



**OREGON STATE UNIVERSITY FOUNDATION**

Consolidated Financial Statements

June 30, 2020 and 2019

(With Independent Auditors' Report Thereon)

# OREGON STATE UNIVERSITY FOUNDATION

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KPMG LLP  
Suite 3800  
1300 South West Fifth Avenue  
Portland, OR 97201

## Independent Auditors' Report

The Board of Trustees  
Oregon State University Foundation:

We have audited the accompanying consolidated financial statements of Oregon State University Foundation, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated 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 U.S. generally accepted accounting principles; 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.

### *Auditors' 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 audit 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 auditors' 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 Oregon State University Foundation as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Other Matters*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information included in schedules 1 and 2 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.

KPMG LLP

Portland, Oregon  
September 28, 2020

## OREGON STATE UNIVERSITY FOUNDATION

### Consolidated Statements of Financial Position

June 30, 2020 and 2019

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 777,311	3,458,003
Investments (including assets held for Oregon State University of \$46,486,841 and \$48,271,803, respectively)	720,787,782	701,024,962
Pledges receivable, net	35,447,727	37,722,493
Property and equipment, net	27,194,780	28,162,582
Assets held-for-sale	6,734,263	7,149,563
Assets held under split-interest agreements	51,545,386	54,205,341
Charitable trusts held outside the foundation	14,460,849	15,021,243
Other assets	3,187,053	3,231,586
Total assets	<u>\$ 860,135,151</u>	<u>849,975,773</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Obligations under split-interest agreements	\$ 24,247,852	24,910,270
Endowment assets held for Oregon State University	46,486,841	48,271,803
Other liabilities	10,724,905	9,455,254
Total liabilities	<u>81,459,598</u>	<u>82,637,327</u>
Net assets:		
Without donor restrictions	32,595,265	33,309,176
With donor restrictions	746,080,288	734,029,270
Total net assets	<u>778,675,553</u>	<u>767,338,446</u>
Total liabilities and net assets	<u>\$ 860,135,151</u>	<u>849,975,773</u>

See accompanying notes to consolidated financial statements.

**OREGON STATE UNIVERSITY FOUNDATION**

Consolidated Statement of Activities

Year ended June 30, 2020

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Revenue, gains, and other support:			
Contributions	\$ 648,116	94,401,922	95,050,038
Investment return, net of expenses	4,886,881	8,081,771	12,968,652
Other	20,475,672	3,838,637	24,314,309
Change in value of charitable annuities and trusts	—	(2,072,196)	(2,072,196)
Net assets released from restrictions and other transfers	92,199,116	(92,199,116)	—
	<u>118,209,785</u>	<u>12,051,018</u>	<u>130,260,803</u>
Expenses:			
Direct university support	86,782,954	—	86,782,954
Development	18,288,895	—	18,288,895
Management and general	13,851,847	—	13,851,847
	<u>118,923,696</u>	<u>—</u>	<u>118,923,696</u>
Change in net assets	(713,911)	12,051,018	11,337,107
Net assets, beginning of year	<u>33,309,176</u>	<u>734,029,270</u>	<u>767,338,446</u>
Net assets, end of year	<u>\$ 32,595,265</u>	<u>746,080,288</u>	<u>778,675,553</u>

See accompanying notes to consolidated financial statements.

**OREGON STATE UNIVERSITY FOUNDATION**

Consolidated Statement of Activities

Year ended June 30, 2019

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Revenue, gains, and other support:			
Contributions	\$ 574,646	76,167,880	76,742,526
Investment return, net of expenses	6,334,665	23,705,254	30,039,919
Other	22,241,443	3,191,545	25,432,988
Change in value of charitable annuities and trusts	—	540,523	540,523
Net assets released from restrictions and other transfers	86,125,070	(86,125,070)	—
	115,275,824	17,480,132	132,755,956
Expenses:			
Direct university support	77,014,171	—	77,014,171
Development	19,730,574	—	19,730,574
Management and general	12,676,480	—	12,676,480
	109,421,225	—	109,421,225
Change in net assets	5,854,599	17,480,132	23,334,731
Net assets, beginning of year	27,454,577	716,549,138	744,003,715
Net assets, end of year	\$ 33,309,176	734,029,270	767,338,446

See accompanying notes to consolidated financial statements.

**OREGON STATE UNIVERSITY FOUNDATION**

Consolidated Statements of Cash Flows

Years ended June 30, 2020 and 2019

	<b>2020</b>	<b>2019</b>
Cash flows from operating activities:		
Change in net assets	\$ 11,337,107	23,334,731
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Gain on investments	(18,133,590)	(31,252,771)
Noncash contributions	(13,348,495)	(16,602,401)
Proceeds from sale of noncash contributions	13,137,911	11,969,250
Investment losses on charitable gift annuity and remainder trust agreements	2,527,081	967,753
Depreciation	1,512,254	1,392,035
Provision for unfulfilled pledges, net	221,206	26,942
Change in cash surrender value of life insurance	(774)	(6,312)
Net change in value of charitable gift annuities and trusts	3,194,989	(348,430)
Contributions and income restricted for permanent endowments	(14,052,471)	(11,556,662)
Decrease (increase) in cash due to changes in assets and liabilities:		
Charitable trusts held outside the Foundation	984,059	1,147,243
Endowment assets held for Oregon State University	(1,784,962)	296,046
Pledges receivable	2,053,560	5,747,755
Other assets	45,307	302,511
Other liabilities	1,269,651	906,031
Net cash used in operating activities	(11,037,167)	(13,676,279)
Cash flows from investing activities:		
Proceeds from sale of investments	220,471,266	238,694,756
Purchase of investments	(222,593,441)	(254,206,211)
Change in note receivable from sale of investments	—	2,967,581
Proceeds from disposal of property, equipment, and assets held for sale	537,000	375,000
Purchase of property, equipment, and assets held for sale	(544,452)	(5,834,728)
Net cash used in investing activities	(2,129,627)	(18,003,602)
Cash flows from financing activities:		
Additions to charitable gift annuity and remainder trust agreements	621,000	1,535,801
Payments on charitable gift annuity and remainder trust agreements	(4,187,369)	(3,533,121)
Contributions and income restricted for permanent endowments	14,052,471	11,556,662
Net cash provided by financing activities	10,486,102	9,559,342
Net decrease in cash and cash equivalents	(2,680,692)	(22,120,539)
Cash and cash equivalents, beginning of year	3,458,003	25,578,542
Cash and cash equivalents, end of year	\$ 777,311	3,458,003

See accompanying notes to consolidated financial statements.



## OREGON STATE UNIVERSITY FOUNDATION

Consolidated Financial Statements

June 30, 2020 and 2019

### (1) Description of Organization and Summary of Significant Accounting Policies

#### (a) General

The Oregon State University Foundation (the Foundation) was incorporated in 1947 to encourage, receive, and administer gifts and bequests for the support of Oregon State University (the University). The Foundation is governed by a board of trustees, with a membership of 39 individuals at June 30, 2020.

During 1999, the Foundation implemented an agreement with the University to assume all fundraising responsibilities for the University. As a result, the Foundation has added to its investment management and fiduciary responsibilities those fundraising and related services, such as marketing, donor relations, and stewardship.

To strengthen services for alumni and friends and deepen their connection in support of Oregon State University, the members of the Oregon State University Alumni Association (the Alumni Association) voted to approve the Foundation becoming the sole member of the Alumni Association, effective July 1, 2017. While the Alumni Association will maintain its separate board of directors and will also maintain its existence as an independent Oregon nonprofit public benefit corporation, for financial statement purposes, the financial position and activities of the Alumni Association are consolidated with the Foundation beginning on July 1, 2017.

The Foundation is an organization exempt from taxation under Section 501(c)(3), 509(a)(1), and 170(b)(1)(a)(iv) of the Internal Revenue Code and is generally not subject to federal or state income taxes. However, the Foundation is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded, as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the consolidated financial statements taken as a whole.

#### (b) Basis of Accounting

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting.

#### (c) Basis of Presentation and Principles of Consolidation

The financial statements of the Foundation and operating affiliates and associates have been consolidated and all significant intercompany amounts and transactions have been eliminated. The operating affiliates and associates consist of the Alumni Association, Oregon 4-H Foundation, Trysting Tree Golf Club, Inc., 4238 Research Way, LLC, and The Beaver Caucus.

In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

- *Without donor restrictions* – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes, such as board-designated or quasi-endowments, by action of the board of trustees or may otherwise be limited by contractual agreements with outside parties. Unless otherwise designated, net assets

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without donor restrictions are used for the support of university programs and operations of the Foundation.

- *With donor restrictions* – Net assets with donor restrictions are subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire with the passage of time. Other donor-imposed restrictions are to maintain resources permanently. Such assets consist primarily of the Foundation’s permanent endowment funds. Generally, the donors of these assets permit the Foundation’s use of all or part of the investment return on these assets.

Revenue is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are generally reported as decreases in net assets without restrictions. Expirations of donor-imposed stipulations are reported as net assets released from donor restrictions.

#### **(d) Contributions and Pledges**

Contributions, including unconditional pledges and memberships, are recognized as revenue in the period received. Unconditional pledges that extend beyond one year are recorded at a discount rate as determined by the creditworthiness of the donor, which approximates fair value, and an allowance for doubtful accounts is established for those pledged contributions that have been identified as having potential collection problems. Conditional pledges are not recognized until they become unconditional; that is, when the donor-imposed conditions are substantially met. Contributions of assets other than cash are recorded at their estimated fair value on the date of gift.

#### **(e) Investments**

Investments in marketable debt and equity securities, mutual funds, partnerships, and real estate funds are stated at fair value. Collateralized mortgage obligations, directly held real estate, and other investments are stated at cost. Mortgage notes and contracts are initially recorded at face value and are collateralized by the associated real estate. Interest on mortgage notes receivable is recognized when earned. Mortgage notes and contracts are reviewed annually to assess credit risks. Uncollectible notes are written off upon approval of the board of trustees. As of June 30, 2020 and 2019, no mortgage notes or contracts were deemed to be uncollectible; therefore, no allowance for doubtful accounts was established.

Investment return, net of expenses, includes interest, dividends, and realized and unrealized gains and losses. Realized gains and losses from the sale of investments are computed based on the difference between the proceeds received and the carrying value of the asset. Unrealized gains and losses result from changes in the fair value of investments.

#### **(f) Pooled Investment Program**

The Foundation places certain investments with investment managers who invest the funds in an investment pool (Pooled Investment Program). Investment income and realized gains and losses on these pooled assets are allocated to the participating endowment funds. Each endowment fund is assigned a percentage of its prorated value to the fair value of all assets at the time of entry into or liquidation from the pool.

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#### **(g) Charitable Trusts Held outside the Foundation**

Charitable trusts held outside the Foundation are trusts established and administered by a donor or a third party. These trusts may be a lead, remainder, or perpetual trust. Charitable lead trusts are trusts established and funded by donors that provide distributions to the Foundation over a specified period. Lead trusts are measured at the present value of the future distributions expected to be received by the Foundation. The Foundation is also the recipient for charitable remainder trusts. Upon termination of a charitable remainder trust, the assets of the trust are transferred to the Foundation. These trusts are measured at their fair value. Perpetual trusts provide the Foundation the right, in perpetuity, to the income earned on the assets of the trust. The Foundation's beneficial interest in a perpetual trust is measured at fair value. Donors may restrict the use of lead, remainder, and perpetual trust contributions.

#### **(h) Property, Equipment, and Assets Held for Sale**

Real property, equipment, and assets held for sale are recorded at cost except for donated assets, which are recorded at fair value on the date of donation. Depreciation is computed for purchased operating equipment of the Foundation based on the straight-line method over the estimated useful lives of the related assets. Real property and equipment held for sale or held for transfer to the University are not depreciated.

The property and equipment held by the Alumni Association, Oregon 4-H Foundation, Trysting Tree Golf Club, Inc., 4238 Research Way, LLC, and The Beaver Caucus are depreciated over the estimated useful lives of the related assets.

Management reviews the carrying value of capitalized assets whenever events or changes in circumstances indicate that the carrying value of an asset group may not be recoverable. This review considers, among other factors, (1) the net realizable value of each major classification of assets, (2) the cash flow associated with the asset, and (3) significant changes in the extent or manner in which major assets are used. Management believes the carrying value of assets is recoverable.

Realized gains and losses from the sale or disposal of real property, equipment, and other assets are computed based on the difference between the proceeds received and the net carrying value of the asset.

#### **(i) Assets Held under Split-Interest Agreements**

Charitable gift annuity and remainder trust agreements require periodic payment of either the income earned or a fixed percentage of the assets to designated beneficiaries and terminate either at a specific time or upon the death of the designated individual. A liability for each gift annuity and remainder trust, where the Foundation is a trustee, is established and calculated as the present value of future payments to be made to the designated beneficiaries. Upon termination, the remaining assets of the annuity or remainder trust are then available for use by the Foundation in accordance with the donor's intent. The Foundation uses an actuarial approach to determine both the contribution and liability amounts to be recognized. For gift annuities and remainder trusts entered into by the Foundation during the year ended June 30, 2020, the discount rate varied between 1.2% and 2.6%; during the year ended June 30, 2019, the discount rate varied between 3.4% and 3.6%. The discount rate varied

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between 1.2% and 10.6% for the Foundation's entire portfolio of gift annuities and remainder trusts at June 30, 2020 and 2019.

**(j) Other Liabilities**

Other liabilities consist of accrued reimbursements payable to the University, payroll and related liabilities, deferred revenue, and other accrued operational expenses of the Foundation.

**(k) Use of Estimates**

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

**(l) Recently Issued Accounting Standards**

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of ASC Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to Topic 606 and (2) determining whether a contribution is conditional. The Foundation has adopted the standard effective July 1, 2019.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, affecting accounting for equity investments and certain presentation and disclosure requirements for financial instruments. The Foundation adopted this ASU on a prospective basis as of July 1, 2019. The primary impacts of adopting this standard for the Foundation were use of equity investment accounting for alternative investments, and change in valuation method for other investments from fair value to cost.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230); Restricted Cash*, which requires the amounts generally described as restricted cash and restricted cash equivalents to be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Foundation adopted ASU 2016-18 in 2020, and the provisions of the standard did not have a material impact on the cash flow statements.

In May 2014, the Financial Accounting Standards Board (FASB) issued ASC 606, *Revenue from Contracts with Customers*. ASC 606 provides a new, single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The Foundation is currently evaluating the impact of the standard, which is effective for the fiscal year beginning July 1, 2020, and the impact is not expected to be material to the financial statements as a whole.

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In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize a lease liability and a right-of-use asset for all lease obligations with exception to short-term leases. The lease liability will represent the lessee's obligation to make lease payments arising from the lease measured on a discounted basis, and the right-of-use asset will represent the lessee's right to use or control the use of a specified asset for a lease term. The lease guidance also simplifies accounting for sale-leaseback transactions. The Foundation is currently evaluating the impact of ASU No. 2016-02, which is effective for the fiscal year beginning on July 1, 2021, with retrospective application to the earliest presented period.

#### **(m) Reclassifications**

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

#### **(2) Cash and Cash Equivalents**

For purposes of the consolidated financial statements, the Foundation considers short-term cash investments and highly liquid debt instruments, if any, purchased with an original maturity of three months or less, to be cash equivalents except for amounts held as part for donor or trustee restrictions and amounts held in the investment portfolio.

The Foundation, on occasion, has short-term investments of cash, which may exceed depository insurance limits. The Foundation makes such investments with high-credit quality entities and has not incurred any credit-related losses.

#### **(3) Investments**

At June 30, 2020 and 2019, the fair and cost values of investments were as follows:

	2020		2019	
	Fair value	Cost or amortized cost	Fair value	Cost or amortized cost
Global equities	\$ 340,625,760	271,579,934	328,832,470	267,928,163
Global fixed income	106,373,047	107,127,778	107,811,788	108,166,673
Absolute return	65,511,482	57,527,346	71,924,378	65,703,716
Real assets	40,745,005	50,474,807	60,060,859	61,706,573
Private equity partnerships	112,032,434	88,694,369	94,507,817	71,972,997
Investment receivable	140,824	140,824	302,502	302,502
Investment income receivable	(91,020)	(91,020)	73,554	73,554
Real estate, mortgages, and other	— (a)	9,006,507	15,028,911	14,653,508
Cash equivalents	46,443,743	46,443,743	22,482,683	22,482,683
Total investments	\$ 711,781,275	630,904,288	701,024,962	612,990,369

(a) These investments do not list a fair value in the current year section of the table as they are now accounted for at cost due to the adoption of ASU 2016-01.

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### Consolidated Financial Statements

June 30, 2020 and 2019

At June 30, 2020 and 2019, the Foundation had \$467,038,494 and \$459,572,472, respectively, in investments with underlying investments that are not readily marketable that are held at fair value. These investments, which the Foundation refers to as alternative investments, include diversified arbitrage, distressed, and mezzanine debt, real estate, and private equity. Such investments represent approximately 65% and 66% of the total investments and approximately 60% and 60% of net assets at June 30, 2020 and 2019, respectively. As of June 30, 2020, after the adoption of ASU 2016-01, the Foundation had real estate held for investment and other investments of \$9,006,507, which are stated at cost rather than fair value, as utilized in prior periods.

These investment instruments may contain elements of both credit and market risk. Such risks include, but are not limited to, limited liquidity, absence of regulatory oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and nonmarketable investments), and nondisclosure of full portfolio composition. Because these investments are not readily marketable, their estimated values are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such differences could be significant. Included in investment expenses are internal costs of the endowment, which supports the development activities and ongoing operations of the Foundation.

#### **(4) Endowment and Quasi-Endowment Funds**

The Foundation's endowment pool at June 30, 2020 and 2019 consists of 2,411 and 2,341 individual funds established for a variety of purposes, respectively. The Foundation's endowment includes contributed funds to be maintained in perpetuity, donor-restricted funds contributed for a specific purpose or term, and funds designated by the board of trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

##### **(a) Board Interpretation of Relevant Law**

The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies the following amounts as net assets with donor restrictions: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not required to be held in perpetuity, consisting of accumulated investment gains and losses, which are included in net assets with donor restrictions, is classified as such until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund
- b. The purposes of the Foundation and the donor-restricted endowment fund

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- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the Foundation
- g. The investment policies of the Foundation

Donor-restricted endowment funds are consolidated under the Pooled Investment Program. In addition to these funds, net assets with donor restrictions contains split-interest agreements (charitable gift annuities and remainder trusts) where the Foundation is the trustee. Donors may also establish split-interest agreements held outside the Foundation. The nonpooled endowments consist of real estate, note receivables, pledges, and equity interests outside the Pooled Investment Program. At the point proceeds are realized from these annuities, trusts, and nonpooled investments, they are transferred to the Pooled Investment Program unless otherwise designated by the donor.

Endowments by net asset classification by type of fund as of June 30, 2020 are as follows:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ —	587,659,139	587,659,139
Board-designated endowment funds	29,892,889	—	29,892,889
Assets held under split-interest agreements	—	22,792,205	22,792,205
Charitable trusts held outside the Foundation	—	11,913,354	11,913,354
Nonpooled endowment funds	—	11,827,341	11,827,341
Total endowment funds	<u>\$ 29,892,889</u>	<u>634,192,039</u>	<u>664,084,928</u>

Endowments by net asset classification by type of fund as of June 30, 2019 are as follows:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ —	572,373,829	572,373,829
Board-designated endowment funds	31,175,737	—	31,175,737
Assets held under split-interest agreements	—	24,629,022	24,629,022
Charitable trusts held outside the Foundation	—	12,302,029	12,302,029
Nonpooled endowment funds	—	13,870,857	13,870,857
Total endowment funds	<u>\$ 31,175,737</u>	<u>623,175,737</u>	<u>654,351,474</u>

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Changes in endowments by net asset classification for the fiscal years ended June 30, 2020 and 2019 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, end of the year, June 30, 2018	\$ 31,194,711	598,386,703	629,581,414
Investment return:			
Interest and dividends	—	7,456,874	7,456,874
Realized and unrealized gains	187,645	28,059,039	28,246,684
Contributions	106,833	34,784,721	34,891,554
Appropriation of endowment assets for expenditure	(135)	(45,835,060)	(45,835,195)
Change in value of assets held under split-interest agreements	—	(156,371)	(156,371)
Other changes	<u>(313,317)</u>	<u>479,831</u>	<u>166,514</u>
Endowment net assets, end of the year, June 30, 2019	31,175,737	623,175,737	654,351,474
Investment return:			
Interest and dividends	—	5,083,849	5,083,849
Realized and unrealized gains	(909,508)	14,667,314	13,757,806
Contributions	310,316	31,140,239	31,450,555
Appropriation of endowment assets for expenditure	(3,567)	(42,001,116)	(42,004,683)
Change in value of assets held under split-interest agreements	—	(1,848,586)	(1,848,586)
Other changes	<u>(680,089)</u>	<u>3,974,602</u>	<u>3,294,513</u>
Endowment net assets, end of the year, June 30, 2020	<u>\$ 29,892,889</u>	<u>634,192,039</u>	<u>664,084,928</u>

Underwater endowment amounts were \$17,067,734 and \$11,136,280, along with the corresponding original gift amounts of \$188,201,141 and \$120,203,884 as of June 30, 2020 and 2019, respectively.

**(b) Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for pooled endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce above-average, long-term total returns as measured against specific indexes within each investment asset allocation.



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### **(c) 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 monetarily on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

### **(d) Pooled Investment Program Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation has a policy of appropriating for distribution each year 4% of its pooled endowment fund's average fair value over the prior 12 quarters through the quarter-end that precedes the quarter in which the distribution occurs. In establishing this policy, the Foundation considered the long-term expected return on its endowment and its 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 returns. Spending distributions are monitored and potentially limited for individual endowment accounts if the fair value of that account is less than the corpus.

## **(5) Fair Value Measurements**

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

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active

Level 3 – Inputs that are unobservable

Inputs are used in applying valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Other inputs may include liquidity factors and broad credit data. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Specific investments in the Foundation's portfolio have been classified within Level 3, as their values are based on unobservable inputs and they trade infrequently or not at all. For investments not traded on organized exchanges, fair value estimates are provided by investment managers. For applicable investments, manager-reported net asset value (NAV) is used as a practical expedient to estimate fair value. For investments where no NAV is available, and thus remain in Level 3, the market approach or the income approach is used to estimate the fair value of such Level 3 instruments. Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of net present value of estimated future cash flows, adjusted as appropriate for market and/or other risk factors.

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The following table presents the investments included on the consolidated statements of financial position by levels within valuation hierarchy as of June 30, 2020:

	<b>Assets at fair value as of June 30, 2020</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Pooled Investment Program:				
Global equities	\$ 147,040,636	—	—	147,040,636
Global fixed income	15,468,998	—	—	15,468,998
Real assets	16,977,366	—	—	16,977,366
Investment and income receivable	39,764	—	—	39,764
Cash equivalents	45,750,462	—	—	45,750,462
Assets held under split-interest agreements:				
U.S. equity funds	14,856,700	—	—	14,856,700
International funds	10,454,653	—	—	10,454,653
Real estate funds	6,928,210	—	—	6,928,210
Fixed income funds	16,697,908	—	—	16,697,908
Cash equivalents	1,560,864	—	—	1,560,864
Total pooled investments	<u>275,775,561</u>	<u>—</u>	<u>—</u>	<u>275,775,561</u>
Charitable trusts held outside the Foundation	—	—	14,460,849	14,460,849
Other nonpooled investments:				
Global equities	12,182,531	—	—	12,182,531
Global fixed income	6,595,953	—	—	6,595,953
Investment income receivable	(6,210)	—	—	(6,210)
Cash equivalents	693,281	—	—	693,281
Total nonpooled investments	<u>19,465,555</u>	<u>—</u>	<u>14,460,849</u>	<u>33,926,404</u>
Real estate held for investment and other investments measured at cost				10,053,558
Investments measured at NAV				<u>467,038,494</u>
Total assets at fair value	<u>\$ 295,241,116</u>	<u>—</u>	<u>14,460,849</u>	<u>786,794,017</u>

Upon adoption of ASU 2016-01, *Financial Instruments*, the Foundation elected an accounting policy to record non-equity interest investments at cost, rather than fair value. These investments consisting of real estate held for investment, and mortgages and contracts are included in the table above for internal consistency purposes and are not held at fair value.

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The following table presents the investments included on the consolidated statements of financial position by levels within valuation hierarchy as of June 30, 2019:

	<b>Assets at fair value as of June 30, 2019</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Pooled investment program:				
Global equities	\$ 154,406,950	—	—	154,406,950
Global fixed income	31,776,578	—	—	31,776,578
Real assets	17,387,102	—	—	17,387,102
Investment and income receivable	59,372	—	—	59,372
Cash equivalents	22,481,538	—	—	22,481,538
Assets held under split-interest agreements:				
Us equity funds	16,178,436	—	—	16,178,436
International funds	10,992,740	—	—	10,992,740
Real estate funds	7,360,087	—	—	7,360,087
Fixed income funds	17,021,538	—	—	17,021,538
Mortgages and contracts	—	—	1,047,051	1,047,051
Cash equivalents	1,605,489	—	—	1,605,489
Total pooled investments	<u>279,269,830</u>	<u>—</u>	<u>1,047,051</u>	<u>280,316,881</u>
Charitable trusts held outside the Foundation	—	—	15,021,243	15,021,243
Real estate held for investment	—	—	13,554,297	13,554,297
Mortgages and contracts	—	—	685,227	685,227
Other nonpooled investments**				
Global equities	9,507,149	—	—	9,507,149
Global fixed income	5,498,793	—	—	5,498,793
Investment income receivable	14,182	—	—	14,182
Other	319,681	—	469,706	789,387
Cash equivalents	1,145	—	—	1,145
Total nonpooled investments	<u>15,340,950</u>	<u>—</u>	<u>29,730,473</u>	<u>45,071,423</u>
Investments measured at NAV	<u>—</u>	<u>—</u>	<u>—</u>	<u>444,863,242</u>
Total assets at fair value	<u>\$ 294,610,780</u>	<u>—</u>	<u>30,777,524</u>	<u>770,251,546</u>

Charitable trusts held outside the Foundation are carried on the consolidated statements of financial position and are measured at fair value using Level 3 unobservable inputs.

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The following table presents a rollforward of the amounts for the year ended June 30, 2020 for the investments classified within Level 3:

Investments of the Foundation:	
Balance at June 30, 2019	\$ 30,777,524
Adjustment to cost valuation methodology	(15,756,281)
Purchases/issuances	371,000
Sales/settlements	(451,013)
Total net losses for the period	<u>(480,381)</u>
Balance at June 30, 2020	<u>\$ 14,460,849</u>

The following table presents a rollforward of the amounts for the year ended June 30, 2019 for the investments classified within Level 3:

Investments of the Foundation:	
Balance at June 30, 2018	\$ 44,864,471
Purchases/issuances	1,276,083
Sales/settlements	(13,915,751)
Total net losses for the period	<u>(1,447,279)</u>
Balance at June 30, 2019	<u>\$ 30,777,524</u>

The following table presents information for investments where the NAV was used as a practical expedient to measure fair value at June 30, 2020 and 2019:

	Fair value		Redemption frequency	Redemption notice period
	2020	2019		
Global equities	\$ 181,402,593	165,597,989	Weekly–quarterly	3–90 Days
Global fixed income	84,308,097	70,536,418	Daily–quarterly	5–60 Days
Absolute return	65,527,732	71,547,261	Monthly–annually	45–100 Days
Real assets	13,442,152	28,373,353	Monthly	5–30 Days
Private equity partnerships	<u>43,728,590</u>	<u>30,217,045</u>	Quarterly	90 Days
Total	<u>\$ 388,409,164</u>	<u>366,272,066</u>		

The Foundation holds investments in private equity and real asset limited partnerships, where NAV was used as a practical expedient to measure fair value at June 30, 2020 and 2019. These partnerships do not allow for periodic redemptions, but rather liquidate upon the termination date as stated in the partnership agreement. At June 30, 2020, \$68,303,844 of private equity partnerships and \$10,325,486 of real assets had termination dates that ranged from 2020 to 2028. At June 30, 2019, \$64,290,772 of private equity partnerships and \$14,300,404 of real assets had termination dates that ranged from 2019 to 2028.

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#### (6) Derivative Instruments

The Foundation has executed master netting arrangements with the counterparties of the futures purchase and sale contracts whereby the financial instruments held by the same counterparty are legally offset as the instruments are settled. The following table presents gross investment derivative assets and liabilities reported on a net basis at fair value included in investments in the consolidated statement of financial position as of June 30:

	2020	2019
Derivative assets		
Futures contracts	\$ 12,360,800	17,694,360
Total derivative assets	\$ 12,360,800	17,694,360
Derivative liabilities		
Futures contracts	\$ (12,360,800)	(17,694,360)
Total derivative liabilities	\$ (12,360,800)	(17,694,360)

#### (7) Pledges Receivable

Unconditional promises are included in the consolidated financial statements as pledges receivable and revenue in the appropriate net asset category. An allowance for uncollectible pledges is provided based upon management's judgment, including such factors as prior collections history, type of contribution, and nature of fundraising activity. Pledges are considered past due if payment is not received by the date due. Annual giving pledges are charged off upon the start of the subsequent year's campaign; the need for all other pledges is determined on a case-by-case basis.

Pledges receivable due in excess of one year are discounted between 3.75% and 6.75% based on past collection experience, which has indicated the creditworthiness of Oregon State University Foundation donors. The schedule of payments at June 30, 2020 and 2019 is as follows:

	2020	2019
In one year or less	\$ 15,268,139	13,477,931
Between one year and five years	16,393,503	19,536,708
More than five years	7,167,700	8,325,394
Total	38,829,342	41,340,033
Less:		
Allowance for uncollectible amounts	(293,563)	(514,769)
Discount to present value of future cash flows	(3,088,052)	(3,102,771)
Total reductions	(3,381,615)	(3,617,540)
Total pledges receivable, net	\$ 35,447,727	37,722,493

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**(8) Property and Equipment**

Property and equipment consist of the following at June 30:

	2020	2019
Operating assets:		
Land and structures	\$ 31,192,876	30,794,270
Equipment and other	3,377,741	3,338,133
	34,570,617	34,132,403
Less accumulated depreciation	(7,375,837)	(5,969,821)
Total property and equipment, net	\$ 27,194,780	28,162,582
Nonoperating assets:		
Land, structures, and timber held for sale	\$ 6,734,263	7,149,563
Total assets held for sale	\$ 6,734,263	7,149,563

Depreciation was \$1,512,254 and \$1,392,035 for the years ended June 30, 2020 and 2019, respectively.

**(9) Lease Commitments**

The Foundation leases office space, event space, and land under noncancelable operating leases expiring through October 2038. The Foundation has the option to renew certain leases at various terms and amounts. Future minimum lease payments under these leases are as follows:

Year ending June 30:	
2021	\$ 261,346
2022	247,151
2023	254,191
2024	261,467
2025	268,986
Thereafter	958,157
Total lease commitments	\$ 2,251,298

Total rent expense amounted to approximately \$278,035 and \$280,000 for the years ended June 30, 2020 and 2019, respectively, which is included in either direct university support or management, general, and development expense depending on the intended use.

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**(10) Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	<b>2020</b>	<b>2019</b>
Subject to expenditure for specified purposes:		
Facilities and equipment	\$ 24,199,650	22,773,006
Academic program support	47,292,330	43,830,425
Instruction and research	22,178,972	21,846,117
Student aid	21,659,559	21,424,645
Other activities	2,288,145	2,579,781
	<b>117,618,656</b>	<b>112,453,974</b>
Subject to passage of time:		
Facilities and equipment	5,426,273	5,642,072
Academic program support	31,298,538	33,973,009
Instruction and research	22,370,473	23,174,009
Student aid	24,850,098	26,174,188
Other activities	828,489	989,731
	<b>84,773,871</b>	<b>89,953,009</b>
Subject to organization spending policy and appropriation:		
Facilities and equipment	10,149,398	4,108,514
Academic program support	142,302,290	141,142,162
Instruction and research	169,487,597	171,263,221
Student aid	213,466,290	206,584,221
Foundation-controlled activities	8,282,186	8,524,169
	<b>543,687,761</b>	<b>531,622,287</b>
Total	<b>\$ 746,080,288</b>	<b>734,029,270</b>

**(11) Retirement Plan**

Employees of the Foundation participate in a money purchase retirement plan covering substantially all employees with at least one year of service and vest generally after four years of service. The Foundation is obligated to contribute 17% of all eligible employees' salaries, including the six-month period prior to eligibility, up to federal limits. The Foundation's contributions to the employee-directed accounts amounted to approximately \$2,431,000 and \$2,259,000 for the years ended June 30, 2020 and 2019, respectively.

**(12) Assets Held under Split-Interest Agreements**

The Foundation receives certain planned gift donations in the form of charitable gift annuities and remainder trusts.

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A charitable gift annuity is an arrangement between a donor and the Foundation in which the assets contributed by the donor are provided in exchange for a promise by the Foundation to pay a fixed amount for a period of time to the donor or designated beneficiary. Upon completion of the agreed term (usually the beneficiary's death), the remaining value of the gift annuity reverts to the Foundation to be used in accordance with the original annuity agreement.

The Foundation is also a remainderman and trustee to certain charitable remainder trusts. Assets contributed are established in a trust and invested. During the term of the trust, distributions are made to a designated beneficiary or beneficiaries. Upon the death of the beneficiary, the remaining assets revert to the Foundation to be used according to the donor's wishes.

At June 30, the fair value and cost of assets held under split-interest agreements were as follows:

	2020		2019	
	Fair value	Cost	Fair value	Cost
Gift annuities:				
Mutual funds:				
Small cap	\$ 387,912	237,383	392,911	180,774
Large cap	2,847,604	2,346,607	2,917,027	2,217,631
International	2,312,606	2,390,735	2,362,838	2,318,642
Real estate	1,644,598	1,709,961	1,612,227	1,500,169
High-quality/intermediate bonds	2,639,046	2,565,035	2,628,924	2,679,007
Mid-quality/intermediate bonds	1,024,644	1,136,288	1,024,321	1,074,816
Cash equivalents	228,718	228,718	257,800	257,800
Total gift annuities	<u>11,085,128</u>	<u>10,614,727</u>	<u>11,196,048</u>	<u>10,228,839</u>
Remainder trusts:				
Mutual funds:				
Small cap	1,982,221	1,591,305	2,263,658	1,546,085
Large cap	9,638,963	8,086,045	10,604,840	8,287,566
International	8,142,047	8,810,746	8,629,902	8,942,110
Real estate	5,283,612	5,713,799	5,747,860	5,356,375
High-quality/intermediate-long term	9,508,734	8,775,275	9,658,822	9,374,601
Mid-low quality/intermediate term	3,525,484	3,791,306	3,709,471	3,764,957
Mortgages and other	— (a)	1,047,051	1,047,051	1,047,051
Cash equivalents	1,332,146	1,332,146	1,347,689	1,347,689
Total remainder trusts	<u>39,413,207</u>	<u>39,147,673</u>	<u>43,009,293</u>	<u>39,666,434</u>
Total gift annuities and remainder trusts	<u>\$ 50,498,335</u>	<u>49,762,400</u>	<u>54,205,341</u>	<u>49,895,273</u>

(a) These investments do not list a fair value in the current year section of the table as they are now accounted for at cost due to the adoption of ASU 2016-01.



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As of June 30, 2020, after the adoption of ASU 2016-01, the Foundation had mortgages and contracts of \$1,047,051 which are stated at cost.

Obligations to beneficiaries under split-interest agreements at June 30 are as follows:

	<b>2020</b>	<b>2019</b>
Gift annuities	\$ 5,492,574	5,202,389
Remainder trusts	18,755,278	19,707,881
Total obligations under charitable gift annuities and remainder trusts	\$ 24,247,852	24,910,270

**(13) Functional Classification of Expenses**

The costs of program and supporting services activities have been summarized in the statements of activities. The expense analysis in the table below presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The financial statements report certain categories of expenses that are attributed to more than one program or support function. The expenses that are allocated include salaries, wages, and employee benefits, which are allocated on the basis of actual time spent on fundraising or general and administrative tasks. Other costs are classified in each functional category based on the underlying purpose of each transaction.

Year ended June 30, 2020				
	Direct university support	Development	Management and general	Total
Events	\$ —	533,676	434,623	968,299
Maintenance and repairs	—	17,185	870,316	887,501
Occupancy	—	—	272,743	272,743
Professional services	—	1,009,365	1,213,737	2,223,102
Restricted distributions	86,782,954	—	—	86,782,954
Salaries and benefits	—	14,886,775	7,391,540	22,278,315
Travel	—	559,950	166,001	725,951
All other	—	1,281,944	3,502,887	4,784,831
	\$ 86,782,954	18,288,895	13,851,847	118,923,696

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<b>Year ended June 30, 2019</b>				
	<b>Direct university support</b>	<b>Development</b>	<b>Management and general</b>	<b>Total</b>
Events	\$ —	643,463	629,231	1,272,694
Maintenance and repairs	—	81,969	555,996	637,965
Occupancy	—	—	1,259,264	1,259,264
Professional services	—	760,776	918,155	1,678,931
Restricted distributions	77,014,171	—	—	77,014,171
Salaries and benefits	—	14,534,767	7,205,714	21,740,481
Travel	—	685,189	227,261	912,450
All other	—	3,024,410	1,880,859	4,905,269
	<u>\$ 77,014,171</u>	<u>19,730,574</u>	<u>12,676,480</u>	<u>109,421,225</u>

**(14) Other Liabilities**

Other liabilities consist of the following at June 30, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Accounts payables	\$ 172,429	343,654
Accrued expenses	6,597,627	5,476,414
Accrued payroll and related liabilities	3,208,483	2,824,127
Deferred revenue	15,597	55,056
Other Foundation operational expenses	730,769	756,003
Total other liabilities	<u>\$ 10,724,905</u>	<u>9,455,254</u>

**(15) Liquidity and Availability**

The Foundation regularly monitors liquidity required to meet its operating needs, liabilities, and other obligations as they become due. The Foundation is substantially supported by management and advancement fees assessed on distributions from the endowment, gift fees, and support provided by the University. As the Foundation exists to benefit the University, the majority of the financial assets recorded by the Foundation are not available to support the Foundation's ongoing operating needs.

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation endeavors to operate with a balanced budget and maintains board-designated quasi-endowment funds, which are considered net assets without donor restrictions and available to provide support as needed.

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The following assets could readily be made available within one year of the date of the statement of financial position to meet general expenditures at June 30, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Accounts receivable	\$ 595,632	526,505
Cash and cash equivalents	777,311	3,458,003
Invested funds	10,102,309	9,516,332
Financial assets available to meet cash needs for general expenditures within one year	\$ 11,475,252	13,500,840

**(16) Commitments**

The Foundation periodically enters into commitments to invest into domestic and international private equity partnerships. As of June 30, 2020 and 2019, commitments in the amount of \$29,051,000 and \$21,663,000, respectively, are still outstanding. The remaining funds will be invested as calls are made by the partnerships. The Foundation has invested the remaining portion of the commitments, until required, in corporate obligations and marketable securities.

**(17) Related Party**

The University is a related party of the Foundation. During the years ended June 30, 2020 and 2019, the Foundation recorded \$23,387,008 and \$21,238,826, respectively, as other revenue for fundraising, investment management, and other related services performed for the University.

Direct university support, included in expenses, consisted of the following for the years ended June 30:

	<b>2020</b>	<b>2019</b>
Awards and scholarships	\$ 12,307,085	10,907,715
Capital programs	39,071,676	21,849,019
Instruction and research support	17,909,937	9,233,694
Other program support	15,818,929	30,466,393
Development support	1,675,327	4,557,350
Total direct university support	\$ 86,782,954	77,014,171

The amount payable or "due to" the University, including amounts in accrued expenses, totaled \$6,464,804 and \$5,414,157 as of June 30, 2020 and 2019, respectively, and is included in other liabilities in the consolidated statements of financial position.

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### **(18) Subsequent Events**

The Foundation has evaluated subsequent events and transactions that occurred after June 30, 2020 through September 28, 2020, the date the consolidated financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the outbreak of COVID-19 as a “public health emergency of international concern,” and on March 13, 2020, the President of the United States declared a state of national emergency. As a result of the outbreak there has been instability in consumer and investment markets. The Foundation is unable to predict future impacts of the virus on investment markets and funding sources, but believes it is well positioned to adapt to the changing environment.

## **SUPPLEMENTARY SCHEDULES**

## OREGON STATE UNIVERSITY FOUNDATION

## Consolidating Schedule of Financial Position

June 30, 2020

<b>Assets</b>	<b>Oregon State University Foundation</b>	<b>Oregon State University Alumni Association</b>	<b>Oregon 4-H Foundation</b>	<b>Trysting Tree</b>	<b>Consolidated</b>
Cash and cash equivalents	\$ (1,845,049)	523,564	1,753,981	344,815	777,311
Investments (including assets held for Oregon State University of \$46,486,841)	696,597,740	12,038,084	12,151,958	—	720,787,782
Pledges receivable, net	35,428,468	15,276	3,983	—	35,447,727
Property and equipment, net	15,576,871	5,942,630	3,395,083	2,280,196	27,194,780
Assets held for sale	6,730,418	—	3,845	—	6,734,263
Assets held under split-interest agreements	51,225,216	—	320,170	—	51,545,386
Charitable trusts held outside the Foundation	13,635,637	—	825,212	—	14,460,849
Other assets	2,677,699	488,184	—	21,170	3,187,053
Total assets	<u>\$ 820,027,000</u>	<u>19,007,738</u>	<u>18,454,232</u>	<u>2,646,181</u>	<u>860,135,151</u>
<b>Liabilities and Net Assets</b>					
Liabilities:					
Obligations under split-interest agreements	\$ 24,029,474	—	218,378	—	24,247,852
Endowment assets held for Oregon State University	46,486,841	—	—	—	46,486,841
Other liabilities	10,561,195	249,516	61,523	(147,329)	10,724,905
Total liabilities	<u>81,077,510</u>	<u>249,516</u>	<u>279,901</u>	<u>(147,329)</u>	<u>81,459,598</u>
Net assets:					
Without donor restrictions	15,208,128	17,387,137	—	—	32,595,265
With donor restrictions	723,741,362	1,371,085	18,174,331	2,793,510	746,080,288
Total net assets	<u>738,949,490</u>	<u>18,758,222</u>	<u>18,174,331</u>	<u>2,793,510</u>	<u>778,675,553</u>
Total liabilities and net assets	<u>\$ 820,027,000</u>	<u>19,007,738</u>	<u>18,454,232</u>	<u>2,646,181</u>	<u>860,135,151</u>

See accompanying independent auditors' report.

## OREGON STATE UNIVERSITY FOUNDATION

Consolidating Schedule of Activities

Year ended June 30, 2020

	Oregon State University Foundation	Oregon State University Alumni Association	Oregon 4-H Foundation	Trysting Tree	Total
Revenue, gains, and other support:					
Contributions	\$ 93,269,760	857,523	922,755	—	95,050,038
Investment returns, net of expenses	13,060,359	361,609	(456,981)	3,665	12,968,652
Other	20,213,763	2,761,256	102,213	1,237,077	24,314,309
Change in value of charitable annuities and trusts	(1,821,111)	—	(251,085)	—	(2,072,196)
Net assets released from restrictions and other transfers	(749,176)	70,057	689,119	(10,000)	—
	<u>123,973,595</u>	<u>4,050,445</u>	<u>1,006,021</u>	<u>1,230,742</u>	<u>130,260,803</u>
Expenses:					
Direct university support	84,605,049	45,000	808,882	1,324,023	86,782,954
Development	18,217,178	31,930	39,787	—	18,288,895
Management and general	8,725,065	4,861,306	265,476	—	13,851,847
	<u>111,547,292</u>	<u>4,938,236</u>	<u>1,114,145</u>	<u>1,324,023</u>	<u>118,923,696</u>
Change in net assets	12,426,303	(887,791)	(108,124)	(93,281)	11,337,107
Net assets, beginning of year	<u>726,523,187</u>	<u>19,646,013</u>	<u>18,282,455</u>	<u>2,886,791</u>	<u>767,338,446</u>
Net assets, end of year	<u>\$ 738,949,490</u>	<u>18,758,222</u>	<u>18,174,331</u>	<u>2,793,510</u>	<u>778,675,553</u>

See accompanying independent auditors' report.