



**OREGON STATE UNIVERSITY FOUNDATION**

Consolidated Financial Statements

June 30, 2019 and 2018

(With Independent Auditors' Report Thereon)

# OREGON STATE UNIVERSITY FOUNDATION

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KPMG LLP  
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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, 2019 and 2018, 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, 2019 and 2018, 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.



*Emphasis of Matter*

As discussed in Note 1 to the financial statements, in 2019, Oregon State University Foundation adopted new accounting guidance in accordance with Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958). Our opinion is not modified with respect to this matter.

*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 I and II 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 30, 2019

**OREGON STATE UNIVERSITY FOUNDATION**

Consolidated Statements of Financial Position

June 30, 2019 and 2018

<b>Assets</b>	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ 3,458,003	25,578,542
Investments (including assets held for Oregon State University of \$48,271,803 and \$47,975,757, respectively)	701,024,962	667,736,611
Pledges receivable, net	37,722,493	43,497,190
Property and equipment, net	28,162,582	13,152,099
Assets held-for-sale	7,149,563	5,559,327
Assets held under split-interest agreements	54,205,341	47,684,175
Charitable trusts held outside the Foundation	15,021,243	15,310,174
Other assets	3,231,586	3,524,553
Total assets	\$ <u>849,975,773</u>	<u>822,042,671</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Obligations under split-interest agreements	\$ 24,910,270	21,513,976
Endowment assets held for Oregon State University	48,271,803	47,975,757
Other liabilities	9,455,254	8,549,223
Total liabilities	<u>82,637,327</u>	<u>78,038,956</u>
Net assets:		
Without donor restrictions	33,309,176	27,454,577
With donor restrictions	734,029,270	716,549,138
Total net assets	<u>767,338,446</u>	<u>744,003,715</u>
Total liabilities and net assets	\$ <u>849,975,773</u>	<u>822,042,671</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)	—
	<b>115,275,824</b>	<b>17,480,132</b>	<b>132,755,956</b>
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
	<b>109,421,225</b>	<b>—</b>	<b>109,421,225</b>
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 Statement of Activities

Year ended June 30, 2018

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Revenue, gains, and other support:			
Contributions	\$ 1,530,727	79,455,264	80,985,991
Investment returns, net of expenses	4,648,803	39,073,881	43,722,684
Other	21,486,654	3,567,939	25,054,593
Contribution of Oregon State Alumni Association	11,126,757	6,305,163	17,431,920
Change in value of charitable annuities and trusts	—	2,485,356	2,485,356
Net assets released from restrictions and other transfers	75,146,167	(75,146,167)	—
	<u>113,939,108</u>	<u>55,741,436</u>	<u>169,680,544</u>
Expenses:			
Direct university support	72,970,147	—	72,970,147
Development	18,175,758	—	18,175,758
Management and general	13,032,131	—	13,032,131
	<u>104,178,036</u>	<u>—</u>	<u>104,178,036</u>
Change in net assets	9,761,072	55,741,436	65,502,508
Net assets, beginning of year	<u>17,693,505</u>	<u>660,807,702</u>	<u>678,501,207</u>
Net assets, end of year	<u>\$ 27,454,577</u>	<u>716,549,138</u>	<u>744,003,715</u>

See accompanying notes to consolidated financial statements.

**OREGON STATE UNIVERSITY FOUNDATION**

Consolidated Statements of Cash Flows

Years ended June 30, 2019 and 2018

	<b>2019</b>	<b>2018</b>
Cash flows from operating activities:		
Change in net assets	\$ 23,334,731	65,502,508
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Gain on investments	(31,252,771)	(43,230,904)
Noncash contributions	(16,602,401)	(18,866,410)
Proceeds from sale of noncash contributions	11,969,250	12,973,935
Investment losses (earnings) on charitable gift annuity and remainder trust agreements	967,753	(858,331)
Contribution of Oregon State University Alumni Association	—	(17,026,500)
Depreciation	1,392,035	912,123
Provision for unfulfilled pledges, net	26,942	(128,167)
Change in cash surrender value of life insurance	(6,312)	52,816
Net change in value of charitable gift annuities and trusts	(348,430)	8,371,914
Contributions and income restricted for permanent endowments	(11,556,662)	(27,139,265)
(Increase) decrease in cash due to changes in assets and liabilities:		
Charitable trusts held outside the Foundation	1,147,243	1,294,426
Endowment assets held for OSU	296,046	1,929,469
Pledges receivable	5,747,755	332,521
Other assets	302,511	(492,407)
Other liabilities	906,031	(3,877,287)
Net cash used in operating activities	<u>(13,676,279)</u>	<u>(20,249,559)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	238,694,756	224,694,984
Purchase of investments	(254,206,211)	(221,123,650)
Change in note receivable from sale of investments	2,967,581	2,323,698
Proceeds from disposal of property, equipment, and assets held-for-sale	375,000	—
Purchase of property, equipment, and assets held-for-sale	(5,834,728)	(1,424,621)
Net cash (used in) provided by investing activities	<u>(18,003,602)</u>	<u>4,470,411</u>
Cash flows from financing activities:		
Additions to charitable gift annuity and remainder trust agreements	1,535,801	1,400,500
Payments on charitable gift annuity and remainder trust agreements	(3,533,121)	(3,960,580)
Contributions and income restricted for permanent endowments	11,556,662	27,139,265
Net cash provided by financing activities	<u>9,559,342</u>	<u>24,579,185</u>
Net (decrease) increase in cash and cash equivalents	<u>(22,120,539)</u>	<u>8,800,037</u>
Cash and cash equivalents, beginning of year	<u>25,578,542</u>	<u>16,778,505</u>
Cash and cash equivalents, end of year	<u>\$ 3,458,003</u>	<u>25,578,542</u>

See accompanying notes to consolidated financial statements.



## OREGON STATE UNIVERSITY FOUNDATION

Consolidated Financial Statements

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### (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 41 individuals at June 30, 2019.

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 4500 Research Way, LLC.

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

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limited by contractual agreements with outside parties. Unless otherwise designated, net assets without donor restrictions are used for the support of university programs.

- *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 present value, which approximates fair value, and an allowance for doubtful accounts is established based on the prior collection history of pledged contributions. 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.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions and other transfers.

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

Investments in marketable debt and equity securities, collateralized mortgage obligations, mutual funds, partnerships, and real estate are stated at fair value. 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, 2019 and 2018, 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

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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.

### **(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 4500 Research Way, LLC 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 less than the estimated fair value.

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 to be used in accordance with the donor's intent. The Foundation uses an actuarial approach to determine both the contribution and

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liability amounts to be recognized. For gift annuities and remainder trusts entered into by the Foundation during the year ended June 30, 2019, the discount rate varied between 3.4% and 3.6%; during the year ended June 30, 2018, the discount rate varied between 2.4% and 2.6%. The discount rate varied between 1.2% and 10.6% for the Foundation's entire portfolio of gift annuities and remainder trusts at June 30, 2019 and 2018.

#### **(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 May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*. ASC Topic 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 ASC Topic 606, including the methods of implementation, which is effective for the fiscal year beginning July 1, 2019. The Foundation will adopt the standard prospectively, and the impact is not expected to be material to the consolidated financial statements as a whole.

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 amendments in the update are to be applied on a modified prospective basis and are effective for the Foundation's fiscal year beginning July 1, 2019. Early adoption is permitted. The Foundation is currently evaluating the extent of the anticipated impact of the adoption of ASU No. 2018-08.

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, 2020, with retrospective application to the earliest presented period.

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**(m) Implementation of New Accounting Standards**

The Foundation has implemented ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, for its fiscal year ending June 30, 2019. As a result of this ASU, the Foundation now presents two classes of net assets in its consolidated financial statements, instead of three: net assets without donor restrictions and net assets with donor restrictions. The new standard also required the presentation of underwater endowment funds to be moved to net assets with donor restrictions. The impact of this change on net assets can be seen in the following table:

	<b>2018</b>	<b>2017</b>
Unrestricted net assets at June 30, as previously reported	\$ 15,574,286	1,019,976
Underwater endowment funds	11,880,291	16,673,529
Net assets without donor restrictions at June 30, as adjusted	27,454,577	17,693,505
Temporarily restricted net assets at June 30, as previously reported	297,781,012	278,127,668
Permanently restricted net assets at June 30, as previously reported	430,648,417	399,353,563
Total restricted net assets at June 30, as previously reported	728,429,429	677,481,231
Underwater endowment funds	(11,880,291)	(16,673,529)
Net assets with donor restrictions at June 30, as adjusted	716,549,138	660,807,702
Total net assets at June 30, as adjusted	\$ 744,003,715	678,501,207

**(n) 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.

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.

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**(3) Investments**

At June 30, 2019 and 2018, the fair and cost values of investments were as follows:

	2019		2018	
	Fair value	Cost or amortized cost	Fair value	Cost or amortized cost
Global equities	\$ 328,832,470	267,928,163	314,745,445	257,947,700
Global fixed income	107,811,788	108,166,673	105,676,602	110,224,703
Absolute return	71,924,378	65,703,716	67,975,287	59,683,732
Real assets	60,060,859	61,706,573	29,755,963	31,190,398
Private equity partnerships	94,507,817	71,972,997	119,302,766	101,764,949
Investment receivable	302,502	302,502	415,992	415,992
Investment income receivable	73,554	73,554	612,049	612,049
Real estate held for investment	13,554,297	13,178,894	24,264,264	23,121,819
Cash and other	23,957,297	23,957,297	4,988,243	4,988,243
Total investments	\$ 701,024,962	612,990,369	667,736,611	589,949,585

At June 30, 2019 and 2018, the Foundation had \$459,572,472 and \$476,858,792, respectively, in investments with underlying investments that are not readily marketable. 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 66% and 71% of the total investments and approximately 60% and 64% of net assets at June 30, 2019 and 2018, respectively.

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.

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The following schedule summarizes the investment return and its presentation in the consolidated statements of activities at June 30:

	<u>2019</u>	<u>2018</u>
Interest, dividends, and other investment income	\$ 11,483,885	13,843,312
Net realized gains	21,005,205	23,661,638
Net unrealized gains	<u>10,247,566</u>	<u>19,569,266</u>
Total investment return	42,736,656	57,074,216
Total investment expenses	<u>(12,696,737)</u>	<u>(13,351,532)</u>
Investment return, net of expenses	<u>\$ 30,039,919</u>	<u>43,722,684</u>

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

The Foundation's endowment pool at June 30, 2019 and 2018 consists of 2,341 and 2,282 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
- c. General economic conditions
- d. The possible effect of inflation and deflation

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- 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 investments 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, 2019 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
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 investments	—	13,870,857	13,870,857
Total endowment funds	<u>\$ 31,175,737</u>	<u>623,175,737</u>	<u>654,351,474</u>

Endowments by net asset classification by type of fund as of June 30, 2018 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	548,965,914	548,965,914
Board-designated endowment funds	31,194,711	—	31,194,711
Assets held under split-interest agreements	—	22,239,871	22,239,871
Charitable trusts held outside the Foundation	—	12,396,955	12,396,955
Nonpooled investments	—	14,783,963	14,783,963
Total endowment funds	<u>\$ 31,194,711</u>	<u>598,386,703</u>	<u>629,581,414</u>



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Changes in endowments by net asset classification for the fiscal years ended June 30, 2019 and 2018 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, 2017	\$ 11,908,409	560,828,808	572,737,217
Adjustment to opening balance for underwater endowments reclassification	16,673,529	(16,673,529)	—
Investment return:			
Interest and dividends	—	9,287,249	9,287,249
Realized and unrealized gains	1,185,882	42,050,987	43,236,869
Contributions	108,169	44,340,768	44,448,937
Appropriation of endowment assets for expenditure	(75,253)	(43,711,458)	(43,786,711)
Change in value of assets held under split-interest agreements	—	482,454	482,454
Other changes	<u>1,393,975</u>	<u>1,781,424</u>	<u>3,175,399</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	<u>\$ 31,175,737</u>	<u>623,175,737</u>	<u>654,351,474</u>

Underwater endowment amounts were \$11,136,280 and \$11,880,291, along with the corresponding original gift amounts of \$120,203,884 and \$122,916,438 as of June 30, 2019 and 2018, 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

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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.

### **(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

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income approach generally consists of net present value of estimated future cash flows, adjusted as appropriate for market and/or other risk factors.

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	\$ 226,111,540	—	—	226,111,540
Assets held under split-interest agreements	53,158,290	—	1,047,051	54,205,341
Total pooled investments	279,269,830	—	1,047,051	280,316,881
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	15,340,950	—	469,706	15,810,656
Total nonpooled investments	15,340,950	—	29,730,473	45,071,423
Investments measured at NAV				444,863,242
Total assets at fair value	\$ <u>294,610,780</u>	<u>—</u>	<u>30,777,524</u>	<u>770,251,546</u>

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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, 2018:

	<b>Assets at fair value as of June 30, 2018</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Pooled Investment Program	\$ 175,626,635	—	—	175,626,635
Assets held under split-interest agreements	46,637,124	—	1,047,051	47,684,175
Total pooled investments	222,263,759	—	1,047,051	223,310,810
Charitable trusts held outside the Foundation	—	—	15,310,174	15,310,174
Investment property	—	—	24,264,265	24,264,265
Mortgages and contracts	—	—	3,787,286	3,787,286
Other nonpooled investments	15,251,184	—	455,695	15,706,879
Total nonpooled investments	15,251,184	—	43,817,420	59,068,604
Investments measured at NAV				448,351,546
Total assets at fair value	\$ 237,514,943	—	44,864,471	730,730,960

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.

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>

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The following table presents a rollforward of the amounts for the year ended June 30, 2018 for the investments classified within Level 3:

Investments of the Foundation:	
Balance at June 30, 2017	\$ 41,480,691
Purchases/issuances	7,046,067
Sales/settlements	(3,446,731)
Total net losses for the period	<u>(215,556)</u>
Balance at June 30, 2018	<u>\$ 44,864,471</u>

The following table presents information for investments where the NAV was used as a practical expedient to measure fair value at June 30, 2019 and 2018:

	Fair value		Redemption frequency	Redemption notice period
	2019	2018		
Global equities	\$ 165,597,989	170,990,079	Weekly–quarterly	5–90 Days
Global fixed income	70,536,418	68,792,893	Weekly–quarterly	5–60 Days
Absolute return	71,547,261	68,391,279	Monthly–biennially	30–180 Days
Real assets	28,373,353	5,000,000	Daily–monthly	5–30 Days
Private equity partnerships	<u>30,217,045</u>	<u>62,175,576</u>	Quarterly	90 Days
Total	<u>\$ 366,272,066</u>	<u>375,349,827</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, 2019 and 2018. These partnerships do not allow for periodic redemptions, but rather liquidate upon the termination date as stated in the partnership agreement. 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. At June 30, 2018, \$57,127,190 of private equity partnerships and \$15,874,529 of real assets had termination dates that ranged from 2018 to 2028.

#### (6) Pledges Receivable

Unconditional promises are included in the consolidated financial statements as pledges receivable and revenue in the appropriate net asset category. The allowance for uncollectible pledges is charged to net assets in an amount sufficient to maintain the allowance for losses at a level considered adequate to cover estimated credit losses. 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.

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Pledges receivable due in excess of one year are discounted between 0.70% and 4.60% depending upon the year and month the pledge receivable was recorded. The discounts on these accounts are computed using the five-year U.S. Treasury Securities interest rate applicable to the year and month in which the pledge is initially received. The schedule of payments at June 30, 2019 and 2018 is as follows:

	<b>2019</b>	<b>2018</b>
In one year or less	\$ 13,477,931	13,389,854
Between one year and five years	19,536,708	24,030,132
More than five years	8,325,394	9,907,500
Total	41,340,033	47,327,486
Less:		
Allowance for uncollectible amounts	(514,769)	(487,828)
Discount to present value of future cash flows	(3,102,771)	(3,342,468)
Total reductions	(3,617,540)	(3,830,296)
Total pledges receivable, net	\$ 37,722,493	43,497,190

**(7) Property and Equipment**

Property and equipment consist of the following at June 30:

	<b>2019</b>	<b>2018</b>
Operating assets:		
Land and structures	\$ 30,794,270	15,568,254
Equipment and other	3,338,133	1,834,754
	34,132,403	17,403,008
Less accumulated depreciation	(5,969,821)	(4,250,909)
Total property and equipment, net	\$ 28,162,582	13,152,099
Nonoperating assets:		
Land, structures, and timber held-for-sale	\$ 7,149,563	5,559,327
Total assets held-for-sale	\$ 7,149,563	5,559,327

Depreciation was \$1,392,035 and \$912,123 for the years ended June 30, 2019 and 2018, respectively.

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**(8) Lease Commitments**

Leases as lessee:

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:		
2020	\$	280,368
2021		226,006
2022		245,628
2023		254,191
2024		261,467
Thereafter		<u>1,227,144</u>
Total lease commitments	\$	<u><u>2,494,804</u></u>

Total rent expense amounted to approximately \$280,000 and \$803,000 for the years ended June 30, 2019 and 2018, respectively, which is included in either direct university support or management, general, and development expense depending on the intended use.

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

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

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purposes:		
Facilities and equipment	\$ 11,066,538	26,683,967
Academic program support	98,022,494	86,632,903
Instruction and research	433,410	99,075
Student aid	2,271,307	2,090,416
Other activities	<u>660,225</u>	<u>546,243</u>
	<u>112,453,974</u>	<u>116,052,604</u>
Subject to passage of time:		
Facilities and equipment	7,265,472	8,066,944
Academic program support	31,344,260	30,214,947
Instruction and research	30,556,998	30,491,947
Student aid	19,098,046	21,713,540
Other activities	<u>1,688,233</u>	<u>1,996,655</u>
	<u>89,953,009</u>	<u>92,484,033</u>

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	<u>2019</u>	<u>2018</u>
Subject to organization spending policy and appropriation:		
Facilities and equipment	\$ 11,088,949	10,178,881
Academic program support	39,141,541	49,071,799
Instruction and research	437,585,326	407,892,504
Student aid	29,487,427	27,311,115
Other activities	14,319,044	13,558,202
	<u>531,622,287</u>	<u>508,012,501</u>
Total	<u>\$ 734,029,270</u>	<u>716,549,138</u>

**(10) 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 \$2,259,000 and \$2,190,000 for the years ended June 30, 2019 and 2018, respectively.

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

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

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.



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

	<u>2019</u>		<u>2018</u>	
	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>
Gift annuities:				
Mutual funds:				
Small cap	\$ 392,911	180,774	452,063	191,780
Large cap	2,917,027	2,217,631	3,043,907	2,131,989
International	2,362,838	2,318,642	1,532,623	1,286,540
Real estate	1,612,227	1,500,169	1,634,196	1,494,581
High-quality/intermediate bonds	2,628,924	2,679,007	4,387,864	4,475,419
Mid-quality/intermediate bonds	1,024,321	1,074,816	1,158,295	1,219,624
Cash and equivalents	<u>257,800</u>	<u>257,800</u>	<u>—</u>	<u>—</u>
Total gift annuities	<u>11,196,048</u>	<u>10,228,839</u>	<u>12,208,948</u>	<u>10,799,933</u>
Remainder trusts:				
Mutual funds:				
Small cap	2,263,658	1,546,085	2,040,997	1,153,003
Large cap	10,604,840	8,287,566	9,251,263	6,533,491
International	8,629,902	8,942,110	4,199,863	3,959,484
Real estate	5,747,860	5,356,375	4,484,572	4,321,630
High-quality/intermediate bonds	9,658,822	9,374,601	11,346,115	11,356,728
Mid-quality/intermediate bonds	3,709,471	3,764,957	3,105,366	3,235,035
Other	1,047,051	1,047,051	1,047,051	1,047,051
Cash and equivalents	<u>1,347,689</u>	<u>1,347,689</u>	<u>—</u>	<u>—</u>
Total remainder trusts	<u>43,009,293</u>	<u>39,666,434</u>	<u>35,475,227</u>	<u>31,606,422</u>
Total gift annuities and remainder trusts	<u>\$ 54,205,341</u>	<u>49,895,273</u>	<u>47,684,175</u>	<u>42,406,355</u>

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

	<u>2019</u>	<u>2018</u>
Gift annuities	\$ 5,202,389	5,719,431
Remainder trusts	<u>19,707,881</u>	<u>15,794,545</u>
Total obligations under charitable gift annuities and remainder trusts	<u>\$ 24,910,270</u>	<u>21,513,976</u>

**(12) 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

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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.

<b>Year ended June 30, 2019</b>				
	<b>Direct university support</b>	<b>Development</b>	<b>Management and general</b>	<b>Total</b>
Board commitments	\$ 1,457,640	—	—	1,457,640
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	75,556,531	—	—	75,556,531
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>

<b>Year ended June 30, 2018</b>				
	<b>Direct university support</b>	<b>Development</b>	<b>Management and general</b>	<b>Total</b>
Board commitments	\$ 1,365,237	—	—	1,365,237
Events	—	711,280	752,992	1,464,272
Maintenance and repairs	—	187,202	460,122	647,324
Occupancy	—	—	1,024,398	1,024,398
Professional services	—	806,419	1,421,289	2,227,708
Restricted distributions	71,604,910	—	—	71,604,910
Salaries and benefits	—	12,961,947	6,949,638	19,911,585
Travel	—	693,433	210,025	903,458
All other	—	2,815,477	2,213,667	5,029,144
	<u>\$ 72,970,147</u>	<u>18,175,758</u>	<u>13,032,131</u>	<u>104,178,036</u>

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**(13) Other Liabilities**

Other liabilities consist of the following at June 30, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Accounts payables	\$ 343,654	1,972,913
Accrued expenses	5,476,414	3,153,847
Accrued payroll and related liabilities	2,824,127	2,367,599
Deferred revenue	55,056	276,429
Other Foundation operational expenses	756,003	778,435
Total other liabilities	\$ 9,455,254	8,549,223

**(14) 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 twelve 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.

The Foundation's budget for fiscal year 2020 includes \$28,086,199 in revenue sources. These amounts are available to be used for general expenditures. The following assets could readily be made available within one year of the date of the statement of financial position to meet general expenditures:

	<b>June 30, 2019</b>
Accounts receivable	\$ 526,505
Cash and equivalents	3,458,003
Invested funds	9,516,332
Financial assets available to meet cash needs for general expenditures within one year	\$ 13,500,840

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#### (15) Commitments

During the year ended June 30, 2002, the Foundation entered into a commitment to invest \$10,000,000 into domestic and international private equity partnerships. The Foundation has continued to make investments in similar vehicles since that time. As of June 30, 2019 and 2018, commitments in the amount of \$21,663,000 and \$26,630,000, 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.

#### (16) Related Party

The University is a related party of the Foundation. During the years ended June 30, 2019 and 2018, the Foundation recorded \$21,238,826 and \$19,003,071, 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:

	<u>2019</u>	<u>2018</u>
Awards and scholarships	\$ 10,907,715	10,177,410
Capital programs	21,849,019	18,364,776
Instruction and research support	9,233,694	19,421,790
Other program support	30,466,393	18,589,286
Development support	<u>4,557,350</u>	<u>6,416,885</u>
Total direct university support	<u>\$ 77,014,171</u>	<u>72,970,147</u>

The amount payable or "due to" the University, including amounts in accrued expenses, totaled \$5,414,157 and \$3,055,237 as of June 30, 2019 and 2018, respectively.

#### (17) Subsequent Events

The Foundation has evaluated subsequent events and transactions that occurred after June 30, 2019 through September 30, 2019, the date the consolidated financial statements were available to be issued.

## **SUPPLEMENTARY SCHEDULES**

## OREGON STATE UNIVERSITY FOUNDATION

## Consolidating Schedule of Financial Position

June 30, 2019

<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	\$ (476,058)	1,797,058	1,856,700	280,303	3,458,003
Investments (including assets held for Oregon State University of \$48,271,803)	677,304,049	11,402,618	12,318,295	—	701,024,962
Pledges receivable, net	37,701,433	15,311	5,749	—	37,722,493
Property and equipment, net	16,051,420	6,317,801	3,274,556	2,518,805	28,162,582
Assets held-for-sale	7,145,718	—	3,845	—	7,149,563
Assets held under split-interest agreements	54,150,358	—	54,983	—	54,205,341
Charitable trusts held outside the Foundation	14,178,221	—	843,022	—	15,021,243
Other assets	2,853,658	363,070	—	14,858	3,231,586
Total assets	<u>\$ 808,908,799</u>	<u>19,895,858</u>	<u>18,357,150</u>	<u>2,813,966</u>	<u>849,975,773</u>
<b>Liabilities and Net Assets</b>					
Liabilities:					
Obligations under split-interest agreements	\$ 24,835,575	—	74,695	—	24,910,270
Endowment assets held for Oregon State University	48,271,803	—	—	—	48,271,803
Other liabilities	9,278,234	249,845	—	(72,825)	9,455,254
Total liabilities	<u>82,385,612</u>	<u>249,845</u>	<u>74,695</u>	<u>(72,825)</u>	<u>82,637,327</u>
Net assets:					
Without donor restrictions	14,821,233	18,487,943	—	—	33,309,176
With donor restrictions	711,701,954	1,158,070	18,282,455	2,886,791	734,029,270
Total net assets	<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>
Total liabilities and net assets	<u>\$ 808,908,799</u>	<u>19,895,858</u>	<u>18,357,150</u>	<u>2,813,966</u>	<u>849,975,773</u>

See accompanying independent auditors' report.

**OREGON STATE UNIVERSITY FOUNDATION**

Consolidating Statement of Activities

Year ended June 30, 2019

	<b>Oregon State University Foundation</b>	<b>Oregon State University Alumni Association</b>	<b>Oregon 4-H Foundation</b>	<b>Trysting Tree</b>	<b>Total</b>
Revenue, gains, and other support:					
Contributions	\$ 74,728,548	828,267	1,158,911	26,800	76,742,526
Investment returns, net of expenses	30,334,338	1,021,659	116,268	(1,432,346)	30,039,919
Other	21,284,537	2,764,686	187,283	1,196,482	25,432,988
Change in value of charitable annuities and trusts	540,630	—	(107)	—	540,523
Net assets released from restrictions and other transfers	(767,333)	274,605	517,728	(25,000)	—
	<u>126,120,720</u>	<u>4,889,217</u>	<u>1,980,083</u>	<u>(234,064)</u>	<u>132,755,956</u>
Expenses:					
Direct university support	75,765,607	121,343	1,127,221	—	77,014,171
Development	19,696,205	8,081	23,224	3,064	19,730,574
Management and general	7,947,974	4,590,244	138,262	—	12,676,480
	<u>103,409,786</u>	<u>4,719,668</u>	<u>1,288,707</u>	<u>3,064</u>	<u>109,421,225</u>
Change in net assets	22,710,934	169,549	691,376	(237,128)	23,334,731
Net assets, beginning of year	<u>703,812,253</u>	<u>19,476,464</u>	<u>17,591,079</u>	<u>3,123,919</u>	<u>744,003,715</u>
Net assets, end 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>

See accompanying independent auditors' report.