intermediate bonds	1,659,692	1,950,060	1,837,809	2,208,442
Mid-quality/intermediate bonds	645,136	758,618	723,948	879,196
Cash equivalents	94,030	94,030	135,777	135,777
Total gift annuities	7,027,770	6,619,085	7,991,075	7,845,726
Remainder trusts:				
Mutual funds:				
Small cap	2,725,768	1,864,104	2,517,197	1,823,145
Large cap	12,958,106	9,514,036	12,249,880	9,878,520
International	9,746,485	9,479,923	9,296,018	9,515,159
Real estate	6,583,614	7,020,598	6,065,841	6,648,968
High-quality/intermediate-long term	9,722,673	11,315,807	9,514,684	11,105,149
Mid-low quality/intermediate term	3,815,855	4,471,367	3,661,831	4,386,459
Mortgages and other	— (a)	347,051	— (a)	1,047,051
Cash equivalents	1,195,681	1,195,681	1,071,365	1,071,365
Total remainder trusts	46,748,182	45,208,567	44,376,816	45,475,816
Total gift annuities and remainder trusts	\$ 53,775,952	51,827,652	52,367,891	53,321,542

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(a) These investments do not list a fair value in the table as they are accounted for at cost. At June 30, 2024 total assets held under split-interest agreements of \$54,123,003 equals total gift annuities and remainder trusts at fair value of \$53,775,952 plus mortgages and other assets at cost of \$347,051. At June 30, 2023 total Assets held under split-interest agreements of \$53,414,942 equals total gift annuities and remainder trusts at fair value of \$52,367,891 plus mortgages and other assets at cost of \$1,047,051.

Obligations to beneficiaries under split-interest agreements at June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Gift annuities	\$ 3,309,539	3,776,300
Remainder trusts	<u>19,442,772</u>	<u>19,943,772</u>
Total obligations under charitable gift annuities and remainder trusts	<u>\$ 22,752,311</u>	<u>23,720,072</u>

(13) Functional Classification of Expenses

The costs of program and supporting services activities have been summarized in the statements of activities. The expense analysis in the table below presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The financial statements report certain categories of expenses that are attributed to more than one program or support function. The expenses that are allocated include salaries, wages, and employee benefits, which are allocated on the basis of actual time spent on fundraising or general and administrative tasks. Other costs are classified in each functional category based on the underlying purpose of each transaction.

	<u>Year ended June 30, 2024</u>			
	<u>Direct university support</u>	<u>Development</u>	<u>Management and general</u>	<u>Total</u>
Events	\$ —	1,294,042	807,747	2,101,789
Maintenance and repairs	—	79	342,809	342,888
Occupancy	—	—	82,428	82,428
Professional services	—	858,247	1,687,689	2,545,936
Restricted distributions	130,423,976	—	—	130,423,976
Salaries and benefits	—	17,848,104	8,025,781	25,873,885
Travel	—	703,607	252,597	956,204
All other	—	2,609,059	5,007,204	7,616,263
	<u>\$ 130,423,976</u>	<u>23,313,138</u>	<u>16,206,255</u>	<u>169,943,369</u>

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Year ended June 30, 2023					
		Direct university support	Development	Management and general	Total
Events	\$	—	1,362,858	814,653	2,177,511
Maintenance and repairs		—	78,815	339,419	418,234
Occupancy		—	—	69,346	69,346
Professional services		—	2,673,179	1,669,172	4,342,351
Restricted distributions	109,031,820	—	—	—	109,031,820
Salaries and benefits		—	16,321,015	7,953,605	24,274,620
Travel		—	679,668	215,241	894,909
All other		—	1,700,354	4,050,068	5,750,422
	\$	109,031,820	22,815,889	15,111,504	146,959,213

(14) Other Liabilities

Other liabilities consist of the following at June 30, 2024 and 2023:

		2024	2023
Accounts payables	\$	354,381	757,922
Accrued expenses		33,667,035	32,168,570
Accrued payroll and related liabilities		3,282,998	2,934,075
Deferred revenue		38,331	37,688
Deferred government grant revenue		28,264	—
Other Foundation operational expenses		238	702,150
Unearned rent revenue		42,784	42,124
Lease liability – finance leases		49,226	92,678
Lease liability – operating leases		913,153	1,174,935
Total other liabilities	\$	38,376,410	37,910,142

(15) Liquidity and Availability

The Foundation regularly monitors liquidity required to meet its operating needs, liabilities, and other obligations as they become due. The Foundation is substantially supported by management and advancement fees assessed on distributions from the endowment, gift fees, and support provided by the University. As the Foundation exists to benefit the University, the majority of the financial assets recorded by the Foundation are not available to support the Foundation's ongoing operating needs.

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation endeavors to operate with a balanced budget and maintains board-designated quasi-endowment funds, which are considered net assets without donor restrictions and available to provide support as needed.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

The following assets could readily be made available within one year of the date of the statement of financial position to meet general expenditures at June 30, 2024 and 2023:

	2024	2023
Accounts receivable	\$ 884,500	1,903,184
Cash and cash equivalents	13,013,930	8,912,201
Investments	12,239,832	11,373,121
Financial assets available to meet cash needs for general expenditures within one year	\$ 26,138,262	22,188,506

(16) Commitments

The Foundation periodically enters into commitments to invest into domestic and international private equity partnerships. As of June 30, 2024, commitments in the amount of \$190,050,000 are still outstanding. The remaining funds will be invested as calls are made by the partnerships. The Foundation has invested the remaining portion of the commitments, until required, in corporate obligations and marketable securities.

(17) Related Party

The University is a related party of the Foundation. During the years ended June 30, 2024 and 2023, the Foundation recorded \$31,040,375 and \$28,757,273, respectively, as other revenue for fundraising, investment management, and other related services performed for the University.

Direct university support, included in expenses, consisted of the following for the years ended June 30:

	2024	2023
Awards and scholarships	\$ 13,921,862	12,516,601
Capital programs	66,304,211	50,683,174
Instruction and research support	19,082,314	15,878,921
Other program support	28,176,480	26,614,204
Development support	2,939,109	3,338,920
Total direct university support	\$ 130,423,976	109,031,820

The amount payable or "due to" the University, including amounts in accrued expenses, totaled \$31,040,375 and \$28,757,273 as of June 30, 2024 and 2023, respectively, and is included in other liabilities in the consolidated statements of financial position.

(18) Subsequent Events

The Foundation has evaluated subsequent events and transactions that occurred after June 30, 2024 through September 23, 2024, the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY SCHEDULES

OREGON STATE UNIVERSITY FOUNDATION

Consolidating Schedule of Financial Position

June 30, 2024

Assets	Oregon State University Foundation	Oregon State University Alumni Association	Oregon 4-H Foundation	Trysting Tree	Consolidated
Cash and cash equivalents	\$ 7,568,337	688,727	3,269,066	1,487,800	13,013,930
Investments (including assets held for Oregon State University of \$59,428,678)	991,801,148	14,584,332	16,678,141	—	1,023,063,621
Pledges receivable, net	110,265,611	—	6,500	—	110,272,111
Property and equipment, net	14,328,570	4,576,815	3,262,101	2,183,042	24,350,528
Assets held-for-sale	5,329,536	—	3,845	—	5,333,381
Assets held under split-interest agreements	52,757,062	—	1,365,941	—	54,123,003
Charitable trusts held outside the Foundation	10,258,340	—	850,239	—	11,108,579
Other assets	3,372,968	763,728	—	24,262	4,160,958
Total assets	\$ 1,195,681,572	20,613,602	25,435,833	3,695,104	1,245,426,111
Liabilities and Net Assets					
Liabilities:					
Obligations under split-interest agreements	\$ 22,080,415	—	671,896	—	22,752,311
Endowment assets held for Oregon State University	59,428,678	—	—	—	59,428,678
Other liabilities	37,849,629	333,630	—	193,151	38,376,410
Total liabilities	119,358,722	333,630	671,896	193,151	120,557,399
Net assets:					
Without donor restrictions	21,952,978	17,100,980	569,979	—	39,623,937
With donor restrictions	1,054,369,872	3,178,992	24,193,958	3,501,953	1,085,244,775
Total net assets	1,076,322,850	20,279,972	24,763,937	3,501,953	1,124,868,712
Total liabilities and net assets	\$ 1,195,681,572	20,613,602	25,435,833	3,695,104	1,245,426,111

See accompanying independent auditors' report.

OREGON STATE UNIVERSITY FOUNDATION

Consolidating Schedule of Activities

Year ended June 30, 2024

	Oregon State University Foundation	Oregon State University Alumni Association	Oregon 4-H Foundation	Trysting Tree	Total
Revenue, gains, and other support:					
Contributions	\$ 134,548,479	1,285,689	1,608,657	—	137,442,825
Investment returns, net of expenses	77,708,228	689,874	794,387	—	79,192,489
Other	26,423,174	3,437,289	171,086	2,160,472	32,192,021
Change in value of charitable annuities and trusts	3,592,026	—	54,313	—	3,646,339
Net assets released from restrictions and other transfers	(1,114,350)	554,967	609,383	(50,000)	—
	<u>241,157,557</u>	<u>5,967,819</u>	<u>3,237,826</u>	<u>2,110,472</u>	<u>252,473,674</u>
Expenses:					
Direct university support	127,652,701	79,001	949,063	1,743,211	130,423,976
Development	23,159,034	65,921	88,183	—	23,313,138
Management and general	10,960,168	5,120,606	125,481	—	16,206,255
	<u>161,771,903</u>	<u>5,265,528</u>	<u>1,162,727</u>	<u>1,743,211</u>	<u>169,943,369</u>
Change in net assets	79,385,654	702,291	2,075,099	367,261	82,530,305
Net assets, beginning of year	996,937,196	19,577,681	22,688,838	3,134,692	1,042,338,407
Net assets, end of year	<u>\$ 1,076,322,850</u>	<u>20,279,972</u>	<u>24,763,937</u>	<u>3,501,953</u>	<u>1,124,868,712</u>

See accompanying independent auditors' report.