

Report of Independent Auditors

The Board of Trustees
University of Oregon Foundation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the University of Oregon Foundation (the "Foundation") and its subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the University of Oregon Foundation and its subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion of the consolidated financial statements as a whole. The supplementary information presented on page 19 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Moss Adams LLP

Eugene, Oregon
October 27, 2021

Consolidated Statement of Financial Position

The accompanying notes are an integral part of these Consolidated Financial Statements.

June 30	2021	2020
ASSETS		
Investments		
Money market funds	\$ 135,975	\$ 60,833
Marketable securities	236,598	226,084
Limited partnerships	1,672,968	906,924
Other investments	1,587	2,282
TOTAL INVESTMENTS	2,047,128	1,196,123
Cash	125,942	77,323
Pledges receivable, net	296,778	350,613
Capital lease receivable, net	38,311	39,264
Land and buildings	21,035	20,269
Construction in progress	-	13,562
Beneficial interests	19,795	12,417
Other assets, net	2,564	2,335
TOTAL ASSETS	\$ 2,551,553	\$ 1,711,906
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 5,486	\$ 18,616
Deposits held in custody	128,246	101,017
Notes payable	90,611	50,938
Conditional contribution	541,799	-
Obligations to beneficiaries under split-interest agreements	56,038	48,798
TOTAL LIABILITIES	822,180	219,369
Net assets without donor restrictions		
Undesignated	16,050	12,778
Board designated	12,767	10,108
Investment in property and equipment, net of related debt	11,429	10,052
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	40,246	32,938
Net assets with donor restrictions		
Restricted by purpose	704,458	486,662
Restricted by time	66,325	67,910
Restricted in perpetuity	918,344	905,027
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	1,689,127	1,459,599
TOTAL NET ASSETS	1,729,373	1,492,537
TOTAL LIABILITIES AND NET ASSETS	\$ 2,551,553	\$ 1,711,906

Consolidated Statement of Activities

The accompanying notes are an integral part of these Consolidated Financial Statements.

YEAR ENDED JUNE 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions	\$ 171	\$ 115,887	\$ 116,058
Investments			
Fair value increase	3,159	257,355	260,514
Investment income	4,935	18,469	23,404
Investment fees and direct expenses	(1,715)	(6)	(1,721)
TOTAL INVESTMENTS	6,379	275,818	282,197
Administrative assessments	11,187	(10,893)	294
Net revaluation of split-interest agreements	-	17,442	17,442
Other revenues	1,033	31	1,064
Net assets released from restriction	167,637	(167,637)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	186,407	230,648	417,055
EXPENSES			
University support			
Student scholarships	17,745	-	17,745
Faculty and research	22,573	-	22,573
Other student, academic and operational support	69,329	-	69,329
TOTAL STUDENT, ACADEMIC AND OPERATIONAL SUPPORT	109,647	-	109,647
University advancement	5,192	-	5,192
Facilities and equipment	58,546	-	58,546
TOTAL UNIVERSITY SUPPORT	173,385	-	173,385
Foundation administration	5,699	-	5,699
TOTAL EXPENSES	179,084	-	179,084
Provision for uncollectible pledges receivable	(15)	(1,120)	(1,135)
INCREASE IN NET ASSETS	7,308	229,528	236,836
NET ASSETS AT BEGINNING OF YEAR	32,938	1,459,599	1,492,537
NET ASSETS AT JUNE 30, 2021	\$ 40,246	\$ 1,689,127	\$ 1,729,373
YEAR ENDED JUNE 30, 2020			
REVENUE			
Contributions	\$ 344	\$ 274,423	\$ 274,767
Investments			
Fair value increase	900	(874)	26
Investment income	5,662	5,175	10,837
Investment fees and direct expenses	(2,147)	(5)	(2,152)
TOTAL INVESTMENT	4,415	4,296	8,711
Administrative assessments	11,888	(11,093)	795
Net revaluation of split-interest agreements	-	(2,343)	(2,343)
Other revenues	-	2,208	2,208
Net assets released from restriction	520,603	(520,603)	-
TOTAL REVENUE, GAINS (LOSSES) AND OTHER SUPPORT	537,250	(253,112)	284,138
EXPENSES			
University support			
Student scholarships	17,488	-	17,488
Faculty and research	26,253	-	26,253
Other student, academic and operational support	23,040	-	23,040
TOTAL STUDENT, ACADEMIC AND OPERATIONAL SUPPORT	66,781	-	66,781
University advancement	5,630	-	5,630
Facilities and equipment	457,227	-	457,227
TOTAL UNIVERSITY SUPPORT	529,638	-	529,638
Foundation administration	6,656	-	6,656
TOTAL EXPENSES	536,294	-	536,294
Provision for uncollectible pledges receivable	-	(1,224)	(1,224)
INCREASE (DECREASE) IN NET ASSETS	956	(254,336)	(253,380)
NET ASSETS AT BEGINNING OF YEAR	31,982	1,713,935	1,745,917
NET ASSETS AT JUNE 30, 2020	\$ 32,938	\$ 1,459,599	\$ 1,492,537

Consolidated Statement of Cash Flows

The accompanying notes are an integral part of these Consolidated Financial Statements.

YEARS ENDED JUNE 30	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 236,836	\$ (253,380)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Endowment contributions	(49,141)	(31,018)
Noncash gifts	(15,327)	(48,167)
Net revaluation of split-interest agreements	(17,442)	2,343
Net realized and unrealized gains	(380,456)	(5,360)
Decrease in pledges receivable	52,700	41,741
Provision for uncollectible pledges	1,135	1,224
Decrease in construction in process	13,562	113,839
Increase in conditional contribution	541,799	-
(Decrease) increase in accounts payable	(13,130)	1,201
Other changes	724	2,360
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	371,260	(175,217)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(710,157)	(271,038)
Proceeds from sale of investments	343,124	392,102
Increase in money market funds	(75,142)	(19,755)
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	(442,175)	101,309
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from endowment gifts and pledges	52,632	32,236
Proceeds from line of credit	49,000	-
Repayment of notes payable	(9,327)	(1,122)
Increase in deposits held in custody	27,229	8,129
NET CASH PROVIDED BY FINANCING ACTIVITIES	119,534	39,243
NET INCREASE (DECREASE) IN CASH	48,619	(34,665)
CASH, BEGINNING OF YEAR	77,323	111,988
CASH, END OF YEAR	\$ 125,942	\$ 77,323

Notes to Consolidated Financial Statements

Note 1 – Organization

The University of Oregon Foundation (Foundation) was established to provide support for the private fundraising efforts of the University of Oregon (University) and to manage privately donated funds. The Foundation is a nonprofit corporation organized in accordance with the laws of the State of Oregon and governed by a volunteer Board of Trustees (Board). Under the State of Oregon's administrative rules and the contract governing the relationship between the Foundation and the University, the Foundation must be independent of, and cannot be controlled by, the University.

The private fundraising efforts of the University result in the Foundation receiving contributions for the benefit of the University. Contributions are either available to be used currently or restricted as an endowment to be invested in perpetuity and provide support from investment returns for student scholarships, faculty and research support, other operational support, and for facilities and equipment. Fundraising efforts also result in the creation of charitable trusts and gift annuities. When the trusts and annuities mature, the remainder interests are available for the designated purposes as current-use or endowment gifts. The Foundation is the trustee for substantially all of the charitable remainder trusts. The Foundation also receives contributions without donor restrictions that can be used for Foundation activities.

Contributions may be received in cash, marketable securities, real property, tangible personal property, gifts-in-kind, life insurance policies, and various deferred giving vehicles. Contributions received in forms other than cash, except gifts-in-kind and life insurance policies, are generally liquidated. The proceeds, together with cash gifts, are placed in investment pools or other investments consistent with the purpose of the gift or the requirements of the trust agreement. The Foundation employs investment professionals to manage the investment pools and certain trust investments, and manages other investments directly. The Foundation makes assessments primarily to cover its administrative expenses and certain University support.

Under a contractual agreement, the Foundation provides financial support for the University's private fundraising efforts, maintains donor records, issues reports to donors, and provides certain direct University support at the request of the University President.

SUBSIDIARIES

In September 2006, Oregon Future Expansion II, LLC (OFX II, LLC) was formed as a wholly-owned subsidiary of the Foundation. OFX II, LLC acquired a former sorority house in Eugene, Oregon for approximately \$800, which was leased to the University until the lease terminated in January 2020. Upon termination of the lease, the property was transferred to University ownership.

In September 2006, Phit, LLC was formed as a wholly-owned subsidiary of the Foundation to make improvements to the University athletics facilities. In June 2018, Phit, LLC entered into a construction contract to renovate Hayward Field. Additionally, Phit, LLC entered into an agreement with the University of Oregon to lease the property for one dollar during the construction period. The costs for the renovation project were funded by private contributions. The renovation project was substantially complete in June 2020 and the property transferred to the University.

In April 2008, Oregon Future Expansion III, LLC (OFX III, LLC) was formed as a wholly-owned subsidiary of the Foundation and acquired and subsequently renovated commercial property on Franklin Boulevard, Eugene, Oregon for approximately \$4,410. The property is currently leased to the University (see Note 14).

In May 2009, Oregon Future Expansion PK, LLC (OFX PK, LLC) was formed as a wholly-owned subsidiary of the Foundation to facilitate funding for the expansion of the University baseball facilities completed January 2010.

In December 2012, Phit Too, LLC was formed as a wholly-owned subsidiary of the Foundation to engage in development, construction and improvement projects in and around Autzen Stadium. Additionally, in July 2019, Phit Too, LLC entered into an agreement with the University of Oregon to lease the property for one dollar during the construction period. The costs for the renovation were funded by private contributions. The renovation project was substantially complete in December 2020 and the property transferred to the University.

In November 2013, Oregon Future Expansion Millrace, LLC (OFX Millrace, LLC) was formed as a wholly-owned subsidiary of the Foundation. OFX Millrace, LLC acquired commercial property on the Millrace for approximately \$8,982 which is currently leased to the University (see Notes 10, 14).

In February 2015, Hayward Field Enhancement, LLC (HFE, LLC) was formed as a wholly-owned subsidiary of the Foundation to facilitate the renovation and expansion of Hayward Field at the University. This project has transferred to Phit, LLC. This subsidiary holds funds for future anticipated maintenance costs after the renovation is complete.

In May 2015, OFX White Stag, LLC was formed as a wholly-owned subsidiary of the Foundation. OFX White Stag, LLC acquired commercial property in Portland, Oregon for approximately \$42,600 which is currently leased to the University (see Notes 10, 14).

In October 2015, T3, LLC was formed as a wholly-owned subsidiary of the Foundation to facilitate investments for the benefit of and to support the University of Oregon. At June 30, 2021 and 2020, the fair value of these investments was \$99,501 and \$79,900 (see Note 4).

SUPPORTING ORGANIZATION

The U of O Foundation Supporting Organization (Foundation SO) is a Type I functionally integrated supporting organization operated to support the activities of the Foundation (see Notes 2, 16).

Note 2 – Summary of Significant Accounting Policies

The Foundation's consolidated financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP).

The consolidated financial statements include the accounts of the Foundation; the Foundation SO; OFX II, LLC; Phit, LLC; OFX III, LLC; OFX PK, LLC; Phit Too, LLC; OFX Millrace, LLC; HFE, LLC; OFX White Stag, LLC; T3, LLC,, (see Note 1). All inter-entity transactions and balances have been eliminated.

INVESTMENTS

VALUATION

Investments are reported at estimated fair value as determined by the Foundation, based upon a fair value hierarchy that prioritizes the input techniques used to measure fair value.

The hierarchy gives the highest priority to level 1 measurements and the lowest priority to level 3 measurements:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data;

Level 3: Significant unobservable inputs for assets or liabilities.

Investments with fair value measured at net asset value as a practical expedient are categorized separately within the fair value measurement table in Note 5. A financial instrument's level within this fair value hierarchy is based on the lowest level of any input that is significant to its fair value measurement. The fair value hierarchy does not correspond to a financial instrument's relative liquidity in the market or to its level of risk.

Level 1 investments are typically investments in debt and equity marketable securities but may also include money market funds, and other highly liquid investments with maturities of 90 days or less with high credit quality entities. Fair value is determined using quoted prices in an active market.

For level 3 investments, fair value is determined by the Foundation to be best estimated by giving consideration to any factors which might necessitate an adjustment such as initial and ongoing due diligence monitoring, significant market or portfolio changes, and assumptions of a new hypothetical market participant.

The Foundation recognizes there are certain inherent and extraneous risks associated with any investment. Risk is managed through rigorous underwriting and ongoing re-underwriting of new and existing managers as well as through appropriate portfolio construction. While portfolio diversification can reduce idiosyncratic risk, market risk overall cannot be eliminated.

Our investment process and portfolio implementation are designed to address such risks in general. However, particular instances like the spread of COVID-19 and its implication on the economy and society, cannot be predicted with certainty. As a result, the total fair value of the portfolio is subject to further fluctuation and the performance may be adversely affected.

The Foundation is closely monitoring its investment portfolio. Given the uncertainty about the situation, we cannot estimate the future impact, if any, to our consolidated financial statements.

REPORTING

Security transactions are recorded on a settlement date basis. Interest is recorded as earned and dividends are recorded as of the ex-dividend date. Investment income includes interest and dividends. Realized/unrealized gains and losses are reported as fair value increases and decreases. Investment income attributable to amounts held for the benefit of the University is reported as net assets with donor restrictions. When the activities occur, the amounts are transferred from net assets with donor restrictions to net assets without donor restrictions and the disbursements are reported as decreases in net assets without donor restrictions. Investment income attributable to amounts held for the benefit of the Foundation is reported in net assets without donor restrictions. Investment income attributable to amounts held for the benefit of trust beneficiaries is reported in obligations to beneficiaries under split interest agreements. Investment expenses include external and direct internal investment expenses.

NET ASSETS

The Foundation classifies net assets, revenues, expenses, gains and losses based upon the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. The Foundation Board of Trustees has designated, from net assets without donor restrictions, board-designated reserves (Note 7). These net assets also include amounts without donor-imposed stipulations for University use and for Foundation use, as well as investments in property and equipment.

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

Revenues are reported as increases in net assets without donor restrictions, unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, other than endowment and similar funds, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of time restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassification between the applicable classes of net assets; net assets released from restrictions.

The Foundation's decrease in net assets of \$253,380 for the year ended June 30, 2020 is a direct result of the completion of several University construction projects in 2020 funded by contributions received in prior years.

ENDOWMENTS

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act, as enacted by Oregon House Bill 2905, (OR-UPMIFA) as requiring the long term preservation of the fair value of the original gift amount as of the gift date of donor restricted endowment funds, absent explicit donor stipulations to the contrary.

For financial statement presentation purposes, the Foundation classifies as endowments (a) all funds explicitly stated by the donor to be retained in perpetuity and (b) absent such stipulation, the fair value on the date of gift for gifts donated to the endowment. If, as a result of investment losses or appropriations (Board authorized distributions), the fair value of endowment assets is less than the donor restricted amounts, the deficiencies are reported as reductions of net assets with donor restrictions.

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

CASH

Cash primarily consists of demand deposits, held by a regional financial institution, for operational purposes. Cash may also be held temporarily by a national investment firm for reinvestment in marketable securities. Balances exceed amounts insured by the Federal Deposit Insurance Corporation.

LAND AND BUILDINGS

Land and buildings consists of real property held for use by others, measured at fair value. Fair value is determined using independent third-party valuations, less estimated costs to sell.

CONSTRUCTION IN PROGRESS

All projects were completed at June 30, 2021. Construction in progress includes capitalized expenditures related to the renovation of Matthew Knight Arena for the year ended June 30, 2020.

BENEFICIAL INTERESTS

Beneficial interests in split-interest agreements held by others are recorded at the net present value of the estimated future amount to be received from such assets, revalued annually based on the fair value of investments on June 30. The Foundation utilizes a discounted cash flow technique to value these assets. The present value of charitable remainder trusts held by others and perpetual trusts held by others is determined using the Internal Revenue Service established discount rate of 1.2%, as well as actuarially-determined expected lives of beneficiaries ranging from 6.6 to 32.7 years, or 99 years for perpetual trusts.

OBLIGATIONS UNDER SPLIT-INTEREST AGREEMENTS

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

CONTRIBUTIONS

Gifts and pledges that represent unconditional promises to give are recorded when received or made, respectively. Pledges are recorded net of an allowance for risk associated with uncollectibility. Pledges that will be paid over periods in excess of one year are discounted to present value at U.S. Treasury note interest rates. Deferred pledges, irrevocable commitments from donors to be paid by their estates and which may be satisfied in part or in full during their lifetimes, are discounted to present value at the Internal Revenue Service discount rate and actuarially-determined expected life of the donor. Amortization of the discount is reported in subsequent periods as additional contributions. Conditional contribution represents outright gifts and accumulated investment earnings for which the intended designation or use has yet to be determined by donor.

DONATED MATERIALS

Donated materials and services are reflected as contributions at their estimated values at date of receipt. Donated materials were \$1,008 and \$640 for fiscal years ended June 30, 2021 and 2020, respectively.

EXPENSES

Expenses for University support are funded by (1) outright gifts and authorized distributions of endowments for donor designated purposes and (2) allocations of net assets without donor restrictions that the Board has approved for University Advancement and specific University projects. The Foundation only fulfills University disbursement requests that meet all applicable donor restrictions.

Expenses for Foundation administration represent Board authorized disbursements of net assets without donor restrictions (see Notes 12, 13).

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 and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual amounts can differ from these estimates.

The most significant estimates made by management include those in the areas of pledge receivable allowances and discounts, fair value of investments, and obligations to beneficiaries under split-interest agreements. Management periodically evaluates estimates used in the preparation of the consolidated financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates are made prospectively based on such periodic evaluations.

INCOME TAX STATUS

The Foundation and Foundation SO are exempt from federal income tax in accordance with the provisions of Internal Revenue Code Section 501(c)(3). However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. Unrelated business income tax, if any, is insignificant and no tax provision has been made in the accompanying financial statements.

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

CONTINGENCIES

The Foundation is infrequently party to various legal actions in its normal course of business, the aggregate effect of which has not been, in management's and legal counsel's opinion, and would not be material to the financial condition or results of operations of the Foundation.

CHANGE IN ACCOUNTING PRINCIPLE

The Foundation has adopted Accounting Standards Update (ASU) 2018-13 Fair Value Measurement (Topic 820) Disclosure Framework – Changes to the Requirements for Fair Value Measurement. This guidance is intended to improve the effectiveness of disclosures in the notes to the consolidated financial statements by facilitating clear communication of the information required that is most important to the users of the consolidated financial statements. The standard modifies the disclosure requirements on fair value measurements founded within ASC Topic 820, Fair Value Measurements, including streamlining disclosures related to transfers between Level 1 and Level 2 classifications, and simplifying disclosures for Level 3 assets and liabilities. The Foundation's fair value disclosures in Note 5 reflect the changes required by ASU 2018-13. The ASU was adopted on a retrospective basis.

RECLASSIFICATIONS

The Foundation's policy is to reclassify certain amounts reported in prior years' financial statements when necessary for conformity with classifications adopted in the current year. These reclassifications were not material and did not have an effect on prior year's change in net assets or total net assets.

SUBSEQUENT EVENTS

The Foundation evaluates subsequent events and transactions that occurred after June 30, 2021, but before financial statements are available to be issued, concluding October 27, 2021. Subsequent events for June 30, 2021 were evaluated through October 27, 2021. Subsequent to fiscal year ended June 30, 2021, the Foundation transferred substantially all the assets within its endowment portfolio to a newly formed partnership, UOF Investments, LP. These assets will be managed by a general partner under terms of the partnership agreement and subject to investment policies established by the Foundation's Investment Committee. Effective October 1, 2021, all assets of T3, LLC were transferred to UOF Investments, LP subject to an investment management services agreement between the Foundation and the University. The Foundation and T3, LLC are limited partners in UOF Investments, LP. Additionally, the Foundation paid the \$49M line of credit balance in full with an outright gift received subsequent to fiscal year ended June 30, 2021.

Note 3 – Financial Assets and Liquidity

The Foundation manages its cash and investments available to meet general expenditures by operating within a prudent range of financial soundness and stability. To manage liquidity, the Foundation strives to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Foundation's liquid assets available to meet general expenditures for the next year totaled \$1,092 as of June 30, 2021 and \$1,260 as of June 30, 2020, and are further outlined below.

Liquid Financial Assets	June 30, 2021	June 30, 2020
Investments	\$ 2,047,128	\$ 1,196,123
Cash	125,942	77,323
Pledges receivable, net	296,778	350,613
TOTAL LIQUID FINANCIAL ASSETS	2,469,848	1,624,059
Less amounts not available for general expenditures:		
Amounts subject to donor restrictions and contractual obligations	(2,327,743)	(1,511,674)
Deposits held in custody for others	(128,246)	(101,017)
Amounts designated by trustees for operating, technology and strategic reserves	(8,244)	(5,957)
Amounts designated by trustees for University President's strategic initiatives	(4,523)	(3,617)
Amounts designated by trustees for future endowment reinvestment	-	(534)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,092	\$ 1,260

Amounts available for general expenditures of the Foundation are generated by quarterly assessments on the market value of endowed funds (.19%) and other assets (.125%), as well as other fully unrestricted contributions directed to the Foundation. There are certain endowed funds and other assets that are not subject to quarterly assessments. Quarterly assessments during 2022 are forecasted to be \$9,800 to support budgeted annual general expenditures of \$6,800. Assessments are conservatively forecasted for 2022 assuming potential market volatility. General expenditures of the Foundation include payroll, benefits, and other operational expenses.

The Foundation's liquid financial assets include board of trustee designated reserves that totaled \$12,767 as of June 30, 2021 (Note 7). Annually, the Foundation's Board of Trustees designates year end operating surplus to various reserve funds for operations, endowment reinvestment, technological enhancements, and strategic initiatives of the University President.

The Foundation endeavors to maintain a year-end balance of board designated reserves to meet approximately four to six months of anticipated general Foundation expenditures. To achieve this target, the Foundation forecasts its future cash flows, monitoring its liquidity quarterly and monitoring its reserves annually. Board designated reserves that could most easily be utilized if necessary to meet general operational, technological and strategic expenditures totaled \$8,244 as of June 30, 2021.

Note 4 – Investments

Investments are organized and managed in the following six ways.

GENERAL INVESTMENT PROGRAM

The General Investment Program includes expendable gifts and endowment distributions prior to disbursement, all of which are invested for the short term, while a portion of the funds are invested longer term, up to six years, to generate more robust returns. In addition to the amounts below, the General Investment Program also includes cash balances total \$71,999 and \$43,958 for fiscal years ended June 30, 2021 and 2020 respectively.

WILLAMETTE INVESTMENT POOL

Endowment and other funds with long-term investment horizons are pooled in the Willamette Investment Pool. The investment pool has the following objectives (1) to provide an annual distribution for endowments, as determined by the Board of Trustees, to support designated

University activities and (2) to achieve a long-term growth rate that maintains the purchasing power of the assets, as measured by the consumer price index. The Willamette Investment Pool consists of approximately 85% endowments and 15% other funds with long-term investment horizons, at June 30, 2021 and 2020.

REMAINDER TRUSTS AND GIFT ANNUITIES

Remainder trust agreement assets are managed on an individual account basis in a diversified portfolio designed to reduce payment volatility, consider tax implications, and maximize the value of each gift. Gift annuity assets are managed as a pool.

INTERMEDIATE TERM POOL

These investments consist of gifts that are expendable but have a longer planned spending period. In addition to the amounts below, the Intermediate Term Pool also includes cash balances totaling \$53,943 and \$33,366 for fiscal years ended June 30, 2021 and 2020 respectively.

OTHER INVESTMENTS

Other investments include a diversified pooled investment vehicle managed similarly to an endowment portfolio. The Foundation established a pending fund to record outright contributions received in fiscal year 2021 for which the donor has not yet determined specific use. The agreement with the donor states the funds may be designated to satisfy existing or future pledge obligations with the Foundation, and other purposes as designated to benefit the University. Accordingly, the balance is also reflected as a conditional contribution on the Statement of Financial Position. Other investments also consists of gifts that are expendable but with a longer planned spending period.

T3

T3 consists of investments managed on behalf of the University.

INVESTMENTS BY GROUP

	GENERAL INVESTMENT PROGRAM	WILLAMETTE INVESTMENT POOL	REMAINDER TRUSTS AND GIFT ANNUITIES	INTERMEDIATE TERM POOL	OTHER INVESTMENTS	T3	TOTAL
June 30, 2021							
Money market funds	\$ -	\$ 130,229	\$ -	\$ -	\$ 29	\$ 5,717	\$ 135,975
Marketable securities							
Equity securities	-	65,177	63,549	-	3,098	13,430	145,254
Debt securities	45,858	-	35,259	10,227	-	-	91,344
TOTAL MARKETABLE SECURITIES	45,858	65,177	98,808	10,227	3,098	13,430	236,598
Limited partnerships	37,876	1,013,039	-	-	541,699	80,354	1,672,968
Other investments	1,127	200	-	-	260	-	1,587
TOTAL INVESTMENTS	\$ 84,861	\$ 1,208,645	\$ 98,808	\$ 10,227	\$ 545,086	\$ 99,501	\$ 2,047,128
June 30, 2020							
Money market funds	\$ -	\$ 55,901	\$ -	\$ 420	\$ 34	\$ 4,478	\$ 60,833
Marketable securities							
Equity securities	-	72,186	52,067	-	1,741	8,693	134,687
Debt securities	44,332	-	32,090	14,973	2	-	91,397
TOTAL MARKETABLE SECURITIES	44,332	72,186	84,157	14,973	1,743	8,693	226,084
Limited partnerships	38,830	801,365	-	-	-	66,729	906,924
Other investments	1,081	201	-	-	1,000	-	2,282
TOTAL INVESTMENTS	\$ 84,243	\$ 929,653	\$ 84,157	\$ 15,393	\$ 2,777	\$ 79,900	\$ 1,196,123

Note 5 – Fair Value Measurements

RISK REDUCTION

Absolute return: The goal of this asset class is to provide consistent, absolute returns that are relatively uncorrelated with traditional equity and debt markets and act as a risk reducer for the entire portfolio. Assets are allocated among managers who use a variety of strategies including merger, event-driven and relative-value arbitrage, mezzanine debt, structured financing, long-short credit, and long-short equity. Most marketable investments are subject to quarterly redemptions while one manager only offers annual redemptions. There are also illiquid assets that, because of their long-term horizon, are restricted from redemptions. The term for the least liquid investment runs through 2022.

Liquidity and fixed income: This asset class is used as an overall risk reducer for the portfolio to hedge against deflation and as a source of liquidity for portfolio rebalancing and distributions. Assets include cash and debt securities, which include government, agency, or corporate issues.

GROWTH

Global equity: This asset class provides broad exposure to global public equity markets around the world, both developed and developing, and is expected to produce returns in the long run that help maintain the real purchasing power of the endowment. Certain investments are subject to an initial lock up of two years.

Private capital: This asset class is intended to provide public-equity-plus returns but is illiquid in nature because of the long-term horizon of its various private-market investments. Assets consist of three broad sectors: venture capital, growth equity, and distressed debt and special situations. The term for these investments runs through 2029.

INFLATION PROTECTION

Real assets: The goal of this asset class is to protect the overall portfolio from inflation by investing in tangible assets whose values adjust with changes in the broad price level. The asset class consists of three broad sectors: real estate, natural resources, and energy infrastructure. Real estate investments are largely based in the United States using either a strategy of repositioning, renovating developing properties, or providing commercial debt financing. Investments within the natural resources sector are in energy, power, farmland, and timber. The term for these investments runs through 2028.

June 30, 2021	LEVEL 1	LEVEL 2	LEVEL 3	AT NAV	TOTAL
Money market funds	\$ 135,975	\$ -	\$ -	\$ -	\$ 135,975
Marketable securities	236,598	-	-	-	236,598
Limited partnerships					
Absolute return	-	-	-	274,429	274,429
Liquidity and fixed income	4,500	-	-	127,851	132,351
Global equity	-	-	-	574,734	574,734
Private capital	476	-	-	526,231	526,707
Real assets	399	-	-	164,348	164,747
TOTAL LIMITED PARTNERSHIPS	5,375	-	-	1,667,593	1,672,968
Other investments	-	-	1,587	-	1,587
TOTAL INVESTMENTS	\$ 377,948	\$ -	\$ 1,587	\$ 1,667,593	\$ 2,047,128
BENEFICIAL INTERESTS	\$ -	\$ -	\$ 19,795	\$ -	\$ 19,795
LAND AND BUILDINGS	\$ -	\$ -	\$ 21,035	\$ -	\$ 21,035
DEPOSITS HELD IN CUSTODY	\$ (29,885)	\$ -	\$ (4)	\$ (98,357)	\$ (128,246)

June 30, 2020	LEVEL 1	LEVEL 2	LEVEL 3	AT NAV	TOTAL
Money market funds	\$ 60,833	\$ -	\$ -	\$ -	\$ 60,833
Marketable securities	226,084	-	-	-	226,084
Limited partnerships					
Absolute return	-	-	-	181,282	181,282
Liquidity and fixed income	-	-	-	51,696	51,696
Global equity	-	-	-	311,966	311,966
Private capital	96	-	-	213,929	214,025
Real assets	-	-	-	147,955	147,955
TOTAL LIMITED PARTNERSHIPS	96	-	-	906,828	906,924
Other investments	-	-	2,282	-	2,282
TOTAL INVESTMENTS	\$ 287,013	\$ -	\$ 2,282	\$ 906,828	\$ 1,196,123
BENEFICIAL INTERESTS	\$ -	\$ -	\$ 12,417	\$ -	\$ 12,417
LAND AND BUILDINGS	\$ -	\$ -	\$ 20,269	\$ -	\$ 20,269
DEPOSITS HELD IN CUSTODY	\$ (17,787)	\$ -	\$ (25)	\$ (83,205)	\$ (101,017)

OTHER INVESTMENTS (LEVEL 3)

YEARS ENDED JUNE 30	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 2,282	\$ 2,290
Realized (loss)	(432)	(8)
Sales	(263)	-
BALANCE, END OF YEAR	\$ 1,587	\$ 2,282

BENEFICIAL INTERESTS (LEVEL 3)

YEARS ENDED JUNE 30	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 12,417	\$ 14,101
New gifts	60	-
Net gain/(loss), realized and unrealized	8,060	(1,684)
Maturities	(742)	-
BALANCE, END OF YEAR	\$ 19,795	\$ 12,417

LAND AND BUILDINGS (LEVEL 3)

YEARS ENDED JUNE 30	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 20,269	\$ 20,985
Unrealized gain change	766	895
Transfer to UO	-	(1,611)
BALANCE, END OF YEAR	\$ 21,035	\$ 20,269

Information is for investments that measure fair value using the net asset value practical expedient. Distributions from limited partnerships, new cash gifts and assets redeployed from other asset classes are all available to fund these commitments.

COMMITMENTS

JUNE 30, 2021	INVESTED	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY	REDEMPTION NOTICE PERIOD
LIMITED PARTNERSHIPS				
Absolute return	\$ 274,429	\$ 568	Quarterly, Annually	45 to 90 days
Liquidity and fixed income	127,851	-	Daily, Monthly, Quarterly	1 to 60 days
Global equity	574,734	-	Daily, Monthly, Quarterly, Semi-Annually	3 to 105 days
Private capital	526,231	75,848	N/A	N/A
Real assets	164,348	21,816	N/A	N/A
TOTAL LIMITED PARTNERSHIPS	\$ 1,667,593	\$ 98,232		

Note 6 – Endowments and Endowment Distributions

The Foundation's endowments consist of donor restricted endowment funds. The Board is authorized to determine distributions to be made from endowment funds and has established the long-term investment policy objective of maintaining the real (after inflation) purchasing power of endowment gifts. The Board has authorized a stated annual distribution rate of 4% for the years ended June 30, 2021 and 2020.

Authorized distributions (appropriations) are retained in net assets with donor restrictions until disbursement is requested by University officials consistent with the terms of the gift. Requested amounts are then released from restrictions and the disbursement is reported as a decrease in net assets without donor restrictions. From time to time, the fair value of endowment funds associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA required the Foundation to retain as a fund of perpetual duration, underwater endowments. There were no underwater endowed funds at June 30, 2021. As of June 30, 2020 endowed funds with total historical gift value of \$60,115 and market value of \$59,090 resulted in an amount of \$1,025 underwater.

CHANGES IN ENDOWMENT NET ASSETS

	With Donor Restrictions				
	Without Donor Restrictions	Accumulated Endowment Earnings	Original Gift Amount	Total With Donor Restrictions	Total Endowment Assets
BALANCE, JULY 1, 2019	\$ 2,543	\$ 250,582	\$ 877,986	\$ 1,128,568	\$ 1,131,111
Contributions	-	1,196	29,051	30,247	30,247
Investments, net return	13	1,584	-	1,584	1,597
Distributions	(201)	(29,543)	-	(29,543)	(29,744)
Administrative assessments	(7)	(8,011)	-	(8,011)	(8,018)
Net reevaluation of split-interest agreements	-	(10)	(2,030)	(2,040)	(2,040)
Other changes	-	119	20	139	139
NET DECREASE, YEAR ENDED JUNE 30, 2020	(195)	(34,665)	27,041	(7,624)	(7,819)
BALANCE, JUNE 30, 2020	\$ 2,348	\$ 215,917	\$ 905,027	\$ 1,120,944	\$ 1,123,292
Contributions	-	1,208	25,446	26,654	26,654
Investment, net return	1,377	220,302	-	220,302	221,679
Distributions	(213)	(32,274)	-	(32,274)	(32,487)
Administrative assessments	(6)	(7,249)	-	(7,249)	(7,255)
Net reevaluation of split-interest agreements	-	176	13,884	14,060	14,060
Other changes	-	445	(26,013)	(25,568)	(25,568)
NET INCREASE, YEAR ENDED JUNE 30, 2021	1,158	182,608	13,317	195,925	197,083
BALANCE, JUNE 30, 2021	\$ 3,506	\$ 398,525	\$ 918,344	\$ 1,316,869	\$ 1,320,375

ENDOWMENT NET ASSETS BY RESTRICTION

YEARS ENDED JUNE 30	2021	2020
Subject to expenditure for specified purpose:		
Student scholarships	\$ 389,709	\$ 306,216
Faculty and research	323,475	259,402
Other student, academic, and operational support	336,046	266,294
Facilities and equipment	265,000	286,396
Foundation administration	2,639	2,636
TOTAL NET ASSETS SUBJECT TO EXPENDITURE FOR SPECIFIED PURPOSE	1,316,869	1,120,944
For benefit of Foundation	3,506	2,348
TOTAL ENDOWMENT NET ASSETS BY RESTRICTED PURPOSE	\$ 1,320,375	\$ 1,123,292

Note 7 – Net Assets

NET ASSETS BY RESTRICTION

YEARS ENDED JUNE 30	2021	2020
Subject to expenditure for specified purpose:		
Student scholarships	\$ 178,661	\$ 101,800
Faculty and research	301,897	91,709
Other student, academic, and operational support	68,388	243,470
Facilities and equipment	155,512	49,683
TOTAL SUBJECT TO EXPENDITURE FOR SPECIFIED PURPOSE	704,458	486,662
Subject to the passage of time:		
Pledges receivable	31,954	39,347
Annuity funds, life income funds, and beneficial interests, net	5,198	4,670
Trusts held by others	29,173	23,893
TOTAL SUBJECT TO PASSAGE OF TIME	66,325	67,910
Subject to endowment spending policy and appropriation:		
Investments in perpetuity:		
Student scholarships	206,952	196,259
Faculty and research	181,696	146,787
Other student, academic, and operational support	152,586	172,090
Facilities and equipment	30,300	10,298
Endowment pledges receivable, net	261,640	310,343
TOTAL SUBJECT TO ENDOWMENT SPENDING POLICY AND APPROPRIATION	833,174	835,777
Subject to restriction in perpetuity:		
Annuity funds, beneficial interests, and Foundation designated funds	23,095	15,214
Perpetual trusts held by others	62,075	54,036
TOTAL SUBJECT TO RESTRICTION IN PERPETUITY	85,170	69,250
TOTAL ENDOWED NET ASSETS RESTRICTED IN PERPETUITY	918,344	905,027
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	1,689,127	1,459,599
Without restriction and subject to board designation:		
Designated for operating reserve	4,389	3,492
Designated for University President's strategic initiatives	4,523	3,617
Designated for technology and strategic project reserves	3,855	2,465
Designated for endowment reinvestment	-	534
TOTAL SUBJECT TO BOARD DESIGNATION	12,767	10,108
Investment in property and equipment, net	11,429	10,052
Undesignated	16,050	12,778
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	40,246	32,938
TOTAL NET ASSETS	\$ 1,729,373	\$ 1,492,537

NET ASSETS RELEASED FROM RESTRICTIONS

YEARS ENDED JUNE 30	2021	2020
Student scholarships	\$ 17,700	\$ 17,370
Faculty and research	22,550	33,388
Other student, academic, and operational support	69,326	15,407
Facilities and equipment	56,229	453,247
University advancement	1,800	1,117
Foundation administration	32	74
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	\$ 167,637	\$ 520,603

Note 8 – Pledges Received

Total pledges receivable, net of an allowance for uncollectible pledges and discounted to present value at June 30, 2021 and 2020 are shown below.

The general allowance is determined through review that collection is unlikely for a specific pledge or a portion thereof, and is based upon analysis of past collection experience, pledge activity, and other judgmental factors.

For most pledges, the discount rates used to determine present values are equal to 120% of the Federal Mid-term rate, rounded to the nearest 2/10ths of 1%, as determined monthly from the auctions of U.S. Treasury Securities, for the month of pledge inception. The discount is calculated for the payment time period expressed in the pledge document. For deferred pledges, the discount rates used to determine present values are IRS prescribed rates associated with pledge inception. The discount is calculated for the estimated life expectancy of the donor 28 year average as of June 30, 2021. See Note 9 for pledges receivable from members of the Board.

JUNE 30	2021	2020
Pledges		
Due less than one year	\$ 67,846	\$ 68,615
Due one to five years	213,736	223,335
Due more than five years	3,506	51,993
TOTAL GROSS PLEDGES	285,088	343,943
Less allowance	(970)	(1,140)
Less discount	(8,586)	(12,538)
TOTAL PLEDGES, NET	\$ 275,532	\$ 330,265
Deferred Pledges		
Due less than one year	\$ 344	\$ 20
Due one to five years	550	500
Due more than five years	43,113	43,324
TOTAL GROSS DEFERRED PLEDGES	44,007	43,844
Less allowance	(1,436)	(1,437)
Less discount	(21,325)	(22,059)
TOTAL DEFERRED PLEDGES, NET	21,246	20,348
PLEDGES RECEIVABLE, NET	\$ 296,778	\$ 350,613

Note 9 – Concentrations

As of June 30, 2021 and 2020, respectively 3% and 2% of all pledges receivable were from trustees. As of June 30, 2021 and 2020, respectively, 72% and 74% of all pledges receivable were from one donor. Trustees made 4% and 2% of all contributions for 2021 and 2020. One donor made 33% and 64% of all contributions in 2021 and 2020, respectively.

Note 10 – Notes Payable

JUNE 30	2021	2020
AT JUNE 30 THE FOUNDATION HAD THE FOLLOWING NOTES PAYABLE TO BANKS AND OTHER FINANCIAL INSTITUTIONS:		
Due on demand with varying rates, currently at 3 month LIBOR (.64% at year end), with interest-only quarterly payments, a \$50M line of credit. Proceeds were disbursed to the University for Athletic Department working capital. The line of credit is unsecured with no recourse to the Foundation assets and guaranteed by a donor. This line of credit was paid in full subsequent to year end.	\$ 49,000	\$ 8,000
Due July 1, 2028, 6.48% with \$47 monthly payments, including principal and interest. A mortgage was assumed by OFX Millrace, LLC to acquire real property on behalf of the University. The mortgage is secured with real property.	3,186	3,534
Due November 10, 2045, 4.08% with \$208 monthly payments, including principal and interest. Proceeds were used to acquire property by OFX White Stag, LLC on behalf of the University. The note is secured by buildings and the related bond lease.	38,425	39,404
TOTAL NOTES PAYABLE	\$ 90,611	\$ 50,938

Interest expense associated with the above notes for the years ended June 30, 2021 and 2020 corresponds to cash paid for interest and was \$2,142 and \$1,930, respectively. Management believes all coverage and non-financial covenants have been met as of June 30, 2021 and 2020.

Notes payable scheduled maturities are as follows: 2022 \$50,309; 2023 \$1,373; 2024 \$1,440; 2025 \$1,511; 2026 \$1,584; 2027 and beyond \$34,394.

Note 11 – Split-Interest Agreements

The Foundation has entered into charitable gift annuity agreements whereby donors contribute assets in exchange for annual income streams that last a lifetime or a specifically defined period of time. Assets received from donors to establish gift annuities are managed in a pooled account and accounted for individually. The excess of gift annuity related assets over gift annuity obligations (net assets) is restricted based on the donor's intent for the gift. Gift annuity obligations are an actuarially determined liability which represents the present value of future payments to beneficiaries. Gift annuities are managed in compliance with applicable state statutes. The California required Reserve Fund was \$353 and \$350 at June 30, 2021 and 2020, respectively.

The Foundation has entered into charitable remainder annuity and unitrust agreements whereby assets are made available on the condition that income is paid periodically to designated individuals. Payments of such amounts terminate at a time specified in the agreements. Remainder trust obligations are an actuarially determined liability which represent the present value of estimated future payments to beneficiaries, taking into consideration their life expectancy and discounted at applicable interest rates.

The asset values for both gift annuities and remainder trusts are included in marketable securities and beneficial interests in the statement of financial position.

ASSETS

JUNE 30	2021	2020
REMAINDER TRUSTS		
Fair value	\$ 111,026	\$ 90,335
Cost	\$ 73,562	\$ 74,590
GIFT ANNUITIES		
Fair value	\$ 7,576	\$ 6,240
Cost	\$ 6,281	\$ 5,983

TOTAL OBLIGATIONS AND PAYMENTS TO BENEFICIARIES

JUNE 30	2021	2020
Remainder trusts	\$ 51,709	\$ 44,619
Gift annuities	4,329	4,179
TOTAL OBLIGATIONS TO BENEFICIARIES	\$ 56,038	\$ 48,798
Remainder trusts	\$ 5,191	\$ 5,015
Gift annuities	420	471
TOTAL PAYMENTS TO BENEFICIARIES	\$ 5,611	\$ 5,486

CHANGES IN OBLIGATIONS TO BENEFICIARIES

YEARS ENDED JUNE 30	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 48,798	\$ 52,960
Obligations on new gifts	1,570	200
Investment and other income (loss), net	29,094	(962)
Net revaluation	(17,442)	2,343
Payment to beneficiaries	(5,611)	(5,486)
Administrative assessments	(94)	(86)
Other management expenses	(277)	(171)
NET INCREASE (DECREASE)	7,240	(4,162)
BALANCE, END OF YEAR	\$ 56,038	\$ 48,798

CONTRIBUTIONS

JUNE 30	2021	2020
Remainder trusts	\$ 623	\$ 1,019
Gift annuities	212	124
TOTAL CONTRIBUTIONS	\$ 835	\$ 1,143

INVESTMENTS

JUNE 30	2021	2020
Investment income	\$ 1,928	\$ 2,571
Increase (decrease) in fair value of investments	27,166	(3,533)
TOTAL INVESTMENT RESULTS	\$ 29,094	\$ (962)

Note 12 – Assessments

The Foundation makes assessments primarily to cover its administration expenses and University Advancement support. Assessments can vary depending upon the nature of the gift and the corresponding gift agreement.

Trust assets and gift annuities – 0.025% is assessed quarterly based on the asset valuation as of the end of the quarter. In addition, up to 5% is assessed at maturity.

Endowment assets – 0.25% is assessed quarterly based on the asset valuation as of the end of the quarter. The amounts shown below are net of reinvested assessments of \$3,000 and \$1,000 for years ended June 30, 2021 and 2020, respectively.

Other assets – 0.125% is assessed quarterly based on the asset valuation as of the end of the quarter, not to exceed actual interest earned.

Expendable gifts for University programs – gifts are assessed up to 5% from the gift value at the time of receipt.

Endowment gifts – gifts are assessed up to 5% from the gift value at the time of receipt.

ASSESSMENTS

YEARS ENDED JUNE 30	2021	2020
Trust assets and gift annuities	\$ 237	\$ 146
Endowment assets	7,390	8,149
Other assets	840	197
Expendable gifts for University programs	1,670	2,167
Endowment gifts	1,050	1,229
TOTAL ASSESSMENTS	\$ 11,187	\$ 11,888

Note 13 – Allocation of Functional Expenses

The cost of providing grants to the University and other activities has been summarized on a functional basis within the consolidated Statement of Activities. Direct administrative costs of the Foundation, such as salaries, professional services, and occupancy are included within Foundation Administration and outlined below. Costs associated with fundraising include amounts paid on behalf of and directly to vendors for fundraising and development for University Advancement. The Foundation transfers amounts collected from gift fee assessments (Note 12) to University Advancement to support fundraising activities.

ALLOCATION OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30	2021	2020
University of Oregon Support		
Scholarships	\$ 17,745	\$ 17,488
Faculty and research support	22,573	26,253
Other student, academic and operational support	69,329	23,040
Facilities and equipment	58,546	457,227
TOTAL UNIVERSITY OF OREGON SUPPORT	168,193	524,008
Foundation Administration		
Salaries and benefits	\$ 3,989	\$ 4,815
Professional and contract services	1,073	1,028
Occupancy costs	400	584
Travel and meetings	27	113
Other expenses	210	116
TOTAL FOUNDATION ADMINISTRATION	5,699	6,656
Fundraising		
University of Oregon fundraising support	5,192	5,630
TOTAL EXPENSES	\$ 179,084	\$ 536,294

Note 14 – Leases

The Foundation has entered into an operating lease agreement for office space with the University of Oregon commencing May 15, 2011 and continuing not beyond July 1, 2022. Total minimum lease payments are \$245 annually. Future minimum rental over the next year is expected to be \$245. Lease expense was \$245 for fiscal years ended June 30, 2021 and 2020.

SUBSIDIARIES

OFX III, LLC has leased real property it owns to the Board of Trustees of the University of Oregon for a term through March 2034. Quarterly rent payable in advance is \$73. Future minimum rentals over the next five years are expected to be \$1,467. Both parties have the option to terminate the lease with not less than 90 days prior written notice to the other party.

OFX Millrace, LLC has leased real property it owns to the Board of Trustees of the University of Oregon for a term through July 2034. Quarterly rent payable in advance is \$204. Future minimum rentals over the next five years are expected to be \$4,080.

OFX Millrace, LLC leases real property (ground lease) from the Board of Trustees of the University of Oregon for a term through April 2042, renewable. Monthly rent payable in advance is \$7. Future minimum rentals over the next five years are expected to be \$391.

OFX White Stag, LLC has leased real property it owns to the Board of Trustees of the University of Oregon under a direct financing lease for a term through November 2045. Monthly rent payable in advance is \$208. The total gross lease receivable is \$60,665 and unearned interest income is \$22,354 for 2021. Future minimum rentals over the next five years are expected to be \$12,466.

No leases include renewal provisions.

Note 15 – Defined Contribution Benefit Plan

The Foundation maintains a retirement plan in accordance with Internal Revenue Service Code Section 403(b). The Plan covers all employees who have attained the minimum age of 18. The Foundation makes semi-monthly contributions equal to 18.32% of compensation for that pay period for all employees who have been employed six months or more. Employee contributions are not required, although employees may make elective contributions. Employer contributions vest over a five year service period or upon attaining 50 years of age. Amounts contributed and charged to expense for the years ended June 30, 2021 and 2020 were \$669 and \$754, respectively.

Note 16 – Income Taxes

The Foundation and Foundation SO recognize the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Foundation and Foundation SO each have no unrecognized tax benefits which would require an adjustment to the July 1, 2021 beginning balance of net assets and had no unrecognized tax benefits at June 30, 2021. The Foundation and Foundation SO each file an exempt organization return and applicable unrelated business income tax returns in the U.S. federal jurisdiction and applicable state agencies.

Note 17 – Additional Information

YEARS ENDED JUNE 30	2021	2020
DEPOSITS HELD IN CUSTODY		
For the University of Oregon (T3, LLC)	\$ 99,501	\$ 79,900
For the University of Oregon Alumni Association	20,505	16,443
For University of Oregon Athletics and others	8,240	4,674
TOTAL DEPOSITS HELD IN CUSTODY	\$ 128,246	\$ 101,017
ACCOUNTS PAYABLE		
To the University of Oregon	\$ 200	\$ 64
To others, for Foundation activities	5,286	18,552
TOTAL ACCOUNTS PAYABLE	\$ 5,486	\$ 18,616

Consolidating Statement of Financial Position

University of Oregon Foundation and Affiliate
Supplemental information as of June 30, 2021

	University of Oregon Foundation and LLC Subsidiaries	Affiliate	Eliminating Entries	Consolidated Balances
ASSETS				
Investments				
Money market funds	\$ 125,698	\$ 10,277	\$ -	\$ 135,975
Marketable securities	216,774	19,824	-	236,598
Limited partnerships	1,587,586	85,382	-	1,672,968
Other investments	-	1,587	-	1,587
TOTAL INVESTMENTS	1,930,058	117,070		2,047,128
Cash	78,571	47,371	-	125,942
Pledges receivable, net	67,379	229,399	-	296,778
Capital lease receivable, net	38,311	-	-	38,311
Land and buildings	21,035	-	-	21,035
Beneficial interests	19,795	-	-	19,795
Other assets, net	2,564	-	-	2,564
TOTAL ASSETS	\$ 2,157,713	\$ 393,840	\$ -	\$ 2,551,553
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 5,482	\$ 4	\$ -	\$ 5,486
Deposits held in custody	128,246	-	-	128,246
Notes payable	90,611	-	-	90,611
Conditional contribution	541,799	-	-	541,799
Obligations to beneficiaries under split-interest agreements	56,038	-	-	56,038
TOTAL LIABILITIES	822,176	4		822,180
Net assets without donor restrictions				
Undesignated	15,859	191	-	16,050
Board designated	12,767	-	-	12,767
Investment in property and equipment, net of related debt	11,429	-	-	11,429
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	40,055	191		40,246
Net assets with donor restrictions				
Restricted by purpose and time	679,929	90,854	-	770,783
Restricted in perpetuity	615,553	302,791	-	918,344
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	1,295,482	393,645		1,689,127
TOTAL NET ASSETS	1,335,537	393,836		1,729,373
TOTAL LIABILITIES AND NET ASSETS	\$ 2,157,713	\$ 393,840	\$ -	\$ 2,551,553