



UNIVERSITY
OF OREGON

NCAA Agreed Upon Procedures Report

For the year ended June 30, 2008

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Mr. David Frohnmayer
President
University of Oregon
Eugene, Oregon

Oregon University System
Corvallis, Oregon

We have performed the procedures enumerated below, which were agreed to by the Oregon University System, solely to assist University of Oregon ("University") Intercollegiate Athletics Department ("Department") in complying with the NCAA Constitution Article 6.2.3 for the year ended June 30, 2008. The University is responsible for this Schedule of Revenues and Expenses ("Schedule") and the Schedule's compliance with NCAA Constitution Article 6.2.3. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the management of the University. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

Internal Control: Policies and Procedures Related to Department – Agreed Upon Procedures

1. We selected a random sample of four team travel expense reimbursement forms, from four different sports, that included team per diem meal reimbursements. We inspected the reimbursement forms to determine if financial management is monitoring expenses for compliance with established allowable expense guidelines. For the sample we selected, we found that financial management is monitoring expenses for compliance with established allowable expense guidelines. No exceptions were identified.
2. We selected a random sample of two travel card statements from the department. We inspected the travel card statements to determine if financial management is monitoring expenses for compliance with established allowable expense guidelines. No exceptions were identified.

External Organizations – Agreed Upon Procedures

1. We obtained a listing from management of outside organizations that made contributions directly to the Department.

2. We confirmed with the sole outside organization, University of Oregon Foundation (Foundation), the total contributions made to the Department for the year ended June 30, 2008, and compared these to revenues reported by the Department in the Schedule of Revenue and Expenses. We found that the contributions reported by the Foundation agreed to amounts reported by the Department.
3. We obtained and read the audited financial statements for the Foundation for the year ended June 30, 2008. In addition, we inquired of officials at the Foundation and noted that they were not aware of any reports regarding matters related to internal control.
4. We confirmed the amount of expenses paid by the Foundation on behalf of the Department and compared the amounts to the revenues reported by the Department, noting no differences.

Capital Assets, Additions and Improvements of Facilities

1. We obtained a listing of total intercollegiate athletics capitalized assets, additions and improvements of facilities summarized by type. We agreed the listing to the University's general ledger and the Schedule noting no differences.
2. We obtained the University's policies and procedures for acquiring, approving, depreciating and disposing of intercollegiate athletics-related assets and agreed significant aspects with the notes to the Schedule.
3. We selected significant capitalized additions made by the University during the reporting period (greater than 10% of total capital additions) and agreed the recorded cost of each selection to supporting documentation noting no differences.

Schedule of Revenues and Expenses – Agreed Upon Procedures

1. We obtained the Schedule prepared by management for the year ended June 30, 2008, which is attached to this report. We proved the arithmetical accuracy of the Schedule and compared the amounts in the Schedule to applicable accounts in the Department's general ledger and found them to be in agreement.
2. We compared revenues and expenses in the Schedule for the year ended June 30, 2008 to revenues and expenses in the Schedule for the year ended June 30, 2007 and discussed the differences with the Department's management. We obtained explanations for all variances between current year and prior year revenues and expenses in excess of \$560,000 and 10% of their respective line items.
3. We compared revenues and expenses in the Schedule to budgeted amounts for the year ended June 30, 2008. We obtained explanations for all variances between budget and actual revenues and expenses in excess of 1% of their respective totals.

Minimum Procedures for Revenues and Expenses

1. We compared and agreed each operating revenue category reported in the Schedule during the reporting period to supporting schedules provided by the University and found them to be in agreement.

2. We selected a random sample of 5 athletic operating revenue receipts. We compared and agreed the sample items to supporting documentation and found them to be in agreement.
3. We compared each major revenue account to prior period amounts and budget estimates and obtained documented explanations from the University for any variation in excess of \$560,000 and 10% of their respective line items. We found all management explanations adequate.
4. We compared revenue from tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the University in the Schedule and the related attendance figures. No exceptions were noted.
5. We recalculated totals for tickets sold without exception.
6. We did not compare and agree student fees reported by the University in the Schedule to student enrollments during the same reporting period as student fees is not determined by student enrollment.
7. We obtained a description of the University's methodology for allocating student fees to intercollegiate athletics programs. We determined the methodology was consistently applied in the Schedule.
8. We recalculated totals for student fees without exception.
9. We selected 5 settlement reports for away games during the reporting period and compared each selection to details supporting the University's general ledger and the Schedule. We found them to be in agreement.
10. We obtained and inspected a sample of 5 contractual agreements pertaining to revenues recorded by the University from guaranteed contests during the reporting period. We found the revenue reported on the University's general ledger to be in agreement with the revenue agreed upon in the contracts.
11. We recalculated totals for away game guarantee revenues and away game sales without exception.
12. We compared direct state or other governmental support recorded by the University on the Schedule during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation provided by the University without exception.
13. We recalculated direct state or other governmental support totals presented in the Schedule without exception.
14. We did not compare the direct institutional support recorded by the University during the year ended June 30, 2008 with state appropriations, institutional authorizations and / or other corroborative supporting documentation, as none was recorded.
15. We did not recalculate direct institutional support totals as there was none recorded.
16. We did not compare indirect facilities and administrative support totals recorded by the University during the reporting period with state appropriations, University

authorizations and / or other corroborative supporting documentation because none was reported in the Schedule.

17. We did not recalculate indirect facilities and administrative support totals as none was reported in the Schedule.
18. We compared revenues from NCAA and Conference Distributions, including all tournament revenues, reported on the Schedule of Revenues and Expenses, to the University's general ledger. We found them to be in agreement.
19. We recalculated NCAA and Conference distributions (including tournament revenues) totals without exception.
20. We compared broadcast, television, radio and internet rights revenues recorded on the University's general ledger to the Schedule. We found them to be in agreement.
21. We recalculated broadcast, television, radio and internet rights totals without exception.
22. We obtained support for program sales, concessions, novelty sales and parking, and compared them to the University's general ledger and the Schedule. We found them to be in agreement.
23. We recalculated program sales, concessions, novelty sales, and parking total without exception.
24. We compared royalty, advertisement and sponsorship revenues recorded on the University's general ledger to the Schedule. We found them to be in agreement.
25. We recalculated royalty, sponsorship and advertisement revenue totals without exception.
26. We obtained a listing of sports camp participants and selected a sample of 5 individual camp participant cash receipts and agreed each selection to the University's general ledger without exception.
27. We recalculated sports-camp revenue totals without exception.
28. We did not compare and agree the classification and use of endowment and investment income to the uses of income defined within the related endowment agreement because the endowment or investment income reported in the Schedule is interest income from the Oregon Treasury.
29. We recalculated endowment and investment income totals without exception.
30. We compared and agreed each operating expense category reported in the Schedule during the reporting period to supporting documentation provided by the University and found them to be in agreement.
31. We selected a sample of 5 athletic operating expense invoices. We compared and agreed the sample to supporting documentation and found them to be in agreement.
32. We compared each major expense account to prior period amounts and budget estimates and obtained documented explanations from the University for any significant variation. We found all management explanations adequate.
33. We recalculated totals for each major expense account reported in the Schedule without exception.

34. We selected a sample of 5 student athletes from the listing of institutional student aid recipients during the reporting period. We obtained individual student account detail for each selection and compared total aid allocated from the related aid award letter to the student and found them to be in agreement.
35. We recalculated totals for athletic student aid presented in the Schedule without exception.
36. We obtained and inspected a sample of 5 contractual agreements pertaining to expenses recorded by the University from guaranteed contests during the reporting period. We compared and agreed related amounts expensed by the University for contest guarantees to the University's general ledger and the Schedule. We found them to be in agreement.
37. We recalculated totals for away game guarantees expense without exception.
38. We obtained a listing of coaching staff members and selected a sample of 5 coaching contracts for inspection. We compared the terms of each contract to related W-2s and 1099s and agreed them to related coaching salary, benefits and bonuses expensed by the University in the general ledger and the Schedule. We found them to be in agreement.
39. We recalculated totals for coaching salaries, benefits and bonuses paid without exception.
40. We recalculated coaching salaries, benefits, and bonuses paid by a third party without exception.
41. We selected a sample of 5 athletic support staff / administrative personnel employed by the institution and related parties during the reporting period. We compared related W-2s and 1099s to the related support staff / administrative salaries, benefits and bonuses paid by the institution and recorded as an expense by the institution in the Schedule during the reporting period. We found them to be in agreement.
42. We recalculated support staff / administrative salaries, benefits and bonuses paid by the institution and related entities reported in the Schedule without exception.
43. We agreed severance payments to the related termination letter and settlement agreement for the two payees within the Department. We found them to be in agreement.
44. We recalculated the total for severance payments without exception.
45. We selected a sample of 5 equipment, uniform, and supplies expenses and compared each expense to supporting documentation provided by the University. We found them to be in agreement.
46. We recalculated totals for equipment, uniforms and supplies without exception.
47. We selected a sample of 5 game-related expenses, compared each expense to supporting documentation and found them to be in agreement.
48. We recalculated totals for game expenses reported in the Schedule without exception.
49. We selected a sample of 5 fundraising, marketing, or promotion expenses and compared each to supporting documentation. We found them to be in agreement.
50. We recalculated totals for fundraising, marketing, and promotion expenses without exception.

51. We selected a sample of 5 sports camp expenses and compared each expense to supporting documentation provided by the University. We found them to be in agreement.
52. We recalculated totals for sports camp expenses without exception.
53. We selected a sample of 5 direct facilities, maintenance and rental expenses and agreed them to supporting documentation without exception.
54. We recalculated totals for direct facilities, maintenance and rental expenses reported in the Schedule without exception.
55. We did not compare and agree indirect facilities and administrative support expenses reported by the University in the Schedule to the corresponding revenue category reported in the Schedule as none were reported there.
56. We did not recalculate indirect facilities and administrative support totals as none were reported in the Schedule.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the presentation and compliance of the accompanying Schedule of Revenues and Expenses of University of Oregon. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the University, management of the Oregon University System, and authorized representatives of the NCAA and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Eugene, Oregon
January 13, 2009

EXHIBIT A

UNIVERSITY OF OREGON INTERCOLLEGIATE ATHLETICS DEPARTMENT

SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2008 (Unaudited)

	Football	Men's Basketball	Women's Basketball	Other Sports Men	Other Sports Women	Non-Sport Specific	Total
REVENUES:							
Ticket Sales	\$ 13,255,367	\$ 2,315,512	\$ 286,394	\$ 97,498	\$ 41,438	\$ -	\$ 15,996,209
Student Incidental Fees	-	-	-	-	-	1,414,643	1,414,643
Guarantees	668,715	102,108	56,998	-	2,500	-	830,321
Contributions	88,205	16,608	21,119	322,456	328,351	17,570,442	18,347,181
Compensation & Benefits Provided by Third Party	26,000	7,500	7,500	9,000	17,500	16,250	83,750
Sports Lottery Proceeds	-	-	-	-	-	1,168,411	1,168,411
Direct Institutional Support	-	-	-	-	-	-	-
Indirect Facilities & Administrative Support	-	-	-	-	-	-	-
NCAA/Conference Distributions	-	-	-	-	-	8,920,152	8,920,152
Tournament Revenue	1,536,157	79,488	-	28,702	24,563	-	1,668,910
Broadcast, Television, Radio & Internet Rights	-	-	-	-	-	2,674,268	2,674,268
Program Sales, Concessions, Novelty Sales & Parking	12,980	-	-	-	-	3,295,328	3,308,308
Royalties, Licensing, Advertising & Sponsorship	18,750	-	-	-	24,000	477,000	519,750
Sports Camp Revenue	275,964	145,021	-	-	-	-	420,984
Endowment & Investment Income	6,804	-	-	17,867	-	238,957	263,629
Other Revenue	6,048	-	-	-	-	1,001,338	1,007,386
Total Revenues	15,894,990	2,666,237	372,011	475,524	438,352	36,776,789	56,623,902
EXPENSES:							
Athletics Student Financial Aid	2,621,013	395,507	381,109	800,898	2,380,715	350,409	6,929,652
Guarantees	2,177,748	441,655	6,729	24,624	38,026	161,673	2,850,455
Coaching Salaries, Benefits & Bonuses Paid by the University and Related Parties	4,321,333	1,576,163	685,863	2,529,670	1,409,167	-	10,522,196
Coaching Other Compensation and Benefits Paid by a Third-Party	26,000	7,500	7,500	9,000	17,500	-	67,500
Support Staff/Administrative Salaries, Benefits & Bonuses Paid by the University & Related Entities	131,299	9,478	32,590	140,529	138,258	8,207,329	8,659,484
Support Staff/Administrative Compensation & Benefits Paid by a Third-Party	-	-	-	-	-	16,250	16,250
Severance Payments	-	-	-	-	-	326,882	326,882
Recruiting	596,822	146,481	85,259	160,159	152,656	-	1,141,377
Team Travel	2,179,405	511,942	259,835	487,509	1,109,722	-	4,548,413
Equipment, Uniforms & Supplies	400,014	124,502	13,801	98,420	95,653	-	732,390
Game Expenses	2,490,184	592,526	267,912	179,567	211,731	625	3,742,543
Fund Raising, Marketing & Promotions	276,414	173,903	93,468	206,204	241,872	1,891,552	2,883,414
Sports Camp Expenses	263,774	159,962	-	-	-	-	423,736
Direct Facilities, Maintenance & Rental	3,130	3,449	2,940	484	3,341	5,365,996	5,379,340
Spirit Groups	-	-	-	-	-	242,953	242,953
Indirect Facilities & Administrative Support	-	-	-	-	-	-	-
Medical Expenses & Medical Insurance	210,656	7,498	12,661	22,629	48,274	559,420	861,137
Memberships & Dues	635	900	1,474	1,592	2,917	648,846	656,364
Other Operating Expenses	620,877	84,340	49,967	97,069	173,668	5,249,935	6,275,856
Total Expenses	16,319,303	4,235,806	1,901,108	4,758,354	6,023,502	23,021,870	56,259,942
Excess (deficiency) of operating revenues over expenses before depreciation	(424,313)	(1,569,569)	(1,529,097)	(4,282,830)	(5,585,150)	13,754,919	363,960
Depreciation expense	-	-	-	-	-	(4,266,287)	(4,266,287)
Excess (deficiency) of operating revenues over expenses after depreciation	<u>\$ (424,313)</u>	<u>\$ (1,569,569)</u>	<u>\$ (1,529,097)</u>	<u>\$ (4,282,830)</u>	<u>\$ (5,585,150)</u>	<u>\$ 9,488,632</u>	<u>\$ (3,902,327)</u>
Other Support and transfers to other funds	-	-	-	-	-	-	-
Foundation support for outside vendors	-	-	-	-	-	2,970,422	2,970,422
Gift-in-kind trade outs	-	-	-	-	-	161,105	161,105
Foundation support for outside vendors	-	-	-	-	-	(2,970,422)	(2,970,422)
Gift-in-kind trade outs	-	-	-	-	-	(161,105)	(161,105)
Transfers Out to Plant Funds	-	-	-	-	-	(325,000)	(325,000)
Transfers Out to Other Funds	-	-	-	-	-	(511,878)	(511,878)

See notes to Schedule of Revenue and Expenses

**UNIVERSITY OF OREGON INTERCOLLEGIATE
ATHLETICS DEPARTMENT**

**NOTES TO SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2008 (Unaudited)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of revenues and expenses has been prepared on the accrual basis of accounting.

2. CONTRIBUTIONS

Contributions received by the Department that constituted more than 10% of all contributions were made by the University of Oregon Foundation in the amount of \$17,134,417. Payments made on behalf of the Department by the Foundation and in-kind gifts totaled \$2,970,422 and \$161,105 respectively.

3. CAPITALIZATION OF ASSETS

The Department capitalizes individual assets that exceed \$5,000 if the life expectancy is greater than one year. The Department uses straight-line depreciation with zero salvage value and a useful life based on asset type.

4. CHANGES TO PLANT FUNDS

The following summarizes the changes to the various plant construction funds managed by the Department during the year ended June 30, 2008:

Fund Balance as of July 1, 2007	\$ 274,882
Revenues and transfers in	827,923
Expenses and transfers out	32,790
Fund Balance as of June 30, 2008	<u>\$ 1,070,015</u>

