New Issue
Book-Entry Only **See "OTHER BOND INFORMATION—Ratings" and "BOND INSURANCE"**

This Official Statement has been prepared by Oregon State University (the "University") to provide information regarding its General Revenue Bonds, 2020 (Federally Taxable) (the "2020 Bonds"). This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

OREGON STATE UNIVERSITY
$302,945,000
General Revenue Bonds, 2020
(Federally Taxable)

Dated: Date of delivery **Due: March 1, as shown on the inside front cover**

Tax Status:	Interest on the 2020 Bonds is not intended to be exempt from federal income taxes. Under existing law, interest on the 2020 Bonds is exempt from Oregon personal income taxes. See "CERTAIN INCOME TAX CONSEQUENCES RELATING TO THE 2020 BONDS."
Purpose and Authority:	The University is issuing the 2020 Bonds to finance or refinance approved University projects, to pay costs of issuance for the 2020 Bonds, and for other approved University purposes. The 2020 Bonds are being issued pursuant to Oregon Revised Statutes 352.087(1)(b), 352.408(1) and chapter 287A and a resolution of the Board of Trustees of the University. See APPENDIX B.
Security:	The 2020 Bonds are general revenue obligations of the University, payable from General Revenues, as defined herein. General Revenues include all tuition, charges, rents and other operating revenue of the University, except as specifically excluded as described herein. The 2020 Bonds are to be issued on a parity with the University's outstanding Prior Bonds (as defined herein) and any Additional Bonds (as defined herein) issued on a parity with the Prior Bonds. The University also is obligated to make payments with respect to certain bonds issued by the State of Oregon on behalf of the University from legally available revenues on a *pari passu* basis with the payment of the Prior Bonds, the 2020 Bonds and any Additional Bonds. The University has no taxing power. NEITHER THE STATE OF OREGON NOR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE UNIVERSITY, SHALL BE LIABLE IN ANY EVENT FOR PAYING PRINCIPAL OF OR INTEREST ON THE 2020 BONDS, OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION, OR AGREEMENT OF ANY KIND WHATSOEVER OF THE UNIVERSITY.
Bond Insurance:	The scheduled payment of principal of and interest on the 2020 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the 2020 Bonds by BAM BUILD AMERICA MUTUAL
Interest Payment Dates:	Interest on the 2020 Bonds from their date of delivery is payable on March 1 and September 1 of each year, commencing March 1, 2021, until maturity or prior redemption.
Registration:	The 2020 Bonds are issuable only as fully registered obligations and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2020 Bonds. So long as DTC or its nominee is the registered owner of the 2020 Bonds, payments for principal of and interest on the 2020 Bonds will be made directly to DTC or to such nominee. Disbursements of such payments to DTC's Direct Participants are the responsibility of DTC, and disbursements of such payments to the Beneficial Owners are the responsibility of the Direct Participants and the Indirect Participants (each as defined herein). See APPENDIX E.
Denominations:	The 2020 Bonds will be available in denominations of $1,000 each and integral multiples thereof within a maturity.
Redemption:	The 2020 Bonds are subject to redemption prior to maturity as described in this Official Statement.
Closing; Settlement:	It is expected that delivery of the 2020 Bonds will be made by Fast Automated Securities Transfer through DTC in New York, New York, on or about October 15, 2020.
Legal Counsel:	The 2020 Bonds are offered when, as and if issued, subject to receipt of the approving legal opinion of Pacifica Law Group LLP, Seattle, Washington, Bond Counsel. Pacifica Law Group LLP, as Disclosure Counsel, will provide certain other legal services for the University. Certain matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, Portland, Oregon.
Paying Agent:	U.S. Bank National Association.

BofA Securities

MORGAN STANLEY **UBS**

Official Statement dated: October 8, 2020.

OREGON STATE UNIVERSITY

GENERAL REVENUE BONDS, 2020 (FEDERALLY TAXABLE)
$302,945,000

$302,945,000, 3.424% Term Bond, due March 1, 2060
(Yield of 3.424%, Price of 100.000), CUSIP[(1)] No. 68608WAL6

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(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the University, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.

OREGON STATE UNIVERSITY
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BOND COUNSEL
Pacifica Law Group LLP
Seattle, Washington

MUNICIPAL ADVISOR
PFM Financial Advisors LLC
Seattle, Washington

BOND REGISTRAR
U.S. Bank National Association
Portland, Oregon

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(1) The University's website and other websites referenced herein are not part of this Official Statement, and investors should not rely on information presented on the University's or other websites in determining whether to purchase the 2020 Bonds. This inactive textual reference to the University's website and other website references herein are not hyperlinks and do not incorporate the University's or other websites by reference.
(2) Dr. Alexander is the President of the University and serves as an *ex officio*, non-voting member of the Board.
(3) Faculty, non-faculty staff, and student members of the Board serve two-year terms.

No dealer, broker, salesperson or any other person has been authorized by the University or the Underwriters to give any information or to make any representation, other than the information and representations contained in this Official Statement, in connection with the sale of the 2020 Bonds and, if given or made, such information or representations must not be relied upon as having been authorized by the University or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The outbreak of the 2019 novel coronavirus ("COVID-19") is a significant event that has had and will have ongoing, material effects on the finances and operations of the University. Certain historic information in this Official Statement about the finances and operations of the University predate the outbreak of COVID-19 and should be considered in light of the possible or probable negative effects the COVID-19 pandemic may have on the current and future finances and operations of the University and economy of the State of Oregon. See "APPENDIX A—Oregon State University—COVID-19 Pandemic" for a discussion of the effects of COVID-19 on the University.

Certain statements contained in this Official Statement do not reflect historical facts but are forecasts and "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, words such as "estimate," "project," "anticipate," "expect," "intend," "forecast," "plan," "believe" and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. Any such forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. Such risks and uncertainties include, among others, changes in regional, domestic and international political, social and economic conditions, federal, state and local statutory and regulatory initiatives, litigation, financial conditions of and changes in the higher education sector, technological change, changes at other colleges and universities, seismic events, and various other events, conditions and circumstances, many of which are beyond the control of the University.

A wide variety of other information, including financial information, concerning the University and the State of Oregon is available via internet websites of the University, the State and various State agencies. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement. Any references to internet websites contained in this Official Statement are shown for reference and convenience only; the information contained in such websites is not incorporated herein by reference and does not constitute a part of this Official Statement.

CUSIP numbers are included in this Official Statement for convenience of the holders and potential holders of the 2020 Bonds. The CUSIP numbers were provided by CUSIP Global Services. No assurance can be given that the CUSIP numbers for the 2020 Bonds will remain the same after the date of issuance and delivery of the 2020 Bonds. The University does not take any responsibility for the accuracy of such CUSIP numbers.

This Official Statement is not to be construed as a contract or agreement between the University and the Underwriters or owners of any of the 2020 Bonds.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the 2020 Bonds or the advisability of investing in the 2020 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX G—SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

NO ACTION HAS BEEN TAKEN BY THE UNIVERSITY THAT WOULD PERMIT A PUBLIC OFFERING OF THE 2020 BONDS OR POSSESSION OR DISTRIBUTION OF THE OFFICIAL STATEMENT OR ANY OTHER OFFERING MATERIAL IN ANY FOREIGN JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, EACH OF THE UNDERWRITERS HAS AGREED THAT IT WILL COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY FOREIGN JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE 2020 BONDS OR POSSESSES OR DISTRIBUTES THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING MATERIAL AND WILL OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE 2020 BONDS UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY FOREIGN JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES AND THE UNIVERSITY SHALL HAVE NO RESPONSIBILITY THEREFOR.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

REFERENCES IN THIS SECTION TO THE “ISSUER” MEAN OREGON STATE UNIVERSITY AND REFERENCES TO THE “2020 BONDS” OR “SECURITIES” MEAN OREGON STATE UNIVERSITY GENERAL REVENUE BONDS, 2020 (FEDERALLY TAXABLE).

MINIMUM UNIT SALES

THE 2020 BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE 2020 BOND OF $1,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 150 UNITS (BEING 150 2020 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF $150,000).

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

THE 2020 BONDS MAY BE SOLD ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 *PROSPECTUS EXEMPTIONS* OR SUBSECTION 73.3(1) OF THE *SECURITIES ACT* (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 *REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS*. ANY RESALE OF THE 2020 BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS OFFICIAL STATEMENT (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER’S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER’S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 (OR, IN THE CASE OF SECURITIES ISSUED OR GUARANTEED BY THE GOVERNMENT OF A NON-CANADIAN JURISDICTION, SECTION 3A.4) OF NATIONAL INSTRUMENT 33-105 *UNDERWRITING CONFLICTS* (“NI 33-105”), THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA AND THE UNITED KINGDOM

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE SECURITIES TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE

EUROPEAN ECONOMIC AREA ("EEA") OR THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION") FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE SECURITIES. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER TO ANY PERSON LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM OF THE SECURITIES SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE INITIAL PURCHASERS TO PRODUCE A PROSPECTUS OR SUPPLEMENT FOR SUCH AN OFFER. NEITHER THE ISSUER NOR THE INITIAL PURCHASERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF SECURITIES THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE INITIAL PURCHASERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE SECURITIES CONTEMPLATED IN THIS OFFICIAL STATEMENT.

THE OFFER OF ANY SECURITIES WHICH IS THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFICIAL STATEMENT IS NOT BEING MADE AND WILL NOT BE MADE TO THE PUBLIC IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM, OTHER THAN: (A) TO ANY LEGAL ENTITY WHICH IS A "QUALIFIED INVESTOR" AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION; (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN "QUALIFIED INVESTORS" AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION); OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 1(4) OF THE PROSPECTUS REGULATION, SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT UNDERWRITER FOR ANY SUCH OFFER; PROVIDED THAT NO SUCH OFFER OF THE SECURITIES SHALL REQUIRE THE ISSUER OR THE INITIAL PURCHASERS TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION OR A SUPPLEMENT TO A PROSPECTUS PURSUANT TO ARTICLE 23 OF THE PROSPECTUS REGULATION.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN "OFFER OF SECURITIES TO THE PUBLIC" IN RELATION TO THE SECURITIES IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE SECURITIES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE SECURITIES.

EACH SUBSCRIBER FOR OR PURCHASER OF THE 2020 BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE OR THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" AS DEFINED IN THE PROSPECTUS REGULATION. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

PROHIBITION OF SALES TO EEA OR THE UNITED KINGDOM RETAIL INVESTORS – THE 2020 BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II"); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE "INSURANCE DISTRIBUTION DIRECTIVE"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT

PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “FINANCIAL PROMOTION ORDER”), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY 2020 BONDS MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS. THIS OFFICIAL STATEMENT HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “FSMA”) BY A PERSON AUTHORIZED UNDER THE FSMA.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THE 2020 BONDS MAY NOT BE PUBLICLY OFFERED, DIRECTLY OR INDIRECTLY, IN SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT (THE “FINSA”), AND NO APPLICATION HAS BEEN OR WILL BE MADE TO ADMIT THE 2020 BONDS TO TRADING ON ANY TRADING VENUE (EXCHANGE OR MULTILATERAL TRADING FACILITY) IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE 2020 BONDS (1) CONSTITUTES A PROSPECTUS PURSUANT TO THE FINSA OR (2) HAS BEEN OR WILL BE FILED WITH OR APPROVED BY A SWISS REVIEW BODY PURSUANT TO ARTICLE 52 OF THE FINSA, AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE 2020 BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

WARNING. THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE 2020 BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS DOCUMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS DOCUMENT HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS A PROSPECTUS IN HONG KONG NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) (“SFO”). THE 2020 BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS DOCUMENT OR ANY OTHER DOCUMENT, AND THIS DOCUMENT MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG, OTHER THAN TO `PROFESSIONAL INVESTORS’ AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER. IN ADDITION, NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE 2020 BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO 2020 BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY (A) TO PERSONS OUTSIDE HONG KONG, OR (B) TO `PROFESSIONAL INVESTORS’ AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE 2020 BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER ARTICLE 4, PARAGRAPH 1 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO.25 OF 1948, AS AMENDED THE "FIEA"). IN RELIANCE UPON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS SINCE THE OFFERING CONSTITUTES THE PRIVATE PLACEMENT TO QUALIFIED

INSTITUTIONAL INVESTORS ONLY AS PROVIDED FOR IN "I" OF ARTICLE 2, PARAGRAPH 3, ITEM 2 OF THE FIEA. A TRANSFEROR OF THE 2020 BONDS SHALL NOT TRANSFER OR RESELL THEM EXCEPT WHERE A TRANSFEREE IS A QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED UNDER ARTICLE 10 OF THE CABINET OFFICE ORDINANCE CONCERNING DEFINITIONS PROVIDED IN ARTICLE 2 OF THE FIEA (THE MINISTRY OF FINANCE ORDINANCE NO.14 OF 1993, AS AMENDED).

NOTICE TO PROSPECTIVE INVESTORS IN SOUTH KOREA

THIS OFFICIAL STATEMENT IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS, A PUBLIC OFFERING OF SECURITIES IN SOUTH KOREA FOR THE PURPOSES OF THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA. THE 2020 BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF SOUTH KOREA FOR PUBLIC OFFERING IN SOUTH KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE "FSCMA"). THE 2020 BONDS MAY NOT BE OFFERED, REMARKETED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED, REMARKETED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN SOUTH KOREA OR TO ANY RESIDENT OF SOUTH KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS LAW OF SOUTH KOREA AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE "FETL")) WITHIN ONE YEAR OF THE ISSUANCE OF THE 2020 BONDS, EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE SOUTH KOREAN LAWS AND REGULATIONS, INCLUDING THE FSCMA AND THE FETL.

EACH OF THE UNDERWRITERS HAVE REPRESENTED AND AGREED THAT THEY HAVE NOT AND WILL NOT, DIRECTLY OR INDIRECTLY, SELL OR DELIVER ANY BONDS IN SOUTH KOREA OR TO, OR, FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF SOUTH KOREA (AS SUCH TERM IS DEFINED IN THE FOREIGN EXCHANGE TRANSACTION ACT OF SOUTH KOREA) OR TO OTHERS FOR REOFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN SOUTH KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF SOUTH KOREA, EXCEPT AS OTHERWISE PERMITTED BY APPLICABLE LAWS AND REGULATIONS OF KOREA.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE 2020 BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN, THE REPUBLIC OF CHINA ("TAIWAN") AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN AND MAY NOT BE ISSUED, OFFERED, OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN OR RELEVANT LAWS AND REGULATIONS THAT REQUIRES A REGISTRATION, FILING OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN. THE 2020 BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE OUTSIDE TAIWAN BY INVESTORS RESIDING IN TAIWAN DIRECTLY, BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY TO THE EXTENT PERMITTED BY APPLICABLE LAWS OR REGULATIONS. ANY SUBSCRIPTIONS OF BONDS SHALL ONLY BECOME EFFECTIVE UPON ACCEPTANCE BY THE ISSUER OR THE RELEVANT DEALER OUTSIDE TAIWAN AND SHALL BE DEEMED A CONTRACT ENTERED INTO IN THE JURISDICTION OF INCORPORATION OF THE ISSUER OR RELEVANT DEALER, AS THE CASE MAY BE, UNLESS OTHERWISE SPECIFIED IN THE SUBSCRIPTION DOCUMENTS RELATING TO THE BONDS SIGNED BY THE INVESTORS.

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OFFICIAL STATEMENT

OREGON STATE UNIVERSITY

$302,945,000
General Revenue Bonds, 2020
(Federally Taxable)

INTRODUCTORY STATEMENT

This Official Statement, including the cover page, inside cover page, table of contents and appendices, provides information regarding Oregon State University (the "University") and its General Revenue Bonds, 2020 (Federally Taxable) (the "2020 Bonds").

Founded in 1868, the University is one of two universities in the State of Oregon (the "State") classified as a "Doctoral University—Very High Research Activity" under the Carnegie Classification of Institutions of Higher Education. University programs and faculty are located in every county of the State and the University collaborates with school districts, community colleges and other university institutions to provide statewide access to educational programs.

The University is comprised of a main campus in Corvallis, Oregon, and a branch campus in Bend, Oregon ("OSU-Cascades"). The University also operates a nationally leading marine science and education facility in Newport, Oregon (the Hatfield Marine Science Center, or "HMSC"); one of the nation's top-ranked online learning programs ("Ecampus"); the Oregon Agricultural Experiment Station ("OAES"), headquartered in Corvallis and with 14 branches across the State; the OSU Extension Service with offices in all 36 Oregon counties; and the Forest Research Laboratory. See "APPENDIX A—OREGON STATE UNIVERSITY."

The University is issuing the 2020 Bonds pursuant to Oregon Revised Statutes ("ORS") 352.087(1)(b), 352.408(1) and chapter 287A, and a resolution of the Board of Trustees of the University (the "Board") adopted on September 17, 2020 (the "Resolution"). See "APPENDIX B—COPY OF THE RESOLUTION."

The University is issuing the 2020 Bonds to finance or refinance approved University projects (the "Projects"), which are expected to include Cordley Hall, improvements at OSU–Cascades, and other University purposes, and to pay costs of issuance for the 2020 Bonds. See "SOURCES AND USES OF BOND PROCEEDS."

The 2020 Bonds are general revenue obligations of the University, payable from General Revenues, as defined herein. As defined in the Resolution, General Revenues include all tuition, charges, rents, and other operating revenue of the University, except as specifically excluded. See "SECURITY FOR THE 2020 BONDS—University General Revenue Obligation" and "APPENDIX B—COPY OF THE RESOLUTION." The 2020 Bonds are to be issued on a parity with the University's outstanding General Revenue Bonds, 2015A and General Revenue Bonds, 2015B (Federally Taxable) (together, the "2015 Bonds"), General Revenue Bonds, 2016A and General Revenue Bonds, 2016B (Federally Taxable) (together, the "2016 Bonds"), General Revenue Bonds, 2017 (Federally Taxable) (the "2017 Bonds"), General Revenue Bonds, 2019 (Federally Taxable) (the "2019 Bonds"), a $10,000,000 line of credit to provide interim financing for capital projects and other purposes and a $40,000,000 term loan (together, the "2020 General Revenue Notes"). The 2015 Bonds, 2016 Bonds, 2017 Bonds, 2019 Bonds and 2020 General Revenue Notes are referred to herein as the "Prior Bonds." The 2020 Bonds are to be issued on a parity with any additional University General Revenue bonds issued on a parity with the Prior Bonds (collectively, the "Bonds"). The University also is obligated to make payments with respect to certain bonds issued by the State on behalf of the University from legally available revenues on a *pari passu* basis with the payment of the Bonds. The University has no taxing power. The Bonds are not an indebtedness or obligation of the State, and are not a charge upon any revenue or property of the State.

U.S. Bank National Association has been appointed as Registrar, Paying Agent and Fiscal Agent for the 2020 Bonds (together, the "Bond Registrar").

Brief descriptions of the 2020 Bonds, the University, the Resolution, and certain statutes and agreements are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references to the statutes, agreements, or other instruments described herein are qualified in their entirety by reference to each such document, statute, or other instrument. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2020 Bonds shall under any circumstances create any implication that there has been no change in the affairs of the University since the date of this Official Statement. Capitalized terms used in this Official Statement but not defined herein have the meanings set forth in the Resolution, a copy of which is included in this Official Statement as APPENDIX B.

The novel coronavirus ("COVID-19") pandemic is a global pandemic. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States of America declared the outbreak of COVID-19 a national emergency. On March 8, 2020, Oregon's Governor declared a state of emergency. On March 23, 2020, Governor Kate Brown issued a statewide Executive Order directing everyone in Oregon to stay at home to the maximum extent possible and adding to the list of businesses temporarily closed to stem the spread of COVID-19. Oregon currently is following a phased re-opening plan.

On June 12, 2020, Governor Brown issued Executive Order No. 20-28, guiding the operation of higher education institutions during the COVID-19 pandemic. Among other directives, the order requires each public university to develop and submit for their respective board's approval a written plan describing how the university will comply with the minimum standards adopted by the Oregon Health Authority ("OHA") and Higher Education Coordinating Commission (HECC) for in-person instruction, research, and residential activities. The order also requires the board to review the plan and any amendments to the plan at each regular board meeting. Upon approval, the board must submit a copy of the plan to the HECC. The Board approved the University's plan on August 14, 2020.

The University continues to face uncertainty with respect to the course of the COVID-19 pandemic, undergraduate and graduate enrollment and associated tuition and fees, state funding and the prospect of any additional federal emergency aid. See "APPENDIX A—Oregon State University- COVID-19 Pandemic."

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PUBLIC UNIVERSITY; AUTHORITY FOR ISSUANCE

The University is established as an "independent public body with statewide purposes and missions and without territorial boundaries." The Board is granted all of the powers, rights and duties expressly conferred upon it by law, or that are implied by law or incident to such powers. The Board appoints and employs the University president, who is both the executive and governing officer of the University and the president of the University faculty.

The University is authorized to borrow money for the needs of the University pursuant to ORS 352.087(1)(b), issue revenue bonds, including the 2020 Bonds, for any lawful purpose of the University pursuant to ORS 352.408(1)(a) in accordance with ORS chapter 287A, issue refunding bonds pursuant to ORS 352.408(1)(b), by reference to ORS 287A.360 to 287A.380 of the same character and tenor as the revenue bonds replaced, and enter into financing agreements and certificates of participation pursuant to ORS 352.408(2) and ORS 271.390. The 2020 Bonds will be issued pursuant to the Resolution. See "APPENDIX B—COPY OF THE RESOLUTION."

THE 2020 BONDS

General

The 2020 Bonds will be dated their date of delivery and will bear interest at the rates set forth on the inside front cover of this Official Statement. The 2020 Bonds will mature on March 1, in the years set forth on the inside front cover, subject to prior redemption. Interest on the 2020 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the 2020 Bonds is payable on each March 1 and September 1, commencing March 1, 2021 until maturity or prior redemption. The 2020 Bonds will be issued as fully registered bonds in denominations of $1,000 each or any integral multiple of $1,000 within a maturity (each an "Authorized Denomination").

The Depository Trust Company ("DTC") will act as securities depository for the 2020 Bonds. The 2020 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's nominee name) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2020 Bonds, each in the aggregate principal amount of such maturity (provided that if the aggregate principal amount of any single maturity exceeds $500,000,000, separate bond certificates shall be issued for each $500,000,000 and any amount in excess thereof and subject to any DTC restrictions on the maximum principal amount of a bond certificate), and will be deposited with DTC. Beneficial interests in the 2020 Bonds may be held through DTC, Clearstream Banking, S.A. or Euroclear Bank SA/NV as operator of the Euroclear System, directly as a participant or indirectly through organizations that are participants in such system. See "APPENDIX E—BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES" for a description of DTC, Clearstream Banking, S.A., Euroclear Bank SA/NV as operator of the Euroclear System, and certain of their responsibilities, and the provisions for registration and registration of transfer of the 2020 Bonds if the book-entry-only system of registration is discontinued. Purchases of beneficial interests in the 2020 Bonds will be made in book-entry form only. If at any time the Book-Entry Only System is discontinued for the 2020 Bonds, the 2020 Bonds will be exchangeable for other fully registered certificated 2020 Bonds of the same maturity in Authorized Denominations. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond during the 15 days preceding any interest payment or principal payment date any such 2020 Bond is to be redeemed. See Appendices B and E.

For so long as Cede & Co. is the Registered Owner of the 2020 Bonds, interest and principal shall be paid and delivery shall be made as described in the operational arrangements referred to in the Letter of Representations and pursuant to DTC's standard procedures. See Appendices B and E.

In the event that the 2020 Bonds are no longer in fully immobilized form, interest on the 2020 Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date, or upon the written request of a Registered Owner of more than $1,000,000 of 2020 Bonds (received by the Bond Registrar at least 15 days prior to the applicable payment date), such payment shall be made by the Bond Registrar by wire transfer to the account within the continental United States designated by the Registered Owner. Principal of the 2020 Bonds shall be payable upon presentation and surrender of such 2020 Bonds by the Registered Owners at the principal office of the Bond Registrar.

Optional Redemption

The 2020 Bonds are subject to redemption at the option of the University, as a whole or in part on any date on or after March 1, 2030 at a redemption price equal to 100 percent of the principal amount thereof, plus interest accrued to the date fixed for redemption.

At the option of the University, the 2020 Bonds also are subject to redemption as a whole or in part on any date prior to March 1, 2030, at a redemption price described below (the "Make-Whole Redemption Price"). The Make-Whole Redemption Price for the 2020 Bonds is equal to the greater of (1) 100 percent of the principal amount of the 2020 Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal and interest on the 2020 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2020 Bonds are to be redeemed, discounted to the date on which the 2020 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 30 basis points; plus, in each case, accrued interest on the 2020 Bonds to be redeemed to the date on which the 2020 Bonds are to be redeemed.

"Treasury Rate" means, with respect to any redemption date for a particular 2020 Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, truncated to the fifth decimal, assuming that the Comparable Treasury Issue is purchased on such redemption date for a price equal to the Comparable Treasury Price. "Comparable Treasury Issue" means, with respect to any redemption date for a particular 2020 Bond, the United States Treasury security or securities that has an actual or interpolated maturity comparable to the remaining average life of such 2020 Bond, as determined by an investment banking firm or financial advisory firm retained by the University, that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of such 2020 Bond. "Comparable Treasury Price" means, with respect to any redemption date for a particular 2020 Bond, the price of the Comparable Treasury Issue, as determined by an investment banking firm or financial advisory firm retained by the University.

Mandatory Sinking Fund Redemption

The 2020 Bonds maturing on March 1, 2060 are subject to mandatory sinking fund redemption at a price of 100 percent of the principal amount thereof plus accrued interest to the date fixed for redemption on March 1 in the years and amounts as follows:

Date	Mandatory Sinking Fund Redemption
2053	$33,560,000
2054	34,710,000
2055	35,895,000
2056	37,125,000
2057	38,395,000
2058	39,710,000
2059	41,070,000
2060*	42,480,000

* Maturity.

To the extent that the University shall have optionally redeemed or purchased for retirement any Term Bonds since the last scheduled mandatory redemption of such Term Bonds, the University may reduce the principal amount of the Term Bonds and maturity to be redeemed in like aggregate principal amount. Such reduction shall be done on a *pro rata* pass-through distribution of principal basis.

Partial Redemption; Notice of Redemption; Conditional Redemption

Selection of Bonds for Redemption. If the University elects to redeem fewer than all of the 2020 Bonds for optional redemption, the University shall select the amount and maturities to be redeemed. In no event shall any 2020 Bond be outstanding in a principal amount that is not an Authorized Denomination. If less than all the Outstanding Bonds within a maturity are to be redeemed, the 2020 Bonds to be redeemed shall be selected in accordance with the then effective operational arrangements of DTC referred to in the Letter of Representations. If the University redeems at any one time fewer than all of the 2020 Bonds having the same maturity date, the particular 2020 Bonds or portions of 2020 Bonds of such maturity to be redeemed shall be selected on a *pro rata* pass-through distribution of principal basis.

Notice of Redemption. For so long as the Book-Entry Only System is in effect, notice of redemption shall be provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations, and no additional published or other notice shall be provided by the University. Notice of redemption may be conditional. Unless waived by any owner of 2020 Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the University by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the 2020 Bond or 2020 Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

Conditional Redemption; Rescission. Notice of redemption may be conditional.

The University has retained the right to rescind any redemption notice and the related optional redemption of 2020 Bonds by giving notice of rescission to the affected Registered Owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the 2020 Bonds for which the notice of optional redemption has been rescinded shall remain outstanding. On or prior to any redemption date, unless such redemption has been rescinded, the University shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Effect of Redemption. If an unconditional notice of redemption has been given, or if the conditions to redemption have been satisfied or waived, the 2020 Bonds or portions of 2020 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such 2020 Bonds or portions of 2020 Bonds shall cease to bear interest. The Registered Owners of such 2020 Bonds or portions thereof shall thereafter have no rights in respect thereof except to receive payment of the Redemption Price upon delivery of such 2020 Bonds to the Registrar.

Any notice mailed as described above will be conclusively presumed to have been given, whether or not actually received by any owner of a 2020 Bond. The failure to mail notice with respect to any 2020 Bond will not affect the validity of the proceedings for the redemption of any other 2020 Bond with respect to which notice was so mailed.

Purchase of Bonds by the University

The University reserves the right to purchase any of the 2020 Bonds offered to it at any time at a price deemed reasonable by the Authorized University Representative. The Resolution does not require that any 2020 Bond so acquired be cancelled. See "APPENDIX B—COPY OF THE RESOLUTION."

Defeasance

In the event that the University, in order to provide for the payment, retirement or redemption of any 2020 Bond, sets aside in the Bond Fund or in another special account, cash or noncallable Government Obligations (as defined below), or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such 2020 Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund to pay the principal of and interest on such 2020 Bond. The owner of a 2020 Bond so provided for shall cease to be entitled to any lien, benefit or security of the Resolution except the right to receive payment of principal, premium, if any, and interest from the Bond Fund or such special account, and such 2020 Bond shall be deemed to be not outstanding under the Resolution. See "APPENDIX B—COPY OF THE RESOLUTION."

"Government Obligations" means direct obligations of the United States of America, obligations the principal of and interest on which are unconditionally guaranteed by the United States of America and bank certificates of deposit secured by the obligations, and bonds, debentures, notes, certificates of participation or other obligations issued by a federal agency or other instrumentality of the federal government.

If the University defeases any 2020 Bonds, such 2020 Bonds may be deemed to be retired and "reissued" for federal income tax purposes as a result of the defeasance. In such event, the owner of a 2020 Bond would recognize a gain or loss on the 2020 Bond at the time of defeasance. See "CERTAIN INCOME TAX CONSEQUENCES RELATING TO THE 2020 BONDS."

SOURCES AND USES OF BOND PROCEEDS

Uses of Bond Proceeds

The proceeds from the sale of the 2020 Bonds will be used to finance or refinance costs of the Projects and for other approved University purposes and to pay costs of issuance.

Sources and Uses of Funds

The proceeds of the 2020 Bonds are expected to be applied as follows (figures have been rounded):

Sources of Funds	**Total**
Par Amount of the 2020 Bonds	$ 302,945,000
Total Sources of Funds	302,945,000
Uses of Funds	
Project Fund Deposit	$ 300,000,000
Issuance Costs(1)	2,945,000
Total Uses of Funds	$ 302,945,000

(1) Issuance costs include Underwriters' discount, legal fees, Municipal Advisor fees, rating agency fee, Underwriter's Discount, bond insurance premium, and other costs incurred in connection with the issuance of the 2020 Bonds.

SECURITY FOR THE 2020 BONDS

University General Revenue Obligation

The 2020 Bonds are general revenue obligations of the University. The University is obligated to pay the principal of and interest on the 2020 Bonds from General Revenues, as defined in the Resolution, a copy of which is included in "APPENDIX B—COPY OF THE RESOLUTION."

As set forth in the Resolution, the University has pledged General Revenues to pay the principal of and interest on the 2020 Bonds when due. The 2020 Bonds are payable from and secured by a pledge of General Revenues and the money and investments deposited into the special fund designated as the "Bond Fund." See Sections 10 and 11 of the Resolution, a copy of which is included in "APPENDIX B—COPY OF THE RESOLUTION."

General Revenues is defined in the Resolution to include all tuition, charges, rents, and other operating revenues of the University, except as specifically excluded. The following items are excluded:

- Student Building Fees and Student Incidental Fees (each as defined in Section 1 of the Resolution included in "APPENDIX B—COPY OF THE RESOLUTION");

- Revenue from grants and contracts, whether restricted or unrestricted (including for illustrative purposes the following items identified in the University's financial statements: federal grants and contracts, state and local grants and contracts, and nongovernmental grants and contracts) ("Grant and Contract Revenue");

- Amounts required to be transferred to the State Treasurer for deposit to pay debt service on certain State general obligation bonds and certificates of participation for the benefit of the University ("University-Paid State Bonds") next coming due, and without duplication, amounts required to be paid to the State Treasurer for University-Paid State Bonds next coming due (see "APPENDIX A—OREGON STATE UNIVERSITY—OTHER UNIVERSITY FINANCIAL INFORMATION—OUTSTANDING UNIVERSITY OBLIGATIONS" for a description of the payments the University is required to make to the State Treasurer in connection with certain bonds and certificates of participation issued for the benefit of the University); and

- Amounts that otherwise are restricted in their use by law, regulation, and contract.

For clarity, the University notes that moneys received by the University from taxes collected by the state and gifts are not operating revenues of the University and are therefore not included in the definition of General Revenues. Unrestricted net position, to the extent received as General Revenues, would be includable and available to pay obligations secured by General Revenues.

The following table sets forth General Revenues for each of the fiscal years 2015 through 2020. As described in "APPENDIX A—OREGON STATE UNIVERSITY—HISTORICAL FINANCIAL RESULTS—General Revenues," General Revenues consist of student tuition and fees, auxiliary enterprises revenues, education department sales and services and other University operating revenues, with certain exclusions as shown in the table below.

UNIVERSITY GENERAL REVENUES
For the Fiscal Years ending June 30, 2020 through 2015 (000s)

	2020[1]	2019	2018	2017	2016	2015
Total Operating Revenues	$ 845,097	$ 838,855	$ 808,609	$ 767,634	$ 720,580	$ 686,612
(Less):						
Student Building Fees	(3,123)	(3,193)	(3,295)	(3,317)	(3,355)	(3,367)
Student Incidental Fees	(26,665)	(27,132)	(27,616)	(26,704)	(25,334)	(23,682)
Federal Grants and Contracts	(234,547)	(212,209)	(203,740)	(184,785)	(176,078)	(171,063)
State and Local Grants and Contracts	(9,987)	(9,979)	(10,450)	(13,886)	(9,272)	(9,492)
Nongovernmental Grants and Contracts	(25,263)	(23,491)	(26,164)	(22,329)	(22,102)	(22,303)
Amounts required to be deposited or paid for University-Paid State Bonds[2]	(26,517)	(27,228)	(44,023)	(37,168)	(35,742)	(50,425)
Subtotal	518,995	535,623	493,321	479,445	448,697	406,280
Adjusted Beginning Unrestricted Net Position[3]	(98,440)	(72,871)	(55,330)	(36,335)	48,994	25,735
GENERAL REVENUES	$ 420,555	$ 462,752	$ 437,991	$ 443,110	$ 497,691	$ 432,015

(1) Unaudited. See "OTHER BOND INFORMATION – Independent Auditor" for discussion of the 2020 Audited Financial Statement.

(2) As described under the heading "Outstanding and Future University Obligations for State-Issued Bonds" and in "APPENDIX A—OREGON STATE UNIVERSITY—OTHER UNIVERSITY FINANCIAL INFORMATION—OUTSTANDING UNIVERSITY OBLIGATIONS," the University is obligated to pay University-Paid State Bonds from legally available revenues, including fees and certain other amounts that are either excluded from or not legally available to be included as General Revenues.

(3) Adjusted to reflect removal of Student Building Fees and Student Incidental Fees beginning fund balance. The decline in Unrestricted Net Position in 2017 is due primarily to the implementation of GASB 68, 71 and 75. See note 11, Unrestricted Net Assets in the Audited Financial Statements 2019 in APPENDIX C.

Source: The University.

Not a State Obligation

THE 2020 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY SUBDIVISION THEREOF, OTHER THAN THE UNIVERSITY, OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR ANY SUCH POLITICAL SUBDIVISION, OTHER THAN THE UNIVERSITY, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED UNDER AND AS SET FORTH IN THE RESOLUTION. SEE "APPENDIX B—COPY OF THE RESOLUTION." NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO PAYING THE PRINCIPAL OF OR THE INTEREST ON THE 2020 BONDS. THE ISSUANCE OF THE 2020 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE UNIVERSITY HAS NO TAXING POWER.

Additions to General Revenues

The University reserves the right to include in General Revenues, at its sole option, in the future, other legally available sources of revenue or income initially excluded in the definition of General Revenues. The addition of General Revenues is to be evidenced by a certificate executed and delivered by the Vice President for Finance and Administration/CFO, or his or her designee (the "Authorized University Representative"), identifying the items to be added. See Section 11(d) of the Resolution included in "APPENDIX B—COPY OF THE RESOLUTION."

Deletions from General Revenues

The University reserves the right to remove, at its sole option, in the future, any revenues from General Revenues, so long as no more than 10 percent of General Revenues (based on the University's most recent audited financial statements) are removed in any fiscal year. The removal of General Revenues is to be evidenced by a certificate executed by the Authorized University Representative identifying the items to be deleted. See Section 11(e) of the Resolution included in "APPENDIX B—COPY OF THE RESOLUTION."

Additional Bonds

The University has reserved the right to issue one or more series of Additional Bonds for University purposes. "Additional Bonds" means bonds, leases, interest rate swaps, and other contractual obligations issued by the University and secured by a pledge of General Revenues on parity with the pledge securing the payment of the principal of and interest on the Bonds. There are no limitations, either statutory or contractual, that would prevent the University from incurring any such additional obligations.

The University also has reserved the right to issue obligations payable from and secured by a pledge of General Revenues on a basis subordinate to the Bonds and any Additional Bonds, without notice to or consent of Bondholders, as permitted by law. See Section 11(f) and (g) of the Resolution included in "APPENDIX B—COPY OF THE RESOLUTION."

Future Debt

The University expects to continue to draw from time to time on the 2020 General Revenue Notes evidencing the University's $10,000,000 line of credit to provide interim financing for capital projects and other purposes. The University has no current plans for additional University-issued borrowings in the next four years. As the University refines its long-range capital forecast, additional University borrowing needs may be identified within this timeframe. The State also issues bonds for the benefit of higher education, including the University, from time to time. See "—Outstanding and Future University Obligations for State-Issued Bonds" below.

Payment Covenant

The University has covenanted in the Resolution to pay or cause to be paid the principal of and the interest on all outstanding 2020 Bonds on the dates, at the places, from the sources of funds and in the manner, all as provided in the Resolution. See "APPENDIX B—COPY OF THE RESOLUTION."

Interest Rate Swap Agreements

Pursuant to ORS 287A.335, the University is authorized to enter into agreements for exchange of interest rates with a counterparty, which interest rate swap agreements may be payable from General Revenues. An agreement for exchange of interest rates may be made to manage payment, interest rate, spread or similar exposure undertaken in connection with related bonds. The University currently has no interest rate swap agreements in place and the University's debt policy would not permit interest rate swaps without approval from the Board and an amendment of the current University debt policy.

Outstanding and Future University Obligations for State-Issued Bonds

The State has previously issued general obligation bonds and certificates of participation for the benefit of the University and made certain loans to the University, under applicable authorizing provisions of the State constitution and statutes, including University-Paid State Bonds and State-paid debt ("State-Paid Bonds"). The University is responsible for paying the debt service on University-Paid State Bonds. The Higher Education Coordinating Commission ("HECC"), in consultation with the Department of Administrative Services ("DAS"), submits an appropriations request for State-Paid Bonds as part of its biennial Agency Request Budget process.

The obligations of the University with respect to University-Paid State Bonds are established under a schedule provided to the University by the State Treasurer as required by Oregon law and pursuant to a Restated and Amended Agreement for Debt Management (the "Debt Management Agreement"), effective July 1, 2017, as amended from time to time, by and among the State, acting by and through its Office of the State Treasurer (the "State Treasurer"), HECC, DAS, and the University with respect to certain State-Paid Bonds and University-Paid State Bonds. The schedule may be amended from time to time in connection with future issues of University-Paid State Bonds. The University may request the State issue, for the benefit of the University, University-Paid State Bonds. For further description of the University's obligations in connection with University-Paid State Bonds and State-Paid Bonds, see "APPENDIX A—OREGON STATE UNIVERSITY—OTHER UNIVERSITY FINANCIAL INFORMATION—OUTSTANDING UNIVERSITY OBLIGATIONS."

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the 2020 Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the 2020 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the 2020 Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the 2020 Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the 2020 Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the 2020 Bonds, nor does it guarantee that the rating on the 2020 Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $488.7 million, $143.6 million and $345.1 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the 2020 Bonds or the advisability of investing in the 2020 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE."

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the 2020 Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the 2020 Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the 2020 Bonds, whether at the initial offering or otherwise.

DEBT SERVICE

Debt Service Schedule for General Revenue Bonds

The following table displays debt service payments on obligations issued by the University and secured by a parity lien pledge of General Revenues, including the Prior Bonds. The table excludes the 2020 General Revenue Notes evidencing draws on the University's $10,000,000 line of credit drawn upon from time to time to provide interim financing for capital projects and other purposes. As of September 28, 2020, the University has not drawn on the line of credit. The table excludes the 2020 General Revenue Notes evidencing the University's $40,000,000 Term Loan scheduled to mature on May 28, 2024. See "APPENDIX A—OREGON STATE UNIVERSITY—OTHER UNIVERSITY FINANCIAL INFORMATION—OUTSTANDING UNIVERSITY OBLIGATIONS" for a description of other obligations of the University including University-Paid State Bonds.

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OREGON STATE UNIVERSITY
GENERAL REVENUE BOND DEBT SERVICE SCHEDULE

	Prior Bonds (Excluding 2020 General Revenue Notes)			2020 Bonds			
Fiscal Year[1]	Principal	Interest	Total Debt Service[2]	Principal	Interest	Total Debt Service[1]	Total General Revenue Bond Debt Service[1]
2020	-	$ 12,126,155	$ 12,126,155	-	-	-	$ 12,126,155
2021	-	12,689,853	12,689,853	-	$ 3,918,627	$ 3,918,627	16,608,480
2022	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2023	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2024	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2025	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2026	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2027	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2028	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2029	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2030	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2031	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2032	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2033	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2034	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2035	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2036	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2037	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2038	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2039	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2040	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2041	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2042	-	12,689,853	12,689,853	-	10,372,837	10,372,837	23,062,690
2043	$ 21,075,000	12,689,853	33,764,853	-	10,372,837	10,372,837	44,137,690
2044	23,205,000	11,871,721	35,076,721	-	10,372,837	10,372,837	45,449,558
2045	27,910,000	10,777,966	38,687,966	-	10,372,837	10,372,837	49,060,803
2046	29,135,000	9,382,466	38,517,466	-	10,372,837	10,372,837	48,890,303
2047	30,255,000	8,267,190	38,522,190	-	10,372,837	10,372,837	48,895,027
2048	35,685,000	7,053,771	42,738,771	-	10,372,837	10,372,837	53,111,608
2049	37,020,000	5,715,583	42,735,583	-	10,372,837	10,372,837	53,108,420
2050	34,195,000	4,327,333	38,522,333	-	10,372,837	10,372,837	48,895,170
2051	35,580,000	2,941,752	38,521,752	-	10,372,837	10,372,837	48,894,589
2052	37,020,000	1,500,050	38,520,050	-	10,372,837	10,372,837	48,892,887
2053	-	-	-	$ 33,560,000	10,372,837	43,932,837	43,932,837
2054	-	-	-	34,710,000	9,223,742	43,933,742	43,933,742
2055	-	-	-	35,895,000	8,035,272	43,930,272	43,930,272
2056	-	-	-	37,125,000	6,806,227	43,931,227	43,931,227
2057	-	-	-	38,395,000	5,535,067	43,930,067	43,930,067
2058	-	-	-	39,710,000	4,220,422	43,930,422	43,930,422
2059	-	-	-	41,070,000	2,860,752	43,930,752	43,930,752
2060	-	-	-	42,480,000	1,454,515	43,934,515	43,934,515
Total[2]	**$311,080,000**	**$365,830,606**	**$ 676,910,606**	**$ 302,945,000**	**$ 373,985,403**	**$ 676,930,408**	**$ 1,353,841,014**

(1) Fiscal year ending June 30.
(2) Totals may not foot due to rounding.

Source: The University.

LIMITATIONS ON REMEDIES

Pursuant to ORS 287A.310 and 352.087(1)(h), the pledge of General Revenues creates a lien that is to be valid and binding from the time the pledge is made, without physical delivery, filing or any other act, and with the priority and subject to the limitations set forth in the Resolution. See "APPENDIX B—COPY OF THE RESOLUTION." A 2020 Bond owner may commence an action in a court of competent jurisdiction to foreclose the lien of the pledge and exercise the rights and remedies as provided under the Resolution set forth in Appendix B.

If the University were to default on paying principal of or interest on the 2020 Bonds, the obligation to pay the principal of and accrued interest on the 2020 Bonds would not be subject to acceleration. The University is liable for principal and interest payments only as they become due. In the event of multiple defaults in paying principal of or interest on the 2020 Bonds, the 2020 Bond owners would be required to bring a separate action for each such payment not made. Any such action to compel payment or for money damages would be subject to the limitations on legal claims and remedies against public bodies under State law.

Any remedies available to the 2020 Bond owners are in many respects dependent upon judicial actions which are in turn often subject to discretion and delay and could be both expensive and time-consuming to obtain. If the University fails to pay principal of or interest on the 2020 Bonds, there can be no assurance that available remedies will be adequate to fully protect the interests of the 2020 Bond owners.

In addition to the limitations on remedies contained in the Resolution set forth in Appendix B, the rights and obligations under the 2020 Bonds and the Resolution may be limited by and are subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases. The opinion to be delivered by Pacifica Law Group LLP, as Bond Counsel, concurrently with the issuance of the 2020 Bonds, will be subject to limitations regarding bankruptcy, insolvency and other laws relating to or affecting creditors' rights. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX D—FORM OF BOND COUNSEL OPINION."

STATE LEGISLATION, INITIATIVES AND REFERENDA

The Legislative Assembly considers legislation from time to time that may affect the University, including without limitation legislation appropriating funds for higher education, legislation authorizing State bonds for the benefit of the University, and legislation regarding public employees, benefits, tuition, academic standards, public procurement and contracting, and other matters. The Legislative Assembly convened its 2020 Legislative Session on January 22, 2020 (the "2020 Legislative Session"), and the 2020 Legislative Session ended March 7, 2020, with special sessions convened June 24, 2020, through June 26, 2020, and on August 10, 2020. State officials have indicated that additional special sessions of the Legislative Assembly may be held in 2020 to address fiscal matters. See "APPENDIX A—Oregon State University—COVID-19 Pandemic." The Legislative Assembly is currently scheduled to convene its 2021 Legislative Session on February 1, 2021.

The Oregon Constitution, Article IV, Section 1, reserves to the people of the State (1) the initiative power to amend the Oregon Constitution or to enact State legislation by placing measures on the statewide general election ballot for consideration by the voters and (2) the referendum power to approve or reject at an election any act passed by the Legislative Assembly that does not become effective earlier than 90 days after the end of the legislative session. The Legislative Assembly may also refer an act to the voters for approval or rejection.

LEGAL INFORMATION

No Litigation Concerning the 2020 Bonds

There is no litigation pending or, to the actual knowledge of the University, threatened questioning the validity of the 2020 Bonds or the power and authority of the University to issue the 2020 Bonds or seeking to enjoin the issuance of the 2020 Bonds.

Other Litigation

The University is a party to lawsuits arising out of its normal course of business, but the University does not believe any of such litigation will have a significant adverse impact upon the financial position of the University. Some of these claims are covered by insurance.

Approval of Counsel

Legal matters incident to the authorization, issuance and sale of 2020 Bonds by the University are subject to the approving legal opinion of Pacifica Law Group LLP, Seattle, Washington, as Bond Counsel. The proposed form of opinion of Bond Counsel is attached hereto as "APPENDIX D—FORM OF BOND COUNSEL OPINION."

Pacifica Law Group LLP, Seattle, Washington, as Disclosure Counsel, will provide certain other legal services for the University. Certain legal matters will be passed upon for the University by its General Counsel. Certain legal matters will be passed on for the Underwriters by Orrick, Herrington & Sutcliffe LLP, Portland, Oregon, Counsel to the Underwriters. Any opinion of such firm will be addressed solely to the Underwriters, will be limited in scope, and cannot be relied upon by investors.

CERTAIN INCOME TAX CONSEQUENCES RELATING TO THE 2020 BONDS

The interest on the 2020 Bonds is not intended by the University to be excluded from gross income for federal income tax purposes. Owners of the 2020 Bonds should be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2020 Bonds may have federal income tax consequences not described herein and should consult their own tax advisors with respect to federal income tax consequences of owning such 2020 Bonds. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the 2020 Bonds other than as expressly described above.

In the opinion of Bond Counsel, under existing law, interest on the 2020 Bonds is exempt from Oregon personal income taxes. The proposed form of opinion of Bond Counsel with respect to the 2020 Bonds to be delivered on the date of issuance of the 2020 Bonds is set forth in Appendix D.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Internal Revenue Code of 1986, as amended (the "Code") generally prohibit certain transactions between a qualified employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. All fiduciaries of Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any 2020 Bond. In all events investors should consult their own tax advisors in determining the federal, state, local and other tax consequences to them of the purchase, ownership and disposition of the 2020 Bonds.

CONTINUING DISCLOSURE UNDERTAKING

The University is covenanting for the benefit of the holders and beneficial owners of the 2020 Bonds to provide certain financial information and operating data (the "Annual Disclosure Report") by not later than nine months following the end of the University's fiscal year (currently March 31, 2021 for the report for the 2020 Fiscal Year), and to provide notices of the occurrence of certain enumerated events. The Annual Disclosure Report and notices of enumerated events are to be filed with the Municipal Securities Rulemaking Board. The nature of the information to be contained in the Annual Disclosure Report and in notices of material events is set forth in "APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants are made by the University to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

During the last five years the University has complied in all material respects with its prior continuing disclosure undertakings.

OTHER BOND INFORMATION

Rating

A rating of "Aa3" has been assigned to the 2020 Bonds by Moody's Investors Service. See "BOND INSURANCE" for information regarding the insured rating on the 2020 Bonds, which is dependent on delivery of the Municipal Bond Insurance Policy described therein. Such ratings reflect only the views of the rating agency and an explanation of the significance of the ratings may be obtained from the rating agency. There is no assurance that any rating will continue for any given period of time or that a rating will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the agency, circumstances so warrant. Any such downward revision or withdrawal of any of the ratings could have an adverse effect on the market price of the 2020 Bonds.

Municipal Advisor

PFM Financial Advisors LLC, Seattle, Washington (the "Municipal Advisor"), has acted as financial advisor to the University in connection with the issuance of the 2020 Bonds. The Municipal Advisor is not obliged to undertake, and has not undertaken, an independent verification of, nor has assumed responsibility for the accuracy, completeness or fairness of the information obtained in this Official Statement. The Municipal Advisor is an independent municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Underwriting

The 2020 Bonds are to be purchased from the University by BofA Securities Inc., Morgan Stanley & Co. LLC and UBS Financial Services Inc. (the "Underwriters"). The purchase price of the 2020 Bonds is $302,121,811.34, representing the $302,945,000 aggregate principal amount of the 2020 Bonds less Underwriters' discount of $823,188.66.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the University and its affiliates in connection with such activities. In the course of their various business activities, the Underwriter and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the University (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the University. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc. has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

Morgan Stanley & Co. LLC, one of the Underwriters of the 2020 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2020 Bonds.

UBS Financial Services Inc. ("UBS FSI"), one of the Underwriters of the 2020 Bonds, has also entered into a distribution and service agreement with its affiliate UBS Securities LLC ("UBS Securities") for the distribution of certain municipal securities offerings. Pursuant to such agreement, UBS FSI will share a portion of its underwriting compensation with UBS Securities. UBS FSI and UBS Securities are each subsidiaries of UBS Group AG.

Potential Conflicts

Some or all of the fees of the Municipal Advisor, Bond Counsel and Disclosure Counsel, and Underwriters' Counsel are contingent upon the sale of the 2020 Bonds. Pacifica Law Group LLP is serving as Bond Counsel and Disclosure Counsel to the University with respect to the 2020 Bonds. Underwriters' Counsel represents the State on State matters that can include the University from time to time. From time to time Bond Counsel and Disclosure Counsel may serve as counsel to other parties involved with the 2020 Bonds with respect to transactions other than the issuance of the 2020 Bonds.

Independent Auditor

The University's annual financial statements as of June 30, 2019 and June 30, 2018, and for the years then ended, included as APPENDIX C to this Official Statement, have been audited by CliftonLarsonAllen LLP, our independent auditors, as stated in their report appearing therein. The University has not requested that CliftonLarsonAllen LLP provide consent for inclusion of the audit report in this Official Statement, and CliftonLarsonAllen LLP has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document. Further, CliftonLarsonAllen LLP has not participated in any way in the preparation or review of this Official Statement.

The University's annual financial statements as of June 30, 2020 and June 30, 2019, and for the years then ended ("2020 Audited Financial Statement"), currently are anticipated to be available for posting in early November 2020. The University is anticipating a fiscal year 2020 financial audit management letter comment with respect to an identified significant internal control deficiency related to the eProcurement process of onboarding existing vendors. The University has addressed the identified concern. Consistent with its continuing disclosure obligations, the University will file the 2020 Audited Financial Statement on EMMA.

Official Statement

All forecasts, estimates and other statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not intended to be construed as a contract or agreement between the University and Underwriters or holders of any of the 2020 Bonds.

At the time of the delivery of the 2020 Bonds, one or more officials of the University will furnish a certificate to the effect that, to the best of his, her or their knowledge this Official Statement, as of its date and as of the date of delivery of the 2020 Bonds, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading (however, the University will make no representation regarding the information provided by or regarding DTC).

The University has authorized the execution and delivery of this Official Statement.

OREGON STATE UNIVERSITY

By: /s/ Michael J. Green
Vice President for Finance and
Administration/CFO

APPENDIX A

OREGON STATE UNIVERSITY

History and Mission

The University was founded as a land grant research and teaching university in 1868. The University's mission statement sets forth its commitment to teaching, research, and outreach and engagement to promote economic, social, cultural and environmental progress for the people of Oregon, the nation and the world.

The University holds the Carnegie Foundation's top designation for research institutions. University programs are located in every county of the State and the University collaborates with school districts, community colleges and other private and public universities in Oregon to provide statewide access to educational programs.

The University is Oregon's land grant university and is one of only two U.S. universities to hold land, sea, space and sun grant designations. A land grant university is an institution that has been designated by its state legislature or Congress to receive the benefits of the Congressional Morrill Acts of 1862 and 1890, under which public lands were granted to states. The proceeds from the sale of these lands are invested to provide support for colleges of agriculture and mechanical arts. The University receives federal and state land grant appropriations, largely for its Extension Service, Forest Research Laboratory, and Agricultural Experiment Station. Under its sea grant, space grant and sun grant designations, the University receives federal and state grant funding for research and education projects to support the health of coastal communities and marine ecosystems, research on bio-based technologies for energy and commercial purposes, and research on space science topics.

Facilities

The University is comprised of a main campus in Corvallis, Oregon, and a branch campus in Bend, Oregon ("OSU-Cascades"). The University also includes the Hatfield Marine Science Center ("HMSC"), a nationally leading marine science and education facility in Newport, Oregon; one of the nation's top-ranked online learning programs ("Ecampus"); the Oregon Agricultural Experiment Station ("OAES"), consisting of headquarters in Corvallis and 14 branches across the state; the OSU Extension Service, with offices in all 36 Oregon counties; and the Forest Research Laboratory.

The University's main campus in Corvallis encompasses approximately 500 acres and includes a historic district, listed on the National Register of Historic Places.

OSU-Cascades expanded in 2015 to a four-year university from a 2+2 program housed in leased buildings on the local community college campus. The first 10-acres of the new campus near downtown Bend opened in 2016. OSU-Cascades' approximately 1,250 traditional, transfer, non-traditional and graduate students are served primarily in three buildings: an academic building, an academic/dining building, and a residence hall. A fourth building is under construction and the University is expanding the OSU-Cascades campus in phases by developing a 128-acre campus for 3,000 to 5,000 students.

HMSC in Newport, Oregon, was established in 1961 as a marine laboratory for the University. HMSC hosts collaborative research and education programs from seven University colleges and five state and federal agencies on a 49-acre campus. The University completed the $62.7 million Marine Studies Building on the HMSC campus in 2020.

The University's Portland Center is approximately 40,000 gross square feet of multipurpose classroom, event, meeting, and flex office space.

Ecampus

Ecampus is the University's distance education division, delivering courses and programs developed by University faculty online and in a hybrid (online/in-person) format. In the 2019-2020 academic year, more than 26,000 students from all 50 states and more than 50 countries enrolled in at least one Ecampus course. In partnership with nearly 1,000 University faculty members, Ecampus delivers more than 80 degree and certificate programs as well as over 1,500 courses in more than 100 subjects. *U.S. News & World Report* ranked Ecampus fifth on its list of the country's best online bachelor's programs in 2020.

Professional and Continuing Education (PACE)

The University's Professional and Continuing Education ("PACE") unit offers more than 500 professional online programs/courses, and now serves more than 70,000 learners annually. These programs address the continuing education and advancement needs of individual learners, as well as large-scale workforce development priorities of government and industry partners. Training program focus areas reflect high-demand priorities for Oregon. Through internal and external partnership-driven offerings, PACE seeks to advance the economic and social well-being of participants with widely accessible and affordable programs.

Academic Programs

The University offers 228 degree programs (85 undergraduate, 80 masters, 61 doctorate and two professional DVM-Doctor of Veterinary Medicine and PharmD-Doctor of Pharmacy degree programs) through its 11 academic colleges and graduate school. Academic colleges include: Agricultural Sciences; Business; Earth, Ocean and Atmospheric Sciences; Education; Engineering; Forestry; Liberal Arts; Pharmacy; Public Health and Human Sciences; Science; and Veterinary Medicine. In addition, the University's Honors College is one of the few degree-granting honors programs in the country. Honors College students may earn an Honors Degree (HBA, HBFA or HBS) from eight of the University's academic colleges.

The University offers programs through four academic divisions, each representing a combination of colleges: Earth Systems Science (Agricultural Sciences; Earth, Ocean and Atmospheric Sciences; Forestry); Health Sciences (Pharmacy; Public Health and Human Sciences; Veterinary Medicine) and the Linus Pauling Institute; Business and Engineering (Business; Engineering); and Arts and Sciences (Education; Liberal Arts; Science; University Honors College). This divisional structure has led to collaborative initiatives and programs, including a graduate program in Comparative Health Sciences, and to sharing resources among colleges within a division, such as in advising and operations. The University offers the only Pharmacy, Veterinary Medicine and Public Health dual degree programs in the State.

Research

The University is classified as a "Doctoral University—Very High Research Activity" under the Carnegie Classification of Institutions of Higher Education. The University's research agenda, integrated with the University's strategic plan, guides faculty inquiry in the University's three signature areas of distinction: Advancing the Science of Sustainable Earth Ecosystems; Improving Human Health and Wellness; and Promoting Economic Growth and Social Progress.

Research is conducted throughout all of the University's academic colleges and centers. The University's Research Office is responsible for research administration and includes the Office for Sponsored Research and Award Administration; the Office of Commercialization and Corporate Development; and the Office of Research Integrity. The Research Office oversees 12 campus-level institutes and centers, Oregon Sea Grant, and the University's partnerships with each of the State's three Signature Research Centers: the Oregon Nanoscience and Microtechnologies Institute (ONAMI), the Oregon Built Environment and Sustainable Technologies Center (Oregon BEST), and the Oregon Translational Research and Development Institute (OTRADI).

The University is pursuing a strategy to grow revenues from industry funding, licensing, and commercialization. The Office of Commercialization and Corporate Development leads the University's industry–sponsored research efforts and the commercialization of University innovations by evaluating markets, developing an intellectual property protection strategy and executing research, confidentiality, materials transfer, licensing and other industry agreements. See "OTHER UNIVERSITY FINANCIAL INFORMATION," herein.

Governance

The University is governed by a 15-member Board of Trustees (the "Board"). With the exception of the President of the University, who serves as an ex-officio non-voting member of the Board, Trustees are appointed by the Governor of the State (the "Governor") and confirmed by the State Senate. Three Trustees are appointed to two-year terms (the student, faculty, and non-faculty staff members of the Board), and the balance serve four-year terms. Trustees may not be appointed to serve more than two consecutive full terms.

Current membership of the Board of Trustees is shown below.

Name	Position	Vocation	Term Expiration (June 30)
Rani N. Borkar	Chair	Corporate Vice President, Microsoft	2021
Kirk E. Schueler	Vice Chair	Chief Executive Officer and President, Brooks Resources Corporation	2021
F. King Alexander(1)	Trustee *(Ex Officio)*	University President	N/A
Michael J. Bailey(2)	Faculty Trustee	Professor of Computer Science	2021
Patricia M. Bedient	Trustee	Retired Chief Financial Officer/Executive Vice President, Weyerhaeuser Co.	2023
Julia A. Brim-Edwards	Trustee	Senior Director, Global Strategy & Operations, Government & Public Affairs, Nike	2021
Darald W. Callahan	Trustee	Retired Executive Vice President of Chevron Corporation	2021
Michele Longo Eder	Trustee	Retired Attorney	2023
A. Lamar Hurd	Trustee	Television Analyst, Portland Trail Blazers Broadcasting	2023
Khawater Hussein(2)	Student Trustee	Student	2021
Paul J. Kelly, Jr.	Trustee	Retired Attorney	2021
Julie Manning	Trustee	Vice President, Samaritan Health Services	2023
Preston Pulliams	Trustee	President, Gold Hill Associates	2023
Stephanie S. Smith(2)	Non-Faculty Staff Trustee	Fiscal Coordinator, Oregon State University	2021
Michael G. Thorne	Trustee	Owner/Manager, Thorne Family Farm	2021

(1) Dr. Alexander is the President of the University and serves as an ex officio, non-voting member of the Board.
(2) Faculty, non-faculty staff, and student members of the Board serve two-year terms.
Source: The University.

Board Powers and University Property

The University is a public university of the State and an "independent public body with statewide purposes and missions and without territorial boundaries." The Board is granted all of the powers, rights and duties expressly conferred upon it by law, or that are implied by law or incident to such powers.

The Board is vested with broad powers and specific duties and rights, including establishing a process for determining tuition and enrollment fees, provided that any increase in total undergraduate resident tuition and mandatory enrollment fees at the University may not exceed five percent annually, unless approved by HECC or the state's legislative assembly. The Board is authorized to spend all available moneys without appropriation or expenditure limitation approval from the legislative assembly, except for moneys received pursuant to ORS 352.089 related to achievement compacts, or the proceeds of State debt obligations issued by the State at the request of and for the benefit of the University. Pursuant to ORS 352.113, the Board has custody and control of all real property used for University purposes, subject to certain statutory limitations. Legal title to all real property is held in the name of the State, acting by and through the Board. The State, acting by and through the Board, also owns personal property financed with the proceeds of State Article XI-Q bonds during the term of the bonds.

Executive Management

The executive management of the University includes the President, who directs the affairs of the University; the Provost and Executive Vice President, who is the chief operating officer and chief academic officer of the University; the Vice President and Chief Diversity Officer; the Vice President and Director, Intercollegiate Athletics; the Vice President for University Relations and Marketing; the University General Counsel; the Vice President for Finance and Administration/CFO, who is the chief financial officer of the University; the Vice President for OSU-Cascades; and the Interim Vice President for Research.

Dr. F. King Alexander, President. Dr. Alexander became the University's President on July 1, 2020. Prior to his arrival at the University, President Alexander served as president and chancellor of Louisiana State University from July 2013 through December 2019. President Alexander also served as president of California State University, Long Beach from January 2006 to June 2013 and president of Murray State University in Kentucky from September 2001 to December 2005. Throughout his career, President Alexander has been honored and recognized for his leadership. He received the Stephen J. Trachtenberg Award for Leadership in Higher Education in 2017 from the American Association of University Administrators; was selected as the California State University President of the Year in 2009-10 and 2011-12 by the California State University Students Association; received the Humanitarian Award by the California Conference for Equity and Justice in 2013; and was named to the Boys and Girls Clubs of America Alumni Hall of Fame in 2016. President Alexander is the author of "The American Higher Education Dilemma: State Disinvestment, Student Indebtedness, and the Decline of Human Capital Development," which is scheduled for publication in spring 2021. He has also co-authored the 2015 book "Financing Public Schools: Theory, Policy and Practice" and the 2003 book "Maximizing Revenue in Higher Education" with Ronald Ehrenberg. He holds a Ph.D. in higher education administration from the University of Wisconsin-Madison; a master's degree in educational studies and comparative education policy from the University of Oxford; and a bachelor's degree in political science from St. Lawrence University in Canton, New York, where he was a member of the men's basketball team.

Dr. Edward Feser, Provost and Executive Vice President. Dr. Feser became the University's Provost in February 2017. Prior to joining the University, Dr. Feser served as Interim Vice Chancellor for Academic Affairs and Provost at the University of Illinois at Urbana-Champaign. He was Dean of the University of Illinois Urbana-Champaign College of Fine and Applied Arts; served as Davies Chair of Entrepreneurship and Head of the Division of Innovation, Management and Policy at the Manchester Business School, University of Manchester, United Kingdom, in 2011-12; as Head of the Department of Urban and Regional Planning at the University of Illinois at Urbana-Champaign from 2007 to 2011; and as Assistant Secretary for Policy, Research and Strategic Planning in the North Carolina Department of Commerce in 2003. Dr. Feser holds a professorship at the University in Public Policy in the College of Liberal Arts. He earned a Ph.D. in Regional Planning and a Master of Regional Planning from the University of North Carolina at Chapel Hill and a Bachelor of Arts in Government from the University of San Francisco. He is a Senior Research Fellow with the Center for Regional Economic Competitiveness in Arlington, Virginia.

Dr. Charlene Alexander, Vice President and Chief Diversity Officer. Dr. Alexander became the Vice President and Chief Diversity Officer in June 2017. Dr. Alexander comes to the University from Ball State University where she served as the Associate Provost for Diversity and Interim Associate Vice President for Community Engagement since 2013. Prior to becoming the Associate Provost in 2013, Dr. Alexander directed the School Counseling program in the Department of Counseling Psychology. Dr. Alexander has led diversity and inclusion initiatives since 1990 while a doctoral student at the University of Nebraska-Lincoln.

Scott Barnes, Vice President and Director, Intercollegiate Athletics. Mr. Barnes became the University's Vice President and Director, Intercollegiate Athletics in February 2017. Mr. Barnes served as the athletics director at the University of Pittsburgh beginning in 2015. Mr. Barnes is recognized as a national leader in intercollegiate athletics, including serving as the chair of the NCAA Men's Basketball Tournament Selection Committee for 2014-15. Prior to joining University of Pittsburgh, Mr. Barnes spent seven years as athletic director at Utah State University, and three years at the University of Washington as senior associate athletic director for advancement. Mr. Barnes served as athletic director at Eastern Washington University from 1999 to 2005. The National Association of Collegiate Directors of Athletics recognized Mr. Barnes in 2014 as an NACDA athletic director of the year recipient while at Utah State University. At Eastern Washington University, he was awarded a regional recognition by NACDA. A native of Spokane, Washington, Mr. Barnes graduated from Fresno State University with a bachelor's degree in 1986 and a master's degree in athletics administration and physical education in 1993.

Steven Clark, Vice President for University Relations and Marketing. Mr. Clark came to the University in July 2011 from serving as the president and publisher of the Portland Tribune and metro-area Community Newspapers Inc. In addition to long-standing private sector and civic engagement in state economic development, transportation and land use matters, Mr. Clark is active with community engagement and volunteerism. He also served as a member of the College of Liberal Arts' Dean's Council at the University, and helped to sponsor the Austin Family Business Program Excellence Awards, the University's College of Business Alumni and Business Partner Awards, and the University's College of Engineering Oregon Stater Awards. Mr. Clark has a bachelor's degree in journalism from the University.

Rebecca Gose, JD, General Counsel. Ms. Gose was appointed as the University's General Counsel as of April 1, 2015 and had previously been a part of the University's Office of General Counsel for nearly five years before that. Prior to coming to the University, Ms. Gose worked as a litigation attorney at Munger, Tolles & Olson in San Francisco, and clerked for the Honorable David M. Ebel on the federal Tenth Circuit Court of Appeals in Denver. Ms. Gose graduated *summa cum laude* with her bachelor of arts degree from the University of Colorado at Boulder, and received her juris doctor degree from the University of California at Berkeley.

Michael J. Green, CPA, Vice President for Finance and Administration/CFO. Mr. Green was named Vice President for Finance and Administration/CFO in October 2017. Previously, he served as Interim Vice President for Finance and Administration/CFO. Mr. Green has been with the University since January 2014 serving as Associate Vice President for Finance and Administration and Controller. Before coming to the University, Mr. Green worked for the Oregon University System ("OUS") Chancellor's Office for 23 years, serving in the Internal Audit Department for four years, then as Manager of Accounting for two years, as OUS's Controller for seven years, and as the OUS Associate Vice Chancellor for Finance and Administration and Controller for 10 years. Mr. Green is a member of the board and Treasurer of Oregon State Credit Union, a local financial institution. Mr. Green is an Oregon Certified Public Accountant and holds a bachelor of science degree in business administration from the University.

Dr. Rebecca Johnson, Vice President for OSU-Cascades Campus. Dr. Johnson was appointed as Vice President for OSU-Cascades in May 2009, after serving as its interim leader since December 2008. Prior to coming to OSU-Cascades, Dr. Johnson had a 25-year career at the University, including service as Vice Provost for Academic Affairs and International Programs. Dr. Johnson joined the University as an assistant professor and holds the rank of full professor in the Department of Forest Resources, College of Forestry. She received a bachelor of arts degree in economics from the University of Wisconsin-Madison and a master's and doctorate degree in agricultural economics from Michigan State University.

Dr. Irem Tumer, Interim Vice President for Research. Dr. Tumer was appointed the University's Interim Vice President of Research in October 2017. Prior to that, Dr. Tumer served as the associate dean for research in the University's College of Engineering. She is a professor in the College as well as a fellow of the American Society of Mechanical Engineers. Prior to joining the University faculty in 2006, Dr. Tumer was a researcher, group lead, deputy area lead and program manager at NASA's Ames Research Center for over eight years. Dr. Tumer received her undergraduate, master's and doctorate degrees in mechanical engineering from The University of Texas at Austin.

Accreditation

The University is accredited by the Northwest Commission on Colleges and Universities ("NWCCU"), one of seven regional accreditation agencies recognized by the Council for Higher Education Accreditation. The University has been continuously accredited since 1924. The University is participating in the NWCCU seven-year accreditation cycle, which involves reporting in years three, six and seven on different standards, rather than submitting a single large report once every seven years. As part of the ongoing accreditation process, the University submitted a Year Seven Self-Evaluation Report ("Year Seven Report") to the NWCCU in February 2019, and hosted a site visit of peer evaluators in April 2019. In July 2019, the Board of Commissioners of the NWCCU reaffirmed OSU's institutional accreditation through 2026. In reaffirming OSU's accreditation, the Commission requested that OSU submit an Ad Hoc Report, without a visit, and Progress Report, in fall 2020. The University completed and submitted both Reports in September 2020.

Admissions and Student Enrollment

Table A1 shows historic information regarding graduate and undergraduate enrollments, applications, and acceptances, based on fall semester enrollment for fall 2015 through fall 2019. Headcount labeled “Undergraduates” includes enrollments in online programs through Ecampus and enrollments at Corvallis, HMSC and OSU-Cascades. Undergraduate OSU-Cascades enrollment is also reported separately. As noted in this Official Statement, the historical results for periods occurring prior to the COVID-19 pandemic speak only as of their dates and for the periods shown, and may not be indicative of future results or performance due to a variety of factors.

The University expects that approximately 95% of Corvallis campus instruction and approximately 50% of OSU-Cascades instruction will be delivered remotely in fall 2020. Overall headcount enrollment (on a preliminary basis, prior to fall census) is up about one percent over last year’s all-time record headcount. Due to some shifting of course enrollments by campus, student type, and program, credit hours are up slightly over last fall. Enrollment patterns are relatively stable across all student types: up slightly in graduate, and down slightly in undergraduate. Registrations from international students are down five percent, which is a smaller decrease than had been anticipated earlier this year. The University still considers international student enrollment to be potentially volatile.

Total university headcount increased 10.2% from fall 2015 through fall 2019. As shown on Table A1, admissions to the University for fall 2019 increased after remaining relatively flat in the prior few years. Resident undergraduate enrollment for fall 2019 increased 0.7% after declining for the 2016, 2017 and 2018 fall freshman classes due to lower high school graduation numbers in Oregon and increased competition from out-of-state universities. Legislation providing “free community college” for Oregon residents and the national dialogue on the value of a college degree has also played a role. Non-resident enrollment continues to grow due to increased non-resident transfer students. In fall 2019, 54.9% of the University’s total enrollment represents Oregon residents and 11% consists of international students. See also “—COVID-19 Pandemic” for additional information regarding the University’s enrollment planning for fall 2020.

Corvallis Campus. The University’s enrollment plan for the Corvallis campus calls for growth of the on-campus student population, to reach a maximum enrollment of 28,000 students in Corvallis by 2025, including students enrolled in INTO-OSU programs.

OSU-Cascades Campus. The University continues to invest in OSU-Cascades to support the goal of serving 3,000 to 5,000 students by 2038 (Fiscal Year 2039). The campus has grown to 1,026 undergraduates in 2019 from 857 in 2015.

Ecampus. Ecampus-only enrollments grew to 7,467 in fall 2019 from 6,565 in fall 2018, continuing a trend of annual growth. The rate of growth may be affected as the program grows larger and there are more competitors in the market offering online higher education courses. Ecampus was recently recognized by *U.S. News & World Report* as the fifth ranked program nationally for online bachelor’s degrees. As new programs are offered online, this reputation is expected to help Ecampus continue to contribute to the University’s ability to meet the land grant missions of serving Oregon, the nation and the world. The Ecampus platform also allowed the University to transition to remote learning in spring 2020. See also “—COVID-19 Pandemic.”

Table A1. Enrollment and Matriculation

Fall Quarter Enrollment (Headcount)	Fall 2019	Fall 2018	Fall 2017	Fall 2016	Fall 2015
Undergraduates					
Full-time	19,135	19,422	19,196	18,852	18,492
Part-time	7,883	7,030	7,597	6,475	6,120
Total Undergraduates	27,018	26,452	26,793	25,327	24,612
Graduates and Professionals	5,756	5,560	5,307	5,237	5,123
Total Undergraduates, Graduates, and Professionals	32,774	32,012	32,100	30,564	29,735
Undergraduate Matriculation					
Applications	21,167	20,376	20,591	20,249	19,936
Admits	17,186	15,973	15,359	15,149	14,932
Percent of Applications Admitted	81.2%	78.4%	74.6%	74.8%	74.9%
Matriculations	6,274	6,109	6,274	6,301	6,112
Matriculations Percent of Admissions	36.5%	38.3%	40.9%	41.6%	40.9%
Graduate Matriculation					
Applications	6,003	6,124	6,341	7,102	6,485
Admits	1,972	1,954	1,890	2,383	2,373
Percent of Applications Admitted	32.9%	31.9%	29.8%	33.6%	36.6%
Matriculations	1,265	1,239	1,197	1,473	1,335
Matriculations Percent of Admissions	64.1%	63.4%	63.3%	61.8%	56.3%

Included in Total Undergraduates above:	Fall 2019	Fall 2018	Fall 2017	Fall 2016	Fall 2015
OSU-Cascades					
Full-time	471	438	367	327	252
Part-time	555	540	588	585	605
Total Undergraduates	1,026	978	955	912	857

Source: The University, Institutional Research Department.

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International Student Recruitment and Support Programs. The University's international student enrollment headcount for fall 2019 was 3,492, representing 11% of the University's total undergraduate, graduate and professional students. International students enter the University's degree programs directly if they meet all admissions requirements. The University offers undergraduate and graduate "Pathway" programs for students who need English language support or other preparatory activity before entering a degree program. Pathway students must meet the University's progression requirements before advancing into any undergraduate or graduate degree program. First-year international students reside in the University's International Living-Learning Center and various other residence halls.

The University, IUP 2 LLP ("IUP") and INTO Oregon State University, Inc. ("IOC") have entered into agreements to create the INTO OSU PROGRAM. The INTO OSU PROGRAM is designed to: (i) help the University achieve its internationalization goals to attract high quality students with diverse nationalities, and (ii) provide revenues through a sustainable channel of students to establish, among other things, assets required to prepare international students for university study and potential progress to University degree programs ("Pathway Students").

Within the INTO OSU PROGRAM, the University leads and controls academic standards and admissions criteria and activity, and IOC (assisted by IUP) oversees international marketing and international student recruitment activity for both direct entry students and for Pathway Students. IOC also provides the academic preparation, English language training and student services for Pathway Students. The University pays service, matriculation and other fees, and the University receives rent for academic space, housing and dining revenues generated by Pathway Students, tuition with respect to students who matriculate into the University, and reimbursements for teaching and other services the University provides to Pathway Students. The University has long-term agreements for the INTO OSU PROGRAM to continue the initiative.

Faculty Information

Table A2 shows the number of full and part-time instructional faculty, percentage tenured, and degree status.

Table A2. Instructional Faculty, Tenured and Degrees

	Fall Quarter				
Instructional Faculty	**2019**	**2018**	**2017**	**2016**	**2015**
Full-time	1,331	1,184	1,180	1,163	1,161
Part-time	402	513	515	450	460
Total	1,733	1,697	1,695	1,613	1,621
Percent Tenured	53.1%	53.4%	53.0%	53.1%	55.9%
Percent of Total with Ph.D., other Doctorate	69.8%	72.4%	71.8%	72.2%	73.7%

Source: The University, Institutional Research Department.

HISTORICAL FINANCIAL RESULTS

Statement of Revenues, Expenses and Changes in Net Position

Table A3 provides revenues, expenses, and changes in net position of the University for five years based on audited financial statements and for 2020 based on preliminary, unaudited figures. As noted in this Official Statement, the historical results for periods occurring prior to the COVID-19 pandemic speak only as of their dates and for the periods shown, and may not be indicative of future results or performance due to a variety of factors. See "—COVID-19 Pandemic." Additionally, see "OTHER BOND INFORMATION – Independent Auditor" for discussion of the anticipated receipt by the University of its 2020 Audited Financial Statements.

Table A3. Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ending June 30 (000s)

	2020[1]	2019	2018	2017	2016	2015
OPERATING REVENUES						
Student Tuition and Fees[2]	$ 353,192	$ 340,451	$ 332,932	$ 316,310	$ 302,949	$ 284,360
Federal Grants and Contracts	234,547	212,209	203,740	184,785	176,078	171,063
State and Local Grants and Contracts	9,987	9,979	10,450	13,886	9,272	9,492
Nongovernmental Grants and Contracts	25,263	23,491	26,164	22,329	22,102	22,303
Educational Department Sales and Services	52,458	59,525	52,312	49,558	46,651	42,174
Auxiliary Enterprises Revenues	155,011	177,544	175,300	171,518	154,722	146,900
Other	14,639	15,656	8,706	9,248	8,806	10,320
Total Operating Revenues[2]	845,097	838,855	809,605	767,634	720,580	686,612
OPERATING EXPENSES						
Instruction	335,437	321,541	307,192	290,915	298,184	239,678
Research	210,613	216,199	216,477	208,578	208,971	180,981
Public Service	166,419	145,034	131,223	107,743	105,157	81,666
Academic Support	92,963	90,201	86,073	79,932	81,854	60,532
Student Services	34,983	33,624	36,273	33,980	32,409	27,057
Auxiliary Programs	178,185	182,334	184,659	169,594	161,825	144,213
Institutional Support	105,481	91,277	87,481	85,183	82,001	65,210
Operation and Maintenance of Plant	38,587	40,401	38,741	36,484	34,269	30,411
Student Aid	38,830	29,988	31,004	30,637	34,264	33,450
Other	63,133	63,556	52,487	57,097	54,248	56,264
Total Operating Expenses[3][4]	1,264,631	1,214,155	1,171,610	1,100,143	1,093,182	919,462
Operating Loss	(419,534)	(375,300)	(362,005)	(332,509)	(372,602)	(232,850)
NONOPERATING REVENUES (EXPENSES)						
Government Appropriations[5]	262,649	237,349	225,847	203,295	193,377	175,170
Financial Aid Grants	51,507	44,418	42,731	43,177	47,093	45,093
Gifts	53,807	57,205	56,475	52,591	53,751	54,578
Investment Activity[6]	19,203	21,286	12,292	12,800	11,925	14,876
Gain (Loss) on Sale of Assets, Net	(897)	(596)	(555)	(673)	(1,287)	(1,501)
Interest Expense[7]	(27,435)	(25,085)	(22,263)	(20,626)	(19,944)	(17,750)
Perkins Loan Program Termination[8]		—	(21,676)	—	—	—
Other	7,861	(589)	835	4,497	975	173
Total Net Nonoperating Revenues[3]	366,695	333,988	293,686	295,061	285,890	270,639
Income (Loss) Before Other Revenues	(52,839)	(41,312)	(68,319)	(37,448)	(86,712)	37,789
OTHER REVENUES (EXPENSES)						
Debt Service Appropriations[5][7]	1,072	1,073	1,073	1,084	1,084	1,100
Capital Grants and Gifts	86,805	75,453	50,279	48,631	67,614	76,587
Changes to Permanent Endowments	299	(563)	824	179	129	450
Transfers within the OUS		—	—	—	—	—
Total Net Other Revenues[3]	88,176	75,963	52,176	49,894	68,827	78,137
Increase (Decrease) in Net Position prior to Special/Extraordinary Items	35,337	34,651	(16,143)	12,446	(17,885)	115,926
SPECIAL AND EXTRAORDINARY ITEMS						
Special Item – Change in Entity[9]		—	—	—	21,431	224,667
Increase (Decrease) in Net Position after Special/Extraordinary Items	35,337	—	—	—	3,546	340,593
NET POSITION						
Beginning Balance	760,899	726,248	751,921	741,277	737,731	471,692
Change in Accounting Principle[10]		—	(9,530)	(1,802)	—	(74,554)
Beginning Balance, Restated			742,391	739,475	737,731	397,138
Ending Balance[3]	$796,236	$760,899	$726,248	$751,921	$741,277	$737,731

FOOTNOTES TO TABLE ON PREVIOUS PAGE

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(1) Unaudited.
(2) Net of allowances.
(3) Totals may not foot due to rounding.
(4) Beginning with the fiscal year ended June 30, 2015, the reporting of a net pension asset, and then a net pension liability for fiscal year ended June 30, 2016, significantly affected the reported compensation and benefit expenses of the University. See Note 14 Operating Expenses by Natural Classification in "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."
(5) The University receives support from the State in the form of general fund and lottery appropriations. These appropriations are in support of the operations of the University and SELP debt service. The University also receives state general fund, state forest product harvest tax, federal appropriations, and county appropriations in support of operations. See Note 15 Government Appropriations in "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."
(6) For Investment Activity detail, see Note 13 in "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."
(7) Interest expense and debt service appropriations decreased beginning in fiscal year 2015 due to the removal of State-Paid Bonds. The University no longer receives State general fund or lottery funds for the repayment of Article XI-G, Article XI-Q, Certificates of Participation and lottery debt that is paid by the State. See Note 9 Long-Term Liabilities in "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."
(8) See Note 9(H) in "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."
(9) Reflects the transfer of assets from OUS to the University on or before June 30, 2015. The change in entity also changed the allocation of bond debt held in the name of the State. DAS, State Treasury, and Department of Justice all concluded that a portion of the debt previously allocated to the OUS and the seven universities as State agencies was the responsibility of the State to repay. The University still has responsibility to repay University-Paid State Bonds. See Note 9 Long-Term Liabilities for additional information.
(10) The cumulative effect of applying GASB 68 is reported as a restatement of beginning net position as of July 1, 2014. The cumulative effect applying GASB 75 is reported as a restatement of beginning net position as of July 1, 2017.

Source: The University's 2015-2019 Annual Financial Reports and 2020 unaudited financial statements.

Management Discussion of Fiscal Year 2020 Results

The following provides information for Fiscal Year 2020 on a preliminary unaudited basis. Although COVID-19 adversely impacted the University financially, resulting in a significant decline in mostly auxiliary revenue, the University otherwise maintained its solid financial condition and healthy operating performance during Fiscal Year 2020.

Total assets increased by $89 million, or five percent, at the fiscal year's end. This increase was driven mostly by $53 million and $96 million increases in total cash and cash equivalents, and net capital assets, respectively. Investments decreased by $73 million while the remaining asset categories increased by a net of $13 million.

Deferred outflows decreased by $7 million, due mostly to a decrease in deferred outflows related to the net pension liability. Total liabilities increased by $49 million, or four percent, during Fiscal Year 2020 primarily due to the issuance of $40 million in a General Revenue Note and a $42 million increase in the Net Pension Liability. These increases were primarily offset by a $34 million decrease in other long-term liabilities, due primarily to paying off a line of credit balance of $22 million. Deferred inflows decreased by $2 million, due mostly to a decrease in deferred inflows related to the net pension liability.

Fiscal Year 2020 total net position increased $35 million, or 4.6%, primarily due to a $110 million increase in net investment in capital assets, which was offset by a decrease in unrestricted net position of $76 million. Total revenues increased by $54 million, or four percent, in Fiscal Year 2020 over Fiscal Year 2019. This increase was widely distributed among most income categories and was led by increases in government appropriations of $26 million, operating grants and contracts of $24 million, student tuition and fees of $13 million, capital grants and gifts of $11 million, non-operating and other items of $9 million, and financial aid grants of $7 million. These increases were offset by decreases in auxiliary enterprises of $23 million, educational and other of $8 million, gifts of $3 million and investment activity of $2 million. Operating expenses increased by $51 million in Fiscal Year 2020, or four percent, over Fiscal Year 2019. This increase was spread among most categories and was led by increases in public service of $22 million, institutional support of $14 million, instruction of $13 million, and student aid of $9 million. These increases were offset by slight decreases in research, auxiliary programs, operations and maintenance of plant and other operating expenses.

The University used approximately $7.8 million of CARES Act funds to offset revenue loss for housing and dining refunds to students in Fiscal Year 2020. See also "—COVID-19 Pandemic" and see "OTHER BOND INFORMATION – Independent Auditor" for discussion of the anticipated receipt by the University of its Fiscal Year 2020 Audited Financial Statements.

Table A4. University Operating Budget
(unaudited, in thousands)

Funding Source[(1)]	2019 Budget	2019 Actual	2020 Budget	2020 Actual
State Appropriations[(2)]	$ 207,782	$ 212,449	$ 226,761	$ 237,104
Tuition & Student Fees	394,787	379,028	397,865	395,126
Sales & Services	163,571	164,766	173,280	138,692
Other Resources	178,783	183,850	186,183	187,770
Federal Restricted	247,401	248,123	246,437	283,696
State Restricted	20,940	20,139	19,924	19,892
Other Restricted	93,000	97,158	100,701	95,292
Total Operating Funds	$ 1,306,264	$ 1,305,513	$ 1,351,151	$ 1,357,572

(1) Revenues are not adjusted for intra-University eliminations, such as Pell grant revenues.
(2) State appropriations shown in the budget include debt service appropriations for SELP loans, and exclude lottery revenue appropriations and the Harvest Tax revenues, which are reported as Other Resources.

Source: The University.

Overview of University Revenues

Funding for the major activities of the University comes from a variety of sources including tuition and fees, financial aid programs, federal and 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 at the University.

General Revenues

As described under the heading "SECURITY FOR THE 2020 BONDS—University General Revenue Obligation," General Revenues include tuition and fees, charges, rents, and other operating revenues of the University, except as specifically excluded. The following items are specifically excluded: Student Building Fees and Student Incidental Fees; Grant and Contract Revenues; amounts required to be transferred to the State Treasurer for deposit for University-Paid State Bonds next coming due (and without duplication, amounts required to be paid to the State Treasurer for University-Paid State Bonds next coming due); and amounts that otherwise are restricted in their use by law, regulation, or contract.

Student Tuition and Fees. Student tuition and fees (excluding Student Building Fees and Student Incidental Fees) represents a significant component of General Revenues. The University received approximately $395 million (preliminary, unaudited) in student tuition and fees in fiscal year 2020. Resident and non-resident tuition and fee rates for the 2016-2017 through 2020-2021 academic years (for students taking 15 credit hours per quarter for undergraduate and 12 credit hours per quarter for graduate) are displayed in Table A5. The University increased new resident undergraduate tuition by 3.20% and non-resident undergraduate tuition by 3.06% for the 2020/21 academic year. Tuition for continuing undergraduate students was held flat, and the University reduced incidental fees to reflect reduced service levels.

Table A5. Corvallis Campus Tuition and Fees – Academic Year

	Undergraduate Students(1)		Graduate Students(1)	
Academic Year	Resident	Non-Resident	Resident	Non-Resident
2020–2021(2)	$ 11,852	$ 31,457	$ 15,269	$ 28,121
2019–2020(3)	11,709	31,314	14,802	26,844
2018–2019	11,211	30,141	14,331	25,563
2017–2018	10,797	29,457	14,601	24,483
2016–2017	10,366	28,846	13,801	23,440

(1) Tuition amounts vary depending on degree program. Amount shown are for academic programs without differential tuition charges (MBA, Pharmacy, Engineering, etc.). These numbers include the Student Building Fee and Student Incidental Fee, which are excluded from General Revenues.
(2) The 2020-2021 increase only applies to new undergraduate students and tuition for continuing undergraduate students held flat.
(3) The University reduced incidental fees to reflect reduced service levels.
Source: The University.

Cost of Attendance. The Office of Financial Aid provides an estimate of full-time educational costs for attending the University. Tuition costs for students vary depending on their residency status, course of study and degree level. Room and board budgets vary for students that live on campus, off campus, or are considered commuters from home. Actual expenses will vary based on a student's personal choices and course of study. Costs noted below are standard financial aid budget items and represent an estimate of what student can anticipate spending for tuition and fees, books and supplies, room and board, and personal and miscellaneous expenses.

Table A6. Corvallis Campus Cost of Attendance– Academic Year

	Undergraduate Students		Graduate Students	
Academic Year	Resident	Non-Resident	Resident	Non-Resident
2020-2021	$ 29,307	$ 49,497	$ 32,409	$ 45,261
2019-2020	27,915	47,415	31,398	43,512

Source: The University.

The governing board of each public university in Oregon is vested with broad powers and specific duties and rights, including establishing a process for determining tuition and enrollment fees, and the collection, management and expenditure of revenues derived from tuition and enrollment fees. Any increase in total tuition and mandatory enrollment fees for resident undergraduate students at a public university may exceed five percent annually only if the governing board of the university receives approval from the HECC or the Legislative Assembly.

Auxiliary Enterprises Revenues. Auxiliary Enterprises Revenues (excludes Student Incidental Fees) are included in, and are a significant component of, General Revenues. Auxiliary Enterprises Revenues include revenues of the University's housing and food services, parking services, intercollegiate athletics programs, and other auxiliary enterprises.

COVID-19 PANDEMIC

COVID-19 is a global pandemic. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States of America declared the outbreak of COVID-19 a national emergency. On March 8, 2020, Oregon's Governor declared a state of emergency. On March 23, 2020, Governor Kate Brown issued a statewide Executive Order directing everyone in Oregon to stay at home to the maximum extent possible and adding to the list of businesses temporarily closed to stem the spread of COVID-19. Following spring break at the end of March 2020, the University transitioned to fully remote delivery of instruction.

Oregon is following a phased re-opening plan. On June 12, 2020, Governor Brown issued Executive Order No. 20-28, guiding the operation of higher education institutions during the COVID-19 pandemic. Among other directives, the order requires each public university to develop and submit for their respective board's approval a written plan describing how the university will comply with the minimum standards adopted by the Oregon Health Authority ("OHA") and HECC for in-person instruction, research, and residential activities. The order also requires the board to review the plan and any amendments to the plan at each regular board meeting. Upon approval, the board must submit a copy of the plan to the HECC. The Board approved the University's plan on August 14, 2020 (the "COVID-19 Plan").

COVID-19 Plan. The COVID-19 Plan includes OHA's requirements and the University's operational alignment with each requirement. Until a viable vaccine or effective treatment is available, lower onsite density, physical distancing and other prevention measures—including expanded testing, tracing, isolation and quarantine—are the University's core mitigation strategies. The COVID-19 Plan provides for flexibility in setting the precise level of on-site research, teaching and engagement activities in response to the status of COVID-19 in the communities the University operates and health directives from local and state health authorities. The COVID-19 Plan outlines how the University will deliver instruction, conduct research, offer residential services, and provide programs, engagement and outreach through the coming year. Primary to the COVID-19 Plan is maintaining activity at a low density on the campuses in Corvallis, Bend and other locations by utilizing different modes of instruction (online, blended, limited onsite), performing job duties remotely where possible, and delivering Extension and other public services online. The University will prioritize providing some level of in-person, face-to-face learning and co-curricular and extra-curricular activities for first year and new transfer students. The University will also prioritize the needs of students who require on-site, in-person learning and co-curricular activities to complete their degrees.

The University's Corvallis and Bend locations currently are at University Operating Level 2, which allows for operational conditions consisting of a mix of in-person, remote and online instruction. Almost all courses (approximately 95%) provided at the University's OSU-Corvallis campus will be delivered remotely in fall 2020. The University's Cascades campus will offer a higher complement of fall courses on-site, while also creating remote learning options.

For fall term 2020, residence halls are open for students for whom living on campus is the best option for them. Residential halls are limited to no more than two students. The COVID-19 Plan provides for testing upon arrival, and testing for symptomatic and primary contacts. Isolation and quarantine space is reserved across campus. Operational conditions depend on the COVID-19 condition level, and changes in condition require different operational approaches, up to and including closing buildings and providing only remote instruction.

Enrollment Planning. The University continues to face uncertainty with respect to the course of the COVID-19 pandemic, including with respect to undergraduate and graduate enrollment and associated tuition and fees. Overall enrollment (on a preliminary basis, prior to fall 2020 census) is up about one percent over last year's all-time record headcount. Due to some shifting of course enrollments by campus, student type, and program, credit hours are up very slightly over last fall.

The University's instructional delivery mode for fall term 2020 has shifted to a higher proportion of remote or asynchronous delivery. For fall term 2020, the University currently anticipates that Corvallis on-campus housing demand will decline from last year's opening occupancy of 4,400 to an anticipated opening occupancy of 2,200. This is attributed to student housing decisions related to the University moving primarily to remote teaching for fall quarter in response to COVID-19, and correlates to revenue loss of $36.8 million offset in part by expense reductions of $16.2 million for a net impact $20.6 million (unaudited).

Financial Planning. In light of the evolving nature of the COVID-19 pandemic, the University has prepared and updated preliminary forecast scenarios of revenues expected to be impacted by COVID-19. The Office of Budget and Fiscal Planning has developed a range of financial scenarios for the University, considered by the Board at its May 29, 2020 meeting, and updated at its August 14, 2020 and September 17, 2020 meetings. The University mitigated some of the impacts on Fiscal Year 2020 by implementing expense containment and reduction efforts, including a travel freeze, reduced capital spending and reduced spending on services and supplies. Scenarios presented to the Board at its September 17, 2020 meeting project Fiscal Year 2021 shortfalls ranging from $125 million to $220 million for all funds, including current planning estimates of a $43 million shortfall in Corvallis Education and General funding (E&G), a $35 million shortfall in restricted funds, and a $136 million shortfall in self-supporting funds. Self-supporting funds include auxiliary revenue that is more dependent on students being on campus than instructional revenues. The self-supporting units' shortfalls are principally in housing and dining from reduced occupancy and athletics from the suspension of events. Expense reductions strategies have been put in place across all funds and cash-management strategies are under discussion for assisting housing and dining and athletics. A revised operating budget to be presented to the Board on October 16, 2020 shows a somewhat improved picture as enrollment numbers have solidified and there is planning underway for at least some resumption of fall athletics. That revised budget is expected to include an estimated a $37 million shortfall in Corvallis Education and General funding (E&G), a $28 million shortfall in restricted funds, and a $101 million shortfall in self-supporting funds.

The State released revised revenue forecasts projecting state revenues below expectations for the current biennium ending June 30, 2021. Because of various reserves—the Rainy Day Fund, Education Stability Fund, and a significant fund balance—and debt service savings, the Legislature had some tools to deal with the immediate impact of COVID-19 on the current biennial budget. In a second 2020 Special Session, higher education was substantially spared from cuts, with some appropriation categories receiving minimal cuts, and other categories unaffected. Overall, the total reductions to public universities for 2019-2021 were $6.7 million, an effective cut to Fiscal Year 2021 of 1.2%. The updated revenue forecast for the State released on September 23, 2020, estimated $2 billion more in revenue for the current biennium than predicted earlier this year, easing concerns about any further reductions this biennium.

These figures are projections, based on unaudited figures, and should be read with the cautions appropriate to such figures during a period of particular uncertainty. Areas of uncertainty include the impact of changes in the mode of instructional delivery and local public health conditions on enrollment decisions. Enrollment is stronger than expected, based on preliminary figures for fall 2020, but students may make decisions at later stages than is typical, all the way to the final refund deadline in mid-October. At move-in for fall, housing contracts were slightly above the 2,000 used in budget planning. The structure and size of an additional federal stimulus package, if any, remains uncertain, and fall and winter athletics planning remains in flux.

The University is reviewing and undertaking budget management strategies to respond to the range of scenarios, including pursuant to the University's Strategic Plan 4.0 investing in student affairs to support programs and student progress, comprehensive strategic planning in information and technology, investment in enrollment management to improve recruitment and retention and improved pathways for transfer students, a revised capital renewal strategy to continue to make progress on facilities improvements, expense reduction approaches that preserve as much faculty and staff capacity as possible, and consideration of long-term cash management and liquidity issues. If necessary, the University will take further actions as the University learns more about the extent of future spread of COVID-19; the status of instruction by modality (mix of in-person, remote and online instruction); the extent to which enrollment of resident, non-resident and international students at the undergraduate, professional and graduate levels match the forecasts; and further impacts on University auxiliaries.

Federal Funding. Upon the President's emergency declaration in response to COVID-19, the University became eligible to access the FEMA Public Assistance program to support certain extraordinary operating costs incurred. The CARES Act includes approximately $14 billion to both public and private higher education institutions nationally from the Department of Education. Each institution's portion of these funds is based on a share of Pell FTE and non-Pell FTE before the crisis. The University received $15.6 million in CARES Act funds, half of which was required for student emergency financial relief due to COVID-19 impacts and half was used to offset revenue loss from housing and dining refunds to students in Fiscal Year 2020. Additionally, the University elected to use the CARES Act option to delay payment of employer payroll taxes. Approximately $19.6 million in payroll taxes will be paid on a deferred basis, half in December 2020 and half in December 2021.

Cautionary Notes. The impact that the COVID-19 pandemic is having and will have on commerce, financial markets, the University, the State and the region is significant, and the nature of the impact is likely to evolve over the next several years. The University has provided the information contained in this Official Statement to describe current impacts that the COVID-19 pandemic and related orders have had on the University's finances and operations, and to describe some of the actions that the University is taking in response. The University cannot predict the duration and extent of the COVID-19 public health emergency, or quantify the magnitude of the impact on the University, the State and regional economy or on the other revenues and expenses of the University. The COVID-19 outbreak is ongoing, and its dynamic nature leads to uncertainties, including (i) the geographic spread of the virus; (ii) the severity of the disease; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate the outbreak; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local or global economy, or on the higher education sector generally; (viii) whether and to what extent the Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on University revenues, expenses and financial condition. Prospective investors should assume that the restrictions and limitations instituted related to COVID-19 may continue, and the current upheaval to the national and global economies and financial markets may continue and/or be exacerbated, at least over the near term, and the recovery may be prolonged.

OTHER UNIVERSITY FINANCIAL INFORMATION

In addition to General Revenues described in the preceding section, the University has several other sources of revenues, including grant and contract revenues, State funding and gifts.

Grant and Contract Revenues. The University received $392 million (preliminary, unaudited) in Grant and Contract Revenues in fiscal year 2020. A summary of Grant and Contract Revenues for fiscal years 2015 through 2019 is provided in Table A7 based on audited figures. Table A7 also includes preliminary, unaudited Grant and Contract Revenues for fiscal year 2020. Grant and Contract Revenues are excluded from General Revenues.

Table A7. Grant and Contract Revenues
For the Fiscal Years Ending June 30
(in 000s)

	2020	2019	2018	2017	2016	2015
Federal	$ 234,547	$ 212,209	$ 203,740	$ 184,785	$ 176,078	$ 171,063
State and Local	9,987	9,979	10,450	13,886	9,033	9,492
Nongovernmental	25,263	23,491	26,164	22,329	22,102	22,303
State Appropriations	70,369	63,449	60,927	60,512	58,082	51,689
Financial Aid Grants[1]	51,507	44,418	42,731	43,177	47,093	45,093
Total Grants and Contracts	$ 391,673	$ 353,546	$ 344,012	$ 324,689	$ 312,388	$ 299,640

(1) Consists of Pell, Supplemental Education Opportunity and Oregon Opportunity grants.
Source: The University's Annual Financial Reports (2015-2019); 2020 based on preliminary, unaudited figures.

The University's research portfolio is supported by a number of sources as shown below. Awards are received by the University over one or more fiscal years, and, when received, are presented as Grant and Contract Revenues in the University's financial statements. The total research awards in fiscal years 2015 through 2020 are shown in Table A8. Among other research activity, the University is constructing an $82.5 million PacWave Energy Test Facility. Expected funding includes Federal funds (DOE) of $61 million, state funds, University support, and foundation and private donor funds (including active fundraising for remaining costs).

Table A8. Externally Funded Awards
For the Fiscal Years Ending June 30
(in 000s, unaudited)

	2020	2019	2018	2017	2016	2015
Federal Agencies	$301,337	$304,882	$ 256,450	$ 314,512	$ 212,554	$ 185,164
State Appropriations	70,369	63,449	60,961	60,512	58,082	51,689
State	11,784	10,963	10,202	9,851	11,803	7,386
Federal Appropriations	11,667	8,974	8,174	8,853	9,879	9,190
Industry	6,094	6,107	5,227	8,087	4,645	7,192
Private Foundation	7,837	6,892	7,755	7,773	6,293	7,549
University-Affiliated Foundation	6,262	6,286	6,293	4,674	5,320	6,612
Non-Profit	5,411	5,132	3,637	2,979	3,041	2,376
Research Cooperatives	2,720	2,007	2,268	2,202	2,951	2,750
Other States	2,451	312	1,215	1,007	908	372
Local Government	995	1,099	1,259	481	1,247	2,215
Foreign Government	353	1,176	197	219	801	389
Annual Total	$ 427,280	$ 417,280	$ 363,638	$ 421,151	$ 317,524	$ 282,880

Source: The University's Research Office Statistics Report—Externally Funded Awards, Fiscal Years 2015 through 2020. Rounded to thousands.

State Funding; HECC Coordination. The HECC submits a comprehensive biennial funding request to the Governor for all post-secondary institutions. The HECC also is responsible for allocating and distributing to the public universities the legislative appropriations for education and general operations, certain designated State programs, statewide public services at the University, capital improvements, deferred maintenance, special initiatives and investments. Moneys appropriated for State-funded debt service are held by the State Treasurer.

The HECC uses the Student Success and Completion Model, adopted in 2015, to allocate the Public University Support Fund ("PUSF") as the primary legislative support for operations. The model first distributes funding for specific regional, research, and public services missions of each university with the remaining amount allocated across the seven public universities according to student credit hours (40%) and completions/degrees (60%) using three-year rolling averages for Oregon resident students. There is additional weighting for underrepresented students and certain high-demand and high-reward fields. Most recently, the University's PUSF appropriation has equaled 30-32% of the total PUSF appropriation distributed to the public universities.

State funding for higher education through its biennial budgeting process has a somewhat volatile history. For the 2007-2009 and 2013-2015 biennia, the State reduced its total support to public universities by 11.0%. Total operational and capital funding for the 2015-2017 biennium was, however, a 27.5% increase over 2013-2015. This upswing continued, although at a slower pace, with a 2017-2019 total funding increase of 14.0% over 2015-2017, reflecting in part the addition of the Outdoor School Program.

Funding for the 2019-2021 biennium initially continued the upward trajectory with total State support to public universities increasing 15.7%. The State's revenue projections decreased substantially, however, with the onset of the COVID-19 pandemic. Because of various reserves—the State's Rainy Day Fund, Education Stability Fund, and a significant fund balance—and debt service savings, the Legislature had some tools to deal with the potential budget impacts for the 2019-2021 biennium. In the 2020 2nd Special Session, higher education was substantially spared from cuts, with some appropriation categories receiving minimal cuts, and other categories unaffected. Overall, the total reductions to public universities for current biennium were $6.7 million, an effective cut to Fiscal Year 2021 of 1.2%. However, the Governor has announced several line-item vetoes to certain budget actions taken during the second 2020 Special Session to preserve funding for the State's ongoing emergency wildfire response efforts and maintain a balanced budget.

Although the Legislature was initially able to protect state funding for higher education in the current 2019-2021 biennium, legislators have signaled challenges going forward. In June 2020, the State economic and revenue forecast indicated $3.5 billion less in State general fund revenues for 2021-2023 than the March 2020 forecast, a change of 14.5%. Accordingly, higher education expects reductions in state funding for 2021-2023 biennium. It is unclear whether, moving forward, higher education funding reductions will mirror funding cuts to other State agencies, or whether higher education funding will instead experience a disproportionate cut. During prior recessions, higher education funding experienced a disproportionately larger share of funding cuts as compared to other State agencies. An updated revenue forecast for the State was released on September 23, 2020. The forecast estimated $2 billion more in revenue for the current biennium than predicted in May 2020, easing concerns about any further reductions this biennium. The forecast indicates the tax revenue picture to worsen in 2021-2023 but not to the extent previously forecast. Revenue growth for the next two-year budget was estimated to be about eight percent while State spending on a biennium basis has been growing at 13% to 15% so reductions are expected, barring any further improvement in revenues.

For 2019-2021, the State funded $188.3 million of public universities' capital projects (excluding capital improvement and renewal). This funding level represents a decrease from the record high of $288.1 million in the prior biennium. Over the last seven biennia, the University has received about 28% of the State's total capital support for specific projects (excluding capital improvement and renewal), with individual biennial support ranging from 15.6% to 34.3%. See "OTHER MATTERS – Future Actions of the Legislative Assembly."

The State is responsible for paying the debt service on certain State bonds issued for the University's benefit from appropriations ("State-Paid Bonds"). State-Paid Bonds include State lottery revenue bonds, Article XI-G bonds, certain Article XI-Q bonds, and certain COPs. Under the Agreement for Debt Management, the University is required to submit funding requests to the HECC for biennial budget appropriations sufficient to pay debt service on State-Paid Bonds issued for the benefit of the University. The University has no further obligation with respect to payment beyond submitting such appropriations requests. Effective with the State-issued bonds in fiscal year 2015, the HECC, in consultation with the DAS, submits an appropriations request for State-Paid Bonds issued for the University's benefit as part of its biennial Agency Request Budget process. Currently, the State has approximately $316 million of State-paid debt outstanding that was issued for capital projects at the University. The University may also issue Article XI-F University-Paid State Bonds.

Table A9 shows State appropriations to the University over the last five years. State appropriations are not included in General Revenues. See "Outstanding University Obligations" for a discussion of State-Paid Bonds for which the HECC seeks debt service appropriations from the State. Fiscal year 2020 operating and debt service appropriations were $241 million, and, based on current HECC fiscal year 2021 distributions to date, 2021 operating and debt service appropriations are expected to be $251.9 million. This takes into account State funding reductions passed in the 2020 2nd Special Session.

Table A9. State Operating and Debt Service Appropriations to the University by Type (000s)

	Fiscal Year					
	2020	**2019**	**2018**	**2017**	**2016**	**2015**
Operating Appropriations	$ 240,025	$ 215,772	$ 202,517	$ 182,246	$ 173,861	$ 155,577
Debt Service Appropriations	1,072	1,073	1,073	1,084	1,084	1,100
Total Appropriations	$ 241,097	$ 216,845	$ 203,590	$ 183,330	$ 174,945	$ 156,677

Source: The University; compiled from the University's accounting system.

University Expenditures. Operating expenses increased by $50.62 million in fiscal year 2020 (preliminary, unaudited), or 4.17%, over fiscal year 2019, to $1.26 billion. For fiscal year 2019 figures, see "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."

University Capital Assets. At June 30, 2020, the University had $2.3 billion in capital assets, less accumulated depreciation of $925 million, for net capital assets of $1.4 billion, based on preliminary, unaudited figures. At June 30, 2019, the University had $2.1 billion in capital assets, less accumulated depreciation of $871 million, for net capital assets of $1.3 billion.

Cash and Investments. The University's operating assets are invested pursuant to an investment policy approved by the Board. The investment policy's primary objectives are safety, liquidity, and return on investment. Permitted investments include investment pools managed by the Oregon State Treasury and/or a third-party manager, U.S. Treasuries, U.S. Agency Obligations, Municipal Obligations, Banker's Acceptances, Time Deposits, Negotiable Certificates of Deposit, Commercial Paper, Corporate Bonds, Structured/Securitized Securities, Money Market Mutual Funds and Equities. Pursuant to State law, the University administers the Public University Fund (P.U.F.) on behalf of all participating public universities in Oregon. The P.U.F. is managed by the Oregon State Treasurer pursuant to the P.U.F. Investment Policy that is approved by the Board and the Oregon Investment Council. Currently, the University invests its operating assets in the P.U.F. The P.U.F. Investment Policy objectives are to provide adequate liquidity for participant universities and to manage the portfolio to maximize total return over a long-term horizon within stipulated risk parameters.

The P.U.F. portfolio is allocated among two investment pools: the short-term allocation is invested in the Oregon Short Term Fund with the objective of principal preservation; the intermediate-term allocation is invested in the Core Bond Fund with the objective of higher total return versus the short-term allocation over extended periods. The Core Bond Fund invests in high-quality, fixed income securities with a maturity or weighed average life from three years and above.

Table A10 shows total cash, cash equivalents and investments as of June 30 for fiscal years 2015 through 2019 based on the University's audited financial statements, and for fiscal year 2020 based on preliminary, unaudited figures.

Table A10. University Cash, Cash Equivalents and Investments
For the Fiscal Years ending June 30 (000s)

Cash and Cash Equivalents(1)	**2020**(2)	**2019**	**2018**	**2017**	**2016**(3)	**2015**
Current Cash and Cash Equivalents	$242,076	$223,114	$ 78,461	$ 62,997	$ 47,697	$ 84,341
Long-term Cash and Cash Equivalents	61,381	27,986	43,176	26,553	8,016	13,486
Total Cash and Cash Equivalents	303,457	251,100	121,637	89,550	55,713	97,827
Investment Types						
Fixed Income	91,753	163,476	200,573	140,453	136,481	151,543
Equities	25,010	25,077	23,983	24,331	18,987	6,361
Alternatives	22,742	23,473	22,692	19,859	22,319(4)	4,937
Total Investments	139,505	212,026	247,248	184,643	177,787	162,841
Total Cash, Cash Equivalents and Investments	$442,962(5)	$463,126(5)	$ 368,885(5)	$ 274,193	$ 233,500	$ 260,668

(1) In 2015-2018, the University has implemented an investment strategy which shifted from cash and cash equivalents to investments.
(2) Unaudited.
(3) The method for reporting current and long-term cash and cash and cash equivalents changed in Fiscal Year 2017. The 2016 figures represent the adjusted Fiscal Year 2016 figures using the same method as for Fiscal Year 2017.
(4) The Fiscal Year 2016 increase to alternative investments is the result of an investment manager and strategy change for the University's endowment assets beginning July 1, 2015.
(5) Includes unspent University bond proceeds.
Source: The University's 2015-2019 Annual Financial Reports and 2020 unaudited financial statements.

Gifts and Fundraising; Capital Campaign. Under policies approved by the Board, individual university foundations may be established to provide assistance in fund raising, public outreach and other support for the mission of the University. There are two foundations affiliated with the University: OSU Foundation (OSUF) and the Agricultural Research Foundation, (collectively the "Foundations"), both of which make significant annual contributions to the University's mission. Each foundation is a legally separate, tax-exempt entity with an independent governing board. Although the University does not control the timing or amount of receipts from the foundations, the majority of resources or income thereon that each foundation holds and invests is restricted to the activities of the University by the donors. Because these restricted resources held by each foundation can only be used by, or for the benefit of, the University, the foundations are considered component units of the University and are discretely presented in the financial statements. .See "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."

The University, working with the OSUF, completed its first comprehensive campaign on December 31, 2014 (the "Campaign"), with a total of $1.14 billion in gifts, grants and pledge fundraising. More than 106,000 donors, representing all 50 states and 58 nations, contributed to this Campaign. The University's fiscal year 2020 fundraising of $131.2 million unaudited represented the University's fourth best fundraising year. The net assets and University endowment managed by the OSUF grew 27% since fiscal year 2015 to over $853.9 million as of June 20, 2020 (unaudited). Currently, the Foundation and University are in the planning stages for the University's second campaign, one that seeks to be more ambitious than the prior Campaign, and one that is being driven by the University's Strategic Plan 4.0 and Vision 2030.

Student Financial Aid. A summary of aid delivered to students in 2015 through 2019 is provided below.

Table A11. Student Financial Aid[(1)]
For the Fiscal Years Ending June 30 (in 000s)

	2019[(2)]		2018[(2)]		2017[(2)]		2016[(2)]		2015[(2)]	
Funding Source	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
Federal	$ 142,514	59.8%	$ 152,144	63.9%	$ 150,312	64.3%	$ 152,967	65.0%	$ 154,462	68.3%
State	10,448	4.4	8,949	3.8	9,753	4.2	10,236	4.3	8,965	4.0
Institutional	54,231	22.8	49,684	20.9	46,888	20.0	45,671	19.4	38,660	17.1
Private/Other	30,945	13.0	27,436	11.5	26,953	11.5	26,578	11.3	24,195	10.7
Total[(7)]	$ 238,138	100.0%	$238,213	100.0%	$ 233,907	100.0%	$ 235,453	100.0%	$ 226,282	100.0%
Programs[(3)]										
Grants[(4)]	$ 44,344	18.6%	$43,936	18.4%	$ 46,079	19.7%	$ 54,193	23.0%	$ 51,457	22.7%
Scholarships	63,421	26.6	57,957	24.3	53,429	22.8	45,994	19.5	40,733	18.0
Employment	1,239	0.5	979	0.4	1,065	0.5	916	0.4	988	0.4
Loans[(5)(6)]	129,134	54.2	135,341	56.8	133,335	57.0	134,350	57.1	133,103	58.8
Total[(7)]	$ 238,138	100.0%	$238,213	100.0%	$ 233,907	100.0%	$ 235,453	100.0%	$ 226,282	100.0%

(1) Excluded from General Revenues.
(2) Fiscal year data is based on academic term, although transaction date could be outside of fiscal year.
(3) Parent loans and veterans/foreign government/AmeriCorps benefits are excluded.
(4) Federal research grant based support (graduate fellowships and graduate health benefits), student support and employment grants through CAMP or TRIO/SSS are excluded.
(5) Graduate student PLUS loans are included.
(6) Student alternate loans (non-federal or institution based) are included.
(7) Totals may not foot due to rounding.
Source: The University; Institutional Research Department.

Outstanding University Obligations

The State has previously issued general obligation bonds and certificates of participation for the benefit of the University and made certain loans to the University, under applicable authorizing provisions of the State constitution and statutes. The University is responsible for paying the debt service on University-Paid State Bonds. The HECC, in consultation with the State's Department of Administrative Services, submits an appropriations request for State-paid Bonds as part of its biennial Agency Request Budget process. The obligations of the University with respect to University-Paid State Bonds are established under a schedule provided to the University by the State Treasurer as required by Oregon law and pursuant to the Debt Management Agreement. The schedule may be amended from time to time in connection with future issues of University-Paid State Bonds. The University may request the State issue, for the benefit of the University, University-Paid State Bonds.

In addition to paying debt service on University-issued bonds, the University is responsible for paying the debt service for University-Paid State Bonds from the University's legally available revenues. As of June 30, 2020, the University is obligated to make payments with respect to University-Paid State Bonds as shown in Table A12, based on preliminary, unaudited figures. As shown in the table, the University also participates in the State Energy Loan Program ("SELP").

Table A12. University-Paid Obligations
(as of June 30, 2020)
(000s)

Fiscal Year	Contracts Payable(1)	SELP	Revenue Bonds(2)	General Revenue Note	Other Borrowing	Total(3)
2021	$ 26,426	$ 1,163	$ 12,690	$ 512	$ 8	$ 40,799
2022	25,898	1,163	12,690	608	—	40,359
2023	25,372	1,164	12,690	608	—	39,834
2024	25,131	1,163	12,690	40,704	—	79,688
2025	24,785	1,164	12,690	—	—	38,639
2026-2030	114,331	5,817	63,449	—	—	183,597
2031-2035	87,317	1,906	63,449	—	—	152,672
2036-2040	54,138	—	63,449	—	—	117,587
2041-2045	19,577	—	132,909	—	—	152,486
2046-2050	—	—	201,036	—	—	201,036
2051-2055	—	—	77,042	—	—	77,042
Total(3)	$ 402,975	$ 13,540	$ 664,784	$ 42,432	$ 8	$ 1,123,739

(1) The University is contractually obligated to make these payments to the State, which reflect principal of and interest on bonds and other general obligations issued by the State.
(2) Does not include debt service on the 2020 Bonds.
(3) Totals may not foot due to rounding.
Source: The University.

The State is responsible for paying the debt service on State-Paid Bonds. State-Paid Bonds include State lottery revenue bonds, Article XI-G bonds, certain Article XI-Q bonds, and certain COPs.

State Treasurer Approval of Cash Flow Sufficiency

If the University desires to remain eligible to request future University-Paid State Bonds, the State Treasurer must review and approve all plans of the University to issue revenue bonds including this issuance of the 2020 Bonds. The scope of the State Treasurer's approval is limited by statute to consideration of periodic cash flow projections and other information necessary to determine the sufficiency of the cash flow of the University to pay University-Paid State Bonds and to pay debt service on the University's revenue bonds. The University has received confirmation that the State Treasurer, pursuant to ORS 352.402, has reviewed and approved the University's plans to issue the 2020 Bonds. As part of that review, the State Treasurer considered the periodic cash flow projections and other information submitted by the University to the State Treasurer to determine that the University will have sufficient cash flow to pay: (i) loans from state agencies to the University that were funded with State Bonds (as defined in ORS 352.059); (ii) State Bonds issued for the benefit of the University, and repaid with University revenues, pursuant to Articles XI-F(1) and XI-Q of the Oregon Constitution and ORS 283.085 to 283.092 and (iii) the 2020 Bonds as well as other series of General Revenue bonds and lines of credit outstanding that have already been issued by the University.

In the event that the University requests additional University-Paid State Bonds, the University's obligations to pay debt service to the State will increase to amounts greater than those described in Table A12 to reflect such additional University-Paid State Bonds.

In the future, if the University opts to issue revenue bonds without State Treasurer approval, the University will thereupon lose its eligibility to receive proceeds of bonds issued by the State under Articles XI-F(1) or XI-Q that are intended to be repaid in whole or part with University revenues or other money under the control of the University.

Bond Payments and University-Paid State Bond Payments

As described on the previous page, the University is obligated to make payments with respect to University-Paid State Bonds when due from legally available revenues of the University. ORS 352.415(3) provides that payments with respect to University-Paid State Bonds are to be paid on or before the dates specified from legally available revenues on a *pari passu* basis with the payment of the Bonds. The Oregon Attorney General issued an opinion on October 1, 2014 concluding that there is no parity of liens under ORS 352.415 because the University may not include in any pledge to bondholders any of the amounts required to pay University-Paid State Bonds. The opinion states that the *pari passu* language relates only to the timing of bond payments and requires universities to time payments to the State Treasurer for University-Paid State Bonds and payments of University revenue bonds roughly equally within a fiscal period to prohibit universities from achieving a "de facto" payment priority.

The Resolution excludes from the definition of General Revenues the amounts required to be paid or deposited with the State Treasurer to pay University-Paid State Bonds when due (see table entitled "UNIVERSITY GENERAL REVENUES"), and establishes principal and interest payment dates for the 2020 Bonds so that payments to the State Treasurer with respect to University-Paid State Bonds and payments to Bondholders are disbursed roughly equally within a fiscal period. See "APPENDIX B—COPY OF THE RESOLUTION."

Labor Relations

For fall 2020, the University will employ approximately 9,150 academic faculty (including tenured, tenure-track, and fixed-term appointments), professional faculty, graduate assistants, and classified staff. In addition, the University offers approximately 10,000 part-time employment hourly positions to undergraduate and graduate students providing additional financial support to this population.

Excluding the part-time student hourly workforce, 70% of the University's employees are represented by one of three labor contracts. The remaining 30% of the labor force is not represented by a union and this unrepresented group is made up of approximately 2,750 professional faculty (including administrator positions) who provide critical support services to the institution.

The academic faculty are represented by United Academics of Oregon State University ("UAOSU"), which accounts for 34% of the workforce. In June 2018, UAOSU was certified as the exclusive bargaining representative for teaching and research faculty with rank, Postdoctoral Scholars and Academic Wage Appointments with primarily teaching and research duties. UAOSU represents approximately 3,100 full and part-time employees. The University settled its first inaugural contract with UAOSU on June 15, 2020.

The Coalition of Graduate Employees, American Federation of Teachers Local 6069 ("CGE") represents the part-time graduate assistant population and accounts for approximately 19% of the workforce. Graduate Teaching Assistants and Graduate Research Assistants include approximately 1,700 employees, working no more than 0.49 FTE, which equates to just less than 20 hours per week. The parties settled a successor agreement on July 7, 2020 that remains active through June 30, 2024.

The University's 1,600 classified employees are represented by the Service Employees International Union, Local 503, Oregon Public Employees Union ("SEIU") which represents approximately 17% of the workforce. The SEIU contract is set to expire on June 30, 2021. The SEIU collective bargaining agreement includes a combined agreement with all seven public universities (the University, Eastern Oregon University, Oregon Institute of Technology, Portland State University, Southern Oregon University, University of Oregon and Western Oregon University), which all have separate boards governing operations. While each institution is separately governed, they negotiate as a single employer with SEIU.

PENSION AND RETIREMENT BENEFITS

Pension Plans

Oregon Public Employees Retirement System. The University is one of many participants in the Statewide Oregon Public Employees' Retirement System ("PERS" or "System"). The Public Employees Retirement Board (the "Retirement Board") administers PERS and is responsible for setting policies and for providing administrative direction to PERS as required by Chapters 238 and 238A of the ORS. The three PERS pension programs are composed of two defined benefit programs and one program that is similar to a defined contribution plan.

Employees hired before January 1, 1996 are known as "Tier 1" members. The retirement benefits applicable to Tier 1 members are based primarily on a defined benefit model. Employees hired on or after January 1, 1996 and before August 29, 2003 are known as "Tier 2" members. The Tier 2 program also provides a defined benefit but with lower expected costs to employers than under the Tier 1 benefit. Employees hired on or after August 29, 2003 are members in a successor retirement program to the Tier 1 and Tier 2 retirement programs (the "T1/T2 Pension Programs") known as Oregon Public Service Retirement Plan ("OPSRP"). OPSRP's defined benefit component is part of the single cost-sharing defined benefit plan administered by PERS. See Note 16 in "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."

Oregon statutes require an actuarial valuation of PERS by a competent actuary at least once every two years. Under the State's current practice, actuarial valuations are performed annually, but only valuations as of the end of each odd-numbered year are used to determine annual required employer contribution rates. Valuations are released approximately one year after the valuation date. The current PERS actuary is Milliman, Inc. ("Milliman").

For purposes of participation in PERS, University employees are considered employees of the State. In connection with the Tier 1/Tier 2 Pension Programs, the State is pooled with certain local governments and community college districts (the "State and Local Government Rate Pool" or "SLGRP"). Because OPSRP's assets and liabilities are pooled on a program-wide basis, the State is pooled with all Oregon local governments in connection with OPSRP. The most recent valuation report for the System is as of December 31, 2018 (the "2018 System Valuation Report").

Table A13 provides the summary information regarding the System, and the State's portion of, the market value of assets and actuarial value of liabilities, Unfunded Actuarial Liabilities (UALs), and funded ratios of PERS pension plans for the past ten years for the System and the State.

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Table A13. Summary of System and State Funding Levels
($ In Millions)

	SYSTEM[1]				STATE[2]			
Calendar Year	Market Value of Assets[3]	Actuarial Value of Liability	Unfunded Actuarial Liability	Funded Ratio	Market Value of Assets[4]	Actuarial Value of Liability	Unfunded Actuarial Liability	Funded Ratio
2018	$64,802.3	$86,574.7	$21,772.4	74.9%	$17,580.9	$23,850.8	$6,269.9	73.7%
2017	67,326.2	84,056.0	16,729.8	80.1	18,550.1	23,232.6	4,682.4	79.8
2016	61,059.0	80,970.3	19,911.3	75.4	16,696.4	21,995.0	5,298.6	75.9
2015[5]	60,000.1	76,196.6	16,196.5	78.7	16,497.3	20,845.5	4,348.2	79.0
2014	61,395.1	73,458.9	12,063.8	83.6	16,889.9	19,978.2	3,088.2	84.5
2013[6]	60,014.1	62,593.6	2,579.5	95.9	16,212.3	16,699.9	487.6	97.1
2012[6]	54,784.1	60,405.2	5,621.1	90.7	14,532.1	15,713.6	1,181.5	92.5
2011	50,168.2	61,198.4	11,030.2	82.0	13,208.2	15,660.0	2,451.8	84.3
2010	51,583.6	59,329.5	7,745.9	86.9	13,529.8	15,116.4	1,586.5	89.5
2009	48,729.2	56,810.6	8,081.4	85.8	13,014.7	14,771.7	1,757.0	88.1

(1) System funding levels composed of Tier 1 and Tier 2 and OPSRP pensions but excluding retiree healthcare subsidies of RHIA and RHIPA.

(2) The Judge Retirement Program and the RHIA and RHIPA programs are not included in these numbers. The PERS actuary reported that as of December 31, 2018 the Judge Retirement Program has an actuarial liability of $75.3 million and a funded ratio of 76%.

(3) Includes proceeds of pension bonds issued by Oregon local governments and the State.

(4) Includes State pension bonds proceeds.

(5) Reflects the Oregon Supreme Court decision discussed below and the changes to the actuarial assumptions and methods made by the PERS Board in 2015. Also reflects the actual investment returns during 2015.

(6) Reflects the 2013 legislative changes described below, showing savings that were anticipated, but will not be realized because of the 2015 PERS Ruling discussed below. Also reflects other changes made by the PERS Board in 2013.

Source: The State; PERS.

The funded status of the pension programs may change depending on the market performance of investments, future changes in compensation and benefits of covered employees, demographic characteristics of members and methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS. Additionally, the market value of the investments is determined using various sources. The Oregon Investment Council has reported investment returns for calendar year 2019 of approximately 13.56%. However, cumulative 2018 and 2019 asset returns were less than assumed, and the system payroll increased 14% resulting in an approximate system wide 72% funded ratio. The State and Local Government Rate Pool, of which Oregon State University is a member, has a funded status of 71% excluding side accounts, and 77% including side accounts.

In 2013, the Legislative Assembly enacted legislation (the "2013 PERS Bills") that were expected to: limit annual benefits cost of living adjustments ("COLAs") for PERS retirees, eliminate a benefit increase for out-of-state retirees based on Oregon income tax, exclude certain salary increases from the pension benefits calculation, and reduce legislators' participation in PERS. The 2013 PERS Bills were expected to reduce future benefit payments, resulting in a reduction of the System's unfunded actuarial liability by approximately $5 billion. Lawsuits were filed challenging provisions of the 2013 PERS Bills, including the changes to the COLA adjustment and the elimination of a benefit increase for out-of-state retirees based on Oregon income tax. In April 2015, the Oregon Supreme Court announced a decision that upheld the elimination of the benefit increase for out-of-state retirees. The COLA reductions were declared unconstitutional as applied to benefits earned prior to the June 1, 2013 effective date of the 2013 PERS Bills. However, the reduced COLA could be applied to the benefits earned after the 2013 PERS Bills became effective.

At its July 28, 2017, meeting, the PERS Board lowered the assumed rate to 7.2% effective January 1, 2018. Other actuarial assumptions and methods include the entry-age normal actuarial cost method, level percentage of payroll over 20 years (fixed) as the Tier 1/Tier 2 Programs UAL amortization method, level percentage of payroll over 16 years (fixed) as the OPSRP UAL amortization method, market value as the asset valuation method, a 3.50% payroll growth rate, a 2.50% inflation level and a rate collar contribution rate stabilization method.

During the 2019 Legislative Session, the Legislative Assembly passed Senate Bill 1049 ("SB 1049"), which contains provisions to address funding of the System. Some of the changes include: redirecting a portion of certain member contributions to fund a defined benefit plan if the System funded status is less than 90% funded, one-time reamortization of the 2019 Tier 1/Tier 2 UAL from 20 to 22 years, work after retirement provisions, and limitation on an employee's salary for any given calendar year which factors into the calculation of benefits at retirement. System savings generated from this bill during the 2019-21 Biennium will be used to offset future employer contribution rates. Reamortization of the 2019 Tier 1/Tier 2 UAL is expected to extend the retirement of the UAL by approximately six years to 2041. A petition has been filed with the Oregon Supreme Court challenging the constitutionality of two provisions of SB 1049.

At the end of each odd-numbered year, actuarial valuations determine the employer contribution rates that are officially set by the PERS Board. Pursuant to Oregon Revised Statutes 238.225, all employers participating in PERS are required to make their contributions to PERS based on the employer contribution rates set by the PERS Board. Due to the rate collar contribution rate stabilization method, the PERS Board-approved employer contribution rates for some employers are currently less than the actuarially required contribution.

PERS issues a separate, publicly available financial report that contains audited financial statements and required supplementary information. The report includes 10-year historical trend information showing the progress made in accumulating sufficient assets to pay benefits when due. That report may be obtained by writing to Fiscal Services Division, PERS, 11410 SW 68th Parkway, Tigard, OR 97223, or by linking to:

www.Oregon.gov/pers/pages/section/financial_reports/financials.aspx.

At June 30, 2019, the University reported a liability of $302,317,305 for its proportionate share of the PERS net pension liability. At June 30, 2018, the University reported a liability of $293,881,485 for its proportionate share of the PERS net pension liability.

The PERS system does not provide the University with an audited proportionate share as a separate employer; the University is a proportionate share of PERS employer State agencies which includes all State agencies. DAS calculated the University's proportionate share of all State agencies internally based on fiscal year 2015 actual contributions by the University as compared to the total for employer State agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2019, the University's proportion was two percent of the statewide pension plan. At June 30, 2018, the University's proportionate share was 2.18% of the statewide pension plan. For the year ended June 30, 2019, the University recorded total pension expense of $56,319,691 due to the change in net pension liability, changes to deferred inflows and deferred outflows and amortization of previously deferred amounts. For the year ended June 30, 2018, the University recorded a total pension expense of $64,361,101. See Note 16 in "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018).

Optional Retirement Plan. The 1995 State Legislature enacted legislation that authorized the OUS to offer a defined contribution retirement plan as an alternative to PERS. The Board appointed a Retirement Plan Committee to administer the Optional Retirement Plan ("ORP") and established trustees to manage plan assets. Beginning April 1, 1996, the ORP was made available to University unclassified faculty and staff who are eligible for PERS membership. Employees choosing the ORP may invest the employee and employer contributions in one or multiple investment companies. See Note 16 Employee Retirement Plan in "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."

Teacher's Insurance and Annuity Association/College Retirement Equities Fund. Eligible unclassified employees may participate in the Teachers Insurance and Annuity Association and College Retirement Equities Fund ("TIAA-CREF") retirement program, a defined contribution plan, on all salary in excess of forty-eight hundred dollars per calendar year. Employee contributions are directed to PERS on the first forty-eight hundred dollars. The employer contribution to TIAA-CREF 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. See Note 16 in "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."

Supplemental Retirement Plan. The University maintains an IRC Section 414(d) cash balance defined benefit plan to provide a specific benefit value to the participating presidents of the State's public universities upon separation. As of June 30, 2019, the plan was fully funded. See Note 16 in "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."

Employee Deferred Compensation Plan. The University has a Section 415(m) excess benefit plan. Section 415(m) plans are unfunded plans used as a means of deferring taxation on regular pension plan contributions by public employees in excess of the limitations otherwise imposed on the University 403(b) plan. The 415(m) plan is offered to highly compensated employees whose contributions would otherwise be limited by Code Section 415. See Note 9 Long-Term Liabilities in "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."

Other Post-Employment Benefits

Plan Description. The University participates in a defined benefit postemployment healthcare plan, administered by the Public Employees Benefit Board ("PEBB"), which offers medical, dental and vision benefits to eligible retired state employees and their beneficiaries. The PEBB plan is an agent multiple-employer postemployment healthcare plan. Chapter 243 of the ORS assigns PEBB the authority to establish and amend the benefit provisions of the PEBB plan. As the administrator of the PEBB plan, PEBB has the authority to determine postretirement benefit increases and decreases. PEBB does not issue a separate, publicly available financial report.

The PEBB plan allows the University employees retiring under PERS or OPSRP to continue their healthcare on a self-pay basis until eligible for Medicare, usually at age 65. This plan creates an "implicit rate subsidy" because the healthcare insurance premiums paid by the University for its employees is based on a blended premium of both employees and retirees combined, which is a higher premium than would have been paid for employees alone.

Funding Policy. The University's current policy is to pay the implicit rate subsidy on a pay-as-you-go basis.

Annual OPEB Expense and Net OPEB Obligation. The University implemented GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions, effective for the fiscal year ending June 30, 2018. For additional funding, funded status and a summary of OPEB programs, see Note 1 Section AA Change in Accounting Principle, and Note 17 Other Post-Employment Benefits (OPEB). "APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY (FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)."

OTHER MATTERS

Climate Change

The University, like other institutions in the State, has experienced the effects of changes in environmental conditions, and has experienced climate change-induced events that include wildfires, heat waves and extreme storm events. Because the University has campuses located across the State, campuses may face differing challenges as a result of climate change, including but not limited to impacts from extreme or variable temperatures, soil erosion, fires, wildfires including unhealthy or hazardous air quality, drought and/or flood conditions.

Seismic Activity

The University is located in an area of seismic activity. The scientific consensus is that Oregon and the Pacific Northwest region is subject to periodic great earthquakes along the Cascadia Subduction Zone, a large fault that runs offshore from Northern California to British Columbia. Geologists predict a potential major earthquake in the Pacific Northwest of significant magnitude (8.7 to 9.1). Such an earthquake would cause widespread damage to structures and infrastructure in western Oregon. It is likely the infrastructure damage would be sufficient to disrupt transportation, communication, water and sewer systems, power and gas delivery and fuel supplies for weeks to months for much of Western Oregon.

Cybersecurity

The University, like other large public and private entities, relies on a large and complex technology environment to conduct its operations, and consequently faces the threat of cybersecurity incidents. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the University's information technology systems to misappropriate assets or information or to cause operational disruption and damage. To reduce and mitigate the risk of business operations impact and/or damage from cybersecurity incidents, the University has created a security program, which includes formal risk assessments and multiple forms of cybersecurity and operational safeguards to support, maintain, and prioritize securing critical infrastructure and data and research systems, manage risk, and improve cybersecurity event detection and remediation. Risk assessments have been conducted and communicated annually since 2016 to the University's Board of Trustees, and its Executive & Audit Committee has provided oversight of the University's risk action plan related to IT security. As the threat environment evolves, the University is evaluating how to enhance the risk assessment process and the overall security program with a focus on mitigating the most pressing risk areas.

Future Actions of the Oregon Legislative Assembly

The Legislative Assembly has in the past, and may in the future, change or rescind the amount of funding the University receives, subject to certain limitations under Oregon law. The University cannot predict the timing or scope of actions of the Legislative Assembly with respect to future funding levels.

Risk Management

Effective as of July 1, 2014, the OUS Risk Fund (in which the University was a participant) was transferred to the Public Universities Risk Management and Insurance Trust (the "PURMIT"). PURMIT is a separate legal entity, which operates for the benefit of the participating universities, and focuses on the application of risk financing (which includes risk transfer and risk retention), implementation of risk controls, risk assessments, training and compliance awareness and monitoring. PURMIT is governed by a board of trustees consisting of one representative from each of the participating universities. Membership in PURMIT is optional, and the University has elected to continue its participation in PURMIT. Management of the following risks has been transferred to the PURMIT and insurance policies purchased by PURMIT:

- Real property losses for university owned buildings, contents, equipment, automobiles, fine arts, other types of business property, and time element,
- Tort Liability claims brought against the University, its trustees, officers, employees or agents,
- Workers' Compensation and Employer's Liability,
- Crime, security risk and foreign liability,
- Specialty lines of business to include, but not limited to cyber/network security, marine, subsea, cargo, nuclear, intercollegiate athletics, international travel, camps and clinics, loggers' broad form, daycare, non-owned and owned aviation exposures, and other items.

PURMIT purchases insurance policies for the participating universities, and retains a self-insured retention to the insurance policies. For example, in the 2020-2021 policy year, PURMIT purchased commercial property insurance with various sub limits, and PURMIT retained $250,000 as its self-insured retention per occurrence. PURMIT also purchased excess liability insurance, and retained $500,000 as its self-insured retention. Each participating university has the ability to select its own deductible. As it relates to property and tort liability claims, the University has elected a $100,000 deductible per occurrence or claim. After the deductible is satisfied, PURMIT will fund the loss in its retention level in accordance with the insurance policy terms, and then insurance will apply. For specialty lines, such as cyber/Network Security, the University has direct deductibles or self-insured retentions to the applicable insurance policies.

PURMIT charges the University an assessment for its share of premiums, expected claims costs in the PURMIT layer (which are actuarial projected), and operational costs. For specialty lines, the University is responsible for paying the premium. The amount of settlements has not exceeded insurance coverage since PURMIT was established. The University intends to continue its participation in the PURMIT for the foreseeable future.

APPENDIX B

COPY OF THE RESOLUTION

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RESOLUTION NO. ____________

BOARD OF TRUSTEES OF OREGON STATE UNIVERSITY

GENERAL REVENUE BONDS, 2020/2021

A RESOLUTION OF THE BOARD OF TRUSTEES OF OREGON STATE UNIVERSITY, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF GENERAL REVENUE BONDS OF THE UNIVERSITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $366,000,000 FOR THE PURPOSE OF FINANCING, OR REFINANCING GENERAL REVENUE NOTES ISSUED TO FINANCE, ALL OR A PORTION OF THE COSTS OF UNIVERSITY PROJECTS, FUNDING UNIVERSITY RESERVES, REFUNDING OUTSTANDING UNIVERSITY GENERAL REVENUE BONDS TO ACHIEVE DEBT SERVICE SAVINGS, AND PAYING THE COSTS OF ISSUANCE AND REFUNDING; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE OF SUCH BONDS; AND DELEGATING AUTHORITY TO THE AUTHORIZED UNIVERSITY REPRESENTATIVE TO DETERMINE THE METHOD OF SALE, APPROVE THE NUMBER OF SERIES, THE SERIES DESIGNATION, FINAL PRINCIPAL AMOUNTS, DATE OF THE BONDS, DENOMINATIONS, INTEREST RATES, PAYMENT DATES, REDEMPTION PROVISIONS, THE BONDS TO BE REFUNDED, TAX STATUS, AND MATURITY DATES FOR THE BONDS UNDER THE TERMS AND CONDITIONS SET FORTH HEREIN.

ADOPTED: September ___, 2020

PREPARED BY
PACIFICA LAW GROUP LLP
SEATTLE, WASHINGTON

RESOLUTION NO. _____

TABLE OF CONTENTS*

* This Table of Contents is provided for reference only and does not constitute a part of this Resolution for which it is provided.

RESOLUTION NO. ____________

BOARD OF TRUSTEES OF OREGON STATE UNIVERSITY

A RESOLUTION OF THE BOARD OF TRUSTEES OF OREGON STATE UNIVERSITY, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF GENERAL REVENUE BONDS OF THE UNIVERSITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $366,000,000 FOR THE PURPOSE OF FINANCING, OR REFINANCING GENERAL REVENUE NOTES ISSUED TO FINANCE, ALL OR A PORTION OF THE COSTS OF UNIVERSITY PROJECTS, FUNDING UNIVERSITY RESERVES, REFUNDING OUTSTANDING UNIVERSITY GENERAL REVENUE BONDS TO ACHIEVE DEBT SERVICE SAVINGS, AND PAYING THE COSTS OF ISSUANCE AND REFUNDING; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE OF SUCH BONDS; AND DELEGATING AUTHORITY TO THE AUTHORIZED UNIVERSITY REPRESENTATIVE TO DETERMINE THE METHOD OF SALE, APPROVE THE NUMBER OF SERIES, THE SERIES DESIGNATION, FINAL PRINCIPAL AMOUNTS, DATE OF THE BONDS, DENOMINATIONS, INTEREST RATES, PAYMENT DATES, REDEMPTION PROVISIONS, THE BONDS TO BE REFUNDED, TAX STATUS, AND MATURITY DATES FOR THE BONDS UNDER THE TERMS AND CONDITIONS SET FORTH HEREIN.

WHEREAS, Oregon Revised Statutes ("ORS") 352.087 authorizes Oregon State University (the "University") to borrow money for the needs of the University in such amounts, at such times, and upon such terms as may be determined by the University acting through its Board of Trustees (the "Board"); and

WHEREAS, ORS 352.408(1)(a) authorizes the University to issue revenue bonds for any lawful purpose of the University in accordance with ORS chapter 287A; and

WHEREAS, ORS 352.408(1)(b) authorizes the University to issue refunding revenue bonds under ORS 287A.360 to 287A.380 of the same character and tenor as the revenue bonds replaced; and

WHEREAS, the University Debt Policy provides that the University may use debt or other financing agreements to meet its strategic objectives and, pursuant to Section V of the Debt Policy, the Board must authorize all new debt issuances; and

WHEREAS, the University has previously issued and has outstanding (i) its General Revenue Bonds, 2015A in the aggregate principal amount of $41,040,000 and its General Revenue Bonds, 2015B (Federally Taxable) in the aggregate principal amount of $10,075,000 (collectively, the "2015 Bonds"); (ii) its General Revenue Bonds, 2016A in the aggregate principal amount of $40,165,000 and its General Revenue Bonds, 2016B (Federally Taxable) in the aggregate principal amount of $7,095,000 (collectively, the "2016 Bonds"); (iii) its General Revenue Bonds, 2017 (Federally Taxable) in the aggregate principal amount of $72,705,000 (the "2017 Bonds); (iv) its General Revenue Bonds, 2019 (Federally Taxable) in the aggregate principal amount of $140,000,000 (the "2019 Bonds"); and (v) its General Revenue Notes, 2020 in the aggregate principal amount not to exceed $50,000,000 (the "2020 Notes" and, together with the 2015 Bonds, the 2016 Bonds, the 2017 Notes, and the 2019 Bonds, the "Prior Bonds"); and

WHEREAS, the University now desires to authorize the issuance of one or more series of general revenue bonds on a parity with the pledge securing the payment of the principal of and interest on the Prior Bonds to finance, or refinance General Revenue Notes issued to finance, all or a portion of the costs of University projects, to fund University reserves, and to pay costs of issuance (the "Project Bonds");

WHEREAS, the 2015 Bonds are subject to optional redemption or prepayment prior to their respective maturities (the "Refunding Candidates");

WHEREAS, the University has been advised that debt service savings may be obtained by refunding some or all of the Refunding Candidates through the issuance of one or more series of general revenue refunding obligations (the "Refunding Bonds") also on a parity with the pledge securing the payment of the principal of and interest on the Prior Bonds; and

WHEREAS, the Board wishes to delegate authority to the Vice President for Finance and Administration and Chief Financial Officer of the University, or any designee or any interim officer exercising, or successor to, the functions of such office (each, an "Authorized University Representative"), for a limited time, to select the method of sale that is in the best interest of the University, to approve the number of series, the series designation, the final principal amounts, the dated date(s), the denominations, the interest rates, the payment dates, the tax status, the redemption provisions, the Refunding Candidates to be refunded, and the maturity dates for the bonds as provided by this Resolution;

NOW, THEREFORE, the Board resolves as follows:

<u>Section 1</u>. <u>Definitions and Interpretation of Terms</u>.

(a) *Definitions.* As used in this Resolution, the following words shall have the following meanings, unless a different meaning clearly appears from the context:

Acquired Obligations means the Government Obligations acquired by the University under the terms of this resolution and one or more Escrow Agreements to effect the defeasance and refunding of one or more of the Refunding Candidates.

Additional Bonds means bonds, leases, interest rate swaps, and other contractual obligations issued by the University and expressly secured by a pledge of General Revenues on a parity with the pledge securing the payment of the principal of and interest on the Bonds including without limitation General Revenue Notes.

Approved Bid means the winning bid submitted for the Bonds, if any.

Authorized University Representative means the Vice President for Finance and Administration of the University and Chief Financial Officer, or the Vice President for Finance and Administration of the University and Chief Financial Officer's designee or any interim officer exercising, or any successor to, the functions of such office.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediary).

Board means the Board of Trustees of the University.

Bond Act means, together, ORS chapters 287A and 352, in each case as amended from time to time.

Bond Fund means the special fund(s) for the payment of the principal of and interest on the Bonds as required pursuant to Section 10 hereof.

Bond Purchase Contract means the purchase contract(s) for the purchase of all or a portion of the Bonds, if any, between the University and the Underwriter(s).

Bond Register means the registration records for the Bonds maintained by the Registrar.

Bond Registrar means the bank or trust company selected by the Authorized University Representative pursuant to Section 4 of this Resolution for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds, and paying interest on and principal of the Bonds.

Bonds mean the Project Bonds and the Refunding Bonds authorized to be issued by this Resolution.

Call Date means the first date on which the Refunding Candidates may be called for redemption under the terms of the proceedings pursuant to which they were issued.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Commission means the Securities and Exchange Commission.

Continuing Disclosure Certificate means the certificate of the University undertaking to provide ongoing disclosure to assist the Underwriter(s) in complying with the Rule.

Debt Management Agreement means the Restated and Amended Agreement for Debt Management among the University, the State Treasurer, the Higher Education Coordinating

Commission, and Department of Administrative Services dated as of July 1, 2015, as it has been and may be amended from time to time.

DTC means The Depository Trust Company of New York, as depository for the Bonds, or any successor or substitute depository for the Bonds.

Escrow Agent means any escrow agent selected by the Authorized University Representative in accordance with this Resolution.

Escrow Agreement means one or more Escrow Deposit Agreements or Trust Agreements to accomplish the refunding of the Refunded Bonds.

Fair Market Value means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm's-length transaction, except for specified investments as described in Treasury Regulation §1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

Federal Tax Certificate means the certification of the University executed and delivered in connection with the issuance of Tax-Advantaged Bonds.

General Revenues means tuition, charges, rents, and other operating revenue of the University, except as specifically excluded below. The following items are <u>excluded</u>:

1. Student Building Fees and Student Incidental Fees;
2. Grant and Contract Revenue;
3. Amounts required to be transferred to the State Treasurer for deposit for University-Paid State Bonds next coming due, and without duplication, amounts required to be paid to the State Treasurer for University-Paid State Bonds next coming due; and
4. Amounts that otherwise are restricted in their use by law, regulation, and contract.

For clarity, the University notes that moneys received by the University from taxes collected by the State and gifts are not operating revenues of the University and are therefore not included in the definition of General Revenue. Unrestricted net assets, to the extent that they were received as ***General Revenues***, would be includable and available to pay obligations secured by ***General Revenues***. Upon the addition or deletion of any income, revenues, or receipts from General Revenues pursuant to Section 11, this definition of General Revenues shall be deemed to be amended accordingly without further action by the University.

General Revenue Notes means any general revenue note issued pursuant to Resolution No. 20-05 of the Board, including without limitation the 2020 Notes.

Government Obligations means direct obligations of the United States of America, obligations the principal of and interest on which are unconditionally guaranteed by the United

States of America and bank certificates of deposit secured by the obligations, and bonds, debentures, notes, certificates of participation or other obligations issued by a federal agency or other instrumentality of the federal government.

Grant and Contract Revenue means revenue from grants and contracts, whether restricted or unrestricted, including for illustrative purposes the following items identified in the University's financial statements: federal grants and contracts, state and local grants and contracts, and nongovernmental grants and contracts.

Letter of Representations means the Blanket Letter of Representations from the University to DTC.

Notice of Sale means any notice of bond sale authorized to be given pursuant to Section 14 of this resolution.

Official Statement means the Official Statement of the University pertaining to the sale of the Bonds, in either preliminary or final form.

ORS means the Oregon Revised Statutes, as now in existence or hereafter amended, or any successor codification of the laws of the State.

Permitted Investments means any permissible investment pursuant to the University Investment Policy.

Prior Bonds means the 2015 Bonds, the 2016 Bonds, the 2017 Bonds, the 2019 Bonds, the 2020 Notes, and any other General Revenue Notes issued prior to the date of the Bonds.

Project Bonds means the Bonds issued to finance all or a portion of the costs of the Projects, to fund deposits to University reserves, to refinance any General Revenue Notes, and for any other lawful University purpose approved by the Board, authorized under this Resolution.

Project Fund means the fund or account designated by the Authorized University Representative for the deposit of Project Bond proceeds, including any account or subaccounts therein authorized to be created pursuant to Section 8 of this Resolution for the purpose of holding a portion of the proceeds of the Bonds.

Projects means one or more projects for the design, acquisition, development, construction, improvement and/or equipping of facilities serving the needs of the University, identified from time to time as a Bond-financed project by the Authorized University Representative.

Refunded Bonds means all or a portion of the Refunding Candidates selected pursuant to Section 14 to be refunded with proceeds of the Refunding Bonds.

Refunding Bonds means the Bonds issued to refund the Refunded Bonds authorized under this Resolution.

Refunding Candidates means the 2015 Bonds.

Registered Owner means the person in whose name a Bond is registered on the Bond Register. For so long as the University utilizes the book-entry system for the Bonds, DTC shall be deemed to be the Registered Owner.

Resolution means this Resolution authorizing the issuance of the Bonds, adopted by the Board.

Rule means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same has been amended and as amended from time to time.

State means the State of Oregon.

State Treasurer means the Treasurer of the State.

Student Building Fee means the separate fee charged by the Board to students for the use of buildings, structures and projects under the Board's control. The Student Building Fee is in addition to tuition and other fees charged to students.

Student Incidental Fee means the separate fee charged by the Board to students pursuant to a request by the recognized student government under a process established by the student government. The recognized student government allocates the Student Incidental Fees collected for purposes pursuant to the process established by the student government.

Taxable Bonds means any Bonds determined to be issued on a taxable basis pursuant to Section 14.

Tax-Advantaged Bonds mean any Bonds determined to be issued on a tax-exempt or tax-advantaged basis under the Code pursuant to Section 14.

2015 Bonds means the Oregon State University General Revenue Bonds, 2015A and General Revenue Bonds, 2015B (Federally Taxable).

2016 Bonds means the Oregon State University General Revenue Bonds, 2016A and General Revenue Bonds, 2016B (Federally Taxable).

2017 Bonds means the Oregon State University General Revenue Bonds, 2017 (Federally Taxable).

2019 Bonds means the Oregon State University General Revenue Bonds, 2019 (Federally Taxable).

2020 Notes means the Oregon State University General Revenue Notes, 2020 issued pursuant to Resolution 20-05.

Underwriter(s) means the initial purchaser of the Bonds, as selected by the Authorized University Representative.

University means Oregon State University, a public university of the State, the main campus of which is located at Corvallis, Oregon.

University-Paid State Bonds means the payments to be made by the University representing its share of debt service to be paid when due on bonds or other obligations issued by the State for the benefit of the University established by the schedule of outstanding state bonds prepared under ORS 352.415(3) and evidenced by the Debt Management Agreement entered into pursuant to ORS 352.135(2).

Vice President for Finance and Administration means the Vice President for Finance and Administration and Chief Financial Officer of the University, or the Vice President for Finance and Administration and Chief Financial Officer of the University's designee, or any successor to the functions of such office.

(b) *Interpretation*. In this Resolution, unless the context otherwise requires:

1. The terms "hereby," "hereof," "hereto," "herein, "hereunder" and any similar terms, as used in this Resolution, refer to this Resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this Resolution;

2. Words importing the singular number shall mean and include the plural number and vice versa;

3. Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

4. Any headings preceding the text of the several articles and sections of this Resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect; and

5. All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

<u>Section 2</u>. <u>Findings; Authorization of Projects</u>. The Board hereby finds that it is in the public interest for the University to issue the Project Bonds to finance all or a portion of the costs of the Projects, to fund deposits to University reserves, to refinance any General Revenue Notes, and for any other lawful University purpose approved by the Board. The Board finds that is in the best interests of the University to issue the Refunding Bonds to defease and redeem the Refunding Candidates, or any portion thereof, to achieve debt service savings upon the terms and conditions set forth in this Resolution. The Board hereby further finds that the Board intends that the Bonds be of the same character and tenor as the General Revenue Notes issued to provide interim financing of capital projects in anticipation of issuance of Bonds for University projects, and that the Refunding Bonds be of the same character and tenor as the Refunding Candidates.

Section 3. Authorization of Bonds and Description of Bonds.

(a) For the purpose financing, or refinancing General Revenue Notes issued to finance, all or a portion of the costs of the Projects and costs of issuance, funding University reserves and for any other lawful University purpose approved by the Board, the Board hereby authorizes the sale and issuance of general revenue bonds (the "Project Bonds"). The Project Bonds shall be special revenue bonds of the University and shall be designated the "Oregon State University General Revenue Bonds, [2020/2021][Federally Taxable]," with such additional series designation or other designation as determined to be necessary by the Authorized University Representative.

(b) For the purpose of achieving debt service savings on an aggregate basis, the Board hereby authorizes the sale and issuance of general revenue refunding bonds (the "Refunding Bonds"). The Refunding Bonds shall be special revenue bonds of the University and shall be designated the "Oregon State University General Revenue Refunding Bonds, [2020/2021][Federally Taxable]," with such additional series designation or other designation as determined to be necessary by the Authorized University Representative. The Refunding Bonds shall be issued in one or more series to defease and redeem or otherwise implement the refinancing of one or more of the Refunding Candidates designated pursuant to Section 14 and to pay costs of issuance and costs of the refunding. Project Bonds and Refunding Bonds may be issued in one or more single series as "Oregon State University General Revenue and Refunding Bonds, [2020/2021][Federally Taxable]," with such additional series designation or other designation as determined to be necessary by the Authorized University Representative.

(c) The Bonds shall be dated as of their date of delivery; shall be fully registered as to both principal and interest; shall be in the denomination of $1,000 or $5,000 each as set forth in the Approved Bid or Bond Purchase Contract, or any integral multiple thereof within a series and maturity, provided that no Bond shall represent more than one maturity within a series; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall bear interest from their date payable on the dates and at rates set forth in the Approved Bid or Bond Purchase Contract; and shall mature on the dates and in the principal amounts set forth in the Approved Bid or Bond Purchase Contract and as approved by the Authorized University Representative pursuant to Section 14. The Bonds of any of the maturities may be combined and issued as term bonds, subject to mandatory redemption as provided in the Notice of Sale, the Approved Bid or Bond Purchase Contract.

Section 4. Registration, Transfer and Payment of Bonds.

(a) *Bond Registrar/Bond Register*. The Authorized University Representative is hereby authorized to appoint as Bond Registrar a bank or trust company qualified by law to perform the duties described herein. The University shall cause a Bond Register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its principal corporate trust office. The Bond Registrar may be removed at any time at the option of the Authorized University Representative upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Authorized University Representative. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the University, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this Resolution and to carry out all of the Bond Registrar's powers and duties under this Resolution. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication of the Bonds.

(b) *Registered Ownership*. The University and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in any University Continuing Disclosure Certificate), and neither the University nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(h) hereof, but such Bond may be transferred as herein provided. All such payments made as described in Section 4(h) shall be valid and shall satisfy and discharge the liability of the University upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations*. The Bonds initially shall be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the University has executed and delivered to DTC a Blanket Issuer Letter of Representations. Neither the University nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this Resolution (except such notices as shall be required to be given by the University to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held in fully-immobilized form hereunder, DTC, its nominee or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

If any Bond shall be duly presented for payment and funds have not been duly provided by the University on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until it is paid.

(d) *Use of Depository*.

1. The Bonds shall be registered initially in the name of "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Authorized University Representative pursuant

to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

2. Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Authorized University Representative to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Authorized University Representative may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

3. In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds of a series, together with a written request on behalf of the Authorized University Representative, issue a single new Bond for each maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Authorized University Representative.

4. In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Authorized University Representative determines that it is in the best interest of the Beneficial Owners of the Bonds that such owners be able to obtain such bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully-immobilized form. The Authorized University Representative shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds of a series together with a written request on behalf of the Authorized University Representative to the Bond Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations*. The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity, and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity, and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond during the 15 days preceding any interest payment or principal payment date any such Bond is to be redeemed.

(f) *Bond Registrar's Ownership of Bonds*. The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant*. The University covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment*. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Bonds are in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date, or upon the written request of a Registered Owner of more than $1,000,000 of Bonds (received by the Bond Registrar at least 15 days prior to the applicable payment date), such payment shall be made by the Bond Registrar by wire transfer to the account within the continental United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Bond Registrar.

<u>Section 5</u>. <u>Redemption and Purchase</u>.

(a) *Mandatory Redemption of Term Bonds and Optional Redemption, if any*. The Bonds of a series shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Notice of Sale, Approved Bid or Bond Purchase Contract approved by the Authorized University Representative pursuant to Section 14 of this Resolution. The Bonds of a series shall be subject to mandatory redemption to the extent, if any, set forth in the Notice of Sale, Approved Bid or Bond Purchase Contract and as approved by the Authorized University Representative pursuant to Section 14 of this Resolution.

(b) *Purchase of Bonds*. The University reserves the right to purchase any of the Bonds offered to it at any time at a price deemed reasonable by the Authorized University Representative.

(c) *Selection of Bonds for Redemption*. For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held in book-entry only form, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c) or otherwise as provided in the Notice of Sale, Approved Bid or Bond Purchase Contract. Except as otherwise provided in the Notice of Sale, Approved Bid or Bond Purchase Contract (e.g. to provide for selection based on pass through of principal distribution for Taxable Bonds), if the University redeems at any one time fewer than all of the Bonds having the same series and maturity date, the particular Bonds or portions of Bonds of such series and maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar). In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption.*

1. Official Notice. For so long as the Bonds are held in book-entry only form, notice of redemption (which notice may be conditional on the receipt of sufficient funds for redemption or otherwise) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the University nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Bonds are no longer held in book-entry only form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the University by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

(A) the redemption date;

(B) the redemption price;

(C) if fewer than all outstanding Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;

(D) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

(E) any conditions to redemption; and

(F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

On or prior to any redemption date, unless such redemption has been rescinded, the University shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. The University retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected registered owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

2. Effect of Notice; Bonds Due. If an unconditional notice of redemption has been given as aforesaid, or if the conditions to redemption have been satisfied or waived, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

3. Additional Notice. In addition to the foregoing notice, further notice shall be given by the University as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to any University Continuing Disclosure Certificate and to the Underwriter(s) and with such additional information as the University shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

4. Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended without the consent of owners of the Bonds in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 6. Form of the Bonds. The Bonds shall be in substantially the form set forth at Exhibit A, with appropriate or necessary insertions, depending upon the omissions and variations as permitted or required hereby.

Section 7. Execution of the Bonds. The Bonds of each series shall be executed on behalf of the University with the manual or facsimile signature of the Chair of the Board and shall be attested by the manual or facsimile signature of either the Secretary of the Board or the Vice President for Finance and Administration and Chief Financial Officer of the University.

Only Bonds that bear a Certificate of Authentication substantially in the form set forth in Exhibit A, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this Resolution.

In case either of the officers of the University who shall have executed the Bonds shall cease to be such officer or officers of the University before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the University, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the University as though those who signed the same had continued to be such officers of the University. Any Bond may also be signed and attested on behalf of the University by such persons as at the actual date of execution of such Bond shall be the proper officers of the University although at the original date of such Bond any such person shall not have been such officer.

Section 8. Disposition of Bond Proceeds.

(a) *Project Bonds.* The Authorized University Representative is hereby authorized and directed to designate Projects to be funded with proceeds of the Project Bonds, the University reserves to be funded with proceeds of the Project Bonds, and to complete any allocation of Project Bond proceeds consistent with the Federal Tax Certificate in the case of Tax-Advantaged Bonds. In addition to the Projects and reserve funding designated by the Authorized University Representative, the Board may approve the use of Bond proceeds for any other lawful University purpose, consistent with the Federal Tax Certificate in the case of Tax-Advantaged Bonds. The Authorized University Representative is hereby authorized and directed to create one or more special funds or accounts of the University to be used to pay Project costs (collectively the "Project Fund"). A portion of the proceeds of the Project Bonds shall be paid into the Project Fund. The money on deposit in the Project Fund shall be utilized to finance, or refinance General Revenue Notes issued to finance, all or portion of the costs of the Projects, to pay or reimburse the University for costs of the Projects and costs incidental thereto, including without limitation capitalizing interest on the Project Bonds, and for costs of issuance of the Project Bonds, to the extent designated by the Authorized University Representative, and for any other lawful University purpose approved by the Board. A portion of the proceeds of the Project Bonds may fund University reserves, to the extent designated by the Authorized University Representative. Such reserves shall be invested in accordance with the University investment policy, as the policy may be amended from time to time. Except as otherwise provided by the Board, such reserves (including earnings thereon) will serve as a reserve for the payment of University taxable debt obligations over the long term.

All or part of the proceeds of the Project Bonds may be temporarily invested in Permitted Investments. Except as otherwise provided in the Federal Tax Certificate, the University covenants that all investments of amounts deposited in the Project Fund, or otherwise containing gross proceeds of the Tax-Advantaged Bonds will be acquired, disposed of, and valued (as of the date that valuation is required by the Code) at Fair Market Value.

In the event that it shall not be possible or practicable to accomplish all of the Projects, the University may apply the proceeds of the Project Bonds to pay the costs of such portion thereof as the Authorized University Representative shall determine to be in the best interests of the University, subject to any applicable limitations set forth in the Federal Tax Certificate.

Any part of the proceeds of the Project Bonds remaining in the Project Fund after all costs referred to in this section have been paid may be transferred to the Bond Fund for the uses and purposes therein provided, subject to any applicable limitations set forth in the Federal Tax Certificate.

(b) *Refunding Bonds*. The Authorized University Representative may, pursuant to Section 14, select all or a portion of the Refunding Candidates to be refunded with the proceeds of the Refunding Bonds. In such event, the proceeds of the Refunding Bonds shall be deposited with the Escrow Agent pursuant to the Escrow Agreement to be used immediately upon receipt to defease the Refunded Bonds to their Call Date, and to redeem the Refunded Bonds on their Call Date, as authorized by the resolution of the Board adopted on March 19, 2015 authorizing the issuance of the Refunded Bonds (the "2015 Bond Resolution"), and to pay costs of issuance of the Refunding Bonds and the costs of the refunding, as provided in this Section (collectively, the "Refunding Plan").

The proceeds of the Refunding Bonds deposited with the Escrow Agent shall be used to defease the Refunded Bonds and discharge the obligations thereon by the purchase of Acquired Obligations bearing such interest and maturing as to principal and interest in such amounts and at such times that, together with any necessary beginning cash balance, will provide for the payment of the interest on the Refunded Bonds when due on and prior to the Call Date and the redemption price (100 percent of the principal amount) of the Refunded Bonds on the Call Date. The Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

If the University issues the Refunding Bonds, a beginning cash balance, if any, and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. In order to carry out this Refunding Plan, the Authorized University Representative is authorized and directed to execute and deliver to the Escrow Agent, one or more Escrow Agreements providing for such defeasance. If the University issues the Refunding Bonds, the University will call the Refunded Bonds for redemption on their Call Date in accordance with the provisions of the 2015 Bond Resolution. The defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the issuance of the Refunded Bonds and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agreement shall authorize and direct the Escrow Agent to provide notice of the defeasance and/or redemption of the Refunded Bonds in accordance with the 2015 Bond Resolution. The Escrow Agreement shall authorize and direct the Escrow Agent to pay to the paying agent for the Refunded Bonds, sums sufficient to pay, when due, the payments specified in this Section. All such sums shall be paid from the moneys and Acquired Obligations deposited with the Escrow Agent, and the income therefrom and proceeds thereof. All moneys and Acquired Obligations deposited with the Escrow Agent and any income therefrom shall be held, invested and applied in accordance with the provisions of this Resolution and the Escrow Agreement and with the laws of the State for the benefit of the University and owners of the Refunded Bonds. The

Escrow Agreement will provide for the payment of costs of issuance and the costs of the refunding as part of the Refunding Plan. Any proceeds of the Refunding Bonds remaining after the accomplishment of the Refunding Plan shall be applied to pay interest on the Refunding Bonds.

Section 9. Tax Covenants. The University will take all actions necessary to assure the exclusion of interest on the Tax-Advantaged Bonds issued on a tax-exempt basis from the gross income of the Owners of the Tax-Exempt Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Tax-Advantaged Bonds, including but not limited to the following:

(a) The University will assure that the proceeds of such Tax-Advantaged Bonds are not used so as to cause such Tax-Advantaged Bonds to satisfy the applicable private business use tests of Section 141(b) of the Code or the applicable private loan financing test of Section 141(c) of the Code.

(b) The University will not sell or otherwise transfer or dispose of (i) any personal property components of the Project financed or refinanced with such Tax-Advantaged Bonds other than in the ordinary course of an established government program under Treasury Regulation 1.141-2(d)(4) or (ii) any real property components of the Project financed or refinanced with the Tax-Advantaged Bonds, unless it has received an opinion of nationally recognized bond counsel to the effect that such disposition will not adversely affect the treatment of interest on the Tax-Advantaged Bonds as excludable from gross income for federal income tax purposes.

(c) The University will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of such Tax-Advantaged Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) The University will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to such Tax-Advantaged Bonds.

(e) The University will not take, or permit or suffer to be taken, any action with respect to the proceeds of such Tax-Advantaged Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Tax-Advantaged Bonds would have caused the Tax-Advantaged Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(f) The University will maintain a system for recording the ownership of each Tax-Advantaged Bond that complies with the provisions of Section 149 of the Code until all Tax-Advantaged Bonds have been surrendered and canceled.

(g) The University will retain its records of all accounting and monitoring it carries out with respect to the Tax-Advantaged Bonds for at least three years after the Tax-Advantaged Bonds mature or are redeemed (whichever is earlier); however, if the Tax-Advantaged Bonds are redeemed and refunded, the University will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the Tax-Advantaged Bonds.

(h) In the event the University issues one or more series of Tax-Advantaged Bonds eligible for federal tax credits, a federal interest subsidy, or other subsidy, the University will comply with the provisions of the Federal Tax Certificate setting forth or incorporating applicable requirements.

(i) The University will comply with the provisions of the Federal Tax Certificate with respect to the Tax-Advantaged Bonds, which are incorporated herein as if fully set forth herein. In the event of any conflict between this Section and the Federal Tax Certificate, the provisions of the Federal Tax Certificate will prevail.

The covenants of this Section will survive payment in full or defeasance of the Tax-Advantaged Bonds.

<u>Section 10</u>. <u>Bond Fund</u>. The Bonds shall be general revenue obligations of the University, payable from General Revenues and secured as provided herein. The University hereby establishes a special fund of the University designated as the General Revenue Bond Fund, 2020 (the "Bond Fund"), which may consist of one or more funds or account established or maintained for this purpose. The University covenants to deposit into the Bond Fund from General Revenues on or prior to each interest payment date, redemption date and maturity date an amount sufficient, taking into account amounts on deposit therein, to pay the interest on the Bonds then coming due and the principal of the Bonds maturing or subject to redemption and redemption premium, if any. Such payments shall be made in sufficient time to enable the Bond Registrar to pay interest on and/or principal of and redemption price of the Bonds to the Registered Owners, when due. The University may deposit other amounts legally available for this purpose to the Bond Fund in its sole discretion and without obligation.

Net income earned on investments in the Bond Fund, if any, shall be deposited in the Bond Fund. Amounts in the Bond Fund may be temporarily invested in Permitted Investments. Except as otherwise provided in the Federal Tax Certificate, the University covenants that all investments of amounts deposited in the Bond Fund, or otherwise containing gross proceeds of the Tax-Advantaged Bonds (within the meaning of Section 148 of the Code) will be acquired, disposed of, and valued (as of the date that valuation is required by the Code) at Fair Market Value.

Section 11. Sources of Security.

(a) *Pledge of General Revenues*. The Bonds shall be payable solely from and secured by a pledge of General Revenues and the money and investments deposited into the Bond Fund. The Bonds shall not constitute an indebtedness or obligation of the State, and are not a charge upon revenue or property of the State. The Registered Owners of the Bonds shall have no right to require the State, nor has the State any obligation or legal authorization, to levy any taxes or appropriate or expend any of its funds for the payment of the principal thereof or the interest or any premium thereon. The University has no taxing power.

The University hereby pledges General Revenues and the money and investments deposited into the Bond Fund to the payment of the principal of and interest on the Bonds when due. The Prior Bonds, the Bonds and any Additional Bonds shall be equally and ratably payable from and secured by a pledge of General Revenues, and the money and investments deposited into the Bond Fund, without preference, priority or distinction because of date of issue or otherwise.

Pursuant to ORS 287A.310, this pledge shall be valid and binding from the time of the adoption of this Resolution. The amounts so pledged and hereafter received by the University shall immediately be subject to the lien of this pledge without any physical delivery, filing or any other act. Except as provided in this Resolution, the lien of this pledge shall be superior to all other claims and liens whatsoever to the fullest extent permitted by ORS 287A.310.

(b) *Pari Passu with University-Paid State Bonds.* The Bond Act provides for full payment of State debt obligations evidenced by the University's obligations to make payments on University-Paid State Bonds from legally available funds. On and after the date that amounts are transferred to the State Treasurer for deposit to be credited against the University-Paid State Bonds next coming due, and on and after the date amounts, if any, are paid to the State Treasurer to pay without duplication University-Paid State Bonds next coming due, such amounts are no longer part of the definition of General Revenues available to pay the principal of and interest on the Bonds. Until such date, the University-Paid State Bonds are payable on a *pari passu* basis with the Prior Bonds and the Bonds subject to and to the extent provided in the Bond Act.

(c) *All Bonds Have Equal Claim on General Revenues*. The Bonds, the Prior Bonds and any Additional Bonds shall be equally and ratably payable, without preference, priority or distinction because of date of issue or otherwise from General Revenues.

(d) *Additions to General Revenues*. The University reserves the right to include in General Revenues, at its sole option, in the future, other sources of revenue or income excluded in the definition of General Revenues. The addition of General Revenues shall be evidenced by a certificate executed by the Authorized University Representative identifying the items to be added. To the extent required under the Continuing Disclosure Certificate of the University, the University will file notice regarding any addition of General Revenues consistent with the requirements of Rule 15c2-12 and the applicable Continuing Disclosure Certificate.

(e) *Deletions from General Revenues*. The University reserves the right to remove, at its sole option, in the future, any revenues from General Revenues, so long as no more than 10%

of General Revenues (based on the University's most recent audited financial statements) are removed in any fiscal year. The removal of General Revenues shall be evidenced by a certificate executed by the Authorized University Representative identifying the items to be deleted. To the extent required under the Continuing Disclosure Certificate of the University, the University will file notice regarding any removal of General Revenues consistent with the requirements of Rule 15c2-12 and the applicable Continuing Disclosure Certificate.

(f) *Additional Bonds*. The University shall have the right to issue one or more series of Additional Bonds for University purposes as permitted under the Bond Act or otherwise under State law. The University reserves the right to issue obligations payable from or secured by a pledge of General Revenues that is subordinate to the pledge and lien on General Revenues as set forth in Section 11(a) of this Resolution for the Bonds, the Prior Bonds and any Additional Bonds to the extent permitted under the Bond Act or otherwise under State law. Nothing herein shall restrict the University's right to enter into obligations in connection with University-Paid State Bonds or any other obligations that are not secured by a pledge of General Revenues.

(g) *Refunding Bonds.* The University shall have the right to issue bonds, including Additional Bonds, to refund or advance refund any Prior Bonds, the Bonds or other obligations as permitted under the Bond Act or otherwise under State law.

Section 12. Covenant of the University. So long as any Bonds are outstanding, the University covenants to pay or cause to be paid the principal of and the interest on all outstanding Bonds on the dates, at the places, from the sources of funds and in the manner, all as provided herein.

Section 13. Defeasance. In the event that the University, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Bond Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this Resolution except the right to receive payment of principal, premium, if any, and interest from the Bond Fund or such special account, and such Bond shall be deemed to be not outstanding under this Resolution.

The University shall give written notice of defeasance to the owners of all Bonds so provided for within 20 days of the defeasance and to each party entitled to receive notice in accordance with any related Continuing Disclosure Certificate.

Section 14. Sale of the Bonds; Official Statement. The Board has determined that it would be in the best interest of the University to delegate to the Authorized University Representative for a limited time the authority to determine the method of sale and to approve the final interest rates, maturity dates, redemption terms, the Refunding Candidates to be refunded, and principal maturities for the Bonds. The Authorized University Representative may also determine whether the Bonds shall be issued in one or more series and to determine whether the Bonds (or the Bonds of a series) shall be issued as Taxable Bonds or Tax-Advantaged Bonds.

(a) *Competitive Bond Sale.* If the Authorized University Representative determines that all or a portion of the Bonds are to be sold at a competitive public sale, the Authorized University Representative or the Authorized University Representative's designee shall: (1) establish the date of the public sale; (2) establish the criteria by which the successful bidder will be determined; (3) request that a good faith deposit in the amount determined to be necessary, if any, accompany each bid; (4) cause notice of the public sale to be given (the "Notice of Sale"); and (5) provide for such other matters pertaining to the public sale as he or she deems necessary or desirable. The Authorized University Representative shall cause the Notice of Sale to be given and provide for such other matters pertaining to the public sale as he or she deems necessary or desirable.

Upon the date and time established for the receipt of bids for Bonds, the Authorized University Representative or the Authorized University Representative's designee shall open the bids and shall cause the bids to be mathematically verified. Such Bonds shall be sold to the bidder offering to purchase them at the lowest true interest cost to the University; *provided, however,* that the Authorized University Representative may reserve the right to reject any and all bids for Bonds and also may waive an irregularity or informality in any bid.

Subject to the terms and conditions set forth in this Section 14, the Authorized University Representative is hereby authorized to accept one or more Approved Bid for the Bonds in one or more series upon the Authorized University Representative's approval of the final interest rates, maturity dates, aggregate principal amounts, principal maturities, Refunding Candidates to be refunded, and redemption rights set forth therein in accordance with the authority granted by this section so long as:

1. the aggregate principal amount of the Bonds does not exceed $366,000,000;
2. the final maturity date for the Project Bonds is no later than 40 years after their date of issuance;
3. the aggregate debt service to be paid on any Refunding Bonds shall be less than the aggregate debt service on the Refunding Candidate to be refunded;
4. the final maturity date of any Refunding Bonds shall not be later than the end of the fiscal year that includes the final maturity date of the Refunding Candidate to be refunded with the proceeds of such bonds; and
5. the true interest cost for any series of the Bonds (in the aggregate) does not exceed 4.25%.

(b) *Negotiated Bond Sale.* If the Authorized University Representative determines that all or a portion of the Bonds are to be sold by negotiated sale, the Authorized University Representative shall solicit bond underwriting proposals and shall select the Underwriter(s) that submits the proposal that he or she determines is in the best interest of the University. The Bonds shall be sold to the Underwriter(s) pursuant to the terms of one or more Bond Purchase Contracts.

Subject to the terms and conditions set forth in this Section 14, the Authorized University Representative is hereby authorized to enter into such Bond Purchase Contracts for the issuance and sale of the Bonds in one or more series upon the approval by the Authorized University Representative of the final interest rates, maturity dates, aggregate principal amounts, Refunding Candidates to be refunded, principal maturities, and redemption rights set forth therein for the Bonds in accordance with the authority granted by this section so long as:

1. the aggregate principal amount of the Bonds does not exceed $366,000,000;
2. the final maturity date for the Project Bonds is no later than 40 years after their date of issuance;
3. the aggregate debt service to be paid on any Refunding Bonds shall be less than the aggregate debt service on the Refunding Candidate to be refunded;
4. the final maturity date of any Refunding Bonds shall not be later than the end of the fiscal year that includes the final maturity date of the Refunding Candidate to be refunded with the proceeds of such bonds; and
5. the true interest cost for any series of the Bonds (in the aggregate) does not exceed 4.25%.

(c) *Report to Board; Expiration of Authority.* Following the sale of the Bonds, the Authorized University Representative shall provide a report to the Board, describing the final terms of the Bonds approved pursuant to the authority delegated in this section.

The authority granted to the Authorized University Representative by this Section 14 shall expire June 30, 2021. If an Approved Bid or Bond Purchase Contract has not been accepted by such date, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by resolution of the Board. The resolution re-authorizing the issuance and sale of such Bonds may be in the form of a new resolution repealing this Resolution in whole or in part or may be in the form of an amendatory resolution approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 14.

(d) *Delivery of Bonds; Documentation.* Upon the passage and approval of this Resolution, the proper officials of the University, including the Authorized University Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the Underwriter(s) and further to execute and deliver all closing certificates and documents required to effect the closing and delivery of the Bonds. Add insurance.

(e) *Preliminary and Final Official Statements.* The Authorized University Representative is authorized to ratify and to approve for purposes of the Rule, including compliance with Section (b)(1) of the Rule, on behalf of the University, an Official Statement for each series (and any preliminary Official Statement) and any supplement thereto relating to the issuance and sale of each series of the Bonds and the distribution of each series of the Bonds pursuant thereto with such changes, if any, as may be deemed by him or her to be appropriate.

(f) *Bond Insurance.* The Authorized University Representative is hereby further authorized to solicit proposals from municipal bond insurance companies for the issuance of a bond insurance policy. In the event that the Authorized University Representative receives multiple proposals in response to a solicitation, the Authorized University Representative may select the proposal having the lowest cost and resulting in an overall lower interest cost with respect to the Bonds to be insured. The Authorized University Representative may execute a commitment received from the insurer selected by the Authorized University Representative. The Board further authorizes all proper officers, agents, attorneys and employees of the University to cooperate with the insurer in preparing such additional agreements, certificates, and other documentation on behalf of the University as shall be necessary or advisable in providing for the bond insurance policy.

Section 15. Undertaking to Provide Ongoing Disclosure. The Authorized University Representative is authorized to, in the Authorized University Representative's discretion, execute and deliver one or more Continuing Disclosure Certificates in order to assist the Underwriter(s) for Bonds in complying with Section (b)(5) of the Rule.

Section 16. Establishment of Additional Accounts and Subaccounts. The University reserves the right, to be exercised in its sole discretion, to establish such additional accounts within the funds established pursuant to this Resolution, and subaccounts within such accounts, as it deems necessary or useful for the purpose of identifying more precisely the sources of payments herein and disbursements therefrom; provided that the establishment of any such account or subaccount does not alter or modify any of the requirements of this Resolution with respect to a deposit or use of money or result in commingling of funds not permitted hereunder.

Section 17. Lost or Destroyed Bonds. If any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like amount, maturity and tenor to the Registered Owner upon the owner paying the expenses and charges of the Bond Registrar and the University in connection with preparation and authentication of the replacement Bond or Bonds and upon the owner filing with the Bond Registrar and the University evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of the owner's ownership, and upon furnishing the University and the Bond Registrar with indemnity satisfactory to both.

Section 18. No Recourse against Individuals. No Registered Owner shall have any recourse for the payment of any part of the principal of, premium, if any, or redemption price, if any, of or interest on the Bonds, or for the satisfaction of any liability arising from, founded upon, or existing by reason of, the issuance or ownership of such Bonds against any past, present or future officer, director, trustee, employee or agent of the University or any past, present or future officer, director, trustee or member of the Board in their individual capacities.

Section 19. General Authorization; Ratification of Prior Acts. The Chair of the Board and Authorized University Representative, and other appropriate officers of the University are authorized to take any actions and to execute and deliver documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this Resolution. All acts taken pursuant to the authority of this Resolution but prior to its effective date are hereby ratified.

Section 20. Severability. If any provision in this Resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Bonds.

Section 21. Amendments. This Resolution may be amended or supplemented by a supplemental resolution without the consent of any Beneficial Owner or Registered Owner for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Resolution;

(b) To add to the covenants and agreements of the University in this Resolution, other covenants and agreements to be observed by the University that are not contrary to or inconsistent with this Resolution as in effect;

(c) To authorize issuance of Additional Bonds or subordinate obligations payable from or secured by General Revenues;

(d) To modify, amend or supplement this Resolution or any supplemental resolution to qualify under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of any Bonds for sale under the securities laws of any of the states of the United States of America;

(e) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Tax-Advantaged Bonds;

(f) To confirm, as further assurance, any pledge or lien created under this Resolution;

(g) To make any change that, in the reasonable judgment of the University, does not materially and adversely affect the rights of the Beneficial Owners or Registered Owners of any outstanding Bonds; or

(h) To modify any of the provisions of the Bond Authorization or any supplemental resolution in any other respect whatever, as long as the modification shall take effect only after all affected outstanding Bonds cease to be outstanding.

This Resolution may be amended or supplemented for any other purpose only upon consent of the Registered Owners of not less than fifty one percent (51%) in aggregate principal amount of the Bonds outstanding; provided, however, that no amendment shall be valid without the consent of the Registered Owners of 100 percent (100%) of the aggregate principal amount of the Bonds outstanding that: extends the maturity of any Bond, reduces the rate of interest upon any Bond, extends the time of payment of interest on any Bond, reduces the amount of principal payable on any Bond, or reduces any premium payable on any Bond, without the consent of the affected Registered Owner; or reduces the percent of Registered Owners required to approve amendments to the Resolution.

Section 22. Benefit of Resolution. The covenants and agreements in this Resolution regarding the Bonds are made for the benefit of the Beneficial Owners of the Bonds and shall be enforceable by those Beneficial Owners.

Section 23. Effective Date. This Resolution shall take effect immediately upon adoption by the Board.

Moved by______________________

Seconded by ___________________

Dated this [____] day of __________, 2020.

Exhibit A

Bond Form

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. ________ $_________

OREGON STATE UNIVERSITY
GENERAL REVENUE [REFUNDING] BONDS, [2020/2021][____] [FEDERALLY TAXABLE]

INTEREST RATE: % MATURITY DATE: CUSIP NO.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Oregon State University (the "University"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount specified above, unless redeemed prior thereto as provided herein, together with interest on such Principal Amount from ___________, 20___, or the most recent date to which interest has been paid or duly provided for, at the Interest Rate set forth above payable ________ 1, 20__, and semiannually thereafter on each _____ 1 and ____________ 1 until payment of the principal sum has been made or duly provided for. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the University to DTC.

This bond is one of an authorized issue of general revenue bonds of the University of like date and tenor, except as to number, interest rate and date of maturity, in the aggregate principal amount of $___________, issued pursuant to Resolution No. _____ of the University, passed on ____________, 2020 (the "Bond Resolution"), [to finance or refinance all or a portion of the costs of University projects, to fund University reserves and to pay costs of issuance of the Bonds, as further provided in the Bond Resolution][to refund certain outstanding University general revenue bonds and pay costs of issuance and of the refunding]. [Pursuant to the Bond Resolution, the University also has authorized the issuance of its General Revenue [Refunding] Bonds, [2020/2021][____][(Federally Taxable)] in the aggregate principal amount of $______________ for this purpose.]

The bonds of this issue are subject to redemption prior to their stated maturities as provided in the Bond Resolution.

This bond is payable solely from and secured by a pledge of General Revenues and the money and investments deposited into the Bond Fund, and the University does hereby pledge and bind itself to set aside from such General Revenues, and to pay into the Bond Fund described in the Bond Resolution the various amounts required by the Bond Resolution to be paid into and maintained in such Bond Fund, all within the times provided by the Bond Resolution. Bonds issued pursuant to the Bond Resolution, the University's General Revenue Bonds, 2015A and General Revenue Bonds, 2015B (Federally Taxable), the University's General Revenue Bonds, 2016A and General Revenue Bonds, 2016B (Federally Taxable), the University's General Revenue Bonds, 2017 (Federally Taxable), the University's General Revenue Bonds, 2019 (Federally Taxable), General Revenue Notes, and additional bonds issued on a parity therewith, shall be equally and ratably payable from and secured by a pledge of General Revenues, and the money and investments deposited into the Bond Fund, without preference, priority or distinction because of date of issue or otherwise.

Reference is made to the Bond Resolution as more fully describing the covenants with and the rights of Registered Owners of the bonds or registered assigns and the meanings of capitalized terms appearing on this bond which are defined in such Resolution.

The issuance of the Bonds has been authorized by the Bond Resolution duly adopted by the University pursuant to the laws of the State of Oregon. This Bond shall not constitute or become an indebtedness, or a debt or liability of the State of Oregon, the Legislative Assembly of the State of Oregon, or any county or city, or other subdivision or body corporate and politic within the State of Oregon or of any other political subdivision or body corporate and politic within the State of Oregon (other than the University, but only to the extent provided in the Bond Resolution) and neither the State of Oregon, the Legislative Assembly of the State of Oregon, nor any county or city or other subdivision of the State of Oregon (other than the University, but only to the extent provided in the Bond Resolution), shall be liable hereon; nor shall this Bond constitute the giving, pledging or loaning of the faith and credit of the State of Oregon, the Legislative Assembly of the State of Oregon, or any county or city, or other subdivision of the State of Oregon or of any other political subdivision or body corporate and politic within the State of Oregon but shall be payable solely from the funds pledged herefor. Neither the State of Oregon, the Legislative Assembly of the State of Oregon, any political subdivision or body corporate and politic within the State of Oregon other than the University shall in any event be liable for the payment of the principal of, premium, if any, or interest on this Bond or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the University. No breach of any such pledge, obligation or agreement shall impose any pecuniary liability upon the State of Oregon or any charge upon its general credit or against its taxing power. The University has no taxing powers. The issuance of this Bond shall not, directly or indirectly or contingently, obligate the

State of Oregon, or any political subdivision of the State of Oregon, nor empower the University to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for the payment of this Bond and such appropriation or levy is prohibited. Nothing in the Bond Act shall be construed to authorize the University to create a debt of the State of Oregon within the meaning of the Constitution or statutes of the State of Oregon.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

It is hereby certified, recited and represented that the issuance of this bond and the Bonds of this issue is duly authorized by law; that all acts, conditions and things required to exist and necessary to be done or performed precedent to and in the issuance of this bond and the Bonds of this issue to render the same lawful, valid and binding have been properly done and performed and have happened in regular and due time, form and manner as required by law; that all acts, conditions and things necessary to be done or performed by the University or to have happened precedent to and in the execution and delivery of the Bond Resolution have been done and performed and have happened in regular and due form as required by law; that due provision has been made for the payment of the principal of and premium, if any, and interest on this bond and the Bonds of this issue and that the issuance of this bond and the Bonds of this issue does not contravene or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, Oregon State University has caused this bond to be executed on behalf of the University with the manual or facsimile signature of the Chair of the Board and to be attested by the manual or facsimile signature of either the Secretary of the Board or the Vice President for Finance and Administration and Chief Financial Officer of the University.

OREGON STATE UNIVERSITY

By ________________________________
Chair, Board of Trustees

Attested:

By ____________________________
Secretary, Board of Trustees or
Vice President for Finance
and Administration and Chief Financial
Officer

The Certificate of Authentication for the Bonds shall be in substantially the following form and shall appear on each Bond:

AUTHENTICATION CERTIFICATE

This bond is one of the Oregon State University General Revenue [Refunding] Bonds, [2020/2021][__] described in the within-mentioned Bond Resolution.

Registrar

By ________________________________
Authorized Signatory

Date________________________________

CERTIFICATE

I, the undersigned, Secretary of the Board of Trustees (the "Board") of Oregon State University (the "University") and keeper of the records of the Board of the University, DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. _____ of the University (herein called the "Resolution"), as finally passed at a regular meeting of the Board of the University held on the [__] day of September, 2020, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Board was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the passage of said Resolution; that all other requirements and proceedings incident to the proper adoption or passage of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the University this [__] of September, 2020.

____
Secretary

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APPENDIX C

AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY
(FISCAL YEARS ENDED JUNE 30, 2019 AND 2018)

(ATTACHED)

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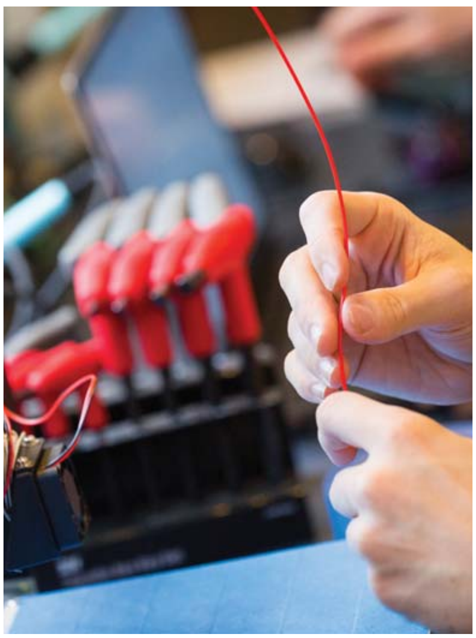
Oregon State University

2019 Annual Financial Report

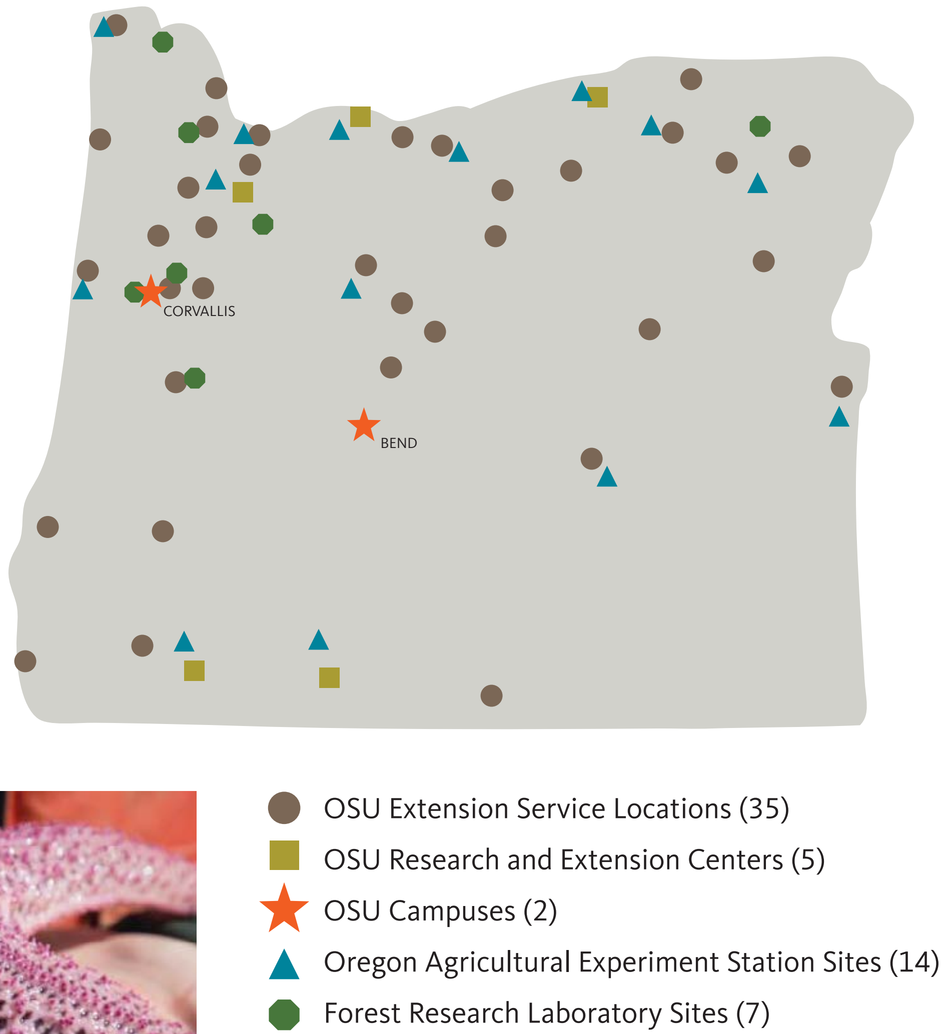
Oregon State University

Table of Contents



OREGON'S STATEWIDE UNIVERSITY

Oregon State University is a comprehensive, internationally recognized public research university. OSU serves as the state of Oregon's land, sea, space and sun grant university and is one of only two in the nation with all designations. Its programs are located in every county in Oregon, and its faculty are dedicated to providing solutions for the state and world's greatest challenges. OSU considers the entire state of Oregon as its campus and works in partnership with many school districts, all of Oregon's 17 community colleges and numerous public and private universities and colleges to provide access to high-quality education. Meanwhile, strong collaborations with industry — as well as state and federal agencies — help contribute to the success of the university's research enterprise.



MISSION

As a land grant institution committed to teaching, research, and outreach and engagement, Oregon State University promotes economic, social, cultural and environmental progress for the people of Oregon, the nation and the world. We accomplish this by:

- Producing skilled graduates who are critical thinkers.
- Searching actively for new knowledge and solutions.
- Developing the next generation of scholars.
- Collaborating with communities in Oregon and around the world.
- Maintaining a rigorous focus on academic excellence, particularly in three signature areas: the science of sustainable Earth ecosystems, health and wellness, and economic prosperity and social progress.

VISION

Leadership among land grant universities in the integrated creation, sharing and application of knowledge for the betterment of human kind. In this way, we produce graduates, scholarship and solutions that achieve maximum positive impact on humanity's greatest challenges.

GOALS

Strategic Plan 4.0 expands Oregon State's strategic goals to focus on:

1. Preeminence in research, scholarship, and innovation.
2. Transformative education that is accessible to all learners.
3. Significant and visible impact in Oregon and beyond.
4. A culture of belonging, collaboration and innovation.

View OSU's Strategic Plan at:
leadership.oregonstate.edu/strategic-plan

Message from President Edward J. Ray

As Oregon State University begins its next 150 years of service, the university continues to demonstrate far-reaching impact in Oregon, across the nation and around the world. I am pleased to report again this year that the institution's financial foundation remains strong.

At the forefront of excellence, leadership and innovation, OSU continues to serve as Oregon's leading comprehensive university and is an internationally recognized public research university.

The university's achievements occur on many fronts. Our College of Forestry is ranked No. 2 in the world, and our oceanography program No. 3 globally. U.S. News and World Report ranked Oregon State's Ecampus online bachelor's programs No. 3 in the country and this fall declared that OSU is the most innovative university in the Pacific Northwest and 33rd most innovative university in the nation. Our research enterprise excels, garnering $440 million in research funding in Fiscal Year 2019. Oregon State researchers address some of the world's most pressing problems — from advances in cancer treatment to feeding the world's growing population to addressing the causes of climate change.

The OSU Foundation celebrated the second best year in the university's fundraising history last year with gifts totaling $144.5 million. This includes $28.5 million raised in one year for the university's Student Success Initiative, exceeding a $25 million goal for the year. In one year, donors funded approximately 70 new scholarship and fellowship funds and five new endowed positions, in addition to providing philanthropy that will advance projects and programs across the university. Several colleges and units will benefit from record-breaking philanthropic giving. For example, the colleges of Agricultural Sciences and Earth, Ocean, and Atmospheric Sciences had their best fundraising year ever with the colleges of Engineering, and Liberal Arts, as well as Athletics, posting their second highest totals.

POINTS of PRIDE

No. 3 BEST ONLINE BACHELOR'S PROGRAM IN THE NATION

Oregon State Ecampus has been ranked as one of the Best Online Bachelor's Programs for five consecutive years — as a result of its high graduation rates, low graduate debt and strong student support. (U.S. News & World Report)

No. 2 IN THE WORLD FOR FORESTRY

No. 3 IN THE WORLD FOR OCEANOGRAPHY

Oregon State faculty are among the most frequently published in top-tier scientific journals, earning a global reputation for groundbreaking research that impacts the environment and the economy. (Center for World University Rankings)

For the fifth consecutive year, OSU was the largest university in the state with more than 32,000 students enrolled for the 2018-19 academic year. True to our land grant mission, enrollment of Oregon residents remains strong, and the growth in the number of Oregon students at OSU accounted for nearly all of the growth of resident Oregonian students within the state's public universities last year. With regard to enrollment management, we are following a forecast that calls for up to 28,000 students to be enrolled at our Corvallis campus; 3,000 students at our OSU-Cascades campus in Bend; up to 500 students annually engaged in marine studies at our Hatfield Marine Sciences Center in Newport; and 7,000 or more degree-seeking students enrolled online through Ecampus. Additionally, in fall 2018, Oregon State began offering classes and programs to Portland-area residents and opened its new OSU Portland Center in the historic downtown Meier & Frank Building.

College affordability remains a top priority for our Board of Trustees, OSU administrators, students and their families. As part of our Student Success Initiative, we are working diligently to ensure that an OSU degree is an affordable reality for all qualified Oregonians. Of those students who entered OSU as true freshmen in 2015 and graduated last June, 46.5% graduated with no debt compared to a national average of 34%. Those who graduated with debt, had average debt of $22,000 compared to $29,000 nationally.

OSU continues to develop four-year degree programs at OSU-Cascades, which is preparing for construction of its second academic building as part of plans for an expanded campus footprint. This campus serves students who want to remain in Central Oregon and attend a four-year college. It also provides other resident Oregonians, out-of-state and international students with a high-quality OSU education in a unique small-campus setting.

The university is following a 10-year plan to address building renewals and improvements on its Corvallis campus and within the university's 14 experiment stations that are located throughout Oregon. Through a combination of university operational funds and bonds, state bonds and donor contributions, this strategy will result in a reduction of the university's backlog of deferred maintenance costs by 25 percent over the next decade.

Oregon State continues its strong commitment to responsible financial management and utilizes a long-range business forecast, composed of a 10-year capital forecast and a 10-year operational forecast aligned with OSU's strategic plan, to help guide the university.

As Oregon's statewide university, we will work to achieve even more for our students and all those we serve in the coming year.

Edward J. Ray

Edward J. Ray

No. 1 MID-CAREER SALARY OF ALL PUBLIC SCHOOLS IN OREGON

Oregon State graduates earn a median salary of $101,300 at mid-career, the most of any public university in the state.
(Pay Scale)

No. 3 BEST 100 PLACES TO LIVE

No. 5 TOP 10 BEST COLLEGE TOWNS

Corvallis consistently ranks among the nation's top college towns in multiple surveys, cited for innovation, sustainability, entertainment and affordability. (Livability.com)

No. 10 GREENEST UNIVERSITY

Oregon State is nationally recognized for its top-ranked programs in sustainability fields, including forestry, wildlife management, zoology, conservation biology, agricultural sciences and nuclear engineering. (BestColleges.com)

BICYCLE GOLD

Oregon State is known for bike-friendly amenities and encouraging bicycling as an easy, healthy transportation option. (League of American Bicyclists)

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Members of the Board of Trustees
Oregon State University
Corvallis, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of the Oregon State University (the University), a component unit of the State of Oregon, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the University'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the 2019 and 2018 financial statements of the aggregate discretely presented component units, the Oregon State University Foundation and the Agricultural Research Foundation, which represent 100 percent of the assets, net assets, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Oregon State University Foundation and the Agricultural Research Foundation is based solely on the report of the other auditors. We conducted our audit 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 discretely presented component units 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 auditors' 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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate discretely presented component units of the Oregon State University as of June 30, 2019 and 2018, 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.

Emphasis of a Matter

During fiscal year ended June 30, 2019, the University adopted GASB Statement No. 83, *Asset Retirement Obligations*. As a result of the implementation of this standard, the University reported a restatement for the change in accounting principle (see Note 1 to the financial statements) as of July 1, 2017. Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of the University's contributions to pension and Other Postemployment Benefit (OPEB) plans, and schedules of the University's proportionate share of pension and OPEB plans as listed in the table of contents (collectively referred to as required supplementary information) 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 University's basic financial statements. The Message from the President is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Message from the President has 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 October 31, 2019, on our consideration of the University'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 University'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 University's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
October 31, 2019

A member of Nexia International

Introduction

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of Oregon State University (OSU) for the years ended June 30, 2019, 2018, and 2017. OSU is comprised of a main campus in Corvallis and a branch campus in Bend, along with the Hatfield Marine Science Center in Newport, Ecampus, and Extension Service, Agricultural Experiment Stations and Forest Research Laboratories throughout the state.

Annual Full-Time Equivalent (FTE) Student Enrollment Summary

	2019	2018	2017	2016	2015
Corvallis	**20,745**	21,182	21,608	21,658	21,939
Cascades	**810**	767	709	650	600
Ecampus	**6,659**	6,271	5,513	4,731	4,089
Total	**28,214**	28,220	27,830	27,039	26,628

Understanding the Financial Statements

The MD&A focuses on OSU as a whole and is intended to foster a greater understanding of OSU's financial activities. Since this presentation includes summarized formats, it should be read in conjunction with the financial statements that have the following six components:

Independent Auditors' Report presents an unmodified opinion rendered by CliftonLarsonAllen LLP, an independent certified public accounting firm, on the fairness in presentation of the financial statements.

Statement of Net Position (SNP) presents a snapshot of OSU's assets, deferred outflows of resources, liabilities and deferred inflows of resources 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 OSU owes to vendors and bondholders, and OSU's net position, delineated based upon availability for future expenditures.

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

Statement of Cash Flows (SCF) provides information about OSU's sources and uses of cash during the fiscal year. The SCF classifies sources and uses of cash into four categories of cash either provided or used by: operating activities, noncapital financing activities, capital and related financing activities and investing activities.

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

Component Units, comprised of two supporting foundations, are combined and reported separately in the OSU financial statements and in Note 2 Cash and Investments and Note 21 University Foundations.

The MD&A provides an objective analysis of OSU's financial activities based on currently known facts, decisions, and conditions. The analysis is about OSU as a whole and is not broken out by individual campuses, schools, colleges or divisions. The MD&A discusses the current and prior year results in comparison to the respective year's prior year. Due to rounding and presentation, summary numbers in the MD&A may differ slightly from those in the financial statement schedules. Unless otherwise stated, all years refer to the fiscal year ended June 30.

Financial Summary

OSU maintained its solid financial condition and healthy operating performance during fiscal year 2019.

Total assets increased by $169 million, or 10 percent, at the year's end. This increase was driven mostly by $129 million and $72 million increases in total cash and cash equivalents, and net capital assets, respectively. Investments decreased by $35 million while the remaining asset categories increased by a net of $3 million.

Deferred outflows increased by $8 million, due mostly to an increase in deferred outflows related to the net pension liability.

Total liabilities increased by $115 million, or 10 percent, during 2019 primarily due to the issuance of $140 million in Revenue Bonds and a $12 million increase in accounts payable and accrued liabilities. These increases were primarily offset by a $15 million decrease in contracts payable to the state, and a $25 million decrease in the university's line of credit.

Deferred inflows increased by $27 million, due mostly to an increase in deferred inflows related to the net pension liability.

Total net position increased by $35 million during fiscal year 2019 primarily due to a $76 million increase in net investment in capital assets. Unrestricted net position decreased by $38 million, which slightly offset the larger increase.

Total revenues increased by $75 million, or 6 percent, in 2019 over 2018. This increase was widely distributed among most income categories and was led by increases in capital grants and gifts of $26 million, government appropriations of $11 million, educational and other revenue of $14 million, investment activity of $9 million, and student tuition and fees of $7 million, with the remaining categories accounting for an additional net increase of $8 million.

Operating expenses increased by $42 million in 2019, or 4 percent, over 2018. This increase was spread among most categories and was led by increases in instruction of $15 million, public service of $14 million, other operating expense of $11 million, and academic support of $4 million. These increases were offset by slight decreases in student services, auxiliary programs, research, and student aid.

Beginning net position for 2017 and 2018 was restated and reduced due to the cumulative effect of the retroactive implementation of GASB Statement No. 83, *Asset Retirement Obligations*. See Note 10 Asset Retirement Obligations for more information.

Statement of Net Position

The term "Net Position" refers to the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, and is an important indicator of OSU's current financial condition. Changes in net position that occur over time indicate improvement or deterioration in OSU's financial condition.

The following chart summarizes OSU's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (in millions):

Condensed Statement of Net Position

As of June 30,	**2019**	2018	2017
Current Assets	**$ 380**	$ 231	$ 196
Noncurrent Assets	**260**	312	230
Capital Assets, Net	**1,255**	1,183	1,127
Total Assets	**$ 1,895**	$ 1,726	$ 1,553
Deferred Outflows of Resources	**$ 135**	$ 127	$ 188
Current Liabilities	**$ 246**	$ 213	$ 180
Noncurrent Liabilities	**990**	908	806
Total Liabilities	**$ 1,236**	$ 1,121	$ 986
Deferred Inflows of Resources	**$ 34**	$ 7	$ 3
Net Investment in Capital Assets	**$ 787**	$ 711	$ 706
Restricted - Nonexpendable	**5**	6	5
Restricted - Expendable	**67**	69	86
Unrestricted	**(99)**	(61)	(45)
Total Net Position	**$ 760**	$ 725	$ 752

Total Assets and Deferred Outflows of Resources

Total assets increased by $169 million, or 10 percent, during the year ended 2019 due primarily to an increase in cash and net capital assets, offset somewhat by a decrease in investments. Total assets increased by $173 million, or 11 percent, during the year ended 2018 due to increases in all categories of assets except for a slight decrease in inventory.

Comparison of fiscal year 2019 to fiscal year 2018

Current Assets increased by $149 million, or 65 percent, primarily due to:

- Current cash and cash equivalents increased by $145 million due primarily to a revenue bond sale and a portion of the proceeds being held for investment but not yet invested at year end.
- Accounts receivable increased by $4 million. Increases in receivables related to federal grants and contracts, student tuition and fees and from the component units were somewhat offset by decreases in receivables for capital construction grants, auxiliaries, and state and other grants. See Note 3 Accounts Receivable for additional information.
- Prepaid expenses increased by $3 million due primarily to an increase in general operations prepaid expenses.
- Current notes receivable decreased by $1 million due primarily to a decrease in Perkins loans receivable. See Note 4 Notes Receivable for additional information.

Noncurrent (Noncapital) Assets decreased by $52 million, or 17 percent.

- Noncurrent cash and cash equivalents decreased by $15 million due primarily to a spend down of revenue bond cash for capital construction held from the previous year.
- Investments decreased by $35 million due primarily to a decrease in cash available for general investments related to the timing of the investment of the revenue bond proceeds.
- Noncurrent notes receivable decreased by $3 million primarily as the result of a decrease in Perkins loans receivable. See Note 4 for additional information.
- OPEB asset increased by $2 million. See Note 17 Other Post-employment Benefits (OPEB) for additional information.

Capital Assets, Net increased by $72 million, or 6 percent. See detailed information on Capital Assets in this MD&A for additional information on this change.

Deferred Outflows of Resources increased by $8 million, or 6 percent.

- Deferred outflows related to the net pension liability increased by $7 million.
- Deferred outflows related to the OPEB asset and liabilities increased by less than $1 million.
- Deferred outflows related to the asset retirement obligation decreased by less than $1 million.
- See Note 6 Deferred Outflows and Inflows of Resources for additional information.

Comparison of fiscal year 2018 to fiscal year 2017

Current Assets increased by $35 million, or 18 percent, primarily due to:

- Current cash and cash equivalents increased by $15 million. Overall, higher cash balances in operating funds were offset by a slight increase in the proportion of cash that was transferred to investments in 2018, resulting in a net higher cash balance at year end.
- Accounts receivable increased by $9 million. Increases in receivables related to federal grants and contracts, capital construction and auxiliary operations were only somewhat offset by decreases in receivables from the component units and other receivables. See Note 3 for additional information.
- Prepaid expenses increased by $3 million due primarily to capital construction costs related to the OSU Portland Center remodel of the Meier and Frank building. OSU provided up-front funding for tenant improvements on the Meier and Frank building in downtown Portland, which it is leasing for expansion of the OSU Portland Center.

Noncurrent (Noncapital) Assets increased by $82 million, or 36 percent.

- Noncurrent cash and cash equivalents increased by $17 million due primarily to increased revenue bond cash held for construction at year end. Revenue bond cash from previous years' sales was transferred to construction projects prior to year end, but has not been spent down.
- Investments increased by $63 million. Increased cash balances available for investment resulted in increased investments at year end.
- Noncurrent notes receivable increased by $2 million primarily as the result of an increase in Perkins loans receivable and associated allowance for doubtful accounts. See Note 4 for additional information.

Capital Assets, Net increased by $56 million, or 5 percent. See detailed information on Capital Assets in this MD&A for additional information on this change.

Deferred Outflows of Resources decreased by $61 million, or 32 percent.

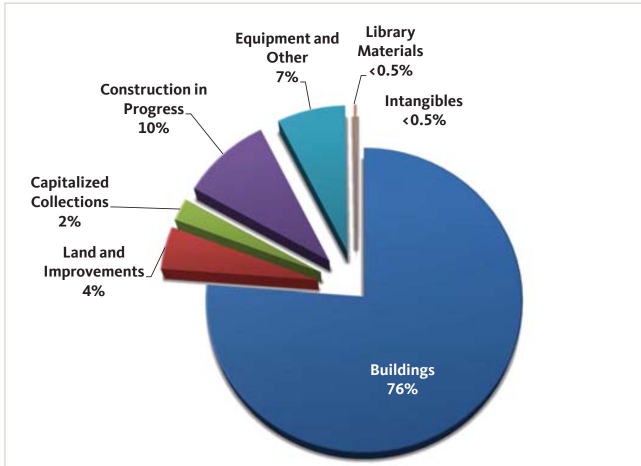
- Deferred outflows related to the net pension liability decreased by $62 million.
- The implementation of GASB Statement No. 75 added $2 million in deferred outflows related to the OPEB asset and liabilities.
- Deferred outflows related to the asset retirement obligation decreased by less than $1 million.
- See Note 6 for additional information.

Capital Assets and Related Financing Activities

Capital Assets

At June 30, 2019, OSU had $2.1 billion in capital assets, less accumulated depreciation of $871 million, for net capital assets of $1.3 billion. At June 30, 2018, OSU had $2.0 billion in capital assets, less accumulated depreciation of $821 million, for net capital assets of $1.2 billion. OSU is committed to a comprehensive program of capital investment and facility maintenance that includes addressing current maintenance needs and minimizing OSU's deferred maintenance backlog. State, federal, private, debt, and internal funding were all used to accomplish OSU's capital objectives.

2019 Capital Assets, Net $1,255 Million



Changes to Capital Assets

(in millions)

As of June 30,	2019	2018	2017
Capital Assets, Beginning of Year	**$ 2,004**	$ 1,900	$ 1,802
Add: Purchases/Construction	**133**	113	111
Less: Retirements/Adjustments	**(11)**	(9)	(13)
Total Capital Assets, End of Year	**2,126**	2,004	1,900
Accum. Depreciation, Beginning of Year	**(821)**	(773)	(730)
Add: Depreciation Expense	**(59)**	(56)	(55)
Less: Retirements/Adjustments	**9**	8	12
Total Accum. Depreciation, End of Year	**(871)**	(821)	(773)
Total Capital Assets, Net, End of Year	**$ 1,255**	$ 1,183	$ 1,127

Capital additions totaled $133 million for 2019, $113 million for 2018, and $111 million for 2017.

During 2019, capital asset additions included $98 million for construction in progress (CIP) ; $19 million for equipment; $11 million for buildings; and $2 million for infrastructure. During 2018, capital asset additions included $72 million for CIP; $14 million for equipment; $21 million for buildings; and $3 million for infrastructure. During 2017, capital asset additions included $83 million for CIP; $20 million for equipment; $3 million for buildings; and $2 million for land improvements.

Key projects still in progress at the end of 2019 include the Oregon Forestry Science Complex, Hatfield Marine Science Center Marine Studies Building, the Upper Level Undergraduate/Graduate Student Housing building, Finley Hall, and Magruder Hall.

During 2019, $57 million in capital projects were completed and placed into service, including the Advanced Wood Products Laboratory, Gilbert Hall renovation, HP11 improvement, and Nypro Building renovation.

See Note 5 Capital Assets for additional information.

Debt Administration

During 2019, long-term debt held by OSU increased by $124 million, or 25 percent, from $493 million to $617 million.

- OSU issued an additional $140 million (par value) of new Revenue Bonds earmarked for construction. The bonds were sold at par.
- OSU made debt service principal payments totalling $15 million on outstanding long-term debt.
- OSU's remaining obligation for accreted interest and premiums on outstanding debt decreased by a net $1 million.

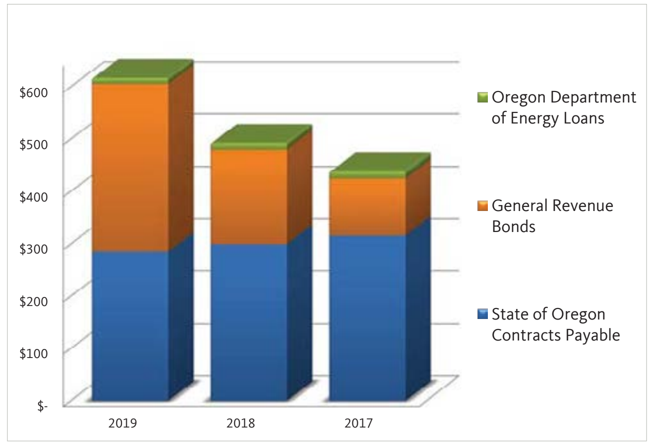
During 2018, long-term debt held by OSU increased by $55 million, or 13 percent, from $438 million to $493 million.

- OSU issued an additional $73 million (par value) of new Revenue Bonds earmarked for construction. The bonds were sold at par.
- OSU made debt service principal payments totalling $16 million on outstanding long-term debt.
- OSU's remaining obligation for accreted interest and premiums on outstanding debt decreased by a net $2 million.

See Note 9 Long-Term Liabilities for additional information.

Long-term Debt

(in millions)



Total Liabilities and Deferred Inflows of Resources

Total liabilities increased by $115 million, or 10 percent, during 2019 primarily due to an increase in long-term liabilities related to the issuance of Revenue Bonds during 2019, an increase in accounts payable and accrued liabilities and an increase in the net pension liability. During 2018, total liabilities increased by $135 million, or 14 percent, primarily due to an increase in long-term liabilities associated with the issuance of Revenue Bonds, a $47 million increase in the line of credit liability, and the recording of a $22 million Perkins loan program liability.

Comparison of fiscal year 2019 to fiscal year 2018

Current Liabilities increased by $33 million, or 15 percent, primarily due to:

- Accounts payable and accrued liabilities increased by $12 million. Increased services and supplies payable associated with grants and general operations, as well as increased capital construction retainage payable were offset by a decrease in services and supplies payable associated with capital construction projects. See Note 7 Accounts Payable and Accrued Liabilities for additional information.
- The current portion of long-term liabilities increased by $22 million due mainly to the remaining balance of the line of credit being classified as current. See Note 9 for additional information.

Noncurrent Liabilities increased by $82 million, or 9 percent.

- The noncurrent portion of long-term liabilities increased by $74 million due primarily to the issuance of $140 million in Revenue Bonds during 2019 which was offset by a decrease of $47 million in the line of credit liability and a decrease of $14 million contracts payable to the state. See discussion of Debt Administration earlier in this MD&A and Note 9 for additional information.

- The asset retirement obligation was relatively unchanged. See Note 10 Asset Retirement Obligations for additional information.
- Net pension liability increased by $8 million. See Note 16 Employee Retirement Plans for additional information.
- The OPEB Liability was relatively unchanged. See Note 17 Other Post-employment Benefits (OPEB) for additional information.

Deferred Inflows of Resources increased by $27 million due to a $26 million increase related to the net pension liability, and a $1 million increase related to the OPEB asset and liabilities. See Note 6 Deferred Outflows and Inflows of Resources for detailed information on this change.

Comparison of fiscal year 2018 to fiscal year 2017

Current Liabilities increased by $33 million, or 18 percent, primarily due to:

- Accounts payable and accrued liabilities increased by $16 million. Increased services and supplies payable associated with capital construction projects, grants, and general operations as well as increased payroll withholdings payable were offset by a decrease in capital construction contract retainage payable.
- Unearned revenues increased by $6 million. Increases in unearned revenue associated with summer session tuition and fees, grants and contracts, and other operations were offset by a decrease in unearned revenue associated with auxiliaries.
- The current portion of long-term liabilities increased by $5 million due mainly to the accrual of the Perkins loan program liability. With the termination of the federal Perkins program, OSU was required to reclassify the federal capital contribution from net position to a long-term liability since those funds are now required to be paid back to the federal government. See Note 1 Organization and Summary of Accounting Policies, Section X Perkins Loan Program Termination and Note 9 for additional information.

Noncurrent Liabilities increased by $102 million, or 13 percent.

- The noncurrent portion of long-term liabilities increased by $119 million due primarily to the issuance of Revenue Bonds during 2018, an increase in the line of credit liability, and the accrual of the Perkins loan program liability. See discussion of Debt Administration earlier in this MD&A and Note 9 for additional information.
- Net pension liability decreased by $29 million. See Note 16 for additional information.
- The implementation of GASB Statement No. 75 added $12 million in OPEB liability. See Note 17 for additional information.

Deferred Inflows of Resources increased by $4 million or 133 percent.

- Deferred inflows related to the net pension liability increased by $3 million.
- The implementation of GASB Statement No. 75 added $1 million in deferred inflows related to the OPEB asset and liabilities.

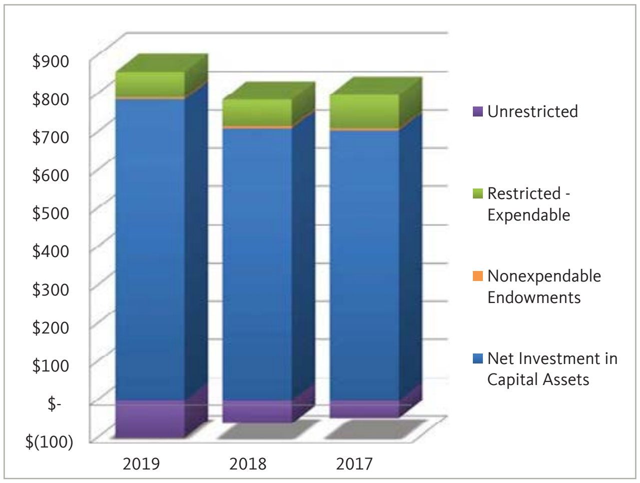
See Note 6 for additional information.

Total Net Position

Total net position (TNP) increased by $35 million, or 5 percent, during 2019. TNP benefited from a $76 million increase in net investment in capital assets, but was negatively impacted by a reduction in nonexpendable net position of $1 million, a reduction in unrestricted net position of $38 million and a reduction of restricted expendable net position of $2 million.

TNP decreased by $27 million, or 4 percent, during 2018. TNP benefited from a $5 million increase in net investment in capital assets, as well as an increase in nonexpendable net position of $1 million, but was negatively impacted by a reduction in unrestricted net position of $16 million and a reduction of restricted expendable net position of $17 million.

The graph below illustrates how the composition of net position has changed since 2017. (in millions)



Comparison of fiscal year 2019 to fiscal year 2018

Net Investment in Capital Assets increased by $76 million, or 11 percent.

- Capitalized acquisitions net of disposals added $122 million, which was offset by a $50 million increase to accumulated depreciation. Additionally, there was a net decrease of $4 million in long-term debt outstanding attributable to the capital assets. See Note 5 Capital Assets and Note 9 Long-Term Liabilities for additional information.

Restricted Expendable Net Position decreased by $2 million, or 3 percent.

- Net position restricted for gifts, grants and contracts decreased by $5 million due primarily to a decrease in the market value of endowment funds and a decrease in the aggregate net position of restricted grant funds.
- Net position restricted for student loans was relatively unchanged. Increases in cash balances were offset by decreases in student loan receivables.
- Net position restricted for capital projects was relatively unchanged.
- Net position restricted for debt service increased by $2 million due to an increase in cash on hand.
- Net Position restricted for OPEB asset increased by $2 million and is equal to the Net OPEB Asset reported in noncurrent assets.

Unrestricted Net Position decreased by $38 million, or 62 percent.

- A decline in unrestricted operating performance, which includes education, auxiliary and general business type activities, resulted in a decrease to unrestricted net position of $12 million.
- Changes associated with the PERS net pension liability decreased unrestricted net position by $28 million, due primarily to a significant increase in the deferred inflows of resources associated with the net pension liability. See Note 6 and Note 16 for additional information.
- The OPEB asset, liabilities and associated deferred outflows and inflows of resources were relatively unchanged.
- Decreases associated with year-end liability accruals for the PERS state and local government rate pool (SLGRP) and compensated absences increased unrestricted net position by $2 million.

See Note 11 Unrestricted Net Position for additional information.

Comparison of fiscal year 2018 to fiscal year 2017

Net Investment in Capital Assets increased by $5 million, or 1 percent.

- Capitalized acquisitions net of disposals added $104 million, which was offset by a $48 million increase to accumulated depreciation. Additionally, there was a net increase of $51 million in long-term debt outstanding attributable to the capital assets as a result of a revenue bond sale during fiscal year 2018. See Note 5 and Note 9 for additional information.

Restricted Expendable Net Position decreased by $17 million, or 20 percent.

- Net position restricted for gifts, grants and contracts increased by $4 million due primarily to an increase in the market value of endowment funds managed by the OSU Foundation.
- Net position restricted for student loans decreased $22 million due to the termination of the Perkins loan program and the establishment of a liability for the amount of federal capital contribution due to the federal government. See Note 1, Section X for additional details.
- Net positions restricted for capital projects and debt service were relatively unchanged.
- The implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, resulted in the creation of a new restricted expendable net position for the OPEB asset. The restricted expendable OPEB asset is equal to the Net OPEB Asset of $1 million reported in noncurrent assets.

Unrestricted Net Position decreased by $16 million, or 36 percent.

- Improved unrestricted operating performance, which includes education, auxiliary and general business type activities, increased unrestricted net position by $30 million.
- Changes associated with the PERS net pension liability decreased unrestricted net position by $36 million, due primarily to a significant decrease in the deferred outflows of resources associated with the net pension liability. See Note 6 and Note 16 for additional information.
- The implementation of GASB Statement No. 75 and the reporting of net OPEB liabilities, coupled with the associated deferred outflows and inflows for those liabilities and the OPEB asset, resulted in a net decrease of $11 million.
- Decreases associated with year-end liability accruals for the PERS state and local government rate pool (SLGRP) and compensated absences increased unrestricted net position by $2 million.

See Note 11 for additional information.

Statement of Revenues, Expenses and Changes in Net Position

Due to the classification of certain key revenues as nonoperating revenue, OSU normally shows a loss from operations. 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 to support the operations of the university.

The following summarizes the revenues and expenses of OSU (in millions):

Condensed Statement of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30,	**2019**	2018	2017
Operating Revenues	**$ 838**	$ 809	$ 768
Operating Expenses	**1,213**	1,171	1,100
Operating Loss	**(375)**	(362)	(332)
Nonoperating Revenues, Net of Expenses	**334**	294	295
Other Revenues, Net of Expenses	**76**	52	50
Increase (Decrease) in Net Position	**35**	(16)	13
Net Position, Beginning of Year, Restated	**725**	741	739
Net Position, End of Year	**$ 760**	$ 725	$ 752

Revenues

Total revenues increased by $75 million, or 6 percent, in 2019 over 2018. This increase was due to an increase in almost all categories of revenue, with only a slight decrease in nonoperating and other items.

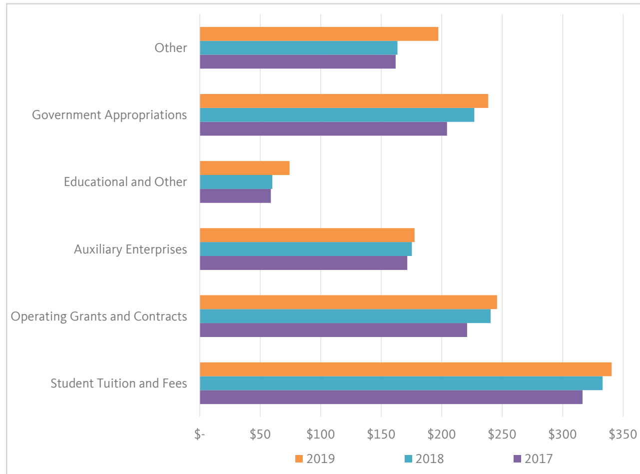
Total Operating, Nonoperating and Other Revenues

(in millions)

For the Years Ended June 30,	**2019**	2018	2017
Student Tuition and Fees	**$ 340**	$ 333	$ 316
Grants and Contracts	**246**	241	221
Auxiliary Enterprises	**178**	175	172
Educational and Other	**74**	60	59
Total Operating Revenues	**838**	809	768
Government Appropriations	**238**	227	204
Financial Aid Grants	**45**	43	43
Gifts	**57**	56	53
Investment Activity	**21**	12	13
Capital Grants and Gifts	**76**	50	49
Nonoperating and Other Items	**(1)**	2	4
Total Nonoperating and Other Revenues	**436**	390	366
Total Revenues	**$ 1,274**	$ 1,199	$ 1,134

Total Operating, Nonoperating, Other Revenues and Special Items

(in millions)



Operating Revenues

Operating revenues increased by $29 million in 2019, or 4 percent, over 2018, to $838 million. Operating revenues increased by $41 million in 2018, or 5 percent, over 2017, to $809 million. The increases in 2019 and 2018 were due to increases in all categories of operating revenue.

Comparison of fiscal year 2019 to fiscal year 2018

Net Student Tuition and Fees increased by $7 million, or 2 percent.

- Higher tuition and fee rates accounted for $14 million of the increase.
- Fee remissions, scholarship allowances and bad debt allowances reduced tuition and fees by $7 million more than in the prior year.

Federal, State and Nongovernmental Grants and Contracts increased by $5 million, or 2 percent.

- Federal grant and contract revenues increased by $8 million primarily due to continued increases in cooperative agreements.
- State and local grant and contract revenues were relatively unchanged.
- Nongovernmental grant and contract revenues decreased by $3 million due mainly to a decrease in grants and contracts from commercial businesses.

Auxiliary Enterprise revenues increased by $3 million, or 2 percent.

- Housing and dining revenues increased by $2 million due to increased rates and occupancy for room and board and increased miscellaneous meal plan revenue.

- Athletics revenues increased by $3 million. Decreases in ticket sales were offset by increases in guarantees, bowl income, athletic conference TV shares and sponsorship income.
- Health services revenues decreased by $1 million due mainly to decreased income from medical supply sales and other medical services.
- Other auxiliary revenues decreased by $1 million due mainly to decreased student incidental fee revenue and increased refunds.

Educational and Other revenues increased by $14 million, or 23 percent.

- Educational department sales and services revenues increased by $7 million due mainly to increased sales, services, test fees, and noncredit workshop revenues, offset by decreases in conference income and miscellaneous fees.
- Other operating revenues increased by $7 million. A fire in Burt Hall on November 30, 2018 resulted in $7 million in insurance recoveries during fiscal year 2019.

Comparison of fiscal year 2018 to fiscal year 2017

Net Student Tuition and Fees increased by $17 million, or 5 percent.

- Higher tuition and fee rates accounted for $13 million of the increase.
- A 1.4 percent FTE student enrollment increase added $6 million in tuition and fees.
- Fee remissions, scholarship allowances and bad debt allowances reduced tuition and fees by $2 million more than in the prior year.

Federal, State and Nongovernmental Grants and Contracts increased by $20 million, or 9 percent.

- Federal grant and contract revenues increased by $19 million primarily due to continued increases in cooperative agreements.
- State and local grant and contract revenues decreased by $3 million due primarily to decreases in state grants, contracts and cooperative agreements.
- Nongovernmental grant and contract revenues increased by $4 million due mainly to an increase in grants and contracts from the Agricultural Research Foundation.

Auxiliary Enterprise revenues increased by $3 million, or 2 percent.

- Housing and dining revenues increased by $3 million due to increased room and board and miscellaneous meal plan revenue.
- Athletics revenues decreased by $5 million primarily as the result of decreased ticket sales and a one-time spike in revenue in 2017 associated with the departure of the Athletic Director and the buy-out of his contract.
- Health services revenues increased by $2 million due mainly to increased income from medical supply sales, pharmacy sales and non-employee insurance premiums.
- Other auxiliary revenues increased by $3 million due mainly to student incidental fee revenue and decreased refunds.

Educational and Other revenues increased by $1 million, or 2 percent.

- Educational department sales and services revenues increased by $1 million due mainly to increased services, fees, surplus sales and conference and workshop revenues, offset by a decrease in lease income.

Nonoperating and Other Revenues

Total nonoperating and other revenues increased by $46 million during 2019 primarily due to increases in government appropriations and capital grants and gifts. The increase in total nonoperating and other revenues of $24 million during 2018 resulted mainly from increases in government appropriations and gifts.

Comparison of fiscal year 2019 to fiscal year 2018

Government Appropriations increased by $11 million, or 5 percent.

- State appropriations increased by $13 million due to increased funding received in support of the operations of the university and statewide public services.
- State lottery appropriations in support of outdoor school were relatively unchanged from the prior year. Outdoor school for middle school students is administered by the cooperative extension services on behalf of the state.
- Federal and county appropriations in support of the statewide public services decreased by $2 million.
- Debt service appropriations from the state were unchanged.
- See Note 15 Government Appropriations for additional information.

Financial Aid Grants were increased by $2 million, or 5 percent. Decreases in federal work study assistance were offset by increases in federal Pell grants and Oregon opportunity grants.

Gifts increased by $1 million, or 2 percent. Increased gifts from the OSU Foundation and private sources were offset by decreased gifts from commercial and other foundations as well as decreased gifts in-kind from various sources.

Investment Activity revenues increased by $9 million, or 75 percent. See Note 13 Investment Activity for additional information relating to these changes.

Capital Grants and Gifts increased by $26 million, or 52 percent. Increased XI-G and XI-Q capital grant revenue from the state as well as increased gift revenue from the OSU Foundation and other foundations and associations were slightly offset by decreased federal and commercial grants and contracts for capital construction.

Nonoperating and Other Items decreased by $3 million, or 150 percent.

Comparison of fiscal year 2018 to fiscal year 2017

Government Appropriations increased by $23 million, or 11 percent.

- State appropriations increased by $9 million due to increased funding received in support of the operations of the university and statewide public services.
- OSU received $12 million in state lottery appropriations in support of outdoor school for middle school students, which cooperative extension services administers on behalf of the state.
- Federal and county appropriations in support of the statewide public services increased by $2 million.
- Debt service appropriations from the state were unchanged.
- See Note 15 for additional information.

Financial Aid Grants were relatively unchanged. Decreases in federal work study assistance, state need grants and Ford Family Foundation scholarships were offset by increases in federal Pell grants.

Gifts increased by $3 million, or 6 percent due mainly to increased gifts from the OSU Foundation, other foundations and gifts in-kind from various sources.

Investment Activity revenues decreased by $1 million, or 8 percent. See Note 13 for additional information.

Capital Grants and Gifts increased by $1 million, or 2 percent. Increased XI-G and XI-Q capital grant revenue from the state was offset by decreased gift revenue from the OSU Foundation, other foundations and associations, and federal grants and contracts for capital construction.

Nonoperating and Other Items decreased by $2 million, or 50 percent, due mainly to the state refunding previously held XI-F(1) General Obligation Bonds in the prior year. The refunding resulted in a net reduction in long-term contracts payable by OSU to the state. The decrease was offset by a slight increase in permanent endowments.

Expenses

Operating Expenses

Operating expenses increased by $42 million in 2019, or 4 percent, over 2018, to $1,213 million. Increases were seen in most categories of operating expenses with the biggest increases in instruction, public service and other operating expenses. These increases were slightly offset by small decreases in research, student services, auxiliary programs and student aid.

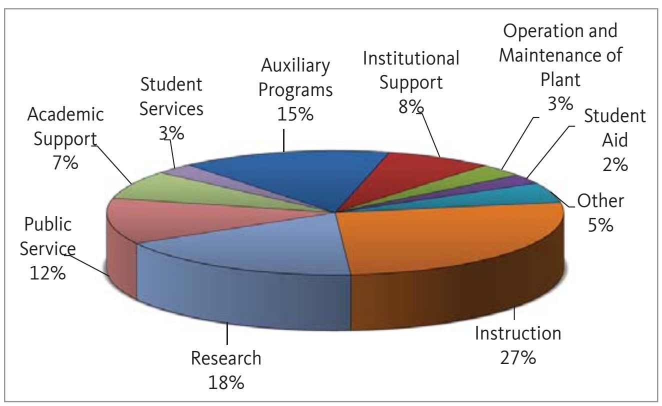
Operating expenses increased by $71 million in 2018, or 6 percent over 2017, to $1,171 million. Increases were seen in all categories of operating expenses except other operating expenses which decreased slightly and student aid which was unchanged from the prior year.

The following table and chart summarize operating expenses by functional classification (in millions):

Operating Expenses by Function

For the Years Ended June 30,	**2019**	2018	2017
Instruction	**$ 322**	$ 307	$ 291
Research	**216**	217	208
Public Service	**145**	131	108
Academic Support	**90**	86	80
Student Services	**34**	36	34
Auxiliary Programs	**181**	183	170
Institutional Support	**91**	88	85
Operations & Maintenance of Plant	**40**	39	36
Student Aid	**30**	31	31
Other Operating Expenses	**64**	53	57
Total Operating Expenses	**$ 1,213**	$ 1,171	$ 1,100

2019 Operating Expenses by Function



The implementation of GASB Statement Nos. 68 and 71 in 2015 and GASB Statement No. 75 in 2018 has had a significant impact on the operating expenses reported by OSU. See the table on the next page for the impact of GASB Statements Nos. 68, 71 and 75 on the functional expenses of the university.

The following tables show the effect of GASB Statement Nos. 68, 71 and 75 on operating expenses across the functional classifications (in millions):

Effect of GASB Statement Nos. 68, 71 and 75 on Expenses by Function

For the Year Ended June 30, 2019	As Reported	Without GASB 68/71 & 75	Difference
Instruction	$ 322	$ 314	$ 8
Research	216	212	4
Public Service	145	141	4
Academic Support	90	88	2
Student Services	34	33	1
Auxiliary Programs	181	178	3
Institutional Support	91	90	1
Operation & Maintenance of Plant	40	37	3
Student Aid	30	30	-
Other Operating Expenses	64	63	1
Total Operating Expenses	**$ 1,213**	**$ 1,186**	**$ 27**

For the Year Ended June 30, 2018	As Reported	Without GASB 68/71 & 75	Difference
Instruction	$ 307	$ 297	$ 10
Research	217	211	6
Public Service	131	127	4
Academic Support	86	83	3
Student Services	36	34	2
Auxiliary Programs	183	179	4
Institutional Support	88	86	2
Operation & Maintenance of Plant	39	35	4
Student Aid	31	31	-
Other Operating Expenses	53	52	1
Total Operating Expenses	$ 1,171	$ 1,135	$ 36

For the Year Ended June 30, 2017	As Reported	Without GASB 68/71	Difference
Instruction	$ 291	$ 279	$ 12
Research	208	202	6
Public Service	108	103	5
Academic Support	80	76	4
Student Services	34	32	2
Auxiliary Programs	170	165	5
Institutional Support	85	81	4
Operation & Maintenance of Plant	36	35	1
Student Aid	31	31	-
Other Operating Expenses	57	56	1
Total Operating Expenses	$ 1,100	$ 1,060	$ 40

GASB Statement Nos. 68, 71, and 75 have resulted in increases to total operating expenses of $27, $36, and $40 million in 2019, 2018, and 2017, respectively. The $103 million aggregate total for the three year period has had a marked impact on the university's reported operating performance and net position.

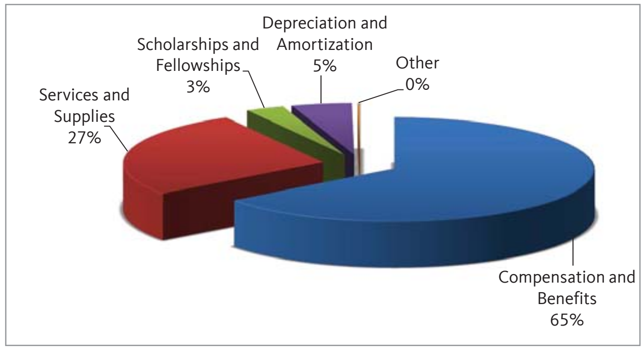
Operating Expenses by Natural Classification

Due to the way in which expenses are incurred by OSU, variances are presented and explained by analyzing changes in the natural classification of expenses. Each natural classification analysis can be applied to multiple functional expense caption items. See Note 14 Operating Expenses by Natural Classification for additional information.

The following summarizes operating expenses by natural classification (in millions):

For the Years Ended June 30,	2019	2018	2017
Compensation and Benefits	**$ 786**	$ 774	$ 736
Services and Supplies	**329**	299	269
Scholarships and Fellowships	**37**	39	39
Depreciation and Amortization	**59**	56	55
Other	**2**	3	1
Total Operating Expenses	**$ 1,213**	$ 1,171	$ 1,100

2019 Operating Expenses by Natural Classification



Comparison of fiscal year 2019 to fiscal year 2018

Compensation and Benefit costs increased by $12 million, or 2 percent.

- Salary and wage costs increased by $15 million due primarily to wage increases for faculty, staff and student employees.
- Retirement and health insurance costs increased by $6 million due primarily to increased insurance rates.
- Other payroll expenses decreased by $1 million.
- Adjustments and accruals to compensation and benefits associated with the net pension liability reporting requirement of GASB Statement Nos. 68 and 71 decreased by $8 million. See Note 16 Employee Retirement Plans for additional information on this variance.
- Adjustments and accruals to compensation and benefits associated with the OPEB asset and liability reporting requirement of GASB Statement No. 75 were relatively unchanged. See Note 17 Other Post-employement Benefits (OPEB) for additional information.

Services and Supplies expenses increased by $30 million, or 10 percent. Increases in general supplies, maintenance and repairs, fees and services for contract education services, and other services and supplies were slightly offset by decreases in rentals and leases, medical and scientific services and supplies, and subcontract expenses.

Scholarships and Fellowships costs decreased by $2 million, or 5 percent. A decrease in federal aid was slightly offset by increases in state, institutional, and OSU Foundation aid.

Depreciation and Amortization expense increased by $3 million, or 5 percent. During 2019, $57 million in capital projects were completed and placed into service, including the Advanced Wood Products Laboratory, Gilbert Hall renovation, HP11 improvement, and Nypro Building renovation.

Comparison of fiscal year 2018 to fiscal year 2017

Compensation and Benefit costs increased by $38 million, or 5 percent.

- Salary and wage costs increased by $20 million due to additional staff and faculty hires combined with wage increases.
- Wage costs further increased by $2 million due to increased graduate student employment.
- Wage costs decreased by $2 million due to decreased undergraduate student employment.
- Retirement and health insurance costs increased by $21 million due primarily to increased retirement contributions and insurance rates.
- Other payroll expenses increased by $3 million.
- Adjustments and accruals to compensation and benefits associated with the net pension liability reporting requirement of GASB Statement Nos. 68 and 71 decreased by $5 million. See Note 16 for additional information.
- Adjustments and accruals to compensation and benefits associated with the OPEB asset and liability reporting requirement of GASB Statement No. 75 decreased by $1 million. See Note 17 for additional information.

Services and Supplies expenses increased by $30 million, or 11 percent. Increases in supplies, fees and services for contract education services, communications and conferences were slightly offset by decreases in subcontract expenses.

Scholarships and Fellowships costs was relatively unchanged. Decreases in state and private student aid were offset by increases in federal, institutional and OSU Foundation aid.

Depreciation and Amortization expense increased by $1 million, or 2 percent. During 2018, $27 million in capital projects were completed and placed into service, including the Steam Tunnel Utility System improvement, and Agricultural Systems Center.

Nonoperating Expenses

For the Years Ended June 30,	**2019**	2018	2017
Loss on Sale of Assets	**$ (1)**	$ (1)	$ (1)
Interest Expense	**(25)**	(22)	(20)
Perkins Loan Program Termination	**-**	(22)	-
Total Nonoperating Expenses	**$ (26)**	$ (45)	$ (21)

Comparison of fiscal year 2019 to fiscal year 2018

Interest Expense increased by $3 million, or 14 percent, due primarily to increased revenue bond interest.

Comparison of fiscal year 2018 to fiscal year 2017

Gain (Loss) on Sale or Disposal of Fixed Assets decreased by less than $1 million due to fewer disposals in fiscal year 2018.

Interest Expense increased by $2 million, or 10 percent, due primarily to increased revenue bond interest, other loan interest expense and no adjustment for capitalized interest in fiscal year 2018 due to the early implementation of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. See Note 1 Organization and Summary of Significant Accounting Policies, Section H Capital Assets for additional information.

Perkins Loan Program Termination expense increased by $22 million due to the recording of the Perkins loan program liability for the amount of federal capital contribution (FCC) due back to the U.S. Department of Education (ED). The Perkins loan program has been discontinued by the federal government. OSU will be continuing to collect on Perkins loans outstanding and return the FCC to the ED as it is collected. See Note 1, Section X Perkins Loan Program Termination for additional information.

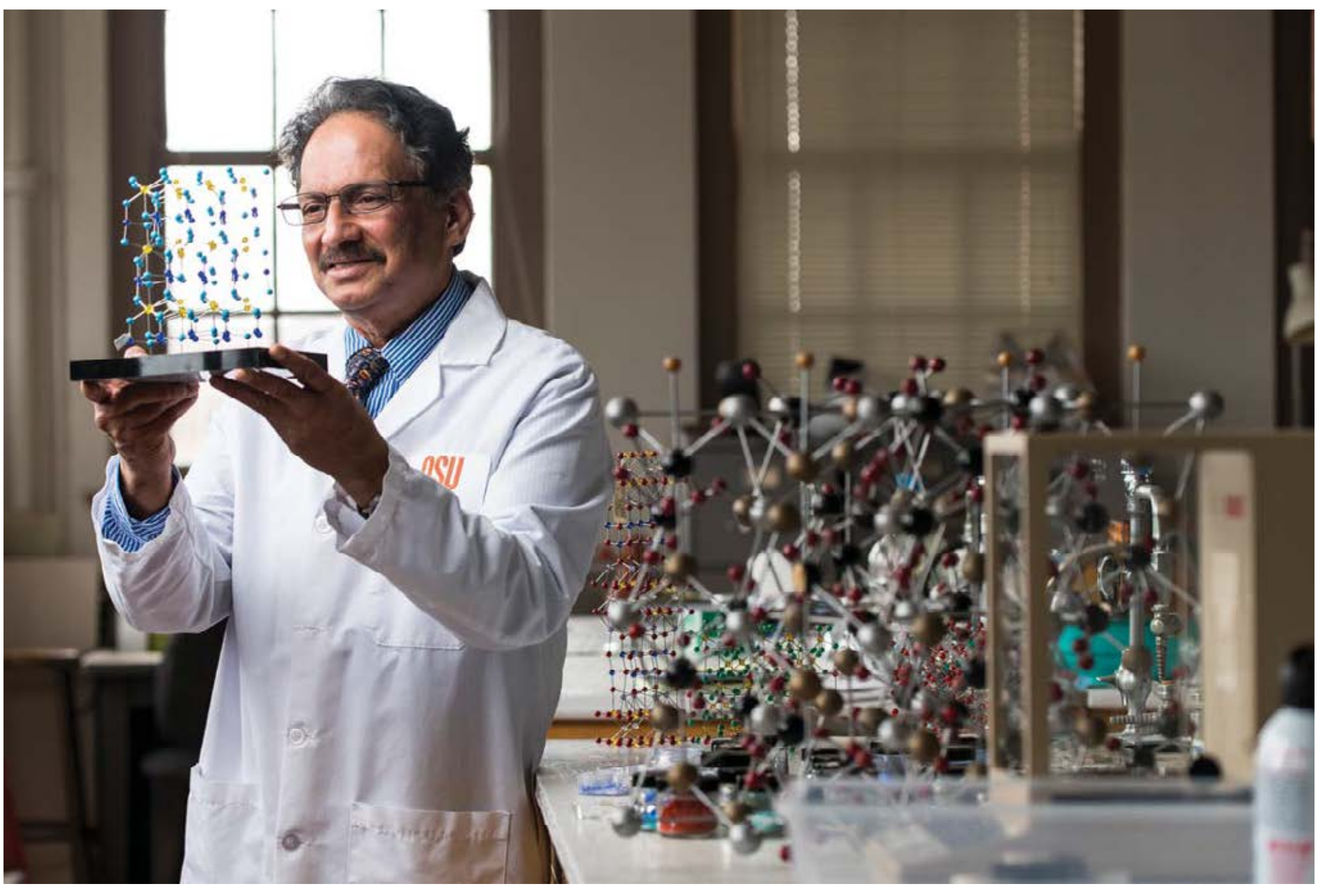
Economic Outlook

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

Public higher education in Oregon continues to face familiar challenges – inadequate state support, pressures to keep education affordable and yet improve degree completions, changing student demographics necessitating more support services, and costs associated with mandated participation in state health and retirement systems. State support has recently been holding steady but at levels insufficient to significantly relieve students and families of escalating costs and related debt.

Enrollment changes—both in number and in mix—can have the greatest effect on the operating budget. The growth we have seen over the past decade is flattening somewhat, but increasing enrollment is still the primary opportunity for OSU as we look to the future. The university continues to explore opportunities to serve students, whether through an expanding physical presence or being in the forefront of emerging program offerings. Research expenditures continue on an upward trajectory. Regardless of the specific external influences, the university deploys both long-term and short-term planning strategies to stabilize operations and optimize its ability to execute the mission.

OSU is ultimately subject to the same economic variables that affect other entities but maintains its focus on providing quality instruction, research and public service to its students and the citizens of the State, the nation and the world. For detailed information on the state's economic outlook, Oregon's Office of Economic Analysis provides quarterly forecasts at its website: **https://www.oregon.gov/DAS/OEA/Pages/index.aspx**



As of June 30,	University 2019	2018 as Restated
	(In thousands)	
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 2)	$ 223,114	$ 78,461
Collateral from Securities Lending (Note 2)	12,627	13,510
Accounts Receivable, Net (Note 3)	127,661	123,599
Notes Receivable, Net (Note 4)	3,798	4,548
Inventories	1,794	1,746
Prepaid Expenses	11,416	8,893
Total Current Assets	**380,410**	230,757
Noncurrent Assets		
Cash and Cash Equivalents (Note 2)	27,986	43,176
Investments (Note 2)	212,026	247,248
Notes Receivable, Net (Note 4)	17,497	20,656
Net OPEB Asset (Note 17)	2,626	1,027
Capital Assets, Net of Accumulated Depreciation (Note 5)	1,254,622	1,182,980
Total Noncurrent Assets	**1,514,757**	1,495,087
Total Assets	**$ 1,895,167**	$ 1,725,844
DEFERRED OUTFLOWS OF RESOURCES (Note 6)	**$ 134,799**	$ 127,959
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	$ 100,788	$ 88,557
Deposits	1,753	1,704
Obligations Under Securities Lending (Note 2)	12,627	13,510
Current Portion of Long-Term Liabilities (Note 9)	68,408	46,896
Current Portion of Asset Retirement Obligation (Note 10)	565	-
Unearned Revenues	61,412	62,693
Total Current Liabilities	**245,553**	213,360
Noncurrent Liabilities		
Long-Term Liabilities (Note 9)	650,408	576,074
Net Pension Liability (Note 16)	302,317	293,882
OPEB Liability (Note 17)	18,902	18,960
Asset Retirement Obligation (Note 10)	18,550	19,115
Total Noncurrent Liabilities	**990,177**	908,031
Total Liabilities	**$ 1,235,730**	$ 1,121,391
DEFERRED INFLOWS OF RESOURCES (Note 6)	**$ 34,558**	$ 7,202
NET POSITION		
Net Investment in Capital Assets	$ 787,485	$ 711,200
Restricted For:		
Nonexpendable Endowments	5,396	5,960
Expendable:		
Gifts, Grants and Contracts	45,042	49,698
Student Loans	9,749	10,091
Capital Projects	5,533	5,963
Debt Service	3,508	1,996
OPEB Asset	2,626	1,027
Unrestricted (Note 11)	(99,661)	(60,725)
Total Net Position	**$ 759,678**	$ 725,210

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

As of June 30,		Component Units 2019		2018
		(In thousands)		
ASSETS				
Cash and Cash Equivalents	$	5,446	$	26,189
Investments		728,076		692,942
Contributions, Pledges and Grants Receivable, Net		41,475		46,981
Assets Held-For-Sale		7,150		5,559
Assets Held Under Split-Interest Agreements		54,205		47,684
Charitable Trusts Held Outside the Foundation		15,021		15,310
Prepaid Expenses and Other Assets		3,458		3,703
Property and Equipment, Net		28,174		13,168
Total Assets	**$**	**883,005**	$	851,536
LIABILITIES				
Accounts Payable and Accrued Liabilities	$	9,431	$	8,312
Endowment Assets Held for OSU		48,272		47,976
Accounts Payable to the University		5,204		4,944
Obligations to Beneficiaries of Split-Interest Agreements		24,910		21,514
Deposits and Unearned Revenue		11,145		9,838
Long-Term Liabilities		3		4
Total Liabilities		**98,965**		92,588
NET ASSETS				
Without Donor Restrictions		38,918		31,774
With Donor Restrictions		745,122		727,174
Total Net Assets		**784,040**		758,948
TOTAL LIABILITIES AND NET ASSETS	**$**	**883,005**	$	851,536

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

Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30,	University 2019	University 2018 as Restated
	(In thousands)	
OPERATING REVENUES		
Student Tuition and Fees (Net of Allowances of $84,553 and $77,609, respectively)	$ 340,451	$ 332,932
Federal Grants and Contracts	212,209	203,740
State and Local Grants and Contracts	9,979	10,450
Nongovernmental Grants and Contracts	23,491	26,164
Educational Department Sales and Services	58,801	51,454
Auxiliary Enterprises (Net of Allowances of $3,167 and $2,981, respectively)	177,544	175,300
Other Operating Revenues	15,464	8,569
Total Operating Revenues	**837,939**	808,609
OPERATING EXPENSES		
Instruction	321,792	307,402
Research	216,199	216,477
Public Service	145,034	131,223
Academic Support	90,234	86,078
Student Services	33,651	36,313
Auxiliary Programs	181,288	183,396
Institutional Support	91,279	87,482
Operation and Maintenance of Plant	40,401	38,741
Student Aid	29,988	31,004
Other Operating Expenses	63,556	52,487
Total Operating Expenses (Note 14)	**1,213,422**	1,170,603
Operating Loss	**(375,483)**	(361,994)
NONOPERATING REVENUES (EXPENSES)		
Government Appropriations (Note 15)	237,349	225,847
Financial Aid Grants	44,418	42,731
Gifts	57,205	56,475
Investment Activity (Note 13)	21,286	12,292
Loss on Sale of Assets, Net	(596)	(555)
Interest Expense	(25,085)	(22,263)
Perkins Loan Program Termination (Note 1, Section X)	-	(21,676)
Other Nonoperating Items	(589)	835
Total Net Nonoperating Revenues	**333,988**	293,686
Loss Before Other Revenues	**(41,495)**	(68,308)
OTHER REVENUES		
Debt Service Appropriations (Note 15)	1,073	1,073
Capital Grants and Gifts	75,453	50,279
Changes to Permanent Endowments	(563)	824
Total Net Other Revenues	**75,963**	52,176
Increase (Decrease) In Net Position	**34,468**	(16,132)
NET POSITION		
Beginning Balance, Restated (Note 1, Section AA)	725,210	741,342
Ending Balance	**$ 759,678**	$ 725,210

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

For the Years Ended June 30,	Component Units 2019	Component Units 2018
	(in thousands)	
CHANGE IN NET ASSETS HELD WITHOUT DONOR RESTRICTIONS		
REVENUES		
Grants, Bequests and Gifts	$ 6,713	$ 18,479
Investment Income, Net	8,151	5,359
Net Assets Released From Restrictions and Other Transfers	88,430	78,158
Other Revenues	22,241	21,487
Total Revenues	**125,535**	123,483
EXPENSES		
University Support	85,611	82,056
Management and General	13,049	13,391
Development	19,731	18,176
Total Expenses	**118,391**	113,623
Increase In Net Assets Held Without Donor Restrictions	**7,144**	9,860
Beginning Balance, Net Assets Held Without Donor Restrictions	31,774	21,914
Ending Balance, Net Assets Held Without Donor Restrictions	**$ 38,918**	$ 31,774
CHANGE IN NET ASSETS HELD WITH DONOR RESTRICTIONS		
REVENUES		
Grants, Bequests and Gifts	$ 78,889	$ 88,526
Investment Income, Net	23,757	39,132
Change in Value of Life Income Agreements	541	2,485
Other Revenues	3,191	3,568
Net Assets Released From Restrictions and Other Transfers	(88,430)	(78,158)
Increase In Net Assets Held With Donor Restrictions	**17,948**	55,553
Beginning Balance, Net Assets Held With Donor Restrictions	727,174	671,621
Ending Balance, Net Assets Held With Donor Restrictions	**$ 745,122**	$ 727,174
Beginning Balance	$ 758,948	$ 693,535
Increase In Total Net Assets	**25,092**	65,413
Ending Balance	**$ 784,040**	$ 758,948

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

Statements of Cash Flows

For the Years Ended June 30,	University 2019	2018 as Restated
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$ 346,455	$ 332,545
Grants and Contracts	240,491	237,522
Educational Department Sales and Services	56,204	54,720
Auxiliary Enterprise Operations	179,436	170,695
Payments to Employees for Compensation and Benefits	(761,141)	(737,291)
Payments to Suppliers	(325,008)	(288,146)
Student Financial Aid	(37,359)	(38,425)
Other Operating Receipts	13,581	13,094
Net Cash Used by Operating Activities	**(287,341)**	(255,286)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Government Appropriations	237,349	225,847
Financial Aid Grants	44,418	42,731
Private Gifts Received for Endowment Purposes	-	824
Other Gifts and Private Contracts	57,205	56,475
Net Agency Fund Receipts (Payments)	49	(332)
Net Cash Provided by Noncapital Financing Activities	**339,021**	325,545
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Debt Service Appropriations	1,073	1,073
Capital Grants and Gifts	68,003	43,752
Proceeds from Capital Debt	140,000	124,405
Sales of Capital Assets	1,123	434
Purchases of Capital Assets	(122,810)	(113,867)
Interest Payments on Capital Debt	(24,380)	(21,867)
Principal Payments on Capital Debt	(41,197)	(21,760)
Net Cash Provided by Capital and Related Financing Activities	**21,812**	12,170
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Sales (Purchases) of Investments	41,224	(62,613)
Interest Receipts on Investments and Cash Balances	14,747	12,271
Net Cash Provided (Used) by Investing Activities	**55,971**	(50,342)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**129,463**	32,087
CASH AND CASH EQUIVALENTS		
Beginning Balance	121,637	89,550
Ending Balance	**$ 251,100**	$ 121,637

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

For the Years Ended June 30,	University 2019	University 2018 as Restated
	(In thousands)	
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$ (375,483)	$ (361,994)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	59,294	56,493
Changes in Assets and Liabilities:		
Accounts Receivable	(4,400)	(3,462)
Notes Receivable	3,909	(2,212)
Inventories	(48)	12
Prepaid Expenses	(2,523)	(2,739)
Net Pension Liability and Related Deferrals	28,259	36,426
OPEB Asset/Liability and Related Deferrals	(1,455)	(1,089)
Asset Retirement Obligation Related Deferral	464	464
Accounts Payable and Accrued Liabilities	8,840	17,782
Long-Term Liabilities	(2,917)	(608)
Unearned Revenues	(1,281)	5,641
NET CASH USED BY OPERATING ACTIVITIES	**$ (287,341)**	$ (255,286)
NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS		
Capital Assets Acquired by Gifts-in-Kind	$ 7,788	$ 1,251
Increase (Decrease) in Fair Value of Investments Recognized as a Component of Investment Activity	6,539	21
Capital Assets Acquired by Accounts Payable	4,904	2,584

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Oregon State University (OSU, university) is a comprehensive public university governed by the Oregon State University Board of Trustees (board), a citizen board appointed by the Governor with confirmation by the state senate. OSU serves as the state of Oregon's land, sea, space, and sun grant university.

The OSU financial reporting entity is comprised of OSU and two related foundations. OSU includes the main campus in Corvallis and a branch campus in Bend and receives separate appropriations for statewide activities including Agricultural Experiment Stations, Cooperative Extension Service, and Forestry Research Laboratories. Because the Governor of the State of Oregon (state) appoints the OSU Board of Trustees, and because OSU receives some financial support from the state, OSU is a discretely presented component unit of the state and is included in its comprehensive annual financial report (CAFR).

Similarly, the university's two related foundations are discretely presented as component units on OSU's basic financial statements under the guidelines established by Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Discretely presented means that the statements are included separately in the financial report. The Oregon State University Foundation (OSUF) was incorporated in 1947 to pursue and administer gifts and bequests in support of the university. The OSUF is responsible for all fundraising of the university and for the management of the majority of the university's endowments. The Agricultural Research Foundation (ARF) was incorporated in 1934 to encourage and facilitate research in all branches of agriculture and related fields for the benefit of Oregon's agricultural industries. The ARF is the custodian of privately and publicly donated research funds that support projects conducted by OSU scientists on campus, across the state, and by affiliated entities. Both foundations are nonprofit entities under Section 501(c)(3) of the Internal Revenue Code. The majority of resources that each foundation holds and invests are restricted to the activities of the university in accordance with donor intent, and can only be used by, or for the benefit of, OSU. These resources are significant to the operations of OSU, and the university routinely accesses them through various intercompany processes. See Note 21 University Foundations for additional information regarding the related foundations reported as Component Units.

B. Financial Statement Presentation

The OSU financial accounting records are maintained in accordance with U.S. generally accepted accounting principles (GAAP) as prescribed in applicable pronouncements of the Governmental Accounting Standards Board (GASB). The financial statement presentation required by 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, modified by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, provides a comprehensive, entity-wide perspective of OSU assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows.

In preparing the financial statements, interfund transfers between university funds, and internal revenues and expenses associated with self-supporting auxiliary and service center operations, have been eliminated.

Financial statements of the OSU foundations for the fiscal years ended June 30, 2019 and 2018 are discretely presented as discussed above. The foundations' financial statements are prepared in accordance with the pronouncements of the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue criteria and presentation. Accordingly, those financial statements have been consolidated and reported on separate pages following their respective financial statement counterparts of the university. No modifications have been made to the foundations' financial information included in the university's financial report.

C. Basis of Accounting

For financial reporting purposes, OSU is considered a special-purpose government engaged only in business-type activities. Accordingly, the OSU 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.

NEWLY IMPLEMENTED ACCOUNTING STANDARDS

OSU implemented GASB Statement No. 83, *Certain Asset Retirement Obligation*s. GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. As a result of the implementation, OSU restated 2018 beginning net position on the Statement of Revenues, Expenses and Changes in Net Position by ($2,265,697) and recorded expense related to the amortization of the associated deferred outflow of $463,750 for the years ended June 30, 2019 and 2018. The cumulative impact of adoption on ending net position is ($3,193,197) as of June 30, 2019. See Note 1 Section M, and Note 10 Asset Retirement Obligations for additional information.

UPCOMING ACCOUNTING STANDARDS

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities and guidance on how to report activities meeting the criteria in a fiduciary fund in the basic financial statements. The Statement is effective for the fiscal year ending June 30, 2020, and will apply to custodial funds held primarily for student groups by the university.

In June 2017, GASB issued Statement No. 87, *Leases*. GASB Statement No. 87 improves the accounting and financial reporting for leases and is effective for the fiscal year ended June 30, 2021. 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. This Statement will substantially impact the university's lease accounting and reporting.

Between July 2018 and June 2019, GASB issued the following statements which do not currently, but could under certain circumstances in the future, apply to OSU: Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 16 and No. 61*; Statement No. 91, *Conduit Debt Obligations*.

D. Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. The majority of the university's cash and cash equivalents are invested in the Oregon Short-Term Fund (OSTF), which is managed by the Oregon State Treasury, and provides daily liquidity. Cash and cash equivalents classified as current assets consist of: cash on hand, cash for current operations, cash held for the payment of the current portion of debt service, and cash held as a custodial agent for student groups. Cash and cash equivalents classified as non-current assets consist of student building fee cash held for future debt service and cash for capital construction projects. See Note 2 Cash and Investments, Section A Cash and Cash Equivalents for disclosure of restricted portions of cash and cash equivalents.

E. Investments

Investments are reported at fair value as determined by market prices. Unrealized and realized gains or losses on investments are reported as investment activity in the Statement of Revenues, Expenses, and Changes in Net Position. See Note 13 Investment Activity for additional information. All investments are classified as noncurrent assets in the Statement of Net Position.

F. Receivables

Accounts receivable consists primarily of amounts due for tuition and fee charges to students, grants and contracts, and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable for tuition and fee charges are recorded net of estimated uncollectible amounts in accordance with generally accepted accounting principles. Grants and contracts receivable include amounts due from federal, state, and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the university's grants and contracts. Capital construction receivables include amounts due from the state in connection with reimbursement of allowable expenditures made pursuant to the grant agreements between the university and the state for facilities projects funded by the state.

Notes receivable consist primarily of student loans receivable due from the federal Perkins Loan Program and from other loans administered by the university. Construction loans receivable are reimbursements receivable from the state in connection with allowable expenditures made pursuant to contracts between the university and the state for various facility projects initially funded by the university. Construction reimbursements can be current or long-term depending on the estimated timing of completion of associated construction projects. The university does not currently hold any notes receivable from the state related to construction reimbursements.

G. Inventories

Inventories are recorded at cost, with cost being generally determined on a first-in, first-out or average basis. Inventories consist primarily of supplies in storerooms and physical plant stores.

H. Capital Assets

Capital assets are recorded at cost on the date acquired or at acquisition value on the date donated. OSU capitalizes equipment with unit costs of $5,000 or more and an estimated useful life greater than one year. OSU capitalizes real property expenditures that increase the functionality and/or extend the useful life of the real property if total expenditures exceed the capitalization thresholds of $50,000 to $100,000, depending on the type of real property. Intangible assets valued in excess of $100,000 are capitalized. Expenditures below the capitalization threshold and repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Prior to the implementation of GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, OSU capitalized interest expense as part of the historical cost of acquiring capital assets. With the implementation of GASB Statement No. 89, effective for the fiscal year ended June 30, 2018, interest costs incurred before the end of a construction period are no longer capitalized but are instead recorded as a cost of the period in which it is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. This is generally 50 years for buildings; 25 years for major renovations/additions to buildings; 10 to 20 years for infrastructure and land improvements; 5 to 11 years for non-expendable assets; and the useful life of the asset or term of the lease, whichever is less, for leasehold improvements . Amortization terms for intangible assets vary depending on the factors relating to the specific asset. Depreciation is not applied to land, museum collections, works of art, historical treasures, or library special collections.

I. Unearned Revenues

Unearned revenues include amounts received for tuition and fees, grants and contracts, lease income and auxiliary enterprise activities in which cash has been received, but revenues will be earned in the subsequent fiscal year(s).

J. Compensated Absences

OSU 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. An estimate is made to allocate this liability between its current and noncurrent components.

Sick leave is recorded as an expense when paid. There is no payout provision for unused sick leave and no liability exists.

K. Net Pension Liability

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, are actuarially determined at the system-wide Retirement Plan level and are allocated to employers based on their proportionate share. The university's proportionate share is allocated to OSU by the Oregon Department of Administrative Services. See note 16 Employee Retirement Plans for a detailed description of the liability and the proportionate share methodology.

L. Net OPEB (Asset)/Liability

The university reports their proportionate share of the net PERS RHIA OPEB asset, net PERS RHIPA OPEB liability and the total PEBB OPEB liability along with the associated deferred outflows of resources and deferred inflows of resources. See Note 17 Other Post-Employment Benefits (OPEB) for a detailed description of each plan and the proportionate share methodology for each.

M. Asset Retirement Obligations

An Asset Retirement Obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset. The retirement of a tangible capital asset encompasses its sale, abandonment, recycling, or disposal in some other manner; however, it does not encompass the temporary idling of a tangible capital asset. OSU has legal obligations to perform future asset retirement activities related to two tangible capital assets and therefore recognizes a liability and corresponding deferred outflow of resources. The deferred outflows of resources will be amortized and expensed over the remaining life of the assets.

N. 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, asset retirement obligations, and net fair value gains or losses on forward foreign currency contracts. See Note 2 Cash and Investments, Section A Foreign Currency Risk-Deposits, Note 6 Deferred Outflows and Inflows of Resources, Note 10 Asset Retirement Obligations, Note 16 Employee Retirement Plans, and Note 17 Other Post-employment Benefits (OPEB).

O. Net Position

OSU'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 and amortization, plus unspent bond proceeds less outstanding debt obligations related to those capital assets.

RESTRICTED – NONEXPENDABLE ENDOWMENTS

Restricted-Nonexpendable Endowments consists of endowment funds in which donors have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income. The income may either be expended or, depending on the terms of the gift instrument, added to principal.

RESTRICTED – EXPENDABLE

Restricted-Expendable includes resources which OSU is legally or contractually obligated to spend in accordance with restrictions stipulated by external parties.

UNRESTRICTED

Unrestricted net position represents resources that may be used at the discretion of the board.

P. Restricted/Unrestricted Resources

The university has no formal policy addressing which resources to use when both restricted and unrestricted net position are available for the same purpose. University personnel decide which resources to use at the time expenses are incurred. Factors used to determine which resources to use include relative priorities of the university in accordance with the university's strategic initiatives and externally imposed matching requirements of certain restricted funds. Major capital purchases are often times split-funded from multiple restricted and unrestricted funding sources.

Q. Endowments

The university manages timber and forestry land endowments, while all other endowments are managed by the OSU Foundation. The university endowment assets managed by the OSU Foundation are invested with the objectives of long-term capital appreciation and stable but growing income. The university board policy is to distribute 4.5 percent of the preceding 12-quarter moving average of the endowment market value for spending purposes.

Net appreciation of endowments is included in restricted expendable gifts, grants, and contracts on the Statement of Net Position.

Non-expendable endowments on the Statement of Net Position at June 30, 2019, represent the original corpus of true endowment funds of $2,384,154 and the full non-expendable fair value of the real estate endowments of $3,012,089. Non-expendable endowments on the Statement of Net Position at June 30, 2018, represent the original corpus of true endowment funds of $2,384,154 and the full non-expendable fair value of the real estate endowments of $3,575,364.

The university's endowments are identified and invested as follows (in thousands):

	June 30, 2019	June 30, 2018
True Endowments		
Corpus	$ 2,384	$ 2,384
Market Valuation	2,157	2,131
Real Estate	3,012	3,575
Total	7,553	8,090
Quasi-Endowments		
Corpus	18,784	18,569
Market Valuation	25,707	25,430
Real Estate	3,416	2,978
Total	47,907	46,977
Total Fair Value of Endowments	$ 55,460	$ 55,067
Invested Endowments:		
Timber and Forestry Land Held by OSU	$ 6,429	$ 6,553
Invested by OSU Foundation	48,272	47,976
Invested in the Public University Fund (PUF)	177	195
Total Invested Endowments	54,878	54,724
Endowment Cash in PUF	152	128
Long-Term Receivable from Casey Family Trust	430	215
Total Fair Value of Endowments	$ 55,460	$ 55,067

R. Income Taxes

OSU is treated as a governmental entity for tax purposes. As such, OSU is generally not subject to federal and state income taxes. However, OSU 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 OSU was granted exemption from income taxes. No income tax is recorded because there are no income taxes due on unrelated business income during fiscal year 2019 and 2018.

S. Revenues and Expenses

OSU 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 of auxiliary enterprises, most federal, state and local grants and contracts, and other operating revenues. Examples of operating expenses include employee compensation and benefits, scholarships and fellowships, utilities, supplies and other services, professional fees, and depreciation.

Nonoperating revenues and expenses generally have the characteristics of nonexchange transactions. In a nonexchange transaction, OSU receives value without directly giving equal value in exchange. Examples of nonoperating revenues include government 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, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Examples of nonoperating expenses include interest on capital debt and bond expenses.

T. State Support

OSU receives support from the state in the form of General Fund and Lottery appropriations, and debt service appropriations for some Oregon Department of Energy loans. See Note 14 Government Appropriations for details on appropriations.

In addition to appropriations, the state provides funding for plant facilities on the university's campuses. Capital projects for new facilities and capital improvements and repair are funded by gifts, state-paid debt, and university-paid debt and resources. The state legislature considers projects from all seven public universities for allocation of Oregon's bonding capacity. Funds for capital projects funded by state-paid debt are provided through grant agreements between OSU and the state. Revenue is recorded as Capital Grants in the Statement of Revenues, Expenses and Changes in Net Position when appropriate expenditures are reimbursable per the grant agreements. Funds for capital projects funded by university-paid debt can also be funded through Oregon's bonding capacity. At the time that the bonds are sold, the state instructs OSU to record a liability to the state for the debt, and a receivable for construction reimbursements. The receivable is reduced as expenditures on the capital project are completed and reimbursed by the state.

Facilities funded by gifts, state-paid debt and university-paid debt are reflected as completed assets or construction in progress in the accompanying Statement of Net Position. University-paid debt relating to bonds issued by the state are primary obligations of the state. OSU is contractually committed to pay the state to fund the retirement of debt obligations issued on its behalf. These contracts are included as current and long-term liabilities in the Statement of Net Position.

U. 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. Under this approach, scholarships awarded by the university are considered as reductions in tuition and fee revenues rather than as expenses. Additionally, certain governmental grants, such as Pell grants, and payments from other federal, state or nongovernmental programs, are required to be recorded as either operating or nonoperating revenues in the university's financial statements. To the extent that revenues from such programs are applied to tuition, fees, and other student charges, the university has reported a corresponding scholarship allowance.

OSU has three types of allowances that are netted against gross tuition and fees and housing revenues. Tuition and housing waivers, provided directly by OSU, amounted to $42,746,331 and $39,918,755 for the fiscal years ended 2019 and 2018, 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 was estimated to be $41,975,377 and $38,458,167 for the fiscal years ended 2019 and 2018, respectively. Bad debt expense related to student accounts is also reported as an allowance against operating revenues and was estimated to be $2,998,288 and $2,212,736 for the fiscal years ended 2019 and 2018, respectively.

V. Federal Student Loan Programs

OSU receives proceeds from the Federal Direct Student Loan Program (FDSLP). Since OSU transmits these grantor supplied moneys without having administrative or direct financial involvement in the program, the activity of the FDSLP is not reported in operations. OSU disbursed federal student loans in the amount of $137,888,710 and $140,881,372 for the fiscal years ended 2019 and 2018, respectively.

W. Deposit Liabilities

Deposit Liabilities primarily consist of fund balances held by OSU on behalf of student groups and organizations that account for activities in the OSU accounting system and whose cash is part of the cash held on deposit with the Oregon State Treasury.

X. Perkins Loan Program Termination

OSU 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 supplemented with Institutional Capital Contributions (ICC). Over the years, the proportion of federal to institutional matching funds varied, from a 90/10 split to a 75/25 split. Academic year 2017-18 was the last year in which new Perkins loans were allowed to be disbursed as the U.S. Congress did not renew the program. The ED has given institutions the option of assigning existing Perkins loans back to the federal government or continuing to collect on them while returning FCC as loans are repaid. OSU has elected to continue to collect on Perkins loans and return the FCC as it is collected. Historically, the balance of the Perkins loans was reported in Notes Receivable and in Net Position Expendable for Student Loans. Due to the impending repayment of the FCC portion of the Perkins program to the ED as loans are collected, an accrued liability has been established for the amount of the remaining FCC due to the ED.

Y. Related Party Transactions

During fiscal year 2018, OSU entered into a related party transaction with former head baseball coach Pat Casey and the Pat Casey Family Trust (PCFT). The parties have agreed to a split-dollar arrangement whereby Coach has agreed to reduce his salary by $215,000 annually and the university is then loaning $215,000 annually for fiscal years 2018 through 2022 to the PCFT at an annual interest rate of 2.66 percent. The PCFT is using the loan funds to purchase a life insurance policy on Pat Casey's wife. The term of the loan from the university to PCFT is 23 years, or upon the death of Mrs. Casey, whichever comes first. When the life insurance policy terminates, OSU will be reimbursed by the PCFT for the full principal amount of the loan plus accrued interest. The loan from OSU to PCFT is reported in non-current notes receivable.

Z. Use of Estimates

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

AA. Restatement of Prior Periods

The implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, required the restatement of all prior periods presented in the financial statements. For fiscal year ended June 30, 2018, OSU recorded a deferred outflow of $16,385,833 and an ARO liability of $19,115,280 resulting in a $2,265,697 reduction in beginning fiscal year 2018 net position. See Note 10 Asset Retirement Obligations for additional information.

The cumulative effect of applying GASB Statement No. 83 is reported as a restatement of beginning net position as of June 30, 2018 as follows (in thousands):

	June 30, 2018
Beginning Net Position, as Previously Reported	$ 743,608
Retroactive GASB 83 Implementation	(2,266)
Beginning Net Position, Restated	**$ 741,342**

2. CASH AND INVESTMENTS

At June 30, 2019 and 2018, the majority of the cash and investments of OSU were held in custody with the Oregon State Treasury (OST). The OST manages these invested assets through commingled investment pools. The operating funds for OSU are commingled with operating cash and investments from five other Oregon public universities and referred to collectively as the Public University Fund (PUF). The investments held in the PUF are managed by the OST and administered by the statutorily defined designated university. OSU is currently serving as the designated university for the PUF pool. Each underlying investment pool has an investment policy and set of objectives identifying risk and return parameters for the respective investment pool. The OST invests these deposits in high grade, dollar-denominated, short and intermediate-term fixed income securities. The Oregon Investment Council (OIC) provides oversight and counsel on the investment policies, activities, and performance for each investment pool held in the PUF. Revenue bond proceeds are invested separately from operating funds, and are held in diversified, high quality and liquid fixed income securities.

Total cash and investments for the university includes both restricted and unrestricted amounts and are summarized as follows: (in thousands)

	June 30, 2019	June 30, 2018
Unrestricted	**$ 90,745**	$ 123,112
Bond Proceeds Reserved for Capital	**179,191**	68,885
Restricted For:		
Endowments	**55,030**	54,852
Gifts, Grants and Contracts	**26,180**	24,455
Capital	**60,245**	59,179
Student Aid	**10,884**	6,473
Debt Service	**7,256**	6,768
Payroll Withholdings	**24,353**	23,955
Student Groups and Campus Organizations	**563**	972
Perkins Title IV Cash	**4,251**	2,685
Petty Cash	**179**	175
Supplemental Retirement Plan Investment	**301**	152
Unrealized Gain/(Loss) on Investments	**3,948**	(2,778)
Total Cash and Investments	**$ 463,126**	$ 368,885

In general, deposits and investment securities as described below have exposure to various risks such as credit, concentration of credit, custodial credit, interest rate, and foreign currency. Although the objective of each investment pool is to preserve capital within defined risk parameters, it is likely that the value of the investment securities will fluctuate during short periods of time, and it is possible that such changes could materially affect the amounts reported in the financial statements.

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

A. Cash and Cash Equivalents

DEPOSITS WITH OREGON STATE TREASURY

OSU maintains the majority of its current cash balances on deposit with the OST. These deposits are held on a pooled basis in the Oregon Short-Term Fund (OSTF). The OSTF is a short-term cash and investment pool available for use by all state agencies or by agreement for related agencies, such as OSU. The OST invests these deposits in high-grade short-term investment securities. While the university is not required by statute to collateralize deposits, it does have a contractual obligation with the OST to collateralize deposits within 24 hours of receipt. At fiscal years ended June 30, 2019 and 2018, OSU cash and cash equivalents on deposit at OST were $246,669,897 and $118,803,333, respectively. Cash and cash equivalents on deposit at fiscal year ended June 30, 2019 include $120,096,149 in unspent taxable revenue bonds held in a separate OST account in the OSTF.

OTHER DEPOSITS

For the year ended June 30, 2019 and 2018, OSU had cash at U.S. Bank held for Title IV Perkins Loans of $4,250,915 and $2,685,019, respectively. Additionally, for the years ended June 30, 2019 and 2018, OSU had vault and petty cash balances of $179,086 and $174,628, respectively.

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 university and state do not have formal policies regarding custodial credit risk for deposits. However, banking regulations and Oregon Revised Statute (ORS) Chapter 295 establish the insurance and collateral requirements for deposits in the OSTF. OSU cash balances held on deposit at the OST are invested continuously, therefore custodial credit risk exposure to the OST is low. Additionally, cash balances on deposit with U.S. Bank are collateralized, therefore invested continuously, resulting in low credit risk.

FOREIGN CURRENCY RISK—DEPOSITS

Deposits in foreign currency run the risk of changing value due to fluctuations in foreign exchange rates. Per PUF policy, all deposits are in U.S. currency and therefore not exposed to foreign currency risk.

To facilitate study-abroad programs, there are some cash balances held in the local currency of other countries to pay local expenses. The aggregate foreign denominated account balances converted into U.S. dollars equaled $143,794 and $102,276 at June 30, 2019 and 2018, respectively. Amounts deposited in foreign bank accounts are reported as accounts receivable on the financial statements.

Historically, OSU periodically entered into forward foreign currency contracts. At June 30, 2018, these contracts totaled $539,345. Contracts at June 30, 2018, had a net fair value loss of $25,991. As of June 30, 2019, OSU no longer uses forward contracts and has changed to using a spot rate for currency conversion.

June 30, 2018
(in thousands)

Notional Currency	Notional Amount	Principal Amount	Effective Date	Maturity Date	Contract Rate	Fair Value Adj.
EUR	$ 380	$ 554	7/2/2018	11/16/2018	$ 1.2168	$ (23)
JPY	8,291	84	7/2/2018	11/19/2018	0.0093	(3)

The net fair value loss is reported in deferred outflows of resources on the Statement of Net Position.

B. Investments

OSU's operating funds are invested in the PUF. University investments in the PUF are invested in the Core Bond Fund (CBF) managed by the OST. The CBF invests primarily in intermediate-term fixed income securities and is managed with an investment objective to maximize total return (i.e., principal and income) over an intermediate time horizon within stipulated risk parameters. The CBF is actively managed to maintain an average duration of four to five years, through a diversified portfolio of quality, investment grade fixed income securities as defined in the portfolio guidelines. The majority of the university's endowment assets are managed by the OSU Foundation. These endowment assets are invested in the OSU Foundation's pooled endowment fund (fund) and directed by external investment managers. The fund is expected to operate in perpetuity and the investments are invested with a long-term horizon while maintaining a prudent level of risk. Additionally, the university manages timber and forestry land endowments and a land grant endowment invested in the PUF.

All investments are managed as a prudent investor would do, exercising reasonable care, skill and caution.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities could occur in the near term and such changes could materially affect the amounts reported in the Statement of Net Position.

Significant events in domestic and international investment markets, or aggressive action by the Federal Open Market Committee to influence both short and long-term interest rates, contribute to price volatility. Consequently, the fair value of OSU's operating and endowment investments is exposed to price volatility which could result in a substantial change in the fair value of certain investments from the amounts reported as of June 30, 2019 and 2018.

Investments are all classified as noncurrent and include both restricted and unrestricted funds. Earnings on investments from restricted fund sources are spent in accordance with the restrictions of the funding source.

OSU's investments are classified and invested as follows (in thousands):

	June 30, 2019	June 30, 2018
Operating Funds		
PUF Core Bond Fund	**$ 156,847**	$ 192,372
Total Operating Funds	**156,847**	192,372
Endowment Funds		
Invested by OSU Foundation	**48,272**	47,976
Timber and Forestry Land	**6,429**	6,553
PUF Core Bond Fund	**177**	195
Total Endowment Funds	**54,878**	54,724
Separately Held Investments	**301**	152
Total Investments	**$ 212,026**	$ 247,248

Investments of the OSU discretely presented component units are summarized at fair value as follows (in thousands):

	June 30, 2019	June 30, 2018
Investment Type:		
Global Equities	$ 328,833	$ 314,746
Global Fixed Income	107,812	105,677
Private Equity Partnerships	94,508	119,303
Absolute Returns	71,924	67,975
Real Assets	60,061	29,756
Corporate Stocks and Bonds	14,809	12,685
Real Estate Held for Investments	13,554	24,264
Government Securities and Municipal Bonds	12,242	12,326
Investment Receivables	376	1,028
Certificates of Deposit	-	194
Other	23,957	4,988
Total Investments	$ 728,076	$ 692,942

CREDIT RISK

Credit risk is the risk that the issuer of an investment fails to fulfill its obligations. OSU has separate investment policies for its operating and endowment assets. As of June 30, 2019, approximately 93.3 percent of the investments in the PUF CBF are subject to credit risk reporting. Fixed income securities in the PUF CBF rated by the credit agencies as lower medium to high quality, indicating the issuer has a strong capacity to pay principal and interest when due, totaled $209,190,427. Fixed income securities which have not been evaluated by the rating agencies totaled $106,501,809. The PUF CBF totaled $338,347,950, of which OSU owned $157,024,585, or 46.4 percent. Of the OSU endowments managed by the OSU Foundation and allocated to fixed income, all investments were held in mutual funds which have not been evaluated by the rating agencies.

As of June 30, 2018, approximately 92.6 percent of the investments in the PUF CBF are subject to credit risk reporting. Fixed income securities in the PUF CBF rated by the credit agencies as lower medium to high quality, indicating the issuer has a strong capacity to pay principal and interest when due, totaled $269,463,400. Fixed income securities which have not been evaluated by the rating agencies totaled $78,121,855. The PUF CBF totaled $375,495,937, of which OSU owned $192,566,260, or 51.3 percent. Of the OSU endowments managed by the OSU Foundation and allocated to fixed income, all investments were held in mutual funds which have not been evaluated by the rating agencies.

CUSTODIAL CREDIT RISK—INVESTMENTS

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the university will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The OIC has no formal policy regarding the holding of securities by a custodian or counterparty. For the years ended June 30, 2019 and 2018, the university's investments were exposed to custodial credit risk indirectly through the OST.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk refers to potential losses if total investments are concentrated with one or few issuers. With the exception of U.S. Government and Agency issues, the PUF policy for reducing credit risk for fixed income securities is that no more than five percent of the bond portfolio par value will be invested in securities of a single issuer, and no more than three percent will be invested in any individual issue. Per policy, the PUF held no securities from a single issuer that exceeded five percent of the bond portfolio.

FOREIGN CURRENCY RISK—INVESTMENTS

Foreign currency risk is the risk that investments may lose value due to fluctuations in foreign exchange rates. Per PUF investment policy, all investments are to be in U.S. dollar denominated securities, therefore no amounts of the PUF investments had reportable foreign currency risk at June 30, 2019 or 2018.

Of the OSU Endowments invested by the OSU Foundation at June 30, 2019, $13,545,068, or 28.1 percent, were held subject to foreign currency risk. At June 30, 2018, $13,817,018, or 28.8 percent were held subject to foreign currency risk.

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. As of June 30, 2019, securities held in the PUF CBF subject to interest rate risk totaled $315,692,236 and had an average duration of 3.39 years. Securities of the OSU Endowment investments held subject to interest rate risk totaling $4,165,857 had an average duration of 5.22 years. As of June 30, 2018, securities held in the PUF CBF subject to interest rate risk totaled $347,585,255 and had an average duration of 3.71 years. Securities of the OSU Endowment investments held subject to interest rate risk totaling $5,613,164 had an average duration of 3.32 years. Duration measures the change in the value of a fixed income security that will result from a one percent change in interest rates.

FAIR VALUE MEASUREMENT

Investments are reported at estimated fair value as determined by the OST, based on a fair value hierarchy which prioritizes the input techniques used to measure fair value. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted market prices that are observable for the asset, either directly or indirectly, including inputs in markets that are not considered to be active; and

Level 3 – Inputs that are unobservable. These are only used if relevant Level 1 and Level 2 inputs are not available.

Inputs are used in applying valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. In addition to the underlying reported net asset values (NAV), which generally serve as the primary valuation input, other inputs may include liquidity factors and broad credit data. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The fair value of OSU's investments in the PUF CBF are based on the investments' net asset value (NAV) per share provided by the Treasury. Fair value measurements for the university's investments in the PUF CBF at June 30 2019 and 2018 totaled $157,024,585 and $192,566,260, respectively.

As of June 30, 2019 and 2018, respectively, OSU's investment in timber and forestry land was valued at $6,428,549 and $6,553,054. This investment is a natural resource investment and is therefore required to be reported at fair value. In order to obtain the value of the timber and the land, a professional timber cruise is performed every five years, and interim valuations are conducted by professionals within the OSU College of Forestry every year-end. The periodic timber cruise and annual valuation is a level 3 input.

COMPONENT UNIT INVESTMENTS BY LEVEL

The following tables present the component unit investments by level within valuation hierarchy as of June 30, 2019 and 2018:

	Assets at fair value as of June 30, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Pooled Investment Program	**$ 226,112**	**$ -**	**$ -**	**$ 226,112**
Investment Property	**-**	**-**	**13,554**	**13,554**
Mortgages and Contracts	**-**	**-**	**685**	**685**
Other Nonpooled Investments	**42,392**	**-**	**470**	**42,862**
Total Investments	**$ 268,504**	**$ -**	**$ 14,709**	**$ 283,213**
Investments Measured at NAV				**444,863**
Total Investments				**$ 728,076**

	Assets at fair value as of June 30, 2018			
	Level 1	Level 2	Level 3	Total
Pooled Investment Program	$ 152,320	$ 8,234	$ 401,008	$ 561,562
Investment Property	-	-	24,264	24,264
Mortgages and Contracts	-	-	3,787	3,787
Other Nonpooled Investments	40,456	-	62,873	103,329
Total Investments	$ 192,776	$ 8,234	$ 491,932	$ 692,942

C. Securities Lending

In accordance with state investment policies, the state participates in securities lending transactions. The Treasury has, through a Securities Lending Agreement, authorized State Street Bank and Trust Company (State Street) to lend the state's securities pursuant to a form of loan agreement. Both the state and borrowers maintain the right to terminate all securities lending transactions on demand. OSU's cash on deposit with the OST is subject to securities lending. There were no significant violations of the provisions of securities lending agreements during the years ended June 30, 2019 and 2018.

During the year, State Street had the authority to lend short-term fixed income and equity securities and receive as collateral U.S. dollar and foreign currency cash, U.S. government and agency securities, and foreign sovereign debt of Organization of Economic Cooperation and Development countries. Borrowers were required to deliver collateral for each loan equal to not less than 102 percent of the market value of the loaned U.S. security. The custodian did not have the ability to pledge or sell collateral securities absent a borrower default, and during the year the state did impose restrictions on the amount of the loans that the custodian made on its behalf. The OST is fully indemnified by the custodian against losses due to borrower default. There were no losses during the year from the failure of borrowers to return loaned securities.

State Street, as lending agent, has created a fund to reinvest cash collateral received on behalf of the OSTF and Oregon state agencies, including OSU. As permitted under the fund's Declaration of Trust (Declaration), participant purchases and redemptions are transacted at $1 per unit ("constant value") based on the amortized cost of the fund's investments. Accordingly, the securities lending collateral held and the obligation to the lending agent are both stated at constant value on the statement of net position.

The fair value of investments held by the fund is based upon valuations provided by a recognized pricing service. These funds are not registered with the Securities and Exchange Commission, but the custodial agent is subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. No income from the funds was assigned to any other funds.

The maturities of investments made with the cash collateral generally do not match the maturities of the securities loaned. Since the securities loaned are callable on demand by either the lender or borrower, the life of the loans at June 30, 2019 and 2018, is effectively one day. As of June 30, 2019 and 2018, the state had no credit risk exposure to borrowers because the amounts owed to borrowers exceeded the amounts borrowers owed to the state.

The fair value of the university's share of securities lending balances on loan comprised the following (in thousands):

Investment Type	June 30, 2019	June 30, 2018
U.S. Treasury and Agency Securities	$ 17,048	$ 12,911
Domestic Fixed Income Securities	3,681	12,204
Total	$ 20,729	$ 25,115

The fair value of the university's share of total cash and securities collateral received as of June 30, 2019 and 2018, was $21,150,206 and $25,631,297, respectively. The fair value of the university's share of investments purchased with cash collateral as of June 30, 2019 and 2018, was $12,630,808 and $13,511,298, respectively.

3. ACCOUNTS RECEIVABLE

Accounts receivable, including amounts due from component units, comprised the following (in thousands):

	June 30, 2019	June 30, 2018
Student Tuition and Fees	$ 44,587	$ 40,960
Federal Grants and Contracts	41,829	36,869
State, Other Government, and Private Gifts, Grants and Contracts	6,872	10,113
Auxiliary Enterprises and Other Operating Activities	12,921	14,885
State Capital Construction Grants	7,659	11,220
Component Units	12,881	9,658
Other	8,699	7,031
	135,448	130,736
Less: Allowance for Doubtful Accounts	(7,787)	(7,137)
Accounts Receivable, Net	$ 127,661	$ 123,599

4. NOTES RECEIVABLE

Student loans made through the Title IV Federal Perkins Loan Program are funded through interest earnings and repayment of loans. Federal Perkins loans deemed uncollectible are assigned to the U.S. Department of Education (ED) for collection. Due to the termination of the Perkins loan program by the U.S. Congress, no new loans are allowed to be made and the federal capital contribution (FCC) portion of the loan program will be returned to the ED as loans are collected. See Note 1, Section X for additional information. OSU has provided an allowance for uncollectible loans which is calculated using the cohort default rate reported to the federal government.

Institutional and Other Student Loans include loans offered through the university itself and other various non-federal loan programs.

Notes receivable comprised the following (in thousands):

	June 30, 2019		
	Current	Noncurrent	Total
Institutional and Other Student Loans	$ 147	$ 540	$ 687
Perkins Loans	4,236	19,061	23,297
Other	-	430	430
	4,383	20,031	24,414
Less: Allowance for Doubtful Accounts	(585)	(2,534)	(3,119)
Notes Receivable, Net	$ 3,798	$ 17,497	$ 21,295

	June 30, 2018		
	Current	Noncurrent	Total
Institutional and Other Student Loans	$ 157	$ 598	$ 755
Perkins Loans	4,990	22,435	27,425
Other	-	215	215
	5,147	23,248	28,395
Less: Allowance for Doubtful Accounts	(599)	(2,592)	(3,191)
Notes Receivable, Net	$ 4,548	$ 20,656	$ 25,204

5. CAPITAL ASSETS

The following schedule reflects the changes in capital assets (in thousands):

	Balance June 30, 2017	Additions	Transfer Completed Assets	Retire. And Adjust.	Balance June 30, 2018	**Additions**	**Transfer Completed Assets**	**Retire. And Adjust.**	**Balance June 30, 2019**
Capital Assets, Non-depreciable/ Non-amortizable:									
Land	$ 31,963	$ 1,762	$ -	$ -	$ 33,725	**$ 545**	**$ -**	**$ -**	**$ 34,270**
Capitalized Collections	29,595	445	-	(371)	29,669	**297**	**-**	**(10)**	**29,956**
Construction in Progress	31,521	71,989	(26,735)	223	76,998	**98,166**	**(56,609)**	**(70)**	**118,485**
Intangible Assets in Progress	144	-	-	-	144	**-**	**-**	**-**	**144**
Total Capital Assets, Non-depreciable/Non-amortizable	93,223	74,196	(26,735)	(148)	$ 140,536	**99,008**	**(56,609)**	**(80)**	**182,855**
Capital Assets, Depreciable/ Amortizable:									
Equipment	228,487	14,398	1,019	(8,951)	234,953	**19,136**	**1,259**	**(10,163)**	**245,185**
Library Materials	79,912	337	-	-	80,249	**479**	**-**	**(525)**	**80,203**
Buildings	1,407,952	21,199	11,527	-	1,440,678	**11,304**	**52,030**	**-**	**1,504,012**
Land Improvements	31,382	391	3,628	-	35,401	**626**	**2,359**	**-**	**38,386**
Improvements Other Than Buildings	12,982	174	-	-	13,156	**-**	**525**	**-**	**13,681**
Infrastructure	34,886	2,888	10,561	-	48,335	**2,101**	**436**	**-**	**50,872**
Intangible Assets	10,620	-	-	-	10,620	**-**	**-**	**(125)**	**10,495**
Total Capital Assets, Depreciable/Amortizable	1,806,221	39,387	26,735	(8,951)	1,863,392	**33,646**	**56,609**	**(10,813)**	**1,942,834**
Less Accumulated Depreciation/ Amortization for:									
Equipment	(165,553)	(16,274)	-	8,154	(173,673)	**(16,170)**	**-**	**8,690**	**(181,153)**
Library Materials	(77,250)	(643)	-	(3)	(77,896)	**(539)**	**-**	**436**	**(77,999)**
Buildings	(475,748)	(35,126)	-	(40)	(510,914)	**(37,555)**	**-**	**(12)**	**(548,481)**
Land Improvements	(14,243)	(1,944)	-	(1)	(16,188)	**(2,075)**	**-**	**(64)**	**(18,327)**
Improvements Other Than Buildings	(9,966)	(552)	-	-	(10,518)	**(492)**	**-**	**-**	**(11,010)**
Infrastructure	(20,513)	(1,620)	-	-	(22,133)	**(2,251)**	**-**	**-**	**(24,384)**
Intangible Assets	(9,292)	(334)	-	-	(9,626)	**(212)**	**-**	**125**	**(9,713)**
Total Accumulated Depreciation/ Amortization	(772,565)	(56,493)	-	8,110	(820,948)	**(59,294)**	**-**	**9,175**	**(871,067)**
Total Capital Assets, Net	$1,126,879	$ 57,090	$ -	$ (989)	$1,182,980	**$ 73,360**	**$ -**	**$ (1,718)**	**$ 1,254,622**
Capital Assets Summary									
Capital Assets, Non-depreciable/ Non-amortizable	$ 93,223	$ 74,196	$ (26,735)	$ (148)	$ 140,536	**$ 99,008**	**$ (56,609)**	**$ (80)**	**$ 182,855**
Capital Assets, Depreciable/ Amortizable	1,806,221	39,387	26,735	(8,951)	1,863,392	**33,646**	**56,609**	**(10,813)**	**1,942,834**
Total Cost of Capital Assets	1,899,444	113,583	-	(9,099)	2,003,928	**132,654**	**-**	**(10,893)**	**2,125,689**
Less Accumulated Depreciation/ Amortization	(772,565)	(56,493)	-	8,110	(820,948)	**(59,294)**	**-**	**9,175**	**(871,067)**
Total Capital Assets, Net	$1,126,879	$ 57,090	$ -	$ (989)	$1,182,980	**$ 73,360**	**$ -**	**$ (1,718)**	**$ 1,254,622**

6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows and inflows of resources comprised the following (in thousands):

	June 30, 2019	June 30, 2018
Deferred Outflows of Resources		
Pension		
Contributions Subsequent to the Measurement Date	**$ 28,059**	$ 27,936
Change in Proportionate Share	**7,038**	10,182
Difference Between Contributions and Proportionate Share of Contributions	**237**	213
Difference Between Expected and Actual Experience	**10,284**	14,212
Change in Assumptions	**70,288**	53,569
Net Difference Between Projected and Actual Earnings on Plan Investments*	**-**	3,028
OPEB		
Contributions Subsequent to the Measurement Date	**2,309**	2,247
Change in Proportionate Share	**156**	160
Difference Between Contributions and Proportionate Share of Contributions	**42**	-
Change in Assumptions	**464**	-
Asset Retirement Obligations	**15,922**	16,386
Net Fair Value Loss on Foreign Currency Forward Contracts	**-**	26
Total Deferred Outflows of Resources	**$ 134,799**	$ 127,959
Deferred Inflows of Resources		
Pension		
Change in Proportionate Share	**$ 15,244**	$ -
Difference Between Contributions and Proportionate Share of Contributions	**4,209**	6,288
Difference Between Projected and Actual Earnings on Plan Investments*	**13,425**	-
OPEB		
Difference Between Contributions and Proportionate Share of Contributions	**41**	47
Change in Proportionate Share	**382**	19
Difference Between Expected and Actual Experience	**358**	-
Change in Assumptions	**286**	332
Net Difference Between Projected and Actual Earnings on Plan Investments*	**613**	516
Total Deferred Inflows of Resources	**$ 34,558**	$ 7,202

*Per GASB, deferred outflows of resources and deferred inflows of resources arising from the difference between projected and actual earnings on plan investments are netted and shown as either a net deferred outflow of resources or a net deferred inflow of resources.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprised the following (in thousands):

	June 30, 2019	June 30, 2018
Services and Supplies	**$ 57,433**	$ 49,039
Payroll Related	**21,942**	21,614
Accrued Interest	**9,601**	8,530
Salaries and Wages	**6,908**	6,790
Contract Retainage	**4,904**	2,584
Total	**$ 100,788**	$ 88,557

8. OPERATING LEASES

A. Receivables/Revenues

OSU receives income for land, property and equipment that is leased to outside entities under noncancelable operating leases. Rental income received from leases was $5,394,178 and $5,442,166 for the years ended June 30, 2019 and 2018, respectively. The original cost of assets leased was $20,844,780 and $24,729,787 for the years ended June 30, 2019 and 2018, respectively. Accumulated depreciation totaled $8,021,133 and $10,172,474 for the years ended June 30, 2019 and 2018, respectively.

A significant portion of OSU's annual operating lease revenue and future lease receivables is derived from a lease between the university and INTO OSU, Inc., a separate legal entity wholly-owned by INTO Incorporated. INTO Incorporated is an international corporation that partners with universities to provide study-abroad programs in multiple countries including the US, UK and China. The current lease expires in October of 2041, and encompasses the International Living-Learning Center and several smaller campus buildings.

Aggregate future minimum operating lease revenues at June 30, 2019 were (in thousands):

For the year ending June 30,		
2020	$	4,670
2021		4,020
2022		2,368
2023		2,019
2024		1,781
2025-2029		8,967
2030-2034		7,991
2035-2039		8,057
2040-2044		8,857
2045-2049		3,149
2050-2054		2,958
2055-2059		477
2060-2064		5
Total Minimum Operating Lease Revenues	$	55,319

B. Payables/Expenses

OSU leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases and rents were $2,960,457 and $1,759,451 for the years ended June 30, 2019 and 2018, respectively.

Future minimum operating lease payments at June 30, 2018 were (in thousands):

For the year ending June 30,		
2020	$	3,619
2021		2,904
2022		2,501
2023		2,408
2024		2,382
2025-2029		8,558
2030-2034		1,191
Total Minimum Operating Lease Payments	$	23,563

9. LONG-TERM LIABILITIES

Long-term liability activity was as follows (in thousands):

	Balance June 30, 2018	**Additions**	**Reductions**	**Balance June 30, 2019**	**Amounts Due Within One Year**	**Long-Term Portion**
Long-Term Debt						
Due to the State of Oregon:						
Contracts Payable	$ 300,129	**$ 100**	**$ (15,296)**	**$ 284,933**	**$ 13,682**	**$ 271,251**
Oregon Department of Energy Loans (SELP)	11,966	**-**	**(734)**	**11,232**	**678**	**10,554**
Revenue Bonds	181,310	**140,000**	**(366)**	**320,944**	**367**	**320,577**
Installment Purchases	9	**24**	**(17)**	**16**	**8**	**8**
Total Long-Term Debt	493,414	**140,124**	**(16,413)**	**617,125**	**14,735**	**602,390**
Other Noncurrent Liabilities						
Line of Credit	46,800	**-**	**(25,250)**	**21,550**	**21,550**	**-**
Notes Payable	586	**-**	**(117)**	**469**	**117**	**352**
PERS pre-SLGRP Pooled Liability	28,011	**-**	**(2,154)**	**25,857**	**2,452**	**23,405**
Compensated Absences	31,036	**26,222**	**(25,809)**	**31,449**	**25,472**	**5,977**
Employee Termination	1,295	**86**	**(1,295)**	**86**	**86**	**-**
Supplemental Retirement Plan	152	**150**	**-**	**302**	**-**	**302**
Perkins Loan Program Liability	21,676	**302**	**-**	**21,978**	**3,996**	**17,982**
Total Other Noncurrent Liabilities	129,556	**26,760**	**(54,625)**	**101,691**	**53,673**	**48,018**
Total Long-Term Liabilities	$ 622,970	**$ 166,884**	**$ (71,038)**	**$ 718,816**	**$ 68,408**	**$ 650,408**

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due Within One Year	Long-Term Portion
Long-Term Debt						
Due to the State of Oregon:						
Contracts Payable	$ 315,804	$ 153	$ (15,828)	$ 300,129	$ 15,296	$ 284,833
Oregon Department of Energy Loans (SELP)	12,761	-	(795)	11,966	721	11,245
Revenue Bonds	108,972	72,705	(367)	181,310	366	180,944
Installment Purchases	23	9	(23)	9	6	3
Total Long-Term Debt	437,560	72,867	(17,013)	493,414	16,389	477,025
Other Noncurrent Liabilities						
Line of Credit	-	51,700	(4,900)	46,800	-	46,800
Note Payable	-	586	-	586	117	469
PERS pre-SLGRP Pooled Liability	29,764	-	(1,753)	28,011	1,754	26,257
Compensated Absences	31,924	24,656	(25,544)	31,036	23,397	7,639
Employee Termination	-	1,295	-	1,295	1,295	-
Supplemental Retirement Plan	-	152	-	152	-	152
Perkins Loan Program Liability	-	21,676	-	21,676	3,944	17,732
Total Other Noncurrent Liabilities	61,688	100,065	(32,197)	129,556	30,507	99,049
Total Long-Term Liabilities	$ 499,248	$ 172,932	$ (49,210)	$ 622,970	$ 46,896	$ 576,074

The schedule of principal and interest payments for OSU debt is as follows (in thousands):

For the Year Ending June 30,	Contracts Payable	SELP	Revenue Bonds	Other Borrowings	Total Payments	Principal	Interest
2020	$ 27,116	$ 1,185	$ 12,126	$ 8	$ 40,435	$ 13,612	$ 26,823
2021	26,467	1,186	12,690	8	40,351	13,927	26,424
2022	25,934	1,185	12,690	-	39,809	14,156	25,653
2023	25,401	1,185	12,690	-	39,276	14,645	24,631
2024	25,164	1,186	12,690	-	39,040	15,052	23,988
2025-2029	117,464	5,927	63,449	-	186,840	77,984	108,856
2030-2034	94,792	3,144	63,449	-	161,385	72,157	89,228
2035-2039	59,122	-	63,449	-	122,571	47,326	75,245
2040-2044	28,851	-	106,911	-	135,762	70,349	65,413
2045-2049	-	-	201,202	-	201,202	160,005	41,197
2050-2054	-	-	115,564	-	115,564	106,795	8,769
Accreted Interest						1,253	(1,253)
						$ 607,261	$ 514,974
Total Future Debt Service	**430,311**	**14,998**	**676,910**	**16**	**1,122,235**		
Less: Interest Component of Future Payments	(145,378)	(3,766)	(365,830)	-	(514,974)		
Principal Portion of Future Payments	**284,933**	**11,232**	**311,080**	**16**	**607,261**		
Adjusted by:							
Net Unamortized Bond Premiums	-	-	9,864	-	9,864		
Total Long-Term Debt	**$ 284,933**	**$ 11,232**	**$ 320,944**	**$ 16**	**$ 617,125**		

OSU has multiple sources of financing for capital construction projects and other purposes. The state periodically issues bonded debt which it then loans to the university for capital construction. OSU has entered into contractual loan agreements with the state for the repayment of principal and interest amounts due. In addition, OSU may also borrow funds from the Oregon Department of Energy through the Small-scale Energy Loan Program (SELP). The state may periodically issue new debt to refund previously held debt. Per the contract and loan agreements, when this occurs the state is required to pass the savings on to the university. OSU may also issue Revenue bonds as authorized by ORS 351.369.

A. Contracts Payable

OSU has entered into contractual loan agreements with the state for repayment of debt instruments issued by the state on behalf of OSU for capital construction and refunding of previously issued debt. OSU makes loan payments (principal and interest) to the state in accordance with the loan agreements. Loans, with interest rates ranging from 0.95 percent to 7.00 percent, are due serially through 2044.

During the fiscal year ended June 30, 2019, the state did not issue any bonds that resulted in an increase or decrease to the university's contracts payable to the state. Changes to OSU's contracts payable to the state included debt service payments for principal of $14,575,313 and the addition and deduction of $99,931 and $721,120, respectively, for the amortization of accreted interest applicable to zero coupon bonds sold prior to 2002.

During the fiscal year ended June 30, 2018, the state did not issue any bonds that resulted in an increase or decrease to the university's contracts payable to the state. Changes to OSU's contracts payable to the state included debt service payments for principal of $14,434,387 and the addition and deduction of $152,883 and $1,393,891, respectively, for the amortization of accreted interest applicable to zero coupon bonds sold prior to 2002.

B. Oregon Department of Energy Loans

OSU has entered into loan agreements with the Oregon Department of Energy (DOE) Small-scale Energy Loan Program (SELP) for energy conservation projects. OSU makes monthly loan payments (principal and interest) to the DOE in accordance with the loan agreements. SELP loans, with interest rates ranging from 4.03 percent to 5.15 percent, are due through 2032.

C. Revenue Bonds

General Revenue Bonds, with bullet maturities, are due in fiscal years 2043 through 2052 and have effective yields ranging from 2.56 percent to 4.34 percent.

During the fiscal year ended June 30, 2019, OSU issued $140,000,000 par value of taxable General Revenue Bonds. The General Revenue Series 2019 taxable bonds were sold at par with bullet maturities due in 2043, 2046, 2047, 2050, 2051 and 2052, and effective rates of 3.88 and 4.05 percent. Bond proceeds will be used to fund capital construction.

Other changes to the revenue bond liability during fiscal year 2019 included the amortization of $366,406 in bond premium.

During the fiscal year ended June 30, 2018, OSU issued $72,705,000 par value of taxable General Revenue Bonds.

These General Revenue Series 2017 taxable bonds were sold at par with bullet maturities due in 2048 and 2049, and an effective rate of 3.75 percent for the following capital construction projects:

- Renovation of Gilkey Hall
- Steam Line Replacement and Tunnel Extension
- Upper Division and Graduate Student Housing Projects
- Newport Housing Project
- Minor Capital Programmatic Improvements

Other changes to the revenue bond liability during fiscal year 2018 included the amortization of $366,406 in bond premium.

D. Line of Credit

During the fiscal year ended June 30, 2018, OSU executed a revolving credit agreement with U.S. Bank for $50,000,000 to provide short-term financing for capital expenditures. Repayment of current borrowings is made upon receipt of anticipated gifts. The revolving credit agreement commitment expires on July 7, 2020.

During the fiscal year ended June 30, 2019, the university made payments totalling $25,250,000, most of which was associated with the acquisition of the Research Way lab building.

During the fiscal year ended June 30, 2018, in anticipation of secured pledges, OSU drew the following amounts for the associated projects:

- Valley Football Center $29,600,000
- Athletic Capital Projects $2,300,000

Additionally, OSU drew $19,800,000 to purchase the Research Way lab building.

Other changes to the line of credit liability during fiscal year 2018 included the payment of $4,900,000 in principal.

As of June 30, 2019, OSU has $28,450,000 of unused line of credit with U.S. Bank.

E. Note Payable

During the fiscal year ended June 30, 2018, OSU entered into a promissory note to pay Samaritan Health Services, Inc. a total of $585,892 in five equal annual payments of $117,178 with the first payment due November 2018. The note arises from billing and payment errors between the university and Samaritan Health Services. There is no interest charged on the note and the note will be fully paid in fiscal year 2023. As of June 30, 2019, $468,714 remains to be paid.

F. State and Local Government Rate Pool

Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), 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 state's comprehensive annual financial report. OSU paid interest expense on the liability in the amounts of $1,852,372 and $1,918,604 for June 30, 2019 and 2018, respectively. Principal payments of $2,153,708 and $1,753,105 were applied to OSU's liability for June 30, 2019 and 2018, respectively.

G. Employee Termination

OSU had a severance agreement with one former employee relating to early termination of their employment contract. The payout of this liability will be complete in fiscal year 2020.

H. Perkins Loan Program Liability

During fiscal year 2018, OSU established a liability for the Federal Capital Contributions (FCC) received from the U.S. Department of Education (ED) which funded the Perkins loan program. With the close-out of the Perkins loan program, the FCC is due back to the ED. OSU has elected to continue to collect on these loans and will return the FCC to the ED as it is collected. See Note 1 Organization and Summary of Significant Accounting Policies, Section X Perkins Loan Program Termination for additional information.

10. ASSET RETIREMENT OBLIGATIONS

In accordance with GASB Statement No. 83, Nuclear Regulatory Commission (NRC) regulations, and Environmental Protection Agency (EPA) regulations, OSU reported an asset retirement obligation (ARO) liability of $19,115,280 for both the years ended June 30, 2019 and 2018. The remaining unamortized deferred outflow equaled $15,922,083 and $16,385,833, respectively, for 2019 and 2018.

Teaching, Research, Isotopes, General Atomics (TRIGA) Reactor

In 1967, the university installed the Oregon State TRIGA Reactor (OSTR). The reactor is housed in the OSU Radiation Center and is primarily used for training students, performing various research projects and producing isotopes. The OSTR is licensed by the U.S. Nuclear Regulatory Commission

(NRC), which sets forth requirements that the university must adhere to, including those related to the decommissioning and retirement of the OSTR. See NRC regulations specific to decommissioning obligations at: **https://www.nrc.gov/waste/decommissioning/reg-guides-comm/regulations.html**

For the years ended June 30, 2019 and 2018, OSU reported an ARO liability of $18,550,000 related to the OSTR. The remaining unamortized deferred outflow equaled $15,922,083 and $16,385,833, respectively, for 2019 and 2018. The method and assumptions used to measure the obligation were those set forth by the NRC in the series publication NUREG-1307, Revision 16 and 17. In November 2013, the university replaced the reflector component of the OSTR thereby extending the reactor's useful life by approximately 40 years. At June 30, 2019 and 2018, the OSTR had an estimated remaining useful life of 34.3 years and 35.3 years, respectively. Per the licensing agreement held between OSU and the NRC, OSU was required to submit a statement of intent regarding decommissioning funds. On July 31, 2007, OSU submitted such a letter stating that when a decision is made to terminate the facility license and decommission the facility, the university will request legislative appropriation of funds, or otherwise provide funds sufficiently in advance of decommissioning to prevent the delay of required activities. As of June 30, 2019, the university has made no decision to terminate the facility license nor made plans to decommission the facility. As such, no request for legislative funding has been made and no university assets have been restricted for payments related to the OSTR ARO liability.

OSU Physical Plant Underground Storage Tank (UST)

In 1954, OSU installed an underground storage tank (UST) to fuel the operations of its Physical Plant heating facility, located on the university's Corvallis campus. The heating facility provided energy to most campus buildings until 2009 when the new OSU Energy Center was brought online. As the heating facility and the UST are no longer in service, the university has made plans to re-purpose the property upon which the heating facility and UST are currently located, and accordingly must remove the UST from the ground. The university expects to remove the UST during fiscal year 2020.

All USTs are regulated by the U.S. Environmental Protection Agency (EPA). The EPA enforces regulations over the operation, maintenance, reporting, record keeping, installation and closure of all USTs. Per 40 CFR 280.70 of the EPA UST regulations, OSU must empty and clean the UST by removing all liquids, dangerous vapor levels, and accumulated sludge. This work must be carried out carefully by trained professionals who follow standard safety practices.

See EPA regulations over USTs at: **https://www.epa.gov/ust/underground-storage-tanks-usts-laws-and-regulations**

For the years ended June 30, 2019 and 2018, the university reported an ARO liability for the UST of $565,280. Bids from vendors who adhere to the EPA standard safety practices were used to calculate the ARO liability for the UST. At June 30, 2019 and 2018, the underground storage tank had no remaining useful life. No legally required funding, assurance provisions, or requirements to restrict assets exist for the UST ARO.

11. UNRESTRICTED NET POSITION

Unrestricted net position is comprised of the following (in thousands):

	June 30, 2019	June 30, 2018
University Operations	**$ 192,469**	$ 204,512
Net Pension Liability, Net of Deferrals (See Notes 6 & 16)	**(219,289)**	(191,030)
Compensated Absences Liability	**(26,180)**	(26,000)
State and Local Government Rate Pool Liability (See Note 9)	**(25,857)**	(28,011)
Other Post-Employment Benefits Liabilities, Net of Deferrals (See Notes 6 & 17)	**(17,611)**	(17,467)
Asset Retirement Obligation, Net of Deferrals (See Notes 6 & 10)	**(3,193)**	(2,729)
Total Unrestricted Net Position	**$ (99,661)**	$ (60,725)

12. PLEDGED GENERAL REVENUES

The university implemented a General Revenue Bond Program in 2015 to provide funding for capital construction and other related projects. As security for this debt, OSU has pledged general revenues which include student tuition and fees, auxiliary enterprise revenues, education department sales and services and other university operating revenues, with certain exclusions as shown in the table below. Net pledged general revenues is calculated by deducting excluded and restricted revenues from total operating revenues, and adding beginning unrestricted net position adjusted for the excluded items. Pledged revenues are as follows (in thousands):

	June 30, 2019	June 30, 2018
Total Operating Revenues	**$ 837,939**	$ 808,609
(Less):		
Student Building Fees	**(3,193)**	(3,295)
Student Incidental Fees	**(27,132)**	(27,616)
Federal Grants and Contracts	**(212,209)**	(203,740)
State and Local Grants and Contracts	**(9,979)**	(10,450)
Nongovernmental Grants and Contracts	**(23,491)**	(26,164)
Amounts Required to be Deposited or Paid for University-Paid State Bonds	**(27,228)**	(29,388)
Plus:		
Adjusted Beginning Unrestricted Net Position	**(73,909)**	(57,596)
General Revenues Pledged to Repay Revenue Bonds	**$ 460,798**	$ 450,360

13. INVESTMENT ACTIVITY

Investment Activity detail is as follows (in thousands):

	June 30, 2019	June 30, 2018
Royalties and Technology Transfer Income	**$ 5,488**	$ 5,026
Investment Earnings	**8,257**	6,466
Endowment Income	**1,728**	1,796
Net Appreciation (Depreciation) of Investments	**6,539**	21
Gain (Loss) on Sale of Investments	**(1,607)**	(1,404)
Interest Income	**881**	387
Total Investment Activity	**$ 21,286**	$ 12,292

14. OPERATING EXPENSES BY NATURAL CLASSIFICATION

The Statement of Revenues, Expenses and Changes in Net Position reports operating expenses by their functional classification. The reporting of the net pension liability and OPEB liabilities/(asset) as per GASB Statement Nos. 68, 71 and 75, significantly affects the reported compensation and benefit expenses of OSU. Changes in the pension and OPEB expenses and associated reporting requirements increased the reported compensation and benefit expenses of OSU by $27,549,392 and $35,337,201 for the fiscal years ended June 30, 2019 and 2018, respectively. The following displays operating expenses by both the functional and natural classifications (in thousands):

June 30, 2019	**Compensation and Benefits**	**Services and Supplies**	**Scholarships and Fellowships**	**Depreciation and Amortization**	**Other**	**Total**
Instruction	$ 288,934	$ 32,299	$ 253	$ 20	$ 286	**$ 321,792**
Research	145,527	67,876	2,754	17	25	**216,199**
Public Services	84,456	58,582	804	21	1,171	**145,034**
Academic Support	68,081	22,150	3	-	-	**90,234**
Student Services	27,850	5,722	2	21	56	**33,651**
Auxiliary Services	84,311	75,249	4,701	17,027	-	**181,288**
Institutional Support	64,196	27,078	5	-	-	**91,279**
Operation & Maint. of Plant	18,626	21,664	-	111	-	**40,401**
Student Aid	15	348	28,837	-	788	**29,988**
Other	3,595	17,897	-	42,077	(13)	**63,556**
Total	**$ 785,591**	**$ 328,865**	**$ 37,359**	**$ 59,294**	**$ 2,313**	**$ 1,213,422**

June 30, 2018	Compensation and Benefits	Services and Supplies	Scholarships and Fellowships	Depreciation and Amortization	Other	Total
Instruction	$ 278,508	$ 28,370	$ 222	$ 20	$ 282	$ 307,402
Research	150,379	62,974	3,092	-	32	216,477
Public Services	82,603	46,782	738	46	1,054	131,223
Academic Support	64,216	21,847	15	-	-	86,078
Student Services	29,281	6,956	18	-	58	36,313
Auxiliary Services	86,208	76,031	4,482	16,675	-	183,396
Institutional Support	61,697	25,780	5	-	-	87,482
Operation & Maint. of Plant	18,216	20,414	-	111	-	38,741
Student Aid	10	138	29,853	-	1,003	31,004
Other	2,940	9,893	-	39,641	13	52,487
Total	$ 774,058	$ 299,185	$ 38,425	$ 56,493	$ 2,442	$ 1,170,603

15. GOVERNMENT APPROPRIATIONS

OSU receives support from the state in the form of General Fund and Lottery appropriations. These appropriations are in support of the operations of the university and SELP debt service. Appropriations for SELP debt service are based on the loan agreements between the university and the Oregon Department of Energy. Additionally, OSU receives state general fund, state forest product harvest tax (Harvest Tax), federal appropriations, and county appropriations in support of operations of the statewide public services, which include the agricultural experiment stations, cooperative extension services and forestry research laboratories. OSU also receives lottery appropriations in support of outdoor school operations for middle school children, which the cooperative extension service administers on behalf of the state. Government appropriations comprised the following (in thousands):

	June 30, 2019	June 30, 2018
General Fund - Education & General	**$ 135,743**	$ 125,434
General Fund - Statewide Public Services	**63,449**	60,961
General Fund - SELP Debt Service	**1,073**	1,073
Lottery Funding - Outdoor School	**12,240**	11,760
Lottery Funding - Sports Lottery	**515**	515
Harvest Tax	**3,825**	3,847
Total State	**$ 216,845**	$ 203,590
Federal Appropriations	**9,228**	10,988
County Appropriations	**12,349**	12,342
Total Appropriations	**$ 238,422**	$ 226,920

16. EMPLOYEE RETIREMENT PLANS

Oregon State University offers various defined benefit and defined contribution retirement plans to qualified employees as described below.

A. Public Employees Retirement Plan (PERS)

ORGANIZATION

The university participates with other state agencies in the Oregon Public Employees Retirement System (System), which is a cost-sharing multiple employer defined benefit plan. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the plan. PERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (PERS Board) to administer and manage the System.

PLAN MEMBERSHIP

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 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.

PENSION PLAN REPORT

The PERS defined benefit and defined contribution retirement plans are reported as pension trust funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the State of Oregon Comprehensive Annual Financial Report. PERS issues a separate, publicly available audited financial report that may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at: **www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Employers participating in the Plan are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.*

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to pensions in the measurement of employer liabilities for pensions and recognition of pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.

SYSTEM BASIS OF ACCOUNTING

Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements.

PROPORTIONATE SHARE ALLOCATION METHODOLOGY

The basis for the employer's proportion of the statewide plan is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers. The contribution rate for every employer has at least two major components: Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

PENSION PLAN LIABILITY

The components of the Plan's collective net pension liability as of the measurement dates of June 30, 2018 and 2017 are as follows (dollars in millions):

Collective Plan:	June 30, 2018	June 30, 2017
Total Pension Liability	$ 84,476	$ 79,852
Plan Fiduciary Net Position	69,327	66,372
Plan Net Pension Liability	$ 15,149	$ 13,480

CHANGES SUBSEQUENT TO THE MEASUREMENT DATE

The university is not aware of any changes to benefit terms or actuarial methods and assumptions subsequent to the June 30, 2018 measurement date.

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) PENSION (CHAPTER 238) PROGRAM

PENSION BENEFITS

The PERS retirement allowance is payable monthly for life. There are 13 retirement benefit options a retiring employee may select from. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. 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. Monthly payments must be a minimum of $200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which he or she is entitled.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has 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. General Service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

DEATH BENEFITS

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund 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:

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

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 when determining the monthly benefit.

BENEFIT CHANGES AFTER RETIREMENT

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

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

OREGON PUBLIC SERVICE RETIREMENT PLAN (OPSRP DB) PENSION PROGRAM

PENSION BENEFITS

The OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: 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.

A member of the 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, and if the pension program is terminated, the date on which termination becomes effective.

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.

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.

BENEFIT CHANGES AFTER RETIREMENT

Under ORS 238A.210 monthly benefits are adjusted annually through COLAs. The cap on the COLA varies based on 1.25 percent on the first $60,000 of annual benefit and 0.15 percent on annual benefits above $60,000.

OREGON PUBLIC SERVICE RETIREMENT PLAN (OPSRP IAP) PENSION PROGRAM

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. 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. 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 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.

CONTRIBUTIONS

PERS and OPSRP employee contribution requirements are established by ORS 238.200 and ORS 238A.330, respectively, and are credited to an employee's account in the IAP and may be amended by an act of the Oregon Legislature. The PERS and OPSRP funding policies provide 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 Post-Employment Benefit Plans.

Employer contribution rates for the fiscal year ended June 30, 2019 and 2018 were based on the December 31, 2015 actuarial valuation. The employer contribution rates for PERS and OPSRP are as follows:

	2019	2018
Base Tier One/Two Rate	15.09%	15.09%
SLGRP Rate	1.76%	1.76%
RHIA/RHIPA OPEB Rate	0.99%	0.99%
Total PERS Tier One/Two Rate	**17.84%**	17.84%
Base OPSRP Rate	8.21%	8.21%
SLGRP Rate	1.76%	1.76%
RHIA/RHIPA OPEB Rate	0.81%	0.81%
Total OPSRP Rate	**10.78%**	10.78%

The university's required employer contributions for PERS and OPSRP for the years ended June 30, 2019 and 2018, were $34,373,599 and $33,853,548, respectively, including amounts to fund employer specific liabilities.

FEDERAL CIVIL SERVICE RETIREMENT

Some OSU Extension Service employees hold federal appointments. Prior to December 31, 1986, federal appointees were required to participate in the Federal Civil Service Retirement System (CSRS), a defined benefit plan. CSRS employees are subject to the Hospital Insurance portion of the Federal Insurance Contributions Act (FICA), CSRS employee deduction of 7.0 percent, and employer contribution of 7.0 percent, and are also eligible for optional membership in PERS.

The Federal Employees Retirement System (FERS), a defined benefit plan, was created beginning January 1, 1987. Employees on federal appointment hired after December 31, 1983 were automatically converted to FERS. Other federal employees not covered by FERS had a one-time option to transfer to FERS up to December 31, 1987. New FERS employees contribute 0.8 percent with an employer contribution rate of 13.7 percent. FERS employees are not eligible for membership in PERS and they contribute at the full FICA rate.

The university's required employer contributions for CSRS and FERS for the years ended June 30, 2019 and 2018, were $265,294 and $279,797, respectively.

NET PENSION LIABILITY

At June 30, 2019, the university reported a liability of $302,317,305 for its proportionate share of the PERS net pension liability. The net pension liability as of June 30, 2019 was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date. At June 30, 2018, the university reported a liability of $293,881,485 for its proportionate share of the PERS net pension liability. The net pension liability as of June 30, 2018 was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 , rolled forward to the measurement date. The PERS system does not provide OSU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PERS employer state agencies. The state Department of Administrative Services (DAS) calculated OSU's proportionate share of all state agencies internally based on actual contributions by OSU as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2019 and 2018, OSU's proportion was 2.00 and 2.18 percent, respectively, of the statewide pension plan.

For the years ended June 30, 2019 and 2018, OSU recorded total pension expense of $56,319,691 and $64,361,101, respectively, due to the change in net pension liability, changes to deferred outflows and deferred inflows, and amortization of previously deferred amounts.

DEFERRED ITEMS

Most deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. However, changes in employer proportion and the difference between employer contributions and proportionate share of contributions are calculated at the employer level. For fiscal years ending June 30, 2019 and 2018, deferred items include:

- Difference between expected and actual experience
- Changes in assumptions
- Net difference between projected and actual pension plan investment earnings
- Changes in employer proportion since the prior measurement date
- A difference between employer contributions and proportionate share of contributions
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumption, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period.

The average remaining service lives determined as of the beginning of each measurement period are as follows:

- Measurement period ended June 30, 2018 – 5.2 years
- Measurement period ended June 30, 2017 – 5.3 years
- Measurement period ended June 30, 2016 – 5.3 years
- Measurement period ended June 30, 2015 – 5.4 years
- Measurement period ended June 30, 2014 – 5.6 years

The difference between projected and actual pension plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the university's total pension expense for fiscal years 2019 and 2018.

At June 30, 2019, OSU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Difference Between Expected and Actual Experience	$ 10,284	$ -
Change in Assumptions	70,288	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(13,425)
Change in Proportionate Share	7,038	(15,244)
Differences Between Contributions and Proportionate Share of Contributions	237	(4,209)
Total	**$ 87,847**	**$ (32,878)**
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	54,969	
Contributions Subsequent to the MD	28,059	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	**$ 83,028**	

Of the amount reported as deferred outflows of resources, $28,059,238 are related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

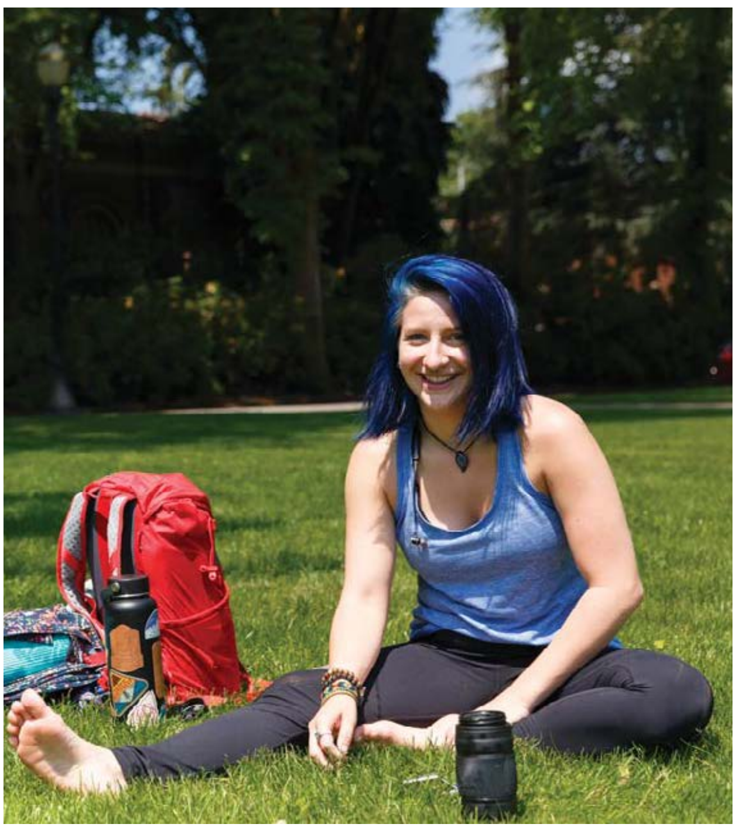
At June 30, 2018, OSU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 14,212	$ -
Change in Assumptions	53,569	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,028	-
Change in Proportionate Share	10,182	-
Differences Between Contributions and Proportionate Share of Contributions	213	(6,288)
Total	$ 81,204	$ (6,288)
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	74,916	
Contributions Subsequent to the MD	27,936	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 102,852	

Of the amount reported as deferred outflows of resources, $27,935,620 are related to contributions subsequent to the measurement date and are recognized as a reduction of the net pension liability in the year ended June 30, 2019.

As of June 30, 2019, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year Ended June 30:	
2019	$ 35,482
2020	24,459
2021	(6,163)
2022	133
2023	1,058
	$ 54,969



ACTUARIAL METHODS AND ASSUMPTIONS

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

Actuarial Methods:		
As of:	**June 30, 2019**	June 30, 2018
Valuation Date	December 31, 2016	December 31, 2015
Measurement Date	June 30, 2018	June 30, 2017
Experience Study Report	2016, published July 2017	2014, published September 2015
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Inflation Rate	2.50 percent	
Long-Term Expected Rate of Return	7.20 percent	7.50 percent
Discount Rate	7.20 percent	7.50 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:*	
	RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.	RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.
	Active members:	
	RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.	Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.
	Disabled retirees:	
	RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.	Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per scale BB, disabled mortality table.

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.

DISCOUNT RATE

The discount rate used to measure the total pension liability at June 30, 2019 and 2018 was 7.20 and 7.50 percent, respectively. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY ANALYSIS

The sensitivity analysis shows the sensitivity of the university's proportionate share of the net pension liability to changes in the discount rate. The following presents the university's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent as of June 30, 2019 and 7.50 percent as of June 30, 2018, as well as what the university'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 (in thousands):

	June 30, 2019	June 30, 2018
1% Decrease 6.2%/6.5%	**$505,229**	$500,828
Current Discount Rate 7.2%/7.5%	**302,317**	293,882
1% Increase 8.2%/8.5%	**134,830**	120,836

DEPLETION DATE PROJECTION

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27,* 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 (fair market value of assets) 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 Statement No. 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB Statement No. 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB Statement No. 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 Oregon PERS:

- Oregon 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 assumptions.
- GASB Statement No. 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is the independent actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses. As such, the long-term expected rate of return was used to discount the liability.

ASSUMED ASSET ALLOCATION

Asset Class/ Strategy	**Low Range**	**High Range**	**OIC Target**
Cash	0.00 %	3.00 %	0.00 %
Debt Securities	15.00	25.00	20.00
Public Equity	32.50	42.50	37.50
Private Equity	13.50	21.50	17.50
Real Estate	9.50	15.50	12.50
Alternative Equity	0.00	12.50	12.50
Opportunity Portfolio	0.00	3.00	0.00
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 July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the OIC investment advisors. Each asset 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. The table on the next page shows a summary of long-term expected rate of return by asset class. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited comprehensive annual financial reports at:

www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

LONG-TERM EXPECTED RATE OF RETURN BY ASSET CLASS

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loans	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.13	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds - Diversified	2.50	4.09
Hedge Fund - Event-driven	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.6
Commodities	1.88	3.84
Assumed Inflation – Mean		2.50%

BOND DEBT

The retirement bond debt service assessment was authorized by the Oregon Legislature in 2003 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 periodically over the life of the twenty-four year debt repayment schedule.

The payroll assessment for the pension obligation bond began in May 2004. The assessment rate for fiscal year 2019 was 6.2 percent. The assessment rate for fiscal year 2018 was 6.0 percent through October 31, 2017 and was increased to 6.2 percent effective November 1, 2017. Payroll assessments paid by OSU for the fiscal years ended June 30, 2019 and 2018, were $16,456,058 and $15,699,309, respectively.

B. Other Retirement Plans

OPTIONAL RETIREMENT PLAN

The 1995 Oregon Legislature enacted legislation that authorized the university to offer a defined contribution retirement plan as an alternative to PERS. A Retirement Plan Committee was appointed to administer the Optional Retirement Plan (ORP) and named trustees to manage plan assets placed with mutual funds and insurance companies. Beginning April 1, 1996, the ORP was made available to university academic and administrative faculty. Employees choosing the ORP may invest the employee and employer contributions in one of two investment companies, either Fidelity or the Teacher's Insurance Annuity Association (TIAA).

The ORP consists of four tiers. Membership under ORP Tier One and Tier Two is determined using the same date of entry criteria as PERS. The third tier is determined by the date of entry applicable to the OPSRP. Employees hired on or after July 1, 2014 who elected the ORP are Tier Four members. The first contributions for Tier Four were payable January 2015, after six-months of qualifying service.

Tier Four is a departure from the other three tiers. The employee is entitled to an employer contribution plus a "match" contribution based on the employee's participation in the voluntary 403(b) investment plan. The employer contribution is fixed at 8 percent by plan rules and is unaffected by PERS rates, unlike the other tiers. The employer provides an ORP match contribution equal to 403(b) deferrals up to a 4 percent maximum. Under the ORP Tiers One, Two and Three, the employee's contribution rate is 6 percent and is paid by the employer.

The employer contribution rates for the ORP are as follows:

	2019	2018
Tier One/Two	**23.68%**	23.68%
Tier Three	**9.29%**	9.29%
Tier Four	**8.00%**	8.00%

OREGON PUBLIC UNIVERSITIES 401(A) DEFINED CONTRIBUTION PLAN

Eligible ranked faculty participate in the TIAA retirement program, a defined contribution plan, on all salary in excess of $4,800 dollars per calendar year. Employee and employer contributions are directed to PERS on the first $4,800 of salary. The contribution to TIAA annuities are supplemental to PERS. 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 legacy plan, Oregon University System 401(a) Defined Contribution Plan, document was amended and restated July 1, 2015, and the Plan Sponsor is now the Board of Trustees for the University of Oregon.

FEDERAL CIVIL SERVICE RETIREMENT - THRIFT SAVINGS PLAN

OSU Extension Service employees that hold federal appointments can also participate in a Thrift Savings Plan (TSP) with an automatic employer contribution of 1 percent. Employees may also contribute to this plan at variable rates up to the limit set by the Internal Revenue Service, in which case the employer contributes at a variable rate up to 5 percent. CSRS employees are also eligible for participation in the TSP but without employer contributions.

SUPPLEMENTAL RETIREMENT PLANS (SRP)

During fiscal year 2018, per direction and authorization from the board of trustees, OSU established a supplemental retirement plan for eligible employees who have been designated to become a participant in the plan. The supplemental plan has two parts: a 403(b) defined contribution plan and a 415(m) excess benefit plan. Investments of the 403(b) plan are invested as directed by the employee. The 415(m) plan assets are invested and managed by TIAA. The university has recorded an investment for the balance managed by TIAA as well as an offsetting liability for the amount that will be payable to the employee upon completion of their contract.

No changes were made to the supplemental retirement plans during fiscal year 2019.

During the fiscal year ended June 30, 2019, the university contributed $149,200 to the 415(m) plan, and $30,500 to the employees' 403(b) plan. During the fiscal year ended June 30, 2018, the university contributed $152,431 to the 415(m) plan, and $30,000 to the employees' 403(b) plan.

SUMMARY OF OTHER PENSION PAYMENTS

OSU's total payroll for the year ended June 30, 2019 was $519,563,318, of which $191,025,223 was subject to defined contribution retirement plan contributions. The following schedule lists pension payments made by OSU for the fiscal year (in thousands):

	June 30, 2019			
	Employer Contribution	As a % of Covered Payroll	Employee Contribution	As a % of Covered Payroll
ORP	**$ 14,498**	**7.59%**	**$ 11,661**	**6.10%**
TIAA	**57**	**0.03**	**57**	**0.03**
FERS - TSP	**77**	**0.04**	**188**	**0.10**
SRP	**180**	**0.09**	**-**	**0.00**
Total	**$ 14,812**	**7.75%**	**$ 11,906**	**6.23%**

Of the employee share, OSU paid $9,331,481 of the ORP and $56,793 of the TIAA employee contributions on behalf of their employees during the fiscal year ended June 30, 2019. The FERS-TSP contributions of $188,428 represents employee contributions to the TSP for FERS employees that were matched from one to five percent by the employer in fiscal year 2019.

OSU's total payroll for the year ended June 30, 2018 was $502,839,495, of which $173,609,733 was subject to defined contribution retirement plan contributions.

The following schedule lists pension payments made by OSU for the fiscal year (in thousands):

	June 30, 2018			
	Employer Contribution	As a % of Covered Payroll	Employee Contribution	As a % of Covered Payroll
ORP	$ 16,929	9.75%	$ 8,762	5.05%
TIAA	54	0.03	54	0.03
FERS - TSP	78	0.04	193	0.11
SRP	182	0.11	-	0.00
Total	$ 17,243	9.93%	$ 9,009	5.19%

Of the employee share, OSU paid $8,761,803 of the ORP and $54,110 of the TIAA employee contributions on behalf of their employees during the fiscal year ended June 30, 2018. The FERS-TSP contributions of $193,393 represents employee contributions to the TSP for FERS employees that were matched from one to five percent by the employer in fiscal year 2018.

17. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. Public Employees Retirement Plans (PERS)

PLAN DESCRIPTION

The Public Employees Retirement System (PERS) Board contracts for health insurance coverage on behalf of eligible PERS members. Eligible retirees pay their own age-adjusted premiums. To help retirees defray the cost of these premiums, PERS also administers two separate defined benefit other post-employment benefit (OPEB) plans: the Retirement Health Insurance Account (RHIA) and the Retiree Health Insurance Premium Account (RHIPA). Only Tier One and Tier Two PERS members are eligible to participate in the RHIA and RHIPA plans. (Refer to Note 16 for details concerning Tier One and Tier Two membership in PERS.)

The RHIA is a cost-sharing multiple-employer defined benefit OPEB plan in which the university participates. Established under Oregon Revised Statute (ORS) 238.420, the plan provides a payment of up to $60 toward the monthly cost of health insurance for eligible PERS members. To be eligible to receive the RHIA subsidy, 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. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991. The Legislature has sole authority to amend the benefit provisions and employer obligations for the RHIA plan.

Established under ORS 238.415, the RHIPA is considered a cost-sharing multiple-employer defined benefit OPEB plan for financial reporting purposes. The plan provides payment of the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the PERS Board, and health insurance premiums paid by state employees who are not retired. PERS members are qualified to receive the RHIPA subsidy if they have eight or more years of qualifying service in PERS at the time of retirement or receive a disability pension calculated as if they had eight or more years of qualifying service, but are not eligible for federal Medicare coverage. A surviving spouse or dependent of a deceased retired state employee is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired on or after September 29, 1991. The Legislature has sole authority to amend the benefit provisions and employer obligations of the RHIPA plan.

Both RHIA and RHIPA are closed to employees hired on or after August 29, 2003, who had not established membership prior to that date.

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 comprehensive annual financial report. PERS issues a separate, publicly available financial report that includes audited financial statements and required supplementary information. The report may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at: **www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Employers participating in RHIA and RHIPA plans are required to report OPEB information in their financial statements for fiscal periods beginning on or after June 15, 2017, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities for OPEB and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources.

BASIS OF ACCOUNTING

The financial statements for the PERS OPEB plans are prepared using the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements.

PROPORTIONATE SHARE ALLOCATION METHODOLOGY

The basis for the employer's proportion of the statewide plan is determined by comparing the employer's actual, legally required contributions made to the Plan during the fiscal year with the total actual contributions made by all employers in the fiscal year.

OPEB TOTAL PLAN (ASSET) LIABILITY

The components of the collective Net OPEB liability (asset) for the OPEB plans as of the measurement dates of June 30, 2018 and June 30, 2017 are as follows (in millions):

Net OPEB - RHIA (Asset)	**June 30, 2018**	June 30, 2017
Total OPEB - RHIA Liability	$ 465.2	$ 470.0
Plan Fiduciary Net Position	576.8	511.8
Plan Net OPEB - RHIA (Asset)	**$ (111.6)**	$ (41.8)
Net OPEB - RHIPA Liability		
Total OPEB - RHIA Liability	$ 70.3	$ 70.9
Plan Fiduciary Net Position	35.0	24.3
Plan Net OPEB - RHIA Liability	**$ 35.3**	$ 46.6

CHANGES SUBSEQUENT TO THE MEASUREMENT DATE

The university is not aware of any changes to benefit terms or actuarial methods and assumptions subsequent to the June 30, 2018 measurement date.

CONTRIBUTIONS

Both of the OPEB plans administered by PERS are funded through actuarially determined employer contributions.

For the fiscal years ended June 30, 2019 and 2018, the university contributed 0.07 percent of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIA benefits. In addition, the university contributed 0.43 percent of all PERS-covered payroll to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities amortized over 20 years. The university's required employer contributions for the years ended June 30, 2019 and 2018 were approximately $1,204,708 and $1,171,032, respectively. The actual contribution equaled the annual required contribution for the year.

For the fiscal years ended June 30, 2019 and 2018, the university contributed 0.11 percent of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIPA benefits. In addition, the university contributed 0.38 percent of all PERS-covered payroll to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities amortized over 20 years. The university's required employer contributions for the years ended June 30, 2019 and 2018 were approximately $1,103,573 and $1,076,546, respectively. The actual contribution equaled the annual required contribution for the year.

NET OPEB ASSET/LIABILITY

a. RHIA

At June 30, 2019, the university reported an asset of $2,626,012 for its proportionate share of the RHIA net OPEB asset. The net OPEB asset as of June 30, 2019 was measured as of June 30, 2018, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016. At June 30, 2018, the university reported an asset of $1,027,381 for its proportionate share of the RHIA net OPEB asset. The net OPEB asset as of June 30, 2018 was measured as of June 30, 2017, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2015. The PERS system does not provide OSU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PERS employer state agencies. The state Department of Administrative Services (DAS) calculated OSU's proportionate share of all state agencies internally based on actual contributions by OSU as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2019 and June 30, 2018, OSU's proportion was 2.35 and 2.46 percent of the statewide OPEB plan, respectively.

For the years ended June 30, 2019 and 2018, OSU recorded OPEB related expense of ($233,541) and ($1,664), respectively due to changes in the net RHIA OPEB asset, deferred outflows and deferred inflows, and amortization of previously deferred amounts.

b. RHIPA

For the year ended June 30, 2019, the university reported a liability of $2,820,513 for its proportionate share of the RHIPA net OPEB liability. The net OPEB liability as of June 30, 2019 was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. For the year ended June 30, 2018, the university reported a liability of $3,717,755 for its proportionate share of the RHIPA net OPEB liability. The net OPEB liability as of June 30, 2018 was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2015. The PERS system does not provide OSU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PERS employer state agencies. DAS calculated OSU's proportionate share of all state agencies internally based on actual contributions by OSU as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2019 and June 30, 2018, OSU's proportion was 7.98 and 7.97 percent, respectively, of the statewide OPEB plan, respectively.

For the years ended June 30, 2019 and 2018, OSU recorded OPEB related expense of $341,955 and $422,518, respectively, due to changes in the net RHIPA OPEB liability, deferred outflows and deferred inflows, and amortization of previously deferred amounts.

DEFERRED ITEMS

a. RHIA

Most deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. However, changes in employer proportion and the difference between employer contributions and proportionate share of contributions are calculated at the employer level. For fiscal years ending June 30, 2019 and 2018, deferred items include:

- Difference between expected and actual experience
- Difference due to changes in assumptions
- Net difference between projected and actual OPEB plan investment earnings
- Changes in employer proportion since the prior measurement date
- A difference between employer contributions and proportionate share of contributions
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumption, and change in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period.

The average remaining service lives determined as of the beginning of the measurement period are as follows:

- Measurement period ended June 30, 2018 - 3.3 years
- Measurement period ended June 30, 2017 - 3.7 years

The difference between projected and actual OPEB plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the university's total OPEB expense for fiscal years 2019 and 2018.

At June 30, 2019, OSU reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ (149)
Change in Assumptions	-	(8)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	(566)
Change in Proportion	29	-
Difference Between Fund Contributions and Proportionate Share of Contributions	29	(25)
Total	**$ 58**	**$ (748)**
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	(690)	
Contributions Subsequent to the MD	1,205	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	**$ 515**	

Of the amount reported as deferred outflows of resources, $1,204,708 are related to contributions subsequent to the measurement date and will be recognized as an increase of the net OPEB asset in the year ended June 30, 2020.

At June 30, 2018, OSU reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	$ -	$ (476)
Change in Proportion	20	-
Difference Between Fund Contributions and Proportionate Share of Contributions	-	(39)
Total	$ 20	$ (515)
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	(495)	
Contributions Subsequent to the MD	1,171	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 676	

Of the amount reported as deferred outflows of resources, $1,171,032 are related to contributions subsequent to the measurement date and are recognized as an increase of the net OPEB asset in the year ended June 30, 2019.

As of June 30, 2019, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ended June 30:	
2019	$ (226)
2020	(223)
2021	(185)
2022	(56)
	$ (690)

b. RHIPA

Most deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. However, changes in employer proportion and the difference between employer contributions and proportionate share of contributions are calculated at the employer level. For fiscal years ending June 30, 2019 and 2018, deferred items include:

- Difference between expected and actual experience
- Difference due to changes in assumptions
- Net difference between projected and actual OPEB plan investment earnings
- Changes in employer proportion since the prior measurement date
- Difference between employer contributions and proportionate share of contributions
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumptions, and change in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period “layers” attributable to each measurement period.

The average remaining service lives determined as of the beginning of the measurement period are as follows:

- Measurement period ended June 30, 2018 - 6.9 years
- Measurement period ended June 30, 2017 - 7.2 years

The difference between projected and actual OPEB plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the university’s total OPEB expense for fiscal years 2019 and 2018.

At June 30, 2019, OSU reported deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ (209)
Change in Assumptions	29	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	(47)
Change in Proportion	6	(6)
Difference Between Fund Contributions and Proportionate Share of Contributions	13	(16)
Total	**$ 48**	**$ (278)**
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	(230)	
Contributions Subsequent to the MD	1,104	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	**$ 874**	

Of the amount reported as deferred outflows of resources, $1,103,573 are related to contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020.

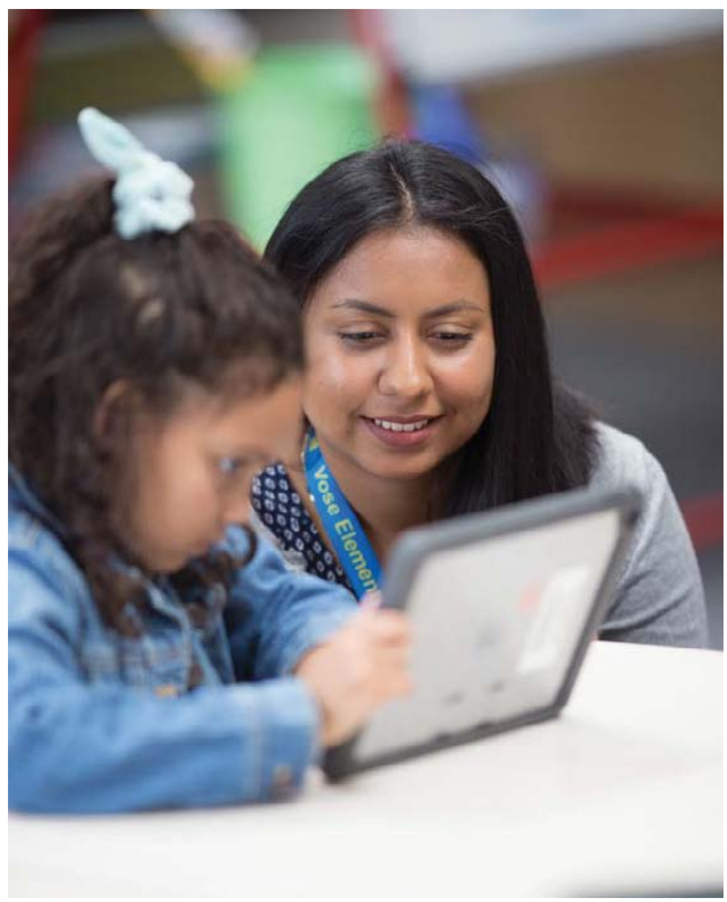
At June 30, 2018, OSU reported deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	$ -	$ (40)
Change in Proportion	-	(19)
Difference Between Fund Contributions and Proportionate Share of Contributions	-	(8)
Total	$ -	$ (67)
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	(67)	
Contributions Subsequent to the MD	1,076	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 1,009	

Of the amount reported as deferred outflows of resources, $1,076,546 are related to contributions subsequent to the measurement date and are recognized as a reduction of the net OPEB liability in the year ended June 30, 2019.

As of June 30, 2019, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ended June 30:	
2019	$ (46)
2020	(46)
2021	(46)
2022	(36)
2023	(31)
Thereafter	(25)
	$ (230)



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 following key methods and assumptions were used to measure the total RHIA OPEB asset:

Actuarial Methods and Assumptions:		
	RHIA	
	June 30, 2019	**June 30, 2018**
Valuation Date	December 31, 2016	December 31, 2015
Measurement Date	June 30, 2018	June 30, 2017
Experience Study Report	2016, published July 2017	2014, published September 2015
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.50 percent	
Long-Term Expected Rate of Return	7.20 percent	7.50 percent
Discount Rate	7.20 percent	7.50 percent
Projected Salary Increases	3.50 percent	
Retiree Healthcare Participation	Healthy retirees: 38%; Disabled retirees: 20%	
Healthcare Cost Trend Rate	Not applicable	
Mortality	*Healthy retirees and beneficiaries:*	
	RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.	
	Active members:	
	Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.	
	Disabled retirees:	
	Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per scale BB, disabled mortality table.	

The following key methods and assumptions were used to measure the total RHIPA OPEB liability:

Actuarial Methods and Assumptions:		
	RHIPA	
	June 30, 2019	**June 30, 2018**
Valuation Date	December 31, 2016	December 31, 2015
Measurement Date	June 30, 2018	June 30, 2017
Experience Study Report	2016, published July 2017	2014, published September 2015
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.50 percent	
Long-Term Expected Rate of Return	7.20 percent	7.50 percent
Discount Rate	7.20 percent	7.50 percent
Projected Salary Increases	3.50 percent	
Retiree Healthcare Participation	Healthy retirees: 38%; Disabled retirees: 20%	Varies by service at decrement, increasing from 10% at eight years of service to 38% at 30 years of service
Healthcare Cost Trend Rate	Applied at beginning of plan year, starting with 6.5% for 2018, decreasing to 5.9% for 2019, increasing to 6.2% for 2029, and decreasing to an ultimate rate of 4.2% for 2093 and beyond.	Applied at beginning of plan year, starting with 6.3% for 2016, decreasing to 5.3% for 2019, increasing to 6.5% for 2029, and decreasing to an ultimate rate of 4.4% for 2094 and beyond.
Mortality	*Healthy retirees and beneficiaries:*	
	RP-2014 Healthy annuitant, sex-distinct, gnerational with Unisex, Social Security Data Scale, with collar adjustments and setpbacks as described in the valuation	RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.
	Active members:	
	RP-2014 Healthy annuitant, sex-distinct, gnerational with Unisex, Social Security Data Scale, with collar adjustments and setpbacks as described in the valuation	Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.
	Disabled retirees:	
	RP-2014 Healthy annuitant, sex-distinct, gnerational with Unisex, Social Security Data Scale	Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per scale BB, disabled mortality table.

DISCOUNT RATE

The discount rate used to measure the total OPEB liability/(asset) at June 30, 2019 and 2018 was 7.20 and 7.50 percent, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the OPEB plans' 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 OPEB Plans was applied to all periods of projected benefit payments to determine the total OPEB liability.

SENSITIVITY ANALYSIS

The sensitivity analysis below shows the sensitivity of the university's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent as of June 30, 2019 and 7.50 percent as of June 30, 2018, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate (in thousands):

Discount Rate	RHIA		RHIPA	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
1% Decrease 6.2%/6.5%	($1,529)	$143	$3,163	$4,108
Current Discount Rate 7.2%/7.5%	(2,626)	(1,027)	2,821	3,718
1% Increase 8.2%/8.5%	(3,560)	(2,023)	2,430	3,357

The sensitivity analysis below shows the sensitivity of the university's proportionate share of the net OPEB liability/(asset) calculated using the current healthcare cost trend rates, as well as what the net OPEB liability/(asset) would be if it were calculated using healthcare trend rates that are one percentage point lower, or one percentage point higher than the current rates (in thousands):

Healthcare Cost Rate	RHIA		RHIPA	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
1% Decrease	($2,626)	($1,027)	$2,284	$3,208
Current Trend Rate	(2,626)	(1,027)	2,821	3,718
1% Increase	(2,626)	(1,027)	3,346	4,296

ASSUMED ASSET ALLOCATION

Asset Class/ Strategy	Low Range	High Range	OIC Target
Cash	0.00 %	3.00 %	0.00 %
Debt Securities	15.00	25.00	20.00
Public Equity	32.50	42.50	37.50
Private Equity	13.50	21.50	17.50
Real Estate	9.50	15.50	12.50
Alternative Equity	0.00	12.50	12.50
Opportunity Portfolio	0.00	3.00	0.00
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 July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the OIC investment advisors. Each asset 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. The table below shows a summary of long-term expected rate of return by asset class. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: **www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx**

Long-term expected rate of return by asset class is as follows:

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loans	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.13	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds - Diversified	2.50	4.09
Hedge Fund - Event-driven	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed Inflation – Mean		2.50%

DEPLETION DATE PROJECTION

GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, generally requires that a blended discount rate be used to measure the Total OPEB 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 (fair market value of assets) 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 Statement No. 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB Statement No 75 (paragraph 39) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB 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 Oregon PERS:

- Oregon 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 assumptions.
- GASB Statement No. 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is the independent actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses. As such, the long-term expected rate of return was used to discount the liability.

B. Public Employees' Benefit Board (PEBB)

PLAN DESCRIPTION

OSU participates in a defined benefit post-employment healthcare plan administered by the Public Employees Benefit Board (PEBB). This plan offers healthcare assistance to eligible retired employees and their beneficiaries. Chapter 243 of the Oregon Revised Statutes (ORS) gives PEBB the authority to establish and amend the benefit provisions of the PEBB Plan. The PEBB Plan is considered a cost-sharing multiple-employer plan for financial reporting purposes and has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. PEBB does not issue a separate, publicly available financial report.

The PEBB Plan allows qualifying retired employees to continue their "active" health insurance coverage on a self-pay basis until they are eligible for Medicare. Participating retirees pay their own monthly premiums. 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."

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Employers participating in PEBB are required to report OPEB information in their financial statements for fiscal periods beginning on or after June 15, 2017, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources.

PROPORTIONATE SHARE ALLOCATION METHODOLOGY

The basis for the employer's proportion is determined by comparing the employer's actual contributions made during the fiscal year with the total actual contributions made by all employers in the fiscal year.

TOTAL OPEB LIABILITY

At June 30, 2019, the university reported a liability of $16,081,954 for its proportionate share of the total OPEB liability. The total OPEB liability as of June 30, 2019 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2017. At June 30, 2018, the university reported a liability of $15,242,440 for its proportionate share of the total OPEB liability. The total OPEB liability as of June 30, 2018 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017. PEBB does not provide OSU an audited proportionate share as a separate employer; the university is allocated a proportionate share of PEBB participating employers. DAS calculated OSU's proportionate share of all participating employers internally based on actual contributions by OSU as compared to the total for participating employers. The Oregon Audits Division reviewed this internal calculation. At June 30, 2019 and 2018, OSU's proportion was 9.98 and 10.26 percent, respectively, of participating employers.

For the year ended June 30, 2019 and 2018, OSU recorded total PEBB OPEB related expense of $1,488,767 and

$1,479,708, respectively, due to the changes to the total OPEB liability and deferred inflows, and amortization of previously deferred amounts.

DEFERRED ITEMS

Most deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. However, changes in employer proportion is calculated at the employer level. For the measurement period ended June 30, 2019 and 2018, there were:

- Changes in assumptions
- Changes in employer proportion since the prior measurement date

Changes in assumption and changes in employer proportion are amortized over the closed period equal to the average expected remaining service lives of all covered active and inactive participants. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The weighted average expected remaining service lives, assuming zero years for all retirees, is determined as of the beginning of each measurement period. The average remaining service lives determined as of the beginning of the measurement period for measurement periods ending June 30, 2019 and 2018 was 8.2 years.

One year of amortization is recognized in the university's total OPEB expense for fiscal years 2019 and 2018.

At June 30, 2019, OSU reported deferred outflows of resources and deferred inflows of resources related to PEBB OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Change in Assumptions	$ 435	$ (278)
Change in Proportion	121	(376)
Total	**556**	**(654)**
Net Deferred Outflow/(Inflow) of Resources	**$ (98)**	

At June 30, 2018, OSU reported deferred outflows of resources and deferred inflows of resources related to PEBB OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Assumptions	$ -	$ (332)
Change in Proportion	140	-
Total	140	(332)
Net Deferred Outflow/(Inflow) of Resources	$ (192)	

As of June 30, 2018, other amounts reported as deferred outflows of resources and deferred inflows of resources related to PEBB OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ended June 30:	
2019	$ (17)
2020	(17)
2021	(17)
2022	(17)
2023	(17)
Thereafter	(13)
	$ (98)

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.

The following key methods and assumptions were used to measure the total OPEB liability:

Actuarial Methods and Assumptions:		
	June 30, 2019	**June 30, 2018**
Valuation Date	July 1, 2017	July 1, 2017
Measurement Date	June 30, 2019	June 30, 2018
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.50 percent	
Discount Rate	3.50 percent	3.87 percent
Projected Salary Increases	3.50 percent	
Withdrawal, retirement, and mortality rates	December 31, 2016 Oregon PERS valuation	
Healthcare Cost Trend Rate	*Medical and vision cost increases:*	
	0.80% in the first year; 5.10% in the second year; 5.30% in the third year; varying from 6.20% to 4.20% over the remainder of the projection period	
	Dental cost changes:	
	decrease 1.10% in the first year; increase 3.10% in the second year; increase 4.00% per year thereafter	
Election and lapse rates	30% of eligible employees	
	60% spouse coverage for males, 35% for females	
	7% annual lapse rate	

DISCOUNT RATE

Unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The Bond Buyer 20-Year General Obligation Bond Index was used to determine the discount rate for the OPEB liability. The discount rate in effect for the June 30, 2019 and 2018 reporting date was 3.50 and 3.87 percent, respectively.

SENSITIVITY ANALYSIS

The sensitivity analysis below shows the sensitivity of the university's proportionate share of the total OPEB liability calculated using the discount rate of 3.50 percent as of June 30, 2019 and 3.87 percent as of June 30, 2018, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate as of June 30, 2019 and 2018 (in thousands):

Discount Rate	June 30, 2019	June 30, 2018
1% Decrease 2.50%/2.87%	**$17,499**	$16,587
Current Discount Rate 3.50%/3.87%	**16,082**	15,242
1% Increase 4.50%/4.87%	**14,778**	14,009

The sensitivity analysis below shows the sensitivity of the university's proportionate share of the total OPEB liability calculated using the current healthcare cost trend rates, as well as what the net OPEB liability would be if it were calculated using healthcare trend rates that are one percentage point lower, or one percentage point higher than the current rates as of June 30, 2019 and 2018 (in thousands):

Healthcare Rate	June 30, 2019	June 30, 2018
1% Decrease	**$14,012**	$13,430
Current Trend Rate	**16,082**	15,242
1% Increase	**18,568**	17,406

18. RISK FINANCING

OSU is a member of the Public Universities Risk Management and Insurance Trust (PURMIT). PURMIT is a separate legal entity that provides risk management and insurance support to its member universities (Member). PURMIT is governed by a Board of Trustees comprised of one representative from each Member. PURMIT carries out its mission through a combination of risk transfer and risk retention. PURMIT operates a self-insurance program for property and casualty lines under which each Member may select their own deductible. PURMIT also procures insurance and excess insurance, purchases specialty insurance lines, and provides administrative and operational services.

PURMIT is funded by annual Member assessments that are based on exposure, premium costs, expected claims, and operational costs, which are outlined in a Risk Allocation Model, and based on sound actuarial analysis.

As a Member of PURMIT, OSU transfers the following insurable risks to PURMIT and insurance companies:

- Real property loss for university owned buildings, equipment, automobiles and other types of property
- Tort liability claims brought against OSU, its officers, employees or agents
- Workers' Compensation and Employer's Liability
- Crime, Fiduciary and Network Security
- Specialty lines of coverage for marine, medical practicums, intercollegiate athletics, international travel, camps and clinics, day care, aviation exposures, and other items

OSU has a deductible of $100,000 per occurrence/claim to PURMIT on property and casualty claims, and various deductibles on other insurance and specialty insurance lines. Annually, OSU sets aside pre-loss funding in advance to pay for the claims that are expected for that policy year. The amount of settlements has not exceeded insurance coverage since PURMIT was established in June of 2014.

19. COMMITMENTS AND CONTINGENT LIABILITIES

Outstanding commitments on partially completed, and planned but not initiated construction projects totaled approximately $357,693,076 at June 30, 2019. These commitments will be primarily funded from gifts and grants, bond proceeds, and other OSU funds.

During fiscal year 2019, the OSU Board of Trustees approved $9 million in funding to begin work on the reclamation project for the 46-acre pumice mine site that OSU purchased in fiscal year 2018. The reclamation project will be completed under the same contracted construction development project for the site development of the Cascades Campus academic building 2, which received board approval for funding in the amount of $4.5 million, for a total project cost of $13.5 million. Funding for both project sites will come from State of Oregon XI-Q bonds, with an anticipated completion date sometime in the summer of 2020.

In conjunction with capital construction projects at the Corvallis campus, OSU has signed a memorandum of understanding with the city of Corvallis that requires the university to submit a corridor improvement plan for frontage improvement along Washington Way between 35th Street and 26th Street. The university is required to submit the corridor improvement plan to the city for review and approval no later than December 31, 2019. Once the plan is approved by the city, OSU will be required to provide security pursuant to a bond, letter of credit or other financial assurance to cover 135% of the anticipated $22 million cost of the frontage improvement project. The frontage improvement project must be completed by December 31, 2022.

OSU 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.

OSU 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.

Unemployment compensation claims are administered by the Oregon Employment Division pursuant to ORS 657. OSU 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 OSU cannot be reasonably determined at June 30, 2019.

20. SUBSEQUENT EVENTS

OSU management has reviewed events and transactions that occurred subsequent to the Statement of Net Position date of June 30, 2019, and found none that required adjustment or disclosure in the financial statements.

21. UNIVERSITY FOUNDATIONS

The university's two related foundations are the OSU Foundation (OSUF) and the Agricultural Research Foundation (ARF). The foundations were established to provide assistance in fund raising, public outreach and other support for the mission of OSU. The OSUF was incorporated in 1947 to encourage, receive, and administer gifts and bequests for the support of the university and is responsible for all fundraising of the university as well as management of the majority of the university's endowments. The ARF was incorporated in 1934 to encourage and facilitate research in all branches of agriculture and related fields for the benefit of Oregon's agricultural industries. Each foundation is a legally separate, tax-exempt entity with an independent governing board. Although OSU does not control the timing or amount of receipts from the foundations or income thereon, the majority of resources that each foundation holds and invests are restricted to the activities of the university by the donors. Because these restricted resources held by each foundation can only be used by, or for the benefit of the university, the foundations are considered component units of OSU and are discretely presented in the financial statements. The financial activity is reported for the years ended June 30, 2019 and 2018. Both OSU affiliated foundations are audited annually and received unmodified audit opinions.

During the years ended June 30, 2019 and 2018, gifts of $78,709,385 and $69,082,191, respectively, were transferred from the foundations to OSU.

The OSUF and ARF implemented FASB Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, for fiscal year ending June 30, 2019. As a result, the foundations now present two classes of net assets in their consolidated financial statements, instead of three. The new standard also required the presentation of underwater endowment funds to be moved to net assets with donor restrictions. The impact of this change on net assets affected only OSUF and can be seen in the following table:

	June 30, 2018
Unrestricted Net Assets, as Previously Reported	$ 15,574
Underwater Endowment Funds	11,881
Net Assets Without Donor Restrictions, as Adjusted	27,455
Temporarily Restricted Net Assets, as Previously Reported	297,781
Permanently Restricted Net Assets, as Previously Reported	430,649
Total Restricted Net Assets, as Previously Reported	728,430
Underwater Endowment Funds	(11,881)
Net Assets With Donor Restrictions, as Adjusted	716,549
Total Net Assets, as Adjusted	**$ 744,004**

Please see the combining financial statements for the OSU component units on the following pages.

Complete financial statements for the foundations may be obtained by writing to the following:

- *Oregon State University Foundation, 4238 SW Research Way, Corvallis, OR 97333*
- *Agricultural Research Foundation, 1600 SW Western Blvd, Suite 320, Corvallis, OR 97333*

Component Units
Combining Financial Statements

Statements of Financial Position
As of June 30, 2019

	Oregon State University Foundation	Agricultural Research Foundation	Total Component Units
		(in thousands)	
ASSETS			
Cash and Cash Equivalents	$ 3,458	$ 1,988	$ 5,446
Investments	701,025	27,051	728,076
Contributions, Pledges and Grants Receivable, Net	37,722	3,753	41,475
Assets Held-For-Sale	7,150	-	7,150
Assets Held Under Split-Interest Agreements	54,205	-	54,205
Charitable Trusts Held Outside the Foundation	15,021	-	15,021
Prepaid Expenses and Other Assets	3,232	226	3,458
Property and Equipment, Net	28,163	11	28,174
Total Assets	**$ 849,976**	**$ 33,029**	**$ 883,005**
LIABILITIES			
Accounts Payable and Accrued Liabilities	$ 9,401	$ 30	$ 9,431
Endowment Assets Held for OSU	48,272	-	48,272
Accounts Payable to the University	-	5,204	5,204
Obligations to Beneficiaries of Split-Interest Agreements	24,910	-	24,910
Other Liabilities	55	11,090	11,145
Long-Term Liabilities	-	3	3
Total Liabilities	**82,638**	**16,327**	**98,965**
NET ASSETS			
Without Donor Restrictions	33,309	5,609	38,918
With Donor Restrictions	734,029	11,093	745,122
Total Net Assets	**767,338**	**16,702**	**784,040**
TOTAL LIABILITIES AND NET ASSETS	**$ 849,976**	**$ 33,029**	**$ 883,005**

Component Units
Combining Financial Statements

Statements of Activities
For the Year Ended June 30, 2019

	Oregon State University Foundation	Agricultural Research Foundation	Total Component Units
		(in thousands)	
CHANGE IN NET ASSETS HELD WITHOUT DONOR RESTRICTIONS			
REVENUES			
Grants, Bequests and Gifts	$ 575	$ 6,138	$ 6,713
Investment Income, Net	6,335	1,816	8,151
Net Assets Released From Restrictions and Other Transfers	86,125	2,305	88,430
Other Revenues	22,241	-	22,241
Total Revenues	**115,276**	**10,259**	**125,535**
EXPENSES			
University Support	77,014	8,597	85,611
Management and General	12,677	372	13,049
Development	19,731	-	19,731
Total Expenses	**109,422**	**8,969**	**118,391**
Increase In Net Assets Held Without Donor Restrictions	**5,854**	**1,290**	**7,144**
Beginning Balance, Net Assets Held Without Donor Restrictions	27,455	4,319	31,774
Ending Balance, Net Assets Held Without Donor Restrictions	**$ 33,309**	**$ 5,609**	**$ 38,918**
CHANGE IN NET ASSETS HELD WITH DONOR RESTRICTIONS			
REVENUES			
Grants, Bequests and Gifts	$ 76,168	$ 2,721	$ 78,889
Investment Income, Net	23,705	52	23,757
Change in Value of Life Income Agreements	541	-	541
Other Revenues	3,191	-	3,191
Net Assets Released From Restrictions and Other Transfers	(86,125)	(2,305)	(88,430)
Increase In Net Assets Held With Donor Restrictions	**17,480**	**468**	**17,948**
Beginning Balance, Net Assets Held With Donor Restrictions	716,549	10,625	727,174
Ending Balance, Net Assets Held With Donor Restrictions	**$ 734,029**	**$ 11,093**	**$ 745,122**
Beginning Balance, Total Net Assets	$ 744,004	$ 14,944	$ 758,948
Increase In Total Net Assets	**23,334**	**1,758**	**25,092**
Ending Balance, Total Net Assets	**$ 767,338**	**$ 16,702**	**$ 784,040**

Component Units
Combining Financial Statements

Statements of Financial Position
As of June 30, 2018

	Oregon State University Foundation	Agricultural Research Foundation	Total Component Units
		(in thousands)	
ASSETS			
Cash and Cash Equivalents	$ 25,579	$ 610	$ 26,189
Investments	667,737	25,205	692,942
Contributions, Pledges and Grants Receivable, Net	43,497	3,484	46,981
Assets Held-For-Sale	5,559	-	5,559
Assets Held Under Split-Interest Agreements	47,684	-	47,684
Charitable Trusts Held Outside the Foundation	15,310	-	15,310
Prepaid Expenses and Other Assets	3,525	178	3,703
Property and Equipment, Net	13,152	16	13,168
Total Assets	**$ 822,043**	**$ 29,493**	**$ 851,536**
LIABILITIES			
Accounts Payable and Accrued Liabilities	$ 8,273	$ 39	$ 8,312
Endowment Assets Held for OSU	47,976	-	47,976
Accounts Payable to the University	-	4,944	4,944
Obligations to Beneficiaries of Split-Interest Agreements	21,514	-	21,514
Deposits and Unearned Revenue	276	9,562	9,838
Long-Term Liabilities	-	4	4
Total Liabilities	**78,039**	**14,549**	**92,588**
NET ASSETS			
Without Donor Restrictions	27,455	4,319	31,774
With Donor Restrictions	716,549	10,625	727,174
Total Net Assets	**744,004**	**14,944**	**758,948**
TOTAL LIABILITIES AND NET ASSETS	**$ 822,043**	**$ 29,493**	**$ 851,536**

Component Units
Combining Financial Statements

Statements of Activities
For the Year Ended June 30, 2018

	Oregon State University Foundation	Agricultural Research Foundation	Total Component Units
		(in thousands)	
CHANGE IN NET ASSETS HELD WITHOUT DONOR RESTRICTIONS			
REVENUES			
Grants, Bequests and Gifts	$ 12,657	$ 5,822	$ 18,479
Investment Income, Net	4,650	709	5,359
Net Assets Released From Restrictions and Other Transfers	75,146	3,012	78,158
Other Revenues	21,487	-	21,487
Total Revenues	**113,940**	**9,543**	**123,483**
EXPENSES			
University Support	72,970	9,086	82,056
Management and General	13,032	359	13,391
Development	18,176	-	18,176
Total Expenses	**104,178**	**9,445**	**113,623**
Increase In Net Assets Held Without Donor Restrictions	**9,762**	**98**	**9,860**
Beginning Balance, Net Assets Held Without Donor Restrictions	17,693	4,221	21,914
Ending Balance, Net Assets Held Without Donor Restrictions	**$ 27,455**	**$ 4,319**	**$ 31,774**
CHANGE IN NET ASSETS HELD WITH DONOR RESTRICTIONS			
REVENUES			
Grants, Bequests and Gifts	$ 85,760	$ 2,766	$ 88,526
Investment Income, Net	39,074	58	39,132
Change in Value of Life Income Agreements	2,485	-	2,485
Other Revenues	3,568	-	3,568
Net Assets Released From Restrictions and Other Transfers	(75,146)	(3,012)	(78,158)
Increase (Decrease) In Net Assets Held With Donor Restrictions	**55,741**	**(188)**	**55,553**
Beginning Balance, Net Assets Held With Donor Restrictions	660,808	10,813	671,621
Ending Balance, Net Assets Held With Donor Restrictions	**$ 716,549**	**$ 10,625**	**$ 727,174**
Beginning Balance, Total Net Assets	$ 678,501	$ 15,034	$ 693,535
Increase (Decrease) In Total Net Assets	**65,503**	**(90)**	**65,413**
Ending Balance, Total Net Assets	**$ 744,004**	**$ 14,944**	**$ 758,948**

Required Supplementary Information (dollars in thousands)

SCHEDULE OF UNIVERSITY CONTRIBUTIONS*
Public Employees Retirement System

For Fiscal Years Ended June 30,	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution[1]	$ 28,059	$ 27,936	$ 19,571	$ 19,078	$ 15,945	$ 15,100	$ 13,760	$ 12,666
Contributions in Relation to the Contractually Required Contribution	28,059	27,936	19,571	19,078	15,945	15,100	13,760	12,666
Contribution Deficiency/(Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 267,033	$ 258,277	$ 244,265	$ 228,327	$ 218,835	$ 202,058	$ 189,839	$ 177,054
Contributions as a Percentage of Covered Payroll	10.5%	10.8%	8.0%	8.4%	7.3%	7.5%	7.2%	7.2%

[1]For Actuarial Assumptions and Methods, see table in Note 15

SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)*
Public Employees Retirement System

As of the Measurement Date June 30,	2018	2017	2016	2015	2014	2013
University's Allocation of the Net Pension Liability/(Asset)	2.00%	2.18%	2.15%	2.00%	1.80%	1.80%
University's Proportionate Share of the Net Pension Liability/(Asset)	$ 302,317	$ 293,882	$ 322,538	$ 114,746	$ (40,834)	$ 91,930
University's Covered Payroll	$ 258,277	$ 244,265	$ 228,327	$ 218,835	$ 202,058	$ 189,839
University's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	117.05%	120.31%	141.26%	52.43%	20.21%	48.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	82.07%	83.12%	80.53%	91.88%	103.59%	91.97%

*These tables will eventually contain 10 years of data. Only the data presented above is available at this time.

Required Supplementary Information (dollars in thousands)

SCHEDULE OF UNIVERSITY PERS RHIA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially Determined Contributions[1]	$ 1,205	$ 1,171	$ 1,172	$ 1,104	$ 1,170	$ 1,091	$ 1,020	$ 963	$ 367	$ 362
Contributions in Relation to the Actuarially Determined Contributions	1,205	1,171	1,172	1,104	1,170	1,091	1,020	963	367	362
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$266,994	$258,239	$244,227	$228,283	$217,824	$201,446	$184,769	$173,316	$146,279	$142,707
Contributions as a Percentage of Covered Payroll	0.45%	0.45%	0.48%	0.48%	0.54%	0.54%	0.55%	0.56%	0.25%	0.25%

[1]For Actuarial Assumptions and Methods, see table in Note 17

SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PERS RHIA OPEB LIABILITY/(ASSET)*

As of the Measurement Date June 30,	2018	2017	2016
University's Allocation of the Net RHIA OPEB Liability/(Asset)	2.35%	2.46%	2.36%
University's Proportionate Share of the Net RHIA OPEB Liability/(Asset)	$ (2,626)	$ (1,027)	$ 641
University's Covered Payroll	$ 258,239	$ 244,227	$ 228,283
University's Proportionate Share of the Net RHIA OPEB Liability/(Asset) as a Percentage of Covered Payroll	1.02%	0.42%	0.28%
Plan Fiduciary Net Position as a Percentage of the Total RHIA OPEB Liability/(Asset)	123.99%	108.88%	94.15%

*These tables will eventually contain 10 years of data. Only the data presented above is available at this time.

Required Supplementary Information (dollars in thousands)

SCHEDULE OF UNIVERSITY PERS RHIPA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially Determined Contributions[1]	$ 1,104	$ 1,076	$ 937	$ 886	$ 508	$ 475	$ 257	$ 244	$ 82	$ 83
Contributions in Relation to the Actuarially Determined Contributions	1,104	1,076	937	886	508	475	257	244	82	83
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$266,994	$258,239	$244,227	$228,283	$217,824	$201,446	$184,769	$173,316	$146,279	$142,707
Contributions as a Percentage of Covered Payroll	0.41%	0.42%	0.38%	0.39%	0.23%	0.24%	0.14%	0.14%	0.06%	0.06%

[1]For Actuarial Assumptions and Methods, see table in Note 17

SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PERS RHIPA OPEB LIABILITY*

As of the Measurement Date June 30,	2018	2017	2016
University's Allocation of the Net RHIPA OPEB Liability	7.98%	7.97%	8.01%
University's Proportionate Share of the Net RHIPA OPEB Liability	$ 2,820	$ 3,718	$ 4,299
University's Covered Payroll	$ 258,239	$ 244,227	$ 228,283
University's Proportionate Share of the Net RHIPA OPEB Liability as a Percentage of Covered Payroll	1.09%	1.52%	1.88%
Plan Fiduciary Net Position as a Percentage of the Total RHIPA OPEB Liability	49.79%	34.25%	21.87%

*These tables will eventually contain 10 years of data. Only the data presented above is available at this time.

Required Supplementary Information (dollars in thousands)

SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE TOTAL PEBB OPEB LIABILITY*

As of June 30,	2019	2018	2017
University's Allocation of the Total OPEB Liability	$ 16,082	$ 15,242	$ 14,696
University's Proportionate Share of the Total OPEB Liability	9.98%	10.26%	10.15%
University's Covered Payroll	$402,161	$368,750	$388,332
University's Proportionate Share of the Total OPEB Liability as a Percentage of Covered Payroll	4.00%	4.13%	3.78%
Total OPEB Liability as a % of Total Covered Payroll	4.31%	4.42%	4.45%

*This table will eventually contain 10 years of data. Only the data presented above is available at this time.

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

Michael J. Green
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Oregon State University
640 Kerr Administration Building
Corvallis, OR 97331
541-737-2092

Oregon State University
oregonstate.edu

Office of the Vice President for
Finance and Administration

640 Kerr Administration Building
Corvallis, OR 97331-2156

APPENDIX D

FORM OF BOND COUNSEL OPINION

PACIFICA
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pacificalawgroup.com

October 15, 2020

Oregon State University
Corvallis, Oregon

BofA Securities, Inc.
Seattle, Washington

Morgan Stanley & Co. LLC
San Francisco, California

UBS Financial Services Inc.
San Francisco, California

Re: Oregon State University, General Revenue Bonds, 2020 (Federally Taxable)

Ladies and Gentlemen:

We have examined a certified transcript of all of the proceedings taken in the matter of the issuance by the Oregon State University (the "University") of its General Revenue Bonds, 2020 (Federally Taxable) in the aggregate principal amount of $302,945,000 (the "2020 Bonds"), issued to finance and refinance University capital projects and pay the costs of issuing the 2020 Bonds. The 2020 Bonds are issued pursuant to a resolution of the Board of Trustees of the University adopted on September 17, 2020 (the "Resolution"). Capitalized terms used in this opinion which are not otherwise defined shall have the meanings given to such terms in the Resolution.

The 2020 Bonds are subject to redemption as set forth in the Official Statement dated October 8, 2020.

Regarding questions of fact material to our opinion, we have relied on representations of the University in the Resolution and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The 2020 Bonds have been legally issued and constitute valid and binding obligations of the University, except to the extent that the enforcement of the rights and remedies of the owners of the 2020 Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors.

2. The 2020 Bonds are General Revenue obligations of the University. Both principal of and interest on the 2020 Bonds are payable solely from General Revenues. The University has obligated and bound itself to set aside out of General Revenues as a special fund obligation amounts sufficient to pay the principal of and interest on the 2020 Bonds as the same become due. The 2020 Bonds are equally and ratably payable, without preference, priority or distinction because of date of issue or otherwise from General Revenues. The University has reserved the

right to issue Additional Bonds payable from General Revenues and has previously issued General Revenue Obligations.

3. Interest on the 2020 Bonds is exempt from State of Oregon personal income taxes. Interest on the 2020 Bonds is not intended by the University to be excluded from gross income for federal income tax purposes.

Except as expressly stated above, we express no opinion regarding any tax consequences related to the ownership, sale or disposition of the 2020 Bonds, or the amount, accrual or receipt of interest on, the 2020 Bonds. Owners of the 2020 Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the 2020 Bonds.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering material related to the 2020 Bonds (except to the extent, if any, stated in the official statement), and we express no opinion relating thereto, or relating to the undertaking by the University to provide ongoing disclosure pursuant to Securities and Exchange Commission Rule 15c2-12.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,
PACIFICA LAW GROUP LLP

APPENDIX E

BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES

The information set forth in this APPENDIX E is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (DTC, Euroclear and Clearstream together, the "Clearing Systems") currently in effect. The information in this APPENDIX E concerning the Clearing Systems has been obtained from sources believed to be reliable, but the Issuer does not take any responsibility for the accuracy, completeness or adequacy of the information in this APPENDIX E. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, references herein and in the Trust Agreement to the Bondholders, registered owners or owners (or similar terms) of the Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds.

DTC Book-Entry-Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participant's accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

NEITHER THE ISSUER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS, OR FOR ANY PRINCIPAL OF OR INTEREST PAYMENT THEREON.

The Issuer and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal of, or interest on, the Bonds, giving any notice permitted or required to be given to registered owners under the Trust Agreement, registering the transfer of the Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Issuer and the

Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of the Issuer (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal of or interest on the Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Issuer; or other action taken by DTC as registered owner.

Global Clearance Procedures

Beneficial interests in the 2020 Bonds may be held through DTC, Clearstream Banking, S.A. ("Clearstream") or Euroclear Bank SA/NV ("Euroclear") as operator of the Euroclear System, directly as a participant or indirectly through organizations that are participants in such system.

Euroclear and Clearstream. Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures. The 2020 Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, or Clearstream and Euroclear in Europe if the investors are participants in those systems, or indirectly through organizations that are participants in the systems. For any of such 2020 Bonds, the record holder will be DTC's nominee. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories.

The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream participant on that business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfer Procedures. Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected by DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time.

The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants or Euroclear participants may not deliver instructions directly to the depositories.

The Issuer will not impose any fees in respect of holding the 2020 Bonds; however, holders of book-entry interests in the 2020 Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in DTC, Euroclear and Clearstream.

Initial Settlement. Interests in the 2020 Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the 2020 Bonds through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the 2020 Bonds will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the date of delivery of the 2020 Bonds against payment (value as on the date of delivery of the 2020 Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the 2020 Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the 2020 Bonds following confirmation of receipt of payment to the Issuer on the date of delivery of the 2020 Bonds.

Secondary Market Trading. Secondary market trades in the 2020 Bonds will be settled by transfer of title to book-entry interests in Euroclear, Clearstream or DTC, as the case may be. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the 2020B Bonds may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Book-entry interests in the 2020 Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the 2020 Bonds between Euroclear or Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

Special Timing Considerations. Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the 2020 Bonds through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the 2020 Bonds, or to receive or make a payment or delivery of the 2020 Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

Clearing Information. It is expected that the 2020 Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream. The CUSIP numbers for the 2020 Bonds are set forth on the inside cover of the Official Statement.

General. Neither Euroclear nor Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

NEITHER THE ISSUER NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY FOR THE PERFORMANCE BY EUROCLEAR OR CLEARSTREAM OR THEIR RESPECTIVE DIRECT OR INDIRECT PARTICIPANTS OR ACCOUNT HOLDERS OF THEIR RESPECTIVE OBLIGATIONS UNDER THE RULES AND PROCEDURES GOVERNING THEIR OPERATIONS OR THE ARRANGEMENTS REFERRED TO ABOVE.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Undertaking (this "Undertaking") dated as of October 15, 2020, is hereby made by Oregon State University (the "University") in connection with the issuance of its General Revenue Bonds, 2020 (Federally Taxable) (the "2020 Bonds"). The 2020 Bonds are issued pursuant to a resolution of the Board of Trustees of the University adopted on September 17, 2020 (the "Resolution").

The University covenants and agrees as follows:

SECTION 1. Purpose of the Undertaking. This Undertaking is being executed and delivered by the University for the benefit of the Holders and Beneficial Owners of the 2020 Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report shall mean any Annual Report provided by the University pursuant to, and as described in, Sections 3 and 4 of this Undertaking.

Beneficial Owner shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the 2020 Bonds (including persons holding 2020 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2020 Bonds for federal income tax purposes.

Dissemination Agent shall mean the University, or any successor Dissemination Agent designated in writing by the University and which has filed with the University a written acceptance of such designation.

Financial Obligation means a(a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Holders shall mean the registered holders of the 2020 Bonds, as recorded in the registration books of the Registrar.

Notice Event shall mean any of the following events:

1. Principal and interest payment delinquencies;
2. Nonpayment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue service of proposed or final determines of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material or events affecting the tax status of the 2020 Bonds;
7. Modifications to the rights of Bond Owners if material;
8. Optional, contingent or unscheduled calls of any 2020 Bonds other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the 2020 Bonds, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the University;
13. The consummation of a merger, consolidation, or acquisition of the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement to undertake such an action, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of the trustee, if material.
15. Incurrence of a financial obligation of the obligated person, if material, or agreements to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions.

Official Statement shall mean the Official Statement dated October 8, 2020, with respect to the 2020 Bonds.

Participating Underwriter shall mean any of the original underwriters of the 2020 Bonds required to comply with the Rule in connection with offering of the 2020 Bonds.

Rule shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

State shall mean the State of Oregon.

SECTION 3. <u>Provision of Annual Reports</u>.

(a) The University shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the University's fiscal year (which currently would be March 31, 2021, for the report for the 2020 Fiscal Year), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Undertaking; provided that the audited financial statements of the University may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the University takes action to adjust its fiscal year, it must provide written notice of the change of fiscal year to the MSRB.

(b) Not later than fifteen (15) Business Days prior to said date, the University shall provide the Annual Report to the Dissemination Agent (if other than the University). If the University is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the University shall send a notice to the MSRB stating that the University is unable to provide the Annual Report by the date required in subsection (a), and stating when the University expects to provide the Annual Report.

(c) If the Dissemination Agent is not the University, the Dissemination Agent shall file a report with the University certifying that the Annual Report has been provided pursuant to this Undertaking and stating the date it was provided.

SECTION 4. <u>Content of Annual Reports</u>. The University's Annual Report shall contain or include by reference (without duplication) the following:

1. The audited financial statements of the University for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the University's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained

in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Updates to the following financial and operating data of the University to the extent the updates are not included in the audited financial statements provided under subsection 1:

- The amount of University revenue debt and other debt outstanding in that fiscal year.
- General Revenue, and General Revenue components, for that fiscal year, generally of the type provided in the table entitled "UNIVERSITY GENERAL REVENUES."
- Student enrollment information for that fiscal year, generally of the type provided in Table A1 entitled "ENROLLMENT AND MATRICULATION" in APPENDIX A.
- Faculty information for that fiscal year, generally of the type provided in Table A2 entitled "INSTRUCTIONAL FACULTY, TENURED AND DEGREES" in APPENDIX A.
- Financial results for that fiscal year, generally of the type provided in Table A3 entitled "STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION."
- Information regarding tuition and fees for that fiscal year, generally of the type provided in Table A5 entitled "CORVALLIS CAMPUS TUITION AND FEES-ACADEMIC YEAR" in APPENDIX A.
- Grant and contract revenues for that fiscal year, generally of the type provided in Table A7 entitled "GRANT AND CONTRACT REVENUES."
- State appropriations to the University for such fiscal year, generally of the type provided in Table A9 entitled "STATE OPERATING AND DEBT SERVICE APPROPRIATIONS TO THE UNIVERSITY BY TYPE" in APPENDIX A.
- Value of investments for that fiscal year, generally of the type provided in Table A10 entitled "UNIVERSITY CASH, CASH EQUIVALENTS AND INVESTMENTS" in APPENDIX A.
- A narrative description of any material changes to the University's investment policy during the preceding fiscal year.
- A statement if there were material changes to the University's obligations with respect to its pension plans and a description of the University's pension plans.
- A statement if there were material changes to the University's obligations with respect to other post-employment benefits and a description of the University's obligations with respect to other post-employment benefits.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the University or related public entities, which are available to the public on the MSRB's internet website. The University shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Notice Events. The University shall give, or cause to be given, notice of the occurrence of any Notice Event with respect to the 2020 Bonds not in excess of ten business days after the occurrence of the event.

SECTION 6. Termination of Reporting Obligation. The University's obligations under this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2020 Bonds. If such termination occurs prior to the final maturity of the 2020 Bonds, the University shall give notice of such termination in the same manner as for a Notice Event.

SECTION 7. Dissemination Agent. The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the University pursuant to this Undertaking.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Undertaking, the University may amend this Undertaking, and any provision of this Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2020 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2020 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the 2020 Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the 2020 Bonds.

In the event of any amendment or waiver of a provision of this Undertaking, the University shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the University. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Undertaking shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Notice Event, in addition to that which is required by this Undertaking. If the University chooses to include any information in any Annual Report in addition to that which is specifically required by this Undertaking, the University shall have no obligation under this Undertaking to update such information or include it in any future Annual Report.

SECTION 10. Default. In the event of a failure of the University to comply with any provision of this Undertaking, any Holder or Beneficial Owner of the 2020 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the University to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Undertaking in the event of any failure of the University to comply with this Undertaking shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking, and the University agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the

University under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2020 Bonds.

SECTION 12. Beneficiaries. This Undertaking shall inure solely to the benefit of the University, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the 2020 Bonds, and shall create no rights in any other person or entity.

SECTION 13. EMMA; Format for Filing with the MSRB. Until otherwise designated by the MSRB or the Securities and Exchange Commission, any filing required to be made with the MSRB under this Undertaking is to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at www.emma.msrb.org. All notices, financial information and operating data required by this Undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this Undertaking must be accompanied by identifying information as prescribed by the MSRB.

OREGON STATE UNIVERSITY

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Authorized Signer

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APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ______________________________
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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Oregon State University

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