

**UNIVERSITY OF MAINE
DEPARTMENT OF ATHLETICS**

**Agreed-Upon Procedures in Accordance with National
Collegiate Athletic Association Bylaw 3.2.4.15**

June 30, 2018



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES IN ACCORDANCE WITH NCAA BYLAW 3.2.4.15

Dr. Joan Ferrini-Mundy, President
University of Maine
Orono, Maine

We have performed the procedures enumerated below, which were requested by Dr. Joan Ferrini-Mundy, President, and the management of the University of Maine (the "University" or the "Institution"), solely to assist in evaluating whether the Statement of Revenues and Expenditures (the "Statement") of the Department of Athletics (the "Department") of the University is in compliance with the National Collegiate Athletic Association (the "NCAA") Bylaw 3.2.4.15 for the year ended June 30, 2018. Management is responsible for the University's compliance with those requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. 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.

Procedures Related to Program Revenues and Expenditures

We obtained the Statement for the year ended June 30, 2018, as prepared by the University's management and shown in Appendix A. For the purpose of these procedures, materiality has been determined to be \$33,505 and changes of at least 10% from the respective prior year account balance. We recalculated the mathematical accuracy of the amounts in each column. We compared and agreed the amounts on each line to the corresponding amounts on the supporting schedules and/or worksheets, which agree to the general ledger.

1. Financial Statements and Affiliated Organizations

The university shall identify all intercollegiate athletics-related affiliated and outside organizations and obtain those organizations' statements for the reporting period. The independent accountant shall agree the amounts reported in the statement to the organization's general ledger or, alternatively, confirm revenues and expenses directly with a responsible official of the organization.

Results

According to management, the affiliated organizations of the University are the University of Maine Foundation (the "Foundation") and the University of Maine Alumni

Association (the "Alumni Association"). Management has advised us that the affiliated organizations do not incur expenses on behalf of the athletic department, instead they serve as a conduit by soliciting and collecting contributions designated for the athletic department.

We obtained and examined the University's audited financial statements and noted no items that were listed as material weaknesses or significant deficiencies on the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

We obtained and examined the audited financial statements of the Foundation. The Foundation received an unmodified opinion. As of the date of this report, the Alumni Association's reviewed financial statements for the years ended June 30, 2017 and 2018 were in the process of being completed. As a result, we obtained and examined the reviewed financial statements of the Alumni Association for the years ended June 30, 2016. The independent accountant stated in their report that they were not aware of any material modifications that should be made to the Alumni Association's financial statements.

2. Analytical Procedures

Compare each material revenue and expense account to the prior period amounts and current year budget estimates. Obtain and document an understanding of any significant variations.

Results

According to management, the budget prepared for the athletic department is primarily used for operations. Consequently, the budget is not presented in a format comparable with the attached Statement. As a result, a comparison between the Statement's amounts and the current year budget was unable to be performed.

We compared the actual revenues and expenses in the statement for the year ended June 30, 2018 to the respective figures for the year ended June 30, 2017. As agreed, we identified variances of greater than \$33,505 and 10%. We obtained explanations from management regarding the reasons for the variances. They are as follows:

Revenues

Ticket Sales

Ticket sales decreased by \$159,573 or 13.8% from fiscal year 2017 to fiscal year 2018. The University derives the majority of its ticket sales from the Men's Ice Hockey team. In 2018, Men's Ice Hockey suite sales decreased by \$85,000 and individual ticket sales decreased an additional \$50,000 as compared to 2017.

Contributions

Total contributions increased by \$430,064 or 25.8% from fiscal year 2017 to fiscal year 2018. The athletic department received the balance of a gift account in the amount of \$528,000 related to a former coach. The gift account was created to retain a former coach after retiring from coaching and taking a position in the athletic department. In prior years, the athletic department recognized approximately \$100,000 annually to offset half of the employees' salary expense. Upon departure, the employee was eligible for the remaining funds in the gift account.

Media Rights

Media Rights revenue decreased by \$125,000 or 13.9% from fiscal year 2017 to fiscal year 2018. This decrease is the result of a bonus payment from Black Bear Sports Properties, LLC of \$150,000 paid in 2017.

NCAA/Conference Distributions

NCAA/Conference Distributions revenue increased by \$303,366 or 37.6% from fiscal year 2017 to fiscal year 2018. The athletic department received an additional \$125,000 from the NCAA for sports sponsorships and \$50,000 from the NCAA for the Women's Basketball team qualifying for the NCAA tournament. The athletic department also recognized approximately \$110,000 of an NCAA grant received in 2017 to offset expenses that were incurred related to the grant.

Conference Distributions

Conference Distributions increased by \$55,638 or 56.0%. The University received additional conference postseason revenue of \$50,000 for the Men's Ice Hockey, Women's Ice Hockey, Women's Basketball and Baseball teams in 2018.

Program Sales, Concessions, Novelty Sales and Parking

Program Sales, Concessions, Novelty Sales and Parking revenue decreased by \$37,138 or 66.7% from fiscal year 2017 to fiscal year 2018. In 2017, The University transitioned from an internal concessions vendors, which reported gross revenue and expenses, to an external vendor, which reported revenue net of expenses, in 2018 which resulted in a decrease of revenue of \$37,000.

Other Income

Other Income revenue decreased by \$68,108 or 14.9% from fiscal year 2017 to fiscal year 2018, which primarily resulted from the Baseball and Softball teams not holding normal fundraising events. This resulted in a decrease of \$35,000. Additionally, facilities rental revenue also decreased by \$10,000.

Expenses

Away Game Guarantee Expense

Guarantee expenses increased by \$39,177 or 59.6% from fiscal year 2017 to fiscal year 2018. In 2018, Football had an additional guarantee game while Men's Ice Hockey had one less guarantee game, which resulted in the net decrease.

Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the Institution

Support Staff/Administrative salaries increased by \$417,193 or 12.3% from fiscal year 2017 to fiscal year 2018. An employee of the athletic department resigned from his position and was due the remaining balance of gift account create to retain the employee, which totaled approximately \$528,000.

Severance Payments

Severance payments decreased \$49,131 in fiscal year 2018 as there were no severance payments during fiscal year 2018. A severance payment of this amount was paid to a former Assistant Athletic Director during fiscal year 2017.

Equipment, Uniforms & Supplies

Equipment, Uniforms & Supplies expense increased by \$117,062 or 24.8% from fiscal year 2017 to fiscal year 2018. The athletic department purchased heart rate monitors for all athletic teams as well as new uniforms and equipment for Men's Ice Hockey.

Fundraising, Marketing and Promotion

Fundraising, Marketing and Promotion decreased by \$141,233 or 41.5% from fiscal year 2017 to fiscal year 2018. The University incurred approximately \$100,000 of expense for equipment costs related to the live streaming of athletic contests via ESPN in 2017. Similar costs were not incurred in fiscal year 2018.

Direct Overhead and Administrative Expense

Direct Overhead and Administrative Expenses increased by \$83,236 or 187.4% from fiscal year 2017 to fiscal year 2018. In 2018, the athletic department spent \$75,000 on bleacher upgrades and repairs.

Medical Expenses and Medical Insurance

Medical Expenses and Medical Insurance expenses increased by \$36,297 or 13.9% from fiscal year 2017 to fiscal year 2018. The athletic department's insurance policy increased by \$15,000. The athletic department also spent an additional \$25,000 on medical treatment and supplies.

Other Operating Expenses

Other Operating Expenses increased by \$100,194 or 10.8% from fiscal year 2017 to fiscal year 2018. The athletic department entered into an agreement with a ticket vendor to help sell tickets in 2018 which resulted in a \$135,000 increase in other expenses. The new vendor receives 16% of ticket revenue up to \$1 million and 25% of all ticket revenue over \$1 million.

3. Ticket Sales

Compare 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 statement and the related attendance figures and recalculate totals.

Results

We agreed the total sales from the general ledger to the Statement without exception. We selected a sample of athletic contest settlement sheets to test. From the sample of ticket sales selected, we compared and agreed tickets sold, complimentary tickets provided and unsold tickets to the related revenue and attendance reported by the University for each game. We were able to recalculate the total amount of revenue with the following two exceptions.

- 1) Football vs. Stony Brook on November 18, 2017
- 2) Men's Ice Hockey vs. University of Minnesota Duluth on October 28, 2017

Due to an unreliable report provided by the University's ticket software vendor, the reports provided through the software detailed incorrect data, and that a reconciliation was not provided by the ticket office we were unable to trace to football and men's ice hockey gameday ticket sales. As an alternative, we sampled and tested season tickets, which totaled 45% of all ticket sales, and agreed it to a report provided by the ticket office.

The men's basketball game against the University of Maryland Baltimore County on January 10, 2018 and the women's basketball game against Vermont, on January 15, 2018, were played at the Cross Center and ticket sales were recorded by a third party. The Cross Center provided the University with a ticket sales report that provided the total of revenue reimbursed to the University for the month with detail broken down by game. As a result, we were able to perform the procedure as described.

<u>Sport</u>	<u>Opponent</u>	<u>Date</u>	<u>Amount</u>
Women's Basketball	Vermont	1/15/2018	\$ 690.00
Men's Basketball	UMBC	1/10/2018	\$ 2,791.00

Recommendation

Due to issues with the ticket software vendor, management informed us that the University is migrating to a new vendor. Management should request that the ticket office perform a reconciliation for all games when tickets are sold.

Management's Response

Management agrees with the finding and recommendation. A new ticketing system, Paciolan, was purchased in FY18 and implemented during the summer of 2018. The ticket office is currently reconciling, through the new ticketing system, all ticket sales for all games when tickets are sold.

4. Direct State or Other Governmental Support

Compare direct state or other governmental support recorded by the University during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation and recalculate totals.

Results

According to discussions with management, these funds represent work-study funds from the Federal Government used to pay student employees in the Department. We recalculated the total amount without exception to employee reports

5. Student Fees

Compare and agree the student fees reported by the University in the Statement to student enrollments during the same reporting period and recalculate totals. Obtain and document an understanding of the University's methodology for allocating student fees to intercollegiate athletic programs. If the athletic department is reporting that an allocation of student fees should be countable as generated revenue, recalculate the totals of their methodology for supporting that they are able to count each sport. Tie the calculation to supporting documents such as seat manifests, ticket sales reports and student fee totals.

Results

This procedure is not applicable. Per management, the University does not assess or collect student fees of this type.

6. Direct Institutional Support

Compare the direct institutional support recorded by the University during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals.

Results

We recalculated the total amount without exception.

We agreed the total of the detailed schedule of Direct Institutional support to the Statement.

7. Transfers Back to Institution

Compare the transfers back to the University with permanent transfers back to the University from athletics department and recalculate totals.

Results

This procedure is not applicable. Per management, there were no transfers back to the University.

8. Indirect Institutional Support

Compare the indirect institutional support recorded by the University during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation and recalculate totals.

Results

As advised by the System Office, indirect support should represent 20% of the University athletic department base budget. We recalculated the total amounts without exception.

9. Away-Game Guarantee Revenue

Select a sample of settlement reports for away games during the reporting period, agree each selection to the University's general ledger and/or the Statement and recalculate totals. Select a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period, compare and agree each selection to the University's general ledger and/or the Statement and recalculate totals.

Results

We agreed the away-game guarantee revenue from the general ledger to the Statement without exception.

We selected a sample of revenue guarantees from the general ledger provided by the University. For each of the sampled items listed below, we traced and agreed the revenue recorded on the general ledger to the signed contract with the opponent.

<u>Sport</u>	<u>Opponent</u>	<u>Date</u>	<u>Amount</u>
Football	Central Florida	9/30/2017	\$ 350,000.00
Football	University of Massachusetts	11/11/2017	\$ 250,000.00
Baseball	Texas Tech University	2/16/2018-2/18/2018	\$ 15,000.00
Baseball	Texas Rio Grande Valley	3/9/2018-3/11/2018	\$ 10,000.00
Women's Soccer	Cornell University	9/16/2017	\$ 2,500.00
Men's Basketball	St. Joseph's University	12/17/2017	\$ 70,000.00
Men's Basketball	Georgetown University	11/28/2017	\$ 85,000.00
Men's Basketball	Fordham University	12/2/2017	\$ 74,000.00
Women's Basketball	Ohio State University	12/3/2017	\$ 18,000.00
Women's Basketball	Boston College	12/28/2017	\$ 10,000.00

10. Contributions

Any contributions of money, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency or group of individuals (two or more) not included above (e.g., contributions by corporate sponsors) that constitutes 10 percent or more in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting periods shall obtain and review supporting documentation for each contribution and recalculate totals.

Results

We traced the following contributions, which are all from the Foundation, to the proper supporting documentation. The contributions constituted 10% or more of all contributions received for intercollegiate athletics during the reporting period. We reconciled to supporting documentation to the amount recognized.

<u>Description</u>	<u>Amount</u>	<u>Amount Allocated</u>
Alfond Fund Athletics Challenge	\$ 250,000.00	\$250,000.00
Alfond Fund Football Challenge	\$ 250,000.00	\$250,000.00
Maine Savings Federal Credit Union	\$ 56,000.00	\$ 56,000.00

11. In Kind

Compare the in-kind donations recorded by the University during the reporting period with a schedule of in-kind donations and recalculate totals.

Results

This procedure is not applicable. According to management and review of the general ledger, in-kind support received during the year ended 2018 was immaterial in the aggregate.

12. Compensation and Benefits Provided by a Third-Party

Obtain the summary of revenues from affiliated and outside organizations (the "Summary") as of the end of the reporting period from the University and select a sample of funds from the summary, and compare and agree each selection to the supporting documentation, the University's general ledger and/or the summary and recalculate totals.

Results

According to discussions with management, this procedure is not applicable, as third parties do not provide compensation and benefits to the athletic department.

13. Media Rights

Obtain and inspect agreements to understand the University's total media (broadcast, television, radio) rights received by the University or through their conference offices as reported in the Statement. Compare and agree the media right revenues to a summary statement of all media rights identified, if applicable, and the University's general ledger and recalculate totals. Ledger totals may be different for total conference distributions if media rights are not broken out separately.

Results

We obtained the supporting schedule that agrees to the Statement. We selected the sample listed below, and obtained and inspected the agreements to gain an understanding of the relevant terms and conditions. Item (a) represents the annual fee that the University receives from Black Bear Sports Properties, LLC in exchange for the radio broadcast rights of the University's sporting events, promotional, signage, and sponsorship rights. Item (b) represents an annual scoreboard subsidy received from Black Bear Sports Properties, LLC pursuant to a 10 year agreement expiring January 31, 2018.

The contract between Black Bear Sports Properties, LLC ("BBSP") and the University states that the University was scheduled to receive \$700,000 in fiscal year 2018. In

addition, the University was scheduled to receive \$75,000 for the Scoreboard Subsidy. We compared and agreed the amounts below to the general ledger and contract.

<u>Vendor</u>	<u>Amount</u>
a. Black Bear Sports Properties, LLC	\$ 700,000.00
b. Black Bear Sports Properties, LLC	\$ 75,000.00

14. NCAA Distributions

Compare the amounts recorded in the revenue and expense reporting to the general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.

Results

We recalculated the total amount without exception.

According to management, no written agreements exist for the payout from the NCAA affiliations. The funds for items (a) through (c) are not restricted and are classified as non-program specific. Management stated that the University received a special one-time payout, from the NCAA restricted for the study of mental health for which the costs were deferred until fiscal year 2018 and later. As a result, the University will recognize this revenue as the expense is incurred.

We obtained and agreed a detail schedule of NCAA distributions to the general ledger and the Statement. We selected the sample listed below and traced and agreed to the deposits made with the University without exception.

<u>Description</u>	<u>Amount</u>
a. NCAA – Athletics Funds	\$ 144,369.00
b. NCAA – Grants-in-Aid	\$ 506,810.00
c. NCAA – Grants-in-Aid	\$ 38,150.00

15. Conference Distributions

Obtain and inspect agreements related to the University's conference distributions and participation in revenues from tournaments during the reporting period to gain an understanding of the relevant terms and conditions. Compare and agree the related revenues to the institution's general ledger and/or the Statement and recalculate totals.

Results

We obtained and agreed a detail schedule of Conference distributions to the general ledger and the Statement. We selected the sample listed below and traced and agreed to the deposits made with the University without exception. We recalculated the total amount without exception.

<u>Description</u>	<u>Amount</u>
a. Hockey East – MIH Postseason	\$ 13,674.00
b. America East – TV Distribution	\$ 88,066.67

16. Program Sales, Concessions, Novelty Sales and Parking

Compare the amount recorded in the revenue reporting category to a general ledger detail of program sales, concessions, novelty sales and parking as well as any other corroborative supporting documents and recalculate totals.

Results

This procedure is not applicable. According to management and review of the general ledger, program sales, concessions, novelty sales and parking revenue received during the year ended 2018 was immaterial in the aggregate.

17. Royalties, Licensing, Advertisements and Sponsorships

Obtain and inspect agreements related to the University's participation in revenues from royalties, licensing, advertisements and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions. Compare and agree the related revenues to the University's general ledger and/or the Statement and recalculate totals.

Results

We obtained the supporting schedule that agrees to the Statement. We selected the sample listed below, and management provided sufficient documentation to gain an understanding of the relevant terms and conditions.

<u>Description</u>	<u>Amount</u>
a. Trademark Licensing	\$ 40,000.00
b. Coca Cola Royalty	\$ 20,000.00

18. Sports Camp Revenues

Inspect sports-camp contract(s) between the University and person(s) conducting university sports-camps or clinics during the reporting period to obtain an understanding of the University's methodology for recording revenues from sports-camps. Obtain schedules of camp participants and select a sample of individual camp participants' cash receipts from the schedule of sports-camp participants and agree each selection to the University's general ledger and/or the Statement and recalculate totals.

Results

We recalculated the total amount without exception. According to management, institutional sports-camps and clinics are conducted under the auspices of the University and its athletic department.

We obtained participation listings for all sports camps and clinics, and selected a sample to test. For each participant selected, we verified that the participant paid the appropriate

amount according to the sport camp price listing, and the respective payment was properly recorded on the general ledger.

<u>Last Name</u>	<u>Sport</u>	<u>Amount</u>
Brown	Baseball	\$ 53.00
Davis	Baseball	\$ 53.00
Gorham	Football	\$ 53.00
Colin	Men's Basketball	\$ 30.00
Guite	Men's Ice Hockey	\$ 62.54
Shaw	Women's Basketball	\$ 238.50
Hoffman	Field Hockey	\$ 450.50
Eller	Women's Ice Hockey	\$ 583.00
Condon	Women's Soccer	\$ 275.00
Atkinson	Softball	\$ 477.00

19. Endowment and Investment Income

Obtain and inspect endowment agreements (if any) to gain an understanding of the relevant terms and conditions. Compare and agree the classification and use of endowment and investment income reported in the Statement during the reporting period to the uses of income defined within the related endowment agreement and recalculate totals.

Results

We recalculated the total amount without exception.

We obtained a corresponding schedule listing all athletic-related endowment funds and sampled the following. For sampled items, we traced to the original endowment agreements and noted the funds were distributed in accordance with the terms of the endowment.

<u>Endowment Fund</u>	<u>Amount</u>
Donald & Francelia Corbett Fund	\$ 20,558.00
Shawn Walsh Memorial Fund	\$ 1,283.00
Arthur Weston Scholarship Fund	\$ 863.00
Ed Stryna Scholarship Fund	\$ 807.00
Jack Butterfield Memorial Fund	\$ 6,284.00

20. Other Income

Compare and agree a sample of receipts obtained from the supporting schedules to adequate supporting documentation. Recalculate totals.

Results

We recalculated the total amount without exception. We received a supporting schedule, from the University Athletic Business Office, to support the other income amount contained on the Statement and selected a sample to test. For each item sampled, we

compared and agreed the receipts listed below to adequate supporting documentation without exception.

<u>Department</u>	<u>Description</u>	<u>Amount</u>
Facility Rental	High School Track	\$ 27,637.75
Facility Rental	Junior Black Bears	\$ 9,020.00
Facility Rental	Hermon High School	\$ 3,884.75
Facility Rental	Student Government	\$ 12,415.00
Facility Rental	Husson Track	\$ 1,500.00
Non-Program Specific	Vivature	\$ 6,555.62
Swimming	Spring Training Trip	\$ 1,765.00
Women's Ice Hockey	Team Fundraiser	\$ 1,222.00
Football	Senior Luncheon	\$ 720.00
Baseball	Gloves	\$ 3,245.00

21. Bowl Revenue

Obtain and inspect agreements related to the University's revenues from post-season bowl participation during the reporting period to gain an understanding of the relevant terms and conditions. Compare and agree the related revenues to the institution's general ledger, and/or the statement and recalculate totals.

Results

According to discussions with management, this procedure is not applicable, as the University did not participate or receive bowl revenue.

22. Athletic Student Aid

Select a sample of students (10% of the total student-athletes for universities who have used NCAA's Compliance Assistant ("CA") software to prepare athletic aid detail, with a maximum sample size of 40 and 20% of the total student-athletes for universities who have not, with a maximum sample size of 60) from the listing of institutional student aid recipients during the reporting period. Data should be captured by the institution through the creation of a squad list for each sponsored sport. Obtain individual student account detail for each selection and compare total aid in the University's student system to the student's detail in CA or the University report that ties directly to the NCAA Membership Financial Reporting System.

Perform a check of each student selected to ensure his or her information was reported accurately in either the NCAA's CA software or entered directly into the NCAA membership Financial Reporting System using the following criteria:

- *The equivalency value for each student-athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA as the numerator and the full grant amount, which is the total cost for tuition, fees, course-related books, room*

and board for an academic year, as the denominator. If using the NCAA's CA software, this equivalency value will be calculated for you on the CRDE report labeled "Revenue Distribution Equivalent Award".

- *Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount).*
- *Other expenses related to attendance (also known as gap money or cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board and course-related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.07).*
- *Full grant amount should be entered as a full year of tuition, not a semester or quarter.*
- *Student-athletes are to be counted once and should not receive a revenue distribution equivalency greater than 1.00.*
- *Athletic grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championship competitions, emerging sports for women and football bowl subdivision.*
- *Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3.*
- *Universities providing grants to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth-year)" or "Medical" receive credit in the grants-in-aid component.*
- *The athletics aid equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference Bylaw 15.5.3.1).*
- *All equivalency calculations should be rounded to two decimal places.*
- *If a selected student received a Pell Grant, ensure the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the University.*
- *If a selected student received a Pell Grant, ensure the student's grant was included in the total number and total value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System.*
- *Recalculate totals for each sport and overall.*

Results

We recalculated the total amount without exception to the supporting schedule. We obtained a list of students receiving athletic aid from the University. Pursuant to the University's use of the NCAA CA software, our sample size was 30 student-athletes, representing 10% of the total. For each student identified below, we agreed the student's respective aid amount to the amount listed on the award letter and student's business account without exception. We compared the information reported to the NCAA's CA Software without exception. We also ensured that all Pell grants were included in the total value of Pell grants for Revenue Distribution purposes as noted in procedure 38. Student identification numbers were redacted from the report at the request of management for privacy purposes.

<u>Participant's Sport</u>	<u>Amount</u>
Baseball	\$ 5,375.00
Baseball	\$29,809.00
Football	\$40,965.00
Football	\$24,588.00
Football	\$27,634.00
Men's Basketball	\$15,013.00
Men's Basketball	\$30,551.54
Men's Basketball	\$32,826.00
Men's Ice Hockey	\$38,441.00
Men's Ice Hockey	\$20,062.90
Men's Ice Hockey	\$27,676.00
Men's Track	\$ 9,709.74
Men's Track	\$ 500.00
Men's Track	\$ 5,347.00
Men's Track	\$ 1,193.64
Field Hockey	\$24,543.75
Field Hockey	\$27,809.00
Field Hockey	\$21,844.90
Women's Basketball	\$35,249.00
Women's Basketball	\$30,398.00
Women's Basketball	\$15,446.00
Women's Ice Hockey	\$27,476.00
Women's Ice Hockey	\$21,120.77
Women's Ice Hockey	\$40,967.00
Women's Soccer	\$23,765.15
Women's Soccer	\$15,154.40
Softball	\$ 5,223.90
Softball	\$24,840.40
Women's Swimming	\$ 4,000.00
Women's Track	\$30,398.00

23. Away Game Guarantee Expense

Obtain and inspect the visiting University's away-game settlement reports received by the university during the reporting period and agree related expenses to the University's general ledger and/or the statement and recalculate totals. Obtain and inspect contractual agreements pertaining to expenses recorded by the University from guaranteed contests during the reporting period. Compare and agree related amounts expensed by the University to the University's general ledger and/or the statement and recalculate totals.

Results

We agreed the total of the detailed schedule to the Statement.

We received a supporting schedule and selected a sample of contests to test. For each selected item listed below, we agreed the amount per the contract to the amount recorded in the general ledger.

<u>Sport</u>	<u>Opponent</u>	<u>Date</u>	<u>Amount</u>
Football	Bryant University	9/9/2017	\$ 84,250.00
Women's Basketball	Stonehill College	10/28/2017	\$ 2,390.00
Men's Ice Hockey	Acadia University	10/1/2017	\$ 5,000.00
Men's Basketball	UMPI	12/5/2017	\$ 1,000.00
Women's Basketball	Maine Maritime Academy	12/5/2017	\$ 1,000.00

24. Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities

Obtain and inspect a listing of coaches employed by the University and related entities during the reporting period. Select a sample of coaches contracts that must include football, and men and women's basketball from the listing. Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the University and related entities in the statement during the reporting period. Obtain and inspect payroll summary registers for the reporting year for each selection. Compare and agree payroll summary registers from the reporting period to the related coaching salaries, benefits and bonuses paid by the University and related entities expense recorded by the University in the statement during the reporting period. Compare and agree the totals recorded to any employment contracts executed for the sample selected and recalculate totals.

Results

Forms W-2 are prepared on a calendar year basis reflecting wages that are currently taxable. The University operates on a fiscal year of June 30th and records all salary and wage payments, whether currently taxable, non-taxable or deferred as a current expense in the Statement. The University of Maine System ("System") prepares and issues W-2's for all University employees. Accordingly, an employee, who is compensated by more than one state university receives a single W-2 reporting all earned compensation.

We obtained and inspected a list of coaches employed by the University during fiscal year 2018. We selected a sample to test from this list that includes the Men's Football, Men's Basketball and Women's Basketball coaches. We traced the compensation from the general ledger to the payroll reports provided by Human Resources and agreed without exception.

<u>Coach</u>	<u>Sport</u>
Nick Charlton	Football
Richard Barron	Men's Basketball
Amy Vachon	Women's Basketball
Richard Reichenbach	Women's Ice Hockey
Ben Guite	Men's Ice Hockey

25. Coaching Other Compensation and Benefits Paid by a Third Party

Obtain and inspect a listing of coaches employed by third parties during the reporting period. Select a sample of coaches' contracts that must include football, and men's and women's basketball from the listing. Compare and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the university in the statement during the reporting period. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary register to the coaching other compensation and benefits paid by a third party expenses recorded by the University in the statement during the reporting period and recalculate totals.

Results

According to discussions with management and review of the general ledger, this procedure is not applicable, as third parties do not provide compensation or benefits to coaches on behalf of the University.

26. Support Staff and Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities

Select a sample of support staff/administrative personnel employed by the University and related entities during the reporting period. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree related summary payroll registers to the related support staff administrative salaries, benefits and bonuses paid by the University and related entities expense recorded by the University in the statement during the reporting period and recalculate totals.

Results

As described above in procedure 24, employees of the University receive a single W-2.

We obtained and inspected a list of support staff and administrative personnel salaries employed by the University during fiscal year 2018 and selected a sample of Department employees listed below to test. We reconciled the salary for the sampled support staff and

administrative personnel on the supporting schedule to the respective employee's annual wage rate according to human resources.

<u>Employee</u>	<u>Title</u>
Linda Thayer	Assistant to the Director of Athletics
Jenise Soucy	Athletic Business Manager
Steven Jones	Associate Equipment Manager
Annie Grant	Coordinator for Athletic Facilities & Special Events
Paul Culina	Athletic Trainer/Director of Hockey Operations
Will Biberstein	Senior Associate Athletic Director for Internal Operations

27. Support Staff and Administrative Other Compensation and Benefits Paid by a Third-Party

Select a sample of support staff/administrative personnel employed by the third parties during the reporting period. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary registers to the related support staff and administrative other compensation and benefits expense recorded by the University in the statement during the reporting period and recalculate totals.

Results

According to discussions with management and review of the general ledger, this procedure is not applicable, as third parties do not provide compensation or benefits to support staff and administrative personnel on behalf of the University.

28. Severance Payments

Select a sample of employees receiving severance payments by the University during the reporting period and agree each severance payment to the related termination letter or employment contract and recalculate totals.

Results

According to discussions with management and review of the general ledger, this procedure is not applicable, as there were no severance payments made by the Athletic Department in fiscal year 2018.

29. Recruiting

Obtain and document an understanding of the University's recruiting expense policies. Compare and agree to existing institutional and NCAA related policies. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.

Results

We traced total expense reported and recalculated the totals without exception.

According to management, recruiting expenses are only incurred and approved if the expense is for activity allowed per the current version of the NCAA Division I Manual.

Each sports office and coach has either a printed copy of the most recent NCAA Division I Manual or access to an electronic version.

On an annual basis, each coach must pass the NCAA recruiting exam before the coach is allowed to recruit. The University has safeguards to ensure that only coaches who pass the exam can recruit. To ensure safeguards are effective, the University is required to have an NCAA compliance audit annually. We reviewed the 2017 compliance audit which we performed and noted no issues that will impact this engagement.

Each test is proctored by the Associate Athletic Director for Compliance. For new coaches previously employed by another institution, the department contacts the Compliance Officer from the other institution and receives written confirmation of the test score and date of the exam. Head coaches submit a list of individuals who recruit annually to the Director of Compliance, who is responsible for ensuring that all coaches must pass the exam before they are allowed to perform off-campus recruiting. The Director of Compliance is also responsible for approving all recruiting expenses. Before an expense is approved, he verifies that the coach submitting the cost for approval passed the recruiting exam.

We compared the University's policies to the *NCAA Division Manual*, and the University's policies appear to conform with NCAA related policies.

30. Team Travel

Obtain and document an understanding of the University's team travel policies. Compare and agree to existing institutional and NCAA-related policies. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.

Results

We traced total expense reported and recalculated the totals without exception.

On an annual basis, a budget for team travel is developed for each sport. Coaches make arrangements for team travel within budgetary limitations. Coaches receive quotes and create a purchase order, which is approved by the department's business office.

The University has several travel agencies with which it has contracted for travel arrangements. Coaches are responsible for making hotel arrangements. Meals are either purchased for the team by the coaches, or the students are provided meal money in advance of the trip. On the receipt of meal money, students are required to sign an acknowledgement of receipt.

Each coach has a travel card to be used for hotel, meals and other charges. They are required to submit a copy of the receipts to the Associate Athletic Director for Business who compares the receipt to the charges on the on-line statement. The coach is responsible for the monthly reconciliation of the statement which must also be reviewed by the coaches' supervisor. A receipt is not needed if the coach is using their travel card to pay for his or her own individual meals. A coach is permitted to spend up to \$46 per

day on meals, and is required to reimburse the University for expenditures in excess of that amount.

We compared the University's policies to the *NCAA Division I Manual*, and the University's policies appear to conform with NCAA related policies.

31. Indirect Facilities and Administrative Support

Obtain and document an understanding of the University's methodology for allocating indirect facilities support. Verify the indirect facilities-support and indirect institutional-support totals reported by the University in the Statement.

Results

As advised by the System Office, indirect support should represent 20% of the University athletic department base budget. We recalculated the total amounts without exception.

32. Athletic Facility Debt Service, Leases and Rental Fees

Obtain a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. Compare a sample of facility payments including the top two highest facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements). Compare amounts recorded to amounts listed in the general ledger detail and recalculate totals.

Results

We received supporting documentation for the debt service payments made to the Foundation, related to the Alford Arena scoreboard, for which the University is a contingent obligor. For each selection we verified the lease agreement and traced to the payment being made without exception. We recalculated the total amount without exception.

<u>Description</u>	<u>Amount</u>
Alford Scoreboard	\$ 75,000.00
Alford Scoreboard (Interest)	\$ 9,441.01

33. Operating Expenses

Obtain the general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

Results

We recalculated the total amount without exception.

We received documentation to support amounts indicated in the Statement and selected a sample to test. For each selection we compared and agreed the expense listed below to supporting documentation.

Note: Identifying numbers included in the category description refer to the identifiers noted on the Statement of Revenues and Expenditures (Appendix A).

<u>Category</u>	<u>Description</u>	<u>Amount</u>
27-Recruiting	WBB Recruiting	\$ 1,620.05
27-Recruiting	Football Recruiting Weekend	\$ 2,058.75
27-Recruiting	Women's Soccer Recruiting	\$ 167.23
27-Recruiting	MBB Recruiting	\$ 150.00
27-Recruiting	Football Recruiting	\$ 270.00
28-Team Travel	Football Charter Flight	\$ 91,501.00
28-Team Travel	Football Charter Flight	\$ 120,375.00
28-Team Travel	WBB Flight	\$ 7,167.10
28-Team Travel	Swimming Training Trip	\$ 11,352.00
28-Team Travel	WIH Bus Trip	\$ 4,510.00
28-Team Travel	Softball Flight	\$ 11,991.72
28-Team Travel	WBB Postseason Travel	\$ 24,845.68
28-Team Travel	WBB Postseason Travel	\$ 15,486.00
29-Equipment, Uniforms, & Supplies	Video Equipment	\$ 2,043.00
29-Equipment, Uniforms, & Supplies	Engagement Equipment	\$ 5,597.40
29-Equipment, Uniforms, & Supplies	WBB Equipment	\$ 1,536.42
29-Equipment, Uniforms, & Supplies	WIH Equipment	\$ 4,125.00
29-Equipment, Uniforms, & Supplies	Sports Performance Equipment	\$ 49,455.00
29-Equipment, Uniforms, & Supplies	MIH Equipment	\$ 53,040.00
29-Equipment, Uniforms, & Supplies	FB Equipment	\$ 4,454.77
30-Game Expenses	Officials	\$ 485.00
30-Game Expenses	Gameday Police	\$ 1,249.50
30-Game Expenses	Officials	\$ 455.00
30-Game Expenses	Officials	\$ 485.00
30-Game Expenses	Umpire	\$ 1,074.51
31-Fundraising, Marketing, & Promotions	Atlantic Coast Radio	\$ 1,500.00
31-Fundraising, Marketing, & Promotions	T-Shirt Promotion	\$ 12,765.00
31-Fundraising, Marketing, & Promotions	MIH Programs	\$ 2,762.14
31-Fundraising, Marketing, & Promotions	MIH Season Books	\$ 3,335.00
31-Fundraising, Marketing, & Promotions	T-Shirt Promotion	\$ 2,475.00
32-Sport-Camp Expenses	WIH Camp Shirts	\$ 1,977.50
32-Sport-Camp Expenses	MIH Camp	\$ 5,308.96
32-Sport-Camp Expenses	MBB Camp	\$ 2,756.00
32-Sport-Camp Expenses	MIH Camp	\$ 11,526.00
32-Sport-Camp Expenses	Baseball Camp	\$ 2,636.65
35-Direct Overhead and Administrative	Portland Glass	\$ 175.00
35-Direct Overhead and Administrative	Machine Repair	\$ 6,809.00
35-Direct Overhead and Administrative	Zamboni Repair	\$ 1,937.23
35-Direct Overhead and Administrative	Machine Repair	\$ 386.20
37-Medical Expenses and Insurance	Health Insurance Claim	\$ 3,500.00
37-Medical Expenses and Insurance	Health Insurance Claim	\$ 2,294.03
37-Medical Expenses and Insurance	Health Insurance Claim	\$ 10,931.75

<u>Category</u>	<u>Description</u>	<u>Amount</u>
37-Medical Expenses and Insurance	Health Insurance	\$ 95,040.00
38-Memberships & Dues	CAA Membership Dues	\$ 42,605.00
38-Memberships & Dues	America East Membership Dues	\$ 50,000.00
38-Memberships & Dues	US Soccer Coaches Dues	\$ 660.00
38-Memberships & Dues	Hockey East Membership Dues	\$ 35,341.00
38-Memberships & Dues	NCAA Membership Dues	\$ 1,800.00
40-Other Operating Expenses	Office Supplies	\$ 117.00
40-Other Operating Expenses	IPhone Application	\$ 5,000.00
40-Other Operating Expenses	Synergy Sports	\$ 4,000.00
40-Other Operating Expenses	Creative Print Services	\$ 2,633.00

34. Student Meals (Non-Travel)

Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

Results

We recalculated the total amount without exception.

We received documentation to support amounts indicated in the Statement and selected a sample to test. For each selection we compared and agreed the expense listed below to supporting documentation.

<u>Sport</u>	<u>Description</u>	<u>Amount</u>
Men's Ice Hockey	Team Meal	\$ 340.00
Men's Basketball	Team Meal	\$ 1,100.00
Women's Basketball	Locker Room Food	\$ 111.99
Women's Basketball	Locker Room Food	\$ 129.04
Women's Basketball	Team Banquet	\$ 1,585.90

35. Bowl Expenses

Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

Results

According to discussions with management, this procedure is not applicable, as the University did not participate or incur bowl expenses.

36. NCAA Membership Financial Reporting System

Compare and agree the sports that are sponsored and reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA or equivalent supporting equivalency calculations from the university. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the University. If there is a

discrepancy in the sports that are sponsored between the NCAA Membership Financial Reporting System and the CRDE or equivalent supporting equivalency calculations, inquire about the discrepancy and report the justification in the AUP report.

Results

Squad lists maintained by the Department are retrieved directly from Compliance Assistant, which submits and retrieves information directly to the NCAA Membership Financial Reporting System. As a result, all squad lists that are maintained agree with the NCAA Membership Financial Reporting System.

37. Sports Sponsorship and Demographics Forms Report

Obtain the University's Sports Sponsorship and Demographics Forms Report for the reporting year. Validate that the countable sports reported by the University meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum contest requirement. Post season contests are not countable toward the contest requirements; regular season only. If the University requested and/or received a waiver that related to minimum contests or minimum participants for a particular sport, that sport would not qualify as a sponsored sport for the purposes of revenue distribution. Also, only sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football are eligible. Once countable sports have been validated, ensure that the University has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. Note: Any discrepancies MUST be resolved within the NCAA Membership Financial Reporting System prior to the report being submitted to the NCAA.

Results

We received the Sports Sponsorship and Demographics Forms Report and validated that the sports reported met the minimum requirements for the number of games played as well as the minimum participants, where applicable. These sports statistics are maintained also with the squad lists, which are in agreement with the NCAA Membership Financial Reporting System.

38. Pell Grants

Agree the total number of Division I student-athletes who, during the academic year, received a Pell Grant award (e.g. Pell Grant recipients on Full Grant-in-Aid, Pell Grant recipients on partial Grants-in-Aid and Pell Grant recipients with no Grants-in-Aid) and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the institutions financial aid records, of all student-athlete Pell Grants. Note: individual student-aid file testing in step 32 (as designated in the NCAA Agreed-Upon Procedures dated April 20, 2018) above should tie any selected student athletes who received Pell Grants back to the report of all student athlete Pell Grants to test the completeness and accuracy of the report.

Results

We received a report detailing the Pell Grant award amount each student-athlete received which agreed to the amount of Pell Grants indicated in the NCAA Membership Financial Reporting System. We compared the amounts listed in the report to each student-athlete sampled during the Athletic Aid testing and agreed without exception. We recalculated the total amount without exception.

39. Excess Transfers to Institution and Conference Realignment Expenses

Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transactions and accuracy of recording and recalculate totals.

Results

According to discussions with management, this procedure is not applicable, as the Athletic Department did not have any excess transfers to the university and did not incur realignment expenses.

40. Total Athletics Related Debt

Obtain repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. Recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained.

Agree the total annual maturities and total outstanding athletic related debt to supporting documentation and the University's general ledger, as applicable.

Results

According to discussions with management, this procedure is not applicable, as there is no Athletics related debt.

41. Total Institutional Debt

Agree the total outstanding University debt to supporting documentation and the university's audited financial statements, if available, or the university's general ledger.

Results

We reviewed the University's audited financial statements and noted the total institutional debt for the year ending June 30, 2018.

42. Value of Athletics Dedicated Endowments

Obtain a schedule of all athletics dedicated endowments maintained by athletics, the University, and affiliated organizations. Agree the fair market value in the schedule(s) to supporting documentation, the general ledger(s) and audited financial statements, if available.

Results

We agreed the University's and Foundation's schedule of athletics dedicated endowments at fair market value to supporting documentation and the general ledger without exception.

43. Value of Institutional Endowments

Agree the total fair market value of institutional endowments to supporting documentation, the University's general ledger and/or audited financial statements, if available.

Results

We reviewed the University's audited financial statements and noted the total value of Institutional Endowments for the year ending June 30, 2018.

44. Total Athletics Related Capital Expenditures

Obtain a schedule of athletics related capital expenditures made by athletics, the university, and affiliated organizations during the reporting period.

Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

Results

According to discussions with management, this procedure is not applicable, as the University did not incur any Athletics related capital expenditures in 2018.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the University's compliance with National Collegiate Athletic Association Bylaw 3.2.4.15. 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 Dr. Joan Ferrini-Mundy, President, and the Board of Trustees and Management of the University and is not intended to be, and should not be, used by anyone other than these specified parties.

O'Connor and Drew, P.C.

**Certified Public Accountants
Braintree, Massachusetts**

November 29, 2017

UNIVERSITY OF MAINE DEPARTMENT OF ATHLETICS

Statement of Revenues and Expenditures

For the Year Ended June 30, 2018

Appendix A

<u>Operating Revenues</u>	<u>Football</u>	<u>Men's Basketball</u>	<u>Women's Basketball</u>	<u>Other Sports</u>	<u>Non-Program Specific</u>	<u>Total</u>
1 Ticket Sales	\$ 133,644	\$ 20,934	\$ 57,504	\$ 755,973	\$ 32,043	\$ 1,000,098
2 Direct State or Governmental Support	-	-	-	-	83,078	83,078
3 Student Fees	-	-	-	-	-	-
4 Direct Institutional Support	3,272,149	664,916	1,021,803	6,301,852	1,098,559	12,359,279
5 Less - Transfers to Institution	-	-	-	-	-	-
6 Indirect Institutional Support	-	-	-	-	2,021,840	2,021,840
7 Guarantees	600,000	449,000	43,000	46,500	-	1,138,500
8 Contributions	448,571	206,139	29,896	672,786	737,839	2,095,231
9 In Kind- Third Party Support	-	-	-	-	-	-
10 Compensation and Benefits Provided by a Third Party	-	-	-	-	-	-
11 Media Rights	-	-	-	-	775,000	775,000
12 NCAA Distributions	-	-	46,125	-	1,064,745	1,110,870
13 Conference Distributions (Non-Media or Bowl)	-	-	32,500	34,382	88,067	154,949
14 Program, Novelty, Parking and Concession Sales	1,050	291	1,096	1,782	14,353	18,572
15 Royalties, Licensing, Advertisements and Sponsorships	-	-	-	40,000	20,000	60,000
16 Sports Camp Revenues	48,798	8,548	50,000	316,983	-	424,329
17 Athletics Restricted Endowment and Investment Income	27,054	1,350	3,785	3,948	-	36,137
18 Other Operating Revenue	7,998	4,903	1,131	55,980	318,672	388,684
19 Bowl Revenue	-	-	-	-	-	-
Subtotal Operating Revenues	4,539,264	1,356,081	1,286,840	8,230,186	6,254,196	21,666,567
Operating Expenses						
20 Athletic Student Aid	2,146,717	478,231	432,240	3,632,487	-	6,689,675
21 Guarantees	84,250	-	10,655	10,029	-	104,934
22 Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities	819,327	462,132	346,880	1,828,886	-	3,457,225
23 Coaching Salaries, Benefits and Bonuses paid by a Third Party	-	-	-	-	-	-
24 Support Staff/Administrative, Compensation, Benefits and Bonuses paid by the University and Related Entities	99,666	11,276	29,624	147,021	3,526,528	3,814,115
25 Support Staff/Administrative Compensation, Benefits and Bonuses paid by a Third Party	-	-	-	-	-	-
26 Severance Payments	-	-	-	-	-	-
27 Recruiting	121,184	39,393	32,369	163,859	-	356,805
28 Team Travel	411,919	203,877	246,415	1,061,327	-	1,923,538
29 Sports Equipment, Uniforms and Supplies	65,059	31,877	19,816	387,028	85,430	589,210
30 Game Expenses	47,634	128,615	136,825	71,414	174,488	558,976
31 Fundraising, Marketing and Promotion	7,729	-	1,132	21,634	168,483	198,978
32 Sports Camp Expenses	33,562	4,701	36,965	204,822	-	280,050
33 Spirit Groups	-	-	-	-	8,063	8,063
34 Athletic Facilities Debt Service, Leases and Rental Fees	-	-	-	-	84,441	84,441
35 Direct Overhead and Administrative Expenses	925	80	-	2,074	124,578	127,657
36 Indirect Institutional Support	-	-	-	-	2,021,840	2,021,840
37 Medical Expenses and Insurance	8,641	327	1,217	5,127	173,791	189,103
38 Memberships and Dues	30,780	1,250	1,570	42,328	83,531	159,459
39 Student Athlete Meals (non-travel)	6,866	15,496	7,222	35,470	909	65,963
40 Other Operating Expenses	195,431	46,516	29,327	159,405	600,563	1,031,242
41 Bowl Expenses	-	-	-	-	-	-
Total Operating Expenses	4,079,690	1,423,771	1,332,257	7,772,911	7,052,645	21,661,274
Excess (Deficiency) of Revenues over (Under) Expenses	\$ 459,574	\$ (67,690)	\$ (45,417)	\$ 457,275	\$ (798,449)	\$ 5,293
50 Excess Transfers to Institution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51 Conference Realignment Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52 Total Athletics Related Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53 Total Institutional Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54 Value of Athletics Dedicated Endowments	\$ 636,032	\$ 80,556	\$ 60,181	\$ 3,185,291	\$ 5,409,821	\$ 9,371,881
55 Value of Institutional Endowments	\$ -	\$ -	\$ -	\$ -	\$ 154,114,000	\$ 154,114,000
56 Total Athletics Related Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the Statement of Revenues and Expenditures.

UNIVERSITY OF MAINE DEPARTMENT OF ATHLETICS

Notes to the Statement of Revenues and Expenditures

June 30, 2018

Appendix B

Note 1 - Organization

The University of Maine System (the "System") consists of seven universities, eight regional outreach centers and a central administrative office. The University of Maine Department of Athletics (the "Department") is incorporated in the financial statements of the System.

The System is a component unit of the State of Maine and is therefore generally exempt from income taxes under Section 115 of the Internal Revenue Code.

The University of Maine Foundation ("Foundation") and the University of Maine Alumni Association (the "Association") are legally separate tax-exempt component units of the System.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Department's Statement of Revenues and Expenditures have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB"). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows except for contributions and summer financial aid as described in Note 4. The Statement is presented in a manner that intends to report all activity of the University's Intercollegiate Athletics Department in accordance with the requirements of National Collegiate Athletic Association (the "NCAA") Financial Audit Guidelines issued by the NCAA. This Statement is a statement of activity related to the Department and does not purport to present the results of operations for the University as a whole.

Non-program Specific Revenues and Expenses

Certain of the Department's expenses and/or functions are reported in the Statement of Revenues and Expenditures as non-program specific. They include the Athletic Director's Office, Alford Arena, Athletic Information, Administration, Cheerleaders, Pool, Ticket Office, Hall of Fame, Goods and Services, Equipment Rooms, Athletic Development, Athletic Training, Academic Support Services, Latti Fitness Center, Compliance Office, NCAA Needy Student Fund, Athletic Marketing, Strength and Conditioning, and the Black Bear Fund.

UNIVERSITY OF MAINE DEPARTMENT OF ATHLETICS

Notes to the Statement of Revenues and Expenditures - Continued

June 30, 2018

Appendix B

Note 2 - Summary of Significant Accounting Policies - Continued

Support From Outside Organizations

Contributions to the Department are received from the Foundation, the Association and various booster groups. Contributions from these groups are deposited into restricted scholarship, gift, or Friends' accounts for use by the sport named on the account.

All booster groups are required to deposit their funds into the University of Maine restricted accounts. Those accounts are subject to overall University accounting controls.

The Black Bear athletic scholarship fund receives regular contributions from the Foundation. This scholarship fund provides scholarship assistance to athletes and is not restricted by sport. The Foundation holds endowment funds, which are designated for the support of University of Maine Athletics.

Receipt and Use of Non-Cash Contributions

As with all gifts, in-kind gifts must be approved by the System's Board of Trustees and the official record appears in the Board's minutes. These gifts are used during the year by Department's staff and teams to accomplish their missions.

Employee Outside Income

Coaches and administrative staff may receive outside income for speaking engagements and non-university sponsored sports camps. They also may receive goods for endorsement or consultation contracts with athletic apparel and equipment manufacturers. NCAA compliance rules require the Department to report outside income to the President.

UNIVERSITY OF MAINE DEPARTMENT OF ATHLETICS

Notes to the Statement of Revenues and Expenditures - Continued

June 30, 2018
Appendix B

Note 2 - Summary of Significant Accounting Policies - Continued

Capital Assets

The University expends funds to build and maintain its athletic facilities. Such costs have been recorded elsewhere in the University's accounting records and are not reflected in the accompanying Statement.

Note 3 - Endowment Funds

The System follows the pooled investment concept for its endowed funds, whereby all invested funds are included in one pool, except for funds that are separately invested as directed by the donor.

Note 4 - Presentation Differences

Summer Financial Aid

A single summer session spans two fiscal years at the University because the fiscal year ends on June 30.

The NCAA statement requires reporting the total amount of athletic-related student aid awarded, including summer school. This presentation combines the entire summer session including June, July and August with the financial transactions from the preceding spring and winter semesters. The University's statements, however, include aid in the period in which the classes are taken, and therefore differs from the statement herein.

The inherent differences between the University and NCAA reporting require users to understand these differences when using the NCAA statement for any purpose other than reporting to the NCAA.

Contributions

Contributions are received on behalf of the University's athletic department by affiliated organizations including the University of Maine Foundation and the University of Maine Alumni Association. The University does not record funds received by its affiliate organizations until the funds have been transferred to the University. Typically transfer of these monies does not occur until the related expenditure is imminent.