



UNIVERSITY
OF OREGON

NCAA Agreed Upon Procedures Report

For the year ended June 30, 2010

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Richard Lariviere
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 3.2.4 for the year ended June 30, 2010. The University is responsible for this Schedule of Revenues and Expenses ("Schedule") and the Schedule's compliance with NCAA Constitution Article 3.2.4. 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:

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 to exceed 10% of total contributions reported in the Schedule, University of Oregon Foundation (Foundation), the total contributions made to the Department for the year ended June 30, 2010, and compared these to revenues recorded by the Department in the general ledger. We found that the contributions confirmed by the Foundation agreed to amounts recorded by the Department.
3. We obtained and read the audited financial statements for the Foundation for the year ended June 30, 2010. We noted no material weaknesses were identified in the audited financial statements which would need to be disclosed in the notes to the Schedule.

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4. We confirmed the amount of expenses paid by the Foundation on behalf of the Department and compared the amounts to the revenues recorded 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 dollar amount of total capitalized assets on 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 compared the policies to the notes of the Schedule. We found them to be in agreement.
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 provided by the University noting no differences.

Schedule of Revenues and Expenses – Agreed Upon Procedures

1. We obtained the Schedule for intercollegiate athletics prepared by management for the year ended June 30, 2010, 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 total revenues and total expenses in the Schedule for the year ended June 30, 2010 to total revenues and total expenses in the Schedule for the year ended June 30, 2009. We obtained explanations from the University for all significant variances between current year and prior year total revenues and total expenses.
3. We compared revenues and expenses in the Schedule to budgeted amounts for the year ended June 30, 2010. We obtained explanations from the University for all significant variances between budget and actual revenues and expenses in excess of \$500,000 and 15% 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 haphazardly selected a sample of 5 athletic operating revenue receipts. We compared the sample items to supporting documentation provided by the University. We found them to be in agreement.

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3. We compared each major revenue account to prior period amounts and budget estimates and obtained documented explanations from the University for any significant variation.
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; however, it was noted University purchases of athletics related tickets, an expense, were reported in the Schedule as a reduction to revenue from tickets sold. Historically, the expense of tickets purchased by the University was reported in various expense line items on the Schedule depending on intended use.
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 in the same reporting period.
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 haphazardly 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 haphazardly selected 5 contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period. We compared each selection to details supporting the University's general ledger and/or the Schedule. We found them to be in agreement.
11. We recalculated totals for away game guarantee revenues and away game sales without exception.
12. We did not compare 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 as none was reported in the Schedule.
13. We did not recalculate direct state or other governmental support totals as none were reported in the Schedule.
14. We did not compare direct institutional 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 as none were reported in the Schedule.
15. We did not recalculate direct institutional support totals as none were reported in the Schedule.

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16. We did not compare indirect facilities and administrative support totals recorded by the University on the Schedule during the reporting period with state appropriations, University authorizations and / or other corroborative supporting documentation as none were reported in the Schedule.
17. We did not recalculate indirect facilities and administrative support totals as none were reported in the Schedule.
18. We compared revenues from NCAA and Conference Distributions, including all tournament revenues, reported on the Schedule, to the University's general ledger. We found them to be in agreement.
19. We recalculated NCAA and Conference distribution (including tournament revenues) totals without exception.
20. We haphazardly selected 5 broadcast, television, radio and internet rights revenues transactions recorded on the University's general ledger and compared each selection to support provided by the University and to the Schedule. We found them to be in agreement.
21. We recalculated broadcast, television, radio and internet rights totals without exception.
22. We haphazardly selected 5 program sales, concessions, novelty sales and parking revenue transactions recorded on the University's general ledger and compared each selection to support provided by the University and to the Schedule. We found them to be in agreement.
23. We recalculated program sales, concessions, novelty sales, and parking totals without exception.
24. We haphazardly selected 5 royalties, advertisements and sponsorships revenue transactions recorded on the University's general ledger and compared each selection to support provided by the University and to the Schedule. We found them to be in agreement.
25. We recalculated royalties, advertisements, and sponsorships revenue totals without exception.
26. We obtained a listing of sports camp participants and haphazardly selected a sample of 5 individual camp participant cash receipts and compared each selection to the University's general ledger. We agreed 4 selections to the University's general ledger without exception. For the remaining selection, documentation was not available to support the \$2,200 cash receipt recorded on the University's general ledger.
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 reported in the Schedule during the reporting period 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.

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29. We recalculated endowment and investment income totals without exception.
30. We compared each operating expense category reported in the Schedule during the reporting period to supporting schedules provided by the University. We found them to be in agreement.
31. We haphazardly selected a sample of 5 athletic operating expense transactions. We compared the sample to supporting documentation provided by the University. We 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.
33. We recalculated totals for each major expense account reported in the Schedule without exception.
34. We haphazardly 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 totals without exception.
36. We haphazardly selected 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 sales and guarantees expense without exception.
38. We compared severance payments and/or year end accruals to the related termination letters or employment contract provided by the University for the three recipients identified by the Department. We found them to be in agreement.
39. We recalculated totals for severance payments without exception.
40. We haphazardly 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.
41. We recalculated totals for equipment, uniform and supplies without exception.
42. We haphazardly selected a sample of 5 game related expenses and compared each expense to supporting documentation provided by the University. We found them to be in agreement.
43. We recalculated totals for game expenses without exception.
44. We haphazardly selected a sample of 5 fundraising, marketing, or promotion expenses and compared each to supporting documentation provided by the University. We found them to be in agreement.

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45. We recalculated totals for fundraising, marketing, and promotion expenses without exception.
46. We haphazardly 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.
47. We recalculated totals for sports camp expenses without exception.
48. We haphazardly selected a sample of 5 direct facilities, maintenance and rental expenses and compared them to supporting documentation provided by the University. We agreed 4 of them to supporting documentation provided by the University without exception. For the remaining selection, the expense recorded on the University's general ledger was not an expense attributable to the Department.
49. We recalculated totals for direct facilities, maintenance and rental expenses without exception.
50. 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.
51. 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 5, 2011

UNIVERSITY OF OREGON INTERCOLLEGIATE ATHLETICS DEPARTMENT

SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2010 (Unaudited)

	Football	Men's Basketball	Women's Basketball	Other Sports Men	Other Sports Women	Non-Sport Specific	Total
REVENUES:							
Ticket Sales	\$ 15,196,152	\$ 1,972,287	\$ 236,584	\$ 638,678	\$ 58,502	\$ -	\$ 18,102,203
Student Incidental Fees	-	-	-	-	-	1,544,343	1,544,343
Guarantees	1,000,000	102,420	51,678	17,868	27,047	47,217	1,246,230
Contributions	1,200	-	-	-	-	73,808,575	73,809,775
Sports Lottery Proceeds	-	-	-	-	-	1,140,798	1,140,798
NCAA/Conference Distributions Including All Tournament Revenues	1,770,467	-	-	36,568	50,171	10,899,397	12,756,603
Broadcast, Television, Radio & Internet Rights	-	-	-	-	-	108,452	108,452
Program Sales, Concessions, Novelty Sales & Parking	43,777	11,165	150	31,157	-	3,573,251	3,659,500
Royalties, Licensing, Advertising & Sponsorship	-	-	-	-	18,000	4,574,103	4,592,103
Sports Camp Revenue	168,586	145,340	9,805	464,857	345,254	-	1,133,842
Endowment & Investment Income	7,118	-	-	3,155	-	52,373	62,646
Other Revenue	361,299	3,917	-	1,000	4,322	3,867,452	4,237,990
Total Revenues	18,548,599	2,235,129	298,217	1,193,283	503,296	99,615,961	122,394,485
EXPENSES:							
Athletics Student Financial Aid	3,120,380	483,056	477,521	1,173,887	3,140,783	313,904	8,709,531
Guarantees	2,431,697	670,763	76,000	5,000	44,000	71,278	3,298,738
Coaching Salaries, Benefits & Bonuses Paid by the University and Related Parties	5,956,132	2,953,724	1,324,443	2,283,378	2,562,524	-	15,080,201
Support Staff/Administrative Salaries, Benefits & Bonuses Paid by the University & Related Entities	198,133	47,203	25,672	52,565	57,476	12,638,972	13,020,021
Severance Payments	-	-	-	-	-	3,531,420	3,531,420
Recruiting	622,254	119,152	104,900	102,829	184,789	-	1,133,924
Team Travel	1,742,832	247,917	232,020	794,746	1,063,467	-	4,080,982
Equipment, Uniforms & Supplies	243,294	9,780	3,819	76,417	100,693	-	434,003
Game Expenses	2,057,951	482,904	251,384	242,316	130,590	-	3,165,135
Fund Raising, Marketing & Promotions	268,245	97,022	35,557	59,679	51,591	896,745	1,408,839
Sports Camp Expenses	130,771	111,170	8,628	506,996	295,342	-	1,052,907
Direct Facilities, Maintenance & Rental	19,010	3,168	1,324	4,363	2,742	13,768,925	13,799,532
Spirit Groups	-	-	-	-	-	206,353	206,353
Medical Expenses & Medical Insurance	88,877	6,220	4,947	18,612	36,113	773,850	928,619
Memberships & Dues	440	1,042	824	1,760	2,898	1,039,869	1,046,833
Other Operating Expenses	1,190,997	258,725	122,167	299,194	388,928	4,699,183	6,959,194
Total Expenses	18,071,013	5,491,846	2,669,206	5,621,742	8,061,926	37,940,499	77,856,232
Excess (deficiency) of operating revenues over expenses before depreciation	477,586	(3,256,717)	(2,370,989)	(4,428,459)	(7,558,630)	61,675,462	44,538,253
Depreciation expense	-	-	-	-	-	(5,259,021)	(5,259,021)
Excess (deficiency) of operating revenues over expenses after depreciation	\$ 477,586	\$ (3,256,717)	\$ (2,370,989)	\$ (4,428,459)	\$ (7,558,630)	\$ 56,416,441	\$ 39,279,232
Other Support and transfers to other funds							
Foundation support for outside vendors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,860,842	\$ 3,860,842
Gift-in-kind trade outs	-	-	-	-	-	1,359,902	1,359,902
Foundation support for outside vendors	-	-	-	-	-	(3,860,842)	(3,860,842)
Gift-in-kind trade outs	-	-	-	-	-	(1,359,902)	(1,359,902)

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, 2010 (Unaudited)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of revenues and expenses has been prepared on the accrual basis of accounting, with the exception of debt services payments which are on the cash basis of accounting.

2. CONTRIBUTIONS

Contributions recognized by the Department that constituted more than 10% of all contributions were made by the University of Oregon Foundation ("Foundation") in the amount of \$31,062,073. Additionally, a one-time non-cash gift of a building totaling \$41,759,118 was received from Phit, LLC, a wholly owned subsidiary of the Foundation. Payments made on behalf of the Department by the Foundation and in-kind gifts totaled \$3,860,842 and \$1,359,902 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 is determined for each asset.

4. SPORTS CAMPS

Sports camp revenue consists of receipts from participants and other small fundraising activities. Sports camp expenses include costs attributable to each camp and coaches' discretionary spending.

5. 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, 2010:

Fund Balance as of July 1, 2009	\$ 41,758
Revenues and transfers in	36
Expenses and transfers out	<u>41,794</u>
Fund Balance as of June 30, 2010	<u>\$ 0</u>

Additional changes in the capitalized value of plant construction funds managed outside of the Department during the year ended June 30, 2010:

Matt Knight Basketball Arena	\$ 89,310,953
PK Park Baseball Field	\$ 10,764,341
Jaqua Center	\$ 37,212,382