

## **FY2025 External Auditor Annual Report**

### **BACKGROUND**

External audits provide Oregon State University the opportunity to demonstrate its credibility, transparency and stewardship of resources. The university engages a contracted, external audit firm to conduct its annual external audit of its financial statements. The Oregon State University FY2025 Annual Financial Report was prepared by the university's Controller's Unit. The external audit of the financial statements that make up this annual report was completed by CliftonLarsonAllen, LLP for the fiscal year ended June 30, 2025.

### **REPORT SUMMARY**

The auditors at CliftonLarsonAllen, LLP issued an unmodified opinion, meaning their opinion as to the fair presentation of the financial statements was issued without modifications. The complete FY2025 Annual Financial Report can be found in Attachment 1.

As part of the financial statement audit, a Governance Communication Letter was prepared by CliftonLarsonAllen, LLP, to communicate certain matters related to the conduct of the audit to those who have responsibility for oversight of the financial reporting process. A copy of the Governance Communication Letter is available in Attachment 2.

As part of the financial statement audit, a report on Internal Controls in Accordance with Government Auditing Standards was prepared by CliftonLarsonAllen, LLP, available in Attachment 3.

In concurrence with the FY2025 financial statement audit, CliftonLarsonAllen, LLP, is also contracted to conduct a federal compliance audit of Oregon State University's federal programs in accordance with Federal Uniform Guidance 2 CFR Part 200. Yet, due to the significant delay of the federal Office of Management and Budget in issuing the 2025 Compliance Supplement (it was made available on November 25, 2025), the FY2025 Single Audit report has not yet been issued. The report will be available at the March 2026 meeting.

### **RECOMMENDATION**

Subject to the reports of CliftonLarsonAllen, LLP, staff recommend that the Executive, Audit and Governance Committee accept the Oregon State University FY2025 Annual Financial Report.

# Oregon State University

2025 Annual  
Financial Report





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### Board of Trustees (effective as of June 30, 2025)

Román Hernández, Chair	Portland, Oregon
Maria Chávez-Haroldson, Vice Chair	Corvallis, Oregon
Kasaundra A. Bonanno	Corvallis, Oregon
Julia A. Brim-Edwards	Portland, Oregon
Stephanie Bulger	Eugene, Oregon
Kate Carter-Cram	Corvallis, Oregon
Karla Chambers	Corvallis, Oregon
Susan Clark	Albany, Oregon
Lisa Hale	Bend, Oregon
Grant Kitamura	Fruitland, Idaho
Toby Luther	Roseburg, Oregon
Greg Macpherson	Albany, Oregon
Julie Jones Manning	Corvallis, Oregon
Elise McClure	Portland, Oregon
Marlena Mirho	Corvallis, Oregon
Camille Palmer	Corvallis, Oregon
Jayathi Y. Murthy (ex officio, nonvoting)	Corvallis, Oregon
Jackie Bangs, Secretary	Corvallis, Oregon

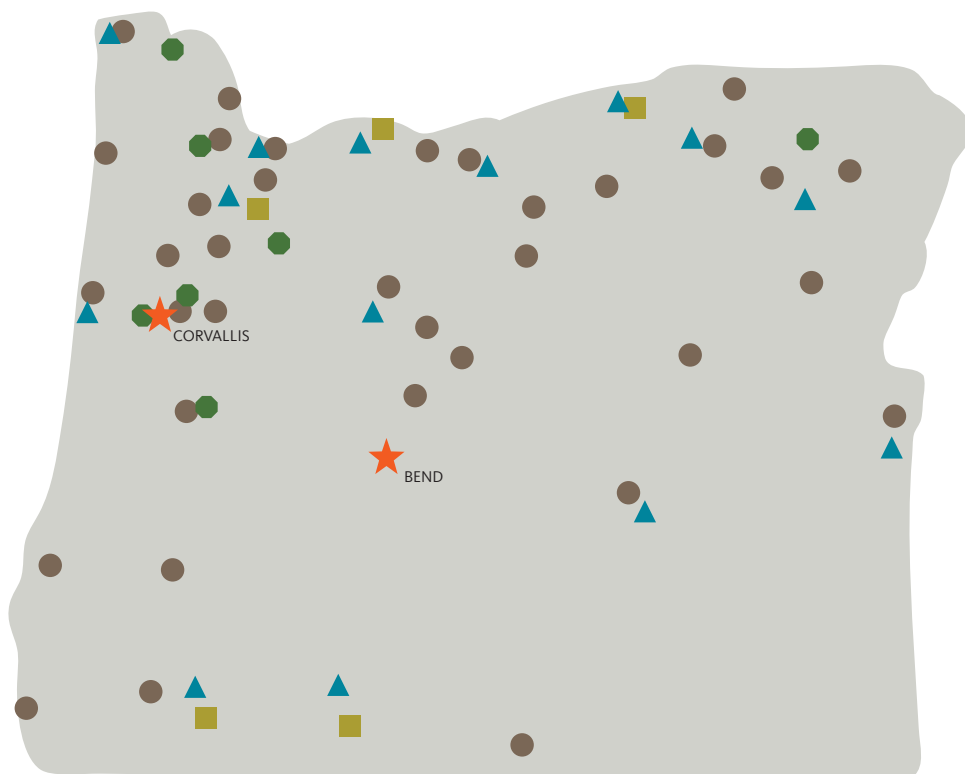
### Executive Officers (effective as of June 30, 2025)

Jayathi Y. Murthy <i>President</i>
Belinda Batten <i>Interim Provost and Executive Vice President</i>
Scott Vignos <i>Vice President and Chief Diversity Officer</i>
Carla K. Ho'a <i>Vice President for Finance and Administration</i>
Irem Tumer <i>Vice President for Research and Innovation</i>
Rob Odom <i>Vice President for University Relations and Marketing</i>
Sherman Bloomer <i>Chancellor and Dean, OSU-Cascades</i>
Scott Barnes <i>Vice President and Director of Intercollegiate Athletics</i>
Rebecca Gose <i>Vice President and General Counsel</i>
Patricia Snopkowski <i>Chief Audit, Risk and Compliance Executive</i>



## OREGON'S STATEWIDE UNIVERSITY

Oregon State University is a comprehensive, internationally recognized public research university. OSU serves as the state of Oregon's land, sea, space and sun grant university and is one of only three universities in the nation with all four designations. Its programs are located in every county in Oregon, and its faculty are dedicated to providing solutions for the state and world's greatest challenges. OSU considers the entire state of Oregon as its campus and works in partnership with many school districts, all of Oregon's 17 community colleges and numerous public and private universities and colleges to provide access to high-quality education. Meanwhile, strong collaborations with industry — as well as state and federal agencies — help contribute to the success of the university's research enterprise.



- OSU Extension Service Locations (35)
- OSU Research and Extension Centers (5)
- ★ OSU Campuses (2)
- ▲ Oregon Agricultural Experiment Station Sites (14)
- Forest Research Laboratory Sites (7)



## MISSION

As a land grant institution committed to teaching, research, outreach and engagement, Oregon State University promotes economic, social, cultural and environmental progress for the people of Oregon, the nation and the world. We accomplish this by:

- Producing skilled graduates who are critical thinkers.
- Searching actively for new knowledge and solutions.
- Developing the next generation of scholars.
- Collaborating with communities in Oregon and around the world.
- Maintaining a rigorous focus on academic excellence, particularly in three signature areas: the science of sustainable Earth ecosystems, health and wellness, economic prosperity and social progress.

## VISION

Leadership among land grant universities in the integrated creation, sharing and application of knowledge for the betterment of human kind. In this way, we produce graduates, scholarship and solutions that achieve maximum positive impact on humanity's greatest challenges.

## GOALS

Prosperity Widely Shared, The Oregon State Plan, outlines goals that will help the university become:

1. A university focused on big discoveries that drive big solutions.
2. A university where every student graduates.
3. A university that fuels a thriving world.

View OSU's Strategic Plan at:

[leadership.oregonstate.edu/strategic-plan](https://leadership.oregonstate.edu/strategic-plan)



# Message from President Jayathi Y. Murthy



I am pleased to report that Oregon State University ended the 2024-2025 fiscal year in a stable financial position, with clear direction for advancing our land-grant mission of teaching, research and engagement. The university's latest strategic plan, Prosperity Widely Shared, approved by the Board of Trustees of Oregon State University in fall 2023, provides a six-year roadmap, calling on OSU to be a university that

makes big discoveries that drive big solutions, where every student graduates, and that serves as an economic engine, fueling a thriving world. Even as the higher education landscape continues to evolve, the university is moving quickly toward achieving goals and targets in the plan.

To that end, in spring 2025, Oregon State University leaders developed the fiscal year 2026 budget with the dual goals of aligning resources to the Prosperity Widely Shared strategic plan and ensuring long-term financial resilience. This effort, shaped by input from more than 30 academic and administrative units, emphasized collaboration across the university to balance revenues and expenses, strategically invest in priorities such as the Jen-Hsun Huang and Lori Mills Huang Collaborative Innovation Complex, the administrative modernization efforts and student success, while also identifying opportunities to reduce, consolidate, or discontinue costs. Recognizing pressures from inflation, demographic shifts, affordability challenges and competitive research demands, OSU implemented targeted reductions totaling 5.2 percent of expenses — avoiding across-the-board cuts — while increasing contingency reserves and developing a strategic investment funding pool. Together, these actions position the university to manage fiscal realities while strengthening capacity for sustainable growth and operational health in coming years, enabling us to build on our already strong foundation.

For the eleventh consecutive year, OSU was the largest university in the state, with 38,137 students. Enrollment at the Corvallis campus grew to 24,835 students in Fall 2024 while the OSU-Cascades campus in Bend remained stable at 1,296 enrolled students. Further, OSU's highly ranked Ecampus enrolled 12,052 students, a 5.4-percent increase over the previous year. The university continues to project steady growth on its Corvallis campus. Meanwhile, the strategic plan calls for 2,200 students at its OSU-Cascades campus in Bend by 2030 and at least 30,000 degree-seeking students enrolled exclusively online by 2030. Beyond enrollment, the strategic plan prioritizes student success, with the target of increasing graduation rates to 80 percent by 2030.

OSU's research and innovation enterprise is making significant progress toward its strategic plan goals, which target growth in research expenditures to \$600 million by 2030. In fiscal year 2025, research-related expenditures were \$417 million, representing a decrease of less than one percent over the prior year despite a remarkably challenging federal funding environment. Over the last year, OSU has established two signature programs that are highly sought after by faculty: the Research Advancement Academy and the Transdisciplinary Research Seed Fund. The Research Advancement Academy is a year-long program to train cohorts of faculty in transdisciplinary approaches who then compete for seed funds to build large proposals. The newly established Office of Economic Development and Industry Relations supported OSU-led efforts across four major federal proposals focused on workforce and economic development: two current semifinalist submissions to the NSF Technology, Innovation and Partnerships Directorate (each valued at \$160 million) and two Department of Commerce EDA Tech Hub proposals (each valued at over \$50 million) targeting semiconductors/microfluidics and mass timber/affordable housing. OSU continues to build strategic industry partnerships, such as those with HP, Intel, NVIDIA and Lam Research.

Looking ahead, OSU is supporting place-based innovation through two different initiatives. The first seeks to establish the feasibility of developing an innovation district at OSU Cascades. This year we will reach major milestones, including developer solicitation, faculty engagement in partnership development, and the establishment of district governance structures. Initial plans call for up to five buildings, including tech, light-industrial, office and retail space, as well as market-rate housing, with a 30-year vision to expand to 24 acres and 500,000 square-feet of leasable space.

Separately, in partnership with the Oregon Business Council, University of Oregon, and industry and community partners, we are exploring the feasibility of developing a research and innovation corridor in the southern Willamette Valley, leveraging the research and innovation talent of the state's two major research universities.

Meanwhile, in the 2025 fiscal year, the OSU Foundation advanced the \$1.75 billion Believe It campaign with major milestones, including a \$27.3 million gift of 3,110 acres to the College of Forestry that pushed the campaign total past \$1.5 billion. We also celebrated the reopening of Withycombe Hall, supported by lead donor Tillamook County Creamery Association. FY25 was our second-best fundraising year ever and the third time surpassing \$200 million. The last five years have been the most successful fundraising years in OSU history. OSU also surpassed the \$1 billion mark for the market value of the endowment for the first time, something accomplished by only 60 public universities nationwide— and only seven other land-grant institutions without medical centers. The 2025 fiscal year marked the second-largest year for tracked alumni and friend engagement with the university and a record year for annual giving to the academic units, both of which bode well in forecasting long-term support for OSU.

The Huang Collaborative Innovation Complex, with an anticipated completion in 2026, is the centerpiece of the Believe It fundraising campaign and will bring the power of AI and computation to work in semiconductors, sustainability, climate science, agriculture, forestry, ocean sciences and more. The complex is made possible by a \$50 million gift from NVIDIA founder and CEO, and OSU alumnus, Jen-Hsun Huang and his spouse, Lori, also an OSU alumna, along with a \$50 million grant from the Wayne and Gladys Valley Foundation. The university has also secured \$73 million of state bond funding for the project.

Additional capital construction projects continue to improve OSU's campuses. A major renovation to make the 236,000 square-foot Cordley Hall into a collaborative space for 21st-century science has been completed and is now in full use for research and instruction. Meanwhile, a seismic and accessibility update to Gilkey Hall is underway. Construction was completed in early 2025 on the nation's first grid-connected wave energy test site. The \$140-million PacWave Energy Test Facility, seven miles off the Oregon Coast, was funded through the U.S. Department of Energy and private contributions. At the OSU-Cascades campus in Bend, the 17,500 square-foot Student Success Center opened to students in early 2025. The \$21.75 million building houses spaces for study and tutoring, arts presentations, informal gathering and student programming, along with space for staff who are critical to supporting student success including academic and career advising, health and wellness counseling. The

Cascades campus is in the process of transforming 128 acres of a former mine and landfill into buildable land. Approximately ten acres of this land will be dedicated to the new innovation district.

Amid rapid shifts in federal research policy, OSU is acting quickly to sustain its success and reposition the institution to leverage distinctive strengths — many of direct importance to Oregonians — such as AI and robotics, climate and sustainability, energy, and health. Just as I wrote last year, we have remarkable momentum. We appreciate strong and steady guidance from the Board of Trustees of Oregon State University as well as academic, research and administrative leaders. As we serve the state, nation and world with a mission of research, discovery and engagement, OSU is embracing the challenges of the present while remaining focused on serving as an engine of prosperity for generations to come.



Jayathi Y. Murthy

President, Oregon State University

## POINTS of PRIDE

Research breakthroughs. Innovative faculty. Stellar students. And a thriving college town in the heart of the Willamette Valley. It's no wonder Oregon State consistently ranks among the top universities to work, study and explore.

**Top 1.4%** of all Universities in the World

**No. 2** Forestry in the World

**No. 2** Agriculture College in the U.S.

**No. 3** Oceanography in the World

**No. 7** Natural Resources and Environmental Science in the U.S.

**No. 7** Online Bachelor's Program in the U.S.

**No. 8** Marine and Freshwater Biology in the World

**TOP 20** Robotics in the U.S.



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

#### **Opinions**

We have audited the accompanying 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 the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Oregon State University Foundation (the Foundation), which represent 97 percent, 98 percent, and 94 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units as of June 30, 2025 and which represent 97 percent, 98 percent, and 94 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation is based solely on the report of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Oregon State University Foundation and the Agricultural Research Foundation were not audited in accordance with *Government Auditing Standards*.

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of the University's contributions to pension and Other Postemployment Benefit (OPEB) plans, and schedules of the University's proportionate share of pension and OPEB plans (collectively referred to as required supplementary information) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

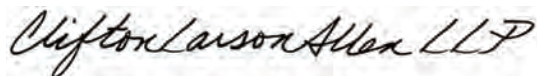
**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Board of Trustees and Executive Officers and Message from the President but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2025, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Denver, Colorado  
October 28, 2025

## Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

### Introduction

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of Oregon State University (OSU) for the years ended June 30, 2025, 2024, and 2023. OSU is comprised of a main campus in Corvallis and a branch campus in Bend, along with the Hatfield Marine Science Center in Newport, Ecampus, and Extension Service, Agricultural Experiment Stations and Forest Research Laboratories located throughout the state.

### Annual Full-Time Equivalent (FTE) Student Enrollment Summary

	2025	2024	2023	2022	2021
Corvallis	19,854	18,988	18,348	18,043	18,418
Cascades	1,087	1,095	1,035	926	850
Ecampus	12,214	11,417	10,435	9,742	9,102
Total	33,155	31,500	29,818	28,711	28,370

### Understanding the Financial Statements

The MD&A focuses on OSU as a whole and is intended to foster a greater understanding of OSU's financial activities. Since this presentation includes summarized formats, it should be read in conjunction with the financial statements that have the following six components:

**Independent Auditors' Report** presents an unmodified opinion rendered by CliftonLarsonAllen LLP, an independent certified public accounting firm, on the fairness in presentation of the financial statements.

**Statement of Net Position (SNP)** presents a snapshot of OSU's assets, deferred outflows of resources, liabilities, deferred inflows of resources and ending net position under the accrual basis of accounting at the end of each fiscal year presented. The SNP helps the reader understand the types and amounts of assets available to support operations, how much OSU owes to vendors and bondholders, and OSU's net position, delineated based upon availability for future expenditures.

**Statement of Revenues, Expenses, and Changes in Net Position (SRE)** presents OSU's revenues and expenses categorized between operating, nonoperating and other related activities. The SRE reports OSU's operating results for each fiscal year presented.

**Statement of Cash Flows (SCF)** provides information about OSU's sources and uses of cash during the fiscal year. The SCF classifies sources and uses of cash into four categories of cash either provided or used by: operating activities, noncapital financing activities, capital and related financing activities and investing activities.

**Notes to the Financial Statements (Notes)** provide additional information to clarify and expand on the financial statements.

**Component Units**, comprised of two supporting foundations, are combined and reported separately in the OSU financial statements and in Note 2 Cash and Investments and Note 22 University Foundations.

The MD&A provides an objective analysis of OSU's financial activities based on currently known facts, decisions, and conditions. The analysis is about OSU as a whole and is not broken out by individual campuses, schools, colleges or divisions. The MD&A discusses the current and prior year results in comparison to the prior year. Due to rounding and presentation, summary numbers in the MD&A may differ slightly from those in the financial statement schedules. Unless otherwise stated, all years refer to the fiscal year ending on June 30.

### Financial Summary

OSU continued its solid financial growth during fiscal year 2025. Total assets increased by \$8 million, or less than one percent, at the year's end. This increase was driven mostly by a \$192 million increase in net capital assets and a \$25 million increase in cash and cash equivalents. Investments decreased by \$177 million and accounts receivable decreased by \$27 million. The remaining asset categories decreased by a net of \$5 million.

Deferred outflows increased by \$36 million, due mostly to an increase in deferred outflows related to the net pension liability.

Total liabilities decreased by \$65 million, or 4 percent, during 2025 primarily due to a \$89 million decrease in long-term liabilities and a \$28 million decrease in accounts payable and accrued liabilities. The net pension liability increased by \$52 million and the net OPEB liability increased by \$2 million. The remaining liability categories decreased by a net of \$2 million.

Deferred inflows were relatively unchanged. Increases in deferred inflows related to the net pension liability and gain on bond refunding were offset by decreases in deferred inflows related to OPEB liability and assets and leases.

Total net position increased by \$109 million during fiscal year 2025 primarily due to a \$172 million increase in net investment in capital assets while restricted nonexpendable net position increased by \$1 million. Unrestricted net position decreased by \$52 million and restricted expendable net position decreased by \$12 million.

Total revenues decreased by \$66 million, or 4 percent, in 2025 over 2024. The decrease was led by decreases in capital grants and gifts of \$92 million, auxiliary enterprises of \$22 million, educational and other revenues of \$7 million, government appropriations of \$4 million, and investment activity of \$2 million. These decreases were offset by

## Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

increases in student tuition and fees of \$32 million, financial aid grants of \$17 million, gifts of \$10 million, and changes to permanent endowments of \$2 million. Grants and contracts revenue was relatively unchanged.

Operating expenses increased by \$51 million in 2025, or 3 percent, over 2024. Increases in research of \$21 million, instruction of \$13 million, other operating expenses of \$10 million, institutional support of \$9 million, academic support of \$8 million, student services of \$6 million, operations and maintenance of plant of \$4 million, and student aid of \$1 million were slightly offset by decreases in public service of \$20 million and auxiliary programs of \$1 million.

### Statement of Net Position

The term "Net Position" refers to the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, and is an important indicator of OSU's current financial condition. Changes in net position that occur over time indicate improvement or deterioration in OSU's financial condition.

The following chart summarizes OSU's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (in millions):

### Condensed Statement of Net Position

As of June 30,	2025	2024	2023
Current Assets	\$ 399	\$ 405	\$ 345
Noncurrent Assets	341	519	581
Capital Assets, Net	2,302	2,110	1,835
<b>Total Assets</b>	<b>\$ 3,042</b>	<b>\$ 3,034</b>	<b>\$ 2,761</b>
Deferred Outflows of Resources	\$ 216	\$ 180	\$ 190
Current Liabilities	\$ 299	\$ 381	\$ 353
Noncurrent Liabilities	1,450	1,433	1,356
<b>Total Liabilities</b>	<b>\$ 1,749</b>	<b>\$ 1,814</b>	<b>\$ 1,709</b>
Deferred Inflows of Resources	\$ 128	\$ 128	\$ 198
Net Investment in Capital Assets	\$ 1,458	\$ 1,286	\$ 1,140
Restricted - Nonexpendable	7	6	7
Restricted - Expendable	83	95	96
Unrestricted	(167)	(115)	(199)
<b>Total Net Position</b>	<b>\$ 1,381</b>	<b>\$ 1,272</b>	<b>\$ 1,044</b>

### Total Assets and Deferred Outflows of Resources

Total assets increased by \$8 million, or less than one percent, during the year ended 2025 due primarily to increases in cash and cash equivalents, and net capital assets, which were offset by decreases in investments, accounts receivable, leases receivable, notes receivable, and prepaid expenses. Total assets increased by \$273 million, or 10 percent, during the year ended 2024 due primarily to increases in cash and cash equivalents, accounts receivable, leases receivable, net OPEB asset and net capital assets, which

were offset by decreases in notes receivable, investments and prepaid expenses.

### Comparison of fiscal year 2025 to fiscal year 2024

**Current Assets** decreased by \$6 million, or 2 percent, primarily due to:

- Current cash and cash equivalents increased by \$23 million. A decrease in the amount of cash in operations was more than offset by a decrease in the amount of operating cash transferred to investments as of year end.
- Accounts receivable decreased by \$27 million due primarily to decreases in receivables from component unit foundations, for auxiliary operations and federal grants, somewhat offset by increases in receivables for state capital grants and state restricted grants and contracts. See Note 3 Accounts Receivable for additional information.
- Prepaid expenses decreased by \$1 million. Decreases in prepaid expenses in general operations, auxiliaries and restricted grants and contracts were somewhat offset by increases in prepaids associated with capital projects.
- Current notes receivable were relatively unchanged. See Note 4 Notes Receivable for additional information.

**Noncurrent (Noncapital) Assets** decreased by \$178 million, or 34 percent.

- Noncurrent cash and cash equivalents increased by \$2 million. A decrease in the amount of operating cash transferred to investments was somewhat offset by a decrease in cash held for capital construction.
- Investments decreased by \$177 million due primarily to the sale of invested revenue bond proceeds and a decrease in the amount of operating cash transferred to investments as of year end. The liquidated revenue bond proceeds were used in support of various capital projects and strategic initiatives. See Note 2 Cash and Investments, Section B Investments for additional information.
- Noncurrent notes receivable were relatively unchanged. See Note 1 Organization and Summary of Significant Accounting Policies, Section AA Related Party Transactions and Note 4 for additional information.
- Noncurrent leases receivable decreased by \$2 million due primarily to the amortization of current leases and no new revenue leases added during the year.
- The net OPEB asset was relatively unchanged. See Note 18 Other Post-employment Benefits (OPEB) for additional information.

**Capital Assets, Net** increased by \$192 million, or 9 percent. See detailed information on Capital Assets in this MD&A for additional information on this change.

**Deferred Outflows of Resources** increased by \$36 million, or 20 percent.

## Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

- Deferred outflows related to the net pension liability increased by \$36 million due primarily to increases in deferred outflows related to changes in assumptions and the difference between projected and actual investment earnings.
- Deferred outflows related to the OPEB asset and liabilities increased by \$2 million.
- Deferred outflows related to the asset retirement obligation decreased by \$2 million. See Note 11 Asset Retirement Obligations for additional information.
- See Note 6 Deferred Outflows and Inflows of Resources for additional information.

### Comparison of fiscal year 2024 to fiscal year 2023

**Current Assets** increased by \$60 million, or 17 percent, primarily due to:

- Current cash and cash equivalents increased by \$46 million primarily due to an increase in the amount of cash held in the internal bank at year end due to a spring bond sale.
- Accounts receivable increased by \$54 million. All categories of receivables increased with the exception of state grants and contracts. See Note 3 for additional information.
- Current notes receivable decreased by \$40 million. The note receivable from the state for XI-F(1) bonds for construction projects at year end 2023 was received in fiscal year 2024. See Note 4 for additional information.
- Prepaid expenses decreased by \$1 million. Decreases in prepaid expenses in general operations and auxiliaries were somewhat offset by increases in prepaids associated with restricted grants and contracts.

**Noncurrent (Noncapital) Assets** decreased by \$62 million, or 11 percent.

- Noncurrent cash and cash equivalents increased by \$4 million due primarily to an increase in cash held for capital construction over the previous year.
- Investments decreased by \$68 million due primarily to a sell off of invested revenue bonds in support of various capital projects and strategic initiatives. See Note 2, Section B for additional information.
- Noncurrent notes receivable decreased by \$3 million due primarily to decreases in receivables related to Perkins loans and the installment receivable from Link Oregon. See Note 1, Section AA and Note 4 for additional information.
- Leases receivable increased by \$3 million due primarily to the new lease agreement with Samaritan Health Services for the new campus health center space at Reser Stadium.
- The net OPEB asset increased by \$1 million. See Note 18 for additional information.

**Capital Assets, Net** increased by \$275 million, or 15 percent. See detailed information on Capital Assets in this MD&A for additional information on this change.

**Deferred Outflows of Resources** decreased by \$10 million, or 5 percent.

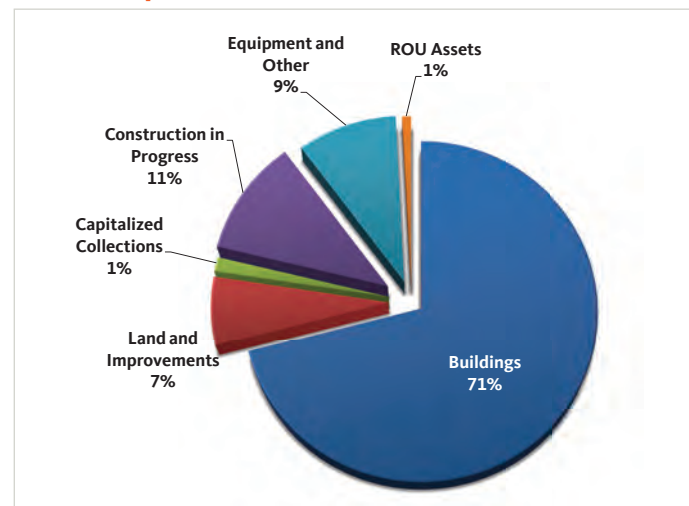
- Deferred outflows related to the net pension liability decreased by \$9 million.
- Deferred outflows related to the OPEB asset and liabilities decreased by \$1 million.
- Deferred outflows related to the asset retirement obligation was relatively unchanged. See Note 11 for additional information.
- See Note 6 for additional information.

## Capital Assets and Related Financing Activities

### Capital Assets

At June 30, 2025, OSU had \$3.6 billion in capital assets, less accumulated depreciation of \$1.3 billion, for net capital assets of \$2.3 billion. At June 30, 2024, OSU had \$3.3 billion in capital assets, less accumulated depreciation of \$1.2 billion, for net capital assets of \$2.1 billion. OSU is committed to a comprehensive program of capital investment and facility maintenance that includes addressing current maintenance needs and minimizing OSU's deferred maintenance backlog. State, federal, private, debt, and internal funding were all used to accomplish OSU's capital objectives.

### 2025 Capital Assets, Net \$2,302 Million



## Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

### Changes to Capital Assets

(in millions)

As of June 30,	2025	2024	2023
Capital Assets, Beginning of Year	\$ 3,319	\$ 2,967	\$ 2,655
Add: Purchases/Construction	302	375	327
Less: Retirements/Adjustments	(19)	(23)	(15)
<b>Total Capital Assets, End of Year</b>	<b>3,602</b>	<b>3,319</b>	<b>2,967</b>
Accum. Depr/Amort, Beginning of Year	(1,209)	(1,132)	(1,056)
Add: Depr/Amort Expense	(108)	(95)	(86)
Less: Retirements/Adjustments	17	18	10
<b>Total Accum. Depr/Amort, End of Year</b>	<b>(1,300)</b>	<b>(1,209)</b>	<b>(1,132)</b>
<b>Total Capital Assets, Net, End of Year</b>	<b>\$ 2,302</b>	<b>\$ 2,110</b>	<b>\$ 1,835</b>

Capital additions totaled \$302 million for 2025, \$375 million for 2024, and \$327 million for 2023.

During 2025, capital asset additions included \$214 million for construction in progress (CIP); \$28 million for equipment; \$28 million on land; \$22 million for ROU SBITAs in Progress; and \$7 million for ROU SBITAs. During 2024, capital asset additions included \$322 million for construction in progress (CIP); \$37 million for equipment; \$7 million for buildings; \$3 million for right-of-use (ROU) SBITAs in progress; \$2 million for ROU SBITAs; and \$1 million for infrastructure. During 2023, capital asset additions included \$286 million for CIP; \$22 million for equipment; \$11 million for ROU SBITAs; \$4 million for buildings; and \$3 million for ROU leased buildings.

Key projects still in progress at the end of 2025 included the Huang Collaborative Innovation Complex, Washington Way improvements, Kelley Engineering utility plant, Newport Student Housing, Gilkey Hall renovations, SARL Zebrafish improvements and Richardson Hall controls and chiller replacement.

During 2025, \$343 million in capital projects were completed and placed into service, including the PacWave Energy Test Facility with Subsea and Terrestrial Cables, Withycombe Hall, Upper Division and Grad Student Housing, OSU Cascades Innovation Development District land remediation, OSU Cascades Student Success Center, Goss Field baseball hitting facility, Student Legacy Park improvements and Ship Operations Dock replacement.

See Note 5 Capital Assets for additional information.

### Debt Administration

During 2025, long-term debt held by OSU decreased by \$24 million, or 3 percent, from \$954 million to \$930 million.

- OSU issued \$26 million of new Revenue Bonds and refunded \$27 million in previously issued Revenue Bonds.
- The State issued on behalf of OSU \$13 million in XI-F(1) bonds and refunded \$13 million in previously issued XI-F(1) bonds.

- OSU made debt service principal payments totalling \$19 million on outstanding long-term debt.
- OSU's remaining obligation for premiums and discounts on outstanding debt decreased by \$1 million.
- OSU added new debt of \$3 million for new leases and made principal payments of \$5 million for a net decrease of \$2 million in lease liabilities.
- OSU added new debt of \$7 million for new SBITAs and made principal payments of \$7 million for SBITA liabilities.
- OSU made principal payments of \$1 million for installment purchases liability.

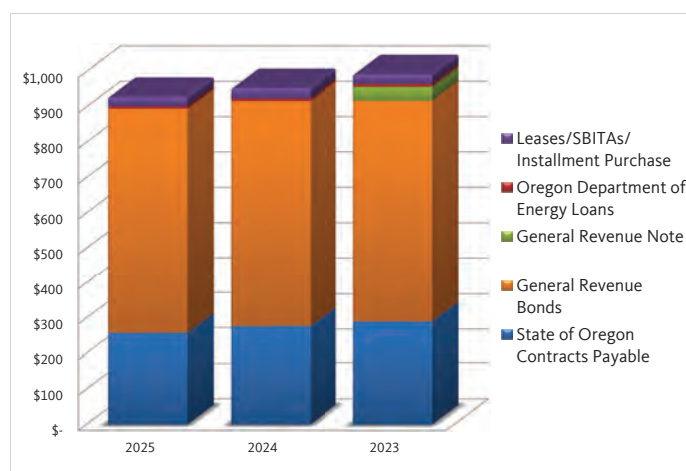
During 2024, long-term debt held by OSU decreased by \$39 million, or 4 percent, from \$993 million to \$954 million.

- OSU issued \$48 million of new Revenue Bonds and refunded \$29 million in previously issued Revenue Bonds.
- OSU made debt service principal payments totalling \$18 million on outstanding long-term debt.
- OSU's remaining obligation for premiums on outstanding debt decreased by \$2 million.
- OSU repaid the private placement debt agreement with JPMorgan Chase Bank, N.A. for \$40 million.
- OSU added new debt of \$3 million for new leases and made principal payments of \$5 million for a net decrease of \$2 million in lease liabilities.
- OSU added new debt of \$2 million for new SBITAs and made principal payments of \$8 million for a net decrease of \$6 million in SBITA liabilities.
- OSU added new debt of \$11 million for installment purchases and made principal payments of \$1 million for a net increase of \$10 million in installment purchases liability.

See Note 10 Long-Term Liabilities for additional information.

### Long-Term Debt

(in millions)



## Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

### Total Liabilities and Deferred Inflows of Resources

Total liabilities decreased by \$65 million, or 4 percent, during 2025 primarily due to decreases in the long-term liabilities, accounts payable and accrued liabilities, and unearned revenues which were slightly offset by increases in net pension liability, net OPEB liability and deposits. During 2024, total liabilities increased by \$105 million, or 6 percent, primarily due to increases in the net pension liability, long-term liabilities, accounts payable and accrued liabilities, and unearned revenues and were slightly offset by decreases in net OPEB liability and deposits.

#### Comparison of fiscal year 2025 to fiscal year 2024

**Current Liabilities** decreased by \$82 million, or 22 percent. Key changes in current liabilities included:

- Accounts payable and accrued liabilities decreased by \$28 million due primarily to decreases in services and supplies payables associated with operations, restricted grants and contracts, capital construction projects, and contracts retainage payable, which were only slightly offset by increases in payroll related payables. See Note 7 Accounts Payable and Accrued Liabilities for additional information.
- The current portion of long-term liabilities decreased by \$53 million. OSU paid off the \$60 million commercial paper notes payable to TD Bank, N.A. Other changes included increases in compensated absences liability, installment purchases payable and SBITAs payable. See discussion of Debt Administration earlier in this MD&A and Note 10 for additional information.
- Unearned revenue decreased by \$1 million primarily due to decreases in unearned revenue related to auxiliary operations and general operations slightly offset by increases in unearned revenue related to student tuition and fees and grants and contracts.

**Noncurrent Liabilities** increased by \$17 million, or 1 percent.

- The noncurrent portion of long-term liabilities decreased by \$36 million. Decreases were seen in all categories of noncurrent long-term liabilities except for a slight increase in the supplemental retirement plan liability. See discussion of Debt Administration earlier in this MD&A and Note 10 for additional information.
- The net pension liability increased by \$52 million. See Note 17 Employee Retirement Plans for additional information.
- The net OPEB Liability increased by \$2 million. See Note 18 Other Post-employment Benefits (OPEB) for additional information.
- The asset retirement obligation liability associated with the teaching, research, isotopes, and general atomics reactor decreased by \$1 million. A new estimate on the

cost of decommissioning the asset was offset by the annual amortization of the liability. See Note 11 Asset Retirement Obligations for additional information.

**Deferred Inflows of Resources** were relatively unchanged.

- Deferred inflows related to the net pension liability increased by \$3 million.
- Deferred inflows related to the OPEB asset and liabilities decreased by \$1 million.
- Deferred inflows related to leases decreased by \$4 million.
- Deferred inflows related to gain on bond refunding increased by \$2 million.
- See Note 6 Deferred Outflows and Inflows of Resources for detailed information on these changes.

#### Comparison of fiscal year 2024 to fiscal year 2023

**Current Liabilities** increased by \$28 million, or 8 percent. Key changes in current liabilities included:

- Accounts payable and accrued liabilities increased by \$5 million due primarily to increases contracts retainage payable and payroll related payables which were only slightly offset by decreases in services and supplies payables associated with restricted grants and contracts and capital construction projects. See Note 7 for additional information.
- The current portion of long-term liabilities increased by \$19 million. OSU paid off the \$40 million general revenue note payable to JPMorgan Chase Bank, N.A. in fiscal year 2024 and issued \$60 million of commercial paper notes payable to TD Bank, N.A. Other changes included increases in compensated absences liability, employee termination liability, installment purchases payable and state contracts payable. These increases were more than offset by decreases in SBITA liability, lease liability, and Perkins loan liability. See discussion of Debt Administration earlier in this MD&A and Note 10 for additional information.
- Unearned revenue increased by \$3 million due to increases in unearned revenue related to student tuition and fees and general operations.

**Noncurrent Liabilities** increased by \$77 million, or 6 percent.

- The noncurrent portion of long-term liabilities decreased by \$4 million. Decreases in state contracts payable, Perkins loan liability, SBITA liability, and state and local government rate pool liability were somewhat offset by increases in the revenue bonds payable, compensated absences liabilities, and installment purchases payable. See discussion of Debt Administration earlier in this MD&A and Note 10 for additional information.
- The net pension liability increased by \$80 million. See Note 17 for additional information.

## Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

- The net OPEB Liability was relatively unchanged. See Note 18 for additional information.
- The asset retirement obligation liability associated with the teaching, research, isotopes, and general atomics reactor was relatively unchanged. A new estimate on the cost of decommissioning the asset was mostly offset by the annual amortization of the liability. See Note 11 Asset Retirement Obligations for additional information.

**Deferred Inflows of Resources** decreased by \$70 million or 37 percent.

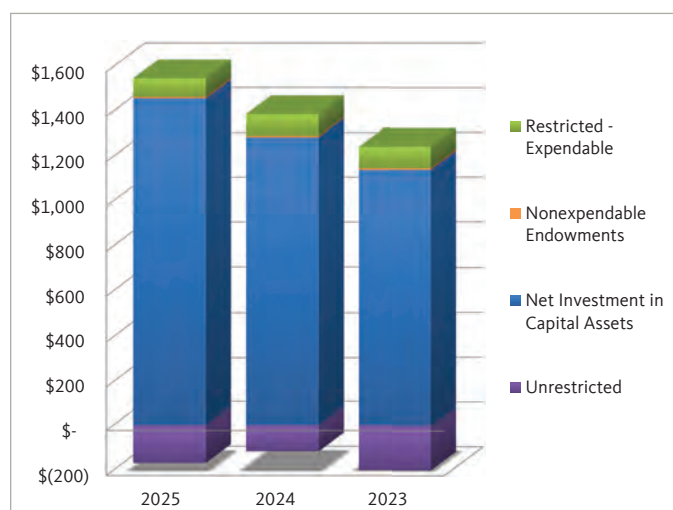
- Deferred inflows related to the net pension liability decreased by \$73 million.
- Deferred inflows related to the OPEB asset and liabilities decreased by \$2 million.
- Deferred inflows related to leases increased by \$2 million.
- Deferred inflows related to gain on bond refunding increased by \$3 million.
- See Note 6 for detailed information on these changes.

### Total Net Position

Total net position (TNP) increased by \$109 million, or 9 percent, during 2025. TNP benefited from a \$172 million increase in net investment in capital assets offset by decreases of \$12 million in restricted expendable net position and \$52 million in unrestricted net position.

TNP increased by \$228 million, or 22 percent, during 2024. TNP benefited from a \$146 million increase in net investment in capital assets and an increase of \$84 million in unrestricted net position.

The graph below illustrates how the composition of net position has changed since 2023. (in millions)



### Comparison of fiscal year 2025 to fiscal year 2024

**Net Investment in Capital Assets** increased by \$172 million, or 13 percent. Net capital assets increased by \$192 million which was offset by an increase to long-term debt

outstanding attributable to the capital assets of \$20 million. See Note 5 Capital Assets and Note 10 Long-Term Liabilities for additional information.

**Restricted Expendable Net Position** decreased by \$12 million or 13 percent.

- Net position restricted for gifts, grants and contracts increased by \$3 million due primarily to increases in cash and receivables related to restricted grant and gift funds.
- Net position restricted for student loans remained relatively unchanged.
- Net position restricted for capital projects decreased by \$15 million due primarily to decreases in cash and receivables that were somewhat offset by a decrease in accounts payable.
- Net position restricted for debt service was relatively unchanged.
- Net Position restricted for the OPEB asset was relatively unchanged and is equal to the Net OPEB Asset reported in noncurrent assets.

**Unrestricted Net Position** decreased by \$52 million, or 45 percent.

- A decrease in unrestricted operating performance, which includes education, auxiliary and general business type activities, deducted \$33 million from unrestricted net position.
- Changes associated with the PERS net pension liability, net of deferrals, decreased unrestricted net position by \$20 million. See Note 17 for additional information.
- The OPEB liabilities and associated deferred outflows and inflows of resources increased unrestricted net position by \$1 million. See Note 18 for additional information.
- The year-end liability accrual for compensated absences decreased by less than \$1 million. A decrease in the liability accrual results in an increase in net position.
- See Note 12 Unrestricted Net Position for additional information.

### Comparison of fiscal year 2024 to fiscal year 2023

**Net Investment in Capital Assets** increased by \$146 million, or 13 percent. Net capital assets increased by \$275 million which was offset by an increase to long-term debt outstanding attributable to the capital assets of \$128 million. See Note 5 and Note 10 for additional information.

**Restricted Expendable Net Position** decreased by \$1 million or 1 percent.

- Net position restricted for gifts, grants and contracts decreased by \$9 million due primarily to a decrease in net position of federal grant and contract funds.
- Net position restricted for student loans decreased by \$3 million. Decreases in cash on hand and student

## Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

loan receivables were somewhat offset by decreases in the Perkins loan program liability and decreases in the allowance for doubtful accounts.

- Net position restricted for capital projects increased by \$10 million due primarily to an increase in receivables and a decrease in payables that were somewhat offset by a decrease in cash.
- Net position restricted for debt service was relatively unchanged.
- Net Position restricted for the OPEB asset increased by \$1 million and is equal to the Net OPEB Asset reported in noncurrent assets.

**Unrestricted Net Position** increased by \$84 million, or 42 percent.

- An increase in unrestricted operating performance, which includes education, auxiliary and general business type activities, added \$100 million to unrestricted net position.
- Changes associated with the PERS net pension liability, net of deferrals, decreased unrestricted net position by \$16 million. See Note 17 for additional information.
- The OPEB liabilities and associated deferred outflows and inflows of resources increased unrestricted net position by \$3 million. See Note 18 for additional information.
- The year-end liability accrual for compensated absences increased by \$3 million. An increase in the liability accrual results in a decrease in net position.
- See Note 12 for additional information.

### Statement of Revenues, Expenses and Changes in Net Position

Due to the classification of certain key revenues as nonoperating revenue, OSU normally shows a loss from operations. State general fund appropriations, nonexchange grants and noncapital gifts, although considered nonoperating revenue under GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34*, and reflected accordingly in the nonoperating section of the SRE, are used solely to support the operations of the university.

The following summarizes the revenues and expenses of OSU (in millions):

### Condensed Statement of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30,	2025	2024	2023
Operating Revenues	\$ 1,135	\$ 1,132	\$ 1,015
Operating Expenses	1,643	1,592	1,403
Operating Loss	(508)	(460)	(388)
Nonoperating Revenues, Net of Expenses	486	466	409
Other Revenues, Net of Expenses	131	222	123
Increase in Net Position	109	228	144
Net Position, Beginning of Year	1,272	1,044	900
Net Position, End of Year	\$ 1,381	\$ 1,272	\$ 1,044

### Revenues

As seen in the Total Operating, Non-Operating and Other Revenues table below, total revenues decreased by \$66 million, or 4 percent, in 2025 over 2024. Decreases were seen in auxiliary enterprises, government appropriations, investment activity and capital grants and gifts, somewhat offset by increases in student tuition and fees, financial aid grants, gifts and changes to permanent endowments.

### Total Operating, Nonoperating and Other Revenues

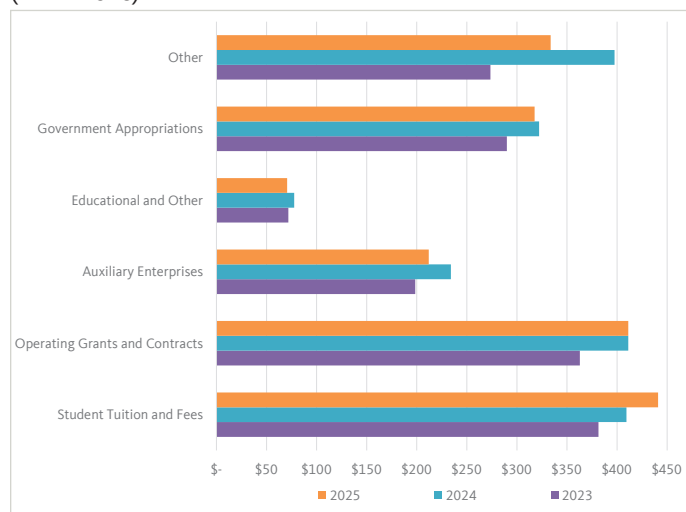
(in millions)

For the Years Ended June 30,	2025	2024	2023
Student Tuition and Fees	\$ 441	\$ 409	\$ 381
Grants and Contracts	411	411	363
Auxiliary Enterprises	212	234	199
Educational and Other	71	78	72
Total Operating Revenues	1,135	1,132	1,015
Government Appropriations	318	322	290
Financial Aid Grants	90	73	58
Gifts	72	62	64
Investment Activity	40	42	30
Capital Grants and Gifts	130	222	122
Changes to Permanent Endowments	1	(1)	(1)
Total Nonoperating and Other Revenues	651	720	563
Total Revenues	\$ 1,786	\$ 1,852	\$ 1,578

## Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

### Total Operating, Nonoperating, Other Revenues and Special Items

(in millions)



### Operating Revenues

Operating revenues increased by \$3 million in 2025, or less than one percent, over 2024, to \$1,135 million. Increases in student tuition and fees were mostly offset by decreases in auxiliary enterprises and educations and other. Operating revenues increased by \$117 million in 2024, or 12 percent, over 2023, to \$1,132 million. All categories of operating revenue increased in 2024.

#### Comparison of fiscal year 2025 to fiscal year 2024

**Net Student Tuition and Fees** increased by \$32 million, or 8 percent.

- Increased student enrollment accounted for \$34 million of increased revenue
- Higher tuition and fee rates accounted for \$28 million of increased revenue.
- Fee remissions, scholarship allowances and bad debt allowances reduced tuition and fees by \$30 million more than in the prior year.

**Federal, State and Nongovernmental Grants and Contracts** were relatively unchanged from 2024 to 2025.

- Federal grant and contract revenues decreased by \$5 million primarily due to decreased National Science Foundation Cooperative agreement funding mostly offset by increased funding from the Department of Agriculture, Department of Education, Health and Human Services and Department of Treasury.
- State and local grant and contract revenues increased by \$8 million due primarily to increases in grants and contracts from the Department of Education, Department of Transportation and other state agencies somewhat offset by decreases in grants and contracts from Business Oregon.

- Nongovernmental grant and contract revenues decreased by \$3 million due mainly to decreased grants and contracts from the Agricultural Research Foundation, OSU Foundation, and commercial businesses somewhat offset by increased grants and contracts from other foundations, associations and societies.

**Auxiliary Enterprise** revenues decreased by \$22 million, or 9 percent.

- Athletics revenues decreased by \$35 million due primarily to decreased conference payouts and ticket sales slightly offset by increased bowl revenue.
- Housing and dining revenues increased by \$7 million due to primarily to increased room and board fee and family housing rentals.
- Health services and student centers revenues were relatively unchanged.
- Parking services revenues increased by \$1 million due primarily to decreased parking permit and fee revenues.
- Other auxiliary revenues increased by \$5 million due mainly to increased student incidental fees and student health fees.

**Educational and Other revenues** decreased by \$7 million, or 9 percent.

- Educational department sales and services revenue decreased by \$4 million due primarily to decreases in general sales income, noncredit workshop income and rentals and facilities use fees which were slightly offset by increases in general services income, testing fees, general admission ticket sales and animal sales.
- Other operating revenues decreased by \$3 million due primarily to decreases in non-capital insurance reimbursements.

#### Comparison of fiscal year 2024 to fiscal year 2023

**Net Student Tuition and Fees** increased by \$28 million, or 7 percent.

- Increased student enrollment accounted for \$33 million of increased revenue
- Higher tuition and fee rates accounted for \$25 million of increased revenue.
- Fee remissions, scholarship allowances and bad debt allowances reduced tuition and fees by \$30 million more than in the prior year.

**Federal, State and Nongovernmental Grants and Contracts** increased by \$48 million, or 13 percent.

- Federal grant and contract revenues increased by \$51 million primarily due to increased funding from the Department of Agriculture, Department of Education, Department of Energy, and National Science Foundation.

## Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

- State and local grant and contract revenues decreased by \$5 million due primarily to decreases in grants and contracts from the Department of Education.
- Nongovernmental grant and contract revenues increased by \$2 million due mainly to increased grants and contracts from the Agricultural Research Foundation, OSU Foundation, and other foundations and societies.

**Auxiliary Enterprise** revenues increased by \$35 million, or 18 percent.

- Housing and dining revenues increased by \$4 million due to increased room and board fee and meal plan revenues.
- Athletics revenues increased by \$27 million due primarily to a payout from the dissolution of the PAC-12 conference as well as increased ticket sales.
- Health services revenues increased by \$1 million due mainly to increased income from medical services.
- Student centers and parking services revenues were relatively unchanged.
- Other auxiliary revenues increased by \$3 million due mainly to increased student incidental fees and student health fees.

**Educational and Other revenues** increased by \$6 million, or 8 percent.

- Educational department sales and services revenue increased by \$6 million due primarily to increases in general sales and services income and noncredit workshop income which were slightly offset by decreases in animal sales and surplus sales income.
- Other operating revenues were relatively unchanged. Increases in non-capital insurance reimbursements and reimbursement from the City of Corvallis related to the Washington Way improvement were offset by decreases in interest income and reimbursements from outside entities.

### Nonoperating and Other Revenues

Total nonoperating and other revenues decreased by \$69 million, or 10 percent, during 2025. Decreases in government appropriations, investment activity, and capital grants and gifts were somewhat offset by increases in financial aid grants and gifts. Total nonoperating and other revenues increased by \$157 million, or 28 percent, during 2024. Increases in government appropriations, financial aid grants, investment activity, and capital grants and gifts were somewhat offset by a slight decrease in gifts.

#### Comparison of fiscal year 2025 to fiscal year 2024

**Government Appropriations** decreased by \$4 million, or 1 percent.

- State general fund appropriations increased by \$15 million. State appropriations in support of general

operations of the university increased by \$4 million and appropriations in support of the statewide public services increased by \$1 million. Additionally, the university received a special one-time appropriation of \$10 million for student scholarship use.

- State lottery appropriations in support of outdoor school decreased by \$20 million which allowed the university to use excess funding left over from 2020 and 2021 when Outdoor school programs were shut down due to COVID. Outdoor school for middle school students is administered by the cooperative extension services on behalf of the state.
- Forest Product Harvest Tax in support of the College of Forestry and general operations of the university was relatively unchanged.
- County appropriations in support of the statewide public services increased by \$1 million.
- Debt service appropriations from the state were unchanged.
- See Note 16 Government Appropriations for additional information.

**Financial Aid Grants** increased by \$17 million, or 23 percent, primarily due to increases in federal Pell grants and Oregon opportunity grants. Federal Pell grants increased substantially due to the FAFSA Simplification Act which changed how eligibility was calculated and resulted in more students receiving the grants.

**Gifts** increased by \$10 million, or 16 percent, due primarily to increased gifts from the OSU Foundation and other foundations.

**Investment Activity** revenues decreased by \$2 million, or 5 percent, due primarily to decreased investment earnings and a net depreciation of investments slightly offset by a gain on sale of investments. See Note 14 Investment Activity for additional information relating to these changes.

**Capital Grants and Gifts** decreased by \$92 million, or 41 percent, due primarily to decreased state capital grants and OSU Foundation gifts, which were somewhat offset by increased commercial business in-kind gifts and federal capital contracts.

**Changes to Permanent Endowments** increased by \$2 million due to the increase in value of a permanent forest endowment.

#### Comparison of fiscal year 2024 to fiscal year 2023

**Government Appropriations** increased by \$32 million, or 11 percent.

- State appropriations increased by \$29 million due to increased funding received in support of the operations of the university and statewide public services.

## Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

- State lottery appropriations in support of outdoor school increased by \$3 million. Outdoor school for middle school students is administered by the cooperative extension services on behalf of the state.
- Forest Product Harvest Tax in support of the College of Forestry and general operations of the university decreased by \$1 million.
- County appropriations in support of the statewide public services increased by \$1 million.
- Debt service appropriations from the state were unchanged.
- See Note 16 for additional information.

**Financial Aid Grants** increased by \$15 million, or 26 percent primarily due to increases in Oregon opportunity grants and federal Pell grants.

**Gifts** decreased by \$2 million, or 3 percent, due primarily to decreased gifts from the OSU Foundation and private gifts.

**Investment Activity** revenues increased by \$12 million, or 40 percent, due primarily to a gain on sale of investments and increased investment earnings, which were slightly offset by decreased royalties and tech transfer revenues. See Note 14 for additional information relating to these changes.

**Capital Grants and Gifts** increased by \$100 million, or 82 percent due primarily to increased state capital grants, OSU Foundation gifts, and federal capital contracts, which were offset by decreased state general fund appropriations for deferred maintenance.

**Changes to Permanent Endowments** were relatively unchanged.

## Expenses

### Operating Expenses

Operating expenses increased by \$51 million in 2025, or 3 percent, over 2024, to \$1,643 million. Increases in instruction, research, academic support, student services, institutional support, operations and maintenance of plant, student aid and other operating expenses were slightly offset by decreases in public services and auxiliary program expenses.

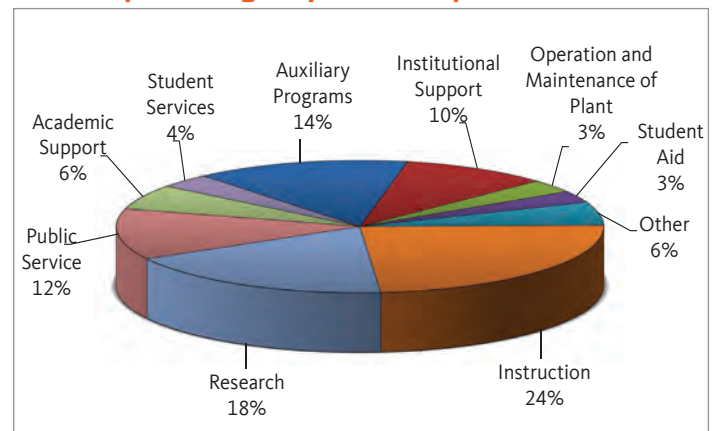
Operating expenses increased by \$189 million in 2024, or 13 percent, over 2023, to \$1,592 million. All categories of operating expenses increased in 2024.

The following table and chart summarize operating expenses by functional classification (in millions):

### Operating Expenses by Function

For the Years Ended June 30,	2025	2024	2023
Instruction	\$ 392	\$ 379	\$ 344
Research	299	278	255
Public Service	204	224	195
Academic Support	100	92	87
Student Services	57	51	43
Auxiliary Programs	234	235	203
Institutional Support	164	155	126
Operations & Maintenance of Plant	52	48	43
Student Aid	47	46	39
Other Operating Expenses	94	84	68
<b>Total Operating Expenses</b>	<b>\$ 1,643</b>	<b>\$ 1,592</b>	<b>\$ 1,403</b>

### 2025 Operating Expenses by Function



The implementation of GASB Statement Nos. 68 and 71 in 2015 and GASB Statement No. 75 in 2018 initially had a marked impact on the operating expenses reported by OSU, although that impact has lessened in recent years.

## Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

The following tables show the effect of GASB Statement Nos. 68, 71, and 75 on operating expenses across the functional classifications (in millions):

### Effect of GASB Statement Nos. 68, 71 and 75 on Expenses by Function

For the Year Ended June 30, 2025	As Reported	Without GASB 68/71 & 75	Difference
Instruction	\$ 392	\$ 386	\$ 6
Research	299	297	2
Public Service	204	201	3
Academic Support	100	99	1
Student Services	57	56	1
Auxiliary Programs	234	232	2
Institutional Support	164	162	2
Operation & Maintenance of Plant	52	51	1
Student Aid	47	47	-
Other Operating Expenses	94	94	-
<b>Total Operating Expenses</b>	<b>\$ 1,643</b>	<b>\$ 1,625</b>	<b>\$ 18</b>

For the Year Ended June 30, 2024	As Reported	Without GASB 68/71 & 75	Difference
Instruction	\$ 379	\$ 375	\$ 4
Research	278	276	2
Public Service	224	222	2
Academic Support	92	91	1
Student Services	51	50	1
Auxiliary Programs	235	234	1
Institutional Support	155	153	2
Operation & Maintenance of Plant	48	48	-
Student Aid	46	46	-
Other Operating Expenses	84	84	-
<b>Total Operating Expenses</b>	<b>\$ 1,592</b>	<b>\$ 1,579</b>	<b>\$ 13</b>

For the Year Ended June 30, 2023	As Reported	Without GASB 68/71 & 75	Difference
Instruction	\$ 344	\$ 345	\$ (1)
Research	255	255	-
Public Service	195	195	-
Academic Support	87	87	-
Student Services	43	43	-
Auxiliary Programs	203	203	-
Institutional Support	126	126	-
Operation & Maintenance of Plant	43	43	-
Student Aid	39	39	-
Other Operating Expenses	68	68	-
<b>Total Operating Expenses</b>	<b>\$ 1,403</b>	<b>\$ 1,404</b>	<b>\$ (1)</b>

GASB Statement Nos. 68, 71, and 75 have resulted in increases to total operating expenses of \$18 million and \$13 million in 2025 and 2024, respectively. The aggregate total for the three-year period had an impact of \$30 million on the university's reported operating performance and net position.

### Operating Expenses by Natural Classification

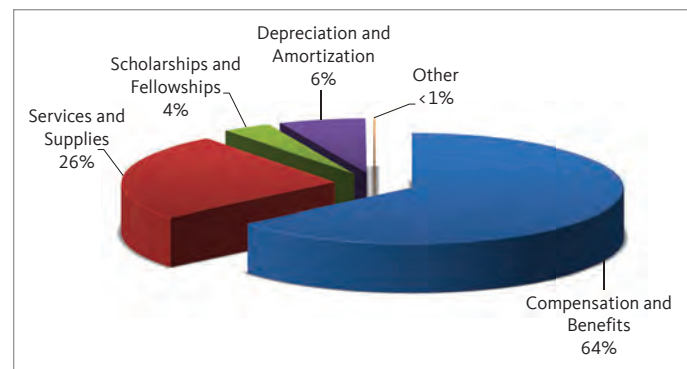
OSU expenses are normally incurred via natural classifications, but are reported by functional classification in the financial statements. Variances are presented and explained by analyzing changes in the natural classification of expenses. Each natural classification analysis can be applied

to multiple functional expense caption items. See Note 15 Operating Expenses by Natural Classification for additional information.

The following summarizes operating expenses by natural classification (in millions):

For the Years Ended June 30,	2025	2024	2023
Compensation and Benefits	\$ 1,049	\$ 984	\$ 883
Services and Supplies	425	452	381
Scholarships and Fellowships	60	56	45
Depreciation and Amortization	108	95	87
Other	1	5	7
<b>Total Operating Expenses</b>	<b>\$ 1,643</b>	<b>\$ 1,592</b>	<b>\$ 1,403</b>

### 2025 Operating Expenses by Natural Classification



### Comparison of fiscal year 2025 to fiscal year 2024

**Compensation and Benefit** costs increased by \$65 million, or 7 percent.

- Salary and wage costs increased by \$45 million due to increased staffing and pay increases.
- Health and retirement contributions increased by a net \$12 million due to increased rates and increased participation.
- Other payroll expenses decreased by \$1 million.
- Net pension expense increased by \$8 million due to changes in the net pension liability and associated deferred inflows and outflows reported as required by GASB Statement Nos. 68 and 71. See Note 17 Employee Retirement Plans for additional information on this variance.
- Adjustments and accruals to compensation and benefits associated with the OPEB asset and liability reporting requirement of GASB Statement No. 75 increased by \$1 million. See Note 18 Other Post-employment Benefits (OPEB) for additional information.

**Services and Supplies** expenses decreased by \$27 million, or 6 percent, primarily due to decreases in general supplies, rentals and leases, and travel which were somewhat offset by increases in other services and supplies, assessments, subcontracts, and maintenance and repairs.

## Management's Discussion and Analysis For the Years Ended June 30, 2025 and 2024

**Scholarships and Fellowships** costs increased by \$4 million, or 7 percent, due to increases in federal Pell, state aid, OSU Foundation aid, and private aid slightly offset by a decrease in institutional aid.

**Depreciation and Amortization** expense increased by \$13 million, or 14 percent. During 2025, \$343 million in capital projects were completed and placed into service, including the PacWave Energy Test Facility with Subsea and Terrestrial Cables, Withycombe Hall, Upper Division and Grad Student Housing, OSU Cascades Innovation Development District land remediation, OSU Cascades Student Success Center, Goss Field baseball hitting facility, Student Legacy Park improvements and Ship Operations Dock Replacement.

### Comparison of fiscal year 2024 to fiscal year 2023

**Compensation and Benefit** costs increased by \$101 million, or 11 percent.

- Salary and wage costs increased by \$58 million due to increased staffing and pay increases.
- Health and retirement contributions increased by a net \$11 million due to increased rates and increased participation.
- Other payroll expenses increased by \$8 million due primarily to the employer share of the new Paid Leave Oregon benefit.
- Net pension expense increased by \$24 million due to changes in the net pension liability and associated deferred inflows and outflows reported as required by GASB Statement Nos. 68 and 71. See Note 17 for additional information on this variance.
- Adjustments and accruals to compensation and benefits associated with the OPEB asset and liability reporting requirement of GASB Statement No. 75 were relatively unchanged. See Note 18 for additional information.

**Services and Supplies** expenses increased by \$71 million, or 19 percent, as a result of increases in most categories of service and supplies expenses including fees and services, general supplies, rentals, maintenance and repairs, travel, and assessments, that were only slightly offset by decreases in communications expense.

**Scholarships and Fellowships** costs increased by \$11 million, or 24 percent, due to increases in all categories of aid including federal Pell, state aid, OSU Foundation aid, institutional aid and private aid.

**Depreciation and Amortization** expense increased by \$8 million, or 9 percent. During 2024, \$350 million in capital projects were completed and placed into service, including Cordley Hall, Reser Stadium West Grandstands, PraX Arts and Education Complex, and Campus Operations Center.

## Nonoperating Expenses

(in millions)

For the Years Ended June 30,	2025	2024	2023
Gain (Loss) on Sale of Assets	\$ (1)	\$ -	\$ (2)
Interest Expense	(34)	(33)	(33)
Other Nonoperating Items	1	2	3
<b>Total Nonoperating Expenses</b>	<b>\$ (34)</b>	<b>\$ (31)</b>	<b>\$ (32)</b>

### Comparison of fiscal year 2025 to fiscal year 2024

**Interest Expense** decreased by \$1 million. Decreases in interest related to the PERS state and local government rate pool liability and SELP were offset by increases in interest related to bonds.

### Comparison of fiscal year 2024 to fiscal year 2023

**Interest Expense** was relatively unchanged. Decreases in interest related to the PERS state and local government rate pool liability and SBITAs were offset by increases in interest related to bonds and the short-term General Revenue Note.



## Economic Outlook

Funding for OSU's major activities comes from a variety of sources: tuition and fees; federal, foundation and other grants; state and county appropriations; financial aid programs; private and government contracts; royalties; and donor gifts and investment earnings. Revenues are also generated through recovery of costs associated with federal grant and contract activities, which serve to offset related administrative and facilities costs.

While individual student populations (such as new international students) may not show increases, overall fall registrations (including returning international students) signal modest increases in head count and credit hours. As declining enrollments continue to plague much of higher education, this is significant and an endorsement of the OSU brand.

Research awards have declined; however, OSU has successfully navigated the initial wave of substantial federal changes. Although a limited number of grants have been terminated, most research activity remains ongoing, and faculty continue to submit proposals at a steady pace. The university has implemented robust communication channels to ensure that faculty and staff remain informed of evolving regulatory requirements, F&A rate reform, and court decisions, thereby positioning them to adapt effectively and optimize available opportunities.

State revenue forecasts resulted in a more conservative increase in appropriations for 2025-27 than in recent biennia. With the passage of H.R. 1 (the budget reconciliation bill

enacted July 2025), the state released estimates of impacts for both the current biennium as well as the next several. The September 2025 state forecast reflected a significant shift in projected state revenues from the forecast used to support 2025-27 appropriations. While the state has not indicated any explicit plans to reduce current appropriations, the magnitude of the expected effects on the state signals a strong possibility of reduced resources in the near future.

In addition to risk around the level of direct university appropriations, how the state addresses its shortfall could include funding levels of the Oregon Opportunity Grant with potential impacts to students and enrollments. Proposed changes in the federal fiscal year 2026 budget to SEOG and loan programs may exacerbate the risk to students and the university.

The university has a strong history of successfully managing through times of resource uncertainties, the pandemic as a recent example. Focused efforts to monitor finances and develop budgetary options are fully operational as federal changes continue to ripple through the state economy and on to higher education. OSU is a strong economic development partner for the state and will continue to promote its position in that role as a pathway through the new uncertainties.

For detailed information on the state's economic outlook, Oregon's Office of Economic Analysis provides quarterly forecasts at its website: <https://www.oregon.gov/das/OEA/Pages/forecastecorev.aspx>



## Statements of Net Position

As of June 30,	University	
	2025	2024
<b>ASSETS</b>	(In thousands)	
<b>Current Assets</b>		
Cash and Cash Equivalents (Note 2)	\$ 168,579	\$ 145,097
Collateral from Securities Lending (Note 2)	1,169	2,558
Accounts Receivable, Net (Note 3)	206,521	233,830
Notes Receivable, Net (Note 4)	753	1,112
Leases Receivable	2,052	2,098
Inventories	2,057	1,959
Prepaid Expenses	17,615	18,762
<b>Total Current Assets</b>	<b>398,746</b>	405,416
<b>Noncurrent Assets</b>		
Cash and Cash Equivalents (Note 2)	14,998	13,091
Investments (Note 2)	234,232	411,662
Notes Receivable, Net (Note 4)	8,509	8,933
Leases Receivable	72,237	74,178
Net OPEB Asset (Note 18)	11,173	10,798
Capital Assets, Net of Accumulated Depreciation/Amortization (Note 5)	2,301,738	2,109,633
<b>Total Noncurrent Assets</b>	<b>2,642,887</b>	2,628,295
<b>Total Assets</b>	<b>\$ 3,041,633</b>	<b>\$ 3,033,711</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b> (Note 6)	<b>\$ 215,785</b>	<b>\$ 179,779</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 7)	\$ 147,405	\$ 175,208
Deposits	1,293	511
Obligations Under Securities Lending (Note 2)	1,169	2,558
Current Portion of Long-Term Liabilities (Note 10)	68,124	121,572
Unearned Revenues	80,846	81,350
<b>Total Current Liabilities</b>	<b>298,837</b>	381,199
<b>Noncurrent Liabilities</b>		
Long-Term Liabilities (Note 10)	913,964	949,885
Net Pension Liability (Note 17)	501,233	449,124
OPEB Liability (Note 18)	12,118	10,121
Asset Retirement Obligation (Note 11)	22,540	23,460
<b>Total Noncurrent Liabilities</b>	<b>1,449,855</b>	1,432,590
<b>Total Liabilities</b>	<b>\$ 1,748,692</b>	<b>\$ 1,813,789</b>
<b>DEFERRED INFLOWS OF RESOURCES</b> (Note 6)	<b>\$ 127,798</b>	<b>\$ 127,397</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 1,457,665	\$ 1,286,509
Restricted For:		
Nonexpendable Endowments	6,546	5,658
Expendable:		
Gifts, Grants and Contracts	50,575	47,213
Student Loans	5,671	6,064
Capital Projects	15,089	30,327
Debt Service	662	902
OPEB Asset	11,173	10,798
Unrestricted (Note 12)	(166,453)	(115,167)
<b>Total Net Position</b>	<b>\$ 1,380,928</b>	<b>\$ 1,272,304</b>

The accompanying notes are an integral part of these financial statements.

## Statements of Financial Position

As of June 30,	Component Units	
	2025	2024
	(In thousands)	
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 12,721	\$ 14,403
Investments	1,171,147	1,053,738
Contributions, Pledges and Grants Receivable, Net	88,801	113,417
Assets Held-For-Sale	5,840	5,333
Assets Held Under Split-Interest Agreements	59,403	54,123
Charitable Trusts Held Outside the Foundation	11,283	11,109
Prepaid Expenses and Other Assets	5,670	4,729
Property and Equipment, Net	19,822	24,350
<b>Total Assets</b>	<b>\$ 1,374,687</b>	<b>\$ 1,281,202</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 5,570	\$ 7,031
Endowment Assets Held for OSU	66,680	59,429
Accounts Payable to the University	17,934	37,008
Obligations to Beneficiaries of Split-Interest Agreements	24,787	22,752
Deposits and Unearned Revenue	622	107
Long-Term Liabilities	892	962
<b>Total Liabilities</b>	<b>116,485</b>	<b>127,289</b>
<b>NET ASSETS</b>		
Without Donor Restrictions	54,573	44,125
With Donor Restrictions	1,203,629	1,109,788
<b>Total Net Assets</b>	<b>1,258,202</b>	<b>1,153,913</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,374,687</b>	<b>\$ 1,281,202</b>

The accompanying notes are an integral part of these financial statements.

## Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30,	University	
	2025	2024
	(In thousands)	
<b>OPERATING REVENUES</b>		
Student Tuition and Fees (Net of Allowances of \$201,698 and \$171,688, respectively)	\$ 440,935	\$ 409,420
Federal Grants and Contracts	360,167	364,926
State and Local Grants and Contracts	24,804	17,192
Nongovernmental Grants and Contracts	26,232	29,013
Educational Department Sales and Services	59,205	62,868
Auxiliary Enterprises (Net of Allowances of \$4,782 and \$3,732, respectively)	211,983	234,101
Other Operating Revenues	11,409	14,779
<b>Total Operating Revenues</b>	<b>1,134,735</b>	1,132,299
<b>OPERATING EXPENSES</b>		
Instruction	392,236	379,211
Research	299,345	278,565
Public Service	204,347	223,501
Academic Support	99,713	91,564
Student Services	57,126	51,070
Auxiliary Programs	233,779	235,337
Institutional Support	163,564	155,197
Operation and Maintenance of Plant	52,336	47,535
Student Aid	47,133	45,921
Other Operating Expenses	93,805	83,953
<b>Total Operating Expenses (Note 15)</b>	<b>1,643,384</b>	1,591,854
<b>Operating Loss</b>	<b>(508,649)</b>	(459,555)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Government Appropriations (Note 16)	316,644	321,076
Financial Aid Grants	90,480	73,229
Gifts	72,504	61,913
Investment Activity (Note 14)	40,252	41,322
Gain (Loss) on Sale of Assets, Net	(1,295)	(63)
Interest Expense	(33,798)	(33,515)
Other Nonoperating Items	1,001	2,307
<b>Total Net Nonoperating Revenues</b>	<b>485,788</b>	466,269
<b>Gain (Loss) Before Other Revenues</b>	<b>(22,861)</b>	6,714
<b>OTHER REVENUES</b>		
Debt Service Appropriations (Note 16)	1,054	1,054
Capital Grants and Gifts	129,543	222,002
Changes to Permanent Endowments	888	(1,054)
<b>Total Net Other Revenues</b>	<b>131,485</b>	222,002
<b>Increase In Net Position</b>	<b>108,624</b>	228,716
<b>NET POSITION</b>		
Beginning Balance	1,272,304	1,043,588
<b>Ending Balance</b>	<b>\$ 1,380,928</b>	\$ 1,272,304

The accompanying notes are an integral part of these financial statements.

## Statements of Activities

For the Years Ended June 30,	Component Units	
	2025	2024
	(in thousands)	
<b>CHANGE IN NET ASSETS HELD WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUES</b>		
Grants, Bequests and Gifts	\$ 1,122	\$ 604
Interest and Dividends	1,130	546
Investment Income, Net	14,770	11,285
Net Assets Released From Restrictions and Other Transfers	116,716	148,929
Other Revenues	28,169	27,060
<b>Total Revenues</b>	<b>161,907</b>	188,424
<b>EXPENSES</b>		
University Support	110,676	141,524
Management and General	17,217	16,887
Development	23,566	23,652
<b>Total Expenses</b>	<b>151,459</b>	182,063
<b>Increase (Decrease) In Net Assets Held Without Donor Restrictions</b>	<b>10,448</b>	6,361
Beginning Balance, Net Assets Held Without Donor Restrictions	44,125	37,764
<b>Ending Balance, Net Assets Held Without Donor Restrictions</b>	<b>\$ 54,573</b>	\$ 44,125
<b>CHANGE IN NET ASSETS HELD WITH DONOR RESTRICTIONS</b>		
<b>REVENUES</b>		
Grants, Bequests and Gifts	\$ 111,326	\$ 147,355
Interest and Dividends	29	31
Investment Income, Net	91,191	69,068
Change in Value of Life Income Agreements	2,751	3,647
Other Revenues	5,260	5,132
Net Assets Released From Restrictions and Other Transfers	(116,716)	(148,929)
<b>Increase In Net Assets Held With Donor Restrictions</b>	<b>93,841</b>	76,304
Beginning Balance, Net Assets Held With Donor Restrictions	1,109,788	1,033,484
<b>Ending Balance, Net Assets Held With Donor Restrictions</b>	<b>\$ 1,203,629</b>	\$ 1,109,788
Beginning Balance	1,153,913	1,071,248
<b>Increase (Decrease) In Total Net Assets</b>	<b>104,289</b>	82,665
<b>Ending Balance</b>	<b>\$ 1,258,202</b>	\$ 1,153,913

The accompanying notes are an integral part of these financial statements.

## Statements of Cash Flows

For the Years Ended June 30,	University	
	2025	2024
	(In thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and Fees	\$ 440,566	\$ 408,748
Grants and Contracts	420,212	395,839
Educational Department Sales and Services	57,055	63,277
Auxiliary Enterprise Operations	208,893	233,600
Payments to Employees for Compensation and Benefits	(1,033,410)	(966,669)
Payments to Suppliers	(453,755)	(460,234)
Student Financial Aid	(60,186)	(55,752)
Other Operating Receipts	12,055	14,736
Fiduciary Activities - Direct Student Loan Receipts	160,403	152,153
Fiduciary Activities - Direct Student Loan Disbursements	(160,398)	(151,623)
<b>Net Cash Used by Operating Activities</b>	<b>(408,565)</b>	<b>(365,925)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Government Appropriations	316,644	321,076
Financial Aid Grants	90,480	73,229
Other Gifts and Private Contracts	77,517	54,486
Proceeds from Noncapital Debt	-	60,000
Interest Payments on Noncapital Debt	(655)	(665)
Principal Payments on Noncapital Debt	(60,000)	(40,000)
Net Agency Fund Payments	782	(90)
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>424,768</b>	<b>468,036</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Debt Service Appropriations	1,054	1,054
Capital Grants and Gifts	116,030	195,738
Proceeds from Capital Debt	-	60,000
Sales of Capital Assets	741	1,996
Purchases of Capital Assets	(264,531)	(350,001)
Interest Payments on Capital Debt	(35,640)	(35,496)
Principal Payments on Capital Debt	(31,187)	(32,001)
Other Receipts (Payments)	4,149	(851)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(209,384)</b>	<b>(159,561)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Sale of Investments	202,027	87,505
Interest Receipts on Investments and Cash Balances	16,543	20,555
<b>Net Cash Provided by Investing Activities</b>	<b>218,570</b>	<b>108,060</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>25,389</b>	<b>50,610</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning Balance	158,188	107,578
<b>Ending Balance</b>	<b>\$ 183,577</b>	<b>\$ 158,188</b>

The accompanying notes are an integral part of these financial statements.

## Statements of Cash Flows - Continued

For the Years Ended June 30,	University	
	2025	2024
	(In thousands)	
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (508,649)	\$ (459,555)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	107,874	94,963
Fiduciary Student Loans	5	530
Changes in Assets and Liabilities:		
Accounts Receivable	7,546	(20,843)
Notes Receivable	700	19
Inventories	(98)	10
Prepaid Expenses	1,147	1,174
Accounts Payable and Accrued Liabilities	(26,577)	(905)
Unearned Revenues	(504)	2,816
Long-Term Liabilities	(5,053)	(107)
Net Pension Liability	52,109	80,082
OPEB Asset/Liability	1,622	(1,167)
Asset Retirement Obligation	(920)	280
Changes to Deferred Outflows		
Net Pension Liability	(35,830)	9,118
OPEB Asset/Liability	(1,680)	1,128
Asset Retirement Obligation	1,504	337
Changes to Deferred Inflows		
Net Pension Liability	3,163	(73,094)
OPEB Asset/Liability	(1,228)	(2,620)
Leases	(3,696)	1,909
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>\$ (408,565)</b>	<b>\$ (365,925)</b>
<b>NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS</b>		
Capital Assets Acquired by Gifts-in-Kind	\$ 28,258	\$ 369
Capital Assets Acquired by Accounts Payable	13,164	14,830
Capital Assets Acquired by Installment Purchase	-	10,656
Capital Assets Acquired by Incurring Lease Obligations	2,903	2,664
Capital Assets Acquired by Incurring SBITA Obligations	6,933	2,321
Increase in Fair Value of Investments Recognized as a Component of Investment Activity	12,108	14,474
Gain (Loss) on Sale of Investments Recognized as a Component of Investment Activity	11,601	6,293

The accompanying notes are an integral part of these financial statements.

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

## 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

Oregon State University (OSU, university) is a comprehensive public university governed by the Oregon State University Board of Trustees (board), a citizen board appointed by the Governor with confirmation by the state senate. OSU serves as the state of Oregon's land, sea, space, and sun grant university.

The OSU financial reporting entity is comprised of OSU and two related foundations. OSU includes the main campus in Corvallis and a branch campus in Bend and receives separate appropriations for statewide activities including Agricultural Experiment Stations, Cooperative Extension Service, and Forestry Research Laboratories. Because the Governor of the State of Oregon (state) appoints the OSU Board of Trustees, and because OSU receives some financial support from the state, OSU is a discretely presented component unit of the state and is included in its annual comprehensive financial report (ACFR).

Similarly, the university's two related foundations are discretely presented as component units on OSU's basic financial statements under the guidelines established by Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Discretely presented means that the statements are included separately in the financial report. The Oregon State University Foundation (OSUF) was incorporated in 1947 to pursue and administer gifts and bequests in support of the university. The OSUF is responsible for all fundraising of the university and for the management of the majority of the university's endowments. The Agricultural Research Foundation (ARF) was incorporated in 1934 to encourage and facilitate research in all branches of agriculture and related fields for the benefit of Oregon's agricultural industries. The ARF is the custodian of privately and publicly donated research funds that support projects conducted by OSU scientists on campus, across the state, and by affiliated entities. Both foundations are nonprofit entities under Section 501(c)(3) of the Internal Revenue Code. The majority of resources that each foundation holds and invests are restricted to the activities of the university in accordance with donor intent, and can only be used by, or for the benefit of, OSU. These resources are significant to the operations of OSU, and the university routinely accesses them through various inter-company processes. See Note 22 University Foundations for additional information regarding the related foundations reported as Component Units.

### B. Financial Statement Presentation

The OSU financial accounting records are maintained in accordance with U.S. generally accepted accounting principles (GAAP) as prescribed in applicable pronouncements of the Governmental Accounting Standards Board (GASB). The

financial statement presentation required by GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34*, modified by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, provides a comprehensive, entity-wide perspective of OSU assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows.

In preparing the financial statements, interfund transfers between university funds, and internal revenues and expenses associated with self-supporting auxiliary and service center operations have been eliminated.

Financial statements of the OSU foundations for the fiscal years ended June 30, 2024 and 2023 are discretely presented as discussed above. The foundations' financial statements are prepared in accordance with the pronouncements of the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue and presentation criteria. Accordingly, those financial statements have been consolidated and reported on separate pages following their respective financial statement counterparts of the university. No modifications have been made to the foundations' financial information included in the university's financial report.

### C. Basis of Accounting

For financial reporting purposes, OSU is considered a special-purpose government engaged only in business-type activities. Accordingly, the OSU financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when incurred.

#### NEWLY IMPLEMENTED ACCOUNTING STANDARDS

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The university implemented this statement effective for the fiscal year ended June 30, 2025, however, there was no immediate impact to the university's financial statements as a result of the implementation.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The university implemented this statement effective for the fiscal year ended June 30, 2025, however there was no immediate impact to the university's financial statements as a result of the implementation.

**UPCOMING ACCOUNTING STANDARDS**

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement touches on the requirements of (1) management's discussion and analysis, (2) unusual and infrequent items, (3) presentation of the proprietary fund statements of revenues, expenses, and changes in net position, (4) major component unit information, and (5) budgetary comparison information. This statement is currently being reviewed for applicability and impact to the university's financial statements. This statement will be effective for the fiscal year ended June 30, 2026.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, intangible assets other than those three types should be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. This statement is currently being reviewed for impact to the university's financial statement disclosures. This statement will be effective for the fiscal year ended June 30, 2026.

**D. Cash and Cash Equivalents**

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. The majority of the university's cash and cash equivalents are invested in the Oregon Short-Term Fund (OSTF), which is managed by the Oregon State Treasury, and provides daily liquidity. Cash and cash equivalents classified as current assets consist of: cash on hand, cash for current operations, cash

held for the payment of the current portion of debt service, and cash held as a custodial agent for student groups. Cash and cash equivalents classified as non-current assets consist of student building fee cash held for future debt service and cash for capital construction projects. See Note 2 Cash and Investments, Section A Cash and Cash Equivalents for disclosure of restricted portions of cash and cash equivalents.

**E. Investments**

Investments are reported at fair value as determined by market prices. Unrealized and realized gains or losses on investments are reported as investment activity in the Statements of Revenues, Expenses, and Changes in Net Position. See Note 14 Investment Activity for additional information. All investments are classified as noncurrent assets in the Statements of Net Position.

**F. Receivables**

Accounts receivable consists primarily of amounts due for tuition and fee charges to students, grants and contracts, and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable for tuition and fee charges are recorded net of estimated uncollectible amounts in accordance with generally accepted accounting principles. Grants and contracts receivable include amounts due from federal, state, and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the university's grants and contracts. Capital construction receivables include amounts due from the state in connection with reimbursement of allowable expenditures made pursuant to the grant agreements between the university and the state for facilities projects funded by the state.

Notes receivable consist primarily of student loans receivable due from the federal Perkins Loan Program and from other loans administered by the university. Construction loans receivable are reimbursements receivable from the state in connection with allowable expenditures made pursuant to contracts between the university and the state for various facility projects initially funded by the university. Construction reimbursements can be current or long-term depending on the estimated timing of completion of associated construction projects. The university does not currently hold any notes receivable from the state related to construction reimbursements.

**G. Inventories**

Inventories are recorded at cost, with cost being generally determined on a first-in, first-out or average basis. Inventories consist primarily of supplies in storerooms and physical plant stores.

**H. Capital Assets**

Capital assets are recorded at cost on the date acquired or at acquisition value on the date donated. OSU capitalizes equipment with unit costs of \$5 or more and an esti-

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

mated useful life greater than one year. OSU capitalizes real property expenditures that increase the functionality and/or extend the useful life of the real property if total expenditures exceed the capitalization thresholds of \$50 to \$100, depending on the type of real property. Intangible assets valued in excess of \$100 are capitalized. Expenditures below the capitalization threshold and repairs and maintenance are charged to operating expense in the year in which the expense is incurred. In addition, certain research costs for construction of assets funded by and on behalf of federal agencies are expensed as incurred. (In fiscal years 2025 and 2024, this included the National Science Foundation's Regional Class Research Vessel Program.) In these cases, the federal agencies control the assets and retain title.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. This is generally 50 years for buildings; 25 years for major renovations/additions to buildings; 10 to 20 years for infrastructure and land improvements; 5 to 11 years for non-expendable assets; and the useful life of the asset or term of the lease, whichever is less, for leasehold improvements. Amortization terms for intangible assets vary depending on the factors relating to the specific asset. Depreciation is not applied to land, museum collections, works of art, historical treasures, or library special collections.

### I. Leases

The university determines if an arrangement is a lease at inception. Lessee arrangements include Right-of-Use (ROU) lease assets in capital assets and lease liabilities in current and noncurrent long-term liabilities in the statements of net position.

ROU lease assets represent the university's control of the right to use an underlying asset for the noncancelable lease term, as specified in the contract, in an exchange or exchange-like transaction. ROU lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. ROU lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the university's obligation to make lease payments arising from the lessee arrangement. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the university will exercise that option.

Per OSU policy, the university has elected to recognize payments for short-term leases with a lease term of 12 months or less and leases with a present value of less than \$50 as

expenses as incurred, and these leases are not included as lease liabilities or right-of-use lease assets on the statements of net position.

Lessor arrangements are included in lease receivables and deferred inflows of resources in the statements of net position. Lease receivables represent the university's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

OSU recognizes payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. Per university policy, OSU also recognizes payments received on leases with an initial calculated net present value of less than \$100 as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position.

### J. SBITAs

Subscription based information technology arrangements (SBITAs) represent the university's right to use and control another party's information technology (IT) software, alone or in combination with underlying tangible IT assets, for the noncancelable term, as specified in the contract, in an exchange or exchange-like transaction. The university determines if an arrangement is a SBITA at inception. SBITA arrangements include Right-of-Use (ROU) assets in capital assets and SBITA liabilities in current and noncurrent long-term liabilities in the statements of net position.

ROU SBITA assets are recognized at the commencement date based on the initial measurement of the SBITA liability, plus any payments made to the vendor at or before the commencement of the contract term and initial implementation costs. ROU SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset.

SBITA liabilities represent the university's obligation to make subscription payments arising from the arrangement. SBITA liabilities are recognized at the commencement date based on the present value of expected subscription payments over the SBITA term, less any contract incentives. Interest expense is recognized ratably over the subscription term.

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

The arrangement term may include options to extend or terminate when it is reasonably certain that the university will exercise that option.

Per OSU policy, the university has elected to recognize payments for short-term SBITAs having a term of 12 months or less, or a present value of less than \$100,000 as expenses as incurred. SBITA contracts that fall into these categories are not included as assets or liabilities in the Statements of Net Position.

### K. Unearned Revenues

Unearned revenues include amounts received for tuition and fees, grants and contracts, lease income and auxiliary enterprise activities in which cash has been received, but revenues will be earned in a subsequent fiscal year.

### L. Compensated Absences

The liability for compensated absences reported in the Statements of Net Position consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

### M. Net Pension Liability

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, are actuarially determined at the system-wide Retirement Plan level and are allocated to employers based on their proportionate share. The university's proportionate share is actuarially determined and allocated to the university by Oregon PERS. See Note 17 Employee Retirement Plans for a detailed description of the liability and the proportionate share methodology.

### N. Net OPEB (Asset)/Liability

The university's net PERS RHIA OPEB asset, net PERS RHIPA OPEB (asset)/liability and the total PEBB OPEB liability along with the associated deferred outflows of resources, deferred inflows of resources and expenses are allocated to the university by the Oregon Department of Administrative Services based on their proportionate share. See Note 18 Other Post-Employment Benefits (OPEB) for a detailed description of each plan and the proportionate share methodology for each.

### O. Asset Retirement Obligations

An Asset Retirement Obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset. The retirement of a tangible capital asset encompasses its sale, abandonment, recycling, or disposal in some other manner; however, it does not encompass the temporary idling of a tangible capital asset. OSU has legal obligations to perform future asset retirement activities related to one tangible capital asset and therefore recognizes

a liability and corresponding deferred outflow of resources. The deferred outflow of resources will be amortized and expensed over the remaining life of the asset. See Note 11 Asset Retirement Obligations for additional information.

### P. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent the consumption of net position in one period that is applicable to future periods, and have a positive effect on net position that is similar to assets, but are not considered assets. Deferred inflows of resources represent the acquisition of net position that is applicable to future periods, and have a negative effect on net position that is similar to liabilities, but are not considered liabilities. Deferred outflows and inflows are related to defined benefit pension plans, defined benefit OPEB plans, and asset retirement obligations. See Note 6 Deferred Outflows and Inflows of Resources, Note 11 Asset Retirement Obligations, Note 17 Employee Retirement Plans, and Note 18 Other Post-employment Benefits (OPEB).

### Q. Net Position

OSU's net position is classified as follows:

#### NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets represents the total investment in capital assets, net of accumulated depreciation and amortization, less outstanding debt obligations related to those capital assets plus unspent bond proceeds.

#### RESTRICTED - NONEXPENDABLE ENDOWMENTS

Restricted-Nonexpendable Endowments consists of endowment funds in which donors have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income. The income may either be expended or, depending on the terms of the gift instrument, added to principal.

#### RESTRICTED - EXPENDABLE

Restricted-Expendable includes resources which OSU is legally or contractually obligated to spend in accordance with restrictions stipulated by external parties.

#### UNRESTRICTED

Unrestricted net position represents resources that may be used at the discretion of the board.

### R. Restricted/Unrestricted Resources

The university has no formal policy addressing which resources to use when both restricted and unrestricted net position are available for the same purpose. University personnel decide which resources to use at the time expenses are incurred. Factors used to determine which resources to use include relative priorities of the university in accordance with the university's strategic initiatives and externally imposed matching requirements of certain restricted funds. Major capital purchases are often times split-funded from multiple restricted and unrestricted funding sources.

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

**S. Endowments**

The university manages timber and forestry land endowments, while all other endowments are managed by the OSU Foundation. The university endowment assets managed by the OSU Foundation are invested with the objectives of long-term capital appreciation and stable but growing income. The university board policy is to distribute 4 percent of the preceding 12-quarter moving average of the endowment market value for spending purposes.

Net appreciation of endowments is included in restricted expendable gifts, grants, and contracts on the Statements of Net Position.

Non-expendable endowments on the Statements of Net Position at June 30, 2025, represent the original corpus of true endowment funds of \$2,384 and the full non-expendable fair value of the real estate endowments of \$4,162. Non-expendable endowments on the Statements of Net Position at June 30, 2024, represent the original corpus of true endowment funds of \$2,384 and the full non-expendable fair value of the real estate endowments of \$3,274.

The university's endowments are identified and invested as follows:

	June 30, 2025	June 30, 2024
<b>True Endowments</b>		
Corpus	\$ 2,384	\$ 2,384
Market Valuation	3,378	3,046
Real Estate	4,162	3,274
<b>Total</b>	<b>9,924</b>	<b>8,704</b>
<b>Quasi-Endowments</b>		
Corpus	80,845	80,845
Market Valuation	60,742	48,631
Real Estate	4,078	3,229
<b>Total</b>	<b>145,665</b>	<b>132,705</b>
<b>Total Fair Value of Endowments</b>	<b>\$ 155,589</b>	<b>\$ 141,409</b>
<b>Invested Endowments:</b>		
Timber and Forestry Land Held by OSU	\$ 8,240	\$ 6,503
Invested by OSU Foundation	66,680	59,429
Invested by OSU Prior to Transfer to OSUF	-	4,900
Separately Invested Equity Investments	77,253	67,690
Invested in the Public University Fund (PUF)	163	216
<b>Total Invested Endowments</b>	<b>152,336</b>	<b>138,738</b>
Endowment Cash in PUF	678	96
Long-Term Receivable from Casey Family Trust	2,575	2,575
<b>Total Fair Value of Endowments</b>	<b>\$ 155,589</b>	<b>\$ 141,409</b>

**T. Income Taxes**

OSU is treated as a governmental entity for tax purposes. As such, OSU is generally not subject to federal and state income taxes. However, OSU remains subject to income taxes on any income that is derived from a trade or business regularly carried on and not in furtherance of the purpose for which OSU was granted exemption from income taxes. No income tax is recorded because there are no income

taxes due on unrelated business income during fiscal year 2025 and 2024.

**U. Revenues and Expenses**

OSU has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating revenues and expenses generally have the characteristics of exchange transactions. These transactions can be defined as an exchange in which two or more entities both receive and sacrifice value, such as purchases and sales of goods or services. Examples of operating revenues include student tuition and fees, sales and services of auxiliary enterprises, most federal, state and local grants and contracts, and other operating revenues. Examples of operating expenses include employee compensation and benefits, scholarships and fellowships, utilities, supplies and other services, professional fees, and depreciation.

Nonoperating revenues and expenses generally have the characteristics of nonexchange transactions. In a nonexchange transaction, OSU receives value without directly giving equal value in exchange. Examples of nonoperating revenues include government appropriations, nonexchange grants, gifts, and contributions. Nonoperating expenses are defined in GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Examples of nonoperating expenses include interest on capital debt and bond expenses.

**V. State Support**

OSU receives support from the state in the form of General Fund and Lottery appropriations, and debt service appropriations for some Oregon Department of Energy loans. See Note 16 Government Appropriations for details on appropriations.

In addition to appropriations, the state provides funding for plant facilities on the university's campuses. Capital projects for new facilities and capital improvements and repairs are funded by gifts, state-paid debt, and university-paid debt and resources. The state legislature considers projects from all seven public universities for allocation of Oregon's bonding capacity. Funds for capital projects funded by state-paid debt are provided through grant agreements between OSU and the state. Revenue is recorded as Capital Grants in the Statements of Revenues, Expenses and Changes in Net Position when expenditures are reimbursable per the grant agreements. Funds for capital projects funded by university-paid debt can also be funded through Oregon's bonding capacity. At the time that the bonds are sold, the state instructs OSU to record a liability to the state for the debt, and a receivable for construction reimbursements. The receivable is reduced as expenditures on the capital project are completed and reimbursed by the state.

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

Facilities funded by gifts, state-paid debt and university-paid debt are reflected as completed assets or construction in progress in the accompanying Statements of Net Position. University-paid debt relating to bonds issued by the state are primary obligations of the state. OSU is contractually committed to pay the state to fund the retirement of debt obligations issued on its behalf. These contracts are included as current and long-term liabilities in the Statements of Net Position.

**W. Allowances**

Student tuition and fees and campus housing revenues included in auxiliary enterprise revenues are reported net of scholarship allowances. A scholarship allowance is the difference between the university's stated rates and charges and the amounts actually paid by students and/or third parties making payments on behalf of the students. Under this approach, scholarships awarded by the university are considered as reductions in tuition and fee revenues rather than as expenses. Additionally, certain governmental grants, such as Pell grants, and payments from other federal, state or nongovernmental programs, are required to be recorded as either operating or nonoperating revenues in the university's financial statements. To the extent that revenues from such programs are applied to tuition, fees, and other student charges, the university has reported a corresponding scholarship allowance.

OSU has three types of allowances that are netted against gross tuition and fees and housing revenues. Tuition and housing waivers, provided directly by OSU, amounted to \$124,000 and \$107,712 for the fiscal years ended 2025 and 2024, respectively. Revenues from financial aid programs (e.g., Pell Grants, Supplemental Educational Opportunity Grants, and Oregon Opportunity Grants) used for paying student tuition and fees and campus housing was estimated to be \$80,921 and \$66,724 for the fiscal years ended 2025 and 2024, respectively. Bad debt expense related to student accounts is also reported as an allowance against operating revenues and was estimated to be \$1,559 and \$982 for the fiscal years ended 2025 and 2024, respectively.

**X. Federal Student Loan Programs**

OSU receives proceeds from the Federal Direct Student Loan Program (FDSLPL). GASB Statement No. 84 allows business-type activities, such as OSU, to report activities that would otherwise be considered custodial funds in OSU's Statements of Net Position and Statement of Cash Flows as an operating activity if upon receipt, the funds are normally expected to be held for three months or less. Funds associated with the FDSLPL meet this exception and are reported as such. OSU disbursed federal student loans in the amount of \$160,398 and \$151,622 for the fiscal years ended 2025 and 2024, respectively.

**Y. Deposit Liabilities**

Deposit liabilities primarily consist of fund balances held by OSU on behalf of non-university organizations that account for activities in the OSU accounting system and whose cash is part of the cash held on deposit with the Oregon State Treasury.

**Z. Perkins Loan Program Termination**

OSU administered Title IV Perkins Loans for the benefit of its students. Funds for the Perkins program were initially received through Federal Capital Contributions (FCC) from the U.S. Department of Education (ED) and were supplemented with Institutional Capital Contributions (ICC). Over the years, the proportion of federal to institutional matching funds varied, from a 90/10 split to a 75/25 split. Academic year 2017-18 was the last year in which new Perkins loans were allowed to be disbursed as the U.S. Congress did not renew the program. The ED gave institutions the option of assigning existing Perkins loans back to the federal government or continuing to collect on them while returning FCC as loans are repaid. OSU had elected to continue to collect on Perkins loans and return the FCC as it was collected. As of June 30, 2025, OSU has repaid the FCC due to the ED in full and no balances remain in notes receivable, long-term liabilities or restricted net position.

**AA. Related-Party Transactions**

OSU has an ongoing related-party transaction with former head baseball coach Pat Casey and the Pat Casey Family Trust (PCFT). The parties executed a split-dollar arrangement whereby Coach Casey agreed to reduce his salary by \$215 annually and the university loaned PCFT \$215 annually for fiscal years 2018 through 2022 at the IRS applicable federal rate (AFR) in effect on the day each \$215 loan advance was disbursed. The PCFT used the loan funds to purchase a life insurance policy on Pat Casey's wife. The original term of the loan from the university to PCFT is 23 years, or upon the death of Mrs. Casey, whichever comes first. When the life insurance policy terminates, OSU will be reimbursed by the PCFT for the full principal amount of the loan plus accrued interest. The loan from OSU to PCFT is reported in non-current notes receivable.

OSU has an ongoing related-party transaction with former football head coach Jonathan Smith. During his tenure as head football coach at OSU, Smith's salary was reduced annually pursuant to a split-dollar arrangement to fund policy premiums on a life insurance policy in the amount of \$500 annually for fiscal years 2021 through 2023 resulting in a total funding amount extended of \$1,500. Each installment payment is underwritten by a promissory note loan from the university to Coach Smith and was loaned at the IRS applicable federal rate (AFR) in effect on the day the payment was made, with interest compounded annually. Repayment of the total premium loan amount is due either upon the death of Coach Smith or mutual agreement of both parties to terminate the loan agreement. Interest on the loans may

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

be pre-paid or paid at the time of termination of the agreement. The loan from OSU to former Coach Smith is reported in non-current notes receivable.

**AB. Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

**2. CASH AND INVESTMENTS**

At June 30, 2025 and 2024, the majority of the cash and investments of OSU were held in custody with the Oregon State Treasury (OST). The OST manages these invested assets through commingled investment pools. Six Oregon public universities, including OSU, and the Public Universities Risk Management and Insurance Trust, commingle their operating cash and investments together in the Public University Fund (PUF). The investments held in the PUF are managed by the OST and administered by the statutorily defined designated university. OSU is currently serving as the designated university for the PUF pool. Each underlying investment pool has an investment policy and set of objectives identifying risk and return parameters for the respective investment pool. The OST invests these deposits in high grade, dollar-denominated, short and intermediate-term fixed income securities. The Oregon Investment Council (OIC) provides oversight and counsel on the investment policies, activities, and performance for each investment pool held in the PUF. Revenue bond proceeds are invested separately from operating funds, and are held in diversified, high quality and liquid fixed income securities.

Total cash and investments for the university includes both restricted and unrestricted amounts and are summarized as follows:

	<b>June 30, 2025</b>	June 30, 2024
Unrestricted	<b>\$ 102,812</b>	\$ 187,416
Bond Proceeds		
Reserved for Capital	<b>104,892</b>	159,498
Restricted For:		
Endowments	<b>153,014</b>	143,734
Capital	<b>3,832</b>	26,926
Student Aid	<b>5,402</b>	5,736
Debt Service	<b>5,551</b>	12,319
Payroll Withholdings	<b>36,640</b>	35,144
Student Groups and Campus Organizations	<b>915</b>	841
Perkins Title IV Cash	<b>21</b>	213
Petty Cash	<b>68</b>	68
Supplemental Retirement Plan Investment	<b>1,225</b>	641
Unrealized Gain on Investments	<b>3,437</b>	(2,686)
<b>Total Cash and Investments</b>	<b>\$ 417,809</b>	<b>\$ 569,850</b>

In general, deposits and investment securities as described below have exposure to various risks such as credit, concentration of credit, custodial credit, interest rate, and foreign currency. It is likely that the value of the investment securities will fluctuate during short periods of time, and it is possible that such changes could materially affect the amounts reported in the financial statements.

For full disclosure regarding cash and investments managed by the OST, a copy of the OST audited annual financial report may be obtained by writing to the Oregon State Treasury, 350 Winter St. NE, Suite 100, Salem, OR 97301-3896 or by linking to [www.oregon.gov/treasury/news-data/pages/treasury-news-reports.aspx#annualrep](http://www.oregon.gov/treasury/news-data/pages/treasury-news-reports.aspx#annualrep)

**A. Cash and Cash Equivalents****DEPOSITS WITH OREGON STATE TREASURY**

OSU maintains the majority of its current cash balances on deposit with the OST. These deposits are held on a pooled basis in the Oregon Short-Term Fund (OSTF). The OSTF is a short-term cash and investment pool available for use by all state agencies or by agreement for related agencies, such as OSU. The OST invests these deposits in high-grade short-term investment securities. While the university is not required by statute to collateralize deposits, it does have a contractual obligation with the OST to collateralize deposits within 24 hours of receipt. At fiscal years ended June 30, 2025 and 2024, OSU cash and cash equivalents on deposit at OST were \$144,108 and \$67,506, respectively. Cash and cash equivalents on deposit at fiscal years ended June 30, 2025 and 2024 included \$67,288 and \$18, respectively, in unspent taxable revenue bond proceeds held in a separate OST account in the OSTF.

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

**OTHER DEPOSITS**

For the years ended June 30, 2025 and 2024, OSU had cash at U.S. Bank held for Title IV Perkins Loans of \$21 and \$212, respectively. OSU held cash at JPMorgan Chase bank for operations of \$39,089 and \$90,400, respectively, for the year ended June 30, 2025 and 2024. For the year ended June 30, 2025, OSU had \$271 held by US Bank as trustee in the form of excess refunded bond escrow funds which will be used in the following year to offset bond interest payments. Additionally, for the years ended June 30, 2025 and 2024, OSU had vault and petty cash balances of \$68.

**CUSTODIAL CREDIT RISK—DEPOSITS**

Custodial credit risk is the risk that, in the event of a financial institution failure, cash deposits will not be returned to a depositor. The university and state do not have formal policies regarding custodial credit risk for deposits. However, banking regulations and Oregon Revised Statute (ORS) Chapter 295 establish the insurance and collateral requirements for deposits in the OSTF. OSU cash balances held on deposit at the OST are invested continuously, therefore custodial credit risk exposure to the OST is low. Additionally, cash balances on deposit with US Bank and JPMorgan Chase bank are collateralized, therefore invested continuously, resulting in low credit risk.

**FOREIGN CURRENCY RISK—DEPOSITS**

Deposits in foreign currency run the risk of changing value due to fluctuations in foreign exchange rates. Per PUF policy, all deposits are in U.S. currency and therefore not exposed to foreign currency risk.

To facilitate study-abroad programs, there are some cash balances held in the local currency of other countries to pay local expenses. The aggregate foreign denominated account balances converted into U.S. dollars equaled \$1,010 and \$1,545 at June 30, 2025 and 2024, respectively. Amounts deposited in foreign bank accounts are reported as prepaid expense on the financial statements.

**B. Investments**

OSU's operating funds are invested in the PUF and separately managed fixed income portfolios. University investments in the PUF are invested in the Core Bond Fund (CBF) managed by the OST. The CBF invests primarily in intermediate-term fixed income securities and is managed with an investment objective to maximize total return (i.e., principal and income) over an intermediate time horizon within stipulated risk parameters. The CBF is actively managed to maintain an average duration of four to five years, through a diversified portfolio of quality, investment grade fixed income securities as defined in the investment policy. OSU Foundation manages the university's permanent endowment assets. These endowment assets are invested in the OSU Foundation's pooled endowment fund (fund) and directed by external investment managers. The fund is expected to operate in perpetuity and the investments are invested with

a long-term horizon while maintaining a prudent level of risk. Additionally, the university manages timber and forestry land endowments, board-directed strategic investments and a land grant endowment invested in the PUF. There are board-designated funds invested in equities as a long-term investment strategy which aligns acceptable risk tolerance associated with investment duration as defined in the investment policy.

All investments are managed as a prudent investor would do, exercising reasonable care, skill and caution.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities could occur in the near term and such changes could materially affect the amounts reported in the Statements of Net Position.

Significant events in domestic and international investment markets, or aggressive action by the Federal Open Market Committee to influence both short and long-term interest rates, contribute to price volatility. Consequently, the fair value of OSU's operating and endowment investments is exposed to price volatility which could result in a substantial change in the fair value of certain investments from the amounts reported as of June 30, 2025 and 2024.

Investments are all classified as noncurrent and include both restricted and unrestricted funds. Earnings on investments from restricted fund sources are spent in accordance with the restrictions of the funding source.

OSU's investments by source are classified and invested as follows:

	June 30, 2025	June 30, 2024
<b>Operating Funds</b>		
PUF Core Bond Fund	\$ 79,994	\$ 151,338
Other Investment Funds	678	120,945
<b>Total Operating Funds</b>	<b>80,672</b>	272,283
<b>Endowment Funds</b>		
Invested by OSU Foundation	66,680	59,429
Invested by OSU Prior to Transfer to OSUF	-	4,900
Timber and Forestry Land	8,240	6,503
Board Directed Endowment	77,253	67,690
PUF Core Bond Fund	163	216
<b>Total Endowment Funds</b>	<b>152,336</b>	138,738
Separately Held Investments	1,224	641
<b>Total Investments</b>	<b>\$ 234,232</b>	<b>\$ 411,662</b>

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

Investments in the PUF CBF pool, the OSU Foundation pooled investments and OSU's other separate investments are invested as follows:

	June 30, 2025	June 30, 2024
PUF Core Bond Fund		
Fixed Income	100.0%	100.0%
Other Investment Funds		
Fixed Income	100.0%	100.0%
Board Directed Endowment		
Equities	100.0%	100.0%
Invested by OSU Foundation		
Equities	47.9%	47.6%
Alternative	42.0%	41.1%
Fixed Income	10.1%	11.3%
	<u>100.0%</u>	<u>100.0%</u>
Timber and Forestry Land		
Alternative	100.0%	100.0%
Separately Held Investments		
Fixed Income	100.0%	100.0%

Investments of the OSU discretely presented component units are summarized at fair value as follows:

	June 30, 2025	June 30, 2024
Investment Type:		
Global Equities	\$ 491,907	\$ 420,386
Global Fixed Income	166,603	171,090
Private Equity Partnerships	276,824	245,961
Absolute Returns	101,566	75,366
Real Assets	61,921	58,320
Corporate Stocks and Bonds	26,234	22,754
Real Estate Held for Investments	16,836	9,010
Government Securities and		
Municipal Bonds	6,498	5,490
Mutual Funds	143	2,199
Investment Receivables	1,055	755
Cash Equivalents	21,560	42,407
<b>Total Investments</b>	<u>\$ 1,171,147</u>	<u>\$ 1,053,738</u>

**CREDIT RISK**

Credit risk is the risk that the issuer of an investment fails to fulfill its obligations. OSU has separate investment policies for its operating and endowment assets. As of June 30, 2025, approximately 99.0 percent of the PUF CBF pool was subject to credit risk reporting. Fixed income securities in the PUF CBF rated by the credit agencies as lower medium to high quality, indicating the issuer has a strong capacity to pay principal and interest when due, totaled \$230,723. Fixed income securities which have not been evaluated by the rating agencies totaled \$16,857. The PUF CBF totaled \$250,147, of which OSU owned \$80,157, or 32.0 percent. Of the OSU endowments managed by the OSU Foundation and allocated to fixed income, all investments were held in mutual funds which have not been evaluated by the rating agencies. Additionally, OSU has \$77,253 of separately

managed Board designated endowments invested in environmentally and socially responsible equity funds, none of which is exposed to credit risk. The university's separately managed fixed income securities were rated as follows:

Investment Type	AAA	Not Rated	Total
Cash & Equivalents	\$ -	\$ 4	\$ 4
Asset-Backed Securities	674	-	674
<b>Total</b>	<u>\$ 674</u>	<u>\$ 4</u>	<u>\$ 678</u>

As of June 30, 2024, approximately 99.4 percent of the PUF CBF pool was subject to credit risk reporting. Fixed income securities in the PUF CBF rated by the credit agencies as lower medium to high quality, indicating the issuer has a strong capacity to pay principal and interest when due, totaled \$354,116. Fixed income securities which have not been evaluated by the rating agencies totaled \$25,277. The PUF CBF totaled \$381,559, of which OSU owned \$151,554, or 39.7 percent. Of the OSU endowments managed by the OSU Foundation and allocated to fixed income, all investments were held in mutual funds which have not been evaluated by the rating agencies. Additionally, OSU has \$67,690 of separately managed Board designated endowments invested in environmentally and socially responsible equity funds, none of which is exposed to credit risk. The university's separately managed fixed income securities were rated as follows:

Investment Type	AAA	AA	A	BBB	Not Rated	Total
Cash & Equivalents	\$ 647	\$ -	\$ -	\$ -	\$ -	\$ 647
Corporate Bonds	-	8,214	17,421	18,334	249	44,218
Government Related	-	2,460	-	-	-	2,460
Municipal Bonds	4,235	13,984	888	-	6,122	25,229
Asset-Backed Securities	15,446	14,840	2,469	-	4,047	36,802
Treasury Notes & Bonds	-	11,589	-	-	-	11,589
<b>Total</b>	<u>\$ 20,328</u>	<u>\$ 51,087</u>	<u>\$ 20,778</u>	<u>\$ 18,334</u>	<u>\$ 10,418</u>	<u>\$ 120,945</u>

**CUSTODIAL CREDIT RISK—INVESTMENTS**

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the university will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The OIC has no formal policy regarding the holding of securities by a custodian or counterparty. At June 30, 2025 and 2024, none of the investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the University's name.

**CONCENTRATION OF CREDIT RISK**

Concentration of credit risk refers to potential losses if total investments are concentrated with one or few issuers. To mitigate the concentration of credit risk in the PUF, no more than five percent of the bond portfolio par value will be invested in securities of a single issuer, and no more than three percent will be invested in any individual issue, except for U.S. Government and Agency issues. Per policy, both the PUF and the separately managed fixed income portfolios held no securities from a single issuer that exceeded five percent of the bond portfolios. The investment policy

Notes to the Financial Statements  
For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

restricts, as of the date of purchase, investment in equities to no more than 15 percent of total operating assets, excluding unspent bond proceeds. The separately managed equity funds held were below 15 percent of the total investment portfolio at the time of the investment for the year ended June 30, 2025 and 2024.

#### FOREIGN CURRENCY RISK—INVESTMENTS

Foreign currency risk is the risk that investments may lose value due to fluctuations in foreign exchange rates. Per PUF investment policy, all investments are to be in U.S. dollar denominated securities, therefore no amounts of the PUF investments had reportable foreign currency risk at June 30, 2025 or 2024.

Of the OSU Endowments invested by the OSU Foundation at June 30, 2025, \$14,890, or 22.3 percent, were held subject to foreign currency risk. At June 30, 2024, \$14,281, or 24.0 percent were held subject to foreign currency risk.

Of the separately managed investments at June 30, 2025, \$23,305, or 30.2 percent, were held subject to foreign currency risk. At June 30, 2024, \$19,755, or 29.2 percent, were held subject to foreign currency risk.

#### INTEREST RATE RISK

Investments in fixed income securities are subject to the risk that changes in interest rates will adversely affect the fair value of the investments. As of June 30, 2025, securities held in the PUF CBF subject to interest rate risk totaled \$247,580 and had an average duration of 3.82 years. Securities of the OSU Endowment investments invested by the OSU Foundation held subject to interest rate risk totaled \$5,975 and had an average duration of 6.19 years. Separately managed fixed income investments held subject to interest rate risk were as follows:

Investment Type	Fair Value	Duration in years
Cash & Equivalents	\$ 4	0.00
Asset-Backed Securities	674	0.08
<b>Total</b>	<b>\$ 678</b>	
Average Duration		0.04

As of June 30, 2024, securities held in the PUF CBF subject to interest rate risk totaled \$379,392 and had an average duration of 3.76 years. Securities of the OSU Endowment investments invested by the OSU Foundation held subject to interest rate risk totaled \$5,931 and had an average duration of 5.7 years.

Separately managed fixed income investments held subject to interest rate risk were as follows:

Investment Type	Fair Value	Duration in years
Cash & Equivalents	\$ 647	0.00
Corporate Bonds	44,218	1.03
Government Related	2,460	0.32
Municipal Bonds	25,229	0.83
Asset-Backed Securities	36,802	1.44
Treasury Notes & Bonds	11,589	1.15
<b>Total</b>	<b>\$ 120,945</b>	
Average Duration		1.11

#### FAIR VALUE MEASUREMENT

Investments are reported at estimated fair value as determined by the OST, based on 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;

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

Level 3 – Inputs that are unobservable. These are only used if relevant Level 1 and Level 2 inputs are not available.

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. In addition to the underlying reported net asset values (NAV), which generally serve as the primary valuation input, 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.

The fair value of OSU's investments in the PUF CBF are based on the investments' net asset value (NAV) per share provided by the Treasury. Fair value measurements for the university's investments in the PUF CBF at June 30, 2025 and 2024 totaled \$80,157 and \$151,554, respectively.

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

The following tables presents OSU's separately managed equity and fixed income investments by level within the valuation hierarchy as of June 30, 2025 and 2024:

	Assets at fair value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
Investment Type:				
Asset-Backed Securities	\$ -	\$ 674	\$ -	\$ 674
Domestic Equity	52,465	-	-	52,465
International Equity	24,295	-	-	24,295
Timber and Forest Land	-	-	8,240	8,240
	<u>\$ 76,760</u>	<u>\$ 674</u>	<u>\$ 8,240</u>	<u>\$ 85,674</u>
Cash & Equivalents				496
Investments Receivable				1
<b>Total Investments</b>				<u>\$ 86,171</u>

	Assets at fair value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Investment Type:				
Corporate Bonds	\$ -	\$ 44,220	\$ -	\$ 44,220
Government Related	-	2,460	-	2,460
Municipal Bonds	-	25,229	-	25,229
Asset-Backed Securities	-	36,801	-	36,801
Treasury Notes & Bonds	-	11,589	-	11,589
Domestic Equity	47,056	-	-	47,056
International Equity	20,161	-	-	20,161
Timber and Forest Land	-	-	6,503	6,503
	<u>\$ 67,217</u>	<u>\$ 120,299</u>	<u>\$ 6,503</u>	<u>\$ 194,019</u>
Cash & Equivalents				1,119
Total Investments				<u>\$ 195,138</u>

**COMPONENT UNIT INVESTMENTS BY LEVEL**

The following tables present the component unit investments by level within valuation hierarchy as of June 30, 2025 and 2024:

	Assets at fair value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
Pooled Investment Program	\$ 383,849	\$ 4,243	\$ -	\$ 388,092
Other Nonpooled Investments	16,928	-	-	16,928
Total Investments	<u>\$ 400,777</u>	<u>\$ 4,243</u>	<u>\$ -</u>	<u>\$ 405,020</u>
Real Estate Held for Investment Measured at Cost				16,836
Investments Measured at NAV				749,291
<b>Total Investments</b>				<u>\$ 1,171,147</u>

	Assets at fair value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Pooled Investment Program	\$ 351,069	\$ 231	\$ -	\$ 351,300
Other Nonpooled Investments	17,118	-	-	17,118
Total Investments	<u>\$ 368,187</u>	<u>\$ 231</u>	<u>\$ -</u>	<u>\$ 368,418</u>
Real Estate Held for Investment Measured at Cost				9,010
Investments Measured at NAV				676,310
Total Investments				<u>\$ 1,053,738</u>

**C. Securities Lending**

In accordance with state investment policies, the state participates in securities lending transactions. The Treasury has, through a Securities Lending Agreement, authorized State Street Bank and Trust Company (State Street) to lend the state's securities pursuant to a form of loan agreement. Both the state and borrowers maintain the right to terminate all securities lending transactions on demand. OSU's cash on deposit with the OST is subject to securities lending. There were no significant violations of the provisions of securities lending agreements during the years ended June 30, 2025 and 2024.

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

State Street, as lending agent, has created a fund to re-invest cash collateral received on behalf of the OSTF and Oregon state agencies, including OSU. As permitted under the fund's Declaration of Trust (Declaration), participant purchases and redemptions are transacted at \$1 per unit ("constant value") based on the amortized cost of the fund's investments. Accordingly, the securities lending collateral held and the obligation to the lending agent are both stated at constant value on the Statements of Net Position.

The fair value of investments held by the fund is based upon valuations provided by a recognized pricing service. These funds are not registered with the Securities and Exchange Commission, but the custodial agent is subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. No income from the funds was assigned to any other funds.

The maturities of investments made with the cash collateral generally do not match the maturities of the securities loaned. Since the securities loaned are callable on demand by either the lender or borrower, the life of the loans at June 30, 2025 and 2024, is effectively one day. As of June 30, 2025 and 2024, the state had no credit risk exposure to borrowers because the amounts owed to borrowers exceeded the amounts borrowers owed to the state.

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

The fair value of the university's share of securities lending balances on loan comprised the following:

	June 30, 2025	June 30, 2024
<b>Investment Type</b>		
U.S. Treasury and Agency Securities	\$ 8,203	\$ 11,719
Domestic Fixed Income Securities	1,532	2,500
<b>Total</b>	<b>\$ 9,735</b>	<b>\$ 14,219</b>

The fair value of the university's share of total cash and securities collateral received as of June 30, 2025 and 2024, was \$9,928 and \$14,568 respectively. The fair value of the university's share of investments purchased with cash collateral as of June 30, 2025 and 2024, was \$1,168 and \$2,558, respectively.

### 3. ACCOUNTS RECEIVABLE

Accounts receivable, including amounts due from component units, comprised the following:

	June 30, 2025	June 30, 2024
Student Tuition and Fees	\$ 54,913	\$ 54,204
Federal Grants and Contracts	64,705	74,725
State, Other Government, and Private Gifts, Grants and Contracts	16,753	12,314
Auxiliary Enterprises and Other Operating Activities	4,930	7,748
State Capital Construction Grants	44,562	42,101
Component Units	13,948	38,877
Other	11,446	10,598
	<b>211,257</b>	<b>240,567</b>
Less: Allowance for Doubtful Accounts	(4,736)	(6,737)
<b>Accounts Receivable, Net</b>	<b>\$ 206,521</b>	<b>\$ 233,830</b>

### 4. NOTES RECEIVABLE

Student loans made through the Title IV Federal Perkins Loan Program were funded through interest earnings and repayment of loans. Federal Perkins loans deemed uncollectible are assigned to the U.S. Department of Education (ED) for collection. Due to the termination of the Perkins loan program by the U.S. Congress, no new loans are allowed to be made and the federal capital contribution (FCC) portion of the loan program was returned to the ED as loans are collected. As of June 30, 2025, OSU has repaid the FCC due to the ED in full and no loans remain outstanding. See Note 1, Section Z for additional information.

Institutional and other student loans include loans offered through the university itself and other various non-federal loan programs.

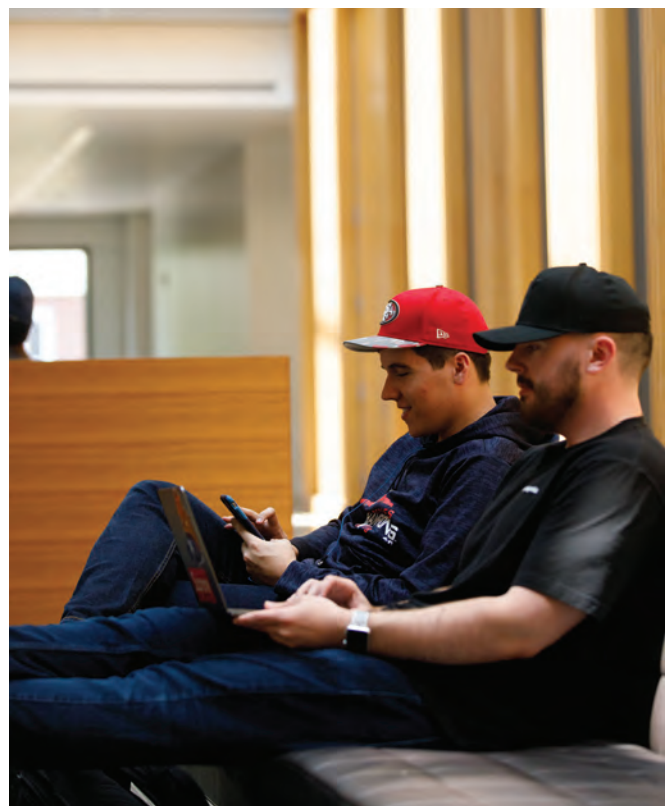
The installment receivable is due from Link Oregon and results from the sale of dark fiber infrastructure and telecommunications equipment assets initially purchased by OSU and sold to Link Oregon. Link Oregon is a non-profit consortium of the State of Oregon and the state's four research universities - OSU, OHSU, PSU and UO - which will make

high-speed, fiber optic broadband connectivity available to the state's public and non-profit sectors.

The split-dollar loans represent related-party loans to former head baseball coach Pat Casey and former head football coach Jonathan Smith. See Note 1, Section AA for additional information.

Notes receivable comprised the following:

	June 30, 2025		
	Current	Noncurrent	Total
Institutional and Other			
Student Loans	\$ 87	\$ 198	\$ 285
Installment Receivable	672	5,746	6,418
Split-Dollar Loans	-	2,575	2,575
	<b>759</b>	<b>8,519</b>	<b>9,278</b>
Less: Allowance for Doubtful Accounts	(6)	(10)	(16)
<b>Notes Receivable, Net</b>	<b>\$ 753</b>	<b>\$ 8,509</b>	<b>\$ 9,262</b>
	June 30, 2024		
	Current	Noncurrent	Total
Institutional and Other			
Student Loans	\$ 127	\$ 217	\$ 344
Perkins Loans	16	72	88
Installment Receivable	979	6,085	7,064
Split-Dollar Loans	-	2,575	2,575
	<b>1,122</b>	<b>8,949</b>	<b>10,071</b>
Less: Allowance for Doubtful Accounts	(10)	(16)	(26)
<b>Notes Receivable, Net</b>	<b>\$ 1,112</b>	<b>\$ 8,933</b>	<b>\$ 10,045</b>



## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

## 5. CAPITAL ASSETS

The following schedule reflects the changes in capital assets:

	Balance June 30, 2023	Additions	Transfer Completed Assets	Retire. And Adjust.	Balance June 30, 2024	Additions	Transfer Completed Assets	Retire. And Adjust.	Balance June 30, 2025
<b>Capital Assets, Non-depreciable/</b>									
<b>Non-amortizable:</b>									
Land	\$ 37,363	\$ -	\$ -	\$ -	\$ 37,363	\$ 28,367	\$ -	\$ -	\$ 65,730
Capitalized Collections	30,478	218	-	(7)	30,689	182	-	-	30,871
Construction in Progress	385,158	322,388	(349,537)	(85)	357,924	214,196	(342,992)	(93)	229,035
ROU Assets in Progress	-	3,405	-	-	3,405	22,032	-	-	25,437
<b>Total Capital Assets, Non-depreciable/Non-amortizable</b>	<b>452,999</b>	<b>326,011</b>	<b>(349,537)</b>	<b>(92)</b>	<b>429,381</b>	<b>264,777</b>	<b>(342,992)</b>	<b>(93)</b>	<b>351,073</b>
<b>Capital Assets, Depreciable/</b>									
<b>Amortizable:</b>									
Equipment	283,133	37,297	3,290	(8,792)	314,928	27,592	1,805	(11,291)	333,034
Library Materials	76,295	88	-	(644)	75,739	139	-	(598)	75,280
Buildings	1,947,950	6,626	330,329	(169)	2,284,736	718	197,337	(354)	2,482,437
Land Improvements	57,022	2	2,020	(155)	58,889	328	29,555	(1,323)	87,449
Improvements Other Than Buildings	17,126	751	10,806	-	28,683	499	20,790	1,324	51,296
Infrastructure	67,776	1,342	3,092	-	72,210	394	93,505	-	166,109
Intangible Assets	11,176	-	-	(501)	10,675	-	-	-	10,675
ROU Leased Equipment	398	-	-	(398)	-	-	-	-	-
ROU Leased Buildings	16,306	490	-	(777)	16,019	542	-	(606)	15,955
ROU Leased Land	72	50	-	(72)	50	-	-	-	50
ROU SBITAs	36,742	2,321	-	(11,469)	27,594	6,938	-	(6,331)	28,201
<b>Total Capital Assets, Depreciable/Amortizable</b>	<b>2,513,996</b>	<b>48,967</b>	<b>349,537</b>	<b>(22,977)</b>	<b>2,889,523</b>	<b>37,150</b>	<b>342,992</b>	<b>(19,179)</b>	<b>3,250,486</b>
<b>Less Accumulated Depreciation/ Amortization for:</b>									
Equipment	(218,377)	(18,810)	-	7,277	(229,910)	(21,550)	-	9,761	(241,699)
Library Materials	(75,115)	(278)	-	644	(74,749)	(266)	-	596	(74,419)
Buildings	(729,729)	(57,423)	-	181	(786,971)	(64,310)	-	204	(851,077)
Land Improvements	(29,612)	(3,305)	-	20	(32,897)	(4,512)	-	120	(37,289)
Improvements Other Than Buildings	(13,098)	(1,162)	-	1	(14,259)	(3,005)	-	(294)	(17,558)
Infrastructure	(34,106)	(2,968)	-	(78)	(37,152)	(5,051)	-	2	(42,201)
Intangible Assets	(10,248)	(236)	-	501	(9,983)	(236)	-	-	(10,219)
ROU Leased Equipment	(233)	(43)	-	276	-	-	-	-	-
ROU Leased Buildings	(5,734)	(2,388)	-	734	(7,388)	(2,335)	-	605	(9,118)
ROU Leased Land	(24)	(12)	-	4	(32)	(8)	-	-	(40)
ROU SBITAs	(15,852)	(8,338)	-	8,260	(15,930)	(6,601)	-	6,330	(16,201)
<b>Total Accumulated Depreciation/ Amortization</b>	<b>(1,132,128)</b>	<b>(94,963)</b>	<b>-</b>	<b>17,820</b>	<b>(1,209,271)</b>	<b>(107,874)</b>	<b>-</b>	<b>17,324</b>	<b>(1,299,821)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 1,834,867</b>	<b>\$ 280,015</b>	<b>\$ -</b>	<b>\$ (5,249)</b>	<b>\$ 2,109,633</b>	<b>\$ 194,053</b>	<b>\$ -</b>	<b>\$ (1,948)</b>	<b>\$ 2,301,738</b>
<b>Capital Assets Summary</b>									
Capital Assets, Non-depreciable/ Non-amortizable	\$ 452,999	\$ 326,011	\$ (349,537)	\$ (92)	\$ 429,381	\$ 264,777	\$ (342,992)	\$ (93)	\$ 351,073
Capital Assets, Depreciable/ Amortizable	2,513,996	48,967	349,537	(22,977)	2,889,523	37,150	342,992	(19,179)	3,250,486
Total Cost of Capital Assets	2,966,995	374,978	-	(23,069)	3,318,904	301,927	-	(19,272)	3,601,559
Less Accumulated Depreciation/ Amortization	(1,132,128)	(94,963)	-	17,820	(1,209,271)	(107,874)	-	17,324	(1,299,821)
<b>Total Capital Assets, Net</b>	<b>\$ 1,834,867</b>	<b>\$ 280,015</b>	<b>\$ -</b>	<b>\$ (5,249)</b>	<b>\$ 2,109,633</b>	<b>\$ 194,053</b>	<b>\$ -</b>	<b>\$ (1,948)</b>	<b>\$ 2,301,738</b>

Notes to the Financial Statements  
For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

## 6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows and inflows of resources comprised the following:

	June 30, 2025	June 30, 2024
<b>Deferred Outflows of Resources</b>		
Pension		
Contributions Subsequent to the Measurement Date	\$ 63,943	\$ 59,041
Change in Proportionate Share	19,201	31,981
Difference Between Contributions and Proportionate Share of Contributions	1,713	-
Difference Between Expected and Actual Experience	29,693	21,964
Change in Assumptions	50,394	39,897
Net Difference Between Projected and Actual Earnings on Plan Investments*	31,842	8,073
OPEB		
Change in Proportionate Share	729	420
Difference Between Contributions and Proportionate Share of Contributions	41	49
Difference Between Expected and Actual Experience	1,035	3
Change in Assumptions	280	195
Net Difference Between Projected and Actual Earnings on Plan Investments*	346	84
Asset Retirement Obligations	16,568	18,072
<b>Total Deferred Outflows of Resources</b>	<b>\$ 215,785</b>	<b>\$ 179,779</b>
<b>Deferred Inflows of Resources</b>		
Pension		
Change in Proportionate Share	\$ 19,584	\$ 1,526
Difference Between Contributions and Proportionate Share of Contributions	30,820	44,834
Difference Between Expected and Actual Experience	1,196	1,781
Change in Assumptions	65	297
OPEB		
Difference Between Contributions and Proportionate Share of Contributions	72	33
Change in Proportionate Share	842	1,131
Difference Between Expected and Actual Experience	2,410	2,738
Change in Assumptions	2,959	3,674
Leases	64,815	68,511
Gain on Bond Refunding	5,035	2,872
<b>Total Deferred Inflows of Resources</b>	<b>\$ 127,798</b>	<b>\$ 127,397</b>

\*Per GASB, deferred outflows of resources and deferred inflows of resources arising from the difference between projected and actual earnings on plan investments are netted and shown as either a net deferred outflow of resources or a net deferred inflow of resources.

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprised the following:

	June 30, 2025	June 30, 2024
Services and Supplies	\$ 81,248	\$ 110,319
Payroll Related	33,479	31,562
Accrued Interest	11,271	10,831
Salaries and Wages	8,243	7,666
Contract Retainage	13,164	14,830
<b>Total</b>	<b>\$ 147,405</b>	<b>\$ 175,208</b>

## 8. LEASES

### A. Lessee Arrangements

OSU leases office equipment, space and land from external parties for various terms under long-term non-cancelable lease agreements. The leases expire at various dates through fiscal year 2039 and provide for renewal options ranging from one to five years. In accordance with GASB Statement

No. 87, the university records right-of-use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using the university's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The university had no variable lease expense during fiscal years 2025 or 2024. The university has multiple leases featuring payments tied to an index or market rate. The university does not have any leases subject to a residual value guarantee. OSU has one related-party lessee arrangement with the OSU Foundation. The university leases the University Plaza building from the foundation at market rate with no special considerations included in the lease terms. The lease is currently set to expire on December 31, 2027. See Note 5 Capital Assets for information on right-of-use assets and associated accumulated amortization. See Note 10 Long-Term Liabilities for future payments schedule.



## B. Lessor Arrangements

OSU leases office, food service, and educational space and land to external parties. The university records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate charged on the lease or by using the university's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. OSU has one related-party lessor arrangement with the OSU Foundation. The foundation leases approximately 4,385 square feet of office space in the OSU Portland Center building located in downtown Portland, OR. The lease terms are at market rate with no special considerations included in the lease terms. The lease is set to expire on July 31, 2028.

During the years ended June 30, 2025 and 2024 the university recognized lease revenues related to lessor agreements totaling \$3,810 and \$3,817, respectively. The university also recognized interest revenues totaling \$1,718 and \$1,739, during the fiscal years ended June 30, 2025 and 2024, respectively. Additionally, the university recognized variable revenue related to leases totalling \$428 and \$375, during the fiscal years ended June 30, 2025 and 2024, respectively.

## 9. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

OSU has entered into subscription-based contracts to use vendor-provided information technology, commonly referred to as subscription-based information technology arrangements or SBITAs, for various terms under long-term, non-cancelable agreements. These agreements expire at various dates through 2028 and provide for renewal options ranging from one year to three years. In accordance with GASB Statement No. 96, the university records a right-of-use asset and SBITA liability based on the present value of expected payments over the term of the agreement. The expected payments are discounted using the interest rate charged in the agreement, if available, or are otherwise discounted using the university's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The university had \$26 and \$175 in variable SBITA expense during fiscal year 2025 and 2024, respectively. The university has no SBITAs featuring payments tied to an index or market rate. See Note 5 Capital Assets for information on right-of-use assets and associated accumulated amortization. See Note 10 Long-Term Liabilities for future payments schedule.

Notes to the Financial Statements  
For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

## 10. LONG-TERM LIABILITIES

Long-term liability activity was as follows:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year	Long-Term Portion
Long-Term Debt						
Due to the State of Oregon:						
Contracts Payable	\$ 277,840	\$ 12,540	\$ (31,027)	\$ 259,353	\$ 18,237	\$ 241,116
Oregon Department of Energy Loans (SELP)	7,408	-	(877)	6,531	907	5,624
Revenue Bonds	639,515	27,543	(29,777)	637,281	222	637,059
Leases	9,316	2,903	(4,691)	7,528	2,421	5,107
SBITAs	9,830	6,933	(6,923)	9,840	5,936	3,904
Installment Purchases	9,591	-	(879)	8,712	2,815	5,897
Total Long-Term Debt	953,500	49,919	(74,174)	929,245	30,538	898,707
Other Noncurrent Liabilities						
Commercial Paper Program	60,000	-	(60,000)	-	-	-
PERS pre-SLGRP Pooled Liability	11,081	-	(4,645)	6,436	2,444	3,992
Compensated Absences*	45,906	-	(724)	45,182	35,142	10,040
Employee Termination	268	-	(268)	-	-	-
Supplemental Retirement Plan	641	584	-	1,225	-	1,225
Perkins Loan Program Liability	61	-	(61)	-	-	-
Total Other Noncurrent Liabilities	117,957	584	(65,698)	52,843	37,586	15,257
<b>Total Long-Term Liabilities</b>	<b>\$ 1,071,457</b>	<b>\$ 50,503</b>	<b>\$ (139,872)</b>	<b>\$ 982,088</b>	<b>\$ 68,124</b>	<b>\$ 913,964</b>
	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year	Long-Term Portion
Long-Term Debt						
Due to the State of Oregon:						
Contracts Payable	\$ 294,832	\$ -	\$ (16,992)	\$ 277,840	\$ 17,652	\$ 260,188
Oregon Department of Energy Loans (SELP)	8,245	-	(837)	7,408	853	6,555
Revenue Bonds	622,422	48,135	(31,042)	639,515	280	639,235
Leases	11,363	2,664	(4,711)	9,316	2,187	7,129
SBITAs	15,905	2,321	(8,396)	9,830	4,593	5,237
Installment Purchases	-	10,656	(1,065)	9,591	880	8,711
Direct Placement Debt						
General Revenue Note	40,000	-	(40,000)	-	-	-
Total Long-Term Debt	992,767	63,776	(103,043)	953,500	26,445	927,055
Other Noncurrent Liabilities						
Commercial Paper Program	-	60,000	-	60,000	60,000	-
PERS pre-SLGRP Pooled Liability	14,374	-	(3,293)	11,081	2,902	8,179
Compensated Absences*	43,094	2,812	-	45,906	31,948	13,958
Employee Termination	-	268	-	268	268	-
Supplemental Retirement Plan	535	106	-	641	-	641
Perkins Loan Program Liability	5,334	-	(5,273)	61	9	52
Total Other Noncurrent Liabilities	63,337	63,186	(8,566)	117,957	95,127	22,830
<b>Total Long-Term Liabilities</b>	<b>\$ 1,056,104</b>	<b>\$ 126,962</b>	<b>\$ (111,609)</b>	<b>\$ 1,071,457</b>	<b>\$ 121,572</b>	<b>\$ 949,885</b>

\* Additions and deductions shown net

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

The schedule of principal and interest payments for OSU debt is as follows:

For the Year Ending June 30,	Contracts, Bonds and Other Borrowings							Principal		Interest	Total Payments
	Contracts Payable	SELP	Revenue Bonds	Leases	SBITAs	Installment Purchases					
2026	\$ 26,988	\$ 1,164	\$ 23,877	\$ 2,558	\$ 6,188	\$ 2,814	\$ 30,316	\$ 33,273	\$ 63,589		
2027	25,867	1,163	23,877	2,578	3,646	2,958	27,362	32,727	60,089		
2028	25,312	1,163	23,877	2,153	343	2,940	23,695	32,093	55,788		
2029	24,229	1,163	43,877	205	-	-	37,918	31,556	69,474		
2030	24,456	1,163	22,881	56	-	-	18,557	29,999	48,556		
2031-2035	99,810	1,642	114,406	276	-	-	76,270	139,864	216,134		
2036-2040	66,965	-	114,835	-	-	-	53,701	128,099	181,800		
2041-2045	32,509	-	183,281	-	-	-	97,465	118,325	215,790		
2046-2050	13,010	-	252,129	-	-	-	174,920	90,219	265,139		
2051-2055	10,405	-	229,082	-	-	-	185,675	53,812	239,487		
2056-2060	-	-	219,657	-	-	-	198,780	20,877	219,657		
							<u>\$ 924,659</u>	<u>\$ 710,844</u>			
<b>Total Future Debt Service</b>	<b>349,551</b>	<b>7,458</b>	<b>1,251,779</b>	<b>7,826</b>	<b>10,177</b>	<b>8,712</b>			<b>1,635,503</b>		
Less: Interest Component of Future Payments	(90,198)	(927)	(619,084)	(298)	(337)	-			(710,844)		
<b>Principal Portion of Future Payments</b>	<b>259,353</b>	<b>6,531</b>	<b>632,695</b>	<b>7,528</b>	<b>9,840</b>	<b>8,712</b>			<b>924,659</b>		
Adjusted by:											
Net Unamortized Bond Premiums/(Discounts)	-	-	4,586	-	-	-			4,586		
<b>Total Long-Term Debt</b>	<b>\$ 259,353</b>	<b>\$ 6,531</b>	<b>\$ 637,281</b>	<b>\$ 7,528</b>	<b>\$ 9,840</b>	<b>\$ 8,712</b>			<b>\$ 929,245</b>		

OSU has multiple sources of financing for capital construction projects and other purposes. The state periodically issues bonded debt which it then loans to the university for capital construction. OSU has entered into contractual loan agreements with the state for the repayment of principal and interest amounts due. In addition, OSU may also borrow funds from the Oregon Department of Energy through the Small-scale Energy Loan Program (SELP). The state may periodically issue new debt to refund previously held debt. Per the contract and loan agreements, when this occurs the state is required to pass the savings on to the university. OSU may also issue Revenue bonds as authorized by ORS 351.369.

### A. Contracts Payable

OSU has entered into contractual loan agreements with the state for repayment of debt instruments issued by the state on behalf of OSU for capital construction and refunding of previously issued debt. OSU makes loan payments (principal and interest) to the state in accordance with the loan agreements. In the event of default, the state may withhold future disbursements of state general fund appropriations up to the amount of default. Loans, with interest rates ranging from 0.08 percent to 5.38 percent, are due serially through 2054.

During the fiscal year ended June 30, 2025, the state issued \$12,540 2025F XI-F(1) bonds on behalf of OSU to refund \$13,375 of outstanding debt for a net reduction of \$(835) in OSU's outstanding debt. The bonds have an effective rate of 3.31 percent, and are due serially through 2034. Other changes to OSU's contracts payable to the state during fiscal year ended June 30, 2025, included debt service payments for principal of \$17,652.

During the fiscal year ended June 30, 2024, the state did not issue any bonds on behalf of OSU. Changes to OSU's contracts payable to the state during fiscal year ended June 30, 2024, included debt service payments for principal of \$16,992.

### B. Oregon Department of Energy Loans

OSU has entered into loan agreements with the Oregon Department of Energy (DOE) Small-scale Energy Loan Program (SELP) for energy conservation projects. OSU makes monthly loan payments (principal and interest) to the DOE in accordance with the loan agreements. Upon event of default, the lender may accelerate the due date and declare balance due immediately. The projects funded by the loan serve as security for the debt. SELP loans, with interest rates ranging from 4.01 percent to 4.35 percent, are due through fiscal year 2032.

### C. Revenue Bonds

General Revenue Bonds, with bullet maturities, are due in fiscal years 2029 through 2060 and have effective yields ranging from 3.25 percent to 5.00 percent.

During the fiscal year ended June 30, 2025, OSU issued \$26,035 par value in tax exempt 2024C General Revenue Bonds to refund \$26,675 in previously issued revenue bonds for a net change of \$(640). The new bonds were issued at a premium and resulted in a net change of \$(1,177) in unamortized premium/discount. The bonds have an effective rate of 4.58 percent and bullet maturity in fiscal year 2045. OSU recorded a net gain on refunding of \$2,170, of which \$50 was amortized in 2025 and the remaining will be amortized through 2045. The advance refunding results in a net present value savings of \$3,323 in future debt service payment savings over the next 28 years.

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

Other changes to the revenue bond liability during fiscal year 2025 included a principal payment of \$165, the amortization of \$236 in outstanding bond premium and the amortization of \$19 in outstanding bond discount.

During the fiscal year ended June 30, 2024, OSU issued \$28,135 par value in tax exempt 2024A General Revenue Bonds to refund \$28,660 in previously issued revenue bonds for a net change of \$(525). The new bonds were issued at a discount of \$(539) and refunded \$1,511 in unamortized premium on the refunded bonds for a net change of \$(2,050) in unamortized premium/discount. The bonds have an effective rate of 4.27 percent and serial maturity beginning in fiscal year 2036 through 2052. OSU recorded a net gain on refunding of \$2,880, of which \$7 was amortized in 2024 and the remaining will be amortized through 2052.

Additionally, OSU issued \$20,000 par value of taxable General Revenue Bonds. The General Revenue Series 2024B bonds were sold at par with an effective rate of 4.98 and bullet maturity due 2029.

Other changes to the revenue bond liability during fiscal year 2024 included the amortization of \$332 in outstanding bond premium.

#### D. Installment Purchase

During the fiscal year ended June 30, 2024, OSU entered into an installment purchase contract for the purchase of a new Yamaha grand piano. The university will make three equal annual payments through fiscal year 2026. There is no interest charged on the agreement.

During the fiscal year ended June 30, 2024, OSU entered into an agreement totalling \$9,759 to be paid in installments over five years ending in fiscal year 2028 for Dell data center hardware and software. There is no interest charged on the agreement.

#### E. Commercial Paper Program - General Revenue Note

During the fiscal year ended June 30, 2024, OSU entered into agreements to establish a commercial paper program for an amount not to exceed \$100,000 to provide interim financing for university purposes. Repayment of the notes will come from general revenues of the university. Commercial Paper notes have a fixed maturity up to 270 days and can be issued as tax-exempt or taxable notes dependent upon the use of proceeds. As of June 30, 2024, taxable notes or \$60,000 were outstanding as issued under the program. The full amount of the 2024 outstanding balance was repaid as of June 30, 2025 with no outstanding balances remaining due.

#### F. State and Local Government Rate Pool

Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), state and community colleges were pooled together in the State and Community College Pool (SCCP), and local government employers participated in

the Local Government Rate Pool (LGRP). These two pools combined to form the SLGRP effective January 1, 2002, at which time a transitional pre-SLGRP Pooled Liability was created. The pre-SLGRP Pooled Liability is essentially a debt owed to the SLGRP by the SCCP employers. The balance of the pre-SLGRP Pooled Liability attributable to the state is being amortized over the period ending December 31, 2027. The liability is allocated by the state, based on salaries and wages, to all public universities, state proprietary funds and the government-wide reporting fund in the state's annual comprehensive financial report. OSU paid interest expense on the liability in the amounts of \$31 and \$783 for June 30, 2025 and 2024, respectively. Principal payments of \$4,645 and \$3,292 were applied to OSU's liability for June 30, 2025 and 2024, respectively.

#### G. Supplemental Retirement Plan

OSU participates in a supplemental retirement plan for eligible employees who have been designated to become a participant in the plan. The university has recorded an investment for the non-vested balance managed by TIAA as well as an offsetting liability for the amount that will be payable to the employee upon completion of their contract. See Note 17 Employee Retirement Plans, Section B Other Retirement Plans for additional information.

#### H. Perkins Loan Program Liability

During fiscal year 2018, OSU established a liability for the Federal Capital Contributions (FCC) received from the U.S. Department of Education (ED) which funded the Perkins loan program. With the close-out of the Perkins loan program, the FCC is due back to the ED. As of June 30, 2025, OSU has repaid the FCC due to the ED in full and no liability remains. See Note 1 Organization and Summary of Significant Accounting Policies, Section Z Perkins Loan Program Termination for additional information.

### 11. ASSET RETIREMENT OBLIGATIONS

#### Teaching, Research, Isotopes, General Atomics (TRIGA) Reactor

In 1967, the university installed the Oregon State TRIGA Reactor (OSTR). The reactor is housed in the OSU Radiation Center and is primarily used for training students, performing various research projects and producing isotopes. The OSTR is licensed by the U.S. Nuclear Regulatory Commission (NRC), which sets forth requirements that the university must adhere to, including those related to the decommissioning and retirement of the OSTR. See NRC regulations specific to decommissioning obligations at: [www.nrc.gov/waste/decommissioning/reg-guides-comm/regulations.html](http://www.nrc.gov/waste/decommissioning/reg-guides-comm/regulations.html)

For the years ended June 30, 2025 and 2024, OSU reported an ARO liability of \$22,540 and \$23,460, respectively, related to the OSTR. The remaining unamortized deferred outflow equaled \$16,568 and \$18,072, respectively, for

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

2025 and 2024. The liability decreased in fiscal year 2025 due to an updated estimate of the cost to decommission the asset. The deferred outflow decreased by a net \$1,505 due to the decrease in the estimate and continued amortization. The method and assumptions used to measure the obligation were those set forth by the NRC in the series publication NUREG-1307, Revision 16 and 17. In November 2013, the university replaced the reflector component of the OSTR thereby extending the reactor's useful life by approximately 40 years. At June 30, 2025 and 2024, the OSTR had an estimated remaining useful life of 28.3 years and 29.3 years, respectively. Per the licensing agreement held between OSU and the NRC, OSU was required to submit a statement of intent regarding decommissioning funds. On July 31, 2007, OSU submitted such a letter stating that when a decision is made to terminate the facility license and decommission the facility, the university will request legislative appropriation of funds, or otherwise provide funds sufficiently in advance of decommissioning to prevent the delay of required activities. As of June 30, 2025, the university has made no decision to terminate the facility license nor made plans to decommission the facility. As such, no request for legislative funding has been made and no university assets have been restricted for payments related to the OSTR ARO liability.

## 12. UNRESTRICTED NET POSITION

Unrestricted net position is comprised of the following:

	June 30, 2025	June 30, 2024
University Operations	\$ 244,527	\$ 282,459
Net Pension Liability, Net of		
Deferrals (See Notes 6 & 17)	(356,112)	(336,606)
Compensated Absences Liability	(37,663)	(38,403)
State and Local Government Rate		
Pool Liability (See Note 10)	(6,436)	(11,081)
Other Post-Employment Benefits		
Liabilities, Net of Deferrals		
(See Notes 6 & 18)	(4,797)	(6,148)
Asset Retirement Obligation, Net of		
Deferrals (See Notes 6 & 11)	(5,972)	(5,388)
<b>Total Unrestricted Net Position</b>	<b>\$ (166,453)</b>	<b>\$ (115,167)</b>

## 13. PLEDGED GENERAL REVENUES

The university implemented a General Revenue Bond Program in 2015 to provide funding for capital construction and other related projects. As security for this debt, OSU has pledged general revenues which include student tuition and fees, auxiliary enterprise revenues, education department sales and services and other university operating revenues, with certain exclusions as shown in the table below. Net pledged general revenues is calculated by deducting excluded and restricted revenues from total operating revenues, and adding beginning unrestricted net position adjusted for the excluded items. Pledged revenues are as follows:

	June 30, 2025	June 30, 2024
Total Operating Revenues	\$ 1,134,735	\$ 1,132,299
(Less):		
Student Building Fees	(4,191)	(3,333)
Student Incidental Fees	(37,759)	(34,741)
Federal Grants and Contracts	(360,167)	(364,926)
State and Local Grants and Contracts	(24,804)	(17,192)
Nongovernmental Grants and Contracts	(26,232)	(29,013)
Amounts Required to be Deposited or		
Paid for University-Paid State Bonds	(27,098)	(27,090)
Plus:		
Adjusted Beginning Unrestricted Net		
Position, Restated	(121,138)	(204,574)
<b>General Revenues Pledged to Repay</b>		
<b>Revenue Bonds</b>	<b>\$ 533,346</b>	<b>\$ 451,430</b>

## 14. INVESTMENT ACTIVITY

Investment Activity detail is as follows:

	June 30, 2025	June 30, 2024
Royalties and Technology Transfer		
Income	\$ 5,182	\$ 4,933
Investment Earnings	7,693	12,600
Endowment Income	2,046	2,038
Net Appreciation (Depreciation) of		
Investments	12,108	14,474
Gain (Loss) on Sale of Investments	11,601	6,293
Interest Income	1,622	984
<b>Total Investment Activity</b>	<b>\$ 40,252</b>	<b>\$ 41,322</b>

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

**15. OPERATING EXPENSES BY NATURAL CLASSIFICATION**

The Statements of Revenues, Expenses and Changes in Net Position reports operating expenses by their functional classification. The reporting of the net pension liability and OPEB liability/(asset) as per GASB Statement Nos. 68, 71 and 75, affects the reported compensation and benefit expenses of OSU. Pension and OPEB expenses reported in compensation and benefit expenses was \$82,098 and \$72,488 for the fiscal years ended June 30, 2025 and 2024, respectively. The following displays operating expenses by both the functional and natural classifications:

<b>June 30, 2025</b>	<b>Compensation and Benefits</b>	<b>Services and Supplies</b>	<b>Scholarships and Fellowships</b>	<b>Depreciation and Amortization</b>	<b>Other</b>	<b>Total</b>
Instruction	\$ 356,613	\$ 35,041	\$ 288	\$ -	\$ 294	\$ <b>392,236</b>
Research	195,176	100,401	3,733	8	27	<b>299,345</b>
Public Services	118,172	82,734	2,199	138	1,104	<b>204,347</b>
Academic Support	74,158	25,459	64	32	-	<b>99,713</b>
Student Services	51,307	5,539	100	149	31	<b>57,126</b>
Auxiliary Services	107,267	91,979	7,082	27,451	-	<b>233,779</b>
Institutional Support	118,520	37,061	21	7,961	1	<b>163,564</b>
Operation & Maint. of Plant	24,841	27,356	-	139	-	<b>52,336</b>
Student Aid	-	379	46,699	-	55	<b>47,133</b>
Other	2,953	18,856	-	71,996	-	<b>93,805</b>
<b>Total</b>	<b>\$ 1,049,007</b>	<b>\$ 424,805</b>	<b>\$ 60,186</b>	<b>\$ 107,874</b>	<b>\$ 1,512</b>	<b>\$ 1,643,384</b>

<b>June 30, 2024</b>	<b>Compensation and Benefits</b>	<b>Services and Supplies</b>	<b>Scholarships and Fellowships</b>	<b>Depreciation and Amortization</b>	<b>Other</b>	<b>Total</b>
Instruction	\$ 341,846	\$ 36,804	\$ 264	\$ 4	\$ 293	\$ 379,211
Research	185,361	89,360	3,801	21	22	278,565
Public Services	111,806	108,285	2,038	169	1,203	223,501
Academic Support	66,765	24,748	27	24	-	91,564
Student Services	43,230	7,319	237	241	43	51,070
Auxiliary Services	103,370	100,332	7,070	24,565	-	235,337
Institutional Support	107,919	37,876	13	9,371	18	155,197
Operation & Maint. of Plant	21,631	25,751	-	153	-	47,535
Student Aid	66	97	42,302	-	3,456	45,921
Other	2,051	21,487	-	60,415	-	83,953
<b>Total</b>	<b>\$ 984,045</b>	<b>\$ 452,059</b>	<b>\$ 55,752</b>	<b>\$ 94,963</b>	<b>\$ 5,035</b>	<b>\$ 1,591,854</b>

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

**16. GOVERNMENT APPROPRIATIONS**

OSU receives support from the state in the form of General Fund and Lottery appropriations. These appropriations are in support of the operations of the university and SELP debt service. Appropriations for SELP debt service are based on the loan agreements between the university and the Oregon Department of Energy. Additionally, OSU receives state general fund, state forest product harvest tax (Harvest Tax), and county appropriations in support of operations of the statewide public services, which include the agricultural experiment stations, cooperative extension services and forestry research laboratories. OSU also receives lottery appropriations in support of outdoor school operations for middle school children, which the cooperative extension service administers on behalf of the state. Government appropriations comprised the following:

	June 30, 2025	June 30, 2024
General Fund - Education & General	\$ 198,395	\$ 184,526
General Fund - Statewide Public Services	90,270	88,895
General Fund - SELP Debt Service	1,054	1,054
Lottery Funding - Outdoor School	8,203	28,203
Lottery Funding - Sports Lottery	669	669
Harvest Tax	3,349	3,723
<b>Total State Appropriations</b>	<b>\$ 301,940</b>	<b>\$ 307,070</b>
County Appropriations	15,758	15,060
<b>Total Appropriations</b>	<b>\$ 317,698</b>	<b>\$ 322,130</b>

**17. EMPLOYEE RETIREMENT PLANS**

Oregon State University offers various defined benefit and defined contribution retirement plans to qualified employees as described in the following pages.

**A. Public Employees Retirement Plan (PERS)****ORGANIZATION**

The university participates with other state agencies in the Oregon Public Employees Retirement System (System), which is a cost-sharing multiple employer defined benefit plan. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the plan. PERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (PERS Board) to administer and manage the System.

**PLAN MEMBERSHIP**

PERS memberships prior to January 1, 1996 are Tier One members. The 1995 Oregon Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. This legislation created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal

retirement age of 60, compared to 58 for Tier One. Both Tier One and Tier Two are defined benefit plans.

The 2003 Legislature enacted HB 2020, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program Defined Benefit (DB) and the Individual Account Program (IAP). The IAP is a defined contribution plan. Membership includes public employees hired on or after August 29, 2003.

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

**PENSION PLAN REPORT**

The PERS defined benefit and defined contribution retirement plans are reported as pension trust funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the State of Oregon Annual Comprehensive Financial Report. PERS issues a separate, publicly available audited financial report that may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at: [www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx](http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Employers participating in the Plan are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to pensions in the measurement of employer liabilities for pensions and recognition of pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.

**SYSTEM BASIS OF ACCOUNTING**

Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements.

**PROPORTIONATE SHARE ALLOCATION METHODOLOGY**

The basis for the employer's proportion of the statewide plan is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employ-

## Notes to the Financial Statements

## For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

ers. The contribution rate for every employer has at least two major components: Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

**PENSION PLAN LIABILITY**

The components of the Plan's collective net pension liability as of the measurement dates of June 30, 2024 and 2023 are as follows (in millions):

<b>Collective Plan:</b>	<b>June 30, 2024</b>	June 30, 2023
Total Pension Liability	<b>\$ 107,327</b>	\$ 102,218
Plan Fiduciary Net Position	<b>85,100</b>	83,488
Plan Net Pension Liability	<b>\$ 22,227</b>	\$ 18,730

**CHANGES SUBSEQUENT TO THE MEASUREMENT DATE**

The university is not aware of any changes to benefit terms or actuarial methods and assumptions subsequent to the June 30, 2024 measurement date.

**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) PENSION (CHAPTER 238) PROGRAM****PENSION BENEFITS**

The PERS retirement allowance is payable monthly for life. There are 13 retirement benefit options a retiring employee may select from. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which they are entitled.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

**DEATH BENEFITS**

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance provided one or more of the following conditions are met:

- The member was employed by a PERS employer at the time of death.

- The member died within 120 days after termination of PERS-covered employment.
- The member died as a result of injury sustained while employed in a PERS-covered job.
- The member was on an official leave of absence from a PERS-covered job at the time of death.

**DISABILITY BENEFITS**

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

**BENEFIT CHANGES AFTER RETIREMENT**

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living adjustments (COLAs). The COLA is capped at 2.0 percent.

**OREGON PUBLIC SERVICE RETIREMENT PLAN (OP-SRP DB) PENSION PROGRAM****PENSION BENEFITS**

The OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and if the pension program is terminated, the date on which termination becomes effective.

**DEATH BENEFITS**

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

**DISABILITY BENEFITS**

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

**BENEFIT CHANGES AFTER RETIREMENT**

Under ORS 238A.210 monthly benefits are adjusted annually through COLAs. The cap on the COLA varies based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

**OREGON PUBLIC SERVICE RETIREMENT PLAN (OP-SRP IAP) PENSION PROGRAM****BENEFIT TERMS**

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401(a).

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

**DEATH BENEFITS**

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

**CONTRIBUTIONS**

PERS and OPSRP employee contribution requirements are established by ORS 238.200 and ORS 238A.330, respectively, and are credited to an employee's account in the IAP and may be amended by an act of the Oregon Legislature. The PERS and OPSRP funding policies provide for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Post-Employment Benefit Plans. Effective January 1, 2020, Senate Bill 1049 requires employers to pay contributions on re-employed PERS retirees' salaries as if they were active members, excluding IAP (6 percent) contributions.

During the fiscal year ended June 30, 2021, the university funded a PERS side account totaling \$10,000,000 which represents approximately 2.2 percent of the university's unfunded actuarial liability as of June 30, 2021. PERS contributed a \$2,225,203 matching contribution to the university's side account. This side account does not impact employee benefits received under PERS; instead, it represents a prepayment of OSU's on-going contributions. The university will see the benefit of a lower employer contribution rate over the next 10 years as the account is amortized. Effective December 1, 2020, the university's employer contribution rate was reduced by 0.57 percent due to the side account.

Employer contribution rates for the fiscal years ended June 30, 2025 and 2024 were based on the December 31, 2021 actuarial valuation.

The employer contribution rates for PERS and OPSRP are as follows:

	<u>2025</u>	<u>2024</u>
Base Tier One/Two Rate	20.45%	20.45%
SLGRP Rate	1.33%	1.33%
RHIA and RHIPA OPEB Rate	0.00%	0.00%
Side Account Offset Rate	-0.57%	-0.57%
<b>Total PERS Tier One/Two Rate</b>	<b><u>21.21%</u></b>	<b><u>21.21%</u></b>
Base OPSRP Rate	16.95%	16.95%
SLGRP Rate	1.33%	1.33%
RHIA and RHIPA OPEB Rate	0.00%	0.00%
Side Account Offset Rate	-0.57%	-0.57%
<b>Total OPSRP Rate</b>	<b><u>17.71%</u></b>	<b><u>17.71%</u></b>

The university's required employer contributions for PERS and OPSRP for the years ended June 30, 2025 and 2024, were \$68,618 and \$63,117, respectively, including amounts to fund employer specific liabilities.

**FEDERAL CIVIL SERVICE RETIREMENT**

Some OSU Extension Service employees hold federal appointments. Employees on federal appointment hired after December 31, 1983 participate in the Federal Employees Retirement System (FERS), a defined benefit plan. FERS employees contribute 0.8 percent with an employer contribution rate of 13.7 percent. FERS employees are not eligible for membership in PERS and they contribute at the full FICA rate.

The university's required employer contributions for FERS for the years ended June 30, 2025 and 2024, were \$163 and \$189, respectively.

**NET PENSION LIABILITY**

At June 30, 2025, the university reported a liability of \$501,233 for its proportionate share of the PERS net pension liability. The net pension liability as of June 30, 2025 was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date. At June 30, 2024,

## Notes to the Financial Statements

### For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

the university reported a liability of \$449,124 for its proportionate share of the PERS net pension liability. The net pension liability as of June 30, 2024 was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date.

OSU receives an agency-specific proportionate share allocation directly from PERS as a result of the university's contributions to its independent side account. At June 30, 2025 and 2024, OSU's proportion was 2.26 percent and 2.40 percent, respectively, of the statewide pension plan.

For the years ended June 30, 2025 and 2024, OSU recorded total pension expense of \$83,449 and \$75,147, respectively, due to the change in net pension liability, changes to deferred outflows and deferred inflows, and amortization of previously deferred amounts.

#### DEFERRED ITEMS

Most deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. However, changes in employer proportion and the difference between employer contributions, proportionate share of contributions and contributions subsequent to the measurement date are calculated at the employer level. For fiscal years ending June 30, 2025 and 2024, deferred items include:

- Difference between expected and actual experience
- Changes in assumptions
- Net difference between projected and actual pension plan investment earnings
- Changes in employer proportion since the prior measurement date
- A difference between employer contributions and proportionate share of contributions
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumption, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period.

The average remaining service lives determined as of the beginning of each measurement period are as follows:

- Measurement period ended June 30, 2024 – 5.3 years
- Measurement period ended June 30, 2023 – 5.4 years
- Measurement period ended June 30, 2022 – 5.5 years
- Measurement period ended June 30, 2021 – 5.4 years
- Measurement period ended June 30, 2020 – 5.3 years

The difference between projected and actual pension plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the university's total pension expense for fiscal years 2025 and 2024.

At June 30, 2025, OSU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 29,693	\$ (1,196)
Change in Assumptions	50,394	(65)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	31,842	-
Change in Proportionate Share Differences Between Contributions and Proportionate Share of Contributions	19,201	(19,584)
Total	<u>1,713</u>	<u>(30,820)</u>
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	81,178	
Contributions Subsequent to the MD	<u>63,943</u>	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	<u>\$ 145,121</u>	

Of the amount reported as deferred outflows of resources, \$63,943 are related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

As of June 30, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2026	\$ (1,313)
2027	49,543
2028	20,937
2029	10,093
2030	1,918
	<u>\$ 81,178</u>

Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

At June 30, 2024, OSU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 21,964	\$ (1,781)
Change in Assumptions	39,897	(297)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,073	-
Change in Proportionate Share Differences Between Contributions and Proportionate Share of Contributions	31,981	(1,526)
Total	<u>\$ 101,915</u>	<u>\$ (48,438)</u>
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	53,477	
Contributions Subsequent to the MD	<u>59,041</u>	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	<u>\$ 112,518</u>	

Of the amount reported as deferred outflows of resources, \$59,041 are related to contributions subsequent to the measurement date and are recognized as a reduction of the net pension liability in the year ended June 30, 2025.



**ACTUARIAL METHODS AND ASSUMPTIONS**

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

<b>Actuarial Methods:</b>		
<b>As of:</b>	<b>June 30, 2025</b>	June 30, 2024
Valuation Date	December 31, 2022	December 31, 2021
Measurement Date	June 30, 2024	June 30, 2023
Experience Study Report	2022, published July 2023	2020, published July 2021
Actuarial Cost Method	Entry Age Normal	
<b>Actuarial Assumptions:</b>		
Inflation Rate	2.40 percent	
Long-Term Expected Rate of Return	6.90 percent	
Discount Rate	6.90 percent	
Projected Salary Increases	3.40 percent	
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service	
Mortality	<i>Healthy retirees and beneficiaries:</i>	
	Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	
	<i>Active members:</i>	
	Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	
	<i>Disabled retirees:</i>	
	Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered-years.

**DISCOUNT RATE**

The discount rate used to measure the total pension liability at June 30, 2025 and 2024 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

**SENSITIVITY ANALYSIS**

The sensitivity analysis shows the sensitivity of the university's proportionate share of the net pension liability to changes in the discount rate. The following presents the university's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent as of June 30, 2025 and 2024, as well as what the university's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2025	June 30, 2024
1% Decrease 5.90%	\$ 790,675	\$ 741,868
Current Discount Rate 6.90%	501,233	449,124
1% Increase 7.90%	258,811	204,128

**DEPLETION DATE PROJECTION**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, generally requires that a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB Statement No. 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB Statement No. 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB Statement No. 68 does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- Oregon PERS has a formal written policy to calculate an actuarially determined contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumptions.
- GASB Statement No. 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions,

which means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is the independent actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses. As such, the long-term expected rate of return was used to discount the liability.

**ASSUMED ASSET ALLOCATION**

Asset Class/ Strategy	Low Range	High Range	OIC Target
Debt Securities	20.00 %	30.00 %	25.00 %
Public Equity	22.50	32.50	27.50
Private Equity	15.00	27.50	20.00
Real Estate	7.50	17.50	12.50
Real Assets	2.50	10.00	7.50
Diversifying Strategies	2.50	10.00	7.50
Opportunity Portfolio	0.00	5.00	0.00
Total			100 %

**LONG-TERM EXPECTED RATE OF RETURN**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the OIC investment advisors. Each asset assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table on the next page shows a summary of long-term expected rate of return by asset class. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited annual comprehensive financial reports at:

[www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx](http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx)

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

**LONG-TERM EXPECTED RATE OF RETURN BY ASSET CLASS**

Asset Class	Target	Compound Annual Return (Geometric)
Global Equity	27.50%	7.07%
Private Equity	25.50	8.83
Core Fixed Income	25.00	4.50
Real Estate	12.25	5.83
Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	6.51
Hedge Funds of Funds - Multistrategy	1.25	6.27
Hedge Fund Equity - Hedge	0.63	6.48
Hedge Fund - Macro	5.62	4.83
Assumed Inflation - Mean		2.35%

**BOND DEBT**

The retirement bond debt service assessment was authorized by the Oregon Legislature in 2003 to sell general obligation bonds in the amount of \$2 billion to pay a PERS unfunded actuarial liability. This action reduced the PERS contribution rate for PERS covered employers in the state actuarial pool in November 2003.

The Oregon Department of Administrative Services coordinates the debt service assessments to PERS employers to cover the bond debt service payments. PERS employers are assessed a percentage of PERS-subject payroll to fund the payments. The assessment rate is adjusted periodically over the life of the twenty-four year debt repayment schedule.

The payroll assessment for the pension obligation bond began in May 2004. The assessment rate for fiscal year 2025 was 4.80 percent. The assessment rate for fiscal year 2024 was 5.60 percent through October 31, 2023 and was reduced to 4.80 percent effective November 1, 2023. Payroll assessments paid by OSU for the fiscal years ended June 30, 2025 and 2024, were \$17,386 and \$16,743, respectively.

**B. Other Retirement Plans****OPTIONAL RETIREMENT PLAN**

The 1995 Oregon Legislature enacted legislation that authorized the public universities in the state to offer a defined contribution retirement plan as an alternative to PERS. A Retirement Plan Committee was appointed to administer the Optional Retirement Plan (ORP) and named trustees to manage plan assets placed with mutual funds and insurance companies.

Beginning April 1, 1996, the ORP was made available to university academic and administrative faculty. Employees choosing the ORP may invest the employee and employer contributions in one of two investment companies, either Fidelity or the Teacher's Insurance Annuity Association (TIAA).

The ORP consists of four tiers. Membership under ORP Tier One and Tier Two is determined using the same date of entry criteria as PERS. The third tier is determined by the date of entry applicable to the OPSRP. Employees hired on or after July 1, 2014 who elected the ORP are Tier Four members.

Tier Four is a departure from the other three tiers. The employee is entitled to an employer contribution plus a "match" contribution based on the employee's participation in the voluntary 403(b) investment plan. The employer contribution is fixed at 8 percent by plan rules and is unaffected by PERS rates, unlike the other tiers. The employer provides an ORP match contribution equal to 403(b) deferrals up to a 4 percent maximum. Under the ORP Tiers One, Two and Three, the employee's contribution rate is 6 percent and is paid by the employer. The employer contribution rates for the ORP are as follows:

	2025	2024
Tier One/Two	26.68%	26.68%
Tier Three	10.93%	10.93%
Tier Four	8.00%	8.00%

**OREGON PUBLIC UNIVERSITIES 401(A) DEFINED CONTRIBUTION PLAN**

Eligible ranked faculty participate in the TIAA retirement program, a defined contribution plan, on all salary in excess of \$5 per calendar year. Employee and employer contributions are directed to PERS on the first \$5 of salary. The contribution to TIAA annuities are supplemental to PERS. To participate in this retirement option, employees must have been hired on or before September 9, 1995. This plan was closed to new enrollment at the time the ORP started in 1996. The legacy plan, Oregon University System 401(a) Defined Contribution Plan, document was amended and restated July 1, 2015, and the Plan Sponsor is now the Board of Trustees for the University of Oregon.

**FEDERAL CIVIL SERVICE RETIREMENT - THRIFT SAVINGS PLAN**

OSU Extension Service employees that hold federal appointments can also participate in a Thrift Savings Plan (TSP) with an automatic employer contribution of 1 percent. Employees may also contribute to this plan at variable rates up to the limit set by the Internal Revenue Service, in which case the employer contributes at a variable rate up to 5 percent. CSRS employees are also eligible for participation in the TSP but without employer contributions.

**SUPPLEMENTAL RETIREMENT PLANS (SRP)**

OSU participates in a supplemental retirement plan for eligible employees who have been designated to become a participant in the plan. The supplemental plan has two parts: 403(b) defined contribution plan and a 415(m) excess benefit arrangement. Investments of the 403(b) plan and the 415(m) arrangement are managed by TIAA and directed

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

by the employee. The university has recorded an investment for the non-vested balance managed by TIAA as well as an offsetting liability for the amount that will be payable to the employee upon completion of their contract.

During the fiscal years ended June 30, 2025 the university made contributions of \$513 to the 415(m) arrangement or to the employees' 403(b) plan. During the fiscal years ended June 30, 2024 the university made contributions of \$59 to the 415(m) arrangement or to the employees' 403(b) plan.

**SUMMARY OF OTHER PENSION PAYMENTS**

OSU's total payroll for the year ended June 30, 2025 was \$696,373, of which \$275,218 was subject to defined contribution retirement plan contributions. The following schedule lists pension payments made by OSU for the fiscal year:

	June 30, 2025			
	Employer Contribution	As a % of Covered Payroll	Employee Contribution	As a % of Covered Payroll
ORP	\$ 17,597	6.39%	\$ 15,817	5.75%
TIAA	24	0.01	24	0.01
FERS - TSP	41	0.02	64	0.02
SRP	513	0.19	-	0.00
<b>Total</b>	<b>\$ 18,175</b>	<b>6.61%</b>	<b>\$ 15,905</b>	<b>5.78%</b>

Of the employee share, OSU paid \$12,603 of the ORP and \$24 of the TIAA employee contributions on behalf of their employees during the fiscal year ended June 30, 2025. The FERS-TSP contributions of \$64 represents employee contributions to the TSP for FERS employees that were matched from one to five percent by the employer in fiscal year 2025.

OSU's total payroll for the year ended June 30, 2024 was \$651,122, of which \$254,546 was subject to defined contribution retirement plan contributions. The following schedule lists pension payments made by OSU for the fiscal year:

	June 30, 2024			
	Employer Contribution	As a % of Covered Payroll	Employee Contribution	As a % of Covered Payroll
ORP	\$ 17,645	6.93%	\$ 14,405	5.66%
TIAA	23	0.01	23	0.01
FERS - TSP	49	0.02	95	0.04
SRP	59	0.02	-	0.00
<b>Total</b>	<b>\$ 17,776</b>	<b>6.98%</b>	<b>\$ 14,523</b>	<b>5.71%</b>

Of the employee share, OSU paid \$11,643 of the ORP and \$23 of the TIAA employee contributions on behalf of their employees during the fiscal year ended June 30, 2024. The FERS-TSP contributions of \$95 represents employee contributions to the TSP for FERS employees that were matched from one to five percent by the employer in fiscal year 2024.

**18. OTHER POST-EMPLOYMENT BENEFITS (OPEB)****A. Public Employees Retirement Plans (PERS)****PLAN DESCRIPTION**

The Public Employees Retirement System (PERS) Board contracts for health insurance coverage on behalf of eligible PERS members. Eligible retirees pay their own age-adjusted premiums. To help retirees defray the cost of these premiums, PERS also administers two separate defined benefit other post-employment benefit (OPEB) plans: the Retirement Health Insurance Account (RHIA) and the Retiree Health Insurance Premium Account (RHIPA). Only Tier One and Tier Two PERS members are eligible to participate in the RHIA and RHIPA plans. (Refer to Note 17 for details concerning Tier One and Tier Two membership in PERS.)

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

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

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

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

**OPEB PLANS REPORT**

The PERS RHIA and RHIPA defined benefit OPEB plans are reported separately under Other Employee Benefit Trust Funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the state's annual comprehensive financial report. PERS issues a separate, publicly available financial report that includes audited financial statements and required supplementary information. The report may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at: [www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx](http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Employers participating in RHIA and RHIPA plans are required to report OPEB information in their financial statements for fiscal periods beginning on or after June 15, 2017, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities for OPEB and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources.

**BASIS OF ACCOUNTING**

The financial statements for the PERS OPEB plans are prepared using the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements.

**PROPORTIONATE SHARE ALLOCATION METHODOLOGY**

The basis for the employer's proportion of the statewide plan is determined by comparing the employer's actual, legally required contributions made to the Plan during the fiscal year with the total actual contributions made by all employers in the fiscal year.

**OPEB TOTAL PLAN (ASSET) LIABILITY**

The components of the collective Net OPEB liability (asset) for the OPEB plans as of the measurement dates of June 30, 2024 and June 30, 2023 are as follows (in millions):

	June 30, 2024	June 30, 2023
<b>Net OPEB - RHIA (Asset)</b>		
Total OPEB - RHIA Liability	\$ 334.9	\$ 360.4
Plan Fiduciary Net Position	738.8	726.6
Plan Net OPEB - RHIA (Asset)	<b>\$ (403.9)</b>	<b>\$ (366.2)</b>
<b>Net OPEB - RHIPA (Asset)</b>		
Total OPEB - RHIPA Liability	\$ 42.6	\$ 47.3
Plan Fiduciary Net Position	94.0	91.4
Plan Net OPEB - RHIPA (Asset)	<b>\$ (51.4)</b>	<b>\$ (44.1)</b>

**CHANGES SUBSEQUENT TO THE MEASUREMENT DATE**

The university is not aware of any changes to benefit terms or actuarial methods and assumptions subsequent to the June 30, 2024 measurement date.

**CONTRIBUTIONS**

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

For the fiscal years ended June 30, 2025 and 2024, the university contributed 0.13 percent of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIA benefits and negative 0.13 percent to amortize the unfunded actuarial accrued liability for a net contribution of zero percent. The university's required employer contributions for the years ended June 30, 2025 and 2024 was zero, respectively. The actual contribution equaled the annual required contribution for the year.

For the fiscal year ended June 30, 2025 and 2024, the university contributed 0.13 percent of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIPA benefits and negative 0.13 percent to amortize the unfunded actuarial accrued liability for a net contribution of zero percent. The university's required employer contributions for the years ended June 30, 2025 and 2024 were zero, respectively. The actual contribution equaled the annual required contribution for the year.

**NET OPEB ASSET/LIABILITY****a. RHIA**

At June 30, 2025, the university reported an asset of \$7,650 for its proportionate share of the RHIA net OPEB asset. The net OPEB asset as of June 30, 2025 was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. At June 30, 2024, the university reported an asset of \$7,780 for its proportionate share of the RHIA net OPEB asset. The net OPEB asset as of June 30, 2024 was measured as of June 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. The PERS

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

system does not provide OSU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PERS employer state agencies. The state Department of Administrative Services (DAS) calculated OSU's proportionate share of all state agencies internally based on actual contributions by OSU as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2025 and 2024, OSU's proportion was 1.89 percent and 2.12 percent of the statewide OPEB plan, respectively.

For the years ended June 30, 2025 and 2024, OSU recorded total OPEB related expense of (\$387) and (\$1,485), respectively, due to changes in the net RHIA OPEB asset, deferred outflows and deferred inflows, and amortization of previously deferred amounts.

**b. RHIPA**

For the year ended June 30, 2025, the university reported a asset of \$3,523 for its proportionate share of the RHIPA net OPEB asset. The net OPEB asset as of June 30, 2025 was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. For the year ended June 30, 2024, the university reported a asset of \$3,018 for its proportionate share of the RHIPA net OPEB asset. The net OPEB asset as of June 30, 2024 was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The PERS system does not provide OSU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PERS employer state agencies. DAS calculated OSU's proportionate share of all state agencies internally based on actual contributions by OSU as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2025 and 2024, OSU's proportion was 6.85 percent of the statewide OPEB plan.

For the years ended June 30, 2025 and 2024, OSU recorded total OPEB related expense of (\$608) and (\$505), respectively, due to changes in the net RHIPA OPEB asset, deferred outflows and deferred inflows, and amortization of previously deferred amounts.

**DEFERRED ITEMS****a. RHIA**

Most deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. However, changes in employer proportion and the difference between employer contributions and proportionate share of contributions are calculated at the employer level. For fiscal years ending June 30, 2025 and 2024, deferred items include:

- Difference between expected and actual experience
- Difference due to changes in assumptions

- Net difference between projected and actual OPEB plan investment earnings
- Changes in employer proportion since the prior measurement date
- A difference between employer contributions and proportionate share of contributions
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumption, and change in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period.

The average remaining service lives determined as of the beginning of the measurement period are as follows:

- Measurement period ended June 30, 2024 - 2.1 years
- Measurement period ended June 30, 2023 - 2.7 years
- Measurement period ended June 30, 2022 - 2.5 years

The difference between projected and actual OPEB plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the university's total OPEB expense for fiscal years 2025 and 2024.

At June 30, 2025, OSU reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ -	\$ (150)
Change in Assumptions	-	(96)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	216	-
Change in Proportionate Share	428	(37)
Difference Between Contributions and Proportionate Share of Contributions	-	(6)
Total	<u>\$ 644</u>	<u>\$ (289)</u>
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	<u>\$ 355</u>	

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

As of June 30, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2026	\$ (87)
2027	300
2028	117
2029	25
	<u>\$ 355</u>

At June 30, 2024, OSU reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ (195)
Change in Assumptions	-	(84)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	22	-
Change in Proportionate Share	196	(89)
Difference Between Contributions and Proportionate Share of Contributions	-	(11)
Total	<u>\$ 218</u>	<u>\$ (379)</u>
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	<u>\$ (161)</u>	

**b. RHIPA**

Most deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. However, changes in employer proportion and the difference between employer contributions and proportionate share of contributions are calculated at the employer level. For fiscal years ending June 30, 2025 and 2024, deferred items include:

- Difference between expected and actual experience
- Difference due to changes in assumptions
- Net difference between projected and actual OPEB plan investment earnings
- Changes in employer proportion since the prior measurement date
- Difference between employer contributions and proportionate share of contributions
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumptions, and change in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the

beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period.

The average remaining service lives determined as of the beginning of the measurement period are as follows:

- Measurement period ended June 30, 2024 - 5.7 years
- Measurement period ended June 30, 2023 - 5.9 years
- Measurement period ended June 30, 2022 - 6.1 years
- Measurement period ended June 30, 2021 - 6.2 years
- Measurement period ended June 30, 2020 - 6.4 years
- Measurement period ended June 30, 2019 - 6.7 years
- Measurement period ended June 30, 2018 - 6.9 years

The difference between projected and actual OPEB plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the university's total OPEB expense for fiscal years 2025 and 2024.

At June 30, 2025, OSU reported deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ (692)
Change in Assumptions	27	(610)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	130	-
Change in Proportionate Share	1	(57)
Difference Between Contributions and Proportionate Share of Contributions	4	(53)
Total	<u>\$ 162</u>	<u>\$ (1,412)</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ (1,250)</u>	

As of June 30, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2026	\$ (530)
2027	(282)
2028	(258)
2029	(123)
2030	(57)
	<u>\$ (1,250)</u>

Notes to the Financial Statements  
For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

At June 30, 2024, OSU reported deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ (633)
Change in Assumptions	43	(728)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	62	-
Change in Proportionate Share	3	(91)
Difference Between Contributions and Proportionate Share of Contributions	2	(12)
Total	<u>\$ 110</u>	<u>\$ (1,464)</u>
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	<u>\$ (1,354)</u>	

**ACTUARIAL METHODS AND ASSUMPTIONS**

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years.

The following key methods and assumptions were used to measure the total RHIA OPEB asset:

Actuarial Methods and Assumptions:		
RHIA		
	June 30, 2025	June 30, 2024
Valuation Date	December 31, 2022	December 31, 2021
Measurement Date	June 30, 2024	June 30, 2023
Experience Study Report	2022, published July 2023	2020, published July 2021
<b>Actuarial Assumptions:</b>		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.40 percent	
Long-Term Expected Rate of Return	6.90 percent	
Discount Rate	6.90 percent	
Projected Salary Increases	3.40 percent	
Retiree Healthcare Participation	Healthy retirees: 25%; Disabled retirees: 15%	Healthy retirees: 27.5%; Disabled retirees: 15%
Healthcare Cost Trend Rate	Not applicable	
Mortality	<i>Healthy retirees and beneficiaries:</i>	
	Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	
	<i>Active members:</i>	
	Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	
Mortality	<i>Disabled retirees:</i>	
	Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	



Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

The following key methods and assumptions were used to measure the total RHIPA OPEB liability:

Actuarial Methods and Assumptions:		
RHIPA		
	June 30, 2025	June 30, 2024
Valuation Date	December 31, 2022	December 31, 2021
Measurement Date	June 30, 2024	June 30, 2023
Experience Study Report	2022, published July 2023	2020, published July 2021
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.40 percent	
Long-Term Expected Rate of Return	6.90 percent	
Discount Rate	6.90 percent	
Projected Salary Increases	3.40 percent	
Retiree Healthcare Participation	8-14 Years of Service: 10% 15-19 Years of Service: 11% 20-24 Years of Service: 12% 25-29 Years of Service: 20% 30+ Years of Service: 25%	8-14 Years of Service: 10% 15-19 Years of Service: 11% 20-24 Years of Service: 14% 25-29 Years of Service: 22% 30+ Years of Service: 27%
Healthcare Cost Trend Rate	Applied at beginning of plan year, starting with 6.6% for 2023, decreasing to 4.2% for 2032, increasing to 4.3% for 2055, and decreasing to an ultimate rate of 3.8% for 2074 and beyond.	Applied at beginning of plan year, starting with 5.9% for 2021, decreasing to 4.7% for 2028, increasing to 4.8% for 2037, and decreasing to an ultimate rate of 3.9% for 2074 and beyond.
Mortality	<i>Healthy retirees and beneficiaries:</i> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	
	<i>Active members:</i> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	
	<i>Disabled retirees:</i> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	

**DISCOUNT RATE**

The discount rate used to measure the total OPEB liability/(asset) at June 30, 2025 and 2024 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB Plans was applied to all periods of projected benefit payments to determine the total OPEB liability.

**SENSITIVITY ANALYSIS**

The sensitivity analysis below shows the sensitivity of the university's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent as of June 30, 2025 and 2024, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate:

Discount Rate	RHIA		RHIPA	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
1% Decrease 5.90%	<b>\$(7,081)</b>	\$(7,072)	<b>\$(3,374)</b>	\$(2,836)
Current Discount Rate 6.90%	<b>(7,650)</b>	(7,780)	<b>(3,523)</b>	(3,018)
1% Increase 7.90%	<b>(8,139)</b>	(8,387)	<b>(3,669)</b>	(3,190)

The sensitivity analysis below shows the sensitivity of the university's proportionate share of the net OPEB liability/(asset) calculated using the current healthcare cost trend rates, as well as what the net OPEB liability/(asset) would be if it were calculated using healthcare trend rates that are one percentage point lower, or one percentage point higher than the current rates:

Healthcare Cost Rate	RHIA		RHIPA	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
1% Decrease	<b>\$(7,650)</b>	\$(7,780)	<b>\$(3,738)</b>	\$(3,267)
Current Trend Rate	<b>(7,650)</b>	(7,780)	<b>(3,523)</b>	(3,018)
1% Increase	<b>(7,650)</b>	(7,780)	<b>(3,287)</b>	(2,743)

**ASSUMED ASSET ALLOCATION**

Asset Class/ Strategy	Low Range	High Range	OIC Target
Debt Securities	20.00 %	30.00 %	25.00 %
Public Equity	22.50	32.50	27.50
Private Equity	15.00	27.50	20.00
Real Estate	7.50	17.50	12.50
Real Assets	2.50	10.00	7.50
Diversifying Strategies	2.50	10.00	7.50
Opportunity Portfolio	0.00	5.00	0.00
Total			100 %

**LONG-TERM EXPECTED RATE OF RETURN**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the OIC investment advisors. Each asset assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table on the next page shows a summary of long-term expected rate of return by asset class. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated

Notes to the Financial Statements  
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using both arithmetic and geometric means, see PERS' audited financial statements at: [www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx](http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx)

Long-term expected rate of return by asset class is as follows:

Asset Class	Target	Compound Annual Return (Geometric)
Global Equity	27.50%	7.07%
Private Equity	25.50	8.83
Core Fixed Income	25.00	4.50
Real Estate	12.25	5.83
Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	6.51
Hedge Funds of Funds - Multistrategy	1.25	6.27
Hedge Fund Equity - Hedge	0.63	6.48
Hedge Fund - Macro	5.62	4.83
Assumed Inflation – Mean		2.35%

#### DEPLETION DATE PROJECTION

GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB Statement No. 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB Statement No 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- Oregon PERS has a formal written policy to calculate an actuarially determined contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumptions.

- GASB Statement No. 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is the independent actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses. As such, the long-term expected rate of return was used to discount the liability.

## B. Public Employees' Benefit Board (PEBB)

### PLAN DESCRIPTION

OSU participates in a defined benefit post-employment healthcare plan administered by the Public Employees Benefit Board (PEBB). This plan offers healthcare assistance to eligible retired employees and their beneficiaries. Chapter 243 of the Oregon Revised Statutes (ORS) gives PEBB the authority to establish and amend the benefit provisions of the PEBB Plan. The PEBB Plan is considered a cost-sharing multiple-employer plan for financial reporting purposes and has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. PEBB does not issue a separate, publicly available financial report.

The PEBB Plan allows qualifying retired employees to continue their "active" health insurance coverage on a self-pay basis until they are eligible for Medicare. Participating retirees pay their own monthly premiums. However, the premium amount is based on a blended rate that is determined by pooling the qualifying retirees with active employees, thus, creating an "implicit rate subsidy."

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Employers participating in PEBB are required to report OPEB information in their financial statements for fiscal periods beginning on or after June 15, 2017, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources.

### PROPORTIONATE SHARE ALLOCATION METHODOLOGY

The basis for the employer's proportion is determined by comparing the employer's actual contributions made during the fiscal year with the total actual contributions made by all employers in the fiscal year.

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

**TOTAL OPEB LIABILITY**

At June 30, 2025, the university reported a liability of \$12,118 for its proportionate share of the total OPEB liability. The total OPEB liability as of June 30, 2025 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024. At June 30, 2024, the university reported a liability of \$10,121 for its proportionate share of the total OPEB liability. The total OPEB liability as of June 30, 2024 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023. PEBB does not provide OSU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PEBB participating employers. DAS calculated OSU's proportionate share of all participating employers internally based on actual contributions by OSU as compared to the total for participating employers. The Oregon Audits Division reviewed this internal calculation. At June 30, 2025 and 2024, OSU's proportion was 9.46 percent and 9.36 percent, respectively, of participating employers.

For the year ended June 30, 2025 and 2024, OSU recorded total PEBB OPEB related expense of \$250 and \$25, respectively, due to the changes to the total OPEB liability and deferred inflows, and amortization of previously deferred amounts.

**DEFERRED ITEMS**

Most deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. However, changes in employer proportion is calculated at the employer level. For the measurement period ended June 30, 2025 and 2024 there were:

- Differences between expected and actual experience
- Differences due to changes in assumptions
- Changes in employer proportion since the prior measurement date
- Differences between employer contributions and proportionate share of contributions

Changes in assumption and changes in employer proportion are amortized over the closed period equal to the average expected remaining service lives of all covered active and inactive participants. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The weighted average expected remaining service lives, assuming zero years for all retirees, is determined as of the beginning of each measurement period.

The average remaining service lives determined as of the beginning of the measurement period are as follows:

- Measurement period ended June 30, 2025 - 7.96 years
- Measurement period ended June 30, 2024 - 8.23 years
- Measurement period ended June 30, 2023 - 8.23 years
- Measurement period ended June 30, 2022 - 7.80 years

- Measurement period ended June 30, 2021 - 8.60 years
- Measurement period ended June 30, 2020 - 8.60 years
- Measurement period ended June 30, 2019 - 8.20 years
- Measurement period ended June 30, 2018 - 8.20 years

One year of amortization is recognized in the university's total OPEB expense for fiscal years 2025 and 2024.

At June 30, 2025, OSU reported deferred outflows of resources and deferred inflows of resources related to PEBB OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,035	\$ (1,568)
Change in Assumptions	253	(2,253)
Change in Proportionate Share	300	(748)
Difference Between Contributions and Proportionate Share of Contributions	37	(13)
Total	<u>1,625</u>	<u>(4,582)</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ (2,957)</u>	

As of June 30, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to PEBB OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2025	\$ (870)
2026	(872)
2027	(769)
2028	(509)
2029	(144)
Thereafter	207
	<u>\$ (2,957)</u>

At June 30, 2024, OSU reported deferred outflows of resources and deferred inflows of resources related to PEBB OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 3	\$ (1,910)
Change in Assumptions	152	(2,862)
Change in Proportionate Share	221	(951)
Difference Between Contributions and Proportionate Share of Contributions	47	(10)
Total	<u>423</u>	<u>(5,733)</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ (5,310)</u>	

Notes to the Financial Statements  
For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

### ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The following key methods and assumptions were used to measure the total OPEB liability:

Actuarial Methods and Assumptions:		
Measurement Date	June 30, 2025	June 30, 2024
Valuation Date	July 1, 2024	July 1, 2023
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.40 percent	
Discount Rate	5.20 percent	3.93 percent
Projected Salary Increases	3.40 percent	
Mortality Rates	Pub-2010 mortality tables, adjusted for PERS experience and generational mortality improvements	
Withdrawal and Retirement Rates	December 31, 2023 Oregon PERS valuation	December 31, 2021 Oregon PERS valuation
Healthcare Cost Trend Rate	4.50% per year	Pursuant to ORS 243.135(8), growth in per-member expenditures under self-insured plans and premium amounts is assumed to be 3.40% per year
Election and Lapse Rates	30% of eligible employees	
	60% spouse coverage for males, 35% for females	
	7% annual lapse rate	

### DISCOUNT RATE

Unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The Bond Buyer 20-Year General Obligation Bond Index was used to determine the discount rate for the OPEB liability. The discount rate in effect for the June 30, 2025 and 2024 reporting date was 5.20 percent and 3.93 percent, respectively.

### SENSITIVITY ANALYSIS

The sensitivity analysis below shows the sensitivity of the university's proportionate share of the total OPEB liability calculated using the discount rate of 5.20 percent as of June 30, 2025 and 3.93 percent as of June 30, 2024, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate as of June 30, 2025 and 2024:

Discount Rate	June 30, 2025	June 30, 2024
1% Decrease 4.20%/2.93%	\$ 12,978	\$ 10,826
Current Discount Rate 5.20%/3.93%	12,118	10,121
1% Increase 6.20%/4.93%	11,313	9,453

The sensitivity analysis below shows the sensitivity of the university's proportionate share of the total OPEB liability calculated using the current healthcare cost trend rates, as well as what the net OPEB liability would be if it were calculated using healthcare trend rates that are one percentage point lower, or one percentage point higher than the current rates as of June 30, 2025 and 2024:

Healthcare Rate	June 30, 2025	June 30, 2024
1% Decrease	\$ 10,826	\$ 8,875
Current Trend Rate	12,118	10,121
1% Increase	13,636	11,601

## 19. RISK FINANCING

OSU is a member of the Public Universities Risk Management and Insurance Trust (PURMIT). PURMIT is a separate legal entity that provides risk management and insurance support to its member universities (Member). PURMIT is governed by a Board of Trustees comprised of one representative from each Member. PURMIT carries out its mission through a combination of risk transfer and risk retention. PURMIT operates a self-insurance program for property and casualty lines under which each Member may select their own deductible. PURMIT also procures insurance and excess insurance, purchases specialty insurance lines, and provides administrative and operational services.

PURMIT is funded by annual Member assessments that are based on exposure, premium costs, expected claims, and operational costs, which are outlined in a Risk Allocation Model, and based on sound actuarial analysis.

As a Member of PURMIT, OSU transfers the following insurable risks to PURMIT and insurance companies:

- Real property loss for university owned buildings, equipment, automobiles and other types of property
- Tort liability claims brought against OSU, its officers, employees or agents
- Workers' Compensation and Employer's Liability
- Crime, Fiduciary and Network Security
- Specialty lines of coverage for marine, medical practicums, intercollegiate athletics, international travel, camps and clinics, day care, aviation exposures, and other items

OSU has a deductible of \$100 per occurrence/claim to PURMIT on property and casualty claims, and various deductibles on other insurance and specialty insurance lines. Annually, OSU sets aside pre-loss funding in advance to pay for the claims that are expected for that policy year. The amount of settlements has not exceeded insurance coverage since PURMIT was established in June of 2014.

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

**20. COMMITMENTS AND CONTINGENT LIABILITIES**

Outstanding commitments on partially completed, and planned but not initiated construction projects totaled approximately \$242,875 at June 30, 2025. These commitments will be primarily funded from gifts and grants, bond proceeds, and other OSU funds.

Several of the larger construction project commitments include the Collaboration Innovation Complex for \$118 million, Richardson Hall controls and chiller replacement for \$15 million, SARL Zebrafish Improvements for \$13 million and Gilkey Hall renovations for \$10 million.

OSU is contingently liable in connection with certain other claims and contracts, including those currently in litigation, arising in the normal course of its activities. Management is of the opinion that the outcome of such matters will not have a material effect on the financial statements.

OSU participates in certain federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor for expenditures disallowed under terms of the grant. Management believes that disallowances, if any, will not have a material effect on the financial statements.

Unemployment compensation claims are administered by the Oregon Employment Division pursuant to ORS 657. OSU reimburses the Oregon Employment Division on a quarterly basis for actual benefits paid. Each year resources are budgeted to pay current charges. The amount of future benefit payments to claimants and the resulting liability to OSU cannot be reasonably determined at June 30, 2025.

**21. SUBSEQUENT EVENTS**

University management has reviewed events and transactions that occurred subsequent to the Statements of Net Position date of June 30, 2025 and found none that required adjustment or disclosure in the financial statements.

**22. UNIVERSITY FOUNDATIONS**

The university's two related foundations are the OSU Foundation (OSUF) and the Agricultural Research Foundation (ARF). The foundations were established to provide assistance in fund raising, public outreach and other support for the mission of OSU. The OSUF was incorporated in 1947 to encourage, receive, and administer gifts and bequests for the support of the university and is responsible for all fundraising of the university as well as management of the majority of the university's endowments. The ARF was incorporated in 1934 to encourage and facilitate research in all branches of agriculture and related fields for the benefit of Oregon's agricultural industries. Each foundation is a legally separate, tax-exempt entity with an independent governing board. Although OSU does not control the timing or

amount of receipts from the foundations or income thereon, the majority of resources that each foundation holds and invests are restricted to the activities of the university by the donors. Because these restricted resources held by each foundation can only be used by, or for the benefit of the university, the foundations are considered component units of OSU and are discretely presented in the financial statements. The financial activity is reported for the years ended June 30, 2025 and 2024.

During the years ended June 30, 2025 and 2024, gifts and grants of \$98,019 and \$133,263, respectively, were transferred from the foundations to OSU.

Please see the combining financial statements for the OSU component units in the continuation of Note 22 starting on page 66.

Complete financial statements for the foundations may be obtained by writing to the following:

- *Oregon State University Foundation, 4238 SW Research Way, Corvallis, OR 97333*
- *Agricultural Research Foundation, 1600 SW Western Blvd, Suite 320, Corvallis, OR 97333*



## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

## Component Units

## Combining Financial Statements

## Statements of Financial Position

As of June 30, 2025

	Oregon State University Foundation	Agricultural Research Foundation	Total Component Units
	(in thousands)		
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 11,455	\$ 1,266	\$ 12,721
Investments	1,138,271	32,876	1,171,147
Contributions, Pledges and Grants Receivable, Net	85,793	3,008	88,801
Assets Held-For-Sale	5,840	-	5,840
Assets Held Under Split-Interest Agreements	59,403	-	59,403
Charitable Trusts Held Outside the Foundation	11,283	-	11,283
Receivables and Other Assets	5,127	543	5,670
Property and Equipment, Net	19,814	8	19,822
<b>Total Assets</b>	<b>\$ 1,336,986</b>	<b>\$ 37,701</b>	<b>\$ 1,374,687</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 4,795	\$ 775	\$ 5,570
Endowment Assets Held for OSU	66,680	-	66,680
Accounts Payable to the University	12,380	5,554	17,934
Obligations to Beneficiaries of Split-Interest Agreements	24,787	-	24,787
Other Liabilities	114	508	622
Long-Term Liabilities	883	9	892
<b>Total Liabilities</b>	<b>109,639</b>	<b>6,846</b>	<b>116,485</b>
<b>NET ASSETS</b>			
Without Donor Restrictions	48,319	6,254	54,573
With Donor Restrictions	1,179,028	24,601	1,203,629
<b>Total Net Assets</b>	<b>1,227,347</b>	<b>30,855</b>	<b>1,258,202</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,336,986</b>	<b>\$ 37,701</b>	<b>\$ 1,374,687</b>

Notes to the Financial Statements  
For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

**Component Units**

**Combining Financial Statements**

**Statements of Activities**

For the Year Ended June 30, 2025

	<b>Oregon State University Foundation</b>	<b>Agricultural Research Foundation</b>	<b>Total Component Units</b>
	(in thousands)		
<b>CHANGE IN NET ASSETS HELD WITHOUT DONOR RESTRICTIONS</b>			
<b>REVENUES</b>			
Grants, Bequests and Gifts	\$ 1,103	\$ 19	\$ 1,122
Interest and Dividends	-	1,130	1,130
Investment Income, Net	13,039	1,731	14,770
Net Assets Released From Restrictions and Other Transfers	107,567	9,149	116,716
Other Revenues	28,169	-	28,169
<b>Total Revenues</b>	<b>149,878</b>	<b>12,029</b>	<b>161,907</b>
<b>EXPENSES</b>			
University Support	101,278	9,398	110,676
Management and General	16,640	577	17,217
Development	23,265	301	23,566
<b>Total Expenses</b>	<b>141,183</b>	<b>10,276</b>	<b>151,459</b>
<b>Increase In Net Assets Held Without Donor Restrictions</b>	<b>8,695</b>	<b>1,753</b>	<b>10,448</b>
Beginning Balance, Net Assets Held Without Donor Restrictions	39,624	4,501	44,125
<b>Ending Balance, Net Assets Held Without Donor Restrictions</b>	<b>\$ 48,319</b>	<b>\$ 6,254</b>	<b>\$ 54,573</b>
<b>CHANGE IN NET ASSETS HELD WITH DONOR RESTRICTIONS</b>			
<b>REVENUES</b>			
Grants, Bequests and Gifts	\$ 102,205	\$ 9,121	\$ 111,326
Interest and Dividends	-	29	29
Investment Income, Net	91,134	57	91,191
Change in Value of Life Income Agreements	2,751	-	2,751
Other Revenues	5,260	-	5,260
Net Assets Released From Restrictions and Other Transfers	(107,567)	(9,149)	(116,716)
<b>Increase (Decrease) In Net Assets Held With Donor Restrictions</b>	<b>93,783</b>	<b>58</b>	<b>93,841</b>
Beginning Balance, Net Assets Held With Donor Restrictions	1,085,245	24,543	1,109,788
<b>Ending Balance, Net Assets Held With Donor Restrictions</b>	<b>\$ 1,179,028</b>	<b>\$ 24,601</b>	<b>\$ 1,203,629</b>
Beginning Balance, Total Net Assets	\$ 1,124,869	\$ 29,044	\$ 1,153,913
<b>Increase In Total Net Assets</b>	<b>102,478</b>	<b>1,811</b>	<b>104,289</b>
<b>Ending Balance, Total Net Assets</b>	<b>\$ 1,227,347</b>	<b>\$ 30,855</b>	<b>\$ 1,258,202</b>

## Notes to the Financial Statements

For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

## Component Units

## Combining Financial Statements

## Statements of Financial Position

As of June 30, 2024

	Oregon State University Foundation	Agricultural Research Foundation	Total Component Units
	(in thousands)		
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 13,014	\$ 1,389	\$ 14,403
Investments	1,023,064	30,674	1,053,738
Contributions, Pledges and Grants Receivable, Net	110,272	3,145	113,417
Assets Held-For-Sale	5,333	-	5,333
Assets Held Under Split-Interest Agreements	54,123	-	54,123
Charitable Trusts Held Outside the Foundation	11,109	-	11,109
Receivables and Other Assets	4,161	568	4,729
Property and Equipment, Net	24,350	-	24,350
<b>Total Assets</b>	<b>\$ 1,245,426</b>	<b>\$ 35,776</b>	<b>\$ 1,281,202</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 6,293	\$ 738	\$ 7,031
Endowment Assets Held for OSU	59,429	-	59,429
Accounts Payable to the University	31,040	5,968	37,008
Obligations to Beneficiaries of Split-Interest Agreements	22,752	-	22,752
Other Liabilities	81	26	107
Long-Term Liabilities	962	-	962
<b>Total Liabilities</b>	<b>120,557</b>	<b>6,732</b>	<b>127,289</b>
<b>NET ASSETS</b>			
Without Donor Restrictions	39,624	4,501	44,125
With Donor Restrictions	1,085,245	24,543	1,109,788
<b>Total Net Assets</b>	<b>1,124,869</b>	<b>29,044</b>	<b>1,153,913</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,245,426</b>	<b>\$ 35,776</b>	<b>\$ 1,281,202</b>

Notes to the Financial Statements  
For the Years Ended June 30, 2025 and 2024 (dollars in thousands)

## Component Units

## Combining Financial Statements

## Statements of Activities

For the Year Ended June 30, 2024

	Oregon State University Foundation	Agricultural Research Foundation	Total Component Units
	(in thousands)		
<b>CHANGE IN NET ASSETS HELD WITHOUT DONOR RESTRICTIONS</b>			
<b>REVENUES</b>			
Grants, Bequests and Gifts	\$ 579	\$ 25	\$ 604
Interest and Dividends	-	546	546
Investment Income, Net	10,144	1,141	11,285
Net Assets Released From Restrictions and Other Transfers	138,235	10,694	148,929
Other Revenues	27,060	-	27,060
<b>Total Revenues</b>	<b>176,018</b>	<b>12,406</b>	<b>188,424</b>
<b>EXPENSES</b>			
University Support	130,424	11,100	141,524
Management and General	16,207	680	16,887
Development	23,313	339	23,652
<b>Total Expenses</b>	<b>169,944</b>	<b>12,119</b>	<b>182,063</b>
<b>Increase In Net Assets Held Without Donor Restrictions</b>	<b>6,074</b>	<b>287</b>	<b>6,361</b>
Beginning Balance, Net Assets Held Without Donor Restrictions	33,550	4,214	37,764
<b>Ending Balance, Net Assets Held Without Donor Restrictions</b>	<b>\$ 39,624</b>	<b>\$ 4,501</b>	<b>\$ 44,125</b>
<b>CHANGE IN NET ASSETS HELD WITH DONOR RESTRICTIONS</b>			
<b>REVENUES</b>			
Grants, Bequests and Gifts	\$ 136,864	\$ 10,491	\$ 147,355
Interest and Dividends	-	31	31
Investment Income, Net	69,049	19	69,068
Change in Value of Life Income Agreements	3,647	-	3,647
Other Revenues	5,132	-	5,132
Net Assets Released From Restrictions and Other Transfers	(138,235)	(10,694)	(148,929)
<b>Increase (Decrease) In Net Assets Held With Donor Restrictions</b>	<b>76,457</b>	<b>(153)</b>	<b>76,304</b>
Beginning Balance, Net Assets Held With Donor Restrictions	1,008,788	24,696	1,033,484
<b>Ending Balance, Net Assets Held With Donor Restrictions</b>	<b>\$ 1,085,245</b>	<b>\$ 24,543</b>	<b>\$ 1,109,788</b>
Beginning Balance, Total Net Assets	\$ 1,042,338	\$ 28,910	\$ 1,071,248
<b>Increase In Total Net Assets</b>	<b>82,531</b>	<b>134</b>	<b>82,665</b>
<b>Ending Balance, Total Net Assets</b>	<b>\$ 1,124,869</b>	<b>\$ 29,044</b>	<b>\$ 1,153,913</b>

## Required Supplementary Information (dollars in thousands)

**SCHEDULE OF UNIVERSITY CONTRIBUTIONS**  
**Public Employees Retirement System**

For Fiscal Years Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution <sup>1</sup>	\$ 63,943	\$ 59,041	\$ 49,487	\$ 46,756	\$ 39,883	\$ 40,555	\$ 28,059	\$ 27,936	\$ 19,571	\$ 19,078
Contributions in Relation to Contractually Required Contribution	63,943	59,041	49,487	46,756	39,883	40,555	28,059	27,936	19,571	19,078
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 368,542	\$ 337,330	\$ 307,178	\$ 288,021	\$ 280,514	\$ 278,387	\$ 267,033	\$ 258,277	\$ 244,265	\$ 228,327
Contributions as a Percentage of Covered Payroll	17.4%	17.5%	16.1%	16.2%	14.2%	14.6%	10.5%	10.8%	8.0%	8.4%

<sup>1</sup>For Actuarial Assumptions and Methods, see table in Note 17

**SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY**  
**Public Employees Retirement System**

As of the Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
University's Allocation of the Net Pension Liability	2.40%	2.41%	2.30%	2.07%	1.99%	2.00%	2.18%	2.15%	2.00%	1.80%
University's Proportionate Share of the Net Pension Liability	\$ 501,233	\$ 449,124	\$ 369,042	\$ 275,332	\$ 451,900	\$ 344,658	\$ 302,317	\$ 293,882	\$ 322,538	\$ 114,746
University's Covered Payroll	\$ 337,330	\$ 307,178	\$ 288,021	\$ 280,514	\$ 278,387	\$ 267,033	\$ 258,277	\$ 244,265	\$ 228,327	\$ 218,835
University's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	148.59%	146.21%	128.13%	98.15%	162.33%	129.07%	117.05%	120.31%	141.26%	52.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.29%	81.68%	84.55%	87.57%	75.79%	80.23%	82.07%	83.12%	80.53%	91.88%

## Required Supplementary Information (dollars in thousands)

## SCHEDULE OF UNIVERSITY PERS RHIA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contributions <sup>1</sup>	\$ -	\$ -	\$ 33	\$ 35	\$ 43	\$ 47	\$ 1,205	\$ 1,171	\$ 1,172	\$ 1,104
Contributions in Relation to the Actuarially Determined Contributions	-	-	33	35	43	47	1,205	1,171	1,172	1,104
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$368,123	\$336,926	\$306,659	\$287,246	\$279,571	\$278,354	\$266,994	\$258,239	\$244,227	\$228,283
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.01%	0.01%	0.02%	0.02%	0.45%	0.45%	0.48%	0.48%

<sup>1</sup>For Actuarial Assumptions and Methods, see table in Note 18

## SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PERS RHIA OPEB LIABILITY/(ASSET)\*

As of the Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016
University's Allocation of the Net RHIA OPEB Liability/(Asset)	1.89%	2.12%	2.08%	2.46%	0.67%	2.52%	2.35%	2.46%	0.00%
University's Proportionate Share of the Net RHIA OPEB Liability/(Asset)	\$ (7,650)	\$ (7,780)	\$ (7,388)	\$ (8,465)	\$ (1,369)	\$ (4,869)	\$ (2,626)	\$ (1,027)	\$ 641
University's Covered Payroll	\$336,926	\$306,659	\$287,246	\$279,571	\$278,354	\$266,994	\$258,239	\$244,227	\$228,283
University's Proportionate Share of the Net RHIA OPEB Liability/(Asset) as a Percentage of Covered Payroll	2.27%	2.54%	2.57%	3.03%	0.49%	1.82%	1.02%	0.42%	0.28%
Plan Fiduciary Net Position as a Percentage of the Total RHIA OPEB Liability/(Asset)	220.60%	201.61%	194.65%	183.86%	150.09%	144.38%	123.99%	108.88%	94.15%

\*These tables will eventually contain 10 years of data. Only the data presented above is available at this time.

## Required Supplementary Information (dollars in thousands)

## SCHEDULE OF UNIVERSITY PERS RHIPA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contributions <sup>1</sup>	\$ -	\$ -	\$ 593	\$ 565	\$ 841	\$ 846	\$ 1,104	\$ 1,076	\$ 937	\$ 886
Contributions in Relation to the Actuarially Determined Contributions	-	-	593	565	841	846	1,104	1,076	937	886
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$368,123	\$336,926	\$306,659	\$287,246	\$279,571	\$278,354	\$266,994	\$258,239	\$244,227	\$228,283
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.19%	0.20%	0.30%	0.30%	0.41%	0.42%	0.38%	0.39%

<sup>1</sup>For Actuarial Assumptions and Methods, see table in Note 18

## SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PERS RHIPA OPEB LIABILITY/(ASSET)\*

As of the Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016
University's Allocation of the Net RHIPA OPEB Liability/(Asset)	6.85%	6.85%	6.78%	7.29%	7.44%	8.01%	7.98%	7.97%	8.01%
University's Proportionate Share of the Net RHIPA OPEB Liability/(Asset)	\$ (3,523)	\$ (3,018)	\$ (2,322)	\$ (1,129)	\$ 742	\$ 2,028	\$ 2,820	\$ 3,718	\$ 4,299
University's Covered Payroll	\$336,926	\$306,659	\$287,246	\$279,571	\$278,354	\$266,994	\$258,239	\$244,227	\$228,283
University's Proportionate Share of the Net RHIPA OPEB Liability/(Asset) as a Percentage of Covered Payroll	1.05%	0.98%	0.81%	0.40%	0.27%	0.76%	1.09%	1.52%	1.88%
Plan Fiduciary Net Position as a Percentage of the Total RHIPA OPEB Liability/(Asset)	220.66%	193.23%	169.65%	124.64%	84.45%	64.86%	49.79%	34.25%	21.87%

\*These tables will eventually contain 10 years of data. Only the data presented above is available at this time.

## Required Supplementary Information (dollars in thousands)

**SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE  
TOTAL PEBB OPEB LIABILITY\***

As of June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017
University's Allocation of the Total OPEB Liability	\$ 12,118	\$ 10,121	\$ 10,200	\$ 11,717	\$ 14,473	\$ 14,516	\$ 16,082	\$ 15,242	\$ 14,696
University's Proportionate Share of the Total OPEB Liability	9.46%	9.36%	9.66%	9.50%	9.58%	9.90%	9.98%	10.26%	10.15%
University's Covered Payroll	\$ 533,236	\$ 494,260	\$ 457,710	\$ 421,287	\$ 409,461	\$ 413,757	\$ 402,161	\$ 368,750	\$ 388,332
University's Proportionate Share of the Total OPEB Liability as a Percentage of Covered Payroll	2.27%	2.05%	2.23%	2.78%	3.53%	3.51%	4.00%	4.13%	3.78%
Total OPEB Liability as a % of Total Covered Payroll	2.19%	2.05%	2.19%	2.76%	3.72%	3.77%	4.31%	4.42%	4.45%

\*This table will eventually contain 10 years of data. Only the data presented above is available at this time.

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For information about the financial data included in this report, contact:

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