

UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

Mitch Barnhart, Athletics Director

Melissa Gleason, Executive Associate Athletics Director



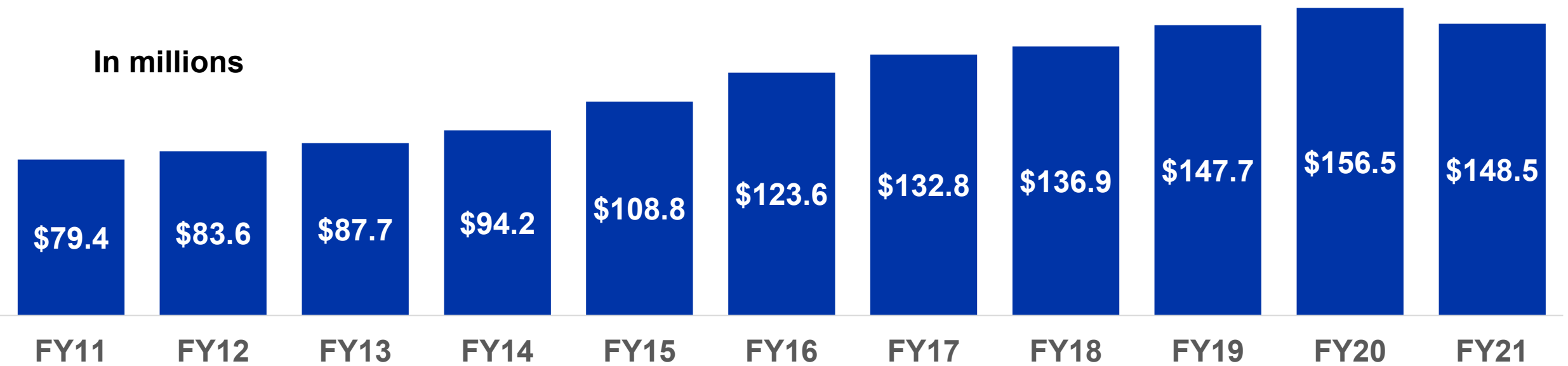


ENDURING BUDGET DEVELOPMENT PRINCIPLES

- Student athlete welfare
- Competitive excellence
- Academic success
- Staff retention
- Facility safety

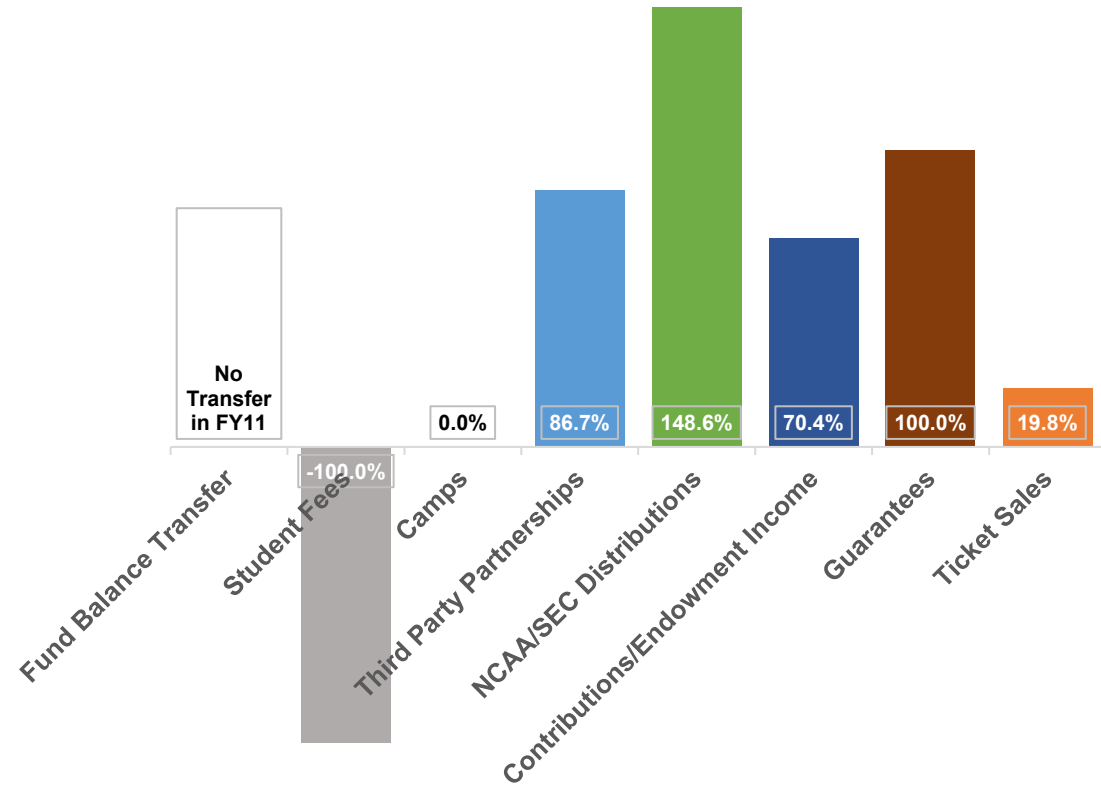
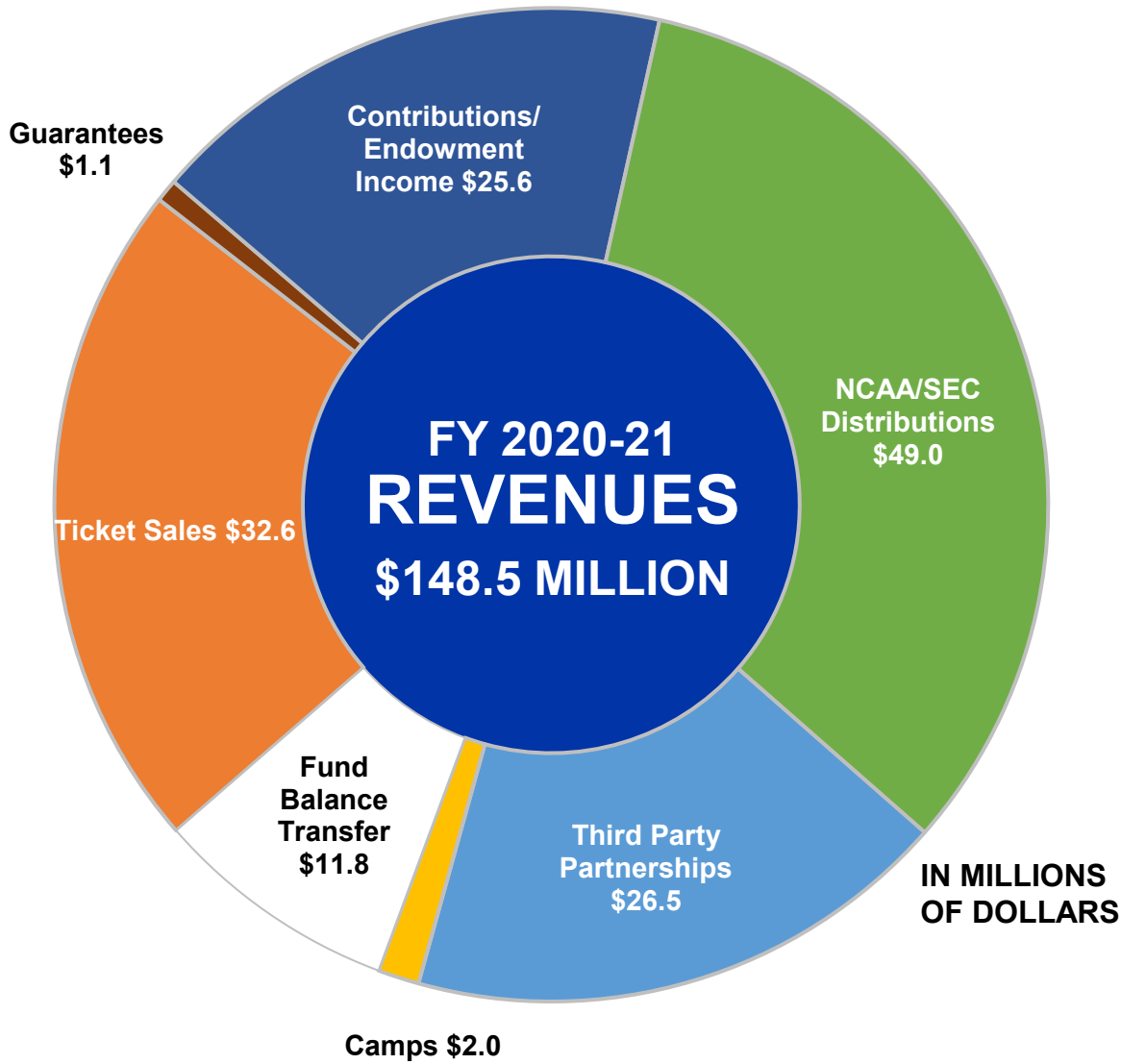
UNIVERSITY OF KENTUCKY ATHLETICS OPERATING BUDGET

In millions



OPERATING REVENUES

PERCENT CHANGE FY2010-11 TO FY2020-21



BUILDING FY2020-21 ATHLETICS OPERATING BUDGET

In millions		FY2020-21 Budget Change	Sub-Total
Step 1 – Revenue Changes			
	Ticket Sales and Contributions	-\$10.1	
	Other	-2.0	-\$12.1
Step 2 – Mandatory Expense Adjustments			
	Salaries and Benefits	-\$0.4	
	Scholarships	-0.2	
	Other Obligations	+0.5	-\$0.1
Step 3 – Operating Budget Reduction (17%)			
	Travel	+ \$2.8	
	Maintenance, Services, Equipment and Supplies	+3.6	
	Other	+1.6	+\$8.0
Step 4 – Fund Balance Transfer			\$4.2
Total			\$0

SUBSEQUENT FY2020-21 CHANGES

Revenue

- Ticket Revenue Budgets originally set at **85%** capacity
 - ✓ Approved capacity of Kroger Field was **20%** and Rupp Arena **15%**
- Contribution Budget was based on **85%** capacity and Rupp Arena Clubs
- Relationships projected to increase

What has changed since original FY2020-21 budget setting process?

Expense

- Projected Expense Savings:
 - ✓ Guarantees - **\$3.0M**
 - ✓ Recruiting/Official Visits - **\$1.5M**
 - ✓ Scholarship Savings - **\$2.5M**
- Projected COVID-19 Expenses:
 - Testing - **\$5M**
 - Facility/PPE Expenses - **\$2M**
- Other Expenses trending to budget

ESTIMATED SIGNIFICANT FY2020-21 BUDGET CHANGES

Revenues	In millions	% Change
Tickets (includes all sports)	-\$26.4	-81.2%
Contributions	-\$18.3	-71.5%
Relationships	+\$9.7	10.9%
Total Net Revenue Change	-\$35.0	-23.9%

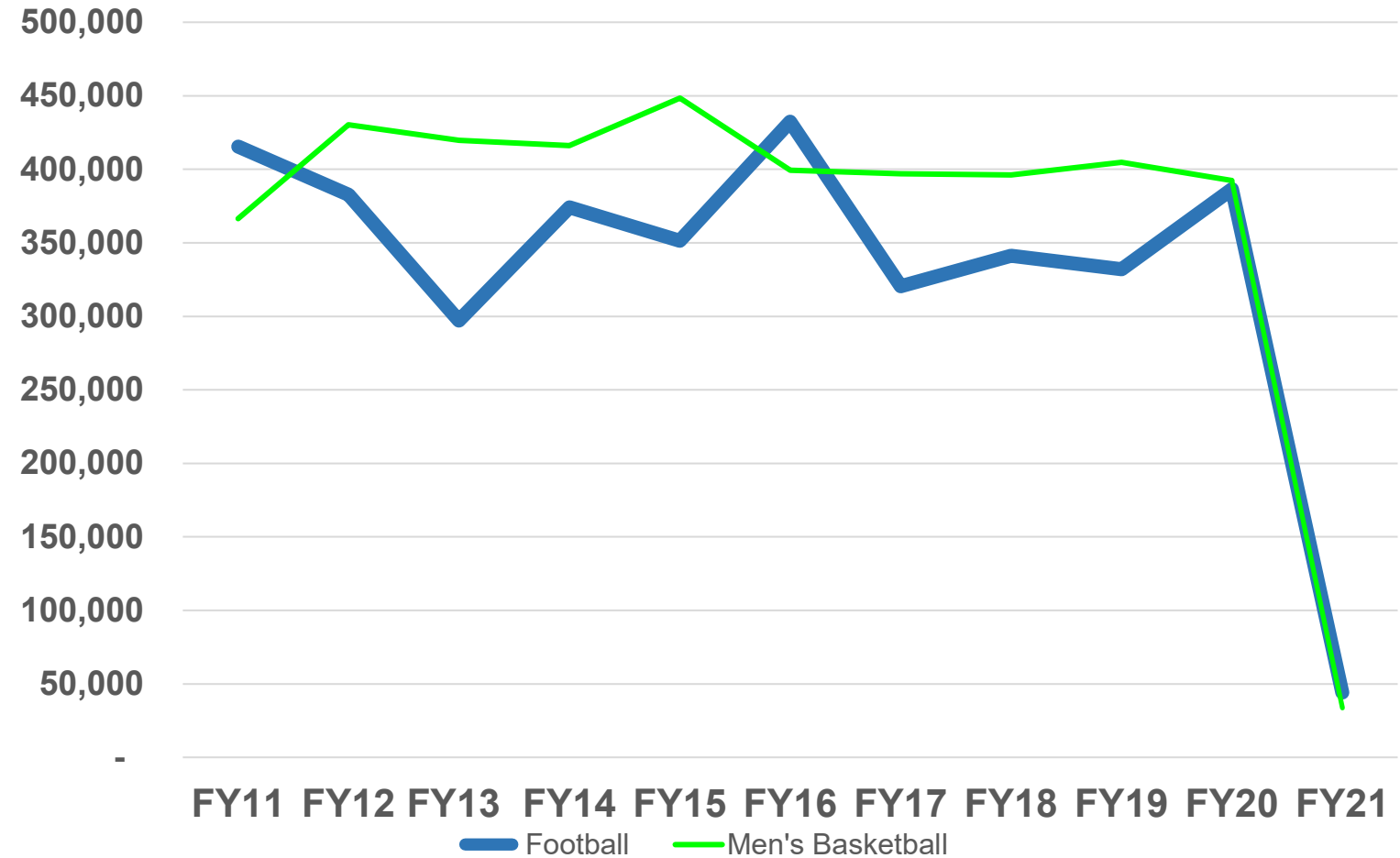
Per previous slide, estimated expense changes net to zero

TICKET SALES HISTORY

NUMBER OF GAMES FY2010-11 TO FY2020-21

FY	FB	MBB
FY11	7	17
FY12	7	20
FY13	7	20
FY14	7	20
FY15	7	21
FY16	8	19
FY17	7	19
FY18	7	20
FY19	7	20
FY20	8	20
FY21	5	14

NUMBER OF TICKETS SOLD FY2010-11 TO FY2020-21



SUBSEQUENT FY2020-21 CHANGES

	FY2018-19 Actual	FY2019- 2020 Actual	FY2020-21 Pre-COVID Targeted Budget	FY2020-21 Budget	FY2020-21 Revised (approved capacity)
Football Ticket Revenue	\$13,938,294	\$15,341,756	\$15,000,000	\$12,750,000 85% capacity	\$3,750,000
Men's Basketball Ticket Revenue	\$21,664,963	\$22,430,140	\$22,000,000	\$18,700,000 85% capacity	\$2,310,000
K Fund Contributions (Non-Capital)	\$25,168,700	\$22,601,669	\$27,400,000	\$25,100,000	\$6,800,000

ATHLETICS CONTINUAL BUDGET EVALUATION PROCESS FOR FY2020-21

Step 1

Determine Adjusted
Revenue Projections

Step 2

Determine Adjusted
Expense Projections

Step 3

Continue to Re-evaluate
Monthly

**RESOLVE THE SHORTFALL IN
REVENUE CAUSED BY REDUCED SEATING CAPACITY**

Step 4

Prepare Updated
Philanthropy Plan

Step 5

Continue to Reduce
Expenses

Step 6

Adjust Fund Balance
Use Projections

COVID-19 FINANCIAL IMPACT SUMMARY

Priorities remain the same:

- Student athlete welfare
- Competitive excellence
- Academic success
- Staff retention
- Facility safety

Projecting 23.9% reduction in revenue and no change in projected expenses

- Solutions
 - Increased philanthropy
 - On-going cost reduction
 - Utilization of Fund Balance

QUESTIONS

