



Members of the Board of Trustees  
Oregon State University  
Corvallis, Oregon

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Oregon State University (the University), a component unit of the State of Oregon, as of and for the years ended June 30, 2025 and 2024, and have issued our report thereon dated October 28, 2025. Our report includes a reference to other auditors who audited the financial statements of the Oregon State University Foundation, which is included within the aggregate discretely presented component units, as described in our report on the University's financial statements.

We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our planning communication dated June 19, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### **Accounting policies**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the University are described in Note 1 to the financial statements.

As described in Note 1, the University implemented Government Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which updated the recognition and measurement guidance for compensated absences. The implementation was evaluated and deemed to have no immediate impact on the University's financial statements.

As described in Note 1, the University implemented GASB Statement No. 102, *Certain Risk Disclosures*, effective July 1, 2024, which required the University to assess vulnerabilities due to concentrations or constraints that could lead to a substantial impact on the University's ability to provide services or meet obligations. The implementation was evaluated and deemed to have no immediate impact on the University's financial statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### **Accounting estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

*Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The following summarizes the uncorrected misstatements of the financial statements:

- Management identified an understatement of \$1,528,106 within Accounts Payable and Accrued Liabilities balance and an understatement of \$1,528,106 within Operating Expense total.
- Management identified \$4,685,917 within Construction in Progress balance of projects that were completed and should have been transferred to Capital Assets, Depreciable. Due to depreciation that should have been recognized on these assets, Capital Assets are overstated by \$1,213,241.
- During the implementation of GASB No. 101, *Compensated Absences*, the University overstated the salary-related payment portion of the liability. The salary-related payment portion of the compensated absence liability incorrectly included the employer portion of defined benefit pension and OPEB contributions of \$7,283,00 in its calculation of compensated absences liability as of June 30, 2025. In addition, given that the implementation of GASB 101 should be reflected on the beginning balances of the earliest year presented, beginning net position as of June 30, 2023 was understated by \$6,947,000 and compensated absence balance as of June 30, 2024 was overstated by \$7,400,000.
- In the prior year, an overstatement of \$3,554,694 within the Accounts Payable and Accrued Liabilities balance and an overstatement of \$3,554,694 within the Public Services Operating Expenses total was identified by management. As these amounts were expensed in the prior year, current year operating expenses are understated by this amount, but ending Net Position is accurate.

Management has determined that the effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated October 28, 2025.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Audits of group financial statements***

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

***Quality of component auditor's work***

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.

***Required supplementary information***

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

***Other information included in annual reports***

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the Board of Trustees

and Executive Officers and Message from the President. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

\* \* \*

This communication is intended solely for the information and use of the Members of the Board of Trustees and management of the University and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Denver, Colorado  
October 28, 2025



**Oregon State**  
**University**

**Finance & Administration**

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October 28, 2025

CliftonLarsonAllen LLP  
2001 16th St Suite 1700  
Denver, CO 80202

This representation letter is provided in connection with your audits of the financial statements of Oregon State University, a component unit of the State of Oregon, which comprise the respective financial position of the business-type activities and the aggregate discretely presented component as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of October 28, 2025 the following representations made to you during your audit of the financial statements as of and for the year ended June 30, 2025 and 2024.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated April 4, 2025, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable

from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
7. The effects of the following uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements:
  - Management identified an understatement of \$1,528,106 within the Accounts Payable and Accrued Liabilities balance and an understatement of \$1,528,106 within the Operating Expense total.
  - Management identified \$4,685,917 within the Construction in Progress balance of projects that were completed and should have been transferred to Capital Assets, Depreciable. Due to depreciation that should have been recognized on these assets, Capital Assets are overstated by \$1,213,241.
  - During the implementation of GASB No. 101, Compensated Absences, the University overstated the salary-related payment portion of the liability. The salary-related payment portion of the compensated absence liability incorrectly included the employer portion of defined benefit pension and OPEB contributions of \$7,283,000 in its calculation of compensated absences liability as of June 30, 2025. In addition, given that the implementation of GASB 101 should be reflected on the beginning balances of the earliest year presented, beginning net position as of June 30, 2023, was understated by \$6,947,000 and compensated absence balance as of June 30, 2024 was overstated by \$7,400,000.
  - In the prior year, an overstatement of \$3,554,694 within the Accounts Payable and Accrued Liabilities balance and an overstatement of \$3,554,694 within the Public Services Operating Expenses total was identified by management. As these amounts were expensed in the prior year, current year operating expenses are understated by this amount, but ending Net Position is accurate.
8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
10. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.

11. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.
12. Market prices are used to determine fair values of financial instruments. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
13. We have evaluated the impact of Statement No. 94, *Public Private Partnerships*, and we have determined there continues to be no material impact to the financial statements.
14. We have appropriately identified, recorded, and disclosed all leases, including any material embedded leases contained within other contracts, in accordance with GASB Statement No. 87, *Leases*.
15. We have appropriately identified, recorded, and disclosed all subscription-based information technology arrangements in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
16. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
17. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
18. We believe that all material expenditures that have been deferred to future periods will be recoverable.
19. Participation in a public entity risk pool has been properly reported and disclosed in the financial statements.
20. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.
21. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.
22. We have appropriately identified, recorded, and disclosed all asset retirement obligations in accordance with GASB Statement No. 83, *Certain Asset Retirement Obligations*.
23. We have properly identified the various types of leave and have recorded a liability for compensated absences in accordance with the requirements of GASB Statement No. 101, *Compensated Absences*.
24. We have evaluated the impact of implementing GASB Statement No. 102, *Certain Risk Disclosures*, and we have determined that no concentration and/or constraint requires disclosure.

**Information Provided**

25. We have provided you with:
- a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - e. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices.
  - f. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
  - g. Access to all audit or relevant monitoring reports, if any, received from funding sources.
26. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
27. Asset retirement obligations associated with tangible capital assets have been properly recognized in accordance with GASB Statement No. 83, *Certain Asset Retirement Obligations*.
28. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
29. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
- h. Management;
  - i. Employees who have significant roles in internal control; or
  - j. Others when the fraud could have a material effect on the financial statements.
30. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

31. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
32. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
33. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
34. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.
35. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
36. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Oregon State University, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
37. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
38. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
39. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
40. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
41. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
42. The financial statements properly classify all funds and activities.

43. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
44. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
45. Investments, derivative instruments (if applicable), and land and other real estate held by endowments are properly valued.
46. Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses and changes in net position (SRECNP) have been made on a reasonable basis.
47. Revenues are appropriately classified in the SRECNP between operating, nonoperating and capital/other.
48. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
49. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
50. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
51. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
52. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
53. We acknowledge our responsibility for the preparation of the other information included in our annual report, which is comprised of the Board of Trustees and Executive Officers and Message from the President (other information). The other information is consistent with the financial statements and does not contain any material misstatements.
54. The University has not been notified by the U.S. Department of Education of the loss of eligibility for one or all of the Title IV programs due to high default rates.
55. The University has reported to the U.S. Department of Education for investigations all known criminal misconduct, if any, involving Title IV funds by any student, employee, third-party servicer, or other agent of the institution involved in the administration of the University's Title IV program.

- 56. The University or its employees have not received any direct or indirect benefits from lenders related to the University's Title IV loan programs.
- 57. The University, members of governance, or its President are not responsible for a crime involving federal student audit program funds, have not pled guilty to, or pled nolo contendere to, or been found guilty of, a crime involving Title IV funds or been judicially determined to have committed frauds involving Title IV funds.
- 58. The University's campuses have not filed for bankruptcy and are in compliance with the Department of Education financial responsibility requirements.
- 59. The University is not participating in the Zone Alternative.

DocuSigned by:  
Signature: Jayathi Murthy Date Signed: 10/30/2025 | 16:58:19 PDT  
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Jayathi Murthy, President

Signed by:  
Signature: Carla Ho'a Date Signed: 10/29/2025 | 13:47:35 PDT  
A80E593D4CEE4BC...  
Carla Ho'a, Vice President for Finance and Administration and Chief Financial Officer

Signed by:  
Signature: Jenny Chambers-Taube Date Signed: 10/29/2025 | 12:16:38 PDT  
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Jenny Chambers-Taube, Interim Associate Vice President and Deputy Chief Financial Officer

DocuSigned by:  
Signature: Jennifer Creighton Date Signed: 10/29/2025 | 13:50:11 PDT  
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Jennifer Creighton, Associate Vice President for Research Administration, Finance & Operations

DocuSigned by:  
Signature: Courtney Seton Date Signed: 10/29/2025 | 10:31:22 PDT  
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Courtney Seton, Director of Financial Accounting and Reporting