

SOUTHERN OREGON UNIVERSITY
FOUNDATION

ANNUAL REPORT **2021**

 **TOGETHER WE RISE**



CARE + COMPASSION

Dear Raider family,

On behalf of the students, faculty, and staff of Southern Oregon University, the SOU Foundation and its Board of Trustees wish to thank all of the generous donors and volunteers who stepped forward in fiscal year 2020-21 for their philanthropic leadership.

There is no doubt that this year was challenging on many levels. The continuing global pandemic, coupled with a number of wildfires in the west, left most of us feeling stress and strain and longing for a sense of normalcy. Despite these challenges, however, several thousand donors stepped forward with care and compassion to support Southern Oregon University.

During the year, nearly 2,000 alumni, friends, foundations, and corporate partners contributed \$3.7 million in private funding to support the university's academic programs, campus infrastructure, service initiatives, and intercollegiate athletics. We are inspired by all those who help ensure that our academic programs meet the needs of the future, and we are equally inspired by those who give a helping hand to our students through scholarships or through the myriad of programs that support those who need it most. Philanthropic investments will impact the lives of our students and their families for years to come.

This report recognizes the leadership of all those who believe in the future of Southern Oregon University. With the generous hearts and minds of our donors, SOU will remain a vital and robust university. All of us are proud of what we accomplished last year, and we are eager to continue building the future together.

To each of our loyal donors, thank you. We appreciate your commitment to the mission and vision of Southern Oregon University.



Marc Bayliss

President
Southern Oregon University Foundation



Janet Fratella

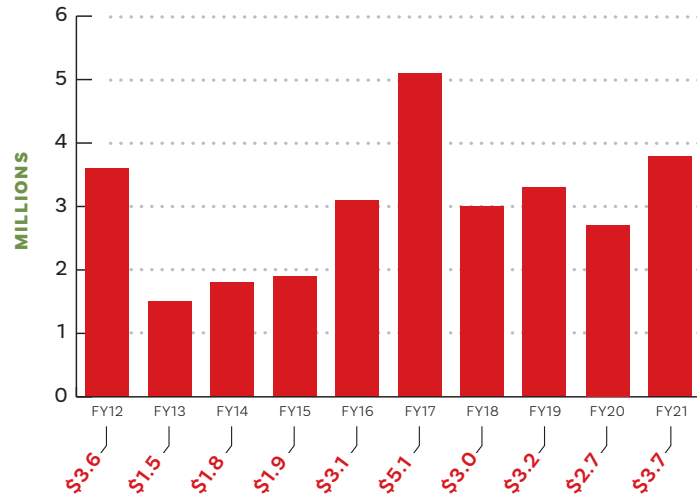
Vice President of University Advancement, Southern Oregon University
Executive Director, Southern Oregon University Foundation

FISCAL YEAR 2021 **OVERVIEW**

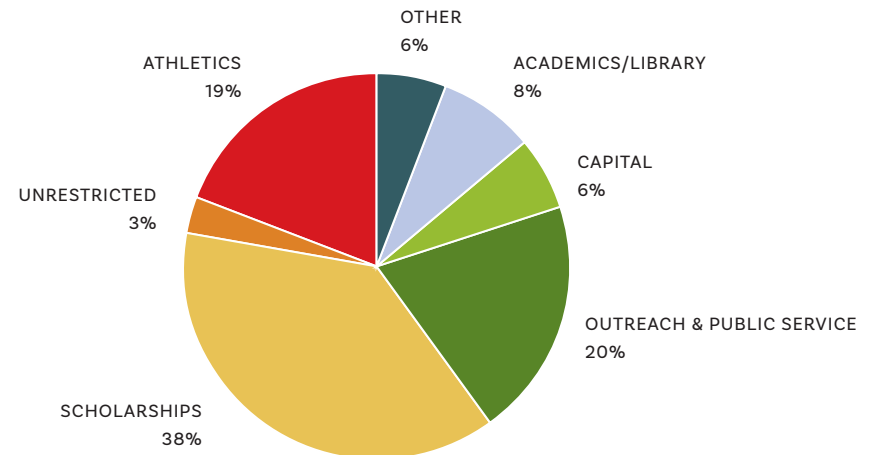
The Southern Oregon University Foundation received \$3.7 million in private gifts, grants, and pledges to support Southern Oregon University during FY 2020-21. Nearly 2,000 donors contributed toward a range of scholarship funds, academic and athletic programs, and public outreach initiatives.



TOTAL PRIVATE SUPPORT FY 2012-2021
(FOR FISCAL YEARS ENDED JUNE 30)

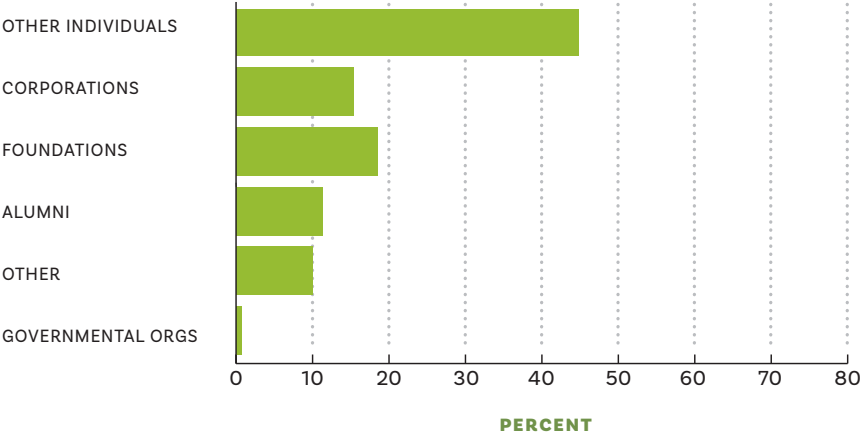


TOTAL PRIVATE SUPPORT BY DESIGNATION
(FY 2021)

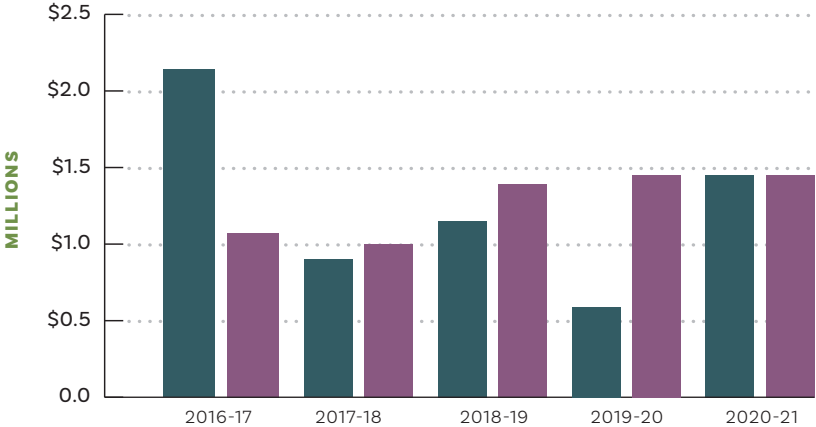




TOTAL PRIVATE SUPPORT BY SOURCE (FY 2021)



STUDENT SCHOLARSHIPS



AMOUNT RAISED
AMOUNT DISTRIBUTED*

*includes annual distribution from endowment funds

GIFT PROVIDES A HELPING HAND

Together, Carol MS '69 and Blair Moody have more than 30 years of involvement with the Southern Oregon University community. Their recent scholarship gift for student athletes from underrepresented groups seemed a natural extension of that involvement. "We had the opportunity to meet some of the student athletes last year, and they were so impressive and engaging," said Carol. "Most of these young people aren't expecting to go pro, they're students who really love their sport, and we want to support them."

"We are big believers in the importance of higher education, and we try to help in every way we can," said Blair. The pair lectures, teaches, attends events and athletic games, and works with faculty, staff members, and administrators, offering support whenever it is needed. The Moodys have always been impressed with the intimacy and hands-on learning that SOU offers.

Carol earned a master's degree in education at what was then Southern Oregon College and taught elementary school in Ashland for 31 years. "I loved my experience at UO as an undergrad, but I was so impressed with SOU. The classes are amazing and the professors are so caring," she said. And it is SOU where Carol dedicated her time, serving on the SOU Alumni Board of Directors for more than 15 years.

Blair, a forester as well as Fellow and Presidential Field Forester of the Society of American Foresters, retired after a 36-year career that spanned the public and private forest products industry. A member of the SOU Foundation Board of Trustees since 1998, Blair also has been involved with a number of academic and administrative initiatives.

The Moodys hope their new scholarship reminds future recipients to take the opportunity to give back to SOU when it is possible. "Neither of us were outstanding students, but we strongly believe in giving back to the school that supported and nurtured you. When you can, give back and give someone else a helping hand," said Carol.

Carol recalled how touched they were by the university's acknowledgement of their scholarship gift. "SOU was really wonderful in guiding us through the process and in their acknowledgement of the gift. We felt like our gift would really make a difference to the university and the students," said Carol.

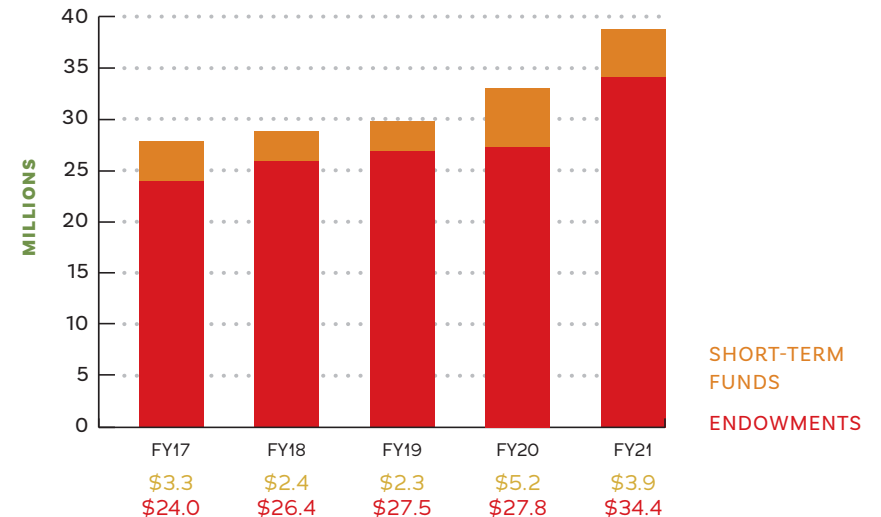
Both Carol and Blair say that SOU's close-knit environment and emphasis on community involvement make the act of giving more personal and fulfilling. "It's fun to give, and at SOU you can see the impact of your gift," said Carol.



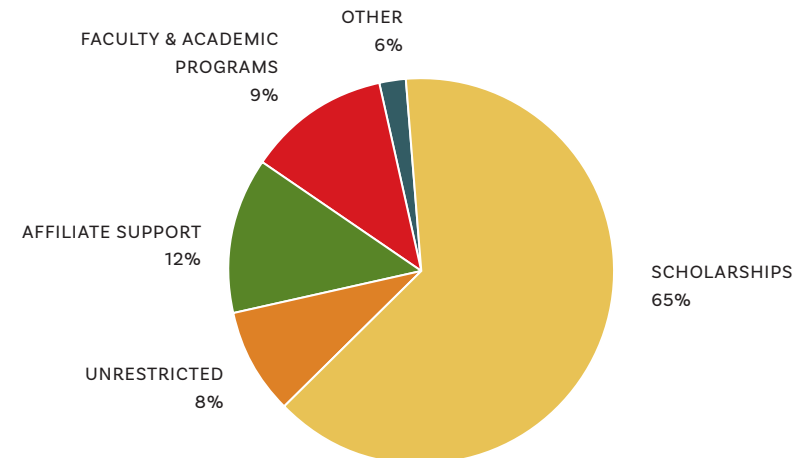
ENDOWMENT PERFORMANCE

The SOU Foundation holds and manages 233 individual endowment funds with the intent to provide financial support in perpetuity to Southern Oregon University. Endowment funds are created when donors make charitable gifts to support the university's mission. The SOU Foundation has endowment and short-term invested funds totaling more than \$38 million—\$34.4 million of which are permanently restricted.

ENDOWMENT GROWTH FY 2017-2021
(FOR FISCAL YEARS ENDED JUNE 30)

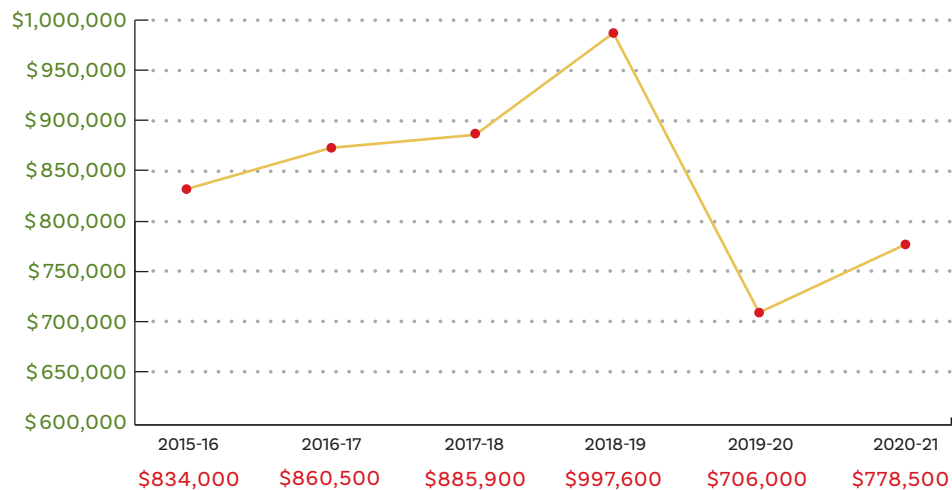


ENDOWMENT FUND BY DESIGNATION
(AS OF JUNE 30, 2021)



AMOUNT TRANSFERRED TO SOU FY 2016-2021

(FOR FISCAL YEARS ENDED JUNE 30)



THE FOUNDATION
DISTRIBUTES 4% OF
EACH FUND'S MARKET
VALUE TO THE
UNIVERSITY
ANNUALLY.



ENDOWMENT INVESTMENT STRATEGY

The investment objectives of the SOU Foundation reflect the long-term nature of the endowment fund. A desire to grow endowment gifts and to produce a stable and predictable payout stream is balanced with the foundation's commitment to donors to ensure the longevity of the funds in its care.

Considerations that shape the SOU Foundation's investment strategy are:

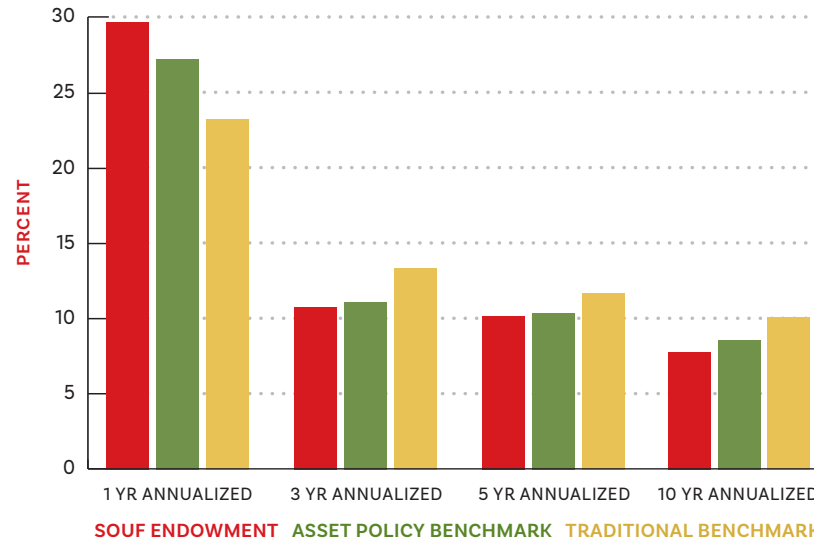
- Produce a relatively predictable and stable payout stream each year.
- Maintain the purchasing power of the assets over the investment horizon.
- Balance the support of present and future generations of students and faculty.

Accordingly, the SOU Foundation's primary investment objective is to produce a total return net of fees that equals or exceeds the foundation's spending rate and annual administrative fee.

BENCHMARK RETURN COMPARISONS

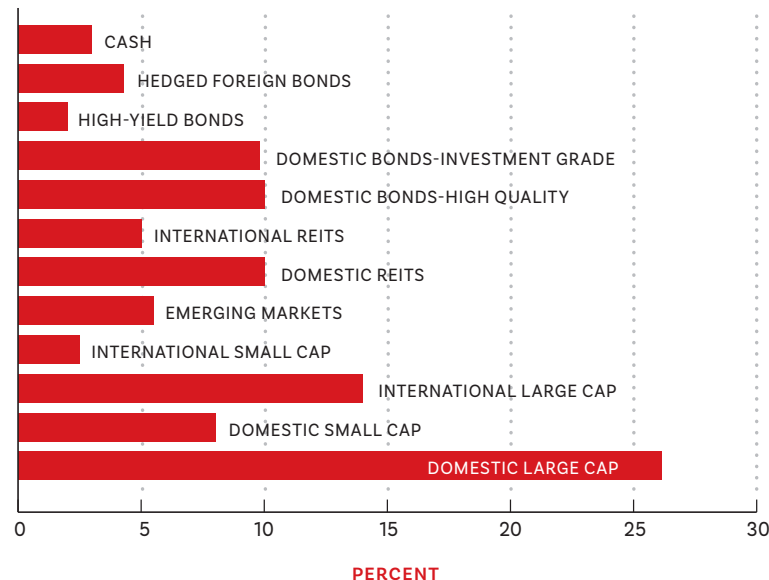
(FOR FISCAL YEARS ENDED JUNE 30)

The SOU Foundation endowment produced a total return of 29.7% for the period of July 1, 2020 to June 30, 2021. Additions to the endowment for this fiscal year totaled \$970,499.



TARGET ASSET ALLOCATION

The SOU Foundation endowment is managed by TIAA Kaspick and invested in approximately 71% stocks and 29% bonds and cash. Both the stock and bond allocations are broadly diversified across different asset classes and managers. This diversification is designed to lower the expected volatility of the portfolio's returns and help protect against negative market environments.





SOU CARES

WHEN IT'S NEEDED MOST

The year 2020 changed a lot about the student experience, but one constant is SOU's commitment to the well-being of its 6,000 students. The SOU Cares program, part of the university's safety net, has been a lifesaver for students in distress.

"SOU Cares largely focuses on financial need, but the program also addresses a range of issues including mental and physical health, food insecurity, and basically anything that could impact a student's ability to learn and thrive," said Taylor Burke, former SOU Dean of Students. "The aim is to assess the student's needs and to help create a situation where they can move forward and continue at SOU. Many, many students have been retained at the university as a result of this program."

Before leaving SOU this summer, Burke had been involved with the program since 2008 and said it is now an integral part of the university community. In its infancy, the program received about 200 Cares reports annually. During this past year, the office fielded more than 3,000 reports.

"SOU Cares is very private. It is a really beautiful system that has grown over the years," said Burke. "We have had students cry when they are notified of the assistance. Our donors are directly impacting students in a profound way."

As example, Burke shared a situation in which a student couldn't afford to pay for utilities and had no heat in their apartment during a particularly cold winter. "We were able to offer financial assistance, and that student was able to heat their home, allowing them to focus on school and complete their studies," she said. "It's sort of like Maslow's hierarchy of needs. When you can manage basic needs such as food, shelter, and security, then you can move to higher rungs which include the ability to learn and to achieve your academic goals."

Burke added that there has always been the notion that people should pull themselves up by their bootstraps and make it on their own, but she said this is largely a myth. "All of us have at some time depended on others, and this program is a really tangible way that donors can help students get over that bump," she said.

PARTNERSHIP

ENERGIZES THE ROGUE

Rogue Credit Union's partnership with SOU runs deep and continues to expand and thrive. From its beginning as a teacher's credit union in the 1950s to its teaming with SOU in the 1980s, the credit union is recognized as a dynamic member of the SOU family.

"Our partnership with SOU is not just about profits or earnings, it is about creating value that offers a meaningful difference for everyone," said Rogue Credit Union CEO Gene Pelham '83, MiM '06. "When we do those things well, we create a win for the community."

The history of the RCU/SOU partnership includes tuition reimbursement for Rogue employees, sponsorship of SOU athletics, scholarships for students, and the creation of a student-led Rogue branch on campus, which offers employment to students as well as banking services for the campus community.

Gene earned two degrees from SOU, is a guest lecturer in the business program, an SOU Foundation trustee, and a community leader. He and the Rogue team are dedicated to

serving SOU and its students in a way that nourishes and energizes the Rogue Valley.

To Gene, much of this thriving partnership can be credited to Jeanne Pickens '03, Rogue's chief operations officer, whose goal is to create a thriving partnership built around collaboration and community. "If we can be a part of helping students uncover their passion, gain valuable life skills, or get a start in their career, we are thrilled to be a part of their journey," she said. "I am so proud of our organization and what we have done so far."

Rogue has 21 SOU alumni on its staff, and 10 employees who are currently enrolled at SOU. Gene and Jeanne both applaud the opportunities SOU offers for real-world, hands-on learning. "I am incredibly fortunate that I got my undergraduate and master's degrees from SOU," said Gene. "My master's program allowed me to immerse myself in SOU and to see the community connections firsthand," he said. "It helped change the trajectory of my life. At the credit union, we want to help make that kind of impact with students."

VALLEY

Working in partnership with SOU is a core part of the Rogue mission. “Giving back to the community is at the heart of who Rogue is,” said Jeanne. “Helping students with basic financial literacy, such as money management and building credit will give them tools to be successful in life.” It also can be helping students to create a business plan or bringing forward ideas for new credit union products and services.

The partnership has generated positives for both organizations, but there is still more to do, according to Jeanne. *“We are a part of something that’s engaging future leaders. When SOU is successful, we’re all successful,”* she said.



A PASSION *for* INNOVATION

Many Southern Oregonians are familiar with entrepreneurs Dena Matthews and Jim Teece. They have multiple businesses and maintain a very active role in the community, including enthusiastically supporting SOU. The couple's recent gift will encourage innovation, leadership, and entrepreneurial thinking. "I love entrepreneurs," said Jim. "I love the idea of starting a business and finding a path that works for it."

Their new endowment fund creates a business plan competition hosted by the business school, but open to all SOU students. Teams of students can compete by creating a business plan for either a for-profit business or non-profit organization. "It's an opportunity to honestly think about what you are building and how you are going to make it happen," said Dena. Jim and Dena hope the competition encourages students to come forward with all of their new ideas. "It doesn't matter if you're running a hot dog stand or a coastal resort," said Jim. "You need to plan how you would run that business."

SOU has many interdisciplinary programs, and the competition will encourage students from disciplines such as economics or business or communication to form small teams and work through the process of establishing a business or non-profit organization. "We're excited about that," said Dena. "It is the flow of ideas across disciplines that's important, that sparks cool, innovative business ideas."

For both Dena and Jim, the pandemic highlighted the importance of resiliency in the business community. "One thing COVID did was revalidate to us that we can change and survive in any circumstance," said Jim. Resilience and courage in the business world is vital, and the couple hopes that students will be fearless when it comes to realizing their business goals. "There seems to be a higher level of anxiety in young people than I recall in earlier generations. Students should learn that it's ok to fail, and you learn from it," said Dena.

The two long-time entrepreneurs own Project A, Ashland HomeNet as well as Rogue Broadband, Southern Oregon Business Journal, and a number of other smaller entities. Jim has served on the SOU Foundation Board of Trustees for more than 20 years, he has taught classes at the business school, and helps students in the EMDA program.

"It's not hard to give," said Dena. "Over the years, when we didn't have the financial means, we gave our time. There are so many ways to make an impact."

Dena and Jim support a number of organizations in the Rogue Valley, and this is their first major gift to SOU. "We are all about supporting the business community, which in turn supports the entire community," said Jim. "We knew we wanted to do something for SOU, and we are finally at a place where we can give at this capacity," he added.



DONOR SHARES

HER LOVE OF SOU AND THE ARTS

Donna Ritchie's joyful love of her community and her delight in regional arts and education are reflected in her generous support of local theater, music organizations, and Southern Oregon University. The avid traveler and former New Yorker has made Ashland her home for the past 21 years. In that time, she has celebrated and supported the very things that drew her to the region in the first place.

This past year Donna created a scholarship endowment to honor her late husband. She also adjusted her estate plans to include a gift to Chamber Music Concerts upon her death. CMC is affiliated with SOU and brings world-class chamber music to the Rogue Valley. "SOU has wonderful music and theater events, and I like that most everyone can access them and enjoy them," she said.

The new Arthur B. Levis Scholarship will support SOU students who major in communication. "Art was a journalist in New York City. He studied journalism at the University of Colorado, Boulder," she said. "I wanted to do something appropriate. I thought journalism and writing—that's perfect—so I donated to his alma mater and to a school in a town that is very important to me."

Donna has spent her life championing education and sharing her love of music and theater. She holds a bachelor's degree from Penn State and a master's degree from Hunter College in New York City. One of her first jobs was at a video company in New York. "I was 'the girl,'" she said. "Back then 'the girls' answered phones and set up lunch for the men. We didn't get to go to those lunches."

Thirty years later, Donna was the CEO of that company.

In New York, she and Art were supporters of arts and culture organizations. After Art passed away Donna decided to make Ashland her new home after a road trip to visit Crater Lake.

Donna said she is delighted to help support the things that have brought her so much happiness, and she urged others to give to what they love, regardless of the amount.

"I have never run into an organization that wasn't thrilled to receive support, whether it is ten dollars, a hundred dollars, or one-hundred-thousand," she said. *"It doesn't matter what you give, it matters that you offer support if you can. It's the support that's most meaningful."*



GOVERNANCE

BOARD OF TRUSTEES

The SOU Foundation is governed by a volunteer Board of Trustees. By volunteering their time to serve on foundation committees and to build relationships with university donors, trustees play a critical role in securing the long-term financial health of Southern Oregon University. The Board of Trustees serves as the governing board for the SOU Foundation and has fiduciary responsibility for the general business functions of the foundation, including the oversight of the SOU Foundation's property, assets, and policies.

2020-21 SOU FOUNDATION OFFICERS

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Executive Director (retired)
Ashland, OR

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Executive Director (retired)
Medford, OR

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Daniel Thorndike
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General Counsel & Corporate Secretary
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Medford, OR

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Richard Young '97
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Benefit Trust Company
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Southern Oregon University
Ashland, OR

Janet Fratella
Vice President of University Advancement
Southern Oregon University
Executive Director
SOU Foundation
Ashland, OR

ABOUT THE SOU FOUNDATION

The mission of the Southern Oregon University Foundation is to secure private philanthropic support to advance SOU and to invest and manage gifts responsibly to honor donors' wishes.

Established in 1959, the SOU Foundation is the primary organization through which private support is managed for the benefit of Southern Oregon University. Private gifts and grants to the SOU Foundation are designated to the SOU program or fund of the donor's choosing. Contributions can be made by contacting the SOU Foundation office at (541) 552-6127 or by making a gift online at giving.sou.edu.

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