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THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Item for Information

SUBJECT: FY 2016 Athletic Department Operating Budget

For the proposed FY 2016 operating budget described on the following pages, the Athletic Department projects a balanced budget based on operating revenues of \$153.6 million and operating expenses of \$153.6 million. Highlights of the operating budget are as follows:

- General public football season ticket prices remain unchanged from FY15, while student season ticket prices are reduced by 37.5%. Similar to FY15, the FY16 budget reflects a seven game home football schedule.
- Budgeted conference distributions increased to \$34.7M from \$32.0M budgeted in FY15.
- Premium seating areas are sold out in Michigan Stadium and Crisler Center.
- Facilities revenues decreased as a result of no planned special event rental in FY16.
- Total operating expenses budgeted for FY16 increase 0.4% from FY15 projected actual operating expenses.
- Included in operating expenses is a \$5.0 million transfer to a deferred maintenance fund. The deferred maintenance fund is used as a means to provide for major repair and rehabilitation projects for athletic facilities. The Athletic Department expects to continue to set aside additional funds in future years for this purpose.

Based on preliminary results, the Athletic Department has a projected operating deficit of approximately \$7.9 million for FY 2015. The operating deficit will be offset by operating reserves. The unfavorable operating outcome is primarily due to lower than budgeted spectator admissions and higher than budgeted compensation costs.

Respectfully submitted,



James Hackett
Interim Donald R. Shepherd Director of Athletics



Andra Krievs
Senior Financial Manager

June, 2015