

# Western Oregon University Development Foundation

Financial Statements

Years Ended June 30, 2024 and 2023

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GROVE, MUELLER & SWANK

**redw**  
Advisors & CPAs

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
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GROVE, MUELLER & SWANK

redw  
Advisors & CPAs

***INDEPENDENT AUDITOR'S REPORT***

Western Oregon University Development Foundation  
Monmouth, Oregon 97361

***Opinion***

We have audited the financial statements of Western Oregon University Development Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Western Oregon University Development Foundation (the Foundation) as of June 30, 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Other Matter – Auditor's Report on the June 30, 2023 Financial Statements***

The financial statements as of and for the year ended June 30, 2023, were audited by Grove, Mueller & Swank, P.C., whose shareholders, and professional staff joined REDW<sub>LLC</sub> as of November 30, 2023, and has substantially ceased operations. Grove, Mueller & Swank, P.C. expressed an unmodified opinion on those statements in their report dated October 4, 2023.

**REDW**<sub>LLC</sub>

Salem, Oregon  
September 19, 2024

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 483,371	\$ 524,961
Investments	29,655,021	25,612,535
Accounts receivable	-	2,352
Pledges receivable	1,545,960	166,905
Due from WOU	252,654	472,705
Prepays	42,092	78,940
Other current assets	-	6,467
Property and equipment, net of depreciation	124,965	127,803
	<u>                    </u>	<u>                    </u>
<i>Total Assets</i>	<u>\$ 32,104,063</u>	<u>\$ 26,992,668</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 69,457	\$ 31,958
Annuities payable	153,216	651,613
	<u>                    </u>	<u>                    </u>
<i>Total Liabilities</i>	222,673	683,571
 <b>Net Assets</b>		
Without Donor Restrictions		
Undesignated	4,216,781	3,890,058
Designated	786,395	763,220
With Donor Restrictions		
Purpose restrictions	7,815,600	6,403,109
Perpetual restrictions	19,062,614	15,252,710
	<u>                    </u>	<u>                    </u>
<i>Total Net Assets</i>	31,881,390	26,309,097
	<u>                    </u>	<u>                    </u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 32,104,063</u>	<u>\$ 26,992,668</u>

*The accompanying notes are an integral part of the financial statements.*

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE</b>			
Contributions	\$ 927,566	\$ 4,115,491	\$ 5,043,057
Net investment return	323,331	3,377,426	3,700,757
Miscellaneous	12,627	335,296	347,923
<i>Total Revenue</i>	1,263,524	7,828,213	9,091,737
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	2,605,818	(2,605,818)	-
<b>EXPENSES</b>			
University & scholarships program	2,503,563	-	2,503,563
Management & general	456,352	-	456,352
Fundraising	559,529	-	559,529
<i>Total Expenses</i>	3,519,444	-	3,519,444
<b>CHANGE IN NET ASSETS</b>	349,898	5,222,395	5,572,293
<b>NET ASSETS, Beginning of year</b>	4,653,278	21,655,819	26,309,097
<b>NET ASSETS, End of year</b>	\$ 5,003,176	\$ 26,878,214	\$ 31,881,390

*The accompanying notes are an integral part of the financial statements.*

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**2023**

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<b><i>Without Donor Restrictions</i></b>	<b><i>With Donor Restrictions</i></b>	<b><i>Total</i></b>
\$ 853,968	\$ 1,976,969	\$ 2,830,937
(240,918)	2,400,404	2,159,486
10,040	359,893	369,933
<hr/> 623,090	<hr/> 4,737,266	<hr/> 5,360,356
2,078,122	(2,078,122)	-
1,999,534	-	1,999,534
326,899	-	326,899
340,843	-	340,843
<hr/> 2,667,276	<hr/> -	<hr/> 2,667,276
33,936	2,659,144	2,693,080
4,619,342	18,996,675	23,616,017
<hr/> \$ 4,653,278	<hr/> \$ 21,655,819	<hr/> \$ 26,309,097
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*The accompanying notes are an integral part of the financial statements.*

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	<b>2024</b>			
	<b><i>University &amp; Scholarships Program</i></b>	<b><i>Management &amp; General</i></b>	<b><i>Fundraising</i></b>	<b><i>Total</i></b>
Grants	\$ -	\$ -	\$ -	\$ -
Accounting fees	-	25,800	-	25,800
Legal fees	-	4,950	-	4,950
Supplies	146,035	2,509	14,541	163,085
Telephone	-	-	1,900	1,900
Postage & shipping	3,094	-	5,746	8,840
Occupancy	-	7,405	-	7,405
Equipment rental & maintenance	32,991	116,816	25	149,832
Printing & publications	25,930	-	53,668	79,598
Travel	160,367	-	15,342	175,709
Sponsored events & activities	197,751	8,185	57,216	263,152
Depreciation	-	2,838	-	2,838
Personnel costs	169,605	281,260	345,199	796,064
Scholarships	1,259,233	-	-	1,259,233
University support	388,994	-	-	388,994
Office expense	6,599	6,589	-	13,188
Fees	109,998	-	65,704	175,702
Miscellaneous	2,966	-	188	3,154
	<b>\$ 2,503,563</b>	<b>\$ 456,352</b>	<b>\$ 559,529</b>	<b>\$ 3,519,444</b>

*The accompanying notes are an integral part of the financial statements.*



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2023

<i>University &amp; Scholarships Program</i>	<i>Management &amp; General</i>	<i>Fundraising</i>	<i>Total</i>
\$ 2,038	\$ -	\$ 2,900	\$ 4,938
-	23,300	-	23,300
-	-	-	-
103,108	858	12,855	116,821
-	-	-	-
6,739	-	3,367	10,106
107	6,996	-	7,103
20,907	5,701	1,221	27,829
37,665	275	20,691	58,631
156,572	-	15,896	172,468
143,546	1,025	45,775	190,346
-	2,842	-	2,842
79,414	279,809	223,059	582,282
1,002,895	-	-	1,002,895
382,302	-	-	382,302
-	6,093	-	6,093
64,047	-	14,903	78,950
194	-	176	370
<hr/>	<hr/>	<hr/>	<hr/>
\$ 1,999,534	\$ 326,899	\$ 340,843	\$ 2,667,276

*The accompanying notes are an integral part of the financial statements.*

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 5,572,293	\$ 2,693,080
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</i>		
Endowment contributions	(2,641,201)	(516,672)
Depreciation	2,838	2,842
Investment (gains) losses, net	(3,700,757)	(2,159,486)
Actuarial change in annuity obligations	(530,933)	17,787
Changes in assets and liabilities:		
Accounts receivable	2,352	28,940
Pledges receivable	91,410	(63,687)
Due from WOU	220,051	47,855
Prepays	36,848	(78,940)
Other current assets	6,467	14,267
Accounts payable	37,499	(84,692)
	<u>(903,133)</u>	<u>(98,706)</u>
<b>Net Cash Used in Operating Activities</b>	(903,133)	(98,706)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(8,749,583)	(6,400,141)
Proceeds from sale of investments	8,407,854	5,194,446
	<u>(341,729)</u>	<u>(1,205,695)</u>
<b>Net Cash Used in Investing Activities</b>	(341,729)	(1,205,695)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from annuities issued	32,536	-
Proceeds from endowment gifts	1,170,736	1,222,977
	<u>1,203,272</u>	<u>1,222,977</u>
<b>Net Cash Provided by Financing Activities</b>	1,203,272	1,222,977
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(41,590)	(81,424)
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	<u>524,961</u>	<u>606,385</u>
<b>CASH AND CASH EQUIVALENTS, End of year</b>	<u>\$ 483,371</u>	<u>\$ 524,961</u>

*The accompanying notes are an integral part of the financial statements.*

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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***NATURE OF THE ORGANIZATION***

Western Oregon University Development Foundation (“The Foundation”) is a not-for-profit corporation organized under the laws of the State of Oregon and is tax exempt under Section 501(c)(3) of the Internal Revenue Code. The organization assists Western Oregon University (“the University”) with its education, cultural, scientific, and charitable endeavors by improving its public relations and financial support through gifts, grants, and bequests. Foundation offices are on the campus of the University, located in Monmouth, Oregon.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

*Basis of Accounting*

The financial statements have been prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America.

*Net Assets*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, the Foundation’s net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, quasi-endowment funds not required to be retained and invested by the donors.

Net Assets With Donor Restrictions - Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed time and purpose restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

*Support and Revenue*

Revenue is generally available for unrestricted use, unless specifically restricted by a donor or grantor.

Donor restricted contributions of cash and other assets that limit the use according to donor stipulations are reported as donor restricted support. Contributions with time or purpose restrictions are reported in the statement of activities as net assets released from restriction when time or purpose restrictions are met. Restricted contributions received in the same year in which the restrictions are met are recorded as released from restriction at the time of receipt. When a donor stipulates that the contribution is permanent, the Foundation is limited to spending only the earnings generated by the perpetually restricted amount.

*Pledges Receivable*

Contributions are recognized when the donor makes an unconditional promise to give to the Foundation. Contributions that are restricted by the donor are reported as increases in the net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When time and purpose restrictions expire, donor restricted net assets are reclassified.

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
*YEARS ENDED JUNE 30, 2024 AND 2023*

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***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*Pledges Receivable (Continued)*

The Foundation uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At June 30, 2024 and 2023, no allowance was considered necessary.

*Donated Materials and Services*

A substantial number of volunteers have donated significant amounts of time to the Foundation's program services and fundraising campaigns. Also, food for program services and fundraisers is periodically donated by individuals and businesses in the community. However, no objective basis is available to measure the value of such services and materials and no amount is reflected in the financial statements.

*Cash and Cash Equivalents*

The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

*Investments and Investment Income*

*Fair Value Measurements*

Financial Accounting Standards Board (FASB) Accounting Standards codification (ASC) Topic 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

*Level 1*

Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments which would generally be included in Level 1 are listed equities and listed derivatives. Additionally, money market funds, certificates of deposit and other highly liquid investments with maturities of 90 days or less are reported at cost which approximates fair value because of short maturities. As required by FASB ASC 820, the Foundation does not adjust the quoted price for these investments even in situations where the Foundation holds a large position and a sale could reasonably impact the quoted price.

*Level 2*

Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities, and certain over-the-counter derivatives.

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
*YEARS ENDED JUNE 30, 2024 AND 2023*

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***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*Investments and Investment Income (Continued)*

*Fair Value Measurements (Continued)*

*Level 3*

Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgment or estimation. Investments that are included in this category generally include general and limited partnership interests in corporate private equity and real estate funds, debt funds, hedge funds, distressed debt and non-investment grade residual interests in securitizations and collateral debt obligations.

An asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques must maximize the use of observable inputs and minimize the use of unobservable inputs.

*Reporting*

Security transactions are recorded on a trade-date basis. Interest is recorded as earned and dividends are recorded as of the ex-dividend date. Investment income includes interest, dividends, and unrealized and realized gains and losses. Investment management and transaction fees are netted with investment income in the statement of activities. Investment income attributable to amounts held is reported in net assets without donor restrictions except for those amounts specified by donors which are to be added to endowment principal. Those earnings are reported in net assets with donor restrictions. Investment income attributable to amounts held for the benefit of trust beneficiaries is reported in obligations to trust beneficiaries.

*Obligations Under Split-interest Agreements*

Obligations under split-interest agreements (remainder trusts and gift annuities) are recorded when incurred at the present value of the disbursements to be made to the donor-designated beneficiaries. Disbursements under charitable remainder unitrusts are a specified percentage of the trust assets' fair value as determined annually, while disbursements under charitable remainder annuity trusts and gift annuities are fixed amounts. Disbursements are paid over the lives of the beneficiaries, or another donor specified period. Present values are determined using discount rates established by the Internal Revenue Service and actuarially-determined expected lives of beneficiaries. Obligations under the split-interest agreement are revalued annually based on the fair value of investments on June 30. The net revaluation, together with any remaining recorded obligations after all trust or gift obligations under terminated agreements have been met, are reported as net changes in the value of split-interest agreement in donor restricted net assets, depending on donor stipulations.

*Endowment Classification and Distributions*

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act (OR-UPMIFA), as enacted by the Oregon legislature as requiring the long-term preservation of the fair value of the original gift amount as of the gift date of donor restricted endowment funds absent explicit donor stipulations to the contrary.

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
*YEARS ENDED JUNE 30, 2024 AND 2023*

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Endowment Classification and Distributions (Continued)*

For financial statement presentation purposes, the Foundation classifies as net assets with donor restrictions (a) all funds and earnings explicitly stated by the donor to be retained permanently and continue to accumulate until the corpus reaches an amount designated by the donor and (b) absent such stipulation, the fair value on the date of gift for gifts donated to the permanent endowment. The remaining portion of the donor restricted endowment fund that is not classified as net assets with donor restrictions represents net unappropriated endowment investment income and is classified as restricted until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by OR-UPMIFA. If, as a result of investment losses or appropriations (Board authorized distributions), the fair value of endowment assets is less than the donor restricted amounts, the deficiencies are reported as reductions of net assets with donor restrictions in accordance with FASB ASC Topic 958 - *Not-For-Profit Entities*.

When considering appropriation for distribution or accumulation of endowment funds, absent a specifically stated requirement in the gift instrument, the Foundation makes a good faith application of the approved Foundation spending policy, considering (a) the duration and preservation of the endowment fund; (b) the purposes of the University and the endowment fund; (c) general economic conditions; (d) the possible effect of inflation or deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the University; and (g) the investment policy of the Foundation. The good faith application of the approved Foundation spending policy may result in the fair value of endowment assets being below the level determined as net assets with donor restrictions for financial statement presentation purposes.

*Student Loans*

Loans to students are treated as expenses when made, and the receivables are fully reserved. Revenue is recognized when loan payments are received. Loans receivable were \$82,488 and \$82,488 at June 30, 2024 and 2023, respectively, and were fully offset by an allowance for uncollectible accounts.

*Property and Equipment*

Property and equipment purchases in excess of \$5,000 are capitalized. Property and equipment are stated at cost. Donated property and equipment are recorded at estimated fair market value on the date donated. Depreciation is recorded on property and equipment using the straight-line method. Buildings and improvements are depreciated over 28 - 30 years and furniture and equipment are depreciated over 3 - 15 years. Land, art objects, and museum displays are not depreciated.

*Income Tax Status*

The Foundation is exempt from federal income tax in accordance with the provisions of Internal Revenue Code Section 501(c)(3). Any unrelated business income tax is insignificant, and no tax provision has been made in the accompanying financial statements.

Contributions to the Foundation qualify for the charitable contribution tax deduction under Section 170(b)(1)(A)(vi); the Foundation has been classified as an organization that is not a private foundation.

The Foundation recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
*YEARS ENDED JUNE 30, 2024 AND 2023*

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Income Tax Status (Continued)*

The Foundation has no unrecognized tax benefits which would require an adjustment to the July 1, 2023 beginning balance of net assets and had no unrecognized tax benefits at June 30, 2024. The Foundation files an exempt organization tax return in the U.S. federal jurisdiction and applicable state agencies. Generally, the Foundation is no longer subject to income tax examinations by taxing authorities for years before 2021 for its federal and state filings.

*Functional Allocation of Expenses*

The financial statements report certain categories of expenses that are attributable to more than one program or supporting service of the Foundation. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits which are allocated based on estimates of the benefit received by the program or supporting service. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated to the program and supporting services benefited.

*Use of Accounting Estimates*

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

*Subsequent Events*

Management has evaluated subsequent events through September 19, 2024, the date on which the financial statements were available to be issued.

**CASH AND CASH EQUIVALENTS**

The Foundation has the following cash and cash equivalents:

	<u>2024</u>	<u>2023</u>
Petty cash	\$ 1,155	\$ 1,200
Cash in bank	312,651	301,506
Cash in money market	14,308	63,416
Cash in time certificate	155,257	158,839
	<u>\$ 483,371</u>	<u>\$ 524,961</u>

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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**CASH AND CASH EQUIVALENTS (Continued)**

*Concentrations of Credit Risk*

The Foundation maintains cash balances and other liquid investments with financial institutions located in Oregon. Cash balances are insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation up to legal limits. During 2024, the balances in such accounts at times were in excess of depository insurance. The Foundation has not experienced any losses from their accounts and does not believe they are exposed to significant credit risk.

**LIQUIDITY AND AVAILABILITY**

Financial assets are available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date are comprised of the following at June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 483,371	\$ 524,961
Investments	29,655,021	25,612,535
Accounts receivable	-	2,352
Pledges receivable	1,545,960	166,905
	<u>31,684,352</u>	<u>26,306,753</u>
Net assets:		
With donor restrictions	(26,878,214)	(21,655,819)
Board designated	(786,395)	(763,220)
	<u>\$ 4,019,743</u>	<u>\$ 3,887,714</u>

The Foundation has perpetually restricted donor endowment funds totaling \$19,062,614 and \$15,252,710 at June 30, 2024 and 2023, respectively. Earnings on these funds are either perpetually restricted or purpose-restricted based on donor specifications and Foundation policies and are not available for general use.

The Foundation also has purpose-restricted donor assets totaling \$7,815,600 and \$6,403,109 at June 30, 2024 and 2023, respectively. Earnings on these funds are also purpose-restricted based on donor specifications and Foundation policies and are not available for general use.

The Foundation's liquidity management plan is governed by their Short-Term Investment Management Policy for Non-Endowed Funds, which ensures adequate liquidity is always available to meet the needs of the Foundation, while ensuring that funds not necessary for short-term liquidity purposes be invested with an appropriate time horizon to enhance the total return of the non-endowed assets. The Foundation maintains amounts necessary to meet projected needs at local financial institutions for operational liquidity with amounts in excess thereof being invested in short and intermediate investments according to this short-term investment policy. This amount was \$3,465,109 and \$2,976,487 at June 30, 2024 and 2023, respectively. In addition, the Board has invested a portion of excess cash as a quasi-endowment in long-term investments as part of the endowment pool investment account. Total funds designated in this account are \$694,350 and \$613,263 at June 30, 2024 and 2023, respectively.





**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**INVESTMENTS (Continued)**

The table below presents information about fair value measurements that use significant unobservable inputs (Level 3):

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 56,451	\$ 53,146
Realized gains	<u>1,607</u>	<u>3,305</u>
Balance, end of year	<u><u>\$ 58,058</u></u>	<u><u>\$ 56,451</u></u>

The following schedule summarizes the net investment return in the statement of activities for the fiscal years ending June 30:

	<u>2024</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 109,444	\$ 590,992	\$ 700,436
Realized gains (losses)	89,589	1,282,584	1,372,173
Unrealized gains (losses)	141,581	1,693,251	1,834,832
Annuity payments	-	(36,748)	(36,748)
Investment fees	(17,283)	(152,653)	(169,936)
	<u><u>\$ 323,331</u></u>	<u><u>\$ 3,377,426</u></u>	<u><u>\$ 3,700,757</u></u>
	<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 89,013	\$ 560,537	\$ 649,550
Realized gains (losses)	(25,709)	62,890	37,181
Unrealized gains (losses)	(288,511)	1,959,948	1,671,437
Annuity payments	-	(46,234)	(46,234)
Investment fees	(15,711)	(136,737)	(152,448)
	<u><u>\$ (240,918)</u></u>	<u><u>\$ 2,400,404</u></u>	<u><u>\$ 2,159,486</u></u>

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

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**DONOR RESTRICTED ENDOWMENT**

The following schedule summarizes the changes in donor restricted endowments for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Endowment net assets, beginning of year	\$ 15,252,710	\$ 14,694,824
Contributions	2,641,201	516,672
Net investment return:		
Investment income	44,975	81,305
Investment expenses	(29,527)	(24,001)
Net appreciation (depreciation) - realized and unrealized	<u>176,695</u>	<u>77,688</u>
Net investment return	192,143	134,992
Appropriation of expenditures and transfers	<u>976,560</u>	<u>(93,778)</u>
Endowment net assets, end of year	<u>\$ 19,062,614</u>	<u>\$ 15,252,710</u>

**INTEREST IN FUNDS HELD BY OREGON COMMUNITY FOUNDATION**

The Foundation is a beneficiary of funds held by the Oregon Community Foundation (“OCF”). These funds are not held in a depository account but rather are in an “endowment fund” that is legally owned by OCF. Under United States Treasury Regulations, all community foundation endowment fund agreements must include terms which grant the community foundation’s Board of Directors the authority to modify restrictions and conditions of the fund agreement under certain circumstances (often referred to as “variance power”). As a result, all component funds are considered to be part of a single public charity, in this case OCF.

OCF variance power clause reads: “Whenever, in the sole judgment of the board of directors (without the necessity of the approval of any participating trustee, custodian or agent), any restriction or condition on the distribution of funds for any specified charitable, educational, or scientific purposes or to specified organizations or governmental units becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable, educational, and scientific needs of the State of Oregon, the board of directors may, by the affirmative vote of a majority of its members, order such modification of such restriction or condition and such application of the whole or any part of the principal or income of the funds as in its judgment is then necessary to serve more effectively the charitable, educational, and scientific purposes of the Corporation.”

OCF accounts for these funds in accordance with FASB ASC 958, *Not-for-Profit Entities*, which states that when a community foundation accepts a contribution from an agency and agrees to transfer those assets and/or the investment return on those assets back to the agency, then those contributions are presented as both an asset and a liability on the financial statements of the community foundation (i.e., OCF), but not as an asset on the financial statements of the agency (i.e., the Foundation).

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**INTEREST IN FUNDS HELD BY OREGON COMMUNITY FOUNDATION (Continued)**

The fair value of the endowments on which the Foundation is listed as the beneficiary was \$1,916,074 and \$1,772,059 at June 30, 2024 and 2023, respectively. The value of these investments is not included in the Foundation's financial statements.

**LONG-TERM INVESTMENT POOL**

Endowment and other funds with long-term investment horizons are pooled in an externally managed long-term investment pool. The investment pool has the following objectives: (1) to provide an annual distribution for endowments, as determined by the Board of Trustees, to support designated University activities and (2) to achieve a long-term growth rate that maintains the purchasing power of the assets, as measured by the consumer price index.

The long-term investment pool was approximately 59.3% endowments and 40.7% other funds with long-term investment horizons at June 30, 2024, and 59.5% and 40.5% respectively at June 30, 2023.

**EXTERNALLY MANAGED REMAINDER TRUSTS AND GIFT ANNUITIES**

Remainder trust agreement assets are externally managed on an individual account basis. Gift annuity assets are externally managed as a pool.

**PROPERTY AND EQUIPMENT**

Physical plant, equipment and collections are stated at cost at the date of acquisition or fair value at the date of donation in the case of gifts.

The following is a summary of changes in property and equipment:

Fiscal year ended June 30, 2024

	<i>Beginning of year</i>	<i>Additions</i>	<i>Deletions</i>	<i>End of year</i>
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Art collections	17,728	-	-	17,728
Buildings and improvements	169,930	-	-	169,930
Furniture and equipment	353,679	-	-	353,679
Total	581,337	-	-	581,337
Accumulated depreciation	(453,534)	(2,838)	-	(456,372)
Property and Equipment, net	<u>\$ 127,803</u>	<u>\$ (2,838)</u>	<u>\$ -</u>	<u>\$ 124,965</u>

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**PROPERTY AND EQUIPMENT (Continued)**

Fiscal year ended June 30, 2023

	<i>Beginning of year</i>	<i>Additions</i>	<i>Deletions</i>	<i>End of year</i>
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Art collections	17,728	-	-	17,728
Buildings and improvements	169,930	-	-	169,930
Furniture and equipment	353,679	-	-	353,679
Total	581,337	-	-	581,337
Accumulated depreciation	(450,692)	(2,842)	-	(453,534)
Property and Equipment, net	<u>\$ 130,645</u>	<u>\$ (2,842)</u>	<u>\$ -</u>	<u>\$ 127,803</u>

**ANNUITIES PAYABLE**

Annuities payable represent the present value of life annuities. Those values were \$153,216 and \$651,613 at June 30, 2024 and 2023, respectively. Total annual payments were \$36,748 in 2024 and \$46,234 in 2023. Annuities payable include both charitable gift annuities and trust agreements of \$57,870 and \$95,346 for the year ended June 30, 2024, and \$70,187 and \$581,426 for the year ended June 30, 2023.

**UNIVERSITY SUPPORT AND EXPENSES**

The costs of operating the Foundation have been allocated between Foundation administration and Foundation fundraising based on estimates of the time expended in each area. Academic program support pertains to activities initiated and conducted by affiliates, schools, and departments of the University in whole or in part. Foundation administrative expenses pertain to the general operating activities of the Foundation.

The Foundation and the University have entered into an agreement that sets forth the manner in which the University and Foundation provide support to each other. For example, the University provides services to the Foundation which includes the free use of administrative office facilities, telephone, utilities, and certain other operating costs attributed to the Foundation. These costs are not material and are not included in the accompanying financial statements. The University also pays personnel costs for the Foundation. Payments of \$796,064 and \$582,282 in the fiscal years ended June 30, 2024 and 2023, have been recorded as contributions and personnel costs in the financial statements.

For its part, the Foundation's support of the University includes, but is not limited to, receiving, investing and administering the funds of, or funds held for the benefit of, the University; providing various financial and related services including receiving, acknowledging, receipting and processing all gifts; investing and managing all funds received on behalf of the University; administering endowment and funds held for the benefit of the University; disbursing funds in accordance with donor wishes; providing database management support; and holding and managing real property for the benefit of the University.

**WESTERN OREGON UNIVERSITY DEVELOPMENT FOUNDATION**

*NOTES TO FINANCIAL STATEMENTS (Continued)*

*YEARS ENDED JUNE 30, 2024 AND 2023*

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***UNIVERSITY SUPPORT AND EXPENSES (Continued)***

For the years ended June 30, 2024 and 2023, respectively, the Foundation provided \$1,648,227 and \$1,385,197 to the University to be used for scholarships and University support. These amounts include balances at June 30, 2024 and 2023, for reimbursement requests made by the University to the Foundation, which have not been paid as of year-end, in the amounts of \$1,975 and \$3 (included in accounts payable), respectively, and for payments made by the Foundation to the University, but not yet spent by the University as of year-end, in the amounts of \$252,654 and \$472,705 (Due From WOU), respectively.