Rogers State University

Independent Auditor’s Reports, Financial Statements, and Supplementary Information

June 30, 2024 and 2023

Rogers State University
Contents
June 30, 2024 and 2023

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Independent Auditor's Report

Regents of the University of Oklahoma
Rogers State University
Norman, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, the discretely presented component unit, and the fiduciary activities of Rogers State University (University), collectively an organizational unit of the Regents of the University of Oklahoma, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, as listed in the table of contents.

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

We did not audit the financial statements of the discretely presented component unit, Rogers State University Foundation, Inc. (Foundation). Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Reporting Entity

As discussed in Note 1, the financial statements of the University are intended to present the financial position, changes in financial position, fiduciary activities, and cash flows of only the activities of the University and Foundation. They do not purport to, and do not, present fairly the financial position of the University of Oklahoma as of June 30, 2024 and 2023 and the changes in its financial position or its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost*

Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Tulsa, Oklahoma
October 28, 2024

This discussion and analysis of Rogers State University's (University) financial statements provides an overview of the University's financial activities as of and for the year ended June 30, 2024 with fiscal years 2023 and 2022 presented for comparative purposes. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis.

Financial Analysis of the University as a Whole

The basic financial statements of the University are the statement of net position; statement of revenues, expenses, and changes in net position; and statement of cash flows. The statement of net position presents the financial position of the University at June 30. The statement of revenues, expenses, and changes in net position summarizes the University's financial activity for the year ended June 30. The statement of cash flows, presented using the direct method, reflects the effects on cash that resulted from the University's operating activities, investing activities, and capital and noncapital financing activities for the year ended June 30. The following schedules are prepared from the University's basic financial statements. With the exception of the statement of cash flows, the statements are presented on an accrual basis of accounting whereby revenues are recognized when earned, expenses are recorded when incurred, and assets are capitalized and depreciated.

Statement of Net Position

The statement of net position is presented in categories, namely assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The current assets include cash and cash equivalents, accounts receivable, and other receivables. The noncurrent assets include cash and cash equivalents restricted for long-term purposes; capital, lease, and subscription assets; and other assets. Capital assets include land, buildings and improvements, infrastructure, equipment, library materials, and construction in progress. Capital assets, with the exception of land, intangible assets, and construction in progress, are shown net of depreciation.

Deferred outflows of resources are consumptions of net position that are applicable to a future period, including costs associated with pensions and other postemployment benefit plans (OPEB).

Liabilities are also classified between current and noncurrent. Current liabilities include accounts payable, accrued expenses, unearned revenue, and the portion of noncurrent liabilities expected to be paid in the upcoming fiscal year. Current liabilities represent obligations due within one year. Noncurrent liabilities include the portion of accrued compensated absences, other financing arrangements, bonds, net pension liability, and lease obligations expected to be paid in fiscal year 2026 or thereafter. Total net position increased from $30,362,607 in fiscal year 2023 to $33,056,290 in fiscal year 2024.

Deferred inflows of resources are acquisitions of net position that are applicable to a future period, including costs associated with debt restructure, lease activities, pensions, and OPEBs.

Following is a comparison of the summarized net position of the University at June 30:

Condensed Statements of Net Position

	2024	2023	2024 Increase (Decrease)	2024 Percent Change	2022	2023 Increase (Decrease)	2023 Percent Change
Assets							
Current assets	$ 25,595,117	$ 24,071,664	$ 1,523,453	6.3%	$ 22,009,238	$ 2,062,426	9.4%
Capital, lease, and SBITA assets, net	60,096,510	61,768,632	(1,672,122)	-2.7%	65,083,200	(3,314,568)	-5.1%
Noncurrent assets	4,344,872	4,565,187	(220,315)	-4.8%	4,555,421	9,766	0.2%
Total Assets	90,036,499	90,405,483	(368,984)	-0.4%	91,647,859	(1,242,376)	-1.4%
Deferred Outflows of Resources	4,449,322	6,365,180	(1,915,858)	-30.1%	5,360,561	1,004,619	18.7%
Total Assets and Deferred Outflows of Resources	$ 94,485,821	$ 96,770,663	$ (2,284,842)	-2.4%	$ 97,008,420	$ (237,757)	-0.2%
Liabilities							
Current liabilities	$ 6,183,686	$ 5,578,703	$ 604,983	10.8%	$ 5,742,791	$ (164,088)	-2.9%
Noncurrent liabilities	51,432,835	57,890,950	(6,458,115)	-11.2%	53,189,774	4,701,176	8.8%
Total Liabilities	57,616,521	63,469,653	(5,853,132)	-9.2%	58,932,565	4,537,088	7.7%
Deferred Inflows of Resources	3,813,010	2,938,403	874,607	29.8%	11,335,770	(8,397,367)	-74.1%
Net Position							
Net investment in capital assets	27,523,594	26,575,722	947,872	3.6%	26,465,704	110,018	0.4%
Restricted	327,282	139,229	188,053	135.1%	403,660	(264,431)	-65.5%
Unrestricted (deficit)	5,205,414	3,647,656	1,557,758	42.7%	(129,279)	3,776,935	-2921.5%
Total Net Position	33,056,290	30,362,607	2,693,683	8.9%	26,740,085	3,622,522	13.5%
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 94,485,821	$ 96,770,663	$ (2,284,842)	-2.4%	$ 97,008,420	$ (237,757)	-0.2%

Total assets decreased $368,984 or 0.4% in 2024. The decrease in total assets for 2024 was due to a decrease in noncurrent assets of capital assets and lease assets.

Deferred outflows of resources decreased $1,915,858 or 30.1% in 2024 due to actuarial valuation of pensions.

Total liabilities decreased $5,853,132 or 9.2% in 2024 due to a change in the University's proportionate share of the net pension liability (a noncurrent liability), as described in Note 7.

Deferred inflows of resources increased $874,607 or 29.8% in 2024. See Note 7 for further description of changes year over year.

Total assets decreased $1,242,376 or 1.4% in 2023. The decrease in total assets for 2023 was due to a decrease in noncurrent assets of capital assets and lease assets.

Deferred outflows of resources increased $1,004,619 or 18.7% in 2023 due to actuarial valuation of pensions.

Total liabilities increased $4,537,088 or 7.7% in 2023 due to a change in the University's proportionate share of the net pension liability (a noncurrent liability), as described in Note 7.

Deferred inflows of resources decreased $8,397,367 or 74.1% in 2023. See Note 7 for further description of changes year over year.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position reports the results of the University's activities and their effect on net position. All the current year's revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University's revenues, expenses, and changes in net position for the years ended June 30:

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2024	2023	2024 Increase (Decrease)	2024 Percent Change	2022	2023 Increase (Decrease)	2023 Percent Change
Operating Revenues							
Tuition and fees, net	$ 14,124,081	$ 14,074,274	$ 49,807	0.4%	$ 13,587,052	$ 487,222	3.6%
Federal and local grants and contracts	6,397,103	6,539,921	(142,818)	-2.2%	8,372,436	(1,832,515)	-21.9%
Auxiliary	7,877,372	8,101,177	(223,805)	-2.8%	7,681,243	419,934	5.5%
Other	163,242	106,704	56,538	53.0%	281,548	(174,844)	-62.1%
Total Operating Revenues	28,561,798	28,822,076	(260,278)	-0.9%	29,922,279	(1,100,203)	-3.7%
Operating Expenses	51,119,625	46,328,079	4,791,546	10.3%	44,045,537	2,282,542	5.2%
Net Operating Loss	(22,557,827)	(17,506,003)	(5,051,824)	-28.9%	(14,123,258)	(3,382,745)	24.0%
Nonoperating Revenues (Expenses)							
State appropriations, including OTRS	16,693,963	13,751,693	2,942,270	21.4%	12,486,325	1,265,368	10.1%
Federal and state grants	7,191,319	6,172,593	1,018,726	16.5%	5,807,165	365,428	6.3%
Investment income	469,142	341,163	127,979	37.5%	225,779	115,384	51.1%
Interest expense	(1,034,631)	(1,161,832)	127,201	-10.9%	(1,227,812)	65,980	-5.4%
Net Nonoperating Revenues (Expenses)	23,319,793	19,103,617	4,216,176	22.1%	17,291,457	1,812,160	10.5%
Income Before Other Revenues	761,966	1,597,614	(835,648)	-52.3%	3,168,199	(1,570,585)	-49.6%
Other Revenues	1,931,717	2,024,908	(93,191)	-4.6%	1,984,243	40,665	2.0%
Increase in Net Position	2,693,683	3,622,522	(928,839)	-25.6%	5,152,442	(1,529,920)	-29.7%
Net Position, Beginning of Year	30,362,607	26,740,085	3,622,522	13.5%	21,587,643	5,152,442	23.9%
Net Position, End of Year	$ 33,056,290	$ 30,362,607	$ 2,693,683	8.9%	$ 26,740,085	$ 3,622,522	13.5%

Operating revenues include tuition and fees, net of scholarship discounts and allowances, grants and contracts, sales and services of auxiliary enterprises, and other sources of revenue. Operating revenues decreased $260,278 or 0.9% in 2024 primarily due to decreases in auxiliary revenues and federal and local grants and contracts.

The predominant source of nonoperating revenues is state appropriations. State appropriations increased $2,942,270 or 21.4% in 2024 related to an increase in baseline appropriations from the Oklahoma State Regents of Higher Education.

The University's operating expenses are listed by natural classification, including employee compensation, scholarships, contractual services, supplies, etc. Operating expenses increased $4,791,546 or 10.3% in 2024. The increase in operating expenses in fiscal year 2024 compared to 2023 is due to an increase in salaries and scholarship expenses.

Operating revenues include tuition and fees, net of scholarship discounts and allowances, grants and contracts, sales and services of auxiliary enterprises, and other sources of revenue. Operating revenues decreased $1,100,203 or 3.7% in 2023 primarily due to decreases in federal and local grants and contracts.

The predominant source of nonoperating revenues is state appropriations. State appropriations increased $1,265,368 or 10.1% in 2023 related to an increase in baseline appropriations from the Oklahoma State Regents of Higher Education.

The University's operating expenses are listed by natural classification, including employee compensation, scholarships, contractual services, supplies, etc. Operating expenses increased $2,282,542 or 5.2% in 2023. The increase in operating expenses in fiscal year 2023 compared to 2022 is due to an increase in scholarship expense and selling of property.

Statement of Cash Flows

The primary purpose of the statement of cash flows is to provide information about the cash receipts and disbursements of an entity during a period. This statement also aids in the assessment of the entity's ability to generate future net cash flows, ability to meet obligations as they come due, and needs for external funding.

Following is a comparison of cash flows for the years ended June 30:

Condensed Statements of Cash Flows

	2024	2023	2024 Increase (Decrease)	2024 Percent Change	2022	2023 Increase (Decrease)	2023 Percent Change
Cash Flows Provided By (Used In)							
Operating activities	$ (16,743,456)	$ (14,191,208)	$ (2,552,248)	18.0%	$ (9,462,948)	$ (4,728,260)	50.0%
Noncapital financing activities	22,694,726	18,756,025	3,938,701	21.0%	17,493,103	1,262,922	7.2%
Capital and related financing activities	(4,772,410)	(3,358,135)	(1,414,275)	42.1%	(2,635,118)	(723,017)	27.4%
Investing activities	469,953	268,925	201,028	74.8%	29,848	239,077	801.0%
Increase in Cash	1,648,813	1,475,607	173,206	11.7%	5,424,885	(3,949,278)	-72.8%
Cash and Cash Equivalents, Beginning of Year	25,314,970	23,839,363	1,475,607	6.2%	18,414,478	5,424,885	29.5%
Cash and Cash Equivalents, End of Year	$ 26,963,783	$ 25,314,970	$ 1,648,813	6.5%	$ 23,839,363	$ 1,475,607	6.2%

Capital, Lease, and SBITA Assets

	2024	2023	2022
Land and land improvements	$ 14,186,981	$ 14,363,307	$ 14,325,274
Buildings	85,878,057	85,466,971	87,086,252
Leased building	593,555	593,555	593,555
Equipment	7,820,473	8,508,691	8,235,606
Leased equipment	628,688	259,729	259,729
Library materials	3,452,626	3,430,470	3,409,771
Intangible assets	882,173	882,173	882,173
SBITA – intangible assets	474,412	366,915	-
Construction in progress	385,144	129,210	16,000
Infrastructure	2,599,596	2,599,596	2,599,596
	116,901,705	116,600,617	117,407,956
Less accumulated depreciation and amortization	(56,805,195)	(54,831,985)	(52,324,756)
Capital, lease, and SBITA assets, net	$ 60,096,510	$ 61,768,632	$ 65,083,200

In 2024, the University retired $2,206,224 in assets, the majority of retired assets coming out of equipment. In 2023, the University retired $2,135,124 in assets, the majority of retired assets coming out of equipment and the sale of property. See Note 5 for additional information regarding capital assets.

Debt

The University had $33,413,409 in debt outstanding in 2024 compared to $36,883,129 in 2023. The table below summarizes these amounts by type:

	2024	2023	2022
Bonds payable	$ 1,635,129	$ 1,789,106	$ 1,938,015
Other financing arrangements	31,778,280	35,094,023	38,041,873
	$ 33,413,409	$ 36,883,129	$ 39,979,888

See Note 6 for additional information regarding debt.

Economic Outlook

The University's financial position remains strong. The net result of operating and nonoperating revenues and expenses was an increase in net position at June 30, 2024 of $2,693,683 or 8.9% reflecting the University's efforts to contain costs. Conservative management of fiscal resources ensures the ability to maintain quality academic and student programs, offset cost increases, and keep tuition and fee rates low.

As a regional university, the University is committed to the preservation, transmission, and advancement of knowledge in an environment that fosters small classes, vibrant communities, and successful graduates. The University is committed to its mission to ensure that its students develop the skills and knowledge required to achieve professional and personal goals in dynamic local and global communities.

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

	2024		2023	
	University	Component Unit – Foundation	University	Component Unit – Foundation
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current Assets				
Cash and cash equivalents	$ 23,334,712	$ 219,508	$ 21,213,785	$ 245,216
Accounts receivable, net	1,901,132	-	2,556,188	-
Receivable from State Regents	247,850	-	258,063	-
Leases receivable	111,423	-	43,628	-
Other current assets	-	15,091	-	27,373
Total Current Assets	25,595,117	234,599	24,071,664	272,589
Noncurrent Assets				
Restricted cash and cash equivalents	3,629,071	-	4,101,185	-
Investments	-	30,895,640	-	23,902,442
Pledges receivable	-	502,870	-	351,112
Leases receivable	388,519	-	324,773	-
Net OPEB asset	327,282	-	139,229	-
Other noncurrent assets	-	85,528	-	83,020
Capital, lease, and SBITA assets, net	60,096,510	1,263,418	61,768,632	1,245,422
Total Noncurrent Assets	64,441,382	32,747,456	66,333,819	25,581,996
Total Assets	90,036,499	32,982,055	90,405,483	25,854,585
Deferred Outflows of Resources				
Deferred outflows for pensions and OPEB	4,449,322	-	6,365,180	-
Total Deferred Outflows of Resources	4,449,322	-	6,365,180	-
Total Assets and Deferred Outflows of Resources	$ 94,485,821	$ 32,982,055	$ 96,770,663	$ 25,854,585

	2024		2023	
	University	**Component Unit – Foundation**	**University**	**Component Unit – Foundation**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
Current Liabilities				
Accounts payable and accrued expenses	$ 1,221,974	$ 31,379	$ 970,031	$ 54,115
Unearned revenues	858,103	-	772,113	-
Funds held in custody for others	208,579	-	208,064	-
Accrued compensated absences, current portion	567,087	-	438,619	-
Bonds payable, current portion	160,000	-	155,000	-
Other financing arrangements, current portion	2,745,346	-	2,724,797	-
Leases and subscriptions payable, current portion	422,597	-	310,079	-
Total Current Liabilities	6,183,686	31,379	5,578,703	54,115
Noncurrent Liabilities, Net of Current Portion				
Unearned revenues	1,438	-	1,126	-
Accrued compensated absences	576,140	-	581,064	-
Net pension liability	19,923,474	-	22,895,674	-
Bonds payable, net of premium and discount	1,475,129	-	1,634,106	-
Other financing arrangements, net of premium and discount	29,032,934	-	32,369,226	-
Lease and subscription payable	423,720	-	409,754	-
Total Noncurrent Liabilities	51,432,835	-	57,890,950	-
Total Liabilities	57,616,521	31,379	63,469,653	54,115
Deferred Inflows of Resources				
Deferred inflows of leases	482,268	-	363,440	-
Deferred credit on OCIA financing restructure	410,084	-	168,016	-
Deferred inflows for pensions and OPEB	2,920,658	-	2,406,947	-
Total Deferred Inflows of Resources	3,813,010	-	2,938,403	-
Net Position				
Net investment in capital assets	27,523,594	-	26,575,722	-
Restricted for				
Nonexpendable				
OPEB	327,282	-	139,229	-
Scholarships and fellowships	-	29,387,950	-	23,020,913
Unrestricted	5,205,414	3,562,726	3,647,656	2,779,557
Total Net Position	33,056,290	32,950,676	30,362,607	25,800,470
Total Liabilities, Deferred Inflows of Resources Resources, and Net Position	$ 94,485,821	$ 32,982,055	$ 96,770,663	$ 25,854,585

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

	2024		2023	
	University	Component Unit – Foundation	University	Component Unit – Foundation
Operating Revenues				
Tuition and fees, net of scholarship discounts and allowances; 2024 – $7,949,718, 2023 – $6,865,001 (revenues of $839,925 and $785,969 are used as security for the 2019B Student Facility Revenue Bonds)	$ 14,124,081	$ -	$ 14,074,274	$ -
Federal grants and contracts	2,677,270	-	3,141,638	-
State and private grants and contracts	3,719,833	-	3,398,283	-
Auxiliary enterprises (revenues of $1,518,360 and $1,408,315 are used as security for the 2013 Revenue Bonds)	7,877,372	-	8,101,177	-
Gifts and contributions	-	5,763,369	-	1,328,795
Other	163,242	433,928	106,704	419,364
Total Operating Revenues	28,561,798	6,197,297	28,822,076	1,748,159
Operating Expenses				
Employee compensation and benefits	24,516,180	-	21,213,162	-
Contractual services	3,125,038	-	2,528,099	-
Supplies and other operating expenses	8,242,719	-	8,327,974	-
Utilities	1,580,067	-	1,719,009	-
Communications	262,773	-	260,559	-
Other operating expenses	1,807,871	1,202,217	1,562,307	2,150,233
Depreciation and amortization expense	3,650,198	-	3,583,994	-
Scholarships	7,934,779	915,077	7,132,975	1,001,624
Total Operating Expenses	51,119,625	2,117,294	46,328,079	3,151,857
Operating Income (Loss)	(22,557,827)	4,080,003	(17,506,003)	(1,403,698)
Nonoperating Revenues (Expenses)				
State appropriations	15,503,407	-	12,583,432	-
OTRS on-behalf contributions	1,190,556	-	1,168,261	-
Federal and state grants	7,191,319	-	6,172,593	-
Investment income	397,398	3,070,203	221,962	1,869,522
State Regents endowment income	71,744	-	119,201	-
Interest expense	(1,034,631)	-	(1,161,832)	-
Net Nonoperating Revenues (Expenses)	23,319,793	3,070,203	19,103,617	1,869,522
Increase Before Other Revenues, Expenses, Gains, and Losses	761,966	7,150,206	1,597,614	465,824
State appropriations restricted for capital purposes	1,000,000	-	1,000,000	-
Capital grants and gifts	30,482	-	109,049	-
On-behalf payments for OCIA other financing arrangements	901,235	-	915,859	-
Increase in Net Position	2,693,683	7,150,206	3,622,522	465,824
Net Position, Beginning of Year	30,362,607	25,800,470	26,740,085	25,334,646
Net Position, End of Year	$ 33,056,290	$ 32,950,676	$ 30,362,607	$ 25,800,470

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

	2024	2023
Cash Flows from Operating Activities		
Tuition and fees	$ 15,039,423	$ 14,405,458
Grants and contracts	6,236,313	6,393,628
Auxiliary enterprises	8,144,900	7,002,130
Payments to employees for salaries and benefits	(23,838,062)	(21,324,825)
Payments made for scholarships	(7,934,779)	(7,132,975)
Payments to suppliers	(14,391,251)	(13,534,624)
Net Cash Used in Operating Activities	(16,743,456)	(14,191,208)
Cash Flows from Noncapital Financing Activities		
State appropriations	15,503,407	12,583,432
Federal and state grants	7,191,319	6,172,593
Direct loans received	9,392,505	9,394,174
Direct loans disbursed	(9,392,505)	(9,394,174)
Net Cash Provided by Noncapital Financing Activities	22,694,726	18,756,025
Cash Flows from Capital and Related Financing Activities		
Capital appropriations received	1,000,000	1,000,000
Purchase of capital assets	(1,969,734)	(849,555)
Interest paid on capital debt and leases	(1,124,062)	(1,209,439)
Principal paid on capital-related debt	(2,227,583)	(2,151,833)
Capital gifts and grants received	30,482	109,049
Proceeds from leases	(131,541)	49,590
Payments for leases	(349,972)	(305,947)
Net Cash Used in Capital and Related Financing Activities	(4,772,410)	(3,358,135)
Cash Flows from Investing Activities		
Interest income received	469,953	268,925
Net Cash Provided by Investing Activities	469,953	268,925
Increase in Cash and Cash Equivalents	1,648,813	1,475,607
Cash and Cash Equivalents, Beginning of Year	25,314,970	23,839,363
Cash and Cash Equivalents, End of Year	$ 26,963,783	$ 25,314,970

	2024	2023
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (22,557,827)	$ (17,506,003)
Adjustments to reconcile operating loss to net cash used in operating activities		
OTRS on-behalf contributions	1,190,556	1,168,261
Depreciation and amortization expense	3,650,198	3,583,994
Net loss on disposal of capital assets	468,114	1,058,359
Changes in assets and liabilities		
Accounts receivable, net	655,056	(843,274)
Net OPEB asset	(188,053)	264,158
Deferred outflows – pension and OPEB	1,915,858	(1,004,619)
Unearned revenues	86,302	(12,265)
Accounts payable and accrued expenses	251,942	(410,912)
Funds held in custody	515	6,638
Accrued compensated absences	123,544	67,213
Net pension liability	(2,972,200)	7,810,927
Deferred inflows – leases	118,828	(52,112)
Deferred inflows – pensions	513,711	(8,321,573)
Net Cash Used in Operating Activities	$ (16,743,456)	$ (14,191,208)
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Current assets		
Cash and cash equivalents	$ 23,334,712	$ 21,213,785
Noncurrent assets		
Restricted cash and cash equivalents	3,629,071	4,101,185
Total Cash and Cash Equivalents	$ 26,963,783	$ 25,314,970
Noncash Items		
Lease and subscription liabilities incurred for lease and subscription assets	$ 476,457	$ 366,915

Rogers State University
Statements of Fiduciary Net Position – OPEB Trust Fund
June 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 2,551	$ 4,565
Interest receivable	802	449
Investments		
Pooled equity funds	530,954	508,568
Pooled fixed income funds	473,672	406,506
Total investments	1,004,626	915,074
Net Position Restricted for OPEB	$ 1,007,979	$ 920,088

Rogers State University
Statements of Changes in Fiduciary Net Position – OPEB Trust Fund
Years Ended June 30, 2024 and 2023

	2024	2023
Additions		
Contributions		
Employer contributions	$ 67,869	$ 54,279
Investment income		
Net appreciation in fair value	37,085	44,351
Realized gains	29,205	10,728
Dividends and interest	28,313	23,325
Other	354	296
Total investment income	94,957	78,700
Less investment expense	(7,066)	(6,526)
Net investment income	87,891	72,174
Total Additions	155,760	126,453
Deductions		
Benefit payments	67,869	54,279
Total Deductions	67,869	54,279
Increase in Net Position	87,891	72,174
Net Position Restricted for OPEB		
Beginning of year	920,088	847,914
End of year	$ 1,007,979	$ 920,088

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Rogers State University (University) is a regional university operating under the jurisdiction of the Board of Regents of the University of Oklahoma (Board of Regents) and the Oklahoma State Regents for Higher Education (State Regents).

Reporting Entity

The University is one of four institutions of higher education in Oklahoma that comprise the Regents of the University of Oklahoma, which in turn is part of the Higher Education Component Unit of the State of Oklahoma.

The Board of Regents has constitutional authority to govern, control, and manage the Regents of the University of Oklahoma, which consists of four institutions. This authority includes but is not limited to the power to designate management; the ability to significantly influence operations; acquire and take title to real and personal property in its name; and appoint or hire all necessary officers, supervisors, instructors, and employees for member institutions.

Accordingly, the University is considered an organizational unit of the Regents of the University of Oklahoma reporting entity for financial reporting purposes due to the significance of its legal, operational, and financial relationships with the Board of Regents, as defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

The University has a fiduciary responsibility for the Other Postemployment Healthcare Plan trust (OPEB), which is reported as a fiduciary component unit under the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 84, *Fiduciary Activities*. The OPEB statements of fiduciary net position and changes in fiduciary net position are shown as a fiduciary fund in the University's financial statements.

For financial reporting purposes, the University has included all funds, organizations, agencies, boards, commissions, and authorities within the reporting entity defined above. The University has also considered all potential component units for which it is financially accountable and other organizations for which the nature of significance of their relationship with the University are such that the exclusion would cause the University's financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. These criteria included appointing a voting majority of an organization's governing body and 1) the ability of the University to impose its will on that organization or 2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the University.

Rogers State University Foundation, Inc.

Rogers State University Foundation, Inc. (Foundation) is a legally separate, Oklahoma nonprofit corporation organized for the purpose of receiving and administering gifts intended for the University. Accordingly, the Foundation is a component unit of the University. Because the restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the University's management believes that discretely presenting the Foundation's financial statements in the University's financial statements in accordance with guidelines provided by GASB provides users relevant and timely information about resources available to the University. Separate financial statements of the Foundation are prepared and may be obtained by contacting the Foundation's Executive Director.

The University authorizes the Foundation to solicit contributions on its behalf. In the absence of donor restrictions, the Foundation has discretionary control over the amounts and timing of its distributions to the University. During the years ended June 30, 2024 and 2023, the Foundation provided the University $1,429,064 and $2,576,361, respectively, in scholarships, awards, and other program support.

The University and the Foundation both have a fiscal year-end of June 30.

Financial Statement Presentation

GASB is the recognized standard-setting body for accounting principles generally accepted in the United States of America (GAAP) applicable to public sector institutions of higher education. The University applies all applicable GASB pronouncements.

Basis of Accounting and Presentation

The accompanying financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

Regarding leases and subscription-based information technology arrangements (SBITA), the University generally uses an estimate based on municipal bond rate yield curves as the discount rate for leases and SBITAs unless the rate that the lessor/vendor charges is known.

Cash Equivalents

For purposes of the statements of cash flows, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State Treasurer's OK INVEST cash management investment policy are considered cash equivalents.

Restricted Cash and Cash Equivalents

Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, make long-term student loans, or to purchase capital or other noncurrent assets are classified as noncurrent assets in the accompanying statements of net position.

Accounts Receivable

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

Capital, Lease, and Subscription Assets

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation if acquired by gift. The University's capitalization policy for furniture, fixtures, and equipment includes all items with a unit cost of $5,000 or more and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 years for buildings, 30 years for infrastructure, 20 years for land improvements and building renovations, 10 years for enterprise software, and five years for library materials and equipment.

Capital, lease, and subscription assets are subject to an evaluation of possible impairment when events or circumstances indicate that the related changes in carrying amounts may not be recoverable. If required, impairment losses are reported in the accompanying statements of revenues, expenses, and changes in net position. For 2024 and 2023, there were no impairment losses.

Intangible assets are reported with capital assets. Intangible assets are subject to amortization over their respective useful life of five years.

Lease assets are initially recorded as the sum of 1) the amount of the initial measurement of the lease liability, 2) lease payments made at or before the commencement of the lease term less any lease or subscription incentives received from the lessor at or before the commencement of the lease term, and 3) initial direct costs that are ancillary charges necessary to place the asset into service.

Lease and subscription-based information technology arrangement (SBITA) assets are amortized over the life of the associated contract.

Leases

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

Subscription-Based Information Technology Arrangements

The University is a party as lessee for various noncancelable long-term subscriptions of intangible information technology software and arrangements. The corresponding subscriptions payable is recorded in an amount equal to the present value of the expected future minimum subscription payments discounted by an applicable interest rate.

Unearned Revenues

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

Compensated Absences

Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued expenses in the accompanying statements of net position and as a component of compensation and benefit expense in the accompanying statements of revenues, expenses, and changes in net position.

Noncurrent Liabilities

Noncurrent liabilities include 1) principal amounts of revenue bonds payable and other financing arrangements with contractual maturities greater than one year, 2) pension liabilities, 3) lease and subscription obligations, and 4) estimated amounts for accrued compensated absences that will not be paid within the next fiscal year. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method, which is not significantly different from the effective interest method.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Teachers' Retirement System (OTRS), other University plans, and additions to/deductions from OTRS' fiduciary net position have been determined on the same basis as reported by OTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by OTRS are reported at fair value.

Other Postemployment Benefit Plan

For purposes of measuring the cost-sharing employer plan's net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OTRS and additions to/deductions from OTRS' fiduciary net position have been determined on the same basis as reported by OTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by OTRS are reported at fair value.

For purposes of measuring the single employer plan net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the University uses an independent actuarial valuation based on the University's year-end.

Net Position

Net position of the University is classified as follows:

Net Investment in Capital Assets – The net investment in capital assets component of net position consists of capital, lease, and subscription assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. To the extent that debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

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

Restricted Net Position, Nonexpendable – Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

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

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense toward restricted resources and then towards unrestricted resources.

Classification of Revenues

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

Operating Revenues – Include activities that have the characteristics of exchange transactions, such as 1) student tuition and fees, net of scholarship allowances or 2) sales and services of educational departments and auxiliary enterprises or 3) most federal, state, and nongovernmental grants and contracts.

Nonoperating Revenues – Include activities that have the characteristics of nonexchange transactions, such as 1) gifts and contributions or 2) other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*, or 3) GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, such as state appropriations, certain governmental grants, and investment income.

Scholarship Discounts and Allowances

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

Deferred Outflows of Resources

Deferred outflows are the consumption of net position by the University that are applicable to a future reporting period. At June 30, 2024 and 2023, the University's deferred outflows of resources were related to pensions and OPEB.

Deferred Inflows of Resources

Deferred inflows are the acquisition of net position by the University that are applicable to a future reporting period. At June 30, 2024 and 2023, the University's deferred inflows of resources were comprised of credits realized on Oklahoma Capital Improvement Authority (OCIA) financing restructures and deferred inflows related to pensions, OPEB, and leases. Lease-related amounts are recognized at the inception of leases in which the University is the lessor and are recorded in an amount equal to the corresponding lease receivable, plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Income Taxes

The University, as a political subdivision of the State of Oklahoma, is exempt from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. However, the University may be subject to income taxes on unrelated business income under Internal Revenue Code Section 511(a)(2)(B).

New Accounting Pronouncements Adopted in Fiscal Year 2024

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections.* The primary objective of GASB 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. GASB 100 defines “accounting changes” as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for 1) certain changes in accounting principles and 2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. The University has made no changes to their accounting principles, accounting estimates, or change in methodology.

New Accounting Pronouncements Issued Not Yet Adopted

GASB has also issued several new accounting pronouncements that will be effective for the University in subsequent years. A description of the new accounting pronouncements and the fiscal year in which they are effective is below:

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures.* The objective of this statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter.

University management is currently evaluating the impact these new standards will have on its financial statements.

Note 2. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government’s deposits may not be returned to it. The University’s deposit policy for custodial credit risk is described as follows:

Oklahoma Statutes require the State Treasurer to ensure that all state funds either be insured by the FDIC, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. The University’s deposits with the State Treasurer are pooled with the funds of other state agencies and then, in accordance with statutory limitations, placed in financial institutions or invested as the State Treasurer may determine, in the state’s name.

The University requires that balances on deposit with financial institutions, including trustees related to the University's bond indenture and other financing arrangements, be insured by the FDIC, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. Government obligations, in the University's name.

At June 30, 2024 and 2023, the carrying amount of the University's deposits with the State Treasurer and other financial institutions was $26,963,783 and $25,314,970, respectively. At June 30, 2024 and 2023, this amount consisted of deposits with the State Treasurer ($26,960,433 and $25,311,620, respectively) and U.S. financial institutions ($3,350 and $3,350, respectively).

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

Of funds on deposit with the State Treasurer, amounts invested in OK INVEST totaled $13,395,953 and $12,305,086 at June 30, 2024 and 2023, respectively.

For financial reporting purposes, deposits with the State Treasurer that are invested in OK INVEST are classified as cash equivalents.

At June 30, the distribution of deposits in OK INVEST is as follows:

	2024		2023	
	Cost	Market Value	Cost	Market Value
OK INVEST Portfolio				
U.S. agency securities	$ 704,566	$ 690,091	$ 2,049,091	$ 1,994,017
Certificates of deposit	31,280	31,280	31,440	31,440
Money market mutual funds	1,006,026	1,006,026	917,554	917,554
Mortgage-backed agency securities	2,062,540	1,808,149	2,280,595	2,014,833
Foreign bonds	85,401	85,087	36,226	35,805
U.S. Treasury obligations	9,506,140	9,372,290	6,990,180	6,782,702
	$ 13,395,953	$ 12,992,923	$ 12,305,086	$ 11,776,351

Agencies and funds that are considered to be part of the State's reporting entity in the State's Annual Comprehensive Financial Report are allowed to participate in OK INVEST. Oklahoma Statutes and the State Treasurer establish the primary objectives and guidelines governing the investment of funds in OK INVEST. Safety, liquidity, and return on investment are the objectives which establish the framework for the day to day OK INVEST management with an emphasis on safety of the capital and the probable income to be derived and meeting the State and its funds and agencies' daily cash flow requirements. Guidelines in the Investment Policy address credit quality requirements and diversification percentages and specify the types and maturities of allowable investments, and the specifics regarding these policies can be found on the State Treasurer's website at http://www.treasurer.state.ok.us/.

The State Treasurer, at their discretion, may further limit or restrict such investments on a day-to-day basis. OK INVEST includes a substantial investment in securities with an overnight maturity as well as in U.S. government securities with a maturity of up to 10 years. OK INVEST maintains an overall weighted average maturity of no more than four years.

Participants in OK INVEST maintain an interest in its underlying investments and, accordingly, may be exposed to certain risks. As stated in the State Treasurer information statement, the main risks are interest rate risk, credit/default risk, liquidity risk, and U.S. government securities risk. Interest rate risk is the risk that during periods of rising interest rates, the yield and market value of the securities will tend to be lower than prevailing market rates; in periods of falling interest rates, the yield will tend to be higher. Credit/default risk is the risk that an issuer or guarantor of a security, or a bank or other financial institution that has entered into a repurchase agreement, may default on its payment obligations. Liquidity risk is the risk that OK INVEST will be unable to pay redemption proceeds within the stated time period because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. U.S. government securities risk is the risk that the U.S. government will not provide financial support to U.S. government agencies, instrumentalities, or sponsored enterprises if it is not obligated to do so by law. Various investment restrictions and limitations are enumerated in the State Treasurer's Investment Policy to mitigate those risks; however, any interest in OK INVEST is not insured or guaranteed by the State, the FDIC, or any other government agency.

Note 3. Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts in the accompanying statements of net position. Accounts receivable consisted of the following at June 30:

	2024	2023
Student tuition and fees	$ 4,570,254	$ 4,748,984
Auxiliary enterprise and other operating activities	397,519	1,133,587
Federal, state, and private grants and contracts	243,679	202,583
	5,211,452	6,085,154
Less allowance for doubtful accounts	(3,310,320)	(3,528,966)
Net accounts receivable	$ 1,901,132	$ 2,556,188

Note 4. Leases Receivable

The University as a lessor has entered into lease agreements involving a building with office space and restaurant space. A summary of the University's lease terms and interest rates is as follows:

	2024	2023
Lease of building with office space and restaurant space Annual installments ranging from $20,375 to $120,828; imputed interest rates ranging from 0.53% to 3.71%; due dates ranging from December 2024 through May 2036. The balance outstanding at June 30 was:	$ 499,942	$ 368,401

The following is a summary of lease receivable transactions for the University for the years ended June 30:

	Beginning Balance	Additions	Deductions	Ending Balance
2024	$ 368,401	$ 228,270	$ 96,729	$ 499,942
2023	$ 430,215	$ -	$ 61,814	$ 368,401

During the years ended June 30, 2024 and 2023, the University recorded $9,402 and $5,182 in interest income and $96,729 and $61,814, respectively, in lease revenue related to leases receivable.

Note 5. Capital, Lease, and SBITA Assets

Changes in capital, lease, and SBITA assets for the years ended June 30 are on the following pages.

	Beginning Balance	Additions	Adjustments/ Transfers	Retirements	Ending Balance
2024					
Capital assets not being depreciated					
Land	$ 1,062,197	$ -	$ -	$ (175,000)	$ 887,197
Construction in progress	129,210	629,552	(373,618)	-	385,144
Total capital assets not being depreciated	1,191,407	629,552	(373,618)	(175,000)	1,272,341
Capital, lease, and SBITA assets being depreciated/amortized					
Land improvements	13,301,110	649,646	-	(650,972)	13,299,784
Infrastructure	2,599,596	-	-	-	2,599,596
Buildings	85,466,971	37,468	373,618	-	85,878,057
Lease asset – buildings	593,555	-	-	-	593,555
Intangible assets	882,173	-	-	-	882,173
SBITA – intangible assets	366,915	107,497	-	-	474,412
Furniture, fixtures, and equipment	8,508,691	624,344	61,123	(1,373,685)	7,820,473
Lease asset – equipment	259,729	368,959	-	-	628,688
Library materials	3,430,470	28,723	-	(6,567)	3,452,626
Total capital, lease, and SBITA assets being depreciated/amortized	115,409,210	1,816,637	434,741	(2,031,224)	115,629,364
Less accumulated depreciation/ amortization					
Land improvements	(9,088,697)	(634,973)	-	358,035	(9,365,635)
Infrastructure	(1,742,061)	(73,431)	-	-	(1,815,492)
Buildings	(31,631,991)	(2,148,217)	-	-	(33,780,208)
Lease asset – buildings	(296,778)	(148,389)	-	-	(445,167)
Intangible assets	(607,955)	(88,217)	-	-	(696,172)
SBITA – intangible assets	(91,729)	(102,478)	-	-	(194,207)
Furniture, fixtures, and equipment	(7,897,291)	(351,705)	(61,123)	1,373,685	(6,936,434)
Lease asset – equipment	(103,678)	(70,818)	-	-	(174,496)
Library materials	(3,371,805)	(31,970)	-	6,391	(3,397,384)
Total accumulated depreciation/ amortization	(54,831,985)	(3,650,198)	(61,123)	1,738,111	(56,805,195)
Capital, lease, and SBITA assets being depreciated/amortized, net	60,577,225	(1,833,561)	373,618	(293,113)	58,824,169
Capital, lease, and SBITA assets, net	$ 61,768,632	$ (1,204,009)	$ -	$ (468,113)	$ 60,096,510

	Beginning Balance	Additions	Adjustments/ Transfers	Retirements	Ending Balance
2023					
Capital assets not being depreciated					
Land	$ 1,052,197	$ 10,000	$ -	$ -	$ 1,062,197
Construction in progress	16,000	113,210	-	-	129,210
Total capital assets not being depreciated	1,068,197	123,210	-	-	1,191,407
Capital, lease, and SBITA assets being depreciated/amortized					
Land improvements	13,273,077	375,915	-	(347,882)	13,301,110
Infrastructure	2,599,596	-	-	-	2,599,596
Buildings	87,086,252	-	-	(1,619,281)	85,466,971
Lease asset – buildings	593,555	-	-	-	593,555
Intangible assets	882,173	-	-	-	882,173
SBITA – intangible assets	366,915	-	-	-	366,915
Furniture, fixtures, and equipment	8,235,606	439,312	-	(166,227)	8,508,691
Lease asset – equipment	259,729	-	-	-	259,729
Library materials	3,409,771	22,433	-	(1,734)	3,430,470
Total capital, lease, and SBITA assets being depreciated/amortized	116,706,674	837,660	-	(2,135,124)	115,409,210
Less accumulated depreciation/ amortization					
Land improvements	(8,665,026)	(635,039)	-	211,368	(9,088,697)
Infrastructure	(1,655,408)	(86,653)	-	-	(1,742,061)
Buildings	(30,206,162)	(2,127,663)	-	701,834	(31,631,991)
Lease asset – buildings	(148,389)	(148,389)	-	-	(296,778)
Intangible assets	(519,738)	(88,217)	-	-	(607,955)
SBITA – intangible assets	-	(91,729)	-	-	(91,729)
Furniture, fixtures, and equipment	(7,746,477)	(312,643)	-	161,829	(7,897,291)
Lease asset – equipment	(48,234)	(55,444)	-	-	(103,678)
Library materials	(3,335,322)	(38,217)	-	1,734	(3,371,805)
Total accumulated depreciation/ amortization	(52,324,756)	(3,583,994)	-	1,076,765	(54,831,985)
Capital, lease, and SBITA assets being depreciated/amortized, net	64,381,918	(2,746,334)	-	(1,058,359)	60,577,225
Capital, lease, and SBITA assets, net	$ 65,450,115	$ (2,623,124)	$ -	$ (1,058,359)	$ 61,768,632

The University has acquired certain capital assets, including buildings and equipment, under various lease-purchase contracts and other financing arrangements. The cost of University assets held under other financing arrangements totaled $33,991,687 and $38,877,118 at June 30, 2024 and 2023, respectively.

Note 6. Long-Term Liabilities

The following is a summary of long-term obligation transactions for the University for the years ended June 30:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
2024					
Bonds payable					
ODFA Revenue Bonds 2013	$ 1,795,000	$ -	$ (155,000)	$ 1,640,000	$ 160,000
Bond discount	(5,894)	-	1,023	(4,871)	-
	1,789,106	-	(153,977)	1,635,129	160,000
Other financing arrangements					
ODFA Master lease payable	28,036,916	-	(2,072,583)	25,964,333	2,127,833
OCIA other financing arrangements	5,250,241	4,324,957	(5,250,242)	4,324,956	617,513
Other financing arrangements premium	1,858,104	-	(322,440)	1,535,664	-
Other financing arrangements discount	(51,238)	-	4,565	(46,673)	-
	35,094,023	4,324,957	(7,640,700)	31,778,280	2,745,346
Subscriptions payable	263,527	107,497	(130,297)	240,727	128,278
Leases payable	456,306	368,959	(219,675)	605,590	294,319
Total bonds, subscriptions, and leases payable and other financing arrangements	$ 37,602,962	$ 4,801,413	$ (8,144,649)	$ 34,259,726	$ 3,327,943

	Beginning Balance, as Restated	Additions	Deductions	Ending Balance	Current Portion
2023					
Bonds payable					
ODFA Revenue Bonds 2013	$ 1,945,000	$ -	$ (150,000)	$ 1,795,000	$ 155,000
Bond discount	(6,985)	-	1,091	(5,894)	-
	1,938,015	-	(148,909)	1,789,106	155,000
Other financing arrangements					
ODFA Master lease payable	30,038,749	-	(2,001,833)	28,036,916	2,072,583
OCIA other financing arrangements	5,886,090	-	(635,849)	5,250,241	652,214
Other financing arrangements premium	2,173,007	-	(314,903)	1,858,104	-
Other financing arrangements discount	(55,973)	-	4,735	(51,238)	-
	38,041,873	-	(2,947,850)	35,094,023	2,724,797
Subscriptions payable	366,915	-	(103,388)	263,527	105,794
Leases payable	658,865	-	(202,559)	456,306	204,285
Total bonds, subscriptions, and leases payable and other financing arrangements	$ 41,005,668	$ -	$ (3,402,706)	$ 37,602,962	$ 3,189,876

Revenue Bonds

In May 2013, the University issued $3,000,000 Federally Taxable Series 2013 revenue bonds. The net proceeds of $2,854,000 were used to design, construct, and equip a new 17,215-square-foot student dining facility on the Claremore campus. The bonds are primarily secured by bookstore revenues of $1,315,432 and $1,178,479 and dining facility revenues of $202,928 and $229,837 for the years ended June 30, 2024 and 2023, respectively. Debt service payments of $219,278 and $218,103 were 14% and 15% of pledged revenues in fiscal year 2024 and 2023, respectively.

The Federally Taxable Series 2013 revenue bonds were issued at a discount of $18,754. During 2024, the University recognized $1,023 of amortization, leaving a balance of the unamortized bond discount of $4,871 as of June 30, 2024. During 2023, the University recognized $1,091 of amortization, leaving a balance of the unamortized bond discount of $5,894 as of June 30, 2023.

The scheduled maturities of the bonds are as follows:

	Principal	Interest	Total
2025	$ 160,000	$ 60,015	$ 220,015
2026	165,000	55,375	220,375
2027	170,000	50,013	220,013
2028	175,000	44,488	219,488
2029	180,000	38,800	218,800
2030–2033	790,000	80,600	870,600
	$ 1,640,000	$ 329,291	$ 1,969,291

Oklahoma Capital Improvement Authority Other Financing Arrangements

OCIA periodically issues bonds, which are allocated to the State Regents, to be used for specific projects at Oklahoma higher education institutions. The University has participated in these projects as discussed below. In each of the transactions, OCIA and the University entered into a financing arrangement. As a result, the University recognizes its share of the liability and the related assets in connection with the projects being constructed or acquired in its financial statements. Annually, the State Legislature appropriates funds to the State Regents to make monthly principal and interest payments on behalf of the University.

In November 2005, OCIA issued its OCIA Bond Issues, 2005 Series F and G. Of the total bond indebtedness, the State Regents allocated $13,922,702 to the University. Concurrent with the allocation, the University entered into an agreement with OCIA, representing the seven projects being funded by the OCIA bonds.

Through June 30, 2021, the University had drawn its entire allotment for expenditures incurred in connection with the projects. Expenditures have been capitalized as investments in capital assets and/or recorded as construction in progress in accordance with University policy. The University has recorded a payable to OCIA for the total amount of the allotment less repayments made.

During fiscal year 2014, the University's remaining 2005 agreement with OCIA was restructured through a partial refunding of the Series 2005F bonds. OCIA issued new bonds, Series 2014A, to accomplish the refunding. The restructured agreement with OCIA secures the OCIA bond indebtedness and any future indebtedness that might be issued to refund earlier bond issues. The University's aforementioned agreement with OCIA was automatically restructured to secure the new bond issues. The restructuring resulted in a reduction of principal; thus, the University has recorded a credit of $387,424, which is the difference between the reacquisition price and the net carrying amount of the old debt, that is being amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter.

During fiscal year 2024, the University's remaining 2014 agreement with OCIA was restructured through a partial refunding of the Series 2014AF bonds. OCIA issued new bonds, Series 2024A, to accomplish the refunding. The restructured agreement with OCIA secures the OCIA bond indebtedness and any future indebtedness that might be issued to refund earlier bond issues. The University's aforementioned agreement with OCIA was automatically restructured to secure the new bond issues. The restructuring resulted in a reduction of principal; thus, the University has recorded a credit of $273,070, which is the difference between the reacquisition price and the net carrying amount of the old debt that is being amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. As of June 30, 2024 and 2023, the remaining deferred inflow of resources totaled $410,084 and $168,016, respectively. This refinancing resulted in an aggregate difference in principal and interest between the original agreement and the refinanced agreement of $264,911, which approximates the economic savings of the transaction.

During the years ended June 30, 2024 and 2023, OCIA made principal and interest payments totaling $901,235 and $915,859, respectively, on behalf of the University. These on-behalf payments have been recorded as restricted State appropriations in the University's statements of revenues, expenses, and changes in net position.

Future minimum payments under the University's obligations to OCIA are as follows:

	Principal	Interest	Total
2025	$ 617,513	$ 243,279	$ 860,792
2026	672,324	185,372	857,696
2027	706,039	151,756	857,795
2028	736,796	116,454	853,250
2029	773,863	79,614	853,477
2030	818,421	40,921	859,342
	$ 4,324,956	$ 817,396	$ 5,142,352

Oklahoma Development Finance Authority (ODFA) Master Lease Program

During fiscal year 2016, the 2006 agreement with ODFA was restructured through a refunding of the Series 2006A bonds. ODFA issued new bonds, Series 2016A to accomplish the refunding. The refinancing resulted in an aggregate difference in principal and interest between the original agreement and the refinanced agreement of $388,833, which approximates the economic savings of the transaction.

During fiscal year 2016, the 2006 agreement with ODFA was restructured through a refunding of the Series 2006B bonds. ODFA issued new bonds, Series 2016B to accomplish the refunding. The refinancing resulted in an aggregate difference in principal and interest between the original agreement and the refinanced agreement of $52,232, which approximates the economic savings of the transaction.

In July 2014, the University entered into a 30-year Master Agreement with ODFA and the State Regents as a beneficiary of a portion of the proceeds from the ODFA State Regents for Higher Education Master Lease Revenue Bonds, Series 2014D. The University received a net amount of $11,500,000 for the construction of student apartments. The University makes payments to the State Regents, who then forward the payments to the trustee bank.

In June 2019, the University entered into a 13-year agreement with ODFA and the State Regents as a beneficiary of a portion of the proceeds from the ODFA State Regents for Higher Education Master Lease Revenue Bonds, Series 2019B. The University received a net amount of $5,406,000 for refunding of 2007 Series A bonds. The University makes payments to the State Regents, who then forward the payments to the trustee bank.

In June 2020, the University entered into a 20-year agreement with ODFA and the State Regents as a beneficiary of the portion of the proceeds from the ODFA State Regents of Higher Education Master Lease Revenue Bonds, Series 2020A. The University received a net amount of $13,235,000 for refunding of 2010 Series A, B, and C bonds. The University makes payments to the State Regents, who then forward the payments to the trustee bank.

In October 2020, the University entered into a 15-year Master Agreement with ODFA and the State Regents as a beneficiary of a portion of the proceeds from the ODFA State Regents for Higher Education Master Lease Revenue Bonds, Series 2020C/D. The University received a net amount of $3,077,000 for refunding of the 2011 Series A bonds. The University makes payments to the State Regents, who then forward the payments to the trustee bank.

In November 2020, the University entered into a 5-year Master Agreement with ODFA and the State Regents as a beneficiary of a portion of the proceeds from the ODFA State Regents for Higher Education Master Lease Revenue Bonds, Series 2020B/C. The University received a net amount of $281,000 of the proceeds for refunding of the 2010 Series B bonds. The University makes payments to the State Regents, who then forward the payments to the trustee bank.

The scheduled maturities of the obligations under the ODFA Master Lease Program are as follows:

	Principal	Interest	Total
2025	$ 2,127,833	$ 984,834	$ 3,112,667
2026	1,878,166	908,700	2,786,866
2027	1,584,584	843,826	2,428,410
2028	1,640,334	783,621	2,423,955
2029	1,705,000	720,343	2,425,343
2030–2034	8,341,667	2,566,827	10,908,494
2035–2039	5,314,836	1,255,842	6,570,678
2040–2044	3,371,918	357,500	3,729,418
	$ 25,964,338	$ 8,421,493	$ 34,385,831

Leases Payable

The University as a lessee has entered into lease agreements involving building space, vehicles, printers, and a printing press. A summary of the University's lease terms and interest rates is as follows:

	2024	2023
Leases of building space, vehicles, printers, and printing press Annual installments ranging from $81,564 to $305,341; estimated incremental borrowing rates used to discount amounts ranging from 0.53% to 4.05%; due dates ranging from June 2025 to April 2028. The balance outstanding at June 30 was:	$ 605,590	$ 456,306

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease liability. Those variable payments are recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the years ended June 30, 2024 and 2023, the University made variable payments as required by lease agreements totaling $219,676 and $202,559, respectively.

Future annual lease payments are as follows:

	Principal	Interest	Total
2025	$ 294,319	$ 11,022	$ 305,341
2026	134,115	7,041	141,156
2027	96,726	4,031	100,757
2028	80,430	1,134	81,564
	$ 605,590	$ 23,228	$ 628,818

Subscription-Based Information Technology Arrangements Payable

The University has entered into contractual arrangements that convey control of the right-to-use of a vendor's information technology software, or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. A summary of the University's SBITAs is as follows:

	2024	2023
Software subscriptions with monthly and annual installments ranging from $22,000 to $133,350 and discount rates ranging from 2.32% to 2.38% with due dates of February 2025, May 2026, and December 2027. The balance outstanding at June 30 was:	$ 240,727	$ 263,527

As of June 30, 2024, the remaining principal and interest payment requirements for the SBITA obligations are as follows:

	Principal	Interest	Total
2025	$ 128,278	$ 5,072	$ 133,350
2026	69,973	2,076	72,049
2027	20,988	1,012	22,000
2028	21,488	512	22,000
	$ 240,727	$ 8,672	$ 249,399

Note 7. Retirement Plans

The University's academic and nonacademic personnel are covered by various retirement plans depending on job classification. The plans available to University personnel include:

Name of Plan/System	Type of Plan
Oklahoma Teachers' Retirement System	Cost-Sharing Multiple-Employer Defined Benefit Plan
Rogers State University Defined Contribution Plan	Defined Contribution Plan
Fidelity Investments Plan	Defined Contribution Plan
Supplemental Retirement Annuity	Single-Employer Defined Benefit Plan

The University does not maintain the accounting records, hold the investments for, or administer these plans. A summary of all pension- and OPEB-related items is as follows:

	Net OPEB (Asset)	Deferred Outflows	Deferred Inflows	OPEB Expense (Benefit)
2024				
RSU OPEB	$ (198,779)	$ 104,760	$ 306,696	$ (83,890)
OTRS OPEB	(128,503)	103,570	41,032	19,536
Total	$ (327,282)	$ 208,330	$ 347,728	$ (64,354)
2023				
RSU OPEB	$ (12,801)	$ 143,786	$ 311,503	$ (53,417)
OTRS OPEB	(126,428)	130,477	54,011	(7,760)
Total	$ (139,229)	$ 274,263	$ 365,514	$ (61,177)

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Expense (Benefit)
2024				
Supplemental retirement plan	$ 261,944	$ -	$ -	$ 16,670
OTRS net pension liability	19,661,530	4,240,992	2,572,930	2,207,520
Total	$ 19,923,474	$ 4,240,992	$ 2,572,930	$ 2,224,190
2023				
Supplemental retirement plan	$ 303,145	$ -	$ -	$ 40,935
OTRS net pension liability	22,592,529	6,090,917	2,041,433	1,435,599
Total	$ 22,895,674	$ 6,090,917	$ 2,041,433	$ 1,476,534

Oklahoma Teachers' Retirement System

Plan Description

The University, as the employer, participates in OTRS—a cost-sharing multiple-employer defined benefit pension plan administered by OTRS. Title 70 O. S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature. OTRS issues a publicly available financial report that can be obtained at www.ok.gov/OTRS.

Benefits Provided

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

Benefit provisions include:

- Members become 100% vested in retirement benefits earned to date after five years of credited Oklahoma service. Members who joined OTRS on June 30, 1992 or prior are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining OTRS after June 30, 1992 are eligible for maximum benefits when their age and years of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at age 62 receive unreduced benefits based on their years of service. The maximum retirement benefit is equal to 2% of final compensation for each year of credited service.
- Final compensation for members who joined OTRS prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining OTRS after June 30, 1992 is defined as the average of the highest five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to $40,000 or $25,000, depending on the member's election. Monthly benefits are 1/12 of this amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the two comprehensive universities. Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100% of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member may elect to receive, in lieu of the aforementioned benefits, the retirement benefit the member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.
- Upon the death of a retired member, OTRS will pay $5,000 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.
- A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.
- Upon separation from OTRS, members' contributions are refundable with interest based on certain restrictions provided in the plan, or by the IRC.
- Members may elect to make additional contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the IRC Section 403(b).

Contributions

The contributions requirements of the plan are at an established rate determined by Oklahoma Statute, amended by the Oklahoma Legislature, and are not based on actuarial calculations. Employees are required to contribute 7% of their annual pay. Participating employers are required to contribute 8.55% of the employees' annual pay and an additional 7.70% for any employees' salaries covered by federal funds. A portion of the contributions received by OTRS are allocated to the Supplemental Health Insurance program. Contributions to the pension plan from the University were $1,566,541 and $1,372,198 at June 30, 2024 and 2023, respectively. The State of Oklahoma also made on-behalf contributions to OTRS, of which $1,190,556 and $1,168,261 was recognized by the University at

June 30, 2024 and 2023, respectively; these on-behalf payments did not meet the criteria of a special funding situation.

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

At June 30, 2024 and 2023, the University reported a liability of $19,661,530 and $22,592,529, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The University's proportion of the net pension liability was based on the University's contributions received by the pension plan relative to the total contributions received by the pension plan for all participating employers as of June 30, 2023. Based upon this information, the University's proportion was 0.2551% and 0.2752% at June 30, 2024 and 2023, respectively.

For the years ended June 30, 2024 and 2023, the University recognized pension expense of $2,207,520 and $1,435,599, respectively. At June 30, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2024		
Differences between expected and actual experience	$ 320,771	$ 382,802
Changes of assumptions	798,747	-
Net difference between projected and actual investment earnings on pension plan investments	1,375,879	-
Changes in University's proportionate share of contributions	177,730	2,112,426
Differences between University contributions and proportionate share of contributions	1,324	77,702
University contributions made subsequent to the measurement date	1,566,541	-
Total	$ 4,240,992	$ 2,572,930
2023		
Differences between expected and actual experience	$ 723,761	$ 282,609
Changes of assumptions	1,524,356	-
Net difference between projected and actual investment earnings on pension plan investments	2,150,813	-
Changes in University's proportionate share of contributions	314,446	1,707,793
Differences between University contributions and proportionate share of contributions	5,343	51,031
University contributions made subsequent to the measurement date	1,372,198	-
Total	$ 6,090,917	$ 2,041,433

For the years ended June 30, 2024 and 2023, $1,566,541 and $1,372,198, respectively, was reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the next year.

Deferred outflows of resources and deferred inflows of resources at June 30, 2024 will be recognized in pension expense as follows:

2025	$ 281,576
2026	(873,298)
2027	1,215,016
2028	(398,858)
2029	(122,915)
Total	$ 101,521

Actuarial Assumptions

The total pension liability as of June 30, 2024 was determined based on an actuarial valuation prepared as of June 30, 2023 using the following actuarial assumptions:

- Actuarial Cost Method – Entry Age
- Inflation – 2.25%
- Future Ad Hoc Cost-of-Living Increases – None
- Salary Increases – Composed of 2.25%, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
- Investment Rate of Return – 7.00%
- Retirement Age – Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five-year experience study for the period ending June 30, 2019
- Mortality Rates after Retirement – Males and females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020
- Mortality Rates for Active Members – Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	38.3%	4.6%
International equity	16.7%	5.2%
Fixed income	22.0%	1.8%
Real estate**	10.0%	4.4%
Private equity	8.0%	7.3%
Private debt	5.0%	5.3%
Total	100.0%	

**The Real Estate total expected return is a combination of U.S. Direct Real Estate (unleveraged) and U.S. Value-Added Real Estate (unleveraged).

Discount Rate

A single discount rate of 7.0% was used to measure the total pension liability as of June 30, 2023. This single discount rate was based solely on the expected rate of return on pension plan investments of 7.0%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payrolls. The projection of cash flows also assumed that the State's contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

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

The following table presents the net pension liability of the University calculated using the respective discount rate each year, as well as what the University's net pension liability would be using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
2024			
Net pension liability	$ 28,398,055	$ 19,661,530	$ 12,429,012
2023			
Net pension liability	$ 31,810,417	$ 22,592,529	$ 15,014,344

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of OTRS, which can be located at www.ok.gov/OTRS.

Rogers State University Defined Contribution Plan

Plan Description

The plan is a Section 401(a) defined contribution plan that became effective January 1, 2015 for certain *Fair Labor Standards Act* nonexempt employees and is administered by Fidelity Investments, Inc. The purpose of the plan is to provide retirement benefits for the participants and to distribute the funds accumulated to the participants of the eligible beneficiaries. All nonexempt employees hired after the effective date are allowed a one-time election between participation in OTRS or the defined contribution plan. The Plan provides retirement benefits to eligible employees or their beneficiaries.

Funding Policy

The required contribution rate is 9.0% of pensionable compensation. The University contributes the required amounts for participating members. The University's contributions for the years ended June 30, 2024 and 2023 were $130,155 and $121,212, respectively.

Fidelity Investments Plan

Plan Description

The plan is a Section 457(b) defined contribution plan that became effective November 1, 2011. For all eligible full-time employees, the University contributes to a defined contribution pension plan (Plan) administered by the

University's Board of Regents. Pension expense is recorded for the amount of the University's required contributions determined in accordance with the terms of the Plan. The Plan provides retirement benefits to eligible employees or their beneficiaries. Benefit provisions and contribution requirements are contained in the plan document and were established and can be amended by action of the University's Board of Regents.

Funding Policy

Prior to December 1, 2011, the University contributed 15% of the base salary exceeding $9,000 for certain employees who were employed prior to January 1, 1999 and 4% of the annual base salary for all other employees in the Plan. Effective December 1, 2011, the University contributed 4% of the annual base salary for all employees in the Plan. Effective July 1, 2013, contributions made by the University were temporarily suspended and have not resumed.

Supplemental Retirement Annuity

Plan Description

The University's Supplemental Retirement Annuity (SRA) plan is a single-employer, defined benefit pension plan administered by the University's Board of Regents. There are no active participants, and three individuals are currently receiving benefits. The SRA was established by the University's Board of Regents to provide supplemental retirement and death benefits to certain eligible University employees or to those eligible employees' beneficiaries. The SRA is restricted to certain retirees of the University. The authority to amend the SRA's benefit provisions rests with the University's Board of Regents. The SRA does not issue a stand-alone financial report nor is it included in the financial report of another entity.

Benefits Provided

The SRA will provide a supplemental monthly annuity based upon the participant's average monthly salary (three highest monthly salary amounts) and taking into consideration OTRS benefits, years of service, and other factors.

Contributions

The University shall make contributions to the annuity contract in such amounts and at such times as it shall deem advisable to provide the benefits as set forth in the SRA. Participants are not permitted to make contributions to the SRA.

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

At June 30, 2024 and 2023, the University reported a liability of $261,944 and $303,145, respectively, related to the SRA. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. For the years ended June 30, 2024 and 2023, the University recognized pension expense of $16,670 and $40,935, respectively. All other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions were not recognized for the SRA as such amounts are not material.

Actuarial Assumptions

The total pension liability as determined based on an actuarial valuation prepared as of June 30, 2024 using the following actuarial assumptions:

- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level dollar, closed
- Remaining Amortization Period – 5 years
- Asset Method – Market Value of Assets
- Inflation – 2.0%

- Salary Increases – Not Applicable
- Discount Rate – 3.99%
- Long-Term Expected Rate of Return – 4.00%
- Mortality – Pub-2010 General Retirees Headcount weighted with projection scale MP-2021
- Retirement Age – None since there are no active participants.

Discount Rate

For the years ended June 30, 2024 and 2023, the discount rate used to measure the total pension liability was 3.99% and 3.97%, respectively. The projection of cash flows used to determine the discount rate assumed that the University's contributions will be equal to $53,000 per year for the next four years. Based on those assumptions, the pension plan's fiduciary net position was projected to be depleted for current members during the 2043 fiscal year. Therefore, the long-term expected rate of return of 4% was used to discount funded projected benefit payments and the municipal bond rate of 3.97% and 3.86% for 2024 and 2023, respectively, was used to discount unfunded projected benefit payments to determine the total pension liability. The single effective discount rate used for the accounting valuation was 3.99% and 3.97% at June 30, 2024 and 2023, respectively.

Long-Term Expected Rate of Return

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

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

The following table presents the net pension liability of the University calculated using the respective discount rate each year, as well as what the University's net pension liability would be using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 2.99%	Current Discount 3.99%	1% Increase 4.99%
2024			
Net pension liability	$ 368,594	$ 261,944	$ 169,212

	1% Decrease (2.97%)	Current Discount (3.97%)	1% Increase (4.97%)
2023			
Net pension liability	$ 417,371	$ 303,145	$ 204,264

Schedule of Changes in Total Pension Liability, Plan Fiduciary Net Position, and Net Position Liability

The following table presents the changes in total pension liability, plan fiduciary net position, and net pension liability of the University for the years ended June 30, 2024 and 2023:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2022	$ 1,224,850	$ 906,301	$ 318,549
Changes for the year			
Interest on the total pension liability	46,624	-	46,624
Difference between expected and actual experience	29,974	-	29,974
Employer contributions	-	53,000	(53,000)
Change in assumption	(2,125)	-	(2,125)
Net investment income	-	36,877	(36,877)
Benefit payments	(88,997)	(88,997)	-
Net changes	(14,524)	880	(15,404)
Balance at June 30, 2023	1,210,326	907,181	303,145
Changes for the year			
Interest on the total pension liability	46,283	-	46,283
Difference between expected and actual experience	6,882	-	6,882
Employer contributions	-	53,000	(53,000)
Change in assumption	(1,988)	-	(1,988)
Net investment income		39,378	(39,378)
Benefit payments	(88,997)	(88,997)	-
Net changes	(37,820)	3,381	(41,201)
Balance at June 30, 2024	$ 1,172,506	$ 910,562	$ 261,944

Note 8. Other Postemployment Health and Life Insurance Benefits

Rogers State University Other Postemployment Health and Life Insurance Benefits

Plan Description

The University sponsors healthcare and life insurance coverage to qualifying retirees and their dependents. All employees hired prior to July 1, 2009 and eligible to retire under the provisions of OTRS are eligible to participate. As of January 1, 2024, the University has a total of 65 active and inactive employees eligible to participate: inactive employees receiving benefits (7), inactive employees entitled to but not receiving benefits (1), and active covered employees (57). The plan does not issue a separate financial report, nor is it included in the financial report of another entity. These assets are accumulated in a trust.

The plan investment objective is “Growth and Income.” The intent of the objective is to provide for both current income and future growth to accommodate the plan’s future obligations plus normal inflation. The approach is a conservative blend of the Growth and Income approaches resulting in moderate risk. Allocation range: 40%–60% Equity/40%–60% Fixed Income. Account Target: 55% Equity/45% Fixed Income.

Benefits Provided

Medical coverage for active employees and retirees under age 65 is offered by the Board of Regents through a self-insured plan administered by Cigna. Retirees receive fully paid coverage to Medicare eligibility (age 65). OTRS pays a portion of the carrier premium with the balance paid by the University. The carrier premium applicable to retiree dependents is the responsibility of the participants. The University also pays for retiree life insurance coverage to age 65. Through a separate fully insured contract, the University sponsors Medicare supplement coverage for former employees eligible for Medicare. Medicare-eligible retirees must pay full carrier rates to maintain coverage.

Contributions

The University contributes the premium cost to carriers, net of the medical insurance supplement provided by OTRS. For the years ended June 30, 2024 and 2023, contributions were approximately $68,000 and $54,000, respectively, including approximately $6,000 and $5,000, respectively, in OTRS insurance subsidies.

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024 and 2023, the University reported an asset of $198,779 and $12,801, respectively. The net OPEB asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2024.

For the years ended June 30, 2024 and 2023, the University recognized OPEB benefit of $83,890 and $53,417, respectively.

Schedule of Changes in Total OPEB Liability, Plan Fiduciary Net Position, and Net OPEB Asset

The following table presents the changes in total OPEB liability, plan fiduciary net position, and net OPEB asset of the University for the years ended June 30, 2024 and 2023:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Asset
Balance, July 1, 2022	$ 812,673	$ 847,914	$ (35,241)
Changes for the year			
Service cost	23,892	-	23,892
Interest on the total pension liability	50,184	-	50,184
Difference between expected and actual experience	112,657	-	112,657
Employer contributions	-	54,279	(54,279)
Change in assumptions	(37,840)	-	(37,840)
Net investment income	-	78,700	(78,700)
Benefit payments	(54,279)	(54,279)	-
Administration charge	-	(6,526)	6,526
Net changes	94,614	72,174	22,440
Balance, June 30, 2023	907,287	920,088	(12,801)
Changes for the year			
Service cost	22,591	-	22,591
Interest on the total pension liability	55,548	-	55,548
Difference between expected and actual experience	(125,186)	-	(125,186)
Employer contributions	-	67,869	(67,869)
Change in assumptions	16,829	-	16,829
Net investment income	-	94,957	(94,957)
Benefit payments	(67,869)	(67,869)	-
Administration charge	-	(7,066)	7,066
Net changes	(98,087)	87,891	(185,978)
Balance, June 30, 2024	$ 809,200	$ 1,007,979	$ (198,779)

At June 30, the University reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2024		
Differences between expected and actual experience	$ 75,105	$ 177,681
Changes in assumptions	29,656	115,804
Net difference between projected and actual investment earnings on OPEB investments	-	13,211
Employer contributions subsequent to the measurement date and prior to reporting date	(1)	-
Total	$ 104,760	$ 306,696
2023		
Differences between expected and actual experience	$ 93,881	$ 120,624
Changes in assumptions	32,386	190,879
Net difference between projected and actual investment earnings on OPEB investments	17,519	-
Total	$ 143,786	$ 311,503

Deferred outflows of resources and deferred inflows of resources to OPEB will be recognized in OPEB expense (income) as follows:

2025	$ (116,898)
2026	(25,927)
2027	(42,283)
2028	(16,828)
2029	-
	$ (201,936)

Actuarial Assumptions

The total OPEB liability was determined based on an actuarial valuation prepared as of June 30, 2024 using the following actuarial assumptions:

- Discount Rate and Expected Return on Plan Assets – 6.2%
- CPI Inflation Rate over Long Term – 2.5% per year
- Dental – 3.0% per year
- Medicare Supplement and Part D Rx – 5.0% per year
- Trend of Contributions from OTRS – None
- Mortality – Pub-2010 Public Retirement Plans Headcount-Weighted Teachers Mortality Tables using Scale MP-2021 Full Generational Improvement

- Participation for Future Retirees 85% of future eligible retirees are assumed to elect medical insurance with the University upon retirement. This considers University participation experience over multiple years. 100% of future eligible retirees are assumed to elect life insurance with the University upon retirement.
- Participation when Lifetime Turn – 100%
- Retirement Age – Retirement rates are based on those used for the Teachers' Retirement System of Oklahoma (TRS) pension actuarial valuation (first adopted by TRS for the June 30, 2020 actuarial valuation)
- Medicare Eligibility Age – Age 65
- Salary Scale (per employee) – 2.5% per year

Discount Rate

A single discount rate of 6.2% was used to measure the total OPEB liability as of June 30, 2024 and 2023. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 6.2%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the employer calculated using the respective discount rate, as well as what the plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease 5.20%	Current Discount 6.20%	1% Increase 7.20%
2024			
Net OPEB liability (asset)	$ (155,864)	$ (198,779)	$ (239,515)
2023			
Net OPEB liability (asset)	$ 34,032	$ (12,801)	$ (56,962)

The healthcare cost trend rate is 7.00% in 2024, decreasing to 6.75% in 2025, and decreasing annually by 0.25% or 0.50% to an ultimate rate of 4.50% for 2033 and later years. The following presents the net OPEB liability (asset) calculated using a healthcare trend rate that is 1-percentage point lower or 1-perentage point higher than the current rate.

	1% Decrease	Cost Trend Assumption	1% Increase
2024			
Net OPEB liability (asset)	$ (255,143)	$ (198,779)	$ (135,713)
2023			
Net OPEB liability (asset)	$ (74,496)	$ (12,801)	$ 55,998

Oklahoma Teachers' Retirement System Other Postemployment Health Insurance Benefits

Plan Description

The University, as the employer, participates in the Supplemental Health Insurance Program—a cost-sharing multiple-employer defined benefit OPEB plan administered by OTRS. Title 74 O. S. Sec. 1316.3 defines the health insurance benefits. The authority to establish and amend benefit provisions rests with the State Legislature. OTRS issues a publicly available financial report that can be obtained at www.ok.gov/OTRS.

Benefits Provided

OTRS pays a medical insurance supplement to eligible members who elect to continue their employer-provided health insurance. The supplement payment is between $100 and $105 per month provided the member has 10 years of Oklahoma service prior to retirement.

Contributions

Employer and employee contributions are made based upon the TRS Plan provisions contained in Title 70, as amended. However, statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. Based on the contribution requirements of Title 70, employers and employees contribute a single amount based on a single contribution rate as described in Note 7; from this amount, OTRS allocates a portion of the contributions to the supplemental health insurance program. The cost of the supplemental health insurance program averages 0.12% of normal cost, as determined by an actuarial valuation. At June 30, 2024 and 2023, contributions allocated to the OPEB plan from the University were $7,682 and $15,388, respectively.

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024 and 2023, the University reported an asset of $128,503 and $126,428, respectively, for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2023. The University's proportion of the net OPEB asset was based on the University's contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2023. Based upon this information, the University's proportion was 0.25513% and 0.28903% at June 30, 2024 and 2023, respectively.

For the years ended June 30, 2024 and 2023, the University recognized OPEB expense benefit of $19,536 and $7,760, respectively. At June 30, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2024		
Differences between expected and actual experience	$ -	$ 32,080
Changes of assumptions	23,137	-
Net difference between projected and actual investment earnings on OPEB plan investments	31,543	-
Changes in proportion	19,994	1,226
Differences between University contribution and proportionate share of contributions	21,214	7,726
University contributions made subsequent to the measurement date	7,682	-
Total	$ 103,570	$ 41,032
2023		
Differences between expected and actual experience	$ -	$ 42,086
Changes of assumptions	38,125	-
Net difference between projected and actual investment earnings on OPEB plan investments	52,862	-
Changes in proportion	4,083	1,785
Differences between University contribution and proportionate share of contributions	20,019	10,140
University contributions made subsequent to the measurement date	15,388	-
Total	$ 130,477	$ 54,011

The $7,682 reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

2025	$ 8,002
2026	(5,593)
2027	46,008
2028	2,595
2029	3,054
Thereafter	790
	$ 54,856

Actuarial Assumptions

The total OPEB liability as of June 30, 2024 was determined based on an actuarial valuation prepared as of June 30, 2023 using the following actuarial assumptions:

- Actuarial Cost Method – Entry Age
- Inflation – 2.25%
- Future Ad Hoc Cost-of-Living Increases – None
- Salary Increases – Composed of 2.25% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
- Investment Rate of Return – 7.00%
- Retirement Age – Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five-year experience study for the period ending June 30, 2019.
- Mortality Rates after Retirement – Males and females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
- Mortality Rates for Active Members – Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	38.3%	4.6%
International equity	16.7%	5.2%
Fixed income	22.0%	1.8%
Real estate**	10.0%	4.4%
Private equity	8.0%	7.3%
Private debt	5.0%	5.3%
Total	100.0%	

**The Real Estate total expected return is a combination of U.S. Direct Real Estate (unleveraged) and U.S. Value-Added Real Estate (unleveraged).

Discount Rate

A single discount rate of 7.0% was used to measure the total OPEB liability as of June 30, 2023. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.0%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payrolls. The projection of cash flows also assumed that the State's contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

Sensitivity of the Net OPEB Asset (Liability) to Changes in the Discount Rate

The following presents the net OPEB asset (liability) of the employer calculated using the respective discount rates, as well as what the plan's net OPEB asset (liability) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.00%	Current Discount 7.00%	1% Increase 8.00%
2024			
Net OPEB asset (liability)	$ (12,983)	$ (128,503)	$ (226,185)
2023			
Net OPEB asset	$ 5,267	$ (126,428)	$ (237,945)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report of OTRS, which can be located at www.ok.gov/OTRS.

Note 9. Funds Held in Trust by Others

Oklahoma State Regents Endowment Trust Fund

In connection with the State Regents' Endowment Program (Endowment Program), the State of Oklahoma has matched contributions received under the Endowment Program. At June 30, 2024 and 2023, the state match amounts plus retained accumulated earnings totaled $2,181,656 and $2,154,752, respectively, and were invested by the State Regents on behalf of the University. The University is entitled to receive an annual distribution of earnings of 4.5% of the market value at year-end on these funds. Legal title of these endowment funds is retained by the State Regents; only the funds available for distribution, or $247,850 and $258,063 at June 30, 2024 and 2023, respectively, have been reflected as assets in the accompanying statements of net position.

Note 10. Related-Party Transactions

The University is the beneficiary of a foundation that provides support for the University by way of scholarships and other direct resources. The University contracts with the Foundation to provide limited services and office space in exchange for the support the University receives. For the years ended June 30, 2024 and 2023, administrative services provided by the University for the benefit of the Foundation were $202,198 and $228,148, respectively. Scholarships awarded by the Foundation are remitted to the University after the University pays the award recipient. Such amounts were $915,077 and $1,001,624 for 2024 and 2023, respectively. Other support provided by the Foundation to the University during the years ended June 30, 2024 and 2023 amounted to $513,987 and $1,574,737, respectively, for total Foundation support to the University of $1,429,064 and $2,576,361, respectively.

Note 11. Commitments and Contingencies

The University conducts certain programs pursuant to various grants and contracts, which are subject to audit by federal and state agencies. Costs questioned as a result of these audits, if any, may result in refunds to these governmental agencies from various sources of the University.

During the ordinary course of business, the University may be subjected to various lawsuits and civil action claims. Management believes that resolution of any such matters pending at June 30, 2024 and 2023 will not have a material adverse impact to the University.

Note 12. Risk Management

The University is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, life, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than torts, property, and workers' compensation. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The University, along with other state agencies and political subdivisions, participates in the State of Oklahoma Risk Management Program public entity risk pool currently operating as a common risk management and insurance program for its members. The University pays annual premiums to the pool for its tort, property, and liability insurance coverage. The Oklahoma Risk Management pool's governing agreement specifies that the pool will be self-sustaining through member premiums and will reinsure through commercial carriers for claims in excess of specified stop-loss amounts.

Note 13. Rogers State University Foundation

Summary of Significant Accounting Policies

Nature of Activities and Organization

The Foundation supports the academic, staff, and alumni programs of the University. The University in turn pays for a substantial portion of the operating expenses of the Foundation, including all salaries and related expenses, and provides office space for the Foundation's use. The Foundation and the University have certain management and board members in common.

The RSU Foundation Broadcasting Towers, LLC (Towers), a wholly owned subsidiary of the Foundation, is the owner of one broadcasting tower used primarily by the University.

Principles of Consolidation

The consolidated financial statements include the accounts of the Foundation and its wholly owned subsidiary. All significant intercompany transactions have been eliminated.

Cash and Cash Equivalents

The Foundation considers all liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair market value in the statements of financial position. Unrealized gains and losses are included in the statements of activities.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property, Plant, and Equipment

The Foundation capitalizes major expenditures for property, plant, and equipment at cost. Donated property and equipment are recorded as contributions at their estimated fair value.

Depreciation is computed on the straight-line basis over the following estimated useful lives:

Leased land	50 years
Radio tower and building	30 to 40 years
Equipment and furnishings	5 to 10 years
Vehicles	3 years

The Foundation's policy is to capitalize property and equipment exceeding $500 with lesser amounts expensed currently.

Contributed Services

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. During the years ended June 30, 2024 and 2023, the value of contributed services meeting the requirements for recognition in the financial statements totaled $202,198 and $202,198, respectively.

Income Taxes

The Foundation is a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

The Foundation files its Forms 990 in the U.S. federal jurisdiction and the state of Oklahoma. The Foundation is generally no longer subject to examination by the Internal Revenue Service for tax years before June 30, 2020.

Revenue Recognition

The Foundation recognizes contributions when cash, securities or other assets, an unconditional contribution, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The Foundation recognizes revenue from program service fees when the related services are performed. The Foundation records special events revenue based on the value of what is provided to a donor and contribution revenue for the difference. All goods and services are transferred at a point in time.

Investments

Investment advisors manage certain funds of the Foundation. The stated investments are at fair value, based on quoted market prices, and consisted of the following at June 30:

	2024	2023
Cash and money market funds	$ 3,246,465	$ 485,954
U.S. government	1,345,715	49,092
Corporate bonds and bond mutual funds	9,970,809	9,394,105
Common stock	9,971,978	6,189,928
Equity mutual funds	6,360,673	7,783,363
Total	$ 30,895,640	$ 23,902,442

Promises to Give

Unconditional promises to give at June 30 are as follows:

	Due in 1 Year	Due in 1–5 Years	Due in 5+ Years	Total
2024				
Without donor restrictions	$ 400	$ -	$ -	$ 400
With donor restrictions	63,225	50,000	761,100	874,325
	63,625	50,000	761,100	874,725
Less discounts	-	(9,900)	(328,900)	(338,800)
Less allowances for uncollectible promises	-	-	(33,055)	(33,055)
Total	$ 63,625	$ 40,100	$ 399,145	$ 502,870
2023				
Without donor restrictions	$ 550	$ -	$ -	$ 550
With donor restrictions	19,009	-	748,208	767,217
	19,559	-	748,208	767,767
Less discounts	-	-	(378,600)	(378,600)
Less allowances for uncollectible promises	-	-	(38,055)	(38,055)
Total	$ 19,559	$ -	$ 331,553	$ 351,112

Property, Plant, and Equipment

Property, plant, and equipment consisted of the following at June 30:

	2024	2023
Land	$ 1,137,709	$ 1,137,709
Furniture and fixtures	13,968	13,968
Vehicles	44,715	44,715
Television tower and building	258,820	258,820
Mineral interest	3,000	3,000
Indoor Practice Facility	34,106	-
Collectibles (nondepreciable)	60,300	60,300
	1,552,618	1,518,512
Less accumulated depreciation	(289,200)	(273,090)
Total	$ 1,263,418	$ 1,245,422

Restricted Net Assets

Net assets with donor restrictions is restricted by the donors as to purpose or time and consisted of the following at June 30:

	2024	2023
Subject to purpose restrictions		
Scholarships	$ 3,479,444	$ 3,293,518
Athletics programs	763,915	358,391
Bartlesville	31,413	39,563
Business and technology	15,030	-
Center for Science and Technology	4,000,000	-
Centennial center	412,388	462,388
Emergency student loan	20,001	20,001
Grounds and maintenance	10,116	-
Library	93,748	43,053
OMA programs	79,776	66,586
President-related funds	39,266	45,498
Pryor campus	11,663	11,662
Reserve/capital needs	486,353	369,870
RSU Public TV	65,925	46,971
RSU Alumni	28,442	12,373
School of Liberal Arts	124,550	94,585
Other restricted funds	15,678	39,841
	9,677,708	4,904,300
Not subject to appropriation or expenditure		
Scholarship endowments	16,377,355	14,828,422
President's leadership class endowment	353,086	329,981
Other named scholarship endowments	439,210	410,469
Faculty and staff award endowments	72,470	67,728
Lectureship endowments	122,317	114,313
Endowed chairs	1,950,318	1,822,693
Other endowments	277,176	434,467
Unrestricted endowments	27,307	25,520
Life insurance endowments	91,003	83,020
	19,710,242	18,116,613
Total net assets with donor restrictions	$ 29,387,950	$ 23,020,913

Fair Value Measurements

Fair value of investments at June 30 is as follows:

	Fair Value	Level 1 Inputs
2024		
Without donor restrictions	$ 11,070,697	$ 11,070,697
With donor restrictions	19,824,943	19,824,943
Total investments	$ 30,895,640	$ 30,895,640
2023		
Without donor restrictions	$ 5,196,084	$ 5,196,084
With donor restrictions	18,706,358	18,706,358
Total investments	$ 23,902,442	$ 23,902,442

Level 1 Inputs – Fair values for investments are determined by reference to quoted market prices in active markets for which the Foundation is invested.

Endowments

The Foundation's endowments consist of approximately 190 individual funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – In accordance with the requirements of accounting standards related to endowments, and the *Oklahoma Uniform Prudent Management of Institutional Funds Act* (OUPMIFA), the Foundation will report the market value of an endowment as perpetual in nature. As a result, the Foundation classifies as "not subject to appropriation or expenditure" 1) the original value of gifts donated to the endowment, 2) the original value of subsequent gifts donated to the endowment, 3) all realized and unrealized gains and losses of the endowment, and 4) less any income distribution in accordance with the spending policy.

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

1. The duration and preservation of the fund;
2. The purposes of the Foundation 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.

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 the endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results which generate a dependable, increasing source of income and appreciation while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 7% annually. 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 while reducing risk to acceptable levels.

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Foundation has a policy of appropriating for distribution each year the equivalent of 4% of its endowment fund's fair value as of the immediately preceding January 1. 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 its endowment to grow at an average of 3% 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 new gifts and investment return.

Endowment net asset composition by type of fund as of June 30:

	Without Donor Restrictions	With Donor Restrictions
2024		
Donor-restricted endowment funds	$ -	$ 19,710,242
Total endowment funds	$ -	$ 19,710,242
2023		
Donor-restricted endowment funds	$ -	$ 18,116,613
Total endowment funds	$ -	$ 18,116,613

Changes in endowment net assets for the years ended June 30:

	Without Donor Restrictions	With Donor Restrictions
2024		
Endowment net assets, beginning of year	$ -	$ 18,116,613
Investment return	-	2,350,857
Other income	-	6,512
Contributions	-	283,244
Transfers – board-designated	-	(1,046,984)
Endowment net assets, end of year	$ -	$ 19,710,242
2023		
Endowment net assets, beginning of year	$ -	$ 17,352,706
Investment return	-	1,429,909
Other income	-	7,184
Contributions	-	159,799
Transfers – board-designated	-	(832,985)
Endowment net assets, end of year	$ -	$ 18,116,613

The historical dollar value of the permanently restricted endowments is $15,523,326 and $15,204,517 as compared to the fair market value of $19,710,242 and $18,116,613 at June 30, 2024 and 2023, respectively. The difference between the historical dollar value and fair value is a gain of $4,186,916 and $2,912,096 in 2024 and 2023, respectively. The current year increase in the unrealized gain of $1,274,820 and $569,598 for 2024 and 2023, respectively, is included with the investment return allocated to net assets with donor restrictions.

Leases

The Towers lease space on the television tower under certain operating lease agreements. The Towers also provide tower space for broadcasting equipment used by the University's television station. For the years ended June 30, 2024 and 2023, tower rental income donated to the University totaled $169,279 and $169,279, respectively.

Noncash Donations

During the years ended June 30, the Foundation received the following noncash donations of services and free use of facilities that have been reflected in the financial statements of the Foundation:

	2024	2023
Free use of facilities	$ 169,279	$ 169,279
Professional services	202,198	202,198
Total	$ 371,477	$ 371,477

As discussed above under "Leases," rental income was donated for tower space during the years ended June 30, 2024 and 2023 with a fair value of $169,279 and $169,279, respectively.

The University contributed professional services to the Foundation during the years ended June 30, 2024 and 2023 with a fair value of $202,198 and $202,198, respectively.

Off-Balance Sheet Risk and Concentrations

The Foundation has a potential concentration of credit risk in that it periodically maintains deposits with financial institutions in excess of amounts insured by the FDIC. At June 30, 2024 and 2023, the Foundation's deposit accounts subject to FDIC insurance were fully insured.

Liquidity and Availability of Resources

The table below reflects the Foundation's financial assets as of June 30, 2024 and 2023, reduced by amounts that are not available for general use due to contribution or donor-imposed restrictions within one year of the financial statement date. Noncurrent portions of investments, cash surrender value of life insurance, and promises to give have been included in the calculation of financial assets as those amounts are subject to donor-imposed restrictions.

	2024	2023
Cash and cash equivalents	$ 219,508	$ 245,216
Investments, total	30,895,640	23,902,442
Cash surrender value – life insurance	85,528	83,020
Promises to give, net	502,870	351,112
Total financial assets	31,703,546	24,581,790
Less those unavailable for general expenditure within one year, due to		
Contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	(9,677,708)	(4,904,300)
Not subject to appropriation or expenditure	(19,710,242)	(18,116,613)
Financial assets available to meet cash needs for general expenditure within one year	$ 2,315,596	$ 1,560,877

It is the policy of the Foundation to maintain adequate cash reserves on hand to meet its current obligations in a timely manner.

Required Supplementary Information

Rogers State University
Schedule of Changes in Net OPEB Liability and Related Ratios – Unaudited
Postemployment Health and Life Insurance Benefits

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	$ 22,591	$ 23,892	$ 27,360	$ 29,688	$ 32,942	$ 33,074	$ 51,437
Interest cost	55,548	50,184	57,102	63,524	67,349	71,698	91,058
Changes of assumptions	16,829	(37,840)	(43,883)	(43,104)	(98,430)	113,351	(302,919)
Actual vs. expected experience	(125,186)	112,657	(77,249)	(52,163)	(34,012)	(110,978)	-
Changes in benefit terms	-	-	-	-	96,483	(43,040)	-
Benefit payments	(67,869)	(54,279)	(88,599)	(109,786)	(135,751)	(132,512)	(134,418)
Net Change in Total OPEB Liability	(98,087)	94,614	(125,269)	(111,841)	(71,419)	(68,407)	(294,842)
Total OPEB Liability, Beginning	907,287	812,673	937,942	1,049,783	1,121,202	1,189,609	1,484,451
Total OPEB Liability, Ending (a)	809,200	907,287	812,673	937,942	1,049,783	1,121,202	1,189,609
Plan Fiduciary Net Position							
Contributions, employer	67,869	54,279	88,599	109,786	135,751	132,512	-
Net investment income (loss)	94,957	78,700	(102,041)	203,746	22,708	37,306	44,080
Benefit payments	(67,869)	(54,279)	(88,599)	(109,786)	(135,751)	(132,512)	-
Administrative expense	(7,066)	(6,526)	(7,043)	(6,403)	(5,674)	(5,448)	(6,574)
Net Change in Plan Fiduciary Net Position	87,891	72,174	(109,084)	197,343	17,034	31,858	37,506
Plan Fiduciary Net Position, Beginning	920,088	847,914	956,998	759,655	742,621	710,763	673,257
Plan Fiduciary Net Position, Ending (b)	1,007,979	920,088	847,914	956,998	759,655	742,621	710,763
Net OPEB Liability (Asset), Ending (a) - (b)	$ (198,779)	$ (12,801)	$ (35,241)	$ (19,056)	$ 290,128	$ 378,581	$ 478,846
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	124.56%	101.41%	104.34%	102.03%	72.36%	66.23%	59.75%
Covered employee payroll	$ 3,706,274	$ 3,726,716	$ 4,151,993	$ 5,070,955	$ 5,226,212	$ 5,612,865	$ 6,114,182
Net OPEB liability as a percentage of covered employee payroll	-5.36%	-0.34%	-0.85%	-0.38%	5.55%	6.74%	7.83%

Note to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

Rogers State University
Schedule of the University's Net OPEB Contribution – Unaudited
Postemployment Health and Life Insurance Benefits

	2024	2023	2022	2021	2020	2019	2018
Contribution	$ 67,869	$ 54,279	$ 88,599	$ 109,786	$ 135,751	$ 132,512	$ 134,418
University's covered employee payroll	$ 3,706,274	$ 3,726,716	$ 4,151,993	$ 5,070,955	$ 5,226,212	$ 5,612,865	$ 6,114,182
Contributions as a percentage of covered employee payroll	1.83%	1.46%	2.13%	2.16%	2.60%	2.36%	2.20%

Note to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

Rogers State University
Schedule of the University’s Proportionate Share of the Net Pension Liability – Unaudited
Oklahoma Teachers’ Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
University’s proportion of the net pension liability	0.2551%	0.2752%	0.2890%	0.2996%	0.2882%	0.3123%	0.3295%	0.3430%	0.3660%	0.3830%
University’s proportionate share of the net pension liability	$ 19,661,530	$ 22,592,529	$ 14,766,198	$ 28,430,573	$ 19,075,907	$ 18,874,040	$ 21,820,031	$ 28,620,770	$ 22,233,529	$ 20,593,041
University’s covered payroll	$ 15,098,978	$ 16,146,058	$ 15,693,352	$ 15,890,824	$ 15,227,854	$ 15,189,444	$ 15,163,134	$ 15,945,083	$ 16,512,805	$ 16,570,014
University’s proportionate share of the net pension liability as a percentage of its covered payroll	130%	140%	94%	179%	125%	124%	144%	179%	135%	124%
Plan fiduciary net position as a percentage of the total pension liability	72.57%	70.05%	80.80%	63.47%	71.56%	72.74%	69.32%	62.20%	70.30%	72.40%

Rogers State University
Schedule of the University's Net Pension Contribution – Unaudited
Oklahoma Teachers' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,566,541	$ 1,372,198	$ 1,453,732	$ 1,418,245	$ 1,432,862	$ 1,364,501	$ 1,338,634	$ 1,373,591	$ 1,456,991	$ 1,529,383
Contributions in relation to the contractually required contribution	(1,566,541)	(1,372,198)	(1,453,732)	(1,418,245)	(1,432,862)	(1,364,501)	(1,338,634)	(1,373,591)	(1,456,991)	(1,529,383)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 16,882,201	$ 15,098,978	$ 16,146,058	$ 15,693,352	$ 15,890,824	$ 15,227,854	$ 15,189,444	$ 15,163,134	$ 15,945,083	$ 16,512,805
Contributions as a percentage of covered payroll	9.28%	9.09%	9.00%	9.04%	9.02%	8.96%	8.81%	9.06%	9.14%	9.26%

Rogers State University
Schedule of Changes in SRP Net Pension Liability and Related Ratios – Unaudited
Supplemental Retirement Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	46,283	46,624	46,471	48,174	48,501	49,600	50,974	64,404	65,544	66,643
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	6,882	29,974	6,657	6,194	6,403	5,839	5,309	3,487	3,028	4,035
Changes of assumptions	(1,988)	(2,125)	(16,436)	(13,932)	102,782	(145)	4,595	222,054	1,428	-
Benefit payments	(88,997)	(88,997)	(88,997)	(88,997)	(88,998)	(88,997)	(88,997)	(88,998)	(88,997)	(88,998)
Net Change in Total Pension Liability	(37,820)	(14,524)	(52,305)	(48,561)	68,688	(33,703)	(28,119)	200,947	(18,997)	(18,320)
Total Pension Liability, Beginning	1,210,326	1,224,850	1,277,155	1,325,716	1,257,028	1,290,731	1,318,850	1,117,903	1,136,900	1,155,220
Total Pension Liability, Ending (a)	1,172,506	1,210,326	1,224,850	1,277,155	1,325,716	1,257,028	1,290,731	1,318,850	1,117,903	1,136,900
Plan Fiduciary Net Position										
Contributions, employer	53,000	53,000	106,000	-	53,000	116,600	-	-	-	100,000
Contributions, member	-	-	-	-	-	-	-	-	-	-
Net investment income	39,378	36,877	30,435	31,580	33,646	35,096	32,682	36,655	38,135	36,995
Benefit payments	(88,997)	(88,997)	(88,997)	(88,997)	(88,998)	(88,997)	(88,997)	(88,998)	(88,997)	(88,998)
Net Change in Plan Fiduciary Net Position	3,381	880	47,438	(57,417)	(2,352)	62,699	(56,315)	(52,343)	(50,862)	47,997
Plan Fiduciary Net Position, Beginning	907,181	906,301	858,863	916,280	918,632	855,933	912,248	964,591	1,015,453	967,456
Plan Fiduciary Net Position, Ending (b)	910,562	907,181	906,301	858,863	916,280	918,632	855,933	912,248	964,591	1,015,453
Net Pension Liability, Ending (a) - (b)	$ 261,944	$ 303,145	$ 318,549	$ 418,292	$ 409,436	$ 338,396	$ 434,798	$ 406,602	$ 153,312	$ 121,447
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.66%	74.95%	73.99%	67.25%	69.12%	73.08%	66.31%	69.17%	86.29%	89.32%
Covered payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net pension liability as a percentage of covered payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Rogers State University
Schedule of SRP Employer Contributions – Unaudited
Supplemental Retirement Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 67,382	$ 70,336	$ 74,701	$ 63,177	$ 50,261	$ 53,553	$ 50,130	$ 20,830	$ 16,501	$ 25,511
Contributions in relation to the actuarially determined contribution	53,000	53,000	106,000	-	53,000	116,600	-	-	-	100,000
Contribution deficiency (excess)	$ 14,382	$ 17,336	$ (31,299)	$ 63,177	$ (2,739)	$ (63,047)	$ 50,130	$ 20,830	$ 16,501	$ (74,489)
University's covered employee payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Rogers State University
Schedule of Proportionate Share of the OTRS Net OPEB Asset – Unaudited
OTRS Supplemental Health Insurance Program

	2024	2023	2022	2021	2020	2019	2018
University's proportion of the net OPEB asset	0.2551%	0.2890%	0.2890%	0.2882%	0.2882%	0.3123%	0.3295%
University's proportionate share of the net OPEB asset	$ (128,503)	$ (126,428)	$ (368,146)	$ (29,683)	$ (178,222)	$ (201,805)	$ (146,959)
University's covered payroll	$ 15,098,978	$ 16,146,058	$ 15,693,352	$ 15,890,824	$ 15,227,854	$ 15,189,444	$ 15,163,134
University's proportionate share of the net OPEB asset as a percentage of its covered payroll	-0.85%	-0.78%	-2.35%	-0.19%	-1.17%	-1.33%	-0.97%
Plan fiduciary net position as a percentage of the total OPEB asset	-112.01%	-110.30%	129.91%	102.30%	115.07%	115.41%	110.40%

Note to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

Rogers State University
Schedule of the University's OPEB Contributions – Unaudited
OTRS Supplemental Health Insurance Program

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 7,682	$ 15,388	$ 17,969	$ 2,671	$ 2,699	$ 9,204	$ 21,255	$ 21,469
Contributions in relation to the contractually required contribution	7,682	15,388	17,969	2,671	2,699	9,204	21,255	21,469
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered employee payroll	$ 16,882,201	$ 15,098,978	$ 16,146,058	$ 15,693,352	$ 15,890,824	$ 15,227,854	$ 15,189,444	$ 15,163,134
Contributions as a percentage of covered employee payroll	0.05%	0.10%	0.11%	0.02%	0.02%	0.06%	0.14%	0.14%

Note to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

Other Supplementary Information

Rogers State University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	$ -	$ 139,700
Federal Work-Study Program	84.033	N/A	-	118,216
Federal Pell Grant Program	84.063	N/A	-	7,051,619
Federal Direct Student Loans	84.268	N/A	-	9,392,505
Total Student Financial Assistance Cluster			-	16,702,040
TRIO Program Cluster				
TRIO – Education Opportunity Centers	84.066A	N/A	-	628,315
TRIO – Student Support Services	84.042A	N/A	-	297,637
Talent Search	84.044A	N/A	-	299,752
Total TRIO Program Cluster			-	1,225,704
Other Programs				
Pass-through from Oklahoma State Regents for Higher Education				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334S	None	-	71,104
Pass-through from Oklahoma Department of Career and Technology Education				
Career and Technical Education – Basic Grants to States	84.048	None	-	62,094
Total Other Programs			-	133,198
COVID-19 – Education Stabilization Fund				
Education Stabilization Fund – Minority Serving – COVID-19	84.425L	N/A	-	633,140
Total COVID-19 – Education Stabilization Fund			-	633,140
Total U.S. Department of Education			-	18,694,082
U.S. DEPARTMENT OF TREASURY				
Pass-through from State of Oklahoma – HWTC				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	None	-	405,961
Total U.S. Department of Treasury			-	405,961
RESEARCH AND DEVELOPMENT CLUSTER				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
National Institute for Health				
Biomedical Research and Research Training	93.859	N/A	-	24,167
Substance Abuse & Mental Health Svcs Administration				
Pass-through Oklahoma Dept. of Mental Health & Substance Abuse Svcs: Higher Education Prevention Services				
Opioid STR – Opioids SOS & Stimulants SOS	93.788	None	-	54,908
Total U.S. Department of Health and Human Services			-	79,075
U.S. DEPARTMENT OF ENERGY				
Office of Science				
Office of Science Financial Assistance Program	81.049	N/A	-	23,238
Total U.S. Department of Energy			-	23,238
National Science Foundation				
Pass-through from Oklahoma State Regents for Higher Education				
Integrative Activities – RII Track 1: Socially Sustainable Solution for Water, Carbon and Infrastructure Resillience of Oklahoma	47.083	None	-	4,338
Total National Science Foundation			-	4,338
Total Research and Development Cluster			-	106,651
National Endowment for the Arts				
Promotion of the Arts Partnership Agreements				
OAC Grant ID: GR8-23-7881-10931				
Folk and Traditional Arts Regional Partnership	45.025	N/A	-	1,271
Total Expenditures of Federal Awards			$ -	$ 19,207,965

The accompanying notes are an integral part of this Schedule.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Rogers State University (University) under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other regulatory requirements, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The University has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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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*

Independent Auditor's Report

Regents of the University of Oklahoma
Rogers State University
Norman, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities, the discretely presented component unit, and the fiduciary activities of Rogers State University (University) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which comprise the University's basic financial statements, and have issued our report thereon dated October 28, 2024, which contained an Emphasis of Matter paragraph regarding the reporting entity. Our report includes a reference to other auditors who audited the financial statements of Rogers State University Foundation, Inc. (Foundation), as described in our report on the University's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Foundation or that are reported separately by those auditors who audited the financial statements of the Foundation.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Forvis Mazars, LLP

Tulsa, Oklahoma
October 28, 2024

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Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

Regents of the University of Oklahoma
Rogers State University
Norman, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rogers State University's (University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2024. The University's major federal programs are identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the University's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses. The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

Tulsa, Oklahoma
October 28, 2024

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

   Material weakness(es) identified? ☐ Yes ☒ No

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal programs:

   Significant deficiency(ies) identified? ☒ Yes ☐ None reported

   Material weakness(es) identified? ☐ Yes ☒ No

5. Type of auditor's report issued on compliance for major federal programs:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? ☒ Yes ☐ No

7. Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
	Student Financial Assistance Cluster
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
	TRIO Program Cluster
84.066A	TRIO – Education Opportunity Centers
84.042A	TRIO – Student Support Services
84.044A	Talent Search
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

8. Dollar threshold used to distinguish between Type A and Type B programs: $750,000.

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
2024-001	Federal Program – Student Financial Assistance Cluster – Assistance Listing No. 84.268 – U.S. Department of Education Program Year 2023–2024

Criteria or Specific Requirement – Cash Management – Direct Loan Reconciliation CFR §685.300

Condition – The University is responsible for reconciling University disbursement data to the Department of Education's Common Origination and Disbursement System on a monthly basis and for establishing internal controls to ensure such reconciliations are completed within federal requirements.

Questioned Costs – N/A

Context – Out of a population of 12 months, two months were selected for testing. No support for the monthly reconciliations for these months was able to be provided and it was noted that only four reconciliations took place for the 12 months during the year ended June 30, 2024. Our sample was not, and was not intended to be, statistically valid.

Effect – The University failed to complete monthly reconciliations as required and could have had errors in direct loans that were not identified.

Cause – The University experienced turnover and decreased staffing levels within the Student Financial Aid department during the year.

Identification as a Repeat Finding, if Applicable – N/A

Recommendation – The University should put controls in place to ensure that reconciliations are being completed on a monthly basis as required.

Views of Responsible Officials and Planned Corrective Actions – Management agrees with the finding. Management is working to fill vacancies within the financial aid department to ensure that they have sufficient staffing levels to adequately perform all duties of the financial aid department.

Reference Number	Finding
2024-002	Federal Program – Coronavirus State and Local Fiscal Recovery Fund – Assistance Listing Number 21.027 – U.S. Department of Treasury Program Year 2023-2024

Criteria or Specific Requirement – Suspension and Debarment

Condition – The University is responsible for checking that vendors are not suspended or debarred before entering into a covered transaction with the vendor.

Questioned Costs – N/A

Context – Out of a population of nine vendors, one vendor was selected for testing. No support was able to be provided for this vendor that they were checked for suspension and debarment. Our sample was not, and was not intended to be, statistically valid.

Effect – The University failed to check the vendor for suspension and debarment before entering into the covered transaction, as required.

Cause – The University did not have appropriate controls in place to ensure vendors were checked for suspension and debarment.

Identification as a Repeat Finding, if Applicable – N/A

Recommendation – The University should put controls in place to ensure that vendors are being checked for suspension and debarment before entering into a covered transaction with the vendor as required.

Views of Responsible Officials and Planned Corrective Actions – Management agrees with the finding. Management is working toward developing a formal policy around checking vendors for suspension and debarment. The purchasing department has been made aware of the requirement to check prior to purchasing or contracting with any entity or agency to ensure the entity or agency has not been debarred or suspended by the federal government.

Rogers State University
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

Reference Number	Summary of Finding	Status
2023-001	Federal Program – Education Stabilization Fund – Institutional Portion – COVID-19 Assistance Listing Number 84.425F Criteria or Specific Requirement – Quarterly Public Reporting for Institutional Portion and Annual Reporting	Resolved