

UNIVERSITY OF OREGON

University of Oregon Intercollegiate Athletics
Fiscal Year-to-Date June 30, 2008 - 2011

SUMMARY STATEMENT OF NET ASSETS

As of:	6/30/2008	6/30/2009	6/30/2010	6/30/2011
Assets				
Current Assets				
Cash and Investments	\$ 12,825,493	\$ 11,738,485	\$ 9,907,066	\$ 19,160,413
Cash - Restricted	463,265	275,634	265,780	267,462
Receivables (net), Inventories, and Prepaid Expense	1,982,851	4,458,805	7,008,753	8,090,913
Due From Other Funds and OUS Institutions	-	-	-	-
Total Current Assets	15,271,609	16,472,924	17,181,599	27,518,788
Noncurrent Assets				
Noncurrent Employment Related Receivables			5,470,217	6,805,190
Fixed Assets, Net	104,471,448	145,141,349	281,311,279	350,759,741
Total Assets	\$ 119,743,057	\$ 161,614,273	\$ 303,963,095	\$ 385,083,719
Liabilities				
Current Liabilities				
Current Payables	\$ 2,034,148	\$ 2,049,273	\$ 4,892,004	\$ 5,829,003
Deferred Revenue	12,464,790	15,065,834	13,748,186	24,243,502
Due to Other Funds	-	-	-	-
Total Current Liabilities	14,498,938	17,115,107	18,640,190	30,072,505
Noncurrent Liabilities				
Noncurrent Employment Related Liabilities			11,885,833	12,107,764
Other Noncurrent Liabilities			2,448,033	2,299,605
XI-F Long-Term Bonds Payable	234,888,902	233,916,859	200,000,000	196,920,000
Long-Term Payable to OUS Internal Bank			29,509,152	31,079,395
Total Liabilities	\$ 249,387,840	\$ 251,031,966	\$ 262,483,208	\$ 272,479,269
Net Assets	\$ (129,644,783)	\$ (89,417,693)	\$ 41,479,887	\$ 112,604,450

As of:	6/30/2008	6/30/2009	6/30/2010	6/30/2011
WORKING CAPITAL				
Current Assets	\$ 15,271,609	\$ 16,472,924	\$ 17,181,599	\$ 27,518,788
Less: Current Liabilities	14,498,938	17,115,107	18,640,190	30,072,505
Working Capital at End of Period	\$ 772,671	\$ (642,183)	\$ (1,458,591)	\$ (2,553,717)
BUDGETARY CASH FLOW & Direct Institutional Support				
Net Income(Loss) from Operations before Direct Institutional Support and Depreciation	\$ 723,886	\$ (60,166)	\$ 46,024,738	\$ 11,094,790
Less: Debt Principal Payments	(1,196,805)	(1,138,784)	(1,486,489)	(1,549,235)
Budgetary Cash Flow	(472,919)	(1,198,950)	44,538,249	9,545,555
Direct Institutional Support	-	-	-	-
Net	\$ (472,919)	\$ (1,198,950)	\$ 44,538,249	\$ 9,545,555
DEPARTMENTAL DEBT BURDEN RATIO	5.6%	5.0%	14.4%	20.2%
Debt Service	\$ 3,173,754	\$ 3,027,745	\$ 11,225,295	\$ 15,343,823
Adjusted Expenses: Total Expenses excluding Depreciation Expense plus Debt Principal Payments	\$ 56,965,596	\$ 60,128,445	\$ 77,856,233	\$ 76,147,637

UNAUDITED - For management purposes only

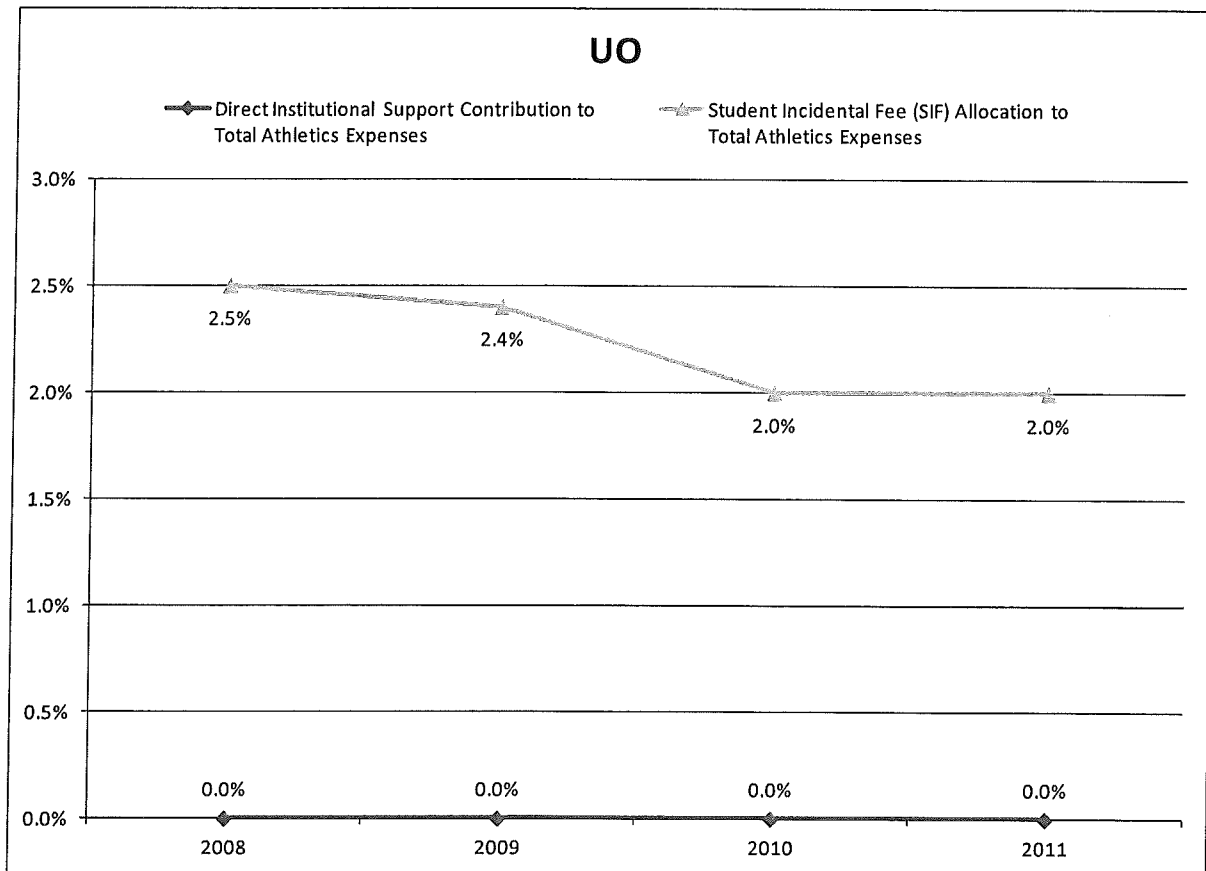
University of Oregon Intercollegiate Athletics
Fiscal Year-to-Date June 30, 2008 - 2011

SUMMARY OF REVENUES, EXPENSES, AND OTHER CHANGES

For the Year Ended:	6/30/2008	6/30/2009	6/30/2010	6/30/2011
Revenues				
Operating Revenues	\$ 36,095,987	\$ 39,605,318	\$ 45,491,817	\$ 49,451,721
Student Fees	1,414,643	1,399,352	1,544,343	1,460,076
Lottery Proceeds	1,168,411	1,398,093	1,140,798	959,779
Gifts, Grants, and Booster Receipts (2)	17,350,007	16,224,649	73,809,775	32,742,251
Other Revenue	463,629	302,083	407,749	1,079,365
Total Revenue	<u>56,492,677</u>	<u>58,929,495</u>	<u>122,394,482</u>	<u>85,693,192</u>
Expenses				
Operating Expenses	46,072,486	48,304,215	57,735,059	60,101,513
Scholarships	6,929,652	7,753,855	8,709,530	9,163,627
Bond Interest Expense	1,976,949	1,888,961	9,738,806	4,620,922
Net Transfers (In)/Out	789,704	1,042,630	186,349	712,340
Total Expenses	<u>55,768,791</u>	<u>58,989,661</u>	<u>76,369,744</u>	<u>74,598,402</u>
Net Income(Loss) from Operations before Direct Institutional Support and Depreciation	723,886	(60,166)	46,024,738	11,094,790
Direct Institutional Support				
Fee Remissions	-	-	-	-
Other Direct Institutional Support	-	-	-	-
Total Direct Institutional Support	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income(Loss) from Operations before Depreciation	723,886	(60,166)	46,024,738	11,094,790
Depreciation Expense	(4,266,287)	(4,927,759)	(5,259,021)	(8,514,318)
Net Income(Loss)	(3,542,401)	(4,987,925)	40,765,717	2,580,472
Beginning Net Assets	68,328,881	(129,644,783)	(89,417,693)	41,479,887
Beginning Balance Adjustments	-	-	-	(6,442)
Fund Additions	5,885,762	46,502,769	332,706,689	273,150,408
Fund Deductions	(199,120,220)	(148,970)	(241,088,337)	(203,050,640)
Bond Debt Principal/Sinking Fund	(1,196,805)	(1,138,784)	(1,486,489)	(1,549,235)
Ending Net Assets	\$ (129,644,783)	\$ (89,417,693)	\$ 41,479,887	\$ 112,604,450
UNAUDITED - For management purposes only				
Education and General Revenues(1)	\$ 275,213,866	\$ 302,201,907	\$ 338,067,562	\$ 381,837,000
Direct Institutional Support as a Percent of E&G Revenue	0.0%	0.0%	0.0%	0.0%
Direct Institutional Support Contribution to Total Athletics Expenses	0.0%	0.0%	0.0%	0.0%
Student Incidental Fee (SIF) Allocation to Total Athletics Expenses	2.5%	2.4%	2.0%	2.0%
Direct Institutional Support and SIF to Total Athletics Expenses	2.5%	2.4%	2.0%	2.0%

(1) Source: Total Revenue from Fund Type 11 - Budgeted Operations

(2) FY2010 includes non-cash capital gift of \$38,212,395



SUMMARY

The UO Athletics working capital as of June 30, 2011 was a negative \$2.6 million, a decrease of \$1.1 million from the prior year. The UO Athletics ended FY2011 with negative working capital and is not in compliance with the Board's directives relating to deficits. The UO Athletics continues to operate without any direct institutional support.

UO Athletics' departmental debt burden ratio for FY2011 is 20.2 percent. The increased debt burden ratio over prior years is a reflection of the Matthew Knight Arena debt, which becomes fully realized in FY2012. Since the Arena was operating for only part of FY2011, the departmental financial report does not include a full year of incremental revenues associated with Arena activities; nor does it include funds to support the Arena that are held at the Foundation. The debt burden ratio measures Athletics' dependence on borrowed funds in financing its mission and its relative cost of borrowing to overall expenses. Because debt service represents required payments from the operating budget, a higher ratio indicates that Athletics has less flexibility to manage the remaining portion of its budget, to fund other capital projects and strategic initiatives, and to adjust to a declining revenue base, should that condition occur. Since there are no known benchmarks for this measure that are specific to a NCAA Division I Athletic department, it is provided as supplementary information to consider in relation to Athletics' overall financial health.

UO ATHLETICS RESPONSE TO FY2011 WORKING CAPITAL DEFICIT

During FY2011, the Athletic Department ended the year with cash balances of \$19.2 million. The department received no institutional support. The working capital metric considers all short-term liabilities of the department compared to current assets of the department. Given current revenue projections, foundation assets, and the expected recognition of deferred football ticket revenue in the fall, there was no business need to transfer additional cash over from the foundation prior to FY2012. While this decision results in a negative working capital ratio for June 30th, 2011, it enables the department to most prudently manage its fiscal assets.