

January 14, 2020

Dr. Joan Ferrini-Mundy, President
University of Maine
5703 Alumni Hall, Suite 200
Orono, ME 04469

Dear Dr. Ferrini-Mundy:

We have enclosed a copy of the Independent Accountants' Report on Applying Agreed-Upon Procedures in accordance with the National Collegiate Athletic Association Bylaw 3.2.4.15 for the University of Maine.

We have provided additional copies of the report to Matthew Curtis. He will be distributing the reports to the individuals listed below.

We appreciate the cooperation we received during the engagement. If you have any questions or would like to discuss the report, please call me at (617) 471-1120.

Very truly yours,

Francis X. O'Brien II

Enclosures

Cc: Ken Ralph
Matthew Curtis
Claire Strickland
Niclas Erhardt
Tracy E. Elliott

January 14, 2020

Mr. Matthew Curtis
University of Maine
Athletic Business Office
5747 Memorial Gym
Orono, Maine 04469

Dear Mr. Curtis:

We have enclosed ten copies of the Independent Accountants' Report on Applying Agreed-Upon Procedures in accordance with the National Collegiate Athletic Association Bylaw 3.2.4.15 for the University of Maine.

We appreciate the cooperation we received during the engagement. If you have any questions or would like to discuss the report, please call me at (617) 471-1120.

Very truly yours,

Francis X. O'Brien II

Enclosures

Cc: Joa Ferrini-Mundy
Ken Ralph
Claire Strickland
Niclas Erhardt
Tracy E. Elliott

**UNIVERSITY OF MAINE
DEPARTMENT OF ATHLETICS**

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

June 30, 2019

**UNIVERSITY OF MAINE
DEPARTMENT OF ATHLETICS**

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

June 30, 2019

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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, 2019. 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, 2019, as prepared by the University's management and shown in Appendix A. For the purpose of these procedures, materiality has been determined to be \$35,082 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. In addition, the university shall prepare a summary of revenues and expenses for or on behalf of intercollegiate athletics programs affiliated and outside organizations to be included with the agreed-upon procedures report.

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, 2018 and 2019 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, 2018. 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, 2019 to the respective figures for the year ended June 30, 2018. As agreed, we identified variances of greater than \$35,082 and 10%. We obtained explanations from management regarding the reasons for the variances. They are as follows:

Revenues

Ticket Sales

Ticket sales increased by \$138,526 or 13.9% from fiscal year 2018 to fiscal year 2019. The University's athletic teams saw increased success in FY 19 which resulted in increased game day sales for Football, Men's Ice Hockey and Women's Basketball.

Away-Game Guarantees

Away-Game Guarantees increased by \$271,000 or 23.8% from fiscal year 2018 to fiscal year 2019. Men's Basketball played additional guarantee games resulting in increased

guarantee revenue of \$171,000. Additionally, the guarantee games for Football brought in an additional \$100,000.

Contributions

Total contributions decreased by \$360,596 or 17.2% from fiscal year 2018 to fiscal year 2019. The athletic department received a gift in the amount of \$528,000 in 2018 to be used to compensate a former coach who took a position in the athletic department.

NCAA/Conference Distributions

NCAA/Conference Distributions revenue increased by \$144,118 or 13.0% from fiscal year 2018 to fiscal year 2019. The athletic department received approximately \$105,000 from the NCAA to reimburse the University for expenses related to postseason travel for the Football team.

Expenses

Away-Game Guarantee Expense

Away-Guarantee expenses decreased by \$77,951 or 74.3% from fiscal year 2018 to fiscal year 2019. In 2019, Football did not have a home guarantee game, which resulted in the net decrease.

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

Support Staff/Administrative salaries decreased by \$479,119 or 12.6% from fiscal year 2018 to fiscal year 2019. The athletic department paid out compensation totaling \$528,000 in 2018 to a former coach working in the athletic department in accordance with the stipulations of the gift used to fund the account.

Team Travel

Team Travel expenses increased by \$724,854 or 37.7% from fiscal year 2018 to fiscal year 2019. The increase resulted from additional charter flights from guarantee games and postseason travel for Football, Men's Basketball, Men's Ice Hockey and Women's Basketball.

Equipment, Uniforms and Supplies

Equipment, Uniforms and Supplies expense increased by \$132,669 or 22.5% from fiscal year 2018 to fiscal year 2019. The athletic department purchased new uniforms for Football and equipment for Men's Ice Hockey.

Fundraising, Marketing and Promotion

Fundraising, Marketing and Promotion decreased by \$71,578 or 36.0% from fiscal year 2018 to fiscal year 2019. The University incurred less expenses from community engagement, including fan giveaways.

Spirit Groups

Spirit Group expenses increased by \$168,393 or 2,088.5% from fiscal year 2018 to fiscal year 2019. The University sent the spirit group to a Football playoff game, resulting in an expense of approximately \$154,000. This expense was funded by a gift of \$100,000.

Athletic Facilities Debt Service, Leases and Rental Fees

Athletic Facilities Debt Service, Leases and Rental Fees decreased by \$63,735 or 75.5% from fiscal year 2018 to fiscal year 2019. The University made its final payment on the Morse scoreboard debt in fiscal year 2019. This represented a payment \$20,706, which was significantly lower than the \$84,441 payment in 2018.

Direct Overhead and Administrative Expense

Direct Overhead and Administrative Expenses decreased by \$65,655 or 51.4% from fiscal year 2018 to fiscal year 2019. In 2018, the athletic department spent \$75,000 on bleacher upgrades and repairs.

Memberships and Dues

Memberships and Dues expenses increased by \$63,503 or 39.8% from fiscal year 2018 to fiscal year 2019. Hockey East implemented a \$60,000 membership fee for Men's Ice Hockey in fiscal year 2019.

Other Operating Expenses

Other Operating Expenses increased by \$281,737 or 27.3% from fiscal year 2018 to fiscal year 2019. The increase was attributed to an increase in the fees due to the University's ticket vendor, as well as an increase in the amount of an NCAA grant spent on mental health speakers and activities.

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 without exception.

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, rather than on-campus, and ticket sales were recorded by a third party. The Cross Center provided the University with a ticket sales report that provided the total 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>
Football	Villanova	10/6/2018	\$ 11,560.00
Men's Ice Hockey	Colorado College	1/2/2019	\$ 1,827.00
Women's Basketball	Vermont	1/15/2018	\$ 690.00
Men's Basketball	UMBC	1/10/2018	\$ 2,791.00

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 documentation 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	Western Kentucky	9/8/2018	\$ 300,000.00
Baseball	UMD	2/22/2019-2/24/2019	\$ 10,000.00
Softball	UMKC	3/8/2019	\$ 6,000.00
Men's Basketball	University of Utah	11/8/2018	\$ 90,000.00
Women's Basketball	UNC	12/2/2019	\$ 18,000.00

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 and allocated for the fiscal year. Only contributions allocated in the current year are recognized as revenue.

<u>Description</u>	<u>Amount</u>	<u>Amount Allocated</u>
Marcelle Coffin MIH Fund	\$ 135,573.37	\$ 0.00
Tom & Sally Savage Hockey Challenge	\$ 100,220.80	\$ 0.00
Maine Community Foundation	\$ 100,000.00	\$100,000.00
Alfond Fund Football Challenge	\$ 250,000.00	\$250,000.00
Alfond Fund Athletics Challenge	\$ 250,000.00	\$250,000.00

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 2019 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.

The contract between Black Bear Sports Properties, LLC (“BBSP”) and the University states that the University was scheduled to receive \$725,000 in fiscal year 2019. We compared and agreed the amount below to the general ledger and contract.

<u>Vendor</u>	<u>Amount</u>
a. Black Bear Sports Properties, LLC	\$ 725,000.00

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.

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 – Other Income	\$ 186,075.10
b. NCAA – Other Income	\$ 56,543.00
c. NCAA – Grants-in-Aid	\$ 498,632.00
d. NCAA – Sports Sponsorship	\$ 153,166.00

15. Conference Distributions

Obtain and inspect agreements related to the university's conference distributions and participation in revenues from tournaments during the reporting period for 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 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. America East – WBB Postseason	\$ 25,000.00
b. America East – TV Distribution	\$ 88,944.89

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 2019 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 for 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
b. NCAA- CBB Copyright Royalty	\$ 11,920.00

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 documentation of the university’s methodology for recording revenues from sports camps. Obtain schedules of camp participants and select a sample of individual camp participant 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>
Jones	Baseball	\$ 403.00
Foss	Women’s Soccer	\$ 282.00

<u>Last Name</u>	<u>Sport</u>	<u>Amount</u>
Cosslett	Women's Basketball	\$ 25.00
Powers	Men's Basketball	\$ 211.50
Caron	Softball	\$ 70.00
Alklen	Men's Ice Hockey	\$ 84.60
Williams	Men's Ice Hockey	\$ 352.50
Wagstaff	Softball	\$ 397.00
Graceffa	Field Hockey	\$ 356.00
Johnston	Track & Field	\$ 20.00

19. Endowment and Investment Income

Obtain and inspect endowment agreements (if any) for 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

This procedure is not applicable. According to management and review of the general ledger, endowment and investment income received during the year ended 2019 was immaterial in the aggregate.

20. Other Income

Perform minimum agreed-upon procedures referenced for all revenue categories and 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	General Alumni	\$ 4,140.00
Facility Rental	Old Town	\$ 7,354.25
Facility Rental	John Baptist Memorial	\$ 3,000.00
Facility Rental	Maine Principals	\$ 3,186.00
Facility Rental	Maine Swimming	\$ 17,654.25
Women's Swimming	New Balance Clothing	\$ 2,454.00
Baseball	Grizzlies	\$ 500.00
Women's Ice Hockey	Team Fundraiser	\$ 1,000.00
Men's Ice Hockey	Banquet	\$ 4,955.52
Strength & Conditioning	Rugby	\$ 2,279.03

21. Bowl Revenue

Obtain and inspect agreements related to the university's revenues from postseason bowl participation 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

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 university 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).*
- *If a sport is discontinued and the athletic grant(s) are still being honored by the institution, the grant(s) are included in student-athlete aid for revenue distribution purposes.*
- *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 with one exception. We noted one student whose aid amount did not agree to the amount posted to the general ledger. The Associate Athletic Director advised us that \$1,410.68 of athletic aid from fiscal year 2018 was posted incorrectly to fiscal year 2019. 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	\$37,402.00
Baseball	\$27,242.15
Football	\$47,881.00
Football	\$33,027.00
Football	\$39,230.00
Football	\$17,023.81
Football	\$49,755.70
Football	\$33,437.00
Men's Basketball	\$50,297.00
Men's Basketball	\$25,471.00
Men's Ice Hockey	\$26,685.00
Men's Ice Hockey	\$18,459.00
Men's Ice Hockey	\$31,168.75
Men's Track	\$ 2,617.44
Field Hockey	\$20,641.00
Field Hockey	\$28,822.45
Women's Basketball	\$39,712.40
Women's Basketball	\$23,699.00
Women's Basketball	\$39,567.00
Women's Ice Hockey	\$31,764.60
Women's Ice Hockey	\$37,410.00
Women's Soccer	\$24,188.80
Women's Soccer	\$28,658.58
Softball	\$24,171.79
Softball	\$14,804.83
Women's Swimming	\$30,230.89
Women's Swimming	\$10,000.00
Women's Swimming	\$10,717.60
Women's Track	\$12,777.00
Women's Track	\$10,391.00

23. Away-Game Guarantee Expense

Obtain and inspect visiting institution'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

This procedure is not applicable. According to management and review of the general ledger, away game guarantee expense during the year ended 2019 was immaterial in the aggregate.

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 2019. 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>
Matt Birkett	Football
Kevin Reed	Men's Basketball
Tom Biskup	Women's Basketball
Susan Lizzotte	Men's and Women's Swimming
Richard Reichenbach	Women'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 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 2019 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>
Eric Stoup	Athletic Grounds and Arena Manager
Mike LeRoy	Assistant Athletic Trainer
	Senior Associate Director of Athletics-
Tyson McHatten	External Operations & Communication
Sam Hallet	Assistant Athletic Director for Digital Content
Chandler Sperry	Assistant Director of Compliance

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 2019.

29. Recruiting

Obtain documentation 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 2019 compliance audit which we preformed 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 Associate Athletic 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 Associate Athletic Director of Compliance is also responsible for approving all recruiting expenses. Before an expense is approved, she 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 documentation 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 documentation 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

This procedure is not applicable. According to management and review of the general ledger, athletic facility debt service, leases and rental fee expense during the year ended 2019 was immaterial in the aggregate.

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	Women's Basketball Recruiting	\$ 1,487.83
27-Recruiting	Track & Field Recruiting	\$ 120.00
27-Recruiting	Football Recruiting Weekend	\$ 2,466.63
27-Recruiting	Football Recruiting	\$ 470.00
27-Recruiting	Baseball Recruiting	\$ 325.10
27-Recruiting	Women's Basketball Recruiting	\$ 4,248.68
28-Team Travel	Air Planning LLC	\$163,011.43
28-Team Travel	Ice Hockey Team Travel	\$ 14,636.80
28-Team Travel	Cyr Bus Line	\$ 1,250.00
28-Team Travel	Football Team Travel	\$ 33,682.09
28-Team Travel	Pullman San Francisco Bay	\$ 20,127.54
28-Team Travel	Air Planning LLC	\$ 77,430.93
28-Team Travel	Women's Swimming Team Travel	\$ 11,552.00
28-Team Travel	Softball Team Travel	\$ 13,687.13
29-Equipment, Uniforms & Supplies	Rawlings Sporting Goods	\$ 617.03
29-Equipment, Uniforms & Supplies	Warrior Sports Inc.	\$ 32,258.96
29-Equipment, Uniforms & Supplies	Swim and Tri LLC	\$ 2,018.36
29-Equipment, Uniforms & Supplies	Exxentric North America Inc.	\$ 18,645.00
29-Equipment, Uniforms & Supplies	New Balance Athletic Shoe Inc.	\$ 4,606.93
29-Equipment, Uniforms & Supplies	CCM Hockey US INC	\$ 3,786.00
29-Equipment, Uniforms & Supplies	Sorinex Exercise Equipment Inc.	\$ 12,160.36
30-Game Expenses	Field Hockey Umpire	\$ 505.00
30-Game Expenses	Police Hockey	\$ 4,147.50
30-Game Expenses	Campus Police	\$ 14,967.79
30-Game Expenses	Softball Umpire	\$ 889.76

<u>Category</u>	<u>Description</u>	<u>Amount</u>
30-Game Expenses	Baseball Umpire	\$ 819.00
31-Fundraising, Marketing & Promotions	Atlantic Coast Radio LLC	\$ 1,750.00
31-Fundraising, Marketing & Promotions	Townsquare Media Bangor LLC	\$ 500.00
31-Fundraising, Marketing & Promotions	Creative Print Services	\$ 3,630.75
31-Fundraising, Marketing & Promotions	Hibu Inc	\$ 5,500.00
31-Fundraising, Marketing & Promotions	Synergy Imports LLC	\$ 2,000.00
32-Sport Camp Expenses	Girls Ice Hockey	\$ 11,621.57
32-Sport Camp Expenses	Girls Basketball	\$ 12,810.16
32-Sport Camp Expenses	Girls Ice Hockey	\$ 18,499.04
32-Sport Camp Expenses	Baseball Day Camp	\$ 1,825.60
32-Sport Camp Expenses	Football Youth Overnight	\$ 5,355.80
33- Spirit Group	Shorts Travel Management Inc.	\$150,145.80
35-Direct Overhead & Administrative	Atlantic Irrigation	\$ 8,977.78
35-Direct Overhead & Administrative	Atlantic Medical Repair	\$ 315.00
35-Direct Overhead & Administrative	Daktronics Inc.	\$ 775.00
35-Direct Overhead & Administrative	Geosurfaces Inc.	\$ 16,500.00
37-Medical Expenses & Insurance	Cross Insurance	\$ 79,508.00
37-Medical Expenses & Insurance	Alison Tobey	\$ 450.00
37-Medical Expenses & Insurance	Mayo Clinic Hospital Rochester	\$ 4,158.77
37-Medical Expenses & Insurance	DJO LLC	\$ 534.10
37-Medical Expenses & Insurance	Collins Sports Medicine	\$ 539.71
38-Membership & Dues	Women's Hockey East Association	\$ 34,735.00
38-Membership & Dues	Hockey East	\$ 60,000.00
38-Membership & Dues	CSCAA Membership	\$ 225.00
38-Membership & Dues	National Athletic Trainers' Assoc.	\$ 1,505.00
38-Membership & Dues	Eastern College Athletic	\$ 2,250.00
40-Other Operating Expenses	Dragonfly LLC	\$ 4,100.00
40-Other Operating Expenses	Sellingforcoaches.com	\$ 2,000.00

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>
Women's Ice Hockey	Locker Room Food	\$ 5,132.22
Women's Basketball	Team Meal	\$ 832.71
Football	Team Meal	\$ 570.00

<u>Sport</u>	<u>Description</u>	<u>Amount</u>
Women's Ice Hockey	Locker Room Food	\$ 3,257.73
Women's Basketball	Team Banquet	\$ 2,124.00

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 sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA or other report that supports the 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 sponsored between the NCAA Membership Financial Reporting System and the CRDE or other report that supports the equivalency calculations, inquire about the discrepancy and report the justification in the AUP report. Compare current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. Inquire and document an explanation for any variance greater than +/- 4%.

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 submitted to the NCAA for the reporting year. Validate that the countable NCAA sports reported by the university meet the minimum requirements set forth in Bylaw 20.9.6.3, related to the number of contests and the number of participants. If the university requested and/or received a waiver related to minimum contests or minimum participants for a 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. Compare current year

number of Sports Sponsored to prior year reported total per the Membership Financial Reporting submission. Inquire and document an explanation for any variance.

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. There were no variances when compared to the prior year.

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 Athletic Aid, Pell Grant recipients on Partial Athletic Aid and Pell Grant recipients with no Athletic 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 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 and compared it 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. However, we noted one student-athlete who was not included on the report submitted to the NCAA.

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, 2019.

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, 2019.

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 2019.

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.

**Certified Public Accountants
Braintree, Massachusetts**

January 7, 2020

UNIVERSITY OF MAINE DEPARTMENT OF ATHLETICS

Statement of Revenues and Expenditures

For the Year Ended June 30, 2019

Appendix A

Operating Revenues	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
1 Ticket Sales	\$ 176,095	\$ 26,276	\$ 90,726	\$ 807,229	\$ 38,298	\$ 1,138,624
2 Direct State or Governmental Support	-	-	-	-	78,333	78,333
3 Student Fees	-	-	-	-	-	-
4 Direct Institutional Support	3,259,488	1,002,389	1,118,984	6,543,150	1,379,157	13,303,168
5 Less - Transfers to Institution	-	-	-	-	-	-
6 Indirect Institutional Support	-	-	-	-	2,104,324	2,104,324
7 Guarantees	700,000	620,000	44,000	45,500	-	1,409,500
8 Contributions	461,442	82,372	124,354	693,918	372,548	1,734,634
9 In Kind- Third-Party Support	-	-	-	1,689	5,251	6,940
10 Compensation and Benefits Provided by a Third Party	-	-	-	-	-	-
11 Media Rights	-	-	-	-	725,000	725,000
12 NCAA Distributions	104,250	-	44,895	-	1,105,843	1,254,988
13 Conference Distributions (Non-Media or Bowl)	-	-	42,500	12,424	88,945	143,869
14 Program, Novelty, Parking and Concession Sales	13,105	452	1,774	2,037	13,947	31,315
15 Royalties, Licensing, Advertisements and Sponsorships	-	-	-	40,000	31,920	71,920
16 Sports Camp Revenues	32,898	4,699	38,253	350,141	-	425,991
17 Athletics Restricted Endowment and Investment Income	23,795	1,328	3,716	3,861	-	32,700
18 Other Operating Revenue	-	-	-	23,381	336,196	359,577
19 Bowl Revenue	-	-	-	-	-	-
Subtotal Operating Revenues	<u>4,771,073</u>	<u>1,737,516</u>	<u>1,509,202</u>	<u>8,523,330</u>	<u>6,279,762</u>	<u>22,820,883</u>
Operating Expenses						
20 Athletic Student Aid	2,213,664	578,650	454,352	3,706,367	-	6,953,033
21 Guarantees	-	5,000	2,579	19,404	-	26,983
22 Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities	853,361	504,428	363,697	1,870,917	-	3,592,403
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	56,330	27,110	48,788	99,579	3,103,188	3,334,995
25 Support Staff/Administrative Compensation, Benefits and Bonuses paid by a Third Party	-	-	-	-	-	-
26 Severance Payments	-	-	-	-	-	-
27 Recruiting	78,254	46,891	48,133	148,421	-	321,699
28 Team Travel	730,675	310,470	323,560	1,283,686	-	2,648,391
29 Sports Equipment, Uniforms and Supplies	113,387	33,656	23,937	458,851	92,049	721,880
30 Game Expenses	40,298	155,719	134,809	66,162	198,090	595,078
31 Fundraising, Marketing and Promotion	-	-	-	-	127,400	127,400
32 Sports Camp Expenses	20,792	3,356	25,618	232,518	400	282,684
33 Spirit Groups	-	-	-	-	176,456	176,456
34 Athletic Facilities Debt Service, Leases and Rental Fees	-	-	-	-	20,706	20,706
35 Direct Overhead and Administrative Expenses	198	-	-	662	61,142	62,002
36 Indirect Institutional Support	-	-	-	-	2,104,324	2,104,324
37 Medical Expenses and Insurance	18,100	7,414	402	3,427	140,578	169,921
38 Memberships and Dues	30,720	1,390	2,108	100,918	87,826	222,962
39 Student Athlete Meals (non-travel)	5,075	12,545	6,134	46,414	19,707	89,875
40 Other Operating Expenses	192,295	77,695	33,328	228,790	780,871	1,312,979
41 Bowl Expenses	-	-	-	-	-	-
Total Operating Expenses	<u>4,353,149</u>	<u>1,764,324</u>	<u>1,467,445</u>	<u>8,266,116</u>	<u>6,912,737</u>	<u>22,763,771</u>
Excess (Deficiency) of Revenues over (Under) Expenses	<u>\$ 417,924</u>	<u>\$ (26,808)</u>	<u>\$ 41,757</u>	<u>\$ 257,214</u>	<u>\$ (632,975)</u>	<u>\$ 57,112</u>
50 Excess Transfers to Institution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51 Conference Realignment Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52 Total Athletics-Related Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53 Total Institutional Debt	\$ -	\$ -	\$ -	\$ -	\$ 150,138,000	\$ 150,138,000
54 Value of Athletics-Dedicated Endowments	\$ 624,957	\$ 178,416	\$ 60,761	\$ 3,693,620	\$ 5,326,404	\$ 9,884,158
55 Value of Institutional Endowments	\$ -	\$ -	\$ -	\$ -	\$ 162,580,000	\$ 162,580,000
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, 2019

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, 2019

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, 2019

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.