

MEMORANDUM

To: Banking Committee
From: Board Office
Subject: Business and Financing Plans – University of Northern Iowa Event Complex
Date: July 7, 2003

Recommended Actions:

1. Review the University of Northern Iowa's report on the proposed business and financing plans for the Event Complex, including the University's understanding that construction of the Arena would not begin until funding has been secured in the amount of \$19.5 million.
 2. Consider providing recommendations to the Board and University regarding the proposed financing plan.
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Executive Summary:

The University of Northern Iowa has previously provided the Board with information and the schematic design for the proposed construction of an Arena to be located south of the UNI Dome. When the program statement for the project was presented to the Board in October 2002, the Board requested that business and financing plans be presented. Discussions since that time have refined potential plans.

The University has provided to the Board Office a business plan, including a proposed plan of finance, for the Event Complex, which would include the UNI-Dome and the new Arena. (See Attachment A, beginning on page 7.) Input from the Banking Committee on the elements of the plans is being sought in July.

The Board is being asked to acknowledge receipt of the University's submission of information to address the Board's capital project evaluation criteria for the Arena as part of the University of Northern Iowa Capital Register (see G.D. 14c); the Board is not being asked to approve the schematic design for the project.

The University will, on a future capital register, seek permission to begin construction after the \$19.5 million project cost has been raised.

The University has reported the following fund sources for the Arena project:

<u>Source</u>	<u>Amount</u>
UNI Foundation Gifts	\$14,379,103
Additional Fund Raising	2,620,897
City of Cedar Falls	500,000
Field House Enterprise Revenue-Surcharges	1,000,000
Field House Special Surplus Fund	<u>1,000,000</u>
Total	\$19,500,000

Banking Committee
Review

In its review, the Banking Committee may wish to consider any, a combination of, or all of the following conditions. (Some of these conditions are addressed in the University's business and financing plans.)

These potential conditions are consistent with the Board's expressed desire to minimize the demand on the General Fund and students of new major capital construction projects:

1. Student Financial Support – Student Fees
 - a. No increase will be allowed in the current Field House (UNI-Dome) student (building) fee, which is \$90 per academic year, to support construction or operation of the Arena.
 - b. The student activities fee(s) for athletics can be used as a pledge for the bonds proposed to be issued for the Arena but cannot be used to pay any of the debt service or operational costs of the Event Complex.
2. Academics - General University Support
 - a. University general fund support for the operations of the Event Complex must be held to the FY 2004 budgeted level (\$730,830).
3. Private Funds – UNI Foundation
 - a. Foundation must guarantee future gifts as detailed on the list of pledges.
 - b. Foundation must be responsible for operations and maintenance costs of the Arena, including providing funding to the University in lieu of University General Fund support for the Event Complex Enterprise.
 - c. Foundation to be responsible for construction of parking to replace the parking lost with construction of the Arena.

- d. Possibility of the Foundation being responsible for other expenditures to be explored with the Regents bond counsel and the UNI Foundation.

4. Planning Issues

- a. The Arena project budget of \$19.5 million needs to be in-hand or pledged, pledges in arrears need to be paid, and all pledges due before the issuance of bonds are to be current (paid) before Board approval of the financing plan.
- b. Agreement with City of Cedar Falls needs to be finalized with appropriate approvals, including those on behalf of the Board of Regents, prior to approval of the financing plan.

Background:

The proposed Arena (McLeod Center), which would be located south of the UNI-Dome, would provide a performance venue for men's and women's basketball and volleyball.

- The Arena would include a regulation-size NCAA basketball court with seating for approximately 6,100 spectators, locker rooms, offices, concessions, restrooms, and other support areas.
- The Arena would also have the capability to house wrestling events and other University programs and community events.

The schematic design for the project was presented to the Board at its April 2003 meeting but has not yet been approved.

Further information on the project is included in the University of Northern Iowa Capital Register (see G.D. 14c).

The University's FY 2004 capital plan, presented to the Board in June 2003, included an estimated cost of \$760,000 for Phase 1 of the West Campus Parking Lot to accommodate increased demand due to additional events and the opening of the Arena. (Construction of the Arena would displace approximately 280 parking spaces.) The Parking Operations Fund was shown as the source of funds.

A financing plan for the Human Performance Center was also submitted to the Board Office; it has not been fully reviewed and will not be considered by the Banking Committee or Board at the July meeting.

Analysis:

When the program statement for the Arena was presented in October 2002, Board members raised concerns regarding funding for the construction and operating costs of the Arena. The University has prepared a business plan, including a plan of finance, which is included as Attachment A, which begins on page 7.

The University has proposed that the existing UNI-Dome and the new Arena be known as the UNI Event Complex, which will be operated as a self-supporting auxiliary enterprise.

Market Analysis

The University's market analysis (Attachment A, page 8) states that the primary target market is the University community, including academics, recreation, and Intercollegiate Athletics. Secondary markets include the general public, promoters and agents.

The University reports that the marketing plan for the Complex will focus on specific strategies directed toward the entertainment market.

Plan of Finance

Sources of Funds for Construction

The University has proposed a number of sources of funds for the project as outlined in the Executive Summary; the University reports that an additional \$2.6 million needs to be raised to reach the construction project budget of \$19.5 million (Attachment A, page 13).

Fund Raising to Date

The major source of funds for construction of the project is gifts to the UNI Foundation. Attachment A, page 13 details the revenue cash flow as of June 30, 2003. According to the information provided, approximately \$1.7 million of the UNI Foundation gifts, which total \$14.4 million to date, are in arrears as of June 30, 2003.

- In response to an inquiry from the Board Office, the University replied that UNI Foundation pledge collections have been very strong and the Foundation remains confident that the pledges will be honored with a very small pledge loss.
- The University has also indicated that it anticipates that the UNI Foundation will agree to pledge its full credit to secure the pledges and would, therefore, be responsible for covering any pledge defaults.

Proposed Bonding

Since gifts to the UNI Foundation are pledged through FY 2012, which is beyond the 20-24 month construction period, the University has proposed the sale of self-liquidating revenue bonds to partially finance construction.

- The amount of the bond sale would be equal to the dollar amount of the outstanding pledges to the UNI Foundation plus the costs of issuance and a pre-funded debt service reserve.

Assuming that the pledges in arrears as noted above are not paid before bonds are sold and that additional funds are not received in cash in the interim, the amount to be borrowed would be approximately \$12.7 million; annual debt service payments over 20 years would be approximately \$975,000. (See Computation of Amount of Borrowing and Amount of Annual Debt Service [Attachment A, page14.]

Parity Bonds

The Field House (UNI-Dome) bond resolutions of 1997 and 2001 created a Field House Enterprise, which permit the addition of buildings to the enterprise and the sale of parity bonds. The University believes that it is logical to add the Arena to the Field House Enterprise.

The University has noted that the debt service on the bonds would be paid from gift revenue until it is exhausted (approximately in year 12). Principal and interest payments for the remaining eight years would be made from anticipated revenues and other funds of the Field House Enterprise.

Bond Guarantee

The primary guarantee for the proposed bonds would be the existing Intercollegiate Athletics student fee. These fees would be placed in escrow at the beginning of each fiscal year. Once gifts or other funds provide the funds for the current year's principal and interest payment, the student fees will be released to the Athletic Department for its programmatic needs.

- In its report, University officials have assured the Board that they have no intention to utilize these student fees as the actual source of funds for the repayment.

Field House Enterprise Surcharges

It is anticipated that ticket and/or parking surcharges would generate \$150,000 per year over the life of the bond issue. The sum of \$1 million would be applied toward the debt service costs and the remainder would be used for operating costs of the Field House (Event Center) Enterprise System.

Field House Special Surplus Fund

The University has proposed that \$1 million of the project cost be financed from Field House existing funds. The University reports that these funds would be repaid with a combination of fundraising and event revenue.

The Field House Special Fund source was added to the original financial plan, which had assumed \$2 million from the City of Cedar Falls, since the City was not able to honor this amount, due in part to the negative impact of the State's "Reinventing Government" initiative on the budgets of local governments.

City of Cedar Falls

The City of Cedar Falls City Council is scheduled to act on the proposed \$500,000 commitment at its July 14, 2003 meeting. Of the sum, \$200,000 would be forgivable at the end of the term provided that agreement conditions have been met and \$300,000 would be repayable over 20 years at \$15,000 per year.

Statement of Revenues and Expenditures

The University's discussion of the pro forma financial statement begins on Attachment A, page 11. Some of the assumptions are:

- The University believes that the Event Complex can be operated at a minimal incremental cost by using the existing management and operations staff of the UNI Dome to operate the two facilities comprising the Event Complex.
- Incremental costs include those for three positions and supplies and services as outlined on Attachment A, page 11.
- After the facility is open, operating expenses, including salaries and benefits, would increase by four percent annually, with a three percent annual increase in administrative overhead.

Other assumptions include:

- An annual increase of 2% in the University General Education Fund support for the Complex, increasing the General Fund support from a budgeted \$730,830 in FY 2004 to \$1,064,681 in FY 2023.
 - The University reports that this increase is an inflationary increase on UNI-Dome salaries and that a long-standing arrangement exists whereby the University supports the UNI Dome permitting physical education classes and other University events to be conducted in the facility.
- Rental income from the public and concession income are increased by six percent annually for the first four years the Arena is open; after that time, a four percent factor has been used.
- During the early years of the bond issue, the projected net revenue (amount by which the revenue exceeds expenditures) will be transferred to the Project Fund (also known as the Surplus Fund). In the latter years, funds from this fund would be transferred to the Operating Fund to make the debt service payments.
- The sum of \$125,000 annually is included for repairs and improvements to the Event Complex.

University of Northern Iowa Event Complex Business Plan

June 24, 2003

(financial attachments updated July 7, 2003)

BUSINESS DESCRIPTION

The University of Northern Iowa proposes to build a 6,100 seat multipurpose arena to be known as the McLeod Center to host athletic and special events. The arena will provide a suitable venue for the University's Men's and Women's Basketball, Volleyball, and Wrestling teams. The Center will be sited immediately south of the UNI-Dome on the University of Northern Iowa campus. The existing UNI-Dome and the new McLeod Center will constitute a two building, state-of-the art facility to be known as the UNI Event Complex. With the new Event Complex, the University of Northern Iowa will play a significant role in meeting the entertainment needs of the campus and the Cedar Valley. It is anticipated the facility will be a premier event destination in the state of Iowa.

Description of Enterprise

The UNI-Dome and the McLeod Center will be operated as a self-supporting auxiliary enterprise known as the Event Complex. One or both facilities in the event complex will be available for rentals for concerts, trade shows, and other community events. It will be possible with the event complex concept to host large trade shows and athletic events that occupy both buildings.

The McLeod Center will house 6,100 seats used to host athletic events, commencement exercises, physical education classes, recreational activities, and other campus events. Amenities of the Arena include a hospitality suite, a green room, production offices, permanent/portable concession stands, and merchandise areas. Coaching offices and locker rooms will be provided in the facility for men's basketball, women's basketball, and volleyball. University personnel will manage the concession stands and catering operations in the arena. Opportunities exist for advertising in the arena.

The UNI-Dome is a 16,324 seat multi-purpose facility that hosts athletic events, physical education classes, recreational activities, and special events. The Dome enjoys tremendous popularity for University athletic events, high school football playoffs, trade shows, University and high school commencement ceremonies, and concerts. The UNI-Dome attracts numerous high school students to the University of Northern Iowa. The 76,633 square feet of floor space can be used in a number of configurations. The Dome can be configured for football by rolling-out turf, for basketball by assembling a portable wooden court, and for an 8-lane running track. For stage-oriented activities such as concerts, both bleachers and folding chairs are utilized to accommodate as many as 25,000 people.

Amenities of the UNI-Dome include permanent/portable concessions stands, merchandise areas, a club room, and a video board. Coach's offices and administrative offices of the Department of Intercollegiate Athletics are provided in the facility. University personnel manage the concession stands and catering in the complex. Opportunities exist for advertising in the UNI-Dome using fixed signage and the UNI-Dome's video board.

MARKET ANALYSIS

Customer

The McLeod Center and the UNI-Dome's primary target market is the University community, including academics, recreation, and Intercollegiate Athletics. Examples of the products/services for this primary target market include commencement exercises, classes for the School of Health, Physical Education and Leisure Services, intramural contests sponsored by the Wellness Department, and athletic events. Secondary markets include the general public, promoters and agents. The Event Complex will offer many different entertainment options; therefore, the number and type of customers targeted will vary from event to event. The Event Complex will bring a variety of people to events including, athletic fans, event spectators, trade show attendees, and exhibitors.

Market Size and Trends

The Event Complex will target the local population of Black Hawk County, which consists of 128,012 people. The total population of the target market, which is a 100-mile radius from the UNI Event Complex, includes 908,140 people. Within this radius the UNI Event Complex will bring people to events from a mixture of urban areas such as Waterloo, Cedar Rapids, Iowa City, Dubuque, Ames, and rural areas, which include small towns surrounding the Cedar Valley.

Most of the targeted age groups range from 15 to 44. There are 462,959 females and 445,481 males in the area surrounding the Event Complex.*

A major trend of the industry is the development and construction of many new entertainment and sporting venues. This has effected competition for concerts and other events.

The concert business has changed dramatically over the past five years. There are fewer promoters and a few corporate conglomerates that are now controlling the industry. This will force the Event Complex to promote concerts. Concert ticket and rental margins have

* These statistics are taken from the 2000 Census.
(www.soc.iastate.edu/census/counties.html)

become increasingly smaller. This places a greater emphasis on auxiliary streams of revenue such as parking, concessions, and merchandise sales. In order to compete for concert and other event business, facilities must be state-of-the-art. Lighting grids, production rooms, green rooms, and catering capabilities are vital to the success of the Event Complex.

Competition

The UNI Event Complex's major competitors consists of the Iowa State Center in Ames (98 miles), Carver Hawkeye Arena in Iowa City (91 miles), The Mark of the Quad Cities (150 miles), US Cellular Center in Cedar Rapids (65 miles), and the Des Moines Iowa Events Center, scheduled to open in 2005, (125 miles). Each of these centers is regularly seeking similar events and draw from the same customer base.

SALES AND MARKETING STRATEGY

Advertising and Promotion

The Event Complex's marketing plan will focus on specific strategies directed toward the entertainment market. The Event Complex's management will use in-house resources, University Marketing and Public Relations, and external advertising agencies to reach target markets. Advertising and promotional materials will include direct mail, print, television, radio, newspaper advertising, Event Complex website, and integrated campus marketing initiatives. The initial promotional objective will be to create an awareness of the McLeod Center among promoters and agents as well as the general public.

PLAN OF FINANCE

The project budget for the McLeod Center is \$19,500,000. The University of Northern Iowa Foundation has secured multi-year pledges for the construction of the McLeod Center in the approximate amount of \$14,000,000. The City of Cedar Falls has agreed in principle to provide funding in the amount of \$500,000. The Field House Enterprise will raise \$1,000,000 in the form of ticket and/or parking surcharges and an additional \$1,000,000 from the Special Surplus Fund. Thus, \$3,000,000 remains to be raised. The UNI Foundation has submitted funding proposals to foundations including the Kresge Foundation and awaits responses at this writing.

The City of Cedar Falls as agreed in principle to partner with the University by providing \$500,000. Of that sum, \$200,000 would be forgivable at the end of the term provided that agreement conditions have been met and \$300,000 would be repayable over 20-years at \$15,000 per year. The City Council is expected to act on the funding resolution at its July 14th meeting. The Executive Director of the Board of Regents, State of Iowa will be asked to review and execute the agreement.

The cash flow from the pledges extends beyond the 20-24 month construction period for the McLeod Center. University officials and Trustees of the UNI Foundation desire to construct the Center before the pledges are paid in full. This results in a mismatch between cash inflows and cash outflows and creates the need to borrow to construct the Center. The University requests the Board of Regents, State of Iowa endorse a plan of finance that authorizes the sale of self-liquidating revenue bonds to finance the construction of the Center at the time the full construction budget is available in the form of pledges. We anticipate construction will begin in the fall of 2003.

The Field House bond resolutions of 1997 and 2001 created a Field House Enterprise. The resolutions permit the addition of buildings to that enterprise and the sale of parity bonds. It is logical to incorporate the UNI-Dome and the McLeod Center, together known as the Event Complex, into the Field House Enterprise.

A fall bond sale is proposed. The amount of the sale will equal the dollar amount of outstanding pledges to the UNI Foundation plus costs of issuance and a pre-funded debt service reserve. Field House Enterprise parity bonds will be issued. The Board's bond counsel and financial advisor will provide guidance on how to best structure the issue.

The primary guarantee for the proposed bonds will be the existing Intercollegiate Athletics student fee. This guarantee will be in addition to the Field House student fee and project income, which secure existing Field House Enterprise bonds.

The UNI Foundation's Executive Committee has agreed to pledge its general credit in an amount not to exceed unpaid Arena pledges.

Gift revenue will function as the source of funds for principal and interest payments until gift revenue is exhausted in year 12. Principal and interest payments for the remaining 8 years will be made from funds of the Field House Enterprise.

A bond covenant will require that Athletics student fees be placed in escrow at the beginning of each fiscal year. Once the Foundation or the Field House Enterprise supplies funds for the current year's principal and interest payment, the student fees will be released to the Athletic Department for its programmatic needs. University officials assure the Board they have no intention to utilize the fees as the actual source of funds for the payment.

A pro forma financial statement follows.

PRO FORMA FINANCIAL STATEMENT

In preparing pro forma statements of revenues and expenditures, reasonable expectations must be determined and adhered to. The pro forma was built considering the following expectations:

- The Field House student fee (building fee) will not be increased above the current \$90 per academic year to support construction or operation of the Event Complex.
- Athletic student fees may be used as primary coverage to facilitate the sale of revenue bonds, but will not be used to pay any of the debt service or operating costs of the Event Center.
- University General Educational Fund support for the Event Complex will be held at the projected level for Fiscal 2004 with the exception of inflationary increases on UNI-Dome salaries. (A long-standing arrangement exists whereby the University supports the UNI-Dome permitting physical education classes and other university events to be conducted in the facility.)
- Revenue and expense increases of four percent per year will normally be used for pro forma purposes.

The Field House Enterprise pro forma statement of revenues and expenditures for the period Fiscal Years 2001 through 2023 is attached. Data for fiscal 2001 and fiscal 2002 are audited. Data for fiscal years 2003 through 2023 are pro forma.

Most revenue categories in the pro forma statements reflect a four percent increase annually for inflation. University support of the Field House was increased by two percent annually. Rental income from the public and concessions increased by six percent annually for the first four years the arena is open; after that a modest four percent factor was used. Investment income consists primarily of interest income on the debt service reserve. The current interest rates were assumed for the life of the bonds.

The Field House Enterprise will establish ticket and/or parking surcharges in the amount of \$150,000 per year for the life of the bond issue. Of that sum, \$1,000,000 will be allocated to the construction fund and the remaining funds will assist with Event Complex operating costs.

University officials believe the Event Complex can be operated at a minimal incremental cost by using the existing management and operations staff of the UNI-Dome to operating the two facilities comprising the Event Complex. Three incremental positions are anticipated: Assistant Ticket/Business Manager, Facilities Attendant, and Area Mechanic. Incremental funds for supplies and services primarily includes: utilities,

insurance, and an outside cleaning contract. Most expense categories were augmented by four percent per annum to reflect inflation.

The pro forma does not include athletic student fees because they will not be available to the Event Complex for construction or operating purposes. It shows revenue over expenditures in the first 12 years of the bond issue. During those years, net income in excess of the amount needed for debt service will be transferred to the Project Fund also known as the "Surplus Fund." During seven of the last eight years of the bond issue expenditures exceed revenues. In those years, funds will be transferred from the Project Fund to the Operating Fund. The project fund will be adequate during the life of the bond issue to fund repairs in the amount of \$125,000 per year. The Event Center will not require an operating subsidy.

APPROVALS REQUESTED

With the understanding construction of the Event Complex will not begin until funding has been secured in the amount of \$19,500,000, the University requests the following:

1. Approval of this business plan, which incorporates a plan of finance.
2. Approval of the schematic design and project budget of the McLeod Center.

University of Northern Iowa
 Event Complex (McLeod Center)
 Revenue Cash Flow
 As of June 30, 2003

Date	UNI Foundation Gifts	Additional Fund Raising	City of CF	FH		Total
				Enterprise Revenue---	Special Surplus Fund	
06/30/03	\$ 5,889,290	-	-	-	1,000,000	6,889,290
06/30/03	703,942	-	-	-	-	703,942
06/30/03	20,010	-	-	-	-	20,010
06/30/03	221,500	-	-	-	-	221,500
06/30/03	1,486,366	-	-	-	-	1,486,366
06/30/04	1,381,271	2,620,897	500,000	-	-	4,502,168
06/30/05	1,378,241	-	-	150,000	-	1,528,241
06/30/06	1,379,592	-	-	150,000	-	1,529,592
06/30/07	710,941	-	-	150,000	-	860,941
06/30/08	369,049	-	-	150,000	-	519,049
06/30/09	308,200	-	-	150,000	-	458,200
06/30/10	265,700	-	-	150,000	-	415,700
06/30/11	245,000	-	-	100,000	-	345,000
06/30/12	20,000	-	-	-	-	20,000
06/30/13	-	-	-	-	-	-
06/30/14	-	-	-	-	-	-
	\$ 14,379,103	2,620,897	500,000	1,000,000	1,000,000	19,500,000

Notes:

- The University expects to receive \$500,000 from the City of Cedar Falls. Payment would be made within 30 days after signing a construction contract. \$200,000 is a forgivable loan and \$300,000 is a non-interest bearing loan to be repaid at \$15,000 per year for 20 years. City Council approval of a Memorandum of Agreement is expected on July 14, 2003.
- The Field House Enterprise, a self-liquidating enterprise, will provide the final \$1,000,000 of the construction fund through surcharges on tickets and/or parking.
- One million dollars will be transferred from the Field House Special Surplus Fund to the Construction Fund.

**University of Northern Iowa
Event Complex (McLeod Center)
Computation of Amount of Borrowing
and Amount of Annual Debt Service
As of June 30, 2003**

	McLeod Center
Construction Fund Requirement	\$19,500,000
Less: Cash on hand	(5,889,290)
Less: City of Cedar Falls Funding	(500,000)
Less: Special Surplus Fund Cash on hand	(1,000,000)
Less: Project Costs Paid to Date-Design	(703,942)
Construction Fund Requirement	11,406,768
Bonding multiplier to provide for issuance costs and DSR	1.11
Bond Sale Requirement (20-years, 4.50% interest)	\$12,661,512
Annual Debt Service	Use \$12,665,000
	<u>\$974,186</u>
	<u>\$1,200,000</u>
	<u>1.2</u>
	<u>\$1,000,000</u>

- Notes:
1. The McLeod Center will be financed with self-liquidating revenue bonds issued by the Board of Regents, State of Iowa.
 2. A 20-year bond amortization schedule is recommended to obtain affordable payments.
 3. The bonds will be backed by Intercollegiate Athletics student fees and Field House Enterprise project revenue.
 4. Interest on the bonds will be paid from Field House Enterprise project revenue.

University of Northern Iowa
Field House Enterprise (Event Complex) Operations
Statement of Revenues and Expenditures
[Excludes Athletic Student Fees]
Actual for the Two Years Ended June 30, 2002
Pro Forma for the Twenty-Two Years Ended June 30, 2023

	2001 Actual	2002 Actual	2003 Estimate	2004 Pro Forma Fall 03 Bond Sale	2005 Pro Forma	2006 Pro Forma Fall 05 Opening	2007 Pro Forma	2008 Pro Forma	2009 Pro Forma	2010 Pro Forma	2011 Pro Forma
Revenue and Other Additions--*A											
University Support of F H-B	698,000	710,700	716,500	730,830	745,447	760,356	775,563	791,074	806,895	823,033	839,494
Rental Income from Public-*C	677,689	483,015	499,495	519,475	540,253	778,365	824,467	873,311	925,061	979,890	1,019,086
Student Fees-Field House	645,433	692,486	1,128,781	1,173,932	1,173,932	1,173,932	1,173,932	1,173,932	1,173,932	1,173,932	1,173,932
Concessions Income-*C	187,176	537,101	588,000	611,520	635,981	761,420	807,105	855,532	906,863	961,275	999,726
Enterprise Surcharges-*D	176,459	229,699	76,721	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Investment Income-*E	-	-	-	101,721	101,721	101,721	101,721	101,721	101,721	101,721	101,721
Foundation Pledge Revenue-*F	-	-	-	487,093	974,186	974,186	974,186	974,186	974,186	974,186	974,186
Total Revenue and Other Additions	2,384,757	2,653,001	3,009,497	3,774,571	4,321,519	4,699,980	4,806,974	4,919,755	5,038,659	5,164,038	5,258,145
Expenditures and Other Deductions:											
Salaries, Wages, and											
Employee Benefits	374,388	516,227	534,772	529,580	550,764	698,794	726,746	755,816	786,048	817,490	850,190
Operating Supplies and Expense	703,126	833,587	779,000	810,160	842,566	1,001,269	1,041,320	1,082,973	1,126,292	1,171,343	1,218,197
Insurance	83,656	107,700	90,000	93,600	97,344	114,938	119,535	124,317	129,289	134,461	139,839
Utilities	173,468	197,774	205,000	213,200	221,728	355,597	369,821	384,614	399,998	415,998	432,638
Administrative Overhead	22,033	25,109	30,000	33,509	34,849	44,154	45,920	47,757	49,667	51,654	53,720
Debt Service--Field House Issues	645,433	784,115	1,077,669	1,074,676	1,075,927	1,076,049	1,075,199	1,073,319	1,075,241	1,080,749	1,079,561
Debt Service--McLeod Center	-	-	-	487,093	974,186	974,186	974,186	974,186	974,186	974,186	974,186
Debt Service--City of Cedar Falls	-	-	-	-	-	-	15,000	15,000	15,000	15,000	15,000
Total Expenditures and Other Deductions	2,002,104	2,464,512	2,716,441	3,241,818	3,797,364	4,264,987	4,367,727	4,457,981	4,555,722	4,660,882	4,763,332
Revenue Over/(Under) Expenditures	382,653	188,489	293,056	532,753	524,155	434,992	439,247	461,774	482,937	503,156	494,813
Surplus Fund-Beginning of Year	5,398,268	4,067,996	3,520,732	3,290,000	2,697,753	3,096,908	3,406,900	3,721,147	4,057,921	4,415,858	4,794,013
Deposit in Construction Fund	-	-	-	(1,000,000)	-	-	-	-	-	-	-
Repairs & Improvements-*G	(1,712,925)	(735,753)	(523,786)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
Surplus Fund-End of Year	\$ 4,067,996	3,520,732	3,290,000	2,697,753	3,096,908	3,406,900	3,721,147	4,057,921	4,415,858	4,794,013	5,163,827

University of Northern Iowa
 Field House Enterprise (Event Complex) Operations
 Statement of Revenues and Expenditures
 [Excludes Athletic Student Fees]

Actual for the Two Years Ended June 30, 2002
 Pro Forma for the Twenty-Two Years Ended June 30, 2023

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma
Revenue and Other Additions--*A												
University Support of F H-*B	\$ 856,284	873,410	890,878	908,695	926,869	945,407	964,315	983,601	1,003,273	1,023,338	1,043,805	1,064,681
Rental Income from Public-*C	1,059,849	1,102,243	1,146,333	1,192,186	1,239,874	1,289,468	1,341,048	1,394,689	1,450,477	1,508,496	1,569,836	1,631,589
Student Fees-Field House	1,173,932	1,173,932	1,173,932	1,173,932	1,173,932	1,173,932	1,173,932	1,173,932	1,173,932	1,173,932	1,173,932	1,173,932
Concessions Income-*C	1,039,715	1,081,304	1,124,556	1,169,538	1,216,320	1,264,973	1,315,572	1,368,194	1,422,922	1,479,839	1,539,033	1,600,594
Enterprise Surcharges-*D	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Investment Income-*E	101,721	101,721	101,721	101,721	101,721	101,721	101,721	101,721	101,721	101,721	101,721	101,721
Foundation Pledge Revenue-*F	974,186	974,186	974,186	177,814	-	-	-	-	-	-	-	-
Total Revenue and Other Additions	5,355,687	5,456,795	5,561,606	4,873,887	4,908,716	4,925,500	5,046,587	5,172,137	5,302,325	5,437,327	5,577,327	5,722,517
Expenditures and Other Deductions:												
Salaries, Wages, and Employee Benefits	884,198	919,566	956,348	994,602	1,034,386	1,075,762	1,118,792	1,163,544	1,210,086	1,258,489	1,308,829	1,361,182
Operating Supplies and Expense	1,266,925	1,317,602	1,370,306	1,425,118	1,482,123	1,541,408	1,603,064	1,667,187	1,733,874	1,803,229	1,875,358	1,950,372
Insurance	145,433	151,250	157,300	163,592	170,136	176,941	184,019	191,380	199,035	206,996	215,276	223,887
Utilities	449,944	467,942	486,659	506,126	526,371	547,425	569,322	592,095	615,779	640,410	666,027	692,668
Administrative Overhead	55,869	58,104	60,428	62,845	65,359	67,973	70,692	73,520	76,461	79,519	82,700	86,008
Debt Service--Field House Issues	1,082,249	1,083,164	1,082,414	1,089,700	1,089,730	1,092,453	1,097,838	1,101,018	1,105,830	1,108,148	1,112,950	-
Debt Service--McLeod Center	974,186	974,186	974,186	974,186	974,186	974,186	974,186	974,186	974,186	974,186	974,186	974,186
Debt Service--City of Cedar Falls	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total Expenditures and Other Deductions	4,873,803	4,986,813	5,102,641	5,231,169	5,357,290	5,491,148	5,632,914	5,777,929	5,930,250	6,085,978	6,250,326	6,419,214
Revenue Over/(Under) Expenditures	481,884	469,982	458,964	(357,283)	(548,574)	(565,648)	(586,327)	(605,792)	(627,925)	(648,651)	(672,999)	(700,697)
Surplus Fund--Beginning of Year	5,163,827	5,520,711	5,865,693	6,199,658	5,717,375	5,043,801	4,353,152	3,641,826	2,911,034	2,158,109	1,384,457	586,459
Deposit in Construction Fund	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Improvements-*G	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
Surplus Fund--End of Year	\$ 5,520,711	5,865,693	6,199,658	5,717,375	5,043,801	4,353,152	3,641,826	2,911,034	2,158,109	1,384,457	586,459	880,673

**University of Northern Iowa
Field House Enterprise (Event Complex) Operations
Statement of Revenues and Expenditures
Actual for the Two Years Ended June 30, 2002
Pro Forma for the Twenty-Two Years Ended June 30, 2023**

- Note A: Most pro forma revenues and expenditures reflect an annual increase of four percent for inflation.
- Note B: University support reflects an annual increase of two percent.
- Note C: Rental income from public and concessions income reflects an annual increase of four percent except in Fiscal years 2007-2010 when a six percent annual increase is expected.
- Note D: The Field House Enterprise will establish surcharges on tickets and/or parking.
- Note E: Investment income consists primarily of interest income on the debt service reserve.
- Note F: Assumes UNI Foundation has raised \$17,000,000. UNI Foundation will forward funds on an annual basis for debt service.
- Note G: Surplus Fund expenditures were substantially for roof repairs. Repairs for F2003 is stated on the accrual basis of accounting.