

Oregon **TECH**

Oregon Institute of Technology

2024 ANNUAL FINANCIAL REPORT



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Oregon's Polytechnic University

OREGON INSTITUTE OF TECHNOLOGY

2024 ANNUAL FINANCIAL REPORT

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University General Counsel

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ABOUT THE UNIVERSITY

Founded in 1947, originally as a vocational rehabilitation school for World War II veterans, Oregon Tech has grown immensely in size, scope, and service. Today, we're accredited by the Northwest Commission on Colleges and Universities, and our student population totals nearly 5,000, making our student-to-faculty ratio 16:1.

Officially recognized as Oregon's Polytechnic University, we specialize in engineering, technology, healthcare, business, communication, and applied sciences such as psychology and environmental sciences. Our faculty and industry partners work hard to ensure students have the resources and training to tackle the challenges of both today and tomorrow.

Some of our students know what they want to pursue before they even step foot on campus. Others might have an inkling and find their path as they explore the options available at Oregon Tech. Either way, their time at Oregon Tech gives them the know-how to produce work that matters to them — and the world. Put another way, we provide hands-on education for real-world achievement. That's Oregon Tech's distinct commitment.

HANDS-ON EDUCATION

Our individualized and applied approach to teaching, which blends theory and practice, is the main reason our graduates are so avidly recruited. Whether they study software engineering, vascular technology, management, or dental hygiene, Oregon Tech students have amazing opportunities to apply what they learn in lab-based classes, clinics, externships, and workplaces. This practical focus is reinforced in the classroom by instructors who come to Oregon Tech with relevant business, industry, or clinical experience.

Through our nearly 50 bachelor's and advanced degree programs, Oregon Tech offers a rigorous, experiential education that allows students to pursue their passions and professional opportunities in internships, externships, and field experiences.



MISSION

Oregon Institute of Technology (Oregon Tech), Oregon's public polytechnic university, offers innovative, professionally-focused undergraduate and graduate degree programs in the areas of engineering, health, business, technology, and applied arts and sciences. To foster student and graduate success, the university provides a hands-on, project-based learning environment and emphasizes innovation, scholarship, and applied research. With a commitment to diversity and leadership development, Oregon Tech offers statewide educational opportunities and technical expertise to meet current and emerging needs of Oregonians as well as other national and international constituents.

VISION

Oregon Tech will be a student-centered, world-class polytechnic university that inspires students to become tomorrow's leaders.

www.oit.edu/strategic-plan



*U.S. News and World Report

MESSAGE FROM THE PRESIDENT

Oregon Tech made great strides through its mission and strategic initiatives in the 2023-24 fiscal year.

The reputation of Oregon Tech as Industry's University is built upon a robust framework of project-based and peer learning, teamwork, and mentoring. This framework, combined with a commitment through which students actively apply their knowledge to real-world problems and elevate the quality of their education, ensures Oregon Tech graduates are career-ready and equipped with the skills to advance in their chosen fields. Please let me share some of our notable accomplishments from the 2023-24 fiscal year.



Nagi G. Naganathan
Ph.D., ASME Fellow
Oregon Tech President

INCREASING EDUCATIONAL OPPORTUNITIES



Last year, Oregon Tech launched two new graduate programs. The Master of Science in Natural Resources is designed to tackle issues such as wildfires, drought, water resources, and endangered species management, and the Master of Science in Biomedical Sciences prepares students for careers in healthcare or advanced studies in the biomedical field. Both programs aim to equip graduates with the skills and training needed to address healthcare challenges within their communities and to help establish services in rural and underserved areas of the state.

The demand for online certificates is increasing nationwide, with strong enrollment increases among young students and professionals in career transition and seeking advancement. In response,

Oregon Tech's Online Learning campus has expanded its offerings with 12 new certificates. The new certificate offerings encompass three focus areas: business and technology, social, culture, and ethics, and writing.

NEW FACILITIES

Oregon Tech held a ribbon cutting for its newly renovated Klamath Falls track and field facility in May. Renovation of the 40-year-old John F. Moehl Stadium and the track began in 2021 and was completed last year. Completion of the \$3.5 million project heralds a new era for student-athletes and Oregon Tech. The new track is an added asset for the larger community because it enables the university to host track meets for schools, colleges, and universities in our region, across the state, and beyond and build a more prominent brand and awareness for Oregon Tech. This new track and its ability to host more significant events also enhance local economic development through increased regional tourism. As one example, the Cascade Collegiate Conference track and field championship meet was held in the newly renovated stadium last spring.



The Oregon Tech Foundation aims to further support Athletics and the Oregon Tech community by recently launching another effort to raise funding to construct an 8,500-square-foot fieldhouse adjacent to the Athletic building at the Klamath Falls campus. The fieldhouse will provide an all-season practice and workout facility for student-athletes and serve as a site for community events, health and wellness programs, and academic health science and technology programs. Nearly \$3 million of philanthropic contributions have already been secured to support the fieldhouse.

SUPPORTING COMMUNITY

Oregon Tech's Master of Science in Applied Behavior Analysis and Master of Science in Marriage and Family Therapy programs were awarded a behavioral healthcare workforce grant of over \$650,000 to help alleviate Oregon's behavioral healthcare workforce crisis. The funding provides tuition assistance and stipends for current and incoming graduate students who commit to working in Oregon after graduation. This funding will further help to diversify the workforce and enhance recruitment and retention in response to the shortage of qualified behavioral healthcare workers impacting communities across Oregon.



In response to data showing a need for more accessible mental health and wellbeing services for students and employees in the wake of the pandemic, Oregon Tech established a Center for Wellbeing. The center aims to cultivate a student body that is actively invested in its own mental health and resilience, while sustaining a workplace that enhances employee wellbeing and engagement, as well. The Center for Wellbeing uses a strategic research-based approach to transform the mental and physical health and wellbeing of the entire Oregon Tech community and rural Oregon at large.

Oregon Tech looks forward to another progressive year of growth and development to continue advancing our university's impact in Oregon and beyond through the university's strategic initiatives.

Sincerely,

A handwritten signature in blue ink that reads "Dr. N. Naganathan".

Nagi G. Naganathan, Ph.D., ASME Fellow
President





CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Members of the Board
Oregon Institute of Technology
Klamath Falls, Oregon

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 unit of Oregon Institute of Technology (the University), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Oregon Institute of Technology's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of Oregon Institute of Technology, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit, Oregon Tech Foundation, which represent 100% of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2024 and 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Oregon Tech Foundation, is based solely on the report 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 Oregon Institute of Technology 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 Oregon Tech Foundation were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Oregon Institute of Technology'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 Oregon Institute of Technology'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 Oregon Institute of Technology'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 and the required pension and other post-employment benefit schedules, as referenced in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

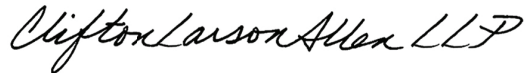
Management is responsible for the other information included in the annual report. The other information comprises Oregon Tech Board of Trustees and Oregon Tech Executive Officers and the Message from the President but does not include the basic financial statements and our auditors' report thereon.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

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

Members of the Board
Oregon Institute of Technology

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2025, on our consideration of Oregon Institute of Technology'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 Oregon Institute of Technology'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 Oregon Institute of Technology's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Lake Oswego, Oregon
March 18, 2025

Management's Discussion and Analysis For the Year Ended June 30, 2024 (dollars in thousands)

Introduction

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of Oregon Institute of Technology (Oregon Tech)/(University) for the fiscal year ended June 30, 2024 with comparative data for the fiscal years ended June 30, 2023 and June 30, 2022. This discussion has been prepared by management to assist readers in understanding the accompanying financial statements and footnotes.

Annual Full Time Equivalent Student Enrollment Summary:

2024	2023	2022	2021	2020
3,151	3,067	3,058	3,259	3,377

Understanding the Financial Statements

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

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

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

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

Statement of Cash Flows (SCF) provides information about Oregon Tech's sources (receipts) and uses (payments) of cash during the fiscal year. The SCF classifies sources and uses of cash into four categories and assists in determining whether Oregon Tech has the ability to generate future net cash flows to meet its obligations as they come due.

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

The Component Unit, comprised of a supporting foundation, is discretely presented in the Oregon Tech financial statements and in Notes 2 and 20.

The MD&A provides an objective analysis of Oregon Tech's financial activities based on currently known facts, decisions, and conditions. The MD&A discusses the current and prior year results in comparison to the current and two previous fiscal years. Unless otherwise stated, all years refer to the fiscal year ended June 30.

Financial Summary

The University's financial position has decreased over the prior year, but has generally improved over the past two years. Net Position as of June 30, 2024 decreased by \$3,260 over 2023. Net Position as of June 30, 2023 increased by \$25,818 over 2022.

The largest increase to Net Position in 2024 was to the Net Investment in Capital Assets which increased by \$3,362. Restricted Expendable Net Position decreased \$4,231.

The largest increase to Net Position in 2023 was to the Expendable for Capital Projects, which increased by \$34,690. Restricted Expendable Net Position increased \$32,648.

A full discussion is included in the Statement of Net Position section below.

Statement of Net Position

The term "Net Position" refers to the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources and is an indicator of Oregon Tech's current financial condition. Changes in net position that occur over time indicate improvement or deterioration in Oregon Tech's financial condition. The following summarizes Oregon Tech's assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position:

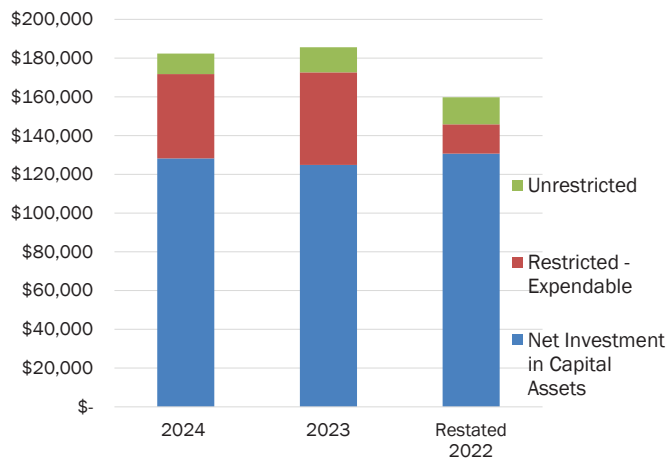
Condensed Statements of Net Position			
As of June 30,	2024	2023	Restated 2022
Current Assets	\$ 64,729	\$ 48,120	\$ 40,498
Noncurrent Assets	37,956	52,866	29,544
Capital Assets, Net	196,996	194,218	171,622
Total Assets	\$ 299,681	\$ 295,204	\$ 241,664
Deferred Outflows of Resources	\$ 9,490	\$ 8,850	\$ 9,316
Current Liabilities	\$ 27,169	\$ 22,306	\$ 20,939
Noncurrent Liabilities	92,114	87,915	55,493
Total Liabilities	\$ 119,283	\$ 110,221	\$ 76,432
Deferred Inflows of Resources	\$ 7,566	\$ 8,251	\$ 14,784
Net Investment in Capital Assets	\$ 128,236	\$ 124,874	\$ 130,698
Restricted - Expendable	43,530	47,761	15,113
Unrestricted	10,556	12,947	13,953
Total Net Position	\$ 182,322	\$ 185,582	\$ 159,764



Management's Discussion and Analysis For the Year Ended June 30, 2024 (dollars in thousands)

Total Net Position

As illustrated by the following graph, the make-up of net position changed between 2024, 2023, and 2022.



Comparison of fiscal year 2024 to fiscal year 2023

Net Investment in Capital Assets increased by \$3,362, or 3 percent.

- The net value of Capital Assets increased by \$2,778. See the discussion in the "Capital Assets and Related Financing" section of this MD&A and Note 5. "Capital Assets" for further details.
- The net value of Capital Assets is reduced by the Long-Term Debt associated with the purchase of capital assets and increased by any unspent bond proceeds associated with debt. The Long-Term Debt associated with capital assets decreased by \$606 primarily due to debt service payments made during the year.

Restricted Expendable Net Position decreased by \$4,231, or 9 percent.

- Net position relating to the funding of capital projects decreased by \$3,395 due to construction activities that took place during the year related to the new student residence facility on the Klamath Falls campus funded by related project bond proceeds.
- Net position related to gifts, grants, and contracts decreased by \$1,174 primarily due to expending resources received in a prior year related to the Boivin Hall renovation project. Those monies were expended on construction activities related to the project.
- Net position related to student loans increased by \$235.
- Net position related to debt service increased by \$68.
- Net position related to the OPEB asset increased by \$35. Restricted net position related to the OPEB asset is equal to the OPEB asset in the noncurrent assets. For additional information, see Note 16. "Other Post Employment Benefits (OPEB)".

Unrestricted Net Position decreased by \$2,391, or 18 percent, due largely to increases in Pension liabilities and their associated deferrals of \$5,843, as well as an increase in the liability for compensated absences of \$176 and decrease

in the state and local government rate pool liability of \$182. In addition, net position related to university operations decreased \$1,410. See Note 11. "Unrestricted Net Position" for further details.

Comparison of fiscal year 2023 to fiscal year 2022

Net Investment in Capital Assets decreased by \$5,824, or 4 percent.

- The net value of Capital Assets increased by \$22,596. See the discussion in the "Capital Assets and Related Financing" section of this MD&A and Note 5. "Capital Assets" for further details.
- The net value of Capital Assets is reduced by the Long-Term Debt associated with the purchase of capital assets and increased by any unspent bond proceeds associated with debt. The Long-Term Debt associated with capital assets increased by \$30,655 due primarily to May 2023 State issued new XI-F(1) bond for \$30,890, with additional Long-Term Debt increases also related to the implementation of GASB Statement No. 87, Leases, and GASB Statement No. 96, SBITAS. Other changes included payments made on the associated debt. Please see Note 10. "Long-Term Liabilities" for additional information.

Restricted Expendable Net Position increased by \$32,648, or 216 percent.

- Net position relating to the funding of capital projects increased by \$34,690 due to the May 2023 State issued new XI-F(1) bond, with bond proceeds allowed to be used for construction of a new student residence facility on the Klamath Falls campus.
- Net position related to gifts, grants, and contracts decreased by \$2,085 primarily due to expending resources received on the prior year related to OMIC R&D grants. Those monies were expended on the ongoing OMIC R&D construction projects of the existing building renovation and new construction of OMIC R&D building no. 2.
- Net position related to student loans increased by \$20.
- Net position related to the OPEB asset increased by \$27. Restricted net position related to the OPEB asset is equal to the OPEB asset in the noncurrent assets. For additional information, see Note 16. "Other Post Employment Benefits (OPEB)".

Unrestricted Net Position decreased by \$1,006, or 7 percent, due largely to increases in Pension liabilities and their associated deferrals of \$5,062, as well as a decrease in the liability for compensated absences of \$110 and in the state and local government rate pool liability of \$219. In addition, net position related to university operations decreased \$1,610. See Note 11. "Unrestricted Net Position" for further details.

Total Assets and Deferred Outflows of Resources

Total Assets increased by \$4,477 or 2 percent, during fiscal



Management's Discussion and Analysis For the Year Ended June 30, 2024 (dollars in thousands)

year 2024. Total Assets increased by \$53,540 or 22 percent, during fiscal year 2023. Deferred Outflows of Resources decreased by \$640 and \$466 in 2024 and 2023, respectively.

Comparison of fiscal year 2024 to fiscal year 2023

Current Assets increased by \$16,609 or 35 percent.

- Current Cash and Cash Equivalents decreased by \$4,643. The decrease is primarily due to use of cash to fund capital project construction and related timing differences of when project reimbursements are received.
- Accounts Receivable increased by \$9,282 primarily due to capital project reimbursements.
- Current Notes Receivable increased by \$9,785. This was primarily due to anticipated construction reimbursements related to the State's new \$30,890 XI-F(1) bond issuance in May 2023 for construction of a new residence hall on the Klamath Falls campus.
- Current Lease Receivables decreased by \$73. See Note 8. "Leases" for additional information.
- Other Assets increased by \$2,079 primarily as the result of deposits made during the year for capital assets and services that will be received during fiscal year 2025.

Noncurrent Assets, including Capital Assets, decreased by \$12,132 or 5 percent.

- Noncurrent Cash increased by \$977 due mainly to an increase in cash held for debt service payments.
- Investments decreased by \$5,373 due to sale of investments.
- Noncurrent Notes Receivable decreased by \$13,993 due primarily to the reduction of amounts anticipated to be received in fiscal year 2025 for construction related to the State's \$30,890 XI-F(1) bond issuance in May 2023, with a corresponding increase to the current portion of notes receivable as of June 30, 2024.
- Noncurrent Lease Receivables increased by \$3,444. See Note 8. "Leases" for additional information.
- The net OPEB asset increased by \$35. See Note 16. "Other Postemployment Benefits" for additional information on this change.
- Capital Assets additions of \$16,911 were offset by additions to accumulated depreciation of \$13,904 and net dispositions of \$229, which resulted in an increase in the net value of Capital Assets of \$2,778. Additional capital asset activity off the year includes See "Capital Assets" in this MD&A and Note 5. "Capital Assets" for additional information relating to these variances.

Deferred Outflows of Resources increased by \$640, or 7 percent, due to net increases related to changes in the reporting of pension deferrals of \$666, partially offset by decreases in deferrals for OPEB of \$26. Also see Note 6. "Deferred Inflows and Outflows of Resources" for additional detail on these changes.

Comparison of fiscal year 2023 to fiscal year 2022

Current Assets increased by \$7,622, or 19 percent.

- Current Cash and Cash Equivalents decreased by \$1,740. The decrease is primarily due to the investments increase of \$6,556 due to additional investments.
- Accounts Receivable decreased by \$2,250 primarily due to decrease in student enrollment.
- Current Notes Receivable increased by \$14,651. This was primarily due to the addition of \$14,710 for anticipated construction reimbursements related to the State's new \$30,890 XI-F(1) bond issuance in May 2023 for construction of a new residence hall on the Klamath Falls campus.
- Other Assets decreased by \$2,931 primarily as the result of reductions in deposits made on the purchase of equipment, as the equipment was received during fiscal year 2023.
- **Noncurrent Assets**, including Capital Assets, increased \$45,918 or 23 percent.
- Noncurrent Cash decreased by \$1,943 due mainly to a decrease in cash held for capital construction.
- Investments increased by \$6,556 due primarily an increase in the amount of cash balances reinvested.
- Noncurrent Notes Receivable increased by \$19,521 due primarily to the addition of \$19,798 of noncurrent receivables for construction related to the State's \$30,890 XI-F(1) bond issuance in May 2023
- Noncurrent Lease Receivables decreased \$839. See Note 8. "Leases" for additional information.
- The net OPEB asset increased by \$27. See Note 16. "Other Postemployment Benefits" for additional information on this change.
- Capital Assets additions of \$33,901 were offset by additions to accumulated depreciation of \$11,208, which resulted in an increase in the net value of Capital Assets of \$22,596. See "Capital Assets" in this MD&A and Note 5. "Capital Assets" for additional information relating to these variances.
- **Deferred Outflows of Resources** decreased by \$466, or 5 percent, due to net decreases related to changes in the reporting of pension deferrals of \$472, slightly offset by an increase to deferrals for OPEB of \$6. Also see Note 6. "Deferred Inflows and Outflows of Resources" for additional detail on these changes.



Management's Discussion and Analysis For the Year Ended June 30, 2024 (dollars in thousands)

Total Liabilities and Deferred Inflows of Resources

Total Liabilities increased by \$9,062, or 8 percent, during fiscal year 2024. Total Liabilities decreased by \$33,789, or 44 percent, during fiscal year 2023. Deferred Inflows of Resources decreased by \$685 or 8 percent in 2024 and increased by \$6,533 or 44 percent in 2023.

Comparison of fiscal year 2024 to fiscal year 2023

Current Liabilities increased by \$4,863 or 22 percent.

- The current portion of Long-Term Liabilities increased by \$756 due primarily to the State's \$30,890 XI-F(1) bond issuance in May 2023 for construction of a new residence hall on the Klamath Falls campus. See Note 10. "Long-Term Liabilities" for additional information on this change.
- Accounts Payable and Accrued Liabilities increased by \$3,686. The increase was largely attributable to increases in payables associated with services and supplies, payroll benefits and accrued interest. These increases were partially offset by decreases in payables related to contract retainage. See Note 7. "Accounts Payable and Accrued Liabilities" for details.
- Unearned Revenues increased by \$201 due primarily to an increase in unearned revenue associated with grants and contracts, partially offset by an Oregon Business Development Department grant for OMIC R&D, which was earned in the current year.

Noncurrent Liabilities increased by \$4,199, or 5 percent.

- Long-Term Liabilities decreased by \$1,541 mainly due to debt service payments made during the year. In addition, there were decreases in the noncurrent portions of Oregon Department of Energy loans of \$115, PERS liabilities of \$186, and liabilities associated with the Perkins loan program of \$141 that were partially offset by increases to compensated absences of \$968, and lease and SBITA obligations of \$813 and \$72, respectively. See "Debt Administration" in this MD&A and Note 10. "Long-Term Liabilities" for additional information on these changes.
- The Net Pension Liability increased by \$5,843. See Note 15. "Employee Retirement Plans" for further details.
- The OPEB Liability decreased by \$103. See Note 16. "Other Postemployment Benefits" for additional information.

Deferred Inflows of Resources decreased by \$685 or 8 percent, due to net decreases related to changes in the reporting of pension deferrals of \$4,044. In addition, there was an increase in lease deferrals of \$3,427. Also see Note 6. "Deferred Inflows and Outflows of Resources" for additional detail on these changes.

Comparison of fiscal year 2023 to fiscal year 2022

Current Liabilities increased by \$1,367 or 7 percent.

- The current portion of Long-Term Liabilities increased by \$452 due primarily to the State's \$30,890 XI-F(1) bond issuance in May 2023 for construction of a new residence hall on the Klamath Falls campus. See Note 10. "Long-Term Liabilities" for additional information on this change.
- Accounts Payable and Accrued Liabilities increased by \$1,400. The increase was largely attributable to increases in payables associated with payroll benefits and contract retainage. These increases were primarily offset by decreases in payables related to services and supplies, and salaries and wages. See Note 7. "Accounts Payable and Accrued Liabilities" for details.
- Unearned Revenues decreased by \$403 due primarily to a decrease in unearned revenue associated with grants and contracts, particularly from an Oregon Business Development Department grant for OMIC R&D, which was earned in the current year.

Noncurrent Liabilities increased by \$32,422, or 58 percent.

- Long-Term Liabilities increased by \$27,453 mainly due to a net increase in the noncurrent portion of contracts payable to the State due primarily to the state's \$30,890 XI-F(1) bond issuance in May 2023. In addition, there were decreases in the noncurrent portions of compensated absences of \$226, Oregon Department of Energy loans of \$111, PERS liabilities of \$218, liabilities associated with the Perkins loan program of \$265 and a reduction in lease obligations of \$276. See "Debt Administration" in this MD&A and Note 10. "Long-Term Liabilities" for additional information on these changes.
- The Net Pension Liability increased by \$5,062. See Note 15. "Employee Retirement Plans" for further details.
- The OPEB Liability decreased by \$93. See Note 16. "Other Postemployment Benefits" for additional information.

Deferred Inflows of Resources decreased by \$6,533 or 44 percent, due to net decreases related to changes in the reporting of pension deferrals of \$5,752. In addition, there was a decrease in lease deferrals of \$823. Also see Note 6. "Deferred Inflows and Outflows of Resources" for additional detail on these changes.



Management's Discussion and Analysis For the Year Ended June 30, 2024 (dollars in thousands)

Statement of Revenues, Expenses, and Changes in Net Position (SRE)

Due to the classification of certain revenues as nonoperating revenue, Oregon Tech shows a loss from operations. State general fund appropriations, nonexchange grants, and non-capital gifts, although considered nonoperating revenue under GASB Statement No. 35 and reflected accordingly in the nonoperating section of the SRE, are used solely for operating purposes.

The following summarizes the revenue and expense activity of Oregon Tech:

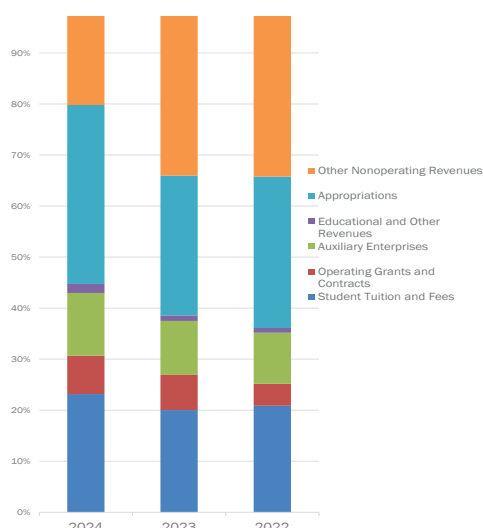
For the Years Ended June 30,	2024	2023	Restated 2022
Operating Revenues	\$ 48,998	\$ 49,537	\$ 47,221
Operating Expenses	109,764	101,044	94,294
Operating Loss	(60,766)	(51,507)	(47,073)
Nonoperating Revenues, Net of Expenses	51,352	49,874	57,373
Other Revenues	6,154	27,451	23,809
Increase in Net Position	(3,260)	25,818	34,109
Net Position, Beginning of Year	185,582	159,764	125,655
Net Position, End of Year	\$ 182,322	\$ 185,582	\$ 159,764

Total Revenues

Total Revenues decreased by \$18,923, or 15 percent, in 2024 over 2023.

Total Operating and Nonoperating Revenues

For the Years Ended June 30,	2024	2023	2022
Student Tuition and Fees	\$ 25,351	\$ 25,707	\$ 27,302
Grants and Contracts	8,247	8,852	5,641
Auxiliary Enterprises	13,466	13,597	13,083
Educational and Other	1,934	1,381	1,195
Total Operating Revenues	48,998	49,537	47,221
Appropriations	38,399	35,174	38,837
Financial Aid Grants	8,919	7,138	6,829
Gifts	4,353	3,765	3,508
Investment Activity	2,829	886	(1,216)
HEERF Grants	-	514	10,554
Gain on State XI-F Bond (Note 10)	-	4,110	-
Capital Grants and Gifts	6,020	27,317	23,675
Total Nonoperating and Other Revenues	60,520	78,904	82,187
Total Revenues	\$ 109,518	\$ 128,441	\$ 129,408



Total Operating and Nonoperating Revenues Operating Revenues

Operating Revenues decreased by \$539 or 1 percent, in 2024 over 2023, to \$48,998. Operating Revenues increased by \$2,316, or 5 percent, in 2023 over 2022, to \$49,537.

Comparison of fiscal year 2024 to fiscal year 2023

Student Tuition and Fees decreased by \$356 or 1 percent.

- The decrease was primarily due to an increase of \$1,555 in fee remissions and scholarship allowances from the prior year.

Federal, State and Nongovernmental Grants and Contracts decreased by \$605 or 7 percent, due to the following:

- Federal grant and contract revenue decreased by \$1,000 due primarily to a decrease in Economic Development Agency (EDA) grant activity related to OMIC R&D capital construction and large equipment acquisitions.
- State and local grant activity increased by \$363 primarily due to increases in grant funding received from the Oregon Department of Health and Human Services, partially offset by decreased grant funding received by OMIC R&D.
- Nongovernmental grant activity increased by \$32 primarily due to increased grants for scholarships funds from the Oregon Tech Foundation and other sources.

Auxiliary Enterprise revenues decreased by \$131, or 1 percent, due primarily to decreased clinic revenues.

Educational Department Sales and Services revenues increased by \$337.

Other Operating Revenues increased by \$216.

Comparison of fiscal year 2023 to fiscal year 2022

Student Tuition and Fees decreased by \$1,595 or 6 percent.

- The decrease was primarily due to an increase of \$855 in fee remissions and scholarship allowances from the prior year.

Federal, State and Nongovernmental Grants and Contracts increased by \$3,211 or 57 percent, due to the following:

- Federal grant and contract revenue increased by \$2,444 due primarily to an increase in Economic Development Agency (EDA) grant activity related to OMIC R&D capital construction and large equipment acquisitions.
- State and local grant activity increased by \$691 primarily due to increased grant funding received by OMIC R&D.
- Nongovernmental grant activity increased by \$76 primarily due to increased grants for scholarships funds from the Oregon Tech Foundation and other sources.

Auxiliary Enterprise revenues increased by \$514, or 4 percent, due primarily to increased Housing and Dining revenues resulting from increased room and board fees with student residence facilities at, or near capacity throughout the year.



Management's Discussion and Analysis For the Year Ended June 30, 2024 (dollars in thousands)

Educational Department Sales and Services revenues increased by \$120, while Other Operating revenues increased by \$66.

Nonoperating and Other Revenues

The decrease of \$18,384 or 23 percent, during 2024 in Nonoperating Revenues is primarily due to decreases in government appropriations and Higher Education Emergency Relief Fund (HEERF) Grants of \$514, reduced capital grants and gifts of \$21,297 due to completion of several capital construction projects at the beginning of fiscal year 2024, partially offset by an increase in state appropriations of \$3,225.

The decrease of \$3,283 or 4 percent, during 2023 in Nonoperating Revenues is primarily due to decreases in government appropriations and Higher Education Emergency Relief Fund (HEERF) Grants of \$10,040, partially offset by the new XI-F bond that was issued at a premium of \$4,110 at the state level, and was recorded by the University in the form of a gain for the year ended June 30, 2023. See Note 11. "Long-Term Liabilities."

Comparison of fiscal year 2024 to fiscal year 2023

Government Appropriations increased by \$3,225, or 9 percent, primarily due to a \$2,157 increase in the state-level Public University Support Fund (PUSF) and \$1,022 state Sustainability funding, new in fiscal year 2024. See Note 14. "Government Appropriations" for additional information relating to changes in appropriations.

Financial Aid Grants increased by \$1,781, or 25 percent, due primarily to an increase of \$1,337 in the Oregon Need grant and an increase of \$368 in Pell Grants.

Investment Activity revenues increased by \$1,943, or 219 percent, due in large part to improved market conditions during the years. See Note 12. "Investment Activity" as well as discussion of Investments in this MD&A for additional information relating to these changes.

Federal Higher Education Emergency Relief Fund Grants in support of the University and students in response to the coronavirus pandemic decreased by \$514 or 100 percent. See Note 1.AB. "Higher Education Emergency Relief Funding" for further information.

Capital Grants and Gifts decreased by \$21,297 or 78 percent, mainly due to decreased capital grants due to completion of the OMIC R&D facilities and equipment projects as well as state grant-funded project for the Boivin Hall renovation, which were completed in early fiscal year 2024.

Comparison of fiscal year 2023 to fiscal year 2022

Government Appropriations decreased by \$3,663, or 9 percent, primarily due to a decrease, resulting from state-level change in the Public University Support Fund (PUSF). See Note 14. "Government Appropriations" for additional information relating to changes in appropriations.

Financial Aid Grants increased by \$309, or 5 percent, due primarily to \$356 in Oregon Tribal Student grants, new for

fiscal year 2023, a \$69 increase in the Oregon Need grant, partially offset by a decrease of \$144 in Pell Grants.

Investment Activity revenues increased by \$2,102, or 173 percent, due in large part to improved market conditions during the years. See Note 12. "Investment Activity" as well as discussion of Investments in this MD&A for additional information relating to these changes.

Federal Higher Education Emergency Relief Fund Grants in support of the University and students in response to the coronavirus pandemic decreased by \$10,040 or 95 percent. See Note 1.AB. "Higher Education Emergency Relief Funding" for further information.

Capital Grants and Gifts increased by \$3,642, or 15 percent, mainly due to increased capital grants for the OMIC R&D facilities and equipment as well as state grants for the Boivin Hall renovation project.

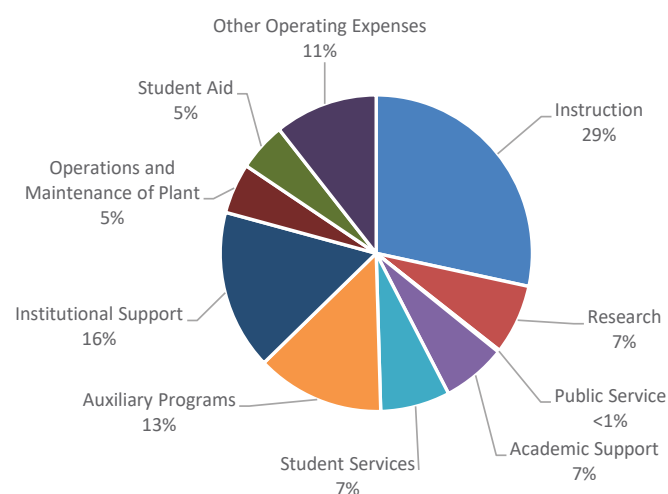
Expenses

Operating Expenses

Operating expenses increased by \$8,720 in 2024 over 2023, to \$109,764. Operating expenses increased by \$6,750 in 2023 over 2022, to \$101,044. The following summarizes operating expenses by functional classification:

Operating Expense by Function		Restated	
For the Years Ended June 30,	2024	2023	2022
Instruction	\$ 31,149	\$ 29,269	\$ 26,922
Research	7,848	6,195	4,206
Public Service	202	127	218
Academic Support	7,266	7,353	7,395
Student Services	7,930	7,181	6,648
Auxiliary Programs	14,535	13,889	14,154
Institutional Support	17,973	15,493	14,469
Operations and Maintenance of Plant	5,656	5,317	4,825
Student Aid	5,452	5,365	7,531
Other Operating Expenses	11,753	10,855	7,926
Total Operating Expenses	\$ 109,764	\$ 101,044	\$ 94,294

2024 Operating Expense by Function



Management's Discussion and Analysis For the Year Ended June 30, 2024 (dollars in thousands)

The implementation of GASB Nos. 68 and 71 in 2015 and the implementation of GASB No. 75 in 2018 have had a profound impact on the operating expenses reported by Oregon Tech. The following tables show the effect of these statements on operating expenses across the functional classifications. The changes associated with recording components of the Net Pension Liability required by GASB 68 and 71 increased operating expenses by \$1,130; while the changes associated with recording components of the OPEB Asset/Liability required by GASB 75 decreased operating expenses by \$190. See Note 15. "Employee Retirement Plans" and Note 16. "Other Postemployment Benefits" for additional details.

For the Year Ended June 30, 2024	As Reported	Without Adjustments	Difference
Instruction	\$ 31,149	\$ 30,837	\$ 312
Research	7,848	7,810	38
Public Service	202	200	2
Academic Support	7,266	7,195	71
Student Services	7,930	7,832	98
Auxiliary Programs	14,535	14,449	86
Institutional Support	17,973	17,705	268
Operations & Maintenance of Plant	5,656	5,589	67
Student Aid	5,452	5,452	-
Other Operating Expenses	11,753	11,755	(2)
Total Operating Expenses	\$ 109,764	\$ 108,824	\$ 940

For the Year Ended June 30, 2023	As Reported	Without Adjustments	Difference
Instruction	\$ 29,269	\$ 29,367	\$ (98)
Research	6,195	6,203	(8)
Public Service	127	128	(1)
Academic Support	7,353	7,382	(29)
Student Services	7,181	7,212	(31)
Auxiliary Programs	13,889	13,915	(26)
Institutional Support	15,493	15,535	(42)
Operations & Maintenance of Plant	5,317	5,383	(66)
Student Aid	5,365	5,365	-
Other Operating Expenses	10,855	10,855	-
Total Operating Expenses	\$ 101,044	\$ 101,345	\$ (301)

Restated For the Year Ended June 30, 2022	As Reported	Without Adjustments	Difference
Instruction	\$ 26,922	\$ 27,211	\$ (289)
Research	4,206	4,226	(20)
Public Service	218	225	(7)
Academic Support	7,395	7,483	(88)
Student Services	6,648	6,730	(82)
Auxiliary Programs	14,154	14,226	(72)
Institutional Support	14,469	14,684	(215)
Operations & Maintenance of Plant	4,825	4,887	(62)
Student Aid	7,531	7,531	-
Other Operating Expenses	7,926	7,926	-
Total Operating Expenses	\$ 94,294	\$ 95,129	\$ (835)

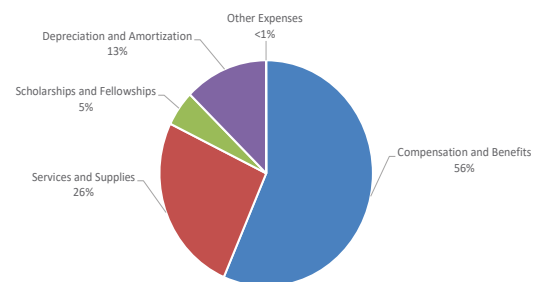
Due to the way in which expenses are incurred by Oregon Tech, variances are presented and explained by analyzing changes in the natural classification of expenses. Each natural classification analysis can be applied to many of the functional expense caption items.

The following summarizes operating expenses by natural classification:

Operating Expenses by Natural Classification

For the Years Ended June 30,	2024	2023	Restated 2022
Compensation and Benefits	\$ 62,036	\$ 57,395	\$ 54,527
Services and Supplies	28,218	27,054	21,599
Scholarships and Fellowships	5,570	5,142	7,604
Depreciation and Amortization	13,904	11,208	10,518
Other Expenses	36	245	46
Total Operating Expenses	\$ 109,764	\$ 101,044	\$ 94,294

2024 Operating Expenses by Natural Classification Comparison of fiscal year 2024 to fiscal year 2023



Compensation and Benefits costs increased by \$4,641 or 8 percent, primarily due to the following:

- Unclassified salaries increased by \$1,084; classified salaries increased by \$633; and wages for students and graduate teaching assistants increased by \$330. In addition, other personnel expenses increased by \$2,594. These increases were primarily due to wage increases and filling of vacant positions.
- Adjustments made due to required reporting for the Net Pension Liability and related deferrals increased by \$5,843. See Note 15. "Employee Retirement Plans" for more information.
- The OPEB expense recorded as a result of the required reporting for the OPEB Liability/Asset and related deferrals decreased by \$68. See Note 1.L. "Other Postemployment Benefits (OPEB) Asset/Liability" and Note 16. "Other Postemployment Benefits" for additional information.

Services and Supplies expense increased by \$1,164, or 4 percent. The increase was primarily caused by increases to travel, repairs and maintenance, and rental expenses.

Scholarships and Fellowships expense increased by \$428, or 8 percent, primarily due to a decrease in awards given to students through the state's Need Grant.



Management's Discussion and Analysis For the Year Ended June 30, 2024 (dollars in thousands)

Depreciation and Amortization expense increased by \$2,696 or 24 percent, primarily due to the addition of new equipment, buildings, infrastructure, and improvements other than building assets increased the depreciation for the year, as well as GASBS No. 87 and 96.

Other Operating expense decreased by \$209, or 85 percent, due primarily to a decrease in bad debt expense in various student loan funds.

Comparison of fiscal year 2023 to fiscal year 2022

Compensation and Benefits costs increased by \$2,868, or 5 percent, primarily due to the following:

- Unclassified salaries increased by \$958; classified salaries increased by \$396; and wages for students and graduate teaching assistants increased by \$23. In addition, other personnel expenses increased by \$717. These increases were primarily due to wage increases and a return to more normalized staffing levels following the pandemic.
- Adjustments made due to required reporting for the Net Pension Liability and related deferrals decreased by \$5,062. See Note 15. "Employee Retirement Plans" for more information.
- The OPEB expense recorded as a result of the required reporting for the OPEB Liability/Asset and related deferrals decreased by \$66. See Note 1.L. "Other Postemployment Benefits (OPEB) Asset/Liability" and Note 16. "Other Postemployment Benefits" for additional information.

Services and Supplies expense increased by \$5,455, or 25 percent. The increase was primarily caused by increases to travel, advertising, utilities, and contract personnel services, partially offset by \$654 related to GASB No. 96, SBITAS, which was implemented in fiscal year 2023.

Scholarships and Fellowships expense decreased by \$2,462, or 32 percent, primarily due to a decrease in awards given to students through the federal COVID-19 relief funding. The majority of COVID-19 related student aid was disbursed during fiscal years 2021 and 2020.

Depreciation and Amortization expense increased by \$690, or 7 percent, primarily due to the addition of new equipment, buildings, infrastructure, and improvements other than building assets increased the depreciation for the year, as well as GASBS No. 87 and 96.

Other Operating expense increased by \$199, or 433 percent, due primarily to an increase in bad debt expense in various student loan funds.



Management's Discussion and Analysis For the Year Ended June 30, 2024 (dollars in thousands)

Nonoperating Expenses and Other Nonoperating Items

Nonoperating expenses increased by \$1,129, or 70 percent, in 2024, as compared to 2023, and increased by \$396, or 33 percent, in 2023, as compared to 2022. Other nonoperating items decreased by \$306 in 2024 while it decreased by \$178, in 2023.

Nonoperating Expenses

For the Years Ended June 30,	2024	2023	Restated 2022
Loss on Sale of Assets, Net	\$ (156)	\$ (97)	\$ -
Interest Expense	(2,587)	(1,517)	(1,218)
Total Nonoperating Expenses	\$ (2,743)	\$ (1,614)	\$ (1,218)

Comparison of fiscal year 2024 to fiscal year 2023

Interest Expense increased by \$1,070 primarily due to an increase in the amount of interest associated with bond debt service, leases, and SBITA.

Comparison of fiscal year 2023 to fiscal year 2022

Interest Expense increased by \$299 primarily due to an increase in the amount of interest associated with bond debt service, leases, and SBITA.

Other Nonoperating Items

Comparison of fiscal year 2024 to fiscal year 2023

Other Nonoperating Items decreased by \$306 primarily due to fiscal year 2024 activity limited to various miscellaneous items.

Comparison of fiscal year 2023 to fiscal year 2022

Other Nonoperating Items decreased by \$178 primarily due to fiscal year 2023 activity limited to various miscellaneous items.

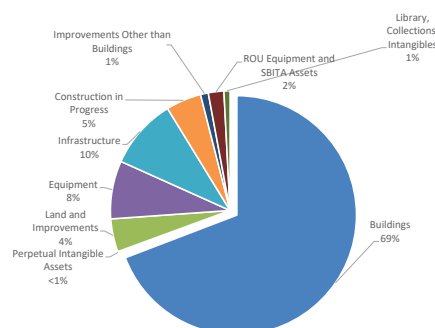


Capital Assets and Related Financing Activities

Capital Assets

At June 30, 2024, Oregon Tech had \$320,498 in capital assets, less accumulated depreciation of \$123,502, for net capital assets of \$196,996. At June 30, 2023, Oregon Tech had \$311,145 in capital assets, less accumulated depreciation of \$116,927, for net capital assets of \$194,218.

2024 Capital Assets, Net - \$196,996 thousand



As of June 30,	2024	2023	Restated 2022
Capital Assets, Beginning of Year	\$ 311,145	\$ 280,041	\$ 244,960
Add: Purchases/Construction	16,911	33,901	35,081
Less: Retirements/ Disposals/Adjustments	(7,558)	(2,797)	-
Total Capital Assets, End of Year	320,498	311,145	280,041
Accum. Depreciation, Beginning of Year	(116,927)	(108,419)	(97,900)
Add: Depreciation Expense	(13,904)	(11,208)	(10,519)
Less: Retirements/ Disposals/Adjustments	7,329	2,700	-
Total Accum. Depreciation, End of Year	(123,502)	(116,927)	(108,419)
Total Capital Assets, Net, End of Year	\$ 196,996	\$ 194,218	\$ 171,622

Changes to Capital Assets

Capital additions totaled \$16,911 for 2024, \$33,901 for 2023, and \$35,081 for 2022.

Capital Asset additions for 2024 included primarily:

- \$1,816 for equipment, CEET equipment, classroom and laboratory equipment, OMIC R&D manufacturing equipment, technology, and classroom equipment, including imaging and other medical equipment. Additionally, there was an increase of \$1,687 in equipment CIP related to OMIC R&D equipment, and classroom and laboratory equipment
- \$597 for buildings, primarily related to CEET. Additionally, there was an increase of \$7,068 in building CIP due to continuing construction of OMIC R&D building no. 2, Boivin Hall renovation, new student residence facility construction, and renovations of the ABA Clinic building and the Portland-Metro campus building.
- \$336 was added to improvements other than buildings, OMIC R&D parking lot and fencing, and new Klamath Falls campus wayfinder signage.



Management's Discussion and Analysis For the Year Ended June 30, 2024 (dollars in thousands)

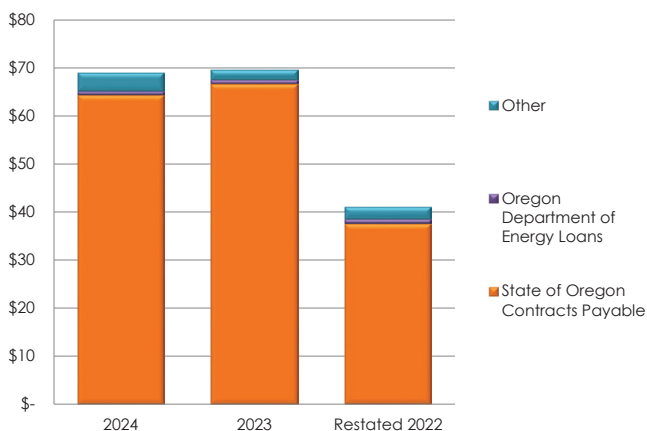
- \$1,998 for ROU equipment (lease assets). See Note 8. "Leases", and \$1,754 for ROU SBITA assets. See Note 9. "SBITAS" for further information.
- \$41,122 of CIP was placed into service during fiscal year 2024, including \$34,972 related to buildings: Boivin Hall renovation and OMIC R&D building no. 2; and \$6,050 of equipment primarily related to OMIC R&D building no. 2 (furniture, technology and manufacturing equipment), and Boivin Hall technology. \$84 for OMIC R&D building no. 2 art CIP was also placed into service during the year.

Net Capital Asset Retirements totaled \$229 for 2024, \$97 for 2023, and \$0 for 2022.

During 2024, accumulated depreciation increased by \$13,904 due to depreciation of existing assets.

See Note 5. "Capital Assets" for additional information.

Debt Administration



Long-Term Debt (in millions)

During 2024, long-term debt held by Oregon Tech decreased by \$606, from \$69,505 to \$68,899.

- Long term debt decreased by \$2,287 due to the University's regularly scheduled debt service payments of the same amount.
- Long term debt also decreased by \$109 due to principal payments on an Oregon Department of Energy loan.
- Lease obligations increased by \$2,112 and were partially offset by \$735 due to payments made during the year. See Note 8. "Leases" for further information.
- SBITA liabilities increased by \$1,410 and were partially offset by \$997 for payments made during the year. See Note 9. "SBITAS" for further information.

During 2023, long-term debt held by Oregon Tech increased by \$28,560, from \$40,945 to \$69,505.

- Long term debt increased by \$30,890 due to state issuance of new XI-F(1) bond allowed to be spent on constructing new student housing facility on the Klamath Falls campus. New state bond issuance partially offset by the University's regularly scheduled debt service payments of \$1,769.
- Long term debt also decreased by \$105 due to

principal payments on an Oregon Department of Energy loan.

- Lease obligations decreased by \$349 due to payments made during the year. See Note 8. "Leases" for further information.
- GASB No. 96, SBITAS, was implemented during fiscal year 2023, and resulted in additional long-term debt of \$1,271, decreased by fiscal year 2023 payments of \$1,014, for an ending balance of \$1,164 at June 30, 2023.

Economic Outlook

Oregon Tech receives funding from a variety of sources, including student tuition and fees, financial aid programs, state and federal appropriations, state and federal grants, private and government contracts, donor gifts, and investment earnings. Among these many sources, student tuition and fees, net of allowances, government appropriations, and auxiliary enterprises revenues, net of allowances, are by far the largest, representing 23.2 percent, 35.1 percent, and 12.3 percent, respectively, and together comprise 70.6 percent of the combined operating and nonoperating revenues during the fiscal year ended June 30, 2024. The fourth largest source, financial aid grants, represents 8.2 percent of operating and nonoperating revenues and, like tuition, is strongly correlated with enrollment.

As in previous years, the financial outlook emphasizes Oregon Tech's relatively high dependence on state funding, a reliance that continued during fiscal 2024 and is expected to persist in future years. The initial and sustained impact from the COVID-19 pandemic was significantly moderated during fiscal year 2023, carrying into fiscal year 2024, except for the lingering effects on student enrollment and related national economic factors, which have caused prospective students to rethink or postpone their decision to pursue higher education. The 82nd Oregon Legislature voted to increase funding to Oregon public universities for the 2023-25 biennium. Following the passage of this legislation, the governor signed into law legislation that increased the Public University Support Fund, which supports the seven public universities, by 11.0 percent from \$901 million to \$1 billion for the 2023-25 biennium.

Recent state revenue forecasts have been encouraging, but there is some concern that recessionary effects could emerge in the state by 2026 as local, state and national economies continue to adjust to evolving federal monetary policy and global economic impacts. The Federal Reserve has provided some quantitative easing with a moderate decline in the prime interest rates, but the growing national budget deficit remains a concern for sustained economic growth. Persistent inflation continues to affect pricing levels, and labor markets remain tight. Evolving social policies and changing state demographics are straining the state's



Management's Discussion and Analysis For the Year Ended June 30, 2024 (dollars in thousands)

resources available for investment in higher education. Combined, these factors reflect an environment with considerable uncertainty regarding policy and funding issues and how future higher education investments will be prioritized in the state. If there are reductions in state funding, Oregon Tech will consider a combination of expenditure reductions, tuition increases and use of reserve funds as a temporary bridge to sustain operations and support the mission of the university.

The Oregon Higher Education Coordinating Commission (HECC) uses the Student Success and Completion Model (SSCM) to allocate state resources to each of the seven public universities. Since the SSCM's implementation in 2015, Oregon Tech has performed relatively well under its degree completion, programmatic focus, and enrollment proportional funding system.

Significant changes to the SSCM were introduced in the 2021-23 biennium, with fiscal year 2024 marking the third year under the revised model. Under this new methodology, Oregon Tech has seen a reduction in its overall proportion of funding. This decrease is primarily due to the reduced proportional value of the mission component, along with changes in program weights and the premium for science, technology, engineering, and mathematics (STEM) degree programs. The SSCM model's next review is scheduled for fall 2026. The funding methodology may remain unchanged for future biennia, or there may be efforts to lobby for additional revisions. As Oregon's Polytechnic University, Oregon Tech faces higher instructional and institutional costs due to its STEM-centric curriculums and degree programs. The university continues to adapt to revenue uncertainty by strategically managing faculty and staff recruitment, controlling non-personnel costs, and implementing programs to improve efficiencies over time.

Over the past several years, Oregon Tech has completed a phase-in of differential tuition for certain high-cost programs including engineering, management, and health related programs. These degrees are in great demand and rates will continue to be evaluated annually as part of the broader tuition and fees review process for market competitiveness and to recover programmatic costs while responding to evolving market demand. For academic year 2024-25, the Board approved a 4.5 percent increase in base tuition rates with no increase to differential tuition which will remain at 37.0 percentage points over the base rates. For the fiscal year ended June 30, 2024 overall student tuition and fees revenue, net of allowances, increased by 1.4 percent over the prior year. This is primarily attributable to the increase in student tuition and fees rates partially offset by continuing enrollment shortfall and significant increase in fee remissions compared to budget. Oregon Tech has continued investment and innovation focused on strategic enrollment management to improve student

success, promote retention and boost overall enrollment and degree completions. This is an essential revenue strategy to support the university's mission. Freshman enrollment numbers (student credit hours [SCH]) during fall 2024 were 13.0 percent greater from the prior year. Total undergraduate enrollment (student credit hours [SCH]) has decreased 13.9 percent, excluding ACP students, compared to Fall 2020. Similar enrollment shortfalls have been experienced by a number of Oregon's publicly funded universities over the same period.

During the year ended June 30, 2024, Oregon Tech completed its \$20 million dollar renovation of Boivin Hall, welcoming students fall term 2023. The University also completed the Oregon Manufacturing Innovation Center (OMIC) Additive Manufacturing building, which opened in late summer 2023.

Oregon Tech is also working on the much needed \$18 million renovation of the geothermal heating system. The project focuses on the Klamath Falls campus' extensive geothermal infrastructure, including source and re-injection wells, building heat exchangers and a network of delivery pipes and tunnels. The project, which began recently, will take three years to complete. The aging system, built mostly in the 1960's, provides the only heating source for nearly 900,000 gross square foot throughout 17 buildings on the Klamath Falls campus and also supports domestic hot water.

The University also has embarked on the implementation of a \$1 million campuswide integrated video monitoring system to enhance campus safety. The project will include the Klamath Falls and Portland-Metro campuses as well as OMIC R&D in Scappoose. Renovations of the Applied Behavior Analysis (ABA) Clinic building commenced during fiscal year 2024. Located in downtown Klamath Falls, this building will allow the University to expand its presence in the community. Additionally, the access improvement project associated with the Boivin Hall renovation project is underway and is anticipated to be completed by fall 2024. Smaller ongoing projects continue to improve university infrastructure, enhance the student experience, improve safety and access, and reduce deferred maintenance at all university locations. Like much of the nation, Oregon Tech continues to feel the effects of sustained inflation on construction costs, but is committed to ensuring project goals are met.

Looking ahead, while Oregon Tech is well-positioned in the Oregon higher education market, significant political and financial uncertainties urge caution as management navigates an ever-changing landscape. The reality of escalating operational costs due to inflation and organized labor, changes in state government funding priorities, national and regional economic pressures and shifting state population demographics are causes for concern. If these forces persist long-term, they may escalate fiscal challenges, potentially requiring strategy, budget



Management's Discussion and Analysis For the Year Ended June 30, 2024 (dollars in thousands)

realignment or adjustments to operational and academic programs in response to a dynamic and competitive environment. As "Oregon's Polytechnic University," Oregon Tech remains steadfastly committed to its mission, the success of all students and strengthening workforce partnerships.



Statements of Net Position - Oregon Institute of Technology

As of June 30,	University	
	2024	2023
	(In thousands)	
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 2)	\$ 4,614	\$ 9,257
Collateral from Securities Lending (Note 2)	289	110
Accounts Receivable, Net (Note 3)	30,418	21,136
Notes Receivable, Net (Note 4)	24,682	14,897
Lease Receivable (Note 8)	780	853
Other Assets	3,946	1,867
Total Current Assets	64,729	48,120
Noncurrent Assets		
Cash and Cash Equivalents (Note 2)	2,667	1,690
Investments (Note 2)	24,671	30,044
Notes Receivable, Net (Note 4)	6,569	20,562
Lease Receivable (Note 8)	3,609	165
Net OPEB Asset (Note 16)	440	405
Capital Assets, Net of Accumulated Depreciation (Note 5)	196,996	194,218
Total Noncurrent Assets	234,952	247,084
Total Assets	\$ 299,681	\$ 295,204
DEFERRED OUTFLOWS OF RESOURCES (Note 6)	\$ 9,490	\$ 8,850
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	\$ 16,564	\$ 12,878
Deposits	342	301
Obligations Under Securities Lending (Note 2)	289	110
Current Portion of Long-Term Liabilities (Note 10)	6,150	5,394
Unearned Revenues	3,824	3,623
Total Current Liabilities	27,169	22,306
Noncurrent Liabilities		
Long-Term Liabilities (Note 10)	66,003	67,544
Net Pension Liability (Note 15)	25,325	19,482
OPEB Liability (Note 16)	786	889
Total Noncurrent Liabilities	92,114	87,915
Total Liabilities	\$ 119,283	\$ 110,221
DEFERRED INFLOWS OF RESOURCES (Note 6)	\$ 7,566	\$ 8,251
NET POSITION		
Net Investment in Capital Assets	\$ 128,236	\$ 124,874
Restricted For:		
Expendable:		
Gifts, Grants, and Contracts	2,343	3,517
Student Loans	1,343	1,108
Capital Projects	39,336	42,731
Debt Service	68	-
OPEB Asset	440	405
Unrestricted (Note 11)	10,556	12,947
Total Net Position	\$ 182,322	\$ 185,582

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

Statements of Financial Position - Oregon Tech Foundation

As of June 30,	Component Unit	
	2024	2023
	(In thousands)	
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 2,444	\$ 3,789
Accounts Receivable	9	3
Prepaid Expenses	44	56
Total Current Assets	2,497	3,848
Noncurrent Assets		
Investments	39,366	35,235
Split-Interest Agreements	758	720
Unconditional Promises to Give, Net	1,412	1,423
Intangible assets (royalties)	812	-
Other Assets	186	357
Operating lease right-of-use asset	58	-
Total Noncurrent Assets	42,592	37,735
Total Assets	\$ 45,089	\$ 41,583
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 165	\$ 1,360
Liabilities Under Split-Interest Agreements	16	17
Refundable Advances	1,006	494
Funds Held for Distribution	1,566	1,518
Operating lease liability, current	20	-
Total Current Liabilities	2,773	3,389
Noncurrent Liabilities		
Operating lease liability, net of current	39	-
Total Noncurrent Liabilities	39	-
Total Liabilities	\$ 2,812	\$ 3,389
NET ASSETS		
Without Donor Restrictions	\$ 14,490	\$ 13,046
With Donor Restrictions	27,787	25,148
Total Net Assets	\$ 42,277	\$ 38,194
Total Liabilities and Net Assets	\$ 45,089	\$ 41,583

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



Statements of Revenues, Expenses, and Changes in Net Position- Oregon Institute of Technology

For the Years Ended June 30,	University	
	2024	2023
	(In thousands)	
OPERATING REVENUES		
Student Tuition and Fees (Net of Allowances of \$13,674 and \$12,119, Note 1.V.)	\$ 25,351	\$ 25,707
Federal Grants and Contracts	2,217	3,217
State and Local Grants and Contracts	5,676	5,313
Nongovernmental Grants and Contracts	354	322
Educational Department Sales and Services	1,176	839
Auxiliary Enterprises Revenues (Net of Allowances of \$669 and \$593, Note 1.V.)	13,466	13,597
Other Operating Revenues	758	542
Total Operating Revenues	48,998	49,537
OPERATING EXPENSES		
Instruction	31,149	29,269
Research	7,848	6,195
Public Service	202	127
Academic Support	7,266	7,353
Student Services	7,930	7,181
Auxiliary Programs	14,535	13,889
Institutional Support	17,973	15,493
Operation and Maintenance of Plant	5,656	5,317
Student Aid	5,452	5,365
Other Operating Expenses	11,753	10,855
Total Operating Expenses (Note 13)	109,764	101,044
Operating Loss	(60,766)	(51,507)
NONOPERATING REVENUES (EXPENSES)		
Government Appropriations (Note 14)	38,265	35,040
Financial Aid Grants	8,919	7,138
Gifts	4,353	3,765
Investment Activity (Note 12)	2,829	886
Loss on Sale of Assets, Net	(156)	(97)
Interest Expense	(2,587)	(1,517)
Higher Education Emergency Relief Funding Grants (Note 1.AA.)	-	514
Gain on State XI-F Bond (Note 10)	-	4,110
Other Nonoperating Items	(271)	35
Net Nonoperating Revenues	51,352	49,874
Loss Before Other Nonoperating Revenues	(9,414)	(1,633)
Capital and Debt Service Appropriations (Note 14)	134	134
Capital Grants and Gifts	6,020	27,317
Total Other Nonoperating Revenues	6,154	27,451
Increase (Decrease) In Net Position After Other Nonoperating Revenues	(3,260)	25,818
NET POSITION		
Beginning Balance	185,582	159,764
Ending Balance	\$ 182,322	\$ 185,582

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

Statements of Activities - Oregon Tech Foundation

For the Years Ended June 30,	Component Unit	
	2024	2023
	(In thousands)	
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions and Grants	\$ 270	\$ 226
In-Kind Donations	155	159
Investment Income	2,013	1,788
Other	28	28
Net Assets Released From Restrictions	2,493	2,651
Total Revenues	4,959	4,852
EXPENSES		
University Support	494	1,290
Student Support	2,219	1,845
Management and General	707	599
Fundraising	95	117
Total Expenses	3,515	3,851
Increase (Decrease) In Net Assets Without Donor Restrictions	1,444	1,001
Beginning Balance, Net Assets Without Donor Restrictions	13,046	12,045
Ending Balance, Net Assets Without Donor Restrictions	\$ 14,490	\$ 13,046
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
REVENUES		
Contributions and Grants	2,960	2,443
In-Kind Donations	31	13
Investment Income	1,936	1,198
Change in Value of Split - Interest Agreements	39	31
Other	166	29
Net Assets Released From Restrictions	(2,493)	(2,651)
Increase (Decrease) In Net Assets With Donor Restrictions	2,639	1,063
Beginning Balance, Net Assets With Donor Restrictions	25,148	24,085
Ending Balance, Net Assets With Donor Restrictions	\$ 27,787	\$ 25,148
Beginning Balance, Total Net Assets	38,194	36,130
Total Change in Net Assets	4,083	2,064
Ending Balance, Total Net Assets	\$ 42,277	\$ 38,194

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



Statements of Cash Flows - Oregon Institute of Technology

	University	
For the Years Ended June 30,	2024	2023
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	\$ 25,434	\$ 25,608
Grants and Contracts	7,347	4,639
Educational Department Sales and Services	1,176	839
Auxiliary Enterprises Operations	13,478	13,956
Payments to Employees for Compensation and Benefits	(60,427)	(57,329)
Payments to Suppliers	(27,110)	(27,273)
Student Financial Aid	(5,570)	(5,142)
Other Operating Receipts (Disbursements)	775	1,041
Fiduciary Activities - Direct Student Loan Receipts	16,738	14,765
Fiduciary Activities - Direct Student Loan Disbursements	(16,738)	(14,765)
Net Cash Used by Operating Activities	(44,897)	(43,661)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Government Appropriations	38,265	35,040
Financial Aid Grants	8,919	7,138
Higher Education Emergency Relief Funding Receipts	-	6,496
Other Gifts and Private Contracts	5,442	2,597
Other Net Noncapital Financing Payments	(228)	(311)
Net Cash Provided by Noncapital Financing Activities	52,398	50,960
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Debt Service Appropriations	134	134
Capital Grants and Gifts	942	30,688
State Contracts for Capital Debt	-	492
Other Contracts for Capital Debt Acquisition (Payments)	3,578	921
Purchases of Capital Assets	(17,673)	(34,498)
Interest Payments on Capital Debt	(2,221)	(1,175)
Principal Payments on Capital Debt	(4,129)	(1,874)
Net Cash Used by Capital and Related Financing Activities	(19,369)	(5,312)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Sales (Purchases) of Investments	5,729	(7,289)
Income on Investments and Cash Balances	2,473	1,619
Net Cash Provided by (Used by) Investing Activities	8,202	(5,670)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,666)	(3,683)
CASH AND CASH EQUIVALENTS		
Beginning Balance	10,947	14,630
Ending Balance	\$ 7,281	\$ 10,947

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

Statements of Cash Flows (cont.) - Oregon Institute of Technology

	University	
For the Years Ended June 30,	2024	2023
	(In thousands)	
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY		
OPERATING ACTIVITIES		
Operating Loss	\$ (60,766)	\$ (51,507)
Adjustments to Reconcile Operating Loss to Net Cash Used by		
Operating Activities:		
Depreciation and Amortization Expense	13,904	11,208
Changes in Assets and Liabilities:		
Accounts Receivable	(1,025)	(3,399)
Notes Receivable	(60)	336
Other Assets	(2,079)	395
Accounts Payable and Accrued Liabilities	3,887	328
Long-Term Liabilities	(6)	(329)
Deposits	96	12
Unearned Revenue	201	(403)
Net Pension Liability and Related Deferrals	1,132	(218)
Net OPEB Asset (Liability) and Related Deferrals	(181)	(84)
NET CASH USED BY OPERATING ACTIVITIES	\$ (44,897)	\$ (43,661)
NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL AND		
RELATED FINANCING TRANSACTIONS		
Increase (Decrease) in Fair Value of Investments Recognized as a		
Component of Investment Activity	\$ 774	\$ 266
Loss on Sale of Investments Recognized as a		
Component of Investment Activity	(418)	(999)
Issuance of Long Term Debt XI-F Bond for New Student Residence Facility		
recorded as Note Receivable as funds are held by State until claimed		
for reimbursement	-	30,890
Gain on State XI-F Bond for New Student Residence Facility	-	4,110

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



1. Organization and Summary of Significant Accounting Policies

A. Reporting Entity

The Oregon Institute of Technology (Oregon Tech)/ (University) is governed by the Board of Trustees of Oregon Institute of Technology (Board), a citizen board appointed by the Governor with confirmation by the State Senate. Oregon Tech has two campuses, located in Klamath Falls and the Portland metropolitan area.

The Oregon Tech financial reporting entity includes Oregon Tech and the Oregon Tech Foundation (Foundation), which is reported as a discretely presented component unit under the guidelines established by Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Discretely presented means that the statements are included separately in the financial report. See Note 20, "University Foundation" for additional information relating to this component unit.

Because the Governor of the State of Oregon (State) appoints the Board and Oregon Tech receives financial support from the State, the State determined that Oregon Tech is a discretely presented component unit of the State and is included in the State's Annual Comprehensive Financial Report (ACFR).

B. Financial Statement Presentation

Oregon Tech financial accounting records are maintained in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed in applicable pronouncements of the GASB. The financial statement presentation required by GASB No. 35 *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34, modified by GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, provides a comprehensive, entity-wide perspective of Oregon Tech assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows.

In preparing the financial statements, interfund transfers between University funds, and internal revenues and expenses associated with self-supporting auxiliary and service center operations have been eliminated. Unless otherwise stated, dollars are presented in thousands.

Financial statements of the Oregon Tech Foundation for fiscal years ended June 30, 2024 and 2023 are discretely presented, as discussed above. The Foundation's financial statements are prepared in accordance with the pronouncements of the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria

and presentation features are different from GASB revenue criteria and presentation. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the University. No modifications have been made to the Foundation's financial information included in the University's financial report.

C. Basis of Accounting

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

NEWLY IMPLEMENTED ACCOUNTING STANDARDS

There were no new GASB standards effective for fiscal year 2024 that had a significant impact on Oregon Tech.

UPCOMING ACCOUNTING STANDARDS

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement will impact the University's calculation of the compensated absences liability and is currently being reviewed. This statement will be effective for the fiscal year ended June 30, 2025.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin within 12 months of the date the financial statements are issued. This Statement may in some cases apply to the University and impact note disclosures and is currently being reviewed. This Statement will be effective for fiscal year ended June 30, 2025.

In April 2024, GASB issues Statement No 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial



Notes to the Financial Statements

For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement touches on the requirements of (1) management's discussion and analysis, (2) unusual and infrequent items, (3) presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, (4) major component unit information, and (5) budgetary comparison information. This Statement is currently being reviewed for applicability and impact to the University's financial statements. This Statement will be effective for the fiscal year ended June 30, 2026.

D. Cash and Cash Equivalents

Cash and cash equivalents may include highly liquid investments with original maturities of three months or less. Cash and cash equivalents of the University consist of cash on hand, cash and investments held by the State of Oregon in the Oregon Short-Term Fund (OSTF), and cash held at U.S. Bank.

E. Investments

Investments are reported at fair value as determined by market prices. Unrealized gains or losses on investments are reported as investment activity in the Statement of Revenues, Expenses, and Changes in Net Position. All investments are classified as noncurrent assets in the Statement of Net Position.

F. Receivables

Receivables consist of accounts receivable and notes receivable. Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable for tuition and fee charges are recorded net of estimated uncollectible amounts in accordance with U.S. GAAP.

Accounts receivable also includes receivables for grants and contracts as well as capital construction. Grants and contracts receivable include amounts due from federal, state and local governments, and private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Capital Construction receivables include amounts due from the State of Oregon in connection with reimbursement of allowable expenditures made pursuant to the grant agreements between the University and the State for facilities projects funded by the State.

Notes receivable consist of amounts receivable from student loans related to the Federal Perkins Loan Program and other loans administered by the University and construction reimbursement loans. Student loans receivable can be current or noncurrent depending on the estimated timing of

repayment. Construction reimbursement loans receivable are amounts receivable from the State of Oregon for construction projects that will be reimbursed from bond proceeds held by the State. Construction reimbursements can be current or noncurrent depending on the estimated timing of completion of construction projects.

G. Other Assets

Other assets consists of miscellaneous deposits for equipment, prepaid expenses, and inventories. Deposits paid by the University are predominantly for services and future capital assets. Prepaid expenses are primarily related to prepayments for information technology contracts. Inventories are recorded at the lower of average cost or market and consist primarily of supplies in storerooms, information technology, and physical plant stores.

H. Capital Assets

Capital assets are recorded at cost on the date acquired or at acquisition value on the date donated. Oregon Tech capitalizes equipment with unit costs of five thousand dollars or more and an estimated useful life of greater than one year. Oregon Tech capitalizes real property expenditures that increase the functionality and/or extend the useful life of the real property if total expenditures exceed the capitalization thresholds of \$50 to \$100, depending on the type of real property. Intangible assets valued in excess of \$100 are capitalized. In addition, a group of related assets may be capitalized as a single asset when there is a major asset with related underlying assets, valued separately at under five thousand dollars, which must also be capitalized. Expenditures below the capitalization threshold and repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets; generally 15 to 50 years for buildings, 10 to 20 years for infrastructure and land improvements, 10 years for library books, and 5 to 11 years for equipment. Amortization terms of intangible assets vary depending on the factors relating to the specific asset. Depreciation is not applied to land, easements, museum collections, works of art or historical treasures, or library special collections.



I. Leases

The University determines if an arrangement is a lease at inception. Lessee arrangements are included in Right-of-Use (ROU) lease assets and lease liabilities in the statements of net position. ROU lease assets represent the University's right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. ROU lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. ROU lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease liabilities represent the University's obligation to make lease payments arising from the lessee arrangement. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option. Per Oregon Tech policy, the University has elected to recognize payments for short-term leases with a lease term of 12 months or less and leases with a present value of less than five thousand dollars as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

Lessor arrangements are included in lease receivables and deferred inflows of resources in the statements of net position. Lease receivables represent the University's claim to receive lease payments over the lease term, as specified in the contract, in an exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by an provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. Oregon Tech recognizes payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. Per University policy, Oregon Tech also recognizes payments received on leases with an initial calculated net present value of five thousand dollars or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position.

J. Subscription Based Information Technology Arrangements

The University determines if an arrangement is a subscription based information technology arrangement (SBITA) at the inception. SBITAs are included in Right-of-Use (ROU) SBITA assets and SBITA liabilities in the statement of net position. ROU SBITA assets represent the University's right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract, in an exchange or exchange-like transaction. ROU SBITA assets are recognized at the commencement of the subscription term based on the initial measurement of the SBITA liability, plus any payments made to the vendor at the commencement of the subscription term and initial implementation costs. ROU SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset. SBITA liabilities represent the University's obligation to make subscription payments arising from the SBITA. SBITA liabilities are recognized at the commencement date based on the present value of expected payments over the subscription term. Interest expense is recognized ratably over the subscription term. The SBITA term may include options to extend or terminate the subscription when it is reasonable certain that the University will exercise that option. Per Oregon Tech policy, the University has elected to recognize payments for short-term SBITAs with a term of 12 months or less and SBITAs with a present value of less than twenty-five thousand dollars as expenses as incurred, and these SBITAs are not included as liabilities or assets on the statements of net position.

K. Unearned Revenues

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

L. Compensated Absences

Oregon Tech accrues a liability for vacation leave and other compensated absences that were earned but not used during the current or prior fiscal year for which employees can receive compensation in a future period. An estimate is made to allocate this liability between its current and noncurrent components. Sick leave is recorded as an expense when paid. There is no payout provision for unused sick leave and no liability exists for terminated employees.

M. Net Pension Liability

The net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense are actuarially determined at the system-wide Plan level and are allocated to employers based on their proportionate share. Oregon Tech is included in the proportionate share for all state agencies. The Oregon Tech proportionate share is allocated to Oregon Tech by the Oregon State Department of Administrative Services. The system-wide Plan uses the accrual basis of accounting. For more information, see Note 15. "Employee Retirement Plans."

N. Other Postemployment Benefits (OPEB) Asset/Liability

The University reports their proportionate share of the State's net PERS RHIA OPEB asset, net PERS RHIPA OPEB asset/liability, and the total PEBB OPEB liability along with the associated deferred outflows of resources and deferred inflows of resources, as actuarially determined at the system-wide Plan level and allocated to State employers. The OPEB asset and OPEB liabilities are reported on separate lines in the Statement of Net Position. See Note 16. "Other Postemployment Benefits (OPEB)" for a detailed description of each plan and the proportionate share methodology for each.

O. Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources represent the use of resources in one period that is applicable to, and will be recognized in, a period which is more than a year in the future. These deferred outflows have a positive effect on net position, similar to assets, but are not assets. Deferred inflows of resources represent the acquisition of resources that is applicable to, and will be recognized in, a period which is more than a year in the future. These deferred inflows have a negative effect on net position, similar to liabilities, but are not liabilities. Deferred outflows of resources for Oregon Tech are related to defined benefit pension plans and other post employment benefits (OPEB). Deferred inflows of resources for Oregon Tech are related to defined benefit pension plans, OPEB, and lessor arrangements.

P. Net Position

Oregon Tech's net position is classified as follows:

NET INVESTMENT IN CAPITAL ASSETS

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

RESTRICTED – EXPENDABLE

Restricted expendable includes resources which Oregon Tech is legally or contractually obligated to spend in accordance with restrictions imposed by external parties.

UNRESTRICTED

Unrestricted are resources that may be used at the discretion of the Board.

Q. Restricted/Unrestricted Resources

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

R. Endowments

The University has the authority to use the interest, income, dividends, and profits of endowments. The Oregon Tech Board policy is to annually distribute, for spending purposes, zero to ten percent of the preceding 20 quarter moving average of the market value of the endowment funds and to maintain the purchasing power of the funds as nearly as prudent investment permits. In accordance with current Board policy, no annual distribution was made during fiscal year 2024. Similarly, the University does not intend to receive an annual distribution during fiscal year 2025.

Oregon Tech's endowments are not true endowments (in that the donor does not require the corpus to remain intact in perpetuity) and are included in the Expendable Gifts, Grants, and Contracts on the Statement of Net Position. See Note 2.B. "Investments" for additional information.

S. Income Taxes

Oregon Tech is treated as a governmental entity for tax purposes. As such, Oregon Tech is generally not subject to federal and state income taxes. However, Oregon Tech remains subject to income taxes on any income that is derived from a trade or business regularly carried on and not in furtherance of the purpose for which it was granted exemption from income taxes. No income tax provision has been recorded for the years ended June 30, 2024 and June 30, 2023 because there is no significant amount of taxes on such unrelated business income for Oregon Tech.



T. Revenues and Expenses

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

Operating revenues and expenses generally have the characteristics of exchange transactions. These transactions can be defined as an exchange in which two or more entities both receive and sacrifice value, such as purchases and sales of goods or services. Examples of operating revenues include student tuition and fees, sales and services of auxiliary enterprises, most federal, state and local grants and contracts, and other operating revenues. In addition, OMIC R&D member dues revenue includes in-kind (non-cash) receipts. In-kind dues consists of donated services and supplies and use of highly specialized equipment. In-kind dues are recorded at their estimated fair value at the time of receipt. In 2024 and 2023, Oregon Tech recorded \$584 and \$575, respectively, for in-kind dues in Auxiliary Revenues. Examples of operating expenses include employee compensation and benefits, scholarships and fellowships, utilities, supplies and other services, professional fees, and depreciation expense.

Nonoperating revenues and expenses generally have the characteristics of nonexchange transactions. In a nonexchange transaction, Oregon Tech receives value without directly giving equal value in exchange. Examples of nonoperating revenues include state appropriations, nonexchange grants, gifts, and contributions. Nonoperating expenses are defined in GASB No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No. 34, *Basic Financial Statement - and Management Discussion and Analysis*. Examples of nonoperating expenses include interest on capital asset related debt expenses.

U. State Support

Oregon Tech receives support from the State of Oregon in the form of General Fund and Lottery appropriations and debt service appropriations for some Oregon Department of Energy loans, see Note 14. "Government Appropriations" for details on appropriations.

In addition to appropriations, the State of Oregon provides funding for plant facilities on the University's campuses. Capital projects for new facilities, renovations, and capital improvements and repair are funded by philanthropy, campus paid debt and resources, and state-paid debt. The State of Oregon Legislature considers projects from all seven public universities for allocation of Oregon's bonding capacity. Funds for capital projects funded by state-paid debt are provided through grant agreements between Oregon Tech and the State of Oregon. Revenue is recorded as Capital Grants in the Statement of Revenues,

Expenses, and Changes in Net Position when appropriate expenditures are reimbursable per the grant agreements. Funds for capital projects funded by campus paid debt can also be funded through the State of Oregon's bonding capacity. At the time that the bonds are sold, the State of Oregon instructs Oregon Tech to record a liability for the debt and a receivable for construction reimbursements. The receivable is reduced as expenditures on the capital project are completed and reimbursed by the State.

Facilities funded by philanthropy, state-paid debt, and campus paid debt are reflected as completed assets or construction in progress in the accompanying Statement of Net Position. The obligations for the bonds issued by the State of Oregon are not obligations of Oregon Tech. Oregon Tech is obligated to pay contracts for projects funded by campus paid debt; these contracts payable are included as current and long term liabilities in the Statement of Net Position.

V. Allowances

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

Oregon Tech has three types of allowances that net into auxiliary enterprises revenues and tuition and fees. Tuition and housing waivers provided directly by Oregon Tech amounted to \$7,318 and \$6,600 for the fiscal years ended 2024 and 2023, respectively. Revenues from financial aid programs (e.g., Pell Grants, Supplemental Educational Opportunity Grants, and Oregon Opportunity Grants) used for paying student tuition and fees and campus housing was estimated to be \$6,853 and \$5,823 for the fiscal year ended 2024 and 2023, respectively. Bad debt expense is included as an allowance to operating revenues and is estimated to be \$172 and \$289 for the fiscal years ended 2024 and 2023, respectively.



W. Federal Student Loan Programs

Oregon Tech receives proceeds from the Federal Direct Student Loan Program (FDSLP) and from Alternative Loans. GASB Statement No. 84 *Fiduciary Activities* allows Oregon Tech to report activities that would otherwise be considered custodial funds in the University's Statement of Net Position and Statement of Cash Flows as an operating activity if, upon receipt, the funds are normally expected to be held for three months or less. Funds associated with the FDSLP and FFELP meet this exception and are reported as such. Federal student loans received by Oregon Tech students through the FDSLP, but not reported in operations was \$13,995 and \$14,764 for the fiscal years ended 2024 and 2023, respectively. Federal student loans received by Oregon Tech students through Alternative Loans, but not reported in operations was \$2,774 and \$2,667 for the fiscal years ended 2024 and 2023, respectively.

X. Deposit Liabilities

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

Y. Use of Estimates

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

Z. Perkins Loan Program Termination

Oregon Tech administers Title IV Perkins Loans for the benefit of its students. Funds for the Perkins program were initially received through Federal Capital Contributions (FCC) from the US Department of Education (ED) and were matched with Institutional Capital Contributions (ICC). Over the years, the proportion of federal to institutional matching funds varied, from a 90/10 split to a 75/25 split. Academic year 2017-18 was the last year in which new Perkins loans were allowed to be disbursed. Institutions have been given the option of assigning existing Perkins Loans back to the federal government or continuing to collect on these loans while returning the FCC portion as loans are repaid. Historically, the balance of the Perkins loans was reported in Notes Receivable and in Net Position Expendable for Student Loans. Due to the impending return of the loans to ED, a liability has been established for the amount of the federal portion of the remaining Notes Receivable and Cash. See Note 10. "Long-Term Liabilities" for more information on this change.

AA. Higher Education Emergency Relief Funding

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed by Congress in March 2020, provided budgetary relief to higher education institutions through numerous provisions. Of the \$30.75 billion allotted to the Education Stabilization Fund through the CARES Act, Congress set aside approximately \$14.25 billion for the Higher Education Emergency Relief Fund (HEERF). Due to the different formulas and discretionary allocations Congress created within the CARES Act, the HEERF is comprised of multiple programs and distribution allocations.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was approved by Congress in December 2020 as part of the Consolidated Appropriations Act of 2021. The law authorized \$23 billion through the Education Stabilization Fund specifically for higher education. These funds were allocated to institutions using the HEERF in the CARES Act and this portion of relief funding is commonly referred to as HEERF II. The CRRSAA Act requires institutions to provide the same amount in emergency aid to students as they received under the CARES Act, but may spend any additional funds on institutional expenses such as to reimburse themselves for expenses occurred due to continuing operations during the pandemic; defray losses due to decreased revenue; implement information technology infrastructure and distance learning capacity for current and future students; fund payroll; and faculty and staff professional development.

In March 2021, Congress passed additional COVID-19 relief funding in the American Rescue Plan (ARP). This law authorized \$39.6 billion to higher education through the Higher Education Emergency Relief Fund (known as HEERF III). Similar to the CARES Act, institutions must spend at least 50 percent of their allocation on emergency financial aid grants directly to students. Institutions are required to spend a "reasonable and necessary" amount of institutional funds on monitoring and controlling the spread of COVID-19 on their campus and on outreach to students alerting them of opportunities to receive a financial aid adjustment due to lost income as a result of the pandemic. Additionally, institutions may use remaining funds to replace lost revenue, fund emergency expenses, or meet payroll costs, among other expenses. Institutions who received HEERF I or HEERF II funds are automatically awarded HEERF III funds.

As of June 30, 2023, no additional federal COVID-19 relief was awarded to Oregon Tech, and the University received and dispersed allocations from prior awards.

For the year ended June 30, 2023, Oregon Tech was also awarded funding through the Governor's Emergency Education Relief (GEER) Fund. The University was awarded \$1,471 during fiscal year 2023. As of June 30, 2023, \$491 of the GEER grants awarded during the year had been



expended with \$56 recognized as student aid operating expenses and the remaining \$435 expended as allowable K-12 computer science initiative costs, including University staff time, and subcontracts to various service providers. As of June 30, 2023, \$980 remained to be expended during fiscal year 2024. During fiscal year 2024, the University expended \$829 of the fiscal year 2023 award as allowable K-12 computer science initiative costs, including University staff time, and subcontracts to various service providers. As of June 30, 2024, \$151 remained to be expended during fiscal year 2025.



2. Cash and Investments

The majority of Oregon Tech's cash and investments were held in custody with the Oregon State Treasury (State Treasury) during the fiscal years ended June 30, 2024 and 2023. The State Treasury manages these invested assets through commingled investment pools. The operating funds of Oregon Tech are commingled with cash and investments from five other Oregon public universities and are referred to collectively as the Public University Fund (PUF). The investments held in the PUF are managed by the State Treasury and administered by the statutorily defined Designated University, currently Oregon State University. Each underlying investment pool has an investment policy and set of objectives identifying risk and return parameters for the respective investment pool. The State Treasury invests these deposits in high grade, dollar-denominated, short and intermediate-term fixed income securities. The Oregon Investment Council (OIC) provides oversight and counsel on the investment policies for each investment pool held in the PUF. On July 31, 2024, the PUF investment structure changed. Cash balances previously held in the pooled Oregon Short-Term Fund were transferred to individual Core Bond funds for each participating university. State Treasury and the PUF continue to manage these funds.

In general, deposits and investment securities are exposed to various risks such as credit, concentration of credit, custodial credit, interest rate and foreign currency. Although the objective of each investment pool is to preserve capital within defined risk parameters, it is likely that the value of the investment securities will fluctuate during short periods of time, and it is possible that such changes could materially affect the amounts reported in the financial statements. For more information on the investment risk exposures, see Note 2.B.

For full disclosure regarding cash and investments managed by the State Treasury, a copy of the State Treasury audited annual financial report may be obtained by writing to the Oregon State Treasury, 867 Hawthorne Avenue SE, Salem, OR 97301 or via the Internet at: www.oregon.gov/treasury/news-data/pages/treasury-news-reports.aspx#annualrep.



Notes to the Financial Statements For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

A. Cash and Cash Equivalents

Cash and cash equivalents are classified as current and noncurrent which include both restricted and unrestricted cash and are summarized at June 30, 2024 and 2023 as follows:

	June 30, 2024	June 30, 2023
Current		
Unrestricted	\$ (803)	\$ 3,620
Restricted For:		
Debt Service	69	80
Student Aid	126	136
Payroll Vendor Payments	4,825	4,351
Student Groups and Campus Organizations	17	17
US Bank - Perkins	180	531
Petty Cash	200	522
Total Current	4,614	9,257
Noncurrent		
Unrestricted	405	283
Restricted For:		
Capital	2,262	1,407
Total Noncurrent	2,667	1,690
Total Cash and Cash Equivalents	\$ 7,281	\$ 10,947

Noncurrent, unrestricted cash consists primarily of student building fee funds. The Board of Trustees has spending authority over these funds, which are no longer restricted. Currently, the Board has no plans to spend these funds in the next fiscal year, as these funds will likely be used on future debt service payments or other capital project expenses. As such, the University has classified these amounts as noncurrent. The portion of the student building fee funds that will be used for debt service payable in fiscal year 2024 is reported as current cash.

DEPOSITS WITH STATE TREASURY

Oregon Tech maintains the majority of its current cash balances on deposit with the State Treasury. These deposits are held, on a pooled basis as described above, in the Oregon Short-Term Fund (OSTF). The OSTF is a short-term cash and investment pool for use by all state agencies or, by agreement, for related public bodies, such as Oregon Tech. The State Treasurer invests these deposits in high-grade short-term investment securities. While the University is not required by statute to collateralize deposits, it does have a contractual obligation with the State Treasury to collateralize deposits within 24 hours of receipt. At the fiscal years ended June 30, 2024 and 2023 respectively, Oregon Tech cash and cash equivalents on deposit at State Treasury was \$6,901 and \$9,894.

CUSTODIAL CREDIT RISK—DEPOSITS

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

FOREIGN CURRENCY RISK—DEPOSITS

Deposits in foreign currency run the risk of changing value due to fluctuations in foreign exchange rates. State Treasury deposits are denominated in U.S. currency and therefore not exposed to foreign currency risk.

OTHER DEPOSITS

For the years ended June 30, 2024 and 2023, respectively, Oregon Tech had vault and petty cash balances of \$200 and \$522. Oregon Tech had cash held at US Bank for Title IV Perkins funds of \$180 at June 30, 2024 and \$531 at June 30, 2023.

B. Investments

Oregon Tech's operating funds are invested in the PUF Core Bond Fund (CBF). The CBF invests primarily in intermediate-term fixed income securities and is managed with an investment objective to maximize total return (i.e., principal and income) over an intermediate time horizon within stipulated risk parameters. The CBF is actively managed to maintain an average duration of four to five years, through a diversified portfolio of quality, investment grade fixed income securities, as defined in the portfolio guidelines.

The University has a board-designated quasi-endowment invested in the Oregon Intermediate-Term Pool (OITP), managed by the State Treasury. The OITP is actively managed to maintain a short-term duration, through a diversified portfolio of quality, investment grade fixed income securities.

At June 30, 2024, Oregon Tech had \$24,671 in investments; of this, \$17,127 was invested in the CBF managed by State Treasury, \$6,842 was invested in the OITP, and \$702 was invested in the Oregon Tech Foundation pooled endowment fund.

At June 30, 2023, Oregon Tech had \$30,044 in investments; of this, \$22,896 was invested in the CBF managed by State Treasury, \$6,515 was invested in the OITP, and \$633 was invested in the Oregon Tech Foundation pooled endowment fund.



Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

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

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

Investments of the Oregon Tech discretely presented component unit are summarized at June 30, 2024 and 2023, respectively as follows:

COMPONENT UNIT

Fair Value at June 30, Investment Type:	2024	2023
Mutual Funds	\$ 25,478	\$ 28,521
Investment in Partnership	1,133	1,117
Alternative Investments	11,932	5,514
Equities	719	-
Money Market Funds	104	83
Total Investments	\$ 39,366	\$ 35,235

CREDIT RISK

Credit risk is the risk that the issuer of an investment fails to fulfill its obligations. Oregon Tech has an investment policy for its operating and endowment assets. Funds invested through the OITP are allocated to fixed income investments which have not been evaluated by the rating agencies and totaled \$6,842 and \$6,515 at June 30, 2024 and 2023, respectively. The PUF Investment Pool totaled \$381,599 and \$380,527 at June 30, 2024 and 2023, respectively, of which Oregon Tech owned \$17,127 or 4.5 percent, and \$22,896, or 6.0 percent. As of June 30, 2024 and 2023, approximately 99.4 and 99.2 percent, respectively, of investments in the PUF Pool are subject to credit risk reporting. Within the PUF Investment Pool, fixed income securities rated by the credit agencies as lower medium to high quality, indicating the issuer has a strong capacity to pay principal and interest when due, totaled \$354,116 and \$356,388 in fiscal year 2024 and 2023, respectively. Additionally, fixed income securities in the PUF Investment Pool which have not been evaluated by the rating agencies totaled \$25,277 and \$21,120 in fiscal year 2024 and 2023, respectively.

CUSTODIAL CREDIT RISK

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The OIC has no formal policy regarding the

holding of securities by a custodian or counterparty. For the years ended June 30, 2024 and 2023, the University's investments were exposed to custodial credit risk indirectly through the State Treasury.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk refers to potential losses if total investments are concentrated with one or few issuers. To mitigate the concentration of credit risk in the PUF, no more than five percent of the bond portfolio, at par value, will be invested in securities of a single issuer and no more than three percent of an individual issue, unless U.S. Government and Agency issues. Per policy, no total investments with any single issuer comprised more than five percent of PUF investments, excluding U.S. Government and Agency issues. The OITP fund has a similar policy guideline as the PUF policy regarding management of the credit concentration risk.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that investments may lose value due to fluctuations in foreign exchange rates. No Oregon Tech investments had reportable foreign currency risk at either June 30, 2024 or 2023.

Of the Oregon Tech endowments invested by the Oregon Tech Foundation, at June 30, 2024 and June 30, 2023, \$0, or zero percent, respectively, were held subject to foreign currency risk.

INTEREST RATE RISK

Investments in fixed income securities are subject to the risk that changes in interest rates will adversely affect the fair value of the investments. As of June 30, 2024 and 2023, respectively, securities in the PUF Investment Pool held subject to interest rate risk totaling \$379,392 and \$377,508 had an average duration of 3.76 and 3.98 years. Duration measures the change in the value of a fixed income security that will result from a one percent change in interest rates. At June 30, 2024 and June 30, 2023, respectively, the total \$6,842 and \$6,515 of the Oregon Tech board designated quasi-endowment invested in the OITP were subject to interest rate risk and had an average duration of 3.44 and 4.05 years. Additionally, as of June 30, 2024 and June 30, 2023, respectively, securities in the Oregon Tech Foundation endowments held subject to interest rate risk totaling \$178 and \$136 had an average duration of 6.40 and 6.14 years.

FAIR VALUE MEASUREMENTS

Investments are reported at estimated fair value as determined by State Treasury, based on a fair value hierarchy which prioritizes the input techniques used to measure fair value. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements:

Notes to the Financial Statements For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted market prices that are observable for the asset, either directly or indirectly, including inputs in markets that are not considered to be active; and
- Level 3 – Inputs that are unobservable. These are only used if relevant Level 1 and Level 2 inputs are not available.

Inputs are used in applying valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. In addition to the underlying reported net asset values (NAV), which generally serve as the primary valuation input, other inputs may include liquidity factors and broad credit data. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The fair value of Oregon Tech's investments in the PUF are based on the investments' NAV per share provided by the State Treasury. Fair value measurements for the University's investments in the CBF at June 30, 2024 and 2023 totaled \$17,127 and \$22,896, respectively.

COMPONENT UNIT INVESTMENTS BY LEVEL

The following tables present the component unit investments by level within valuation hierarchy as of June 30, 2024 and 2023:

Fair Value at June 30, 2024	Level I	Level II	Level III	Total
Money Market Funds	\$ 104	\$ -	\$ -	\$ 104
Equities	719	-	-	719
Mutual Funds	25,478	-	-	25,478
	\$ 26,301	\$ -	\$ -	\$ 26,301
Investments measured at NAV				\$ 11,932
Investments with Nonrecurring Fair Value Measurements				1,133
	Total Investments			\$ 39,366

Fair Value at June 30, 2023	Level I	Level II	Level III	Total
Money Market Funds	\$ 83	\$ -	\$ -	\$ 83
Mutual Funds	28,521	-	-	28,521
	\$ 28,604	\$ -	\$ -	\$ 28,604
Investments measured at NAV				\$ 5,514
Investments with Nonrecurring Fair Value Measurements				1,117
	Total Investments			\$ 35,235

C. Securities Lending

In accordance with the State investment policies, the State participates in securities lending transactions. The Treasury has, through a Securities Lending Agreement, authorized State Street Bank and Trust Company (State Street) to lend the State's securities pursuant to a form of loan agreement. Both the State and borrowers maintain the right to terminate all securities lending transactions on demand. Oregon Tech's cash on deposit with the State Treasury is subject to securities lending. There were no significant violations of the provisions of securities lending agreements during the years ended June 30, 2024 and 2023.

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

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

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

The maturities of investments made with the cash collateral generally do not match the maturities of the securities loaned. Since the securities loaned are callable on demand by either the lender or borrower, the life of the loans at June 30, 2024 and 2023, is effectively one day. As of June 30, 2024 and 2023, the state had no credit risk exposure to borrowers because the amounts owed to borrowers exceeded the amounts borrowers owed to the State.

The fair value of the University's share of securities lending balances on loan as of June 30, 2024 and 2023 comprised the following:

	June 30, 2024	June 30, 2023
Investment Type		
U.S. Treasury and Agency Securities	\$ 1,324	\$ 56
Domestic Fixed Income Securities	282	108
Total	\$ 1,606	\$ 164

The fair value of the University's share of total cash and securities collateral received as of June 30, 2024 and 2023 was \$1,640 and \$167, respectively. The fair value of the University's share of investments purchased with cash collateral as of June 30, 2024 and 2023 was \$289 and \$110, respectively.



Notes to the Financial Statements For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

3. Accounts Receivable

Accounts Receivable, including amounts due from the component unit, comprised the following:

	June 30, 2024	June 30, 2023
Student Tuition and Fees	\$ 2,293	\$ 2,613
Capital Construction Gifts, Grants, and Contracts	21,151	11,805
State, Other Government, and Private Gifts, Grants, and Contracts	3,079	2,118
Federal Grants and Contracts	3,525	3,315
Auxiliary Enterprises and Other Operating Activities	238	236
Component Units	238	1,327
Other	562	496
	31,086	21,910
Less: Allowance for Doubtful Accounts	(668)	(774)
Accounts Receivable, Net	\$ 30,418	\$ 21,136

4. Notes Receivable

OregonTechNotesReceivable has three main components. Institutional and Other Student Loans include loans offered through the University itself and other various non-federal loan programs.

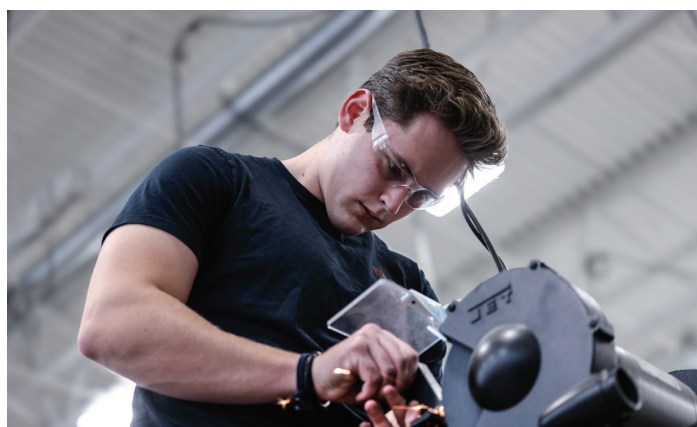
Student loans made through the Federal Perkins Loan Program were funded through interest earnings and repayment of loans. Federal Perkins loans deemed uncollectible are assigned to the U.S. Department of Education for collection. Oregon Tech has provided an allowance for uncollectible loans which is calculated using the cohort default rate reported to the federal government.

Receivables for construction reimbursements are due to Oregon Tech from the State of Oregon for construction projects that will be reimbursed from bond proceeds held by the state. These notes receivable are offset by loan agreements to the state, which are presented in Note 10. "Long-Term Liabilities".



	June 30, 2024		
	Current	Noncurrent	Total
Receivable for Construction	\$ 24,505	\$ 5,735	\$ 30,240
Institutional and Other			
Student Loans	157	759	916
Federal Student Loans	38	169	207
	24,700	6,663	31,363
Less: Allowance for Doubtful Accounts	(18)	(94)	(112)
Notes Receivable, Net	\$ 24,682	\$ 6,569	\$ 31,251

	June 30, 2023		
	Current	Noncurrent	Total
Receivable for Construction	\$ 14,710	\$ 19,798	\$ 34,508
Institutional and Other			
Student Loans	149	604	753
Federal Student Loans	60	271	331
	14,919	20,673	35,592
Less: Allowance for Doubtful Accounts	(22)	(111)	(133)
Notes Receivable, Net	\$ 14,897	\$ 20,562	\$ 35,459



Notes to the Financial Statements

For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

5. Capital Assets

The following schedule reflects the changes in capital assets:

	Restated Balance June 30, 2022	Additions	Transfer Completed Assets	Retire. And Adjust.	Balance June 30, 2023	Additions	Transfer Completed Assets	Retire. And Adjust.	Balance June 30, 2024
Capital Assets,									
Non-depreciable/Non-amortizable									
Land	\$ 6,250	\$ -	\$ -	\$ -	\$ 6,250	\$ -	\$ -	\$ -	\$ 6,250
Capitalized Collections	1,343	24	-	-	1,367	-	84	-	1,451
Construction in Progress	14,971	29,061	(3,890)	-	40,142	10,402	(41,122)	-	9,422
Perpetual Intangible Assets	420	-	-	-	420	-	-	-	420
Total Capital Assets,									
Non-depreciable/ Non-amortizable	22,984	29,085	(3,890)	-	48,179	10,402	(41,038)	-	17,543
Capital Assets, Depreciable/ Amortizable:									
Equipment	24,995	2,965	599	-	28,559	1,816	6,050	81	36,506
Library Materials	9,157	20	-	(60)	9,117	8	-	(48)	9,077
Buildings	175,749	150	-	-	175,899	597	34,972	(7,984)	203,484
Land Improvements	6,041	355	-	-	6,396	-	4	(15)	6,385
Improvements Other Than Buildings	3,163	-	-	-	3,163	336	-	-	3,499
Infrastructure	31,400	280	3,291	-	34,971	-	12	1,756	36,739
Intangible Assets	2,063	23	-	(2,086)	-	-	-	-	-
ROU Equipment	2,475	116	-	(651)	1,940	1,998	-	(260)	3,678
ROU SBITA Assets	2,014	907	-	-	2,921	1,754	-	(1,088)	3,587
Total Capital Assets,									
Depreciable/Amortizable	257,057	4,816	3,890	(2,797)	262,966	6,509	41,038	(7,558)	302,955
Less Accumulated Depreciation/ Amortization for:									
Equipment	(16,618)	(1,984)	-	-	(18,602)	(2,914)	-	455	(21,061)
Library Materials	(8,949)	(48)	-	60	(8,937)	(47)	-	48	(8,936)
Buildings	(60,811)	(5,512)	-	-	(66,323)	(6,343)	-	5,476	(67,190)
Land Improvements	(3,362)	(307)	-	-	(3,669)	(343)	-	181	(3,831)
Improvements Other Than Buildings	(800)	(283)	-	-	(1,083)	(338)	-	-	(1,421)
Infrastructure	(14,043)	(1,729)	-	-	(15,772)	(2,061)	-	(107)	(17,940)
Intangible Assets	(1,980)	(9)	-	1,989	-	-	-	-	-
ROU Equipment	(1,202)	(481)	-	651	(1,032)	(762)	-	260	(1,534)
ROU SBITA Assets	(654)	(855)	-	-	(1,509)	(1,096)	-	1,016	(1,589)
Total Accumulated Depreciation/Amortization	(108,419)	(11,208)	-	2,700	(116,927)	(13,904)	-	7,329	(123,502)
Total Capital Assets, Net	\$ 171,622	\$ 22,693	\$ -	\$ (97)	\$ 194,218	\$ 3,007	\$ -	\$ (229)	\$ 196,996
Capital Assets Summary									
Capital Assets, Non-depreciable/ Non-amortizable	\$ 22,984	\$ 29,085	\$ (3,890)	\$ -	\$ 48,179	\$ 10,402	\$ (41,038)	\$ -	\$ 17,543
Capital Assets, Depreciable/ Amortizable	257,057	4,816	3,890	(2,797)	262,966	6,509	41,038	(7,558)	302,955
Total Cost of Capital Assets	280,041	33,901	-	(2,797)	311,145	16,911	-	(7,558)	320,498
Less Accumulated Depreciation/ Amortization	(108,419)	(11,208)	-	2,700	(116,927)	(13,904)	-	7,329	(123,502)
Total Capital Assets, Net	\$ 171,622	\$ 22,693	\$ -	\$ (97)	\$ 194,218	\$ 3,007	\$ -	\$ (229)	\$ 196,996

One of Oregon Tech's geothermal power plants and related systems were idle as of June 30, 2024 and June 30, 2023 due to repairs in progress. The book value was \$4,532 and \$4,986 at June 30, 2024 and June 30, 2023, respectively.



6. Deferred Inflows and Outflows of Resources

Deferred Inflows and Outflows of Resources comprised the following:

	June 30, 2024	June 30, 2023
Deferred Outflows of Resources due to:		
Pension Obligations (Note 15)	\$ 9,343	\$ 8,677
Other Post Employment Benefits (Note 16)	147	173
Total Deferred Outflows of Resources	\$ 9,490	\$ 8,850
Deferred Inflows of Resources due to:		
Pension Obligations (Note 15)	\$ 2,473	\$ 6,517
Other Post Employment Benefits (Note 16)	711	779
Leases (Note 8)	4,382	955
Total Deferred Inflows of Resources	\$ 7,566	\$ 8,251

7. Accounts Payable and Accrued Liabilities

Accounts Payable and Accrued Liabilities comprised the following:

	June 30, 2024	June 30, 2023
Salaries and Wages	\$ 2,233	\$ 2,047
Payroll Benefits Related	4,826	4,351
Services and Supplies	7,763	4,657
Accrued Interest	1,233	868
Contract Retainage	361	925
Other	148	30
Total Accounts Payable and Accrued Liabilities	\$ 16,564	\$ 12,878

8. Leases

A. Lessee Arrangements

Oregon Tech leases equipment from external parties for various terms under long-term non-cancelable lease agreements. The leases expire at various dates through 2028. In accordance with GASB Statement No. 87, the University records right-to-use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using the University's incremental borrowing rate. The University does not have any leases subject to a residual value guarantee. See "Note 5. Capital Assets" for information on right-to-use assets and associated accumulated depreciation. See "Note 10. Long-Term Liabilities" for future payments schedule.

B. Lessor Arrangements

Oregon Tech leases building space to external parties. The University records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate charged on the lease or using the University's incremental borrowing rate. Oregon Tech booked lease revenue in the amount of \$836 and interest revenue of \$8 for the fiscal year ended June 30, 2024. In January 2024, the University exercised a lease renewal option as allowed by the existing lease agreement that was original set to expire August, 2024. The renewal extends the current lease agreement through August, 2029.

9. SBITAS

Oregon Tech partners with various vendors for subscription based information technology arrangements (SBITA) for various terms under long-term, non-cancelable agreements. The arrangements expire at various dates through 2026 and provide for renewal options ranging from one year to three years. In accordance with GASB Statement No. 96, the University records right-to-use assets and SBITA liabilities based on the present value of expected payments over the subscription term of the respective arrangements. The expected payments are discounted using the interest rate charged on the arrangement, if available, or are otherwise discounted using the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The University does not have any SBITAS featuring payments tied to an index or market rate. See "Note 5. Capital Assets" for information on right-to-use assets and associated accumulated amortization. See "Note 10. Long-Term Liabilities" for future payments schedule.



Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

10. Long-Term Liabilities

Long-Term Liability activity is as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amount Due Within One Year	Long-Term Portion
Long-Term Debt						
Due to State of Oregon:						
Contracts Payable	\$ 66,558	\$ -	\$ (2,287)	\$ 64,271	\$ 2,949	\$ 61,322
Oregon Department of Energy Loans (SELP)	861	-	(109)	752	116	636
Lease Obligations	922	2,112	(735)	2,299	935	1,364
SBITA	1,164	1,410	(997)	1,577	1,013	564
Total Long-Term Debt	69,505	3,522	(4,128)	68,899	5,013	63,886
Other Noncurrent Liabilities						
PERS pre-SLGRP pooled Liability	793	-	(182)	611	160	451
Compensated Absences	2,205	1,013	(837)	2,381	929	1,452
Perkins Loan Program Liability	435	-	(173)	262	48	214
Total Other Noncurrent Liabilities	3,433	1,013	(1,192)	3,254	1,137	2,117
Total Long-Term Liabilities	\$ 72,938	\$ 4,535	\$ (5,320)	\$ 72,153	\$ 6,150	\$ 66,003

	Restated Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amount Due Within One Year	Long-Term Portion
Long-Term Debt						
Due to State of Oregon:						
Contracts Payable	\$ 37,437	\$ 30,890	\$ (1,769)	\$ 66,558	\$ 2,287	\$ 64,271
Oregon Department of Energy Loans (SELP)	966	-	(105)	861	110	751
Lease Obligations	1,271	-	(349)	922	371	551
SBITA	1,271	907	(1,014)	1,164	672	492
Total Long-Term Debt	40,945	31,797	(3,237)	69,505	3,440	66,065
Other Noncurrent Liabilities						
PERS pre-SLGRP pooled Liability	1,012	-	(219)	793	156	637
Compensated Absences	2,315	1,533	(1,643)	2,205	1,721	484
Perkins Loan Program Liability	761	-	(326)	435	77	358
Total Other Noncurrent Liabilities	4,088	1,533	(2,188)	3,433	1,954	1,479
Total Long-Term Liabilities	\$ 45,033	\$ 33,330	\$ (5,425)	\$ 72,938	\$ 5,394	\$ 67,544



Notes to the Financial Statements For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

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

For the Year Ending June 30,	Contracts Payable	SELP	Leases	SBITAs	Total Payments	Principal	Interest
2025	\$ 5,432	\$ 151	\$ 981	\$ 1,054	\$ 7,618	\$ 5,013	\$ 2,605
2026	5,432	151	761	487	6,831	4,357	2,474
2027	5,370	151	463	47	6,031	3,676	2,355
2028	5,260	151	177	50	5,638	3,389	2,249
2029	5,075	151	-	-	5,226	3,074	2,152
2030-2034	23,713	111	-	-	23,824	14,800	9,024
2035-2039	20,661	-	-	-	20,661	14,495	6,166
2040-2044	14,057	-	-	-	14,057	10,515	3,542
2045-2049	10,825	-	-	-	10,825	9,580	1,245
Total Future Debt Service	95,825	866	2,382	1,638	100,711		
Less: Interest Component of Future Payments	(31,554)	(114)	(83)	(61)	(31,812)		
Principal Portion of Future Payments	\$ 64,271	\$ 752	\$ 2,299	\$ 1,577	\$ 68,899		

The State of Oregon periodically issues bonded debt which it then loans to Oregon Tech for capital construction. Oregon Tech has entered into contract loan agreements with the State for the principal and interest amounts due. In addition, Oregon Tech also borrows funds from the Oregon Department of Energy (DOE) through the Small Scale Energy Loan Program (SELP). The State may periodically issue new debt to refund previously held debt. Per the loan agreements, when this happens, the State is required to pass the savings on to the University.

A. Contracts Payable

Oregon Tech has entered into loan agreements with the State for repayment of bonds issued by the State on behalf of the University for capital construction and refunding of previously issued debt. The University makes loan payments (principal and interest) to the State in accordance with the loan agreements. In the event of default, the State may withhold future disbursements of state general fund appropriations up to the amount of the default. Loans, with interest rates ranging from 0.45 percent to 5.33 percent, are due serially through July 2048.

During the fiscal year ended June 30, 2024, the State did not issue any bonds which resulted in either an increase or decrease to Oregon Tech's contracts payable to the State. Changes to the University's contracts payable to the State include debt service payments for principal and accrued interest of \$2,287.

During the fiscal year ended June 30, 2023, the State issued new XI-F(1) bonds for construction of a new student residence housing facility on the Klamath Falls campus, with an effective rate of 4.2 percent, due serially through July 2048, which resulting in an increase in Oregon Tech's

contracts payable of \$30,890. The new XI-F(1) bond was issued at a premium of \$4,110 at the state level, which was recorded by the University in the form of a gain for the year ended June 30, 2023. Other changes to the University's contracts payable to the State include debt service payments for principal and accrued interest of \$1,769.

B. Oregon Department of Energy Loan

Oregon Tech has entered into a loan agreement with the State of Oregon DOE through the SELP for energy conservation projects at Oregon Tech. Oregon Tech makes monthly loan payments (principal and interest) to the DOE in accordance with the loan agreement. Upon event of default, the lender may accelerate the due date and declare the balance due immediately. The projects funded by the loan serve as security for the loan. The SELP loan has an interest rate of 5.08 percent and is due through 2030.

C. State and Local Government Rate Pool

Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), the state and community colleges were pooled together in the State and Community College Pool (SCCP), and local government employers participated in the Local Government Rate Pool (LGRP). These two pools combined to form the SLGRP effective January 1, 2002, at which time a transitional, pre-SLGRP liability was created. The pre-SLGRP liability is essentially a debt owed to the SLGRP by the SCCP employers. The balance of the pre-SLGRP pooled liability attributable to the State is being amortized over the period ending December 31, 2027. The liability is allocated by the State of Oregon, based on salaries and wages, to all public universities, state proprietary funds, and the government-wide reporting fund in the State Annual



Notes to the Financial Statements For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

Comprehensive Financial Report. Interest expense was paid by Oregon Tech in the amount of \$43 and \$56 for June 30, 2024 and 2023, respectively. Principal payments of \$182 and \$219 were applied to the liability for June 30, 2024 and 2023, respectively.

11. Unrestricted Net Position

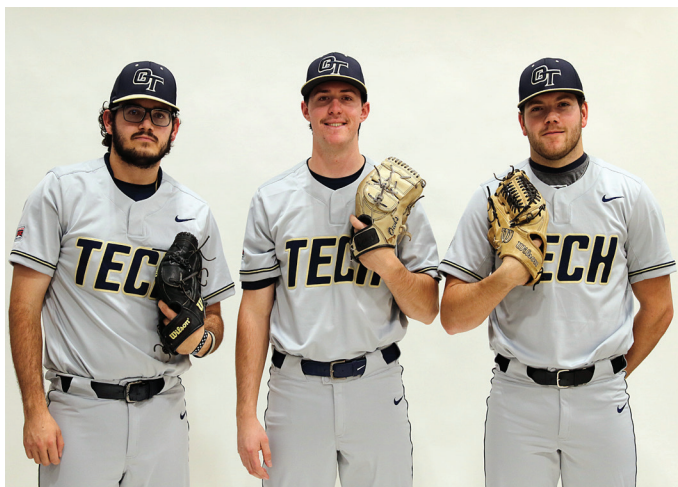
Unrestricted Net Position is comprised of the following:

	June 30, 2024	June 30, 2023
University Operations	\$ 33,352	\$ 34,762
Compensated Absences Liability (Note 10)	(2,381)	(2,205)
Other Postemployment Benefits Liability (Note 16)	(786)	(889)
State and Local Government Rate Pool (Note 10)	(611)	(793)
Net Pension Liability (Note 15)	(25,325)	(19,482)
Pension & OPEB Related Deferred Outflows (Note 6)	9,490	8,850
Pension & OPEB Related Deferred Inflows (Note 6)	(3,183)	(7,296)
Total Unrestricted Net Position	\$ 10,556	\$ 12,947

12. Investment Activity

Investment Activity detail is as follows:

	June 30, 2024	June 30, 2023
Investment Earnings	\$ 1,585	\$ 1,320
Temporarily Restricted Endowment		
Income	-	295
Interest Income	893	7
Gain (Loss) on Sale of Investments	(418)	(999)
Net Appreciation (Depreciation)		
of Investments	774	266
Other	(5)	(3)
Total Investment Activity	\$ 2,829	\$ 886



13. Operating Expenses by Natural Classification

The Statement of Revenues, Expenses, and Changes in Net Position reports operating expenses by their functional classification. The table below displays operating expenses by both their functional classification and natural classification. Both the Net Pension Liability and the OPEB Asset/Liability for fiscal years ended June 30, 2024 and June 30, 2023 affected the reported Compensation and Benefit Expenses of Oregon Tech. For the fiscal year ended June 30, 2024, changes in the Net Pension Liability, the OPEB Asset/Liability, and associated reporting requirements increased the reported Compensation and Benefit expenses of Oregon Tech by \$940. For the fiscal year ended June 30, 2023, changes in the Net Pension Liability, the OPEB Asset/Liability, and associated reporting requirements decreased the reported Compensation and Benefit expenses of Oregon Tech by \$301. See page 16 of the Management's Discussion & Analysis section of this report for additional details and discussion of the impact of this change.

June 30, 2024	Compensation and Benefits	Services and Supplies	Scholarships and Fellowships	Depreciation and Amortization	Other	Total
Instruction	\$ 27,131	\$ 3,367	\$ -	\$ 651	\$ -	\$ 31,149
Research	3,864	3,866	118	-	-	7,848
Public Services	97	105	-	-	-	202
Academic Support	4,950	2,316	-	-	-	7,266
Student Services	5,367	2,551	12	-	-	7,930
Auxiliary Services	5,467	7,358	44	1,666	-	14,535
Institutional Support	12,119	4,941	-	913	-	17,973
Operation & Maintenance	3,000	2,656	-	-	-	5,656
Student Aid	40	(20)	5,396	-	36	5,452
Other	1	1,078	-	10,674	-	11,753
Total	\$ 62,036	\$ 28,218	\$ 5,570	\$ 13,904	\$ 36	\$ 109,764

June 30, 2023	Compensation and Benefits	Services and Supplies	Scholarships and Fellowships	Depreciation and Amortization	Other	Total
Instruction	\$ 25,714	\$ 3,315	\$ -	\$ 240	\$ -	\$ 29,269
Research	3,116	3,046	33	-	-	6,195
Public Services	73	54	-	-	-	127
Academic Support	5,113	2,240	-	-	-	7,353
Student Services	4,558	2,617	6	-	-	7,181
Auxiliary Services	5,111	7,680	47	1,051	-	13,889
Institutional Support	10,963	4,295	-	235	-	15,493
Operation & Maintenance	2,678	2,639	-	-	-	5,317
Student Aid	67	(3)	5,056	-	245	5,365
Other	1	1,172	-	9,682	-	10,855
Total	\$ 57,394	\$ 27,055	\$ 5,142	\$ 11,208	\$ 245	\$ 101,044



14. Government Appropriations

Oregon Tech receives support from the State of Oregon in the form of General Fund and Lottery appropriations. These appropriations are in support of the operations of the University. Appropriations for SELP debt service are dependent upon the loan agreements between the University and the Oregon DOE. Government appropriations comprised the following:

	June 30, 2024	June 30, 2023
General Fund - Operations	\$ 36,680	\$ 33,611
General Fund - SELP Debt Service	134	134
Lottery Funding	1,585	1,429
Total Government Appropriations	\$ 38,399	\$ 35,174

15. Employee Retirement Plans

Oregon Tech offers various retirement plans to qualified employees as described below.

A. Public Employees Retirement Plan (PERS)

Organization

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

Plan Membership

The 1995 Oregon Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. This legislation created a second tier of benefits for those who established membership on or after January 1, 1996. Membership prior to January 1, 1996 are Tier One members. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to 58 for Tier One. Both Tier One and Tier Two are defined benefit plans.

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

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

Pension Plan Report

The PERS defined benefit and defined contribution retirement plans are reported as pension trust funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the State of Oregon Annual Comprehensive Financial Report. PERS issues a separate, publicly available financial report that includes an audit opinion that may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Summary of Significant Accounting Policies

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

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

Basis of Accounting

Contributions for employers are recognized on the accrual basis of accounting by the Plan. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers by the Plan. Employer contributions are accrued when due pursuant to legal requirements. These are amounts normally included in the employer statements cut off as of the fifth of the following month.

Proportionate Share Allocation Methodology for the Plan

The basis for the employer's proportion of the statewide plan is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.



Collective Pension Plan Liability

The components of the Plan's collective net pension liability as of the measurement dates of June 30, 2023 and 2022 are as follows (dollars in millions):

	June 30, 2023	June 30, 2022
Total Pension Liability	\$ 102,218	\$ 99,082
Plan Fiduciary Net Position	83,488	83,770
Plan Net Pension Liability	\$ 18,730	\$ 15,312

The Plan's fiduciary net position has been determined on the same basis used by the pension plan.

Changes Subsequent to the Measurement Date

The University is unaware of any changes made subsequent to the measurement date of June 30, 2023.

OREGON PERS PENSION (CHAPTER 238) PROGRAM

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which he or she is entitled. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

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

- The member was employed by a PERS employer at the time of death.
- The member died within 120 days after termination

of PERS-covered employment.

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

Disability Benefits

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

Benefit Changes after Retirement

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

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

OREGON PUBLIC SERVICE RETIREMENT PLAN (OPSRP DB) PENSION PROGRAM

Pension Benefits

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

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

Death Benefits

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

Disability Benefits

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

Notes to the Financial Statements

For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

before the disability occurred.

Benefit Changes After Retirement

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

OREGON PUBLIC SERVICE RETIREMENT PLAN (OPSRP IAP) PENSION PROGRAM

Benefit Terms

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

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

Death Benefits

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

Pension Plan Contributions

PERS and OPSRP employee contribution requirements are established by ORS 238.200 and ORS 238A.330, respectively, and are credited to an employee's account in the Individual Account Program and may be amended by an act of the Oregon Legislature. PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other

Postemployment Benefit Plans. Effective January 1, 2020, Senate Bill 1049 requires employers to pay contributions on re-employed PERS retirees' salaries as if they were active members, excluding IAP (6 percent) contributions.

Employer contribution rates for the fiscal year ended June 30, 2024 were based on the December 31, 2021 actuarial valuation while contribution rates for the year ended June 30, 2023 were based on the December 31, 2020 actuarial valuation. The employer contribution rates for the PERS and OPSRP are as follows:

	2024	2023
Base Tier One/Two Rate	20.45%	19.51%
SLGRP Rate	1.33%	1.52%
RHIA/RHIPA OPEB Rate	0.00%	0.33%
Total PERS Tier One/Two Rate	21.78%	21.36%
Base OPSRP Rate	16.95%	15.60%
SLGRP Rate	1.33%	1.52%
RHIA/RHIPA OPEB Rate	0.00%	0.17%
Total OPSRP Rate	18.28%	17.29%

Employer required contributions for the years ended June 30, 2024 and June 30, 2023 were \$3,600 and \$3,194, respectively, including amounts to fund employer specific liabilities. (See Note 10.D. for additional information).

Net Pension Liability

At June 30, 2024 and 2023, the University reported a liability of \$25,325 and \$19,482, respectively, for its proportionate share of the PERS net pension liability. The net pension liability as of June 30, 2024 was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The net pension liability as of June 30, 2023 was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The PERS system does not provide Oregon Tech an audited proportionate share as a separate employer; the University is a proportionate share of PERS employer state agencies which includes all state agencies. The State of Oregon Department of Administrative Services calculated Oregon Tech's proportional share of all state agencies internally based on actual contributions by Oregon Tech compared to the total for employer state agencies. The State of Oregon Audits Division reviewed this internal calculation. At June 30, 2024 and 2023, Oregon Tech's proportion was 0.13 and 0.12 percent, respectively, of



Notes to the Financial Statements For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

the statewide pension plan, with no change in proportion percentage between the two fiscal years. Oregon Tech's proportion percentage of the statewide pension plan as of June 30, 2023 remained unchanged from June 30, 2022.

For the years ended June 30, 2024 and 2023, Oregon Tech recorded total net pension expense of \$4,424 and \$2,669 due to the change in net pension liability and changes to deferred inflows and outflows.

Deferred Items

Certain deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. Other deferred items are calculated at the University level. For fiscal years ending June 30, 2024 and 2023, deferred items include:

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

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

- Measurement period ended June 30, 2023 – 5.4 years
- Measurement period ended June 30, 2022 – 5.5 years
- Measurement period ended June 30, 2021 – 5.4 years
- Measurement period ended June 30, 2020 – 5.3 years
- Measurement period ended June 30, 2019 – 5.2 years

The difference between projected and actual earnings attributable to each measurement period is amortized over a closed five-year period. One year of amortization is recognized in the University's total pension expense for fiscal years 2024 and 2023.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,238	\$ 100
Changes of assumptions	2,250	17
Net difference between projected and actual earnings on pension plan investments	455	-
Changes in Proportion	2,056	395
Difference between contributions and proportionate share of contributions	-	1,962
Total	\$ 5,999	\$ 2,474
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	\$ 3,525	
Contributions Subsequent to the MD	3,344	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	\$ 6,869	

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Outflow/(Inflow) of Resources

Year Ended June 30:

2025	\$ 585
2026	(760)
2027	2,572
2028	1,002
2029	126
Total	\$ 3,525

Of the amount reported as deferred outflows of resources, \$3,344 is related to pensions resulting from Oregon Tech contributions subsequent to the measurement date and are recognized as a reduction of the net pension liability in the year ended June 30, 2025.

At June 30, 2023, Oregon Tech reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 946	\$ 121
Changes of assumptions	3,057	28
Net difference between projected and actual earnings on pension plan investments	-	3,483
Changes in Proportion	1,788	602
Difference between contributions and proportionate share of contributions	-	2,283
Total	\$ 5,791	\$ 6,517
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	\$ (726)	
Contributions Subsequent to the MD	2,885	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	\$ 2,159	



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For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

Actuarial Methods and Assumptions

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

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

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

Discount Rate

The discount rate used to measure the total pension liability at both June 30, 2024 and June 30, 2023 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available

to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

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

	Oregon Tech's proportionate share of the net pension liability	
	June 30, 2024	June 30, 2023
1 % Decrease 5.90% / 6.20%	\$ 41,829	\$ 34,550
Current Discount Rate 6.90% / 7.20%	25,323	19,482
1 % Increase 7.90% / 8.20%	11,510	6,871

Depletion Date Projection

GASB No. 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB No. 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB No. 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- Oregon PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC



- each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB No. 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is the independent actuary's opinion that the detailed depletion date projections outlined in GASB No. 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Assumed Asset Allocation

Asset Class/ Strategy	Low Range	High Range	OIC Target
Debt Securities	20.00 %	30.00 %	25.00 %
Public Equity	22.50	32.50	27.50
Private Equity	17.50	27.50	20.00
Real Estate	9.00	16.50	12.50
Real Assets	2.50	10.00	7.50
Diversifying Strategies	2.50	10.00	7.50
Opportunity Portfolio	0.00	5.00	0.00
Total			100.00 %



Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

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

Bond Debt

The Retirement Bond Debt Service Assessment was authorized by the State of Oregon Legislature in 2003 to sell general obligation bonds in the amount of \$2 billion to pay a PERS unfunded actuarial liability. This action reduced the PERS contribution rate for PERS covered employers in the State actuarial pool in November 2003.

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

The payroll assessment for the pension obligation bond began May 2004. The assessment rate for both fiscal year

Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

2024 and 2023 was 5.60 percent. Payroll assessments paid by Oregon Tech for the fiscal years ended June 30, 2024 and 2023 were \$967 and \$977, respectively.

B. Other Retirement Plans

OPTIONAL RETIREMENT PLAN

The 1995 Oregon Legislature enacted legislation that authorized Oregon Tech to offer a defined contribution retirement plan as an alternative to PERS. The Board appointed a Retirement Plan Committee to administer the Optional Retirement Plan (ORP) and named trustees to manage plan assets placed with mutual funds and insurance companies. Beginning April 1, 1996, the ORP was made available to University academic and administrative faculty. Employees choosing the ORP may invest the employee and employer contributions in one of two investment companies, either Fidelity or TIAA.

The ORP consists of four tiers. Membership under ORP Tier One and Tier Two is determined using the same date of entry criteria as PERS. The third tier is determined by the date of entry applicable to the OPSRP. Employees hired on or after July 1, 2014 who elected the ORP are Tier Four members. The first contributions for Tier Four were payable January 2015 after six-months of qualifying service.

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

The employer contribution rates for the ORP are as follows:

	2024	2023
Tier One/Two	26.68%	26.30%
Tier Three	10.93%	9.63%
Tier Four	8.00%	8.00%

SUMMARY OF OTHER PENSION PAYMENTS

Oregon Tech total payroll for the year ended June 30, 2024 was \$40,260 of which \$7,760 was subject to optional retirement plan contributions. Employer contributions for the year totaled \$1,286 or 16.57 percent of covered payroll. Employee contributions for the year totaled \$1,104, or 14.22 percent of covered payroll. Oregon Tech paid all of the ORP employee contribution amounts on behalf of their employees during the fiscal year ended June 30, 2024.

Oregon Tech total payroll for the year ended June 30, 2023 was \$38,521 of which \$8,216 was subject to optional retirement plan contributions. Employer contributions for the year totaled \$1,383 or 16.84 percent of covered payroll.

Employee contributions for the year totaled \$1,115, or 13.57 percent of covered payroll. Oregon Tech paid all of the ORP employee contribution amounts on behalf of their employees during the fiscal year ended June 30, 2023.

16. Other Postemployment Benefits (OPEB)

A. Public Employees Retirement System (PERS)

Plan Descriptions

The Public Employees Retirement System (PERS) Board contracts for health insurance coverage on behalf of eligible PERS members. Eligible retirees pay their own age-adjusted premiums. To help retirees defray the cost of these premiums, PERS also administers two separate defined benefit other postemployment benefit (OPEB) plans: the Retirement Health Insurance Account (RHIA) and the Retiree Health Insurance Premium Account (RHIPA). Only Tier One and Tier Two PERS members are eligible to participate in the RHIA and RHIPA plans. (Refer to Note 14 for details concerning Tier One and Tier Two membership in PERS.)

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

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



Notes to the Financial Statements For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

at the time the member died and the member retired on or after September 29, 1991. The Legislature has sole authority to amend the benefit provisions and employer obligations of the RHIPA plan.

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

OPEB Plans Report

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

Summary of Significant Accounting Policies

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

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

Basis of Accounting

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

Proportionate Share Allocation Methodology

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

OPEB Plan (Asset)/Liability

The components of the total PERS Net OPEB liability (asset) for the OPEB plans as of the measurement date of June 30, 2023 and 2022 are as follows (in millions):

	June 30, 2023	June 30, 2022
Net OPEB - RHIA (Asset)		
Total OPEB - RHIA Liability	\$ 360.4	\$ 375.4
Plan Fiduciary Net Position	726.6	730.7
Plan Net OPEB - RHIA (Asset)	<u>\$ (366.2)</u>	<u>\$ (355.3)</u>
Net OPEB - RHIPA Liability		
Total OPEB - RHIPA Liability	\$ 47.3	\$ 49.1
Plan Fiduciary Net Position	91.4	83.3
Plan Net OPEB - RHIPA Liability/(Asset)	<u>\$ (44.1)</u>	<u>\$ (34.2)</u>

Changes Subsequent to the Measurement Date

The University is not aware of any changes made subsequent to the measurement date of June 30, 2023.

Assumed Asset Allocation

Asset Class/ Strategy	Low Range	High Range	OIC Target
Debt Securities	20.00 %	30.00 %	25.00 %
Public Equity	22.50	32.50	27.50
Private Equity	17.50	27.50	20.00
Real Estate	9.00	16.50	12.50
Real Assets	2.50	10.00	7.50
Diversifying Strategies	2.50	10.00	7.50
Opportunity Portfolio	0.00	5.00	0.00
Total			100 %



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For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

Long-Term Expected Rate of Return

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

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

Depletion Date Projection

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where

the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB Statement No. 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB Statement No. 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- Oregon PERS has a formal written policy to calculate an actuarially determined contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB Statement No. 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is the independent actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses. As such, and as discussed on pages 50 and 53, the long-term expected rate of return was used to discount the liability.

i. RHIA

Contributions

The RHIA plan is funded through actuarially determined employer contributions.

For both fiscal years ended June 30, 2024 and June 30, 2023, the University contributed 0.05 percent, respectively, of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIA benefits. The required employer contribution was approximately \$2 for the year ended June 30, 2024 and \$1 for the year ended June 30, 2023. The actual contribution equaled the annual required contribution for the fiscal year.

Net OPEB Asset

At June 30, 2024, the University reported an asset of \$272 for its proportionate share of the RHIA net OPEB asset. The net OPEB asset as of June 30, 2024 was measured as of June 30,



Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021.

At June 30, 2023, the University reported an asset of \$273 for its proportionate share of the RHIA net OPEB asset. The net OPEB asset as of June 30, 2023 was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020.

The PERS system does not provide Oregon Tech an audited proportionate share as a separate employer; the University is allocated a proportionate share of PERS employer state agencies. The State's Department of Administrative Services (DAS) calculated Oregon Tech's proportionate share of all state agencies internally based on actual contributions by the University as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. As of both June 30, 2024, and 2023, Oregon Tech's proportion was 0.07 percent of the statewide OPEB plan with no percentage change between the two fiscal years. Oregon Tech's proportion percentage of the statewide OPEB plan as of June 30, 2023 decreased by 0.02 from June 30, 2022.

For the years ended June 30, 2024 and June 30, 2023, respectively, Oregon Tech recorded total OPEB expense of (\$49) and (\$14) due to the change in the net RHIA OPEB asset, changes to deferred outflows and deferred inflows, and amortization of deferred amounts.

Deferred Items

Certain deferred inflows of resources and deferred outflows of resources are calculated at the system-wide level and are allocated to employers based on their proportionate share. Other deferred items are calculated at the University level. For the measurement periods ended June 30, 2023 and June 30, 2022, there were:

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

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

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

- Measurement period ended June 30, 2023 – 2.7 years
- Measurement period ended June 30, 2022 – 2.5 years
- Measurement period ended June 30, 2021 – 2.7 years

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

One year of amortization is recognized in the University's total OPEB expense for fiscal years 2024 and 2023.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7
Changes of assumptions	-	3
Net difference between projected and actual earnings on pension plan investments	-	(1)
Change in proportionate share	11	-
Difference between contributions and proportionate share of contributions	-	-
Total	<u>\$ 11</u>	<u>\$ 9</u>
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	\$ 2	
Contributions Subsequent to the MD	<u>2</u>	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	<u>\$ 4</u>	

Of the amount reported as deferred outflows of resources, \$2 is related to contributions subsequent to the measurement date and will be recognized as an increase of the net OPEB asset in the year ended June 30, 2025.



Notes to the Financial Statements For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

As of June 30, 2024, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA OPEB will be recognized in OPEB expense as follows:

Deferred Outflow/(Inflow) of Resources		
Year Ended June 30:		
2025	\$	(3)
2026		(9)
2027		10
2028		4
2029		-
Total	\$	2

At June 30, 2023, Oregon Tech reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7
Changes of assumptions	2	9
Net difference between projected and actual earnings on pension plan investments	-	21
Change in proportionate share	21	33
Difference between contributions and proportionate share of contributions	-	1
Total	\$ 23	\$ 71
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	\$ (48)	
Contributions Subsequent to the MD	1	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	\$ (47)	

Discount Rate

The discount rate used to measure the total OPEB liability at both June 30, 2024 and June 30, 2023 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB Plan was applied to all periods of projected benefit payments

to determine the total OPEB liability.

Sensitivity Analysis

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

Discount Rate	June 30, 2024	June 30, 2023
1% Decrease 5.90%	\$ (248)	\$ (246)
Current Discount Rate 6.90%	(272)	(273)
1% Increase 7.90%	(294)	(296)

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

Healthcare Cost Rate	June 30, 2024	June 30, 2023
1% Decrease	\$ (272)	\$ (273)
Current Trend Rate	(272)	(273)
1% Increase	(272)	(273)



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Actuarial Methods and Assumptions

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

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

ii. RHIPA

Contributions

The RHIPA plan is funded through actuarially determined employer contributions.

For both fiscal years ended June 30, 2024 and June 30, 2023, the University contributed 0.11 percent of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIPA benefits, respectively. In addition, for both years ended June 30, 2024 and 2023, the University contributed 0.17 percent of all PERS-covered payroll to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities amortized over 20 years, respectively. The required employer contribution was approximately \$33 and \$32 for the years ended June 30, 2024 and June 30, 2023,

respectively. The actual contribution equaled the annual required contribution for the fiscal year.

Net OPEB Asset

At June 30, 2024, the University reported an asset of \$168 for its proportionate share of the PERS RHIPA net OPEB asset. The net OPEB asset as of June 30, 2024 was measured as of June 30, 2023 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021.

At June 30, 2023, the University reported an asset of \$132 for its proportionate share of the PERS RHIPA net OPEB asset. The net OPEB asset as of June 30, 2023 was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020.

The PERS system does not provide Oregon Tech an audited proportionate share as a separate employer; the University is allocated a proportionate share of PERS employer state agencies. DAS calculated Oregon Tech's proportionate share of all state agencies internally based on actual contributions by the University as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. Oregon Tech's proportion was 0.38 percent of the statewide OPEB plan as of June 30, 2024 and June 30, 2023, respectively. Oregon Tech's proportion percentage of the statewide OPEB plan as of June 30, 2023 remained decreased by 0.05 percent from June 30, 2022.

For the year ended June 30, 2024 and 2023, Oregon Tech recorded total OPEB expense of (\$24) and (\$19), respectively, due to the change in the net PERS RHIPA OPEB asset, changes to deferred outflows and deferred inflows, and amortization of previously deferred amounts.

Deferred Items

Certain deferred inflows of resources and deferred outflows of resources are calculated at the system-wide level and are allocated to employers based on their proportionate share. Other deferred items are calculated at the University level. For the measurement period ended June 30, 2023 and June 30, 2022, there were:

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

Differences between expected and actual experience,

Notes to the Financial Statements For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

changes in assumptions, and change in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period is as follows:

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

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

One year of amortization is recognized in the University's total OPEB expense for fiscal year 2024 and 2023.

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

Of the amount reported as deferred outflows of resources, \$33 are related to contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB asset in the year ended June 30, 2025.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 35
Changes of assumptions	2	40
Net difference between projected and actual earnings on pension plan investments	3	-
Change in proportionate share	5	6
Difference between contributions and proportionate share of contributions	1	1
Total	\$ 11	\$ 82
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	\$ (71)	
Contributions Subsequent to the MD	33	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	\$ (38)	

As of June 30, 2024, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB will be recognized in OPEB expense as follows:

Deferred Outflow/(Inflow) of Resources		
Year Ended June 30:		
2025	\$	(22)
2026		(24)
2027		(12)
2028		(10)
2029		(3)
Thereafter		-
Total	\$	(71)

At June 30, 2023, Oregon Tech reported deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 35
Changes of assumptions	3	53
Net difference between projected and actual earnings on pension plan investments	-	8
Change in proportionate share	9	8
Difference between contributions and proportionate share of contributions	1	1
Total	\$ 13	\$ 105
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	\$ (92)	
Contributions Subsequent to the MD	33	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	\$ (59)	



Notes to the Financial Statements For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

Actuarial Methods and Assumptions

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

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

Discount Rate

The discount rate used to measure the total OPEB liability at both June 30, 2024 and June 30, 2023 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB Plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity Analysis

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

Discount Rate	June 30, 2024	June 30, 2023
1% Decrease 5.90%	\$ (158)	\$ (121)
Current Discount Rate 6.90%	(168)	(132)
1% Increase 7.90%	(177)	(146)

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

Healthcare Cost Rate	June 30, 2024	June 30, 2023
1% Decrease	\$ (182)	\$ (147)
Current Trend Rate	(168)	(132)
1% Increase	(152)	(115)

B. Public Employees' Benefit Board (PEBB)

Plan Description

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

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



Notes to the Financial Statements

For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

Summary of Significant Accounting Policies

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

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

Proportionate Share Allocation Methodology

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

Total OPEB Liability

At June 30, 2024, the University reported a liability of \$786 for its proportionate share of the total PEBB OPEB liability. The total OPEB liability as of June 30, 2024 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2023.

At June 30, 2023, the University reported a liability of \$889 for its proportionate share of the total PEBB OPEB liability. The total OPEB liability as of June 30, 2023 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2022.

PEBB does not provide Oregon Tech an audited proportionate share as a separate employer; the University is allocated a proportionate share of PEBB participating employers. DAS calculated Oregon Tech's proportionate share of all participating employers internally based on actual contributions by the University as compared to the total for participating employers. The Oregon Audits Division reviewed this internal calculation. At June 30, 2024 and June 30, 2022, Oregon Tech's proportion was 0.73 and 0.84 percent, respectively, of participating employers, a decrease of 0.09. Oregon Tech's proportion percentage as of June 30, 2023 increased by 0.05 percent from June 30, 2022.

For the years ended June 30, 2024 and June 30, 2023, Oregon Tech recorded total OPEB expense of (\$12) and \$45, respectively, due to the changes to the total OPEB liability, deferred inflows, and amortization of deferred amounts.

Deferred Items

Certain deferred inflows of resources and deferred outflows of resources are calculated at the system-wide level and are allocated to employers based on their proportionate share. Other deferred items are calculated at the University level. For the measurement period ended June 30, 2024 and June 30, 2023, there were:

- A difference due to changes in assumptions

- A difference between expected and actual experience
- Changes in employer proportion since the prior measurement date
- Difference between employer contributions and proportionate share of contributions

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

- Measurement period ended June 30, 2024 - 8.2 years
- Measurement period ended June 30, 2023 - 8.2 years
- Measurement period ended June 30, 2022 - 7.8 years
- Measurement period ended June 30, 2021 - 8.6 years
- Measurement period ended June 30, 2020 - 8.6 years
- Measurement period ended June 30, 2019 - 8.2 years
- Measurement period ended June 30, 2018 - 8.2 years

One year of amortization is recognized in the University's total OPEB expense for fiscal years 2024 and 2023.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 148
Changes of assumptions	12	222
Change in proportionate share	65	246
Difference between contributions and proportionate share of contributions	12	3
Total	\$ 89	\$ 619
Net Deferred Outflow/(Inflow) of Resources	\$ (530)	

As of June 30, 2024, other amounts reported as deferred outflows of resources and deferred inflows of resources related to PEBB OPEB will be recognized in OPEB expense as follows:

	Deferred Outflow/(Inflow) of Resources
Year Ended June 30:	
2025	\$ (95)
2026	(93)
2027	(99)
2028	(92)
2029	(73)
Thereafter	(78)
Total	\$ (530)



Notes to the Financial Statements For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

At June 30, 2023, Oregon Tech reported deferred outflows of resources and deferred inflows of resources related to PEBB OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 204
Changes of assumptions	19	297
Change in proportionate share	79	99
Difference between contributions and proportionate share of contributions	6	3
Total	<u>\$ 104</u>	<u>\$ 603</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ (499)</u>	

Actuarial Methods and Assumptions

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

Actuarial Methods and Assumptions:		
Valuation Date	July 1, 2022	July 1, 2022
Measurement Date	June 30, 2024	June 30, 2023
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.40 percent	2.40 percent
Discount Rate	3.93 percent	3.65 percent
Projected Salary Increases	3.40 percent	3.40 percent
Mortality Rates	Pub-2010 mortality tables, adjusted for PERS experience and generational mortality improvements	
Withdrawal, retirement, and mortality rates	December 31, 2021 Oregon PERS valuation	December 31, 2021 Oregon PERS valuation
Healthcare Cost Trend Rate	Pursuant to ORS 243.135(8), growth in per-member expenditures under self-insured plans and premium amounts is assumed to be 3.40% per year.	
Election and lapse rates	30% of eligible employees 60% spouse coverage for males, 35% for females 7% annual lapse rate	

Discount Rate

Unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The Bond Buyer 20-Year General Obligation Bond Index was used to determine the discount rate for the OPEB liability. The discount rate in effect for the June 30, 2024 and June 30, 2023 reporting dates was 3.93 and 3.65 percent, respectively.

Sensitivity Analysis

The following sensitivity analysis shows the sensitivity of the University's proportionate share of the total OPEB liability calculated using the discount rate in effect at the measurement date, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate:

Discount Rate	June 30, 2024	June 30, 2023
1% Decrease 2.65/2.54%	\$ 841	\$ 951
Current Discount Rate 3.93/3.65%	786	889
1% Increase 4.65/4.54%	734	831

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

Healthcare Cost Rate	June 30, 2024	June 30, 2023
1% Decrease	\$ 689	\$ 787
Current Trend Rate	786	889
1% Increase	901	1,011

17. Risk Financing

Oregon Tech is a member of the Public Universities Risk Management and Insurance Trust (Trust). The Trust is a separate legal entity which operates for the benefit of the member universities (Member). The Trust is governed by a Board of Trustees comprised of a representative of each Member of the Trust. The Trustees administer an insurance program wherein the Members share risk by pooling their losses and claims and jointly purchasing insurance and administrative services through the Trust. In exchange, Members pay annual assessments and provide the Trustees with information or assistance as necessary for the Trustees to determine annual assessments and to purchase insurance or reinsurance. By participating, Oregon Tech transfers the following risk to the Trust:

- Real property loss for a university owned building, equipment, automobiles and other types of property
- Tort liability claims brought against a university, its officers, employees, or agents
- Workers' compensation and employers liability
- Cyber Insurance
- Crime, Fiduciary

Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023 (dollars in thousands)

- Specialty lines of business including marine, medical practicums, international travel, fine art, aircraft, camps, clinics and other items.

Oregon Tech retains risk for losses under \$5, and in certain cases, up to \$25, which is the deductible per claim for insurance purchased through the Trust.

Oregon Tech is charged an assessment to cover the Trust's cost of servicing claims and payments based on the Risk Allocation Model and actuarial estimates of the amounts needed to pay prior and current-year claims. The amount of settlements has not exceeded insurance coverage over the past three years.

In addition, Oregon Tech purchases various commercial insurance policies to cover the deductible amounts of intercollegiate athletics insurance provided through the National Association of Intercollegiate Athletics, and to provide coverage for special events and student liability.

18. Commitments and Contingent Liabilities

Outstanding commitments on partially completed and planned but not initiated construction projects totaled approximately \$57,438 and \$47,011 at June 30, 2024 and 2023, respectively. These commitments will be primarily funded from gifts and grants, bond proceeds, and other Oregon Tech funds. Refer to the table accompanying this note for projects relating to construction commitments as of June 30, 2024.

Construction Commitments as of June 30, 2024

	Total Commitment	Completed to Date	Outstanding Commitment
Applied Computing and Rural			
Health Initiatives	\$ 5,341	\$ 2,073	\$ 3,268
Capital Cost Escalation	1,190	607	583
Capital Improvement & Renewal	6,722	1,984	4,738
Geothermal Heating System			
Emergency Renovations	17,956	512	17,444
New Residence Hall Facility	35,000	4,760	30,240
OMIC Education Lab	3,200	2,035	1,165
Total Construction Commitments	\$ 69,409	\$ 11,971	\$ 57,438

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

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

Unemployment compensation claims are administered by the Oregon Employment Division pursuant to ORS Chapter 657. Oregon Tech reimburses the Oregon Employment Division on a quarterly basis for actual benefits paid. Each year resources are budgeted to pay current charges. The amount of future benefit payments to claimants and the resulting liability to Oregon Tech cannot be reasonably determined at June 30, 2024.

19. Subsequent Events

Management has reviewed events and transactions that occurred subsequent to the financial statement ending date of June 30, 2024 and have found no additional that required disclosure in the statements.

20. University Foundation

Under policies approved by the Board, individual university foundations may be established to provide assistance in fund raising, public outreach, and other support for the mission of Oregon Tech. The Oregon Tech Foundation (Foundation) is a legally separate, tax-exempt entity with an independent governing board. Although Oregon Tech does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of Oregon Tech and is discretely presented in the financial statements. The financial activity is reported for the year ended June 30, 2024.

During the years ended June 30, 2024 and June 30, 2023 gifts of \$888 and \$1,540, respectively, were transferred from the Foundation to Oregon Tech. The Foundation is audited annually and received an unmodified audit opinion.

Please see the financial statements for the Oregon Tech component unit on pages 23 and 25 of this report.

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

Oregon Tech Foundation, 3201 Campus Drive, Klamath Falls, OR 97601-8801







Required Supplementary Information (dollars in thousands)

SCHEDULE OF OREGON TECH'S CONTRIBUTIONS Public Employees Retirement System

For Fiscal Years Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,600	\$ 2,885	\$ 2,805	\$ 2,427	\$ 2,461	\$ 1,647	\$ 1,475	\$ 1,044	\$ 1,004	\$ 838
Contributions in relation to the contractually required contribution	3,600	2,885	2,805	2,427	2,461	1,647	1,475	1,044	1,004	838
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Oregon Tech's covered payroll	\$ 19,288	\$ 19,288	\$ 17,168	\$ 17,505	\$ 17,424	\$ 16,513	\$ 14,443	\$ 13,833	\$ 12,912	\$ 11,891
Contributions as a percentage of covered payroll	18.7%	15.0%	16.3%	13.9%	14.1%	10.0%	10.2%	7.5%	7.8%	7.0%

SCHEDULE OF OREGON TECH'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET) Public Employees Retirement System

As of the Measurement Date June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Oregon Tech's proportion of the net pension liability/(asset)	0.14%	0.13%	0.12%	0.13%	0.12%	0.11%	0.12%	0.11%	0.10%	0.09%
Oregon Tech's proportionate share of the net pension liability/(asset)	\$ 25,323	\$ 19,482	\$ 14,420	\$ 27,426	\$ 20,224	\$ 15,957	\$ 15,678	\$ 16,969	\$ 6,027	\$ (2,133)
Oregon Tech's covered payroll	\$ 19,288	\$ 17,168	\$ 17,505	\$ 17,424	\$ 16,513	\$ 14,443	\$ 13,833	\$ 12,912	\$ 11,891	\$ 10,803
Oregon Tech's proportionate share of the net pension liability/(asset)	131.29%	113.48%	82.38%	157.40%	122.47%	110.48%	113.34%	131.42%	50.69%	19.74%
Plan fiduciary net position as a percentage of the total pension liability	81.68%	84.55%	87.57%	75.79%	80.23%	82.07%	83.12%	80.53%	91.88%	103.59%

Changes in Benefit Terms and Assumptions

Benefit Terms: The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was changed to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, while the assumed inflation rate was lowered to 2.40 percent and the projected salary increases were lowered to 3.40 percent.

SCHEDULE OF OREGON TECH'S PROPORTIONATE SHARE¹ Total PEBB OPEB Liability

As of June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Oregon Tech's allocation of the total OPEB liability	0.73%	0.84%	0.80%	0.85%	0.88%	0.88%	0.87%	0.86%
Oregon Tech's proportionate share of the total OPEB liability	\$ 786	\$ 889	\$ 982	\$ 1,284	\$ 1,290	\$ 1,417	\$ 1,285	\$ 1,239
Oregon Tech's covered payroll	\$ 32,843	\$ 31,479	\$ 30,049	\$ 27,991	\$ 29,384	\$ 28,829	\$ 26,281	\$ 24,752
Oregon Tech's proportionate share of the total OPEB liability as a percentage of its covered payroll	2.39%	2.82%	3.27%	4.59%	4.39%	4.92%	4.89%	5.01%
Total OPEB liability as a % of total covered payroll	2.05%	2.19%	2.76%	3.72%	3.77%	4.31%	4.42%	4.45%

¹ This schedule will eventually contain 10 years' worth of data. Only the data shown was available at this time.



Required Supplementary Information (dollars in thousands)

SCHEDULE OF OREGON TECH'S PROPORTIONATE SHARE¹ Net PERS RHIA OPEB Liability/(Asset)

As of the Measurement Date of June 30,	2023	2022	2021	2020	2019	2018	2017
Oregon Tech's allocation of the net OPEB liability/(asset)	0.07%	0.07%	0.09%	0.02%	0.15%	0.13%	0.1%
Oregon Tech's proportionate share of the net OPEB liability/(asset)	\$ (272)	\$ (273)	\$ (310)	\$ (50)	\$ (296)	\$ (145)	\$ (145)
Oregon Tech's covered payroll	\$ 19,288	\$ 17,168	\$ 17,505	\$ 17,424	\$ 16,513	\$ 14,443	\$ 13,705
Oregon Tech's proportionate share of the net OPEB liability/(asset) as a percentage of covered payroll	1.41%	1.59%	1.77%	0.29%	1.79%	1.00%	0.4%
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	201.61%	194.65%	183.86%	150.09%	144.38%	123.99%	108.8%

¹ This schedule will eventually contain 10 years' worth of data. Only the data shown was available at this time.

SCHEDULE OF OREGON TECH PERS RHIA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions ¹	\$ 2	\$ 1	\$ 1	\$ 2	\$ 2	\$ 73	\$ 64	\$ 65	\$ 61	\$ 62
actuarially determined contributions	2	1	1	2	2	73	64	65	61	62
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 19,288	\$ 17,914	\$ 17,168	\$ 17,505	\$ 17,424	\$ 16,513	\$ 14,443	\$ 13,705	\$ 12,787	\$ 11,769
Contributions as a percentage of covered payroll	0.01%	0.01%	0.01%	0.01%	0.01%	0.44%	0.44%	0.47%	0.48%	0.53%

¹For Actuarial Assumptions and Methods, see table in Note 15.

Changes in Benefit Terms and Assumptions

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2018 and 2019 total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.50 to 7.20 percent. In addition, healthy retiree participation and healthy mortality assumptions were changed to reflect an updated trends and mortality improvement scale for all groups. For the June 30, 2021 measurement date, the assumed inflation rate was lowered to 2.40 percent, the long-term, expected rate of return was lowered to 6.90 percent, and the projected salary increases were lowered to 3.40 percent.



SCHEDULE OF OREGON TECH'S PROPORTIONATE SHARE¹
Net PERS RHIPA OPEB Liability

As of the Measurement of June 30,	2023	2022	2021	2020	2019	2018	2017	2016
Oregon Tech's allocation of the net OPEB liability	0.38%	0.38%	0.44%	0.44%	0.48%	0.43%	0.43%	0.42%
Oregon Tech's proportionate share of the net OPEB liability	\$ (168)	\$ (132)	\$ (68)	\$ 45	\$ 122	\$ 154	\$ 199	\$ 226
Oregon Tech's covered payroll	\$ 17,914	\$ 17,168	\$ 17,505	\$ 17,424	\$ 16,513	\$ 14,443	\$ 13,705	\$ 12,787
Oregon Tech's proportionate share of the net OPEB liability as a percentage of covered payroll	-0.94%	-0.77%	-0.39%	0.26%	0.74%	1.07%	1.45%	1.77%
Plan fiduciary net position as a percentage of the total OPEB liability	193.23%	169.65%	124.64%	84.45%	64.86%	49.79%	34.25%	21.87%

¹ This schedule will eventually contain 10 years' worth of data. Only the data shown was available at this time.

SCHEDULE OF OREGON TECH PERS RHIPA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions ¹	\$ -	\$ 33	\$ 32	\$ 50	\$ 50	\$ 66	\$ 59	\$ 52	\$ 49	\$ 27
Contributions in relation to the actuarially determined contributions	-	33	32	50	50	66	59	52	49	27
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 19,288	\$ 17,914	\$ 17,168	\$ 17,505	\$ 17,424	\$ 16,513	\$ 14,443	\$ 13,705	\$ 12,787	\$ 11,769
Contributions as a percentage of covered payroll	0.00%	0.18%	0.19%	0.29%	0.29%	0.40%	0.41%	0.38%	0.38%	0.23%

¹For Actuarial Assumptions and Methods, see table in Note 15.

Changes in Benefit Terms and Assumptions

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2018 and 2019 total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.50 to 7.20 percent. In addition, the healthy healthcare participation and cost trend rates, and healthy mortality assumptions were changed to reflect an updated trends and mortality improvement scale for all groups. For the June 30, 2021 measurement date, the assumed inflation rate was lowered to 2.40 percent, the long-term, expected rate of return was lowered to 6.90 percent, and the projected salary increases were lowered to 3.40 percent. In addition, the healthcare cost trend rates were changed to reflect updated trends.





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