

THE OHIO UNIVERSITY FOUNDATION AND SUBSIDIARIES  
ATHENS COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023



OHIO AUDITOR OF STATE  
KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Board of Trustees  
The Ohio University Foundation and Subsidiaries  
1 Ohio University  
Athens, Ohio 45701

We have reviewed the *Independent Auditor's Report* of The Ohio University Foundation and Subsidiaries, Athens County, prepared by Crowe LLP, for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ohio University Foundation and Subsidiaries is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

November 19, 2024

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# **The Ohio University Foundation and Subsidiaries**

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**Consolidated Financial Statements as of and  
for the Years Ended June 30, 2024 and 2023  
with Supplementary Schedules as of and  
for the Year Ended June 30, 2024 and  
Independent Auditor's Report**

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# The Ohio University Foundation and Subsidiaries

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
The Ohio University Foundation and Subsidiaries  
Athens, Ohio

**Report on the Audit of the Financial Statements*****Opinion***

We have audited the consolidated financial statements of The Ohio University Foundation and Subsidiaries (“the Foundation”), a discretely presented component unit of Ohio University, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating schedules, as listed in the table of contents, are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and fluid, with the "C" being particularly large and the "LLP" being more compact.

Crowe LLP

Columbus, Ohio  
October 15, 2024

## The Ohio University Foundation and Subsidiaries

### Consolidated Statements of Financial Position June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 51,764,278	\$ 21,853,915
Accounts receivable - net	145,135	302,257
Pledges receivable - net	14,485,779	14,231,458
Bequests receivable	51,739,247	52,614,783
Interest and dividends receivable	1,079,752	1,018,806
Prepaid expenses	335,031	327,339
Investments	663,264,202	621,937,351
Assets held for sale	-	2,929,427
Life insurance cash surrender value	1,171,197	1,129,282
Charitable gift annuities	1,508,438	1,515,170
Charitable trusts	3,520,188	3,361,908
Beneficial interest in assets held by others	792,564	719,111
Property and equipment - net	9,485,052	8,862,400
Other assets	122,128	126,707
Total assets	<u>\$ 799,412,991</u>	<u>\$ 730,929,914</u>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Accounts payable:		
Ohio University	\$ 2,054,624	\$ 1,604,300
Trade and other	1,265,472	1,102,741
Deposits held in custody for others	303,733	441,894
Annuities payable	848,463	899,418
Charitable trusts obligations	1,654,251	1,616,889
Notes payable	93,315	143,473
Other liabilities	1,603,079	1,913,019
Total liabilities	<u>7,822,937</u>	<u>7,721,734</u>
<b>Net assets</b>		
Without donor restrictions	165,274,192	143,746,303
With donor restrictions	626,315,862	579,461,877
Total net assets	<u>791,590,054</u>	<u>723,208,180</u>
Total liabilities and net assets	<u>\$ 799,412,991</u>	<u>\$ 730,929,914</u>

## The Ohio University Foundation and Subsidiaries

### Consolidated Statements of Activities Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and other support</b>			
Gifts and contributions			
Contributions of cash and financial assets	\$ 908,610	\$ 29,687,658	\$ 30,596,268
Contributions of nonfinancial assets	-	7,943,773	7,943,773
University support	2,598,009	-	2,598,009
Income from investments:			
Interest and dividends	4,079,237	5,441,616	9,520,853
Realized gain	4,297,986	9,179,616	13,477,602
Unrealized gain	17,587,781	37,915,993	55,503,774
Revenues from sales and events	6,115,992	111	6,116,103
Gain on split-interest agreements	-	276,627	276,627
Other	1,332,338	209,260	1,541,598
Related entity revenues	60,479	(60,479)	-
Net assets released from restrictions	43,740,190	(43,740,190)	-
<b>Total revenues and other support</b>	<u>80,720,622</u>	<u>46,853,985</u>	<u>127,574,607</u>
<b>Expenses</b>			
Program services:			
Academic support	7,109,169	-	7,109,169
Alumni relations	3,429,237	-	3,429,237
Institutional support	234,600	-	234,600
Instruction	7,672,472	-	7,672,472
Intercollegiate athletics	1,080,905	-	1,080,905
Public service	1,270,892	-	1,270,892
Research	7,274,290	-	7,274,290
Student aid	11,333,511	-	11,333,511
Student services	2,075,148	-	2,075,148
Support services:			
Fundraising and development	8,481,792	-	8,481,792
Management and general	2,496,483	-	2,496,483
Related entity operations	6,734,234	-	6,734,234
<b>Total expenses</b>	<u>59,192,733</u>	<u>-</u>	<u>59,192,733</u>
<b>Changes in net assets</b>	21,527,889	46,853,985	68,381,874
<b>Net assets - beginning of year</b>	<u>143,746,303</u>	<u>579,461,877</u>	<u>723,208,180</u>
<b>Net assets - end of year</b>	<u>\$ 165,274,192</u>	<u>\$ 626,315,862</u>	<u>\$ 791,590,054</u>

**The Ohio University Foundation and Subsidiaries**
**Consolidated Statements of Activities (Continued)**  
**Year Ended June 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and other support</b>			
Gifts and contributions			
Contributions of cash and financial assets	\$ 1,362,338	\$ 61,101,099	\$ 62,463,437
Contributions of nonfinancial assets	-	9,942,373	9,942,373
University support	3,075,097	-	3,075,097
Income from investments:			
Interest and dividends	2,782,332	5,198,963	7,981,295
Realized loss	(1,212,501)	(2,298,308)	(3,510,809)
Unrealized gain	17,474,438	36,128,308	53,602,746
Revenues from sales and events	6,675,505	330	6,675,835
Gain on split-interest agreements	-	1,614,535	1,614,535
Other	774,871	50,001	824,872
Related entity revenues	61,468	(61,468)	-
Net assets released from restrictions	38,665,822	(38,665,822)	-
<b>Total revenues and other support</b>	<u>69,659,370</u>	<u>73,010,011</u>	<u>142,669,381</u>
<b>Expenses</b>			
Program services:			
Academic support	2,136,890	-	2,136,890
Alumni relations	3,857,897	-	3,857,897
Institutional support	243,116	-	243,116
Instruction	8,446,391	-	8,446,391
Intercollegiate athletics	1,554,293	-	1,554,293
Public service	2,271,566	-	2,271,566
Research	6,368,318	-	6,368,318
Student aid	10,312,411	-	10,312,411
Student services	1,742,171	-	1,742,171
Support services:			
Fundraising and development	8,945,230	-	8,945,230
Management and general	2,259,229	-	2,259,229
Related entity operations	6,754,675	-	6,754,675
<b>Total expenses</b>	<u>54,892,187</u>	<u>-</u>	<u>54,892,187</u>
<b>Changes in net assets</b>	14,767,183	73,010,011	87,777,194
<b>Net assets - beginning of year</b>	<u>128,979,120</u>	<u>506,451,866</u>	<u>635,430,986</u>
<b>Net assets - end of year</b>	<u>\$ 143,746,303</u>	<u>\$ 579,461,877</u>	<u>\$ 723,208,180</u>

## The Ohio University Foundation and Subsidiaries

### Consolidated Statements of Cash Flows Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ 68,381,874	\$ 87,777,194
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Realized investment (gains) losses - net	(13,477,602)	3,510,809
Noncash items:		
Depreciation	1,011,861	893,581
Gain on disposition of property	(1,332,336)	(744,845)
Unrealized investment gains - net	(55,503,774)	(53,602,746)
(Increase) decrease in cash surrender value of life insurance policies	(41,915)	36,184
Increase in investments subject to annuity agreements	(124,726)	(128,706)
Increase in charitable remainder trust assets	(311,181)	(199,235)
Increase in beneficial interest in assets held by others	(113,453)	(69,585)
Decrease in annuity obligations	(50,955)	(279,869)
Increase (decrease) in trust obligations	37,362	(901,392)
Contributions of securities	(1,892,694)	(1,440,210)
Contributions restricted for endowment investments	(19,912,595)	(9,464,119)
Changes in current assets and liabilities:		
Decrease in accounts receivable	157,122	100,620
Increase in pledges receivable	(254,321)	(4,904,025)
Decrease (increase) in bequests receivable	875,536	(43,242,910)
Increase in interest and dividends receivable	(60,946)	(194,279)
(Increase) decrease in prepaid expenses	(7,692)	252,870
Decrease in other assets	4,579	20,448
Increase (decrease) in accounts payable	613,055	(2,571,296)
Decrease in other liabilities	(309,940)	(438,827)
(Decrease) increase in deposits held in custody for others	(138,161)	30,600
Net cash used in operating activities	<u>(22,450,902)</u>	<u>(25,559,738)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	(1,872,750)	(1,325,364)
Proceeds from sales of property and equipment	4,500,000	2,050,000
Purchases of investments	(119,179,797)	(77,977,228)
Proceeds from sales of investments	148,727,016	72,694,742
Distributions from charitable gift annuities	131,458	279,150
Contributions to new charitable remainder trusts	-	(996,551)
Distributions from charitable remainder trusts	152,901	13,548,196
Distributions from The Columbus Foundation	40,000	38,000
Net cash provided by investing activities	<u>32,498,828</u>	<u>8,310,945</u>
<b>Cash Flows from Financing Activities</b>		
Contributions restricted for endowment investment	19,912,595	9,464,119
Payments on notes and bonds payable	(50,158)	(56,467)
Net cash provided by financing activities	<u>19,862,437</u>	<u>9,407,652</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	29,910,363	(7,841,141)
<b>Cash and Cash Equivalents - Beginning of year</b>	<u>21,853,915</u>	<u>29,695,056</u>
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 51,764,278</u>	<u>\$ 21,853,915</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the year for interest	\$ 1,041	\$ 1,726
Cash paid during the year for income taxes	-	18,826
<b>Supplemental Disclosure of Non-Cash Activities</b>		
Contributions of securities	\$ 1,892,694	1,440,210

The Notes to Consolidated Financial Statements are an Integral Part of this Statement.

### Note 1 - Organization and Operation

The Ohio University Foundation (the “Foundation”), a component unit of Ohio University, was incorporated in Ohio in October 1945 to support the educational undertakings of Ohio University (the “University”). The Foundation is authorized to solicit and receive gifts and contributions for the benefit of the University and to ensure that funds and property received are applied to the uses specified by the donor.

The Foundation’s wholly owned subsidiary, The Ohio University Inn, Inc. (the “Inn”), owns and operates a 139-room hotel and restaurant facility in Athens, Ohio known as The Ohio University Inn and Conference Center (see Note 14). The Inn changed its name from Inn-Ohio of Athens, Inc. to The Ohio University Inn, Inc. on March 9, 2024.

The Sugar Bush Foundation (“Sugar Bush”) is an Ohio not-for-profit corporation, and is a supporting organization as defined in Code Section 509(a)(3). Sugar Bush has pledged to commit all of its charitable distributions to The Foundation. Upon dissolution of Sugar Bush and payment of all Sugar Bush liabilities, all of its assets shall be transferred to the Foundation, provided the Foundation is then recognized as a nonprofit Ohio corporation and as a tax-exempt organization under Section 501(c)(3) of the Code. The Foundation consolidates this supporting organization that is deemed to be financially interrelated (see Note 15).

The Russ LLCs are four limited liability companies (Fritz J. and Dolores H. Russ Holdings LLC, Russ North Valley Road LLC, Russ Research Center LLC and Russ Center North LLC) created to receive and hold property distributions from The Dolores H. Russ Trust for the benefit of the Russ College of Engineering. The limited liability companies are treated as disregarded entities for federal income tax purposes. The Foundation is the sole member of Fritz J. and Dolores H. Russ Holdings LLC. Fritz J. and Dolores H. Russ Holdings LLC is the sole member of Russ North Valley Road LLC, Russ Research Center LLC, and Russ Center North LLC (see Note 16).

Ohio University Foundation Real Estate LLC (the “Real Estate LLC”) was established during fiscal year 2022 to provide for a separate entity to receive gifts and other transfers of real property to be held, transferred, or sold for the benefit of the Foundation and its purposes. The Foundation is the sole member of the LLC (see Note 17).

### Note 2 - Summary of Significant Accounting Policies

**Basis of Accounting and Presentation-** The consolidated financial statements of the Foundation have been prepared in conformance with accounting principles generally accepted in the United States of America. The accompanying consolidated financial statements present the financial position and results of activities of the Foundation and its wholly owned subsidiary and other related entities - the Inn, one supporting organization, and five limited liability companies. All intercompany transactions have been eliminated.



**Note 2 - Summary of Significant Accounting Policies (Continued)**

Financial statements of not-for-profit organizations measure aggregate net assets and net asset activity based on the absence or existence of donor-imposed restrictions. Brief definitions of the two net asset classes are presented below:

*Net Assets Without Donor Restrictions* – Net assets derived from gifts and other institutional resources that are not subject to explicit donor-imposed restrictions. Net assets without donor restrictions also include board designated funds functioning as endowment.

*Net Assets With Donor Restrictions* – Net assets that are subject to explicit donor-imposed restrictions on the expenditure of contributions or income and gains on contributed assets and net assets from endowments not yet appropriated for spending by the Foundation. In addition, net assets with donor restrictions include restricted contributions from donors classified as funds functioning as endowment. The Foundation records as net assets with donor restrictions the original amount of gifts which donors have given to be maintained in perpetuity. Restrictions include support of specific schools or departments of the University, for professorships, research, faculty support, scholarships and fellowships, building construction and other purposes. When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Liquidity and Availability of Resources** – The Foundation’s financial assets available within one year of the Statements of Financial Position for general expenditure as of June 30 are as follows:

	2024	2023
Total assets, at year end	\$ 799,412,991	\$ 730,929,914
Less nonfinancial assets:		
Prepaid expenses	335,031	327,339
Assets held for sale	-	2,929,427
Property and equipment, net of depreciation	9,485,052	8,862,400
Other assets	122,128	126,707
Financial assets, at year end	789,470,780	718,684,041
Less those unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	139,957,505	139,508,108
Donor-restricted permanent endowments subject to appropriation and satisfaction of donor restrictions	447,632,969	395,125,261
Board-designated (quasi) endowments created with donor-restricted funds	26,010,231	32,609,182
Life insurance cash surrender value	1,171,197	1,129,282
Investments held in annuities and trusts	5,028,626	4,877,078
Beneficial interest in assets held by others	792,564	719,111
Financial assets held by Foundation subsidiaries	7,872,134	9,174,614
Board designations:		
Quasi-endowment funds without donor restrictions	147,755,943	125,916,664
Quasi-endowment spending account balances without donor restrictions	1,440,181	1,273,523
Subtotal of amounts unavailable for general expenditure within one year	777,661,350	710,332,823
Plus endowment distributions made available for general expenditure within one year due to:		
Endowment distributions without purpose restrictions	57,077	53,276
Endowment management fee	7,788,506	7,932,512
Subtotal of endowment distributions without donor restrictions or board designations	7,845,583	7,985,788
Financial assets available to meet cash needs for general expenditures	\$ 19,655,013	\$ 16,337,006

**Note 2 - Summary of Significant Accounting Policies (Continued)**

The Foundation is substantially supported by restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in various short- and long-term investments. These investment pools offer sufficient liquidity to enable the Foundation to access funds, as necessary, to cover any immediate cash needs.

Additionally, the Foundation had board-designated (quasi) endowment funds created with donor-restricted funds, with accumulated earnings of \$147,755,943 and \$125,916,664 for the years ended June 30, 2024 and 2023, respectively. Although the Foundation does not intend to spend from this endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment funds could be made available if and when necessary. Note 10 further describes spending from endowments.

Reserve funds in the amount of \$7,135,195 and \$3,856,886 were accumulated for the years ended June 30, 2024 and 2023, respectively, in accordance with the Foundation's Contingency and Operating Reserves Policy, as adopted in February 2014. The reserve is intended to stabilize the Foundation's finances and may be used for significant legal settlements, a large unanticipated loss in funding, or one-time, nonrecurring expenses that will build long-term capacity, such as projects addressing critical needs or unique opportunities deemed to be consistent with the mission of the University. The Foundation also realizes that there could be unanticipated liquidity needs.

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

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

**Concentration of Credit Risk** - Financial instruments, which potentially subject the Foundation to a concentration of credit risk, consist principally of pledges receivable, investments for the Foundation, and receivables related to operations of the Inn and Russ Research Center LLC. Exposure to losses on pledges receivable is principally dependent on each donor's financial condition. The Foundation monitors the exposure for credit losses and maintains allowances for anticipated losses on receivables.

Investments are recorded at fair value. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the Foundation's consolidated statements of financial position and activities.

**Note 2 - Summary of Significant Accounting Policies (Continued)**

The management company that operates the Inn is responsible for collection of receivables and it provides a reserve for any estimated uncollectible balances, as appropriate. The property management staff that operates the Russ Research Center LLC is responsible for collection of receivables and provides a reserve for any estimated uncollectible balances, as appropriate.

**Cash** - The Foundation's cash and cash equivalents were \$51,764,278 and \$21,853,915 as of June 30, 2024 and 2023, respectively, the majority of which are bank balances or money market mutual funds. A portion of the bank balances are insured either by the FDIC or through the Foundation's involvement in the Ohio Pooled Collateral System. Remaining uninsured balances totaled \$49,202,693 and \$19,087,895 as of June 30, 2024 and 2023, respectively.

**Cash Equivalents** - The Foundation considers all highly liquid investments that are held outside of the long-term investment pool and purchased with original maturities of three months or less to be cash equivalents.

**Intentions** - The Foundation receives communications from donors indicating that the Foundation has been included in the donor's will or life insurance policy as beneficiary, representing intentions to give rather than promises to give. Such communications are not unconditional promises to give because the donors retain the ability to modify their wills and insurance policies during their lifetimes. The total realizable value of these intended gifts has not been established, nor have the intended gifts been recognized as an asset or contribution revenue. Such gifts are recorded when the Foundation is notified of the donor's death, the will is declared valid by a probate court, and the proceeds are measurable.

**Investments** - Investments in securities are recorded at fair value based on quoted market values, with changes in market value during the year reflected in the consolidated statements of activities. Investments not publicly traded are either stated at cost, which approximates market, or at appraised market values when applicable. Alternatives are recorded at their most recent available valuation as provided by the investment custodian. Purchases and sales of investments are accounted for as of the trade date. See Note 5 for the valuation policy for alternative investments.

**Cash Surrender Value of Insurance Policies** - The Foundation records as an asset the cash surrender value of insurance policies for which it is the owner and beneficiary.

**Property and Equipment** - Property and equipment are recorded at the estimated fair value, if received as a gift, or at the purchase cost, plus any expenditures for improvements.

Depreciation of buildings is recorded over periods ranging from 20 to 40 years using the straight-line method. Depreciation and amortization of other property, equipment, and improvements are recorded over periods ranging from 3 to 15 years using the straight-line method.

**Note 2 - Summary of Significant Accounting Policies (Continued)**

Annually, or more frequently if events or circumstances change, a determination is made by management to ascertain whether property and equipment and intangibles have been impaired based on the sum of expected future undiscounted cash flows from operating activities. If the estimated net cash flows are less than the carrying amount of such assets, the Foundation will recognize an impairment loss in an amount necessary to write down the assets to a fair value as determined from expected future discounted cash flows. Based upon its most recent analysis, the Foundation has determined that no impairment to the carrying value of its long-lived assets existed as of June 30, 2024 and 2023.

**Assets Held for Sale** - During the fiscal year ended June 30, 2022, the Foundation approved a plan to sell the Russ Research Center. As a result, a majority of the Russ Research Center's fixed assets were reclassified to from Property and equipment – net to Assets held for sale and were valued at net book value as of June 30, 2023. These assets were sold on November 30, 2023. See Note 16 for more information.

**Other Liabilities** – The Foundation's other liabilities include unearned revenue, which consists of amounts received from donors that are subject to eligibility requirements. These amounts will be recognized as gift revenue when the eligibility requirements are met. Other liabilities also include accrued compensation, accrued real estate taxes related to the Inn and the Russ LLC's, and the Inn's deferred income tax liability.

**Gifts and Contributions** - Contributions are recorded at their fair value on the date of receipt. All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as revenue with donor restrictions. When a donor restriction expires (when a stipulated time restriction ends or the purpose of restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Contributed property is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used or restrict the use of such assets for a specific purpose, the contributions are recorded as donor-restricted support. In the absence of such stipulations, contributions of property are recorded as support without donor restrictions.

Contributions of charitable gift annuities are reduced by the actuarially determined liability resulting from acceptance of the gift. Contributions are held in charitable trusts at the present value of their estimated future benefits to be received when the trust assets are distributed upon notification of the donor's death (see Note 6).

**Income from Investments** - Investment income earned is credited to net assets with donor restrictions if restricted by the donor or by state law. Otherwise, investment income earned is credited to net assets without donor restrictions. All investment income is recorded net of investment management fees.

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Revenues from Sales and Events** - Revenues from merchandise sales and event registration fees are recognized as earned. Revenue is recognized from the Inn's room, restaurant, and beverage facilities and services as earned on the close of business each day. Rental income is recognized when rent becomes due over the terms of the Russ Research Center LLC's tenant leases. Rental payments received in advance of the rental income recognition are recorded as deferred income in the accompanying statements of financial position.

**Functional Allocation of Expenses** - The costs of providing the various programs and support services have been summarized on a functional basis in the consolidated statements of activities. Certain costs have been allocated among the programs and support services benefited. Salaries and benefits are allocated based on the functions of the employees being paid. Supplies, services, and travel expenses are allocated on the basis of the program or support service incurring those costs. Occupancy, maintenance and repairs expense is allocated on the basis of the program or support service which uses the space being maintained. Depreciation is allocated on the basis of the program or support service which uses the fixed asset. Although methods of allocation used are considered appropriate, other methods could be used that would produce different amounts. See Note 13 for additional details describing the how costs are distributed by both function and natural expense.

**Income Taxes** - The Internal Revenue Service has determined that the Foundation is an exempt organization under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated income. The provision for income taxes for the Inn, a for-profit corporation, including deferred tax expense, totaled \$(108,139) and \$18,825 for the years ended June 30, 2024 and 2023, respectively. The provision is primarily comprised of federal and city taxes. Of these amounts, \$0 and \$(17,268) represent current income tax (recovery) expense for the years ended June 30, 2024 and 2023, respectively. The deferred taxes are a result of differences between book and tax depreciation and are presented as long-term other liabilities on the statements of financial position. There are no income taxes on the Russ LLCs or the Real Estate LLC as they are disregarded entities.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and to recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Foundation and has concluded that as of June 30, 2024 and 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes that it is no longer subject to income tax examinations for years prior to June 30, 2021.

**Subsequent Events** - The consolidated financial statements and related disclosures include evaluation of events up through and including October 15, 2024, which is the date the consolidated financial statements were available to be issued.

**Note 3 - Pledges Receivable**

Pledges receivable consist of the following unconditional promises to give as of June 30, 2024 and 2023:

	2024	2023
Purpose:		
Endowment	\$ 2,303,339	\$ 3,211,588
Capital purposes	6,734,235	2,148,140
Operating programs	7,951,966	10,240,875
Total pledges receivable, gross	16,989,540	15,600,603
Less: Discount to present value	(1,366,476)	(513,889)
Less: Allowance for credit losses	(1,137,285)	(855,256)
Total pledges receivable, net	<u>\$ 14,485,779</u>	<u>\$ 14,231,458</u>
Amounts due in:		
Less than one year	\$ 5,613,716	\$ 8,055,245
One to five years	4,978,272	5,716,448
More than five years	3,893,791	459,765
Total pledges receivable, net	<u>\$ 14,485,779</u>	<u>\$ 14,231,458</u>

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on those amounts is computed using an assumed inflation rate at the time the pledge is made. The discount rate utilized was 2.90 for pledges made during the year ended June 30, 2024 and 2.66 percent for the year ended June 30, 2023. Amortization of the discounts is included in contribution revenue. Unconditional promises to give, which are silent as to the due date, are presumed to be time restricted by the donor until received and are reported as net assets with donor restrictions. Conditional promises to give are not included as support until the conditions on which they depend are substantially met.

The allowance for credit losses is a general valuation based on the percentage of prior years' pledge write-offs. Specific pledges deemed to be uncollectible are charged against the allowance for credit losses in the period in which the determination is made. Both the general allowance and the specific write-offs are reported as a loss on fair value of pledges receivable in the statements of activities.

As of June 30, 2024, the Foundation has approximately \$91.6 million in numerous outstanding commitments that are considered to be intentions to give and are contingent upon future events. These commitments are not accrued as pledges receivable or recognized as revenue because they do not represent unconditional promises to give.

**Note 4 - Bequests Receivable**

Bequests receivable are recorded when the Foundation is notified of a donor's death, the will is declared valid by a probate court, and the proceeds are measurable. Bequests receivable as of June 30, 2024 and 2023 are summarized in the following table:

	<u>2024</u>	<u>2023</u>
Purpose:		
Endowment	\$ 1,054,476	\$ 7,298,849
Capital purposes	52,653,671	50,311,962
Operating programs	<u>2,021,194</u>	<u>12,694</u>
Total bequests receivable, gross	55,729,341	57,623,505
Less: Discount to present value	<u>(3,990,094)</u>	<u>(5,008,722)</u>
Total bequests receivable, net	<u>\$ 51,739,247</u>	<u>\$ 52,614,783</u>
Amounts due in:		
Less than one year	\$ 3,075,670	\$ 7,406,543
One to five years	<u>48,663,577</u>	<u>45,208,240</u>
Total bequests receivable, net	<u>\$ 51,739,247</u>	<u>\$ 52,614,783</u>

Bequests receivable that are expected to be collected within one year are recorded at net realizable value. Bequests receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on those amounts is computed using an assumed inflation rate at the time the bequest becomes due and payable. No discount was used for bequests recorded during the year ended June 30, 2024, as all bequests were anticipated to be realized in less than one year. The discount rate utilized was 2.66 for bequests recorded during the year ended June 30, 2023. Amortization of the discounts is included in contribution revenue.



**Note 5 - Fair Value Measurements**

The Foundation's investments include endowed funds, as well as a portion of working capital funds. The Foundation's investment policy provides that the long-term objective of the investment pool is to maximize the real return, or the nominal return less inflation, of the assets over a complete market cycle with emphasis on preserving capital and reducing volatility through prudent diversification. Furthermore, the investment strategy seeks to provide real growth of assets in excess of endowment spending requirements plus inflation.

The Foundation reports investments, split-interest agreements and beneficial interest in assets held by others at estimated fair value, in accordance with the fair value hierarchy prescribed by Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. The framework for determining fair value is based on a hierarchy that prioritizes the valuation techniques and inputs used to measure fair value, as follows:

**Level 1** - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. The Foundation's Level 1 assets consist primarily of fixed-income or equity mutual funds, publicly traded large- and small-cap stocks, and REITs. Prices for these investments are widely available through major financial reporting services.

**Level 2** - Inputs other than quoted prices that are observable, either directly or indirectly. These may include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. The Foundation's Level 2 assets include bonds and bond mutual funds.

**Level 3** - Inputs that are unobservable, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. The Foundation's Level 3 assets include private real estate. They also include split-interest agreements that are valued using an actuarial approach. The Foundation has processes in place to select the appropriate valuation technique and unobservable inputs to perform Level 3 fair value measurements.

Certain assets are measured at net asset value (NAV) as a practical expedient for establishing fair value.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the least observable input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The Foundation's fair value assets, by level, at June 30, 2024 and 2023 are summarized in the following tables:

## The Ohio University Foundation and Subsidiaries

### Notes to Consolidated Financial Statements June 30, 2024 and 2023

#### Assets Measured at Fair Value on a Recurring Basis at June 30, 2024 –

	Fair Value at Reporting Date Using				Total
	Level 1	Level 2	Level 3	NAV	
<u>Investments</u>					
Fixed-income investments:					
Money market mutual funds	\$ 2,530,320	\$ -	\$ -	\$ -	\$ 2,530,320
Bonds and bond mutual funds	68,292,198	-	-	-	68,292,198
Subtotal fixed income	70,822,518	-	-	-	70,822,518
Public equity investments:					
Domestic large-cap equity (1)	213,056,167	-	-	33,396,146	246,452,313
Domestic small-cap equity	19,920,416	-	-	-	19,920,416
Developed international equity (2)	57,333,005	-	-	39,208,389	96,541,394
Emerging markets international equity (3)	21,861,783	-	-	14,407,225	36,269,008
Public real assets funds	26,939,435	-	-	-	26,939,435
Subtotal public equity	339,110,806	-	-	87,011,760	426,122,566
Alternative investments:					
Hedge funds (4)	-	-	-	48,147,153	48,147,153
Private capital funds (5)	-	-	-	118,044,085	118,044,085
Private real estate funds (6)	-	-	127,880	-	127,880
Subtotal alternative investments	-	-	127,880	166,191,238	166,319,118
Total investments by fair value level	\$409,933,324	\$ -	\$ 127,880	\$253,202,998	\$663,264,202
<u>Split-Interest Agreements</u>					
Charitable gift annuity assets:					
Money market mutual funds	\$ 9,962	\$ -	\$ -	\$ -	\$ 9,962
Bonds and bond mutual funds	634,891	-	-	-	634,891
Domestic equity	387,703	-	-	-	387,703
International equity	246,997	-	-	-	246,997
Public real assets funds	228,885	-	-	-	228,885
Total charitable gift annuity assets	\$ 1,508,438	\$ -	\$ -	\$ -	\$ 1,508,438
Charitable trust assets:					
Money market mutual funds	82,942	-	-	-	82,942
Bonds and bond mutual funds	1,119,533	-	-	-	1,119,533
Domestic equity	848,924	-	-	-	848,924
International equity	532,445	-	-	-	532,445
Public real assets funds	387,495	-	-	-	387,495
Other (6)	-	-	548,849	-	548,849
Total charitable trust assets	\$ 2,971,339	\$ -	\$ 548,849	\$ -	\$ 3,520,188
Total split-interest agreements	\$ 4,479,777	\$ -	\$ 548,849	\$ -	\$ 5,028,626
<u>Beneficial interest in assets held by others</u>					
Assets held at The Columbus Foundation (7)	\$ -	\$ -	\$ 792,564	\$ -	\$ 792,564
Total fair value measurements	\$414,413,101	\$ -	\$ 1,469,293	\$253,202,998	\$669,085,392

Assets Measured at Fair Value on a Recurring Basis at June 30, 2023 –

	Fair Value at Reporting Date Using				Total
	Level 1	Level 2	Level 3	NAV	
<u>Investments</u>					
Fixed-income investments:					
Money market mutual funds	\$ 12,202,177	\$ -	\$ -	\$ -	\$ 12,202,177
Bonds and bond mutual funds	72,279,816	-	-	-	72,279,816
Subtotal fixed income	84,481,993	-	-	-	84,481,993
Public equity investments:					
Domestic large-cap equity (1)	198,181,233	-	-	27,214,169	225,395,402
Domestic small-cap equity	19,042,071	-	-	-	19,042,071
Developed international equity (2)	62,375,936	-	-	36,557,766	98,933,702
Emerging markets international equity (3)	24,982,375	-	-	13,652,053	38,634,428
Public real assets funds	27,014,516	-	-	-	27,014,516
Subtotal public equity	331,596,131	-	-	77,423,988	409,020,119
Alternative investments:					
Hedge funds (4)	-	-	-	39,197,756	39,197,756
Private capital funds (5)	-	-	-	89,109,603	89,109,603
Private real estate funds	-	-	127,880	-	127,880
Subtotal alternative investments	-	-	127,880	128,307,359	128,435,239
Total investments by fair value level	\$416,078,124	\$ -	\$ 127,880	\$205,731,347	\$621,937,351
<u>Split-Interest Agreements</u>					
Charitable gift annuity assets:					
Money market mutual funds	\$ 13,081	\$ -	\$ -	\$ -	\$ 13,081
Bonds and bond mutual funds	622,828	-	-	-	622,828
Domestic equity	402,880	-	-	-	402,880
International equity	247,825	-	-	-	247,825
Public real assets funds	228,556	-	-	-	228,556
Total charitable gift annuity assets	\$ 1,515,170	\$ -	\$ -	\$ -	\$ 1,515,170
Charitable trust assets:					
Money market mutual funds	65,882	-	-	-	65,882
Bonds and bond mutual funds	1,105,899	-	-	-	1,105,899
Domestic equity	826,519	-	-	-	826,519
International equity	507,739	-	-	-	507,739
REITs	364,709	-	-	-	364,709
Other (6)	-	-	491,160	-	491,160
Total charitable trust assets	\$ 2,870,748	\$ -	\$ 491,160	\$ -	\$ 3,361,908
Total split-interest agreements	\$ 4,385,918	\$ -	\$ 491,160	\$ -	\$ 4,877,078
<u>Beneficial interest in assets held by others</u>					
Assets held at The Columbus Foundation (7)	\$ -	\$ -	\$ 719,111	\$ -	\$ 719,111
Total fair value measurements	\$420,464,042	\$ -	\$ 1,338,151	\$205,731,347	\$627,533,540

**Note 5 - Fair Value Measurements (Continued)**

- (1) Domestic large cap equity funds include a commingled fund which invests in U.S. stocks with the objective of achieving over time a total return that exceeds that of the S&P 500 Composite Index. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.
- (2) Developed international equity mutual funds include an international large cap fund which uses a bottom up, research driven value strategy that focuses on maximizing intrinsic value. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.
- (3) Emerging markets international equity mutual funds include a fund which seeks to achieve total return in excess of the MSCI Emerging Markets Index through investing in the world's emerging stock markets. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.
- (4) Hedge funds include both absolute and total return funds that are broadly diversified across managers, investment strategies, and investment venues. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.
- (5) Private capital funds are broadly diversified across managers, investment stages, geography, industry sectors, and company size. This asset category includes private equity, private debt, private real estate and venture capital funds. It includes individual fund investments, as well as fund of funds investments. The fair values of the investments in this class have been estimated using the net asset value of the Organization's ownership interest in partners' capital. The investments in the private capital asset class cannot be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next one to eleven years.
- (6) Level 3 assets represent real estate assets held in trust, as well as the present value of the revenue expected to be received from charitable trusts where the Foundation does not serve as trustee. The Foundation estimates the fair value of these assets based upon the present value of the expected future cash flows using management's best estimates of key assumptions including life expectancies of beneficiaries, payment periods, and a discount rate commensurate with market conditions and other risks involved. Significant changes in these key assumptions would result in a significantly lower or higher fair value measurement.
- (7) The beneficial interest in assets held at The Columbus Foundation has been valued, as a practical expedient, at the fair value of The Ohio University Foundation's share of The Columbus Foundation's investment pool as of the measurement date. The Columbus Foundation values securities and other financial instruments on a fair value basis of accounting. The Ohio University Foundation's share of The Columbus Foundation's investments are composed entirely of mutual fund investments that offer approximately 67 percent exposure to public equities and 33 percent exposure to bonds, with broad diversification across economic sectors. The beneficial interest in assets held at The Columbus Foundation is not redeemable by The Ohio University Foundation as described in Note 6.

**Note 5 - Fair Value Measurements (Continued)**

Investments are reported as Level 3 assets if the valuation is based on significant unobservable inputs. Often, these assets trade infrequently, or not at all. For some Level 3 assets, both observable and unobservable inputs may be used to determine fair value. As a result, the unrealized gains and losses presented in the tables below may include changes in fair value that were attributable to both observable and unobservable inputs.

The Foundation’s policy is to recognize transfers between levels of the fair value hierarchy as of the beginning of the reporting period. For the fiscal years ended June 30, 2024 and June 30, 2023, there were no transfers between levels of the fair value hierarchy.

Additional information on the changes in Level 3 assets is summarized in the tables below as of June 30, 2024 and 2023:

**Changes in Level 3 Assets Measured at Fair Value on a Recurring Basis for the Year Ended June 30, 2024 –**

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			Beneficial Interest in Assets Held by Others
	Investments - Private Real Estate Funds	Charitable Trust Assets - Private Real Estate	Charitable Trust Assets - Other	
Beginning balance	\$ 127,880	\$ -	\$ 491,160	\$ 719,111
Change in value of split-interest agreements included in changes in net assets:				
Change in actuarial estimate	-	-	57,689	-
Total change in value	-	-	57,689	-
Change in value of beneficial interest in assets held by others included in changes in net assets:				
Investment income	-	-	-	40,000
Gains on beneficial interest in assets held at The Columbus Foundation, net of investment income recorded	-	-	-	33,453
Total change in value	-	-	-	73,453
Ending balance	\$ 127,880	\$ -	\$ 548,849	\$ 792,564

Note 5 - Fair Value Measurements (Continued)

Changes in Level 3 Assets Measured at Fair Value on a Recurring Basis for the Year Ended June 30, 2023 –

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Investments - Private Real Estate Funds	Charitable Trust Assets - Private Real Estate	Charitable Trust Assets - Other	Beneficial Interest in Assets Held by Others
Beginning balance	\$ 127,880	\$ -	\$ 177,228	\$ 687,526
Change in value of split-interest agreements included in changes in net assets:				
Contributions of new split-interest agreements	-	686,000	309,551	-
Payments to beneficiaries	-	-	(33,000)	-
Sale of trust investments	-	(661,640)	-	-
Realized gain (loss) on sale of trust investments	-	(24,360)	-	-
Change in actuarial estimate	-	-	37,381	-
Total change in value	-	-	313,932	-
Change in value of beneficial interest in assets held by others included in changes in net assets:				
Investment income	-	-	-	38,000
Losses on beneficial interest in assets held at The Columbus Foundation, net of investment income recorded	-	-	-	(6,415)
Total change in value	-	-	-	31,585
Ending balance	\$ 127,880	\$ -	\$ 491,160	\$ 719,111

**Note 5 - Fair Value Measurements (Continued)**

**Investments in Entities that Calculate Net Asset Value per Share** - The Foundation holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

The following table provides additional information regarding the fair value, liquidity, and unfunded commitment for investments where the NAV was used as a practical expedient:

	June 30, 2024	June 30, 2023	June 30, 2024		
	Fair Value	Fair Value	Unfunded Commitment	Redemption Frequency, if Eligible	Redemption Notice Period
Domestic large cap equity	\$ 33,396,146	\$ 27,214,169	\$ -	Monthly	10 days
Developed international equity	39,208,389	36,557,766	-	Monthly	10 days
Emerging markets international equity	14,407,225	13,652,053	-	Monthly	5-30 days
Hedge funds	48,147,153	39,197,756	-	Quarterly, Annually	45-90 days
Private capital funds	118,044,085	89,109,603	92,180,138	None	None
Total	<u>\$ 253,202,998</u>	<u>\$ 205,731,347</u>	<u>\$ 92,180,138</u>		

**Note 6 - Split-interest Agreements**

**Charitable Gift Annuities** - Under charitable gift annuity agreements, all assets are held by the Foundation. Therefore, the Foundation has recorded the donated assets at fair value and the liabilities to the donor or his/her beneficiaries discounted to the present value of the estimated future payments to be distributed by the Foundation to such individuals. The amount of the contribution is the difference between the asset and liability and is recorded as contribution revenue. The Foundation uses the Internal Revenue Service (IRS) discount rate, or Applicable Federal Rate, to determine net present value of the liability. This rate is published monthly and represents the annual rate of return that the IRS assumes the gift assets will earn during the gift term. The discount rate for each charitable gift annuity is established at the beginning of the agreement. The discount rate applied to gift annuities held as of June 30, 2024 and 2023 ranged from 0.4 to 8.2 percent.

**Charitable Remainder Trusts** - Under charitable remainder trust agreements, the Foundation serves as the remainderman and will receive the net assets of the trust upon death of the donor's beneficiary. During the life of the trust, the donor, or the donor-designated beneficiary, will receive regular payments as established by the trust.

In instances where the donor has not specifically reserved the right to change the remainderman, and all assets of the charitable remainder trust are maintained by a third-party trustee in an irrevocable trust for the benefit of the Foundation, the Foundation recognizes as contribution revenue the present value of the estimated future benefits to be received when the trust assets are distributed. The Foundation also recognizes a charitable trust asset at fair value, using as inputs the trust's investment market values, as well as the present value of the estimated future benefits to be received from the trust. The fair values of these trusts are disclosed as Level 3 assets in Note 5. The trustee disburses income earned on the assets of the charitable remainder trust to the donor or donor-designated beneficiaries.

In instances where the donor has not specifically reserved the right to change the remainderman, and the Foundation serves as the trustee, the Foundation will recognize the fair market value of the assets of the trust, as well as a liability for the net present value of future payments to be distributed by the Foundation to the donor or his/her designated beneficiaries. The amount of the contribution is the difference between the asset and liability at the inception of the trust. The Foundation uses the IRS discount rate, or Applicable Federal Rate, to determine net present value of the liability. This rate is published monthly and represents the annual rate of return that the IRS assumes the gift assets will earn during the gift term. The discount rate for each charitable remainder trust is established at the beginning of the agreement. The discount rate applied to charitable remainder trusts held at June 30, 2024 and 2023 ranged from 1.2 to 8.2 percent.

Certain charitable remainder trust transactions are not reported on the consolidated statements of financial position or the consolidated statements of activities as, in these cases, the remainderman can be changed by the donor prior to his/her death.

Adjustments to the charitable trust asset to reflect amortization of the discount, revaluation of the present value of the estimated future payments to the donor-designated beneficiaries, and changes in actuarial assumptions during the term of the trust are recognized as changes in the value of split-interest agreements. Upon the death of the donor-designated beneficiaries, the receivable is closed, the assets received from the trust are recognized at fair value, and any difference is reported as a change in the value of split-interest agreements.



**Note 6 - Split-interest Agreements (Continued)**

**Lead Trusts** - Charitable lead trusts provide an income stream to the Foundation for a set period of time established by the donor. The income stream is recorded at the net present value of the payments. Once the set period of time ends, the Foundation will no longer receive the income stream and the remaining principal is transferred back to the donor. If the Foundation serves as trustee, an asset and a liability will be recorded for the trust. The asset is booked at the fair market value. The liability is recorded at fair market value less the net present value of the income stream. If the Foundation does not serve as trustee, only the asset, at the net present value of the income stream, will be recorded for the trust. The Foundation uses the IRS discount rate, or Applicable Federal Rate, to determine net present value of the income stream. This rate is published monthly and represents the annual rate of return that the IRS assumes the gift assets will earn during the gift term. The discount rate for each charitable lead trust is established at the beginning of the agreement. No lead trusts were held at June 30, 2024 and 2023.

**Perpetual and Other Trusts** - Perpetual trusts are those trusts that provide a perpetual income stream to the Foundation but are held by a third party. An asset and revenue are recorded for the fair market value of the instrument. Each year, the net change in fair market value to the asset is recorded as an increase or decrease in revenue.

**Revocable Trusts** - Under revocable trust agreements, the Foundation serves as the remainderman and will receive the net assets of the trust upon death of the donor's beneficiary. All assets of the trust may be maintained by a third-party trustee for the benefit of the Foundation, or by the Foundation if named as a trustee. The trustee disburses income earned on the assets of the trust to the donor or donor-designated beneficiaries. Under revocable trust agreements, the donor maintains the ability to legally dissolve the trusts and may or may not reserve the right to change the remainderman. For these reasons, the Foundation does not report revocable trust transactions on the consolidated statements of financial position or the consolidated statements of activities if the trust is held by a third-party trustee.

**Note 7 – Beneficial Interest in Assets Held by Others**

During fiscal year 2021, the Foundation irrevocably transferred \$1,394,874 to The Columbus Foundation. This gift created a fund (the Fund) as provided for in the Amended Articles of Incorporation of The Columbus Foundation and any amendments or additions thereto at any time made. The variance power set forth in the Amended Articles of Incorporation shall apply if the purpose of the fund becomes unnecessary, undesirable, impractical or impossible to fulfill.

The Fund established is known as The Gates Foundation – Ross County Scholars' Fund of The Ohio University Foundation of The Columbus Foundation. At least 51% of the net income and/or principal from this Fund shall be distributable for the benefit of Ohio University students, while the remaining 49% of such net income and/or principal may be distributable to other U.S. higher education institutions, for scholarships to deserving Ross County, Ohio students in either case.

**Note 7 – Beneficial Interest in Assets Held by Others (Continued)**

The Foundation records the fair value of the Fund as Beneficial interest in assets held by others in the Statement of Financial Position and reports distributions received as investment income. Changes in the Fund for the years ended June 30, 2024 and June 30, 2023 are as follows:

	2024	2023
Valuations at the Foundation's share of 51%		
Balance at beginning of year	\$ 719,111	\$ 687,526
Share of appreciation of fund	113,453	69,585
Distributions	(40,000)	(38,000)
Balance at end of year	<u>\$ 792,564</u>	<u>\$ 719,111</u>

**Note 8 - Property and Equipment**

As of June 30, 2024 and 2023, property and equipment are as follows:

	2024	2023	Depreciable Life - Years
Land	\$ 1,155,719	\$ 1,155,719	
Land improvements	1,177,958	1,173,714	5-15
Building and building improvements	12,229,299	10,998,199	20-40
Furnishings, fixtures, and equipment	7,723,883	7,894,860	3-10
Depreciable gifted collections	1,550,000	1,550,000	30
Construction in progress	-	90,697	
Subtotal	<u>23,836,859</u>	<u>22,863,189</u>	
Less accumulated depreciation	<u>(14,351,807)</u>	<u>(14,000,789)</u>	
Property and equipment - Net	<u>\$ 9,485,052</u>	<u>\$ 8,862,400</u>	

Total depreciation expense of \$1,011,861 and \$893,581 was recorded in fiscal years 2024 and 2023, respectively.

During the fiscal year ended June 30, 2022, the Foundation approved a plan to sell the Russ Research Center. As a result, a majority of the Russ Research Center's fixed assets were reclassified to from Property and equipment – net to Assets held for sale until they were sold on November 30, 2023 (See Note 16).

**Note 9 - Net Assets**

The Foundation's net assets, by restriction, as of June 30, 2024 and 2023, include:

	2024	2023
With Donor Restrictions:		
Donor-restricted endowments, perpetual in nature	\$ 447,632,969	\$ 395,125,261
Beneficial interest in assets held by others	792,564	719,111
Board-designated (quasi) endowments created with donor-restricted funds	26,010,231	32,609,182
Property, plant and equipment	1,351,166	1,402,833
Planned gift expectancies	63,860,879	63,393,992
Unexpended gift balances	80,945,283	80,717,643
Net assets held by Sugar Bush	5,722,770	5,493,855
Net assets with donor restrictions	<u>626,315,862</u>	<u>579,461,877</u>
Without Donor Restrictions:		
Earnings on board-designated (quasi) endowments	147,755,943	125,916,664
Equity in the Inn	6,011,122	6,184,880
Net assets held by Russ LLCs	74,614	3,624,413
Net assets held by Real Estate LLC	2,857,137	2,889,937
Unspent board-designated endowment distributions	1,440,181	1,273,523
Undesignated	7,135,195	3,856,886
Net assets without donor restrictions	<u>165,274,192</u>	<u>143,746,303</u>
Total net assets	<u>\$ 791,590,054</u>	<u>\$ 723,208,180</u>

The Foundation's net assets, by purpose, as of June 30, 2024 and 2023, include:

	2024	2023
Net assets with donor restrictions:		
Discretionary and general support	\$ 97,591,624	\$ 98,413,410
Chairs and professorships	74,954,807	67,083,842
Research	23,018,573	21,368,247
Scholarships, fellowships and awards	258,537,026	225,432,854
Capital improvements and renovations	16,939,039	17,152,040
Other	155,274,793	150,011,484
Total net assets with donor restrictions	<u>626,315,862</u>	<u>579,461,877</u>
Net assets without donor restrictions	<u>165,274,192</u>	<u>143,746,303</u>
Total net assets	<u>\$ 791,590,054</u>	<u>\$ 723,208,180</u>

**Note 10 - Donor-restricted and Board-designated Endowments**

The Foundation's endowment includes both donor-restricted endowment funds and board-designated (quasi) endowment funds created with net assets with donor restrictions. The Foundation's board-designated (quasi) endowments have been created with gifts that were restricted by the donor for the benefit of a particular college within the University. These quasi endowments have been included in the following schedules because they have been invested to provide income for a long, but unspecified period in accordance with board-imposed restrictions. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions or board-imposed restrictions.

**Interpretation of Relevant Law** - The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the contributed value of the original gift of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as endowment corpus, and presented within net assets with donor restrictions, (a) the original value of gifts donated to the endowment corpus, (b) the original value of subsequent gifts to the endowment corpus, and (c) accumulations to the endowment corpus made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as endowment corpus is classified as accumulated endowment gains and presented within net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to distribute or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the gifting organization or individual and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

**Note 10 - Donor-restricted and Board-designated Endowments (Continued)**

**Endowment Net Asset Composition by Type of Fund as of June 30, 2024 –**

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment	\$ -	\$ 447,632,969	\$ 447,632,969
Board designated (quasi) endowment created with donor restricted funds	147,755,943	26,010,231	173,766,174
Total funds	<u>\$ 147,755,943</u>	<u>\$ 473,643,200</u>	<u>\$ 621,399,143</u>

**Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2024 –**

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets - Beginning of the year	\$ 125,916,664	\$ 427,734,443	\$ 553,651,107
Net realized and unrealized gains and losses and investment income	19,953,528	52,108,697	72,062,225
Contributions	-	19,912,595	19,912,595
Spending policy transfer	(512,549)	(19,790,328)	(20,302,877)
Transfers from board-designated (quasi) endowments	4,888,168	(879,563)	4,008,605
Endowment management fee	(2,489,868)	(5,442,644)	(7,932,512)
Net Assets - End of the year	<u>\$ 147,755,943</u>	<u>\$ 473,643,200</u>	<u>\$ 621,399,143</u>

**Note 10 - Donor-restricted and Board-designated Endowments (Continued)**

**Endowment Net Asset Composition by Type of Fund as of June 30, 2023 –**

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment	\$ -	\$ 395,125,261	\$ 395,125,261
Board-designated (quasi) endowment created with donor-restricted funds	-	-	
	125,916,664	32,609,182	158,525,846
Total funds	<u>\$ 125,916,664</u>	<u>\$ 427,734,443</u>	<u>\$ 553,651,107</u>

**Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2023 –**

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets - Beginning of the year	\$ 112,280,710	\$ 404,110,386	\$ 516,391,096
Net realized and unrealized gains and losses and investment income	15,439,293	38,894,394	54,333,687
Contributions	-	9,464,119	9,464,119
Spending policy transfer	(493,463)	(18,874,465)	(19,367,928)
Transfers from board-designated (quasi) endowments	1,292,492	(434,172)	858,320
Endowment management fee	(2,602,368)	(5,425,819)	(8,028,187)
Net Assets - End of the year	<u>\$ 125,916,664</u>	<u>\$ 427,734,443</u>	<u>\$ 553,651,107</u>

**Accumulated Investment Income** – The endowment tables above include both original investments, as well as accumulated investment income. For the fiscal year ended June 30, 2024, the \$447.6 million reported as donor-restricted endowments with donor restrictions includes donor-restricted endowment corpus of \$298.8 million and accumulated investment income of \$148.8 million. The \$173.8 million reported as board-designated (quasi) endowment created with donor restricted funds includes donor-restricted original investment of \$26.0 million and accumulated investment income without donor restrictions of \$147.8 million. For the fiscal year ended June 30, 2023, the \$395.1 million reported as donor-restricted endowments with donor restrictions includes donor-restricted endowment corpus of \$278.0 million and accumulated investment income of \$117.1 million. The \$158.5 million reported as board-designated (quasi) endowment created with donor restricted funds includes donor-restricted original investment of \$32.6 million and accumulated investment income without donor restrictions of \$125.9 million. As of the fiscal years ended June 30, 2024 and 2023, the Foundation did not have any board-designated (quasi) endowment funds that were created with funds without donor restrictions.

**Note 10 - Donor-restricted and Board-designated Endowments (Continued)**

**Funds with Deficiencies** - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the contributed value that the donor or UPMIFA requires the Foundation to retain as the corpus. These funds are known as “underwater accounts.” These deficiencies resulted from unfavorable market fluctuations and allowable distributions made over time. The Foundation held 0 and 41 underwater endowment funds at June 30, 2024 and 2023, respectively. The detail of the underwater accounts’ deficiency at June 30, 2024 and 2023 is as follows:

	2024	2023
Fair value of underwater endowment funds	\$ -	\$ 4,278,701
Contributed value of gifts of underwater endowment funds	-	4,397,219
Deficiency	<u>\$ -</u>	<u>\$ (118,518)</u>

**Return Objectives and Risk Parameters** - The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the long-term purchasing power of the endowment assets. Endowment assets include donor-restricted funds that are held in perpetuity or for donor-specified periods, as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to outperform, over rolling 36-month periods, a composite benchmark of appropriately weighted indices, while maintaining acceptable risk levels. The Foundation anticipates that the endowment funds will provide average annual rates of return of approximately 7.4 percent, net of investment management fees approximately 0.8 percent. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives** - To satisfy its long-term rate-of-return objectives, the Foundation relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy** - For the fiscal year ended June 30, 2024, the Foundation’s spending policy stipulated that 5.6 percent of a three-year moving average of the market value of the endowment was available to spend, with 1.6 percent of the amount being allocated to support the Foundation’s administrative expenses. The spending rate applied to all endowments with market values that were at least ninety percent of the historic gift value. Underwater endowments with a market value of at least eighty percent but less than ninety percent of the historic gift value distributed 4.0 percent of a three-year moving average of the market value of the endowment, with 1.0 percent of the amount being allocated to support the Foundation’s administrative expenses. Underwater endowments with a market value of less than eighty percent of the historic gift value distributed 1.0 percent of a three-year moving average of the market value of the endowment, with none of that amount being allocated to support the Foundation’s administrative expenses. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow the endowment to grow at an average of 1.8 percent annually. This is consistent with the Foundation’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through investment returns and new gifts.

**Note 11 – Contributions of Nonfinancial Assets**

For the years ended June 30, 2024 and June 30, 2023, contributed nonfinancial assets recognized within the statement of activities included the following:

	2024	2023
Software licenses	\$ 3,556,500	\$ 9,389,753
Artwork	4,155,431	-
Lodging and office space	-	151,050
Equipment and furniture	159,729	42,420
Books and instructional supplies	55,197	350,735
Other supplies	16,916	8,415
Total contributions of nonfinancial assets	<u>\$ 7,943,773</u>	<u>\$ 9,942,373</u>

The Foundation recognized contributed nonfinancial assets within revenue, including software licenses, artwork, lodging and office space, equipment, books and instructional supplies and other supplies. The Foundation’s policy provides that, unless otherwise specified as a condition of the gift, the Foundation, in assuring that the donor’s intent for the gift is honored, may retain the gift, transfer it to the University, or liquidate it for the University’s benefit. Unless otherwise noted, contributed nonfinancial assets were subject to donor-imposed restrictions.

Contributed software licenses were restricted by the donor to be used by students and faculty for instructional and research purposes in the Geological Sciences Department and the Russ College of Engineering. Contributions of software are booked at the retail value less any available educational discount, or the value the Foundation would have paid if purchasing the software from the vendor.

Contributed artwork included transparencies, negatives, prints and ephemera to be used for the benefit of University Libraries, as well as paintings, fine arts prints and other works of art for the benefit of the Division of Student Affairs and the Classics and Religious Studies Department. The Foundation estimated the fair value on the basis of comparable sales prices available in the market for similar works of art.

Contributed lodging and office space included hotel rooms used by Intercollegiate Athletics teams, temporary housing used by a visiting professor, and office space used by University Advancement. The Foundation estimated the fair value on the basis of comparable rental prices available in the market for the use of similar space.

Contributed equipment included furniture and fixtures for a renovated space in Templeton-Blackburn Alumni Memorial Auditorium, used pianos and a cello for the College of Fine Arts, refrigerators used by the Cats' Cupboard food pantry, a computer workstation for Physics faculty and students, recreational equipment for the Charles J. Ping Recreation Center, equipment for the Russ College of Engineering and light microscopes for the Heritage College of Osteopathic Medicine. Contributions of new equipment are booked at the retail value less any available educational discount, or the value the Foundation would have paid if purchasing the item from a vendor. The Foundation estimated the fair value of used equipment on the basis of comparable sales prices available in the market for similar used equipment items.



**Note 11 – Contributions of Nonfinancial Assets (Continued)**

Books and instructional supplies included academic and scholarly books, training materials, lab supplies and medical supplies which were restricted by donors to support programs in the College of Arts and Sciences, the Patton College of Education, the Russ College of Engineering and Technology, University College, Voinovich School of Leadership and Public Service, and the Heritage College of Osteopathic Medicine. Books and instructional supplies also included books directed to the Patton College of Education's Edward Stevens Literacy Center for distribution to low-income, at-risk families in southeastern Ohio. Contributions of new instructional supplies are booked at the retail value less any available educational discount, or the value the Foundation would have paid if purchasing the item from a vendor.

Other supplies included furnishings for a renovated space in Templeton-Blackburn Alumni Memorial Auditorium, food and supplies that were restricted by the donors to support certain University events, as well as food for Intercollegiate Athletics, insulin and basic needs items for programs in the Heritage College of Osteopathic Medicine, and yoga supplies for student use. Contributions of new supplies are booked at the retail value less any available educational discount, or the value the Foundation would have paid if purchasing the item from a vendor.

**Note 12 - Support from Related Organizations**

During 2024 and 2023, the University paid certain payroll costs amounting to \$2,531,597 and \$2,841,915 and additional costs of \$66,412 and \$233,182, respectively, for the Foundation's Development Office, Office of Alumni Relations, and Accounting Office. The support costs paid by the University are reflected in the consolidated statements of activities as University support, with a like amount included in expenses.

The University provides office space and the use of certain common facilities and services to the Foundation at no cost. These costs have not been recorded as University support because they are not considered to be significant to the results of activities of the Foundation.

The University processes expenses on behalf of the Foundation during the year for operations including scholarship awards, professional fees, travel costs and office supplies. The Foundation reimburses the University for these expenses. The Foundation had a payable of \$2,054,624 and \$1,604,300 outstanding, respectively, as of June 30, 2024 and 2023.

The Foundation had a noncontrolling economic interest in Ohio South East Enterprise Development Fund, Inc. (SEED), a tax-exempt organization under Code Section 501(c)(4). SEED was created in July 1994 for the purpose of supporting the scientific and technological research, educational activities, and economic development of Ohio University. The Foundation was the named beneficiary of SEED's assets in the event that the entity dissolved. Distributions from SEED were reflected in the consolidated statements of activities as gifts and contributions in the year they were received. No distributions from SEED were received during the fiscal year ended June 30, 2024. SEED was dissolved effective December 16, 2022 and made a final distribution to the Foundation in the amount of \$25,497 during the fiscal year ended June 30, 2023.

## The Ohio University Foundation and Subsidiaries

### Notes to Consolidated Financial Statements June 30, 2024 and 2023

#### Note 13 – Functional and Natural Classification of Expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions such as Instruction, Research and Fundraising. The following table provides further detail of these expenses, by showing both the functional and natural classification (Salaries, Maintenance, etc.) of each category of expenses for the years ended June 30, 2024 and June 30, 2023, respectively:

Year Ended June 30, 2024							
Expenses by function:	Salaries & Benefits	Student Aid	Supplies & Services	Occupancy, Maintenance & Repairs	Travel & Entertainment	Other	Total
Program services:							
Academic support	\$ 606,722	\$ -	\$ 962,689	\$ 5,301,833	\$ 237,925	\$ -	\$ 7,109,169
Alumni relations	1,974,158	-	742,570	173,595	510,583	28,331	3,429,237
Institutional support	130,544	-	34,220	29,136	40,321	379	234,600
Instruction	2,089,720	-	2,816,405	2,247,932	518,415	-	7,672,472
Intercollegiate athletics	201,457	-	202,455	592,708	84,285	-	1,080,905
Public service	655,554	-	481,161	66,408	67,769	-	1,270,892
Research	1,314,466	-	2,220,072	3,476,757	262,995	-	7,274,290
Student aid	26,841	11,280,265	5,629	-	9,780	10,996	11,333,511
Student services	352,556	-	395,915	713,149	610,587	2,941	2,075,148
Total program services	7,352,018	11,280,265	7,861,116	12,601,518	2,342,660	42,647	41,480,224
Support services:							
Fundraising and development	6,497,188	-	1,281,709	203,893	499,002	-	8,481,792
Management and General	1,885,723	-	506,641	32,556	70,952	611	2,496,483
Total support services	8,382,911	-	1,788,350	236,449	569,954	611	10,978,275
Related entity operations	2,946,534	-	1,181,360	1,840,939	15,473	749,928	6,734,234
Total expenses	\$ 18,681,463	\$ 11,280,265	\$ 10,830,826	\$ 14,678,906	\$ 2,928,087	\$ 793,186	\$ 59,192,733

Year Ended June 30, 2023							
Expenses by function:	Salaries & Benefits	Student Aid	Supplies & Services	Occupancy, Maintenance & Repairs	Travel & Entertainment	Other	Total
Program services:							
Academic support	\$ 796,551	\$ 597	\$ 882,641	\$ 202,488	\$ 254,608	\$ 5	\$ 2,136,890
Alumni relations	2,251,886	-	865,935	123,998	561,484	54,594	3,857,897
Institutional support	130,961	-	69,870	2,089	40,196	-	243,116
Instruction	1,761,135	29,790	3,187,088	3,027,370	441,008	-	8,446,391
Intercollegiate athletics	132,365	-	83,295	1,218,741	118,793	1,099	1,554,293
Public service	1,108,399	-	1,002,792	102,432	57,943	-	2,271,566
Research	1,047,587	5,311	2,653,607	2,447,320	214,493	-	6,368,318
Student aid	25,685	10,263,453	10,371	-	1,508	11,394	10,312,411
Student services	330,521	18,870	377,624	505,692	509,464	-	1,742,171
Total program services	7,585,090	10,318,021	9,133,223	7,630,130	2,199,497	67,092	36,933,053
Support services:							
Fundraising and development	6,673,305	-	1,356,390	278,570	636,965	-	8,945,230
Management and General	1,773,157	-	351,565	11,414	122,893	200	2,259,229
Total support services	8,446,462	-	1,707,955	289,984	759,858	200	11,204,459
Related entity operations	2,956,528	-	638,485	2,013,985	-	1,145,677	6,754,675
Total expenses	\$ 18,988,080	\$ 10,318,021	\$ 11,479,663	\$ 9,934,099	\$ 2,959,355	\$ 1,212,969	\$ 54,892,187

**Note 14 - The Ohio University Inn, Inc.**

The Ohio University Inn, Inc. (the "Inn") was purchased by the Foundation on August 30, 1986. The primary purpose for which the Foundation invested in the Inn was to provide affordable and convenient housing, dining, and conference facilities for University employees, alumni, and guests. As a significant portion of the Inn's revenue is derived from these customers, the Foundation is committed to financially supporting the Inn.

The Inn's business is subject to all of the risks inherent in the lodging industry. These risks include, among other factors, varying levels of demand for rooms and related services, adverse effects of general and local economic and market conditions, changes in governmental regulations that influence wages or prices, changes in interest rates, the availability of credit, changes in real estate taxes and other operating expenses, and the recurring need for renovation, refurbishment, and improvements.

**Operations** - The Inn's operations for the years ended June 30, 2024 and 2023 are summarized below:

	2024	2023
Revenues:	\$ 5,654,296	\$ 5,928,569
Expenses:		
Operating and general expenses	5,044,043	4,923,349
Interest expense	14,112	1,726
Depreciation	878,038	755,484
Provision for income taxes	(108,139)	18,825
Total expenses	5,828,054	5,699,384
Net income	\$ (173,758)	\$ 229,185

For fiscal years ended June 30, 2024 and 2023, the Inn did not make any distributions to the Foundation.

The Foundation has entered into a management agreement with a property manager to operate the Inn. The manager's compensation is comprised of a base fee plus incentive fees, as defined in the management agreement.

In fiscal years 2024 and 2023, base management fees incurred by the Inn with respect to the manager were \$109,943 and \$100,000 per year, and incentive fees were \$0 and \$90,086, respectively.

**Note 14 - Inn-Ohio of Athens, Inc. (Continued)**

**Property and Equipment** - Property and equipment of the Inn as of June 30, 2024 and June 30, 2023 consist of the following:

	2024	2023	Depreciable Life - Years
Land	\$ 323,978	\$ 323,978	
Land improvements	1,177,958	1,173,714	5-15
Buildings	10,169,188	8,938,087	30-40
Furnishings, fixtures, and equipment	7,723,883	7,804,677	3-10
Construction in progress	-	90,697	
Total property and equipment	<u>19,395,007</u>	<u>18,331,153</u>	
Less accumulated depreciation	<u>(13,312,150)</u>	<u>(13,030,681)</u>	
Property and equipment - Net	<u>\$ 6,082,857</u>	<u>\$ 5,300,472</u>	

The Inn's depreciation expense for the years ended June 30, 2024 and 2023 totaled \$878,038 and \$755,484, respectively.

**Long-Term Debt** - Long-term debt of the Inn as of June 30, 2024 and June 30, 2023 consists of the following:

	2024	2023
Paycheck Protection Program Loan	\$ 93,315	\$ 143,473
Less current portion	<u>(50,674)</u>	<u>(45,970)</u>
Total long-term debt	<u>\$ 42,641</u>	<u>\$ 97,503</u>

Principal payments on the PPP Loan ranging from \$4,200 to \$4,300 are due in monthly installments through April 2026. The interest rate on the PPP Loan is fixed at 1.0 percent.

Maturities of long-term debt are as follows as of June 30, 2024:

<u>Years Ending</u>	<u>Amount</u>
2025	\$ 50,674
2026	<u>42,641</u>
Total	<u>\$ 93,315</u>

**Working-Capital Loans** - The Foundation made available to the Inn working capital loans, with interest at the prime rate, of up to \$450,000 as of June 30, 2024 and 2023. There were outstanding borrowings on these working capital loans of \$450,000 and \$0 as of June 30, 2024 and 2023, respectively. Principal payments totaling \$450,000 are due and payable on June 30, 2026 but may be prepaid without penalty. The interest rate, which is stated at the prime rate, was 8.50 percent and 8.25 percent as of June 30, 2024 and 2023, respectively.

**Note 15 - Sugar Bush Foundation**

The Foundation entered into an agreement with The Sugar Bush Foundation (Sugar Bush), an Ohio not-for-profit corporation, in August 2005. Sugar Bush works with Ohio University and local communities to improve the quality of life in Appalachian Ohio by encouraging civic engagement and by fostering sustainable environmental, socioeconomic and human development.

**Operations** - Sugar Bush’s operations for the years ended June 30, 2024 and 2023 are summarized below:

	2024	2023
Revenue:		
Interest and dividends	\$ 84,411	\$ 72,544
Realized gain	162,771	84,672
Unrealized gain	344,605	236,792
Total income	591,787	394,008
Distribution to Foundation:	362,872	368,809
Change in net assets	\$ 228,915	\$ 25,199

**Note 16 - Russ LLCs**

During fiscal year 2009, the Foundation created three limited liability companies to receive property distributions from The Dolores H. Russ Trust (the “Trust”) for the benefit of the Russ College of Engineering. A fourth limited liability company was established during fiscal year 2016. The four limited liability companies are the Fritz J. and Dolores H. Russ Holdings LLC, which is the sole member of the other LLCs; the Russ Research Center LLC, which operates a research park in Beavercreek, Ohio; the Russ North Valley Road LLC, which received and subsequently liquidated a real estate gift received from the Trust; and the Russ Center North LLC, which was established for the purpose of purchasing and holding property adjacent to the Russ Research Center LLC. The four LLCs were converted from for-profit LLCs to not-for-profit LLCs on April 20, 2020.

**Note 16 - Russ LLCs (Continued)**

**Operations** – Russ LLCs’ operations for the years ended June 30, 2024 and 2023 are summarized below:

	2024	2023
Revenue:		
Rental income	\$ 374,172	\$ 801,776
Contributed services	146,011	321,062
Gain on property sale	1,335,799	424,508
Other income	126,954	18,265
Total revenues and other support	<u>1,982,936</u>	<u>1,565,611</u>
Expenses:		
Operating and general expenses	765,592	809,523
Depreciation and amortization	5,529	9,803
Real estate taxes	59,160	134,661
Total expenses	<u>830,281</u>	<u>953,987</u>
Distribution to Foundation:	<u>4,702,454</u>	<u>1,292,492</u>
Change in net assets	<u>\$ (3,549,799)</u>	<u>\$ (680,868)</u>

Prior to the property sale that closed on November 30, 2023, the Russ LLCs routinely entered into operating leases for the purpose of providing office and research space to various tenants. Certain leases included only fixed rent payments, while other leases included both fixed rent payments and additional charges for the tenants’ proportional share of the Russ LLCs’ actual costs related to common area maintenance, property management, real estate taxes, property insurance, and utilities that were not separately metered. Individual tenants’ proportional share of these costs was based on square footage of the leased space. For the fiscal year ended June 30, 2024 and 2023, respectively, rental income included fixed rent payments totaling \$285,625 and \$612,351 and additional charges totaling \$88,548 and \$189,425. During the fiscal years ended June 30, 2024 and 2023, respectively, rental income also included fixed rent payments from Ohio University, a related party, totaling \$1,530 and \$3,672.

All Russ LLC assets subject to operating lease agreements were presented as Assets held for sale on the Statements of Financial Position until the property was sold.

**Planned Cessation** – In recent fiscal years, leases with tenants responsible for a significant amount of revenue expired and were not renewed. Additionally, over the past several fiscal years, management collaborated with various professional organizations in and around the Dayton/Beavercreek area to forge new and expanded research partnerships. However, as these efforts did not result in a substantial increase in occupancy at the Russ Research Center LLC (the “Center”), the Foundation also analyzed various options for the Center’s future, ultimately concluding that the Center should be marketed for sale. To that end, the Foundation approved in November 2021 a plan to sell the property. A real estate broker was retained, and marketing activities commenced during June 2022.

**Note 16 - Russ LLCs (Continued)**

During August 2023, the Center executed a purchase and sale agreement with a prospective buyer. The sale closed on November 30, 2023 and, as of that date, the Center is no longer leasing office and research space to tenants. Following the sale, the Center distributed \$4,382,454 through Russ Holdings to the Foundation for the benefit of the Russ College of Engineering and Technology.

The Center is expected to be able to meet its obligations, including those related to previously executed agreements, until the anticipated cessation of operations on November 30, 2024. When the Center is dissolved, any remaining assets will be distributed through Russ Holdings to the Foundation for the benefit of the Russ College of Engineering and Technology.

**Property and Equipment** - Property and equipment of the Russ LLCs as of June 30, 2024 and June 30, 2023 consist of the following:

	2024	2023	Depreciable Life - Years
Machinery and equipment	\$ -	\$ 90,183	5-10
Total property and equipment	-	90,183	
Less accumulated depreciation	-	(58,744)	
Property and equipment - Net	<u>\$ -</u>	<u>\$ 31,439</u>	

The Russ LLCs' depreciation expense for the years ended June 30, 2024 and 2023 totaled \$5,529 and \$9,803, respectively.

**Note 17 – Ohio University Foundation Real Estate LLC**

The Real Estate LLC was established during fiscal year 2022 to provide for a separate entity to receive gifts and other transfers of real property to be held, transferred, or sold for the benefit of the Foundation and its purposes.

**Operations** – Real Estate LLCs’ operations for the years ended June 30, 2024 and 2023 are summarized below:

	2024	2023
Revenue:		
Rental income	\$ 136,847	\$ 148,837
Interest income	30,142	1,381
Gain on property sale	-	320,336
Other income	-	1,735
Total revenues and other support	<u>166,989</u>	<u>472,289</u>
Expenses:		
Operating and general expenses	34,955	39,714
Depreciation	76,627	76,627
Real estate taxes	732	8,330
Total expenses	<u>112,314</u>	<u>124,671</u>
Distribution to Foundation:	<u>87,475</u>	<u>87,470</u>
Change in net assets	<u>\$ (32,800)</u>	<u>\$ 260,148</u>

The Real Estate LLC has entered into several operating leases for the purpose of providing office space, a parking lot, and a personal residence to various tenants. Leases include only fixed rent payments, and all tenants are related parties. For the fiscal year ended June 30, 2024 and 2023, respectively, rental income included \$102,522 and \$100,512 from leases with the Foundation and \$34,325 and \$48,325 from leases with Ohio University. All transactions between the Foundation and the Real Estate LLC have been eliminated on the accompanying consolidated financial statements.

**Property and Equipment** - Property and equipment of the Real Estate LLC as of June 30, 2024 and June 30, 2023 consist of the following:

	2024	2023	Depreciable Life - Years
Land	\$ 831,741	\$ 831,741	
Buildings	2,060,112	2,060,112	30-40
Total property and equipment	2,891,853	2,891,853	
Less accumulated depreciation	(840,824)	(764,197)	
Property and equipment - Net	<u>\$ 2,051,029</u>	<u>\$ 2,127,656</u>	



**Note 17 – Ohio University Foundation Real Estate LLC (Continued)**

The Ohio University Foundation Real Estate LLC's depreciation expense was \$76,627 for each of the years ended June 30, 2024 and 2023.

Assets subject to operating lease agreements total \$1,745,891 and \$1,822,518 for the fiscal years ended June 30, 2024 and 2023, respectively, and are presented as Property and equipment - Net on the Statements of Financial Position. For the fiscal year ended June 30, 2024, this included land, buildings and accumulated depreciation of \$526,603, \$2,060,112 and \$840,824, respectively. For the fiscal year ended June 30, 2023, this included land, buildings and accumulated depreciation of \$526,603, \$2,060,112 and \$764,197, respectively.

## **Supplementary Information**

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# The Ohio University Foundation and Subsidiaries

## Consolidating Schedule of Financial Position As of June 30, 2024

	The Foundation	The Ohio University Inn, Inc.	Russ LLCs	Real Estate LLC	Sugar Bush Foundation	Eliminations	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 49,732,736	\$ 1,086,764	\$ 63,673	\$ 881,105	\$ -	\$ -	\$ 51,764,278
Accounts receivable - net	30,974	81,300	32,861	-	-	-	145,135
Related entity receivable - net	12,890	-	-	-	-	(12,890)	-
Related entity notes receivable - net	450,000	-	-	-	-	(450,000)	-
Pledges receivable - net	14,485,779	-	-	-	-	-	14,485,779
Bequests receivable	51,739,247	-	-	-	-	-	51,739,247
Interest and dividends receivable	1,076,091	-	-	3,661	-	-	1,079,752
Prepaid expenses	218,559	116,472	-	-	-	-	335,031
Investments	657,541,432	-	-	-	5,722,770	-	663,264,202
Investment in The Ohio University Inn, Inc.	6,011,122	-	-	-	-	(6,011,122)	-
Life insurance cash surrender value	1,171,197	-	-	-	-	-	1,171,197
Charitable gift annuities	1,508,438	-	-	-	-	-	1,508,438
Charitable trusts	3,520,188	-	-	-	-	-	3,520,188
Beneficial interest in assets held by others	792,564	-	-	-	-	-	792,564
Right of use lease assets - net	1,388,113	-	-	-	-	(1,388,113)	-
Property and equipment - net	1,351,166	6,082,857	-	2,051,029	-	-	9,485,052
Other assets	60,647	61,481	-	-	-	-	122,128
Total assets	<u>\$ 791,091,143</u>	<u>\$ 7,428,874</u>	<u>\$ 96,534</u>	<u>\$ 2,935,795</u>	<u>\$ 5,722,770</u>	<u>\$ (7,862,125)</u>	<u>\$ 799,412,991</u>
<b>Liabilities</b>							
Accounts payable:							
Ohio University	\$ 1,977,128	\$ -	\$ 21,920	\$ 55,576	\$ -	\$ -	\$ 2,054,624
Trade and other	1,265,398	-	-	74	-	-	1,265,472
Related entity	-	12,890	-	-	-	(12,890)	-
Deposits held in custody for others	303,733	-	-	-	-	-	303,733
Annuities payable	848,463	-	-	-	-	-	848,463
Charitable trusts obligations	1,654,251	-	-	-	-	-	1,654,251
Lease liability	1,388,113	-	-	-	-	(1,388,113)	-
Notes payable:							
Related entity	-	450,000	-	-	-	(450,000)	-
Other	-	93,315	-	-	-	-	93,315
Other liabilities	718,524	861,547	-	23,008	-	-	1,603,079
Total liabilities	<u>8,155,610</u>	<u>1,417,752</u>	<u>21,920</u>	<u>78,658</u>	<u>-</u>	<u>(1,851,003)</u>	<u>7,822,937</u>
<b>Net assets</b>							
Without donor restrictions	162,342,441	-	74,614	2,857,137	-	-	165,274,192
With donor restrictions	620,593,092	-	-	-	5,722,770	-	626,315,862
Total net assets	<u>782,935,533</u>	<u>-</u>	<u>74,614</u>	<u>2,857,137</u>	<u>5,722,770</u>	<u>-</u>	<u>791,590,054</u>
<b>Stockholders' equity</b>							
Common stock	-	3,429,192	-	-	-	(3,429,192)	-
Additional paid-in capital	-	4,266,632	-	-	-	(4,266,632)	-
Retained earnings	-	(1,684,702)	-	-	-	1,684,702	-
Total stockholders' equity	-	6,011,122	-	-	-	(6,011,122)	-
Total liabilities and net assets	<u>\$ 791,091,143</u>	<u>\$ 7,428,874</u>	<u>\$ 96,534</u>	<u>\$ 2,935,795</u>	<u>\$ 5,722,770</u>	<u>\$ (7,862,125)</u>	<u>\$ 799,412,991</u>

# The Ohio University Foundation and Subsidiaries

## Consolidating Schedule of Activities Year Ended June 30, 2024

	Without Donor Restrictions						Total Without Donor Restrictions	With Donor Restrictions				Total With Donor Restrictions	Total
	The Foundation	The Ohio University Inn, Inc.	Russ LLCs	Real Estate LLC	Sugar Bush Foundation	Eliminations		The Foundation	Russ LLCs	Sugar Bush Foundation	Eliminations		
<b>Revenues and other support</b>													
Gifts and contributions													
Contributions of cash and financial assets	\$ 908,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 908,610	\$ 29,613,158	\$ 74,500	\$ -	\$ -	\$ 29,687,658	\$ 30,596,268
Contributions of nonfinancial assets	-	-	-	-	-	-	-	7,943,773	-	-	-	7,943,773	7,943,773
University support	2,530,595	-	146,011	-	-	(78,597)	2,598,009	-	-	-	-	-	2,598,009
Income from investments:													
Interest and dividends	3,980,843	15,798	52,454	30,142	-	-	4,079,237	5,357,205	-	84,411	-	5,441,616	9,520,853
Realized gain (loss)	4,392,496	(94,510)	-	-	-	-	4,297,986	9,016,845	-	162,771	-	9,179,616	13,477,602
Unrealized gain (loss)	17,489,893	97,888	-	-	-	-	17,587,781	37,571,388	-	344,605	-	37,915,993	55,503,774
Revenues from sales and events	317,642	5,638,583	374,172	136,847	-	(351,252)	6,115,992	111	-	-	-	111	6,116,103
Gain on split-interest agreements	-	-	-	-	-	-	-	276,627	-	-	-	276,627	276,627
Other	2	(3,463)	1,335,799	-	-	-	1,332,338	209,260	-	-	-	209,260	1,541,598
Related entity revenues	4,713,065	-	-	-	-	(4,652,586)	60,479	302,393	-	-	(362,872)	(60,479)	-
Net assets released from restrictions	43,665,690	-	74,500	-	362,872	(362,872)	43,740,190	(43,665,690)	(74,500)	(362,872)	362,872	(43,740,190)	-
<b>Total revenues and other support</b>	<b>77,998,836</b>	<b>5,654,296</b>	<b>1,982,936</b>	<b>166,989</b>	<b>362,872</b>	<b>(5,445,307)</b>	<b>80,720,622</b>	<b>46,625,070</b>	<b>-</b>	<b>228,915</b>	<b>-</b>	<b>46,853,985</b>	<b>127,574,607</b>
<b>Expenses</b>													
Program services:													
Academic support	7,148,449	-	-	-	-	(39,280)	7,109,169	-	-	-	-	-	7,109,169
Alumni relations	3,487,751	-	-	-	-	(58,514)	3,429,237	-	-	-	-	-	3,429,237
Institutional support	310,540	-	-	-	-	(75,940)	234,600	-	-	-	-	-	234,600
Instruction	7,696,060	-	-	-	-	(23,588)	7,672,472	-	-	-	-	-	7,672,472
Intercollegiate athletics	1,101,519	-	-	-	-	(20,614)	1,080,905	-	-	-	-	-	1,080,905
Public service	1,283,867	-	-	-	-	(12,975)	1,270,892	-	-	-	-	-	1,270,892
Research	7,284,034	-	-	-	-	(9,744)	7,274,290	-	-	-	-	-	7,274,290
Student aid	11,333,511	-	-	-	-	-	11,333,511	-	-	-	-	-	11,333,511
Student services	2,096,871	-	-	-	-	(21,723)	2,075,148	-	-	-	-	-	2,075,148
Support services:													
Fundraising and development	8,525,274	-	-	-	-	(43,482)	8,481,792	-	-	-	-	-	8,481,792
Management and general	2,620,472	-	-	-	-	(123,989)	2,496,483	-	-	-	-	-	2,496,483
Related entity operations	-	5,828,054	5,532,735	199,789	362,872	(5,189,216)	6,734,234	-	-	-	-	-	6,734,234
<b>Total expenses</b>	<b>52,888,348</b>	<b>5,828,054</b>	<b>5,532,735</b>	<b>199,789</b>	<b>362,872</b>	<b>(5,619,065)</b>	<b>59,192,733</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,192,733</b>
<b>Changes in net assets</b>	<b>25,110,488</b>	<b>(173,758)</b>	<b>(3,549,799)</b>	<b>(32,800)</b>	<b>-</b>	<b>173,758</b>	<b>21,527,889</b>	<b>46,625,070</b>	<b>-</b>	<b>228,915</b>	<b>-</b>	<b>46,853,985</b>	<b>68,381,874</b>
<b>Net assets - beginning of year</b>	<b>137,231,953</b>	<b>6,184,880</b>	<b>3,624,413</b>	<b>2,889,937</b>	<b>-</b>	<b>(6,184,880)</b>	<b>143,746,303</b>	<b>573,968,022</b>	<b>-</b>	<b>5,493,855</b>	<b>-</b>	<b>579,461,877</b>	<b>723,208,180</b>
<b>Net assets - end of year</b>	<b>\$ 162,342,441</b>	<b>\$ 6,011,122</b>	<b>\$ 74,614</b>	<b>\$ 2,857,137</b>	<b>\$ -</b>	<b>\$ (6,011,122)</b>	<b>\$ 165,274,192</b>	<b>\$ 620,593,092</b>	<b>\$ -</b>	<b>\$ 5,722,770</b>	<b>\$ -</b>	<b>\$ 626,315,862</b>	<b>\$ 791,590,054</b>

# The Ohio University Foundation and Subsidiaries

## Consolidating Schedule of Cash Flows Year Ended June 30, 2024

	The Foundation	The Ohio University Inn, Inc.	Russ LLCs	Real Estate LLC	Sugar Bush Foundation	Eliminations	Total
<b>Cash Flows from Operating Activities</b>							
Changes in net assets	\$ 71,735,558	\$ (173,758)	\$ (3,549,799)	\$ (32,800)	\$ 228,915	\$ 173,758	\$ 68,381,874
Adjustments to reconcile changes in net assets to net cash used in operating activities							
Realized investment (gains) losses - net	(13,409,341)	94,510	-	-	(162,771)	-	(13,477,602)
Noncash items:							
Depreciation	51,667	878,038	5,529	76,627	-	-	1,011,861
Loss (gain) on disposition of property	-	3,463	(1,335,799)	-	-	-	(1,332,336)
Unrealized investment gains - net	(55,061,281)	(97,888)	-	-	(344,605)	-	(55,503,774)
Increase in cash surrender value of life insurance policies	(41,915)	-	-	-	-	-	(41,915)
Increase in investments subject to annuity agreements	(124,726)	-	-	-	-	-	(124,726)
Increase in charitable remainder trust assets	(311,181)	-	-	-	-	-	(311,181)
Increase in beneficial interest in assets held by others	(113,453)	-	-	-	-	-	(113,453)
Decrease in annuity obligations	(50,955)	-	-	-	-	-	(50,955)
Increase in trust obligations	37,362	-	-	-	-	-	37,362
Contributions of securities	(1,892,694)	-	-	-	-	-	(1,892,694)
Contributions restricted for endowment investments	(19,912,595)	-	-	-	-	-	(19,912,595)
Changes in current assets and liabilities:							
(Increase) decrease in accounts and notes receivable	(474,293)	49,682	118,843	-	-	462,890	157,122
Increase in pledges receivable	(254,321)	-	-	-	-	-	(254,321)
Decrease in bequests receivable	875,536	-	-	-	-	-	875,536
Increase in interest and dividends receivable	(57,285)	-	-	(3,661)	-	-	(60,946)
Decrease (increase) in prepaid expenses	40,407	(51,472)	3,373	-	-	-	(7,692)
(Increase) decrease in other assets	(9,189)	13,768	-	-	-	-	4,579
Increase (decrease) in accounts payable	897,341	(168,622)	(72,814)	(29,960)	-	(12,890)	613,055
(Decrease) increase in other liabilities	(259,498)	165,032	(215,475)	1	-	-	(309,940)
(Decrease) increase in deposits held in custody for others	(952,715)	(30,683)	(43,136)	-	-	888,373	(138,161)
Net cash (used in) provided by operating activities	(19,287,571)	682,070	(5,089,278)	10,207	(278,461)	1,512,131	(22,450,902)
<b>Cash Flows from Investing Activities</b>							
Purchases of property and equipment	-	(1,663,886)	(208,864)	-	-	-	(1,872,750)
Proceeds from sales of property and equipment	-	-	4,500,000	-	-	-	4,500,000
Purchases of investments	(118,872,324)	(15,798)	-	-	(133,715)	(157,960)	(119,179,797)
Proceeds from sales of investments	148,311,462	907,549	-	-	412,176	(904,171)	148,727,016
Distributions from charitable gift annuities	131,458	-	-	-	-	-	131,458
Distributions from charitable remainder trusts	152,901	-	-	-	-	-	152,901
Distributions from The Columbus Foundation	40,000	-	-	-	-	-	40,000
Net cash provided by (used in) investing activities	29,763,497	(772,135)	4,291,136	-	278,461	(1,062,131)	32,498,828
<b>Cash Flows from Financing Activities</b>							
Contributions restricted for endowment investment	19,912,595	-	-	-	-	-	19,912,595
Payments on notes and bonds payable	-	(50,158)	-	-	-	-	(50,158)
Issuance of long-term debt	-	450,000	-	-	-	(450,000)	-
Net cash provided by (used in) financing activities	19,912,595	399,842	-	-	-	(450,000)	19,862,437
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>30,388,521</b>	<b>309,777</b>	<b>(798,142)</b>	<b>10,207</b>	<b>-</b>	<b>-</b>	<b>29,910,363</b>
<b>Cash and Cash Equivalents - Beginning of year</b>	<b>19,344,215</b>	<b>776,987</b>	<b>861,815</b>	<b>870,898</b>	<b>-</b>	<b>-</b>	<b>21,853,915</b>
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 49,732,736</b>	<b>\$ 1,086,764</b>	<b>\$ 63,673</b>	<b>\$ 881,105</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51,764,278</b>
<b>Supplemental Disclosure of Cash Flow Information</b>							
Cash paid during the year for interest	\$ -	\$ 1,041	\$ -	\$ -	\$ -	\$ -	\$ 1,041
<b>Supplemental Disclosure of Non-Cash Activities</b>							
Contributions of securities	\$ 1,892,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,892,694

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

Board of Trustees  
The Ohio University Foundation and Subsidiaries  
Athens, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of The Ohio University Foundation and Subsidiaries, a component unit of Ohio University, which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 15, 2024.

### **Report on Internal Control Over Financial Reporting**

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

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

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

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(Continued)

## Report on Compliance and Other Matters

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

### Purpose of this Report

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

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and fluid.

Crowe LLP

Columbus, Ohio  
October 15, 2024

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# OHIO AUDITOR OF STATE KEITH FABER



**OHIO UNIVERSITY FOUNDATION**

**ATHENS COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 12/3/2024**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)