



UNIVERSITY
OF OREGON

NCAA Agreed Upon Procedures Report

For the year ended June 30, 2013

REPORT OF INDEPENDENT ACCOUNTANTS ON APPLYING AGREED-UPON PROCEDURES

Dr. Michael R. Gottfredson
 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, 2013. The University is responsible for the 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:

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

1. We haphazardly selected a sample of 4 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 selected, we found that financial management is monitoring expenses for compliance with established allowable expense guidelines. No exceptions were identified.
2. We haphazardly selected a sample of 2 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 that exceeded 10% of total contributions reported in the Schedule, the University of Oregon Foundation (“Foundation”), the total contributions made to the Department for the year ended June 30, 2013, and compared these to revenues recorded by the Department in the general ledger. We found contributions confirmed by the Foundation reconciled to amounts recorded by the Department.

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3. We obtained and read the audited financial statements for the Foundation for the year ended June 30, 2013. We noted no material weaknesses in the audited financial statements requiring disclosure in the notes to the Schedule.
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 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, 2013, 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, 2013 to total revenues and total expenses in the Schedule for the year ended June 30, 2012. 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, 2013. 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.
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.

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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. We found them to be in agreement.
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 are 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 selected the 3 settlement reports for away games as identified by the Department during the reporting period. We compared each selection to details supporting the University's general ledger and the Schedule. We found them to be in agreement.
10. We selected the 3 contractual agreements pertaining to revenues derived from guaranteed contests as identified by the Department during the reporting period. We compared each selection to details supporting the University's general ledger and 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 obtained a summary of revenues from affiliated and outside organizations as of the end of the reporting period from the University. We haphazardly selected a sample of 5 revenue transactions and compared each selection to supporting documentation, the University's general ledger, and the Schedule. We found them to be in agreement.
13. We recalculated totals for compensation and benefits provided by a third party without exception.
14. 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.
15. We did not recalculate direct state or other governmental support totals as none were reported in the Schedule.
16. 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 was reported in the Schedule.
17. We did not recalculate direct institutional support totals as none were reported in the Schedule.
18. We did not compare indirect facilities and administrative support recorded by the University on the Schedule during the reporting period with state appropriations, University authorizations and / or other corroborative supporting documentation as none was reported in the Schedule.
19. We did not recalculate indirect facilities and administrative support totals as none were reported in the Schedule.

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20. 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.
21. We recalculated NCAA and Conference distribution (including tournament revenues) totals without exception.
22. 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.
23. We recalculated broadcast, television, radio and internet rights totals without exception.
24. 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.
25. We recalculated program sales, concessions, novelty sales, and parking totals without exception.
26. 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.
27. We recalculated royalties, advertisements, and sponsorships revenue totals without exception.
28. 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 found them to be in agreement.
29. We recalculated sports camp revenue totals without exception.
30. 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.
31. We recalculated endowment and investment income totals without exception.
32. 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.
33. 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.
34. We compared each major expense account to prior period amounts and budget estimates and obtained documented explanations from the University for any significant variation.
35. We recalculated totals for each major expense account reported in the Schedule without exception.
36. 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. We found them to be in agreement.
37. We recalculated totals for athletic student aid totals without exception.

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38. 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.
39. We recalculated totals for game guarantees expense without exception.
40. We obtained a listing of coaches' employed by the University during the reporting period and haphazardly selected a sample of 5 coaches' contracts for inspection including at least one from selection from football, men's basketball and women's basketball. We compared the financial terms and conditions 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.
41. We recalculated totals for coaching salaries, benefits and bonuses paid without exception.
42. We haphazardly selected a sample of 5 coaches receiving compensation and benefits from a third party during the reporting period. We noted the other compensation and benefits received by the coaches was not contractually guaranteed by the University (See Minimum Procedure #12 above). We compared and agreed the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and expensed by the University in the general ledger and the Schedule. We found them to be in agreement.
43. We recalculated coaching salaries, benefits, and bonuses paid by a third party without exception.
44. We haphazardly selected a sample of 5 athletic support staff / administrative personnel employed by the University during the reporting period. We compared related W-2s and 1099s to the related support staff / administrative salaries, benefits and bonuses paid by the University and recorded as an expense by the University in the Schedule during the reporting period. We found them to be in agreement.
45. We recalculated athletic support staff / administrative salaries, benefits and bonuses paid without exception.
46. We haphazardly selected a sample of 5 athletic support staff/administrative personnel receiving compensation and benefits from a third party during the reporting period. We noted the other compensation and benefits received by the athletic support staff/administrative personnel was not contractually guaranteed by the University (See Minimum Procedure #12 above). We compared and agreed the financial terms and conditions of each selection to the related athletic support staff/administrative personnel other compensation and benefits paid by a third party and expensed by the University in the general ledger and the Schedule. We found them to be in agreement.
47. We recalculated totals for athletic support staff/administrative salaries, benefits, and bonuses paid by a third party without exception.
48. We compared severance payments made during the reporting period to the related termination letters or employment contract provided by the University for the 2 recipients identified by the Department. We found them to be in agreement.
49. We recalculated totals for severance payments without exception.
50. 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.
51. We recalculated totals for equipment, uniform and supplies without exception.

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52. 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.
53. We recalculated totals for game expenses without exception.
54. 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.
55. We recalculated totals for fundraising, marketing, and promotion expenses without exception.
56. 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.
57. We recalculated totals for sports camp expenses without exception.
58. We haphazardly selected a sample of 5 direct facilities, maintenance and rental expenses and compared them to supporting documentation provided by the University. We found them to be in agreement.
59. We recalculated totals for direct facilities, maintenance and rental expenses without exception.
60. 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.
61. 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, 2014

EXHIBIT A

UNIVERSITY OF OREGON INTERCOLLEGIATE ATHLETICS DEPARTMENT

SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2013 (Unaudited)

	Football	Men's Basketball	Women's Basketball	Other Sports Men	Other Sports Women	Non-Sport Specific	Total
REVENUES:							
Ticket Sales	\$ 21,604,651	\$ 2,817,401	\$ 141,666	\$ 511,263	\$ 182,178	\$ -	\$ 25,257,159
Student Incidental Fees	-	-	-	-	-	1,524,045	1,524,045
Guarantees	-	-	-	14,250	4,250	-	18,500
Contributions	19,887,328	1,038,036	60	120,905	8,309,296	17,271,971	46,627,596
Compensation and Benefits Provided by a Third Party	31,000	8,500	8,500	19,000	39,000	23,000	129,000
Sports Lottery Proceeds	-	-	-	-	-	813,332	813,332
NCAA/Conference Distributions Including All Tournament Revenues	13,956,126	3,569,146	-	-	25,451	1,572,402	19,123,125
Broadcast, Television, Radio & Internet Rights	-	-	-	-	-	120,000	120,000
Program Sales, Concessions, Novelty Sales & Parking	2,085,553	499,317	45,646	288,617	74,175	1,651,754	4,645,062
Royalties, Licensing, Advertising & Sponsorship	5,712	-	-	-	25,000	7,108,373	7,139,085
Sports Camp Revenue	248,312	193,405	15,125	234,015	533,533	48,479	1,272,869
Endowment & Investment Income	9,558	-	-	25,014	-	140,146	174,718
Other Revenue	2,370,357	295,185	25,069	153,686	6,757	5,545,523	8,396,577
Total Revenues	60,198,597	8,420,990	236,066	1,366,750	9,199,640	35,819,025	115,241,068
EXPENSES:							
Athletics Student Financial Aid	3,057,727	425,305	553,785	1,295,234	3,821,454	968,448	10,121,953
Guarantees	2,350,000	641,774	54,500	37,469	86,203	4,765	3,174,711
Coaching Salaries, Benefits & Bonuses Paid by the University and Related Parties	7,995,697	3,064,047	1,227,504	1,995,325	2,521,322	-	16,803,895
Coaching Other Compensation and Benefits Paid by a Third-Party	11,000	6,500	7,050	17,050	37,800	-	79,400
Support Staff/Administrative Salaries, Benefits & Bonuses Paid by the University & Related Entities	1,461,515	424,446	224,313	592,651	621,900	14,810,072	18,134,897
Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party	20,000	2,000	1,450	1,950	1,200	23,000	49,600
Recruiting	674,755	227,201	94,903	159,632	223,395	-	1,379,886
Team Travel	1,151,160	311,908	396,807	894,722	1,349,686	-	4,104,283
Equipment, Uniforms & Supplies	442,358	38,519	18,577	119,276	107,934	-	726,664
Game Expenses	1,735,448	396,956	80,162	132,069	125,778	-	2,470,413
Fund Raising, Marketing & Promotions	24,582	83,974	934	64,433	41,403	1,419,471	1,634,797
Sports Camp Expenses	116,608	84,475	2,312	55,850	213,613	-	472,858
Direct Facilities, Maintenance & Rental	35,067	663	233	10,264	3,980	25,001,084	25,051,291
Spirit Groups	-	-	-	-	-	264,503	264,503
Medical Expenses & Medical Insurance	184,631	8,553	15,740	56,471	95,705	855,853	1,216,953
Memberships & Dues	1,375	760	160	2,336	4,795	72,677	82,103
Other Operating Expenses	1,783,258	236,041	134,694	352,704	581,885	6,115,919	9,204,501
Total Expenses	21,045,181	5,953,122	2,813,124	5,787,436	9,838,053	49,535,792	94,972,708
Excess (deficiency) of operating revenues over expenses before depreciation	39,153,416	2,467,868	(2,577,058)	(4,420,686)	(638,413)	(13,716,767)	20,268,360
Depreciation expense	-	-	-	-	-	(11,496,213)	(11,496,213)
Excess (deficiency) of operating revenues over expenses after depreciation	\$ 39,153,416	\$ 2,467,868	\$ (2,577,058)	\$ (4,420,686)	\$ (638,413)	\$ (25,212,980)	\$ 8,772,147
Other Support and transfers to other funds							
Foundation support for outside vendors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,878,284	\$ 1,878,284
Gift-in-kind trade outs	-	-	-	-	-	648,048	648,048
Foundation support for outside vendors	-	-	-	-	-	(1,878,284)	(1,878,284)
Gift-in-kind trade outs	-	-	-	-	-	(648,048)	(648,048)

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, 2013 (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 \$31,926,345. Additionally, a one-time non-cash gift of a soccer/lacrosse facility totaling \$8,308,486 and a one-time gift of practice fields totaling \$6,185,520 were 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 \$1,878,284 and \$648,048, 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

The Department segregates sports camp activity into a separate fund delineated for individual team fund raising. The majority of the activity in this fund is revenue and expenses related to sport camps, (i.e. receipts from participants, payments for participant housing or equipment), however, teams are allowed to spend the profits from their camps on team equipment or activities as a supplement to their departmental budget. Therefore, a small amount of team expenses may end up in the sport camp category.

5. OTHER REVENUE

Non-sport specific Other Revenue includes \$3,500,000 for the head football coach's contract buyout.

6. CHANGES TO CAPITALIZED ASSETS

Additions to the capitalized value of funds managed outside of the Department during the year ended June 30, 2013:

Autzen Stadium Visitor Locker Room	\$ 226,254
Football Practice Fields	\$ 6,185,520
Matt Knight Basketball Arena	\$ (218,458)
PK Park Baseball Field	\$ 774,425
Hayward Field	\$ 12,250
Pape Field	\$ 7,145,899
Casanova Center (North Site Utilities)	\$ 228,555