

**ANCILLARY ACTIVITIES OPERATING BUDGET FOR THE FISCAL YEAR
ENDING JUNE 30, 2011 FOR INTERCOLLEGIATE ATHLETICS**

A Recommendation

1. **Division and Department:** President's Division, Department of Intercollegiate Athletics

2. **Introduction:** The proposed budget for Intercollegiate Athletics is presented for approval for the fiscal year ending June 30, 2011.

The "all funds" budget model has been used to construct the presentation of this budget. The all funds model is intended to provide a comprehensive picture of the financial activity of the unit. This format depicts operating and capital transactions in the General Fund, Auxilliary Fund, Designated Fund, Expendable Restricted Fund and the Plant Fund. Gifts are included, but the fund balances in permanent endowments are not included as there is no discretion with regard to their use. Distributions from these endowments are income in the Expendable-Restricted Funds and are included.

3. **Previous Board Action:** The Board of Trustees (Board) approved the FY2010 ancillary budgets on April 1, 2009.

4. **Budget Implications:** See ancillary program description for budget implications.

5. **Educational Implications:** See ancillary program description for educational implications.

6. **Personnel Implications:** See ancillary program budget assumptions for personnel implications.

7. **University Reviews/Approvals:** The Ancillary Activity Operating Budget was prepared by the Department of Intercollegiate Athletics, reviewed by the Financial Performance Review Committee, Budget and Financial Planning Office, Vice President for Finance and Administration, and President.

8. **Recommendation:**

RESOLVED, that the Board of Trustees approves the FY2011 budget for Intercollegiate Athletics with expenditures and transfers not to exceed \$5,890,519 as reflected in the attached budget, except as next set forth; and, be it further


RESOLVED, that all expenditures and transfers beyond the approved expense total must have the prior approval of the President or his designee and these amounts will be reported on a periodic basis to the Board of Trustees.

**Ancillary Activities Operating Budget for the
Fiscal Year Ending June 30, 2011 for Intercollegiate Athletics
Oakland University
Board of Trustees Formal Session
June 29, 2010
Page 2**

9. Attachments:

1. Description of Program and Proposed Budget, FY2011

Submitted to the President
on 6/16, 2010 by



John W. Beaghan
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on 6/16, 2010
to the Board for approval by



Gary D. Russi
President

Department of Intercollegiate Athletics

Description of Program

The Oakland University (OU) Department of Intercollegiate Athletics has been fully participating in Division I athletics since 1999-2000. In eleven years the Golden Grizzlies have won 20 regular-season conference championships, 38 conference tournament titles and have had 28 NCAA tournament appearances.

Oakland University is a member of The Summit League. The Summit League is comprised of 10 schools – Centenary, Indiana University Purdue University – Fort Wayne, Indiana University Purdue University - Indianapolis, University of Missouri – Kansas City, North Dakota State, Oral Roberts, South Dakota State, Southern Utah and Western Illinois.

OU has 18 varsity sports - baseball, men's basketball, women's basketball, men's cross country, women's cross country, men's golf, women's golf, men's soccer, women's soccer, softball, men's swimming & diving, women's swimming & diving, women's tennis, men's indoor & outdoor track, women's indoor & outdoor track and volleyball.

The Golden Grizzlies play their court sports (volleyball and men's and women's basketball) at the Athletics Center (O'Rena) which has a capacity of 3,000, with baseball, softball and soccer games played at the OU Athletic Fields. OU swimming and diving competes in the OU Aquatics Center, which has a capacity of 1,000, and OU's Katke-Cousins golf course is the home course for the men's and women's golf teams. The cross country programs have a temporary on-campus facility, and our track & field and tennis programs do not have on-campus facilities.

<u>Key Performance Indicators</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>
<u>RPI Tier 1 Athletic Teams</u>			
Men's Basketball	165	122	53
Women's Basketball	142	65	195
Men's Soccer	71	30	93
Women's Soccer	101	199	236
Men's Swimming/Diving	27#	4*	16*
Women's Swimming/Diving	7*	16*	13*

* Mid-Major Ranking

National Championship Finish/Ranking

RPI (Ratings Percentage Index) is a rating system utilizing three factors: Division I winning percentage; schedule strength; and opponents' schedule strength.

Number of Student Athletes	385	366	376
----------------------------	-----	-----	-----

Department of Intercollegiate Athletics

<u>Key Performance Indicators</u> (continued)	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>
Graduation Rates-All Students/Student Athletes	44% / 70%	44% / 71%	44% / 63%
Graduation Success Rate – Student Athletes	60%	73%	82%

Freshman-Cohort 2000/2001,2001/2002 & 2002/2003 Graduation Rates: These are the most recent graduating classes for which the required six years of information is available. "All Students" represents all undergraduate students who were enrolled in a full-time program of studies for a degree. "Student Athletes" represents those student athletes who received athletics aid from the university for any period of time during their entering year.

The main difference between the two rates is the Graduation Success Rate takes into account the successful completion of graduation requirements for transfer students.

FY10 Explanation of Changes

Increases in operating revenues include basketball team guarantee revenue and revenues received from NCAA participation by men's basketball.

Increases in supplies and services, and transfers are mainly due to increases in team operations and travel expenses associated with Summit League travel, as well as non-league travel, and student / grizz gang support.

Budget Assumptions

The Oakland University Department of Intercollegiate Athletics' budget reflects the revenues and expenditures of its continuing participation in Division I athletics. Budget assumptions for Fiscal Year 2011 are as follows:

1. In response to continued increases in team operations and travel expenses associated with the addition of new institutions and new sport programs within The Summit League, is an increase in the tuition support allocation. These increases are also reflected in increased supplies and services, supporting all 18 of our varsity sport programs.
2. The compensation line item is reflective of the university's salary freeze. The decrease is due to projected adjustments in fringe benefit rates.
3. General Fund budget support decreases are due to projected adjustments in fringe benefit rates.

Oakland University
Ancillary Activities Operating Budget
Department of Athletics
Proposed Budget - All Funds
FY2011

	FY2010 BUDGET	FY2010 ESTIMATED ACTUAL	FY2011 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 1,317,462	\$ 1,421,462	\$ 1,319,986
Retail Sales	15,000	21,000	22,000
Student Tuition Allocation	633,682	633,682	846,356
Gifts and Grants	325,000	325,000	350,000
Investment Income	6,000	1,500	2,000
General Fund Support	3,388,416	3,337,727	3,352,855
Total Revenue	<u>\$ 5,685,560</u>	<u>\$ 5,740,371</u>	<u>\$ 5,893,197</u>
EXPENDITURES:			
Compensation	\$ 3,434,989	\$ 3,384,300	\$ 3,407,436
Supplies and Services	2,152,291	2,518,541	2,396,678
Repairs and Maintenance	-	-	-
Cost of Retail Sales	10,000	13,500	17,000
Equipment	-	-	-
Insurance	72,446	63,095	69,405
Utilities	-	-	-
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	(248,611)	-
Total Expenditures	<u>\$ 5,669,726</u>	<u>\$ 5,730,825</u>	<u>\$ 5,890,519</u>
Net Revenue	<u>\$ 15,834</u>	<u>\$ 9,546</u>	<u>\$ 2,678</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ 425,000	\$ 369,805	\$ 350,000
Unrestricted Fund Balance	1,328,597	1,276,745	1,299,228
Less: Major Capital Expenditures	-	-	-
Total Fund Balance	<u>\$ 1,753,597</u>	<u>\$ 1,646,550</u>	<u>\$ 1,649,228</u>
Athletic Programs		\$ 293,228	
Endowments / Scholarships		46,000	
Facility Development		13,053	
Student Athlete Funds		17,524	
Restricted Fund Balance *		<u>\$ 369,805</u>	