

# Oklahoma State University

Independent Auditors' Reports and Financial Statements

June 30, 2024 and 2023



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# Oklahoma State University

## June 30, 2024 and 2023

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# Oklahoma State University

June 30, 2024 and 2023

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## INDEPENDENT AUDITORS' REPORT

Board of Regents for the Oklahoma  
Agricultural and Mechanical Colleges  
Oklahoma State University  
Oklahoma City, Oklahoma

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Oklahoma State University, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Oklahoma State University's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports 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 Oklahoma State University, as of June 30, 2024 and 2023, and the changes in financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Oklahoma State University Foundation (OSU Foundation), which represent 90 percent and 89 percent of assets, 89 percent and 89 percent of net assets, and 99 percent and 99 percent of revenues, of the aggregate discretely presented component units as of June 30, 2024 and 2023, respectively. Those statements were audited by other auditors whose report have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for OSU Foundation is based solely on the reports of the other auditors.

#### ***Basis for Opinions***

We conducted our audits 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 Oklahoma State University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of OSU Foundation were not audited in accordance with *Government Auditing Standards*.

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 Oklahoma State 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 Oklahoma State 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 Oklahoma State 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, the Schedules of University's Proportionate Share of the Net Position Liability and Contributions, and Schedule of Changes in Total OPEB Liability and Related Ratios 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 audits 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.

**Supplementary Information**

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oklahoma State University's basic financial statements. The Revenue Bond Systems Outstanding – Schedule of Revenues, Expenditures, Changes in Fund Balance and Combining Schedules by Campus, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, the Revenue Bond Systems Outstanding – Schedule of Revenues, Expenditures, Changes in Fund Balance and Combining Schedules by Campus are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2024, on our consideration of Oklahoma State 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 Oklahoma State 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 Oklahoma State University's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

St. Louis, Missouri  
November 27, 2024

# Oklahoma State University

## Management's Discussion and Analysis

### Years Ended June 30, 2024 and 2023

#### ***Overview of Financial Statements and Financial Analysis***

Oklahoma State University proudly presents its financial statements for fiscal years 2024 and 2023, with comparative data presented for fiscal year 2022. In 2023, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which establishes that a subscription-based information technology arrangement results in a right-to-use subscription asset and a corresponding subscription liability. The emphasis of discussions concerning these statements will be for the current year. There are three financial statements presented: the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows. All dollar amounts in this discussion are presented in thousands of dollars. This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year.

#### ***Statements of Net Position***

The Statements of Net Position present the assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets plus deferred outflows minus liabilities minus deferred inflows) as of the end of the fiscal year. The purpose of the Statements of Net Position is to present to the readers of the financial statements a fiscal snapshot of Oklahoma State University. The difference between current and noncurrent assets is discussed in the footnotes to the financial statements.

From the data presented, readers of the Statements of Net Position are able to determine the assets available to continue the operations of the institution. They are also able to determine cost of unamortized debt, and determine how much the institution owes vendors, investors, and lending institutions.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the institution's equity in property, plant, and equipment owned by the institution. The next category, restricted is divided into two categories, nonexpendable and expendable. The nonexpendable restricted resources are only available for investment purposes. Expendable restricted resources are available for expenditure by the institution, but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted. Unrestricted resources are available to the institution for any lawful purpose of the institution. The following chart is a summary of the Statements of Net Position over the last three fiscal years:

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>(In Thousands)</b>		
<b>Assets</b>			
Current assets	\$ 530,793	\$ 492,688	\$ 472,937
Capital assets, net of accumulated depreciation and amortization	2,192,826	2,117,263	2,084,589
Other assets	260,473	182,282	187,898
	<u>2,984,092</u>	<u>2,792,233</u>	<u>2,745,424</u>
<b>Deferred Outflows of Resources</b>	<u>89,275</u>	<u>111,934</u>	<u>99,315</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>3,073,367</u>	<u>2,904,167</u>	<u>2,844,739</u>
<b>Liabilities</b>			
Current liabilities	204,086	187,602	179,333
Noncurrent liabilities	1,360,420	1,294,633	1,205,757
	<u>1,564,506</u>	<u>1,482,235</u>	<u>1,385,090</u>
<b>Deferred Inflows of Resources</b>	<u>83,004</u>	<u>97,695</u>	<u>214,660</u>
<b>Net Position</b>			
Net investment in capital assets	1,252,642	1,196,455	1,176,121
Restricted - expendable	162,982	127,361	112,354
Restricted - unexpendable	715	681	799
Unrestricted	9,518	(260)	(44,285)
	<u>9,518</u>	<u>(260)</u>	<u>(44,285)</u>
<b>Total Net Position</b>	<u>\$ 1,425,857</u>	<u>\$ 1,324,237</u>	<u>\$ 1,244,989</u>

In fiscal year 2024, total assets of the institution increased by \$191,859 or 6.87 percent over fiscal year 2023. A review of the Statements of Net Position will reveal that there are many offsetting variances, but the increase was primarily due to increases in cash held by state agencies of \$77,898, capital assets, net of accumulated depreciation and amortization of \$75,563, and cash and cash equivalents of \$38,707. The increase in cash held by state agencies is a result of the allocation from the state's Legacy fund operated by OCIA for the OSU Veterinary Medicine Authority.

In fiscal year 2023, total assets of the institution increased by \$46,809 or 1.70 percent over fiscal year 2022. A review of the Statements of Net Position will reveal that there are many offsetting variances, but the increase was primarily due to increases in accounts receivable of \$58,163, and capital assets, net of accumulated depreciation and amortization of \$32,674. These were offset by decreases in cash and cash equivalents of \$34,426 and receivables from state agencies of \$5,188.

In fiscal year 2024, capital assets, net of accumulated depreciation and amortization increased \$75,563 or 3.57 percent. This was due primarily to construction in progress additions for the new Agricultural Hall, renovations to Boone Pickens stadium, and the new dining facility on the Stillwater campus – Central Market Place.



In fiscal year 2023, capital assets, net of accumulated depreciation and amortization increased \$32,674 or 1.57 percent. This was due primarily to construction in progress additions for the DASNR New Frontiers building.

In fiscal year 2024, deferred outflows of resources decreased by \$22,659 from fiscal year 2023. This was due primarily to a decrease in deferred costs on pension programs of \$19,353. In fiscal year 2023, deferred outflows of resources increased by \$12,619 from fiscal year 2022. This was due primarily to an increase in deferred costs on pension programs of \$15,219.

In fiscal year 2024, total liabilities for the year increased by \$82,271 or 5.55 percent over fiscal year 2023. The increase was primarily due to an increase in revenue bonds and lease obligations of \$67,796 and accounts payable for noncurrent assets of \$16,160, offset by a decrease in the pension liability of \$16,790.

In fiscal year 2023, total liabilities for the year increased by \$97,145 or 7.01 percent over fiscal year 2022. The increase was primarily due to an increase in the pension liability of \$106,092, offset by a decrease in accounts payable of \$9,306. There was also a decrease in revenue bonds and lease obligations of \$5,889.

In fiscal year 2024, deferred inflows of resources decreased by \$14,691 over fiscal year 2023. This was primarily due to a decrease in deferred inflows for pension liabilities of \$17,962. In fiscal year 2023, deferred inflows of resources decreased by \$116,965 over fiscal year 2022. This was due to a decrease in deferred inflows for pension liabilities of \$117,085.

In fiscal year 2024, net position increased \$101,620 while in fiscal year 2023, net position increased \$79,248.

### ***Bonds and Capital Lease Obligations***

In fiscal year 2024, bonds were issued in the par amount of \$42,660 and received a premium of \$2,394. These bond proceeds were used to make capital improvements, purchase certain maturities of University bonds in connection with a tender offer, and refund certain outstanding bonds.

In fiscal year 2023, bonds were issued in the par amount of \$36,625 and received a premium of \$3,873. These bond proceeds were used to make capital improvements.

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

While the fiscal years 2023 and 2024 comparisons are important indicators of activity during the year under audit, it is important to look at some of the operating and nonoperating categories over time. One of the important measures of an institution's fiscal stability is how operating revenues compare to operating expenses. Public institutions will normally not have an excess of operating revenues over operating expenses because state appropriations and federal and some state student grants are considered nonoperating revenues under generally accepted accounting principles in the United States of America.

The following table summarizes the revenues, expenses, and changes in net position for Oklahoma State University over the last three years:

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>(In Thousands)</b>		
Operating revenues	\$ 1,056,269	\$ 1,024,824	\$ 938,726
Operating expenses	<u>1,415,848</u>	<u>1,306,446</u>	<u>1,216,530</u>
Operating loss	(359,579)	(281,622)	(277,804)
Nonoperating net revenues	<u>375,620</u>	<u>309,130</u>	<u>310,912</u>
Income (loss) before other revenues, expenses, gains, and losses	16,041	27,508	33,108
Other revenues, expenses, gains, and losses	<u>85,579</u>	<u>51,740</u>	<u>59,930</u>
Net increase in net position	<u>\$ 101,620</u>	<u>\$ 79,248</u>	<u>\$ 93,038</u>

Operating revenues of \$1,056,269 in fiscal year 2024 reflect an increase of \$31,445 or 3.07 percent when compared to fiscal year 2023. The increase came primarily from an increase in federal grants and contracts of \$30,983 and nongovernmental grants and contracts of \$9,669, offset by a decrease in sales and services of educational departments of \$12,594.

Operating revenues of \$1,024,824 in fiscal year 2023 reflect an increase of \$86,098 or 9.17 percent when compared to fiscal year 2022. The increase came primarily from an increase in auxiliary enterprise charges of \$54,796 and tuition and fees, net of \$15,070.

The following table summarizes the operating revenues of Oklahoma State University for the last three years:

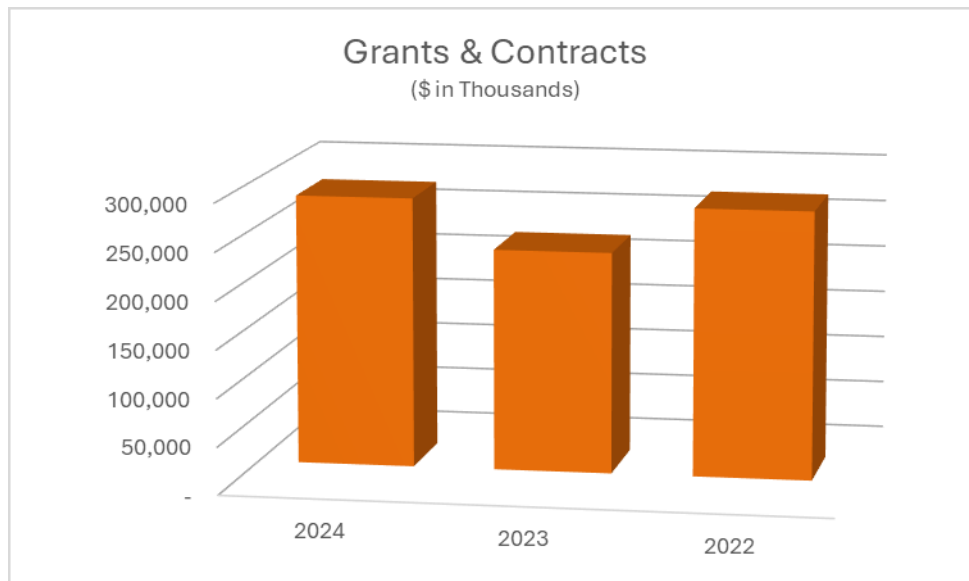
	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>(In Thousands)</b>		
Tuition and fees, net of scholarship allowances	\$ 335,877	\$ 329,558	\$ 314,488
Grants and contracts and federal appropriations	233,489	189,916	185,348
Sales and services of educational departments	74,701	87,295	74,648
Auxiliary enterprises charges	402,295	402,716	347,920
Interest earned on loans to students	595	178	210
Other operating revenues	<u>9,312</u>	<u>15,161</u>	<u>16,112</u>
<b>Total Operating Revenues</b>	<u>\$ 1,056,269</u>	<u>\$ 1,024,824</u>	<u>\$ 938,726</u>

Operating expenses of \$1,415,848 in fiscal year 2024 reflect an increase of \$109,402 or 8.37 percent when compared to fiscal year 2023. The increase was primarily due to the increase in compensation and employee benefits of \$64,471 and other operating expenses of \$17,643.

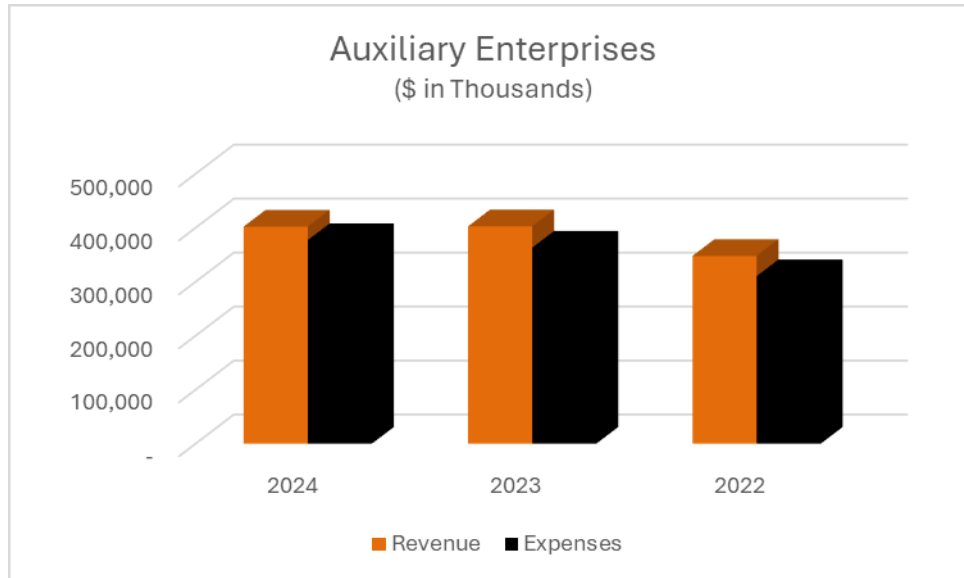
Operating expenses of \$1,306,446 in fiscal year 2023 reflect an increase of \$89,916 or 7.39 percent when compared to fiscal year 2022. The increase was primarily due to the increase in compensation and employee benefits of \$68,744 and contractual services of \$34,731, offset by a decrease in scholarship and fellowships of \$17,019.

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>(In Thousands)</b>		
Compensation and employee benefits	\$ 765,513	\$ 701,042	\$ 632,298
Contractual services	273,332	262,895	228,164
Supplies and materials	59,840	52,234	50,587
Utilities	40,801	42,156	36,890
Communication	5,271	5,686	5,246
Other operating expenses	86,308	68,665	75,432
Scholarships and fellowships	74,507	64,563	81,582
Depreciation and amortization expense	110,276	109,205	106,331
<b>Total Operating Expenses</b>	<b>\$ 1,415,848</b>	<b>\$ 1,306,446</b>	<b>\$ 1,216,530</b>

To alleviate the gap between operating revenues and operating expenses, tuition and fees, grants and contracts, and auxiliary enterprise revenues must increase in amounts greater than increases in operating expenses. Additionally, nonoperating revenues must increase. State appropriations and tuition and fees are essential components of the revenue projections of the University. State appropriations have increased 21.09 percent in a three year time period (from fiscal year 2022 through fiscal year 2024) and tuition and fees revenues have increased 6.80 percent. It should be noted that scholarship discount and allowance increased by 7.57% during that same time period.



Other important contributors to revenues are both operating and nonoperating grants and contracts. Over the past three fiscal years total grants and contracts have increased by \$3,244 or 1.10 percent.



Auxiliary Enterprises (Residential Life, Student Union, Bookstore, Health, Physical Education and Recreation, Athletics, University Health Services, Fire Protection Publications, etc.) have contributed positively to the Operating Revenues over time. Since fiscal year 2022, auxiliaries have experienced a revenue increase of \$54,375 or 15.63 percent and expenses have increased \$66,784 or 21.52 percent. For fiscal year 2024, auxiliaries have shown a net operating income of \$25,155.

Nonoperating net revenues of \$375,620 in fiscal year 2024 increased \$66,490 or 21.51 percent when compared to fiscal year 2023. Nonoperating net revenues of \$309,130 in fiscal year 2023 decreased \$1,782 or 0.57 percent when compared to fiscal year 2022. The following table summarizes the nonoperating revenues and expenses for Oklahoma State University for the last three years:

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>(In Thousands)</b>		
State appropriations	\$ 239,956	\$ 206,004	\$ 198,166
On-behalf payments for OTRS	17,308	16,910	12,076
Federal and state grants and contracts	63,767	55,517	108,664
Gifts	82,133	63,572	32,303
Investment income (loss)	7,188	1,039	(6,432)
Interest expense	(34,732)	(33,912)	(33,865)
<b>Net Nonoperating Revenues</b>	<b>\$ 375,620</b>	<b>\$ 309,130</b>	<b>\$ 310,912</b>

Other revenues, expenses, gains, and losses of \$85,579 in fiscal year 2024 increased \$33,839 or 65.40 percent when compared to fiscal year 2023. Other revenues, expenses, gains, and losses of \$51,740 in fiscal year 2023 decreased \$8,190 or 13.67 percent when compared to fiscal year 2022.

The following table summarizes the other revenues, expenses, gains, and losses of Oklahoma State University for the last three years:

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>(In Thousands)</b>		
Capital from grants, gifts, and affiliates	\$ 40,079	\$ 8,742	\$ 11,851
State appropriations restricted for capital	10,784	6,860	8,573
On-behalf payments for OCIA capital leases	6,529	6,521	4,227
State school land funds	9,162	8,437	7,826
Additions to permanent endowments	4	2	2
Loss on disposal of capital assets	(3,530)	(7,643)	(1,891)
Other additions, net	<u>22,551</u>	<u>28,821</u>	<u>29,342</u>
<b>Total Other Revenues, Expenses, Gains, and Losses</b>	<u>\$ 85,579</u>	<u>\$ 51,740</u>	<u>\$ 59,930</u>

### **Statements of Cash Flows**

The final statement presented by Oklahoma State University is the Statement of Cash Flows. The Statements of Cash Flows present detailed information about the cash activity of the institution during the year. The statement is divided into five sections.

The first section deals with operating cash flows and shows the net cash used by the operating activities of the institution. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fourth section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>(In Thousands)</b>		
Cash provided by (used in)			
Operating activities	\$ (227,558)	\$ (230,749)	\$ (185,951)
Noncapital financing activities	384,677	316,004	339,179
Investing activities	3,086	1,616	1,614
Capital and related financing activities	<u>(121,498)</u>	<u>(121,297)</u>	<u>(69,716)</u>
Net change in cash and cash equivalents	38,707	(34,426)	85,126
Cash and cash equivalents, beginning of year	<u>379,080</u>	<u>413,506</u>	<u>328,380</u>
Cash and cash equivalents, end of year	<u>\$ 417,787</u>	<u>\$ 379,080</u>	<u>\$ 413,506</u>

In fiscal year 2024, the cash and cash equivalents, end of year, increased by \$38,707 or 10.21 percent. The difference in net change in cash and cash equivalents from fiscal year 2023 to fiscal year 2024 was an increase of \$73,133. This net increase was generated by increases in noncapital financing activities of \$68,673, operating activities of \$3,191, and investing activities of \$1,470. This was offset by a decrease in capital and related financing activities of \$201.

In fiscal year 2023, the cash and cash equivalents, end of year, decreased by \$34,426 or 8.33 percent. The difference in net change in cash and cash equivalents from fiscal year 2022 to fiscal year 2023 was a decrease of \$119,552. This net decrease was generated by decreases in capital and related financing activities of \$51,581, operating activities of \$44,798 and noncapital financing activities of \$23,175. This was offset by an increase in investing activities of \$2.

### ***Determining Whether Certain Organizations Are Component Units***

The Governmental Accounting Standards Board (GASB) published GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, which became effective in fiscal year 2004 and requires universities to include in their financial statements component unit financial information. Oklahoma State University has determined that the Oklahoma State University Foundation and the National Center for Addiction and Studies Treatment Foundation meet the necessary criteria for inclusion. The inclusion of these statements should not be interpreted that Oklahoma State University has access to the resources contained therein.

The Innovation Foundation was formed in 1967 as a nonprofit corporation to engage in research, extension, and academic contractual arrangements for the benefit and advancement of the General University. The Innovation Foundation receives and administers funds from federal and state organizations and from private sources for the purpose of carrying out the educational and research programs of the General University. The Innovation Foundation is governed by a Board of Directors comprised primarily of management of the General University. In addition, General University employees and facilities are used for virtually all activities of the Innovation Foundation. Accordingly, the Innovation Foundation has been reported as a blended component unit in the financial statements.

### ***Economic Outlook***

The State of Oklahoma's overall budget increase for fiscal year 2025 was 6.9 percent. The Legislature increased budgets for most agencies but the total Education budget decreased .9 percent. The Oklahoma State Regents for Higher Education (OSRHE) received a 2.0 percent increase which was passed down to support the institutions that report to the OSRHE for targeted initiatives.

The priority emphases of the fiscal year 2024 allocation addresses elements outlined in the strategic plan *Blueprint 2030: Innovating and Elevating Oklahoma Higher Education for Tomorrow's Workforce* adopted by the State Regents in February 2023. These priorities include producing workforce ready graduates; stimulating growth in the student pipeline; focusing on student success; and improving system efficiency and effectiveness.

The critical workforce development initiatives funded through the fiscal year 2025 allocation will target STEM/Engineering, Nursing and Teacher Education. A one-time allocation of \$12.5 million was given to institutions to provide relief from rapidly increasing property and casualty insurance premiums. \$56.3 million in deferred maintenance funding was also given to the regional institutions and two-year colleges throughout the state system. The two research universities were not included in this allocation because they received funding from the state's legacy capital fund for fiscal year 2025. The Oklahoma State University System was awarded \$110 million for two capital projects through the legacy capital fund.

To address the critical shortage of teachers, the Oklahoma's Future Teacher Scholarship and Employment Incentive Program continues and was allocated another \$8.5 million in fiscal year 2025. The program provides scholarships for those majoring in teacher education at Oklahoma institutions as well as providing employment retention stipends for the first five years of a teaching employment contract in Oklahoma's public K-12 school system.

The Concurrent Enrollment Waivers appropriation allowed for 100% reimbursement of total eligible waivers for both high school juniors and seniors provided in fiscal year 2024.

The University, with its strong leadership, continues to develop plans to reduce costs while protecting the educational experience of our students. No tuition or fee increases were assessed for the 2024-25 academic year.

"Our state's general revenue collections are off to a strong start this fiscal year, coming in slightly higher than the estimate and even surpassing last year's numbers," said Katie DeMuth, Interim Director of OMES. "In the coming months, we'll closely monitor the impact of the grocery tax cut, but we expect the state's revenue to continue performing in line with projections as the year progresses."

Eric J. Polak  
Interim Senior Vice President for Administration  
and Finance

**Oklahoma State University**  
**Statements of Net Position**  
**June 30, 2024 and 2023**

	2024	2023
	(In Thousands)	
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 265,210	\$ 217,887
Accounts receivable, net	150,531	162,347
Investments	101,539	97,852
Interest receivable	664	278
Current portion of lease receivable	1,403	1,607
Current portion of student loans receivable, net	544	713
Inventories	10,902	12,004
	530,793	492,688
Total current assets		
<b>Noncurrent Assets</b>		
Cash and cash equivalents	152,577	161,193
Accounts receivable, net	11,443	104
Investments	701	671
Lease interest receivable	7	8
Lease receivable	9,876	10,867
Cash held by state agencies	79,000	1,102
Loans to students, net	4,895	6,415
Other postemployment benefits	1,974	1,922
Capital assets, net of accumulated depreciation and amortization	2,192,826	2,117,263
	2,453,299	2,299,545
Total noncurrent assets		
Total assets	2,984,092	2,792,233
<b>Deferred Outflows of Resources</b>		
Debt refunding	17,086	18,956
Pension related	65,187	84,540
Other postemployment benefits related	6,622	8,107
Other	380	331
	89,275	111,934
Total deferred outflows of resources		



**Oklahoma State University**  
**Statements of Net Position**  
**June 30, 2024 and 2023**

	2024	2023
	(In Thousands)	
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 69,592	\$ 60,743
Unearned revenue	55,379	52,154
Student and other deposits	308	292
Accrued compensated absences	15,131	15,030
Accrued workers' compensation claims	1,777	2,199
Current portion of other postemployment benefits	509	525
Current portion of revenue bonds, leases, subscriptions, and financed purchases	61,390	56,659
Total current liabilities	204,086	187,602
<b>Noncurrent Liabilities</b>		
Accrued compensated absences	28,062	24,952
Landfill closure and postclosure costs	3,500	3,500
Accrued workers' compensation claims	1,654	1,294
Student deposits	924	878
Revenue bonds payable	670,330	668,200
Revenue bonds premium payable	56,573	57,695
Accounts payable for noncurrent assets	28,793	12,633
Accrued interest payable	10,046	9,653
Federal loan program contribution payable	4,593	5,626
Pension liability	315,100	331,890
Other postemployment benefits	6,995	6,565
Asset retirement obligation	728	682
OCIA capital lease obligation program	113,992	47,108
ODFA master lease program	94,271	104,113
Lease liability	9,568	4,970
Subscription liability	15,291	14,874
Total noncurrent liabilities	1,360,420	1,294,633
Total liabilities	1,564,506	1,482,235
<b>Deferred Inflows of Resources</b>		
Debt refunding	8,408	3,180
Pension related	53,633	71,595
Lease related	11,008	12,249
Other postemployment benefits related	9,007	10,671
Other	948	-
Total deferred inflows of resources	83,004	97,695
<b>Net Position</b>		
Net investment in capital assets	1,252,642	1,196,455
Restricted for		
Nonexpendable	715	681
Expendable		
Scholarships, research, instruction, and other	22,412	522
Loans	2,925	3,773
Capital projects	136,492	120,998
Debt service	1,153	2,068
Unrestricted	9,518	(260)
Total net position	\$ 1,425,857	\$ 1,324,237

**Oklahoma State University**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Years Ended June 30, 2024 and 2023**

	2024	2023
	(In Thousands)	
<b>Operating Revenues</b>		
Tuition and fees, net of scholarship allowances of \$147,974 in 2024 and \$138,230 in 2023	\$ 335,877	\$ 329,558
Federal appropriations	13,600	13,329
Federal grants and contracts	140,722	109,739
State and local grants and contracts	33,642	30,992
Nongovernmental grants and contracts	45,525	35,856
Sales and services of educational departments	74,701	87,295
Auxiliary enterprises charges		
Residential life, net of scholarship allowances of \$2,980 in 2024 and \$2,792 in 2023	39,648	36,977
Student union services, including bookstore sales; revenues totaling \$20,663 in 2024 and \$20,354 in 2023 are used as security for 2002 Student Union Revenue Bonds and 2004 Okmulgee Student Fee Revenue Bonds	46,453	43,157
Recreation and wellness services	4,573	4,536
Athletics, net of scholarship allowance of \$3,626 in 2024 and \$3,448 in 2023	61,745	65,792
University health services	152,573	161,666
Fire protection publications	12,030	12,853
Other auxiliary revenue	85,273	77,735
Interest earned on loans to students	595	178
Other operating revenues	9,312	15,161
	<u>1,056,269</u>	<u>1,024,824</u>
<b>Operating Expenses</b>		
Compensation and employee benefits	765,513	701,042
Contractual services	273,332	262,895
Supplies and materials	59,840	52,234
Utilities	40,801	42,156
Communications	5,271	5,686
Other operating expenses	86,308	68,665
Scholarships and fellowships	74,507	64,563
Depreciation and amortization expense	110,276	109,205
	<u>1,415,848</u>	<u>1,306,446</u>
	<u>(359,579)</u>	<u>(281,622)</u>

**Oklahoma State University**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Years Ended June 30, 2024 and 2023**

	2024	2023
	(In Thousands)	
<b>Nonoperating Revenues (Expenses)</b>		
State appropriations	\$ 239,956	\$ 206,004
On-behalf payments for OTRS	17,308	16,910
Federal and state grants and contracts	63,767	55,517
Gifts, including \$51,947 in 2024 and \$37,042 in 2023 used as security on the 2003 and 2004 Athletic Facilities		
Revenue Bonds	82,133	63,572
Investment income, net	7,188	1,039
Interest expense	(34,732)	(33,912)
Net nonoperating revenues	375,620	309,130
 Income (Loss) before other revenues, expenses, gains, or losses	16,041	27,508
 Capital from grants, gifts, and affiliates	40,079	8,742
State appropriations restricted for capital purposes	10,784	6,860
On-behalf payments for OCIA capital leases	6,529	6,521
State school land funds	9,162	8,437
Additions to permanent endowments	4	2
Loss on disposal of fixed assets	(3,530)	(7,643)
Other additions, net	22,551	28,821
 Increase in net position	101,620	79,248
 <b>Net Position</b>		
 Net position - beginning of year	1,324,237	1,244,989
 Net position - end of year	\$ 1,425,857	\$ 1,324,237

**Oklahoma State University**  
**Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**

	2024	2023
	(In Thousands)	
<b>Operating Activities</b>		
Tuition and fees	\$ 338,321	\$ 327,932
Grants and contracts	231,746	190,196
Sales and services of educational activities	74,701	87,295
Auxiliary enterprise charges		
Residential life	39,623	36,464
Student union services	46,510	43,065
Recreation and wellness services	4,571	4,575
Athletics	79,469	30,323
Interest earned on loans to students	595	178
Other receipts	244,585	264,934
Payments to employees for salaries and benefits	(759,356)	(706,977)
Payments to suppliers	(530,089)	(509,669)
Loans issued to students	(403)	(440)
Collection of loans to students	2,169	1,375
Direct lending receipts	190,109	176,381
Direct lending payments	(190,109)	(176,381)
	<u>(227,558)</u>	<u>(230,749)</u>
<b>Noncapital Financing Activities</b>		
State appropriations	239,956	206,004
Federal and state grants and contracts	63,767	55,517
Gifts received for other than capital purposes	80,954	54,483
	<u>384,677</u>	<u>316,004</u>
<b>Investing Activities</b>		
Purchases of investments	(98)	(206)
Proceeds from sales of investments	342	339
Interest received on investments	2,842	1,483
	<u>3,086</u>	<u>1,616</u>

**Oklahoma State University**  
**Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
	<b>(In Thousands)</b>	
<b>Capital and Related Financing Activities</b>		
Cash paid for capital assets	\$ (173,209)	\$ (147,899)
Capital appropriations received	10,784	6,860
Capital from grants, gifts, and affiliates received	40,079	8,742
State school land funds	9,162	8,437
Proceeds of capital debt	49,490	48,449
Repayments of capital debt, leases, and subscriptions	(48,163)	(43,401)
Interest paid on capital debt and leases	(32,188)	(31,355)
Asset retirement obligation	(4)	49
Other sources	22,551	28,821
	<u>(121,498)</u>	<u>(121,297)</u>
Net cash used in capital and related financing activities		
	<u>38,707</u>	<u>(34,426)</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
	<u>379,080</u>	<u>413,506</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>		
	<u>\$ 417,787</u>	<u>\$ 379,080</u>
<b>Cash and Cash Equivalents, End of Year</b>		
<b>Reconciliation of Cash and Cash Equivalents to the Statements of Net Position</b>		
Cash and cash equivalents, current	\$ 265,210	\$ 217,887
Cash and cash equivalents, noncurrent	152,577	161,193
	<u>\$ 417,787</u>	<u>\$ 379,080</u>
Total cash and cash equivalents		
	<u>\$ 417,787</u>	<u>\$ 379,080</u>

**Oklahoma State University**  
**Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**

	2024	2023
	(In Thousands)	
<b>Reconciliation of Operating Loss to Net</b>		
<b>Cash Used in Operating Activities</b>		
Operating loss	\$ (359,579)	\$ (281,622)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation and amortization expense	110,276	109,205
On-behalf payments for OTRS	17,308	16,910
Changes in assets and liabilities		
Accounts receivable	1,660	(49,072)
Inventories	1,102	(2,596)
Prepaid expenses	-	68
Accounts payable and accrued expenses	8,787	(10,535)
Pension liability	(16,790)	106,092
Other postemployment benefits	362	(2,920)
Federal loan program contributions payable	(1,033)	(1,444)
Deferred inflows of resources	(18,678)	(114,757)
Deferred outflows of resources	20,840	(14,530)
Unearned revenue	3,225	10,654
Student and other deposits	62	137
Accrued compensated absences	3,211	2,812
Loans to students	1,689	849
	<u>\$ (227,558)</u>	<u>\$ (230,749)</u>
<b>Net Cash Used in Operating Activities</b>		
<b>Noncash Investing, Noncapital Financing, and Capital and Related Financing Transactions</b>		
Change in accounts payable for capital assets	\$ 8,960	\$ 4,150
Change in accounts receivable related to private gifts	\$ (1,183)	\$ (9,091)
Change in receivable from state agency affecting proceeds of capital debt	\$ (79,000)	\$ 5,188
Loss on refunding of debt	\$ (1,642)	\$ (1,709)
Interest on capital debt paid by state agency on behalf of University, net	\$ 2,243	\$ 2,423
Principal on capital debt paid by state agency on behalf of University	\$ 4,286	\$ 4,098
Capital assets acquired through leases and subscriptions	\$ (20,739)	\$ (5,288)

# **Oklahoma State University Foundation**

**Oklahoma State University Foundation**  
**Consolidated Statements of Financial Position**  
**June 30, 2024 and 2023**

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 23,862,055	\$ 10,651,086
Short-term investments	34,405,470	60,774,094
Interest and other receivables	4,143,906	4,217,006
Contributions receivable, net	177,301,511	180,123,180
Other property investments	8,590,953	8,336,832
Investments	1,414,476,371	1,323,724,821
Property and equipment, net	14,864,970	15,293,447
Beneficial interests in trusts	26,034,791	26,125,258
Other assets	3,150,835	3,343,688
	<u>\$ 1,706,830,862</u>	<u>\$ 1,632,589,412</u>
Total assets	<u>\$ 1,706,830,862</u>	<u>\$ 1,632,589,412</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Oklahoma State University support payable	\$ 5,923,359	\$ 9,114,678
Accounts payable and accrued liabilities	3,705,950	3,548,458
Funds held on behalf of Oklahoma State University	8,132,883	7,868,797
Unearned revenue	158,907	158,907
Line of credit	-	3,741,991
Obligations under split-interest agreements	12,423,288	11,382,934
Notes payable	31,059,789	31,697,818
	<u>61,404,176</u>	<u>67,513,583</u>
Total liabilities	<u>61,404,176</u>	<u>67,513,583</u>
Net assets:		
Without donor restrictions	544,702,752	533,063,789
With donor restrictions	1,100,723,934	1,032,012,040
	<u>1,645,426,686</u>	<u>1,565,075,829</u>
Total net assets	<u>1,645,426,686</u>	<u>1,565,075,829</u>
Total liabilities and net assets	<u>\$ 1,706,830,862</u>	<u>\$ 1,632,589,412</u>



**Oklahoma State University Foundation**  
**Consolidated Statements of Activities**  
**Years Ended June 30, 2024 and 2023**

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenues, gains and support</b>				
Contributions:				
Cash	\$ 67,596,450	\$ 15,117,077	\$ 82,713,527	\$ 130,182,440
Securities	5,223,022	4,955,252	10,178,274	4,571,276
Land, goods, services and other	2,468,900	-	2,468,900	2,224,271
Promises to give	-	42,075,580	42,075,580	101,338,400
Total contributions	75,288,372	62,147,909	137,436,281	238,316,387
Provision for uncollectible pledges	-	(1,582,344)	(1,582,344)	(11,031,662)
Net investment returns	52,658,366	72,885,299	125,543,665	70,841,861
Contract support services	4,890,950	-	4,890,950	4,736,340
Management fees	12,504,050	(11,898,451)	605,599	575,083
Change in value of split-interest agreements	37,510	801,654	839,164	375,218
Other	2,585,612	1,093,228	3,678,840	3,680,851
Reclassifications - donor directed	2,078,916	(2,078,916)	-	-
Net assets released from restrictions	52,656,485	(52,656,485)	-	-
Total revenues, gains and support	202,700,261	68,711,894	271,412,155	307,494,078
<b>Expenses</b>				
Program services:				
Intercollegiate athletics	57,757,816	-	57,757,816	42,392,986
Cowboy Athletics	29,538,062	-	29,538,062	6,542,143
Library	819,573	-	819,573	523,758
Research	871,644	-	871,644	585,937
General University support	21,774,596	-	21,774,596	22,241,711
Awards and scholarships	24,167,770	-	24,167,770	22,057,822
Endowed faculty and lectureship programs	4,863,121	-	4,863,121	1,579,430
Facilities and equipment	22,237,816	-	22,237,816	14,414,203
Total program services	162,030,398	-	162,030,398	110,337,990
Management and general	9,686,362	-	9,686,362	9,471,111
Fundraising	19,187,538	-	19,187,538	16,977,026
Charitable legacy distributions	157,000	-	157,000	151,000
Total expenses	191,061,298	-	191,061,298	136,937,127
Change in net assets	11,638,963	68,711,894	80,350,857	170,556,951
Net assets, beginning of year	533,063,789	1,032,012,040	1,565,075,829	1,394,518,878
Net assets, end of year	\$ 544,702,752	\$ 1,100,723,934	\$ 1,645,426,686	\$ 1,565,075,829

**Oklahoma State University Foundation**  
**Consolidated Statements of Activities**  
**Years Ended June 30, 2024 and 2023**

**Year ended June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains and support</b>			
Contributions:			
Cash	\$ 77,689,985	\$ 52,492,455	\$ 130,182,440
Securities	2,515,357	2,055,919	4,571,276
Land, goods, services and other	2,224,271	-	2,224,271
Promises to give	-	101,338,400	101,338,400
Total contributions	82,429,613	155,886,774	238,316,387
Provision for uncollectible pledges	-	(11,031,662)	(11,031,662)
Net investment returns	17,753,528	53,088,333	70,841,861
Contract support services	4,736,340	-	4,736,340
Management fees	10,757,659	(10,182,576)	575,083
Change in value of split-interest agreements	40,058	335,160	375,218
Other	3,772,189	(91,338)	3,680,851
Reclassifications - donor directed	1,853,659	(1,853,659)	-
Net assets released from restrictions	46,958,117	(46,958,117)	-
Total revenues, gains and support	168,301,163	139,192,915	307,494,078
<b>Expenses</b>			
Program services:			
Intercollegiate athletics	42,392,986	-	42,392,986
Cowboy Athletics	6,542,143	-	6,542,143
Library	523,758	-	523,758
Research	585,937	-	585,937
General University support	22,241,711	-	22,241,711
Awards and scholarships	22,057,822	-	22,057,822
Endowed faculty and lectureship programs	1,579,430	-	1,579,430
Facilities and equipment	14,414,203	-	14,414,203
Total program services	110,337,990	-	110,337,990
Management and general	9,471,111	-	9,471,111
Fundraising	16,977,026	-	16,977,026
Charitable legacy distributions	151,000	-	151,000
Total expenses	136,937,127	-	136,937,127
Change in net assets	31,364,036	139,192,915	170,556,951
Net assets, beginning of year	501,699,753	892,819,125	1,394,518,878
Net assets, end of year	\$ 533,063,789	\$ 1,032,012,040	\$ 1,565,075,829

**National Center for Addiction Studies  
and Treatment Foundation**

**National Center for Addiction Studies  
and Treatment Foundation**  
**Statements of Net Position**  
**December 31, 2023 and 2022**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 12,163,811	\$ 73,805,266
Prepaid Expense	13,877,006	-
Contribution Receivable, Net - Current	14,676,930	14,354,888
Investments	157,789,486	78,058,187
Total Current Assets	198,507,233	166,218,341
<b>NONCURRENT ASSETS</b>		
Contribution Receivable, Net - Noncurrent	-	14,676,930
Intangible Asset, Net	58,628	-
Total Noncurrent Assets	58,628	14,676,930
Total Assets	\$ 198,565,861	\$ 180,895,271
<b>LIABILITIES</b>		
Grants Payable	\$ 1,572,080	\$ 80,589
Total Current Liabilities	1,572,080	80,589
<b>NET POSITION</b>		
Net Investment in Capital Assets	58,628	-
Unrestricted	101,580,828	78,314,682
Restricted - Expendable for:		
OSU's Center for Health Sciences Grant	95,354,325	102,500,000
Total Net Position	196,993,781	180,814,682
Total Liabilities and Net Position	\$ 198,565,861	\$ 180,895,271

**National Center for Addiction Studies  
and Treatment Foundation**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>OPERATING REVENUES</b>		
Contribution Pledge Realization	\$ 645,353	\$ 954,244
Total Operating Revenues	<u>645,353</u>	<u>954,244</u>
<b>OPERATING EXPENSES</b>		
Grants to University	6,876,275	199,400
Contractual Services	80,829	-
Depreciation and Amortization Expense	2,372	-
Other Operating Expenses	24,371	-
Total Operating Expenses	<u>6,983,847</u>	<u>199,400</u>
<b>OPERATING INCOME (LOSS)</b>	(6,338,494)	754,844
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income, Net	22,517,593	3,067,125
Total Nonoperating Revenues (Expenses)	<u>22,517,593</u>	<u>3,067,125</u>
<b>INCREASE IN NET POSITION</b>	16,179,099	3,821,969
Net Position - Beginning of Year	<u>180,814,682</u>	<u>176,992,713</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 196,993,781</u>	<u>\$ 180,814,682</u>

## **Notes to Financial Statements**

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 1: Nature of Operations and Summary of Significant Accounting Policies

#### *Nature of Operations*

Oklahoma State University (the “University”) is a modern comprehensive land grant university that serves the state, national, and international communities by providing its students with academic instruction, by conducting research and other activities that advance fundamental knowledge, and by disseminating knowledge to the people of Oklahoma and throughout the world.

#### *Reporting Entity*

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB), consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of all agencies of Oklahoma State University (the “General University”), as the primary government, and the accounts of the Innovation Foundation (formerly known as the Oklahoma State University Research Foundation.) and the Oklahoma State University Vet Med Authority, collectively referred to as the “University.” Further, the financial statements of all other component units of the University meeting the criteria established by GASB Statements No. 39 and No. 80 have been discretely presented.

The General University includes Oklahoma State University – Stillwater; Oklahoma State University Institute of Technology – Okmulgee; Oklahoma State University – Oklahoma City; the College of Veterinary Medicine; the Agricultural Experiment Station; the Agricultural Extension Division; the Center for Health Sciences – Tulsa; and Oklahoma State University – Tulsa. The General University is governed by the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges (Board of Regents). The State of Oklahoma allocates and allots funds to each agency separately and requires that the funds be maintained accordingly. Because of this requirement, separate accounts are maintained for each agency.

The Innovation Foundation was formed in 1967 as a nonprofit corporation to engage in research, extension, and academic contractual arrangements for the benefit and advancement of the General University. The Innovation Foundation receives and administers funds from federal and state organizations and from private sources for the purpose of carrying out the educational and research programs of the General University. The Innovation Foundation is governed by a Board of Directors comprised primarily of management of the General University. In addition, General University employees and facilities are used for virtually all activities of the Innovation Foundation. Accordingly, the Innovation Foundation has been reported as a blended component unit in the financial statements.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

In preparing the financial statements, all significant transactions and balances between agencies and between the General University and the Innovation Foundation are eliminated.

The University is a member of the Oklahoma State System of Higher Education, a component unit of the State of Oklahoma, and is included in the comprehensive annual financial report of the State of Oklahoma as part of the Higher Education component unit.

*Component Units:* Oklahoma State University Foundation (OSU Foundation), is a private nonprofit organization that reports under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to OSU Foundation's financial information, which has been discretely presented. The National Center for Addiction Studies and Treatment Foundation (NCAST) is a nonprofit organization that reports under GASB standards and operates under a December 31 fiscal year-end. NCAST has also been discretely presented.

*Financial Statement Presentation:* As a member of the Oklahoma State System of Higher Education, the University presents its financial statements in accordance with the requirements of GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation required by GASB Statements Nos. 34 and 35 provides a comprehensive, entity-wide perspective of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows.

*Basis of Accounting:* For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been 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 an obligation has been incurred. All significant intra-agency transactions have been eliminated.

### **Cash Equivalents**

The University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State Treasurer's Cash Management Program are considered cash equivalents.

### **Investments**

The University accounts for its investments at fair value in accordance with 150 of the GASB Codification. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statements of revenues, expenses, and changes in net position.



# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### ***Accounts Receivable***

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. The University determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, the University's previous loss history, and the condition of the general economy and the industry as a whole. The University writes off specific accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

### ***Inventories***

Inventories are carried at the lower of cost or market on either the first-in, first-out (FIFO) basis, or the average cost basis.

### ***Noncurrent Cash and Investments***

Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as noncurrent assets in the statements of net position.

### ***Capital Assets***

Capital assets, including right-to-use assets (RTU) and subscriptions, are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. Livestock for educational purposes is recorded at estimated fair value. For equipment, the University's capitalization policy includes all items with a unit cost of \$5 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Internally generated software has a capitalization threshold of \$1,000. Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 50 years for buildings, 20 to 25 years for infrastructure and land improvements, 10 years for library books, 5 to 7 years for equipment, 3 years for purchased software, and 5 years for internally generated software. Amortization of right-to-use assets and subscriptions are amortized over the shorter of the life of the associated lease term or the remaining useful life of the asset leased.

# Oklahoma State University

## Notes to Financial Statements

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(In Thousands)

### ***Deferred Outflows of Resources***

The University reports increases in net position generated by its defined benefit pension plan or other postemployment benefits that relate to future periods and costs of restructuring debt as deferred outflows of resources in a separate section of its statements of net position.

### ***Unearned Revenues***

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

### ***Compensated Absences***

The liability and expense incurred for employee vacation pay are recorded as accrued compensated absences in the statements of net position, and as a component of compensation and employee benefit expense in the statements of revenues, expenses, and changes in net position.

Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as Social Security and Medicare taxes computed using rates in effect at that date. The estimated compensated absences liability expected to be paid more than one year after the statements of net position date is included in other long-term liabilities.

### ***Noncurrent Liabilities***

Noncurrent liabilities include (1) principal amounts of revenue bonds payable and financed purchase obligations; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities (including accrued interest payable) that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

### ***Pensions and Benefit Plans***

The University participates in a cost-sharing multiple-employer defined benefit pension plan. The fiduciary net position of the Teacher Retirement System of Oklahoma (OTRS) has been determined on the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from OTRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# Oklahoma State University

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The University has a single-employer defined benefit other postemployment benefit (OPEB) plan, providing health insurance and life insurance to retirees (the “OPEB Plans”). At retirement, if an employee is enrolled in the OTRS plan and is participating in the University’s health care plan, the retiree may elect to continue health insurance coverage in the University’s health care plan. Additionally, the University records an OPEB for the implicit rate subsidy for those retirees that are allowed to remain in the University’s health care plan. Benefits are funded under a “pay as you go” funding method and there are no plan assets; however, expenses are recorded as benefits accumulate. For purposes of measuring the total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the OPEB Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

### **Leases**

The University is a party as lessor and lessee for various noncancellable long-term leases. The corresponding lease receivable or lease payable, are recorded in an amount equal to the present value of the expected future minimum lease payments discounted by an applicable interest rate.

### **Subscription-Based Information Technology Arrangements**

The University contracts subscription-based information technology for operating activities for various terms under long-term, non-cancelable agreements. The agreements expire at various dates through 2030 and provide for renewal options ranging from one year to five years.

### **Deferred Inflows of Resources**

The University reports decreases in net position generated by its defined benefit pension plan or other postemployment benefits that relate to future periods and savings of restructuring debt as deferred inflows of resources in a separate section of its statements of net position. Lease-related amounts are recognized at the inception of the lease and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts 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 inflow of resources is recognized in a systematic and rational manner over the term of the lease.

# Oklahoma State University

## Notes to Financial Statements

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### **Net Position**

The University's net position is classified as follows:

*Net investment in capital assets:* This represents the University's total investment in capital assets, right-to-use assets, and subscription-based information technology arrangements, net of accumulated depreciation and amortization, and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

*Restricted net position – expendable:* Restricted expendable net position includes resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

*Restricted net position – nonexpendable:* Restricted nonexpendable net position consists of endowment and similar type funds in which donors or other outside sources 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, which may either be expended or added to principal.

*Unrestricted net position:* Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to use prudent decision processes to determine which resources will be applied based on availability of funding, donor intent, and returns available from idle funds.

### **Income Taxes**

The General University, as an integral part of the State, is exempt from federal income taxes for activities which relate to its exempt purpose. The Innovation Foundation is an organization described in Section 501(c)(3) of the Internal Revenue Code, exempt from federal income tax under Section 501(a) of the Internal Revenue Code for activities which relate to its exempt purpose.

# Oklahoma State University

## Notes to Financial Statements

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### **Classification of Revenues**

The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

*Operating revenues:* Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) certain federal, state, and local grants and contracts and federal appropriations, and (4) interest on institutional student loans.

*Nonoperating revenues:* Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, student aid revenues, and other revenue sources that are defined as nonoperating revenues by 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, such as state appropriations and investment income.

### **Scholarship Discounts and Allowances**

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 2: Cash and Cash Equivalents, Other Deposits, and Investments

#### ***Cash and Cash Equivalents***

At June 30, 2024 and 2023, the carrying amounts of the University's deposits with the State Treasurer and other financial institutions were \$417,787 and \$379,080, respectively. These amounts consisted of deposits with the State Treasurer (\$412,679 and \$374,037), U.S. financial institutions (\$979 and \$976), trustees related to the University's various bond indenture agreements (\$3,967 and \$3,920), and petty cash and change funds (\$162 and \$147), respectively.

By Oklahoma Statute, the State Treasurer is required to ensure that all state funds are either insured by the Federal Deposit Insurance Corporation (FDIC), collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. Any deposits with the State Treasurer are pooled with funds of other state agencies, and then in accordance with statutory limitations, placed in banks or invested as the State Treasurer may determine, in the State's name. The University's cash balances deposited with the State Treasurer were \$414,311 and \$374,078, respectively, at June 30, 2024 and 2023. The difference between the carrying amount and the cash balances deposited with the State Treasurer are due to deposits in transit and outstanding checks at June 30.

The University requires that balances on deposit with financial institutions be insured by the FDIC or collateralized by securities held by the cognizant Federal Reserve Bank, in the University's name. The carrying amount and related bank balances of the University's deposits was \$1 and \$1, respectively, at June 30, 2024 and 2023.

#### ***Deposits***

Some deposits with the State Treasurer are placed in the State Treasurer's internal investment pool *OK INVEST*. *OK INVEST* pools the resources of all state funds and agencies and invests them in (a) U.S. treasury securities which are explicitly backed by the full faith and credit of the U.S. government; (b) U.S. agency securities which carry an implicit guarantee of the full faith and credit of the U.S. government; (c) money market mutual funds which participate in investments, either directly or indirectly, in securities issued by the U.S. Treasury and/or agency and repurchase agreements relating to such securities; and (d) investments related to tri-party repurchase agreements which are collateralized at 102 percent and, whereby, the collateral is held by a third party in the name of the State Treasurer.

Of funds on deposit with the State Treasurer, amounts invested in *OK INVEST* total \$72,282 and \$83,759 at June 30, 2024 and 2023, respectively.

**Oklahoma State University**  
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For financial reporting purposes, deposits with the State Treasurer that are invested in *OK INVEST* are classified as cash equivalents. At June 30, the distribution of deposits in *OK INVEST* is as follows:

<b>OK INVEST Portfolio</b>	<b>2024</b>		<b>2023</b>	
	<b>Cost</b>	<b>Fair Market Value</b>	<b>Cost</b>	<b>Fair Market Value</b>
U.S. agency securities	\$ 3,802	\$ 3,724	\$ 13,948	\$ 13,573
Certificates of deposit	169	169	214	214
Money market mutual funds	5,428	5,428	6,246	6,246
Mortgage backed agency securities	11,129	9,757	15,524	13,714
Foreign bonds	460	459	246	244
U.S. Treasury Obligations	51,294	50,572	47,581	46,169
	<u>\$ 72,282</u>	<u>\$ 70,109</u>	<u>\$ 83,759</u>	<u>\$ 80,160</u>

Agencies and funds that are part of the State’s reporting entity in the State’s Annual Comprehensive Financial Report are allowed to participate in *OK INVEST*. Oklahoma statutes and the State Treasurer establish the primary objectives and guidelines governing the investment of funds in *OK INVEST*. Safety, liquidity, and return on investment are the objectives that establish the framework for the day-to-day *OK INVEST* management with an emphasis on the safety of capital and the probable income to be derived and meeting the State and its funds and agencies’ daily cash flow requirements. Guidelines in the Investment Policy address credit quality requirements, diversification percentages, and specify the types and maturities of allowable investments. The specifics regarding these policies can be found on the State Treasurer’s website at <https://www.ok.gov/treasurer/>. The State Treasurer, at their discretion, may further limit or restrict such investments on a day-to-day basis. *OK INVEST* includes a substantial investment in securities with an overnight maturity as well as in U.S. government securities with a maturity of up to three years.

Participants in *OK INVEST* maintain an interest in its underlying investments and, accordingly, may be exposed to certain risks. As stated in the State Treasurer information statement, the main risks are interest rate risk, credit/default risk, liquidity risk, and U.S. government securities risk. Interest rate risk is the risk that during periods of rising interest rates, the yield and market value of the securities will tend to be lower than prevailing market rates; in periods of falling interest rates, the yield will tend to be higher. Credit/default risk is the risk that an issuer or guarantor of a security, or a bank or other financial institution that has entered into a repurchase agreement, may default on its payment obligations. Liquidity risk is the risk that *OK INVEST* will be unable to pay redemption proceeds within the stated time period because of unusual market conditions, an unusually high volume of redemption requests, or other reasons.

# Oklahoma State University

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(In Thousands)

U.S. government securities risk is the risk that the U.S. government will not provide financial support to U.S. government agencies, instrumentalities, or sponsored enterprises if it is not obligated to do so by law. Various investment restrictions and limitations are enumerated in the State Treasurer's Investment Policy to mitigate those risks; however, any interest in *OK INVEST* is not insured or guaranteed by the State, the FDIC, or any other government agency.

### **Investments**

The University invests available resources according to the A&M Board of Regents Institutional Policy for Investing Funds, the Oklahoma State Regents for Higher Education System-wide Policy for Investment of Institutional Funds, and the Investment Policy of the Oklahoma State Treasurer. The short-term investment of agency special and agency relationship funds is directed primarily toward maximizing earnings on the University's working capital while maintaining adequate liquidity to meet the cash flow needs of the University. Short-term allowable monies are invested through the *OK INVEST* Program administered through the Office of the State Treasurer. As an agency of the State of Oklahoma investments in this program are executed in cooperation with the Oklahoma State Treasurer's Office, which serves as the University's official depository.

The Institutional Guidelines for Investment of Funds of the University are directed toward the investment of long-term oriented funds held by the University in a Fixed Income portfolio. The long-term objective of the portfolio is to maximize the returns without exposure to undue risk. Allowable monies are invested in securities permitted by Oklahoma State Statute (Title 62 § 89.2). Whereas fluctuating rates of return are characteristic of the securities markets, the main concern is the long-term appreciation of the assets and the consistency of total return. These investments are managed and held by a third-party investment management fiduciary.

Credit Risk – Risk that an issuer or other counterparty to an investment will not fulfill its obligations. Under state statutes, the State Treasurer may only purchase and invest in (a) obligations of the United States government, its agencies and instrumentalities; (b) prime banker's acceptances; (c) investment-grade obligations of state and local governments; (d) money market funds; (e) collateralized or insured certificates of deposits; (f) negotiable certificates of deposits; (g) prime commercial paper; and (h) repurchase agreements. State law limits investments in obligations of state and local governments to the highest rating from at least one nationally recognized rating agency acceptable to the State Treasurer. Additionally, it is the University's policy to limit its investments in municipal and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. As of June 30, 2024 and 2023, the University did not directly hold investments in municipal or corporate bonds. Mortgage-backed securities are guaranteed by the federal government.



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Interest Rate Risk – Risk that changes in interest rates will adversely affect the fair value of an investment. Investments that are held for longer periods are subject to increased risk of adverse interest changes. Neither the University nor state statutes limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates; however, the State Treasurer Investment Policy limits the average maturity on its portfolio to four years, with certain individual securities having more restrictive limits as defined in the policy.

Concentration of Credit Risk – Risk of loss attributed to the magnitude of the University’s investment in a single issuer. Neither the University’s investment policy nor state statutes place limits on amounts that can be invested in any one issuer; however, the State Treasurer Investment Policy states that, except for U.S. Treasury securities, no more than 50 percent of the State’s total funds may be invested in a single security type or with a single financial institution, with diversification percentages being more restrictive on individual securities. At June 30, 2024 and 2023, no investments in any one organization (other than those issued or sponsored by the U.S. government and those in pooled investments) represented 5 percent of total investments.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Investments held by the counterparty are held in the University’s name.

At June 30, the fair value of the University’s investments consisted of the following:

	<u>2024</u>	<u>2023</u>
U.S. government securities	\$ 4,216	\$ 3,450
U.S. Treasury notes	76,311	74,702
Money market funds	16,011	15,004
Equity securities	4,136	3,469
Mortgage backed securities	865	1,227
State Regents Endowment Trust funds	701	671
Total investments	<u>\$ 102,240</u>	<u>\$ 98,523</u>

The University’s investments are categorized by maturity dates to reflect the fair values that are sensitive to changes in interest rates.

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The University's investment schedule by maturity date as of June 30, 2024 is as follows:

<b>Maturity Year Ending June 30</b>	<b>U.S. Government Securities</b>	<b>U.S. Treasury Notes</b>	<b>Total</b>
2025	\$ 2	\$ 398	\$ 400
2026	-	2,684	2,684
2027	229	9,914	10,143
2028	18	20,205	20,223
2029	201	21,352	21,553
2030 - 2034	1,396	20,563	21,959
2035 - 2039	593	1,195	1,788
2040 - 2044	1,028	-	1,028
2045 - 2049	134	-	134
2050 - 2054	615	-	615
	<u>\$ 4,216</u>	<u>\$ 76,311</u>	80,527
Investments not subject to maturity dates			
Money market funds			16,011
Equity funds			4,136
Mortgage backed securities			865
State Regents Endowment Trust funds			701
Total investments			<u>\$ 102,240</u>

**Note 3: Accounts Receivable**

Accounts receivable consisted of the following at June 30:

	<b>2024</b>	<b>2023</b>
Student tuition and fees	\$ 33,035	\$ 33,973
Auxiliary enterprises and other operating activities	68,432	71,143
Contributions and gifts	16,797	15,614
Federal appropriations	2,361	2,179
Federal, state, and private grants, and contracts	55,246	53,470
	<u>175,871</u>	<u>176,379</u>
Less allowance for doubtful accounts	<u>13,897</u>	<u>13,928</u>
Net accounts receivable	<u>\$ 161,974</u>	<u>\$ 162,451</u>

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

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### Note 4: Inventories

Inventories consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Bookstore	\$ 2,524	\$ 2,946
Livestock - College of Agriculture	2,959	2,630
Fire protection publications	2,857	3,847
Food services	336	355
Physical plant	480	557
Other	1,746	1,669
	<u>\$ 10,902</u>	<u>\$ 12,004</u>

### Note 5: Student Loans Receivable

Student loans made through the Federal Perkins Loan Program (the “Program”) comprise substantially all of the loans receivable at June 30, 2024 and 2023. Under this Program, the federal government provides funds for approximately 75 percent of the total contribution for student loans with the University providing the balance. Under certain conditions, such loans can be forgiven at annual rates of 10 percent to 30 percent of the original balance up to maximums of 50 percent to 100 percent of the original loan. The federal government reimburses the University to the extent of 10 percent of the amounts forgiven for loans originated prior to July 1, 1993, under the Program. No reimbursements are provided for loans originated after this date. Amounts refundable to the federal government upon cessation of the Program of approximately \$4,593 and \$5,626 at June 30, 2024 and 2023, respectively, are reflected in the accompanying statements of net position as noncurrent liabilities.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The allowance for uncollectible loans only applies to University funded loans and the University portion of federal student loans, as the University is not obligated to fund the federal portion of uncollected student loans. The University has provided an allowance for uncollectible loans, which, in management’s opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2024 and 2023, the allowance for uncollectible loans was approximately \$123 and \$94, respectively.

# Oklahoma State University

## Notes to Financial Statements

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### Note 6: Leases Receivable

The University, acting as lessor, leases various real estate property under long-term, non-cancelable lease agreements. The leases expire at various dates through 2108 and provide for renewal options ranging from one year to five years. During the year ended June 30, 2024, and 2023, the Entity recognized \$1,898 and \$131, and \$2,108 and \$131 in lease revenue and interest revenue, respectively, pursuant to these contracts. Future minimum lease payments receivable as of June 30, 2024, are as follows:

Year Ending June 30	Principal	Interest	TOTAL
2025	\$ 1,403	\$ 113	\$ 1,516
2026	983	97	1,080
2027	974	86	1,060
2028	930	76	1,006
2029	924	67	991
2030 - 2034	2,471	224	2,695
2035 - 2039	949	158	1,107
2040 - 2044	981	110	1,091
2045 - 2049	331	71	402
2050 - 2054	86	65	151
2055 - 2059	89	61	150
2060 - 2064	94	56	150
2065 - 2069	99	51	150
2070 - 2074	104	46	150
2075 - 2079	109	41	150
2080 - 2084	115	35	150
2085 - 2089	121	29	150
2090 - 2094	127	23	150
2095 - 2099	134	16	150
2100 - 2104	141	9	150
2105 - 2108	114	2	116
	\$ 11,279	\$ 1,436	\$ 12,715

**Oklahoma State University**  
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**Note 7: Capital Assets**

Following are the changes in capital assets for the years ended June 30:

	2024				June 30, 2024
	June 30, 2023	Additions	Transfers	Retirement	
Capital assets not being depreciated					
Land	\$ 90,461	\$ 3,626	\$ -	\$ (10)	\$ 94,077
Capitalized collections	560	354	-	-	914
Livestock for educational purposes	5,711	742	-	-	6,453
Construction in progress	127,789	123,257	(47,847)	-	203,199
	<u>\$ 224,521</u>	<u>\$ 127,979</u>	<u>\$ (47,847)</u>	<u>\$ (10)</u>	<u>\$ 304,643</u>
Other capital assets					
Nonmajor infrastructure networks	\$ 203,519	\$ -	\$ 2,978	\$ -	\$ 206,497
Land improvements	97,245	-	2,091	-	99,336
Buildings	2,494,260	8,289	42,731	(718)	2,544,562
Leasehold improvements	4,659	-	47	-	4,706
Furniture, fixtures, and equipment	277,936	23,503	-	(11,334)	290,105
Library materials	84,167	8,694	-	(7,621)	85,240
Intangible assets	5,554	290	-	(442)	5,402
	<u>3,167,340</u>	<u>40,776</u>	<u>47,847</u>	<u>(20,115)</u>	<u>3,235,848</u>
Less accumulated depreciation					
Nonmajor infrastructure networks	(103,178)	(8,221)	-	-	(111,399)
Land improvements	(64,560)	(5,159)	-	-	(69,719)
Buildings	(878,475)	(56,930)	-	92	(935,313)
Leasehold improvements	(1,116)	(451)	-	-	(1,567)
Furniture, fixtures, and equipment	(213,655)	(16,137)	-	8,440	(221,352)
Library materials	(40,444)	(8,521)	-	7,621	(41,344)
Intangible assets	(5,136)	(158)	-	442	(4,852)
	<u>(1,306,564)</u>	<u>(95,577)</u>	<u>-</u>	<u>16,595</u>	<u>(1,385,546)</u>
Other capital assets, net	<u>\$ 1,860,776</u>	<u>\$ (54,801)</u>	<u>\$ 47,847</u>	<u>\$ (3,520)</u>	<u>\$ 1,850,302</u>
RTU Assets					
Equipment	\$ 8,354	\$ 3,473	\$ -	\$ (2,322)	\$ 9,505
Land	180	129	-	(69)	240
Buildings	4,160	5,324	-	(1,676)	7,808
	<u>12,694</u>	<u>8,926</u>	<u>-</u>	<u>(4,067)</u>	<u>17,553</u>
Less accumulated amortization					
Equipment	(4,414)	(2,532)	-	2,197	(4,749)
Land	(90)	(38)	-	69	(59)
Buildings	(1,877)	(933)	-	1,676	(1,134)
	<u>(6,381)</u>	<u>(3,503)</u>	<u>-</u>	<u>3,942</u>	<u>(5,942)</u>
RTU assets, net	<u>\$ 6,313</u>	<u>\$ 5,423</u>	<u>\$ -</u>	<u>\$ (125)</u>	<u>\$ 11,611</u>
Subscription Assets					
Subscriptions	\$ 42,124	\$ 11,813	\$ -	\$ (3,127)	\$ 50,810
	<u>42,124</u>	<u>11,813</u>	<u>-</u>	<u>(3,127)</u>	<u>50,810</u>
Less accumulated amortization					
Subscriptions	(16,471)	(11,196)	-	3,127	(24,540)
	<u>(16,471)</u>	<u>(11,196)</u>	<u>-</u>	<u>3,127</u>	<u>(24,540)</u>
Subscription Assets, Net	<u>\$ 25,653</u>	<u>\$ 617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,270</u>
Capital assets summary					
Capital assets not being depreciated	\$ 224,521	\$ 127,979	\$ (47,847)	\$ (10)	\$ 304,643
Other capital assets, at cost	3,167,340	40,776	47,847	(20,115)	3,235,848
Total cost of capital assets	3,391,861	168,755	-	(20,125)	3,540,491
Less accumulated depreciation	(1,306,564)	(95,577)	-	16,595	(1,385,546)
RTU assets	12,694	8,926	-	(4,067)	17,553
Less accumulated amortization	(6,381)	(3,503)	-	3,942	(5,942)
Subscription Assets	42,124	11,813	-	(3,127)	50,810
Less accumulated amortization	(16,471)	(11,196)	-	3,127	(24,540)
Capital assets, net	<u>\$ 2,117,263</u>	<u>\$ 79,218</u>	<u>\$ -</u>	<u>\$ (3,655)</u>	<u>\$ 2,192,826</u>

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	2023				June 30, 2023
	July 1, 2022	Additions	Transfers	Retirement	
Capital assets not being depreciated					
Land	\$ 90,063	\$ 398	\$ -	\$ -	\$ 90,461
Capitalized collections	560	-	-	-	560
Livestock for educational purposes	5,229	482	-	-	5,711
Construction in progress	63,266	113,585	(49,062)	-	127,789
	<u>\$ 159,118</u>	<u>\$ 114,465</u>	<u>\$ (49,062)</u>	<u>\$ -</u>	<u>\$ 224,521</u>
Other capital assets					
Nonmajor infrastructure networks	\$ 202,964	\$ -	\$ 555	\$ -	\$ 203,519
Land improvements	96,255	-	1,489	(499)	97,245
Buildings	2,451,518	-	45,519	(2,777)	2,494,260
Leasehold improvements	3,160	-	1,499	-	4,659
Furniture, fixtures, and equipment	270,362	17,694	-	(10,120)	277,936
Library materials	82,297	9,347	-	(7,477)	84,167
Intangible assets	20,314	2,728	-	(17,488)	5,554
	<u>3,126,870</u>	<u>29,769</u>	<u>49,062</u>	<u>(38,361)</u>	<u>3,167,340</u>
Less accumulated depreciation					
Nonmajor infrastructure networks	(95,019)	(8,159)	-	-	(103,178)
Land improvements	(59,814)	(5,167)	-	421	(64,560)
Buildings	(824,888)	(56,364)	-	2,777	(878,475)
Leasehold improvements	(723)	(393)	-	-	(1,116)
Furniture, fixtures, and equipment	(204,759)	(15,688)	-	6,792	(213,655)
Library materials	(39,128)	(8,793)	-	7,477	(40,444)
Intangible assets	(16,486)	(1,901)	-	13,251	(5,136)
	<u>(1,240,817)</u>	<u>(96,465)</u>	<u>-</u>	<u>30,718</u>	<u>(1,306,564)</u>
Other capital assets, net	<u>\$ 1,886,053</u>	<u>\$ (66,696)</u>	<u>\$ 49,062</u>	<u>\$ (7,643)</u>	<u>\$ 1,860,776</u>
RTU Assets					
Equipment	\$ 8,850	\$ 2,066	\$ -	\$ (2,562)	\$ 8,354
Land	256	10	-	(86)	180
Buildings	4,304	164	-	(308)	4,160
	<u>13,410</u>	<u>2,240</u>	<u>-</u>	<u>(2,956)</u>	<u>12,694</u>
Less accumulated amortization					
Equipment	(4,701)	(2,275)	-	2,562	(4,414)
Land	(146)	(30)	-	86	(90)
Buildings	(1,480)	(705)	-	308	(1,877)
	<u>(6,327)</u>	<u>(3,010)</u>	<u>-</u>	<u>2,956</u>	<u>(6,381)</u>
RTU assets, net	<u>\$ 7,083</u>	<u>\$ (770)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,313</u>
Subscription Assets					
Subscriptions	\$ 40,154	\$ 3,048	\$ -	\$ (1,078)	\$ 42,124
	<u>40,154</u>	<u>3,048</u>	<u>-</u>	<u>(1,078)</u>	<u>42,124</u>
Less accumulated amortization					
Subscriptions	(7,819)	(9,730)	-	1,078	(16,471)
	<u>(7,819)</u>	<u>(9,730)</u>	<u>-</u>	<u>1,078</u>	<u>(16,471)</u>
Subscription Assets, Net	<u>\$ 32,335</u>	<u>\$ (6,682)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,653</u>
Capital assets summary					
Capital assets not being depreciated	\$ 159,118	\$ 114,465	\$ (49,062)	\$ -	\$ 224,521
Other capital assets, at cost	3,126,870	29,769	49,062	(38,361)	3,167,340
Total cost of capital assets	<u>3,285,988</u>	<u>144,234</u>	<u>-</u>	<u>(38,361)</u>	<u>3,391,861</u>
Less accumulated depreciation	(1,240,817)	(96,465)	-	30,718	(1,306,564)
RTU assets	13,410	2,240	-	(2,956)	12,694
Less accumulated amortization	(6,327)	(3,010)	-	2,956	(6,381)
Subscription Assets	40,154	3,048	-	(1,079)	42,123
Less accumulated amortization	(7,819)	(9,730)	-	1,079	(16,470)
Capital assets, net	<u>\$ 2,084,589</u>	<u>\$ 40,317</u>	<u>\$ -</u>	<u>\$ (7,643)</u>	<u>\$ 2,117,263</u>

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**Note 8: Unearned Revenue**

Unearned revenue consists of the following at June 30:

	<b>2024</b>	<b>2023</b>
Prepaid tuition and fees	\$ 15,104	\$ 13,598
Prepaid athletic ticket sales	5,113	5,582
Other auxiliary enterprises	6,246	5,228
Grants and contracts	28,916	27,746
	\$ 55,379	\$ 52,154

**Note 9: Long-Term Liabilities**

Long-term liability activity was as follows for the years ended June 30:

	<b>2024</b>			<b>Balance</b>	<b>Amounts</b>
	<b>Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30,</b>	<b>Due Within</b>
	<b>June 30,</b>			<b>2024</b>	<b>One Year</b>
	<b>2023</b>				
<b>Bonds, Lease, Subscription and Financed</b>					
<b>Purchase Obligations</b>					
Revenue bonds payable	\$ 696,795	\$ 42,660	\$ (40,075)	\$ 699,380	\$ 29,050
Revenue bonds premium payable	61,126	2,394	(3,431)	60,089	3,516
Lease liability	7,368	8,869	(3,514)	12,723	3,155
Subscription liability	23,594	10,952	(11,167)	23,379	8,088
Financed purchase obligations, including unexpended funds of \$141,762	164,736	117,943	(56,835)	225,844	17,581
Total bonds, lease, subscription and financed purchase obligations	953,619	182,818	(115,022)	1,021,415	61,390
<b>Other Liabilities</b>					
Accrued compensated absences	39,982	18,342	(15,131)	43,193	15,131
Landfill closure and postclosure costs	3,500	-	-	3,500	-
Accounts payable for noncurrent assets	12,633	28,793	(12,633)	28,793	-
Federal loan program contribution payable	5,626	-	(1,033)	4,593	-
Pension liability	331,890	-	(16,790)	315,100	-
Other postemployment benefits	7,090	414	-	7,504	509
Asset retirement obligation	682	46	-	728	-
Student deposits	1,170	927	(865)	1,232	308
Unearned revenue	52,154	55,379	(52,154)	55,379	55,379
Accrued interest payable	9,653	10,046	(9,653)	10,046	-
Accrued workers' compensation claims	3,493	1,715	(1,777)	3,431	1,777
Total other liabilities	467,873	115,662	(110,036)	473,499	73,104
	\$ 1,421,492	\$ 298,480	\$ (225,058)	\$ 1,494,914	\$ 134,494

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	2023			Balance June 30, 2023	Amounts Due Within One Year
	Balance July 1, 2022	Additions	Reductions		
<b>Bonds, Lease, Subscription and Financed Purchase Obligations</b>					
Revenue bonds payable	\$ 681,820	\$ 36,625	\$ (21,650)	\$ 696,795	\$ 28,595
Revenue bonds premium payable	60,555	3,873	(3,302)	61,126	3,431
Lease liability	8,251	1,777	(2,660)	7,368	2,398
Subscription liability	30,637	2,775	(9,818)	23,594	8,720
Financed purchase obligations, including unexpended funds of \$65,633	178,255	-	(13,519)	164,736	13,515
Total bonds, lease, subscription and financed purchase obligations	<u>959,518</u>	<u>45,050</u>	<u>(50,949)</u>	<u>953,619</u>	<u>56,659</u>
<b>Other Liabilities</b>					
Accrued compensated absences	37,170	17,842	(15,030)	39,982	15,030
Landfill closure and postclosure costs	3,500	-	-	3,500	-
Accounts payable for noncurrent assets	11,010	12,633	(11,010)	12,633	-
Federal loan program contribution payable	7,070	-	(1,444)	5,626	-
Pension liability	225,798	106,092	-	331,890	-
Other postemployment benefits	13,685	-	(6,595)	7,090	525
Asset retirement obligation	608	74	-	682	-
Student deposits	1,033	865	(728)	1,170	292
Unearned revenue	41,500	52,154	(41,500)	52,154	52,154
Accrued interest payable	9,427	9,653	(9,427)	9,653	-
Accrued workers' compensation claims	4,722	2,199	(3,428)	3,493	2,199
Total other liabilities	<u>355,523</u>	<u>201,512</u>	<u>(89,162)</u>	<u>467,873</u>	<u>70,200</u>
	<u>\$ 1,315,041</u>	<u>\$ 246,562</u>	<u>\$ (140,111)</u>	<u>\$ 1,421,492</u>	<u>\$ 126,859</u>

Additional information regarding revenue bonds payable is included at *Note 10*. Additional information regarding capital lease obligations is included at *Note 11*.

*Landfill Closure and Postclosure Costs:* State laws and regulations require the University to place a final cover on its landfill site and to perform certain maintenance and monitoring functions, including evaluation of well water samples, at the site after closure. The landfill, containing radioactive and chemical waste, is no longer being used, but the University has not placed a final cover on it. Estimated closure and postclosure costs as of June 30, 2024 and 2023, are \$3,500 and \$3,500, respectively. Actual cost may differ due to inflation, changes in technology, or changes in regulations.



# Oklahoma State University

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### Note 10: Revenue Bonds

Revenue bonds payable consisted of the following at June 30:

	2024	2023
3.25% - 5.01% General Revenue Bonds, Federally Taxable Series 2010B, issued in the original amount of \$13,265 and mature in varying annual amounts to August 1, 2023 Paid off in August 2023	\$ -	\$ 1,190
2.00% - 2.75% General Revenue Refunding Bonds, Series 2013A, issued in the original amount of \$17,785 and mature in varying annual amounts to July 1, 2032	8,965	9,855
1.15% - 4.076% General Revenue Bonds, Federally Taxable Series 2016A, issued in the original amount of \$60,300 and mature in varying annual amounts to August 1, 2045	50,315	51,830
3.00% - 5.00% General Revenue Refunding Bonds, Series 2017A, issued in the original amount of \$52,850 and mature in varying annual amounts to July 1, 2039	45,475	47,435
3.00% - 4.00% General Revenue Bonds, Series 2018A, issued in the original amount of \$16,065 and mature in varying annual amounts to August 1, 2047	13,915	14,275
2.15% - 4.35% General Revenue Bonds Federally Taxable, Series 2018B, issued in the original amount of \$14,610 and mature in varying annual amounts to August 1, 2047	11,710	12,200
3.00% - 5.00% General Revenue and Refunding Bonds, Series 2019A, issued in the original amount of \$62,990 and mature in varying annual amounts to August 1, 2048	53,090	55,715
2.55% - 4.13% General Revenue and Refunding Bonds, Federally Taxable Series 2019B, issued in the original amount of \$12,555 and mature in varying annual amounts to August 1, 2048	11,155	11,520
Total forward	194,625	204,020

# Oklahoma State University

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	2024	2023
Total forward	\$ 194,625	\$ 204,020
4.00% - 5.00% General Revenue Refunding Bonds, Series 2020A, issued in the original amount of \$118,520 and mature in varying annual amounts to September 1, 2036	118,520	118,520
3.00% - 5.00% General Revenue Bonds, Series 2020B issued in the original amount of \$26,490 and mature in varying annual amounts to September 1, 2050	25,170	25,630
1.89% - 3.81% General Revenue Refunding Bonds, Federally Taxable Series 2020C, issued in the original amount of \$126,745 and mature in varying annual amounts to September 1, 2050	95,875	121,235
3.00% - 5.00% General Revenue Refunding Bonds, Series 2021A, issued in the original amount of \$75,125 and mature in varying annual amounts to September 1, 2051	69,190	71,670
0.263% - 3.08% General Revenue Refunding Bonds, Taxable Series 2021B, issued in the original amount of \$104,335 and mature in varying annual amounts to September 1, 2045	95,430	96,640
05.0% General Revenue Bonds, Taxable Series 2022, issued in the original amount of \$22,455 and mature in varying annual amounts to September 1, 2052	22,120	22,455
05.0% General Revenue Bonds, Series 2023, issued in the original amount of \$36,625 and mature in varying annual amounts to September 1, 2053	35,790	36,625
05.0% General Revenue and Refunding Bonds, Series 2024, issued in the original amount of \$42,660 and mature in varying annual amounts to September 1, 2054	42,660	-
Total revenue bonds	\$ 699,380	\$ 696,795

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Principal and interest on these revenue bonds are collateralized by a pledge of revenues produced by the facilities constructed with the bond proceeds, student activity fees and facility fees, and/or a pledge of certain contributions made for the benefit of the University. In the case of the General Revenue Bonds, the principal and interest is secured by a pledge of the general revenues of the financing system created in fiscal year 2009. General revenues consist of all lawfully available funds excluding: (i) revenues appropriated by the Oklahoma Legislature from tax receipts; (ii) funds whose purpose has been restricted by the donors or grantors thereof to a purpose inconsistent with the payment of obligations; and (iii) funds pledged pursuant to separate bond resolutions to revenue bond issues issued and outstanding prior to the creation of the financing system. The financing system is currently comprised of the Oklahoma State University-Stillwater and Oklahoma State University-Tulsa campuses. Certain of these bonds payable are callable at the option of the Board of Regents. The General Revenue Bonds have varying maturity dates as noted, with the last payment date in September 2055.

The University is required to maintain certain renewal and replacement and debt service reserves aggregating \$292 in 2024 and 2023. The University's reserve balances exceeded these amounts at June 30, 2024 and 2023.

The University has secured insurance contracts with insurance companies to cover the reserve requirements in the debt agreements of the Oklahoma State University – Okmulgee Student Fee Revenue Bonds, Series 2004. There is no reserve requirement for the General Revenue Bond issues.

The General Revenue and Refunding Bonds, Series 2020A in the par amount of \$118,520, the General Revenue Bonds, Series 2020B in the par amount of \$26,490, and the General Revenue and Refunding Bonds, Federally Taxable Series 2020C in the par amount of \$126,745 closed on May 13, 2020. Gross bond proceeds, including discount and premium, totaled \$149,836, \$30,045, and \$126,486, respectively. These bond issues resulted in a premium of \$35,168 which is being amortized over the life of the bonds.

Proceeds from Series 2020A were used for the current refunding of General Revenue Bonds Series 2010A and 2010C. A portion of the Series 2020C bond proceeds were used for the advance refunding of General Revenue Bonds 2013B and 2013C and for the current refunding of Oklahoma Development Finance Authority leases. The University's refunding resulted in a net present value saving of \$36,974 and a cash flow savings of \$29,423. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$15,105. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense starting in fiscal year 2021 using the straight-line method, which is not materially different than the effective-interest method. At June 30, 2024, the amount of defeased debt remaining outstanding was \$9,175 for General Revenue Bonds 2013B and \$63,125 for General Revenue Bonds 2013C. At June 30, 2023, the amount of defeased debt remaining outstanding was \$9,915 for General Revenue Bonds 2013B and \$65,480 for General Revenue Bonds 2013C.

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The General Revenue and Refunding Bonds, Series 2021A, in the par amount of \$75,125 and the General Revenue and Refunding Bonds, Federally Taxable Series 2021B \$104,335 closed on May 12, 2021. Gross bond proceeds, including discount and premium totaled \$91,052 and \$104,103, respectively. These bond issues resulted in a premium of \$16,094 which is being amortized over the life of the bonds.

A portion of the Series 2021A proceeds were used for the current refunding of Oklahoma Development Finance Authority leases. Proceeds from Series 2021B were used for the current refunding of Oklahoma Development Finance Authority leases. The University's refunding resulted in a net present value savings of \$28,498 and a cash flow savings of \$39,814. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$6,988. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to interest expense starting in fiscal year 2022 using the straight-line method, which is not materially different than the effective-interest method.

The General Revenue Bonds, Series 2022, in the par amount of \$22,455 closed on May 12, 2022. Gross bond proceeds, including premium totaled \$25,244. This bond issue resulted in a premium of \$2,789 which is being amortized over the life of the bonds.

The General Revenue Bonds, Series 2023, in the par amount of \$36,625 closed on May 11, 2023. Gross bond proceeds, including premium totaled \$40,498. This bond issue resulted in a premium of \$3,873 which is being amortized over the life of the bonds.

The General Revenue Bonds, Series 2024, in the par amount of \$42,660 closed on May 9, 2024. Gross bond proceeds, including premium totaled \$45,054. This bond issue resulted in a premium of \$2,394 which is being amortized over the life of the bonds.

A portion of the Series 2024 proceeds were used for tenders and the advance refunding of a portion of General Revenue Bonds Series 2020C. The University's tenders and refunding resulted in a net present value saving of \$1,407 and a cash flow savings of \$2,469. The tenders and advance refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of \$1,790 and \$7 respectively. This difference, reported in the accompanying financial statements as a deferred inflow of resources, is being charged to interest expense starting in fiscal year 2025 using the straight-line method, which is not materially different than the effective-interest method.

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***Maturity Information***

The scheduled maturities of the revenue bonds are as follows at June 30, 2024:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2025	\$ 29,095	\$ 26,961	\$ 56,056
2026	28,725	26,263	54,988
2027	29,950	25,033	54,983
2028	31,800	23,718	55,518
2029	33,165	22,327	55,492
2030-2034	168,580	90,232	258,812
2035-2039	169,140	58,028	227,168
2040-2044	122,390	29,271	151,661
2045-2049	55,060	11,591	66,651
2050-2054	29,395	3,233	32,628
2055	<u>2,080</u>	<u>44</u>	<u>2,124</u>
	<u>\$ 699,380</u>	<u>\$ 316,701</u>	<u>\$ 1,016,081</u>

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**Note 11:     Financed Purchase Obligations and Leases**

***Oklahoma Capital Improvement Authority Leases Program***

The Oklahoma Capital Improvement Authority (OCIA) is authorized to issue bonds, notes, or other obligations to finance construction of buildings or other facilities for the State of Oklahoma, its departments, and agencies. OCIA may also issue refunding bonds to refinance its existing obligations. The OCIA issues bonds and the State Regents for Higher Education allocate amounts to the University, who then enters into financed purchase agreements with OCIA for projects being funded. The financed purchase agreements provide for the University to make specified monthly payments, however during the years ended June 30, 2024 and 2023, OCIA made principal and interest payments totaling \$6,529 and \$6,521, respectively, on behalf of the University. These on-behalf payments have been recorded as restricted state appropriations, shown as on-behalf payments for OCIA financed purchase obligations, in the University's statements of revenues, expenses, and changes in net position. The terms of the agreements range from 5 – 25 years and secure the OCIA bond debt and any future debt that might be issued to refund earlier bond issues. There were no undrawn allotments as of June 30, 2024 and 2023.

As OCIA restructures the bond obligations, the financed purchase obligations are also restructured which can result in a gain or loss on restructuring, which is recorded as deferred inflows of resources or deferred outflows of resources and amortized over the shorter of the remaining life of the old financed purchase agreement or the life of the new financed purchase agreement. As of June 30, 2024 and 2023, \$2,861 and \$3,180, respectively, were included in deferred inflows of resources. The balance outstanding for these financed purchase obligations, including premiums, was \$43,357 and \$51,452 as of June 30, 2024 and 2023, respectively.

In fiscal year 2024, the OSU Veterinary Medicine Authority entered into an agreement with the OCIA for capital improvements at the College of Veterinary Medicine. The \$79,000 in capital funds was allocated from the state's Legacy fund operated by OCIA, which requires repayment. The University has reported these funds as cash held by state agencies on the statement of net position. However, the legislature initially appropriated and will continue to appropriate \$3,950 annually to repay the Legacy Fund. The agreement provides for a 20-year repayment period at a 0% interest rate. The agreement also provides for termination should the Legislature fail to appropriate funds to service the debt. The Authority received the first repayment appropriation of \$3,950 in fiscal year 2024. No debt service payments were made in fiscal year 2024 given that drawdowns of capital funding had not occurred prior to June 30, 2024.

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***Oklahoma Development Finance Authority Master Lease Program***

Oklahoma Development Finance Authority Master Lease Program payable consisted of the following at June 30:

	<b>2024</b>	<b>2023</b>
1.05% - 2.85% ODFA Oklahoma State System of Higher Education Master Lease Revenue Bonds, Series 2016B, allocated to the University in the original amount of \$6,208 and mature in varying annual amounts to May 15, 2026	\$ 1,304	\$ 1,959
2.00% - 2.75% ODFA Oklahoma State System of Higher Education Master Lease Revenue Bonds, Series 2017A, allocated to the University in the original amount of \$2,150 and mature in varying annual amounts to November 15, 2026	581	809
1.50% - 4.00% ODFA Oklahoma State System of Higher Education Master Lease Revenue Bonds, Series 2017B, allocated to the University in the original amount of \$925 and mature in varying annual amounts to November 15, 2031	520	580
2.00% - 4.00% ODFA Oklahoma State System of Higher Education Master Lease Revenue Bonds, Series 2017C, allocated to the University in the original amount of \$933 and mature in varying annual amounts to May 15, 2027	312	410
4.00% ODFA Oklahoma State System of Higher Education Master Lease Revenue Bonds, Series 2018A, allocated to the University in the original amount of \$1,604 and mature in varying annual amounts to December 1, 2028	547	703
0.70% - 2.30% ODFA Oklahoma State System of Higher Education Master Lease Revenue Bonds, Series 2020C, allocated to the University in the original amount of \$4,140 and mature in varying annual amounts to June 1, 2031	2,685	3,096
Total forward	5,949	7,557

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	<u>2024</u>	<u>2023</u>
Total forward	\$ 5,949	\$ 7,557
2.00% - 4.00% ODFA Oklahoma State System of Higher Education Master Lease Revenue Bonds, Series 2021A, allocated to the University in the original amount of \$1,344 and mature in varying annual amounts to June 1, 2041	1,193	1,243
0.45% - 3.20% ODFA Oklahoma State System of Higher Education Master Lease Revenue Bonds, Series 2021B, allocated to the University in the original amount of \$440 and mature in varying annual amounts to June 1, 2041	378	398
2.00% - 5.00% ODFA Oklahoma State System of Higher Education Master Real Property Lease Revenue Bonds, Series 2014A, allocated to the University in the original amount of \$1,880 and mature in varying annual amounts to May 15, 2028 Refunded in May 2024	-	772
2.00% - 5.00% ODFA Oklahoma State System of Higher Education Master Real Property Lease Revenue Bonds, Series 2015A, allocated to the University in the original amount of \$20,749 and mature in varying annual amounts to May 15, 2034	12,803	13,811
2.00% - 5.00% ODFA Oklahoma State System of Higher Education Master Real Property Lease Revenue Bonds, Series 2015B, allocated to the University in the original amount of \$42,145 and mature in varying annual amounts to May 15, 2045	24,820	25,593
0.50% - 4.00% ODFA Oklahoma State System of Higher Education Master Real Property Lease Revenue Bonds, Series 2016D, allocated to the University in the original amount of \$30,089 and mature in varying annual amounts to May 15, 2031	<u>20,779</u>	<u>22,069</u>
Total forward	65,922	71,443



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	<b>2024</b>	<b>2023</b>
Total forward	\$ 65,922	\$ 71,443
1.00% - 4.00% ODFA Oklahoma State System of Higher Education Master Real Property Lease Revenue Bonds, Series 2017A, allocated to the University in the original amount of \$17,933 and mature in varying annual amounts to May 15, 2047	2,753	3,626
1.00% - 4.00% ODFA Oklahoma State System of Higher Education Master Real Property Lease Revenue Bonds, Series 2017B, allocated to the University in the original amount of \$13,075 and mature in varying annual amounts to May 15, 2047	962	1,274
0.67% - 1.45% ODFA Oklahoma State System of Higher Education Master Real Property Lease Revenue Bonds, Series 2020D, allocated to the University in the original amount of \$5,095 and mature in varying annual amounts to June 1, 2026	1,754	2,656
0.34% - 3.18% ODFA Oklahoma State System of Higher Education Master Real Property Lease Revenue Bonds, Series 2021B, allocated to the University in the original amount of \$35,115 and mature in varying annual amounts to June 1, 2050	29,424	31,289
	100,815	110,288
Premiums	2,672	2,996
Total	\$ 103,487	\$ 113,284

# Oklahoma State University

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In connection with the ODFA Master Lease Program, the University has recorded an asset for cash held by ODFA, totaling \$79,000 and \$1,102 for the allotments not drawn down as of June 30, 2024 and 2023, respectively. A corresponding lease obligations payable to ODFA for the total amounts of the undrawn allotments has also been recorded in unexpended plant funds. All bond issuance costs were expensed.

Future minimum payments for Financed Purchase obligations as of June 30, 2024, are as follows:

<b>Year Ending June 30</b>	<b>ODFA</b>	<b>OCIA</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 9,216	\$ 8,365	\$ 5,563	\$ 23,144
2026	9,339	7,958	4,978	22,275
2027	7,570	8,388	4,446	20,404
2028	5,427	8,612	3,996	18,035
2029	5,515	8,826	3,580	17,921
2030 - 2034	24,613	37,905	11,955	74,473
2035 - 2039	16,937	22,553	5,916	45,406
2040 - 2044	16,014	19,750	3,101	38,865
2045 - 2049	7,940	-	726	8,666
2050 - 2054	916	-	29	945
Totals	<u>\$ 103,487</u>	<u>\$ 122,357</u>	<u>\$ 44,290</u>	<u>\$ 270,134</u>

**Oklahoma State University**  
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***Lease and Subscription Obligations***

The University leases equipment as well as certain operating and office facilities and land for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2059 and provide for renewal options ranging from six months to five years.

Future minimum annual payments leases are as follows:

Year Ending June 30	Leases	Subscriptions	Interest	Total
2025	\$ 3,155	\$ 8,088	\$ 759	\$ 12,002
2026	2,554	5,565	558	8,677
2027	1,965	3,695	368	6,028
2028	1,393	2,543	240	4,176
2029	936	1,995	155	3,086
2030 - 2034	1,931	1,493	273	3,697
2035 - 2039	246	-	35	281
2040 - 2044	103	-	25	128
2045 - 2049	118	-	20	138
2050 - 2054	145	-	13	158
2055 - 2059	177	-	5	182
	<u>\$ 12,723</u>	<u>\$ 23,379</u>	<u>\$ 2,451</u>	<u>\$ 38,553</u>

**Note 12: Funds Held In Trust By Others**

***Beneficial Interest in State School Land Funds***

The University has a beneficial interest in the “Section Thirteen Fund State Educational Institutions” and the “New College Fund” held in the care of the Commissioners of the Land Office as Trustees. The University has the right to receive annually 30 percent of the distributions of income produced by “Section Thirteen Fund State Educational Institutions” assets and 100 percent of the distribution of income produced by the University’s “New College Fund.” The University received \$9,162 and \$8,437 during the years ended June 30, 2024 and 2023, respectively, which is restricted to the acquisition of buildings, equipment, or other capital items. Present state law prohibits the distribution of any corpus of these funds to the beneficiaries. The total trust fund for the University, held in trust by the Commissioners of the Land Office, is approximately \$178,843 and \$164,932 as of June 30, 2024 and 2023, respectively.

**Oklahoma State University**  
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***Oklahoma State Regents Endowment Trust Fund***

The State has matched contributions received under the Endowed Chair Program. The State match amount, plus retained accumulated earnings, totaled approximately \$294,807 and \$290,987 at June 30, 2024 and 2023, respectively, and is invested by the Oklahoma State Regents on behalf of the University. The University is entitled to receive an annual distribution on these funds; however, since legal title of the State match amount is retained by the Oklahoma State Regents, such funds have not been reflected in the accompanying financial statements. With regard to private matching funds, approximately \$3,139 and \$3,012 from donor matching funds and \$443 and \$448 in institutional matching funds as of June 30, 2024 and 2023, respectively, are on deposit with the Oklahoma State Regents for Higher Education, with the remaining matching funds of approximately \$324,170 and \$305,185 as of June 30, 2024 and 2023, respectively, held by the Oklahoma State University Foundation.

**Note 13: Retirement Plans**

Beginning in 1935, eligible employees were guaranteed a 50 percent income replacement upon retirement at age 65 or 25 years of service. Upon retirement, an eligible retiree could receive supplemental lifetime income via the OSU Supplement Plan. However, with the establishment of the Teacher's Retirement System of Oklahoma (OTRS) in 1943 and establishment of OSU's Defined Contribution Plan in 1971, with TIAA-CREF as the provider, it was determined that no employees would become eligible for supplemental income after June 30, 1996. However, OSU does continue to have a limited number of retirees (or surviving spouses) receiving monthly income from this Plan.

The University has provided eligible employees the opportunity to participate in a defined contribution plan, the TIAA plan (formerly TIAA-CREF), and two defined benefit plans, the Teachers' Retirement System of Oklahoma (OTRS) and the Supplemental Retirement Plan. Effective June 30, 1996, the University terminated the Supplemental Retirement Plan such that no future retirees will be eligible to receive benefits under the plan.

The TIAA and the OTRS plans are integrated with the University's ongoing retirement program. Effective July 1, 1993, these eligibility requirements were modified; however, any employee eligible under the previous requirements was included in the modified plan pursuant to a grandfather provision. Eligible employees include all faculty, exempt and nonexempt continuous regular staff who are scheduled to work at least 1,560 hours annually. Employees hired after June 30, 2004, are not eligible for the integrated plan. The University's retirement program requires the University to contribute 11.5 percent of salary for employees hired on or after July 1, 1993, and for employees hired before July 1, 1993, the University pays the first \$1.5 of the OTRS cost in the fiscal year plus 10 percent of salary over \$7.8 up to \$48 and 11.5 percent on salary over \$48. These retirement contributions are first distributed to the OTRS on mandatory members and optional members who were grandfathered July 1, 1993, as determined by the calculation of OTRS contributions as defined below (see Contributions). Any remaining retirement contributions are distributed to the TIAA plan.

# Oklahoma State University

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Effective July 1, 2004, eligible new hires must make a one-time irrevocable election. Eligible employees must choose either the Alternate Retirement Plan (ARP) or OTRS. For those electing OTRS, the University will contribute the required member and employer contributions. For those electing the ARP, the University contributes 11.5 percent of salary. All ARP contributions are forwarded to TIAA. Should the eligible new hire not make an election within 30 days of hire, he/she will be default enrolled in OTRS. Regardless of the election of the new hire, the University makes contributions retroactive to the date of hire. The ARP does have a 100 percent cliff vesting provision of two years. Effective July 1, 2018, eligible new hires who choose OTRS must make the required member contribution.

A summary of the line items on the Statements of Net Position are as follows:

	<b>2024</b>			
	<b>OTRS</b>	<b>OLERS</b>	<b>Supplemental</b>	<b>Total</b>
Net pension liability	\$ (301,957)	\$ (12,896)	\$ (247)	\$ (315,100)
Deferred outflows of resources	53,868	11,319	-	65,187
Deferred inflows of resources	(49,914)	(3,719)	-	(53,633)

	<b>2023</b>			
	<b>OTRS</b>	<b>OLERS</b>	<b>Supplemental</b>	<b>Total</b>
Net pension liability	\$ (324,381)	\$ (6,756)	\$ (753)	\$ (331,890)
Deferred outflows of resources	80,515	4,025	-	84,540
Deferred inflows of resources	(70,905)	(690)	-	(71,595)

### Teachers' Retirement System of Oklahoma (OTRS)

#### *Plan Description*

The University contributes to the OTRS, a cost-sharing multiple-employer defined benefit pension plan sponsored by the State of Oklahoma. The OTRS provides retirement, disability, and death benefits to plan members and beneficiaries. The benefit provisions are established and may be amended by the legislature of the State. Title 70 of the Oklahoma Statutes, Sections 17-101 through 17-116.9, as amended, assigns the authority for management and operation of the OTRS to the Board of Trustees of the OTRS. The OTRS issues a publicly available financial report that includes financial statements and supplementary information for the OTRS. That report may be obtained online at <https://oklahoma.gov/trs.html>.

**Oklahoma State University**  
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***Benefits Provided***

OTRS provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O.S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature.

Benefit provisions include:

- Members that joined OTRS prior to November 1, 2017, become 100 percent vested in retirement benefits earned to date after five years of credited Oklahoma service. Members who joined OTRS after October 31, 2017, become 100 percent vested in retirement benefits earned to date after seven years of credited Oklahoma service. Members who joined OTRS on June 30, 1992, or prior are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining OTRS after June 30, 1992, are eligible for maximum benefits when their age and years of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at age 62 receive unreduced benefits based on their years of service. For those joining OTRS after October 31, 2011, the reduced benefit provision applies as early as age 60 and at 65 receive unreduced benefits based on years of service. The maximum retirement benefit is equal to 2 percent of final compensation for each year of credited service.
- Final compensation for members who joined OTRS prior to July 1, 1992, is defined as the average salary for the three highest years of compensation. Final compensation for members joining OTRS after June 30, 1992, is defined as the average of the highest five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995, to \$40 or \$25, depending on the member's election. Monthly benefits are 1/12 of this amount. Service credits accumulated after June 30, 1995, are calculated based on each member's final average compensation, except for certain employees of the state's two comprehensive universities: University of Oklahoma and Oklahoma State University.
- Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100 percent of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member may elect to receive, in lieu of the aforementioned benefits, the retirement benefit the member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.
- Upon the death of a retired member, OTRS will pay \$5 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.
- A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2 percent of final average compensation for the applicable years of credited service.

# Oklahoma State University

## Notes to Financial Statements

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- Upon separation from OTRS, members' contributions are refundable with interest based on certain restrictions in the plan, or by the IRC.
- Members may elect to make additional contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the IRC under Code Section 403(b).

### **Contributions**

Employees of the University, as OTRS members, are required to contribute to the plan at a rate established by the legislature of the State. For the years ended June 30, 2024 and 2023, the contribution rate for the system members of 7 percent is applied to their total compensation. The University made the majority of the system member's required contributions on behalf of its employees in 2024, 2023, and 2022.

For the years ended June 30, 2024, 2023, and 2022, the local employer contribution rate due from the University was 8.55 percent.

The University's total contributions for employer contributions and fees for the years ended June 30, 2024, 2023, and 2022, were \$15,651, \$16,047, and \$16,735, respectively.

The University's contributions for OTRS members for the years ended June 30, 2024, 2023, and 2022, were \$13,952, \$14,289 and \$14,847, respectively, these amounts being the majority of the required contributions for OTRS members for each year.

In addition for the years ended June 30, 2024 and 2023, the State of Oklahoma contributed on-behalf of the University \$17,308 and \$16,910, respectively. The University recognized these contributions in the University's Statement of Revenues, Expenses, and Changes in Net Position as both revenues and compensation and employee benefit expense. These on-behalf payments do not meet the definition of a special funding situation.

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OTRS**

At June 30, 2024, and 2023, the University reported a liability of \$301,957 and \$324,381, respectively, for its proportionate share of the OTRS's net pension liability. The net pension liability was measured as of June 30, 2023, and 2022, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

The University's proportion of the net pension liability was based on its proportionate share based on the University's actual contributions to the plan relative to the actual contributions of the plan from all participating employers. Based upon this information, at June 30, 2024, the University's proportion was 3.92 percent, a 0.03 percent decrease from the previous year. At June 30, 2023, the University's proportion was 3.95 percent, a 0.44 percent decrease from the previous year. At June 30, 2022, the University's proportion was 4.39 percent, a 0.25 percent decrease from the previous year.

# Oklahoma State University

## Notes to Financial Statements

**June 30, 2024 and 2023**

**(In Thousands)**

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the years ended June 30, 2024 and 2023 the University recognized pension expense in accordance with GASB Statement No. 68, *Accounting and Reporting for Pensions – an amendment of GASB Statement No. 27* of \$18,415 and \$7,351, respectively, for the employer share of the pension liability. This expense also includes the \$17,308 and \$16,910, for 2024 and 2023, respectively, on behalf of payments by the State of Oklahoma. At June 30, 2024 and 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2024</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>          </u>	<u>          </u>
Differences between expected and actual experience	\$ 4,926	\$ 5,879
Changes of assumptions	12,267	-
Net difference between projected and actual earning on pension plan investments	21,131	-
Changes in proportion and differences between the University’s contributions and the University proportionate share of contributions	-	44,035
University’s contributions subsequent to the measurement date	<u>15,544</u>	<u>-</u>
Total	<u>\$ 53,868</u>	<u>\$ 49,914</u>
	<b>2023</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>          </u>	<u>          </u>
Differences between expected and actual experience	\$ 10,392	\$ 4,058
Changes of assumptions	21,886	-
Net difference between projected and actual earning on pension plan investments	30,881	-
Changes in proportion and differences between the University’s contributions and the University proportionate share of contributions	1,577	66,847
University’s contributions subsequent to the measurement date	<u>15,779</u>	<u>-</u>
Total	<u>\$ 80,515</u>	<u>\$ 70,905</u>



# Oklahoma State University

## Notes to Financial Statements

**June 30, 2024 and 2023**

**(In Thousands)**

As of June 30, 2024 and 2023, the University reported \$15,544 and \$15,779, as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date, that will be recognized as a reduction of the net pension liability in the years ending June 30, 2024 and 2023, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2024, related to the OTRS pension plan will be recognized in pension expense as follows:

Year Ending June 30,		
2025	\$	(9,168)
2026		(17,745)
2027		19,019
2028		(3,233)
2029		(463)
		\$ (11,590)

### **Actuarial Assumptions**

The total pension liability in the June 30, 2023 and 2022, actuarial valuations were determined using the following actuarial assumptions:

	2023	2022
Valuation date	June 30, 2023	June 30, 2022
Actuarial cost method	Entry age actuarial cost method	
Amortization method	Level percentage of payroll, open	
Remaining amortization period	5 years	
Asset valuation method	5 year market value	
Discount rate	7.00%	7.00%
Investment rate of return	7.00%	7.00%
Inflation rate	2.25%	2.25%
Salary increase rate	3.00%	3.00%
Payroll growth rate	3.00%	3.00%
Retirement age	Experience-based tables of rates based on age, service, and gender	
Mortality tables	Various based upon age and gender	

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation for each major asset class as of June 30, 2023 and 2022, are summarized in the following tables:

### 2023

<b>Asset Class</b>	<b>Target Asset Allocation</b>
Domestic Equity	38.3%
International Equity	16.7%
Fixed Income	22.0%
Real Estate	10.0%
Private Equity	8.0%
Private Debt	5.0%
	<u>100.0%</u>

### 2022

<b>Asset Class</b>	<b>Target Asset Allocation</b>
Domestic Equity	38.3%
International Equity	16.7%
Fixed Income	22.0%
Real Estate	10.0%
Private Equity	8.0%
Private Debt	5.0%
	<u>100.0%</u>

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Discount Rate

The discount rate used to measure the total pension liability was 7.0 percent ended June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 5 percent of sales, use, and individual income taxes, as established by statute. Based on these assumptions, OTRS' 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 the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following tables present the net pension liability of the University, prior to the separate ARP allocation, calculated using the discount rate of 7.0 percent and 7.0 percent for June 30, 2024 and 2023, respectively, as well as what the University's net pension liability would be if OTRS calculated the total pension liability using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>2024</b>		
	<b>1%</b>	<b>Current</b>	<b>1%</b>
	<b>Decrease</b>	<b>Discount Rate</b>	<b>Increase</b>
	<b>(6.00%)</b>	<b>(7.00%)</b>	<b>(8.00%)</b>
University's proportionate share of the net pension liability	\$ 436,131	\$ 301,957	\$ 190,882

	<b>2023</b>		
	<b>1%</b>	<b>Current</b>	<b>1%</b>
	<b>Decrease</b>	<b>Discount Rate</b>	<b>Increase</b>
	<b>(6.00%)</b>	<b>(7.00%)</b>	<b>(8.00%)</b>
University's proportionate share of the net pension liability	\$ 456,731	\$ 324,381	\$ 215,574

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### ***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued OTRS' financial report.

### ***Payable to the Pension Plan***

The University reported a payable of \$1,725 and \$1,692 for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2024 and 2023, respectively.

### **Defined Contribution Plan**

On May 8, 1971, the University approved a contract providing for a funded plan for staff retirement, the TIAA plan. The TIAA plan, which is a defined contribution plan qualified under Internal Revenue Code Section 401(a), provides an annuity in the name of the employee based upon contributions made by the University. All contributions to the TIAA are fully vested immediately.

The University's total payroll for the years ended June 30, 2024, 2023, and 2022, was approximately \$591,537, \$552,983, and \$515,367, respectively. The University's contributions to the TIAA were calculated using the base salary amount of approximately \$372,287, \$341,382, and \$312,167 in 2024, 2023, and 2022, respectively. The University funded participant ARP and integrated plan contributions to the TIAA of approximately \$35,543, \$31,658 and \$28,246 in 2024, 2023, and 2022, respectively, which represents approximately 7 percent of covered payroll in each period.

Employees may voluntarily contribute, on a pretax basis, to the 403(b) Supplemental Tax Deferred Annuity Program and/or the 457(b) Deferred Compensation Plan, but such contributions are not considered part of the University's retirement program.

As of June 30, 2024, 2023, and 2022, the TIAA held no related party investments of the University.

**Oklahoma State University**  
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**(In Thousands)**

**Oklahoma Law Enforcement Retirement System (OLERS)**

***Plan Description***

The Oklahoma Law Enforcement Retirement System (OLERS) is administrator of the Oklahoma Law Enforcement Retirement Plan, a cost-sharing defined benefit pension plan established by Oklahoma statutes. OLERS is a component unit of the State of Oklahoma (the “State”) and is part of the State’s reporting entity. Currently, agencies and/or departments who are members of OLERS are the Oklahoma Highway Patrol and Capitol Patrol of the Department of Public Safety (DPS), the Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Alcoholic Beverage Law Enforcement Commission, certain members of the DPS Communications Division, DPS Waterways Lake Patrol Division, park rangers, park managers, and park supervisors of the Oklahoma Tourism and Recreation Department, inspectors of the Oklahoma State Board of Pharmacy and Oklahoma University and Oklahoma State University campus police officers.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OLERS***

At June 30, 2024 and 2023, the University reported a liability of \$12,896 and \$6,756, respectively, for its proportionate share of the OLERS’s net pension liability. The net pension liability was measured as of June 30, 2023 and 2022, respectively, and the total pension liability used to calculate the net pension liability which was determined by an actuarial valuation as of those dates.

The University’s proportion of the net pension liability was based on its proportionate share based on the University’s actual contributions to the plan relative to the actual contributions of the plan from all participating employers. Based upon this information, the University’s proportion was 3.43 percent at June 30, 2024, a 0.00 percent change from the previous year. At June 30, 2023, the University’s proportion was 3.43 percent, an increase of 0.27 percent from the previous year. At June 30, 2022, the University’s proportion was 3.16 percent, a decrease of 0.11 percent from the previous year.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

For the years ended June 30, 2024 and 2023, the University recognized pension expense of \$3,239 and \$1,326, respectively. At June 30, 2024 and 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2024</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 4,311	\$ 179
Changes of assumptions	-	241
Net difference between projected and actual earning on pension plan investments	6,020	3,183
Changes in proportion and differences between the University's contributions and the University proportionate share of contributions	640	116
University's contributions subsequent to the measurement date	<u>348</u>	<u>-</u>
Total	<u>\$ 11,319</u>	<u>\$ 3,719</u>
	<b>2023</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 278	\$ 231
Changes of assumptions	-	281
Net difference between projected and actual earning on pension plan investments	2,951	-
Changes in proportion and differences between the University's contributions and the University proportionate share of contributions	305	178
University's contributions subsequent to the measurement date	<u>491</u>	<u>-</u>
Total	<u>\$ 4,025</u>	<u>\$ 690</u>

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### ***Supplemental Retirement Plan***

#### **Plan Description**

The University sponsors the Supplemental Retirement Plan (the “Plan”), a single-employer public employee retirement system, which was approved in 1971 and terminated as of June 30, 1996. Individuals employed by the University on or after July 1, 1980, when the TIAA-CREF annuity contribution became fully funded, were ineligible for participation in the Plan. Benefits vested upon retirement. The Plan guaranteed eligible employees with 25 years of service, provided they continuously participated in TIAA/CREF and the OTRS, a level of annual retirement benefit if Social Security, the OTRS, and the TIAA-CREF, when applicable, do not equal one-half of the average of the highest three years’ earnings. Authority to establish and amend benefit provisions rests with the Board of Regents. The Plan does not issue a stand-alone financial report.

#### **Funding Policy**

Contribution requirements of the University are established and may be amended by the Board of Regents. All contributions are made by the University. Benefits are funded under a “pay as you go” funding method; however, expenses are recorded as benefits accumulate.

### ***Other Postemployment Benefits***

#### **Life Insurance**

##### **Plan Description**

The University pays life insurance premiums for individuals who meet the specified criteria to be considered a retiree as of the last day of continuous regular employment. Eligible retirees must (a) be at least 62 years of age and have at least 10 continuous regular years of service, (b) have worked for the University for at least 25 years in a continuous regular appointment, regardless of age, or (c) meet the OTRS guidelines. In addition, the individual must also have been enrolled in the University’s life insurance program prior to retirement. Each retiree is eligible to receive \$6 of life insurance coverage at an annual cost to the University of \$.00026 per \$1 of coverage. As of June 30, 2024 and 2023, there were approximately 5,900 active employees and 2,400 retirees. Authority to establish and amend benefit provisions rests with the Board of Regents.

##### **Funding Policy**

Contribution requirements of the University are established and may be amended by the Board of Regents. All contributions are made by the University. Benefits are funded under a “pay as you go” funding method and there are no plan assets; however, expenses are recorded as benefits accumulate.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Health Care Implicit Rate Subsidy

#### Plan Description

The University allows retirees to remain in the University's health care plan, although the retiree is required to pay 100 percent of the premium. By allowing retirees to be included in the same pool as active employees, this gives retirees a benefit of a lower premium cost than if the retiree obtained health insurance on his or her own, which is referred to as the implicit rate subsidy. As of June 30, 2024, there were approximately 5,900 active employees and 180 retirees in the health care plan.

#### ***Liabilities, Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits***

At June 30, 2024 and 2023, the University reported a combined liability of \$7,504 and \$7,091, respectively, for the life insurance and health care implicit rate subsidy. For the years ended June 30, 2024 and 2023, the University recognized OPEB expense of \$366 and \$746 respectively. The University reported deferred outflows of resources related to other postemployment benefits from the following sources for the years ended June 30, 2024 and 2023 as noted below.

	<b>2024</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,489	\$ 634
Changes of assumptions	<u>3,790</u>	<u>7,879</u>
Total	<u>\$ 5,279</u>	<u>\$ 8,513</u>

	<b>2023</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,891	\$ 748
Changes of assumptions	<u>4,345</u>	<u>9,278</u>
Total	<u>\$ 6,236</u>	<u>\$ 10,026</u>



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The balance as of June 30, 2024 of the deferred outflows (inflows) of resources will be recognized in the OPEB expense in the future fiscal years as noted below.

Years ending June 30:		
2025	\$	(210)
2026		(210)
2027		(210)
2028		(1,004)
2029		(1,005)
Thereafter		<u>(595)</u>
	<u>\$</u>	<u>(3,234)</u>

**Actuarial Assumptions**

The other postemployment liability in the June 30, 2024 and 2023, actuarial valuation was determined using the following actuarial assumptions:

	<u>2024</u>	<u>2023</u>
Valuation date	June 30, 2024	June 30, 2023
Actuarial cost method	Entry Age Normal	
Discount rate	4.21%	4.13%
Inflation rate	3.00%	3.00%
Salary increase rate	3.50%	3.50%
Retirement age	Experience-based tables of rates based on age, service, and gender	
Mortality tables	SOA Pub-2010 Weighted Mortality Table fully generational using Scale MP-2020	SOA Pub-2010 Weighted Mortality Table fully generational using Scale MP-2020

# Oklahoma State University

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### ***Changes in the Other Postemployment Liability***

	<b>2024</b>	<b>2023</b>
Total OPEB liability, beginning of year	\$ 7,091	\$ 13,685
Changes for the year		
Service cost	282	439
Interest	294	567
Changes in assumptions	265	(7,084)
Differences between expected and actual experience	81	9
Benefits payments	(509)	(525)
Net change in total OPEB liability	413	(6,594)
Total OPEB liability, end of year	\$ 7,504	\$ 7,091

### ***Sensitivity of the Other Postemployment Liability to Changes in the Discount Rate***

The following tables present the total other postemployment liability as of June 30, 2024 and 2023, calculated using a discount rate of 4.21 percent and 4.13 percent, respectively, and what it would be using a 1 percent higher and 1 percent lower discount rate.

	<b>2024</b>		
	<b>1% Decrease (3.21%)</b>	<b>Current Discount Rate (4.21%)</b>	<b>1% Increase (5.21%)</b>
University's total other postemployment liability	\$ 8,161	\$ 7,504	\$ 6,905

	<b>2023</b>		
	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
University's total other postemployment liability	\$ 7,701	\$ 7,091	\$ 6,534

# Oklahoma State University

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### ***Sensitivity of the Other Postemployment Liability to Changes in the Health Care Trend Rates***

The following tables present the total other postemployment liability as of June 30, 2024 and 2023, calculated using a health care trend rate starting at a rate 1 percent higher and lower than the initial rate of 8.00 percent and 7.50 percent as of June 30, 2024 and 2023, respectively.

	<b>1% Decrease (7.00%)</b>	<b>2024 Current Discount Rate (8.00%)</b>	<b>1% Increase (9.00%)</b>
University's total other postemployment benefit	\$ 6,758	\$ 7,504	\$ 8,389

	<b>1% Decrease (6.50%)</b>	<b>2023 Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
University's total other postemployment benefit	\$ 6,453	\$ 7,091	\$ 7,845

### ***OTRS/Health Care Plan***

#### **Plan Description**

At retirement, if an employee is enrolled in the OTRS plan and is participating in the University's health care plan, the retiree may elect to continue health insurance coverage in the University's health care plan. OTRS will pay the first one hundred dollars to one hundred and five dollars of monthly premiums for each participating retiree (not dependents). The actual amount paid by OTRS is determined by total service and average salary at retirement.

As of June 30, 2024 and 2023, the University recorded an asset for other postemployment benefits of \$1,974 and \$1,922 for its proportionate share of the OTRS's OPEB, deferred outflows of \$1,342 and \$1,872 and deferred inflows of \$494 and \$645, respectively. These balances were measured as of June 30, 2023 and 2022 and were determined by an actuarial valuation.

# Oklahoma State University

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### Actuarial Assumptions

The other postemployment benefit at June 30, 2024 and 2023 was determined using the following actuarial assumptions:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Actuarial cost method	Entry Age Normal	
Discount rate	7.00%	7.00%
Inflation rate	2.25%	2.25%
Salary increase rate	3.00%	3.00%
Investment rate of return	7.00%	7.00%
Retirement age	Experience-based tables of rates based on age, service, and gender	
Mortality tables	Various based upon age and gender	

### Sensitivity of the Other Postemployment Benefit to Changes in the Discount Rate

The following tables present the other postemployment benefit, calculated using the current discount rate of 7.00 percent for June 30, 2024 and 2023, respectively, as well as what it would be using a 1 percent higher and 1 percent lower discount rate.

	<b>2024</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
University's proportionate share of the net other postemployment benefit	\$ 199	\$ 1,974	\$ 3,474

	<b>2023</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
University's proportionate share of the net other postemployment benefit	\$ (80)	\$ 1,922	\$ 3,618

# Oklahoma State University

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### Note 14: Risk Management

Due to the diverse risk exposure of the University and its constituent agencies, the insurance portfolio contains a comprehensive variety of coverage. Oklahoma Statutes require participation of all State agencies in basic tort, educator's legal liability, property and casualty programs, and fidelity bonding provided by the Risk Management Division of the Office of Management and Enterprise Services (the "SRMD"). In addition to these basic policies, the University's Department of Risk and Property Management establishes enterprise risk management guidelines for risk assessment, risk avoidance, risk acceptance, and risk transfer.

Oklahoma State University and individual employees are provided sovereign immunity when performing official business within the scope of their employment under the Oklahoma Governmental Tort Claims Act. For risks not protected by sovereign immunity, it is the internal policy of the University's Risk and Property Management department to accept initial risk in the form of retention or deductibles only to the extent that funds are available from the University's general operations or a funded reserve to maintain this risk.

Beyond acceptable retention levels, risk transfer is practiced by purchasing conventional insurance coverage through an insurance broker or through the SRMD. These coverages are outlined as follows:

- The buildings and contents are insured for replacement value. Each loss incident is subject to a \$100 deductible.
- Out-of-state and out-of-country comprehensive general liability, educator's legal liability including employment practices, auto liability, aircraft liability, watercraft liability, leased vehicles, equipment, and fidelity bonds are acquired by the University from the SRMD. To complement coverage provided by State Statute and to meet specific coverage requirements for special grants and/or contracts, additional coverage is purchased based on specific departmental and institutional needs and risks, but the related risks are not considered material to the University as a whole. Claim settlements have not exceeded insurance coverage in each of the past three fiscal years.

#### **Self-Funded Programs**

The University's life insurance program was self-funded through December 31, 2003. Effective January 1, 2004, life waivers for disabled employees and their dependents were all that remained in the self-funded plan. Reserves were established at the onset of disability to pay the claims. In 2009, the University reached an agreement to apportion the remaining reserve between the University and the former TPA, American Fidelity Assurance. American Fidelity Assurance assumed all liability for all runoff claims. Effective January 1, 2004, the University's life coverage is handled through an insured plan.

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Through June 30, 1999, the University's health care programs were also self-funded. Effective July 1, 1999, the University terminated its self-insurance program, and participated in the State self-insurance program through December 31, 2007. Effective January 1, 2008, the University began participation in an insured program with BlueCross BlueShield of Oklahoma as the provider. The University believes that there is no exposure to pay run-off claims for the previous self-insured program at June 30, 2024. Beginning January 1, 2015, the University's health care program again became self-funded. BlueCross BlueShield is the third-party administrator. The University has employed Lockton Company as a consultant to assist with premium setting, development of plan features, reserve funding and use of third-party stop loss coverage insurance. At June 30, 2024 and 2023, respectively, the University had recorded a liability of approximately \$5,377 and \$5,330, respectively, for claims incurred but not yet paid and is included in accounts payable in the statements of net position.

The University's workers' compensation program is self-funded and is administered by a third party. The University maintains a cash deposit with the administrator and reimburses the administrator for claims paid and administrative expenses on a monthly basis. Benefits provided are prescribed by State law and include lump-sum payments for rated disabilities, in addition to medical expenses and a portion of salary loss, resulting from a job-related injury or illness. The University records a liability for workers' compensation in its financial statements based on annual actuarial valuations. As of June 30, 2024 and 2023, the accrued workers' compensation liability totaled \$3,431 and \$3,493, respectively, computed utilizing a discount rate of 2 percent for each year. The University had claims incurred of \$1,777 and \$2,199 during the years ended June 30, 2024 and 2023, respectively.

The University's unemployment compensation insurance program is also self-funded. Unemployment benefits that separated employees receive are determined by Oklahoma Statutes and are administered by the Oklahoma Employment Security Commission (OESC). As a reimbursing employer, the University is billed quarterly by the OESC for benefits paid to former employees. The Board of Regents requires that the University maintain a minimum of \$700 in reserve to cover claims. This minimum cash balance is considered each year during the rate-setting process.

**Note 15:     Related Party Transactions**

A summary of related party transactions during the years ended June 30, 2024 and 2023, including a description of the relationship and operations are as follows:

***Oklahoma State University Foundation***

Nature of Relationship: OSU Foundation is a not-for-profit corporation formed to promote and foster the educational, benevolent, and scientific purposes of the University, and to create a fund to be used for any program, project, or enterprise undertaken in the interest of the University, and to promote and foster educational and cultural interests in the State and the United States.

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OSU Foundation is governed by an independent Board of Trustees who maintain no position at the University. Although the University does not control the timing or amount of receipts from OSU Foundation, the majority of resources, or income thereon, that OSU Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by OSU Foundation can only be used by, or for the benefit of, the University, OSU Foundation is considered a component unit of the University as defined by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, and is separately presented.

Description of Operations: OSU Foundation acts largely as a fundraising organization: soliciting, receiving, managing, and disbursing contributions on behalf of the University based on terms of a service agreement. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, OSU Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by OSU Foundation.

Related party transactions and funds held by OSU Foundation on behalf of the University are as follows as of and for the years ended June 30:

	<b>2024</b>	<b>2023</b>
Dollar value of transactions for the year ended June 30		
Funds disbursed to or on behalf of the University	\$ 162,057	\$ 111,554
Funds collected from the University	5,611	5,085
Nonmonetary goods distributed to the University	2,117	1,836
Total net assets held on behalf of or for the benefit of the University at June 30	1,645,427	1,565,076
Related party receivables and payables at June 30		
Due to the University	5,923	9,115
Due from the University	2,677	2,749

***National Center for Addiction Studies and Treatment Foundation***

Nature of Relationship: NCAST is a nonprofit corporation formed to improve the lives of individuals in Oklahoma and across the nation that are affected by pain and substance abuse disorders through exceptional programs in research, education, prevention, treatment, and advocacy.

NCAST is governed by a Board of Directors primarily appointed by the University. The University does not have an ownership interest but has the ability to remove appointed members of the governing body. NCAST is considered a component unit of the University as defined by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, and is discretely presented.

# Oklahoma State University

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Description of Operations: NCAST was created as a result of a consent settlement agreement between the State of Oklahoma and Purdue Pharma, Inc. (Purdue) in March 2019. The settlement agreement provided for a \$102,500 payment to be made to NCAST by Purdue. In addition, the owners of Purdue agreed within the settlement agreement to donate \$75,000 to NCAST.

### ***Cowboy Athletics, Inc. (CAI)***

Nature of Relationship: CAI is a not-for-profit Oklahoma corporation organized to support the University and other educational programs associated with the University.

CAI is governed by a seven-member Board of Directors, three of whom serve by virtue of their association with the University. The remaining four members are elected by the members. Although the University does not control the timing or amount of receipts from CAI, the majority of resources or income thereon that CAI holds and invests is restricted to the activities of the University. CAI is considered immaterial to the operations of the University and therefore, is not considered as a component unit.

CAI also operates a golf course (Karsten Creek) and related facilities in Stillwater, Oklahoma. The golf course is primarily utilized as a teaching and practice facility by the University for the men's and women's golf teams. Use of the course is also open to golf course members and others based on established membership and usage fee schedules.

Description of Operations: CAI revenues consist primarily of contributions from the private sector, including individuals and corporations, green fees, pro shop sales, food and beverage sales, and membership fees. Charitable gifts made for use by the University's Department of Intercollegiate Athletics are received, processed, and administered by OSU Foundation. Such contributions may be transferred to CAI at which time CAI recognizes contribution revenue. Other contributions are recorded when received or when a donor has announced an intention to give, and CAI believes that collection is probable. Green fees are recognized when earned. Pro shop sales, and food and beverage sales, are recorded when a sale is made – essentially on the cash basis. Membership fees are assessed on a calendar year basis, are nonrefundable, and are recognized in the year for which they apply. Funds are expended for any purpose consistent with promoting the primary objectives of CAI.

Related party transactions and funds held by CAI on behalf of the University as of and for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Dollar value of transactions for the year ended June 30		
Funds disbursed to or on behalf of the University	\$ 15	\$ 72
Funds collected from the University	5,581	4,743
Nonmonetary goods distributed to the University	-	-
Related party receivables and payables at June 30		
Due to the University	6	7
Due from the University	244	278



# Oklahoma State University

## Notes to Financial Statements

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### ***Oklahoma State University Alumni Association***

Nature of Relationship: Oklahoma State University Alumni Association (the “Association”) is a not-for-profit corporation formed to provide a corporate body through which alumni may unify their efforts to promote and encourage the growth and development of the University. The Association is considered immaterial to the operations of the University and therefore, is not separately presented as a component unit.

Description of Operations: The Association’s revenues consist primarily of dues, investment earnings, support from the University, and revenue from Association sponsored activities. Funds are expended for any purpose consistent with promoting the primary objectives of the Association. Related party transactions and funds held by the Association on behalf of the University are as follows as of and for the years ended:

	<u>2024</u>	<u>2023</u>
Dollar value of transactions for the year ended June 30		
Funds disbursed to or on behalf of the University	\$ 619	\$ 538
Funds collected from the University	727	659

### ***Foundation for the McKnight Center for the Performing Arts***

Nature of Relationship: The Foundation for the McKnight Center for the Performing Arts (the “McKnight Center”) is a not-for-profit corporation formed to provide support and assistance to the University in connection with the performing arts including, but not limited to, providing funding for the performing arts, long-term management, and operations of the McKnight Center. It is considered immaterial to the operations of the University and therefore, is not separately presented as a component unit.

Description of Operations: The McKnight Center revenues consist primarily of program revenue, ticket sales, investment earnings, and support from the Oklahoma State University Foundation. Funds are expended for any purpose consistent with promoting the primary objectives of the McKnight Center.

# Oklahoma State University

## Notes to Financial Statements

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(In Thousands)

### Note 16: Disclosures About Fair Value of Investments

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

### Recurring Measurements

The following tables present the fair value measurements of investments recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

Description	2024			Total
	Level 1	Level 2	Level 3	
Investments				
U.S. government securities	\$ -	\$ 4,216	\$ -	\$ 4,216
U.S. Treasury notes	-	76,311	-	76,311
Money market funds	16,011	-	-	16,011
Equity securities	-	-	4,136	4,136
Mortgage backed securities	-	865	-	865
State Regents Endowment Trust	-	701	-	701
Total investments	<u>\$ 16,011</u>	<u>\$ 82,093</u>	<u>\$ 4,136</u>	<u>\$ 102,240</u>

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Description	2023			Total
	Level 1	Level 2	Level 3	
Investments				
U.S. government securities	\$ -	\$ 3,450	\$ -	\$ 3,450
U.S. Treasury notes	-	74,702	-	74,702
Money market funds	15,004	-	-	15,004
Equity securities	-	-	3,469	3,469
Mortgage backed securities	-	1,227	-	1,227
State Regents Endowment Trust	-	671	-	671
Total investments	<u>\$ 15,004</u>	<u>\$ 80,050</u>	<u>\$ 3,469</u>	<u>\$ 98,523</u>

U.S. government securities, U.S. Treasury notes, mortgage backed securities, and State Regents Endowment Trust funds are valued on the basis of evaluated prices provided by independent pricing services when such processes are believed to reflect the fair market value of such securities and are classified within Level 2 of the fair value hierarchy.

Money market funds are principally valued at the regular trading session closing price on the exchange or market in which such funds are principally traded, on the last business day of each period presented and are classified within Level 1 of the fair value hierarchy.

Equity interest in a closely held entity is accounted for as an equity method investment and is not included in the table above.

**Note 17: Commitments, Contingent Liabilities, and Uncertainties**

The University had outstanding commitments under construction contracts of approximately \$30,951 and \$73,874 at June 30, 2024 and 2023, respectively.

The University is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of University management, the ultimate resolution of these matters will not have a material adverse effect upon the University's financial position.

The University 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 agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

**Oklahoma State University**  
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**(In Thousands)**

**Note 18: Natural Classifications with Functional Classifications**

The University's operating expenses by functional classification were as follows for the years ended June 30, 2024 and 2023:

Year Ended June 30, 2024									
Natural Classification									
Functional Classification	Compensation and Employee Benefits	Contractual Services	Supplies and Materials	Utilities	Communications	Other Operating Expenses	Scholarships and Fellowships	Depreciation Expense	Total
Instruction	\$ 255,494	\$ 26,682	\$ 9,399	\$ 41	\$ 991	\$ 11,608	\$ -	\$ -	\$ 304,215
Research	132,068	25,830	14,729	576	369	10,876	-	-	184,448
Public service	69,302	13,197	4,108	123	563	6,271	-	-	93,564
Academic support	62,134	14,608	6,244	7	570	15,460	-	-	99,023
Student services	34,349	3,954	584	-	756	2,275	-	-	41,918
Institutional support	37,637	4,437	229	-	244	3,502	-	-	46,049
Operation of plant	21,176	27,861	1,601	27,286	211	4,585	-	-	82,720
Scholarships	1,758	-	-	-	-	230	74,507	-	76,495
Auxiliary enterprises	151,595	156,763	22,946	12,768	1,567	31,501	-	-	377,140
Depreciation	-	-	-	-	-	-	-	110,276	110,276
Total expenses	<u>\$ 765,513</u>	<u>\$ 273,332</u>	<u>\$ 59,840</u>	<u>\$ 40,801</u>	<u>\$ 5,271</u>	<u>\$ 86,308</u>	<u>\$ 74,507</u>	<u>\$ 110,276</u>	<u>\$ 1,415,848</u>

Year Ended June 30, 2023									
Natural Classification									
Functional Classification	Compensation and Employee Benefits	Contractual Services	Supplies and Materials	Utilities	Communications	Other Operating Expenses	Scholarships and Fellowships	Depreciation Expense	Total
Instruction	\$ 244,671	\$ 24,719	\$ 7,633	\$ 37	\$ 1,550	\$ 9,106	\$ -	\$ -	\$ 287,716
Research	112,031	19,366	11,092	620	409	11,928	-	-	155,446
Public service	56,535	10,206	2,213	118	520	5,967	-	-	75,559
Academic support	55,796	11,373	2,706	30	553	15,806	-	-	86,264
Student services	30,902	2,754	542	-	376	1,438	-	-	36,012
Institutional support	42,683	3,935	-	-	210	4,192	-	-	51,020
Operation of plant	17,997	26,286	1,254	28,531	407	1,399	-	-	75,874
Scholarships	1,611	-	-	-	-	57	64,563	-	66,231
Auxiliary enterprises	138,816	164,256	26,794	12,820	1,661	18,772	-	-	363,119
Depreciation	-	-	-	-	-	-	-	109,205	109,205
Total expenses	<u>\$ 701,042</u>	<u>\$ 262,895</u>	<u>\$ 52,234</u>	<u>\$ 42,156</u>	<u>\$ 5,686</u>	<u>\$ 68,665</u>	<u>\$ 64,563</u>	<u>\$ 109,205</u>	<u>\$ 1,306,446</u>

**Notes to Financial Statements –  
Oklahoma State University Foundation**

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### **Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands)**

#### ***Organization***

Oklahoma State University Foundation (the Foundation) is a not-for-profit corporation formed in 1961 to promote the educational, benevolent, and scientific purposes of Oklahoma State University (the University or OSU). The Foundation, through the contributions it receives, provides funds for University projects and programs which cannot be funded by appropriations or grants from state and federal governments, or for which existing appropriations are inadequate.

#### ***Reporting Entity***

The consolidated financial statements include the assets, liabilities, net assets, changes in net assets, and cash flows of the Foundation and affiliates. The Foundation has approximately 6,400 active component funds, two affiliated organizations, and two single-member limited liability companies. The affiliated organizations, the Foundation for Engineering at Oklahoma State University, Inc. (FEOSU), which was incorporated on October 10, 2008, and Multilateral Endowment Management Company (MEMCO) incorporated on July 18, 2019, are included with the Foundation in the accompanying consolidated financial statements because the Foundation has an economic interest in the organizations and controls the affiliated organizations' Board of Trustees. Further, distributions made by FEOSU exclusively benefit the charitable purposes of the Foundation. The Foundation is also the sole member of the Oklahoma State University Student Foundation, LLC and the OSU Foundation Real Estate, LLC and as such the accompanying consolidated financial statements include all assets, liabilities, revenues, and expenses of the LLCs. All material inter-organization transactions of the affiliated organization and the LLCs have been eliminated in consolidation. The Foundation, its affiliates and the LLCs are collectively referred to as the Foundation throughout these consolidated financial statements.

#### ***Operations***

The Foundation acts primarily as a fundraising organization, soliciting, receiving, managing, and disbursing contributions on behalf of the University. Distribution of amounts held in the funds of the Foundation is subject to the approval of the Foundation and the availability of monies. Accordingly, the accompanying consolidated financial statements generally reflect expenditures which have been submitted to and approved by the Foundation as of the financial reporting date.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### **Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)**

#### ***Basis of Presentation***

The Foundation follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative guidance for accounting principles generally accepted in the United States of America (U.S. GAAP) for nongovernmental entities. The Foundation's consolidated financial statements have been prepared on the accrual basis of accounting and to ensure the observance of limitations and restrictions placed on the use of available resources, the Foundation maintains its accounts in accordance with the principles and practices of fund accounting. All inter-fund activities have been eliminated in the accompanying consolidated financial statements.

#### ***Concentrations of Credit***

The Foundation has certain concentrations of credit risk with financial institutions in the form of uninsured cash and time deposits. For purposes of evaluating credit risk, the stability of financial institutions conducting business with the Foundation is periodically reviewed and management believes that credit risks related to such balances are minimal.

The Foundation received contributions from eight and five donors totaling approximately \$22,271,000 and \$130,082,000 in the years ended June 30, 2024 and 2023, respectively. These contributions represent 16% and 55% of total contribution revenue in fiscal years 2024 and 2023, respectively. Net contributions receivable totaling approximately \$127,087,000 and \$131,929,000 are due from 11 and 12 donors at June 30, 2024 and 2023, respectively. These receivables represent 72% and 73% of total net contributions receivable at June 30, 2024 and 2023, respectively.

The Foundation has a closely held stock that represents approximately 9% of the total investment balance at June 30, 2024 and 2023.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

#### *Liquidity and Availability*

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

	2024	2023
Cash and cash equivalents	\$ 23,862,055	\$ 10,651,086
Short-term investments and unrestricted liquid investments	241,652,908	254,071,385
Interest and other receivables	4,143,906	4,217,006
Unendowed investments	78,301,292	81,728,362
Endowment spending-rate distributions	39,639,450	35,510,620
	<u>\$ 387,599,611</u>	<u>\$ 386,178,459</u>

The Foundation's endowment funds consist of donor-restricted endowments and funds designated as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Consistent with the objectives of the Foundation's investment policy, cash and investments are managed such that funds are available as expenditures, liabilities and other obligations come due. As part of the Foundation's liquidity management plan, the Foundation invests cash in excess of expected short-term needs in short-term investments.

The Foundation receives management fees on funds held in the investment pool and a gift allocation on gifts received. For the fiscal year ended June 30, 2024, management fees and gift allocations were approximately \$12,504,000 and \$2,309,000, respectively. For the fiscal year ended June 30, 2023, management fees and gift allocations were approximately \$10,758,000 and \$1,985,000, respectively. The management fees and gift allocation provide funds necessary to fulfill the Foundation's general expenditure obligation.



# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

#### Investments

Investments consisted of the following at June 30:

	2024	2023
Marketable securities:		
Fixed-income:		
Cash and short-term investments	\$ 34,405,470	\$ 60,774,094
Global fixed-income mutual funds	26,137,190	52,714,643
U.S. fixed-income mutual funds	838,217	776,485
Equity:		
Long-only - domestic	26,515,534	39,361,285
Long-only - emerging markets	926,920	844,471
Long-only - global	1,733,171	1,644,950
Long-only - international	34,956,096	20,409,609
Hedged Equity - long/short funds	10,647,008	8,579,627
Real asset securities - public	2,874,567	2,593,525
Total marketable securities	139,034,173	187,698,689
Nonmarketable securities:		
Equity:		
Hedged equity - credit related	28,326,187	25,566,488
Hedged equity - multi-strategy funds	37,048,104	168,766
Hedged equity - long/short funds	203,422,028	163,247,500
Hedged equity - diversifiers	192,349,650	148,899,461
Hedged equity - event driven	12,362,740	25,678,816
Long-only - emerging markets	23,803,972	37,065,396
Long-only - global	86,897,924	72,489,539
Long-only - international	87,804,819	107,007,751
Private equity	452,421,248	443,116,902
Fixed-income - global fixed-income fund	9,500,000	5,000,000
Real assets - private funds	41,913,802	46,595,354
Closely held stock	133,997,194	121,964,253
Total nonmarketable securities	1,309,847,668	1,196,800,226
Total investments	<u>\$ 1,448,881,841</u>	<u>\$ 1,384,498,915</u>

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

**Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)**

Net investment returns consists of the following for the years ended June 30:

	2024	2023
Interest and dividends	\$ 23,410,773	\$ 18,129,294
Investment fees	(4,555,271)	(2,755,685)
Net realized and unrealized gains	105,294,691	54,494,650
Change in fair value of perpetual trusts	1,393,472	973,602
Net investment returns	\$ 125,543,665	\$ 70,841,861

***Contributions, Interest, and Other Receivables***

Unconditional contributions receivable, including amounts due under pledge agreements, are expected to be collected as follows at June 30:

	2024	2023
Contributions receivable expected in:		
Less than one year	\$ 138,168,237	\$ 113,428,448
One year to five years	52,477,653	82,339,394
Over five years	44,668,034	47,261,290
	235,313,924	243,029,132
Less:		
Unamortized discount (4.33% - 8.81%)	40,991,656	44,080,570
Allowance for uncollectible pledges	17,020,757	18,825,382
	\$ 177,301,511	\$ 180,123,180

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

Unconditional contributions receivable, net of discount and allowance, consisted of the following donor restrictions at June 30:

	2024	2023
Intercollegiate athletics	\$ 88,271,449	\$ 88,499,497
General University support	31,151,261	31,348,719
Awards and scholarships	35,489,622	33,704,597
Facilities and equipment	17,497,284	22,544,033
Other	4,891,895	4,026,334
	<u>\$ 177,301,511</u>	<u>\$ 180,123,180</u>

Conditional promises to give include certain gifts that the Foundation has been named as the beneficiary in an estate plan or a valid will. No amounts have been recognized in the consolidated financial statements for conditional promises to give because the conditions on which they depend have not been met. The Foundation does not currently have sufficient information to estimate the amounts of conditional promises to give.

Interest and other receivables consist of the following at June 30:

	2024	2023
Receivable from OSU	\$ 2,676,630	\$ 2,748,869
Accrued interest and other receivables	1,467,276	1,468,137
	<u>\$ 4,143,906</u>	<u>\$ 4,217,006</u>

Interest and other receivables are expected to be collected within one year.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

#### ***Endowment Disclosures***

The Foundation's endowment consists of approximately 4,200 and 4,000 funds at June 30, 2024 and 2023, respectively, established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

#### ***Interpretation of Relevant Law***

The trustees of the Foundation have chosen to preserve the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies net assets with donor restrictions not subject to appropriation for expenditure (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions available for appropriation or expenditure until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by OK UPMIFA. In accordance with OK UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

Endowment net asset composition by type of fund as of June 30, 2024, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 847,584,285	\$ 847,584,285
Board-designated endowment funds	156,756,790	-	156,756,790
Total endowment funds	<u>\$ 156,756,790</u>	<u>\$ 847,584,285</u>	<u>\$ 1,004,341,075</u>

Endowment net asset composition by type of fund as of June 30, 2023, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 795,786,882	\$ 795,786,882
Board-designated endowment funds	142,885,966	-	142,885,966
Total endowment funds	<u>\$ 142,885,966</u>	<u>\$ 795,786,882</u>	<u>\$ 938,672,848</u>

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

Changes in endowment net assets for the year ended June 30, 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 142,885,966	\$ 795,786,882	\$ 938,672,848
Net investment returns	9,320,123	70,181,441	79,501,564
Donor-restricted additions:			
Current-year endowment contributions	-	13,263,194	13,263,194
Collection of current and prior-year pledges	-	7,834,280	7,834,280
Transfers of prior-year contributions	-	3,469,239	3,469,239
Total donor-restricted additions	-	24,566,713	24,566,713
Management fee	(1,060,870)	(11,721,215)	(12,782,085)
Appropriation of endowment assets for expenditure	(3,577,010)	(31,761,150)	(35,338,160)
Reinvestment of amounts appropriated	-	1,017,236	1,017,236
Reclassification-donor directed	-	(279,486)	(279,486)
Transfers (from) to Board-designated and donor-restricted endowment funds	9,188,581	(206,136)	8,982,445
Endowment net assets, end of year	\$ 156,756,790	\$ 847,584,285	\$ 1,004,341,075

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

Changes in endowment net assets for the year ended June 30, 2023, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 127,213,737	\$ 695,064,082	\$ 822,277,819
Net investment returns	7,257,752	51,112,985	58,370,737
Donor-restricted additions:			
Current-year endowment contributions	-	79,377,058	79,377,058
Collection of current and prior-year pledges	-	6,307,268	6,307,268
Transfers of prior-year contributions	-	3,007,160	3,007,160
Total donor-restricted additions	-	88,691,486	88,691,486
	Without Donor Restrictions	With Donor Restrictions	Total
Management fee	(1,426,187)	(9,987,944)	(11,414,131)
Appropriation of endowment assets for expenditure	(2,743,540)	(27,791,095)	(30,534,635)
Reinvestment of amounts appropriated	-	164,360	164,360
Reclassification-donor directed	-	(944,078)	(944,078)
Transfers (from) to Board-designated and donor-restricted endowment funds	12,584,204	(522,914)	12,061,290
Endowment net assets, end of year	\$ 142,885,966	\$ 795,786,882	\$ 938,672,848

In addition to permanently restricted endowment funds, the Foundation also has interests in perpetual trusts and charitable remainder trusts which are managed by third parties, charitable trusts which are managed by the Foundation, and permanently restricted contributions receivable. These assets are not a part of the Foundation's endowment and therefore are not included in the endowment disclosures.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

#### ***Fair Value Measurements***

The Foundation's Investment Committee, appointed by the Board of Trustees, is responsible for the overall management of the Foundation's investments, including evaluating, hiring, and terminating external service providers, the primary custodial bank, consultants, and securities lending agents. The authority for investment decisions and retention of additional custodians and brokers, when appropriate to accomplish or facilitate an investment transaction, is delegated to MEMCO in accordance with the investment management agreement between the Foundation and MEMCO and MEMCO's fiduciary duties to the Foundation. The Investment Committee 1) reviews the total investment program, 2) establishes and maintains the Investment Policy statement, including asset allocation guidelines, and 3) reviews performance, capabilities, systems, and staffing of MEMCO. MEMCO performs all duties necessary for the efficient administration and management of investment assets. MEMCO is also responsible for the day-to-day operations involving due diligence. The valuation process for investments is the responsibility of MEMCO and all other fair value measurements are the responsibility of the Foundation's accounting department. Fair value measurements for beneficial interests in trusts and funds held on behalf of OSU are prepared by the Foundation's accounting department and approved by the Board of Trustees during its review and approval of the Foundation's periodic internal financial statements.

The methods and assumptions used to estimate the fair value of assets and liabilities in the consolidated financial statements, including a description of the methodologies used for the classifications within the fair value hierarchy, are as follows:

#### ***Cash and Cash Equivalents***

The asset's carrying amount approximates fair value due to its short maturity.

#### ***Investments***

All of the Foundation's marketable securities are valued by nationally recognized third-party pricing services, except for certain commodities which are valued by the fund/account manager. The Foundation gives highest priority to quoted prices in active markets for identical assets accessed at the measurement date. An active market for the asset is a market in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis and the Foundation classifies all such assets as Level 1. The Foundation gives a Level 2 priority to valuation prices where the valuation process involves inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly, using the market approach. Level 2 inputs under the market approach include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets where there is not sufficient activity, and/or where price quotations vary substantially either over time or among market makers, or in which little information is released publicly. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy.



# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### **Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)**

Nonmarketable securities, except for closely held stock, are carried at fair value which is based on the NAV as provided by the fund manager and/or adjusted by the Foundation. The Foundation uses management agreements, analyst notes, audited financial statements and underlying investment holdings to evaluate the fund manager's valuation methodology (i.e., in determining whether the fund manager follows ASC 820) and considers various other factors including contributions and withdrawals to the fund and monitoring unaudited interim reporting to determine if any adjustment to the NAV is necessary. Closely held stock is carried at fair value which is based on independent appraisal or Foundation management. Closely held stock is categorized as Level 3 in the fair value hierarchy.

#### ***Contributions Receivable***

The asset is carried at cost net of a discount to present value using a rate which is commensurate with the risks involved on the gift date and an allowance for uncollectible accounts at the financial reporting date. Risks associated with individual gifts are assessed annually through the Foundation's review of the status of each gift. Fair value is the price a market participant would pay to acquire the right to receive the cash flows inherent in the promise to pay. Due to inclusion of a discount to net present value and allowance for uncollectible accounts the carrying value approximates fair value.

#### ***Interest and Other Receivables***

The asset is carried at cost, which approximates fair value due to the short maturity of such amounts.

#### ***Other Property Investments***

The asset's carrying amount is based on the fair value of the assets at the time of donation or purchase (i.e., cost basis) and reduced for impairments to their net realizable value based on facts and circumstances at the time of the determination. Property investments are not held for long-term investment purposes; therefore, management believes the carrying amount approximates fair value.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

#### ***Beneficial Interests in Trusts***

The beneficial interest is carried at fair value, which is based on the present value of the expected future cash inflows from the trusts. The fair value of the underlying trust assets is based on quoted market prices when available or the best estimate of fair value as determined by the third-party trustee. The Foundation's valuation technique considers the fair value of the assets held in the trust and applies a discount rate to convert such amounts to a single present value amount when appropriate. The discount rate used by the Foundation reflects current market conditions including the inherent risk in the underlying assets and the risk of nonperformance by the trustee. Due to the significant unobservable inputs required to estimate the expected future cash receipts from the trust agreements under the income approach, the Foundation's beneficial interest is classified as Level 3 in the hierarchy.

#### ***Other Assets***

The primary other asset is cash surrender values on life insurance policies for which the Foundation is the beneficiary, and as such, the carrying value approximates fair value.

#### ***OSU Support Payable and Accounts Payable and Accrued Liabilities***

The carrying amount of the liabilities approximates fair value due to the short maturity of such amounts.

#### ***Funds Held on Behalf of OSU***

The liabilities are carried at fair value as determined using the income approach (expected future cash outflows). Fair value is based on the fair value of the cash and investment assets held by the Foundation for the benefit of OSU. The specific assets held have been classified within the hierarchy for investments (as discussed above) or are cash and cash equivalents. The related and associated liability is classified as Level 3 in the hierarchy as there is no market for a similar liability and certain principal inputs (i.e., fair value inputs of nonmarketable assets in the portfolio and management's allocation for shares in the pool) are unobservable and significant to the overall fair value measurement.

#### ***Obligations Under Split-Interest Agreements***

The liabilities' fair value is determined by discounting the future cash flows at rates that could currently be negotiated by the Foundation for borrowings of similar amounts. The carrying value approximates the liabilities' fair value.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

#### Unearned Revenue, Line of Credit, and Note Payable

The liabilities are carried at cost, which approximates fair value due to the short maturity of those amounts and the variable rates of the notes payable.

Assets and liabilities measured at fair value on a recurring basis are classified within the fair value hierarchy at June 30, 2024 as follows:

	Total	Level 1	Level 2	Level 3
<b>Assets:</b>				
Marketable securities:				
Fixed-income:				
Cash and short-term funds	\$ 34,405,470	\$ 34,405,470	\$ -	\$ -
Global fixed-income mutual funds	26,137,190	6,280,262	19,856,928	-
U.S. fixed-income mutual funds	838,217	838,217	-	-
Equities:				
Long-only - domestic	26,515,534	5,863,181	20,652,353	-
Long-only - emerging markets	926,920	926,920	-	-
Long-only - global	1,733,171	1,733,171	-	-
Long-only - international	34,956,096	34,956,096	-	-
Hedged Equity - long/short funds	10,647,008	10,647,008	-	-
Real asset securities - public	2,874,567	2,874,567	-	-
Total marketable securities	139,034,173	98,524,892	40,509,281	-
Nonmarketable securities:				
Nonmarketable securities at NAV (a)	1,175,850,474			
Closely held stock	133,997,194	-	-	133,997,194
Total nonmarketable securities	1,309,847,668	-	-	133,997,194
Total investments	1,448,881,841	98,524,892	40,509,281	133,997,194
Beneficial interests in trusts	26,034,791	-	-	26,034,791
Total assets	<u>\$ 1,474,916,632</u>	<u>\$ 98,524,892</u>	<u>\$ 40,509,281</u>	<u>\$ 160,031,985</u>
<b>Liabilities:</b>				
Funds held on behalf of OSU	\$ 8,132,883	\$ -	\$ -	\$ 8,132,883

- (a) In accordance with ASC 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

**Oklahoma State University**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**  
**(In Thousands)**

**Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)**

Assets and liabilities measured at fair value on a recurring basis are classified within the fair value hierarchy at June 30, 2023 as follows:

	Total	Level 1	Level 2	Level 3
<b>Assets:</b>				
Marketable securities:				
Fixed-income:				
Cash and short-term funds	\$ 60,774,094	\$ 60,774,094	\$ -	\$ -
Global fixed-income mutual funds	52,714,643	6,043,181	46,671,462	-
U.S. fixed-income mutual funds	776,485	776,485	-	-
Equities:				
Long-only - domestic	39,361,285	5,478,276	33,883,009	-
Long-only - emerging markets	844,471	844,471	-	-
Long-only - global	1,644,950	1,644,950	-	-
Long-only - international	20,409,609	20,409,609	-	-
Hedged Equity - long/short funds	8,579,627	8,579,627	-	-
Real asset securities - public	2,593,525	2,593,525	-	-
Total marketable securities	187,698,689	107,144,218	80,554,471	-
Nonmarketable securities:				
Nonmarketable securities at NAV (a)	1,074,835,973			
Closely held stock	121,964,253	-	-	121,964,253
Total nonmarketable securities	1,196,800,226	-	-	121,964,253
Total investments	1,384,498,915	107,144,218	80,554,471	121,964,253
Beneficial interests in trusts	26,125,258	-	-	26,125,258
Total assets	<u>\$ 1,410,624,173</u>	<u>\$ 107,144,218</u>	<u>\$ 80,554,471</u>	<u>\$ 148,089,511</u>
<b>Liabilities:</b>				
Funds held on behalf of OSU	<u>\$ 7,868,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,868,797</u>

- (a) In accordance with ASC 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

The following table summarizes the purchases and issuances of the Foundation's Level 3 assets and liabilities during the year ended June 30:

	<u>Assets</u>	<u>Liabilities</u>
	Beneficial	Funds Held
	Interests	on Behalf
	in Trusts	of OSU
2024: Contributions	<u>\$ 196,086</u>	<u>\$ 143,100</u>
2023: Contributions	<u>\$ 759,569</u>	<u>\$ 43,000</u>

In the ordinary course of business, the Foundation is subject to risk from adverse fluctuations in foreign exchange, interest rates, and commodity prices. The Foundation manages these risks through use of derivative financial instruments, primarily futures and forward contracts. These contracts are short-term commitments (approximately eight weeks) to buy or sell at a future date a commodity or currency at a contracted price and may be settled in cash or through delivery. Counterparties to these contracts are major financial institutions. The Foundation is exposed to credit loss in the event of nonperformance by these counterparties. There were no significant derivative assets as of June 30, 2024 or June 30, 2023. Realized and unrealized gains (losses) on derivatives are recorded as net investment return in the consolidated statements of activities.

**Oklahoma State University**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**  
**(In Thousands)**

**Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)**

The Foundation's investments in certain entities that calculate NAV per share and for which there is not a readily determinable fair value are summarized by category as follows:

	Fair Value, June 30,		Unfunded Commitments, June 30,		Redemption Frequency (If Currently Eligible)	Redemption Notice Period	Gate	Lock Up Period	Holdback
	2024	2023	2024	2023					
<b>Equities:</b>									
<b>Hedged equity - credit-related:</b>									
Fund BQ	\$ 1,148,414	\$ 1,333,055	\$ -	\$ -	Quarterly	60 days	Master Fund Level - 20%	1-Year Soft Lock	N/A
Fund BR	8,810,018	8,241,427	-	-	Quarterly	90 days	Investor Level - 25%	3-Year Hard Lock	N/A
Fund DY	644	6,838	-	-	Quarterly	90 days	Investor Level - 25%	3-Year Hard Lock	5%
Fund EA	63,039	8,551,968	-	-	Monthly	90 days	Investor Level - 25%	3-Year Hard Lock	5%
Fund EB	18,304,072	7,433,200	-	-	Monthly	90 days	Investor Level - 25%		5%
<b>Total hedged equity - credit-related</b>	<b>28,326,187</b>	<b>25,566,488</b>	<b>-</b>	<b>-</b>					
<b>Hedged equity - multi-strategy funds</b>									
Fund AA	-	140,273	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund AZ	28,680	28,493	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund GW	37,019,424	-	-	-	Quarterly	65 days	Investor Level - 50%	36-Month Soft Lock	N/A
<b>Total hedged equity - multi-strategy funds</b>	<b>37,048,104</b>	<b>168,766</b>	<b>-</b>	<b>-</b>					
<b>Hedged equity - long/short funds:</b>									
Fund M	32,292,109	31,454,731	-	-	Quarterly	60 days	Investor Level - 20%	N/A	5%
Fund CN	7,499,932	10,993,624	-	-	Quarterly	60 days	N/A	N/A	5%
Fund CQ	6,167,135	10,429,638	-	-	Monthly	30 days	Investor Level - 20%	1-Year Soft Lock	10%
Fund DZ	540	-	-	-	Quarterly	60 days	Master Fund Level - 25%	3-Year Hard Lock	5%
Fund EF	19,350,545	12,636,228	-	-	Monthly	30 days	N/A	N/A	N/A
Fund EH	-	12,987,001	-	-	Monthly	45 days	N/A	1-Year Soft Lock	N/A
Fund EI	9,137,368	9,138,003	-	-	Quarterly	60 days	Investor Level - 20%	15-month Hard Lock	5%
Fund EK	39,332,163	34,104,584	-	-	Quarterly	120 days	Investor Level - 25%	1-Year Hard Lock	5%
Fund EQ	-	6,662,022	-	-	Quarterly	60 days	N/A	1-Year Hard Lock	5%
Fund EV	-	9,757,459	-	-	Quarterly	30 days	Master Fund Level - 20%	1-Year Soft Lock	N/A
Fund FD	30,805	4,470,788	-	-	Quarterly	60 days	N/A	3-Year Hard Lock; 1-Year Soft Lock	N/A
Fund GA	1,995,329	11,083,834	-	-	Quarterly	60 days	Master Fund Level - 25%	Soft Lock - 0-12 months: 5%	N/A
								12-24 months: 3%	
Fund GO	5,660,795	3,029,588	-	-	Monthly	60 days	N/A	N/A	N/A
Fund GU	15,002,661	6,500,000	-	-	Quarterly	60 days	N/A	1-Year Hard Lock	N/A
Fund HF	66,952,646	-	-	-	Quarterly	60 days	Fund and Investor Level - 25%	1-Year Soft Lock	N/A
<b>Total hedged equity - long/short funds</b>	<b>203,422,028</b>	<b>163,247,500</b>	<b>-</b>	<b>-</b>					
<b>Hedged equity - diversifiers:</b>									
Fund A	20,540,392	25,219,098	-	-	Quarterly	60 days	Investor Level - 25%	1-Year Soft Lock	10%
Fund BT	19,223,898	31,948,732	-	-	Monthly	14 days	N/A	N/A	N/A
Fund CP	18,381,217	23,587,561	-	-	Monthly	26 days	N/A	N/A	10%
Fund FH	17,073,380	18,144,070	-	-	Monthly	30 days	N/A	1-Year Soft Lock	5%
Fund GS	58,116,260	50,000,000	-	-	Semi-Annual	90 days	N/A	1-Year Hard Lock	N/A
Fund HG	29,014,503	-	-	-	Quarterly	95 days	Cell Level Gate - 25%	N/A	N/A
Fund HN	30,000,000	-	-	-	Quarterly	60 days	Investor Level - 25%	N/A	N/A
<b>Total hedged equity - diversifiers</b>	<b>192,349,650</b>	<b>148,899,461</b>	<b>-</b>	<b>-</b>					
<b>Hedged equity - event-driven</b>									
	12,362,740	25,678,816	-	-	Biennial	90 days	N/A	2-Year Hard Lock	5%
<b>Long-only - emerging markets:</b>									
Fund B	-	682,521	-	-	Daily	28 days	N/A	N/A	N/A
Fund BI	23,803,972	21,450,217	-	-	Daily	5 days	Fund Level - 20%	N/A	N/A
Fund BV	-	14,932,658	-	-	Quarterly	45 days	N/A	N/A	N/A
<b>Total long-only - emerging markets</b>	<b>23,803,972</b>	<b>37,065,396</b>	<b>-</b>	<b>-</b>					
<b>Long-only - global</b>									
Fund DR	29,380,449	14,195,955	-	-	Daily	1 day	N/A	N/A	N/A
Fund GN	57,517,475	58,293,584	-	-	Weekly	6 days	Investor Level - 10%	N/A	N/A
<b>Total long-only - global</b>	<b>86,897,924</b>	<b>72,489,539</b>	<b>-</b>	<b>-</b>					
<b>Long-only - international:</b>									
Fund AB	27,756,307	25,464,709	-	-	Monthly	6 days	N/A	N/A	N/A
Fund EU	24,651,309	36,710,841	-	-	Quarterly	60 days	Master Fund Level - 20% & Investor Level - 25%	1-Year Soft Lock	10%
Fund EW	22,176,467	33,263,401	-	-	Daily	1 day	N/A	N/A	N/A
Fund EX	13,220,736	11,568,800	-	-	Quarterly	60 days	Master Fund Level - 33%	1-Year Soft Lock	5%
<b>Total long-only - international</b>	<b>87,804,819</b>	<b>107,007,751</b>	<b>-</b>	<b>-</b>					

# Oklahoma State University

## Notes to Financial Statements

### June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

	Fair Value, June 30,		Unfunded Commitments, June 30,		Redemption Frequency (If Currently Eligible)	Redemption Notice Period	Gate	Lock Up Period	Holdback
	2024	2023	2024	2023					
Private equity:									
Fund AF	436,240	423,680	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund AG	740,879	846,058	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund AH	3,908,099	4,883,156	1,931,316	1,931,316	Illiquid	N/A	N/A	N/A	N/A
Fund AL	703,366	1,238,358	408,004	-	Illiquid	N/A	N/A	N/A	N/A
Fund AM	77,734	84,652	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund AN	-	9,950	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund AR	4,538,482	8,950,820	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund AS	17,269,495	24,105,688	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund BE	5,431,771	5,654,347	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund BF	5,730,410	5,809,353	1,737,243	1,798,686	Illiquid	N/A	N/A	N/A	N/A
Fund BG	12,553,161	10,490,536	2,507,621	2,507,621	Illiquid	N/A	N/A	N/A	N/A
Fund BH	933,835	1,012,211	626,957	-	Illiquid	N/A	N/A	N/A	N/A
Fund BL	9,659,607	10,510,797	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund BY	5,391,945	5,149,642	2,171,016	1,222,818	Illiquid	N/A	N/A	N/A	N/A
Fund BZ	3,326,729	4,390,813	100,000	100,000	Illiquid	N/A	N/A	N/A	N/A
Fund CA	839,313	975,508	32,500	32,500	Illiquid	N/A	N/A	N/A	N/A
Fund CB	3,831,903	4,916,139	331,836	342,174	Illiquid	N/A	N/A	N/A	N/A
Fund CC	3,725,130	5,338,129	560,000	840,000	Illiquid	N/A	N/A	N/A	N/A
Fund CD	5,383,484	8,333,618	4,864,151	4,864,151	Illiquid	N/A	N/A	N/A	N/A
Fund CE	10,300,840	10,886,382	786,901	923,264	Illiquid	N/A	N/A	N/A	N/A
Fund CI	6,120,783	5,838,534	743,435	743,435	Illiquid	N/A	N/A	N/A	N/A
Fund CJ	11,460	12,373	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund CM	2,606,613	2,607,970	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund CR	46,690	4,217,772	-	19,680	Illiquid	N/A	N/A	N/A	N/A
Fund CS	14,542,252	13,257,765	2,710,130	3,001,571	Illiquid	N/A	N/A	N/A	N/A
Fund CT	14,564,544	15,061,964	866,210	866,210	Illiquid	N/A	N/A	N/A	N/A
Fund CV	3,885,419	3,757,290	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund CW	5,155,536	7,265,979	169,149	352,755	Illiquid	N/A	N/A	N/A	N/A
Fund CX	23,987,559	21,641,121	-	217,170	Illiquid	N/A	N/A	N/A	N/A
Fund CY	2,710,852	2,528,110	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund CZ	8,834,998	9,499,375	203,875	896,875	Illiquid	N/A	N/A	N/A	N/A
Fund DA	20,784,711	21,542,426	2,870,288	3,325,531	Illiquid	N/A	N/A	N/A	N/A
Fund DB	3,845,332	4,272,591	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund DC	8,362,499	11,072,144	1,059,164	1,229,165	Illiquid	N/A	N/A	N/A	N/A
Fund DD	3,655,045	3,465,012	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund DF	18,517,711	17,397,685	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund DG	8,432,178	8,695,718	692,281	770,000	Illiquid	N/A	N/A	N/A	N/A
Fund DH	2,250,000	9,471,364	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund DI	8,961,213	10,971,831	1,948,541	1,467,293	Illiquid	N/A	N/A	N/A	N/A
Fund DK	11,475,374	11,924,693	440,000	800,000	Illiquid	N/A	N/A	N/A	N/A
Fund DL	7,115,638	5,946,352	5,091,708	5,232,769	Illiquid	N/A	N/A	N/A	N/A
Fund DM	6,414,338	4,362,111	1,121,557	2,705,378	Illiquid	N/A	N/A	N/A	N/A
Fund DN	311,591	563,266	504,378	525,000	Illiquid	N/A	N/A	N/A	N/A
Fund DO	6,969,548	7,274,795	706,818	1,186,818	Illiquid	N/A	N/A	N/A	N/A
Fund DT	3,533,891	2,079,116	2,964,597	4,414,357	Illiquid	N/A	N/A	N/A	N/A
Fund ED	3,492,200	2,852,387	800,000	1,200,000	Illiquid	N/A	N/A	N/A	N/A
Fund EE	17,891,044	17,842,489	872,544	1,750,429	Illiquid	N/A	N/A	N/A	N/A
Fund EG	4,250,000	2,632,500	-	-	Daily	N/A	N/A	Locked up until transaction occurs	N/A
Fund EJ	3,104,371	2,998,564	71,324	79,191	Illiquid	N/A	N/A	N/A	N/A
Fund EL	601,369	579,167	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund EM	1,925,157	1,782,997	702,755	808,867	Illiquid	N/A	N/A	N/A	N/A
Fund EN	620,137	580,905	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund EO	8,382,275	6,883,224	2,000,000	3,500,000	Illiquid	N/A	N/A	N/A	N/A
Fund ER	1,544,356	2,065,620	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund EY	7,198,040	5,846,692	1,701,980	1,979,180	Illiquid	N/A	N/A	N/A	N/A
Fund FB	1,455,118	535,250	2,320,000	3,400,000	Illiquid	N/A	N/A	N/A	N/A
Fund FC	-	524,294	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund FE	5,550,049	9,245,754	-	313,617	Illiquid	N/A	N/A	N/A	N/A
Fund FF	12,608,208	9,707,887	815,962	2,761,732	Illiquid	N/A	N/A	N/A	N/A
Fund FG	3,593,937	3,595,267	89,825	89,825	Illiquid	N/A	N/A	N/A	N/A
Fund FI	567,420	567,420	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund FK	4,310,910	3,379,518	3,827,274	5,987,270	Illiquid	N/A	N/A	N/A	N/A
Fund FL	12,993,798	10,167,021	1,762,387	3,225,545	Illiquid	N/A	N/A	N/A	N/A
Fund FM	2,102,733	1,317,285	2,662,500	5,000,000	Illiquid	N/A	N/A	N/A	N/A
Fund FN	13,768,567	12,502,386	2,697,266	3,011,706	Illiquid	N/A	N/A	N/A	N/A
Fund FO	750,000	750,000	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund FQ	1,952,068	757,576	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund FW	2,766,972	1,971,053	5,531,855	6,738,720	Illiquid	N/A	N/A	N/A	N/A
Fund FX	503,483	218,850	1,020,000	1,275,000	Illiquid	N/A	N/A	N/A	N/A
Fund FZ	11,138,958	8,466,127	5,416,635	7,579,566	Illiquid	N/A	N/A	N/A	N/A
Fund GB	495,000	495,000	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund GD	757,576	1,188,986	7,680,000	8,650,000	Illiquid	N/A	N/A	N/A	N/A
Fund GE	2,522,274	1,026,743	11,327,852	13,663,224	Illiquid	N/A	N/A	N/A	N/A
Fund GF	2,023,953	1,139,314	408,927	1,044,327	Illiquid	N/A	N/A	N/A	N/A
Fund GH	776,681	-	4,175,000	5,000,000	Illiquid	N/A	N/A	N/A	N/A
Fund GI	2,359,619	1,233,871	7,750,000	9,050,000	Illiquid	N/A	N/A	N/A	N/A
Fund GJ	3,198,151	1,110,396	4,013,154	5,448,654	Illiquid	N/A	N/A	N/A	N/A
Fund GK	9,426,595	4,873,958	6,648,407	10,206,935	Illiquid	N/A	N/A	N/A	N/A
Fund GL	-	-	10,000,000	10,000,000	Illiquid	N/A	N/A	N/A	N/A
Fund GM	7,864,607	3,278,059	6,773,246	10,871,743	Illiquid	N/A	N/A	N/A	N/A
Fund GP	225,000	-	7,275,000	7,500,000	Illiquid	N/A	N/A	N/A	N/A
Fund GQ	505,397	500,000	-	-	Illiquid	N/A	N/A	N/A	N/A
Fund GT	1,618,708	1,103,519	3,071,856	3,990,368	Illiquid	N/A	N/A	N/A	N/A
Fund GV	1,219,772	659,719	6,000,000	6,750,000	Illiquid	N/A	N/A	N/A	N/A
Fund GY	-	-	5,000,000	-	Illiquid	N/A	N/A	N/A	N/A
Fund GX	-	-	7,500,000	-	Illiquid	N/A	N/A	N/A	N/A
Fund GZ	329,821	-	9,657,328	-	Illiquid	N/A	N/A	N/A	N/A
Fund HA	1,460,108	-	6,600,000	-	Illiquid	N/A	N/A	N/A	N/A

**Oklahoma State University**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**  
**(In Thousands)**

**Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)**

	Fair Value, June 30,		Unfunded Commitments, June 30,		Redemption Frequency (If Currently Eligible)	Redemption Notice Period	Gate	Lock Up Period	Holdback
	2024	2023	2024	2023					
Fund HB	500,000	-	-	-	- Illiquid	N/A	N/A	N/A	N/A
Fund HC	603,590	-	14,437,265	-	- Illiquid	N/A	N/A	N/A	N/A
Fund HE	-	-	15,000,000	-	- Illiquid	N/A	N/A	N/A	N/A
Fund HH	875,000	-	16,625,000	-	- Illiquid	N/A	N/A	N/A	N/A
Fund HI	-	-	11,750,000	-	- Illiquid	N/A	N/A	N/A	N/A
Fund HJ	522,500	-	2,926,700	-	- Illiquid	N/A	N/A	N/A	N/A
Fund HK	-	-	10,000,000	-	- Illiquid	N/A	N/A	N/A	N/A
Fund HL	-	-	10,000,000	-	- Illiquid	N/A	N/A	N/A	N/A
Fund HM	4,387,528	-	20,000,000	-	- Illiquid	N/A	N/A	N/A	N/A
Fund HO	-	-	11,700,000	-	- Illiquid	N/A	N/A	N/A	N/A
Fund HP	-	-	2,800,000	2,800,000	- Illiquid	N/A	N/A	N/A	N/A
Total private equity	452,421,248	443,116,902	289,561,719	187,027,395					
Fixed-income - global fixed-income:									
Fund GR	1,750,000	1,750,000	-	-	- Illiquid	N/A	N/A	N/A	N/A
Fund GR	3,250,000	3,250,000	-	-	- Illiquid	N/A	N/A	N/A	N/A
Fund HD	4,500,000	-	-	-	- Illiquid	N/A	N/A	N/A	N/A
Total fixed-income - global fixed-income	9,500,000	5,000,000	-	-					
Real assets - private funds									
Fund AV	277,410	364,585	211,721	100,000	- Illiquid	N/A	N/A	N/A	N/A
Fund AW	4,466,766	6,207,368	1,044,537	1,118,122	- Illiquid	N/A	N/A	N/A	N/A
Fund BJ	3,326,519	4,023,024	-	-	- Illiquid	N/A	N/A	N/A	N/A
Fund CF	10,358,123	10,385,605	3,002,932	3,002,932	- Illiquid	N/A	N/A	N/A	N/A
Fund CG	4,856,329	5,348,035	255,000	273,467	- Illiquid	N/A	N/A	N/A	N/A
Fund DE	3,638,772	4,909,335	128,126	128,126	- Illiquid	N/A	N/A	N/A	N/A
Fund DJ	2,225,811	2,478,720	124,814	156,961	- Illiquid	N/A	N/A	N/A	N/A
Fund ES	3,238,013	3,353,062	3,830,490	3,830,490	- Illiquid	N/A	N/A	N/A	N/A
Fund ET	9,526,059	9,525,620	-	-	- Illiquid	N/A	N/A	N/A	N/A
Total real assets - private funds	41,913,802	46,595,354	8,577,620	8,610,098					
	<u>\$ 1,175,850,474</u>	<u>\$ 1,074,835,973</u>	<u>\$ 298,139,339</u>	<u>\$ 195,637,493</u>					

*Equities – hedged equity – credit-related* – Funds which invest long and short in a variety of global debt and equity securities, with investment strategies including long/short corporate and asset-backed credit, credit arbitrage, and structured credit.

*Equities – hedged equity – multi-strategy funds* – Funds that invest in a wide range of global investment strategies through master feeder fund structures. The investment strategies primarily include long/short equity, arbitrage and other relative value strategies, corporate credit, structured credit, and global currencies.

*Equities – hedged equity – long/short funds* – Funds which invest in global equity securities both long and short.

*Equities – hedged equity – diversifier funds* – Funds that invest in a wide range of global investment strategies through master feeder structures. The strategies primarily include relative value, systematic, and discretionary global macro.



# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)

*Equities – hedged equity – event-driven funds* – A fund that invests across the capital structure in a wide range of global securities, with a focus on near to medium term catalysts.

*Equities – long-only – emerging markets funds* – Funds which invest in common and preferred stock from issuers in emerging market countries.

*Equities – long-only – global funds* – Funds which invest in common and preferred stock from issuers in domestic, international, and emerging market countries.

*Equities – long-only – international funds* – Funds that invest in common and preferred stock from issuers in international countries.

*Equities – private equity funds* – Funds structured as limited partnerships and trusts, which invest in a variety of areas including leveraged buyout, growth equity, venture capital, performing and distressed debt, and diversified fund of funds, primarily in developed markets.

*Fixed-income – global fixed-income fund* – Funds which seek to generate absolute returns regardless of market conditions through strategic investment in debt securities.

*Real assets – private funds* – Funds structured as limited partnerships to invest in private real assets.

**Oklahoma State University**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**  
**(In Thousands)**

**Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)**

The following table summarizes the valuation techniques and significant unobservable inputs used for the Foundation's assets and liabilities that are categorized within Level 3 of the fair value hierarchy:

Investment Type	Fair Value, June 30,		Valuation Techniques	Unobservable Input (c)
	2024	2023		
<b>Assets:</b>				
Closely held stock	\$ 133,997,194	\$ 121,964,253	Market approach	EBITDA multiple (b) EBITDA transactions (b) Book multiple (b)
			Income approach	Capitalization rate Discount for lack of marketability (a)
Beneficial interest in trusts	26,034,791	26,125,258	Discounted cash flows	Discount rate (a) Expected rate of return (d)
<b>Liabilities:</b>				
Funds held on behalf of OSU	8,132,883	7,868,797	Income approach	Present value of future cash outflows (e) Discount rate (a)

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

**Note 19: Discretely Presented Component Unit – Oklahoma State University Foundation (Not in Thousands) (Continued)**

- a) Represents amounts used when the Foundation has determined that market participants would take into account these discounts or premiums when pricing the asset or liability.
- b) Represents amounts used when the Foundation has determined that market participants would use such multiples when pricing the investments.
- c) Significant increases or decreases in any of the above unobservable inputs in isolation may result in a significantly lower or higher fair value measurement.
- d) Represents the net fair market value of assets to be paid to the Foundation based on terms stated in the trust agreement.
- e) Represents the respective agency's ownership interest in the Foundation's investment pool, *i.e.*, the underlying assets which are measured at fair value. The unobservable inputs for the custodial liability are the same as those for the Foundation's investment pool as disclosed.

**Notes to Financial Statements –  
National Center for Addiction Studies  
and Treatment Foundation**

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### **Note 20: Discretely Presented Component Unit – National Center for Addiction Studies and Treatment (Not in Thousands)**

#### ***Nature of Operations and Reporting Entity***

The National Center for Addiction Studies and Treatment Foundation (the Foundation) is a nonprofit 501(c)(3) Oklahoma corporation established in 2019. The Foundation is a component unit of Oklahoma State University (the University.) The mission of the Foundation is “to improve the lives of individuals in Oklahoma and across the nation that are affected by pain and substance abuse disorders through exceptional programs in research, education, prevention, treatment, and advocacy.”

The Foundation was created as a result of a consent settlement agreement and decree between the state of Oklahoma and Purdue Pharma, Inc. (Purdue) in March 2019. The settlement was reached as a result of litigation filed by the Attorney General of Oklahoma on behalf of the state against Purdue alleging certain actions taken by Purdue that led to the opioid crisis within the state. The settlement agreement provided for a \$102,500,000 payment to be made to the Foundation by Purdue. In addition, the owners of Purdue agreed within the settlement agreement to donate \$75,000,000 to the Foundation.

#### ***Basis of Accounting and Presentation***

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place. Operating revenues and expenses include exchange transactions. Investment income is included in nonoperating revenues (expenses). When an expense is incurred that can be paid using either restricted or unrestricted resources, the Foundation’s policy is to use prudent decision processes to determine which resources will be applied based on availability of funding, donor intent, and returns available from idle funds.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Cash Equivalents***

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2023 and 2022, cash equivalents consisted primarily of cash and money market accounts.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 20: Discretely Presented Component Unit – National Center for Addiction Studies and Treatment (Not in Thousands) (Continued)

#### ***Investments and Investment Income***

Investments are carried at fair value. Fair value is determined using quoted market prices. Investment income includes dividend and interest income, as well as the market value gains from the sale of investments.

#### ***Net Position***

Net position of the Foundation is classified in two components on the accompanying balance sheet.

- Net investment in capital assets is the Foundation's total investment in intangible assets, net of accumulated amortization.
- Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors, or donors external to the Foundation. At December 31, 2023 and 2022, restricted expendable net position was available for support of the National Center for Wellness and Recovery at Oklahoma State University's Center for Health Sciences.
- Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

#### ***Classification of Revenues***

The Foundation has classified its revenues as either operating or nonoperating revenues according to the following criteria.

Operating revenues include activities that have the characteristics of exchange transactions or nonexchange transactions that constitute the Foundation's principal ongoing operations, such as:

1. Gifts and contributions
2. Settlement income

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, but do not constitute the Foundation's principal ongoing operations, such as:

1. Other revenue sources that are defined as nonoperating revenues by Governmental Accounting Standards Board (GASB) Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*
2. Investment income classified under GASB Statement No. 34

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 20: Discretely Presented Component Unit – National Center for Addiction Studies and Treatment (Not in Thousands) (Continued)

#### ***Income Taxes***

The Foundation is organized as an Oklahoma nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in 501(c)(3). Contributions to the Foundation qualify for the charitable contribution deduction under Section 170(b)(1)(A). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Foundation has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS for the years ended December 31, 2023 and 2022.

#### ***Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation's deposit policy for custodial credit risk requires compliance with the provisions of state law.

By Oklahoma statute, the State Treasurer is required to ensure that all state funds are either insured by the Federal Deposit Insurance Corporation (FDIC), collateralized by securities held by the cognizant Federal Reserve Bank in the Foundation's name, or invested in U.S. government obligations.

#### ***Investments***

The Foundation may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest in corporate bonds and equity securities.

At December 31, 2023 and 2022, the Foundation had investments in equities, mutual funds and corporate bonds.

#### ***Interest Rate and Investment Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments that are held for longer periods of time are subject to increased risk of adverse interest changes. Neither the Foundation nor state statutes limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. Investments in certain bonds and mutual funds are at risk for price fluctuations which may result in realized and unrealized losses.

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 20: Discretely Presented Component Unit – National Center for Addiction Studies and Treatment (Not in Thousands) (Continued)

#### **Credit Risk**

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Foundation's policy to limit its investments in corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. At December 31, 2023 and 2022, the Foundation's investments in money market mutual funds were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

#### **Custodial Credit Risk**

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty the Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investments held by counterparty are held in the Foundation's name.

#### **Concentration of Credit Risk**

The Foundation places no limit on the amount that may be invested in any one issuer. At December 31, 2023 and 2022, no investments in any one organization (other than those issued or sponsored by the U.S. government) represented 5 percent of total investments.

#### **Summary of Carrying Values**

The carrying values of deposits and investments shown above are included in the accompanying balance sheet as follows:

	<u>2023</u>	<u>2022</u>
Carrying Value:		
Cash, Money Market and Deposits	\$ 12,163,811	\$ 73,805,266
Investments:		
Equities	14,185,573	5,104,646
Corporate Bonds	30,281,181	11,877,892
Mutual Funds	113,322,732	61,075,649
Total	<u>\$ 169,953,297</u>	<u>\$ 151,863,453</u>
Included in the Following Balance Sheet Caption:		
Cash and Cash Equivalents	<u>\$ 12,163,811</u>	<u>\$ 73,805,266</u>



# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

**Note 20: Discretely Presented Component Unit – National Center for Addiction Studies and Treatment (Not in Thousands) (Continued)**

At December 31, the fair value and costs of the Foundations' investments consisted of the following:

	2023 Cost	Fair Market Value
Equities	\$ 12,683,316	\$ 14,185,573
Corporate Bonds	29,497,020	30,281,181
Mutual Funds	97,902,418	113,322,732
Total	\$ 140,082,754	\$ 157,789,486
	2022 Cost	Fair Market Value
Equities	\$ 5,003,207	\$ 5,104,646
Corporate Bonds	11,813,591	11,877,892
Mutual Funds	59,560,565	61,075,649
Total	\$ 76,377,363	\$ 78,058,187

The Foundation's investment schedule by maturity date as of December 31, 2022, is as follows:

	Corporate Bonds	Total
Maturity Year Ending December 31,		
2024	5,927,928	5,927,928
2025	6,010,248	6,010,248
2026	6,023,069	6,023,069
2027	5,379,499	5,379,499
2028	6,642,050	6,642,050
	\$ 29,982,794	29,982,794
Investments Not Subject to Maturity Dates		
Equities		14,185,573
Corporate Bonds		298,387
Mutual Funds		113,322,732
Total Investments		\$ 157,789,486

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 20: Discretely Presented Component Unit – National Center for Addiction Studies and Treatment (Not in Thousands) (Continued)

#### *Disclosures About Fair Value of Assets*

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.
- Level 3** Unobservable inputs supported by little or no market activity and significant to the fair value of the assets.

#### *Investments*

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such investments are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. The Foundation had no Level 3 investments at December 31, 2023 and 2022.

**Oklahoma State University**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**  
**(In Thousands)**

**Note 20: Discretely Presented Component Unit – National Center for Addiction Studies and Treatment (Not in Thousands) (Continued)**

Assets measured at fair value on a recurring basis are classified within the fair value hierarchy at December 31 as follows:

Description	2023			Total
	Level 1	Level 2	Level 3	
Investments				
Equities	\$ 14,185,573	\$ -	\$ -	\$ 14,185,573
Corporate Bonds		30,281,181	-	30,281,181
Mutual Funds	113,322,732	-	-	113,322,732
Total investments	<u>\$ 127,508,305</u>	<u>\$ 30,281,181</u>	<u>\$ -</u>	<u>\$ 157,789,486</u>
Description	2022			Total
	Level 1	Level 2	Level 3	
Investments				
Equities	\$ 5,104,646	\$ -	\$ -	\$ 5,104,646
Corporate Bonds	-	11,877,892	-	11,877,892
Mutual Funds	61,075,649	-	-	61,075,649
Total investments	<u>\$ 66,180,295</u>	<u>\$ 11,877,892</u>	<u>\$ -</u>	<u>\$ 78,058,187</u>

# Oklahoma State University

## Notes to Financial Statements

June 30, 2024 and 2023

(In Thousands)

### Note 20: Discretely Presented Component Unit – National Center for Addiction Studies and Treatment (Not in Thousands) (Continued)

#### Contributions Receivable

The contribution receivable consisted of one contribution from the owners of Purdue of \$75,000,000 to be paid out over five years beginning in January 2020 and continuing each January for the following four years. The first installment of \$15,000,000 was received in January of 2020, the second installment in January of 2021, the third installment in January of 2022, and the fourth installment in January of 2023 leaving a remaining balance of \$15,000,000. The discount rate was 2.2% for 2023 and 2022 based on the risk-free rate of return at the time of the valuation of the contribution receivable.

The contribution receivable at December 31, consisted of:

	2023		
	Less Than 1 Year	1 - 3 Years	Total
Unconditional Promises	\$ 15,000,000	\$ -	\$ 15,000,000
Less: Unamortized Discount	(323,070)	-	(323,070)
Total	<u>\$ 14,676,930</u>	<u>\$ -</u>	<u>\$ 14,676,930</u>
	2022		
	Less Than 1 Year	1 - 3 Years	Total
Unconditional Promises	\$ 15,000,000	\$ 15,000,000	\$ 30,000,000
Less: Unamortized Discount	(645,112)	(323,070)	(968,182)
Total	<u>\$ 14,354,888</u>	<u>\$ 14,676,930</u>	<u>\$ 29,031,818</u>

#### Grant Commitments

In the calendar year 2022, the Foundation awarded two grants totaling \$32,271,240. A grant of \$16,000,000 was awarded for facility improvements to construct a vivarium for research purposes. A second operational support grant of \$16,271,240 was awarded to the University for the support of administrative, treatment and research activities of the National Center for Wellness and Recovery. During the year ended December 31, 2023 and 2022, the Foundation expensed a total of \$4,482,041 and \$118,811, respectively, related to the \$16,000,000 facility improvements grant. AS of December 31, 2023 and 2022 the Foundation owed the University \$1,547,781 and \$80,589, respectively, related to the \$16,000,000 facility improvements grant. Additionally, the Foundation made payments totaling \$16,271,240 in the year ended December 31, 2023, of which, \$2,394,234 was expensed, and remaining \$13,877,006 was recognized as a prepaid asset related to the \$16,271,240 operational support grant. Both of the grants are conditional, and the remaining \$25,276,154 will be included in operating expenses as those conditions are met by the University.

## **Required Supplementary Information**

**Oklahoma State University**  
**Required Supplementary Information**  
**June 30, 2024 and 2023**  
**Last Ten Fiscal Years\*\***  
**(in Thousands)**

**Schedule of the University's Proportionate Share of the Net Pension Liability**

The amounts presented for each fiscal year were determined as of the end of the preceding fiscal year.

<i>Teachers' Retirement System of Oklahoma</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
University's proportion of the net pension liability	3.9182%	3.9514%	4.3900%	4.6400%	5.5440%	5.9220%	5.5830%	5.5670%	5.1780%	4.9700%
University's proportionate share of the net pension liability	\$ 301,957	\$ 324,381	\$ 224,504	\$ 440,340	\$ 366,900	\$ 360,499	\$ 374,579	\$ 475,317	\$ 314,435	\$ 269,092
University's covered-employee payroll	\$ 199,315	\$ 204,123	\$ 212,096	\$ 243,507	\$ 262,813	\$ 267,127	\$ 257,521	\$ 261,793	\$ 257,521	\$ 254,514
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	151.00%	159.00%	106.00%	192.74%	150.67%	137.17%	140.23%	184.57%	120.11%	104.49%
Plan fiduciary net position as a percentage of the total pension liability	72.57%	70.05%	80.80%	63.47%	71.56%	72.70%	69.30%	62.20%	70.30%	0.00%

\*\*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the University only presents information for those years for which information is available.

**Oklahoma State University**  
**Required Supplementary Information**  
**June 30, 2024 and 2023**  
**Last Ten Fiscal Years\*\***  
**(in Thousands)**

**Schedule of University Contributions**

<i>Teachers' Retirement System of Oklahoma</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 15,651	\$ 16,047	\$ 16,735	\$ 17,615	\$ 19,906	\$ 23,287	\$ 24,581	\$ 24,797	\$ 25,362	\$ 24,776
Contributions in relation to the contractually required contribution	<u>15,651</u>	<u>16,047</u>	<u>16,735</u>	<u>17,615</u>	<u>19,906</u>	<u>23,287</u>	<u>24,581</u>	<u>24,797</u>	<u>25,362</u>	<u>24,776</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered-employee payroll	\$ 199,315	\$ 204,123	\$ 212,096	\$ 228,469	\$ 243,507	\$ 262,813	\$ 267,127	\$ 257,521	\$ 261,793	\$ 257,521
Contributions as a percentage of covered-employee payroll	7.85%	7.86%	7.89%	7.71%	8.17%	8.86%	9.20%	9.63%	9.69%	9.62%

\*\* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full ten-year trend is compiled, the University only presents information for those years for which information is available.

**Oklahoma State University**  
**Required Supplementary Information**  
**June 30, 2024 and 2023**  
**Last Ten Fiscal Years\*\***  
**(in Thousands)**

**Notes to Schedule**

***Benefit Changes***

There were no changes to benefit terms for OTRS for the years ended June 30, 2024, 2023, or 2022.

***Changes of Assumptions***

Actuarial assumptions used in the June 30, 2020, valuation were changed as follows:

Discount rate was decreased to 7.00 percent

Investment Rate of Return was decreased to 7.00 percent

Inflation was decreased to 2.25 percent

Salary increases were composed of 2.25 percent inflation, plus 0.75 percent productivity increase rate.

Actuarial assumptions used in the June 30, 2017, valuation were changed as follows:

Salary increases were composed of 3.25 percent inflation, including 2.50 percent, plus a service-related component ranging from 0.00 percent to 8.00 percent based on years of service.

Actuarial assumptions used in the June 30, 2016, valuation were changed as follows:

Inflation was increased to 2.50 percent

Investment Rate of Return was decreased to 7.50 percent

There were no changes to assumptions in the valuation report for the years ended June 30, 2015, June 30, 2018, June 30, 2019, June 30, 2021, June 30, 2022, or June 30, 2023.



**Oklahoma State University**  
**Required Supplementary Information**  
**June 30, 2024 and 2023**  
**Last Ten Fiscal Years\*\***  
**(in Thousands)**

**Schedule of Changes in Total OPEB Liability and Related Ratios**

	2024	2023	2022	2021	2020	2019
Service cost	\$ 282	\$ 439	\$ 713	\$ 630	\$ 490	\$ 337
Interest	294	567	400	418	492	275
Changes in assumptions	265	(7,084)	(4,106)	3,029	1,541	2,923
Difference between expected and actual experience	81	9	(413)	(625)	11	4,220
Benefits payments	(509)	(525)	(938)	(971)	(1,013)	(958)
Net change in total OPEB liability	413	(6,594)	(4,344)	2,481	1,521	6,797
Total OPEB liability - beginning	7,091	13,685	18,029	15,548	14,027	7,230
Total OPEB liability - ending	<u>\$ 7,504</u>	<u>\$ 7,091</u>	<u>\$ 13,685</u>	<u>\$ 18,029</u>	<u>\$ 15,548</u>	<u>\$ 14,027</u>
Covered employee payroll	\$ 460,370	\$ 446,962	\$ 401,146	\$ 389,462	\$ 382,395	\$ 370,358
Total OPEB liability as a percentage of covered payroll	1.63%	1.59%	3.41%	4.63%	4.07%	3.79%

\*\* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the University only presents information for those years for which information is available.

**Notes to Schedule**

***Benefit Changes***

There were no changes to benefit terms the years ended June 30, 2024, 2023, 2022, 2021, 2020, or 2019.

***Changes of Assumptions***

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2024	4.21%
2023	4.13%
2022	4.09%
2021	2.19%
2020	2.66%
2019	3.51%

## **Supplementary Information**

**Oklahoma State University**  
**Revenue Bond Systems Outstanding**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Year Ended June 30, 2024**  
**(in Thousands)**

	<b>SU 2002</b>	<b>Okmulgee Series 2004</b>
<b>Revenues and Other Additions</b>		
Sales	\$ 21,594	\$ -
Other revenues	2,053	-
Student activity fees	1,526	347
Investment income	42	-
Total revenues and other additions	25,215	347
<b>Expenditures</b>		
Compensation and employee benefits	5,308	-
Utilities	835	-
Travel	21	-
Maintenance	491	-
Equipment purchases	126	-
Insurance	268	-
Other operating expenses	13,589	2
Telephone	34	-
Total expenditures	20,672	2
<b>Transfers Among Funds</b>		
From (to) General University funds and accounts	-	-
From (to) other funds	(4,438)	-
Total transfers	(4,438)	-
<b>Net Increase (Decrease) for the Year</b>	105	345
<b>Fund Balance, Beginning of Year</b>	7,848	85
<b>Fund Balance, End of Year</b>	\$ 7,953	\$ 430

**Oklahoma State University**  
**Combining Schedule of Net Position by Campus**  
**June 30, 2024**  
**(in Thousands)**

	Oklahoma State University Stillwater	Oklahoma State University Institute of Technology	Oklahoma State University Oklahoma City	Oklahoma State University Center for Health Sciences	Oklahoma State University Tulsa	Oklahoma State University Veterinary Medicine Authority	Combined Totals
<b>Assets</b>							
Current assets							
Cash and cash equivalents	\$ 116,930	\$ 12,313	\$ 23,757	\$ 99,888	\$ 12,322	\$ -	\$ 265,210
Accounts receivable, net	114,098	6,815	7,857	21,105	656	-	150,531
Investments	80,490	4,364	2,922	13,456	307	-	101,539
Interest receivable	568	15	13	68	-	-	664
Current portion of lease receivable	1,171	-	26	175	31	-	1,403
Current portion of student loans receivable, net	541	-	3	-	-	-	544
Inventories	10,231	499	-	166	6	-	10,902
Total current assets	<u>324,029</u>	<u>24,006</u>	<u>34,578</u>	<u>134,858</u>	<u>13,322</u>	<u>-</u>	<u>530,793</u>
Noncurrent assets							
Cash and cash equivalents	92,749	6,889	4,639	35,597	8,753	3,950	152,577
Accounts receivable, net	8,537	-	-	2,906	-	-	11,443
Investments	453	248	-	-	-	-	701
Lease interest receivable	5	-	-	-	2	-	7
Lease receivable	7,829	-	39	295	1,713	-	9,876
Cash held by state agencies	-	-	-	-	-	79,000	79,000
Loans to students, net	4,871	-	24	-	-	-	4,895
Other postemployment benefits	1,517	107	85	211	54	-	1,974
Capital assets, net of accumulated depreciation and amortization	1,870,520	53,927	46,702	213,469	8,208	-	2,192,826
Total noncurrent assets	<u>1,986,481</u>	<u>61,171</u>	<u>51,489</u>	<u>252,478</u>	<u>18,730</u>	<u>82,950</u>	<u>2,453,299</u>
Total assets	<u>2,310,510</u>	<u>85,177</u>	<u>86,067</u>	<u>387,336</u>	<u>32,052</u>	<u>82,950</u>	<u>2,984,092</u>
Deferred outflows of resources	<u>72,664</u>	<u>5,461</u>	<u>2,823</u>	<u>4,621</u>	<u>3,706</u>	<u>-</u>	<u>89,275</u>
<b>Liabilities</b>							
Current liabilities							
Accounts payable	60,293	2,829	1,294	4,979	197	-	69,592
Unearned revenue	33,740	2,914	1,821	16,542	362	-	55,379
Student and other deposits	238	70	-	-	-	-	308
Accrued compensated absences	9,880	716	309	3,955	271	-	15,131
Accrued workers' compensation claims	1,777	-	-	-	-	-	1,777
Current portion of other postemployment benefits	509	-	-	-	-	-	509
Current portion of revenue bonds and lease obligations	50,118	1,762	766	3,970	824	3,950	61,390
Total current liabilities	<u>156,555</u>	<u>8,291</u>	<u>4,190</u>	<u>29,446</u>	<u>1,654</u>	<u>3,950</u>	<u>204,086</u>

**Oklahoma State University**  
**Combining Schedule of Net Position by Campus**  
**June 30, 2024**  
**(in Thousands)**

	Oklahoma State University Stillwater	Oklahoma State University Institute of Technology	Oklahoma State University Oklahoma City	Oklahoma State University Center for Health Sciences	Oklahoma State University Tulsa	Oklahoma State University Veterinary Medicine Authority	Combined Totals
Noncurrent liabilities							
Accrued compensated absences	\$ 16,048	\$ 1,144	\$ 417	\$ 10,057	\$ 396	\$ -	\$ 28,062
Landfill closure and postclosure costs	3,500	-	-	-	-	-	3,500
Accrued workers' compensation claims	1,654	-	-	-	-	-	1,654
Student deposits	715	209	-	-	-	-	924
Revenue bonds payable	670,330	-	-	-	-	-	670,330
Revenue bonds premium payable	56,573	-	-	-	-	-	56,573
Accounts payable for noncurrent assets	20,800	30	173	7,767	23	-	28,793
Accrued interest payable	10,032	-	-	-	14	-	10,046
Federal loan program contribution payable	4,593	-	-	-	-	-	4,593
Pension liability	248,323	19,123	13,686	22,719	11,249	-	315,100
Other postemployment benefits	5,504	439	322	534	196	-	6,995
Asset retirement obligation	620	-	24	83	1	-	728
OCIA capital lease obligation	29,071	2,064	2,359	1,297	4,151	75,050	113,992
ODFA master lease program	36,362	3,626	7,768	46,615	(100)	-	94,271
Obligations under other capital leases	20,199	197	285	3,336	842	-	24,859
Total noncurrent liabilities	<u>1,124,324</u>	<u>26,832</u>	<u>25,034</u>	<u>92,408</u>	<u>16,772</u>	<u>75,050</u>	<u>1,360,420</u>
Total liabilities	<u>1,280,879</u>	<u>35,123</u>	<u>29,224</u>	<u>121,854</u>	<u>18,426</u>	<u>79,000</u>	<u>1,564,506</u>
Deferred inflows of resources	<u>64,854</u>	<u>3,930</u>	<u>2,930</u>	<u>6,745</u>	<u>4,545</u>	<u>-</u>	<u>83,004</u>
Net position							
Net investment in capital assets	1,015,725	46,503	35,070	153,341	2,003	-	1,252,642
Restricted for							
Nonexpendable	623	92	-	-	-	-	715
Expendable							
Scholarships, research, instruction, and other	9,311	(203)	623	2,855	9,826	-	22,412
Loans	2,499	230	13	183	-	-	2,925
Capital projects	74,828	7,046	4,638	37,277	8,753	3,950	136,492
Debt service	1,167	-	-	-	(14)	-	1,153
Unrestricted	<u>(66,712)</u>	<u>(2,083)</u>	<u>16,392</u>	<u>69,702</u>	<u>(7,781)</u>	<u>-</u>	<u>9,518</u>
Total net position	<u>\$ 1,037,441</u>	<u>\$ 51,585</u>	<u>\$ 56,736</u>	<u>\$ 263,358</u>	<u>\$ 12,787</u>	<u>\$ 3,950</u>	<u>\$ 1,425,857</u>

**Oklahoma State University**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position by Campus**  
**Year Ended June 30, 2024**  
**(in Thousand)**

	Oklahoma State University Stillwater	Oklahoma State University Institute of Technology	Oklahoma State University Oklahoma City	Oklahoma State University Center for Health Sciences	Oklahoma State University Tulsa	Oklahoma State University Veterinary Medicine Authority	Combined Totals
<b>Operating Revenues</b>							
Tuition and fees, net of scholarship allowance	\$ 277,758	\$ 10,962	\$ 6,619	\$ 30,272	\$ 10,266	\$ -	\$ 335,877
Federal appropriations	13,600	-	-	-	-	-	13,600
Federal grants and contracts	99,289	2,706	2,881	35,504	342	-	140,722
State and local grants and contracts	29,474	241	298	3,534	95	-	33,642
Nongovernmental grants and contracts	36,729	6	1,524	7,266	-	-	45,525
Sales and services of educational departments	11,388	-	-	63,313	-	-	74,701
Auxiliary enterprises charges	212,744	7,324	9,234	167,106	5,887	-	402,295
Interest earned on loans to students	595	-	-	-	-	-	595
Other operating revenues	7,959	(68)	28	735	646	12	9,312
Total operating revenues	<u>689,536</u>	<u>21,171</u>	<u>20,584</u>	<u>307,730</u>	<u>17,236</u>	<u>12</u>	<u>1,056,269</u>
<b>Operating Expenses</b>							
Compensation and employee benefits	568,211	23,593	20,580	135,101	18,028	-	765,513
Contractual services	126,217	4,498	4,263	136,428	1,926	-	273,332
Supplies and materials	46,942	3,057	1,710	7,634	497	-	59,840
Utilities	34,901	1,313	870	3,128	589	-	40,801
Communications	4,262	133	46	732	98	-	5,271
Other operating expenses	58,602	3,194	3,215	9,384	1,574	10,339	86,308
Scholarships and fellowships	59,038	2,856	5,371	7,030	212	-	74,507
Depreciation and amortization expense	94,776	2,811	2,383	9,620	686	-	110,276
Total operating expenses	<u>992,949</u>	<u>41,455</u>	<u>38,438</u>	<u>309,057</u>	<u>23,610</u>	<u>10,339</u>	<u>1,415,848</u>
Operating loss	<u>(303,413)</u>	<u>(20,284)</u>	<u>(17,854)</u>	<u>(1,327)</u>	<u>(6,374)</u>	<u>(10,327)</u>	<u>(359,579)</u>
<b>Nonoperating Revenues (Expenses)</b>							
State appropriations	176,079	13,466	14,034	16,785	9,265	10,327	239,956
On-behalf payments from OTRS	13,240	775	652	2,101	540	-	17,308
Federal and state grants and contracts	49,171	6,428	8,138	30	-	-	63,767
Gifts	79,008	1,160	86	1,354	525	-	82,133
Investment income, net	5,724	322	190	851	101	-	7,188
Interest expense	(31,949)	(345)	(471)	(1,675)	(292)	-	(34,732)
Net nonoperating revenues	<u>291,273</u>	<u>21,806</u>	<u>22,629</u>	<u>19,446</u>	<u>10,139</u>	<u>10,327</u>	<u>375,620</u>
Income (loss) before other revenues, expenses, gains, and losses	<u>(12,140)</u>	<u>1,522</u>	<u>4,775</u>	<u>18,119</u>	<u>3,765</u>	<u>-</u>	<u>16,041</u>
Capital from grants, gifts, and affiliates	30,372	466	-	9,241	-	-	40,079
State appropriations restricted for capital purposes	2,033	1,000	1,652	1,149	1,000	3,950	10,784
On-behalf payments for OCIA capital leases	4,440	437	499	275	878	-	6,529
State school land funds	9,162	-	-	-	-	-	9,162
Additions of permanent endowments	4	-	-	-	-	-	4
Loss on disposal of fixed assets	(2,803)	(134)	(10)	(583)	-	-	(3,530)
Other additions, net	21,947	24	-	580	-	-	22,551
Interagency transfers	(9)	-	-	15	(6)	-	-
<b>Net Increase (Decrease) in Net Position</b>	<u>53,006</u>	<u>3,315</u>	<u>6,916</u>	<u>28,796</u>	<u>5,637</u>	<u>3,950</u>	<u>101,620</u>
<b>Net Position - Beginning of Year</b>	<u>984,435</u>	<u>48,270</u>	<u>49,820</u>	<u>234,562</u>	<u>7,150</u>	<u>-</u>	<u>1,324,237</u>
<b>Net Position - End of Year</b>	<u>\$ 1,037,441</u>	<u>\$ 51,585</u>	<u>\$ 56,736</u>	<u>\$ 263,358</u>	<u>\$ 12,787</u>	<u>\$ 3,950</u>	<u>\$ 1,425,857</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Regents for the Oklahoma  
Agricultural and Mechanical Colleges  
Oklahoma State University  
Oklahoma City, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Oklahoma State University, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Oklahoma State University's basic financial statements, and have issued our report thereon dated November 27, 2024. Our report includes a reference to other auditors who audited the financial statements of Oklahoma State University Foundation (OSU Foundation) as described in our audit report of Oklahoma State University's financial statements. The financial statements of Oklahoma OSU Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with OSU Foundation.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Oklahoma State University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oklahoma State University's internal control. Accordingly, we do not express an opinion on the effectiveness of Oklahoma State University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a significant deficiency.

### **Report on Compliance and Other Matters**

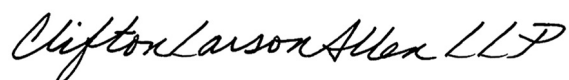
As part of obtaining reasonable assurance about whether Oklahoma State University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Oklahoma State University's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Oklahoma State University's response to the findings identified in our audit and described in the accompanying schedule of findings. Oklahoma State University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

St. Louis, Missouri  
November 27, 2024



**Oklahoma State University**  
Schedule of Findings and Responses  
For the Year Ended June 30, 2024

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**Section I – Financial Statement Findings**

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**2024 – 001**

**Type of Finding:** Significant Deficiency in Internal Control Over Financial Reporting

**Condition:** During the audit process, the auditors noted that restricted net position was understated and unrestricted net position was overstated by approximately \$17,000,000. As a result, an adjustment was proposed and posted through the audit process. This adjustment was a necessary step in ensuring that the financial statements were fairly stated under U.S. generally accepted accounting principles (GAAP).

**Criteria or specific requirement:** Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation in the statements of net position, changes in net position, and cash flows, and disclosures in the statements, in conformity with accounting principles generally accepted in the United States of America.

**Effect:** Financial statement could be materially misstated.

**Cause:** The University's controls were not able to detect the adjustments needed as part of the audit.

**Repeat finding:** No

**Recommendation:** The University should continue to review all GAAP requirements for transactions to ensure conformity and establish internal controls, including monitoring, to ensure the fair presentation of financial data. Specifically, a process should be established to ensure restricted funding is properly accounted for in the University's general ledger in accordance with the applicable external constraints placed on the funding source.

**Views of responsible officials and planned corrective actions:** The University will ensure transactions conform with GAAP.



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