NOTICE OF PUBLIC MEETING

The Executive, Audit, and Governance Committee of the Board of Trustees of the University of Oregon will hold a meeting on the date and at the location set forth below. Subjects of the meeting will include: Board leadership transition and external auditor update.

Monday, March 13 at 3:15 p.m. Pacific Time
Ford Alumni Center, Giustina Ballroom

The meeting will be webcast, with a link available at https://trustees.uoregon.edu/meetings.

Sign language for the deaf or hard of hearing should be requested at least 48 hours in advance of the posted meeting time by contacting Jennifer LaBelle at (541) 346-3166 or emailing trustees@uoregon.edu. Please specify the sign language preference.
Convene
- Call to order, roll call

1. **Board Leadership Transition.** Ginevra Ralph, Board Chair.

2. **External Auditor Update.** Matt Parsons, Partner at Moss Adams; Scott Simpson, Partner at Moss Adams LLP.

Meeting Adjourns
Agenda Item #1

Board Leadership Transition

*No Written Materials associated with this section*
Agenda Item #2

External Auditor Update
Dear Committee Members:

Thank you for your continued engagement of Moss Adams LLP, the provider of choice for public universities and higher education. We’re pleased to present our audit plan for University of Oregon (the “University”) for the year ending June 30, 2023.

We welcome any questions or input you may have regarding our audit plan, and we look forward to working with you.
Better Together: Moss Adams & University of Oregon

Lisa Todd
Concurring Reviewer, Partner

Your Dedicated Team

Matt Parsons
Engagement Reviewer, Partner

Lisa Todd
Concurring Reviewer, Partner

Scott Simpson
Audit and Relationship Partner

Kevin Mullerleile
Audit Senior Manager

Harvey Wang
Audit Manager

Other Key Team Members:
David Brody, Audit Senior
Chris Grim, Audit Senior
Danielle O'Connor, NCAA AUP Specialist

About Moss Adams

Like the University of Oregon, we’ve been in business for over 100 years. Our Oregon roots run deep and we’re the largest CPA firm in the state. Our offices in Eugene, Portland, and Medford all serve institutions of higher education.

110 years in business
130+ higher education and related clients served firmwide
4,000+ professionals
$1.5 trillion total federal expenditures audited to date
30+ offices
4,250+ single audits completed since 1997
Required Communications to Those Charged with Governance

- Auditor’s responsibility under U.S. generally accepted auditing standards
- Planned scope and timing of the audit
- Any significant findings
- Quantitative aspects of accounting practices
- Any difficulties encountered in performing the audit
- Any corrected and uncorrected misstatements
- Management representations
- Management consultations with other independent accountants
- Any other findings or issues

Our Responsibility

Assess if the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with US GAAP. However, our audit doesn’t relieve you or management of your responsibilities.

Perform an audit in accordance with:
- Generally accepted auditing standards issued by the AICPA
- Government Auditing Standards issued by the Comptroller General of the United States

Design the audit to provide assurance about whether the financial statements are free of material misstatement.

Consider internal controls over financial reporting and compliance as a basis for designing effective audit procedures.

Communicate findings that are relevant to your responsibilities in overseeing the specific matters of financial reporting process and administering federal awards.
Scope of Services

Relationships between Moss Adams and University of Oregon:

**Annual Audit**
- Annual financial statement audit for the University and KWAX for the year ending June 30, 2023
- Agreed Upon Procedures for the Athletic Department in accordance with NCAA Guidelines

**Non-Attest Services**
- No planned non-attest services

**Component Auditors**
- The University’s Foundation will be audited by other auditors who we plan to make reference to in our report

Audit Process

**Internal Controls**
- Includes walkthroughs and testing of key controls over significant accounting cycles
- Includes significant information technology controls involved in financial reporting

**Analytical Procedures**
- Revenue and expenses
- Trends, comparisons, and expectations

**Substantive Procedures**
- Confirm account balances
- Vouch to supporting documentation
- Representations from attorneys and management
- Examine objective evidence
Advanced Technologies and Audit Innovation

We leverage advanced technologies to deliver increased effectiveness and efficiencies across our various practices.

- **Kira**: A machine learning tool that allows us to be smarter and more efficient in reviewing and analyzing documents for accuracy.
- **MindBridge**: A platform used to uncover outliers and anomalous transactions for 100% of the transactions within general ledger data.
- **DataRobot**: A tool which allows our professionals to develop predictive models that can provide additional risk-driven insights to our clients.
- **Data Visualization**: We’ve introduced technologies such as Tableau and Microsoft PowerBI within our engagement processes, resulting in advanced visualization of client data.
- **BDMP**: An advanced analytics tool that will research available technologies, test and evaluate each technology’s ability to perform deep analysis of client data and identify anomalies.

What’s Materiality?

It’s calculated using certain **quantitative** (total assets) and **qualitative** factors (covenants, expectations, or industry factors)

It identifies:

- **SIGNIFICANT RISK AREAS**
- **NATURE, TIMING, EXTENT, AND SCOPE OF TEST WORK**
- **FINDINGS OR MISSTATEMENTS**
**Significant Audit Areas**

- **Internal Controls over Financial Reporting**
- **Valuation of Investments and Related Financial Statement Disclosures**
- **Revenue Recognition**
- **Evaluation and Implementation of GASB 96 – Subscription-Based Information Technology Arrangements**
- **Long Term Debt Completeness and Compliance with Covenants**

**Consideration of Fraud**

To identify fraud-related risks of material misstatement, we:
- Brainstorm with team
- Conduct personnel interviews
- Document understanding of internal control
- Consider unusual or unexpected relationships identified in planning and performing the audit

Procedures we perform:
- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate rationale for significant unusual transactions

Auditors must consider fraud to “improve the likelihood that auditors will detect material misstatements due to fraud in a financial statement audit.”
Audit Timing

2023

- **JANUARY**: Planning meeting with management
- **FEBRUARY**: Entrance meeting with Executive, Audit and Governance Committee
- **MAY**: Walkthrough and planning procedures
- **AUGUST**: Federal Compliance Audit fieldwork
- **SEPTEMBER**: Final audit fieldwork
- **OCTOBER**: Discuss University and KWAX draft financial statements and auditor’s reports with management and issue our reports
- **OCTOBER**: Presentation of results to the Executive, Audit and Governance Committee
- **NOVEMBER**: Completion and Issuance of NCAA Agreed Upon Procedures

Contact Us

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Assurance, tax, and consulting offered through Moss Adams LLP. Investment advisory offered through Moss Adams Wealth Advisors LLC.