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# UNIVERSITY OF OREGON FOUNDATION 2005 – 2006 ANNUAL REPORT

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# 2005 – 2006 ANNUAL REPORT

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# MESSAGE FROM THE BOARD CHAIR

## CONTINUED SUCCESS...

As we close the year we are reminded of our continued successes and would like to express our gratitude for helping us reach them.

We embraced a new friend and Trustee who brings with him a quick smile, an even quicker story, and unprecedented willingness to share his wealth with the University. In one year, his commitments for advancement of several capital projects on campus have already made him the second highest lifetime donor. The excitement that comes from his donations is contagious. Countless others have joined in, pushing campaign totals beyond \$400 million, and fast approaching the \$600 million campaign goal.

Just a few months into the year, the Foundation reached a new all-time high for assets under management with total assets surpassing the half-billion dollar mark. Both strong investment performance and additional contributions continued through the remainder of the year. As we close the fiscal year, total assets are in excess of \$550 million.

This asset level is a marker for comparisons against our peers, but also a reflection of the responsibilities we all have. The diligent work of our investment program has resulted in performance in the top 15% of colleges and universities for the past decade. This year, it appears our performance results will place the Foundation in the top quartile of performance amongst over 700 institutions. We all know how fortunate we are to have dedicated Trustees working with staff in obtaining

these results and allowing us to demonstrate our strong stewardship of privately donated funds.

We have also had the ability and opportunity to call on several Trustees for assistance in organizing and managing limited-liability corporations. The Foundation has partnered in a variety of arrangements to facilitate projects ranging from construction and preliminary design, to acquisitions of real property and partial interests in businesses. All of these arrangements have required a new level of understanding and responsibility by the Board—all challenges that have been met with repeated success. The Foundation was the critical partner in successfully completing each transaction.

While we have accomplished a lot, I'm sure it is only the beginning and there will be many more successes. We will continue to reach new heights because we have such great Board members working with our dedicated staff to produce great results. I thank you for all your time and energy in helping to make this great organization even better.

Sincerely,



Thomas Costabile  
Board Chair, UO Foundation  
2005-2006

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# 2005 – 2006 BOARD OF TRUSTEES

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## OFFICERS

Thomas Costabile	Board Chair
Gerry B. Cameron	Immediate Past Board Chair
Robert D. Kraus	Board Chair Elect
Keith L. Thomson	Second Board Chair Elect
Joseph H. Gonyea II	Secretary
Dan W. Hollingshead	Treasurer

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## TRUSTEES

Marcia L. Aaron	Cheryl D. Perrin
Jon P. Anderson	Dapo A. Popoola
James W. Bernard	Peter W. Powell
Ruby L. Brockett	Douglas M. Ragen
Norman H. Brown, Jr.	James Sandstrom
Warren Brown	Jordan D. Schnitzer
Larry S. Bruton	William G. Seal
Gaylord E. Davis	Marty W. Smith
Frank Elsener	Richard D. Stokes, Jr.
Robert C. Fulton	William R. Swindells
George E. Glass	Ann D. Thompson
Allen L. Gummer	Bonnie Towne
Ray B. Haroldson	Robert F. Turner
H. Lawrence Hull, Jr.	Donald E. Tykeson
Sue Thorson Keene	Richard B. Ward
Gwendolyn H. Lillis	James H. Warsaw
Lorry I. Lokey	Carol B. Williams
Sammie McCormack	Richard C. Williams
Jan M. Monti	Robert F. Wulf

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# FOUNDATION FACTS

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## MISSION

THE PURPOSE AND MISSION of the University of Oregon Foundation (Foundation) is to support and assist the University of Oregon (University) in its activities by management and administration of Foundation assets representing privately donated funds and by leading advocacy for the University.

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## UO FOUNDATION

A separate legal entity from the University, the Foundation is a private, nonprofit corporation that is a tax-exempt 501(c)(3) organization under the U.S. Internal Revenue Code. The Foundation receives, records, invests, and disburses funds resulting from private contributions to the University for purposes such as student scholarships, faculty support, academic and athletic programs, and building improvements.

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## LEADERSHIP

The Foundation is governed by a Board of Trustees. Selected for their professional expertise and support of the University, Board members are pri-

vate citizens who volunteer their time to the Foundation. Board members oversee management of Foundation assets, set Foundation operational policies, serve as advocates for the University, and assist the University with fundraising.

The Board of Trustees is accountable to University donors to ensure that their gifts are invested wisely and disbursed in accordance with donor directions. The Board works closely with University administrators so that gifts are directed to the University's highest priorities in keeping with University goals and policies.

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## SUPPORT

The Foundation President & CEO and staff are responsible for receiving, accounting for, investing, and disbursing funds raised by the University from private individuals and organizations. In addition, the Foundation staff provide support services for University fundraising such as maintaining contact information on University of Oregon alumni and friends.

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## STAFF LEADERSHIP

Karen A. Kreft	President & CEO
Gary Livesay	Chief Operating Officer
Jay Namyet	Chief Investment Officer
Eric Armstrong	Vice President, Business Technology
Donna Reinhart, CPA	Controller
Peggy Schneider	Vice President, Gift & Records Management
Lew Williams	Vice President, Real Property
Jenifer Winslow	Vice President, Corporate & Board Relations

# GIFTS AND PLEDGES RAISED

During fiscal year 2005-2006, the fundraising efforts of the University resulted in \$77.9 million of private giving. This amount includes gifts and pledges at face value. The accompanying financial statements include adjustments to this amount for uncollectibles and discounts to current value.

The Foundation receives donations in cash, securities (stocks and bonds), real estate, personal property, life insurance policies, equipment, materials and services (gifts in-kind).

Most donations received by the Foundation are designated by the donors for specific purposes. Donations are of three basic types: current-use available for the intended purpose immediately;

endowments where the principal portion is invested in perpetuity and only a portion of the resulting annual investment income (interest, dividends and net appreciation) is made available to spend for the intended purpose; and charitable trusts and annuities where funds are invested, disbursements to the beneficiaries are made in accordance with the trust or annuity agreements, and the fair market value of the remainder is available for the intended purpose as either a current-use or endowment when the trust or annuity matures.

## SOURCES

FY 2005-2006 (IN MILLIONS)

Alumni	39.20%	(\$30.50)
Friends	35.00%	(\$27.30)
Foundations & Corporations	21.30%	(\$16.60)
Family Foundations	2.40%	(\$1.90)
Other	2.10%	(\$1.60)

## PURPOSES

FY 2005-2006 (IN MILLIONS)

Programs	60.20%	(\$46.80)
Capital Improvements	18.60%	(\$14.50)
Student Access	12.90%	(\$10.10)
Faculty Support	8.30%	(\$6.50)

## TYPES

FY 2005-2006 (IN MILLIONS)

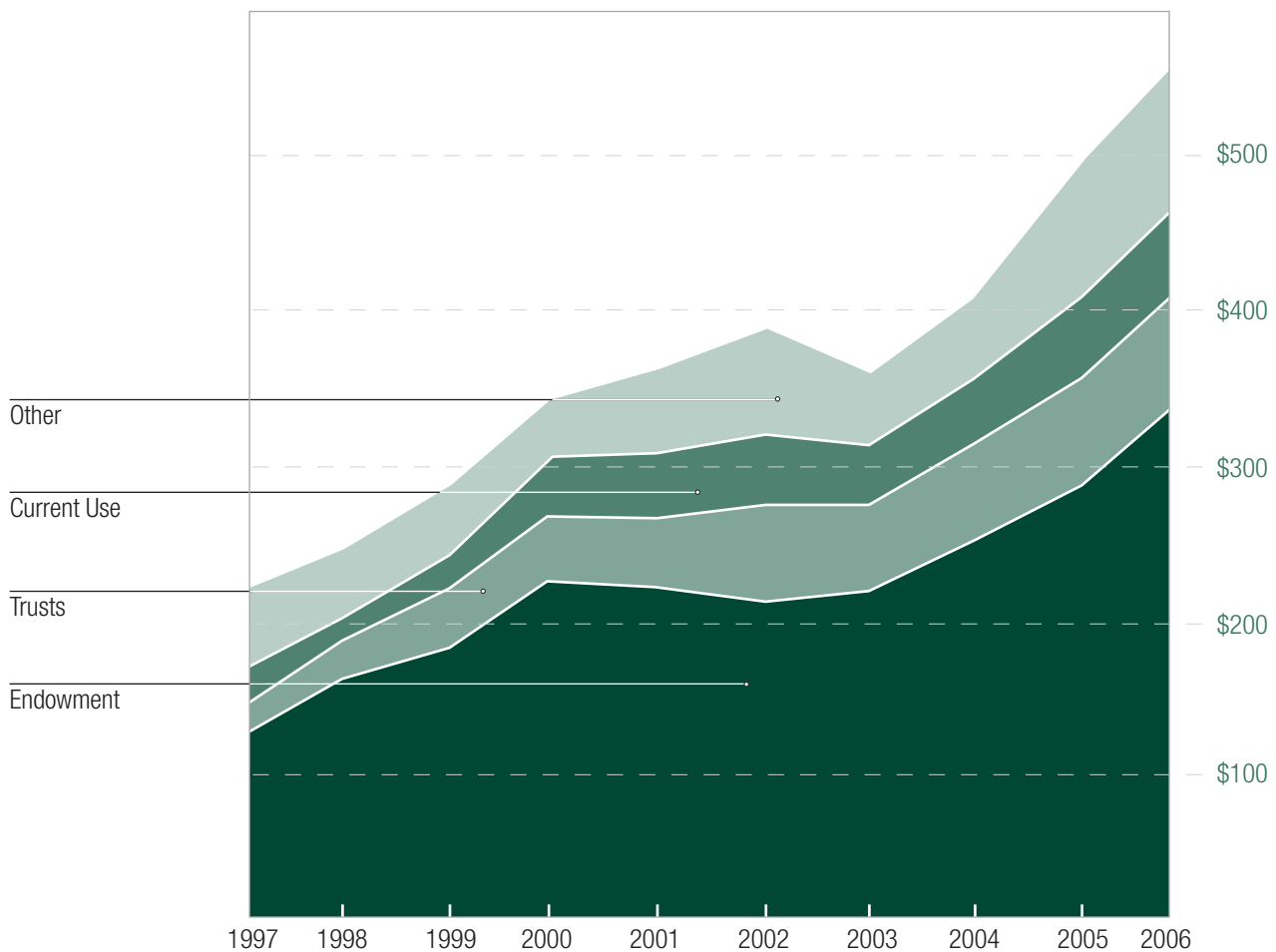
Current Uses, including facilities and equipment	70.10%	(\$54.60)
Endowments	26.00%	(\$20.20)
Trusts & Gift Annuities	3.90%	(\$3.10)

# ASSETS

The Foundation's total assets increased from \$482 million to \$554 million over the course of fiscal 2006. This marked the first time in history that the Foundation's assets exceeded a half-billion dollars. The fiscal year's increase was largely derived from new endowment gifts and strong investment results. Endowment assets grew

from \$273 million to \$331 million. Trust assets increased from \$60 million to \$65 million. Current assets were also slightly higher, growing from \$50 million to \$57 million. Other assets increased from \$99 million to \$101 million.

UO FOUNDATION TOTAL ASSETS  
(IN MILLIONS)



# INVESTMENTS

The Foundation's Board of Trustees, through its Investment Committee and staff, manages the Foundation's investments. The Board's endowment investment policy is designed to provide a stable, predictable, and growing stream of income for current-use while preserving the real (after inflation) earning power of endowment assets for the future. Balancing the University's current financial needs with those of future generations demands a prudent spending policy combined with excellent real rates of return.

Endowment and annuity assets are generally pooled and invested by the Foundation in its Willamette Investment Pool (Pool). The investments are in multiple asset classes with numerous outside managers. The Investment Committee meets periodically throughout the year to review manager

performance and makes changes if necessary. The Committee also examines asset allocation to determine where best to invest funds.

The Pool posted a net annual compound growth rate of 9.8% over the past ten years. According to the most recent study, the Foundation's endowment investment performance ranked in the top 15% of the more than 700 colleges and universities belonging to the National Association of College and University Business Officers.

Trust gifts are generally managed and invested on an individual account basis through an outside organization specializing in charitable trust investments. Current-use gifts are managed and invested for the short term in the Foundation's General Investment Program using outside managers.

WILLAMETTE INVESTMENT POOL ASSET ALLOCATION		
ASSET CLASS	JUNE 30	TARGET
Domestic Stocks	25%	26%
International Stocks	16%	16%
Emerging Markets	6%	6%
Absolute Return	20%	22%
Private Capital	16%	15%
Real Assets	6%	8%
Fixed Income	7%	7%
Cash	4%	0%

INVESTMENT PERFORMANCE	1 YR	3 YRS	5 YRS	10 YRS
	FY 2006	FY 04-06	FY 02-06	FY 97-06
Endowment Net Return	14.3%	13.4%	8.1%	9.8%
BENCHMARK*	6.4%	9.4%	4.2%	8.1%

\*Weighted Average of 70% Russell 3000 Stock Index and 30% Lehman Aggregate Bond Index.

# DISBURSEMENTS

Funds are disbursed at the request of authorized University officials for the donor designated purpose of the contribution. For fiscal year 2006, the Foundation disbursed more than \$41.7 million from contributions restricted for faculty and student support, academic programs, and facilities and operations, and more than \$4.9 million from unrestricted contributions for fundraising support and special University projects. The disburse-

ments are funded from both current-use contributions and income earned from endowment funds. Total disbursement levels vary from year to year depending on the University's needs and the amount of funds available.

## UO FOUNDATION DISBURSEMENTS TO THE UNIVERSITY

FY 2002-2006 (IN THOUSANDS)	2006	2005	2004	2003	2002
<b>DISBURSEMENTS FROM RESTRICTED CONTRIBUTIONS</b>					
<b>ACADEMIC SUPPORT</b>					
Faculty Support	\$1,023	\$1,528	\$1,939	\$1,741	\$1,453
Instructional & Research Programs	\$2,595	\$1,208	\$1,033	\$769	\$560
<b>STUDENT AID</b>					
Academic Merit & Need Scholarships	\$3,650	\$3,588	\$3,121	\$2,813	\$3,124
Student Athletic Scholarships	\$8,581	\$6,059	\$4,112	\$4,108	\$2,613
Student Loans & Wages	\$171	\$183	\$278	\$183	\$284
<b>OTHER UNIVERSITY SUPPORT</b>					
Supplies & Operating Expenses	\$9,487	\$11,639	\$10,475	\$18,667	\$13,094
Salaries & Other Personnel Expenses	\$2,535	\$2,275	\$1,486	\$1,467	\$1,473
<b>TOTAL PROGRAMS</b>	<b>\$28,042</b>	<b>\$26,480</b>	<b>\$22,444</b>	<b>\$29,748</b>	<b>\$22,601</b>
<b>FACILITIES &amp; EQUIPMENT</b>					
Academic	\$9,280	\$2,245	\$3,025	\$22,703	\$4,041
Non-Academic	\$4,396	\$4,105	\$5,668	\$6,779	\$54,750
<b>TOTAL FACILITIES &amp; EQUIPMENT</b>	<b>\$13,676</b>	<b>\$6,350</b>	<b>\$8,693</b>	<b>\$29,482</b>	<b>\$58,791</b>
<b>TOTAL RESTRICTED SUPPORT</b>	<b>\$41,718</b>	<b>\$32,830</b>	<b>\$31,137</b>	<b>\$59,230</b>	<b>\$81,392</b>
<b>DISBURSEMENTS FROM UNRESTRICTED CONTRIBUTIONS</b>					
<b>FUNDRAISING SUPPORT</b>	<b>\$1,990</b>	<b>\$2,955</b>	<b>\$3,325</b>	<b>\$1,777</b>	<b>\$3,307</b>
<b>OTHER SUPPORT &amp; SPECIAL UNIVERSITY PROJECTS</b>	<b>\$2,986</b>	<b>\$978</b>	<b>\$1,258</b>	<b>\$1,293</b>	<b>\$1,657</b>
<b>TOTAL UNRESTRICTED SUPPORT</b>	<b>\$4,976</b>	<b>\$3,933</b>	<b>\$4,583</b>	<b>\$3,070</b>	<b>\$4,964</b>

## DISTRIBUTION POLICY

For endowment assets, the distribution amounts are calculated by taking the three-year average of December 31 fair market values.

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# CONSOLIDATED FINANCIAL STATEMENTS

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FOR FISCAL YEARS ENDED JUNE 30, 2006 AND 2005



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# REPORT OF INDEPENDENT AUDITORS

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Board of Trustees  
University of Oregon Foundation  
Eugene, Oregon

We have audited the accompanying consolidated statement of financial position of the University of Oregon Foundation (a nonprofit organization) as of June 30, 2006 and the related consolidated statement of activities, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. The financial statements of the University of Oregon Foundation as of June 30, 2005, were audited by other auditors whose report dated August 23, 2005, expressed an unqualified opinion on those statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the University of Oregon Foundation as of June 30, 2006 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Moss Adams, LLP".

Moss Adams, LLP  
Eugene, Oregon  
September 20, 2006

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS  
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

JUNE 30

	2006	2005
<b>ASSETS</b>		
<b>INVESTMENTS:</b>		
Marketable securities	\$ 269,401	\$ 241,567
Limited partnerships	152,013	110,973
Land and buildings, net	7,830	7,690
Money market funds and certificate of deposit	25,573	26,586
<b>TOTAL INVESTMENTS</b>	<u>454,817</u>	<u>386,816</u>
Pledges receivable, net	72,747	70,238
Cash	12,987	11,902
Other assets	13,215	12,567
<b>TOTAL ASSETS</b>	<u>\$ 553,766</u>	<u>\$ 481,523</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 632	\$ 942
Obligations to beneficiaries under split-interest agreements	38,409	36,404
Notes payable	5,584	5,614
Deposits held in custody	11,420	10,058
<b>TOTAL LIABILITIES</b>	<u>56,045</u>	<u>53,018</u>
<b>NET ASSETS:</b>		
Unrestricted	12,339	9,830
Temporarily restricted	248,174	204,363
Permanently restricted	237,208	214,312
<b>TOTAL NET ASSETS</b>	<u>497,721</u>	<u>428,505</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 553,766</u>	<u>\$ 481,523</u>

# CONSOLIDATED STATEMENT OF ACTIVITIES

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS  
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

YEARS ENDED JUNE 30

**2006** **2005**

## CHANGES IN UNRESTRICTED NET ASSETS:

### FOUNDATION-CONTROLLED ACTIVITIES

#### REVENUE AND GAINS:

Contributions	\$ 2,645	\$ 1,927
Investment income	2,909	2,214
Administrative assessments	3,074	3,136
Other revenue	1,862	527
<b>TOTAL REVENUES AND GAINS</b>	<b>10,490</b>	<b>7,804</b>

#### NET ASSETS RELEASED FROM RESTRICTIONS:

Expiration of time restrictions	603	110
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b>11,093</b>	<b>7,914</b>

#### EXPENSES:

Administrative and general	3,608	3,083
Fundraising support	1,990	2,955
Other University support	2,986	978
<b>TOTAL EXPENSES</b>	<b>8,584</b>	<b>7,016</b>
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	<b>2,509</b>	<b>898</b>

### UNIVERSITY-CONTROLLED ACTIVITIES

#### NET ASSETS RELEASED FROM RESTRICTIONS THROUGH SATISFACTION OF:

Program restrictions	28,042	26,480
Facilities and equipment restrictions	13,676	6,350
<b>TOTAL NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>41,718</b>	<b>32,830</b>
<b>DISBURSEMENTS OF NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>(41,718)</b>	<b>(32,830)</b>
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	<b>2,509</b>	<b>898</b>

## CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

Contributions	47,978	47,434
Investment income	40,141	23,595
Administrative assessments	(2,921)	(2,950)
Net revaluation of split-interest agreements	934	624
Net assets released from restrictions	(42,321)	(32,940)
<b>INCREASE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<b>43,811</b>	<b>35,763</b>

## CHANGES IN PERMANENTLY RESTRICTED NET ASSETS:

Contributions	20,783	35,178
Net revaluation of split-interest agreements	2,113	4,298
<b>INCREASE IN PERMANENTLY RESTRICTED NET ASSETS</b>	<b>22,896</b>	<b>39,476</b>

#### INCREASE IN NET ASSETS

<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>428,505</b>	<b>352,368</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 497,721</b>	<b>\$ 428,505</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS  
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

YEARS ENDED JUNE 30

**2006**

**2005**

## CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 69,216	\$ 76,137
Adjustments to reconcile change in net assets to net cash from operating activities:		
Endowment contributions	(20,783)	(35,178)
Non-cash gifts	(5,450)	(10,255)
Net revaluation of split-interest agreements	(3,047)	(4,922)
Increase in fair value of investments	(32,098)	(17,348)
Increase in deposits held in custody	1,362	322
Increase in non-endowment pledges receivable	(8,776)	(10,761)
Cash decrease, net, in obligations to beneficiaries under split-interest agreements	(2,194)	(2,563)
Other	2,015	(4,296)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>245</u>	<u>(8,864)</u>

## CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of investments	(154,278)	(136,357)
Proceeds from sale of investments	127,085	129,506
Net change in money market funds and certificate of deposit	1,013	(12,008)
<b>NET CASH USED BY INVESTMENT ACTIVITIES</b>	<u>(26,180)</u>	<u>(18,859)</u>

## CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from endowment gifts and pledges	27,050	23,528
Proceeds from loans	-	5,623
Repayment to bank	(30)	(9)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>27,020</u>	<u>29,142</u>

<b>NET INCREASE IN CASH</b>	1,085	1,419
<b>CASH, BEGINNING OF YEAR</b>	<u>11,902</u>	<u>10,483</u>
<b>CASH, END OF YEAR</b>	<u>\$ 12,987</u>	<u>\$ 11,902</u>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

## 1. ORGANIZATION

The University of Oregon Foundation (Foundation) was established to provide support for the private fundraising efforts of the University of Oregon (University) and to manage privately donated funds. The Foundation is a not-for-profit corporation organized in accordance with the laws of the State of Oregon and managed by a volunteer Board of Trustees. Under the State of Oregon's administrative rules and the contract governing the relationship between the Foundation and the University, the Foundation must be independent of, and cannot be controlled by, the University. The Foundation is exempt from federal income tax in accordance with the provisions of Internal Revenue Code Section 501(c)(3).

The private fundraising efforts of the University result in the Foundation receiving contributions restricted for University controlled activities. Such contributions include endowments to be invested in perpetuity and provide academic support, student aid, and other University support from investment income, as well as contributions to be used currently for those purposes and facilities and equipment. The fundraising efforts also result in the creation of charitable trusts and gift annuities. When the trusts and annuities mature, the market values of the remainder interests are available for the intended purposes as current-use or endowment gifts. The Foundation is the trustee for substantially all of the charitable remainder trusts. The Foundation also receives unrestricted contributions that can be used for Foundation activities.

Contributions may be received in cash, securities, real estate, personal property, life insurance policies, and equipment, materials and services (gifts in-kind). Contributions received in forms other than cash, except gifts in-kind, are generally liquidated. The proceeds, together with cash gifts, are placed in investment pools or other investments consistent with the purpose of the gift or the requirements of the trust agreement. The Foundation employs investment professionals to manage the investment pools and certain trust investments, and manages other investments directly. The Foundation makes administrative assessments on amounts held for University-controlled activities and beneficiaries under split-interest agreements to cover the expense of Foundation administration.

Under a contract agreement, the Foundation provides financial support for the University's private fundraising efforts, maintains donor records and issues reports to donors, and provides certain direct University support at the request of the President of the University. Also, as part of the contract, the University contributes office space, utilities and maintenance services to the Foundation. This arrangement will end upon the Foundation entering into a lease for private office space (Note 12).

In August 2005, the Foundation was named as the sole member of the Powell-Geary-Pacific, LLC (PGP, LLC), a minority member of Powell-Albany LLC to facilitate a one-time gift to support the

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# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

programs of the University. PGP, LLC requested cancellation/withdrawal as a limited liability company with the Secretary of State for Washington which was granted in July 2006.

In July 2004, National Championship Properties, LLC (NCP, LLC) was formed as a wholly-owned subsidiary of the Foundation to participate in ac-

tivities leading to construction of a new basketball arena for the University.

In December 2004, Oregon Future Expansion, LLC (OFX, LLC) was formed as a wholly-owned subsidiary of the Foundation to acquire and hold real property intended to support the programs of the University.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The Foundation's consolidated financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual amounts could differ from those estimates.

The consolidated financial statements include the accounts of the Foundation; NCP, LLC; OFX, LLC; and PGP, LLC (Note 1). All inter-entity transactions and balances have been eliminated. See Notes 11 and 12 for additional information related to OFX, LLC.

The Foundation's more significant accounting policies are described here.

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### CONTRIBUTIONS

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Gifts and pledges that represent unconditional promises to give are recorded when received or made, respectively. Pledges are recorded net of an allowance for uncollectible amounts. Pledges that will be met over periods in excess of a year are discounted to present value using a risk-free interest rate. Amortization of the discount is reported in subsequent periods as additional contributions.

Contributions are reported as revenues increasing net assets. Contributions that are to be invested in perpetuity as an endowment pursuant to donor stipulations are recorded as revenues increasing permanently restricted net assets. Remaining contributions with donor stipulations restricting their use to specific activities or representing time restrictions are reported as revenues increasing temporarily restricted net assets. When the activities occur or the time restrictions expire, as applicable, the amounts are transferred from temporarily restricted to unrestricted net assets and any related disbursements reported as a

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

decrease in unrestricted net assets. In each case, contributions include the remainder interest of charitable remainder trusts and the gift portion of gift annuities established for the benefit of the University. Contributions without donor restrictions are reported as revenues increasing unrestricted net assets.

## INVESTMENTS AND INVESTMENT INCOME

Investments in debt and equity marketable securities are reported at quoted market prices. Limited partnership investments other than marketable securities are reported at estimated fair value as determined by the general partners. Due to the time required for the partnerships to provide their financial information, values reported in the financial statements at June 30 for certain partnerships reflect the values reported by those partnerships at March 31 or May 31. Money market funds, certificates of deposit, and other highly liquid investments with maturities of 90 days or less are reported at cost, which approximates the fair value because of short maturities. Investments in land and buildings are reported at estimated fair value as determined by the Foundation's management. Security transactions are recorded on a trade date basis. Interest is recorded as earned and dividends are recorded as of the ex-dividend date. Investment income includes interest, dividends, unrealized and realized gains and losses, and is reduced by investment management and transaction fees. Investment income attributable to amounts held for University-controlled activities is reported in temporarily restricted net assets. When the activities occur, the amounts are transferred from tem-

porarily restricted to unrestricted net assets and the disbursements are reported as decreases in unrestricted net assets. Investment income attributable to amounts held for Foundation-controlled activities is reported in unrestricted net assets. Investment income attributable to amounts held for the benefit of trust beneficiaries is reported in obligations to trust beneficiaries.

## OBLIGATIONS UNDER SPLIT-INTEREST AGREEMENTS

Obligations under split-interest agreements (charitable remainder trusts and gift annuities) are recorded when incurred at the present value of the disbursements to be made to the donor-designated beneficiaries. Disbursements under charitable remainder trusts and gift annuities are fixed amounts, while disbursements under charitable remainder annuity unitrusts are a specified percentage of the trust assets' fair value as determined annually. Disbursements are paid over the lives of the beneficiaries or another donor-specified period. Present values are determined using discount rates established by the Internal Revenue Service and actuarially determined expected lives of beneficiaries. Obligations under the split-interest agreements are revalued annually on June 30 to reflect actual experience, but the discount rate is not changed. The net revaluations, together with any remaining recorded obligations after all trust or gift obligations under terminated agreements have been met, are reported as net changes in the value of split-interest agreements in temporarily or permanently restricted net assets, depending on donor stipulations.

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# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

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## CASH

Cash consists of demand deposits held by a regional financial institution and national investment firms. At times, balances may exceed amounts insured by the Federal Deposit Insurance Corporation.

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## DONATED MATERIALS AND SERVICES

Donated materials and services are reflected as contributions at their estimated values at date of receipt.

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## 3. ASSESSMENTS AND ENDOWMENT DISTRIBUTIONS TO THE UNIVERSITY OF OREGON

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### ASSESSMENTS

The Foundation makes assessments to cover administrative and fundraising expenses.

**Trust Assets** – .025% is assessed by the Foundation quarterly based on the asset valuation as of the beginning of the quarter. In addition, the trust asset manager assesses each trust an administrative and investment management fee based on asset valuation as of the beginning of the year.

**Endowment Assets and Gift Annuities** – .25% and .313% for 2006 and 2005 respectively were assessed quarterly based on the asset valuation as of the end of the quarter.

**Other Income Producing Assets** – All earnings are retained by the Foundation as unrestricted income.

**Current-Use Gifts for University Programs** – All current University program gifts are assessed 3% of the gift value at the time of the gift.

**Endowment Gifts** - Initial year investment income earned up to 3% of gift value is retained by the Foundation.

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### ENDOWMENT DISTRIBUTIONS TO THE UNIVERSITY OF OREGON

Endowment assets equal to the original amount of endowment gifts are permanently restricted for investment. The Foundation's Board of Trustees is authorized to determine distributions to be made from endowment assets and has established the policy of maintaining in perpetuity the real (after inflation) investment earning power of endowment gifts. The Board of Trustees has authorized distributions at the rate of 4% (annual percentage rate) of the trailing three-year average fair value of all endowment assets.

Authorized distributions are retained as temporarily restricted net assets until disbursement is requested by appropriate University officials consistent with the terms of the gift. Requested amounts are then transferred from temporarily restricted to unrestricted net assets and the disbursement is reported as a decrease in unrestricted net assets.

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# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

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## 4. INVESTMENTS

The investments are organized and managed in the following four ways:

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### GENERAL INVESTMENT PROGRAM

The General Investment Program includes externally managed assets invested for the short to medium term, endowment gifts prior to their placement in an investment pool or specific investments, and endowment distributions prior to disbursement.

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### WILLAMETTE INVESTMENT POOL

True endowment, quasi-endowment and gift annuity assets are pooled in the externally managed investment Willamette Investment Pool. The investment pool has the following objectives:

(1) to provide an annual distribution for endowments, as determined by the Board of Trustees (Note 3), to support designated University activities, (2) to provide gift annuity payments when due as determined by the individual agreements, and (3) to achieve a growth rate on the endowment and gift principal amounts over a market cycle (generally three to five years) of not less than the rate of inflation as measured by the consumer price index.

At June 30, 2006 and 2005, the Willamette Investment Pool comprised approximately 83% true endowment, 15% quasi-endowments, and 2% gift annuities.

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### EXTERNALLY MANAGED CHARITABLE TRUST AGREEMENT INVESTMENTS

Charitable trust agreement assets are managed on an individual account basis.

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### INDIVIDUAL ENDOWMENTS, INDIVIDUAL CHARITABLE TRUSTS AND OTHER INVESTMENTS

Certain endowment and charitable trust agreement assets are managed directly by the Foundation because those assets cannot be liquidated and placed in an investment pool or managed externally due to donor restrictions. In addition, the Foundation has land and buildings that are being liquidated.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

Investments in the four groups consisted of the following:

	GENERAL INVESTMENT PROGRAM	WILLAMETTE INVESTMENT POOL	EXTERNALLY MANAGED CHARITABLE TRUSTS	INDIVIDUAL ENDOWMENTS, INDIVIDUAL CHARITABLE TRUSTS AND OTHER INVESTMENTS	TOTAL
<b>MARKETABLE SECURITIES:</b>					
<b>June 30, 2006</b>					
Corporate debt and equity mutual funds	\$ -	\$ 49,073	\$ 64,864	\$ 2,250	\$ 116,187
Equity securities	-	94,233	-	422	94,655
Corporate debt securities	28,629	8,449	-	-	37,078
Government debt securities	7,450	13,925	-	106	21,481
Total marketable securities	36,079	165,680	64,864	2,778	269,401
Limited partnerships	-	152,013	-	-	152,013
Land and buildings	-	-	-	7,830	7,830
Money Market funds and certificate of deposit	18,730	6,794	-	49	25,573
<b>TOTAL INVESTMENTS</b>	<b>\$ 54,809</b>	<b>\$ 324,487</b>	<b>\$ 64,864</b>	<b>\$ 10,657</b>	<b>\$ 454,817</b>
<b>MARKETABLE SECURITIES:</b>					
<b>June 30, 2005</b>					
Corporate debt and equity mutual funds	\$ -	\$ 17,216	\$ 60,069	\$ 2,224	\$ 79,509
Equity securities	-	102,007	-	284	102,291
Corporate debt securities	18,009	10,072	-	-	28,081
Government debt securities	13,522	18,050	-	114	31,686
Total marketable securities	31,531	147,345	60,069	2,622	241,567
Limited partnerships	-	110,973	-	-	110,973
Land and buildings	-	-	-	7,690	7,690
Money Market funds and certificate of deposit	21,092	5,419	-	75	26,586
<b>TOTAL INVESTMENTS</b>	<b>\$ 52,623</b>	<b>\$ 263,737</b>	<b>\$ 60,069</b>	<b>\$ 10,387</b>	<b>\$ 386,816</b>

Limited partnership investments include: venture capital, private equity, distressed and mezzanine debt, real estate, natural resources, as well as arbitrage strategies that include multi-strategy, fixed income and long/short equity.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

## 5. GIFT ANNUITIES

Assets received from donors to establish gift annuities are recorded in individual accounts and invested through the Willamette Investment Pool until the annuities mature. Individual gift annuities are accounted for separately. At June 30, 2006 and 2005, the market value of the investments was \$5,715 and \$5,221, respectively, and the present value of related gift annuity obligations was \$2,764 and \$2,441, respectively. For the years ended June 30, 2006 and 2005, total return

on the assets was \$756 and \$501, respectively, and payments to annuitants were \$453 and \$401, respectively. Assets are restricted (reserved) to meet the gift annuity obligations. The excess of gift annuity related assets over gift annuity obligations (net assets) is temporarily or permanently restricted based on the donor's intent for the gift. Gift annuities are managed in compliance with Oregon Revised Statutes.

## 6. PLEDGES RECEIVABLE

Total pledges receivable, net of an allowance for uncollectible pledges and discounted to present value at June 30, 2006 and 2005, are shown below. The discount rates used to determine present

values are based on U.S. Treasury notes rates for comparable maturities. See Note 14 for contributions received from members of the Board of Trustees.

	June 30, 2006				June 30, 2005	
	LESS THAN ONE YEAR	ONE TO FIVE YEARS	MORE THAN FIVE YEARS	TOTAL	TOTAL	
Pledges receivable, gross	\$ 49,390	\$ 30,141	\$ 3,774	\$ 83,305	\$	\$ 84,308
Allowance for uncollectible pledges	(3,126)	(1,627)	(847)	(5,600)		(5,059)
Discount to present value	(1,068)	(3,100)	(790)	(4,958)		(9,011)
<b>PLEDGES RECEIVABLE, NET</b>	<b>\$ 45,196</b>	<b>\$ 25,414</b>	<b>\$ 2,137</b>	<b>\$ 72,747</b>	<b>\$</b>	<b>\$ 70,238</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

## 7. PERMANENTLY RESTRICTED NET ASSETS

	JUNE 30	
	2006	2005
<b>PERMANENTLY RESTRICTED NET ASSETS CONSIST OF THE FOLLOWING:</b>		
Endowment gifts received	\$ 185,123	\$ 159,127
Endowment pledges receivable net of allowance for uncollectible amounts, at estimated present value	16,339	22,611
Endowment remainder interest in split-interest agreements, at estimated present value	35,746	32,574
<b>TOTAL PERMANENTLY RESTRICTED NET ASSETS</b>	<b>\$ 237,208</b>	<b>\$ 214,312</b>
<b>DONORS HAVE PERMANENTLY RESTRICTED NET ASSETS FOR THE BENEFIT OF THE FOLLOWING:</b>		
University-controlled activities:		
Academic support	\$ 127,073	\$ 102,428
Student aid	70,143	72,202
Other University support	37,840	37,653
<b>TOTAL UNIVERSITY-CONTROLLED ACTIVITIES</b>	<b>235,056</b>	<b>212,283</b>
 FOUNDATION-CONTROLLED ACTIVITIES	 2,152	 2,029
 <b>TOTAL PERMANENTLY RESTRICTED NET ASSETS</b>	 <b>\$ 237,208</b>	 <b>\$ 214,312</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

## 8. TEMPORARILY RESTRICTED NET ASSETS

	JUNE 30	
	2006	2005
<b>DONORS HAVE TEMPORARILY RESTRICTED NET ASSETS FOR THE FOLLOWING:</b>		
<b>UNIVERSITY-CONTROLLED ACTIVITIES:</b>		
Academic support	\$ 84,514	\$ 68,264
Student aid	53,682	42,178
Other University support	59,607	46,464
<b>SUBTOTAL</b>	<b>197,803</b>	<b>156,906</b>
Academic facilities and equipment	28,856	23,163
Non-academic facilities and equipment	19,567	22,377
<b>TOTAL UNIVERSITY-CONTROLLED ACTIVITIES</b>	<b>\$ 246,226</b>	<b>\$ 202,446</b>
Foundation-controlled activities	1,948	1,917
<b>TOTAL TEMPORARILY RESTRICTED NET ASSETS</b>	<b>\$ 248,174</b>	<b>\$ 204,363</b>
Included in the above amounts at June 30, 2006 are pledges receivable and remainder interests in split-interest agreements expected to be collected or mature, as applicable, as follows:		
	UNIVERSITY-CONTROLLED ACTIVITIES	FOUNDATION-CONTROLLED ACTIVITIES
1 to 5 years	\$ 53,958	\$ 1,458
6 to 10 years	3,144	48
11 to 15 years	561	78
16 to 20 years	1,548	143
21 years or more	2,332	221
<b>TOTAL NET ASSETS RESTRICTED DUE TO TIME RESTRICTIONS</b>	<b>\$ 61,543</b>	<b>\$ 1,948</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

## 9. OBLIGATIONS TO BENEFICIARIES UNDER SPLIT-INTEREST AGREEMENTS AND DEPOSITS HELD IN CUSTODY

	YEARS ENDED JUNE 30	
	2006	2005
<b>CHANGES IN OBLIGATIONS TO BENEFICIARIES UNDER SPLIT-INTEREST AGREEMENTS ARE AS FOLLOWS:</b>		
Balance, beginning of year	\$ 36,404	\$ 35,920
<b>CHANGES:</b>		
New split-interest agreements	1,350	590
Investment and other income, net	7,888	9,273
Net revaluation	(3,047)	(4,922)
Payment to beneficiaries	(3,907)	(4,212)
Administrative assessments	(142)	(142)
Other management expenses	(137)	(103)
<b>NET INCREASE</b>	<b>2,005</b>	<b>484</b>
<b>BALANCE, END OF YEAR</b>	<b>\$ 38,409</b>	<b>\$ 36,404</b>
<b>DEPOSITS HELD IN CUSTODY ARE AS FOLLOWS:</b>		
Due to the University of Oregon Alumni Association	\$ 11,273	\$ 9,917
Due to others	147	141
<b>TOTAL DEPOSITS HELD IN CUSTODY</b>	<b>\$ 11,420</b>	<b>\$ 10,058</b>

## 10. DEFINED CONTRIBUTION BENEFIT PLAN

The Foundation maintains a tax-deferred annuity plan in accordance with Internal Revenue Service Code Section 403(b). The Plan covers all employees who have attained the minimum age of 21 and have been employed six months or more. The Foundation makes contributions equal to 18.32% of compensation. Employee contributions are not

required, although employees may make elective contributions. Employer contributions are 100% vested upon completion of five years of service. Amounts contributed and charged to expense for the years ended June 30, 2006 and 2005 were \$320 and \$292, respectively.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

## 11. NOTES PAYABLE

	YEARS ENDED JUNE 30	
	2006	2005
<b>AT JUNE 30, 2006, THE FOUNDATION HAD THE FOLLOWING NOTES PAYABLE TO A BANK OUTSTANDING:</b>		
1. Due January 1, 2015, 5.25%, quarterly payments of principal and interest. Proceeds disbursed to the University for renovation of the Jordan Schnitzer Museum of Art. To be repaid with endowment distributions. The note is unsecured.	\$ 229	\$ 241
2. Due April 10, 2009, 6%, quarterly payments of principal and interest. Proceeds disbursed to the University for the renovation of the School of Architecture and Allied Arts' historic Watzek House. To be repaid with endowment distributions. The note is unsecured.	132	150
3. Due March 10, 2017, 5.5%, with monthly payments of interest only through March 9, 2007, Federal Home Loan Bank of Seattle Five Year Funding Rate plus 1.5%, with monthly payments of principal and interest beginning April 10, 2007 through March 10, 2017. Proceeds realized in the amount of \$5,223 were utilized by OFX, LLC to acquire real property for \$5,200 on behalf of the University. The note is secured by the acquired real property and \$1,500 of unrestricted net assets.	5,223	5,223
<b>TOTAL</b>	<b>\$ 5,584</b>	<b>\$ 5,614</b>

The scheduled maturities of the notes are as follows:

FISCAL YEAR	MATURITIES
2007	59
2008	127
2009	136
2010	146
2011	140
2012 - 2016	756
2017	4,220
<b>TOTAL</b>	<b>5,584</b>

Interest expense associated with the above notes for the years ended June 30, 2006 and 2005 was \$255 and \$77, respectively.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

## 12. LEASES

OFX, LLC has leased real property it owns (Note 11) to the State of Oregon, acting through the State Board of Higher Education on behalf of the University of Oregon, for a term of five years through June 30, 2010. Quarterly rent payable in advance is \$75 unless the University purchases the property. After September 30, 2006, both parties have the option to terminate the lease with not less than 90 days prior written notice to the other party. There are no lease renewal provisions.

The Foundation has entered into an operating lease agreement for office space with a third party for a term of five years through September 11, 2011 with successive options to renew for three and two years, respectively. The minimum lease payments are set forth below and beginning

with the 2008 payment are subject to adjustment based on the Consumer Price Index. If the options to renew are exercised, the lease payments will be adjusted to the then fair market rental rate for the office space, but not lower than the monthly lease payments for the last year of the preceding term.

FISCAL YEAR	
2007	\$ 130
2008	162
2009	162
2010	162
2011	162
2012	30
<b>TOTAL</b>	<b>\$ 808</b>

## 13. COMMITMENTS AND CONTINGENCIES

The Foundation has capital commitments of \$56,300 to investment partnerships including both uncalled amounts and recallable amounts resulting from distribution of liquidation proceeds before the end of the investment periods. With the exception of \$7.2 million of remaining venture capital commitments that may be called over the life of the funds through 2017, the remainder of the outstanding commitments are subject to investment period restrictions, the last of which expires in 2010.

Beginning in 1996, the Foundation has invested in limited partnerships as one part of its invest-

ment strategy (Note 4). While the Foundation is generally exempt from federal and state income taxes, it is required to report to the Internal Revenue Service (IRS) investments in non-United States corporations and certain other "reportable" transactions made by the limited partnerships. In addition, if those limited partnerships have "unrelated business income", the Foundation is required to file Form 990-T, Exempt Organizations Business Income Tax Return, and corresponding state returns, where applicable, with the IRS and the states, respectively, and pay related income taxes, if any.

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# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

The information necessary for the Foundation to report to the IRS and states is provided annually by the limited partnerships. While the Foundation has received the information in prior years, it inadvertently failed to file the required forms with the IRS and states, where applicable. Failure to file on a timely basis exposes the Foundation to the imposition of penalties by the IRS and states in addition to the income taxes on unrelated business income and interest on unpaid amounts. Penalties may be abated by the tax authorities.

Preliminary determinations are that there are no income taxes due as the unrelated business activities generally have resulted in losses. Further, the Foundation will seek abatement of any penalties imposed by the tax authorities. The Foundation believes that amounts, if any, to be paid because of the failure to file the required reports and returns in prior years will not be material to the net assets of the Foundation.

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## 14. CONCENTRATIONS

The Foundation received approximately 23% of total contributions from three donors (11% from a Trustee, and 6% and 6% from other donors) during the year ended June 30, 2006, and 47% of total contributions from two donors (31% from a Trustee and 16% from another donor) during the year ended June 30, 2005.

Pledges receivable, gross, included approximately 32% from two donors (20% from a Trustee and 12% from another donor) and 50% from three donors (29% from a Trustee and 12% and 9% from

other donors), at the years ended June 30, 2006 and 2005, respectively.

As a group, Foundation Trustees contributed 13% and 37% of total contributions for the years ended June 30, 2006 and 2005, respectively and represented 34% and 45% of pledges receivable, gross, at June 30, 2006 and 2005, respectively.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

## 15. SUPPLEMENTAL INFORMATION ON CASH FLOWS AND NON-CASH ACTIVITIES

	YEARS ENDED JUNE 30	
	2006	2005
Increase in obligations to beneficiaries under split-interest agreements	\$ 2,005	\$ 484
Non-cash items:		
New split-interest agreements	(1,350)	(590)
Increase in fair value of investments	(6,038)	(7,521)
Net revaluation of split-interest agreements	3,047	4,922
Administrative assessments	142	142
<b>CASH DECREASE, NET, IN OBLIGATIONS TO BENEFICIARIES UNDER SPLIT-INTEREST AGREEMENTS</b>	<b>\$ (2,194)</b>	<b>\$ (2,563)</b>
Non-cash gifts, including endowment contributions, received:		
Marketable securities	\$ 9,319	\$ 15,570
Land, buildings, and other	514	559
<b>TOTAL NON-CASH CONTRIBUTIONS</b>	<b>\$ 9,833</b>	<b>16,129</b>
<b>MARKETABLE SECURITIES RECEIVED FOR THE BENEFIT OF THIRD PARTIES UNDER SPLIT-INTEREST AGREEMENTS</b>	<b>\$ 1,350</b>	<b>\$ 590</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

## 16. ADDITIONAL INFORMATION

	YEARS ENDED JUNE 30	
	2006	2005
<b>FUNDRAISING AND INVESTMENT RESULTS</b>		
<b>CONTRIBUTIONS:</b>		
For University-controlled activities:		
Temporarily restricted	\$ 47,978	\$ 47,434
Permanently restricted	20,783	35,178
<b>TOTAL FOR UNIVERSITY-CONTROLLED ACTIVITIES</b>	<u>68,761</u>	<u>82,612</u>
For Foundation-controlled activities:		
Unrestricted	2,645	1,927
<b>TOTAL CONTRIBUTIONS</b>	<u>\$ 71,406</u>	<u>\$ 84,539</u>
<b>INVESTMENT RESULTS:</b>		
Restricted for University-controlled activities:		
Dividends and interest	\$ 8,376	\$ 6,997
Increase in fair value of investments	31,765	16,598
<b>TOTAL FOR RESTRICTED ACTIVITIES</b>	<u>40,141</u>	<u>23,595</u>
Unrestricted for Foundation-controlled activities:		
Dividends and interest	2,576	1,464
Increase in fair value of investments	333	750
<b>TOTAL FOR FOUNDATION-CONTROLLED ACTIVITIES</b>	<u>2,909</u>	<u>2,214</u>
For beneficiaries of split-interest agreements:		
Dividends and interest	1,850	1,752
Increase in fair value of investments	6,038	7,521
<b>TOTAL SPLIT-INTEREST AGREEMENTS</b>	<u>7,888</u>	<u>9,273</u>
<b>INVESTMENT INCOME, NET OF INVESTMENT MANAGEMENT AND TRANSACTION FEES</b>	<u>\$ 50,938</u>	<u>\$ 35,082</u>
Gross investment income	\$ 53,966	\$ 38,365
Investment management and transaction fees	<u>(3,028)</u>	<u>(3,283)</u>
<b>INVESTMENT INCOME, NET OF INVESTMENT MANAGEMENT AND TRANSACTION FEES</b>	<u>\$ 50,938</u>	<u>\$ 35,082</u>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AMOUNTS ARE STATED IN THOUSANDS OF DOLLARS

	YEARS ENDED JUNE 30	
	<b>2006</b>	<b>2005</b>
<b>DIRECT UNIVERSITY SUPPORT</b>		
From amounts restricted for University-controlled activities:		
Academic support:		
Faculty support	\$ 1,023	\$ 1,528
Instructional and research programs	2,595	1,208
<b>TOTAL ACADEMIC SUPPORT</b>	<u>3,618</u>	<u>2,736</u>
Student aid:		
Academic, merit and need scholarships	3,650	3,588
Student athletic scholarships	8,581	6,059
Student loans and wages	171	183
<b>TOTAL STUDENT AID</b>	<u>12,402</u>	<u>9,830</u>
Other University support:		
Supplies and operating expenses	9,487	11,639
Salaries and other personnel expenses	2,535	2,275
<b>TOTAL OTHER UNIVERSITY SUPPORT</b>	<u>12,022</u>	<u>13,914</u>
<b>TOTAL PROGRAMS</b>	<u>28,042</u>	<u>26,480</u>
Facilities and equipment:		
Academic	9,280	2,245
Non-academic	4,396	4,105
<b>TOTAL FACILITIES AND EQUIPMENT</b>	<u>13,676</u>	<u>6,350</u>
<b>TOTAL FROM RESTRICTED SOURCES</b>	<u>41,718</u>	<u>32,830</u>
From Foundation-controlled unrestricted amounts:		
Fundraising support	1,990	2,955
Other University support	2,986	978
<b>TOTAL FROM UNRESTRICTED SOURCES</b>	<u>4,976</u>	<u>3,933</u>
<b>TOTAL UNIVERSITY SUPPORT</b>	<u>\$ 46,694</u>	<u>\$ 36,763</u>



UNIVERSITY OF OREGON  
FOUNDATION