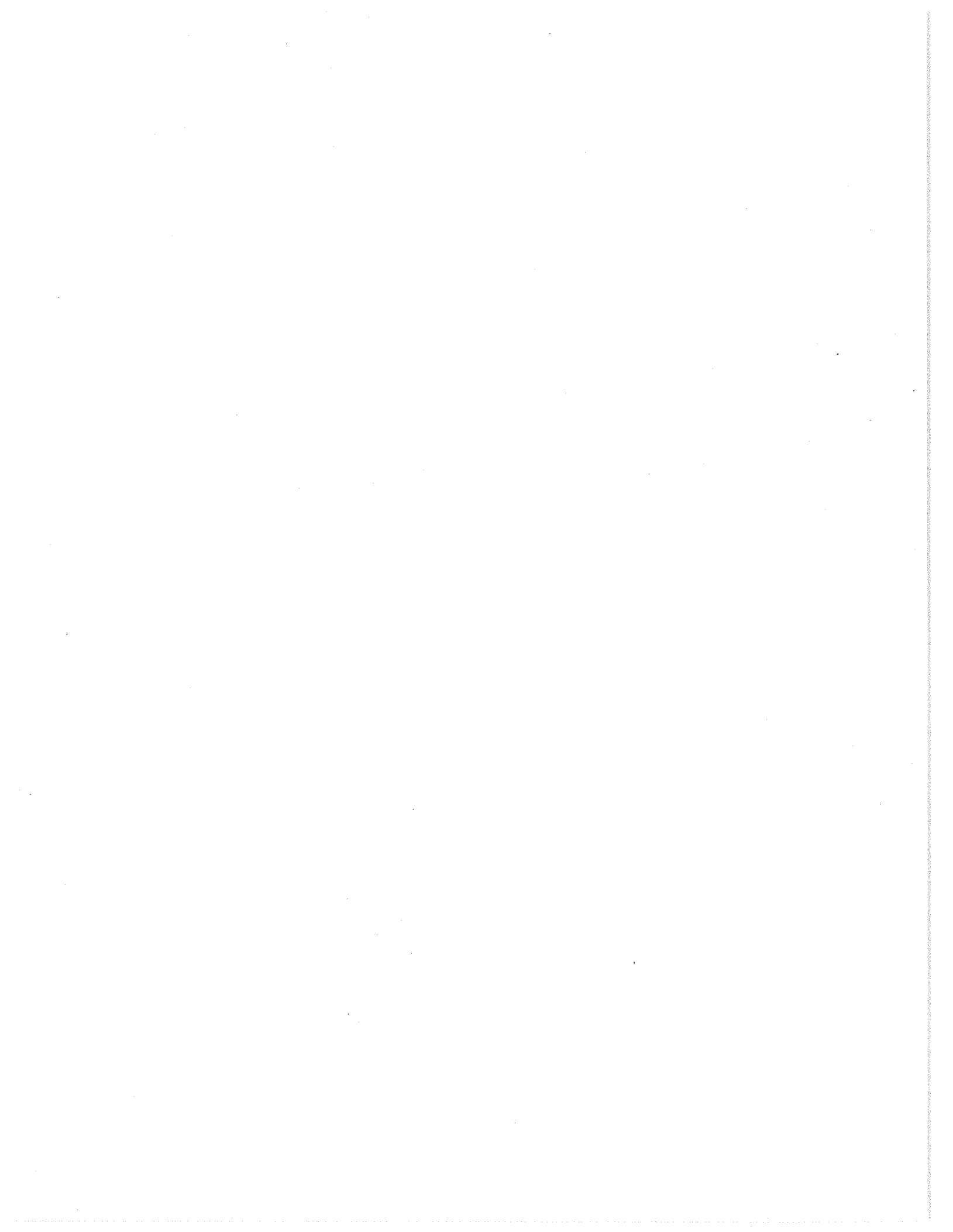


OREGON UNIVERSITY SYSTEM
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

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GENERAL STATEMENT

The Oregon State Board of Higher Education (the Board), a citizen board appointed by the Governor with confirmation by the senate, governs the seven state-supported institutions of higher learning in Oregon. These universities are known as the Oregon University System (the System). The law creating the Board was passed in 1929 by the state legislature and went into effect July 1, 1931.

As of July 1, 1995, the state legislature separated the Oregon Health Sciences University (OHSU) from the System and made OHSU a public corporation. However, the legislature left with the Board approval authority for changes in academic programs of OHSU and responsibility to coordinate System and OHSU academic programs for the best interest of the state. OHSU officers maintain a role in appropriate committees of the Board to further this objective.

The Board, from its inception, has maintained for the institutions a program allocation policy which is based on an analysis of need and budgetary considerations. The purpose of this policy is to provide students the fullest range of programs possible without unnecessary or wasteful duplication among the institutions.

The chief administrative officer, the chancellor, directs and integrates the System and is responsible for implementing the Board's decisions and policies. The presidents of the seven institutions are members of the chancellor's executive staff.

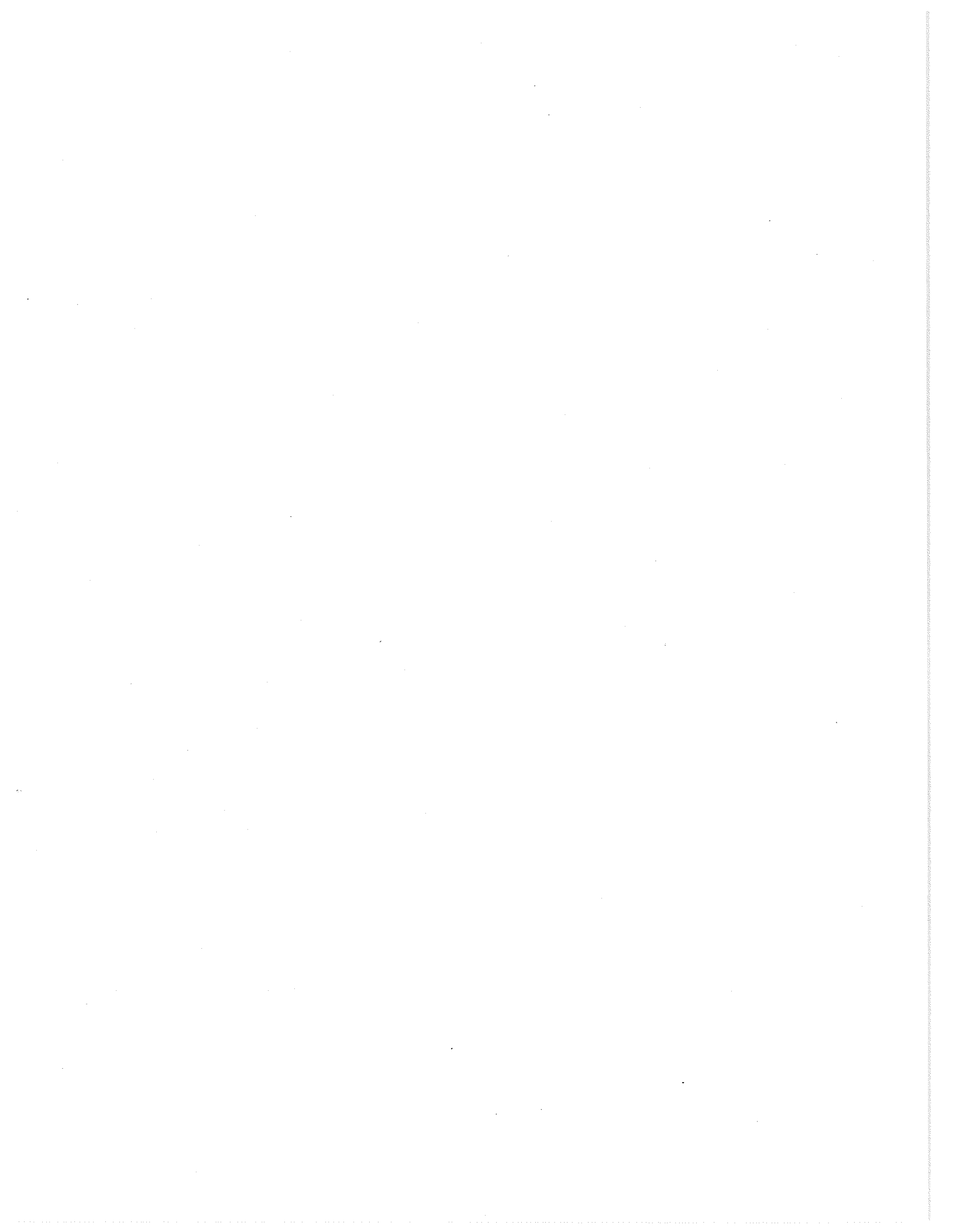
The System offers a broad learning and training experience through its seven institutions and numerous off-campus instructional centers. Opportunities for general education are distributed as widely as possible throughout the state, while specialized, professional, and technical programs are centered at specific institutions.

The three principal functions of the public higher education system – instruction, research and public service – play a vital role in the economic and intellectual growth of the state, as well as in the health and well-being of its citizens. While the primary purpose of Oregon's seven public institutions of higher learning is instruction, each institution provides to the people of the state a considerable range of benefits through efforts and activities in research and public service. These partnership arrangements with cities, counties, state and federal governmental agencies, and public and private groups provide extensive agricultural, economic, and industrial services that help a major portion of the state's population, either directly or indirectly. The services include, among others, agricultural and forestry research, county extension, 4H, and youth programs.

Funds for support of public higher education are provided through state and federal appropriations; student tuition; sales and service fees; and gifts, grants, and contracts.

The System financial accounting records are maintained in accordance with generally accepted accounting principles as prescribed by the National Association of College and University Business Officers in the *Financial Accounting and Reporting Manual for Higher Education*, the American Institute of Certified Public Accountants in *Audits of Colleges and Universities*, and applicable pronouncements of the Governmental Accounting Standards Board.

The financial statements of the Oregon University System have been audited by Deloitte & Touche LLP, Independent Public Accountants.





INDEPENDENT AUDITORS' REPORT

Oregon State Board of Higher Education
Eugene, Oregon

Oregon Secretary of State Audits Division
Salem, Oregon

We have audited the accompanying balance sheet of the Oregon University System (formerly the Oregon State System of Higher Education) ("OUS") as of June 30, 1998 and the related statements of changes in fund balances and of current funds revenues, expenditures, and other changes for the year then ended. These financial statements are the responsibility of the management of OUS. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and *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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures About Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. OUS has included such disclosures in Note 16. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support OUS's disclosures with respect to the year 2000 issue made in Note 16. Further, we do not provide assurance that OUS is or will be year 2000 ready, that year 2000 remediation efforts will be successful in whole or in part, or that parties with which OUS does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, such financial statements present fairly, in all material respects, the financial position of OUS at June 30, 1998, and the changes in fund balances and the current funds revenues, expenditures, and other changes for the year then ended in conformity with generally accepted accounting principles.

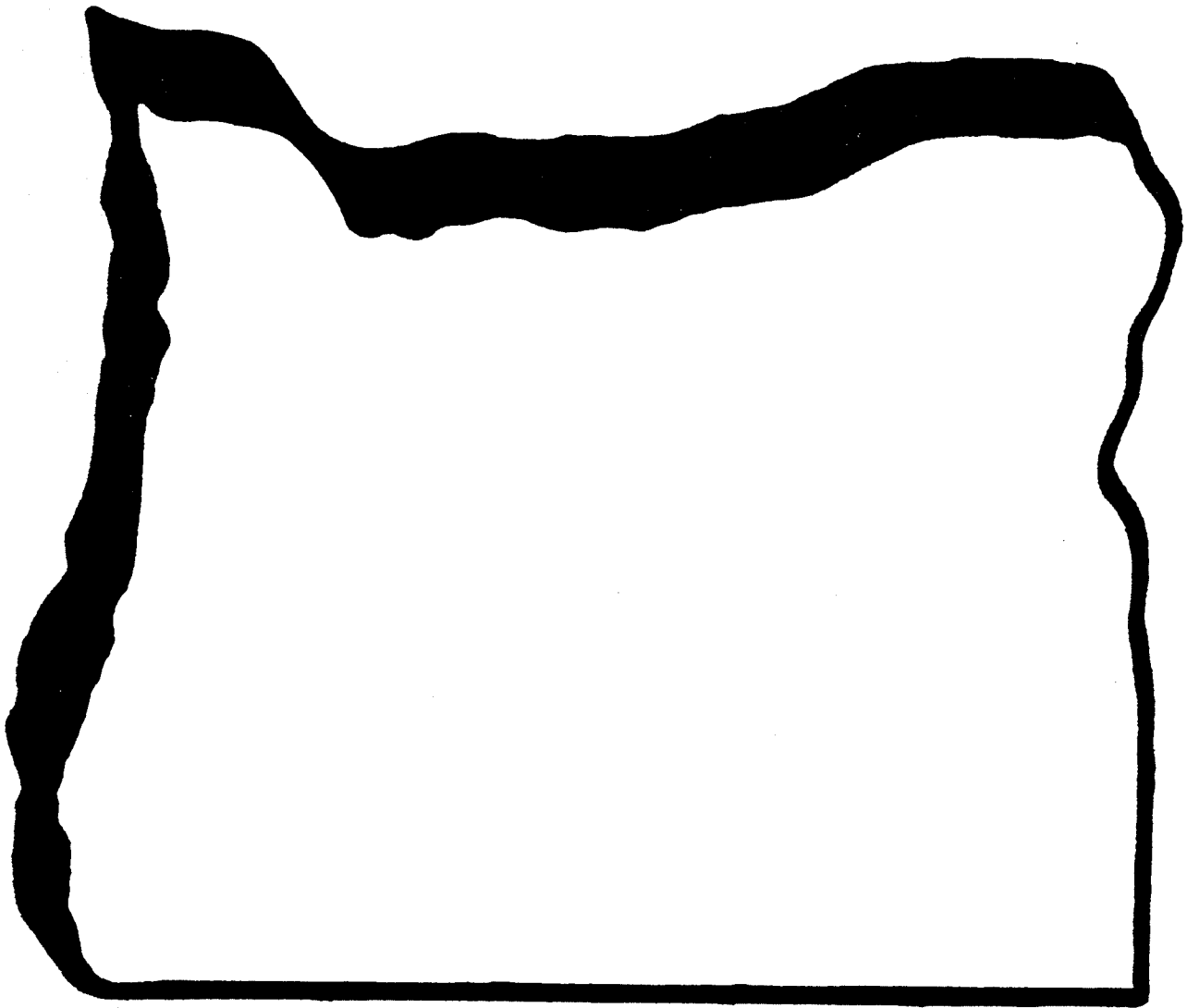
Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying additional information listed in the foregoing table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of OUS's management. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of OUS's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Deloitte + Touche LLP

November 6, 1998

Oregon University System
Annual Financial Statements





Oregon
University
System

Oregon University System

BALANCE SHEET

June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
ASSETS				
Cash	\$57,559,504	7,565,650	7,059,287	3,747,172
Securities Lending Cash Collateral	4,124,721	1,859,200	643,205	341,330
Investments	-	23,075,197	52,800	57,587,202
Accounts Receivable (Net of \$5,975,352 Allowance)	37,904,269	41,447,050	-	-
Notes Receivable (Net of \$3,434,561 Allowance)	-	-	69,798,687	-
Inventories	5,762,360	-	-	-
Prepaid Expenses and Deferred Charges	4,769,333	6,186	407	-
Due from Other Funds	33,657,860	57,588	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Improvements Other than Buildings	-	-	-	-
Museum Collections	-	-	-	-
Total Assets	143,778,047	74,010,871	77,554,386	61,675,704
LIABILITIES AND FUND BALANCES				
Certificates of Participation Payable	-	-	-	-
Accounts Payable and Accrued Expenses	29,311,014	2,988,413	1,131	-
Obligations Under Securities Lending	4,124,721	1,859,200	643,205	341,330
Salaries and Wages Payable	8,198,859	4,297	-	-
Notes Payable	-	-	-	-
Bond Proceeds Due OHSU	-	-	-	-
Bonds Payable	-	-	-	-
Liability for Compensated Absences	14,973,997	-	-	-
Deposits	762,224	-	-	-
Deferred Revenue	28,584,026	1,490,280	9,814	-
Due to Other Funds	916,006	32,724,054	-	-
Fund Balances:				
Unrestricted - General	43,044,150	-	-	-
Unrestricted - Designated	13,863,050	-	-	-
Institutional Loan Funds - Restricted	-	-	8,158,420	-
Governmental Loan Funds - Restricted	-	-	68,741,816	-
Endowment	-	-	-	27,811,359
Quasi-Endowment - Unrestricted	-	-	-	6,481,441
Quasi-Endowment - Restricted	-	-	-	27,041,574
Endowment - Net Realized Gains	-	-	-	-
Net Investment In Plant	-	-	-	-
Fund Balance	-	34,944,627	-	-
Total Liabilities and Fund Balances	\$143,778,047	74,010,871	77,554,386	61,675,704

See Accompanying Notes to the Financial Statements

PLANT FUNDS				Agency Funds	June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant			
80,335,452	17,587,285	33,935,255	-	4,165,473	211,955,078	174,480,120
7,007,045	1,173,608	3,092,000	-	-	18,241,109	9,449,596
9,262,111	9,313,080	15,091,438	-	-	114,381,828	116,598,958
4,557,042	156,544	891,585	-	203,659	85,160,149	73,076,329
-	-	-	53,918,957	-	123,717,644	114,411,471
-	-	-	-	-	5,762,360	6,374,937
-	1,830	3,259,242	-	1,334	8,038,332	4,128,701
-	-	-	-	-	33,715,448	27,490,915
-	-	-	35,645,652	-	35,645,652	39,427,316
-	-	-	797,197,450	-	797,197,450	717,486,320
-	-	-	414,056,096	-	414,056,096	406,157,622
-	-	-	60,401,689	-	60,401,689	57,402,916
-	-	-	30,086,673	-	30,086,673	28,945,831
101,161,650	28,232,347	56,269,520	1,391,306,517	4,370,466	1,938,359,508	1,775,431,032
-	-	-	29,141,179	-	29,141,179	34,311,510
3,911,937	221,602	5,829,617	187,630	622,050	43,073,394	50,160,304
7,007,045	1,173,608	3,092,000	-	-	18,241,109	9,449,596
-	-	-	-	-	8,203,156	7,752,019
-	-	-	8,883,523	-	8,883,523	8,318,415
3,432,240	-	-	-	-	3,432,240	4,646,082
22,048,003	-	-	358,262,735	-	380,310,738	342,810,510
-	-	-	-	-	14,973,997	12,800,804
-	-	-	-	3,659,565	4,421,789	4,898,872
125,950	80,411	642,556	-	17,963	30,951,000	32,400,855
4,500	-	-	-	70,888	33,715,448	27,490,915
-	-	-	-	-	43,044,150	23,708,722
-	-	-	-	-	13,863,050	4,820,509
-	-	-	-	-	8,158,420	7,929,554
-	-	-	-	-	68,741,816	67,079,444
-	-	-	-	-	27,811,359	14,763,592
-	-	-	-	-	6,481,441	3,439,299
-	-	-	-	-	27,041,574	11,036,571
-	-	-	-	-	-	11,858,255
-	-	-	994,831,450	-	994,831,450	924,599,459
64,631,975	26,756,726	46,705,347	-	-	173,038,675	171,155,745
101,161,650	28,232,347	56,269,520	1,391,306,517	4,370,466	1,938,359,508	1,775,431,032

Oregon University System

STATEMENT OF CHANGES IN FUND BALANCES

Year Ended June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
REVENUES AND OTHER ADDITIONS				
Revenues	\$316,862,321	-	-	-
Gifts, Grants & Contracts	2,656,585	385,402,666	-	1,790,173
Student Building Fees & Other Resources	-	-	-	-
State Appropriations	289,254,320	-	-	-
Sale of Building Bonds & C.O.P.'S	-	-	-	-
Contribution to Loan Principal	-	-	547,851	-
Property, Plant, and Equipment	-	-	-	-
Interest, Investments & Other Additions	3,616,038	11,417,203	2,394,068	6,213,506
Auxiliary Enterprises	144,519,831	-	-	-
Indirect Cost Recovery	28,954,199	-	-	-
Total Revenues and Other Additions	785,863,294	396,819,869	2,941,919	8,003,679
EXPENDITURES AND OTHER DEDUCTIONS				
Expenditures	608,433,616	382,102,874	91,128	13,777
Retirement of Bonds	-	-	-	-
Retirement of C.O.P.'s	-	-	-	-
Bond & C.O.P. Interest	-	-	-	-
Change in Bonds and Notes Payable	-	-	-	-
Administrative Fees	-	-	361,776	-
Notes Issued, Charged Off and Cancelled	-	-	602,146	-
Auxiliary Enterprise Funds	130,559,925	-	-	-
Total Expenditures and Other Deductions	738,993,541	382,102,874	1,055,050	13,777
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)				
Mandatory Transfers - Debt Service	(13,953,135)	(4,928)	-	-
Nonmandatory Transfers	(4,538,649)	(13,693,961)	4,369	(1,173,462)
Refunds to Grantors	-	(526,946)	-	-
Change in Fixed Asset Threshold	-	-	-	-
Total Transfers and Other Additions (Deductions)	(18,491,784)	(14,225,835)	4,369	(1,173,462)
Net Increase (Decrease) in Fund Balance	28,377,969	491,160	1,891,238	6,816,440
Fund Balance at Beginning of Year	28,529,231	34,271,838	75,008,998	41,097,717
Change in Investment Valuation	-	181,629	-	13,420,217
Fund Balance at End of Year	\$56,907,200	34,944,627	76,900,236	61,334,374

See Accompanying Notes to the Financial Statements

PLANT FUNDS

Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant	June 30, 1998	June 30, 1997
-	-	-	-	316,862,321	310,497,341
26,729,806	-	2,618,377	-	419,197,607	380,978,753
-	-	5,282,598	-	5,282,598	3,347,821
13,114,500	-	8,505,000	-	310,873,820	251,215,897
47,111,750	-	-	-	47,111,750	48,366,758
-	-	-	-	547,851	448,591
-	-	-	87,967,557	87,967,557	99,138,455
1,397,464	3,592,382	15,048,746	-	43,679,407	45,674,288
-	-	-	-	144,519,831	140,822,052
-	2,038,766	-	-	30,992,965	29,778,889
88,353,520	5,631,148	31,454,721	87,967,557	1,407,035,707	1,310,268,845
104,240,645	5,734,437	523,958	-	1,101,140,435	1,073,484,296
-	-	13,829,749	-	13,829,749	13,140,149
-	-	7,307,745	-	7,307,745	8,463,883
-	-	15,836,266	-	15,836,266	22,856,231
-	-	-	28,235,453	28,235,453	23,891,353
-	-	-	-	361,776	322,554
-	-	-	-	602,146	466,216
-	-	-	-	130,559,925	129,692,818
104,240,645	5,734,437	37,497,718	28,235,453	1,297,873,495	1,272,317,500
(60,738)	-	14,018,801	-	-	-
7,216,078	4,099,767	(2,414,029)	10,499,887	-	-
-	-	-	-	(526,946)	(146,097)
-	-	-	-	-	(4,353,733)
7,155,340	4,099,767	11,604,772	10,499,887	(526,946)	(4,499,830)
(8,731,785)	3,996,478	5,561,775	70,231,991	108,635,266	33,451,515
73,363,760	22,672,041	40,848,106	924,599,459	1,240,391,150	1,206,939,635
-	88,207	295,466	-	13,985,519	-
64,631,975	26,756,726	46,705,347	994,831,450	1,363,011,935	1,240,391,150

Oregon University System

STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES, AND OTHER CHANGES

Year Ended June 30, 1998

	CURRENT FUNDS		June 30, 1998	June 30, 1997
	Unrestricted	Restricted		
REVENUES				
Student Tuition and Fees	\$268,862,647	-	268,862,647	266,074,132
Government Appropriations	299,685,580	-	299,685,580	253,763,519
Gifts, Grants and Contracts	2,656,585	370,685,671	373,342,256	316,527,193
Sales and Services of Educational Departments	29,994,403	-	29,994,403	27,817,894
Auxiliary Enterprises	144,519,831	-	144,519,831	140,822,052
Other Revenue	11,190,049	11,417,203	22,607,252	68,252,879
Indirect Cost Recovery	28,954,199	-	28,954,199	29,778,889
Total Current Revenues	785,863,294	382,102,874	1,167,966,168	1,103,036,558
EXPENDITURES				
Instruction	272,088,519	19,971,807	292,060,326	287,498,109
Public Service	37,050,387	30,545,390	67,595,777	67,561,695
Research	41,481,184	111,805,708	153,286,892	151,179,355
Academic Support	78,574,195	5,207,554	83,781,749	78,107,197
Student Services	34,475,780	661,514	35,137,294	34,444,006
Operation and Maintenance of Physical Plant	43,195,355	25,116	43,220,471	44,802,342
Capital Improvements	215,982	-	215,982	2,227,919
Institutional Support	69,602,127	2,326,478	71,928,605	86,978,736
Student Aid	19,852,835	207,277,212	227,130,047	204,581,688
Service Departments	1,334,334	-	1,334,334	3,394,127
Auxiliary Program Expenditures	136,503,411	3,465,322	139,968,733	135,221,618
Other Expenditures	4,619,432	816,773	5,436,205	2,402,881
Total Current Expenditures	738,993,541	382,102,874	1,121,096,415	1,098,399,673
TRANSFERS				
Mandatory Transfers - Debt Service	(13,953,135)	(4,928)	(13,958,063)	(19,306,573)
Nonmandatory Transfers	(4,538,649)	(13,693,961)	(18,232,610)	(16,315,949)
Total Transfers	(18,491,784)	(13,698,889)	(32,190,673)	(35,622,522)
Excess of Revenues Over (Under) Expenditures and Transfers Before Other Additions (Deductions)	28,377,969	(13,698,889)	14,679,080	(30,985,637)
OTHER ADDITIONS (DEDUCTIONS)				
Refunds to Grantors	-	(526,946)	(526,946)	(146,097)
Excess of Restricted Receipts over Revenues Applied	-	14,716,995	14,716,995	12,464,151
Net Change in Fund Balance	28,377,969	491,160	28,869,129	(18,667,583)
Fund Balance at Beginning of Year	28,529,231	34,271,838	62,801,069	81,468,652
Change in Investment Valuation	-	181,629	181,629	-
Fund Balance at End of Year	\$56,907,200	34,944,627	91,851,827	62,801,069

See Accompanying Notes to the Financial Statements

**OREGON UNIVERSITY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

1. *Organization*

The Oregon University System (the System) consists of the six public universities in the State of Oregon and the Oregon Institute of Technology. The System is governed by the Oregon State Board of Higher Education (the Board). Since the System is a component unit of the State of Oregon, it is accounted for within college and university funds in the *State of Oregon Comprehensive Annual Financial Report*.

2. *Summary of Significant Accounting Policies*

The significant accounting policies, as summarized below, and the financial statements for the System are in accordance with generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants in "*Audits of Colleges and Universities*" and applicable pronouncements of the Governmental Accounting Standards Board (GASB).

GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, establishes accounting and financial reporting standards for securities lending transactions and requires that the balance sheet include cash and certain securities received as collateral under securities lending transactions as assets and liabilities. Revenues from and costs of securities lending transactions, such as borrower rebates and agent fees, are reported as investment income and expenditures, respectively, in the statement of changes in fund balances. The System does not engage in securities lending transactions; such transactions are handled by and are under the control of the Oregon State Treasury where the System's cash balances are held on deposit and invested in the Oregon Short Term Fund. Amounts presented in the accompanying financial statements reflect the portion of the State's securities lending transactions allocated to the System.

The System adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, on July 1, 1997. GASB Statement No. 31 establishes accounting and financial reporting standards for investments held by governmental entities and requires investments to be recorded at fair value. All investment income, including changes in the fair value of investments, is reported as revenue. Investments had previously been valued at the lower of cost or market. The cumulative effect of the change, \$13,985,519 through June 30, 1997, is included as a separate line item in the statement of changes in fund balances.

Basis of Accounting

Basis of accounting refers to the timing of when revenues, expenditures, assets, and liabilities are recognized in the accounts and reported in the financial statements.

NOTES TO FINANCIAL STATEMENTS

The System's financial statements have been prepared on the accrual basis of accounting except as follows:

- Depreciation is not recorded as an expense nor as a reduction of buildings and equipment.
- Summer session tuition and fees received in June are recorded as deferred revenue as of June 30 with the revenue being reported in the fiscal year in which the program is predominantly conducted. Summer session expenditures through June 30 are recorded as prepaid expenses.
- Interest income is not recorded until received in the Loan Funds. Most outstanding loans will not accrue interest until after the student leaves school.
- Current Restricted Fund revenues are recognized only to the extent expended.
- Pledges are not recorded as revenue nor receivables. There are no known material pledges receivable.

Inventories

Inventories are recorded at the lower of average cost or market and consist primarily of supplies in organized storerooms and physical plant stores. Physical inventories are taken annually.

Investment in Plant

Investment in plant assets are recorded at cost or, if donated, at the estimated fair market value at the date received. Equipment acquired with lease-purchase agreements is recorded at a value based on the purchase price at the time of acquisition excluding executory costs. The corresponding liability is also recorded. Disposals of library holdings are recorded at an annually revised average cost per volume. Amounts due from Oregon Health Sciences University under their debt service agreement with the System are recorded as a note receivable in this fund.

Income Taxes

The System is a tax exempt organization under the provisions of Section 115 of the Internal Revenue Code and is exempt from Federal income taxes except for unrelated business income for which no provision is considered necessary.

1997 Comparative Totals

The amounts shown for 1997 in the accompanying financial statements are presented to provide a basis for comparison with 1998 and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

NOTES TO FINANCIAL STATEMENTS

Certain reclassifications have been made to prior year amounts in order to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and revenues and expenditures during the year. Actual results could differ from those estimates.

Fund Accounting

All financial transactions have been recorded and reported by activities or objectives within fund groups in order to ensure observance of limitations and restrictions placed on the use of the resources available to the institutions. Each fund is an independent fiscal and accounting entity with a self-balancing set of accounts.

These fund groups are:

- Current Funds
Unrestricted - This fund accounts for the unrestricted economic resources which are expendable for the primary mission of the institutions -- instruction, research, and public service. Other operations include auxiliary enterprises which provide goods and services to students, faculty, and staff.

Restricted - This fund accounts for operating funds restricted by external donors or other agencies for specific operating purposes. Examples include restricted gifts and grants and contracts from federal and/or private sources.
- Loan Funds
The resources available for student loans are recorded in this fund group. Loan sources include gifts, grants, endowment income, interest earned on loans, and repayment of loan principal.
- Endowment Funds
This fund group consists of endowment and quasi-endowment funds. Endowment funds are subject to the restrictions of donor gift instruments requiring that the principal be invested in perpetuity and the income only be utilized for restricted or general purposes. Quasi-endowment funds have been established by Board policy for the same purpose as endowment funds, and any portion of the quasi-endowment funds may be expended.
- Plant Funds
Unexpended - This fund accounts for those resources specified for acquisition and construction of long lasting plant assets. The resources

consist of appropriations from the State of Oregon, proceeds from bond sales, gifts, grants, and other allocations made by the Board.

Renewal and Replacement - This fund accounts for the repair of buildings and the replacement of equipment of auxiliary enterprises and service departments. Funds for building repair and equipment replacement are set aside from operating revenues of auxiliary enterprises and service departments.

Retirement of Indebtedness - These moneys are used for the retirement of bonded debt. Resources include appropriations, student fees, and earnings from specific auxiliary enterprises.

Investment in Plant - These accounts reflect investment in land, buildings, improvements, equipment, and museum collections. They also include bonded debt or other liabilities associated with the assets.

- Agency Funds

These accounts record assets held by the System as custodian or fiscal agent for others. Balances represent liabilities to the individuals or organizations owning the assets.

The statement of current funds revenues, expenditures, and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses.

3. Cash

The System maintains all of its cash balances on deposit with the State Treasurer. The State Treasurer maintains these and other State funds on a pooled basis. All deposits are fully insured by federal depository insurance or secured by the statewide collateral pool which secures public deposits pursuant to Oregon Revised Statutes.

4. Investments

The State Treasurer is the investment officer for the System's funds. The System's investment policies are governed by statute, the Oregon Investment Council, and the Board. In order to manage the overall risk of the State investment pool, of which the System is a participant, the State Treasurer may invest in "derivative" financial instruments. These instruments are held by a commercial bank and are required to be fully collateralized by U.S. Treasury Securities.

The System records investments at fair value. Values are provided by the applicable investment trustee. The System's investments are classified in three categories of credit risk to give an indication of the level of risk assumed by the

NOTES TO FINANCIAL STATEMENTS

System as of year end. The three categories of credit risk are (1) investments that are insured or registered or for which the securities are held by the System or its agent in the System's name; (2) uninsured or unregistered investments for which the securities are held by the counterparty's trust department or agent in the System's name; and (3) uninsured or unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the System's name. Categorized investments include debt instruments with a maturity of less than ninety days; such investments may reflect a reported value based on cost rather than fair value. The following schedule presents the reported value and fair value of the System's investments as of June 30, 1998:

NOTES TO FINANCIAL STATEMENTS

CATEGORY OF CREDIT RISK

Investment Type:	1	2	3	Reported Value	Fair Value
Investments Categorized:					
Cash and Cash Equivalents	\$ -	-	73,539	73,539	73,539
U.S. Government and Agency Securities	46,048,537	9,215,640	3,119,518	58,383,695	58,385,834
Repurchase Agreements	-	-	6,835,836	6,835,836	6,835,836
Commercial Paper	-	-	6,299,512	6,299,512	6,309,940
Corporate Bonds	-	-	1,395,751	1,395,751	1,395,751
Asset-Backed Securities	-	-	590,492	590,492	590,492
Total	\$46,048,537	9,215,640	18,314,648	73,578,825	73,591,392
Investments Not Categorized:					
Investments held by broker-dealers under securities loans with cash collateral:					
U.S. Government and Agency Securities				17,907,378	17,907,378
Real Estate				3,554,668	3,554,668
Pooled Investments				55,336,188	55,336,188
Other Investments				153,256	153,256
Subtotal				150,530,315	150,542,882
Less Amounts Recorded As Cash				(36,148,487)	(36,148,487)
Total Investments				\$114,381,828	114,394,395

5. *Securities Lending*

The System deposits funds into the Oregon State Treasury (OST) Short Term Fund which participates in a securities lending program. In accordance with State investment and accounting policies, the System is allocated a portion of the State's transactions in securities lending activities. The OST has, through a Securities

NOTES TO FINANCIAL STATEMENTS

Lending Authorization Agreement, authorized its custodian to lend the OST securities pursuant to a form of loan agreement. There have been no significant violations of the agreement during the period of these financial statements.

During the year, the OST's custodian lent fixed income securities and received as collateral United States cash or securities issued or guaranteed by the United States government. Borrowers were required to deliver collateral for each loan equal to not less than 102 percent of the market value of the loaned security. The custodians did not have the ability to pledge or sell collateral securities absent a borrower default and the OST did not impose any restrictions during the fiscal year on the amount of the loans the custodian made on its behalf. The OST, through its Securities Lending Authorization Agreement, is fully indemnified against borrower default. There were no losses during the year from the failure of borrowers to return loaned securities and no recoveries of amounts from prior losses.

The cash collateral was invested by the OST into U.S. Government and Agency Securities, repurchase agreements, and commercial paper. The maturities of these investments made during the year generally did not match the maturities of their securities loans. At June 30, 1998, the OST had no credit risk exposure to borrowers.

Because the loans were terminable at will their maturities did not generally match the maturities of the investments made with cash collateral. At June 30, 1998, the System had no securities on loan.

The System's cash deposits invested in the Oregon Short Term Fund (OSTF) are commingled with the cash deposits of other State agencies. As of June 30, 1998, the fair value of the collateral held by the OSTF was \$460,796,000, of which \$18,241,109 was allocated to the System. The fair value of securities on loan by the OSTF as of June 30, 1998, was \$452,054,000, of which \$17,907,378 was allocated to the System. The collateral is reflected as securities lending cash collateral and the resulting obligation is included in obligations under securities lending in the System's financial statements.

6. *Endowment Funds*

Investments of endowment funds are carried at fair value. Endowment fund assets are pooled except for endowments having a fair value of \$3,702,693 and quasi-endowments having a fair value of \$7,349 representing bequests with investment restrictions or maturing securities. Each fund subscribes to or disposes of units on the basis of the market value per unit as of the end of the preceding month in which the transaction occurred. Gains, losses, and adjustments on investment transactions of the State Treasurer are reflected in the financial statements. Trust funds in which the System has a remainder interest have been individually recorded at a \$1 nominal value in the investment accounts. Pooled investments are managed through The Common Fund. Endowment funds by institution at June 30, 1998, are as follows:

NOTES TO FINANCIAL STATEMENTS

Institution:	POOLED		SEPARATELY INVESTED		Totals
	Endowment Funds	Quasi-Endowment Funds	Endowment Funds	Quasi-Endowment Funds	
Eastern Oregon University	\$ 717,991	322,680	-	-	1,040,671
Oregon Institute of Technology	-	227,880	-	-	227,880
Oregon State University	1,879,414	27,408,332	3,554,668	2	32,842,416
Portland State University	483,521	580,482	-	-	1,064,003
Southern Oregon University	17,144	219,143	-	-	236,287
University of Oregon	19,043,905	4,648,008	110,556	7,347	23,809,816
Western Oregon University	7,982	51,461	-	-	59,443
Chancellor's Office	1,958,709	57,680	37,469	-	2,053,858
Total Endowment Portfolio at Fair Value	\$24,108,666	33,515,666	3,702,693	7,349	61,334,374

7. *Compensated Absences*

Vacation pay for classified employees is earned at 8 to 16 hours per month depending on length of service with a maximum accrual of 250 hours per employee. Unclassified employees and 12-month academic employees are granted 15 hours per month. The maximum accrual is 260 hours; it does not normally accumulate from year to year.

Sick leave is recorded as an expenditure when paid. Sick leave for academic, unclassified, and classified employees is earned at the rate of eight hours per month with no restrictions on maximum accruals. No liability exists for terminated employees.

8. *Retirement Plans*

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

- **Oregon Public Employees Retirement Plan**

The State of Oregon Public Employees Retirement System (PERS) is a cost-sharing multi-employer defined benefit plan administered by the Public Employees Retirement Board (Retirement Board) under the guidelines of Oregon Revised Statutes. An employee is considered vested and eligible for retirement benefits if he or she has had a contribution in each of five

NOTES TO FINANCIAL STATEMENTS

calendar years or has reached at least 50 years of age before ceasing employment. The 1995 Oregon Legislature enacted a law creating two tiers of PERS benefits. Employees hired into an eligible position prior to January 1, 1996, are enrolled in Tier One, while employees hired into an eligible position on or after January 1, 1996, are enrolled in Tier Two.

Tier One members are eligible for retirement with unreduced benefits at age 58 or at any age with 30 or more years of service. Employees may retire after reaching age 55; however, benefits are reduced if retirement occurs prior to age 58 with less than 30 years of service. Tier One members may elect a guaranteed interest rate which is tied to the actuarial valuations; currently, this rate is 8 percent.

Tier Two members are eligible for retirement with unreduced benefits at age 60 or at any age with 30 or more years of service. Employees may retire after reaching age 55; however, benefits are reduced if retirement occurs prior to age 60 with less than 30 years of service. The statutes prohibit offering Tier Two members the option of a guaranteed interest rate.

PERS contribution requirements are established by Oregon Revised Statutes and may be amended by an act of the Oregon Legislature. PERS collects contributions from both employers and employees for the purpose of funding retirement benefits. Beginning July 1, 1979, the employee's contribution has been assumed and paid by the employer at the 6 percent rate set by law. The employer contribution rate through June 30, 1998, was 8.2 percent. Beginning July 1, 1999, the rate will change to 9.73 percent. The System's employer contributions to PERS for the years ending June 30, 1996, 1997, and 1998 were \$33,808,584, \$28,152,875, and \$25,289,401, respectively, equal to the required contributions for each year. An actuarial valuation is performed at least once every two years to determine the level of employer contributions. The most recent valuation was performed as of December 31, 1997.

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. It is adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The pension benefit obligation at December 31, 1997, for PERS as a whole, determined through an actuarial valuation performed as of that date, was \$7,382.2 million. PERS' net assets available for benefits on that date (valued at market) were \$7,013.9 million. Information for the System as a stand-alone entity is not available.

Of the actuarial assumptions used in the valuation, projected salary increases changed from 5.5 percent in 1995 to 4.0 percent in 1997.

NOTES TO FINANCIAL STATEMENTS

The ten-year historical trend information showing progress made in accumulating sufficient assets to pay benefits when due is presented in the separately issued PERS Component Unit Financial Report for the fiscal year ended June 30, 1997. The PERS financial report is publicly available and may be obtained by writing to PERS, P.O. Box 23700, Tigard, OR, 97281-3700 or by calling 1-503-598-7377.

- Optional Retirement Plan

The 1995 Oregon Legislature enacted legislation which authorized the System to offer a defined contribution retirement plan as an alternative to PERS. The System's Board appointed a Retirement Plan Committee to administer the Optional Retirement Plan (ORP) and established trustees to manage plan assets placed with mutual funds. Beginning April 1, 1996, the ORP was made available to the System's unclassified faculty and staff who are eligible for PERS membership. Employees choosing the ORP may invest the employee and employer contributions in one of four different investment companies. As with PERS, the ORP consists of two tiers. Membership under ORP Tier One and Tier Two is determined using the same criteria as PERS.

Under the ORP Tier One and Tier Two, the employee's contribution rate is 6 percent and is paid by the employer. The employer contribution rate for the ORP Tier One and Tier Two was 8.2 percent and 5.75 percent, respectively. Beginning July 1, 1999, the rate for Tier One will change to 9.73 percent. No change has been made in the rate for Tier Two.

- Teacher's Insurance and Annuity Association/College Retirement Equities Fund

Eligible unclassified faculty may participate in the Teacher's Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF) retirement program, a defined contribution plan, on all salary in excess of \$4,800 per calendar year. Employee contributions are directed to PERS on the first \$4,800. 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.

- Federal Civil Service Retirement

Some Extension Service employees at Oregon State University 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 FICA, CSRS deduction and employer match of 7 percent (7.25 percent effective January 1, 1999), and are also eligible for optional membership in PERS.

NOTES TO FINANCIAL STATEMENTS

The Federal Employees Retirement System (FERS) was created beginning January 1, 1987. Employees 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 (1.05 percent effective January 1, 1999) with an employer contribution rate of 11.4 percent. FERS employees are not eligible for membership in PERS and they contribute at the full FICA rate. They also participate in a Thrift Savings Plan with an employer contribution of 1 percent. Employees may also contribute to this plan at variable rates up to 10 percent, in which case the employer contributes at a variable rate up to 5 percent. CSRS employees are also eligible for participation in the Thrift Savings Plan but without employer contributions. During the period July 1, 1998 through December 31, 1998, CSRS employees will have an opportunity to transfer to FERS.

The System's total payroll for the year ended June 30, 1998, was \$481.9 million, of which \$429.7 million was subject to retirement benefits. The following schedule lists payments to pension plans made by the System for this fiscal year:

	<u>Employer Contribution</u>	<u>As a Percentage of Covered Payroll</u>	<u>Employee⁽¹⁾ Contribution</u>	<u>As a Percentage of Covered Payroll</u>
PERS	\$25,289,401	5.89%	\$18,059,316	4.20%
ORP	5,570,178	1.30%	4,211,513	.98%
TIAA-CREF	248,069	.06%	269,115	.06%
Federal	789,313	.18%	376,576	.09%
FERS	155,573	.04%	318,270	.07%
Total	<u>\$32,052,534</u>		<u>\$23,234,790</u>	

⁽¹⁾ Of the employee's share, the employer paid \$17,955,983 of PERS, \$4,202,064 of ORP, and \$269,115 of TIAA-CREF. The Federal contributions of \$376,576 represent FERS and CSRS employees, and the \$318,270 represents employee contributions to the Thrift Savings Plan for FERS employees which were matched 1 to 5 percent by the employer.

9. *Early Retirement Plans*

During 1994, 1996, and 1997, the System offered early retirement incentives to eligible faculty and staff.

The 1994 incentives were offered to unclassified staff with at least ten years of service who were eligible to retire under PERS. Employees electing this plan had to agree to retire not later than December 31, 1994, and sign up by April 15, 1994.

The plan provided a health insurance premium subsidy of up to \$400 per month for seven years from the effective date of retirement. A total of 75 employees participated in this plan, and the System has a recorded a liability of \$959,584 for benefits to be paid in future years.

The 1996 incentives were offered to all unclassified, management service, and classified unrepresented employees who had at least five years of service to the System and 30 years of public service or who would reach age 55 prior to June 30, 1997. Employees electing the 1996 plan had to sign up prior to June 15, 1996, and agree to retire not later than June 30, 1997. Benefits generally included a lump-sum payment of one-half the employee's annual salary in the month following termination of regular employment and a health insurance subsidy of up to \$403 per month for seven years. A total of 317 employees participated in this plan, and the System has recorded a liability of \$9,392,241 for benefits to be paid in future years.

The 1997 incentives were offered to all Oregon Public Employees Union (OPEU) represented employees who had at least five years of service to the System and 30 years of public service or who would reach age 55 prior to June 30, 1997. Employees electing this plan had to sign up between April 1, 1997, and May 31, 1997, and agree to retire not later than June 30, 1997. Benefits included a health insurance subsidy of up to \$386 per month for seven years. Part-time employment after retirement may also be offered on a case-by-case basis. A total of 241 employees participated in this plan, and the System has recorded a liability of \$5,560,725 for benefits to be paid in future years.

10. *Bonds and COPs Payable, Small Scale Energy Loan Project (SELP) Loans, and Lease Obligations*

● **XI-F(1) Bonds**

Article XI-F(1) of the Oregon Constitution authorizes the System to issue State of Oregon General Obligation Bonds to finance the construction of self-liquidating and self-supporting projects. General Obligation Bonds have been sold to finance the construction of dormitories, cafeterias, parking facilities, apartments for married students, student unions, student health service facilities, hospital facilities and equipment, and other student activity buildings and facilities. The Board's Administrative Rules require sinking fund reserve balances based on a percentage of annual debt service as follows: 200 percent for bonds issued prior to July 1, 1986, and 100 percent for bonds issued after June 30, 1986. These reserves are recorded in the Retirement of Indebtedness Fund. The liability for XI-F(1) bonds is recorded in the Unexpended Plant Fund and the Investment in Plant Fund. XI-F(1) bonds, with effective yields ranging from 3.6 percent to 7.5 percent, are due serially through 2028. The total outstanding XI-F(1) bonded indebtedness for the System was \$270,663,847 at June 30, 1998.

NOTES TO FINANCIAL STATEMENTS

- XI-G Bonds
Article XI-G of the Oregon Constitution authorizes the System to issue State of Oregon General Obligation Bonds, with debt service funded by Legislative appropriation, to finance designated educational buildings and facilities. The liability for XI-G bonds is recorded in the Unexpended Plant Fund and the Investment in Plant Fund. XI-G bonds, with effective yields ranging from 3.6 percent to 7.5 percent, are due serially through 2028. The total outstanding XI-G bonded indebtedness for the System was \$73,595,826 at June 30, 1998.
- Bond Payment Schedule
Future bond principal requirements are summarized as follows:

<u>Bond Payment Schedule</u>	
1998-99	\$19,083,004
1999-00	17,518,909
2000-01	16,205,074
2001-02	15,742,284
2002-03	15,766,597
Thereafter	259,943,805
Sub Total	<u>344,259,673</u>
Add: Accreted Interest	36,840,138
Less: Unamortized Bond Discounts	<u>(789,073)</u>
Total	<u><u>\$380,310,738</u></u>

- Certificates of Participation
The System has issued Certificates of Participation (COPs) to finance lease/purchase agreements for certain equipment and computer software. The System makes monthly lease payments (principal and interest) to a trustee in accordance with the lease/purchase agreements. The trustee in turn makes the debt service payments to COPs holders. The liability for COPs is recorded in the Investment in Plant Fund and is secured by the related equipment and computer software. COPs, with effective yields ranging from 3.7 percent to 6.8 percent, are due through fiscal year 2003-04. The total outstanding COPs indebtedness for the System was \$29,442,124 at June 30, 1998.

NOTES TO FINANCIAL STATEMENTS

- COPs Payment Schedule

Future COPs principal requirements are summarized as follows:

<u>COPs Payment Schedule</u>	
1998-99	\$6,866,652
1999-00	6,965,697
2000-01	6,454,775
2001-02	4,685,000
2002-03	2,410,000
Thereafter	2,060,000
Sub Total	29,442,124
Less: Unamortized COPs Discounts	(300,945)
Total	\$29,141,179

- Oregon Department of Energy Loans

The System entered into Department of Energy SELP loan agreements for energy conservation projects at System institutions. The System makes monthly loan payments (principal and interest) to the Department of Energy in accordance with the loan agreements. The liability for SELP loans is recorded as notes payable in the Investment in Plant Fund. SELP loans, with effective yields ranging from 6.44 percent to 8.0 percent, are due through 2012. The total outstanding indebtedness for SELP loans was \$7,718,544 at June 30, 1998.

NOTES TO FINANCIAL STATEMENTS

- SELP Loan Payment Schedule
Future SELP loan principal requirements are summarized as follows:

<u>SELP Payment Schedule</u>	
1998-99	\$532,319
1999-00	571,424
2000-01	615,865
2001-02	648,021
2002-03	642,131
Thereafter	4,708,784
Total	<u><u>\$7,718,544</u></u>

- Capital Leases and Operating Leases
The System is the lessee of equipment under capital leases expiring through fiscal year 2002-03. The assets under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair market value of the asset at acquisition. Interest rates on capitalized leases vary from 5.5 percent to 19.7 percent.

Minimum future lease payments under capital leases are:

<u>Year Ended June 30</u>	<u>Amount</u>
1998-99	\$410,903
1999-00	373,450
2000-01	309,939
2001-02	180,478
2002-03	26,404
Total Minimum Lease Payments	<u>1,301,174</u>
Less: Amount representing interest	<u>(136,195)</u>
Present Value of Minimum Lease Payments	<u><u>\$1,164,979</u></u>

NOTES TO FINANCIAL STATEMENTS

Minimum future rental payments on operating leases are:

<u>Year Ended June 30</u>	<u>Amount</u>
1998-99	\$ 594,740
1999-00	478,193
2000-01	246,111
2001-02	20,048
2002-03	997
Total Future Rental Payments	<u><u>\$1,340,089</u></u>

- Debt Defeasance

The System issued Advance Refunding bonds in August 1997 in the amount of \$47,645,000 to partially defease various bond issues. The bonds have annual principal payments and semi-annual interest payments, serial maturities, term bonds with sinking fund requirements, optional redemption provisions and a net interest rate of 5.19 percent.

The net proceeds from the sale of the Advance Refunding Bonds were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the call dates of the refunded bonds. The advance refunding met the requirements of an in-substance debt defeasance and the liability of \$43,795,000 for the refunded bonds was removed from the Investment in Plant Fund. As a result of the advance refunding, the System reduced its total debt service by \$3,622,621, which resulted in an economic gain (present value savings) of \$2,087,711.

Prior to 1996, Oregon Health Sciences University (OHSU) was part of the System. Pursuant to an act of the Oregon Legislature (the 1995 Act), OHSU became an independent public corporation. In connection with this change in status, responsibility for governing OHSU was transferred from the Board to a newly formed Board of Directors of OHSU. In addition, the new public corporation was given ownership of all personal property related to OHSU, was granted exclusive care, custody, and control of the real property related to OHSU, and assumed liability for all outstanding indebtedness of the System incurred for the benefit of OHSU. Consequently, OHSU is no longer included in the System's financial statements.

NOTES TO FINANCIAL STATEMENTS

Oregon Revised Statutes require the System to maintain unexpended bond proceeds from all bond sales in accounts at the State Treasury. Currently, the System has \$3,432,240 in unexpended proceeds that are attributable to OHSU. In addition, a receivable from OHSU has been recorded in the Investment in Plant fund for System debt that was incurred for the benefit of OHSU. At June 30, 1998, long-term debt of the System that relates to OHSU is \$53,918,957. Oregon Revised Statutes also require the System to maintain title to all real property acquired prior to OHSU's change in status. OHSU is leasing certain real property from the System for a nominal amount and accordingly, such real property has been transferred to OHSU and is excluded from the accompanying financial statements.

OHSU issued Insured Revenue Bonds in January 1996 to defease various System bond issues. A portion of the proceeds were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the call dates of the refunded bonds. The refunding met the requirements of an in-substance debt defeasance, and the liability of \$58,588,668 for the refunded bonds was removed from the Investment in Plant Fund.

In prior years, the System defeased various bond issues. The proceeds were used to purchase U.S. Government Securities that were placed in an irrevocable trust. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Investment in Plant Fund. At June 30, 1998, the amount of the defeased debt outstanding but removed from the Investment in Plant Fund amounted to \$100,574,051.

11. *Building Repair and Equipment Replacement Reserves*

Building repair reserves have been established for self-sustaining auxiliary enterprise activities such as housing and dining, parking, and student unions. The reserve requirement is 1.5 percent of the replacement value of the auxiliary enterprise building. The reserve is designed to fund major or unusual building repairs such as re-roofing and major renovations and repairs to land improvements such as driveways and sidewalks. Larger service departments, such as computer centers and printing departments, also carry building repair reserves. These reserves are carried in the Renewal and Replacement Plant Fund.

Equipment replacement reserves have been established to provide equipment replacement funds for all self-sustaining service departments and auxiliary enterprise activities. These reserves are also carried in the Renewal and Replacement Plant Fund.

NOTES TO FINANCIAL STATEMENTS

12. *Foundations (Unaudited)*

Affiliated and separately incorporated non-profit foundations exist at each institution in the System. The primary purpose of these affiliates is to raise money for research, scientific, or educational programs. Financial data for the foundations is not included in the System's financial statements and records. The net worth of each foundation at June 30, 1998, is summarized as follows:

	<u>Net Worth</u>
Eastern Oregon University Foundation	\$ 1,602,042
Oregon Institute of Technology Development Foundation	12,020,623
Oregon State University Foundation	339,200,000
OSU Agricultural Research Foundation	7,848,481
Portland State University Foundation	15,413,610
Southern Oregon University Foundation	13,971,457
University of Oregon Foundation	231,067,000
Western Oregon University Foundation	4,702,523
Total	<u><u>\$625,825,736</u></u>

13. *Funds Held in Trust by Others (Unaudited)*

Funds held in trust by others, for which the System is an income beneficiary, are not recorded in the financial records. The approximate value of such trust funds at June 30, 1998, is \$3,084,611.

14. *Commitments and Contingencies*

The System purchases various commercial insurance policies (for students) directly from insurance agents and participates in a state risk pool. The state risk pool covers exposure to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Unemployment compensation claims are administered by the Oregon Employment Division pursuant to Oregon Revised Statutes. Actual benefits paid are reimbursed to the State's Unemployment Compensation Trust Fund by the System. Each year resources are budgeted to pay current charges. The amount of future benefit payments to claimants and the resulting liability to the System cannot be reasonably determined at June 30, 1998.

NOTES TO FINANCIAL STATEMENTS

An encumbrance system is used by the System to record outstanding purchase orders and other commitments. These are not recorded as expenditures or liabilities but are used only for budget control purposes. Accounting entries have not been made to formally reserve a portion of the Current Fund Unrestricted fund balance for outstanding encumbrances at June 30, 1998. Oregon Revised Statutes and Department of Administrative Services regulations require the cancellation of general funds year-end encumbrances if not paid in a specified period of time or if certain circumstances are not met. Reversions of funds are not expected to be material.

Outstanding commitments on uncompleted construction contracts total approximately \$173.6 million at June 30, 1998. These commitments will be primarily funded from gifts and grants, bond proceeds, and other System funds.

The System 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 and general counsel are of the opinion that the outcome of such matters will not have a material effect on the financial statements.

15. *Change in Accounting Policy—Fixed Asset Threshold*

In accordance with Office of Management and Budget Circular A-21, Southern Oregon University purged fixed assets (non-expendable personal property) having a value less than \$2,500 from its inventories during the fiscal year ended June 30, 1997. The total amount purged was \$4,353,733 and is reflected as a separate line item in the statement of changes in fund balances.

16. *Year 2000 Issue (Unaudited)*

The System has developed an internal program to determine if the System is Year 2000 Ready. For the purposes of this Note an organization is Year 2000 Ready when it has taken reasonable steps to ensure it will be able to continue providing services on and beyond January 1, 2000.

The Assessment stage of the System's Year 2000 Readiness effort includes both internal and external review. The System has contacted certain vendors who supply information technology or other equipment to the System to obtain information from them regarding the Year 2000 Readiness of equipment they supply to the System, and has responded accordingly.

The System's assessments regarding the year 2000 Readiness of the System are based on assumptions regarding currently identified tasks and future obligations of the System, information provided by third parties in response to inquiries from the System, as well as continued availability of internal resources. Based on information and knowledge available to the System as of June 30, 1998, the System

NOTES TO FINANCIAL STATEMENTS

has determined that it has made the following progress in its Year 2000 Readiness effort:

Awareness Stage—82% completion of current plan

Assessment Stage—87% completion of current plan

Remediation Stage—64% completion of current plan

Validation/Testing Stage—48% completion of current plan

As of the date of this Statement, the System plans to complete its Year 2000 Readiness efforts by June 30, 1999, however, this date is subject to change in response to facts of which the System is currently unaware, or if the System learns that current assumptions are incorrect.

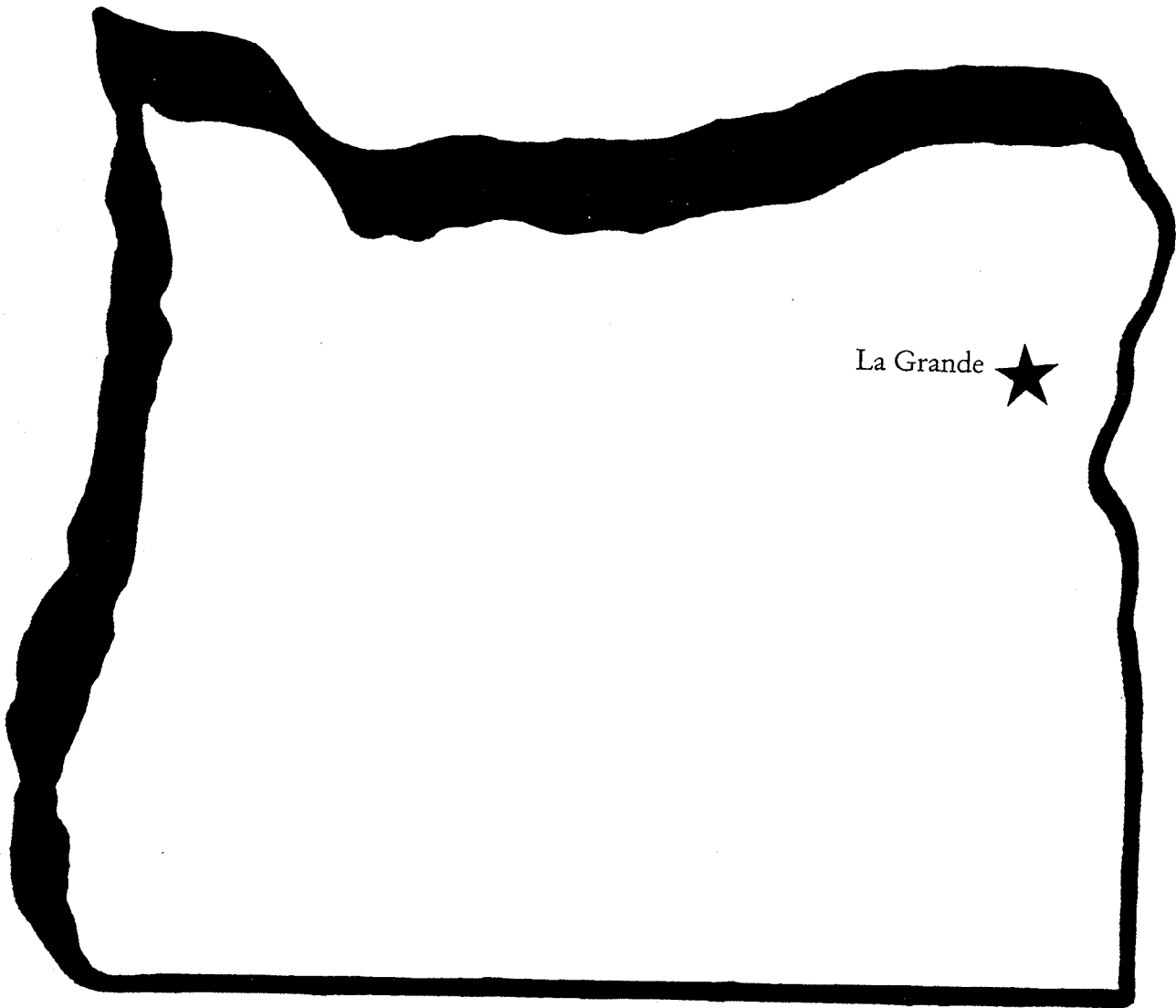
This Statement is a Year 2000 Readiness Disclosure for the purposes of the Information and Readiness Disclosure Act, Public Law 105-271.

17. *Subsequent Event*

The System issued General Obligation Baccalaureate Bonds in October 1998 totaling \$75,074,353. Bonds in the amount of \$38,063,724 will be used to fund capital construction projects and \$37,010,629 will be used to advance refund and defease previous bond issues. The bonds have annual principal payments and semi-annual interest payments, current interest serial maturities, deferred interest serial maturities and current interest term maturities. The current interest term bonds also have optional and mandatory redemption provisions. The true interest cost on the bonds is 4.93 percent.

The net proceeds from the sale of the advance refunding portion of the bonds were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the call dates of the refunded bonds. The advance refunding met the requirements of an in-substance debt defeasance, and in subsequent periods, the liability of \$32,635,000 for the refunded bonds will be removed from the Investment in Plant Fund.

Eastern Oregon University



EASTERN

Eastern Oregon University

BALANCE SHEET

June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
ASSETS				
Cash	\$1,252,990	377,075	(8,747)	67,672
Securities Lending Cash Collateral	-	-	-	-
Investments	-	-	6,000	972,999
Accounts Receivable (Net of \$54,508 Allowance)	600,014	505,291	-	-
Notes Receivable (Net of \$190,268 Allowance)	-	-	1,540,299	-
Inventories	305,912	-	-	-
Prepaid Expenses and Deferred Charges	117,357	-	-	-
Due from Other OUS Entities	-	-	-	-
Due from Other Funds	920,891	-	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Improvements Other than Buildings	-	-	-	-
Museum Collections	-	-	-	-
Total Assets	3,197,164	882,366	1,537,552	1,040,671
LIABILITIES AND FUND BALANCES				
Certificates of Participation Payable	-	-	-	-
Accounts Payable and Accrued Expenses	544,538	20,334	-	-
Obligations Under Securities Lending	-	-	-	-
Salaries and Wages Payable	316,286	872	-	-
Notes Payable	-	-	-	-
Bond Proceeds Due OHSU	-	-	-	-
Bonds Payable	-	-	-	-
Liability for Compensated Absences	311,309	-	-	-
Deposits	588	-	-	-
Deferred Revenue	285,088	-	-	-
Due to Other OUS Entities	377,500	-	-	-
Due to Other Funds	-	920,891	-	-
Fund Balances:				
Unrestricted - General	609,281	-	-	-
Unrestricted - Designated	752,574	-	-	-
Institutional Loan Funds - Restricted	-	-	67,002	-
Governmental Loan Funds - Restricted	-	-	1,470,550	-
Endowment	-	-	-	717,991
Quasi-Endowment - Unrestricted	-	-	-	-
Quasi-Endowment - Restricted	-	-	-	322,680
Endowment - Net Realized Gains	-	-	-	-
Net Investment In Plant	-	-	-	-
Fund Balance	-	(59,731)	-	-
Total Liabilities and Fund Balances	\$3,197,164	882,366	1,537,552	1,040,671

See Accompanying Notes to the Financial Statements

PLANT FUNDS				Agency Funds	June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant			
408,259	678,312	2,018	-	21,680	2,799,259	1,806,069
-	-	-	-	-	-	-
-	-	-	-	-	978,999	6,000
106,715	-	3,815	-	25,954	1,241,789	1,192,368
-	-	-	-	-	1,540,299	1,463,086
-	-	-	-	-	305,912	256,421
-	-	-	-	94	117,451	114,647
-	-	158,513	-	-	158,513	867,512
-	-	-	-	-	920,891	1,106,367
-	-	-	563,389	-	563,389	479,989
-	-	-	25,154,867	-	25,154,867	21,360,710
-	-	-	6,998,157	-	6,998,157	6,393,006
-	-	-	2,474,793	-	2,474,793	2,456,246
-	-	-	-	-	-	-
514,974	678,312	164,346	35,191,206	47,728	43,254,319	37,502,421
-	-	-	-	-	-	-
18,020	-	-	-	102	582,994	466,073
-	-	-	-	-	-	-
-	-	-	-	-	317,158	321,357
-	-	-	1,245,547	-	1,245,547	1,343,895
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	311,309	-
-	-	-	-	47,626	48,214	53,856
-	-	5,833	-	-	290,921	302,937
125,000	-	-	-	-	502,500	75,000
-	-	-	-	-	920,891	1,106,367
-	-	-	-	-	-	-
-	-	-	-	-	609,281	581,902
-	-	-	-	-	752,574	996,934
-	-	-	-	-	67,002	59,333
-	-	-	-	-	1,470,550	1,374,426
-	-	-	-	-	717,991	393,437
-	-	-	-	-	-	-
-	-	-	-	-	322,680	79,498
-	-	-	-	-	-	-
-	-	-	33,945,659	-	33,945,659	29,346,056
371,954	678,312	158,513	-	-	1,149,048	1,001,350
514,974	678,312	164,346	35,191,206	47,728	43,254,319	37,502,421

Eastern Oregon University

STATEMENT OF CHANGES IN FUND BALANCES

Year Ended June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
REVENUES AND OTHER ADDITIONS				
Revenues	\$6,780,730	-	-	-
Gifts, Grants & Contracts	56,421	4,155,376	-	-
Student Building Fees & Other Resources	-	-	-	-
State Appropriations	8,888,984	-	-	-
Sale of Building Bonds & C.O.P.'S	-	-	-	-
Contribution to Loan Principal	-	-	53,075	-
Property, Plant, and Equipment	-	-	-	-
Interest, Investments & Other Additions	-	466,135	66,830	138,877
Auxiliary Enterprises	4,566,092	-	-	-
Indirect Cost Recovery	173,133	-	-	-
Total Revenues and Other Additions	20,465,360	4,621,511	119,905	138,877
EXPENDITURES AND OTHER DEDUCTIONS				
Expenditures	17,961,968	4,568,733	-	-
Retirement of Bonds	-	-	-	-
Retirement of C.O.P.'s	-	-	-	-
Bond & C.O.P. Interest	-	-	-	-
Change in Bonds and Notes Payable	-	-	-	-
Administrative Fees	-	-	-	-
Notes Issued, Charged Off and Cancelled	-	-	16,112	-
Auxiliary Enterprise Funds	4,296,854	-	-	-
Total Expenditures and Other Deductions	22,258,822	4,568,733	16,112	-
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)				
Mandatory Transfers - Debt Service	(498,972)	-	-	-
Nonmandatory Transfers	2,075,453	(8,958)	-	-
Distribution of Prior Year Investment Gain	-	-	-	183,059
Refunds to Grantors	-	-	-	-
Change in Fixed Asset Threshold	-	-	-	-
Total Transfers and Other Additions (Deductions)	1,576,481	(8,958)	-	183,059
Net Increase (Decrease) in Fund Balance	(216,981)	43,820	103,793	321,936
Fund Balance at Beginning of Year	1,578,836	(103,551)	1,433,759	472,935
Change in Investment Valuation	-	-	-	245,800
Fund Balance at End of Year	\$1,361,855	(59,731)	1,537,552	1,040,671

See Accompanying Notes to the Financial Statements

PLANT FUNDS

Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant	June 30, 1998	June 30, 1997
-	-	-	-	6,780,730	6,505,204
36,900	-	-	-	4,248,697	3,998,017
-	-	133,810	-	133,810	95,887
500,000	-	-	-	9,388,984	9,673,068
-	-	-	-	-	-
-	-	-	-	53,075	-
-	-	-	4,501,255	4,501,255	614,021
1,744	68,294	14,635	-	756,515	1,374,153
-	-	-	-	4,566,092	4,213,915
-	5,660	-	-	178,793	166,057
538,644	73,954	148,445	4,501,255	30,607,951	26,640,322
2,208,168	134,681	-	-	24,873,550	26,034,330
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(98,348)	(98,348)	139,573
-	-	-	-	-	36,871
-	-	-	-	16,112	28,877
-	-	-	-	4,296,854	4,034,196
2,208,168	134,681	-	(98,348)	29,088,168	30,273,847
-	-	498,972	-	-	-
1,846,866	7,466	(667,620)	-	3,253,207	3,652,479
-	-	-	-	183,059	-
-	-	-	-	-	-
-	-	-	-	-	-
1,846,866	7,466	(168,648)	-	3,436,266	3,652,479
177,342	(53,261)	(20,203)	4,599,603	4,956,049	18,954
194,612	731,573	178,716	29,346,056	33,832,936	33,813,982
-	-	-	-	245,800	-
371,954	678,312	158,513	33,945,659	39,034,785	33,832,936

Eastern Oregon University

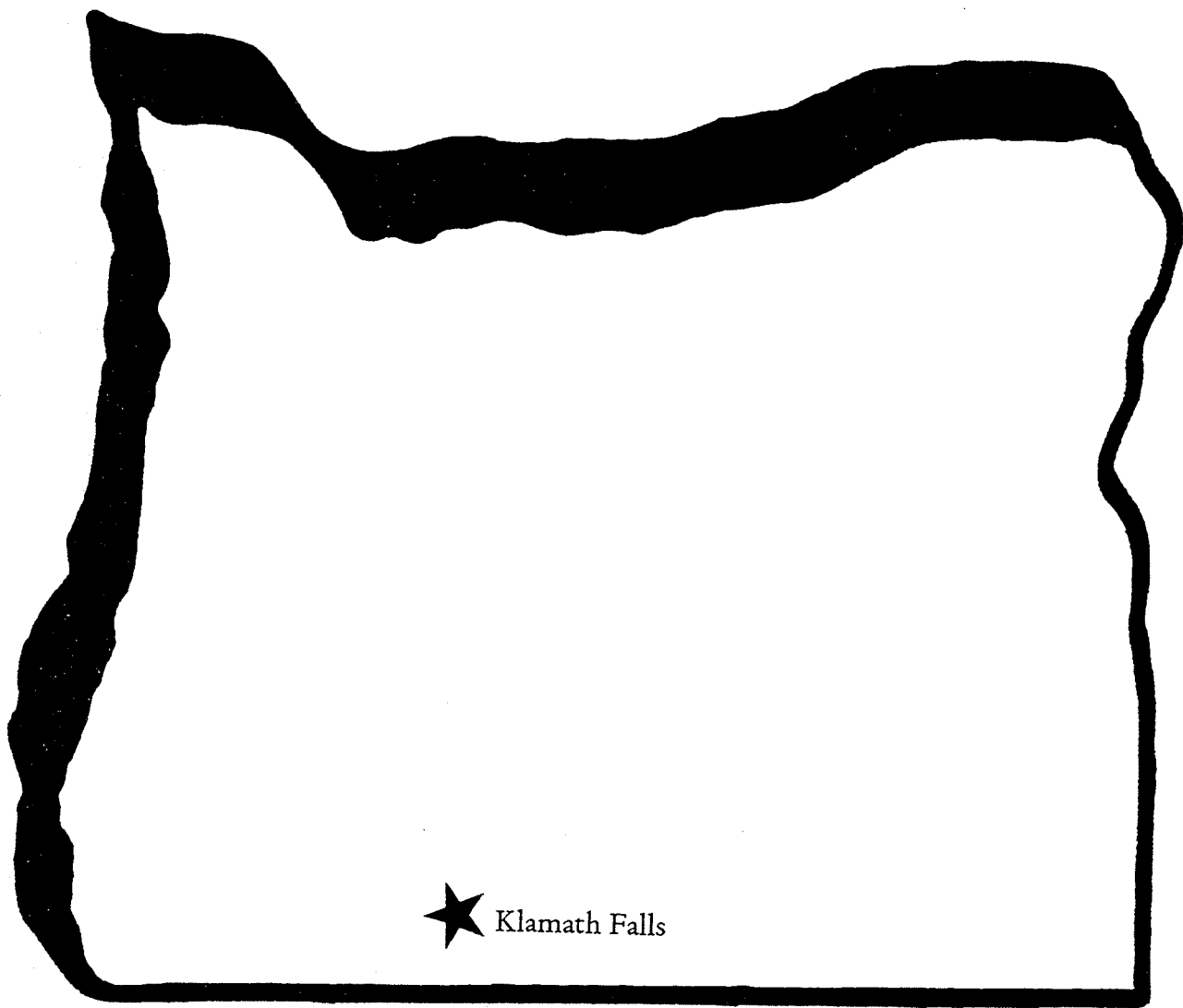
STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES, AND OTHER CHANGES

Year Ended June 30, 1998

	CURRENT FUNDS		June 30, 1998	June 30, 1997
	Unrestricted	Restricted		
REVENUES				
Student Tuition and Fees	\$6,357,142	-	6,357,142	6,113,182
Government Appropriations	8,888,984	-	8,888,984	9,525,380
Gifts, Grants and Contracts	56,421	4,102,598	4,159,019	4,132,241
Sales and Services of Educational Departments	287,182	-	287,182	248,865
Auxiliary Enterprises	4,566,092	-	4,566,092	4,213,915
Other Revenue	136,406	466,135	602,541	611,980
Indirect Cost Recovery	173,133	-	173,133	166,057
Total Current Revenues	20,465,360	4,568,733	25,034,093	25,011,620
EXPENDITURES				
Instruction	8,288,504	466,941	8,755,445	7,480,786
Public Service	526,085	1,351,057	1,877,142	1,699,516
Research	77	56,005	56,082	77,918
Academic Support	2,581,082	154,469	2,735,551	2,665,099
Student Services	1,518,259	66,607	1,584,866	1,567,383
Operation and Maintenance of Physical Plant	2,065,939	4,050	2,069,989	2,033,394
Capital Improvements	-	-	-	20,000
Institutional Support	2,736,968	59,231	2,796,199	2,535,678
Student Aid	553,618	2,358,213	2,911,831	2,677,757
Service Departments	(250,433)	-	(250,433)	(114,825)
Auxiliary Program Expenditures	4,156,263	51,930	4,208,193	4,061,295
Other Expenditures	82,460	230	82,690	39,993
Total Current Expenditures	22,258,822	4,568,733	26,827,555	24,743,994
TRANSFERS				
Mandatory Transfers - Debt Service	(498,972)	-	(498,972)	(377,672)
Nonmandatory Transfers	2,075,453	(8,958)	2,066,495	97,563
Total Transfers	1,576,481	(8,958)	1,567,523	(280,109)
Excess of Revenues Over (Under) Expenditures and Transfers Before Other Additions (Deductions)	(216,981)	(8,958)	(225,939)	(12,483)
OTHER ADDITIONS (DEDUCTIONS)				
Refunds to Grantors	-	-	-	-
Excess of Restricted Receipts over Revenues Applied	-	52,778	52,778	(134,224)
Net Change in Fund Balance	(216,981)	43,820	(173,161)	(146,707)
Fund Balance at Beginning of Year	1,578,836	(103,551)	1,475,285	1,621,992
Change in Investment Valuation	-	-	-	-
Fund Balance at End of Year	\$1,361,855	(59,731)	1,302,124	1,475,285

See Accompanying Notes to the Financial Statements

Oregon Institute of Technology



★ Klamath Falls



Oregon Institute of Technology

BALANCE SHEET

June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
ASSETS				
Cash	\$4,022,828	117,949	565,290	14,818
Securities Lending Cash Collateral	-	-	-	-
Investments	-	-	-	213,062
Accounts Receivable (Net of \$94,334 Allowance)	564,854	760,135	-	-
Notes Receivable (Net of \$99,870 Allowance)	-	-	2,996,233	-
Inventories	353,704	-	-	-
Prepaid Expenses and Deferred Charges	51,290	1,677	407	-
Due from Other OUS Entities	-	-	-	-
Due from Other Funds	375,140	-	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Improvements Other than Buildings	-	-	-	-
Museum Collections	-	-	-	-
Total Assets	5,367,816	879,761	3,561,930	227,880
LIABILITIES AND FUND BALANCES				
Certificates of Participation Payable	-	-	-	-
Accounts Payable and Accrued Expenses	997,013	20,435	1,131	-
Obligations Under Securities Lending	-	-	-	-
Salaries and Wages Payable	635,817	-	-	-
Notes Payable	-	-	-	-
Bond Proceeds Due OHSU	-	-	-	-
Bonds Payable	-	-	-	-
Liability for Compensated Absences	171,802	-	-	-
Deposits	24,450	-	-	-
Deferred Revenue	370,189	59,610	-	-
Due to Other OUS Entities	406,524	-	-	-
Due to Other Funds	-	375,140	-	-
Fund Balances:				
Unrestricted - General	2,436,341	-	-	-
Unrestricted - Designated	325,680	-	-	-
Institutional Loan Funds - Restricted	-	-	687,833	-
Governmental Loan Funds - Restricted	-	-	2,872,966	-
Endowment	-	-	-	-
Quasi-Endowment - Unrestricted	-	-	-	-
Quasi-Endowment - Restricted	-	-	-	227,880
Endowment - Net Realized Gains	-	-	-	-
Net Investment In Plant	-	-	-	-
Fund Balance	-	424,576	-	-
Total Liabilities and Fund Balances	\$5,367,816	879,761	3,561,930	227,880

See Accompanying Notes to the Financial Statements

PLANT FUNDS				Agency Funds	June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant			
4,302,624	829,368	7,290	-	63,172	9,923,339	3,772,533
-	-	-	-	-	-	-
-	-	-	-	-	213,062	-
102,839	-	5,397	-	7,524	1,440,749	1,346,332
-	-	-	-	-	2,996,233	2,851,123
-	-	-	-	-	353,704	344,853
-	-	-	-	-	53,374	69,288
-	-	69,477	-	-	69,477	404,936
-	-	-	-	-	375,140	482,654
-	-	-	460,318	-	460,318	460,318
-	-	-	26,903,009	-	26,903,009	26,519,886
-	-	-	10,839,597	-	10,839,597	10,403,194
-	-	-	6,521,566	-	6,521,566	6,424,402
-	-	-	-	-	-	-
4,405,463	829,368	82,164	44,724,490	70,696	60,149,568	53,079,519
-	-	-	-	-	-	-
54,726	-	-	-	-	1,073,305	1,141,973
-	-	-	-	-	-	-
-	-	-	-	-	635,817	619,589
-	-	-	411,312	-	411,312	357,351
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	171,802	-
-	-	-	-	64,487	88,937	121,032
-	-	12,687	-	6,209	448,695	403,341
55,000	-	-	-	-	461,524	70,000
-	-	-	-	-	375,140	482,654
-	-	-	-	-	-	-
-	-	-	-	-	2,436,341	832,879
-	-	-	-	-	325,680	310,488
-	-	-	-	-	687,833	637,521
-	-	-	-	-	2,872,966	2,728,171
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	227,880	109,805
-	-	-	-	-	-	-
-	-	-	44,313,178	-	44,313,178	43,450,449
4,295,737	829,368	69,477	-	-	5,619,158	1,814,266
4,405,463	829,368	82,164	44,724,490	70,696	60,149,568	53,079,519

Oregon Institute of Technology

STATEMENT OF CHANGES IN FUND BALANCES

Year Ended June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
REVENUES AND OTHER ADDITIONS				
Revenues	\$7,128,079	-	-	-
Gifts, Grants & Contracts	37,706	4,365,699	-	-
Student Building Fees & Other Resources	-	-	-	-
State Appropriations	14,256,838	-	-	-
Sale of Building Bonds & C.O.P.'S	-	-	-	-
Contribution to Loan Principal	-	-	70,698	-
Property, Plant, and Equipment	-	-	-	-
Interest, Investments & Other Additions	624,769	77,706	124,945	30,410
Auxiliary Enterprises	4,890,643	-	-	-
Indirect Cost Recovery	152,656	-	-	-
Total Revenues and Other Additions	27,090,691	4,443,405	195,643	30,410
EXPENDITURES AND OTHER DEDUCTIONS				
Expenditures	21,016,995	4,336,745	-	-
Retirement of Bonds	-	-	-	-
Retirement of C.O.P.'s	-	-	-	-
Bond & C.O.P. Interest	-	-	-	-
Change in Bonds and Notes Payable	-	-	-	-
Administrative Fees	-	-	9,497	-
Notes Issued, Charged Off and Cancelled	-	-	14,605	-
Auxiliary Enterprise Funds	4,472,951	-	-	-
Total Expenditures and Other Deductions	25,489,946	4,336,745	24,102	-
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)				
Mandatory Transfers - Debt Service	(361,142)	-	-	-
Nonmandatory Transfers	379,051	44,000	23,566	-
Distribution of Prior Year Investment Gain	-	-	-	33,841
Refunds to Grantors	-	-	-	-
Change in Fixed Asset Threshold	-	-	-	-
Total Transfers and Other Additions (Deductions)	17,909	44,000	23,566	33,841
Net Increase (Decrease) in Fund Balance	1,618,654	150,660	195,107	64,251
Fund Balance at Beginning of Year	1,143,367	273,916	3,365,692	109,805
Change in Investment Valuation	-	-	-	53,824
Fund Balance at End of Year	\$2,762,021	424,576	3,560,799	227,880

See Accompanying Notes to the Financial Statements

PLANT FUNDS				June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant		
-	-	-	-	7,128,079	6,387,006
-	-	-	-	4,403,405	3,757,658
-	-	170,425	-	170,425	100,469
1,155,000	-	-	-	15,411,838	13,447,385
-	-	-	-	-	-
-	-	-	-	70,698	41,134
-	-	-	916,690	916,690	1,221,409
-	71,347	19,923	-	949,100	452,155
-	-	-	-	4,890,643	4,558,320
-	7,512	-	-	160,168	108,888
1,155,000	78,859	190,348	916,690	34,101,046	30,074,424
888,704	195,232	-	-	26,437,676	25,933,903
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	53,961	53,961	172,803
-	-	-	-	9,497	8,773
-	-	-	-	14,605	45,973
-	-	-	-	4,472,951	4,171,109
888,704	195,232	-	53,961	30,988,690	30,332,561
-	-	361,142	-	-	-
3,609,316	47,868	(704,365)	-	3,399,436	266,401
-	-	-	-	33,841	-
-	-	-	-	-	-
-	-	-	-	-	-
3,609,316	47,868	(343,223)	-	3,433,277	266,401
3,875,612	(68,505)	(152,875)	862,729	6,545,633	8,264
420,125	897,873	222,352	43,450,449	49,883,579	49,875,315
-	-	-	-	53,824	-
4,295,737	829,368	69,477	44,313,178	56,483,036	49,883,579

Oregon Institute of Technology

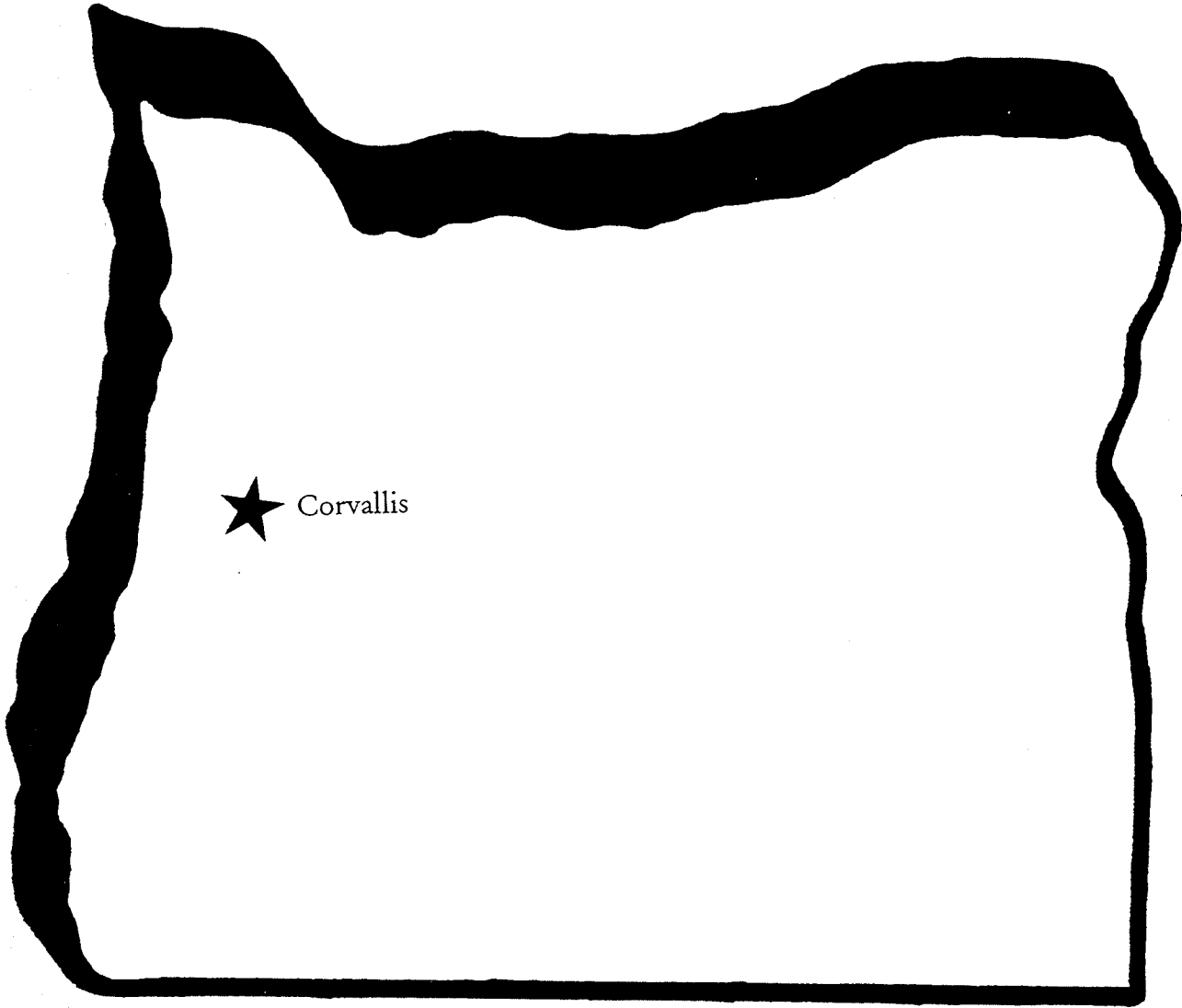
STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES, AND OTHER CHANGES

Year Ended June 30, 1998

	CURRENT FUNDS		June 30, 1998	June 30, 1997
	Unrestricted	Restricted		
REVENUES				
Student Tuition and Fees	\$6,757,430	-	6,757,430	5,948,164
Government Appropriations	14,256,838	-	14,256,838	13,427,385
Gifts, Grants and Contracts	37,706	4,259,039	4,296,745	3,710,785
Sales and Services of Educational Departments	229,811	-	229,811	323,787
Auxiliary Enterprises	4,890,643	-	4,890,643	4,558,320
Other Revenue	765,607	77,706	843,313	268,935
Indirect Cost Recovery	152,656	-	152,656	108,888
Total Current Revenues	27,090,691	4,336,745	31,427,436	28,346,264
EXPENDITURES				
Instruction	9,462,941	503,246	9,966,187	10,316,611
Public Service	39,958	124,391	164,349	126,762
Research	82,430	268,218	350,648	310,217
Academic Support	1,870,182	252,324	2,122,506	2,349,707
Student Services	1,681,740	3,183	1,684,923	1,712,477
Operation and Maintenance of Physical Plant	1,868,188	-	1,868,188	2,102,410
Capital Improvements	-	-	-	-
Institutional Support	3,770,200	-	3,770,200	3,784,380
Student Aid	1,442,010	3,146,433	4,588,443	3,897,438
Service Departments	129,495	-	129,495	88,700
Auxiliary Program Expenditures	4,472,951	38,950	4,511,901	4,201,755
Other Expenditures	669,851	-	669,851	52,272
Total Current Expenditures	25,489,946	4,336,745	29,826,691	28,942,729
TRANSFERS				
Mandatory Transfers - Debt Service	(361,142)	-	(361,142)	(419,420)
Nonmandatory Transfers	379,051	44,000	423,051	227,019
Total Transfers	17,909	44,000	61,909	(192,401)
Excess of Revenues Over (Under) Expenditures and Transfers Before Other Additions (Deductions)	1,618,654	44,000	1,662,654	(788,866)
OTHER ADDITIONS (DEDUCTIONS)				
Refunds to Grantors	-	-	-	-
Excess of Restricted Receipts over Revenues Applied	-	106,660	106,660	41,656
Net Change in Fund Balance	1,618,654	150,660	1,769,314	(747,210)
Fund Balance at Beginning of Year	1,143,367	273,916	1,417,283	2,164,493
Change in Investment Valuation	-	-	-	-
Fund Balance at End of Year	\$2,762,021	424,576	3,186,597	1,417,283

See Accompanying Notes to the Financial Statements

Oregon State University





Oregon State University

BALANCE SHEET

June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
ASSETS				
Cash	\$2,263,536	17,113,594	2,043,186	1,904,512
Securities Lending Cash Collateral	-	-	-	-
Investments	-	-	40,500	30,937,904
Accounts Receivable (Net of \$1,776,507 Allowance)	13,267,825	15,018,654	-	-
Notes Receivable (Net of \$955,326 Allowance)	-	-	27,760,054	-
Inventories	1,145,972	-	-	-
Prepaid Expenses and Deferred Charges	1,506,797	190	-	-
Due from Other OUS Entities	302,941	-	-	-
Due from Other Funds	12,554,695	57,588	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Improvements Other than Buildings	-	-	-	-
Museum Collections	-	-	-	-
Total Assets	31,041,766	32,190,026	29,843,740	32,842,416
LIABILITIES AND FUND BALANCES				
Certificates of Participation Payable	-	-	-	-
Accounts Payable and Accrued Expenses	7,858,114	1,925,906	-	-
Obligations Under Securities Lending	-	-	-	-
Salaries and Wages Payable	1,584,687	-	-	-
Notes Payable	-	-	-	-
Bond Proceeds Due OHSU	-	-	-	-
Bonds Payable	-	-	-	-
Liability for Compensated Absences	1,576,184	-	-	-
Deposits	252,185	-	-	-
Deferred Revenue	6,554,037	164,775	87	-
Due to Other OUS Entities	-	-	-	-
Due to Other Funds	112,244	12,429,151	-	-
Fund Balances:				
Unrestricted - General	15,011,961	-	-	-
Unrestricted - Designated	(1,907,646)	-	-	-
Institutional Loan Funds - Restricted	-	-	3,401,464	-
Governmental Loan Funds - Restricted	-	-	26,442,189	-
Endowment	-	-	-	5,434,082
Quasi-Endowment - Unrestricted	-	-	-	4,143,484
Quasi-Endowment - Restricted	-	-	-	23,264,850
Endowment - Net Realized Gains	-	-	-	-
Net Investment In Plant	-	-	-	-
Fund Balance	-	17,670,194	-	-
Total Liabilities and Fund Balances	\$31,041,766	32,190,026	29,843,740	32,842,416

See Accompanying Notes to the Financial Statements

PLANT FUNDS				Agency Funds	June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant			
17,800,198	10,841,511	(21,086)	-	482,933	52,428,384	49,379,275
-	-	-	-	-	-	-
-	-	-	-	-	30,978,404	5,105,812
1,928,005	21,716	93,856	-	70,838	30,400,894	30,467,151
-	-	-	-	-	27,760,054	26,683,180
-	-	-	-	-	1,145,972	1,257,617
-	-	397	-	-	1,507,384	1,201,760
-	-	1,414,767	-	-	1,717,708	16,380,479
-	-	-	-	-	12,612,283	11,998,560
-	-	-	9,999,965	-	9,999,965	13,864,029
-	-	-	301,058,066	-	301,058,066	260,990,264
-	-	-	161,197,008	-	161,197,008	165,958,771
-	-	-	16,453,944	-	16,453,944	16,112,092
-	-	-	14,994,627	-	14,994,627	14,221,815
19,728,203	10,863,227	1,487,934	503,703,610	553,771	662,254,693	613,620,805
-	-	-	-	-	-	-
2,971,150	97,716	-	37,630	7,291	12,897,807	16,923,621
-	-	-	-	-	-	-
-	-	-	-	-	1,584,687	1,521,712
-	-	-	2,078,072	-	2,078,072	905,597
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,576,184	-
-	-	-	-	475,592	727,777	1,172,088
414	-	73,215	-	-	6,792,528	7,551,002
6,778	-	-	-	-	6,778	6,778
-	-	-	-	70,888	12,612,283	11,998,560
-	-	-	-	-	-	-
-	-	-	-	-	15,011,961	10,046,287
-	-	-	-	-	(1,907,646)	(6,784,176)
-	-	-	-	-	3,401,464	3,217,411
-	-	-	-	-	26,442,189	25,985,516
-	-	-	-	-	5,434,082	5,874,141
-	-	-	-	-	4,143,484	2,346,010
-	-	-	-	-	23,264,850	9,290,987
-	-	-	-	-	-	-
-	-	-	501,587,908	-	501,587,908	470,241,374
16,749,861	10,765,511	1,414,719	-	-	46,600,285	53,323,897
19,728,203	10,863,227	1,487,934	503,703,610	553,771	662,254,693	613,620,805

Oregon State University

STATEMENT OF CHANGES IN FUND BALANCES

Year Ended June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
REVENUES AND OTHER ADDITIONS				
Revenues	\$97,073,343	-	-	-
Gifts, Grants & Contracts	251,474	152,032,633	-	771,873
Student Building Fees & Other Resources	-	-	-	-
State Appropriations	105,946,955	-	-	-
Sale of Building Bonds & C.O.P.'S	-	-	-	-
Contribution to Loan Principal	-	-	109,175	-
Property, Plant, and Equipment	-	-	-	-
Interest, Investments & Other Additions	2,256,121	4,357,936	807,012	2,398,949
Auxiliary Enterprises	37,892,152	-	-	-
Indirect Cost Recovery	15,571,764	-	-	-
Total Revenues and Other Additions	258,991,809	156,390,569	916,187	3,170,822
EXPENDITURES AND OTHER DEDUCTIONS				
Expenditures	211,831,282	145,801,013	19,114	-
Retirement of Bonds	-	-	-	-
Retirement of C.O.P.'s	-	-	-	-
Bond & C.O.P. Interest	-	-	-	-
Change in Bonds and Notes Payable	-	-	-	-
Administrative Fees	-	-	57,777	-
Notes Issued, Charged Off and Cancelled	-	-	209,394	-
Auxiliary Enterprise Funds	36,741,747	-	-	-
Total Expenditures and Other Deductions	248,573,029	145,801,013	286,285	-
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)				
Mandatory Transfers - Debt Service	(3,524,255)	-	-	-
Nonmandatory Transfers	2,947,679	(11,207,672)	10,824	-
Distribution of Prior Year Investment Gain	-	-	-	5,441,336
Refunds to Grantors	-	(291,221)	-	-
Change in Fixed Asset Threshold	-	-	-	-
Total Transfers and Other Additions (Deductions)	(576,576)	(11,498,893)	10,824	5,441,336
Net Increase (Decrease) in Fund Balance	9,842,204	(909,337)	640,726	8,612,158
Fund Balance at Beginning of Year	3,262,111	18,579,531	29,202,927	17,511,138
Change in Investment Valuation	-	-	-	6,719,120
Fund Balance at End of Year	\$13,104,315	17,670,194	29,843,653	32,842,416

See Accompanying Notes to the Financial Statements

PLANT FUNDS				June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant		
-	-	-	-	97,073,343	92,725,191
3,902,413	-	297,764	-	157,256,157	156,044,878
-	-	1,040,662	-	1,040,662	749,753
4,000,000	-	-	-	109,946,955	93,185,064
-	-	-	-	-	-
-	-	-	-	109,175	116,401
-	-	-	32,556,639	32,556,639	56,814,202
752,598	1,835,941	262,392	-	12,670,949	22,689,429
-	-	-	-	37,892,152	35,087,105
-	1,338,364	-	-	16,910,128	15,866,577
8,655,011	3,174,305	1,600,818	32,556,639	465,456,160	473,278,600
43,223,451	2,660,341	21,006	-	403,556,207	417,409,644
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,210,105	1,210,105	43,174
-	-	-	-	57,777	(20,812)
-	-	-	-	209,394	247,683
-	-	-	-	36,741,747	34,401,873
43,223,451	2,660,341	21,006	1,210,105	441,775,230	452,081,562
-	-	3,524,255	-	-	-
26,905,526	2,488,904	(6,258,296)	-	14,886,965	13,923,148
-	-	-	-	5,441,336	-
-	-	-	-	(291,221)	(109,689)
-	-	-	-	-	-
26,905,526	2,488,904	(2,734,041)	-	20,037,080	13,813,459
(7,662,914)	3,002,868	(1,154,229)	31,346,534	43,718,010	35,010,497
24,412,775	7,762,643	2,568,948	470,241,374	573,541,447	538,530,950
-	-	-	-	6,719,120	-
16,749,861	10,765,511	1,414,719	501,587,908	623,978,577	573,541,447

Oregon State University

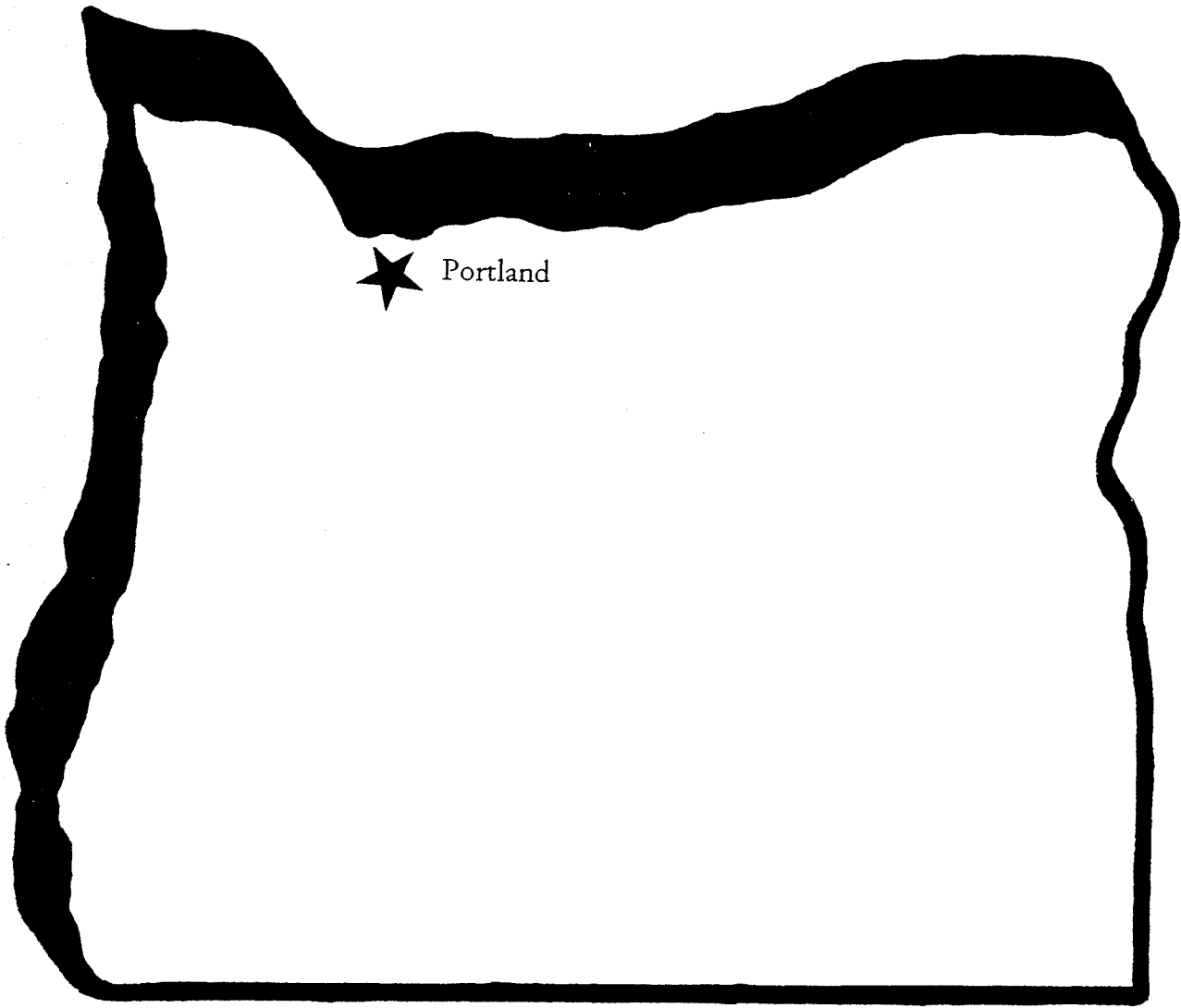
STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES, AND OTHER CHANGES

Year Ended June 30, 1998

	CURRENT FUNDS		June 30, 1998	June 30, 1997
	Unrestricted	Restricted		
REVENUES				
Student Tuition and Fees	\$67,420,359	-	67,420,359	65,189,419
Government Appropriations	116,378,215	-	116,378,215	103,307,565
Gifts, Grants and Contracts	251,474	141,443,077	141,694,551	100,502,442
Sales and Services of Educational Departments	15,295,388	-	15,295,388	13,671,532
Auxiliary Enterprises	37,892,152	-	37,892,152	35,087,105
Other Revenue	6,182,457	4,357,936	10,540,393	54,449,233
Indirect Cost Recovery	15,571,764	-	15,571,764	15,866,577
Total Current Revenues	258,991,809	145,801,013	404,792,822	388,073,873
EXPENDITURES				
Instruction	79,050,184	6,923,727	85,973,911	88,366,225
Public Service	29,232,890	12,657,261	41,890,151	42,002,283
Research	32,353,240	72,718,590	105,071,830	104,119,931
Academic Support	22,907,855	1,354,990	24,262,845	23,514,551
Student Services	9,809,510	121,585	9,931,095	10,202,599
Operation and Maintenance of Physical Plant	13,927,475	-	13,927,475	15,536,840
Capital Improvements	50,524	-	50,524	753,871
Institutional Support	15,047,574	1,094,779	16,142,353	23,681,202
Student Aid	5,479,390	47,694,240	53,173,630	47,029,529
Service Departments	277,180	-	277,180	2,610,831
Auxiliary Program Expenditures	40,189,489	2,668,718	42,858,207	39,874,577
Other Expenditures	247,718	567,123	814,841	855,613
Total Current Expenditures	248,573,029	145,801,013	394,374,042	398,548,052
TRANSFERS				
Mandatory Transfers - Debt Service	(3,524,255)	-	(3,524,255)	(2,831,515)
Nonmandatory Transfers	2,947,679	(11,207,672)	(8,259,993)	(4,859,194)
Total Transfers	(576,576)	(11,207,672)	(11,784,248)	(7,690,709)
Excess of Revenues Over (Under) Expenditures and Transfers Before Other Additions (Deductions)	9,842,204	(11,207,672)	(1,365,468)	(18,164,888)
OTHER ADDITIONS (DEDUCTIONS)				
Refunds to Grantors	-	(291,221)	(291,221)	(109,689)
Excess of Restricted Receipts over Revenues Applied	-	10,589,556	10,589,556	7,671,697
Net Change in Fund Balance	9,842,204	(909,337)	8,932,867	(10,602,880)
Fund Balance at Beginning of Year	3,262,111	18,579,531	21,841,642	32,444,522
Change in Investment Valuation	-	-	-	-
Fund Balance at End of Year	\$13,104,315	17,670,194	30,774,509	21,841,642

See Accompanying Notes to the Financial Statements

Portland State University



PORTLAND STATE UNIVERSITY

Portland State University

BALANCE SHEET

June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
ASSETS				
Cash	(\$123,609)	2,395,157	412,605	69,189
Securities Lending Cash Collateral	-	-	-	-
Investments	-	-	-	994,814
Accounts Receivable (Net of \$1,691,754 Allowance)	8,733,554	9,308,597	-	-
Notes Receivable (Net of \$644,836 Allowance)	-	-	9,049,359	-
Inventories	601,640	-	-	-
Prepaid Expenses and Deferred Charges	867,278	175	-	-
Due from Other OUS Entities	-	-	-	-
Due from Other Funds	7,650,257	-	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Improvements Other than Buildings	-	-	-	-
Museum Collections	-	-	-	-
Total Assets	17,729,120	11,703,929	9,461,964	1,064,003
LIABILITIES AND FUND BALANCES				
Certificates of Participation Payable	-	-	-	-
Accounts Payable and Accrued Expenses	5,248,609	326,825	-	-
Obligations Under Securities Lending	-	-	-	-
Salaries and Wages Payable	1,780,217	3,425	-	-
Notes Payable	-	-	-	-
Bond Proceeds Due OHSU	-	-	-	-
Bonds Payable	-	-	-	-
Liability for Compensated Absences	542,231	-	-	-
Deposits	120,598	-	-	-
Deferred Revenue	6,141,232	924,714	6,103	-
Due to Other OUS Entities	1,525,000	-	-	-
Due to Other Funds	-	7,650,257	-	-
Fund Balances:				
Unrestricted - General	4,608,704	-	-	-
Unrestricted - Designated	(2,237,471)	-	-	-
Institutional Loan Funds - Restricted	-	-	474,443	-
Governmental Loan Funds - Restricted	-	-	8,981,418	-
Endowment	-	-	-	483,521
Quasi-Endowment - Unrestricted	-	-	-	-
Quasi-Endowment - Restricted	-	-	-	580,482
Endowment - Net Realized Gains	-	-	-	-
Net Investment In Plant	-	-	-	-
Fund Balance	-	2,798,708	-	-
Total Liabilities and Fund Balances	\$17,729,120	11,703,929	9,461,964	1,064,003

See Accompanying Notes to the Financial Statements

PLANT FUNDS				Agency Funds	June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant			
1,604,413	2,711,942	138,636	-	120,672	7,329,005	5,993,075
-	-	-	-	-	-	-
-	-	-	-	-	994,814	-
1,900,797	-	121	-	77,316	20,020,385	15,552,979
-	-	-	-	-	9,049,359	8,909,360
-	-	-	-	-	601,640	1,263,722
-	-	-	-	-	867,453	1,137,773
-	-	358,485	-	-	358,485	1,372,093
-	-	-	-	-	7,650,257	4,595,468
-	-	-	12,620,145	-	12,620,145	12,620,145
-	-	-	111,467,716	-	111,467,716	109,992,492
-	-	-	66,468,294	-	66,468,294	62,245,277
-	-	-	5,199,293	-	5,199,293	5,000,400
-	-	-	-	-	-	-
3,505,210	2,711,942	497,242	195,755,448	197,988	242,626,846	228,682,784
-	-	-	-	-	-	-
581,203	46,952	-	-	15,757	6,219,346	5,208,454
-	-	-	-	-	-	-
-	-	-	-	-	1,783,642	1,612,610
-	-	-	378,899	-	378,899	397,675
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	542,231	-
-	-	-	-	182,231	302,829	290,731
-	-	138,757	-	-	7,210,806	6,873,285
80,000	-	-	-	-	1,605,000	80,000
-	-	-	-	-	7,650,257	4,595,468
-	-	-	-	-	-	-
-	-	-	-	-	4,608,704	5,067,099
-	-	-	-	-	(2,237,471)	(1,132,632)
-	-	-	-	-	474,443	450,371
-	-	-	-	-	8,981,418	8,745,638
-	-	-	-	-	483,521	273,299
-	-	-	-	-	-	-
-	-	-	-	-	580,482	226,611
-	-	-	-	-	-	-
-	-	-	195,376,549	-	195,376,549	189,460,639
2,844,007	2,664,990	358,485	-	-	8,666,190	6,533,536
3,505,210	2,711,942	497,242	195,755,448	197,988	242,626,846	228,682,784

Portland State University

STATEMENT OF CHANGES IN FUND BALANCES

Year Ended June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
REVENUES AND OTHER ADDITIONS				
Revenues	\$60,264,494	-	-	-
Gifts, Grants & Contracts	67,964	68,844,548	-	12,305
Student Building Fees & Other Resources	-	-	-	-
State Appropriations	46,198,798	-	-	-
Sale of Building Bonds & C.O.P.'S	-	-	-	-
Contribution to Loan Principal	-	-	175,030	-
Property, Plant, and Equipment	-	-	-	-
Interest, Investments & Other Additions	1,000	365,828	243,640	144,284
Auxiliary Enterprises	16,248,959	-	-	-
Indirect Cost Recovery	2,088,770	-	-	-
Total Revenues and Other Additions	124,869,985	69,210,376	418,670	156,589
EXPENDITURES AND OTHER DEDUCTIONS				
Expenditures	109,513,902	69,181,010	21,435	-
Retirement of Bonds	-	-	-	-
Retirement of C.O.P.'s	-	-	-	-
Bond & C.O.P. Interest	-	-	-	-
Change in Bonds and Notes Payable	-	-	-	-
Administrative Fees	-	-	66,587	-
Notes Issued, Charged Off and Cancelled	-	-	114,841	-
Auxiliary Enterprise Funds	12,798,944	-	-	-
Total Expenditures and Other Deductions	122,312,846	69,181,010	202,863	-
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)				
Mandatory Transfers - Debt Service	(2,513,658)	-	-	-
Nonmandatory Transfers	(1,606,715)	469,354	44,045	(12,362)
Distribution of Prior Year Investment Gain	-	-	-	169,161
Refunds to Grantors	-	(44,928)	-	-
Change in Fixed Asset Threshold	-	-	-	-
Total Transfers and Other Additions (Deductions)	(4,120,373)	424,426	44,045	156,799
Net Increase (Decrease) in Fund Balance	(1,563,234)	453,792	259,852	313,388
Fund Balance at Beginning of Year	3,934,467	2,344,916	9,196,009	499,910
Change in Investment Valuation	-	-	-	250,705
Fund Balance at End of Year	\$2,371,233	2,798,708	9,455,861	1,064,003

See Accompanying Notes to the Financial Statements

PLANT FUNDS

Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant	June 30, 1998	June 30, 1997
-	-	-	-	60,264,494	58,254,244
2,013,754	-	-	-	70,938,571	62,008,390
-	-	996,011	-	996,011	726,964
2,000,000	-	-	-	48,198,798	40,289,299
-	-	-	-	-	-
-	-	-	-	175,030	115,251
-	-	-	5,897,135	5,897,135	6,016,731
-	167,963	215,791	-	1,138,506	2,996,787
-	-	-	-	16,248,959	14,707,052
-	59,982	-	-	2,148,752	1,973,871
4,013,754	227,945	1,211,802	5,897,135	206,006,256	187,088,589
7,536,209	762,693	43,325	-	187,058,574	170,549,977
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(18,775)	(18,775)	(175,656)
-	-	-	-	66,587	65,803
-	-	-	-	114,841	109,671
-	-	-	-	12,798,944	12,484,632
7,536,209	762,693	43,325	(18,775)	200,020,171	183,034,427
-	-	2,513,658	-	-	(259,977)
5,872,868	362,441	(4,181,379)	-	948,252	105,608
-	-	-	-	169,161	-
-	-	-	-	(44,928)	(20,254)
-	-	-	-	-	-
5,872,868	362,441	(1,667,721)	-	1,072,485	(174,623)
2,350,413	(172,307)	(499,244)	5,915,910	7,058,570	3,879,539
493,594	2,837,297	857,729	189,460,639	209,624,561	205,745,022
-	-	-	-	250,705	-
2,844,007	2,664,990	358,485	195,376,549	216,933,836	209,624,561

Portland State University

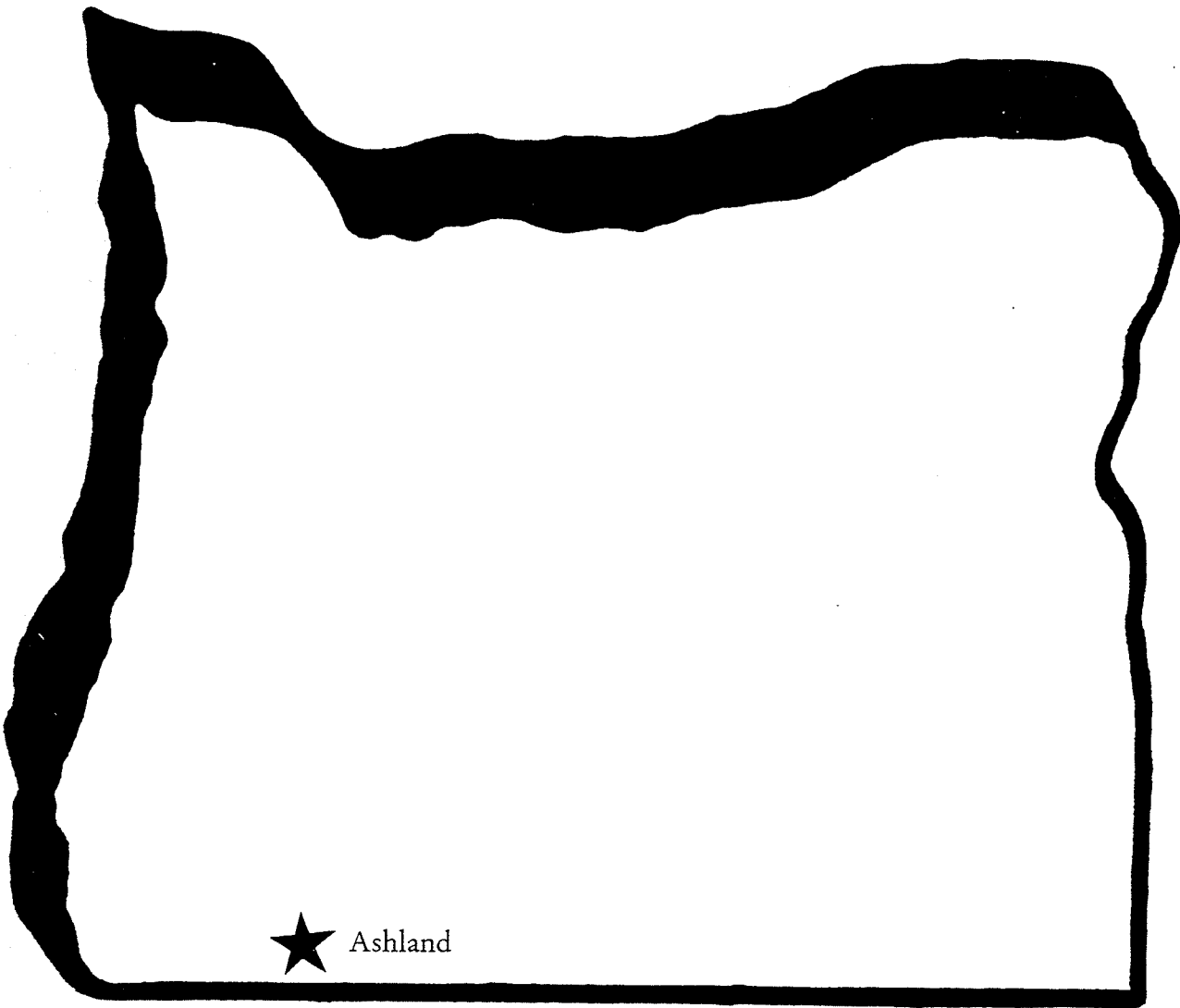
STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES, AND OTHER CHANGES

Year Ended June 30, 1998

	CURRENT FUNDS		June 30, 1998	June 30, 1997
	Unrestricted	Restricted		
REVENUES				
Student Tuition and Fees	\$54,425,117	-	54,425,117	52,960,568
Government Appropriations	46,198,798	-	46,198,798	40,264,299
Gifts, Grants and Contracts	67,964	68,815,182	68,883,146	61,810,998
Sales and Services of Educational Departments	5,102,501	-	5,102,501	4,599,641
Auxiliary Enterprises	16,248,959	-	16,248,959	14,707,052
Other Revenue	737,876	365,828	1,103,704	2,171,748
Indirect Cost Recovery	2,088,770	-	2,088,770	1,973,871
Total Current Revenues	124,869,985	69,181,010	194,050,995	178,488,177
EXPENDITURES				
Instruction	58,956,013	3,764,729	62,720,742	59,023,491
Public Service	2,365,129	3,487,667	5,852,796	5,563,651
Research	1,583,705	7,440,058	9,023,763	7,993,727
Academic Support	17,676,416	2,296,943	19,973,359	18,205,137
Student Services	4,909,922	80,702	4,990,624	4,778,604
Operation and Maintenance of Physical Plant	7,659,545	6,366	7,665,911	7,326,193
Capital Improvements	-	-	-	-
Institutional Support	10,096,770	350,240	10,447,010	10,400,201
Student Aid	3,259,530	51,577,103	54,836,633	48,394,708
Service Departments	268,823	-	268,823	422,906
Auxiliary Program Expenditures	14,671,242	174,501	14,845,743	14,193,425
Other Expenditures	865,751	2,701	868,452	(597,984)
Total Current Expenditures	122,312,846	69,181,010	191,493,856	175,704,059
TRANSFERS				
Mandatory Transfers - Debt Service	(2,513,658)	-	(2,513,658)	(3,241,727)
Nonmandatory Transfers	(1,606,715)	469,354	(1,137,361)	(1,452,810)
Total Transfers	(4,120,373)	469,354	(3,651,019)	(4,694,537)
Excess of Revenues Over (Under) Expenditures and Transfers Before Other Additions (Deductions)	(1,563,234)	469,354	(1,093,880)	(1,910,419)
OTHER ADDITIONS (DEDUCTIONS)				
Refunds to Grantors	-	(44,928)	(44,928)	(20,254)
Excess of Restricted Receipts over Revenues Applied	-	29,366	29,366	147,810
Net Change in Fund Balance	(1,563,234)	453,792	(1,109,442)	(1,782,863)
Fund Balance at Beginning of Year	3,934,467	2,344,916	6,279,383	8,062,246
Change in Investment Valuation	-	-	-	-
Fund Balance at End of Year	\$2,371,233	2,798,708	5,169,941	6,279,383

See Accompanying Notes to the Financial Statements

Southern Oregon University





SOUTHERN
OREGON
UNIVERSITY

Southern Oregon University

BALANCE SHEET

June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
ASSETS				
Cash	\$7,188,918	363,245	471,068	15,366
Securities Lending Cash Collateral	-	-	-	-
Investments	-	500	4,300	220,921
Accounts Receivable (Net of \$502,363 Allowance)	1,214,956	560,583	-	-
Notes Receivable (Net of \$360,214 Allowance)	-	-	4,215,069	-
Inventories	531,249	-	-	-
Prepaid Expenses and Deferred Charges	290,883	695	-	-
Due from Other OUS Entities	-	-	-	-
Due from Other Funds	429,146	-	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Improvements Other than Buildings	-	-	-	-
Museum Collections	-	-	-	-
Total Assets	9,655,152	925,023	4,690,437	236,287
LIABILITIES AND FUND BALANCES				
Certificates of Participation Payable	-	-	-	-
Accounts Payable and Accrued Expenses	1,577,842	31,384	-	-
Obligations Under Securities Lending	-	-	-	-
Salaries and Wages Payable	793,511	-	-	-
Notes Payable	-	-	-	-
Bond Proceeds Due OHSU	-	-	-	-
Bonds Payable	-	-	-	-
Liability for Compensated Absences	34,781	-	-	-
Deposits	103,247	-	-	-
Deferred Revenue	1,133,073	132,072	-	-
Due to Other OUS Entities	361,768	-	-	-
Due to Other Funds	3,762	420,884	-	-
Fund Balances:				
Unrestricted - General	2,811,988	-	-	-
Unrestricted - Designated	2,835,180	-	-	-
Institutional Loan Funds - Restricted	-	-	677,394	-
Governmental Loan Funds - Restricted	-	-	4,013,043	-
Endowment	-	-	-	17,144
Quasi-Endowment - Unrestricted	-	-	-	208,978
Quasi-Endowment - Restricted	-	-	-	10,165
Endowment - Net Realized Gains	-	-	-	-
Net Investment In Plant	-	-	-	-
Fund Balance	-	340,683	-	-
Total Liabilities and Fund Balances	\$9,655,152	925,023	4,690,437	236,287

See Accompanying Notes to the Financial Statements

PLANT FUNDS				Agency Funds	June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant			
1,373,062	2,560,856	(14,197)	-	131,029	12,089,347	6,538,189
-	-	-	-	-	-	-
-	-	-	-	-	225,721	71,379
-	-	14,197	-	5,565	1,795,301	2,182,978
-	-	-	-	-	4,215,069	4,004,103
-	-	-	-	-	531,249	501,987
-	-	-	-	-	291,578	208,275
-	-	776,134	-	-	776,134	1,039,994
-	-	-	-	-	429,146	400,343
-	-	-	2,840,187	-	2,840,187	2,840,187
-	-	-	52,447,346	-	52,447,346	51,872,549
-	-	-	16,667,871	-	16,667,871	16,053,518
-	-	-	4,783,420	-	4,783,420	4,782,653
-	-	-	359,465	-	359,465	16,435
1,373,062	2,560,856	776,134	77,098,289	136,594	97,451,834	90,512,590
-	-	-	-	-	-	-
32,478	-	-	-	40,225	1,681,929	1,626,373
-	-	-	-	-	-	-
-	-	-	-	-	793,511	802,189
-	-	-	73,280	-	73,280	33,466
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	34,781	-
-	-	-	-	96,166	199,413	208,456
-	-	-	-	203	1,265,348	1,193,350
291,505	-	-	-	-	653,273	91,505
4,500	-	-	-	-	429,146	400,343
-	-	-	-	-	-	-
-	-	-	-	-	2,811,988	1,560,179
-	-	-	-	-	2,835,180	1,947,159
-	-	-	-	-	677,394	644,385
-	-	-	-	-	4,013,043	3,987,505
-	-	-	-	-	17,144	5,054
-	-	-	-	-	208,978	154,596
-	-	-	-	-	10,165	370,872
-	-	-	-	-	-	-
-	-	-	77,025,009	-	77,025,009	75,531,876
1,044,579	2,560,856	776,134	-	-	4,722,252	1,955,282
1,373,062	2,560,856	776,134	77,098,289	136,594	97,451,834	90,512,590

Southern Oregon University

STATEMENT OF CHANGES IN FUND BALANCES

Year Ended June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
REVENUES AND OTHER ADDITIONS				
Revenues	\$18,612,618	-	-	-
Gifts, Grants & Contracts	796,240	25,010,505	-	743,700
Student Building Fees & Other Resources	-	-	-	-
State Appropriations	15,742,571	-	-	-
Sale of Building Bonds & C.O.P.'S	-	-	-	-
Contribution to Loan Principal	-	-	48,142	-
Property, Plant, and Equipment	-	-	-	-
Interest, Investments & Other Additions	33,684	189,837	176,187	(7,481)
Auxiliary Enterprises	13,014,170	-	-	-
Indirect Cost Recovery	152,178	-	-	-
Total Revenues and Other Additions	48,351,461	25,200,342	224,329	736,219
EXPENDITURES AND OTHER DEDUCTIONS				
Expenditures	33,053,893	25,043,267	23,031	-
Retirement of Bonds	-	-	-	-
Retirement of C.O.P.'s	-	-	-	-
Bond & C.O.P. Interest	-	-	-	-
Change in Bonds and Notes Payable	-	-	-	-
Administrative Fees	-	-	50,550	-
Notes Issued, Charged Off and Cancelled	-	-	92,201	-
Auxiliary Enterprise Funds	11,367,605	-	-	-
Total Expenditures and Other Deductions	44,421,498	25,043,267	165,782	-
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)				
Mandatory Transfers - Debt Service	(1,079,452)	(4,928)	-	-
Nonmandatory Transfers	(710,681)	20,072	-	(1,110,152)
Distribution of Prior Year Investment Gain	-	-	-	(59,692)
Refunds to Grantors	-	(16,668)	-	-
Change in Fixed Asset Threshold	-	-	-	-
Total Transfers and Other Additions (Deductions)	(1,790,133)	(1,524)	-	(1,169,844)
Net Increase (Decrease) in Fund Balance	2,139,830	155,551	58,547	(433,625)
Fund Balance at Beginning of Year	3,507,338	185,132	4,631,890	530,522
Change in Investment Valuation	-	-	-	139,390
Fund Balance at End of Year	\$5,647,168	340,683	4,690,437	236,287

See Accompanying Notes to the Financial Statements

PLANT FUNDS				June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant		
-	-	-	-	18,612,618	17,937,371
363,075	-	-	-	26,913,520	23,094,299
-	-	411,531	-	411,531	268,905
1,000,000	-	-	-	16,742,571	12,428,183
-	-	-	-	-	-
-	-	-	-	48,142	55,307
-	-	-	1,532,946	1,532,946	3,701,777
113	340,003	135,447	-	867,790	1,539,027
-	-	-	-	13,014,170	12,061,752
-	2,851	-	-	155,029	150,816
1,363,188	342,854	546,978	1,532,946	78,298,317	71,237,437
2,289,191	178,662	-	-	60,588,044	59,564,820
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	39,813	39,813	(18,081)
-	-	-	-	50,550	60,571
-	-	-	-	92,201	49,922
-	-	-	-	11,367,605	10,889,178
2,289,191	178,662	-	39,813	72,138,213	70,546,410
-	-	1,084,380	-	-	-
2,649,653	134,555	(1,042,336)	-	(58,889)	425,216
-	-	-	-	(59,692)	-
-	-	-	-	(16,668)	(16,154)
-	-	-	-	-	(4,353,733)
2,649,653	134,555	42,044	-	(135,249)	(3,944,671)
1,723,650	298,747	589,022	1,493,133	6,024,855	(3,253,644)
(679,071)	2,262,109	187,112	75,531,876	86,156,908	89,410,552
-	-	-	-	139,390	-
1,044,579	2,560,856	776,134	77,025,009	92,321,153	86,156,908

Southern Oregon University

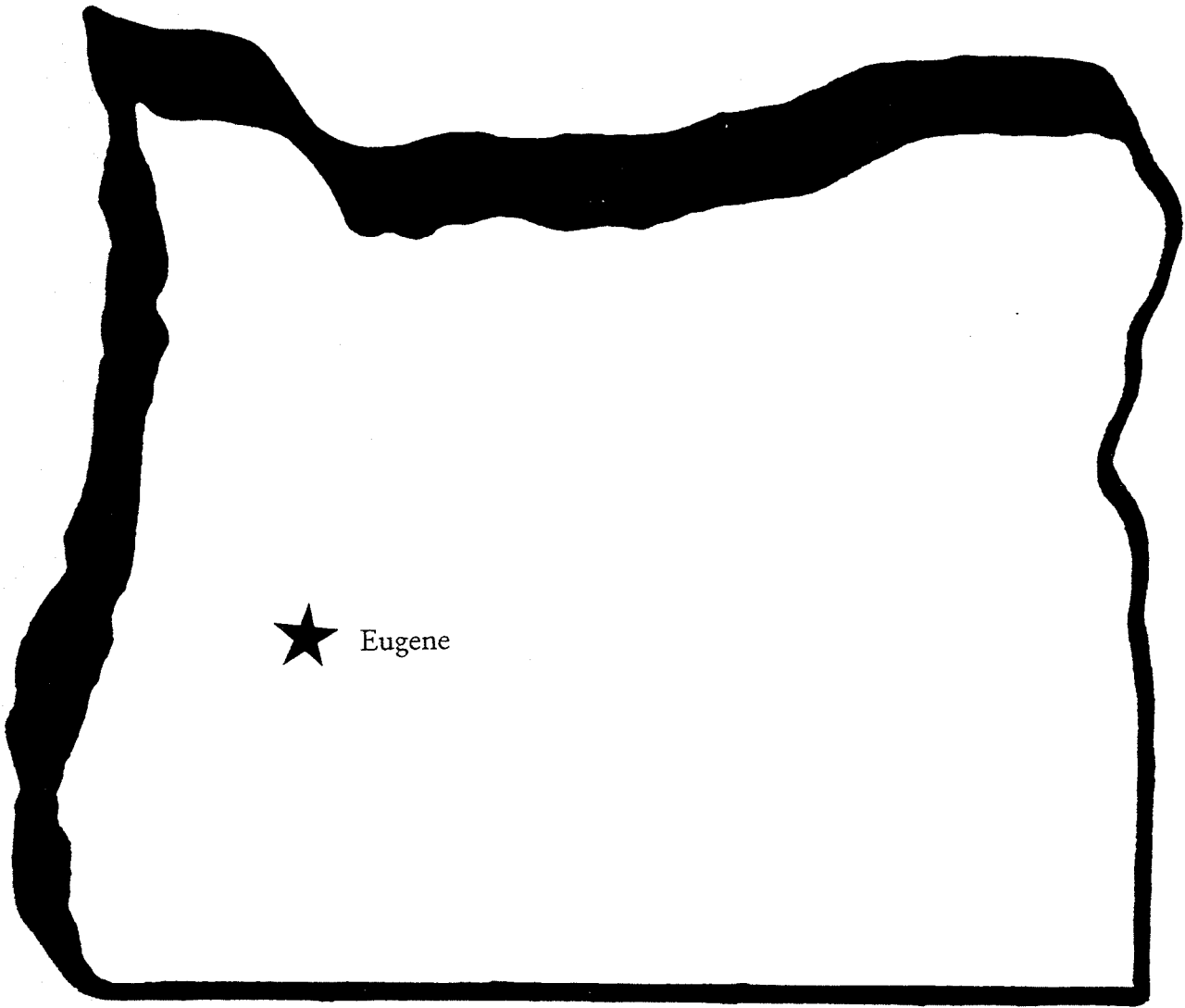
STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES, AND OTHER CHANGES

Year Ended June 30, 1998

	CURRENT FUNDS		June 30, 1998	June 30, 1997
	Unrestricted	Restricted		
REVENUES				
Student Tuition and Fees	\$16,665,858	-	16,665,858	15,595,540
Government Appropriations	15,742,571	-	15,742,571	12,423,183
Gifts, Grants and Contracts	796,240	24,853,430	25,649,670	22,687,266
Sales and Services of Educational Departments	1,817,127	-	1,817,127	2,129,909
Auxiliary Enterprises	13,014,170	-	13,014,170	12,061,752
Other Revenue	163,317	189,837	353,154	769,829
Indirect Cost Recovery	152,178	-	152,178	150,816
Total Current Revenues	48,351,461	25,043,267	73,394,728	65,818,295
EXPENDITURES				
Instruction	16,483,886	369,162	16,853,048	16,956,294
Public Service	1,440,144	755,680	2,195,824	1,810,939
Research	23,140	228,907	252,047	234,892
Academic Support	4,682,900	365,577	5,048,477	4,037,669
Student Services	1,864,160	167,155	2,031,315	1,975,407
Operation and Maintenance of Physical Plant	2,986,855	3,896	2,990,751	3,025,970
Capital Improvements	-	-	-	2,926
Institutional Support	3,884,667	192,091	4,076,758	4,889,031
Student Aid	1,807,794	22,879,213	24,687,007	21,151,786
Service Departments	93,350	-	93,350	336,889
Auxiliary Program Expenditures	10,731,717	68,196	10,799,913	10,324,774
Other Expenditures	422,885	13,390	436,275	227,233
Total Current Expenditures	44,421,498	25,043,267	69,464,765	64,973,810
TRANSFERS				
Mandatory Transfers - Debt Service	(1,079,452)	(4,928)	(1,084,380)	(1,086,995)
Nonmandatory Transfers	(710,681)	20,072	(690,609)	10,252
Total Transfers	(1,790,133)	15,144	(1,774,989)	(1,076,743)
Excess of Revenues Over (Under) Expenditures and Transfers Before Other Additions (Deductions)	2,139,830	15,144	2,154,974	(232,258)
OTHER ADDITIONS (DEDUCTIONS)				
Refunds to Grantors	-	(16,668)	(16,668)	(16,154)
Excess of Restricted Receipts over Revenues Applied	-	157,075	157,075	(99,419)
Net Change in Fund Balance	2,139,830	155,551	2,295,381	(347,831)
Fund Balance at Beginning of Year	3,507,338	185,132	3,692,470	4,040,301
Change in Investment Valuation	-	-	-	-
Fund Balance at End of Year	\$5,647,168	340,683	5,987,851	3,692,470

See Accompanying Notes to the Financial Statements

University of Oregon





University of Oregon

BALANCE SHEET

June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
ASSETS				
Cash	\$8,532,307	9,328,432	2,665,200	1,540,628
Securities Lending Cash Collateral	-	-	-	-
Investments	-	-	-	22,269,188
Accounts Receivable (Net of \$1,639,368 Allowance)	11,824,730	12,945,669	-	-
Notes Receivable (Net of \$958,584 Allowance)	-	-	20,637,895	-
Inventories	1,629,974	-	-	-
Prepaid Expenses and Deferred Charges	1,339,340	829	-	-
Due from Other OUS Entities	-	-	-	-
Due from Other Funds	10,129,977	-	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Improvements Other than Buildings	-	-	-	-
Museum Collections	-	-	-	-
Total Assets	33,456,328	22,274,930	23,303,095	23,809,816
LIABILITIES AND FUND BALANCES				
Certificates of Participation Payable	-	-	-	-
Accounts Payable and Accrued Expenses	5,455,013	555,166	-	-
Obligations Under Securities Lending	-	-	-	-
Salaries and Wages Payable	2,427,592	-	-	-
Notes Payable	-	-	-	-
Bond Proceeds Due OHSU	-	-	-	-
Bonds Payable	-	-	-	-
Liability for Compensated Absences	2,916,223	-	-	-
Deposits	260,006	-	-	-
Deferred Revenue	11,125,505	-	-	-
Due to Other OUS Entities	3,975,000	-	-	-
Due to Other Funds	800,000	9,329,977	-	-
Fund Balances:				
Unrestricted - General	(2,913,495)	-	-	-
Unrestricted - Designated	9,410,484	-	-	-
Institutional Loan Funds - Restricted	-	-	1,705,983	-
Governmental Loan Funds - Restricted	-	-	21,597,112	-
Endowment	-	-	-	19,154,461
Quasi-Endowment - Unrestricted	-	-	-	2,071,299
Quasi-Endowment - Restricted	-	-	-	2,584,056
Endowment - Net Realized Gains	-	-	-	-
Net Investment In Plant	-	-	-	-
Fund Balance	-	12,389,787	-	-
Total Liabilities and Fund Balances	\$33,456,328	22,274,930	23,303,095	23,809,816

See Accompanying Notes to the Financial Statements

PLANT FUNDS				Agency Funds	June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant			
6,557,755	6,031,489	26,866	-	450,947	35,133,624	31,375,208
-	-	-	-	-	-	-
-	-	-	-	-	22,269,188	138,072
349,682	-	103,436	-	186	25,223,703	17,980,670
-	-	-	-	-	20,637,895	20,549,213
-	-	-	-	-	1,629,974	1,546,109
-	-	-	-	1,240	1,341,409	933,402
-	-	1,167,971	-	-	1,167,971	13,015,022
-	-	-	-	-	10,129,977	3,502,855
-	-	-	5,897,778	-	5,897,778	5,897,778
-	-	-	233,370,585	-	233,370,585	206,423,073
-	-	-	135,308,662	-	135,308,662	128,778,921
-	-	-	22,151,080	-	22,151,080	19,902,253
-	-	-	14,494,306	-	14,494,306	14,469,306
6,907,437	6,031,489	1,298,273	411,222,411	452,373	528,756,152	464,511,882
-	-	-	-	-	-	-
234,966	82,895	-	150,000	6,070	6,484,110	6,164,535
-	-	-	-	-	-	-
-	-	-	-	-	2,427,592	2,196,687
-	-	-	4,696,413	-	4,696,413	5,280,431
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,916,223	-
-	-	-	-	446,303	706,309	603,662
-	-	109,820	-	-	11,235,325	10,491,506
182,162	-	-	-	-	4,157,162	432,162
-	-	-	-	-	10,129,977	3,502,855
-	-	-	-	-	(2,913,495)	3,859,886
-	-	-	-	-	9,410,484	5,940,670
-	-	-	-	-	1,705,983	1,728,562
-	-	-	-	-	21,597,112	21,161,795
-	-	-	-	-	19,154,461	7,100,820
-	-	-	-	-	2,071,299	920,706
-	-	-	-	-	2,584,056	945,795
-	-	-	-	-	-	-
-	-	-	406,375,998	-	406,375,998	370,190,900
6,490,309	5,948,594	1,188,453	-	-	26,017,143	23,990,910
6,907,437	6,031,489	1,298,273	411,222,411	452,373	528,756,152	464,511,882

University of Oregon

STATEMENT OF CHANGES IN FUND BALANCES

Year Ended June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
REVENUES AND OTHER ADDITIONS				
Revenues	\$110,785,816	-	-	-
Gifts, Grants & Contracts	1,272,588	109,982,058	-	262,295
Student Building Fees & Other Resources	-	-	-	-
State Appropriations	49,310,417	-	-	-
Sale of Building Bonds & C.O.P.'S	-	-	-	-
Contribution to Loan Principal	-	-	54,361	-
Property, Plant, and Equipment	-	-	-	-
Interest, Investments & Other Additions	133,015	4,739,890	769,079	3,167,034
Auxiliary Enterprises	56,487,180	-	-	-
Indirect Cost Recovery	9,140,749	-	-	-
Total Revenues and Other Additions	227,129,765	114,721,948	823,440	3,429,329
EXPENDITURES AND OTHER DEDUCTIONS				
Expenditures	170,634,316	111,076,708	1,650	-
Retirement of Bonds	-	-	-	-
Retirement of C.O.P.'s	-	-	-	-
Bond & C.O.P. Interest	-	-	-	-
Change in Bonds and Notes Payable	-	-	-	-
Administrative Fees	-	-	179,993	-
Notes Issued, Charged Off and Cancelled	-	-	154,993	-
Auxiliary Enterprise Funds	50,396,841	-	-	-
Total Expenditures and Other Deductions	221,031,157	111,076,708	336,636	-
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)				
Mandatory Transfers - Debt Service	(3,466,563)	-	-	-
Nonmandatory Transfers	(5,935,612)	(2,925,683)	(74,066)	(273)
Distribution of Prior Year Investment Gain	-	-	-	5,891,575
Refunds to Grantors	-	-	-	-
Change in Fixed Asset Threshold	-	-	-	-
Total Transfers and Other Additions (Deductions)	(9,402,175)	(2,925,683)	(74,066)	5,891,302
Net Increase (Decrease) in Fund Balance	(3,303,567)	719,557	412,738	9,320,631
Fund Balance at Beginning of Year	9,800,556	11,670,230	22,890,357	8,967,321
Change in Investment Valuation	-	-	-	5,521,864
Fund Balance at End of Year	\$6,496,989	12,389,787	23,303,095	23,809,816

See Accompanying Notes to the Financial Statements

PLANT FUNDS					
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant	June 30, 1998	June 30, 1997
-	-	-	-	110,785,816	113,587,650
19,413,664	-	90,000	-	131,020,605	110,039,908
-	-	1,974,566	-	1,974,566	962,550
3,000,000	-	-	-	52,310,417	43,985,201
-	-	-	-	-	-
-	-	-	-	54,361	79,217
-	-	-	35,751,080	35,751,080	28,248,736
159,107	767,333	220,276	-	9,955,734	7,278,312
-	-	-	-	56,487,180	59,185,656
-	608,480	-	-	9,749,229	9,702,368
22,572,771	1,375,813	2,284,842	35,751,080	408,088,988	373,069,598
38,794,021	1,058,013	7,373	-	321,572,081	298,398,453
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(434,018)	(434,018)	(11,088)
-	-	-	-	179,993	173,274
-	-	-	-	154,993	105,056
-	-	-	-	50,396,841	54,535,064
38,794,021	1,058,013	7,373	(434,018)	371,869,890	353,200,759
(13,563)	-	3,480,126	-	-	-
16,778,019	822,481	(6,134,406)	-	2,530,460	5,647,586
-	-	-	-	5,891,575	-
-	-	-	-	-	-
-	-	-	-	-	-
16,764,456	822,481	(2,654,280)	-	8,422,035	5,647,586
543,206	1,140,281	(376,811)	36,185,098	44,641,133	25,516,425
5,947,103	4,808,313	1,565,264	370,190,900	435,840,044	410,323,619
-	-	-	-	5,521,864	-
6,490,309	5,948,594	1,188,453	406,375,998	486,003,041	435,840,044

University of Oregon

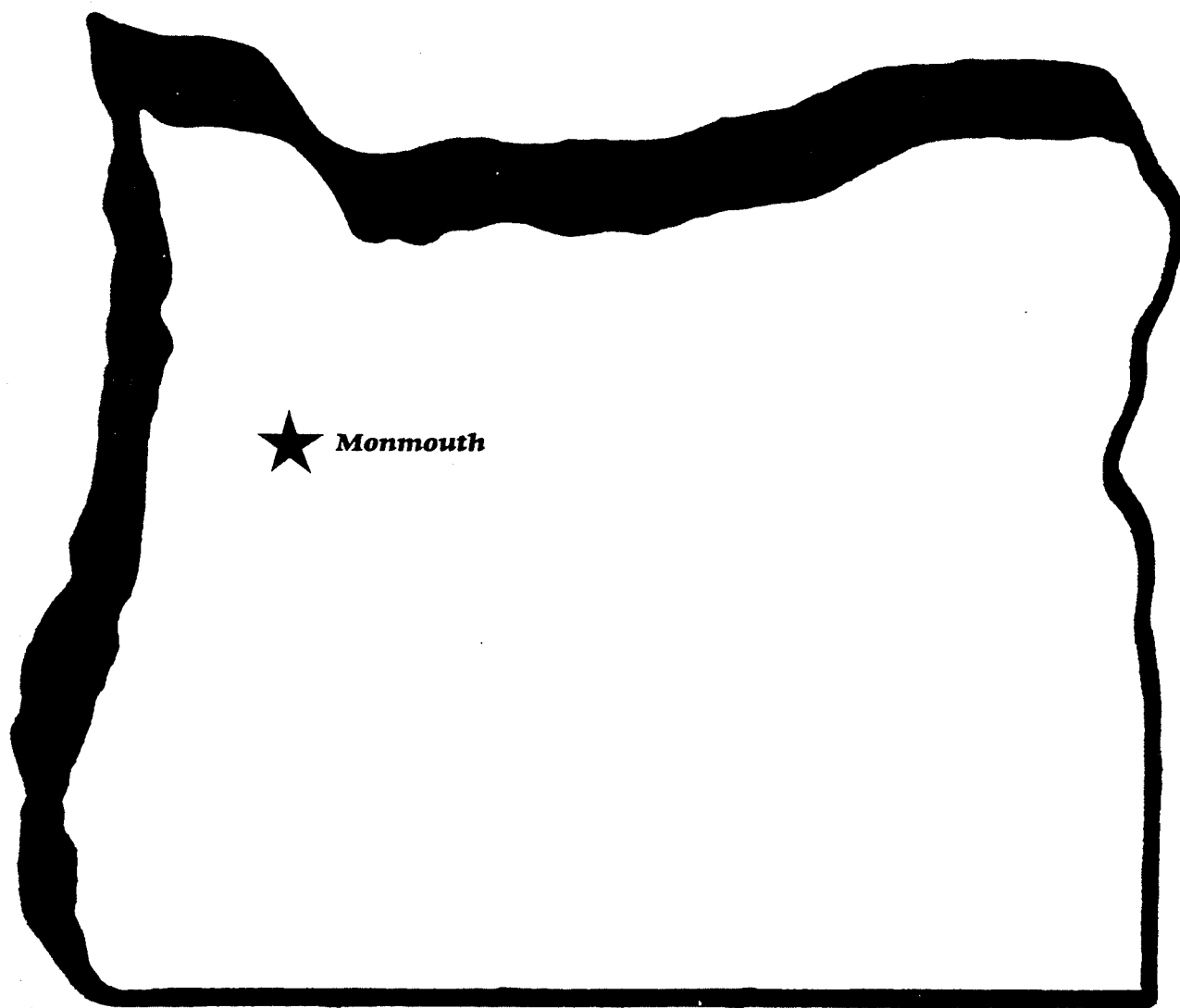
STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES, AND OTHER CHANGES

Year Ended June 30, 1998

	CURRENT FUNDS		June 30, 1998	June 30, 1997
	Unrestricted	Restricted		
REVENUES				
Student Tuition and Fees	\$103,246,778	-	103,246,778	106,591,954
Government Appropriations	49,310,417	-	49,310,417	43,970,201
Gifts, Grants and Contracts	1,272,588	106,336,818	107,609,406	103,615,862
Sales and Services of Educational Departments	6,066,211	-	6,066,211	5,681,076
Auxiliary Enterprises	56,487,180	-	56,487,180	59,185,656
Other Revenue	1,605,842	4,739,890	6,345,732	6,364,994
Indirect Cost Recovery	9,140,749	-	9,140,749	9,702,368
Total Current Revenues	227,129,765	111,076,708	338,206,473	335,112,111
EXPENDITURES				
Instruction	86,543,502	5,735,609	92,279,111	89,783,448
Public Service	2,811,631	12,142,609	14,954,240	15,494,378
Research	6,779,033	27,468,054	34,247,087	32,782,510
Academic Support	24,956,809	773,520	25,730,329	23,566,443
Student Services	12,404,159	50,761	12,454,920	11,683,550
Operation and Maintenance of Physical Plant	12,477,852	10,804	12,488,656	12,517,101
Capital Improvements	4,999	-	4,999	1,034,091
Institutional Support	17,115,192	630,265	17,745,457	23,176,287
Student Aid	6,051,420	63,813,766	69,865,186	65,245,042
Service Departments	79,977	-	79,977	(439,334)
Auxiliary Program Expenditures	51,798,358	463,027	52,261,385	53,401,590
Other Expenditures	8,225	(11,707)	(3,482)	112,107
Total Current Expenditures	221,031,157	111,076,708	332,107,865	328,357,213
TRANSFERS				
Mandatory Transfers - Debt Service	(3,466,563)	-	(3,466,563)	(8,040,573)
Nonmandatory Transfers	(5,935,612)	(2,925,683)	(8,861,295)	(6,516,753)
Total Transfers	(9,402,175)	(2,925,683)	(12,327,858)	(14,557,326)
Excess of Revenues Over (Under) Expenditures and Transfers Before Other Additions (Deductions)	(3,303,567)	(2,925,683)	(6,229,250)	(7,802,428)
OTHER ADDITIONS (DEDUCTIONS)				
Refunds to Grantors	-	-	-	-
Excess of Restricted Receipts over Revenues Applied	-	3,645,240	3,645,240	4,825,597
Net Change in Fund Balance	(3,303,567)	719,557	(2,584,010)	(2,976,831)
Fund Balance at Beginning of Year	9,800,556	11,670,230	21,470,786	24,447,617
Change in Investment Valuation	-	-	-	-
Fund Balance at End of Year	\$6,496,989	12,389,787	18,886,776	21,470,786

See Accompanying Notes to the Financial Statements

Western Oregon University





Western Oregon University

BALANCE SHEET

June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
ASSETS				
Cash	\$5,996,244	173,227	835,368	3,866
Securities Lending Cash Collateral	-	-	-	-
Investments	-	-	2,000	55,577
Accounts Receivable (Net of \$216,518 Allowance)	1,425,227	1,496,152	-	-
Notes Receivable (Net of \$225,463 Allowance)	-	-	3,596,227	-
Inventories	1,193,909	-	-	-
Prepaid Expenses and Deferred Charges	176,435	-	-	-
Due from Other OUS Entities	-	-	-	-
Due from Other Funds	1,480,947	-	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Improvements Other than Buildings	-	-	-	-
Museum Collections	-	-	-	-
Total Assets	10,272,762	1,669,379	4,433,595	59,443
LIABILITIES AND FUND BALANCES				
Certificates of Participation Payable	-	-	-	-
Accounts Payable and Accrued Expenses	1,929,568	92,314	-	-
Obligations Under Securities Lending	-	-	-	-
Salaries and Wages Payable	660,749	-	-	-
Notes Payable	-	-	-	-
Bond Proceeds Due OHSU	-	-	-	-
Bonds Payable	-	-	-	-
Liability for Compensated Absences	511,363	-	-	-
Deposits	1,150	-	-	-
Deferred Revenue	2,063,092	-	73	-
Due to Other OUS Entities	168,852	-	-	-
Due to Other Funds	-	1,480,947	-	-
Fund Balances:				
Unrestricted - General	2,014,394	-	-	-
Unrestricted - Designated	2,923,594	-	-	-
Institutional Loan Funds - Restricted	-	-	1,068,984	-
Governmental Loan Funds - Restricted	-	-	3,364,538	-
Endowment	-	-	-	7,982
Quasi-Endowment - Unrestricted	-	-	-	-
Quasi-Endowment - Restricted	-	-	-	51,461
Endowment - Net Realized Gains	-	-	-	-
Net Investment In Plant	-	-	-	-
Fund Balance	-	96,118	-	-
Total Liabilities and Fund Balances	\$10,272,762	1,669,379	4,433,595	59,443

See Accompanying Notes to the Financial Statements

PLANT FUNDS				Agency Funds	June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant			
3,292,827	3,060,564	(8,017)	-	9,933	13,364,012	11,007,611
-	-	-	-	-	-	-
-	-	-	-	-	57,577	2,000
-	-	8,017	-	6,482	2,935,878	2,598,138
-	-	-	-	-	3,596,227	3,383,738
-	-	-	-	-	1,193,909	1,204,228
-	-	-	-	-	176,435	465,906
-	-	499,631	-	-	499,631	1,383,073
-	-	-	-	-	1,480,947	892,939
-	-	-	2,087,470	-	2,087,470	2,088,470
-	-	-	40,443,157	-	40,443,157	35,145,819
-	-	-	10,558,594	-	10,558,594	10,360,316
-	-	-	2,663,449	-	2,663,449	2,636,576
-	-	-	238,275	-	238,275	238,275
3,292,827	3,060,564	499,631	55,990,945	16,415	79,295,561	71,407,089
-	-	-	-	-	-	-
19,394	(5,961)	-	-	8,199	2,043,514	1,900,235
-	-	-	-	-	-	-
-	-	-	-	-	660,749	677,875
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	511,363	-
-	-	-	-	8,135	9,285	19,865
-	-	21,458	-	81	2,084,704	1,723,298
50,045	-	-	-	-	218,897	50,045
-	-	-	-	-	1,480,947	892,939
-	-	-	-	-	2,014,394	2,511,351
-	-	-	-	-	2,923,594	2,690,030
-	-	-	-	-	1,068,984	977,984
-	-	-	-	-	3,364,538	3,247,792
-	-	-	-	-	7,982	2,353
-	-	-	-	-	-	-
-	-	-	-	-	51,461	13,003
-	-	-	-	-	-	-
-	-	-	55,990,945	-	55,990,945	50,469,456
3,223,388	3,066,525	478,173	-	-	6,864,204	6,230,863
3,292,827	3,060,564	499,631	55,990,945	16,415	79,295,561	71,407,089

Western Oregon University

STATEMENT OF CHANGES IN FUND BALANCES

Year Ended June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
REVENUES AND OTHER ADDITIONS				
Revenues	\$14,454,380	-	-	-
Gifts, Grants & Contracts	174,192	19,409,933	-	-
Student Building Fees & Other Resources	-	-	-	-
State Appropriations	12,896,035	-	-	-
Sale of Building Bonds & C.O.P.'S	-	-	-	-
Contribution to Loan Principal	-	-	37,370	-
Property, Plant, and Equipment	-	-	-	-
Interest, Investments & Other Additions	25,241	965,280	167,754	7,933
Auxiliary Enterprises	10,617,399	-	-	-
Indirect Cost Recovery	431,731	-	-	-
Total Revenues and Other Additions	38,598,978	20,375,213	205,124	7,933
EXPENDITURES AND OTHER DEDUCTIONS				
Expenditures	27,492,501	20,386,165	9	-
Retirement of Bonds	-	-	-	-
Retirement of C.O.P.'s	-	-	-	-
Bond & C.O.P. Interest	-	-	-	-
Change in Bonds and Notes Payable	-	-	-	-
Administrative Fees	-	-	(2,631)	-
Notes Issued, Charged Off and Cancelled	-	-	-	-
Auxiliary Enterprise Funds	9,860,097	-	-	-
Total Expenditures and Other Deductions	37,352,598	20,386,165	(2,622)	-
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)				
Mandatory Transfers - Debt Service	-	-	-	-
Nonmandatory Transfers	(1,509,773)	4,926	-	-
Distribution of Prior Year Investment Gain	-	-	-	22,114
Refunds to Grantors	-	(174,129)	-	-
Change in Fixed Asset Threshold	-	-	-	-
Total Transfers and Other Additions (Deductions)	(1,509,773)	(169,203)	-	22,114
Net Increase (Decrease) in Fund Balance	(263,393)	(180,155)	207,746	30,047
Fund Balance at Beginning of Year	5,201,381	276,273	4,225,776	15,356
Change in Investment Valuation	-	-	-	14,040
Fund Balance at End of Year	\$4,937,988	96,118	4,433,522	59,443

See Accompanying Notes to the Financial Statements

PLANT FUNDS				June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant		
-	-	-	-	14,454,380	14,032,742
1,000,000	-	-	-	20,584,125	19,645,848
-	-	314,773	-	314,773	198,375
1,462,500	-	-	-	14,358,535	12,913,157
-	-	-	-	-	-
-	-	-	-	37,370	41,281
-	-	-	5,521,489	5,521,489	2,517,799
-	271,128	89,115	-	1,526,451	1,134,771
-	-	-	-	10,617,399	10,128,438
-	15,917	-	-	447,648	599,586
2,462,500	287,045	403,888	5,521,489	67,862,170	61,211,997
5,525,428	697,574	-	-	54,101,677	50,662,033
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(2,631)	(1,929)
-	-	-	-	-	(120,966)
-	-	-	-	9,860,097	8,691,201
5,525,428	697,574	-	-	63,959,143	59,230,339
-	-	-	-	-	-
4,937,367	236,052	(1,290,354)	-	2,378,218	1,902,513
-	-	-	-	22,114	-
-	-	-	-	(174,129)	-
-	-	-	-	-	-
4,937,367	236,052	(1,290,354)	-	2,226,203	1,902,513
1,874,439	(174,477)	(886,466)	5,521,489	6,129,230	3,884,171
1,348,949	3,241,002	1,364,639	50,469,456	66,142,832	62,258,661
-	-	-	-	14,040	-
3,223,388	3,066,525	478,173	55,990,945	72,286,102	66,142,832

Western Oregon University

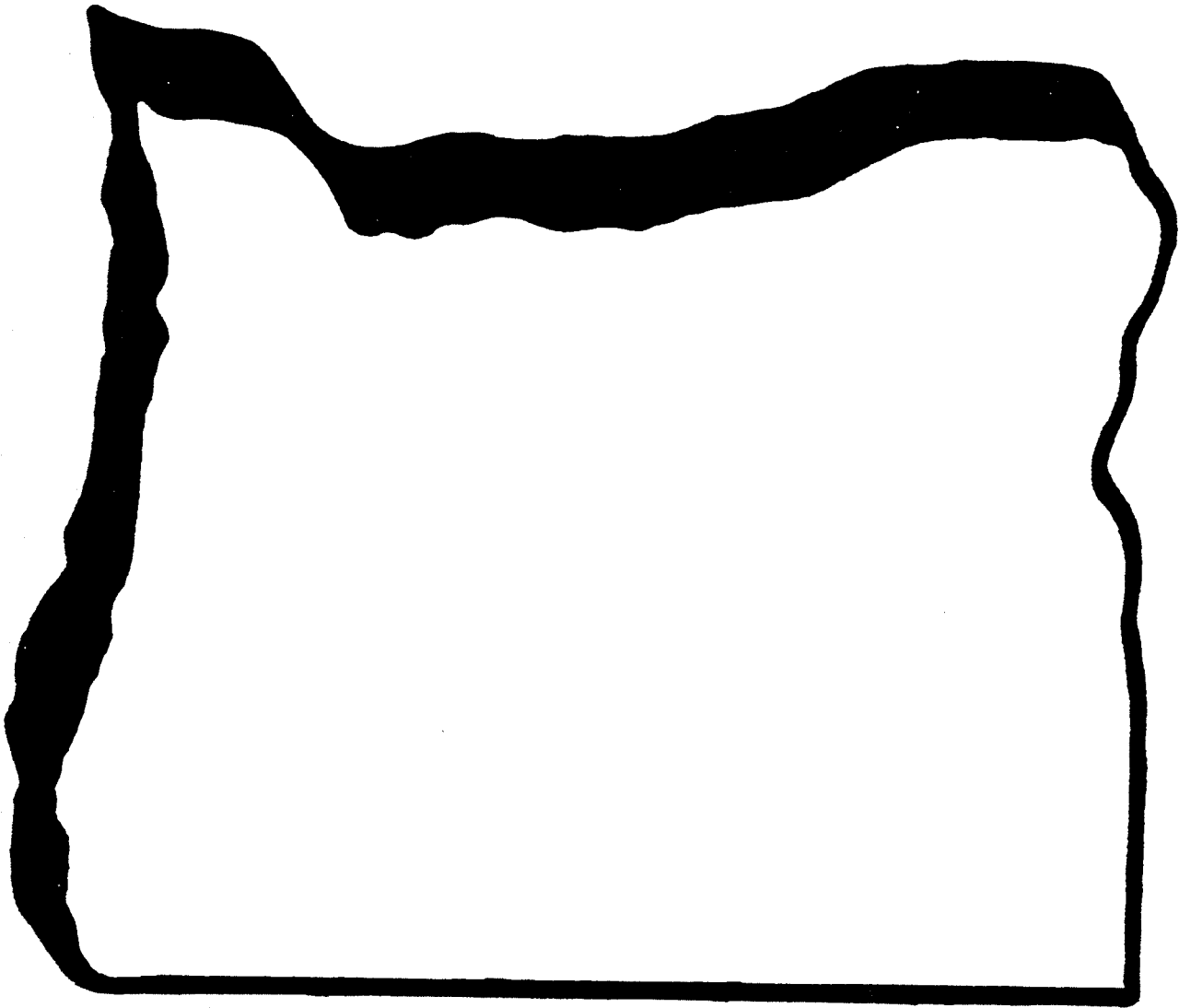
STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES, AND OTHER CHANGES

Year Ended June 30, 1998

	CURRENT FUNDS		June 30, 1998	June 30, 1997
	Unrestricted	Restricted		
REVENUES				
Student Tuition and Fees	\$13,224,335	-	13,224,335	12,845,502
Government Appropriations	12,896,035	-	12,896,035	12,883,157
Gifts, Grants and Contracts	174,192	19,420,885	19,595,077	19,535,049
Sales and Services of Educational Departments	1,143,684	-	1,143,684	1,107,828
Auxiliary Enterprises	10,617,399	-	10,617,399	10,128,438
Other Revenue	111,602	965,280	1,076,882	723,467
Indirect Cost Recovery	431,731	-	431,731	599,586
Total Current Revenues	38,598,978	20,386,165	58,985,143	57,823,027
EXPENDITURES				
Instruction	13,458,071	744,568	14,202,639	12,837,260
Public Service	363,318	26,725	390,043	399,924
Research	484,092	3,625,876	4,109,968	4,769,739
Academic Support	3,500,248	9,731	3,509,979	3,577,346
Student Services	2,213,449	171,521	2,384,970	2,358,299
Operation and Maintenance of Physical Plant	2,182,853	-	2,182,853	2,195,063
Capital Improvements	160,459	-	160,459	417,031
Institutional Support	3,811,845	-	3,811,845	3,697,383
Student Aid	1,259,073	15,807,744	17,066,817	16,185,428
Service Departments	78,600	-	78,600	213,437
Auxiliary Program Expenditures	9,858,506	-	9,858,506	8,678,637
Other Expenditures	(17,916)	-	(17,916)	290,276
Total Current Expenditures	37,352,598	20,386,165	57,738,763	55,619,823
TRANSFERS				
Mandatory Transfers - Debt Service	-	-	-	(141,297)
Nonmandatory Transfers	(1,509,773)	4,926	(1,504,847)	(2,124,373)
Total Transfers	(1,509,773)	4,926	(1,504,847)	(2,265,670)
Excess of Revenues Over (Under) Expenditures and Transfers Before Other Additions (Deductions)	(263,393)	4,926	(258,467)	(62,466)
OTHER ADDITIONS (DEDUCTIONS)				
Refunds to Grantors	-	(174,129)	(174,129)	-
Excess of Restricted Receipts over Revenues Applied	-	(10,952)	(10,952)	110,799
Net Change in Fund Balance	(263,393)	(180,155)	(443,548)	48,333
Fund Balance at Beginning of Year	5,201,381	276,273	5,477,654	5,429,321
Change in Investment Valuation	-	-	-	-
Fund Balance at End of Year	\$4,937,988	96,118	5,034,106	5,477,654

See Accompanying Notes to the Financial Statements

Chancellor's Office





Oregon
University
System

Chancellor's Office

BALANCE SHEET

June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
ASSETS				
Cash	\$28,426,290	(22,303,029)	75,317	131,121
Securities Lending Cash Collateral	4,124,721	1,859,200	643,205	341,330
Investments	-	23,074,697	-	1,922,737
Accounts Receivable	273,109	851,969	-	-
Notes Receivable	-	-	3,551	-
Inventories	-	-	-	-
Prepaid Expenses and Deferred Charges	419,953	2,620	-	-
Due from Other OUS Entities	6,814,644	-	-	-
Due from Other Funds	116,807	-	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Improvements Other than Buildings	-	-	-	-
Museum Collections	-	-	-	-
Total Assets	40,175,524	3,485,457	722,073	2,395,188
LIABILITIES AND FUND BALANCES				
Certificates of Participation Payable	-	-	-	-
Accounts Payable and Accrued Expenses	5,700,317	16,049	-	-
Obligations Under Securities Lending	4,124,721	1,859,200	643,205	341,330
Salaries and Wages Payable	-	-	-	-
Notes Payable	-	-	-	-
Bond Proceeds Due OHSU	-	-	-	-
Bonds Payable	-	-	-	-
Liability for Compensated Absences	8,910,104	-	-	-
Deposits	-	-	-	-
Deferred Revenue	911,810	209,109	3,551	-
Due to Other OUS Entities	302,941	-	-	-
Due to Other Funds	-	116,807	-	-
Fund Balances:				
Unrestricted - General	18,464,976	-	-	-
Unrestricted - Designated	1,760,655	-	-	-
Institutional Loan Funds - Restricted	-	-	75,317	-
Governmental Loan Funds - Restricted	-	-	-	-
Endowment	-	-	-	1,996,178
Quasi-Endowment - Unrestricted	-	-	-	57,680
Quasi-Endowment - Restricted	-	-	-	-
Endowment - Net Realized Gains	-	-	-	-
Net Investment In Plant	-	-	-	-
Bonds Payable Invested in Institutional Plant	-	-	-	-
Fund Balance	-	1,284,292	-	-
Total Liabilities and Fund Balances	\$40,175,524	3,485,457	722,073	2,395,188

See Accompanying Notes to the Financial Statements

PLANT FUNDS				Agency Funds	June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant			
44,996,314	(9,126,757)	33,803,745	-	2,885,107	78,888,108	64,608,160
7,007,045	1,173,608	3,092,000	-	-	18,241,109	9,449,596
9,262,111	9,313,080	15,091,438	-	-	58,664,063	111,275,695
169,004	134,828	662,746	-	9,794	2,101,450	1,755,713
-	-	-	53,918,957	-	53,922,508	46,567,668
-	-	-	-	-	-	-
-	1,830	3,258,845	-	-	3,683,248	(2,350)
809,703	-	-	-	-	7,624,347	824,703
-	-	-	-	-	116,807	133,343
-	-	-	1,176,400	-	1,176,400	1,176,400
-	-	-	6,352,704	-	6,352,704	5,181,527
-	-	-	6,017,913	-	6,017,913	5,964,619
-	-	-	154,144	-	154,144	88,294
-	-	-	-	-	-	-
62,244,177	1,496,589	55,908,774	67,620,118	2,894,901	236,942,801	247,023,368
-	-	-	29,141,179	-	29,141,179	34,311,510
-	-	5,829,617	-	544,406	12,090,389	16,729,040
7,007,045	1,173,608	3,092,000	-	-	18,241,109	9,449,596
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,432,240	-	-	-	-	3,432,240	4,646,082
22,048,003	-	-	358,262,735	-	380,310,738	342,810,510
-	-	-	-	-	8,910,104	12,800,804
-	-	-	-	2,339,025	2,339,025	2,429,182
125,536	80,411	280,786	-	11,470	1,622,673	3,862,136
19,213	-	4,444,978	-	-	4,767,132	34,482,322
-	-	-	-	-	116,807	133,343
-	-	-	-	-	-	-
-	-	-	-	-	18,464,976	(750,861)
-	-	-	-	-	1,760,655	852,036
-	-	-	-	-	75,317	213,987
-	-	-	-	-	-	(151,399)
-	-	-	-	-	1,996,178	1,114,488
-	-	-	-	-	57,680	17,987
-	-	-	-	-	-	-
-	-	-	-	-	-	11,858,255
-	-	-	7,011,252	-	7,011,252	(11,151,379)
-	-	-	(326,795,048)	-	(326,795,048)	(292,939,912)
29,612,140	242,570	42,261,393	-	-	73,400,395	76,305,641
62,244,177	1,496,589	55,908,774	67,620,118	2,894,901	236,942,801	247,023,368

Chancellor's Office

STATEMENT OF CHANGES IN FUND BALANCES

Year Ended June 30, 1998

	CURRENT FUNDS		Loan Funds	Endowment Funds
	Unrestricted	Restricted		
REVENUES AND OTHER ADDITIONS				
Revenues	\$1,762,861	-	-	-
Gifts, Grants & Contracts	-	1,601,914	-	-
Student Building Fees & Other Resources	-	-	-	-
State Appropriations	36,013,722	-	-	-
Sale of Building Bonds & C.O.P.'S	-	-	-	-
Contribution to Loan Principal	-	-	-	-
Property, Plant, and Equipment	-	-	-	-
Interest, Investments & Other Additions	542,208	254,591	38,621	333,500
Auxiliary Enterprises	803,236	-	-	-
Indirect Cost Recovery	1,243,218	-	-	-
Total Revenues and Other Additions	40,365,245	1,856,505	38,621	333,500
EXPENDITURES AND OTHER DEDUCTIONS				
Expenditures	16,928,759	1,709,233	25,889	13,777
Retirement of Bonds	-	-	-	-
Retirement of C.O.P.'s	-	-	-	-
Bond & C.O.P. Interest	-	-	-	-
Change in Bonds and Notes Payable	-	-	-	-
Administrative Fees	-	-	3	-
Notes Issued, Charged Off and Cancelled	-	-	-	-
Auxiliary Enterprise Funds	624,886	-	-	-
Total Expenditures and Other Deductions	17,553,645	1,709,233	25,892	13,777
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)				
Mandatory Transfers - Debt Service	(2,509,093)	-	-	-
Nonmandatory Transfers	(178,051)	(90,000)	-	(50,675)
Distribution of Prior Year Investment Gain	-	-	-	(11,681,394)
Refunds to Grantors	-	-	-	-
Change in Fixed Asset Threshold	-	-	-	-
Total Transfers and Other Additions (Deductions)	(2,687,144)	(90,000)	-	(11,732,069)
Net Increase (Decrease) in Fund Balance	20,124,456	57,272	12,729	(11,412,346)
Fund Balance at Beginning of Year	101,175	1,045,391	62,588	12,990,730
Change in Investment Valuation	-	181,629	-	475,474
Fund Balance at End of Year	\$20,225,631	1,284,292	75,317	2,053,858

See Accompanying Notes to the Financial Statements

PLANT FUNDS				June 30, 1998	June 30, 1997
Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment In Plant		
-	-	-	-	1,762,861	1,067,933
-	-	2,230,613	-	3,832,527	2,389,755
-	-	240,820	-	240,820	244,918
(3,000)	-	8,505,000	-	44,515,722	25,294,540
47,111,750	-	-	-	47,111,750	48,366,758
-	-	-	-	-	-
-	-	-	1,290,323	1,290,323	3,780
483,902	70,373	14,091,167	-	15,814,362	8,209,654
-	-	-	-	803,236	879,814
-	-	-	-	1,243,218	1,210,726
47,592,652	70,373	25,067,600	1,290,323	116,614,819	87,667,878
3,775,473	47,241	452,254	-	22,952,626	24,931,136
-	-	13,829,749	-	13,829,749	13,140,149
-	-	7,307,745	-	7,307,745	8,463,883
-	-	15,836,266	-	15,836,266	22,856,231
-	-	-	27,482,715	27,482,715	23,740,628
-	-	-	-	3	3
-	-	-	-	-	-
-	-	-	-	624,886	485,565
3,775,473	47,241	37,426,014	27,482,715	88,033,990	93,617,595
(47,175)	-	2,556,268	-	-	259,977
(55,383,537)	-	17,864,727	10,499,887	(27,337,649)	(25,922,951)
-	-	-	-	(11,681,394)	-
-	-	-	-	-	-
-	-	-	-	-	-
(55,430,712)	-	20,420,995	10,499,887	(39,019,043)	(25,662,974)
(11,613,533)	23,132	8,062,581	(15,692,505)	(10,438,214)	(31,612,691)
41,225,673	131,231	33,903,346	(304,091,291)	(214,631,157)	(183,018,466)
-	88,207	295,466	-	1,040,776	-
29,612,140	242,570	42,261,393	(319,783,796)	(224,028,595)	(214,631,157)

Chancellor's Office

STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES, AND OTHER CHANGES

Year Ended June 30, 1998

	CURRENT FUNDS		June 30, 1998	June 30, 1997
	Unrestricted	Restricted		
REVENUES				
Student Tuition and Fees	\$765,628	-	765,628	829,803
Government Appropriations	36,013,722	-	36,013,722	17,962,349
Gifts, Grants and Contracts	-	1,454,642	1,454,642	532,550
Sales and Services of Educational Departments	52,499	-	52,499	55,256
Auxiliary Enterprises	803,236	-	803,236	879,814
Other Revenue	1,486,942	254,591	1,741,533	2,892,693
Indirect Cost Recovery	1,243,218	-	1,243,218	1,210,726
Total Current Revenues	40,365,245	1,709,233	42,074,478	24,363,191
EXPENDITURES				
Instruction	(154,582)	1,463,825	1,309,243	2,733,994
Public Service	271,232	-	271,232	464,242
Research	175,467	-	175,467	890,421
Academic Support	398,703	-	398,703	191,245
Student Services	74,581	-	74,581	165,687
Operation and Maintenance of Physical Plant	26,648	-	26,648	65,371
Capital Improvements	-	-	-	-
Institutional Support	13,138,911	(128)	13,138,783	14,814,574
Student Aid	-	500	500	-
Service Departments	657,342	-	657,342	275,523
Auxiliary Program Expenditures	624,885	-	624,885	485,565
Other Expenditures	2,340,458	245,036	2,585,494	1,423,371
Total Current Expenditures	17,553,645	1,709,233	19,262,878	21,509,993
TRANSFERS				
Mandatory Transfers - Debt Service	(2,509,093)	-	(2,509,093)	(3,167,374)
Nonmandatory Transfers	(178,051)	(90,000)	(268,051)	(1,697,653)
Total Transfers	(2,687,144)	(90,000)	(2,777,144)	(4,865,027)
Excess of Revenues Over (Under) Expenditures and Transfers Before Other Additions (Deductions)	20,124,456	(90,000)	20,034,456	(2,011,829)
OTHER ADDITIONS (DEDUCTIONS)				
Refunds to Grantors	-	-	-	-
Excess of Restricted Receipts over Revenues Applied	-	147,272	147,272	(99,765)
Net Change in Fund Balance	20,124,456	57,272	20,181,728	(2,111,594)
Fund Balance at Beginning of Year	101,175	1,045,391	1,146,566	3,258,160
Change in Investment Valuation	-	181,629	181,629	-
Fund Balance at End of Year	\$20,225,631	1,284,292	21,509,923	1,146,566

See Accompanying Notes to the Financial Statements