UNIVERSITY OF OREGON

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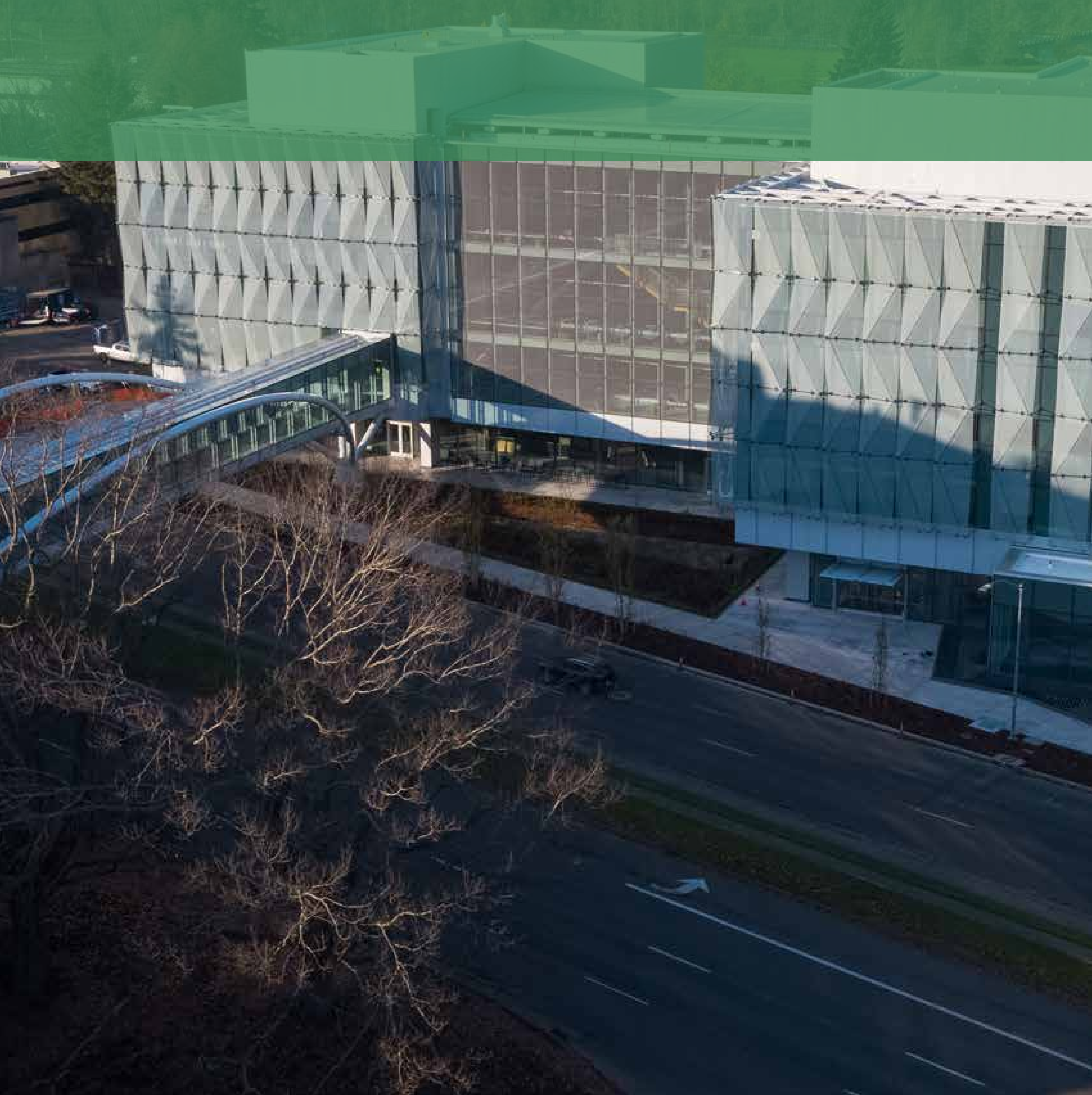
2021 ANNUAL FINANCIAL REPORT



University of Oregon
2021 Annual Report

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University of Oregon Executive Officers as of June 30, 2021

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Vice President for Student Services and Enrollment Management

Angela Wilhelms
University Secretary

Founded in 1876 in Eugene, the University of Oregon (UO) is the state's flagship public research institution. The 295-acre campus houses 115 buildings, including two museums—the Jordan Schnitzer Museum of Art and the Museum of Natural and Cultural History—more than 25 research centers and institutes, and academic programs in nine degree-conferring schools and colleges: including the College of Arts and Sciences, the College of Education, the Charles H. Lundquist College of Business, the Robert D. Clark Honors College, the College of Design, the School of Law, the School of Journalism and Communication, and the School of Music and Dance. The Phil and Penny Knight Campus for Accelerating Scientific Impact opened its doors in Fall, 2020.

The UO is one of just 65 schools with membership in the prestigious Association of American Universities—and is the only member in Oregon. Within its schools and departments, the UO offers more than 300 academic programs, 72 undergraduate majors, and 95 graduate and professional majors.

The Oregon Institute of Marine Biology (OIMB) in Charleston is a living classroom where undergraduate and graduate students studying biology, marine biology, general science, and environmental science experience marine organisms in their natural habitats.

Perched on a remote mountaintop 6,300 feet above sea level in central Oregon, the Pine Mountain Observatory is ideal for observing the high desert's night skies. The observatory, which is operated by the UO's Department of Physics, provides basic and advanced scientific research opportunities.

Students at UO Portland are working toward master's degrees in architecture, historic preservation, strategic communication, business administration, sports product management, multimedia journalism, and Juris Doctor degrees. Fifth-year programs are also offered in product design and digital arts, as well as courses geared to continuing professional education.

The UO is also home to Matthew Knight Arena and Autzen Stadium, where it ostensibly "never rains." The renovation of Hayward Field is complete, and it hosted the 2021 Olympic Track & Field Team Trials and is scheduled to be the first US host of the World Athletics Championships in 2022. In addition to its storied football program and reputation as Track Town USA, university Ducks teams include men's baseball, basketball, cross country, football, golf, tennis, and track and field. Women's sports teams include acrobatics and tumbling, basketball, beach volleyball, cross country, golf, lacrosse, soccer, softball, tennis, track and field, and volleyball. Clubs devoted to sports include everything from alpine ski to wushu.

Mission

Serving students, the state, nation, and world since 1876

The University of Oregon is a comprehensive public research university committed to exceptional teaching, discovery, and service. We work at a human scale to generate big ideas. As a community of scholars, we help individuals question critically, think logically, reason effectively, communicate clearly, act creatively, and live ethically.

Purpose

We strive for excellence in teaching, research, artistic expression, and the generation, dissemination, preservation, and application of knowledge. We are devoted to educating the whole person, and to fostering the next generation of transformational leaders and informed participants in the global community. Through these pursuits, we enhance the social, cultural, physical, and economic wellbeing of our students, Oregon, the nation, and the world.

Vision

We aspire to be a preeminent and innovative public research university encompassing the humanities and arts, the natural and social sciences, and the professions. We seek to enrich the human condition through collaboration, teaching, mentoring, scholarship, experiential learning, creative inquiry, scientific discovery, outreach, and public service.

Values

We value the passions, aspirations, individuality, and success of the students, faculty, and staff who work and learn here. We value academic freedom, creative expression, and intellectual discourse. We value our diversity and seek to foster equity and inclusion in a welcoming, safe, and respectful community. We value the unique geography, history, and culture of Oregon that shapes our identity and spirit. We value our shared charge to steward resources sustainably and responsibly.

Notable UO Achievements

The UO welcomed 21,800 students in the fall of 2020. Of these, 18,054 were undergraduates. Among the freshman class, 52.4% were Oregonians and 41.7% were domestic minorities, a UO record. One third were the first in their family to attend college.

The $177.0 million research award total for 2020-2021 is the UO's highest-ever total recorded, eclipsing last year's record of $146.5 by more than $30 million, a 20.8% increase. With the addition of $46 million in federal coronavirus support, total awards were $223.1 million.

The 2020-21 fiscal year marked the university's best for fundraising with $867.2 million raised, bringing the current campaign total to $3.24 billion. Over the course of the 11-year campaign, UO donors made it possible to increase faculty hiring, support research and academic programs, fund initiatives for student success including scholarships, and to fund new facilities, building renovations, and expansion projects across campus.

In January 2021, the UO received a $4.52 million grant from the Andrew W. Mellon Foundation—the largest humanities award in UO history—to support a new multidisciplinary initiative, the Pacific Northwest Just Futures Institute for Racial and Climate Justice.

The UO celebrated the opening of the Phil and Penny Knight Campus for Accelerating Scientific Impact in December 2020 with a virtual grand opening. The world-class facility is home to innovative research and study focusing on the scientific areas of bioengineering, materials for biological applications, precision medical technologies, complex biological systems, and synthetic biological and molecular engineering.

Construction continued on Unthank Hall, readying the building for occupancy for fall 2021. The 209,000 square feet facility will provide residences for 700 students, dining options, and a prospective student welcome center. The hall is named for DeNorval Unthank Jr., the first African-American to graduate from the UO's College of Design.

The newly-renovated Hayward Field hosted the 2021 Olympic track and field trials, with nine Ducks securing spots to the summer Olympics in Tokyo. This historic site will also host the Pac-12 Championships, the NCAA Outdoor Track & Field Championships, and the World Athletics Outdoor Championship meet in the coming year.

Earthquake early warning came to the Pacific Northwest this year via ShakeAlert, a system that uses 400 seismic sensors that provide critical warning of an impending earthquake. UO researchers played a role in the science, development, and rollout of the technology, and the UO's Oregon Hazards Lab was awarded $7.5 million to complete buildout of the system in Oregon by 2023.

UO Vice Provost for Undergraduate Education and Student Success Kimberly Johnson's novel, This Is My America, which was chosen for UO's 2020 Common Reading Program, will be made into a television series to stream on HBO Max.

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Report of Independent Auditors

Members of the Board of Trustees
University of Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the University of Oregon ("UO"), and its discretely presented component unit, the University of Oregon Foundation ("the Foundation"), as of and for the years ended June 30, 2021 and 2020, and its fiduciary fund for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the UO's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of information of UO and its discretely presented component unit, as of June 30, 2021 and 2020, and the fiduciary fund as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 17, and the schedule of UO's proportionate share of net pension liability / (asset) – PERS, UO contributions – PERS, UO's Proportionate Share of Total and Net OPEB Liabilities / (Assets), and UO Contributions – OPEB on pages 52-53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the UO's basic financial statements. The UO Board of Trustees and Executive Officers section and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The UO Board of Trustees and Executive Officers section on page 1 and the information on pages 2 through 4 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2021 on our consideration of UO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of UO's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UO's internal control over financial reporting and compliance.

Moss Adams LLP

Portland, Oregon
November 4, 2021

For the Year Ended June 30, 2021 (dollars in thousands)

Introduction

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of the University of Oregon for the fiscal years ended June 30, 2021, 2020, and 2019. The UO's primary campus is in Eugene, but programs are also offered in Portland, at the Oregon Institute of Marine Biology in Charleston, and at the Pine Mountain Observatory outside of Bend, all in the state of Oregon.

Annual Full Time Equivalent (FTE) Student Enrollment Summary

	2021	2020	2019	2018	2017
Annual FTE	21,753	22,600	22,811	22,964	23,358

Understanding the Financial Statements

The MD&A provides an objective analysis of the UO's financial activities based on currently-known facts, decisions, and conditions. The MD&A discusses the current results in comparison to the two previous fiscal years. Unless otherwise stated, all years refer to the fiscal year ended June 30.

The MD&A is intended to foster a greater understanding of the UO's financial activities. Since this presentation includes summarized formats, it should be read in conjunction with the financial statements, which have the following eight components:

The Report of Independent Auditors presents an unmodified opinion rendered by an independent certified public accounting firm, Moss Adams LLP, on the fairness in presentation (in all material respects) of the financial statements.

Statement of Net Position (SNP) presents a snapshot of the UO's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position under the accrual basis of accounting at the end of each fiscal year presented. The SNP helps the reader understand the types and amounts of assets available to support operations, how much the UO owes to employees, vendors, and bondholders, and the UO's net position categorized by its status as restricted or unrestricted. Changes in net position that occur over time indicate improvement or decline in the UO's financial condition.

Statement of Revenues, Expenses, and Changes in Net Position (SRE) presents the UO's revenues and expenses categorized among operating, nonoperating, and other related activities. The SRE reports the UO's results for each fiscal year presented.

Statement of Cash Flows (SCF) provides information about the UO's sources (receipts) and uses (payments) of cash during the fiscal year. The SCF classifies sources and uses of cash into four categories, and assists in determining whether the UO has the ability to generate future net cash flows to meet its obligations as they come due.

Statement of Fiduciary Net Position presents a snapshot of custodial funds' assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position using the economic resources measurement focus. Activities that are reported as custodial consist of assets held by the UO for organizations that are outside of the university's reporting entity.

Statement of Changes in Fiduciary Net Position presents additions to and deductions from custodial funds, are not derived from university revenues, and are held for the benefit of the outside organization.

Notes to the Financial Statements (Notes) provide additional information to clarify and expand on the financial statements.

The Component Unit, comprised of a supporting foundation, the University of Oregon Foundation, is discretely presented in the UO financial statements and in Note 3 Cash and Investments and Note 18 University Foundation.

Statement of Net Position

The term "Net Position" refers to the difference between (a) combined assets and deferred outflows of resources and (b) combined liabilities and deferred inflows of resources, and is an indicator of the UO's current financial condition. Changes in net position that occur over time indicate improvement or decline in this condition.

For the Year Ended June 30, 2021 (dollars in thousands)

The following summarizes the UO's assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position:

Condensed Statement of Net Position

As of June 30,	2021	2020	2019
Assets:			
Current Assets	$ 299,559	$ 238,928	$ 294,952
Noncurrent Assets	307,544	393,388	255,558
Capital Assets, Net	2,061,203	2,001,890	1,611,084
Total Assets	2,668,306	2,634,206	2,161,594
Deferred Ouflows of Resources	150,299	122,163	120,312
Total Assets and Deferred Outflows of Resources	2,818,605	2,756,369	2,281,906
Liabilities:			
Current Liabilities	218,734	217,429	246,738
Noncurrent Liabilities	1,319,698	1,248,543	1,075,603
Total Liabilities	1,538,432	1,465,972	1,322,341
Deferred Inflows of Resources	12,703	19,889	18,277
Total Liabilities and Deferred Inflows of Resources	1,551,135	1,485,861	1,340,618
Net Investment in Capital Assets	1,265,739	1,266,164	878,571
Restricted - Expendable	90,053	105,006	117,608
Unrestricted	(88,322)	(100,662)	(54,891)
Total Net Position	1,267,470	1,270,508	941,288
Total Liabilities, Deferred Inflows and Net Position	$ 2,818,605	$ 2,756,369	$ 2,281,906

Total Assets and Liabilities

Total assets increased $34,100, or 1 percent, and total liabilities increased $72,460, or 5 percent, during fiscal year 2021. Total assets increased $472,612, or 22 percent, and total liabilities increased $143,631, or 11 percent, during fiscal year 2020. At June 30, 2021, current assets exceed current liabilities.

Comparison of fiscal year 2021 to fiscal year 2020

- **Current assets** increased $60,631, or 25 percent. Current cash and cash equivalents increased $59,654, or 43 percent. Accounts receivable increased $5,065, or 6 percent primarily due to federal grants and contracts. This was offset by a decrease in collateral from securities lending of $3,597, or 80 percent.

- **Noncurrent assets**, excluding capital assets, decreased $85,844 or 22 percent. Noncurrent cash and cash equivalents (cash reserved for capital projects) decreased by $104,463, or 46 percent. Funds were used for construction projects. Investments increased by $19,546, or 12 percent.

- **Capital assets, net** increased $59,313, or 3 percent. Capitalized acquisitions, net of disposals and adjustments, included $122,318 in real property and $18,479 in personal property. Increases in real property through acquisitions or construction, included $54,654 for DeNorval Unthank Jr. Hall, $16,804 for Knight Campus, $13,182 for Millrace Drive Parking Garage, and $11,619 for Matt Knight Arena Addition. Accumulated depreciation increased by $81,116 or 9 percent. See "Capital Assets" in this MD&A for additional information relating to these variances.

- **Current liabilities** increased $1,305, or 1 percent. Unearned revenues increased $17,444 or 37 percent primarily due to grants and contracts. Accrued payroll related liabilities increased $16,564, or 35 percent. This was offset by a decrease in accounts payable and accrued liabilities of $18,762, or 29 percent.

- **Noncurrent liabilities** increased $71,155, or 6 percent. Refer to Note 10.A. Long-Term Liabilities, Agreement for Debt Management (ADM) for additional information relating to these variances.

- **Deferred outflows** increased by $28,136, or 23 percent, and **deferred inflows** decreased by $7,186, or 36 percent, primarily due to the impact of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions— An Amendment of GASB Statement No. 27* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Refer to Notes 13. Employee Retirement Plans, 14. Other Postemployment Benefits, and the Required Supplementary Information for additional information.

Comparison of fiscal year 2020 to fiscal year 2019

- **Current assets** decreased $56,024, or 19 percent. Current cash and cash equivalents decreased $27,804, or 17 percent. There was a decrease in current portion of notes receivable of $18,039, or 94 percent predominantly due to assignment and liquidation of the Perkins loan portfolio. In addition, accounts receivable decreased $8,570, or 9 percent primarily due to state bonds receivable.

- **Noncurrent assets**, excluding capital assets, increased $137,830 or 54 percent. Noncurrent cash and cash equivalents (cash reserved for capital projects) increased by $129,324, or 133 percent, primarily due to unspent bond proceeds from the 2020 bond sale, and investments increased by $6,539, or 4 percent.

- **Capital assets, net** increased $390,806, or 24 percent. Capitalized acquisitions, net of disposals and adjustments, included $449,572 in real property and

$4,113 in personal property. Increases in real property through acquisitions or construction, included $270,048 Hayward Field gift, $103,744 for Knight Campus, $15,643 for DeNorval Unthank Jr. Hall, $9,206 for Student Health, Counseling, and Testing Center addition, and $4,872 for Video Board and Sound System at Autzen Stadium. Accumulated depreciation increased by $62,879 or 7 percent. See "Capital Assets" in this MD&A for additional information relating to these variances.

- **Current liabilities** decreased $29,309, or 12 percent, primarily due to a reduction of $18,191 in federal capital contributions payable resulting from termination of the Perkins loan program. Current Portion of Long-Term Liabilities decreased $10,020, or 18 percent.

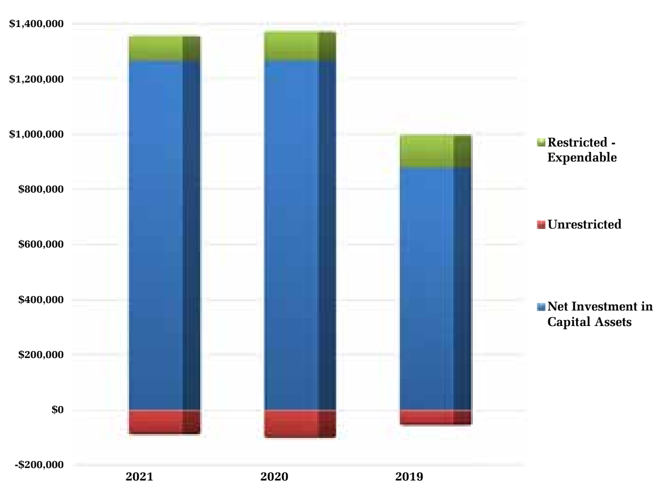
- **Noncurrent liabilities** increased $172,940, or 16 percent. Refer to Note 10.A. Long-Term Liabilities, Agreement for Debt Management (ADM) for additional information relating to these variances.

- **Deferred outflows** increased by $1,851, or 2 percent, and **deferred inflows** increased by $1,612, or 9 percent, primarily due to the impact of GASB 68 and GASB 75. Refer to Notes 13. Employee Retirement Plans, 14. Other Post Employment Benefits, and the Required Supplementary Information for additional information.

Total Net Position

As illustrated by the following graph, the makeup of net position changed between fiscal years 2021, 2020, and 2019.

(in millions)



Comparison of fiscal year 2021 to fiscal year 2020

Net investment in capital assets decreased $425, or less than1 percent. This includes debt-financing of capital assets, which reduces the overall net investment.

- **Restricted expendable net assets** decreased by $14,953, or 14 percent. Net position relating to the funding of capital projects decreased by $13,931, or 19 percent, as a result of new construction and improvement projects in fiscal year 2021. Net position relating to Gifts, Grants and Contracts decreased by $988, or 4 percent.

- **Unrestricted net position** decreased $3,038, or less than 1 percent, due to the implementation of GASB Statement No. 84, *Fiduciary Activities*.

Comparison of fiscal year 2020 to fiscal year 2019

- **Net investment in capital assets** increased $387,593, or 44 percent.

- **Restricted expendable net assets** decreased by $12,602, or 11 percent. Net position relating to the funding of capital projects decreased by $25,804, or 26 percent, as a result of new construction and improvement projects utilizing restricted assets in fiscal year 2020. A decrease in student loan net position of $2,193, or 28 percent, is related to the termination of the Perkins loan program. Net position relating to Gifts, Grants, and Contracts increased by $15,395, or 144 percent.

- **Unrestricted net position** decreased $45,771, or 83 percent.

Statement of Revenues, Expenses, and Changes in Net Position (SRE)

State general fund appropriations, nonexchange grants, and noncapital gifts, although considered nonoperating revenue under GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—An Amendment of GASB Statement No. 34* and reflected accordingly in the nonoperating section of the SRE, are used solely for operating purposes. However, due to the classification of these revenues as nonoperating, the UO shows a net operating loss.

The following summarizes the revenue and expense activity of the UO:

Condensed Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30,	2021	2020	2019
Operating Revenues	$ 692,755	$ 741,253	$ 744,160
Operating Expenses	1,001,512	1,023,063	967,829
Operating Loss	(308,757)	(281,810)	(223,669)
Nonoperating Revenues, Net of Expenses	238,636	213,058	191,492
Capital Additions	53,340	397,972	123,915
Increase (Decrease) in Net Position	(16,781)	329,220	91,738
Net Position, Beginning of Year	1,270,508	941,288	849,550
Adjustments to Beginning Net Position (Note 2)	13,743	-	-
Net Position, Beginning of Year (Restated)	1,284,251	941,288	849,550
Net Position, End of Year	$ 1,267,470	$ 1,270,508	$ 941,288

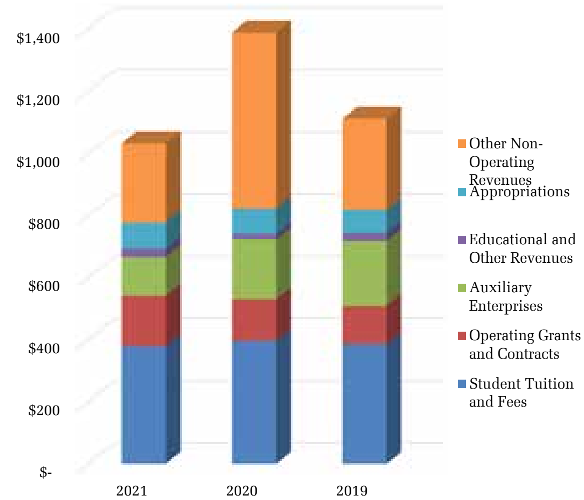
For fiscal year 2021, net position decreased by $3,038, or less than1 percent, to $1,267,470. For fiscal year 2020, net position increased by $329,220, or 35 percent, to $1,270,508.

Total Operating and Nonoperating Revenues

For the Year Ended June 30,	2021	2020	2019
Student Tuition and Fees, Net	$ 378,559	$ 396,255	$ 385,387
Grants and Contracts	162,372	133,394	123,686
Auxiliary Enterprises, Net	124,740	192,304	209,393
Educational and Other	27,084	19,300	25,694
Total Operating Revenues	692,755	741,253	744,160
Appropriations	84,478	81,291	74,397
Financial Aid Grants	32,934	33,838	36,083
Investment Activity	37,549	28,589	30,325
Capital Grants and Gifts	51,438	398,020	141,230
Other Nonoperating Items	132,548	105,482	84,358
Total Nonoperating Revenues	338,947	647,220	366,393
Total Revenues	$ 1,031,702	$ 1,388,473	$ 1,110,553

Total Operating and Nonoperating Revenues

(in millions)



Revenues

Operating Revenues

Operating revenues decreased $48,498, or 7 percent, to $692,755 in fiscal year 2021 as compared to fiscal year 2020. The 2021 change was primarily due to decreases in auxiliary enterprises and in net student tuition and fees, offset by increases in grants and contracts. Operating revenues decreased $2,907, or less than 1 percent, to $741,253 in fiscal year 2020 as compared to fiscal year 2019. The 2020 change was primarily due to decreases in auxiliary enterprises, offset by increases in net student tuition and fees and grants and contracts.

Comparison of fiscal year 2021 to fiscal year 2020

Student tuition and fees net of allowances decreased $17,696, or 4 percent. Resident undergraduate tuition increased by $2,264, or 2 percent. Nonresident undergraduate tuition decreased by $5,446, or 2 percent. Fiscal year 2021 included a $10,840, or 12 percent increase in allowances.

Total grants and contracts (federal, state and local, and nongovernmental) increased $28,978 or 22 percent. Federal grants and contracts increased by $23,447, or 21 percent, in part from the Higher Education Emergency Relief Funds (HEERF) included as part of the Coronovirus Aid Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). State and local grants and contracts increased by $1,052, or 29 percent, and nongovernmental grants and contracts increased by $4,479, or 22 percent.

For the Year Ended June 30, 2021 (dollars in thousands)

Auxiliary enterprises revenues decreased $67,564, or 35 percent, primarily attributable to the COVID-19 global pandemic. The university made numerous operational changes in response to COVID-19: reduced operations in the Erb Memorial Union (EMU) and the Student Recreation Center, and complied with the NCAA's decision to cancel or shorten collegiate athletic activities. A year of on-line learning left many of the residence halls with vacancies.

Educational and other revenues increased by $7,784, or 40 percent, partially due to insurance recoveries related to wildfires.

Comparison of fiscal year 2020 to fiscal year 2019

Student tuition and fees net of allowances increased $10,868, or 3 percent. Resident undergraduate tuition increased by $5,004, or 5 percent. Nonresident undergraduate tuition increased by $6,072, or 2 percent. Fiscal year 2020 included a $4,480, or 5 percent, increase in allowances.

Total grants and contracts (federal, state and local, and nongovernmental) increased $9,708 or 8 percent. Federal grants and contracts increased by $10,591, or 11 percent, in part from HEERF. State and local grants and contracts increased by $376, or 12 percent, and nongovernmental grants and contracts decreased by $1,259, or 6 percent.

Auxiliary enterprises revenues decreased $17,089, or 8 percent, primarily attributable to the COVID-19 global pandemic. The university made numerous operational changes in response to COVID-19: suspended operations in the Erb Memorial Union (EMU) and the Student Recreation Center, complied with the NCAA's decision to end all collegiate athletic activity for spring term, and refunded room and board payments to those students who opted to move out of the residence halls.

Educational and other revenues decreased by $6,394, or 25 percent.

Nonoperating Revenues

Comparison of fiscal year 2021 to fiscal year 2020

Capital grants and gifts decreased $346,582, or 87 percent, primarily due to 2020 gifts supporting construction of the Knight Campus and Hayward Field.

Other nonoperating items increased $27,066, or 26 percent, partially due to UO Foundation support.

Comparison of fiscal year 2020 to fiscal year 2019

Capital grants and gifts increased $256,790, or 182 percent, primarily due to a privately funded project to renovate Hayward Field.

Other nonoperating items increased $21,124, or 25 percent, primarily due to an increase in noncapital gifts related to the Knight Campus.

Expenses

Operating Expenses

Operating expenses decreased $21,551, or 2 percent, to $1,001,512 in fiscal year 2021 as compared to fiscal year 2020. Decreases in instruction expense of $22,142, or 7 percent, auxiliary programs expense of $18,971, or 10 percent, student services expense of $7,020, or 14 percent, and change in the components of net pension & other postemployment benefits (OPEB) liabilities expense of $1,642, or 3 percent, were offset by an increase in institutional support expense of $10,673, or 13 percent, which is primarily attributable to an institutional retirement incentive program.

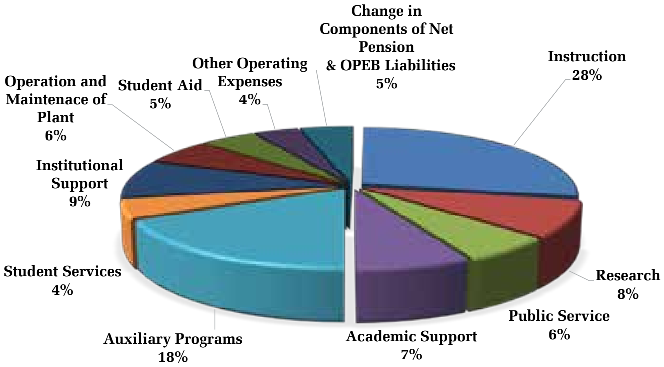
Operating expenses increased $55,234, or 6 percent, to $1,023,063 in fiscal year 2020 as compared to fiscal year 2019. A $35,610 increase in the change in the components of net pension & other postemployment benefits (OPEB) liabilities, from $11,921 in fiscal year 2019 to $47,531 in fiscal year 2020 was offset by a decrease in auxiliary programs expense of $13,298 or 6 percent, an increase in instruction expense of $5,568 or 2 percent, an increase in student aid of $7,160 or 19 percent, and smaller increases in most other expense categories.

Operating Expense by Function

For the Year Ended June 30,	2021	2020	2019
Instruction	$ 276,479	$ 298,621	$ 293,053
Research	85,530	81,567	81,412
Public Service	58,909	55,191	50,695
Academic Support	72,382	71,708	68,384
Student Services	43,595	50,615	48,299
Auxiliary Programs	177,059	196,030	209,328
Institutional Support	90,395	79,722	74,681
Operation and Maintenance of Plant	57,676	54,313	53,072
Student Aid	47,914	44,407	37,247
Other Operating Expenses	45,684	43,358	39,737
Change in Pension Liability, Net	45,889	47,531	11,921
Total Operating Expenses	$ 1,001,512	$ 1,023,063	$ 967,829

For the Year Ended June 30, 2021 (dollars in thousands)

2021 Operating Expense by Function



The implementation of GASB 68 in 2015 and GASB 75 in 2018 has had a significant impact on the operating expenses reported by the UO.

Effect of GASB Statement Nos. 68 and 75 on Operating Expenses by Function

For the Year Ended June 30,	2021 as shown on the SRE	GASB 68 effect	GASB 75 effect	2021 with GASB effect allocated
Instruction	$ 276,479	$ 19,002	$ (666)	$ 294,815
Research	85,530	3,751	(219)	89,062
Public Service	58,909	2,278	(188)	60,999
Academic Support	72,382	4,250	(220)	76,412
Student Services	43,595	2,611	(145)	46,061
Auxiliary Programs	177,059	7,818	(324)	184,553
Institutional Support	90,395	5,467	(268)	95,594
Operation and Maintenance of Plant	57,676	1,153	(61)	58,768
Student Aid	47,914	-	-	47,914
Other Operating Expenses	45,684	1,766	(116)	47,334
Change in Components of Net Pension & OPEB Liabilities	45,889	(48,096)	2,207	-
Total Operating Expenses	$1,001,512	$ -	$ -	$1,001,512

For the Year Ended June 30,	2020 as shown on the SRE	GASB 68 effect	GASB 75 effect	2020 with GASB effect allocated
Instruction	$ 298,621	$ 18,796	$ (14)	$ 317,403
Research	81,567	3,711	(4)	85,274
Public Service	55,191	2,253	(3)	57,441
Academic Support	71,708	4,204	(4)	75,908
Student Services	50,615	2,582	(3)	53,194
Auxiliary Programs	196,030	7,733	(7)	203,756
Institutional Support	79,722	5,408	(5)	85,125
Operation and Maintenance of Plant	54,313	1,140	(1)	55,452
Student Aid	44,407	-	-	44,407
Other Operating Expenses	43,358	1,747	(2)	45,103
Change in Components of Net Pension & OPEB Liabilities	47,531	(47,574)	43	-
Total Operating Expenses	$1,023,063	$ -	$ -	$1,023,063

For the Year Ended June 30,	2019 as shown on the SRE	GASB 68 effect	GASB 75 effect	2019 with GASB effect allocated
Instruction	$ 293,053	$ 5,593	$ (708)	$ 297,938
Research	81,412	1,098	(207)	82,303
Public Service	50,695	668	(161)	51,202
Academic Support	68,384	1,251	(208)	69,427
Student Services	48,299	768	(143)	48,924
Auxiliary Programs	209,328	2,299	(355)	211,272
Institutional Support	74,681	1,610	(255)	76,036
Operation and Maintenance of Plant	53,072	359	(69)	53,362
Student Aid	37,247	-	-	37,247
Other Operating Expenses	39,737	499	(118)	40,118
Change in Components of Net Pension & OPEB Liabilities	11,921	(14,145)	2,224	-
Total Operating Expenses	$ 967,829	$ -	$ -	$ 967,829

Due to the way in which expenses are incurred by the UO, variances are presented and explained by analyzing changes in the natural classification of expenses. Each natural classification analysis can be applied to many of the functional expense caption items.

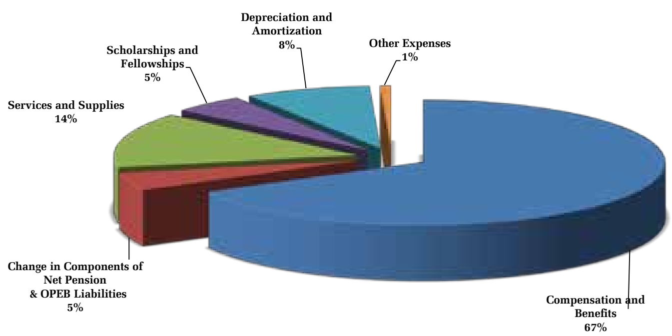
For the Year Ended June 30, 2021 (dollars in thousands)

The following summarizes operating expenses by natural classification:

Operating Expenses by Natural Classification

For the Year Ended June 30,	2021	2020	2019
Compensation and Benefits	$ 674,841	$ 681,278	$ 651,847
Change in Components of Net Pension & OPEB Liabilities	45,889	47,531	11,921
Services and Supplies	142,606	169,361	190,563
Scholarships and Fellowships	47,483	43,788	36,953
Depreciation and Amortization	83,432	70,343	65,553
Other Expenses	7,261	10,762	10,992
Total Operating Expenses	$1,001,512	$1,023,063	$ 967,829

2021 Operating Expenses by Natural Classification



Comparison of fiscal year 2021 to fiscal year 2020

Compensation and benefits costs decreased $6,437, or 1 percent, due to the following:

- Drop in administration, classified and graduate salaries due to the pandemic, partially offset by faculty salaries.
- Student payroll decreased by approximately $4,449, or 25 percent).
- Other payroll expenses, which include retirement, health insurance, and employee termination agreements, decreased by approximately $759, or less than 1 percent.

Change in components of net pension & OPEB liabilities decreased $1,642, or 3 percent, primarily due to the impact of state pension obligations.

Services and supplies expense decreased $26,755 or 16 percent. $11,584 of this decrease was related to travel in fiscal year 2021. Other key decreases were in the following categories: assessments, fees & services, and maintenance & repairs. These reductions were a result of COVID-19 impacts. Expense decreases were partially offset by increases in internal sales, resale items, and utilities.

Scholarships and fellowships expenses increased $3,695, or 8 percent. This expense category does not include fee remissions, which are reported as reductions to student tuition and fee revenues.

Depreciation and amortization increased $13,089, due to the impact of new assets placed in service in fiscal year 2021.

Comparison of fiscal year 2020 to fiscal year 2019

Compensation and benefits costs increased $29,431, or 5 percent, due to the following:

- Increased average salaries resulted in higher wage costs (approximately $11,694, or 3 percent).
- Other payroll expenses, which include retirement, health insurance, and employee termination agreements, increased by approximately $20,161, or 8 percent.

Change in components of net pension & OPEB liabilities increased $35,610, or 299 percent, primarily due to the impact of state pension obligations.

Services and supplies expense decreased $21,202, or 11 percent. $9,940 of this decrease was related to assessments in fiscal year 2020. Other key decreases were in the following categories: travel, fees & services, and items for resale. These reductions were a result of COVID-19 impacts. Expense decreases were partially offset by increases in maintenance & repairs, and waste disposal.

Scholarships and fellowships expenses increased $6,835, or 18 percent. This expense category does not include fee remissions, which are reported as reductions to student tuition and fee revenues.

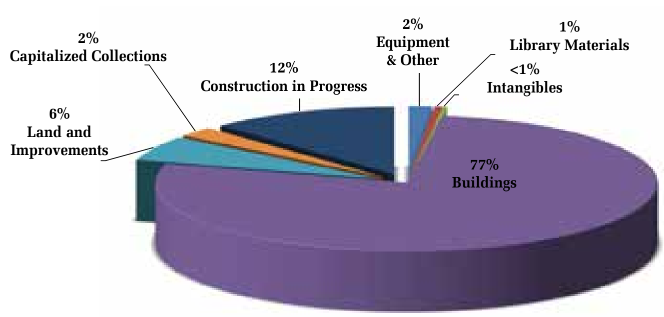
Depreciation and amortization increased $4,790, due to the impact of new assets placed in service in fiscal year 2020 .

Capital Assets and Related Financing Activities

Capital Assets

At June 30, 2021, the UO had $3,069,043 in capital assets, less accumulated depreciation of $1,007,840, for net capital assets of $2,061,203. During fiscal year 2021, $282,881 in construction projects were completed and placed into service, compared to $127,110 in fiscal year 2020. The UO is committed to a comprehensive program of capital investment and facility maintenance that includes addressing current maintenance needs and minimizing the UO's deferred maintenance backlog. State, federal, private, debt, and internal UO funding were all used to accomplish the UO's capital objectives.

2021 Capital Assets, Net



Changes to Capital Assets

	2021	2020	2019
Capital Assets, Beginning of Year	$2,928,614	$2,474,929	$2,321,395
Add: Purchases/Construction	145,201	462,042	160,280
Less: Retirements/Disposals/ Adjustments	(4,772)	(8,357)	(6,746)
Total Capital Assets, End of Year	3,069,043	2,928,614	2,474,929
Accum. Depreciation, Beginning of Year	(926,724)	(863,845)	(803,940)
Add: Depreciation Expense	(83,432)	(70,342)	(65,554)
Less: Retirements/Disposals/ Adjustments	2,316	7,463	5,649
Total Accum. Depreciation, End of Year	(1,007,840)	(926,724)	(863,845)
Total Capital Assets, Net, End of Year	$2,061,203	$2,001,890	$1,611,084

Capital additions totaled $145,201 for fiscal year 2021, $462,042 for fiscal year 2020, and $160,280 for fiscal year 2019.

Accumulated depreciation at June 30, 2021, increased $81,116, or 9 percent, which represented $83,432 in depreciation and amortization expense offset by $2,316 in asset retirements and adjustments. Accumulated depreciation at June 30, 2020, increased $62,879, or 7 percent, which represented $70,342 in depreciation and amortization expense offset by $7,463 in asset retirements and adjustments.

See Note 6. Capital Assets for additional information.

Capital Commitments

Outstanding commitments on construction projects that are in the planning phase but not yet initiated, as well as partially-completed construction projects authorized by the Oregon legislature and/or the Board of Trustees totaled approximately $258,800 and $168,776, at June 30, 2021 and 2020, respectively.

See Note 16. Commitments and Contingent Liabilities for additional information relating to capital construction commitments.

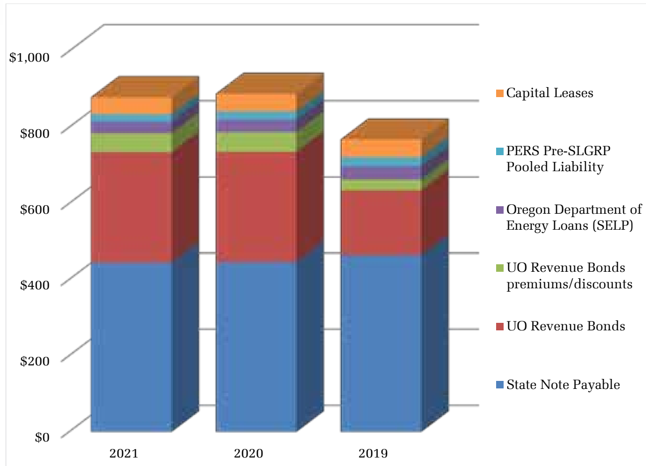
Debt Administration

No new revenue bonds were issued in 2021.

During fiscal year 2020, the UO received $144,955 in proceeds from the issuance of revenue bonds. The Moody's bond rating was Aa2 and S&P global rating was AA-. These proceeds were earmarked primarily for construction and acquisition of capital assets.

Long-Term Debt

(in millions)



See Note 10. Long-Term Liabilities for additional information.

Economic Outlook

Funding for the major activities of the University of Oregon comes from a variety of sources, including tuition and fees, financial aid programs, state appropriations, grants, private and government contracts, donor gifts, and investment earnings. Revenues are also generated through recovery of costs associated with federal grants and contract activities, which serve to offset related administrative and facilities costs.

The substantial economic expansion that Oregon had experienced over the last decade abruptly ended with the onset of the novel coronavirus (COVID-19) pandemic. The sudden halt of economic activities due to COVID-19 sent Oregon into the deepest recession on record since 1939. This precipitous decline was reversed by rapid revenue growth through much of 2020 and into 2021. By September 2020, statewide pandemic-related revenue losses had been erased and statewide revenue projections were exceeding pre COVID levels.

Statewide General Fund and reserve balances now exceed what Oregon had been able to accumulate in past cycles. The State continues to be well positioned due to ample reserves and substantial federal aid. The Oregon Rainy Day Fund (ORDF) will have an ending balance of $1.26 billion dollars for the 2019-2021 biennium. Additionally, the Education Stability Fund (ESF) will have an ending balance of $689.7 million for the 2019-2021 biennium. Including the currently projected $1.33 billion ending balance in the General Fund, the total effective reserves at the end of the current 2021-23 biennium are projected to be $3.28 billion, nearly 14% of current revenues.[1]

For several biennia, the State of Oregon has substantially increased investment in public universities. Since the 2013-15 biennium, the Public University Support Fund (PUSF) has increased by $378.5 million.

This trend continued in the 2021 legislative session when lawmakers fully funded the request from all seven Oregon public universities for a $900 million allocation to the Public University Support Fund, a $63 million increase above the funding levels approved in 2019.

The PUSF is distributed through a funding formula adopted by the Higher Education Coordinating Commission (HECC). In FY2020, the UO received approximately 18.4% of the PUSF based on this formula. During FY2020 the HECC completed a project to review the PUSF funding formula and subsequently adopted changes to the formula that are expected to increase the UO’s share of the PUSF funding in future years.

In addition to operating support, the legislature approved an unprecedented $337.1 million of bonds to finance public university projects across the state, including $58.5 million dollars in bond funds for UO’s Heritage Renovation project, a full renovation of UO’s national historic landmark site consisting of University (formerly Deady) and Villard Halls, and $80 million in bonds to fund capital repair and renewal deferred maintenance projects across public university campuses in Oregon. The deferred maintenance funding is distributed through a formula, with UO projected to receive around $20 million from this allocation.

The UO expects the COVID-19 pandemic to continue to affect university operations and finances through FY2022. While enrollment of continuing students has remained strong throughout the pandemic, the institution experienced a drop in first-year students in the fall of 2020. However, tuition deposits and orientation activity for first year students beginning in the fall of 2021 have been at historically high levels.

The Phil & Penny Knight Campus for Accelerating Scientific Impact opened its doors in late 2020, kick-starting new research programs led by faculty recruited to the UO in bioengineering and applied sciences. As previously announced, the Knight Campus joined with Oregon Health & Science University (OHSU) to move forward a Biomedical Engineering Graduate Program, and with Oregon State University (OSU) on a new Bioengineering Graduate Program. These new academic offerings will bolster the UO’s long-term trajectory of offering high-demand STEM degrees.

In July, the University announced a second $500 million gift from the Knights that will facilitate a phase 2 expansion of the Knight Campus. This was followed with the announcement that the University of Oregon is a founding partner in the new Wu Tsai Human Performance Alliance, a global effort to promote wellness and peak performance through scientific discovery and innovation

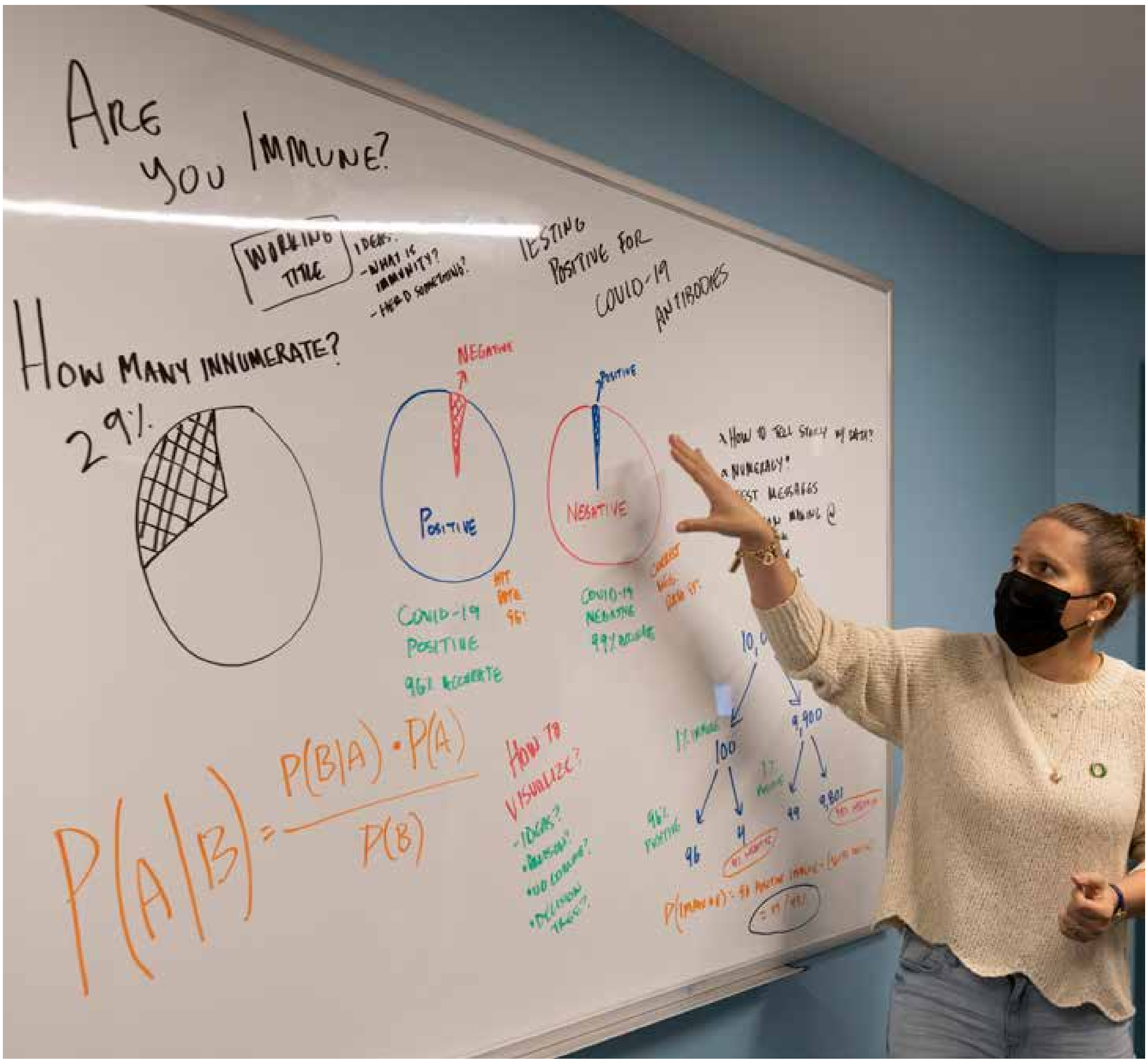
1. https://www.oregon.gov/das/OEA/Documents/forecast0921.pdf

The Joe and Clara Tsai Foundation has pledged a total of $220 million over ten years to the six[2] institutions in the alliance. UO donors have committed an additional $3 million to an endowment that will support the UO's contribution to the alliance, perpetuating this research beyond the first decade.

2. The Wu Tsai Human Performance Alliance includes researchers from Stanford University, The Boston Children's Hospital, University of California San Diego, The University of Kansas, The Salk Institute and the University of Oregon.

This cross-institutional scientific collaboration positions UO at the forefront of transformational impact on human health and well-being on a global scale, through the discovery and translation of the biological principles underlying human performance.

The UO remains committed to upholding the tenants and value of institutional governance, state financial reinvestment, and inter-institutional collaboration to meet the challenges ahead caused by the COVID-19 pandemic. We will continue to work to ensure the institution's long-term financial health and carry out its core mission of providing an affordable and excellent education for all students.



Statement of Net Position

As of June 30,	University 2021	2020
	(In thousands)	
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 197,067	$ 137,413
Collateral from Securities Lending	876	4,473
Accounts Receivable, Net	87,524	82,459
Notes Receivable, Net	798	1,083
Inventories	4,531	4,563
Prepaid Expenses	8,763	8,937
Total Current Assets	299,559	238,928
Noncurrent Assets		
Cash and Cash Equivalents	122,017	226,480
Investments	182,035	162,489
Net OPEB Asset	3,492	4,419
Non-Depreciable Capital Assets	199,984	357,329
Capital Assets, Net of Accumulated Depreciation	1,861,219	1,644,561
Total Noncurrent Assets	2,368,747	2,395,278
Total Assets	2,668,306	2,634,206
Deferred Outflows of Resources	150,299	122,163
Total Assets and Deferred Outflows of Resources	2,818,605	2,756,369
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	45,256	64,018
Accrued Payroll Related Liabilities	63,796	47,232
Perkins Program Federal Capital Contributions Payable	-	1,096
Deposits	2,622	8,284
Obligations Under Securities Lending	876	4,473
Current Portion of Long-Term Liabilities	41,400	44,986
Unearned Revenues	64,784	47,340
Total Current Liabilities	218,734	217,429
Noncurrent Liabilities		
Long-Term Liabilities	868,399	877,826
Net Pension & OPEB Liabilities	451,299	370,717
Total Noncurrent Liabilities	1,319,698	1,248,543
Total Liabilities	1,538,432	1,465,972
Deferred Inflows of Resources	12,703	19,889
Total Liabilities and Deferred Inflows of Resources	1,551,135	1,485,861
NET POSITION		
Net Investment in Capital Assets	1,265,739	1,266,164
Restricted For:		
Expendable:		
Gifts, Grants and Contracts	25,118	26,106
Student Loans	5,527	5,561
Capital Projects	59,408	73,339
Unrestricted	(88,322)	(100,662)
Total Net Position	1,267,470	1,270,508
Total Liabilities, Deferred Inflows and Net Position	$ 2,818,605	$ 2,756,369

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position

As of June 30,	UO Foundation 2021	2020
	(In thousands)	
Assets		
Cash and Cash Equivalents	$ 125,942	$ 77,323
Contributions, Pledges, and Grants Receivable, Net	296,778	350,613
Investments (Note 3)	2,047,128	1,196,123
Other Assets	22,359	14,752
Capital Lease Receivable, Net	38,311	39,264
Property and Equipment, Net	21,035	33,831
Total Assets	2,551,553	1,711,906
Liabilities		
Accounts Payable and Accrued Liabilities	5,286	18,552
Accounts Payable to University	200	64
Deferred Revenue	541,799	
Obligations to Beneficiaries of Split-Interest Agreements	56,038	48,798
Deposits Held in Custody	128,246	101,017
Long-Term Liabilities	90,611	50,938
Total Liabilities	822,180	219,369
Net Assets		
Without Donor Restrictions	40,246	32,938
With Donor Restriction		
Restricted by Purpose	704,458	486,662
Restricted by Time	66,325	67,910
Restricted in Perpetuity	918,344	905,027
Total Net Assets	$ 1,729,373	$ 1,492,537

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30,	University 2021	2020
	(In thousands)	
OPERATING REVENUES		
Student Tuition and Fees (Net of Allowances of $98,552 and $87,712, respectively)	$ 378,559	$ 396,255
Federal Grants and Contracts	132,520	109,073
State and Local Grants and Contracts	4,625	3,573
Nongovernmental Grants and Contracts	25,227	20,748
Educational Department Sales and Services	13,729	11,597
Auxiliary Enterprises Revenues (Net of Allowances of $9,256 and $11,212 respectively)	124,740	192,304
Other Operating Revenues	13,355	7,703
Total Operating Revenues	692,755	741,253
OPERATING EXPENSES		
Instruction	276,479	298,621
Research	85,530	81,567
Public Service	58,909	55,191
Academic Support	72,382	71,708
Student Services	43,595	50,615
Auxiliary Programs	177,059	196,030
Institutional Support	90,395	79,722
Operation and Maintenance of Plant	57,676	54,313
Student Aid	47,914	44,407
Other Operating Expenses	45,684	43,358
Change in Components of Net Pension & OPEB Liabilities (Notes 13 and 14)	45,889	47,531
Total Operating Expenses	1,001,512	1,023,063
Operating Loss	(308,757)	(281,810)
NONOPERATING REVENUES (EXPENSES)		
Government Appropriations	82,506	79,319
Financial Aid Grants	32,934	33,838
Investment Activity	37,549	28,589
Gain (Loss) on Sale of Assets, Net	(1,931)	(484)
Interest Expense	(44,970)	(33,686)
Other Nonoperating Items	132,548	105,482
Net Nonoperating Revenues	238,636	213,058
Loss Before Net Capital Additions and Special Items	(70,121)	(68,752)
CAPITAL ADDITIONS (DEDUCTIONS) AND SPECIAL ITEMS		
Debt Service Appropriations	1,972	1,972
Capital Grants and Gifts	51,438	398,020
Perkins Loan Program Termination	(70)	(2,020)
Net Capital Additions and Special Items	53,340	397,972
Increase (Decrease) In Net Position	(16,781)	329,220
NET POSITION		
Beginning Balance	1,270,508	941,288
Restatement from Implementation of GASB 84 (Note 2)	13,743	
Beginning Balance (Restated)	1,284,251	941,288
Ending Balance	$ 1,267,470	$1,270,508

The accompanying notes are an integral part of these financial statements.

Statement of Activities

For The Year Ended June 30,	UO Foundation 2021	2020
	(In thousands)	
Revenues		
Grants, Bequests, and Gifts	$ 114,923	$ 273,543
Investment Income, Net	282,197	8,711
Change in Value of Life Income Agreements	17,442	(2,343)
Other Revenues	1,358	3,003
Total Revenues	415,920	282,914
Expenses		
University Support	173,385	529,638
General and Administrative	5,699	6,656
Total Expenses	179,084	536,294
Increase (Decrease) In Net Assets	236,836	(253,380)
Net Assets		
Beginning Balance	1,492,537	1,745,917
Ending Balance	$ 1,729,373	$ 1,492,537

The accompanying notes are an integral part of these financial statements.

For the Years Ended June 30,	University 2021	University 2020
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$ 378,821	$ 410,600
Grants and Contracts	164,802	110,836
Educational Department Sales and Services	15,009	11,219
Auxiliary Enterprises Operations	132,192	189,629
Payments to Employees for Compensation and Benefits	(631,302)	(689,820)
Payments to Suppliers	(163,552)	(186,515)
Student Financial Aid	(47,483)	(43,788)
Other Operating Receipts (Payments)	14,479	37,929
Net Cash Used by Operating Activities	(137,034)	(159,910)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Government Appropriations	82,506	79,319
Financial Aid Grants	32,934	33,838
Other Gifts and Private Contracts	132,548	105,482
Net Agency Fund Receipts (Payments)	(25,475)	8,514
Net Cash Provided by Noncapital Financing Activities	222,513	227,153
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Debt Service Appropriations	1,972	1,972
Capital Grants and Gifts	37,849	127,377
Bond Proceeds from Capital Debt	-	144,575
Sales of Capital Assets	525	411
Purchases of Capital Assets	(133,294)	(186,153)
Federal Capital Contributions Payable	(1,166)	(20,211)
Interest Payments on Capital Debt	(48,360)	(34,336)
Principal Payments on Capital Debt	(5,817)	(21,407)
Net Cash Provided (Used) by Capital and Related Financing Activities	(148,291)	12,228
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	-	432
Purchase of Investments	(10)	(96)
Earnings on Investments and Cash Balances	18,013	21,713
Net Cash Provided by Investing Activities	18,003	22,049
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(44,809)	101,520
CASH AND CASH EQUIVALENTS		
Beginning Balance	363,893	262,373
Ending Balance	$ 319,084	$ 363,893

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows—Continued

For the Years Ended June 30,	University 2021	University 2020
	(In thousands)	
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$ (308,757)	$ (281,810)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by		
Operating Activities:		
Depreciation Expense	83,432	70,343
Changes in Assets and Liabilities:		
Accounts Receivable	(5,065)	8,570
Notes Receivable	285	18,039
Inventories	32	(225)
Prepaid Expenses	174	892
Change in Deferred Outflows	299	82
Change in Components of Net Pension & OPEB Liabilities	45,889	47,531
Accounts Payable and Accrued Liabilities	35,928	(7,109)
Long-Term Liabilities	(6,695)	(8,690)
Unearned Revenue	17,444	(7,533)
NET CASH USED BY OPERATING ACTIVITIES	$ (137,034)	$ (159,910)

NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS		
Capital Assets Acquired by Gifts in Kind	$ 13,589	$ 270,643
Increase in Fair Value of Investments Recognized as a Component of Investment Activity	18,627	6,876
Non-cash Changes to State Note Payable	(501)	(1,375)
Forward Currency Exchange Contracts Gain	299	82

The accompanying notes are an integral part of these financial statements.

Statement of Fiduciary Net Position

For the Years Ended June 30,	University 2021
	(In thousands)
ASSETS	
Cash and Cash Equivalents	$ 4,576
Receivables	388
Total Assets	4,964
LIABILITIES	
Distributions Payable	1,581
Deposits	9
Unearned Revenue	44
Total Liabilities	1,634
NET POSITION	
Restricted for Individuals, Organizations, & Other Governments	3,330
Total Net Position	3,330
Total Liabilities and Net Position	$ 4,964

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30,	University 2021
	(In thousands)
ADDITIONS	
Gifts, Grants and Contracts	$ 142,251
Investment Income (Expense)	-
Sales and Services Revenue	282
Other Revenue	1,521
Total Additions	144,054
DEDUCTIONS	
Supplies	1,152
Travel	8
Other Deductions	453
Student Aid	-
Student Loan Expense	142,251
Total Deductions	143,864
Net Effect of Adjustments	244
Net Increase (Decrease) in Fiduciary Net Position	434
NET POSITION	
Beginning Balance	2,896
Ending Balance	$ 3,330

The accompanying notes are an integral part of these financial statements.

1. Organization and Summary of Significant Accounting Policies

A. Reporting Entity

The UO financial reporting entity consists of the university itself and one university foundation (UO Foundation), which is reported as a discretely presented component unit in the UO Financial Statements. See Note 18. University Foundation for additional information relating to this component unit. Organizations that are not financially accountable to the UO, such as booster and alumni organizations, are not included in the reporting entity.

Previously a member institution of the Oregon University System (OUS), the UO became an independent public entity, with statewide purposes and missions, effective July 1, 2014. The UO has separate legal standing and possesses the corporate powers that distinguish it as being legally separate from the State of Oregon. The UO is included as a discretely presented component unit in the Comprehensive Annual Financial Report issued by the state starting with the fiscal year 2015 financial report.

The University of Oregon Board of Trustees (BOT) is the UO's governing body. The broad responsibilities of this 15-member group are to supervise, coordinate, manage, and regulate the UO, as provided by state statute. The trustees may exercise all powers, rights, duties, and privileges expressly granted by law, or that are incidental to their responsibilities. The membership of the BOT is established by law. With the exception of the UO president, the trustees are appointed by the state governor and are subject to confirmation by the state senate in the manner prescribed by law. To assist the governor in appointing trustees, the BOT may submit a list of nominees to the governor for consideration whenever there is a vacancy.

B. Financial Statement Presentation

The UO financial accounting records are maintained in accordance with US Generally Accepted Accounting Principles (GAAP) as prescribed in applicable pronouncements of the Governmental Accounting Standards Board (GASB).

The UO prepares and presents its financial information in accordance with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* (GASB 34). GASB 34 established the requirements and reporting model for annual financial statements. GASB 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the reporting entity in the form of the MD&A

The UO has also adopted GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*, as well as GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These statements establish accounting and financial reporting standards for public colleges and universities within the financial reporting guidelines of GASB 34.

In preparing the financial statements, significant interfund transactions and balances between university funds have been eliminated. Unless otherwise stated, dollars are presented in thousands.

Financial statements of the UO Foundation are presented in accordance with GAAP prescribed by the Financial Accounting Standards Board (FASB).

Newly Implemented Accounting Standards

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement improves guidance regarding the identification of fiduciary activities of all state and local governments, and for accounting and financial reporting of those activities. The Statement is effective for the fiscal year ending June 30, 2021, and will apply to custodial funds held primarily for student groups by the university.

Business-type activities are reported in the University's Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position. The funds that were not Business-type activities are reported as Custodial Funds. The funds that are classified as Custodial, due to implementation of GASB 84, are reported on the university's Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The impact of implementing this statement increased Beginning Net Position for fiscal year 2021.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for the fiscal year ending June 30, 2021. The adoption of GASB Statement No. 90 did not have a material impact on the UO financial statements.

Upcoming Accounting Standards

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use leased assets, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. The university expects that implementation of this Statement will have a material impact on lease accounting and reporting. The Statement is effective for the fiscal year ending June 30, 2022.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement is effective for the fiscal year ending June 30, 2022. This Statement is not expected to materially impact the UO.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to improve the consistency of authoritative literature and enhance the comparability in the application of accounting and financial reporting requirements for specific issues related to: Leases, Intra-entity transfers of assets, Postemployment benefits, Government acquisitions, and Reinsurance recoveries. The Statement is effective for the fiscal year ending June 30, 2022. The UO is analyzing the effects of the adoption of GASB 92 and is uncertain of the impact on the financial statements and related reporting requirements at this time.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement addresses the accounting and financial reporting effects that result from the replacement of an Interbank Offered Rate (IBOR) as a reference rate in agreements where variable payments are made or received. This Statement has two parts with two effective dates. The first part addresses how modification of the IBOR would cause a hedging instrument to terminate. However, Statement No. 93 now provides an exception to the termination rules. This part, with an effective date of June 30, 2021, does not affect the UO. The second part in this Statement is applicable to LIBOR removal and lease modifications. This part is effective for the fiscal year ending June 30, 2022. The UO is analyzing the effects of the adoption of GASB 93 and is uncertain of the impact on the financial statements and related reporting requirements at this time.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and to provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The Statement is effective for the fiscal year ending June 30, 2023. This Statement is not expected to materially impact the UO.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Statement is effective for the fiscal year ending June 30, 2023. The UO is analyzing the effects of the adoption of GASB 96 and is uncertain of the impact on the financial statements and related reporting requirements at this time.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for the fiscal year ending June 30, 2022. The UO is analyzing the effects of the adoption of GASB 97 and is uncertain of the impact on the financial statements and related reporting requirements at this time.

C. Basis of Accounting

For financial reporting purposes, the UO is considered a special-purpose government engaged only in business-type activities. Accordingly, the UO financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when incurred.

D. Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. Cash and cash equivalents consist of cash and investments held by the UO and cash held in the Oregon Short Term Fund (OSTF).

Cash and cash equivalents restricted for capital construction are classified as noncurrent assets in the SNP.

E. Investments

Investments are reported at fair value as determined by market prices. Unrealized gains or losses on investments are reported as investment activity in the SRE.

Investments are classified as noncurrent assets in the SNP.

Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 - unadjusted price quotations in active markets/exchanges for identical assets or liabilities, that each fund has the ability to access.

Level 2 - other observable inputs including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks, and default rates) or other market-corroborated inputs.

Level 3 - unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities.

The UO categorizes its fair value measurements within the fair value hierarchy established by GAAP. The UO has recorded its investments at fair value, and primarily uses the market approach to valuing each security. The UO applies fair value updates to its securities on a monthly basis.

Security pricing is provided by a third-party, and is reported monthly to the UO by its custodian bank. Assets are categorized by asset type, which is a key component of determining hierarchy levels.

F. Inventories

Inventories are recorded at the lower of average cost or market, and consist primarily of supplies in storerooms and physical plant stores.

G. Capital Assets

Capital assets are recorded at cost on the date acquired or at fair value on the date donated. The UO capitalizes equipment with unit costs of $5 or greater and an estimated useful life of greater than one year. Real property acquisitions are capitalized if they meet the capitalization threshold of $50 to $100 depending on the type. Expenditures that increase the functionality and/or extend the useful life of real property are capitalized if they meet thresholds of $50 to $100. Intangible assets with values that meet or exceed the capitalization threshold of $100 are capitalized. Expenditures below the capitalization thresholds, including repairs and maintenance, are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings; 10 to 20 years for infrastructure, land improvements, and improvements other than buildings; 10 years for library materials; 3 to 11 years for equipment; and the useful life of the asset or term of the lease, whichever is less, for leasehold improvements. Amortization terms of intangible assets vary depending on the factors relating to the specific asset. Depreciation is not applied to land, construction in progress, museum collections, works of art, historical treasures, or library special collections.

As an institute of higher education in existence for over 140 years, the UO has acquired significant collections of art, rare books, historical treasures, and other special collections. The purpose of these collections is for public exhibition, education, or research in furtherance of public service rather than financial gain. However, because of their inexhaustible nature, these capitalized collections are not depreciated and are reported at book value as non-depreciable capital assets in the SNP.

H. Unearned Revenues

Unearned revenues include amounts received for tuition and fees, grants and contracts, lease income, and auxiliary enterprises activities in which cash has been received, but revenues will be earned in subsequent fiscal year(s) when eligibility or exchange requirements are met.

I. Compensated Absences

The UO accrues a liability for vacation leave and other compensated absences that were earned but not used during the current or prior fiscal year for which employees can receive compensation in a future period. Sick leave is recorded as an expense when paid. There is no payout provision for unused sick leave and no resulting liability.

J. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent the consumption of net position in one period that is applicable to future periods, and have a positive effect on net position that is similar to assets, but are not considered assets.

Deferred inflows of resources represent the acquisition of net position that is applicable to future periods, and have a negative effect on net position that is similar to liabilities, but are not considered liabilities.

Deferred outflows and inflows are related to defined benefit pension plans, defined benefit OPEB plans, and net fair value gains or losses on foreign currency forward contracts.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS), and additions to or deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term. Investments are reported at fair value.

L. Net Position

The UO's net position is classified as follows:

Net Investment in Capital Assets

Net investment in capital assets represents the total investment in capital assets, net of accumulated depreciation, amortization, and outstanding debt obligations related to those capital assets.

Restricted Expendable

Restricted-expendable includes resources which the UO is legally or contractually obligated to spend in accordance with restrictions stipulated by external parties. The three types of restricted-expendable net positions are: gifts, grants, and contracts; student loans; and capital projects.

Unrestricted

Unrestricted net position represents resources that may be used at the discretion of the UO's management and the BOT.

When an expense is incurred that can be paid using either restricted or unrestricted resources, restricted resources are generally applied first.

M. Income Taxes

The UO is treated as a governmental entity for tax purposes. As such, the UO is generally not subject to federal and state income taxes. However, the UO remains subject to income taxes on any income that is derived from a trade or business regularly carried on and not in furtherance of the purpose for which it was granted exemption from income taxes. At June 30, 2021, no income tax is payable due to an existing net operating loss carry forward that exceeds net unrelated business income.

N. Revenue and Expenses

The UO has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating revenues and expenses generally have the characteristics of exchange transactions. These transactions can be defined as an exchange in which two or more entities both receive and sacrifice value, such as purchases and sales of goods or services. Examples of operating revenues include student tuition and fees, sales and services associated with auxiliary enterprises, and most federal, state, and local grants and contracts. Examples of operating expenses include employee compensation and benefits, scholarships and fellowships, utilities, supplies and other services, professional fees, and depreciation.

Nonoperating revenues generally have the characteristics of nonexchange transactions. In a nonexchange transaction, the UO receives value without directly giving equal value in exchange. Examples of nonoperating revenues include state appropriations, nonexchange grants, gifts, and contributions. Nonoperating expenses are defined in GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, and GASB Statement No. 34. Examples of nonoperating expenses include interest on capital asset related debt.

O. Allowances

Student tuition and fees, and campus housing revenues included in auxiliary enterprise revenues, are reported net of scholarship allowances. A scholarship allowance is the difference between the university's stated rates and charges and the amounts actually paid by students and/or third parties making payments on behalf of the students.

The UO has two types of scholarship allowances that net into tuition and fees. Tuition and housing waivers, provided directly by the UO, amounted to $49,576 and $46,507 for the fiscal years ended 2021 and 2020, respectively. Revenues from financial aid programs (e.g., Pell Grants, Supplemental Educational Opportunity Grants, and Oregon Opportunity Grants) used for paying student tuition and fees and campus housing were estimated to be $56,219 and $50,401 for the fiscal years ended 2021 and 2020, respectively. Bad debt expense related to student accounts is also reported as an allowance against operating revenues and was estimated to be $2,013 and $2,015 for the fiscal years ended 2021 and 2020, respectively.

P. Federal Student Loan Programs

The UO receives proceeds from the Federal Direct Student Loan Program (FDSLP). Since the UO transmits these grantor-supplied monies without having administrative or direct financial involvement in the program, the activity of the FDSLP is reported on the Statement of Changes in Fiduciary Net Position. The UO disbursed federal student loans in the amount of $142,251 and $151,309 for the fiscal years ended 2021 and 2020, respectively.

Q. Funds Held in Trust by Others

Funds held in trust by others, for which the UO is an income beneficiary, are not recorded in the financial records. The approximate value of such trust funds at June 30, 2021 and 2020, was $896 and $692, respectively.

R. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

S. Reclassification

Certain items previously reported in the financial statements have been reclassified to conform to the current financial statement presentation, but do not alter the reported change in net position.

2. Restatement of Beginning Net Position

The implementation of GASB 84 in the current year requires funds to be classified for accounting and reporting purposes into business-type activities, pension and other employee benefit trust funds, investment trust funds, private-purpose trust funds, or custodial funds.

Business-type activities are reported in the university's Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position.

For the Year Ended June 30, 2021 (dollars in thousands)

The funds that were not business-type activities are reported as fiduciary. All of the fiduciary funds of the university are classified as custodial funds. The university's fiduciary activities are presented in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

UO has elected not to restate fiscal year 2020 for the effects of this implementation due to the immateriality of the adjustment. The impact of implementing this statement changed the ending net position for fiscal year 2020, and the beginning net position for fiscal year 2021 by $13,743.

Statement of Net Position

	June 30, 2020 (previously reported)	Cumulative Effect of GASB 84 Implementation	June 30, 2020 Restated
Total Assets	$ 2,634,206	$ (4,400)	$ 2,629,806
Deferred Outflows of Resources	122,163	-	122,163
Total Assets and Deferred Outflows of Resources	2,756,369	(4,400)	2,751,969
Total Liabilities	1,465,972	(18,143)	1,447,829
Deferred Inflows of Resources	19,889	-	19,889
Total Liabilities and Deferred Inflows of Resources	1,485,861	(18,143)	1,467,718
NET POSITION			
Net Investment in Capital Assets	1,266,164	-	1,266,164
Restricted For:			
Expendable:			
Gifts, Grants and Contracts	26,106	(1,926)	24,180
Student Loans	5,561	-	5,561
Capital Projects	73,339	-	73,339
Unrestricted	(100,662)	15,669	(84,993)
Total Net Position	1,270,508	13,743	1,284,251
Total Liabilities, Deferred Inflows and Net Position	$ 2,756,369	$ (4,400)	$ 2,751,969

Statement of Fiduciary Net Position

Assets	$ -	$ 4,400	$ 4,400
Liabilities	-	1,504	1,504
Fiduciary Net Position	-	2,896	2,896
Total Liabilities And Net Position	$ -	$ 4,400	$ 4,400

3. Cash and Investments

Deposits and investment securities as described below are exposed to various risks such as those associated with credit, concentration of credit, custodial credit, interest rate, and foreign currency exchange rates. It is likely that the value of the investment securities will fluctuate and such changes might affect the amounts reported in the financial statements.

A. Cash and Cash Equivalents

The UO maintains the majority of its cash balances on deposit with the state treasury in the OSTF. Deposits in the OSTF are reported at fair value, which approximates cost and its share value. The pool's fair value is presented within cash and cash equivalents in the SNP. The OSTF is administered by the Oregon State Treasury. The OSTF is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State who by law is made the custodian of, or has control of, any fund. The OSTF is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which is not registered with the US Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the OSTF. At the fiscal years ended June 30, 2021 and 2020, the UO cash and cash equivalents on deposit at the state treasury were $286,274 and $318,878, respectively.

For the fiscal years ended June 30, 2021 and 2020, the UO also had $32,464 and $44,065 on deposit in financial depositories, respectively.

Cash and cash equivalents are classified as current and noncurrent. Cash that is restricted in purpose from an external source is reported on the financial statements as restricted cash and as a non-current asset. The 2021 current portion, $197,067, includes $57,500 designated for payroll-related liabilities. The noncurrent portion is $122,017. The $4,576 reported on the Statement of Fiduciary Net Position is designated for UO student groups and campus organizations.

The 2020 current portion, $137,413, includes $37,962 designated for payroll-related liabilities. The noncurrent portion is $226,480. The $3,188 reported on the Statement of Fiduciary Net Position is designated for UO student groups and campus organizations.

	2021	2020
Petty Cash	$ 180	$ 192
Commercial Bank Account	32,464	44,065
Oregon State Treasury	286,274	318,878
Money Market	166	758
	$ 319,084	$ 363,893

For the Year Ended June 30, 2021 (dollars in thousands)

For full disclosure regarding cash and investments managed by the Oregon State Treasury, a copy of their audited annual financial report may be obtained by writing to the Oregon State Treasury, 350 Winter Street NE, Suite 100, Salem, Oregon 97301-3896 or at: https://www.oregon.gov/treasury/news-data/pages/treasury-news-reports.aspx#annualrep

Custodial Credit Risk—Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, cash deposits will not be returned to a depositor. The UO cash balances not deposited with the state treasury are held in accounts that are insured up to defined limits. The financial health of depositories is reviewed at least annually.

Foreign Currency Risk—Deposits

Deposits in foreign currency run the risk of changing value due to fluctuations in foreign exchange rates. State treasury deposits are in US currency and therefore not exposed to foreign currency risk.

To mitigate foreign currency risks for prospective study abroad activities, the UO periodically enters into foreign currency forward contracts. At June 30, 2021 and 2020, respectively, these contracts totaled $2,455 and $3,715 and had a net fair value loss of $57 and $356. The net fair value loss is reported as deferred outflows on the SNP.

June 30, 2021

Notional Currency	Notional Amount	Principal Amount	Effective Date	Maturity Date	Contract Rate	Fair Value Adj
EUR	€ 723	$ 910	07/01/20	06/30/21	$1.2595	$ (52)
EUR	283	360	09/01/20	09/01/21	1.2706	(23)
EUR	23	28	12/01/21	12/01/21	1.2374	(1)
		$ 1,298				$ (76)
GBP	£ 500	$ 680	09/01/20	09/01/21	1.3593	$ 12
GBP	350	477	12/01/21	12/01/21	1.3641	7
		$ 1,157				$ 19

June 30, 2020

Notional Currency	Notional Amount	Principal Amount	Effective Date	Maturity Date	Contract Rate	Fair Value Adj
EUR	€ 350	$ 437	09/04/19	09/01/20	$1.2480	$ (44)
EUR	250	315	01/02/20	12/17/20	1.2588	(34)
EUR	900	1,134	07/01/20	06/30/21	1.2595	(123)
		$ 1,886				$ (201)
GBP	£ 500	$ 672	09/03/19	09/01/20	1.3433	$ (55)
GBP	350	472	01/02/20	12/17/20	1.3499	(41)
GBP	508	685	06/30/20	06/30/21	1.3488	(59)
		$ 1,829				$ (155)

Other Deposits

As of June 30, 2021 and 2020, the UO had vault and petty cash balances of $180 and $192, respectively. In addition, the UO had small amounts of cash relating to debt issuances deposited with a fiscal agent.

B. Investments

UO funds are invested by the university's treasurer through the university's treasury operations division. Treasury activities are governed by the BOT-approved treasury management policy and its accompanying procedures. In addition, the UO's investment policies adhere to applicable laws and assets are managed as a prudent investor would do, exercising reasonable care, skill, and caution. The UO manages investments as a part of its overall cash and investment pool, which is designed to provide adequate liquidity to meet the cash needs of the UO.

Because of the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities could occur in the near term and such changes might affect the amounts reported in the SNP.

Significant events in domestic and international investment markets, or actions by the Federal Open Market Committee to influence both short- and long-term interest rates, contribute to price volatility. Consequently, the fair value of the UO's investments is exposed to price volatility, which could result in a change in the fair value of certain investments from the amounts reported as of June 30, 2021.

As of June 30, 2021, the UO's total investments consisted of $78,530 in fixed income investments, plus $103,505 invested in all other investments. As of June 30, 2020, the UO's total investments consisted of $78,688 in fixed income investments, plus $83,801 invested in all other investments.

For the Year Ended June 30, 2021 (dollars in thousands)

2021 Investment Type:

As of June 30, 2021	Fair Value	% of Total Investments
US Government Notes & Bonds	$ 18,760	10
US Government Agency Issues	13,014	7
Corporate Notes	22,645	13
Asset-Backed Securities	4,991	3
Foreign Issues	16,975	9
Municipal Issues	1,753	1
Accrued Income	392	0
Fixed Income Investments	78,530	43
Stocks and Equity Investments	279	0
Partnerships/Alternative Equity	3,091	2
T3 Investment Pool	100,135	55
	103,505	57
Total Investments	$ 182,035	100

Investments of the UO Foundation are summarized at June 30, 2021 as follows:

Fair Value at June 30,	2021	2020
Corporate Stocks, Bonds, Securities and Mutual Funds	$ 236,598	$ 226,084
Investment in Common Stock, Voting Trust and Partnerships	1,672,968	906,924
Money Market Funds and Certificates of Deposit	135,975	60,833
Other	1,587	2,282
Total Investments	$ 2,047,128	$ 1,196,123

Credit Risk

Credit risk is the risk that the issuer of a debt security fails to fulfill its obligations. The UO has separate credit criteria for each segment of the cash and investment pool. See the table below for the UO's investment credit quality ratings at June 30, 2021.

		Credit Rating (S&P)			
	Fair Value	AAA	AA	A	BBB
US Government Notes & Bonds	$ 18,760	$ -	$ 18,760	$ -	$ -
US Government Agency Issues	13,014	-	13,014	-	-
Corporate Notes	22,645	-	3,547	10,148	8,950
Asset-Backed Securities	4,991	4,476	502	-	13
Foreign Issues	16,975	746	1,299	10,990	3,940
Municipal Issues	1,753	-	1,753	-	-
Fair Value at June 30, 2021:	$ 78,138	$ 5,222	$ 38,875	$ 21,138	$ 12,903

Custodial Credit Risk

Custodial credit risk refers to UO investments that are held by others and not registered in the UO's or the state treasury's name. Currently, all investments are held by the UO and in the UO's name.

Custodial credit risk typically occurs in repurchase agreements or securities lending transactions where one party transfers cash to a broker-dealer in exchange for securities, but a separate trustee in the name of the broker-dealer holds the securities. The UO does not directly participate in securities lending transactions. However, any funds on deposit with the state treasury may be included in its securities lending program. The state treasury and the Oregon Investment Council have established policy provisions around securities lending to control this risk. See Section C. Securities Lending in this note for additional information. The UO's investment policy and procedures permit repurchase agreements but none existed at June 30, 2021.

Concentration of Credit Risk

Concentration of credit risk refers to potential losses if total investments are concentrated with one or few issuers.

For the year ended June 30, 2021 the UO held investments, excluding the U.S. Government and its agencies, that were greater than or equal to 5 percent of total investments with the following issuers:

Issuer	Amount	%
T3 Investment Pool	$ 100,135	55

The T3 investment pool is a limited liability company (LLC) which is managed 100% by the UO Foundation for the benefit of the UO. Concentration risk within the pool is managed such that on a cost basis, no more than 20% of the pool may be allocated to a single manager.

Foreign Currency Risk

Foreign currency risk is the risk that investments may lose value due to fluctuations in foreign exchange rates. At June 30, 2021, the UO had no securities denominated in any foreign currency.

Interest Rate Risk

Investments in fixed income securities are subject to the risk that changes in interest rates will adversely affect the fair value of the investments. UO policies and procedures permit Tier 1 cash and investments a maximum duration of nine months and a maximum maturity of three years. Tier 2 of the cash and investment pool, excluding the Oregon Short Term

For the Year Ended June 30, 2021 (dollars in thousands)

Fund, requires a minimum of 75 percent of the portfolio to have a maximum average duration of 4 years and a maximum stated maturity of 10 years. A maximum of 25 percent of the portfolio may be invested with an average duration exceeding 4 years, but may not exceed 110 percent of the duration of the Bloomberg Barclay Aggregate Bond Index. Tier 3 of the cash and investment pool is invested as a quasi-endowment, and consequently has no duration or maturity limits.

At June 30, 2021, the UO held $78,138 in fixed income securities, including accrued interest of $392.

As of June 30, 2021	Fair Value	Average Duration
US Government Notes & Bonds	$ 18,760	3.42
US Government Agency Issues	13,014	2.16
Corporate Notes	22,645	3.50
Asset-Backed Securities	4,991	1.82
Foreign Issues	16,975	3.05
Municipal Issues	1,753	2.38
Fixed Income Investments	$ 78,138	
Fixed Income Weighted Average Duration:		3.03

Fair Value

UO investments had the following recurring fair value measurements at June 30, 2021:

Investments by Fair Value Level	Net Asset Value	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Notes	$ 22,645	$ 22,645	$ -
US Government Notes & Bonds	18,760	18,760	-
Foreign Issues	16,975	16,975	-
US Government Agency Issues	13,014	13,014	-
Asset-Backed Securities	4,991	4,991	-
Illiquid Alternative Equities	3,091	-	3,091
Municipal Issues	1,753	1,753	-
Stocks and Equities	279	-	279
Total Investments by Fair Value Level	81,508	78,138	3,370
Accrued Income	392		
Investments Measured at Net Asset Value			
T3 Investment Pool	100,135		
Total Investments Measured at Fair Value	$182,035		

UO investments had the following recurring fair value measurements at June 30, 2020:

Investments by Fair Value Level	Net Asset Value	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government Notes & Bonds	$20,519	$20,519	$ -
Corporate Notes	18,516	18,516	-
Foreign Issues	17,971	17,971	-
US Government Agency Issues	14,038	14,038	-
Asset-Backed Securities	6,833	6,833	-
Illiquid Alternative Equities	3,173	-	3,173
Municipal Issues	404	404	-
Stocks and Equities	279	-	279
Total Investments by Fair Value Level	81,733	78,281	3,452
Accrued Income	407		
Investments Measured at Net Asset Value			
T3 Investment Pool	80,349		
Total Investments Measured at Fair Value	$162,489		

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments classified in Level 3 are valued using a market comparable companies technique. Limited partnerships are valued using the net asset value practical expedient.

C. Securities Lending

In accordance with the state treasury investment policies, the state treasurer participates in securities lending transactions. The state treasurer has authorized its custodian to act as its agent in the lending of OSTF securities pursuant to a form of loan agreement, in accordance with OSTF investment policies. There have been no significant violations of the provisions of securities lending agreements during fiscal years 2021 and 2020.

The state treasurer's securities lending agent lent short-term and fixed income securities and received as collateral US dollar-denominated cash. Borrowers were required to deliver cash collateral for each loan equal to not less than 102 percent of the market value of the loaned security. The state treasurer did not impose any restrictions during the year on the amount of the loans that the securities lending agent made on its behalf. The state treasurer is fully indemnified by its securities lending agent against losses due to borrower default. There were no losses during the year from the failure of borrowers to return loaned securities.

For the Year Ended June 30, 2021 (dollars in thousands)

OSTF issues a publicly available financial statement that can be obtained at: https://www.oregon.gov/treasury/news-data/pages/treasury-news-reports.aspx#annualrep

D. Investment Activity

Investment activity detail is as follows:

For the Year Ended June 30,	2021	2020
Net Appreciation of Investments	$ 18,627	$ 6,878
Royalties and Technology Transfer Income	11,394	12,836
Gain on Sale of Investment	3,279	2,151
Investment Earnings	4,249	6,724
Total Investment Activity	$ 37,549	$ 28,589

4. Accounts Receivable

Accounts receivable, including amounts due from the UO Foundation, comprised the following:

As of June 30,	2021	2020
Student Tuition and Fees	$ 28,911	$ 31,057
Auxiliary Enterprises and Other Operating Activities	5,507	9,913
Federal Grants and Contracts	41,687	19,818
UO Foundation	7,734	7,616
State, Other Government, and Private Gifts, Grants and Contracts	10,492	16,003
State Bond Funds-Capital Expense	1,690	4,581
Other	4,713	6,072
Accounts Receivable	100,734	95,060
Less: Allowance for Doubtful Accounts	(13,210)	(12,601)
Accounts Receivable, Net	$ 87,524	$ 82,459

5. Notes Receivable

Institutional and Other Student Loans comprise substantially all of the notes receivable at June 30, 2021. Student loans made through the Federal Perkins Loan Program comprised substantially all of the notes receivable at June 30, 2020.

Notes receivable comprised the following:

As of June 30,	2021	2020
Institutional and Other Student Loans	$ 761	$ 1,017
Federal Student Loans	200	319
Notes Receivable	961	1,336
Less: Allowance for Doubtful Accounts	(163)	(253)
Notes Receivable, Net	$ 798	$ 1,083

The UO administers Title IV Perkins Loans for the benefit of its students. Funds for the Perkins program were initially received through Federal Capital Contributions (FCC) from the U.S. Department of Education (ED) and were supplemental with Institutional Capital Contributions (ICC).

The U.S. Congress did not renew the Perkins Loan program after September 30, 2017, and no loan disbursements were permitted past June 30, 2018. In accordance with the ED guidance, the UO elected to liquidate its Perkins loan portfolio and has been assigning outstanding loans to the ED for servicing.

Historically, the balance of the Perkins loans was reported in Notes Receivable (both current and noncurrent) and in Net Position Expendable for Student Loans.

Due to the ongoing portfolio liquidation, balances are being reported solely in Notes Receivable-Current, and an accrued liability has been established for the return of FCC and calculated excess capital (cash) to the ED.

For the Year Ended June 30, 2021 (dollars in thousands)

6. Capital Assets

The following schedule reflects the changes in capital assets:

	Balance June 30, 2019	Additions	Transfer Completed Assets	Retire. and Adjust.	Balance June 30, 2020	Additions	Transfer Completed Assets	Retire. and Adjust.	Balance June 30, 2021
Capital Assets, Non-depreciable/ Non-amortizable:									
Land	$ 64,806	$ -	$ 315	$ -	$ 65,121	$ -	$ 195	$ -	$ 65,316
Capitalized Collections	46,680	747	-	-	47,427	616	-	-	48,043
Construction in Progress	188,512	183,694	(127,425)	-	244,781	124,920	(283,076)	-	86,625
Total Capital Assets, Non-depreciable/Non-amortizable	299,998	184,441	(127,110)	-	357,329	125,536	(282,881)	-	199,984
Capital Assets, Depreciable/ Amortizable:									
Equipment	134,572	7,389	817	(6,389)	136,389	18,024	623	(2,226)	152,810
Library Materials	135,122	1,769	-	(220)	136,671	1,641	-	(199)	138,113
Buildings	1,792,522	268,443	101,872	(160)	2,162,677	-	269,809	(1,979)	2,430,507
Land Improvements	32,537	-	16,129	(1,588)	47,078	-	133	-	47,211
Improvements Other Than Buildings	11,499	-	2,156	-	13,655	-	11,943	-	25,598
Infrastructure	52,745	-	6,136	-	58,881	-	373	-	59,254
Intangible Assets	15,934	-	-	-	15,934	-	-	(368)	15,566
Total Capital Assets, Depreciable/ Amortizable	2,174,931	277,601	127,110	(8,357)	2,571,285	19,665	282,881	(4,772)	2,869,059
Less Accumulated Depreciation/ Amortization for:									
Equipment	(103,368)	(9,023)	-	6,305	(106,086)	(9,483)	-	1,580	(113,989)
Library Materials	(123,971)	(2,313)	-	192	(126,092)	(2,199)	-	149	(128,142)
Buildings	(563,462)	(54,062)	-	41	(617,483)	(65,085)	-	219	(682,349)
Land Improvements	(19,078)	(1,968)	-	925	(20,121)	(2,875)	-	-	(22,996)
Improvements Other Than Buildings	(10,241)	(351)	-	-	(10,592)	(913)	-	-	(11,505)
Infrastructure	(33,437)	(2,103)	-	-	(35,540)	(2,367)	-	-	(37,907)
Intangible Assets	(10,288)	(522)	-	-	(10,810)	(510)	-	368	(10,952)
Total Accumulated Depreciation/ Amortization	(863,845)	(70,342)	-	7,463	(926,724)	(83,432)	-	2,316	(1,007,840)
Total Capital Assets, Net	1,611,084	391,700	-	(894)	2,001,890	61,769	-	(2,456)	2,061,203
Capital Assets Summary									
Capital Assets, Non-depreciable/ Non-amortizable	299,998	184,441	(127,110)	-	357,329	125,536	(282,881)	-	199,984
Capital Assets, Depreciable/ Amortizable	2,174,931	277,601	127,110	(8,357)	2,571,285	19,665	282,881	(4,772)	2,869,059
Total Cost of Capital Assets	2,474,929	462,042	-	(8,357)	2,928,614	145,201	-	(4,772)	3,069,043
Less Accumulated Depreciation/ Amortization	(863,845)	(70,342)	-	7,463	(926,724)	(83,432)	-	2,316	(1,007,840)
Total Capital Assets, Net	$1,611,084	$ 391,700	$ -	$ (894)	$2,001,890	$ 61,769	$ -	$ (2,456)	$2,061,203

For the Year Ended June 30, 2021 (dollars in thousands)

7. Operating Leases

A. Receivables—Revenues

The UO receives income for land, property, and equipment that is leased to external entities. Rental income received from leases was $2,347 and $2,916 for fiscal years 2021 and 2020, respectively. The original cost of assets leased, net of depreciation, was $21,673 and $24,118 for fiscal years 2021 and 2020, respectively. Minimum future lease revenues for noncancelable operating leases at June 30, 2021, were:

For the year ending June 30,	
2022	$ 1,575
2023	994
2024	676
2025	425
2026	350
2027-2031	1,267
2032-2036	866
2037-2041	712
2042-2046	812
2047-2051	367
2052-2056	83
2057-2061	83
2062-2066	83
2067 and after	8
Total Minimum Operating Lease Revenues	$ 8,301

B. Payables—Expenses

The UO leases building and office facilities and other equipment under operating leases. Total costs for such leases and rents were $7,760 and $6,719 for fiscal years 2021 and 2020, respectively. At June 30, 2021, minimum future lease payments for noncancelable operating leases were:

For the year ending June 30,	
2022	$ 5,730
2023	4,569
2024	3,499
2025	2,784
2026	2,299
2027-2031	5,570
2032-2036	404
Total Minimum Operating Lease Payments	$ 24,856

8. Total Deferred Outflows of Resources

Deferred outflows of resources are consumptions of the UO's net position that are applicable to a future reporting period. The following table presents total deferred outflows of resources:

As of June 30,	2021	2020
Currency Forward Purchases	$ 57	$ 356
OPEB Related Items	3,037	1,195
Pension Related Items	147,205	120,613
Total Deferred Outflows of Resources	$150,299	$122,164

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities comprised the following:

As of June 30,	2021	2020
Services and Supplies	$ 28,910	$ 36,930
Accrued Interest	12,928	15,817
Contract Retainage Payable	3,418	11,271
	$ 45,256	$ 64,018

For the Year Ended June 30, 2021 (dollars in thousands)

10. Long-Term Liabilities

Long-term liability activity was as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amount Due Within One Year	Long-Term Portion
Long-Term Payment Obligations						
State of Oregon Note Payable	$ 446,509	$ 1,614	$ (2,659)	$ 445,464	$ 14,771	$ 430,693
University of Oregon Revenue Bonds	290,000	-	-	290,000	-	290,000
UO Revenue Bonds premiums/discounts	51,613	-	(1,842)	49,771	1,842	47,929
Oregon Department of Energy Loans (SELP)	32,517	-	(2,183)	30,334	2,272	28,062
PERS Pre-SLGRP Pooled Liability	21,485	-	(2,678)	18,807	2,466	16,341
Capital Leases	46,500	-	(1,248)	45,252	1,296	43,956
Total Long-Term Payment Obligations	888,624	1,614	(10,610)	879,628	22,647	856,981
Other Noncurrent Liabilities						
Compensated Absences	25,483	38,010	(41,639)	21,854	17,529	4,325
Employee Deferred Compensation	5,984	2,415	(1,970)	6,429	857	5,572
Employee Termination Liabilities	967	-	(717)	250	250	-
Unearned Revenue	1,754	-	(116)	1,638	117	1,521
Total Other Noncurrent Liabilities	34,188	40,425	(44,442)	30,171	18,753	11,418
Total Long-Term Liabilities	$ 922,812	$ 42,039	$ (55,052)	$ 909,799	$ 41,400	$ 868,399

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amount Due Within One Year	Long-Term Portion
Long-Term Payment Obligations						
State of Oregon Note Payable	$ 465,077	$ -	$ (18,568)	$ 446,509	$ 16,486	$ 430,023
University of Oregon Revenue Bonds	170,000	120,000	-	290,000	-	290,000
UO Revenue Bonds premiums/discounts	28,092	24,955	(1,434)	51,613	1,842	49,771
Oregon Department of Energy Loans (SELP)	34,581	-	(2,064)	32,517	2,177	30,340
PERS Pre-SLGRP Pooled Liability	23,766	-	(2,281)	21,485	2,338	19,147
Capital Leases	47,596	6	(1,102)	46,500	1,248	45,252
Total Long-Term Payment Obligations	769,112	144,961	(25,449)	888,624	24,091	864,533
Other Noncurrent Liabilities						
Compensated Absences	28,644	33,988	(37,149)	25,483	18,994	6,489
Employee Deferred Compensation	8,367	98	(2,481)	5,984	1,034	4,950
Employee Termination Liabilities	1,717	-	(750)	967	750	217
Unearned Revenue	1,870	-	(116)	1,754	117	1,637
Total Other Noncurrent Liabilities	40,598	34,086	(40,496)	34,188	20,895	13,293
Total Long-Term Liabilities	$ 809,710	$ 179,047	$ (65,945)	$ 922,812	$ 44,986	$ 877,826

For the Year Ended June 30, 2021 (dollars in thousands)

The schedule of principal and interest payments for the UO's long-term payment obligations is as follows:

For the Year Ending June 30,	State Note	Revenue Bonds	SELP	SLGRP	Capital Leases	Total Payments	Principal	Interest
2022	$ 32,606	$ 14,129	$ 3,502	$ 3,838	$ 3,340	$ 57,415	$ 20,806	$ 36,609
2023	34,294	14,129	3,502	3,838	3,330	59,093	23,677	35,416
2024	38,873	14,130	3,502	3,839	3,330	63,674	29,401	34,273
2025	38,037	14,130	3,501	3,839	3,309	62,816	29,700	33,116
2026	38,204	14,130	3,502	3,839	3,309	62,984	31,058	31,926
2027-2031	176,848	70,648	15,873	4,917	16,545	284,831	143,371	141,460
2032-2036	157,066	70,648	4,560	-	14,913	247,187	134,686	112,501
2037-2041	100,449	70,648	-	-	12,465	183,562	100,293	83,269
2042-2046	17,391	178,148	-	-	11,011	206,550	136,865	69,685
2047-2051	-	205,769	-	-	-	205,769	180,000	25,769
Total Future Payment Obligations	633,768	666,509	37,942	24,110	71,552	1,433,881	$ 829,857	$ 604,024
Less: Interest Component								
of Future Payments	(188,304)	(376,509)	(7,608)	(5,303)	(26,300)	(604,024)		
Principal Portion of								
Future Payments	445,464	290,000	30,334	18,807	45,252	829,857		
Adjusted by:								
Unamortized Bond Premiums	-	49,771	-	-	-	49,771		
Total Long-Term Payment Obligations	$ 445,464	$ 339,771	$ 30,334	$ 18,807	$ 45,252	$ 879,628		

The State of Oregon has issued various debt instruments to fund capital projects at the UO. These debt instruments include general obligation bonds under articles XI-F(1), XI-G, and XI-Q of the Oregon Constitution, certificates of participation (COPs), and lottery bonds. As of July 1, 2014, all of the state debt instruments for which the UO had a payment obligation became part of a new Agreement for Debt Management (ADM). The UO also borrows funds from the Oregon Department of Energy. Principal and interest amounts due relating to the UO's share of these debt issuances are payable to the state. In addition, the UO has independently issued general revenue bonds to fund capital projects.

A. Agreement for Debt Management (ADM)

In connection with the UO becoming an independent public entity with statewide purposes and missions, the UO entered into an ADM dated July 1, 2014, with the state. The ADM was amended and restated on July 1, 2015 and July 1, 2017. It stipulates that all of the principal and interest associated with general obligation bonds under articles XI-F(1) and XI-Q, and COPs, that were deemed university-paid as of July, 1, 2014, are to be paid to the state from UO revenues and are displayed as State of Oregon Note Payable

B. State-Paid Bonds

During the fiscal year ended June 30, 2021, the state issued:

- During the fiscal year ended June 30, 2021, XI-Q tax exempt bonds 2021 Series A of $298,090, with effective rates ranging from 0.06 to 1.65 percent, are due serially through 2046 for capital construction. The UO's portion of the 2021 Series A bond sale was $50,880 for Huestis Hall renovation, and $16,016 for capital improvement and renewal projects. The UO will receive these amounts on a reimbursement basis as capital grants and the state will be responsible for all principal and interest payments.
- XI-Q taxable bonds 2021 Series B of $20,910, with effective rates ranging from 0.10 to 2.38 percent, are due serially through 2036 for capital construction. The UO's portion of the 2021 Series B bond sale was $7,500 for ShakeAlert Seismic Detection system. The UO will receive these amounts on a reimbursement basis as capital grants and the state will be responsible for all principal and interest payments.
- XI-G tax exempt bonds 2021 Series F of $56,755, with effective rates ranging from 0.10 to 1.81 percent, are due serially through 2046 for capital construction. The UO's portion of the 2021 Series F bond sale was $6,360 for Huestis Hall renovation. The UO will receive these amounts on a reimbursement basis as

capital grants and the state will be responsible for all principal and interest payments.

During the fiscal year ended June 30, 2020, the state issued no new bonded indebtedness applicable to the UO.

C. General Revenue Bonds

During the year ended June 30, 2021, no new general revenue bonds were issued.

During the fiscal year ended June 30, 2020, the UO issued tax exempt general revenue bond series 2020 A of $100,000, with net proceeds of $124,575, due April 1, 2050, with an effective rate of 2.25 percent, for capital construction. These bonds have been rated Aa2 by Moody's and AA- S&P global rating. Interest payments are due semiannually.

During the fiscal year ended June 30, 2020, the UO issued federally taxable general revenue bond series 2020 B of $20,000, with net proceeds of $20,000, due April 1, 2050, with an effective rate of 3.148 percent, for capital construction. These bonds have been rated Aa2 by Moody's and AA- S&P global rating. Interest payments are due semiannually.

General revenue bonds are payable solely from and secured by a pledge of general revenues, less amounts required when due under the ADM. The amounts pledged were $572,107 and $641,821 as of June 30, 2021 and 2020, respectively. Pledged revenues include all tuition, fees, charges, rents, revenues, and other income (including interest and dividends) of the university, if and to the extent such funds are not restricted in their use by law, regulation, or contract.

D. Oregon Department of Energy Loans

The UO has entered into loan agreements with the State of Oregon Department of Energy (DOE) Small Scale Energy Loan Program (SELP) for energy conservation projects at the UO. The UO makes monthly loan payments (principal and interest) to the DOE in accordance with the loan agreements. SELP loans, with effective rates ranging from 3.87 percent to 4.84 percent, are due through fiscal year 2035.

E. Defeased Debt

The UO participates in a debt portfolio managed by the state and subject to the ADM. When fiscally appropriate, the state will sell bonds and use the proceeds to defease other debt.

During the year ended June 30, 2021, the state issued $137,265 in XI-F(1) bonds to refund $126,090 of XI-F(1) bonds. The UO's portion of the refunding resulted in a difference between the reacquisition price and the net carrying value of the state note payable of $1,614. The refunding was undertaken to reduce total debt service payments (principal and interest) over the next 23 years by $2,803 and resulted in an economic gain of $2,684.

During the year ended June 30, 2020, the state did not issue bonds to defease debt applicable to the UO.

F. Financial Guarantees

The UO is a state governmental entity, engaged only in business-type activities. As of June 30, 2021, no amounts have directly been paid by the state for the UO's financial obligations, both cumulatively and during the current reporting period.

G. Employee Deferred Compensation

The UO has a Section 415(m) excess benefit plan. Section 415(m) plans are unfunded plans and used as a means of deferring taxation on regular pension plan contributions by public employees in excess of the limitations otherwise imposed on the Oregon Public Universities Tax-Deferred Investment 403(b) plan. The 415(m) plan is offered to highly-compensated employees whose contributions would otherwise be limited by Internal Revenue Code Section 415.

H. Employee Termination Liabilities

The UO is making liquidated damages payments to a former employee relating to early termination of their employment contract. The payout of this liability extends through fiscal year 2022.

I. Capital Leases

The UO has acquired assets under capital lease agreements. The cost of UO assets held under capital leases totaled $52,178 and $52,388 for the fiscal years ended June 30, 2021 and 2020, respectively. Accumulated depreciation of leased equipment and buildings totaled $7,644 and $6,556 for June 30, 2021 and 2020, respectively.

The lease purchase (capital lease) contracts run through fiscal year 2046. The capital leases are recorded at the present value of the minimum future lease payments at the inception date. The weighted average of interest rates on capitalized leases is 4.58 percent.

J. State and Local Government Rate Pool

Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), the state and community colleges were pooled together in the State and Community College Pool (SCCP), and local government employers participated in the Local Government Rate Pool (LGRP). These two pools combined to form the SLGRP effective January 1, 2002, at which time a transitional pre-SLGRP pooled liability was created. The pre-SLGRP pooled liability is essentially a debt owed to the SLGRP by the SCCP employers. The balance of the pre-SLGRP pooled liability attributable to the state is being amortized over the period ending December 31, 2027. The liability is allocated by the state, based on salaries and wages, to all public universities, state proprietary funds, and the government-wide reporting fund in the Oregon *Annual Comprehensive Financial Report*.

For the Year Ended June 30, 2021 (dollars in thousands)

The UO paid interest expense on the liability in the amounts of $1,559 and $1,752 for June 30, 2021 and 2020, respectively. Principal payments of $2,677 and $2,281 were applied to the UO's liability for June 30, 2021 and 2020, respectively.

11. Government Appropriations

Government appropriations comprised the following:

For the Year Ending June 30, 2021	General Operations	Debt Service	Total
State General Fund	$ 81,919	$ 1,972	$ 83,891
State Lottery Funding	579	-	579
Federal Perkins Fund	8	-	8
Total Appropriations	$ 82,506	$ 1,972	$ 84,478

For the Year Ending June 30, 2020	General Operations	Debt Service	Total
State General Fund	$ 78,719	$1 ,972	$ 80,691
State Lottery Funding	451	-	451
Federal Perkins Fund	149	-	149
Total Appropriations	$ 79,319	$ 1,972	$ 81,291

12. Pension and OPEB Plan Assets and Liabilities

The UO participates in multiple employer pension and OPEB plans. The following table presents the university's proportion of the assets and liabilities:

As of June 30,	2021	2020
Net OPEB Asset - RHIA	$ 3,492	$ 4,419
Net OPEB Asset	$ 3,492	$ 4,419
Net OPEB Liability (RHIPA)	$ 642	$ 1,550
Total OPEB Liability (PEBB)	11,850	12,101
Net Pension Liability	438,807	357,066
Net Pension & OPEB Liabilities	$ 451,299	$ 370,717

13. Employee Retirement Plans

The UO offers various retirement plans to qualified employees as described below.

Oregon Public Employees Retirement System – Oregon Public Service Retirement Plan

General information about the Pension Plan

Name of the pension plan: The Oregon Public Employees Retirement System (PERS) is a cost-sharing multiple-employer defined benefit plan.

Plan description: Eligible employees of the UO, except those who select the Optional Retirement Plan (ORP), are provided with pensions through PERS.

PERS memberships prior to January 1, 1996 are Tier One members. The 1995 Oregon Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. This legislation created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to 58 for Tier One. Both Tier One and Tier Two are defined benefit plans. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

The 2003 Legislature enacted HB 2020, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program Defined Benefit (DB) and the Individual Account Program (IAP). The IAP is a defined contribution plan. Membership includes public employees hired on or after August 29, 2003.

Beginning January 1, 2004, PERS active Tier One and Tier Two members became members of IAP of OPSRP. PERS members retained their existing Defined Benefit Plan accounts, but member contributions are now deposited into the member's IAP account, not into the member's Defined Benefit Plan account. Accounts are credited with earnings and losses, net of administrative expenses. OPSRP is part of PERS and is administered by the PERS Board.

PERS issues a publicly available Annual Comprehensive Financial Report that can be obtained at: https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Benefits provided under Chapter 238—Tier One/ Tier Two

1. Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum payouts. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Under Senate Bill 1049, the salary included in the determination of final average salary is limited for all members. Salary limit amounts are $195 in 2020, $197.73 in 2021, and will be indexed with inflation in later years. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60.

2. Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum payout of the member's account balance (accumulated contributions and interest).

In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- Member was employed by a PERS employer at the time of death,
- Member died within 120 days after termination of PERS-covered employment,
- Member died as a result of injury sustained while employed in a PERS-covered job, or
- Member was on an official leave of absence from a PERS-covered job at the time of death.

3. Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

For the Year Ended June 30, 2021 (dollars in thousands)

4. Benefit Changes After Retirement. Members may choose to continue participation in their Variable Account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of the account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living adjustments (COLA). The COLA is capped at 2.0 percent.

Oregon Public Service Retirement Plan (OPSRP) Pension Program

1. Pension Benefits. The OPSRP provides a life pension funded by employer contributions to members hired on or after August 29, 2003. Benefits are calculated with the following formula for members who attain normal retirement age:

Under Senate Bill 1049, the salary included in the determination of final average salary is limited for all members. Salary limit amounts are $195 in 2020, $197.73 in 2021, and will be indexed with inflation in later years.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years; the date the member reaches normal retirement age; if the pension program is terminated; the date on which termination becomes effective.

2. Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

3. Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled, or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially-determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Contribution rates are reviewed bi-annually.

Actuarial Valuations

The following methods and assumptions were used in the development of the total pension liability:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality:	
Healthy retirees and beneficiaries:	
Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale with collar adjustments and set-backs as described in valuation.	
Active members:	
Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale with category adjustments and set-backs as described in the valuation.	
Disabled retirees:	
Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	

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Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially-determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 experience study, which reviewed experience for the four-year period ending on December 31, 2018.

An actuarial valuation of the system is performed to determine the level of employer contributions. The most recently completed valuation was performed as of December 31, 2018. The valuation included projected payroll growth at 3.50 percent. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. It is adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date.

Pension Plan Liability

The components of the Plan's collective net pension liability as of the measurement dates:

As of June 30,	2020	2019
Total Pension Liability	$90,142,700	$87,501,200
Plan Fiduciary Net Position	68,319,300	70,203,700
Plan Net Pension Liability	$21,823,400	$17,297,500

Discount Rate

The PERS Board reviews the discount rate in odd-numbered years. The discount rate used to measure the total pension liability was 7.20 percent for the defined benefit pension plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the defined benefit pension plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the UO's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The sensitivity analysis shows the sensitivity of the UO's proportionate share of the net pension liability to changes in the discount rate. The following presents the UO's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the UO's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Proportionate share of the net pension liability:	
Using discount rate 1.00% lower	$651,592
Using discount rate 7.20%	438,807
Using discount rate 1.00% higher	260,377

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB 68 does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes

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in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is the PERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Assumed Asset Allocation

Asset Class/Strategy	Low Range		High Range		OIC Target	
Debt Securities	15.0	-	25.0	%	20.0	%
Public Equity	27.5	-	37.5		32.5	
Private Equity	14.0	-	21.0		17.5	
Real Estate	9.5	-	15.5		12.5	
Alternatives Equity	7.5	-	17.5		15.0	
Opportunity Portfolio	0.0	-	3.0		0.0	
Risk Parity	0.0	-	2.5		2.5	
Total					100	%

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman, an independent actuarial and consulting firm, and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target		Compound Annual (Geometric) Return	
Core Fixed Income	9.60	%	4.07	%
Short-Term Bonds	9.60		3.68	
Bank/Leveraged Loans	3.60		5.19	
High Yield Bonds	1.20		5.74	
Large/Mid Cap US Equities	16.17		6.30	
Small Cap US Equities	1.35		6.68	
Micro Cap US Equities	1.35		6.79	
Developed Foreign Equities	13.48		6.91	
Emerging Market Equities	4.24		7.69	
Non-US Small Cap Equities	1.93		7.25	
Private Equity	17.50		8.33	
Real Estate (Property)	10.00		5.55	
Real Estate (REITS)	2.50		6.69	
Hedge Fund of Funds - Diversified	1.50		4.06	
Hedge Fund - Event-driven	0.38		5.59	
Timber	1.13		5.61	
Farmland	1.13		6.12	
Infrastructure	2.25		6.67	
Commodities	1.13		3.79	
Assumed Inflation - Mean			2.50	%

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the UO reported a liability of $438,807 for its proportionate share of the net pension liability, and pension expense of $86,721. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 and rolled forward to June 30, 2020. At June 30, 2020, the UO reported a liability of $357,066 for its proportionate share of the net pension liability, and pension expense of $86,954. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, and rolled forward to June 30, 2019. The UO's proportionate share of the net pension liability was based on its projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers. At June 30, 2021 and 2020, the university's proportionate share was 2.010 percent and 2.064 percent, respectively. Since the prior measurement date, the UO's proportionate share of the collective net pension liability has decreased by 0.054 percent.

For the Year Ended June 30, 2021 (dollars in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,313	$ -
Changes of assumptions	23,549	825
Net difference between projected and actual earnings on investments	51,598	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,119	9,144
Total (prior to post-measurement date contributions)	$ 108,579	$ 9,969
Net Deferred Outflow/Inflow of Resources before contributions subsequent to Measurement Date	98,610	
Contributions made subsequent to measurement date	38,625	
Net Deferred Outflows/Inflows of Resources	$ 137,235	

$38,625 of deferred outflows of resources are related to pensions resulting from UO contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30,	Deferred Outflow/(Inflow)
2021	$ 23,024
2022	29,091
2023	27,276
2024	18,718
2025	501
	$ 98,610

Rates of every employer have at least two major components:

1. Normal Cost Rate: The economic value is stated as a percent of payroll for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in PERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

2. UAL Rate: If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumption. The UAL rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL rate contributions is simply the UAL itself. The UAL represents the portion of the projected long-term contribution effort related to past service.

Looking at both rate components, the projected long-term contribution effort is just the sum of the PVFNC and the UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings.

The UAL has Tier One/Tier Two and OPSRP components. The Tier One/Tier Two piece is based on the employer's Tier One/Tier Two pooling arrangement. The UO participates in the SLGRP. As a result, its Tier One/Tier Two UAL is the UO's pro-rata share of the pool's UAL. The pro-rata calculation is based on the employer's payroll in proportion to the pool's total payroll. For example, if the employer's payroll is one percent of the pool's total payroll, the employer will be allocated one percent of the pool's UAL. The OPSRP piece of the UAL follows a parallel pro-rata approach, because OPSRP experience is mandatorily pooled at a statewide level.

An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For PERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier One/Tier Two payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

The employer's Normal Cost Rates for each payroll are combined with system-wide present value factors for each payroll to develop an estimated PVFNC. The present value factors are actuarially determined at a system level for simplicity and to allow for the PVFNC calculations to be audited in a timely, cost-effective manner.

Because many governments in Oregon have sold pension obligation bonds and deposited the proceeds with PERS (referred to as side accounts), adjustments are required. After each employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's side account, transitional liability or surplus, and pre-SLGRP liability or surplus (if any). This is done as those balances increase or decrease the employer's projected long-term contribution effort because side accounts are effectively prepaid contributions.

Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

OPSRP Individual Account Program (IAP)

1. Pension Benefits. Participants in PERS defined benefit pension plans also participate in the PERS defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years; the date the member reaches normal retirement age; the date the IAP is terminated; the date the active member becomes disabled; or, the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period, or an anticipated life span option. Each distribution option has a two hundred dollar minimum distribution limit.

2. Death Benefits. Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

3. Contributions. The UO has chosen to pay the employees' contributions to the plan. Six percent of covered payroll is paid for general service and police and fire employees.

Starting July 1, 2020, Senate Bill 1049: For all currently employed Tier One/Tier Two and OPSRP members earning $2.5/month or more, a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.

- Tier One/Tier Two members: 2.5 percent of each member's salary, currently contributed to the IAP, will start going into an Employee Pension Stability Account (EPSA). The remaining 3.5 percent of salary will continue to go to the member's existing IAP account.
- OPSRP members: 0.75 percent of each member's salary, currently contributed to the IAP, will start going into their EPSA. The remaining 5.25 percent of salary will continue to go to the member's existing IAP account.
- Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.

Retirement Bond Debt Service Assessment

In 2003, the state legislature authorized the state to sell general obligation bonds in the amount of $2 billion to pay a PERS unfunded actuarial liability. This action reduced the PERS contribution rate for PERS covered employers in the state actuarial pool in November, 2003.

The Oregon Department of Administrative Services coordinates the debt service assessments to PERS employers to cover the bond debt service payments. PERS employers are assessed a percentage of PERS-subject payroll to fund the payments. The assessment rate is adjusted biennially over the life of the 24-year debt repayment schedule.

The payroll assessment for the pension obligation bond began May, 2004, and at June 30, 2021, is set at 5.60 percent. The rate is contractually required by PERS. Payroll assessments for the pension obligation bond for the fiscal years June 30, 2021 and 2020, were $13,376 and $13,848 respectively. The bonds are scheduled to be paid off in 2027.

Optional Retirement Plan (ORP)

The 1995 Oregon Legislature enacted legislation that authorized OUS to offer a defined contribution retirement plan as an alternative to PERS. After OUS was dissolved, the UO took over management of the ORP on behalf of Oregon's public universities under a shared services agreement. Beginning April 1, 1996, the ORP was made available to UO unclassified faculty and staff who are otherwise eligible for PERS membership. Employees choosing the ORP may invest the employee and employer contributions in one of multiple investment companies.

The ORP consists of four tiers. Membership under ORP Tier One/Tier Two is determined using the same criteria as PERS. Membership under ORP Tier Three is determined using the same criteria as OPSRP. Under the ORP tiers equivalent to PERS Tier One/Tier Two and OPSRP, the employee's contribution rate is 6.00 percent and is paid by the employer. Beginning July

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1, 2014, new members of ORP are members of ORP Tier Four. Under Tier Four, the UO contribution is fixed at 8.00 percent by plan rules and the employee's contributions to a tax deferred investment account are matched by the UO up to 4.00 percent. Employees become fully vested in the ORP after five years of participation in the plan.

The employer contribution rates for the ORP are as follows:

	2021	2020
ORP Tier One	26.30%	27.20%
ORP Tier Two	26.30%	27.20%
OPSRP Equivalent	9.63%	9.85%
ORP Tier Four	8.00%	8.00%

For ORP Tier One, ORP Tier Two, and OPSRP Equivalent, these contributions are in addition to the 6 percent employee contribution being paid by the employer.

ORP participants who leave employment before vesting in the ORP forfeit their employer share of the ORP contributions, along with the associated investment income (losses) on those contributions. The UO applies the forfeited funds in sequential order to: (1) reinstate a participant's employer share when a participant returns to employment, (2) reimburse ORP administrative expenses, and (3) offset future ORP employer contributions.

Teachers Insurance and Annuity Association Plan (TIAA)

Eligible unclassified employees who enrolled prior to 1996 may participate in the TIAA retirement program, a defined contribution plan, on all salary in excess of $4.8 per calendar year. Employee contributions are directed to PERS on the first $4.8. The employer contribution to TIAA is an amount sufficient to provide an annuity pension equal to the employee's contributions. To participate in this retirement option, employees must have been hired on or before September 9, 1995. This plan was closed to new enrollment at the time the ORP started in 1996. The UO manages the TIAA plan on behalf of Oregon's public universities under a shared services agreement. All participants of the TIAA plan are fully vested and there will not be any forfeitures.

Summary of Pension Payments

The UO's total payroll for the year ended June 30, 2021, was $404,092 of which $360,327 was subject to retirement contributions.

The following schedule lists payments made by the UO for the fiscal year June 30, 2021:

	Employer Contribution	As a % of Covered Payroll	Employee Contribution	As a % of Covered Payroll
PERS/OPSRP	$38,628	10.72%	$13,911	3.86%
ORP	13,578	3.77%	7,066	1.96%
TIAA	24	0.01%	24	0.01%
Total	$52,230	14.50%	$21,001	5.83%

The UO's total payroll for the year ended June 30, 2020, was $409,765 of which $362,160 was subject to retirement contributions.

The following schedule lists payments made by the UO for the fiscal year June 30, 2020:

	Employer Contribution	As a % of Covered Payroll	Employee Contribution	As a % of Covered Payroll
PERS/OPSRP	$39,383	10.87%	$14,240	3.93%
ORP	14,027	3.87%	7,038	1.94%
TIAA	26	0.01%	26	0.01%
Total	$53,436	14.75%	$21,304	5.88%

14. Other Postemployment Benefits (OPEB)

The UO participates in three (3) defined postemployment healthcare benefit plans which offer benefits to eligible retired state employees and their beneficiaries. These plans allow UO employees retiring under PERS or OPSRP to continue their healthcare. Plans help retirees defray the cost of insurance premiums until eligible for Medicare, usually at age 65.

Plan Descriptions

Public Employees' Benefit Board (PEBB) Employees of eligible agencies are allowed to purchase post-retirement medical insurance through PEBB if they retire from active service and, at the time of retirement, are immediately eligible for a pension benefit from Oregon PERS. In addition, retirees must have been enrolled in a PEBB medical or dental plan immediately prior to retirement, and must apply for retiree coverage within 30 days of when active PEBB coverage ends. This is a single-employer defined benefit OPEB plan not administered through a trust. There are no Employer Contributions; benefits are funded by the individual participants on a pay-as-you-go basis. However, the premium amount is based on a blended rate that is determined by pooling the qualifying retirees with active employees, thus, creating an "implicit rate subsidy." The UO's proportionate share of activity based on percentage of annual health insurance premium costs was $794 calculated at 7.84 percent of the total for the state.

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Retirement Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined benefit OPEB plan. Established by ORS 238.420, the plan provides a payment of up to $0.06 toward the monthly cost of health insurance for eligible PERS members. The plan was closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement, or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. This multiple-employer cost-sharing defined benefit OPEB plan is administered through a trust. Contributions are actuarially determined as a percentage of payroll. The amounts presented in this note are limited to the UO's proportionate share of activity based on percentage of total contributions, estimated at 1.71 percent of the total. The UO's FY21 RHIA contributions were $120.

Retiree Health Insurance Premium Account (RHIPA) is a cost-sharing multiple-employer defined benefit OPEB plan. Established by ORS 238.415, the plan provides payment of the average difference between the health insurance premiums paid by retired state employees and premiums paid by state employees who are not retired. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement, or (2) receive a disability pension calculated as if they had eight years of qualifying service but are not eligible for federal Medicare coverage. The plan was closed to new entrants hired on or after August 29, 2003. This single-employer defined benefit OPEB plan is administered through a trust. Contributions are actuarially determined as a percentage of payroll. The amounts presented in this note are limited to the UO's proportionate share of activity based on percentage of total contributions, estimated at 6.44 percent of the total. The UO's FY21 RHIPA contributions were $732.

OPEB Plans Report

The PERS RHIA and RHIPA defined benefit OPEB plans are reported separately under Other Employee Benefit Trust Funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the state's annual comprehensive financial report. PERS issues a separate, publicly available Annual Comprehensive Financial Report that includes audited financial statements and required supplementary information. The report may be accessed online at: https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

PEBB does not issue a separate, publicly-available financial report.

OPEB Liabilities, OPEB Expense, Deferred Out Flows of Resources, Deferred Inflows of Resources

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the UO and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

	RHIA	RHIPA	PEBB
Actuarial Valuation Date	12/31/2018	12/31/2018	7/1/2019
Measurement Date	6/30/2020	6/30/2020	6/30/2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Inflation Rate	2.50%	2.50%	2.50%
Investment Rate of Return	7.20%	7.20%	2.16%
Projected Salary Increases	3.50%	3.50%	3.50%

Discount Rate

The discount rate used to measure the total RHIA/RHIPA liability was 7.20 percent. The PERS Board reviews the discount rate in odd-numbered years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA/RHIPA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA/RHIPA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Under GASB 75, PEBB unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The assumptions in this report reflect the Bond Buyer 20-Year General Obligation Bond Index. The discount rate in effect for the June 30, 2021 reporting date is 2.16 percent, and the discount rate in effect for the June 30, 2020 reporting date is 2.21percent.

For the Year Ended June 30, 2021 (dollars in thousands)

Discount Rate Sensitivity

The discount rate sensitivity analysis shows the sensitivity of the total and net OPEB liabilities to changes in the Discount Rate.

The following shows what the university's total and net OPEB liabilities would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate:

	RHIA	RHIPA	PEBB
Discount rate	7.20%	7.20%	2.16%
Fund's Proportionate Share at Measurement Date	(3,492)	642	11,850
• Using discount rate 1.0% lower	(2,820)	902	12,701
• Using discount rate 1.0% higher	(4,068)	399	11,050
• Using healthcare cost trend rate 1.0% lower	(3,492)	452	10,662
• Using healthcare costs trend rate 1.0% higher	(3,492)	883	13,251

At June 30, 2021, UO reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 47
Changes in assumptions	284	1,456
Total	$ 284	$ 1,503
Net Deferred Outflow/Inflow of Resources		$ 1,219

RHIA	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (357)
Changes in assumptions	-	(186)
Net difference between projected and actual earnings on investments	388	-
Changes in proportion and differences between fund contributions and proportionate share of contributions	1,452	(14)
Total (prior to post-measurement date contributions)	$ 1,840	$ (557)
Net Deferred Outflow/Inflow of Resources before contributions subsequent to Measurement Date	1,283	
Contributions made subsequent to measurement date	35	
Net Deferred Outflow/Inflow of Resources	$ 1,318	

RHIPA	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 243
Changes in assumptions	16	431
Net difference between projected and actual earnings on investments	146	-
Total (prior to post-measurement date contributions)	$ 162	$ 674
Net Deferred Outflow/Inflow of Resources before contributions subsequent to Measurement Date		512
Contributions made subsequent to measurement date	716	
Net Deferred Outflow/Inflow of Resources	$ 204	

The UO's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the succeeding year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year Ended June 30	RHIA Deferred Outflow/(Inflow) Amortizations	RHIPA Deferred Outflow/(Inflow) Amortizations	PEBB Deferred Outflow/(Inflow) Amortizations	Total and Net OPEB Deferred Outflow/(Inflow)
2022	$ 404	$ (98)	$ (188)	$ 118
2023	613	(91)	(188)	334
2024	144	(88)	(188)	(132)
2025	122	(90)	(189)	(157)
2026	-	(104)	(160)	(264)
Thereafter	-	(41)	(306)	(347)
	$ 1,283	$ (512)	$ (1,219)	$ (448)

15. Risk Management

Effective July 1, 2015, the UO implemented its first independent insurance portfolio as it withdrew from the Public University Risk Management Insurance Trust (PURMIT).

Effective October 15, 2016, the UO increased its property insurance coverage to $1,000,000. The total insurable value of property was assessed at $6,700,000 with a self-insured retention of $250. The earth movement and flood damage sublimit is $100,000, with a self-insured retention of $500. The casualty program covers general tort claims as well as directors and officers, errors and omissions, and employment liability. The UO's self-insured retention is $500 for general liability. During the last four fiscal years, no settled claims have exceeded the insurance coverage levels.

For the Year Ended June 30, 2021 (dollars in thousands)

The UO paid property and casualty claims of $1,638 during 2021. The estimate for claims incurred but not reported (IBNR) is $1,010 for for the year ended June 30, 2021.

Property and Casualty	2021	2020
Beginning Liability	$975	$1,313
Claims Incurred	1,673	802
Claims Payments	(1,638)	(1,140)
Ending Liability	$1,010	$975

The UO operates a student health insurance plan which is controlled by the UO and administered by PacificSource Health Plans (PacificSource). The UO began self-funding this plan in fiscal year 2017. The UO purchases individual and aggregate stop loss coverage. The specific stop loss coverage has a $250 deductible with an unlimited lifetime reimbursement maximum. The aggregate stop loss coverage has a reimbursement maximum of $3,000 with an annual aggregate deductible that is 125 percent of expected claims, subject to a minimum amount. The contract coverage period is for expenses incurred since the original effective date and paid within 18 months of the effective date of the current policy. The UO paid $3,411 in claims during 2021. The estimate of a claims reserve was $578 for for the year ended June 30, 2021.

Student Health Insurance	2021	2020
Beginning Claims Reserve	$ 450	$ 864
Claims Incurred	3,208	3,736
Claims Payments	(3,411)	(3,652)
Claims Reserve Adjustment	331	(498)
Estimated Incurred But Not Reported (IBNR)	$ 578	$ 450

The UO has established a risk management program to manage costs within the respective policy deductibles. The insurance renewal process focuses on procuring coverage to transfer risk, reducing portfolio costs when possible, and continuing to monitor campus activities for potential gaps in coverage and risk mitigation. The Safety and Risk Services unit works strategically with campus partners to increase risk awareness and safety and to reduce injuries and losses. Workers' Compensation claims are administered by the State Accident Insurance Fund (SAIF).

16. Commitments and Contingent Liabilities

Outstanding commitments on construction projects that are in the planning phase but not yet initiated, as well as partially-completed construction projects, totaled approximately $258,800 and $168,776, at June 30, 2021 and 2020, respectively. These commitments will be funded from gifts and grants, bond proceeds, and other UO funds. Refer to the table accompanying this note for projects relating to construction commitments as of June 30, 2021.

In July 2021, the UO will receive a second $500 million gift pledge for phase two of the Phil and Penny Knight Campus for Accelerating Scientific Impact. Since phase two has not been formally approved by the BOT as of June 30, 2021, it is not included in the table of construction commitments. Full review and consideration of the project is anticipated for spring or summer of 2022.

The Residence Hall Transformation Project will move into the second phase after year end. Phase one is the construction of Unthank Hall (completion summer 2021) on existing green space. Phase two is the removal of Walton Hall to make way for construction of two new residence hall buildings. Phase three is the removal of Hamilton Hall and development of new green space.

In September 2021, the UO issued tax exempt general revenue bond series 2021 A of $80,730, with net proceeds of $90,476, due April 1, 2051, with an effective rate of 2.1 percent, for capital construction. These bonds have been rated Aa2 by Moody's and AA- S&P global rating. Interest payments are due semiannually.

In September 2021, the UO issued federally taxable general revenue bond series 2021 B of $20,120, with net proceeds of $20,120, due April 1, 2051, with an effective rate of 3.0 percent, for capital construction. These bonds have been rated Aa2 by Moody's and AA- S&P global rating. Interest payments are due semiannually.

The UO is contingently liable in connection with certain other claims and contracts, including those currently in litigation, arising in the normal course of its activities. Management is of the opinion that the outcome of such matters will not have a material effect on the financial statements.

The UO, like many other colleges and universities around the country, has been served with a lawsuit related to tuition and fees charged during the COVID-19 pandemic. The UO will vigorously defend against this case. Management is of the opinion, based upon the results of other cases that have been dismissed against similar institutions and established contract law in Oregon, that the chances of this lawsuit resulting in a judgement against the university are remote.

The UO participates in certain federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor for expenditures disallowed under terms of the grant. Management believes that disallowances, if any, will not have a material effect on the financial statements.

For the Year Ended June 30, 2021 (dollars in thousands)

Unemployment compensation claims are administered by the Oregon Employment Division pursuant to ORS 657. The UO reimburses the Oregon Employment Division on a quarterly basis for actual benefits paid. Each year, resources are budgeted to pay current charges. The amount of future benefit payments to claimants and the resulting liability to the UO cannot be reasonably determined at June 30, 2021.

The World Health Organization declared the novel coronavirus pandemic in March of 2020. The pandemic is an ever-changing situation. As a result, it is difficult to predict how the restrictions will impact the UO. Therefore, we are unable to estimate any future financial implications.

CONSTRUCTION COMMITMENTS AS OF June 30, 2021

Project Description	Total Commitment	Completed to Date	Outstanding Commitment
CPS Infrastructure Upgrade (Thermal Tank)	$ 8,730	$ 394	$ 8,336
EC Cares Building	1,674	390	1,284
Global Scholars Hall Deflection Issue	6,065	1,560	4,505
Huestis Hall Deferred Maintenance	62,723	1,552	61,171
Onyx Hall	1,905	136	1,769
Residence Hall Transformation Project:			
Phase I	98,548	71,949	26,599
Phase II	120,072	4,014	116,058
Phase III	9,582	463	9,119
University Health and Counseling Center	1,508	12	1,496
Zebrafish International Resource Center	9,706	1,245	8,461
Projects with < $500 thousand remaining to be spent	1,800	1,223	577
Project Budgets <$1 million	21,201	1,776	19,424
	$ 343,514	$ 84,714	$ 258,800

17. Total Deferred Inflows of Resources

Deferred inflows of resources are utilization of the UO's net position that are applicable to a future reporting period. The following table presents total deferred inflows of resources:

As of June 30,	2021	2020
OPEB Related Items	$2,734	$2,866
Pension Related Items	9,969	17,023
Total Deferred Inflows of Resources	$12,703	$19,889

18. University Foundation

Under policies approved by the BOT, the UO Foundation has been recognized by the president to provide assistance in fundraising, public outreach, and other support for the mission of the UO. The UO Foundation is a legally separate, tax-exempt entity with an independent governing board. The majority of resources, or income thereon, which the UO Foundation holds and invests is restricted to the activities of the UO by the donors and not controlled directly by the UO. Because these restricted resources held by the UO Foundation can only be used by, or for the benefit of the UO, the UO Foundation is considered a component unit of the UO and is discretely presented in the financial statements.

The financial activity is reported for the year ended June 30, 2021.

During the fiscal years 2021 and 2020, gifts of $138,342, and $468,617, respectively, were transferred from the UO Foundation to the UO. The Foundation also reimbursed the UO $35,043 for development costs, administrative support, and various other items in fiscal year 2021. In fiscal year 2020, this amount was $61,021. The UO Foundation is audited annually and received an unmodified audit opinion in 2021 and 2020.

Please see the financial statements for the UO Foundation on pages 19 and 21 of this report. Complete financial statements for the UO Foundation may be obtained by writing to the following:

University of Oregon Foundation
1720 E. 13th Avenue, Suite 410
Eugene, Oregon 97403-2253 or at
uofoundation.org

For the Year Ended June 30, 2021 (dollars in thousands)

Schedule of UO's Proportionate Share of Net Pension Liability / (Asset)
Schedule of UO Contributions Public Employees Retirement System

Data reported is measured as of June 30, (measurement date)	2021	2020	2019	2018	2017	2016	2015
UO's portion of net pension liability	2.011%	2.064%	2.017%	2.215%	1.907%	1.654%	1.653%
UO's proportionate share of the net pension liability (asset)	$438,807	$357,066	$305,554	$298,606	$286,241	$94,966	$(37,466)
UO's covered payroll	$246,702	$233,008	$220,698	$213,982	$208,995	$201,223	$188,048
UO's proportional share of the net pension liability (asset) as a percentage of its covered payroll	177.87%	153.24%	138.45%	139.55%	136.96%	47.19%	(19.9%)
Plan fiduciary net position as a percentage of the total pension liability	75.79%	80.23%	82.07%	83.12%	80.53%	91.88%	103.59%

Schedule of UO Contributions
Public Employees Retirement System

Data reported as of June 30,	2021	2020	2019	2018	2017	2016	2015
Statutorily-required contribution	$38,628	$39,383	$29,073	$28,240	$19,887	$19,848	$17,663
Contributions made	$38,628	39,383	29,073	28,240	19,887	19,848	17,663
Contribution (deficiency) excess	-	-	-	-	-	-	-
UO's covered payroll	$245,666	$246,702	$233,008	$220,698	$213,982	$208,995	$201,223
Contributions as a percentage of covered payroll	15.72%	15.96%	12.48%	12.80%	9.29%	9.50%	8.78%

Schedule of UO's Proportionate Share of the Net OPEB Liability / (Asset)
Retirement Health Insurance Account (RHIA)

Data reported is measured as of June 30, (measurement date)	2021	2020	2019	2018	2017
UO's proportion of the net OPEB-RHIA liability	1.714%	2.287%	2.196%	2.501%	2.096%
UO's proportionate share of the net OPEB-RHIA liability / (asset)	$(3,492)	$(4,419)	$(2,452)	$(1,044)	$569
UO's covered payroll	$362,050	$345,614	$329,731	$317,777	$308,031
UO's proportionate share of the net OPEB-RHIA liability / (asset) as a percentage of its covered payroll	(0.96%)	(1.28%)	(0.74%)	(0.33%)	0.18%
Plan fiduciary net position as a percentage of the total OPEB-RHIA liability	150.1%	144.4%	124.0%	108.9%	94.1%

Schedule of UO's Contributions
Retirement Health Insurance Account (RHIA)

Data reported as of June 30,	2021	2020	2019	2018	2017
Statutorily-required contribution	$35	$120	$1,026	$980	$1,017
Contributions made	35	120	1,026	980	1,017
Contribution (deficiency) excess	-	-	-	-	-
UO's covered payroll	$360,327	$362,050	$345,614	$329,731	$317,777
Contributions as a percentage of covered payroll	0.01%	0.03%	0.30%	0.30%	0.32%

*The required supplementary schedules are required to show information for 10 years. However, until a full 10-year trend is compiled, the information presented is for those years for which information is available.

For the Year Ended June 30, 2021 (dollars in thousands)

Schedule of UO's Proportionate Share of the Net OPEB Liability

Retiree Health Insurance Premium Account (RHIPA)

Data reported is measured as of June 30, (measurement date)	2021	2020	2019	2018	2017
UO's proportion of the net OPEB-RHIPA liability	6.436%	6.120%	6.254%	8.097%	7.109%
UO's proportionate share of the net OPEB-RHIPA liability	$642	$1,550	$2,210	$3,778	$3,815
UO's covered payroll	$362,050	$345,614	$329,731	$317,777	$308,031
UO's proportionate share of the net OPEB-RHIPA liability as a percentage of its covered payroll	0.18%	0.45%	0.67%	1.19%	1.24%
Plan fiduciary net position as a percentage of the total OPEB-RHIPA liability	84.4%	64.9%	49.8%	34.3%	21.9%

Schedule of UO's Contributions

Retiree Health Insurance Premium Account (RHIPA)

Data reported as of June 30,	2021	2020	2019	2018	2017
Statutorily-required contribution	$716	$732	$934	$888	$815
Contributions made	$716	732	934	888	815
Contribution (deficiency) excess	-	-	-	-	-
UO's covered payroll	$360,327	$362,050	$345,614	$329,731	$317,777
Contributions as a percentage of covered payroll	0.20%	0.20%	0.27%	0.27%	0.26%

Schedule of UO's Proportionate Share of the Total OPEB Liability

Public Employees' Benefit Board (PEBB)

Data reported is measured as of June 30, (measurement date)	2021	2020	2019	2018	2017
UO's proportion of the total OPEB-PEBB liability	7.843%	8.249%	8.150%	8.226%	8.836%
UO's proportionate share of the total OPEB-PEBB liability	$11,850	$12,101	$13,135	$12,221	$12,795
UO's covered payroll	$360,327	$362,050	$345,614	$329,731	$317,777
UO's proportionate share of the total OPEB-PEBB liability as a percentage of its covered payroll	3.29%	3.34%	3.80%	3.71%	4.03%

Schedule of UO's Contributions

Public Employees' Benefit Board (PEBB)

Data reported as of June 30,	2021	2020	2019	2018
Statutorily-required contribution	$794	$646	$613	$638
Contributions made	794	646	613	638
Contribution (deficiency) excess	-	-	-	-
UO's covered payroll	$360,327	$362,050	$345,614	$329,731
Contributions as a percentage of covered payroll	0.22%	0.18%	0.18%	0.19%

*The required supplementary schedules are required to show information for 10 years. However, until a full 10-year trend is compiled, the information presented is for those years for which information is available.

MOSSADAMS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Members of the Board of Trustees
University of Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the University of Oregon ("UO"), its fiduciary fund, and the University of Oregon Foundation ("the Foundation"), its discretely presented component unit, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise UO's basic financial statements, and have issued our report thereon dated November 4, 2021. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered UO's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UO's internal control. Accordingly, we do not express an opinion on the effectiveness of UO's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UO's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams LLP

Portland, Oregon
November 4, 2021

For information about the financial data included in this report, contact:

Jamie Moffitt

Vice President for Finance and Administration, CFO, and Treasurer

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