Western Oregon University Development Foundation

Financial Statements and Independent Auditor's Report

For the Years Ended June 30, 2026 and 2025

redw Advisors & CPAs

Western Oregon University Development Foundation

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Western Oregon University Development Foundation

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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 statements of financial position as of June 30, 2026 and 2025, and the related statements of activities, functional expenses, and cash flows for the years 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, 2026 and 2025, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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.

Advisory, Assurance, and Tax offered through REDW LLC. Wealth Management offered through REDW Wealth LLC.

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.

REDW LLC
Salem, Oregon
October 8, 2026

Financial Statements

Western Oregon University Development Foundation
Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
Assets		
Current assets		
Cash and cash equivalents	$ 1,150,149	$ 469,706
Investments	38,234,569	33,965,308
Pledges receivable, current (net)	449,989	93,397
Due from Western Oregon University	470,186	438,583
Prepaids	64,969	50,821
Total current assets	40,369,862	35,017,815
Property and equipment, net of depreciation	120,880	122,647
Pledges receivable, long-term (net)	375,061	157,394
Total assets	$ 40,865,803	$ 35,297,856
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 86,057	$ 60,223
Annuities payable	160,714	160,224
Total liabilities	246,771	220,447
Net assets		
Without donor restrictions		
Undesignated	1,350,845	985,243
Designated	770,624	760,832
With donor restrictions		
Purpose restrictions	17,073,770	13,433,664
Perpetual restrictions	21,423,793	19,897,670
Total net assets	40,619,032	35,077,409
Total liabilities and net assets	$ 40,865,803	$ 35,297,856

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

Western Oregon University Development Foundation

Statements of Activities

For the Years Ended June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue						
Contributions	$ 1,001,550	$ 3,224,403	$ 4,225,953	$ 995,210	$ 2,348,676	$ 3,343,886
Net investment return	482,406	4,545,672	5,028,078	300,135	2,858,023	3,158,158
Miscellaneous	13,752	304,020	317,772	10,001	322,104	332,105
Total revenue	1,497,708	8,074,095	9,571,803	1,305,346	5,528,803	6,834,149
Net assets released from restrictions	2,907,866	(2,907,866)	-	2,594,125	(2,594,125)	-
Expenses						
University and scholarships program	2,891,208	-	2,891,208	2,655,994	-	2,655,994
Management and general	409,408	-	409,408	322,831	-	322,831
Fundraising	729,564	-	729,564	659,305	-	659,305
Total expenses	4,030,180	-	4,030,180	3,638,130	-	3,638,130
Change in net assets	375,394	5,166,229	5,541,623	261,341	2,934,678	3,196,019
Net assets, beginning of year	1,746,075	33,331,334	35,077,409	1,484,734	30,396,656	31,881,390
Net assets, end of year	$ 2,121,469	$ 38,497,563	$ 40,619,032	$ 1,746,075	$ 33,331,334	$ 35,077,409

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

Western Oregon University Development Foundation

Statements of Functional Expenses

For the Years Ended June 30, 2026 and 2025

	2026				2025			
	University and Scholarships Program	Management and General	Fundraising	Total	University and Scholarships Program	Management and General	Fundraising	Total
Grants	$ 385	$ -	$ 2,500	$ 2,885	$ 200	$ -	$ 500	$ 700
Accounting fees	-	37,500	-	37,500	-	29,500	-	29,500
Legal fees	-	2,859	-	2,859	-	2,569	-	2,569
Supplies	195,311	3,026	45,876	244,213	156,368	1,413	21,803	179,584
Postage and shipping	6,729	-	4,825	11,554	5,241	-	5,114	10,355
Occupancy	4,655	8,534	-	13,189	4,825	8,233	-	13,058
Equipment rental and maintenance	59,604	150,327	-	209,931	48,218	122,828	244	171,290
Printing and publications	30,386	-	113,833	144,219	37,037	116	119,571	156,724
Travel	169,652	-	8,551	178,203	131,301	-	18,901	150,202
Sponsored events and activities	161,444	200	83,529	245,173	264,798	2,045	74,708	341,551
Depreciation	-	1,767	-	1,767	-	2,318	-	2,318
Personnel costs	249,019	194,451	440,305	883,775	268,444	145,852	412,472	826,768
Scholarships	1,221,079	-	-	1,221,079	1,299,122	-	-	1,299,122
University support	647,119	-	25,248	672,367	356,391	-	-	356,391
Office expense	-	10,744	-	10,744	2,774	7,957	-	10,731
Fees	145,825	-	4,214	150,039	81,275	-	9,121	90,396
Miscellaneous	-	-	683	683	-	-	(3,129)	(3,129)
	$ 2,891,208	$ 409,408	$ 729,564	$ 4,030,180	$ 2,655,994	$ 322,831	$ 659,305	$ 3,638,130

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

Western Oregon University Development Foundation
Statements of Cash Flows
For the Years Ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities		
Changes in net assets	$ 5,541,623	$ 3,196,019
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Endowment contribution revenue	(1,335,020)	(629,136)
Depreciation	1,767	2,318
Investment (gains) losses, net	(5,028,078)	(3,158,158)
Actuarial change in annuity obligations	490	7,008
Changes in assets and liabilities		
Pledges receivable, net	(27,259)	(175,296)
Due from WOU	(31,603)	(185,929)
Prepaids	(14,148)	(8,729)
Accounts payable	25,834	(9,234)
Net cash used in operating activities	(866,394)	(961,137)
Cash flows from investing activities		
Purchase of investments	(8,165,116)	(8,563,471)
Proceeds from sale of investments	8,928,933	7,688,388
Net cash provided by (used in) investing activities	763,817	(875,083)
Cash flows from financing activities		
Proceeds from endowment gifts	783,020	1,822,555
Net change in cash and cash equivalents	680,443	(13,665)
Cash and cash equivalents, beginning of year	469,706	483,371
Cash and cash equivalents, end of year	$ 1,150,149	$ 469,706

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

Western Oregon University Development Foundation
Notes to the Financial Statements
June 30, 2026 and 2025

1) 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 ("WOU" or 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.

2) Summary of Significant Accounting Policies

Basis of Accounting
The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) and accordingly reflect all significant receivables, payables, and other liabilities. The Financial Accounting Standards Board (FASB) establishes GAAP, which are contained in the Accounting Standards Codification (ASC).

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.

Revenue Recognition
Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, a written unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

The primary sources of revenue are contributions and net investment earnings.

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.

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, 2026 and 2025, no allowance was considered necessary.

Donated Materials and Services
The Foundation receives contributed services from volunteers who donate their time to the Foundation's program services and fundraising campaigns. Such services are recognized in the financial statements only when they (a) create or enhance nonfinancial assets or (b) require specialized skills and would need to be purchased if they were not donated. During the years ended June 30, 2026 and 2025, the volunteer services did not meet these criteria and, accordingly, are not reflected in the accompanying financial statements.

The Foundation also receives periodic donations of food and other materials for use in its program services and fundraising events. Management determined that the fair value of these in-kind contributions during the year was immaterial to the financial statements; therefore, no amounts have been recorded.

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.

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.

Investments and Investment Income

Fair Value Measurements

FASB ASC Topic 820, *Fair Value Measurement*, 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.

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 noninvestment 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.

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 $81,616 and $84,238 at June 30, 2026 and 2025, respectively, and were fully offset by an allowance for uncollectible accounts.

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.

FASB ASC Topic 740, *Income Taxes*, requires the Foundation's management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Foundation and has concluded that, as of June 30, 2026 and 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Fiscal years ending on or after June 30, 2023, are still open to audit for federal purposes.

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.

Advertising
Advertising costs incurred in promoting the Foundation's programs and services are expensed as incurred and totaled $29,926 and $29,576 for the years ended June 30, 2026 and 2025, respectively.

Subsequent Events
Management has evaluated subsequent events through October 8, 2026, the date on which the financial statements were available to be issued.

3) Cash and Cash Equivalents

The Foundation has the following cash and cash equivalents:

	2026	2025
Petty cash	$ 2,600	$ 1,155
Deposits with financial institution	1,147,549	468,551
	$ 1,150,149	$ 469,706

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 the fiscal years ending June 30, 2026 and 2025, the balances in such accounts exceeded federally insured limits by $896,862 and $275,890, respectively. However, the Foundation has not experienced any losses from their accounts and does not believe it is exposed to significant risk.

4) 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:

	2026	2025
Cash and cash equivalents	$ 1,150,149	$ 469,706
Investments	38,234,569	33,965,308
Pledges receivable	449,989	93,397
	39,834,707	34,528,411
Net assets		
With donor restrictions	(38,497,563)	(33,331,334)
Board designated	(770,624)	(760,832)
	$ 566,520	$ 436,245

The Foundation has perpetually restricted donor endowment funds totaling $21,423,793 and $19,897,670 at June 30, 2026 and 2025, 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 $17,073,770 and $13,433,664 at June 30, 2026 and 2025, respectively. Earnings on these funds are also purpose-restricted based on donor specifications and Foundation policies and are not available for general use.

The Board of Trustees has designated certain net assets without donor restrictions for long-term investment purposes. These board-designated amounts totaled $770,624 and $760,832 as of June 30, 2026 and 2025, respectively. While these funds remain available for use at the discretion of the Board, they are not intended to be used for general operating expenditures and therefore have been excluded from financial assets available to meet general expenditures within one year.

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.

5) Investments

Fair value of assets measured on a recurring basis at June 30 are as follows:

	2026			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Without donor restrictions				
Marketable securities	$ 616,586	$ 82,179	$ -	$ 698,765
Certificate of deposits	156,365	-	-	156,365
Money market funds and cash	5,564	-	-	5,564
Totals	778,515	82,179	-	860,694
With donor restrictions				
Marketable securities	31,919,890	4,967,611	-	36,887,501
Cash value of life insurance policies	-	-	65,619	65,619
Money market funds and cash	420,755	-	-	420,755
Totals	32,340,645	4,967,611	65,619	37,373,875
	$ 33,119,160	$ 5,049,790	$ 65,619	$ 38,234,569

	2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Without donor restrictions				
Marketable securities	$ 708,217	$ 123,737	$ -	$ 831,954
Certificate of deposits	151,853	-	-	151,853
Money market funds and cash	11,548	-	-	11,548
Totals	871,618	123,737	-	995,355
With donor restrictions				
Marketable securities	28,223,599	4,177,520	-	32,401,119
Cash value of life insurance policies	-	-	60,825	60,825
Money market funds and cash	508,009	-	-	508,009
Totals	28,731,608	4,177,520	60,825	32,969,953
	$ 29,603,226	$ 4,301,257	$ 60,825	$ 33,965,308

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

	2026	2025
Balance, beginning of year	$ 60,825	$ 58,058
Realized gains	4,794	2,767
Balance, end of year	$ 65,619	$ 60,825

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

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 190,934	$ 909,738	$ 1,100,672
Realized gains (losses)	165,255	1,902,254	2,067,509
Unrealized gains (losses)	150,116	1,928,922	2,079,038
Annuity payments	-	(11,832)	(11,832)
Investment fees	(23,899)	(183,410)	(207,309)
	$ 482,406	$ 4,545,672	$ 5,028,078

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 112,076	$ 824,167	$ 936,243
Realized gains (losses)	14,643	1,141,996	1,156,639
Unrealized gains (losses)	191,760	1,073,004	1,264,764
Annuity payments	-	(11,961)	(11,961)
Investment fees	(18,344)	(169,183)	(187,527)
	$ 300,135	$ 2,858,023	$ 3,158,158

6) Donor-Restricted Endowment

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

	2026	2025
Endowment net assets, beginning of year	$ 19,897,670	$ 19,057,614
Contributions	1,335,020	629,136
Merchandise sales	1,500	-
Net investment return		
Investment income	2,800,445	1,971,536
Investment expenses	(181,786)	(167,649)
Net appreciation (depreciation) - realized and unrealized	1,971,108	1,069,969
Net investment return	4,589,767	2,873,856
Appropriation of expenditures and transfers	(4,400,164)	(2,662,936)
Endowment net assets, end of year	$ 21,423,793	$ 19,897,670

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no deficiencies of this nature for the years ended June 30, 2026 and 2025.

7) 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 Department of 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. As a result, all component funds are considered to be part of a single public charity, in this case OCF.

OCF accounts for these funds in accordance with FASB ASC Topic 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).

The fair value of the endowments on which the Foundation is listed as the beneficiary was $2,260,091 and $2,033,446 at June 30, 2026 and 2025, respectively. The value of these investments is not included in the Foundation's financial statements.

8) 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 54.6% endowments and 45.4% other funds with long-term investment horizons at June 30, 2026, and 58.5% and 41.5%, respectively, at June 30, 2025.

9) 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.

10) 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 property and equipment at year-end:

	2026	2025
Land	$ 40,000	$ 40,000
Art collections	17,728	17,728
Buildings and improvements	169,930	169,930
Furniture and equipment	350,984	350,984
Total	578,642	578,642
Accumulated depreciation	(457,762)	(455,995)
Property and equipment, net	$ 120,880	$ 122,647

11) Pledges Receivable

At June 30, 2026, the Foundation had the following pledges receivable:

Year	Amount
2027	$ 449,989
2028	319,150
2029	63,150
2030	3,150
2031	3,150
	838,589
Unamortized discount to present value	(13,539)
Net pledges receivable	$ 825,050

Receivables due in more than one year were discounted at 3 percent. The current portion of $449,989 is included in "Pledges receivable, current" on the statement of financial position; the remaining $375,061 is classified as noncurrent. Management believes all amounts are fully collectible; accordingly, no allowance for doubtful pledges has been recorded.

12) 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 include 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. During fiscal years ended June 30, 2026 and 2025, the University provided personnel costs of $883,775 and $826,768, respectively. These have been recorded as contributions and personnel costs in the statement of activities.

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.

The Foundation provided $1,893,446 and $1,655,513 to the University for the years ended June 30, 2026 and 2025, respectively, to be used for scholarships and University support. In addition, the Foundation recorded amounts receivable from the University in the amount of $470,186 and $438,583, respectively, as "Due from WOU" in the statement of financial position.

13) Prior-Period Reclassification

Certain prior-year amounts have been reclassified to conform to the current-year presentation. These reclassifications had no effect on previously reported total assets, total liabilities, net assets, or changes in net assets.