



OREGON STATE UNIVERSITY FOUNDATION

Consolidated Financial Statements

June 30, 2022 and 2021

(With Independent Auditors' Report Thereon)

OREGON STATE UNIVERSITY FOUNDATION

Table of Contents

	Page(s)
Independent Auditors' Report	1-2
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4-5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-26
Supplementary Schedules	
Schedule 1 – Consolidating Schedule of Financial Position – June 30, 2022	27
Schedule 2 – Consolidating Schedule of Activities – Year ended June 30, 2022	28



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

Independent Auditors' Report

The Board of Trustees
Oregon State University Foundation:

Opinion

We have audited the consolidated financial statements of Oregon State University Foundation and its subsidiaries (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



In performing an audit in accordance with GAAS, we:

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

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

Other Matter

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 30, 2022

OREGON STATE UNIVERSITY FOUNDATION

Consolidated Statements of Financial Position

June 30, 2022 and 2021

Assets	2022	2021
Cash and cash equivalents	\$ 7,423,590	2,329,172
Investments (including assets held for Oregon State University of \$54,208,072 and \$61,114,487, respectively)	887,834,015	953,748,797
Pledges receivable, net	106,230,220	40,919,548
Property and equipment, net	25,178,599	26,245,497
Assets held-for-sale	6,426,558	7,294,281
Assets held under split-interest agreements	53,446,880	62,205,908
Charitable trusts held outside the foundation	11,451,933	13,841,177
Other assets	6,023,684	3,869,394
Total assets	<u>\$ 1,104,015,479</u>	<u>1,110,453,774</u>
Liabilities and Net Assets		
Liabilities:		
Obligations under split-interest agreements	\$ 24,201,323	28,108,455
Endowment assets held for Oregon State University	54,208,072	61,114,487
Other liabilities	12,909,750	6,155,750
Total liabilities	<u>91,319,145</u>	<u>95,378,692</u>
Net assets:		
Without donor restrictions	33,357,816	48,796,832
With donor restrictions	979,338,518	966,278,250
Total net assets	<u>1,012,696,334</u>	<u>1,015,075,082</u>
Total liabilities and net assets	<u>\$ 1,104,015,479</u>	<u>1,110,453,774</u>

See accompanying notes to consolidated financial statements.

OREGON STATE UNIVERSITY FOUNDATION

Consolidated Statement of Activities

Year ended June 30, 2022

	Without donor restrictions	With donor restrictions	Total
Revenue, gains, and other support:			
Contributions	\$ 643,298	194,602,239	195,245,537
Investment return, net of expenses	(14,478,991)	(67,886,384)	(82,365,375)
Other	23,597,117	4,129,956	27,727,073
Change in value of charitable annuities and trusts	—	(7,030,108)	(7,030,108)
Net assets released from restrictions and other transfers	110,755,435	(110,755,435)	—
	120,516,859	13,060,268	133,577,127
Expenses:			
Direct university support	103,873,654	—	103,873,654
Development	18,503,176	—	18,503,176
Management and general	13,579,045	—	13,579,045
	135,955,875	—	135,955,875
Change in net assets	(15,439,016)	13,060,268	(2,378,748)
Net assets, beginning of year	48,796,832	966,278,250	1,015,075,082
Net assets, end of year	\$ 33,357,816	979,338,518	1,012,696,334

See accompanying notes to consolidated financial statements.

OREGON STATE UNIVERSITY FOUNDATION

Consolidated Statement of Activities

Year ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
Revenue, gains, and other support:			
Contributions	\$ 890,943	91,743,584	92,634,527
Investment return, net of expenses	17,979,069	187,451,917	205,430,986
Other	21,445,476	3,353,620	24,799,096
Change in value of charitable annuities and trusts	—	8,284,413	8,284,413
Net assets released from restrictions and other transfers	70,635,572	(70,635,572)	—
	<u>110,951,060</u>	<u>220,197,962</u>	<u>331,149,022</u>
Expenses:			
Direct university support	64,714,049	—	64,714,049
Development	17,566,359	—	17,566,359
Management and general	12,469,085	—	12,469,085
	<u>94,749,493</u>	<u>—</u>	<u>94,749,493</u>
Change in net assets	16,201,567	220,197,962	236,399,529
Net assets, beginning of year	<u>32,595,265</u>	<u>746,080,288</u>	<u>778,675,553</u>
Net assets, end of year	<u>\$ 48,796,832</u>	<u>966,278,250</u>	<u>1,015,075,082</u>

See accompanying notes to consolidated financial statements.

OREGON STATE UNIVERSITY FOUNDATION

Consolidated Statements of Cash Flows

Years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (2,378,748)	236,399,529
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Loss (gain) on investments	84,519,466	(212,409,031)
Noncash contributions	(27,952,366)	(8,800,736)
Proceeds from sale of noncash contributions	25,261,344	7,755,106
Investment losses (gains) on charitable gift annuity and remainder trust agreements	11,030,911	(8,568,754)
Depreciation	1,391,080	1,377,950
Provision for unfulfilled pledges, net	—	(181,225)
Change in cash surrender value of life insurance	58,111	(23,216)
Net change in value of charitable gift annuities and trusts	(5,376,788)	6,254,131
Contributions and income restricted for permanent endowments	(22,218,086)	(17,406,805)
Decrease (increase) in cash due to changes in assets and liabilities:		
Charitable trusts held outside the Foundation	1,957,006	1,394,073
Endowment assets held for Oregon State University	(6,906,415)	14,627,646
Pledges receivable	(65,310,672)	(5,290,596)
Other assets	(2,212,401)	(659,125)
Other liabilities	6,754,000	(4,569,155)
Net cash (used in) provided by operating activities	(1,383,558)	9,899,792
Cash flows from investing activities:		
Proceeds from sale of investments	324,695,867	231,817,775
Purchase of investments	(342,684,372)	(254,020,177)
Proceeds from disposal of property, equipment, and assets held for sale	4,431,382	855,000
Purchase of property, equipment, and assets held for sale	(2,189,991)	(428,667)
Net cash used in investing activities	(15,747,114)	(21,776,069)
Cash flows from financing activities:		
Additions to charitable gift annuity and remainder trust agreements	1,190,000	359,949
Payments on charitable gift annuity and remainder trust agreements	(1,182,996)	(4,338,616)
Contributions and income restricted for permanent endowments	22,218,086	17,406,805
Net cash provided by financing activities	22,225,090	13,428,138
Net increase in cash and cash equivalents	5,094,418	1,551,861
Cash and cash equivalents, beginning of year	2,329,172	777,311
Cash and cash equivalents, end of year	\$ 7,423,590	2,329,172

See accompanying notes to consolidated financial statements.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(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 32 individuals at June 30, 2022.

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 maintains its separate board of directors and its existence as an independent Oregon nonprofit public benefit corporation, for financial statement purposes, the financial position and activities of the Alumni Association have been consolidated with the Foundation since 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.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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 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, 2022 and 2021, 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.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(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.

(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

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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, 2022, the discount rate varied between 1.2% and 1.6%; during the year ended June 30, 2021, the discount rate varied between 0.4% and 1.0%. The discount rate varied between 0.4% and 10.6% for the Foundation's entire portfolio of gift annuities and remainder trusts at June 30, 2022 and 2021.

(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 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. Management expects lease commitments described in Note 9 will be subject to recognition.

(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.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(3) Investments

At June 30, 2022 and 2021, the fair and cost values of investments were as follows:

	2022		2021	
	Fair value	Cost or amortized cost	Fair value	Cost or amortized cost
Global equities	\$ 369,628,532	337,474,766	503,564,693	331,155,258
Global fixed income	118,551,270	129,304,104	119,427,448	118,860,900
Absolute return	83,476,785	63,399,838	89,611,179	67,258,504
Real assets	60,126,489	68,373,585	48,710,985	50,109,375
Private equity partnerships	209,495,330	127,797,773	170,557,418	106,305,939
Investment receivable	333,960	333,960	304,434	304,434
Investment income receivable	(1,519,029)	(1,519,029)	(55,471)	(55,471)
Real estate, mortgages, and other	— (a)	8,890,114	— (a)	8,757,109
Cash equivalents	38,850,564	38,850,564	12,871,002	12,871,002
Total investments	\$ <u>878,943,901</u>	<u>772,905,675</u>	<u>944,991,688</u>	<u>695,567,050</u>

(a) These investments do not list a fair value in the table as they are accounted for at cost. At June 30, 2022 total Investments of \$887,834,015 equals total investments at fair value of \$878,943,901 plus real estate, mortgages and other assets at cost of \$8,890,114. At June 30, 2021 total Investments of \$953,748,797 equals total investments at fair value of \$944,991,688 plus real estate, mortgages and other assets at cost of \$8,757,109.

At June 30, 2022 and 2021, the Foundation had \$641,000,466 and \$722,430,025, 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 72% and 76% of the total investments and approximately 63% and 71% of net assets at June 30, 2022 and 2021, 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.

Included in investment expenses are internal costs of the endowment, which supports the development activities and ongoing operations of the Foundation.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(4) Endowment and Quasi-Endowment Funds

The Foundation's endowment pool at June 30, 2022 and 2021 consists of 2,626 and 2,501 individual funds, respectively, established for a variety of purposes. 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 all amounts held in donor-restricted endowment funds as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in deciding 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
- 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.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Endowments by net asset classification by type of fund as of June 30, 2022 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	660,994,264	660,994,264
Board-designated endowment funds	44,446,479	—	44,446,479
Assets held under split-interest agreements	—	25,318,481	25,318,481
Charitable trusts held outside the Foundation	—	9,510,203	9,510,203
Nonpooled endowment funds	—	21,224,356	21,224,356
Total endowment funds	<u>\$ 44,446,479</u>	<u>717,047,304</u>	<u>761,493,783</u>

Endowments by net asset classification by type of fund as of June 30, 2021 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	718,951,024	718,951,024
Board-designated endowment funds	38,853,520	—	38,853,520
Assets held under split-interest agreements	—	29,301,798	29,301,798
Charitable trusts held outside the Foundation	—	11,552,884	11,552,884
Nonpooled endowment funds	—	18,722,854	18,722,854
Total endowment funds	<u>\$ 38,853,520</u>	<u>778,528,560</u>	<u>817,382,080</u>

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Changes in endowments by net asset classification for the fiscal years ended June 30, 2022 and 2021 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, 2020	\$ 29,892,889	634,192,039	664,084,928
Transfer of prior period unspent funds to non-endowment net assets	(15,000)	(49,258,751)	(49,273,751)
Investment return:			
Interest and dividends	—	4,556,083	4,556,083
Realized and unrealized gains	8,852,252	194,677,210	203,529,462
Contributions	339,182	20,772,910	21,112,092
Appropriation of endowment assets for expenditure	—	(24,122,401)	(24,122,401)
Change in value of assets held under split-interest agreements	—	4,688,932	4,688,932
Other changes	<u>(215,803)</u>	<u>(6,977,462)</u>	<u>(7,193,265)</u>
Endowment net assets, end of the year, June 30, 2021	38,853,520	778,528,560	817,382,080
Investment return:			
Interest and dividends	—	6,568,001	6,568,001
Realized and unrealized losses	(6,532,801)	(61,265,203)	(67,798,004)
Contributions	69,842	30,862,601	30,932,443
Appropriation of endowment assets for expenditure	—	(27,226,321)	(27,226,321)
Change in value of assets held under split-interest agreements	—	(6,929,117)	(6,929,117)
Other changes	<u>12,055,918</u>	<u>(3,491,217)</u>	<u>8,564,701</u>
Endowment net assets, end of the year, June 30, 2022	\$ <u>44,446,479</u>	<u>717,047,304</u>	<u>761,493,783</u>

Upon further analysis, the Foundation determined that endowment net assets appropriated for expenditure in prior fiscal years that were still unspent as of July 1, 2020 should be removed from the rollforward table. Unspent funds are no longer related to endowment net assets activity at the point at which they are appropriated for expenditure. The necessary adjustment for this change is reflected in the, "Transfer of prior period unspent funds to non-endowment net assets" line as shown in the preceding table.

Underwater endowment amounts were \$8,089,488 and \$346,917, along with the corresponding original gift amounts of \$82,747,328 and \$15,424,418 as of June 30, 2022 and 2021, respectively.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(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.

(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.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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.

The following table presents the investments included on the consolidated statements of financial position by levels within valuation hierarchy as of June 30, 2022:

Assets at fair value as of June 30, 2022				
	Level 1	Level 2	Level 3	Total
Pooled Investment Program:				
Global equities	\$ 144,723,458	—	—	144,723,458
Global fixed income	9,691,034	—	—	9,691,034
Real assets	35,341,230	—	—	35,341,230
Investment and income receivable	(1,203,583)	—	—	(1,203,583)
Cash equivalents	38,817,624	—	—	38,817,624
Assets held under split-interest agreements:				
U.S. equity funds	16,438,116	—	—	16,438,116
International funds	10,734,666	—	—	10,734,666
Real estate funds	7,536,538	—	—	7,536,538
Fixed income funds	16,061,476	—	—	16,061,476
Cash equivalents	1,629,033	—	—	1,629,033
Total pooled investments	279,769,592	—	—	279,769,592
Charitable trusts held outside the Foundation	—	—	11,451,933	11,451,933
Other nonpooled investments:				
Global equities	8,341,300	—	—	8,341,300
Global fixed income	2,195,481	—	—	2,195,481
Investment income receivable	3,951	—	—	3,951
Cash equivalents	32,940	—	—	32,940
Total nonpooled investments	10,573,672	—	11,451,933	22,025,605

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Assets at fair value as of June 30, 2022				
	Level 1	Level 2	Level 3	Total
Real estate held for investment and other investments measured at cost	\$ —	—	—	9,937,165
Investments measured at NAV	—	—	—	641,000,466
Total assets at fair value	\$ 290,343,264	—	11,451,933	952,732,828

The following table presents the investments included on the consolidated statements of financial position by levels within valuation hierarchy as of June 30, 2021:

Assets at fair value as of June 30, 2021				
	Level 1	Level 2	Level 3	Total
Pooled Investment Program:				
Global equities	\$ 160,954,538	—	—	160,954,538
Global fixed income	6,713,201	—	—	6,713,201
Real assets	19,133,365	—	—	19,133,365
Investment and income receivable	233,320	—	—	233,320
Cash equivalents	12,378,816	—	—	12,378,816
Assets held under split-interest agreements:				
U.S. equity funds	19,510,242	—	—	19,510,242
International funds	12,589,815	—	—	12,589,815
Real estate funds	8,916,735	—	—	8,916,735
Fixed income funds	18,880,849	—	—	18,880,849
Cash equivalents	1,261,215	—	—	1,261,215
Total pooled investments	260,572,096	—	—	260,572,096
Charitable trusts held outside the Foundation	—	—	13,841,177	13,841,177
Other nonpooled investments:				
Global equities	15,731,497	—	—	15,731,497
Global fixed income	6,925,347	—	—	6,925,347
Investment income receivable	(607)	—	—	(607)
Cash equivalents	492,186	—	—	492,186
Total nonpooled investments	23,148,423	—	13,841,177	36,989,600

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

	Assets at fair value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Real estate held for investment and other investments measured at cost	\$ —	—	—	9,804,161
Investments measured at NAV	—	—	—	722,430,025
Total assets at fair value	\$ <u>283,720,519</u>	<u>—</u>	<u>13,841,177</u>	<u>1,029,795,882</u>

The Foundation applies 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.

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, 2022 for the investments classified within Level 3:

Investments of the Foundation:	
Balance at June 30, 2021	\$ 13,841,177
Purchases/issuances	—
Sales/settlements	(350,791)
Total net losses for the period	<u>(2,038,453)</u>
Balance at June 30, 2022	\$ <u>11,451,933</u>

The following table presents a rollforward of the amounts for the year ended June 30, 2021 for the investments classified within Level 3:

Investments of the Foundation:	
Balance at June 30, 2020	\$ 14,460,849
Purchases/issuances	135,000
Sales/settlements	(2,876,501)
Total net gains for the period	<u>2,121,829</u>
Balance at June 30, 2021	\$ <u>13,841,177</u>

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

The following table presents information for investments where the NAV was used as a practical expedient to measure fair value at June 30, 2022 and 2021:

	Fair value		Redemption frequency	Redemption notice period
	2022	2021		
Global equities	\$ 216,563,774	326,878,658	Weekly–annually	5–90 Days
Global fixed income	104,784,558	104,580,587	Daily–quarterly	5–60 Days
Absolute return	80,503,014	89,627,429	Monthly–annually	45–105 Days
Real assets	13,493,555	16,793,522	Monthly	30 Days
Private equity partnerships	128,243,147	88,020,439	Quarterly	90 Days
Total	\$ <u>543,588,048</u>	<u>625,900,635</u>		

Additionally, 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, 2022 and 2021. These partnerships do not allow for periodic redemptions, but rather liquidate upon the termination date as stated in the partnership agreement. At June 30, 2022, \$81,252,183 of private equity partnerships, \$11,291,704 of real assets, \$2,988,333 of absolute return investments and \$1,880,197 of global fixed income had termination dates that ranged from 2022 to 2031. At June 30, 2021, \$82,536,980 of private equity partnerships, \$12,784,097 of real assets and \$1,208,313 of global fixed income had termination dates that ranged from 2021 to 2028.

(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:

	2022	2021
Derivative assets:		
Futures contracts	\$ <u>25,579,125</u>	<u>9,006,060</u>
Total derivative assets	\$ <u>25,579,125</u>	<u>9,006,060</u>
Derivative liabilities:		
Futures contracts	\$ <u>(25,579,125)</u>	<u>(9,006,060)</u>
Total derivative liabilities	\$ <u>(25,579,125)</u>	<u>(9,006,060)</u>

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(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 charge offs 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, 2022 and 2021 is as follows:

	2022	2021
In one year or less	\$ 25,709,012	15,997,082
Between one year and five years	64,159,380	17,530,314
More than five years	28,785,000	15,005,000
Total	118,653,392	48,532,396
Less:		
Allowance for uncollectible amounts	(474,788)	(474,788)
Discount to present value of future cash flows	(11,948,384)	(7,138,060)
Total reductions	(12,423,172)	(7,612,848)
Total pledges receivable, net	\$ 106,230,220	40,919,548

(8) Property and Equipment

Property and equipment consist of the following at June 30:

	2022	2021
Operating assets:		
Land and structures	\$ 31,786,181	31,503,920
Equipment and other	3,145,181	3,282,636
	34,931,362	34,786,556
Less accumulated depreciation	(9,752,763)	(8,541,059)
Total property and equipment, net	\$ 25,178,599	26,245,497
Nonoperating assets:		
Land, structures, and timber held for sale	\$ 6,426,558	7,294,281
Total assets held for sale	\$ 6,426,558	7,294,281

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Depreciation was \$1,391,080 and \$1,377,950 for the years ended June 30, 2022 and 2021, 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:		
2023	\$	335,569
2024		305,033
2025		312,552
2026		294,903
2027		284,705
Thereafter		<u>396,702</u>
Total lease commitments	\$	<u><u>1,929,464</u></u>

Total rent expense amounted to approximately \$380,853 and \$313,454 for the years ended June 30, 2022 and 2021, respectively, which is included in either direct university support or management, general, and development expense depending on the intended use.

(10) Net Assets With Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purposes:		
Facilities and equipment	\$ 45,404,330	34,756,788
Academic program support	57,301,778	55,051,706
Instruction and research	25,021,119	22,336,661
Student aid	24,514,705	24,134,188
Other activities	<u>1,996,752</u>	<u>1,921,470</u>
	<u>154,238,684</u>	<u>138,200,813</u>
Subject to passage of time:		
Facilities and equipment	92,199,667	7,954,731
Academic program support	19,339,199	34,940,816
Instruction and research	20,265,451	23,194,067
Student aid	18,766,076	31,237,318
Other activities	<u>(10,513,605)</u>	<u>534,171</u>
	<u>140,056,788</u>	<u>97,861,103</u>

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

	2022	2021
Subject to endowment spending policy and appropriation:		
Facilities and equipment	\$ 12,072,073	13,374,955
Academic program support	186,835,906	188,667,468
Instruction and research	209,746,244	226,987,170
Student aid	266,101,163	289,842,889
Foundation-controlled activities	10,287,660	11,343,852
	685,043,046	730,216,334
Total	\$ 979,338,518	966,278,250

(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 \$2,381,000 and \$2,443,000 for the years ended June 30, 2022 and 2021, 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.

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.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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

	2022		2021	
	Fair value	Cost	Fair value	Cost
Gift annuities:				
Mutual funds:				
Small cap	\$ 278,184	179,479	376,699	177,498
Large cap	2,059,483	1,639,788	2,709,322	1,661,425
International	1,654,031	1,740,882	2,170,946	1,884,057
Real estate	1,168,720	1,078,893	1,542,511	1,208,720
High-quality/intermediate bonds	1,892,983	2,200,619	2,476,239	2,539,948
Mid-quality/intermediate bonds	715,809	867,168	974,053	1,001,529
Cash equivalents	147,852	147,852	215,088	215,088
Total gift annuities	<u>7,917,062</u>	<u>7,854,681</u>	<u>10,464,858</u>	<u>8,688,265</u>
Remainder trusts:				
Mutual funds:				
Small cap	2,512,283	1,943,046	2,886,074	1,583,083
Large cap	11,588,166	9,924,373	13,538,148	8,637,320
International	9,080,635	10,110,550	10,418,869	9,469,862
Real estate	6,367,818	6,479,176	7,374,224	6,189,456
High-quality/intermediate-long term	9,771,296	10,927,400	11,099,614	10,857,776
Mid-low quality/intermediate term	3,681,388	4,358,592	4,330,943	4,335,228
Mortgages and other	— (a)	1,047,051	— (a)	1,047,051
Cash equivalents	1,481,181	1,481,181	1,046,127	1,046,127
Total remainder trusts	<u>44,482,767</u>	<u>46,271,369</u>	<u>50,693,999</u>	<u>43,165,903</u>
Total gift annuities and remainder trusts	<u>\$ 52,399,829</u>	<u>54,126,050</u>	<u>61,158,857</u>	<u>51,854,168</u>

(a) These investments do not list a fair value in the table as they are accounted for at cost. At June 30, 2022 total Assets held under split-interest agreements of \$53,446,880 equals total gift annuities and remainder trusts at fair value of \$52,399,829 plus mortgages and other assets at cost of \$1,047,051. At June 30, 2021 total Assets held under split-interest agreements of \$62,205,908 equals total gift annuities and remainder trusts at fair value of \$61,158,857 plus mortgages and other assets at cost of \$1,047,051.

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

	2022	2021
Gift annuities	\$ 3,804,703	4,208,880
Remainder trusts	<u>20,396,620</u>	<u>23,899,575</u>
Total obligations under charitable gift annuities and remainder trusts	<u>\$ 24,201,323</u>	<u>28,108,455</u>

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(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, 2022				
	Direct university support	Development	Management and general	Total
Events	\$ —	30,163	15,992	46,155
Maintenance and repairs	—	565,404	1,228,135	1,793,539
Occupancy	—	—	292,645	292,645
Professional services	—	1,246,899	1,451,915	2,698,814
Restricted distributions	103,873,654	—	—	103,873,654
Salaries and benefits	—	14,350,452	7,123,178	21,473,630
Travel	—	346,532	75,922	422,454
All other	—	1,963,726	3,391,258	5,354,984
	<u>\$ 103,873,654</u>	<u>18,503,176</u>	<u>13,579,045</u>	<u>135,955,875</u>

Year ended June 30, 2021				
	Direct university support	Development	Management and general	Total
Events	\$ —	—	—	—
Maintenance and repairs	—	524,592	1,086,737	1,611,329
Occupancy	—	7,080	284,216	291,296
Professional services	—	1,062,847	1,316,547	2,379,394
Restricted distributions	64,714,049	—	—	64,714,049
Salaries and benefits	—	13,722,886	6,915,344	20,638,230
Travel	—	13,582	2,893	16,475
All other	—	2,235,372	2,863,348	5,098,720
	<u>\$ 64,714,049</u>	<u>17,566,359</u>	<u>12,469,085</u>	<u>94,749,493</u>

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(14) Other Liabilities

Other liabilities consist of the following at June 30, 2022 and 2021:

	2022	2021
Accounts payables	\$ 893,467	187,278
Accrued expenses	8,616,487	2,306,075
Accrued payroll and related liabilities	2,594,649	2,818,209
Deferred revenue	37,257	16,998
Other Foundation operational expenses	729,182	786,558
Unearned rent revenue	38,708	40,632
Total other liabilities	\$ 12,909,750	6,155,750

(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.

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, 2022 and 2021:

	2022	2021
Accounts receivable	\$ 556,052	374,774
Cash and cash equivalents	7,423,590	2,329,172
Invested funds	10,053,874	11,706,352
Financial assets available to meet cash needs for general expenditures within one year	\$ 18,033,516	14,410,298

(16) Commitments

The Foundation periodically enters into commitments to invest into domestic and international private equity partnerships. As of June 30, 2022, commitments in the amount of \$159,724,000 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.

OREGON STATE UNIVERSITY FOUNDATION

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

(17) Related Party

The University is a related party of the Foundation. During the years ended June 30, 2022 and 2021, the Foundation recorded \$28,059,594 and \$24,697,005, 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>2022</u>	<u>2021</u>
Awards and scholarships	\$ 12,221,108	11,346,656
Capital programs	51,939,996	24,579,076
Instruction and research support	20,875,599	17,460,921
Other program support	12,202,426	7,805,714
Development support	<u>6,634,525</u>	<u>3,521,682</u>
Total direct university support	<u>\$ 103,873,654</u>	<u>64,714,049</u>

The amount payable or “due to” the University, including amounts in accrued expenses, totaled \$8,437,062 and \$2,209,297 as of June 30, 2022 and 2021, respectively, and is included in other liabilities in the consolidated statements of financial position.

(18) Subsequent Events

The Foundation has evaluated subsequent events and transactions that occurred after June 30, 2022 through September 30, 2022, the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY SCHEDULES

OREGON STATE UNIVERSITY FOUNDATION

Consolidating Schedule of Financial Position

June 30, 2022

Assets	Oregon State University Foundation	Oregon State University Alumni Association	Oregon 4-H Foundation	Trysting Tree	Consolidated
Cash and cash equivalents	\$ 3,095,149	1,054,839	2,238,475	1,035,127	7,423,590
Investments (including assets held for Oregon State University of \$54,208,072)	860,911,441	12,349,025	14,573,549	—	887,834,015
Pledges receivable, net	106,210,663	—	19,557	—	106,230,220
Property and equipment, net	14,580,434	5,195,508	3,447,435	1,955,222	25,178,599
Assets held-for-sale	6,422,713	—	3,845	—	6,426,558
Assets held under split-interest agreements	52,141,539	—	1,305,341	—	53,446,880
Charitable trusts held outside the Foundation	10,659,740	—	792,193	—	11,451,933
Other assets	5,717,973	295,848	—	9,863	6,023,684
Total assets	<u>\$ 1,059,739,652</u>	<u>18,895,220</u>	<u>22,380,395</u>	<u>3,000,212</u>	<u>1,104,015,479</u>
Liabilities and Net Assets					
Liabilities:					
Obligations under split-interest agreements	\$ 23,513,650	—	687,673	—	24,201,323
Endowment assets held for Oregon State University	54,208,072	—	—	—	54,208,072
Other liabilities	12,676,756	245,909	—	(12,915)	12,909,750
Total liabilities	<u>90,398,478</u>	<u>245,909</u>	<u>687,673</u>	<u>(12,915)</u>	<u>91,319,145</u>
Net assets:					
Without donor restrictions	16,520,890	16,836,926	—	—	33,357,816
With donor restrictions	952,820,284	1,812,385	21,692,722	3,013,127	979,338,518
Total net assets	<u>969,341,174</u>	<u>18,649,311</u>	<u>21,692,722</u>	<u>3,013,127</u>	<u>1,012,696,334</u>
Total liabilities and net assets	<u>\$ 1,059,739,652</u>	<u>18,895,220</u>	<u>22,380,395</u>	<u>3,000,212</u>	<u>1,104,015,479</u>

See accompanying independent auditors' report.

OREGON STATE UNIVERSITY FOUNDATION

Consolidating Schedule of Activities

Year ended June 30, 2022

	Oregon State University Foundation	Oregon State University Alumni Association	Oregon 4-H Foundation	Trysting Tree	Total
Revenue, gains, and other support:					
Contributions	\$ 193,143,313	778,338	1,323,886	—	195,245,537
Investment returns, net of expenses	(78,659,433)	(1,512,182)	(2,193,840)	80	(82,365,375)
Other	23,347,713	2,600,441	34,707	1,744,212	27,727,073
Change in value of charitable annuities and trusts	(6,930,549)	—	(99,559)	—	(7,030,108)
Net assets released from restrictions and other transfers	(728,694)	379,653	409,041	(60,000)	—
	<u>130,172,350</u>	<u>2,246,250</u>	<u>(525,765)</u>	<u>1,684,292</u>	<u>133,577,127</u>
Expenses:					
Direct university support	101,414,666	52,332	778,636	1,628,020	103,873,654
Development	18,439,958	20,957	42,261	—	18,503,176
Management and general	9,417,540	4,031,470	130,035	—	13,579,045
	<u>129,272,164</u>	<u>4,104,759</u>	<u>950,932</u>	<u>1,628,020</u>	<u>135,955,875</u>
Change in net assets	900,186	(1,858,509)	(1,476,697)	56,272	(2,378,748)
Net assets, beginning of year	<u>968,440,988</u>	<u>20,507,820</u>	<u>23,169,419</u>	<u>2,956,855</u>	<u>1,015,075,082</u>
Net assets, end of year	<u>\$ 969,341,174</u>	<u>18,649,311</u>	<u>21,692,722</u>	<u>3,013,127</u>	<u>1,012,696,334</u>

See accompanying independent auditors' report.