

2024

University of Oregon Foundation

Consolidated Financial Statements and Notes



University of Oregon Foundation

6/30/2024



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

Independent Auditors' Report

Board of Trustees
University of Oregon Foundation:

Opinion

We have audited the consolidated financial statements of University of Oregon Foundation and its subsidiaries (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, 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, 2024 and 2023, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position 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 GAAS. 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
October 28, 2024

Consolidated Statements of Financial Position

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

Dollars are stated in thousands.

JUNE 30	2024	2023
ASSETS		
Investments		
Money market funds	\$ 31,716	\$ 24,681
Marketable securities	111,296	91,178
Limited partnerships	2,414,410	2,243,710
Other investments	730	462
TOTAL INVESTMENTS	2,558,152	2,360,031
Cash	121,435	133,799
Pledges receivable, net	138,040	190,132
Capital lease receivable, net	35,437	36,435
Land and buildings	26,275	26,275
Construction in progress	12,875	1,065
Software in progress	5,391	-
Beneficial interests	17,182	17,586
Right of use lease assets	2,805	3,070
Other assets, net	2,671	3,442
TOTAL ASSETS	\$ 2,920,263	\$ 2,771,835
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 11,798	\$ 4,312
Deposits held in custody	123,072	117,337
Lease liability	2,861	3,102
Notes payable	37,472	38,918
Conditional contributions held as deferred revenue	559,494	516,451
Obligations to beneficiaries under split-interest agreements	42,467	46,523
TOTAL LIABILITIES	777,164	726,643
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Undesignated	18,383	9,693
Board-designated	14,951	17,873
Investment in property and equipment, net of related debt	18,837	18,074
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	52,171	45,640
NET ASSETS WITH DONOR RESTRICTIONS		
Restricted by purpose	926,660	837,056
Restricted by time	53,217	55,769
Restricted in perpetuity	1,111,051	1,106,727
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	2,090,928	1,999,552
TOTAL NET ASSETS	2,143,099	2,045,192
TOTAL LIABILITIES AND NET ASSETS	\$ 2,920,263	\$ 2,771,835

Consolidated Statements of Activities

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

Dollars are stated in thousands.

YEAR ENDED JUNE 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions	\$ 4,135	\$ 202,661	\$ 206,796
Investments			
Fair value increase	6,846	146,596	153,442
Investment income	8,336	19,582	27,918
Investment fees and direct expenses	(270)	(11,792)	(12,062)
TOTAL INVESTMENTS	14,912	154,386	169,298
Administrative assessments	16,008	(14,556)	1,452
Net revaluation of split-interest agreements	-	7,337	7,337
Other revenues	(4,130)	4,955	825
Net assets released from restriction	259,399	(259,399)	-
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	290,324	95,384	385,708
EXPENSES			
University support			
Student scholarships	23,401	-	23,401
Faculty, research, and direct operational support	80,755	-	80,755
Other student and academic support	57,665	-	57,665
TOTAL STUDENT, ACADEMIC, AND OPERATIONAL SUPPORT	161,821	-	161,821
University Advancement	19,517	-	19,517
Facilities and equipment	92,553	-	92,553
TOTAL UNIVERSITY SUPPORT	273,891	-	273,891
Foundation administration	9,902	-	9,902
TOTAL EXPENSES	283,793	-	283,793
Provision for uncollectible pledges receivable	-	(4,008)	(4,008)
INCREASE IN NET ASSETS	6,531	91,376	97,907
NET ASSETS AT BEGINNING OF YEAR	45,640	1,999,552	2,045,192
NET ASSETS AT JUNE 30, 2024	\$ 52,171	\$ 2,090,928	\$ 2,143,099

YEAR ENDED JUNE 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions	\$ 1,145	\$ 181,008	\$ 182,153
Investments			
Fair value (decrease) increase	(653)	34,383	33,730
Investment income	9,574	14,366	23,940
Investment fees and direct expenses	(579)	(7,848)	(8,427)
TOTAL INVESTMENTS	8,342	40,901	49,243
Administrative assessments	15,239	(13,901)	1,338
Net revaluation of split-interest agreements	-	201	201
Other revenues	-	688	688
Net assets released from restriction	154,063	(154,063)	-
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	178,789	54,834	233,623
EXPENSES			
University support			
Student scholarships	21,269	-	21,269
Faculty and research	31,977	-	31,977
Other student, academic and operational support	43,871	-	43,871
TOTAL STUDENT, ACADEMIC, AND OPERATIONAL SUPPORT	97,117	-	97,117
University Advancement	14,426	-	14,426
Facilities and equipment	56,233	-	56,233
TOTAL UNIVERSITY SUPPORT	167,776	-	167,776
Foundation administration	7,568	-	7,568
TOTAL EXPENSES	175,344	-	175,344
Provision for uncollectible pledges receivable	-	(535)	(535)
INCREASE IN NET ASSETS	3,445	54,299	57,744
NET ASSETS AT BEGINNING OF YEAR	42,195	1,945,253	1,987,448
NET ASSETS AT JUNE 30, 2023	\$ 45,640	\$ 1,999,552	\$ 2,045,192

Consolidated Statements of Cash Flows

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

Dollars are stated in thousands.

YEARS ENDED JUNE 30	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 97,907	\$ 57,744
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Endowment contributions	(60,300)	(104,054)
Noncash gifts	(16,122)	(20,864)
Net revaluation of split-interest agreements	(7,337)	(201)
Net realized and unrealized gains	(172,796)	(42,780)
Net deferred realized and unrealized gains from conditional contributions	(43,438)	(19,569)
Net realized gains from conditional contributions held as deferred revenue	(69)	(3,421)
Decrease in pledges receivable	48,085	60,658
Provision for uncollectible pledges	4,007	535
(Increase) in construction in progress	(11,810)	(1,065)
Increase in conditional contributions held as deferred revenue	43,438	19,569
Release of gift from conditional contributions held as deferred revenue	-	(9,196)
Increase (decrease) in accounts payable	7,486	(1,333)
Other changes	1,738	184
NET CASH USED BY OPERATING ACTIVITIES	\$ (109,211)	\$ (63,793)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) in software in progress	(5,391)	-
Purchases of investments	(82,062)	(339,579)
Proceeds from sale of investments	112,682	84,217
(Increase) decrease in other short-term investments	(7,035)	96,517
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	18,194	(158,845)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from endowment gifts and pledges	74,364	105,386
Repayment of notes payable	(1,446)	(1,459)
Increase (decrease) in deposits held in custody	5,735	(7,720)
NET CASH PROVIDED BY FINANCING ACTIVITIES	78,653	96,207
NET DECREASE IN CASH	(12,364)	(126,431)
CASH, BEGINNING OF YEAR	133,799	260,230
CASH, END OF YEAR	\$ 121,435	\$ 133,799

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

YEARS ENDED JUNE 30	2024	2023
NON-CASH INVESTING ACTIVITY		
(Increase) in right of use lease assets	\$ -	\$ (3,070)
Increase in lease liability	\$ -	\$ 3,102

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

1. ORGANIZATION

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

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

Contributions may be received in cash, marketable securities, real property, tangible personal property, gifts-in-kind, life insurance policies, and various deferred giving vehicles. Contributions received in forms other than cash, except gifts-in-kind and life insurance policies, are generally liquidated. The proceeds, together with cash gifts, are placed in investment pools or other investments consistent with the purpose of the gift or the requirements of the trust agreement. As of July 1, 2021, the Foundation engaged an outside investment partner to manage the investment of the endowment portfolio and other investment pools. Additionally, the Foundation employs professionals to manage certain investments directly. The Foundation makes assessments primarily to cover its administrative expenses and certain University support.

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

SUBSIDIARIES

The Foundation forms subsidiary organizations to further its mission to support the University through specific projects. Below are the Foundation's current subsidiaries, including the purpose and status of each.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

1. ORGANIZATION CONTINUED

SUBSIDIARY	DATE FORMED	PURPOSE & STATUS
Phit, LLC	Sept. 2006	To improve the University athletics facilities.
Oregon Future Expansion III, LLC (OFX III, LLC)	Apr. 2008	Acquired and renovated commercial property on Franklin Boulevard, Eugene, OR for approximately \$4,410. Property currently leased to the University (see Note 14).
Oregon Future Expansion PK, LLC (OFX PF, LLC)	May 2009	To fund expansion of the University baseball facilities. Completed expansion in January 2010.
Phit Too, LLC	Dec. 2012	To engage in development, construction, and improvement projects in and around Autzen Stadium.
Oregon Future Expansion Millrace, LLC (OFX Millrace, LLC)	Nov. 2013	Acquired commercial property on Millrace for approximately \$8,982. Property currently leased to the University (see Notes 10 and 14).
Hayward Field Enhancement, LLC (HFE, LLC)	Feb. 2015	To facilitate the renovation and expansion of Hayward Field. Dissolved in June 2024. Funds for future maintenance were transferred to University.
OFX White Stag, LLC	May 2015	Acquire commercial property in Portland, OR for approximately \$42,600. Property currently leased to University (see Notes 10 and 14).
T3, LLC	Oct. 2015	To facilitate investments for the benefit and support of the University. Investments are ongoing through UOF Investments, LP (see Notes 4 and 5).
Oregon Golf Practice Facility, LLC	Feb. 2022	To facilitate the construction of a golf practice facility for the University's golf team. Property transferred to University and subsidiary dissolved in June 2024.
OFX IV, LLC	Sept. 2022	To facilitate the promotion of future operational programs for University athletics.
Launch Oregon, LLC	Oct. 2022	To facilitate support of the commercialization of University research.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. SUPPORTING ORGANIZATION

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

The Foundation's consolidated financial statements are presented in conformity with U.S. generally accepted accounting principles (GAAP). The consolidated financial statements include the accounts of the Foundation and all wholly owned subsidiaries noted above. All inter-entity transactions and balances have been eliminated.

B. CASH

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

C. CONTRIBUTIONS

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

D. INVESTMENT REPORTING

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

E. LAND AND BUILDINGS

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

F. DONATED MATERIALS

Donated materials and services are reflected as contributions at their estimated values at the date of receipt. Donated materials were \$3,910 and \$2,590 for fiscal years ended June 30, 2024, and 2023, respectively.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual amounts can differ from these estimates.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

H. CONTINGENCIES

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

I. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

On July 1, 2022, the Foundation adopted Accounting Standards Update 2016-02, Leases (Topic 842), which requires lessees to recognize the assets and liabilities that arise from nearly all leases on the statement of financial position. Lessor accounting remained consistent with prior guidance under Topic 840. The Foundation adopted Topic 842 using the modified retrospective adoption method, utilizing the simplified transition option, which allows entities to continue to apply the legacy guidance the comparative periods presented in the year of adoption. The Foundation elected the "package of practical expedients," which allows the Foundation to not reassess prior conclusions about lease identification, lease classification, and initial direct costs. As a result of adoption, the Foundation recognized operating lease ROU assets and lease liabilities of \$3,329 as of July 1, 2022. The Foundation does not have any finance leases as a lessee. The adoption of ASC 842 did not have a material impact on the Foundation's leases as a lessor.

On July 1, 2023, the Foundation adopted Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The amendments in this ASU provide guidance for estimating credit losses on certain types of financial instruments, including trade receivables, by introducing an approach based on expected losses. The expected loss approach requires entities to incorporate considerations of historical information, current information and reasonable forecasts. The adoption did not have a material impact on the Foundation's financial statements and no adjustment was made to net assets.

J. SUBSEQUENT EVENTS

The Foundation evaluates subsequent events and transactions that occurred after June 30, 2024, but before financial statements are available to be issued. Subsequent events for June 30, 2024 were evaluated through October 28, 2024.

3. FINANCIAL ASSETS AND LIQUIDITY

The Foundation manages its cash and investments available to meet general expenditures by operating within a prudent range of financial soundness and stability. To manage liquidity, the Foundation strives to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Foundation's liquid assets available to meet general expenditures for the next year totaled \$826 as of June 30, 2024, and \$856 as of June 30, 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

3. FINANCIAL ASSETS AND LIQUIDITY CONTINUED

LIQUID FINANCIAL ASSETS	6/30/2024	6/30/2023
Investments	\$ 2,558,152	\$ 2,360,031
Cash	121,435	133,799
Pledges receivable, net	138,040	190,132
TOTAL LIQUID FINANCIAL ASSETS	2,817,627	2,683,962
Less amounts not available for general expenditures:		
Subject to donor restrictions and contractual obligations	(2,678,777)	(2,547,896)
Deposits held in custody for others	(123,072)	(117,337)
Designated by trustees:		
Operating, technology, and strategic reserves	(9,211)	(10,738)
University President's strategic initiatives	(5,741)	(3,196)
Launch Oregon Seed Fund Investment	-	(3,000)
Donor advised funds	-	(939)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ 826	\$ 856

Amounts available for general expenditures of the Foundation are generated by quarterly assessments on the market value of endowed funds (0.19%) and other assets (0.025%), as well as other fully unrestricted contributions directed to the Foundation. There are certain endowed funds and other assets that are not subject to quarterly assessments. Assessments are conservatively forecasted for 2025, assuming potential market volatility. General expenditures of the Foundation include payroll, benefits, and other operational expenses.

The Foundation's liquid financial assets include board-designated reserves that totaled \$14,952 as of June 30, 2024 (Note 7). Annually, the Foundation's Board of Trustees designates year-end operating surplus to various reserve funds for operations, technological enhancements, and strategic initiatives of the University President.

The Foundation endeavors to maintain a year-end balance of board-designated reserves to meet approximately four to six months of anticipated general Foundation expenditures. To achieve this target, the Foundation forecasts its future cash flows, monitors its liquidity quarterly, and monitors its reserves annually. Board-designated reserves that could most easily be utilized if necessary to meet general operational, technological, and strategic expenditures totaled \$9,211 as of June 30, 2024.

4. INVESTMENTS

The Foundation's Board of Trustees has fiduciary responsibility for the investment of the Foundation's assets, including the allocation of funds to various asset classes and the engagement of professional investment managers. Currently, the Foundation's Investment Committee oversees the investment program in accordance with established guidelines approved by the Foundation's Board of Trustees. The overall investment objective of the Foundation is to 1) provide an annual distribution for endowments to support designated University activities as determined by the Board of Trustees, and (2) to achieve a long-term growth rate that maintains the purchasing power of the assets, as measured by the consumer price index.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

4. INVESTMENTS CONTINUED

Effective July 1, 2021, the Foundation moved to an outsourced investment management model to boost risk-adjusted returns and create additional fiduciary safeguards. The Foundation and external investment firm formed a new partnership, UOF Investments, L.P. (Partnership), to which the Foundation transferred substantially all the endowment portfolio assets. As a general partner, the outsourced chief investment office (OCIO) manages the assets according to the terms of the partnership agreement, subject to the Foundation's Investment Committee investment policies. The Foundation, as a limited partner, is the investor and oversees the relationship with the OCIO through the Investment Committee and the Foundation's leadership team.

On October 1, 2021, all T3, LLC's invested assets were transferred to UOF Investments, L.P., subject to an investment management services agreement between the Foundation and the University. T3, LLC is also a limited partner in UOF Investments, L.P.

The Partnership provides monthly estimates of the total investments and performs market valuations and allocations quarterly based on relative capital account percentages. Every quarter the Partnership also provides detailed investment performance reports to the Foundation and Board. All investment sale proceeds and cash receipts are reinvested in the Partnership. Under normal circumstances, the Foundation may withdraw funds from the Partnership account by providing written notice to the OCIO of at least 45 days for a withdrawal of up to five percent or at least 60 days for greater than five percent. The withdrawal would then be paid within 30 days following the notice period.

Distributions are effective as of the end of a calendar quarter unless otherwise agreed to by the partners. The Partnership agreement was amended on June 30, 2022, to create a short-term fixed-income portfolio with an inception date of July 1, 2022. Because the short-term portfolio invests in highly liquid assets, the Foundation can make contributions and withdrawals with decreased notice to the Partnership.

The Foundation maintains investment pools comprised of different investment vehicles. The Partnership owns and manages assets in the Villard Investment Pool (formerly the Willamette Investment Pool when owned in-house) and a portion of the General Investment Program. The Foundation elected the fair value option for recording assets and related activities of the Partnership. Other assets, which are outlined below, include remainder trusts, gift annuities, and other investments.

VILLARD INVESTMENT POOL

Invested assets within UOF Investments, L.P. are pooled together in a fund of one investment vehicle structure and referred to as the Villard Investment Pool ("VIP"). The strategy of the VIP asset portfolio focuses on varied traditional and nontraditional investment opportunities. The VIP's portfolio is generally diversified as follows:

1. U.S. and non-U.S. public equities
2. Private assets, including private equity, venture capital, real estate, natural resources, and distressed investment opportunities
3. Hedge fund strategies, including event-driven, equity long-short, relative value, and macro strategies

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

4. INVESTMENTS CONTINUED

4. U.S. and non-U.S. fixed income
5. Cash

The VIP is also diversified across underlying management sectors, risk factors, and liquidity characteristics. Diversification is designed to reduce the risk for any given level of expected return and earn an incremental expected return by prudently committing to illiquid assets.

The VIP's investments are subject to various risk factors, including market, credit, and industry risk. Market risk represents the potential loss in value of financial instruments caused by movements in market variables, such as interest rates. Other risks affecting these investments include, but are not limited to, increasing competition, rapid changes in technology, and changes in economic conditions. While portfolio diversification can reduce idiosyncratic risk, overall market risk cannot be eliminated.

GENERAL INVESTMENT PROGRAM

The General Investment Program includes expendable gifts and endowment distributions prior to disbursement, all of which are invested for the short-term, while a portion of the funds are invested longer-term to generate more robust returns.

REMAINDER TRUSTS AND GIFT ANNUITIES

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

OTHER INVESTMENTS

Other investments include several items. First, it represents a pending fund established by the Foundation to record outright contributions received in fiscal year 2021 and after for which the donor has not yet determined a specific use. The agreement with the donor states that the funds may be designated to satisfy existing or future pledge obligations with the Foundation and other purposes as designated to benefit the University. Accordingly, the balance is also reflected as a conditional contribution on the Statements of Financial Position.

The pending fund assets are in a diversified pooled investment vehicle managed similarly to an endowment portfolio. These assets are invested in a limited partnership that the OCIO also manages. The Foundation is a limited partner in the pending fund, which is separate from the Foundation's UOF Investments, L.P.

Also included are the Launch Oregon Investment Fund Limited Partnership ("LOI") assets. LOI's principal purpose is to make early-stage venture capital investments by investing in equity or equity-oriented securities in University of Oregon connected companies. Priority is given to companies that have a license to commercialize intellectual property owned by the University of Oregon.

Other investments also consist of gifts that are expendable but with a longer planned spending period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

4. INVESTMENTS CONTINUED

INVESTMENTS BY GROUP AS OF JUNE 30, 2024

June 30, 2024	VILLARD INVESTMENT POOL	T3	GENERAL INVESTMENT PROGRAM	REMAINDER TRUSTS AND GIFT ANNUITIES	OTHER INVESTMENTS	TOTAL
Money market funds	\$ 31,687	\$ -	\$ -	\$ -	\$ 29	\$ 31,716
Marketable securities						
Equity securities	-	-	-	48,373	2,636	51,009
Debt securities	-	-	38,176	22,111	-	60,287
TOTAL MARKETABLE SECURITIES	-	-	38,176	70,484	2,636	111,296
Limited partnerships	1,561,874	97,955	195,986	-	558,595	2,414,410
Other investments	200	-	-	-	530	730
TOTAL INVESTMENTS	\$ 1,593,761	\$ 97,955	\$ 234,162	\$ 70,484	\$ 561,790	\$ 2,558,152

INVESTMENTS BY GROUP AS OF JUNE 30, 2023

June 30, 2023	VILLARD INVESTMENT POOL	T3	GENERAL INVESTMENT PROGRAM	REMAINDER TRUSTS AND GIFT ANNUITIES	OTHER INVESTMENTS	TOTAL
Money market funds	\$ 24,669	\$ -	\$ -	\$ -	\$ 12	\$ 24,681
Marketable securities						
Equity securities	-	-	-	52,433	2,342	54,775
Debt securities	-	-	7,609	28,794	-	36,403
TOTAL MARKETABLE SECURITIES	-	-	7,609	81,227	2,342	91,178
Limited partnerships	1,412,483	92,305	223,046	-	515,876	2,243,710
Other investments	202	-	-	-	260	462
TOTAL INVESTMENTS	\$ 1,437,354	\$ 92,305	\$ 230,655	\$ 81,227	\$ 518,490	\$ 2,360,031

5. FAIR VALUE MEASUREMENTS

Investments are reported at estimated fair value as determined by the Foundation, based upon a fair value hierarchy that prioritizes the input techniques used to measure fair value. The Foundation recognizes certain inherent and extraneous risks associated with any investment. Risk is managed through rigorous underwriting and ongoing re-underwriting of new and existing managers, as well as through appropriate portfolio construction.

A financial instrument's level within this fair value hierarchy is based on the lowest level of any input that is significant to its fair value measurement. The fair value hierarchy does not correspond to a financial instrument's relative liquidity in the market or to its level of risk. The fair value hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

5. FAIR VALUE MEASUREMENTS CONTINUED

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Quoted prices for similar assets or liabilities in active markets or markets that are not considered active; observable inputs other than quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data
Level 3	Significant unobservable inputs for assets or liabilities

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

The Foundation uses the net asset value per share as a practical expedient for estimating the fair value of investments in funds for which the fair value is not readily determinable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

5. FAIR VALUE MEASUREMENTS CONTINUED

ESTIMATED FAIR VALUE OF INVESTMENTS BY CLASSIFICATION AND MEASUREMENT

June 30, 2024	LEVEL 1	LEVEL 2	LEVEL 3	AT NAV	TOTAL
Money market funds	\$ 31,716	\$ -	\$ -	\$ -	\$ 31,716
Marketable securities	111,296	-	-	-	111,296
Limited partnerships					
Public equity	-	-	-	454,809	454,809
Private equity	-	-	-	879,021	879,021
Real assets	-	-	-	153,220	153,220
Hedge funds	-	-	-	432,200	432,200
Fixed income	-	-	-	495,160	495,160
TOTAL LIMITED PARTNERSHIPS	-	-	-	2,414,410	2,414,410
Other investments	-	-	730	-	730
TOTAL INVESTMENTS	\$ 143,012	\$ -	\$ 730	\$ 2,414,410	\$ 2,558,152
BENEFICIAL INTERESTS	\$ -	\$ -	\$ 17,182	\$ -	\$ 17,182
LAND AND BUILDINGS	\$ -	\$ -	\$ 26,275	\$ -	\$ 26,275
DEPOSITS HELD IN CUSTODY	\$ (2,292)	\$ -	\$ (12)	\$ (120,768)	\$ (123,072)

ESTIMATED FAIR VALUE OF INVESTMENTS BY CLASSIFICATION AND MEASUREMENT

June 30, 2023	LEVEL 1	LEVEL 2	LEVEL 3	AT NAV	TOTAL
Money market funds	\$ 24,681	\$ -	\$ -	\$ -	\$ 24,681
Marketable securities	91,178	-	-	-	91,178
Limited partnerships					
Public equity	-	-	-	426,075	426,075
Private equity	-	-	-	759,680	759,680
Real assets	-	-	-	151,604	151,604
Hedge funds	-	-	-	378,646	378,646
Fixed income	-	-	-	527,705	527,705
TOTAL LIMITED PARTNERSHIPS	-	-	-	2,243,710	2,243,710
Other investments	-	-	462	-	462
TOTAL INVESTMENTS	\$ 115,859	\$ -	\$ 462	\$ 2,243,710	\$ 2,360,031
BENEFICIAL INTERESTS	\$ -	\$ -	\$ 17,586	\$ -	\$ 17,586
LAND AND BUILDINGS	\$ -	\$ -	\$ 26,275	\$ -	\$ 26,275
DEPOSITS HELD IN CUSTODY	\$ (2,697)	\$ -	\$ (3)	\$ (114,637)	\$ (117,337)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

5. FAIR VALUE MEASUREMENTS CONTINUED

Activities for Level 3 investments were as follows for the year ended June 30, 2024, and 2023, respectively.

LEVEL 3 INVESTMENT ACTIVITIES

OTHER INVESTMENTS (LEVEL 3)	6/30/2024	6/30/2023
BALANCE, BEGINNING OF YEAR	\$ 462	\$ 462
Purchases	268	-
Sales	-	-
BALANCE, END OF YEAR	\$ 730	\$ 462

BENEFICIAL INTERESTS (LEVEL 3)	6/30/2024	6/30/2023
BALANCE, BEGINNING OF YEAR	\$ 17,586	\$ 18,538
Net (loss), realized and unrealized	(382)	(904)
Maturities	(22)	(48)
BALANCE, END OF YEAR	\$ 17,182	\$ 17,586

LAND AND BUILDINGS (LEVEL 3)	6/30/2024	6/30/2023
BALANCE, BEGINNING OF YEAR	\$ 26,275	\$ 24,803
Unrealized gain	-	1,472
BALANCE, END OF YEAR	\$ 26,275	\$ 26,275

COMMITMENTS

JUNE 30, 2024	INVESTED	UNFUNDED COMMITMENTS
LIMITED PARTNERSHIPS		
Public equity	\$ 454,809	\$ 2,569
Private equity	879,021	576,886
Real assets	153,220	132,704
Hedge funds	432,200	70,088
Fixed income	495,160	-
BALANCE, END OF YEAR	\$ 2,414,410	\$ 782,247

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

Approximately \$2,414,410 of investments at June 30, 2024 are valued using the “practical expedient” method of Net Asset Value. Generally, the Partnership, if externally managed, or the Foundation, if internally managed, may redeem from these funds on a monthly, quarterly, or semi-annual basis. Advance notice for redemption varies in accordance with the underlying fund agreements. However, it is possible that these redemption rights may be limited or suspended by the funds in the future in accordance with the underlying fund agreements. Of these investments, \$764,436 cannot be redeemed with the funds. Instead, distributions are received through the liquidation of the underlying assets of the funds. The Foundation expects distributions from these funds as they liquidate their portfolios. The timing of such distributions

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

5. FAIR VALUE MEASUREMENTS CONTINUED

will be dictated by the underlying funds' processes as well as market conditions. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and the estimated fair value of the Foundation's interest in these funds.

6. ENDOWMENTS AND ENDOWMENT DISTRIBUTIONS

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

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

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

The Foundation's endowments consist of donor-restricted and board-designated endowment funds. The Board is authorized to determine distributions from endowment funds and has established the long-term investment policy objective of maintaining the real (after inflation) purchasing power of endowment gifts. The Board has authorized a stated annual distribution rate of 4% for the years ended June 30, 2024, and 2023.

Authorized distributions (appropriations) are retained in net assets with donor restrictions until disbursement is requested by University officials consistent with the terms of the gift. Requested amounts are then released from restrictions, and the disbursement is reported as a decrease in net assets without donor restrictions. From time to time, the fair value of endowment funds associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA required the Foundation to retain as a fund of perpetual duration and are considered underwater endowments. As of June 30, 2024, endowed funds with a total historical gift value of \$3,326 and market value of \$3,195 resulted in an amount of \$131 underwater. As of June 30, 2023, endowed funds with total historical gift value of \$18,491 and market value of \$17,767 resulted in an amount of \$724 underwater.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

6. ENDOWMENTS AND ENDOWMENT DISTRIBUTIONS CONTINUED

CHANGES IN ENDOWMENT NET ASSETS

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			TOTAL ENDOWMENT ASSETS
		ACCUMULATED ENDOWMENT EARNINGS	ORIGINAL GIFT AMOUNT	TOTAL WITH DONOR RESTRICTIONS	
BALANCE, JUNE 30, 2022	\$ 3,350	\$ 365,840	\$ 1,055,423	\$ 1,421,263	\$ 1,424,613
Contributions	-	1,059	51,960	53,019	53,019
Investments, net return	148	29,630	-	29,630	29,778
Distributions	(240)	(37,957)	-	(37,957)	(38,197)
Administrative assessments	(6)	(9,595)	-	(9,595)	(9,601)
Net revaluation of split- interest agreements	-	(1,281)	(282)	(1,563)	(1,563)
Other changes	-	-	(374)	(374)	(374)
NET INCREASE, YEAR ENDED JUNE 30, 2023	(98)	(18,144)	51,304	33,160	33,062
BALANCE, JUNE 30, 2023	\$ 3,252	\$ 347,696	\$ 1,106,727	\$ 1,454,423	\$ 1,457,675
Contributions	-	1,543	46,588	48,131	48,131
Investments, net return	600	129,386	-	129,386	129,986
Distributions	(241)	(39,845)	-	(39,845)	(40,086)
Administrative assessments	(6)	(10,985)	-	(10,985)	(10,991)
Net revaluation of split- interest agreements	-	-	7,254	7,254	7,254
Other changes	-	2,409	(49,518)	(47,109)	(47,109)
NET INCREASE, YEAR ENDED JUNE 30, 2024	353	82,508	4,324	86,832	87,185
BALANCE, JUNE 30, 2024	\$ 3,605	\$ 430,204	\$ 1,111,051	\$ 1,541,255	\$ 1,544,860

ENDOWMENT NET ASSETS BY RESTRICTION

	6/30/2024	6/30/2023
Subject to expenditure for specified purpose:		
Student scholarships	\$ 500,441	\$ 435,679
Faculty, research, and other direct operational support	668,080	666,967
Other student and academic support	353,215	333,580
Facilities and equipment	16,000	15,127
Foundation administration	3,519	3,070
TOTAL NET ASSETS SUBJECT TO EXPENDITURE FOR SPECIFIED PURPOSE	\$ 1,541,255	\$ 1,454,423

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

7. NET ASSETS

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

7. NET ASSETS CONTINUED

NET ASSETS BY RESTRICTION	6/30/2024	6/30/2023
Subject to expenditure for specified purpose:		
Student scholarships	\$ 186,439	\$ 157,171
Faculty and research	204,745	164,741
Other student, academic, and operational support	415,209	401,533
Facilities and equipment	120,267	113,611
TOTAL SUBJECT TO EXPENDITURE FOR SPECIFIED PURPOSE	926,660	837,056
Subject to the passage of time:		
Pledges receivable	27,029	29,244
Annuity funds, life income funds, and beneficial interests, net	2,793	3,910
Trusts held by others	23,395	22,615
TOTAL SUBJECT TO PASSAGE OF TIME	53,217	55,769
Subject to endowment spending policy and appropriation:		
Investments in perpetuity:		
Student scholarships	318,606	278,595
Faculty and research	414,000	406,169
Other student, academic, and operational support	196,811	180,236
Facilities and equipment	11,898	11,894
Endowment pledges receivable, net	110,041	159,949
TOTAL SUBJECT TO ENDOWMENT SPENDING POLICY AND APPROPRIATION	1,051,356	1,036,843
Subject to restriction in perpetuity		
Annuity funds, beneficial interests, and Foundation designated funds	15,681	14,934
Perpetual trusts held by others	44,014	54,950
TOTAL SUBJECT TO RESTRICTION IN PERPETUITY	59,695	69,884
TOTAL ENDOWED NET ASSETS RESTRICTED IN PERPETUITY	1,111,051	1,106,727
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	2,090,928	1,999,552
Without restriction and subject to board designation:		
Designated for operating reserve	3,335	3,293
Designated for University President's strategic project reserves	5,741	3,196
Designated for technology and strategic project reserves	5,875	7,445
Designated for Launch Oregon Seed Fund Investment	-	3,000
Designated for Donor Advised Fund	-	939
TOTAL SUBJECT TO BOARD DESIGNATION	14,951	17,873
Investment in property and equipment, net	18,837	18,074
Undesignated	18,383	9,693
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	52,171	45,640
TOTAL NET ASSETS	\$ 2,143,099	\$ 2,045,192

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

7. NET ASSETS CONTINUED

NET ASSETS RELEASED FROM RESTRICTIONS	6/30/2024	6/30/2023
Student scholarships	\$ 23,349	\$ 21,232
Faculty, research, and other direct operational support	80,689	31,911
Other student and academic support	51,980	43,868
Facilities and equipment	90,801	52,644
University advancement	6,817	4,341
Foundation administration	5,763	67
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	\$ 259,399	\$ 154,063

8. PLEDGES RECEIVED

The total pledges receivable, net of an allowance for uncollectible pledges and discounted to present value on June 30, 2024, and 2023, are shown below. The general allowance is determined by reviewing whether collection is unlikely for a specific pledge or a portion thereof and is based upon analysis of past collection experience, pledge activity, and other judgmental factors.

For most pledges, the discount rates used to determine present values are the average from the auctions of U.S. Treasury Securities for the month of pledge inception. The discount is calculated for the payment period expressed in the pledge document. For deferred pledges, the discount rates used to determine present values are IRS-prescribed rates associated with pledge inception. The discount is calculated for the estimated life expectancy of the donor using a 25-year average as of June 30, 2024. See Note 9 for pledges receivable from trustees.

PLEDGES	6/30/2024	6/30/2023
Due less than one year	\$ 57,790	\$ 58,266
Due one to five years	59,094	110,520
Due more than five years	-	1,066
TOTAL GROSS PLEDGES	116,884	169,852
Less allowance	(20)	(417)
Less discount	(2,470)	(3,556)
TOTAL PLEDGES, NET	114,394	165,879
DEFERRED PLEDGES	6/30/2024	6/30/2023
Due less than one year	-	1,383
Due one to five years	750	550
Due more than five years	47,631	47,398
TOTAL GROSS DEFERRED PLEDGES	48,381	49,331
Less allowance	(2,983)	(3,035)
Less discount	(21,752)	(22,043)
TOTAL DEFERRED PLEDGES, NET	23,646	24,253
PLEDGES RECEIVABLE, NET	\$ 138,040	\$ 190,132

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

9. CONCENTRATIONS

As of June 30, 2024, and 2023, 1% and 1% of all pledge receivables were from trustees, respectively. As of June 30, 2024, and 2023, respectively, 56% and 64% of all pledge receivables were from one donor. Trustees made 1% of all contributions for 2024 and 2023. Two donors made 66% of all contributions in 2024, and three donors made 60% of all contributions in 2023.

10. NOTES PAYABLE

The interest expense associated with the below notes for the years ended June 30, 2024, and 2023 corresponds to cash paid for interest and was \$1,614 and \$1,809, respectively. Management believes all covenants have been met as of June 30, 2024, and 2023.

Notes payable have scheduled maturities as follows: 2025 \$1,511; 2026 \$1,585; 2027 \$1,663; 2028 \$1,745; 2029 \$1,260; 2030 and beyond \$29,708.

NOTES PAYABLE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

NOTES PAYABLE	6/30/2024	6/30/2023
Due July 1, 2028, 6.48% with \$47 monthly payments, including principal and interest. A mortgage was assumed by OFX Millrace, LLC to acquire real property on behalf of the University. The mortgage is secured with real property.	\$ 1,994	\$ 2,417
Due November 10, 2045, 4.08% with \$208 monthly payments, including principal and interest. Proceeds were used to acquire property by OFX White Stag, LLC on behalf of the University. The note is secured by buildings and the related bond lease.	35,478	36,501
TOTAL NOTES PAYABLE	\$ 37,472	\$ 38,918

11. SPLIT-INTEREST AGREEMENTS

The Foundation has entered into charitable gift annuity agreements whereby donors contribute assets in exchange for annual income streams that last a lifetime or a specifically defined period. Assets received from donors to establish gift annuities are managed in a pooled account and accounted for individually. The excess of gift annuity-related assets over gift annuity obligations (net assets) is restricted based on the donor's intent for the gift. Gift annuity obligations are an actuarially determined liability that represents the present value of future payments to beneficiaries. Gift annuities are managed in compliance with applicable state statutes. The California required Reserve Fund was \$375 and \$326 at June 30, 2024 and 2023, respectively.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

11. SPLIT-INTEREST AGREEMENTS CONTINUED

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

OBLIGATIONS UNDER SPLIT-INTEREST AGREEMENTS

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

BENEFICIAL INTERESTS

Beneficial interests in split-interest agreements held by others are recorded at the net present value of the estimated future amount to be received from such assets, revalued annually based on the fair value of investments on June 30. The Foundation utilizes a discounted cash flow technique to value these assets. The present value of charitable remainder trusts held by others and perpetual trusts held by others is determined using the Internal Revenue Service established discount rate of 5.6%, as well as actuarially determined expected lives of beneficiaries ranging from 6.2 to 30.1 years, or 99 years for perpetual trusts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

11. SPLIT-INTEREST AGREEMENTS CONTINUED

SPLIT-INTEREST AGREEMENTS

ASSETS	6/30/2024	6/30/2023
REMAINDER TRUSTS		
Fair value	\$ 81,334	\$ 93,099
Cost	\$ 58,414	\$ 72,884
GIFT ANNUITIES		
Fair value	\$ 6,332	\$ 5,713
Cost	\$ 5,990	\$ 5,648
TOTAL OBLIGATIONS AND PAYMENTS TO BENEFICIARIES	6/30/2024	6/30/2023
OBLIGATIONS TO BENEFICIARIES		
Remainder trusts	\$ 38,477	\$ 42,675
Gift annuities	3,990	3,848
TOTAL OBLIGATIONS TO BENEFICIARIES	\$ 42,467	\$ 46,523
PAYMENTS TO BENEFICIARIES		
Remainder trusts	\$ 4,338	\$ 5,225
Gift annuities	385	378
TOTAL PAYMENTS TO BENEFICIARIES	\$ 4,723	\$ 5,603
CHANGES IN OBLIGATIONS TO BENEFICIARIES	6/30/2024	6/30/2023
BALANCE, BEGINNING OF YEAR	\$ 46,523	\$ 46,979
Obligations on new gifts	839	1,405
Investment and other income (loss), net	7,717	4,184
Net revaluation	(7,337)	(201)
Payment to beneficiaries	(4,723)	(5,603)
Payment to remaindermen	(847)	-
Conversion	481	-
Administrative assessments	(60)	(79)
Other management expenses	(126)	(162)
NET DECREASE	(4,056)	(456)
BALANCE, END OF YEAR	\$ 42,467	\$ 46,523
CONTRIBUTIONS	6/30/2024	6/30/2023
Remainder trusts	\$ 416	\$ 425
Gift annuities	243	75
TOTAL CONTRIBUTIONS	\$ 659	\$ 500
INVESTMENTS	6/30/2024	6/30/2023
Investment income	\$ 2,269	\$ 2,198
Increase (decrease) in fair value of investments	5,448	1,986
TOTAL INVESTMENT RESULTS	\$ 7,717	\$ 4,184

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

12. ASSESSMENTS

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

- Trust assets and gift annuities are assessed 0.025% quarterly, based on their valuation as of the end of the quarter. Up to 5% is assessed at maturity.
- Endowment assets are assessed 0.1875% quarterly, based on the asset valuation as of the end of the quarter.
- Other assets are assessed 0.0625% to 0.125% quarterly, based on the asset valuation as of the end of the quarter, not to exceed actual interest earned. The assessment rate is determined by asset type.
- Expendable and endowment gifts for University programs are assessed up to 5% of their value at the time of receipt.

ASSESSMENTS	6/30/2024	6/30/2023
Trust assets and gift annuities	\$ 814	\$ 149
Endowment assets	10,822	9,885
Other assets	1,132	1,708
Expendable gifts for University programs	1,036	2,156
Endowment gifts	2,204	1,341
TOTAL ASSESSMENTS	\$ 16,008	\$ 15,239

13. ALLOCATION OF FUNCTIONAL EXPENSES

Expenses for University support are funded by (1) outright gifts and authorized distributions of endowments for donor-designated purposes and (2) allocations of net assets without donor restrictions that the Board has approved for University Advancement and specific University projects. The Foundation only fulfills University disbursement requests that meet all applicable donor restrictions. The cost of providing grants to the University and other activities has been summarized on a functional basis within the consolidated statements of activities.

Expenses for Foundation administration represent Board-authorized disbursements of net assets without donor restrictions. The Foundation's direct administrative costs, such as salaries, professional services, and occupancy, are included within Foundation Administration and outlined below. Costs associated with fundraising include amounts paid on behalf of and directly to vendors for fundraising and development for University Advancement. The Foundation transfers amounts collected from gift fee assessments (Note 12) to University Advancement to support fundraising activities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

13. ALLOCATION OF FUNCTIONAL EXPENSES CONTINUED

ALLOCATION OF FUNCTIONAL EXPENSES	6/30/2024	6/30/2023
UNIVERSITY OF OREGON SUPPORT		
Scholarships	\$ 23,401	\$ 21,269
Faculty, research, and other direct operational support	80,755	31,977
Other student and academic support	57,665	43,871
Facilities and equipment	92,553	56,233
TOTAL UNIVERSITY OF OREGON SUPPORT	254,374	153,350
FOUNDATION ADMINISTRATION		
Salaries and benefits	6,395	5,321
Professional and contract services	1,641	1,200
Occupancy costs	485	578
Travel and meetings	244	232
Other expenses	1,137	237
TOTAL FOUNDATION ADMINISTRATION	9,902	7,568
FUNDRAISING		
University of Oregon fundraising support	19,517	14,426
TOTAL EXPENSES	\$ 283,793	\$ 175,344

14. LEASES

The Foundation leases real property and office space and is a lessor of real property under both operating and direct financing leases. For both lessee and lessor leases, the Foundation determines if an arrangement is or contains a lease at inception.

LESSOR ARRANGEMENTS

The Foundation determines at inception whether a lease as a lessor is classified as an operating, sales-type, or direct financing lease. For operating leases, the Foundation recognizes the lease payments on a straight-line basis over the lease term. Initial direct costs are expensed over the lease term on the same basis as lease income. For direct financing leases, the Foundation derecognizes the underlying asset and recognizes a net investment in the lease, which is recorded at commencement date as lease receivable, less unearned interest income and any unguaranteed residual value the Foundation expects to derive from the underlying asset at the end of the lease term. The lease receivable consists of the future minimum lease payments at lease commencement. Any selling profit and initial direct costs are deferred at commencement and recognized over the lease term. There was no residual value or deferred selling profit recorded for the Foundation's direct financing lease. The Foundation does not have any sales-type leases. Interest income on the net investment in the lease is recognized over the lease term using the effective interest method.

LESSOR

The Foundation leases as a lessor are comprised of leases held under its wholly owned subsidiaries.

DIRECT FINANCING LEASE

OFX White Stag, LLC has leased real property it owns to the University of Oregon's Board of Trustees under a direct financing lease. The lease commenced in November 2015 and continues through November 2045. The lease has no renewal provisions. The interest income for the direct financing lease was \$1,495 and \$1,665 for the year ended June 30, 2024, and 2023, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

14. LEASES CONTINUED

DIRECT FINANCING LEASE	6/30/2024	6/30/2023
Lease receivable	\$ 53,186	\$ 55,679
Unearned interest income	(17,749)	(19,244)
NET INVESTMENT IN DIRECT FINANCING LEASE	\$ 35,437	\$ 36,435

AGGREGATE FUTURE MINIMUM LEASE PAYMENTS UNDER THE DIRECT FINANCING LEASE

YEARS ENDED JUNE 30		
2025	\$	2,285
2026		2,493
2027		2,493
2028		2,493
2029		2,493
Thereafter		40,929
TOTAL FUTURE MINIMUM LEASE PAYMENTS	\$	53,186

OPERATING LEASES

OFX III, LLC has leased real property it owns to the University of Oregon's Board of Trustees for a term through December 2034. Both parties have the option to terminate the lease with not less than 90 days prior written notice to the other party. OFX Millrace, LLC has leased real property it owns to the Board of Trustees of the University of Oregon for a term through July 2034.

Lease income for the operating leases was \$1,109 and \$1,109 for the year ended June 30, 2024, and 2023, respectively.

AGGREGATE FUTURE MINIMUM LEASE PAYMENTS UNDER THE NON-CANCELABLE OPERATING LEASES

YEARS ENDED JUNE 30		
2025	\$	1,109
2026		1,109
2027		1,109
2028		1,109
2029		1,109
Thereafter		4,655
TOTAL FUTURE MINIMUM LEASE PAYMENTS	\$	10,200

LESSEE ARRANGEMENTS

The Foundations recognizes an operating lease right-of-use (ROU) asset and operating lease liability at lease commencement based on the present value of the future minimum lease payments for the noncancellable lease term. The Foundation uses the risk-free discount rate at lease commencement in determining the present value. The operating lease ROU asset also includes any lease payments made prior to commencement, less any lease incentives, tenant improvement allowances, and initial direct costs incurred, if applicable. The Foundation's lease contracts may include options to extend a lease following the initial term. The Foundation has determined that it is not reasonably certain to exercise such renewal options, and therefore such amounts are not considered in the ROU asset or lease liability until the date of exercise. Leases with an initial term of 12 months or less are not recorded on the statements of financial

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

14. LEASES CONTINUED

position and are expensed on a straight-line basis over the term of the agreement. The Foundation accounts for lease and non-lease components as a single lease component for all real property leases, where applicable.

The Foundation entered a new lease during the year ended June 30, 2023, in which it leases office space from the University of Oregon. The lease commenced on July 1, 2022, and continues through June 30, 2031. There are no options to renew the lease.

LESSEE

The Foundation's leases as a lessee also include a lease held under its wholly owned subsidiary, OFX Millrace, LLC, which leases real property (ground lease) from the Board of Trustees of the University of Oregon for a term through May 2042. There are no options to renew the lease.

AGGREGATE FUTURE MINIMUM LEASE PAYMENTS UNDER THE NON-CANCELABLE OPERATING LEASES

YEARS ENDED JUNE 30		
2025	\$	338
2026		345
2027		353
2028		362
2029		370
Thereafter		1,620
TOTAL UNDISCOUNTED LEASE PAYMENTS	\$	3,388
Imputed interest		(527)
TOTAL PRESENT VALUE OF LEASE LIABILITIES	\$	2,861

ADDITIONAL INFORMATION

	6/30/2024	6/30/2023
Right-of-use assets obtained in exchange for lease liabilities	\$ 3,048	\$ 3,329
Cash paid for amounts included in the measurement of lease liabilities	\$ 330	\$ 323
Weighted average remaining lease term (years)	11	12
Weighted average discount rate	3.1%	3.1%

15. DEFINED CONTRIBUTION BENEFIT PLAN

The Foundation maintains a retirement plan in accordance with Internal Revenue Service Code Section 403(b). The Plan covers all employees who have attained the minimum age of 18. The Foundation makes semi-monthly contributions equal to 18.32% of compensation for that pay period for all employees who have been employed for six months or more. Employee contributions are not required, although employees may make elective contributions. Employer contributions vest over a five-year service period or upon attaining 50 years of age. Amounts contributed and charged to expense for the years ended June 30, 2024 and 2023 were \$680 and \$585, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollar amounts stated are in thousands

16. INCOME TAXES

The Foundation and Foundation SO have each been classified as organizations that are not private foundations. Contributions to the Foundation and Foundation SO qualify for the charitable contribution tax deduction under Section 170(b)(1)(A)(vi).

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

The Foundation and Foundation SO recognize the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Foundation and Foundation SO each have no unrecognized tax benefits at June 30, 2024. The Foundation and Foundation SO each file an exempt organization return and applicable unrelated business income tax returns in the U.S. federal jurisdiction and applicable state agencies.

17. ADDITIONAL INFORMATION

DEPOSITS HELD IN CUSTODY	6/30/2024	6/30/2023
DEPOSITS HELD IN CUSTODY		
For the University of Oregon (T3, LLC)	\$ 97,955	\$ 92,305
For the University of Oregon Alumni Association	21,048	19,700
For University of Oregon Athletics and others	4,069	5,332
TOTAL DEPOSITS HELD IN CUSTODY	\$ 123,072	\$ 117,337
ACCOUNTS PAYABLE	6/30/2024	6/30/2023
To the University of Oregon	\$ 2,757	\$ 1,872
To others, for Foundation activities	9,041	2,440
TOTAL ACCOUNTS PAYABLE	\$ 11,798	\$ 4,312

Deposits held in custody represent funds managed by the Foundation in a custodial capacity. The assets and corresponding liability for these funds are reflected on the consolidated statements of financial position, however, the transactional activity of these funds is not reflected in the consolidated statements of activities as the Foundation is acting as an agent for these funds.

Consolidating Schedule of Financial Position

University of Oregon Foundation and Affiliate
Supplemental information as of June 30, 2024

	University of Oregon Foundation and LLC Subsidiaries	Affiliate	Consolidated Balances
ASSETS			
Investments			
Money market funds	\$ 27,589	\$ 4,127	\$ 31,716
Marketable securities	111,296	-	111,296
Limited partnership	2,180,687	233,723	2,414,410
Other investments	730	-	730
TOTAL INVESTMENTS	2,320,302	237,850	2,558,152
Cash	115,003	6,432	121,435
Pledges receivable, net	48,891	89,149	138,040
Capital lease receivable, net	35,437	-	35,437
Land and buildings	26,275	-	26,275
Construction in progress	12,875	-	12,875
Software in progress	5,391	-	5,391
Beneficial interests	17,182	-	17,182
Right of use assets	2,805	-	2,805
Other assets, net	1,835	836	2,671
TOTAL ASSETS	\$ 2,585,996	\$ 334,267	\$ 2,920,263
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	\$ 11,798	\$ -	\$ 11,798
Deposits held in custody	123,072	-	123,072
Lease liability	2,861	-	2,861
Notes payable	37,472	-	37,472
Conditional contributions held as deferred revenue	559,494	-	559,494
Obligations to beneficiaries under split-interest agreements	42,467	-	42,467
TOTAL LIABILITIES	777,164	-	777,164
Net assets without donor restrictions			
Undesignated	18,383	-	18,383
Board-designated	14,951	-	14,951
Investment in property and equipment, net of related debt	18,837	-	18,837
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	52,171	-	52,171
Net assets with donor restrictions			
Restricted by purpose	859,569	67,091	926,660
Restricted by time	53,217	-	53,217
Restricted in perpetuity	843,875	267,176	1,111,051
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	1,756,661	334,267	2,090,928
TOTAL NET ASSETS	1,808,832	334,267	2,143,099
TOTAL LIABILITIES AND NET ASSETS	\$ 2,585,996	\$ 334,267	\$ 2,920,263