

**COMPREHENSIVE FISCAL REPORT FOR FY 2014**

**Action Requested:**

Receive the FY 2014 Comprehensive Fiscal Report.

**Executive Summary:**

Each year, the Board conducts a series of reviews and approvals for budgetary and financial matters. The comprehensive fiscal report compares actual revenues and expenditures with the Board-approved budgets and identifies significant variances. The report also includes a five-year history of actual revenues and expenditures for each university and special school.

The general operating fund and the restricted funds are the primary funds of the institutions.

- General operating funds include state operating appropriations, some federal funds, interest income, tuition and fee revenues, reimbursed indirect costs, and sales and services income. General fund operating revenues can vary from expenditures due to legislation that allows the Regent universities to retain student charges and due to non-reversion language for the economic development and Specialized Child Health Services special purpose appropriated units.
- Restricted funds are specifically designated or restricted for a particular purpose or enterprise and include capital appropriations, tuition replacement appropriations, gifts, bond proceeds, sponsored funding from federal and private sources, residence systems, athletics, as well as other auxiliary or independent functions such as parking and utility systems.

Total FY 2014 actual revenues for the Regent enterprise (universities and special schools) totaled slightly less than \$5.0 billion.

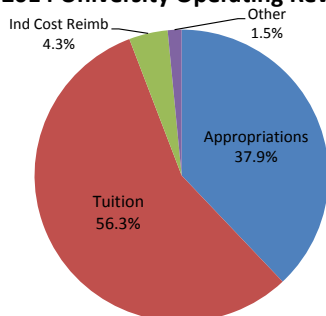
|                         | <u>General<br/>Operating</u> | <u>UIHC<br/>Operating</u> | <u>Restricted</u> | <u>Total</u>   |
|-------------------------|------------------------------|---------------------------|-------------------|----------------|
| FY 2014 Actual Revenues | \$1.52 billion               | \$1.14 billion            | \$2.30 billion    | \$4.96 billion |

**General Operating Funds**

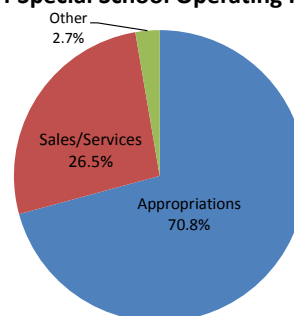
FY 2014 operating revenues (including all special purpose units except UIHC) at Iowa's public universities totaled \$1.5 billion consisting primarily of state appropriations (37.9%) and tuition revenue (56.3%).

For the special schools, state appropriations comprise 70.8% of the \$18.2 million total operating revenues. The special school sales/service revenue is primarily contract revenue resulting from the salary and mileage billings for teachers, aids, and mobility specialists employed by the schools and under contractual agreement with the AEA/LEAs.

**FY 2014 University Operating Revenues**



**FY 2014 Special School Operating Revenues**



The Board approved the FY 2014 special school budgets in June 2013 and the original university budgets in August 2013. Revised FY 2013 operating budgets were later approved for ISU and UNI to reflect updated revenue and expense projections. Details of the budget revisions are provided in the attachments.

The following table compares the final FY 2014 budget (excluding UIHC) as approved by the Board to actual revenues and expenditures. General operating fund revenues totaled \$1.52 billion and were 99.7% of the budget. Budget-to-actual comparisons for each of Iowa's public universities and special schools are contained in the attachments. Note: The comparison for the UIHC units is provided in Attachment A beginning on page 6.

| <b>General Operating Fund - All Institutions</b> |                                  |                         |                                  |                        |
|--|----------------------------------|-------------------------|----------------------------------|------------------------|
| <b>FY 2014 (excludes UIHC units)</b>             |                                  |                         |                                  |                        |
|  | <b>Board Approved<br/>Budget</b> | <b>Actual</b>           | <b>Variance<br/>Over/(Under)</b> | <b>% of<br/>Budget</b> |
| <b>REVENUES</b>                                  |                                  |                         |                                  |                        |
| <b>APPROPRIATIONS</b>                            |                                  |                         |                                  |                        |
| General  | \$ 575,095,698                   | \$ 575,095,698          | \$ -                             | 100.0%                 |
| Other  | 82,049                           | 82,049                  | -                                | 100.0%                 |
| Supplemental-Nonrecurring                        | 6,000,000                        | 6,000,000               | -                                | 100.0%                 |
| <b>RESOURCES</b>                                 |                                  |                         |                                  |                        |
| Federal Support                                  | 13,409,854                       | 13,391,944              | (17,910)                         | 99.9%                  |
| Interest   | 5,717,149                        | 5,219,524               | (497,625)                        | 91.3%                  |
| Tuition and Fees                                 | 843,341,580                      | 843,119,597             | (221,983)                        | 100.0%                 |
| Reimbursed Indirect Costs                        | 65,114,093                       | 63,870,328              | (1,243,765)                      | 98.1%                  |
| Sales and Services                               | 8,111,194                        | 7,894,000               | (217,194)                        | 97.3%                  |
| Other Income                                     | 3,290,579                        | 1,628,040               | (1,662,539)                      | 49.5%                  |
| <b>TOTAL REVENUES</b>                            | <b>\$ 1,520,162,196</b>          | <b>\$ 1,516,301,180</b> | <b>\$ (3,861,016)</b>            | <b>99.7%</b>           |
| <b>EXPENDITURES</b>                              |                                  |                         |                                  |                        |
| Salaries   | \$ 1,027,911,795                 | \$ 1,022,765,936        | \$ (5,145,859)                   | 99.5%                  |
| Prof. /Scientific Supplies                       | 140,677,623                      | 119,311,697             | (21,365,926)                     | 84.8%                  |
| Library Acquisitions                             | 30,710,235                       | 30,267,188              | (443,047)                        | 98.6%                  |
| Rentals  | 6,933,611                        | 6,958,798               | 25,187                           | 100.4%                 |
| Utilities  | 71,933,021                       | 70,460,263              | (1,472,758)                      | 98.0%                  |
| Building Repairs                                 | 45,355,292                       | 61,517,622              | 16,162,330                       | 135.6%                 |
| Auditor of State                                 | 1,495,650                        | 1,316,864               | (178,786)                        | 88.0%                  |
| Equipment  | 7,557,105                        | 10,886,001              | 3,328,896                        | 144.0%                 |
| Aid to Individuals                               | 187,587,864                      | 189,318,251             | 1,730,387                        | 100.9%                 |
| <b>TOTAL EXPENDITURES</b>                        | <b>\$ 1,520,162,196</b>          | <b>\$ 1,512,802,620</b> | <b>\$ (7,359,576)</b>            | <b>99.5%</b>           |

Actual tuition revenue was very close to budget and indirect cost reimbursements were 1.9% less than budget; the latter being due primarily to the difficulty in projecting federal grant awards. The FY 2014 amended budget for UNI included approximately \$1.6 million of revenue earned and reported in prior years (advanced commitment funds) but budgeted for expenditure in FY 2014. With actual revenues being reported in the year received, an expected budget-to-actual variance occurs in "other income".

Reflective of the service nature of Iowa's public universities and special schools, salary-related expenses comprised 68% of the operating budgets and were 0.5% less than the budget. Professional/Scientific supplies and service costs were collectively under budget and were redistributed to address needs in other areas such as building repairs, financial aid, and equipment.

The following table provides a five-year revenue and expense history of all operating units (excluding UIHC) for Iowa's public universities and special schools. The table reflects the dynamic changes in state appropriations, tuition revenue, and includes the infusion of the ARRA funds in FY 2010. These one-time funds were effectively used to bridge strategic budget decisions in FY 2010 to achieve permanent budget reductions that positively impacted future budget years, and to minimize the "funding cliff" realized in FY 2011. A five-year history specific to each of Iowa's public universities and special schools is contained in the attachments.

| <b>General Operating Fund - All Institutions<br/>FY 2010 - FY 2014 (excludes UIHC Units)</b> |                         |                         |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | <b>FY 2010</b>          | <b>FY 2011</b>          | <b>FY 2012</b>          | <b>FY 2013</b>          | <b>FY 2014</b>          |
| <b>REVENUES</b>  |                         |                         |                         |                         |                         |
| APPROPRIATIONS   |                         |                         |                         |                         |                         |
| General  | \$ 566,673,443          | \$ 555,670,904          | \$ 525,888,871          | \$ 549,036,739          | \$ 575,095,698          |
| Supplemental One-Time  |                         |                         |                         |                         | 6,000,000               |
| Other  | 85,140                  | 285,140                 | 82,049                  | 82,049                  | 82,049                  |
| ARRA-State Stabilization   | 80,280,000              |                         |                         |                         |                         |
| RESOURCES  |                         |                         |                         |                         |                         |
| Federal Support  | 13,328,241              | 14,236,120              | 14,165,837              | 14,118,495              | 13,391,944              |
| Interest   | 3,053,527               | 2,583,391               | 2,514,957               | 3,165,900               | 5,219,524               |
| Tuition and Fees   | 604,732,008             | 676,102,832             | 741,563,393             | 785,554,665             | 843,119,597             |
| Reimbursed Indirect Costs  | 72,052,568              | 74,679,294              | 70,167,952              | 66,972,371              | 63,870,328              |
| Sales and Services   | 7,320,345               | 6,859,188               | 6,946,095               | 7,548,418               | 7,894,000               |
| Other Income   | 2,609,032               | 1,534,590               | 1,603,784               | 1,692,544               | 1,628,040               |
| <b>TOTAL REVENUES</b>  | <b>\$ 1,350,134,304</b> | <b>\$ 1,331,951,459</b> | <b>\$ 1,362,932,938</b> | <b>\$ 1,428,171,181</b> | <b>\$ 1,516,301,180</b> |
| <b>EXPENDITURES</b>  |                         |                         |                         |                         |                         |
| Salaries   | \$ 935,665,009          | \$ 919,301,070          | \$ 944,918,564          | \$ 987,446,413          | \$ 1,022,765,936        |
| Prof. /Scientific Supplies   | 94,158,676              | 92,812,693              | 89,619,796              | 106,217,787             | 119,311,697             |
| Library Acquisitions   | 25,661,535              | 30,016,230              | 29,320,034              | 30,891,174              | 30,267,188              |
| Rentals  | 8,339,711               | 5,824,736               | 6,480,022               | 7,407,737               | 6,958,798               |
| Utilities  | 62,881,492              | 65,029,266              | 67,409,051              | 67,884,700              | 70,460,263              |
| Building Repairs   | 35,657,373              | 64,957,927              | 45,792,429              | 50,646,577              | 61,517,622              |
| Auditor of State   | 1,306,200               | 1,268,118               | 1,290,169               | 1,389,067               | 1,316,864               |
| Equipment  | 21,194,506              | 15,553,528              | 15,271,720              | 8,074,838               | 10,886,001              |
| Aid to Individuals   | 133,618,753             | 150,450,391             | 166,174,791             | 175,417,842             | 189,318,251             |
| <b>TOTAL EXPENDITURES</b>  | <b>\$ 1,318,483,255</b> | <b>\$ 1,345,213,959</b> | <b>\$ 1,366,276,576</b> | <b>\$ 1,435,376,135</b> | <b>\$ 1,512,802,620</b> |

**Restricted**

The athletic and residence system budgets are part of the restricted fund budgets. Information comparing athletic and residence system budget to actuals and five-year historical data for each university is provided in the attachments.

The revenues and expenditures of the other restricted funds are greatly affected by external forces. Capital appropriation revenues reflect the draw downs of funds from current and prior fiscal years while the budgets reflect the fiscal year state appropriations. Federal support, nonfederal gifts, grants, contracts, and indirect cost reimbursements are difficult to project due to the uncertainty, volatility, and timing of these awards. Other revenue is greatly affected by the timing and amounts of bond issues. Expenditures are also difficult to project and fluctuate greatly due to the timing of construction projects and other expenditures that directly correlate with revenue fluctuations. For these reasons, annual budget to actual comparison details for the restricted funds are not provided in this report but are available in the Board Office.

**University of Iowa**

The budget-to-actual comparison below contains the general university and special purpose appropriated units except for the four hospital units, which are reported in a subsequent table.

| <b>University of Iowa - General Fund<br/>FY 2014 (excludes UIHC units)</b> |                                  |                       |                                  |                                  |
|--|----------------------------------|-----------------------|----------------------------------|----------------------------------|
|  | <b>Board Approved<br/>Budget</b> | <b>Actual</b>         | <b>Variance<br/>Over/(Under)</b> | <b>Actual as %<br/>of Budget</b> |
| <b>REVENUES</b>  |                                  |                       |                                  |                                  |
| <b>APPROPRIATIONS</b>  |                                  |                       |                                  |                                  |
| General  | \$ 236,387,981                   | \$ 236,387,981        | \$ -                             | 100.0%                           |
| <b>RESOURCES</b>   |                                  |                       |                                  |                                  |
| Interest   | 2,182,149                        | 1,612,916             | (569,233)                        | 73.9%                            |
| Tuition and Fees   | 412,887,000                      | 412,857,079           | (29,921)                         | 100.0%                           |
| Reimbursed Indirect Costs  | 44,365,574                       | 43,458,832            | (906,742)                        | 98.0%                            |
| Sales and Services   | 2,724,944                        | 2,633,426             | (91,518)                         | 96.6%                            |
| Other Income   | 125,000                          | 35,062                | (89,938)                         | 28.0%                            |
| <b>TOTAL REVENUES</b>  | <b>\$ 698,672,648</b>            | <b>\$ 696,985,296</b> | <b>\$ (1,687,352)</b>            | <b>99.8%</b>                     |
| <b>EXPENDITURES</b>  |                                  |                       |                                  |                                  |
| Salaries   | \$ 464,090,489                   | \$ 470,785,884        | \$ 6,695,395                     | 101.4%                           |
| Prof. /Scientific Supplies   | 59,920,844                       | 48,615,433            | (11,305,411)                     | 81.1%                            |
| Library Acquisitions   | 17,708,000                       | 17,016,596            | (691,404)                        | 96.1%                            |
| Rentals  | 4,403,190                        | 4,796,511             | 393,321                          | 108.9%                           |
| Utilities  | 36,587,335                       | 36,572,471            | (14,864)                         | 100.0%                           |
| Building Repairs   | 23,296,000                       | 27,668,647            | 4,372,647                        | 118.8%                           |
| Auditor of State   | 605,000                          | 593,315               | (11,685)                         | 98.1%                            |
| Equipment  | 2,427,942                        | 2,698,264             | 270,322                          | 111.1%                           |
| Aid to Individuals   | 89,633,848                       | 89,917,112            | 283,264                          | 100.3%                           |
| <b>TOTAL EXPENDITURES</b>  | <b>\$ 698,672,648</b>            | <b>\$ 698,664,233</b> | <b>\$ (8,415)</b>                | <b>100.0%</b>                    |

Actual revenues of \$697.0 million were 0.2% less than the FY 2014 budget. Tuition revenues totaled \$412.9 million and were equal to the budget. Reimbursed indirect cost recoveries were less than projected given the uncertainties of the federal budget and its impact on research funding. Interest income was also less than the budget due to smaller balances from the timing of expenditures.

Actual expenditures exceeded revenues in FY 2014 primarily due to the expenditure of advanced commitment revenues earned and reported in prior years. These funds were used to complete the Library Student Commons project previously approved by the Board.

Salaries comprised 67.4% of all general operating fund expenditures and were 1.4% higher than the salary budget. Professional and Scientific Supplies/Services were under budget. Many University units redirected these resources toward other non-recurring expenses such as building repairs, student aid, and equipment resulting in these expenditure lines exceeding the budget.

The University reallocated \$9.8 million from collegiate and vice presidential units and reinvested those funds to support student success initiatives, outreach and engagement, enhanced technologies, and performance based salary increases for faculty and staff.

The following provides a consolidated five-year history of actual revenues and expenditures from the general university and special purpose units (does not include the four hospital units). Total revenue growth during the five-year period is primarily from the increase in tuition revenue from higher nonresident enrollments.

| <b>University of Iowa - General Operating Fund<br/>FY 2010 - FY 2014</b> |                       |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | <b>FY 2010</b>        | <b>FY 2011</b>        | <b>FY 2012</b>        | <b>FY 2013</b>        | <b>FY 2014</b>        |
| <b>University Approp. Units</b>  |                       |                       |                       |                       |                       |
| <b>REVENUES</b>  |                       |                       |                       |                       |                       |
| General Appropriations   | \$ 236,681,950        | \$ 231,586,438        | \$ 219,619,463        | \$ 227,944,592        | \$ 236,387,981        |
| ARRA State-Stabilization   | 35,393,382            | -                     | -                     | -                     | -                     |
| <b>RESOURCES</b>   |                       |                       |                       |                       |                       |
| Interest   | 2,167,711             | 1,722,877             | 1,636,760             | 1,875,974             | 1,612,916             |
| Tuition and Fees   | 299,505,345           | 335,272,910           | 366,397,221           | 385,329,989           | 412,857,079           |
| Reimbursed Indirect Costs  | 50,872,224            | 51,844,960            | 47,973,649            | 46,199,711            | 43,458,832            |
| Sales and Services   | 3,051,924             | 2,336,210             | 2,514,087             | 2,602,517             | 2,633,426             |
| Other Income   | 185,850               | 124,502               | 120,162               | 40,655                | 35,062                |
| <b>TOTAL REVENUES</b>  | <b>\$ 627,858,386</b> | <b>\$ 622,887,897</b> | <b>\$ 638,261,342</b> | <b>\$ 663,993,438</b> | <b>\$ 696,985,296</b> |
| <b>EXPENDITURES</b>  |                       |                       |                       |                       |                       |
| Salaries   | \$ 438,587,243        | \$ 423,332,774        | \$ 439,903,989        | \$ 456,174,609        | \$ 470,785,884        |
| Prof. /Scientific Supplies   | 35,386,816            | 37,101,537            | 40,215,585            | 41,079,316            | 48,615,433            |
| Library Acquisitions   | 14,691,588            | 15,755,140            | 15,866,309            | 16,975,173            | 17,016,596            |
| Rentals  | 5,919,827             | 3,360,269             | 4,212,760             | 5,109,704             | 4,796,511             |
| Utilities  | 32,182,585            | 33,427,427            | 35,432,308            | 35,860,503            | 36,572,471            |
| Building Repairs   | 17,238,167            | 25,463,722            | 15,400,048            | 28,617,655            | 27,668,647            |
| Auditor of State   | 586,677               | 549,820               | 565,595               | 596,945               | 593,315               |
| Equipment  | 11,373,671            | 10,298,430            | 8,737,521             | 2,025,762             | 2,698,264             |
| Aid to Individuals   | 62,826,037            | 72,163,373            | 80,182,770            | 84,119,291            | 89,917,112            |
| <b>TOTAL EXPENDITURES</b>  | <b>\$ 618,792,611</b> | <b>\$ 621,452,492</b> | <b>\$ 640,516,885</b> | <b>\$ 670,558,958</b> | <b>\$ 698,664,233</b> |

The table below contains the FY 2014 budget-to-actual consolidated comparison for UIHC, Psychiatric Hospital, Specialized Child Health Services, and the Center for Disabilities and Development. Actual revenues and expenditures for the Health Care Units were 4% over the budget.

| <b>University of Iowa - Health Care Units<br/>FY 2014</b> |                                  |                         |                                  |                                  |
|---|----------------------------------|-------------------------|----------------------------------|----------------------------------|
|   | <b>Board Approved<br/>Budget</b> | <b>Actual</b>           | <b>Variance<br/>Over/(Under)</b> | <b>Actual as %<br/>of Budget</b> |
| <b>REVENUES</b>   |                                  |                         |                                  |                                  |
| Appropriations  | \$ 42,419,548                    | \$ 37,379,853           | \$ (5,039,695)                   | 88.1%                            |
| Interest  | 17,713,824                       | 18,227,613              | 513,789                          | 102.9%                           |
| Reimbursed Indirect Costs                                 | 5,393,932                        | 5,664,929               | 270,997                          | 105.0%                           |
| Sales and Services  | 1,024,655,357                    | 1,073,545,144           | 48,889,787                       | 104.8%                           |
| Other Income  | 5,888,923                        | 5,432,332               | (456,591)                        | 92.2%                            |
| <b>TOTAL REVENUES</b>                                     | <b>\$ 1,096,071,584</b>          | <b>\$ 1,140,249,871</b> | <b>\$ 44,178,287</b>             | <b>104.0%</b>                    |
| <b>EXPENDITURES</b>                                       |                                  |                         |                                  |                                  |
| Salaries  | \$ 698,877,616                   | \$ 677,027,464          | \$ (21,850,152)                  | 96.9%                            |
| Prof. /Scientific Supplies                                | 361,677,104                      | 424,186,600             | 62,509,496                       | 117.3%                           |
| Rentals   | 4,000,140                        | 4,551,992               | 551,852                          | 113.8%                           |
| Utilities   | 30,423,146                       | 29,674,285              | (748,861)                        | 97.5%                            |
| Building Repairs  | 1,093,578                        | 2,472,266               | 1,378,688                        | 226.1%                           |
| Aid to Individuals  | -                                | 1,064,121               | 1,064,121                        |                                  |
| <b>TOTAL EXPENDITURES</b>                                 | <b>\$ 1,096,071,584</b>          | <b>\$ 1,138,976,728</b> | <b>\$ 42,905,144</b>             | <b>103.9%</b>                    |

**Revenue Variances**

- A FY 2014 supplemental appropriation was provided to the support IowaCare patients through the end of December 2013, when the program was terminated. Fewer patients were enrolled in the program during this time period and less funding was needed.
- The termination of Iowa Care program contributed to lower overall volumes compared to budget for acute patient admissions (1.3% below), inpatient and outpatient surgical procedures (0.9% below) and emergency treatment center visits (10.1% below). However, a change in payor mix resulted in increased revenue due to a shift in patients from Iowa Care and Medicaid to commercial insurance payers.

**Expense Variances**

- The lower than budgeted patient volumes resulted in labor costs under budget. In addition to volumes under budget, a concerted effort to monitor and manage labor costs was utilized to minimize the need for additional staffing while providing safe and high quality patient care services. All new position requests and requests to fill vacant positions were reviewed by a multi-disciplinary Hiring Board.
- Although certain patient volumes were below budgeted volumes, increased costs over budget occurred in patient care related medical supplies, drugs and purchased services. Increased supply use of medical implants, robotic surgery supplies and other patient care supplies also contributed to the variance.
- The need for non-capital building repairs varies annually and is impacted by the availability of resources. In FY2014, various non-recurring building repairs were able to be addressed.

The following provides a consolidated five-year history of actual revenues and expenditures from the four hospital units. Beginning in FY 2013, the University performed a review of health care unit revenue and expense reporting which resulted in the segregation of interest income and some expense lines.

| <b>University of Iowa - Health Care Units<br/>FY 2010 - FY 2014</b> |                       |                       |                       |                         |                         |
|---|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
|   | <b>FY 2010</b>        | <b>FY 2011</b>        | <b>FY 2012</b>        | <b>FY 2013</b>          | <b>FY 2014</b>          |
| <b>REVENUES</b>   |                       |                       |                       |                         |                         |
| Appropriations  | \$ 59,852,785         | \$ 79,159,331         | \$ 70,993,368         | \$ 82,323,249           | \$37,379,853            |
| Federal Support   | 712,900               | 1,774,990             | 3,148,841             | -                       | -                       |
| Interest*   |                       |                       |                       | 17,176,886              | 18,227,613              |
| Reimbursed Indirect Costs   | 5,301,879             | 5,453,806             | 5,077,189             | 5,430,143               | 5,664,929               |
| Sales and Services  | 763,845,872           | 813,404,161           | 891,360,602           | 916,390,538             | 1,073,545,144           |
| Other Income  | 764,759               | 2,019,494             | 11,883,189            | 7,313,616               | 5,432,332               |
| <b>TOTAL REVENUES</b>   | <b>\$ 830,478,195</b> | <b>\$ 901,811,782</b> | <b>\$ 982,463,189</b> | <b>\$ 1,028,634,432</b> | <b>\$ 1,140,249,871</b> |
| <b>EXPENDITURES</b>   |                       |                       |                       |                         |                         |
| Salaries  | \$ 546,527,163        | \$ 572,396,446        | \$ 627,352,532        | \$ 660,304,318          | \$677,027,464           |
| Prof. /Scientific Supplies  | 253,798,794           | 297,593,749           | 322,135,680           | 331,305,307             | 424,186,600             |
| Rentals   | 5,493,726             | 6,352,795             | 4,260,948             | 5,141,650               | 4,551,992               |
| Utilities   | 24,767,378            | 25,805,003            | 28,512,198            | 29,624,767              | 29,674,285              |
| Building Repairs  | -                     | -                     | -                     | 1,721,080               | 2,472,266               |
| Auditor of State  |                       |                       |                       | 73,620                  | -                       |
| Equipment   | 8,124                 | 24,480                | -                     | -                       | -                       |
| Aid to Individuals  |                       |                       |                       | 464,377                 | 1,064,121               |
| <b>TOTAL EXPENDITURES</b>   | <b>\$ 830,595,185</b> | <b>\$ 902,172,473</b> | <b>\$ 982,261,358</b> | <b>\$ 1,028,635,119</b> | <b>\$ 1,138,976,728</b> |

UNIVERSITY OF IOWA ATHLETICS

|  | FY 2014 Budget       | FY 2014 Actuals      | Variance            |
|--|----------------------|----------------------|---------------------|
| <b><u>INCOME:</u></b>                      |                      |                      |                     |
| <b>Men's Sports</b>                        |                      |                      |                     |
| Football                                   | \$ 21,363,371        | \$ 21,422,633        | \$ 59,262           |
| Basketball                                 | 3,210,935            | 4,119,627            | 908,692             |
| Wrestling                                  | 475,000              | 670,479              | 195,479             |
| All Other                                  | 12,000               | 22,781               | 10,781              |
| <b>Total Men's Sports</b>                  | <b>\$ 25,061,306</b> | <b>\$ 26,235,520</b> | <b>\$ 1,174,214</b> |
| <b>Women's Sports</b>                      |                      |                      |                     |
| Basketball                                 | \$ 185,000           | \$ 198,096           | \$ 13,096           |
| Volleyball                                 | 13,000               | 18,917               | 5,917               |
| All Other                                  | 13,000               | 15,883               | 2,883               |
| <b>Total Women's Sports</b>                | <b>\$ 211,000</b>    | <b>\$ 232,896</b>    | <b>\$ 21,896</b>    |
| <b>Other Income</b>                        |                      |                      |                     |
| Facility Debt Service/Student Fees         | \$ 650,000           | \$ 683,917           | \$ 33,917           |
| Learfield Multi Media Contract Income      | 5,707,000            | 5,523,884            | (183,116)           |
| Athletic Conference                        | 25,455,000           | 26,446,785           | 991,785             |
| Interest                                   | 500,000              | 671,307              | 171,307             |
| Foundation Support                         | 12,888,090           | 12,635,083           | (253,007)           |
| Foundation Premium Seat Revenue            | 8,038,500            | 8,386,829            | 348,329             |
| Novelties--Bookstore                       | 3,090,000            | 3,372,530            | 282,530             |
| General Income                             | 2,692,435            | 3,152,513            | 460,078             |
| <b>Total Other Income</b>                  | <b>\$ 59,021,025</b> | <b>\$ 60,872,848</b> | <b>\$ 1,851,823</b> |
| <b>TOTAL INCOME</b>                        | <b>\$ 84,293,331</b> | <b>\$ 87,341,264</b> | <b>\$ 3,047,933</b> |
| <b><u>EXPENSES:</u></b>                    |                      |                      |                     |
| <b>Men's Sports</b>                        |                      |                      |                     |
| Football                                   | \$ 18,327,693        | \$ 19,244,171        | \$ 916,478          |
| Basketball                                 | 5,108,665            | 5,272,626            | 163,961             |
| Wrestling                                  | 1,278,639            | 1,348,863            | 70,224              |
| Other Sports                               | 4,392,744            | 4,629,724            | 236,980             |
| <b>Total Men's Sports</b>                  | <b>\$ 29,107,741</b> | <b>\$ 30,495,384</b> | <b>\$ 1,387,643</b> |
| <b>Women's Sports</b>                      |                      |                      |                     |
| Basketball                                 | \$3,629,530          | \$ 3,537,363         | \$ (92,167)         |
| Volleyball                                 | 1,277,035            | 1,332,239            | 55,204              |
| Other Sports                               | 8,489,052            | 8,803,090            | 314,038             |
| <b>Total Women's Sports</b>                | <b>\$ 13,395,617</b> | <b>\$ 13,672,692</b> | <b>\$ 277,075</b>   |
| <b>Other Expenses</b>                      |                      |                      |                     |
| Training Services                          | \$ 1,645,126         | \$ 1,651,932         | \$ 6,806            |
| Sports Information                         | 655,674              | 663,549              | 7,875               |
| Admin. & General Expenses                  | 10,498,064           | 10,867,746           | 369,682             |
| Facility Debt Service                      | 16,380,966           | 16,337,756           | (43,210)            |
| Transfer for New Facility Costs & Reserves | 1,000,000            | 1,000,000            | -                   |
| Academic & Counseling                      | 1,868,055            | 1,869,201            | 1,146               |
| Buildings & Grounds                        | 9,742,088            | 10,783,004           | 1,040,916           |
| <b>Total Other Expenses</b>                | <b>\$ 41,789,973</b> | <b>\$ 43,173,188</b> | <b>\$ 1,383,215</b> |
| <b>TOTAL EXPENSE</b>                       | <b>\$ 84,293,331</b> | <b>\$ 87,341,264</b> | <b>\$ 3,047,933</b> |



The following describes the budget-to-actual revenue and expense variances for SUI Athletics as shown on the previous page.

**Revenue Variances**

- Men’s basketball revenue was above budget due to additional revenue from home game ticket sales.
- Athletic Conference revenues were higher than the budget from additional football bowl game and television distributions, and supplemental NCAA distributions.
- General income exceeded the budget from higher than projected concession sales and a signing bonus from a contract extension with a seat cushion vendor.

**Expense Variances**

- Football expenses were higher than budgeted due primarily to a greater nonresident/resident mix of scholarship athletes.
- Administrative expenses were above budget because of higher postseason travel costs, interview and relocation expenses for incoming staff, and supplemental postseason compensation.
- Building and Grounds expenses were higher than projected due to higher than expected utility, maintenance, and custodial service costs for Carver Hawkeye Arena and Kinnick Stadium.

The following provides a 5-year history of actual revenues and expenditures for SUI Athletics. Athletics is fully self-supporting and receives no general university support.

| <b>University of Iowa Athletics<br/>FY 2010-FY 2014</b> |                      |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | <b>FY 2010</b>       | <b>FY 2011</b>       | <b>FY 2012</b>       | <b>FY 2013</b>       | <b>FY 2014</b>       |
| <b>Revenues</b>   |                      |                      |                      |                      |                      |
| Sports Income   | \$ 22,362,821        | \$ 23,696,710        | \$ 25,064,659        | \$ 27,527,779        | \$ 26,468,416        |
| Alumni / Foundation /<br>Corp Support / Sponsorship     | 13,135,009           | 13,868,807           | 15,078,846           | 13,911,270           | 21,021,912           |
| Athletic Conference /<br>NCAA Support                   | 20,019,049           | 21,967,980           | 23,795,775           | 24,792,990           | 26,446,785           |
| Student Fees  | 525,707              | 564,680              | 543,574              | 678,842              | 683,917              |
| Other Income  | 10,739,480           | 11,481,810           | 12,322,266           | 12,465,922           | 12,720,234           |
| <b>Total Income</b>                                     | <b>\$ 66,782,066</b> | <b>\$ 71,579,987</b> | <b>\$ 76,805,120</b> | <b>\$ 79,376,803</b> | <b>\$ 87,341,264</b> |
| <b>Expenses</b>   |                      |                      |                      |                      |                      |
| Men's Sports  | \$ 25,164,180        | \$ 25,776,573        | \$ 27,011,895        | \$ 29,335,371        | \$ 30,495,384        |
| Women's Sports  | 10,624,206           | 11,487,092           | 12,304,626           | 12,784,396           | 13,672,692           |
| Other Expenses  | 30,993,680           | 34,316,322           | 37,488,599           | 37,257,036           | 43,173,188           |
| <b>Total Expenses</b>                                   | <b>\$ 66,782,066</b> | <b>\$ 71,579,987</b> | <b>\$ 76,805,120</b> | <b>\$ 79,376,803</b> | <b>\$ 87,341,264</b> |

| <b>University of Iowa Residence System - FY 2014</b> |               |               |                                  |                |
|--|---------------|---------------|----------------------------------|----------------|
|  | <b>Budget</b> | <b>Actual</b> | <b>Variance<br/>Over/(Under)</b> | <b>Percent</b> |
| Revenues   | \$68,309,504  | \$68,725,380  | \$415,876                        | 100.6%         |
| Expenditures   | 52,639,643    | 52,044,867    | (\$594,776)                      | 98.9%          |
| Debt Service   | 6,663,750     | 6,940,926     | \$277,176                        | 104.2%         |
| Mandatory Transfers                                  | 600,000       | 600,000       | -                                | 100.0%         |
| Net Revenues   | 8,406,111     | 9,139,587     | \$733,476                        | 108.7%         |
| Net Revenues as % of Gross Revenue                   | 12.3%         | 13.3%         |                                  |                |

Revenues from the SUI Residence System were slightly higher than the budget (0.6%) primarily from higher than expected non-contract food sales. Actual contract residence hall room and board revenues and interest income were very close to budget.

Total expenditures were approximately \$0.6 million (1.1%) under budget. Salaries and benefit costs were less than budget primarily due to vacancies and turnover experienced throughout the year, primarily in the custodial and maintenance areas. The salary cost reductions were partially offset by higher utility expenses from increased steam and chilled water consumption throughout the system.

Debt service exceeded the budget since bonds for the new west campus residence hall were issued in the spring of 2014 but were budgeted for a summer 2014 issuance; thus interest payments began in FY 2014 rather than FY 2015 as originally budgeted. The new residence hall will house approximately 500 students beginning in Fall 2015.

| <b>University of Iowa - Residence System<br/>FY 2010 - FY 2014</b> |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | <b>FY 2010</b> | <b>FY 2011</b> | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
| Revenues   | \$ 49,470,939  | \$ 53,622,260  | \$ 64,390,761  | \$ 65,973,805  | \$ 68,725,380  |
| Expenditures for Operations  | 34,899,205     | 37,808,037     | 48,295,519     | 50,624,106     | 52,044,867     |
| Debt Service and Mandatory Transfers                               | 5,603,144      | 5,388,061      | 5,303,627      | 5,969,285      | 7,540,926      |
| Net Revenues after Debt Service and Mandatory Transfers            | \$ 8,968,590   | \$ 10,426,162  | \$ 10,791,615  | \$ 9,380,414   | \$ 9,139,587   |
| Net Revenues as % of Gross Revenue                                 | 18.1%          | 19.4%          | 16.8%          | 14.2%          | 13.3%          |

The residence system annual report is available in the Board Office and provides information on various aspects of the University of Iowa residence system for FY 2014. The report includes enrollment data, residence hall and apartment utilization, and financial information. The annual report also contains Fall 2014 enrollment and occupancy information. The table below reflects a slight decrease in Fall 2014 occupancy when compared to the previous year due to the closing of the remaining apartment units at Hawkeye Court at the close of the 2013-14 lease period.

| <b>University of Iowa Residence System</b> |                  |                  |               |                 |
|--|------------------|------------------|---------------|-----------------|
|  | <b>Fall 2013</b> | <b>Fall 2014</b> | <b>Change</b> | <b>% Change</b> |
| Total University Enrollment                | 31,065           | 31,387           | 322           | 1.0%            |
| Lower Division                             | 10,341           | 10,480           | 139           | 1.3%            |
| Lower Div as % of Total                    | 33.3%            | 33.4%            |               |                 |
| Total Occupancy                            | 6,207            | 6,087            | -120          | -1.9%           |
| Occupancy as a % of Enrollment             | 20.0%            | 19.4%            |               |                 |

The principal outstanding on dormitory revenue bonds for SUI as of June 30, 2014, was \$86.9 million (excludes July 1 principal payment). The Voluntary Reserve Fund balance totaled \$20.6 million at fiscal year-end.

**Iowa State University**

The budget-to-actual comparison below contains revenue and expenditure data for the general university and all special purpose appropriated units.

| <b>Iowa State University - General Operating Fund<br/>FY 2014</b> |                                  |                       |                                  |                                  |
|---|----------------------------------|-----------------------|----------------------------------|----------------------------------|
|   | <b>Board Approved<br/>Budget</b> | <b>Actual</b>         | <b>Variance<br/>Over/(Under)</b> | <b>Actual as % of<br/>Budget</b> |
| <b>REVENUES</b>   |                                  |                       |                                  |                                  |
| APPROPRIATIONS  |                                  |                       |                                  |                                  |
| General   | \$ 236,122,151                   | \$ 236,122,151        | \$ -                             | 100.0%                           |
| RESOURCES   |                                  |                       |                                  |                                  |
| Federal Support   | 12,942,000                       | 12,942,000            | -                                | 100.0%                           |
| Interest  | 2,750,000                        | 2,726,976             | (23,024)                         | 99.2%                            |
| Tuition and Fees  | 354,439,000                      | 354,256,074           | (182,926)                        | 99.9%                            |
| Reimbursed Indirect Costs   | 19,390,600                       | 18,988,034            | (402,566)                        | 97.9%                            |
| Sales and Services  |                                  |                       | -                                |                                  |
| Other Income  | 1,550,000                        | 1,592,978             | 42,978                           | 102.8%                           |
| <b>TOTAL REVENUES</b>   | <b>\$ 627,193,751</b>            | <b>\$ 626,628,213</b> | <b>\$ (565,538)</b>              | <b>99.9%</b>                     |
| <b>EXPENDITURES</b>   |                                  |                       |                                  |                                  |
| Salaries  | \$ 413,493,900                   | \$ 405,528,523        | \$ (7,965,377)                   | 98.1%                            |
| Prof. /Scientific Supplies  | 62,180,751                       | 51,363,522            | (10,817,229)                     | 82.6%                            |
| Library Acquisitions  | 11,000,000                       | 11,096,114            | 96,114                           | 100.9%                           |
| Rentals   | 1,708,000                        | 1,339,866             | (368,134)                        | 78.4%                            |
| Utilities   | 29,081,700                       | 28,287,869            | (793,831)                        | 97.3%                            |
| Building Repairs  | 20,400,000                       | 30,742,563            | 10,342,563                       | 150.7%                           |
| Auditor of State  | 552,400                          | 452,377               | (100,023)                        | 81.9%                            |
| Equipment   | 4,515,000                        | 7,211,378             | 2,696,378                        | 159.7%                           |
| Aid to Individuals  | 84,262,000                       | 84,995,225            | 733,225                          | 100.9%                           |
| <b>TOTAL EXPENDITURES</b>   | <b>\$ 627,193,751</b>            | <b>\$ 621,017,437</b> | <b>\$ (6,176,314)</b>            | <b>99.0%</b>                     |

The Board approved a revised FY 2014 operating budget for ISU in June 2014. The amended budget projected additional tuition revenue of \$9.9 million resulting from higher enrollments. Budgeted indirect cost revenues, interest, and other income were also amended for a total increase of \$3.05 million. Total operating revenues were within 0.1% of the amended budget.

Actual operating revenues exceeded expenditures in FY 2014. For FY 2014, the 2013 General Assembly appropriated \$7.5 million in one-time funds for the Bioeconomy Initiative which are not subject to reversion until the end of FY 2015. Approximately \$4.1 million of this funding will be spent during FY 2015. Similarly, the Nutrient Research Center has \$1.0 million remaining of a FY 2014 appropriation available to expend in FY 2015. The remaining revenues in excess of expenditures result in a modest increase in advance commitment funds available to support institutional goals in future years.

Actual General Operating Fund expenditures were within 1% of budget. Salary and wage costs comprised 65% of all general fund operating expenses and were slightly under budget due to lower than expected non-faculty salaries. Professional/Scientific supplies and services were expected to increase due to higher enrollments but came in under budget which allowed for additional resources to be directed toward building repair projects and needed equipment.

Reallocated resources during FY 2014 supported faculty hires in high-demand disciplines, research program enhancements, building repair, financial aid, and competitive compensation.

The following provides a consolidated five-year history of actual revenues and expenditures from the general university and all special purpose operating units. The increase in total revenues during the five-year period is due primarily from increased tuition revenue due to resident and nonresident enrollment growth during the five-year period.

| <b>Iowa State University - General Operating Fund</b> |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>FY 2010 - FY 2014</b>                              |                       |                       |                       |                       |                       |
|   | <b>FY 2010</b>        | <b>FY 2011</b>        | <b>FY 2012</b>        | <b>FY 2013</b>        | <b>FY 2014</b>        |
| <b>REVENUES</b>                                       |                       |                       |                       |                       |                       |
| <b>APPROPRIATIONS</b>                                 |                       |                       |                       |                       |                       |
| General Appropriations                                | \$ 231,209,458        | \$ 228,133,348        | \$ 216,625,997        | \$ 221,858,141        | \$ 236,122,151        |
| ARRA-State Stabilization                              | 31,595,952            |                       |                       |                       |                       |
| <b>RESOURCES</b>                                      |                       |                       |                       |                       |                       |
| Federal Support                                       | 12,828,617            | 13,709,264            | 13,700,000            | 13,762,718            | 12,942,000            |
| Interest  | 67,021                | 169,105               | 96,920                | 808,994               | 2,726,976             |
| Tuition and Fees                                      | 233,832,393           | 263,927,004           | 294,606,623           | 322,174,426           | 354,256,074           |
| Reimbursed Indirect Costs                             | 18,741,253            | 20,536,852            | 19,979,951            | 19,198,153            | 18,988,034            |
| Sales and Services                                    |                       |                       |                       |                       |                       |
| Other Income  | 2,405,535             | 1,393,247             | 1,471,706             | 1,639,973             | 1,592,978             |
| <b>TOTAL REVENUES</b>                                 | <b>\$ 530,680,229</b> | <b>\$ 527,868,820</b> | <b>\$ 546,481,197</b> | <b>\$ 579,442,405</b> | <b>\$ 626,628,213</b> |
| <b>EXPENDITURES</b>                                   |                       |                       |                       |                       |                       |
| Salaries  | \$ 360,260,250        | \$ 357,445,034        | \$ 366,115,250        | \$ 390,880,476        | \$ 405,528,523        |
| Prof. /Scientific Supplies                            | 37,924,392            | 37,645,935            | 35,408,899            | 47,330,901            | 51,363,522            |
| Library Acquisitions                                  | 8,901,193             | 12,269,146            | 11,364,211            | 11,807,724            | 11,096,114            |
| Rentals   | 1,524,447             | 1,556,130             | 1,444,841             | 1,469,577             | 1,339,866             |
| Utilities   | 24,913,351            | 25,802,929            | 26,569,097            | 26,428,368            | 28,287,869            |
| Building Repairs                                      | 13,502,270            | 34,866,046            | 28,163,139            | 19,253,330            | 30,742,563            |
| Auditor of State                                      | 442,769               | 423,804               | 412,423               | 509,028               | 452,377               |
| Equipment   | 7,779,668             | 4,164,335             | 5,509,651             | 4,379,149             | 7,211,378             |
| Aid to Individuals                                    | 57,073,187            | 63,823,890            | 71,111,750            | 76,458,571            | 84,995,225            |
| <b>TOTAL EXPENDITURES</b>                             | <b>\$ 512,321,527</b> | <b>\$ 537,997,249</b> | <b>\$ 546,099,261</b> | <b>\$ 578,517,124</b> | <b>\$ 621,017,437</b> |

IOWA STATE UNIVERSITY ATHLETICS

| <u>INCOME</u>                        | <u>FY 2014 Budget</u> | <u>FY 2014 Actuals</u> | <u>Variance</u>    |
|--------------------------------------|-----------------------|------------------------|--------------------|
| <b>Sports:</b>                       |                       |                        |                    |
| Football                             | \$ 10,107,205         | \$ 10,000,245          | \$ (106,960)       |
| Men's Basketball                     | 3,100,000             | 3,381,032              | 281,032            |
| Women's Basketball                   | 500,000               | 512,102                | 12,102             |
| Wrestling                            | 115,000               | 150,110                | 35,110             |
| Other Sports                         | 340,000               | 374,676                | 34,676             |
| <b>Subtotal</b>                      | <b>\$ 14,162,205</b>  | <b>\$ 14,418,165</b>   | <b>\$ 255,960</b>  |
| <b>Other Income</b>                  |                       |                        |                    |
| Big Twelve Conference/NCAA           | \$ 22,348,861         | \$ 23,492,590          | \$ 1,143,729       |
| Post-Season Revenue                  | 1,300,000             | 432,355                | (867,645)          |
| Fundraising                          | 12,926,393            | 11,806,614             | (1,119,779)        |
| Multi-Media Rights                   | 3,462,325             | 3,691,350              | 229,025            |
| Student Fees                         | 1,900,000             | 1,957,396              | 57,396             |
| Game Guarantees                      | 250,000               | 300,507                | 50,507             |
| Auxillary Revenue                    | 1,250,000             | 1,581,258              | 331,258            |
| Other Revenue                        | 2,456,000             | 2,970,759              | 514,759            |
| <b>Subtotal</b>                      | <b>\$ 45,893,579</b>  | <b>\$ 46,232,829</b>   | <b>\$ 339,250</b>  |
| <b>TOTAL INCOME</b>                  | <b>\$ 60,055,784</b>  | <b>\$ 60,650,994</b>   | <b>\$ 595,210</b>  |
| <b>EXPENSES</b>                      |                       |                        |                    |
| <b>Sports Operations</b>             |                       |                        |                    |
| Football                             | \$ 3,222,335          | \$ 3,196,481           | \$ (25,854)        |
| Men's Basketball                     | 1,318,350             | 1,327,903              | 9,553              |
| Women's Basketball                   | 957,000               | 1,003,877              | 46,877             |
| Wrestling                            | 255,000               | 273,739                | 18,739             |
| Other Sports                         | 2,343,243             | 2,407,099              | 63,856             |
| <b>Subtotal</b>                      | <b>\$ 8,095,928</b>   | <b>\$ 8,209,099</b>    | <b>\$ 113,171</b>  |
| <b>Sports Program Support Units:</b> |                       |                        |                    |
| Medical                              | \$ 400,000            | \$ 383,557             | \$ (16,443)        |
| Video Operations                     | 174,411               | 179,731                | 5,320              |
| Athletic Training                    | 303,255               | 370,339                | 67,084             |
| Academic Services                    | 300,000               | 303,269                | 3,269              |
| Other                                | 447,505               | 415,036                | (32,469)           |
| <b>Subtotal</b>                      | <b>\$ 1,625,171</b>   | <b>\$ 1,651,932</b>    | <b>\$ 26,761</b>   |
| <b>Internal Operations:</b>          |                       |                        |                    |
| Administration                       | \$ 600,000            | \$ 809,892             | \$ 209,892         |
| Big 12 Expenses                      | 1,586,000             | 1,610,000              | 24,000             |
| Information Technology               | 433,500               | 507,320                | 73,820             |
| Other                                | 410,500               | 433,920                | 23,420             |
| <b>Subtotal</b>                      | <b>\$ 3,030,000</b>   | <b>\$ 3,361,132</b>    | <b>\$ 331,132</b>  |
| <b>Salaries &amp; Benefits</b>       | <b>\$ 20,485,997</b>  | <b>\$ 20,387,180</b>   | <b>\$ (98,817)</b> |
| <b>Scholarships</b>                  | <b>5,780,742</b>      | <b>5,601,972</b>       | <b>(178,770)</b>   |
| <b>External Operations</b>           | <b>2,379,683</b>      | <b>2,355,380</b>       | <b>(24,303)</b>    |
| <b>Facilities &amp; Events</b>       | <b>5,621,808</b>      | <b>6,062,878</b>       | <b>441,070</b>     |
| <b>Postseason</b>                    | <b>2,430,000</b>      | <b>1,379,949</b>       | <b>(1,050,051)</b> |
| <b>Debt Service</b>                  | <b>6,137,511</b>      | <b>6,314,806</b>       | <b>177,295</b>     |
| <b>Capital Projects</b>              | <b>4,404,447</b>      | <b>5,235,067</b>       | <b>830,620</b>     |
| <b>TOTAL EXPENSES</b>                | <b>\$ 59,991,287</b>  | <b>\$ 60,559,395</b>   | <b>\$ 568,108</b>  |

The following summarizes the significant budget-to-actual revenue and expense variances for ISU Athletics as shown on the previous page.

**Revenue Variances**

- Men’s basketball season ticket sales exceeded projections with sales in the other sports being close to budget.
- Increases in Conference/NCAA revenue from the distribution of television bonuses resulted in less fundraising support needed from the Cyclone Club.
- Auxiliary revenue from football tent parties, merchandise and concession sales, and chairback rentals were all greater than budget due to high attendance levels.
- The “other revenue” budget included only contracted events at Hilton Coliseum at the time the budget was prepared. Additional events not originally budgeted resulted in higher revenues. Spirit Squad fundraising revenues and interest income in excess of budget also contributed to the “other revenue” variance.

**Expense Variances**

- Administrative operations were higher than budget due to new employee transition and relocation costs of Track & Field/Cross Country staff and several football coaches.
- Facilities and event costs were higher than budget due to the unbudgeted events previously mentioned and hosting conference and NCAA events at Hilton Coliseum.
- Postseason expenses were less than budgeted since the football team did not participate in a bowl game.
- Capital project costs exceeded the budget due to the timing of work during the summer months compared to the corresponding expenditures which occurred in different fiscal years.

The following provides a five-year summary of ISU Athletics’ revenues and expenditures. Athletics is fully self-supporting and has not received general university support since FY 2011.

| <b>Iowa State University Athletics<br/>FY 2010 - FY 2014</b> |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | <b>FY 2010</b>       | <b>FY 2011</b>       | <b>FY 2012</b>       | <b>FY 2013</b>       | <b>FY 2014</b>       |
| <b>Revenues</b>  |                      |                      |                      |                      |                      |
| Sports Income  | \$ 11,510,957        | \$ 11,820,168        | \$ 13,157,439        | \$ 13,274,318        | \$ 14,418,165        |
| Alumni / Foundation /<br>Corp Support / Sponsorship          | 9,608,746            | 9,430,103            | 8,370,726            | 14,169,095           | 15,497,964           |
| Athletic Conference /<br>NCAA Support                        | 11,511,505           | 13,409,778           | 22,842,072           | 23,069,585           | 23,924,945           |
| General University Support                                   | 1,612,923            | 1,599,423            | -                    | -                    | -                    |
| Student Fees   | 1,182,648            | 1,233,698            | 1,721,450            | 1,834,796            | 1,957,396            |
| Other Income   | 4,860,442            | 4,950,874            | 4,509,657            | 5,815,503            | 4,852,524            |
| <b>Total Revenues</b>  | <b>\$ 40,287,221</b> | <b>\$ 42,444,044</b> | <b>\$ 50,601,344</b> | <b>\$ 58,163,297</b> | <b>\$ 60,650,994</b> |
| <b>Expenses</b>  |                      |                      |                      |                      |                      |
| Sports Operations  | \$ 6,115,553         | \$ 7,029,198         | \$ 7,402,378         | \$ 7,581,362         | \$ 8,209,099         |
| Non-Sport Operations   | 8,277,360            | 8,972,610            | 10,135,037           | 12,341,384           | 13,431,322           |
| Scholarships   | 5,940,717            | 6,698,901            | 5,393,899            | 5,389,858            | 5,601,972            |
| Other Expenses   | 19,750,383           | 19,648,589           | 27,609,631           | 32,781,900           | 33,317,002           |
| <b>Total Expenses</b>  | <b>\$ 40,084,013</b> | <b>\$ 42,349,298</b> | <b>\$ 50,540,945</b> | <b>\$ 58,094,504</b> | <b>\$ 60,559,395</b> |

| <b>Iowa State University Residence System - FY 2014</b> |               |               |                                  |                |
|---|---------------|---------------|----------------------------------|----------------|
|   | <b>Budget</b> | <b>Actual</b> | <b>Variance<br/>Over/(Under)</b> | <b>Percent</b> |
| Revenues  | \$92,756,315  | \$95,540,398  | \$2,784,083                      | 103.0%         |
| Expenditures  | 68,440,510    | 68,206,656    | (\$233,854)                      | 99.7%          |
| Debt Service  | 12,658,264    | 12,429,599    | (228,665.00)                     | 98.2%          |
| Mandatory Transfers                                     | 500,000       | 500,000       | -                                | 100.0%         |
| Net Revenues  | 11,157,541    | 14,404,143    | \$3,246,602                      | 129.1%         |
| Net Revenues as % of Gross Revenue                      | 12.0%         | 15.1%         |                                  |                |

ISU residence system revenues totaled \$95.5 million and exceeded the budget by 3%. The variance is primarily the result of an increase in the number of voluntary meal plan contracts in FY 2014 compared to the previous year from additional freshman living in apartments and the addition of more leased spaces.

Expenditures were slightly under budget (0.3%) for FY 2014. Savings in salary costs from open positions and lower than budgeted salary increases were partially offset by increases in food costs, utilities, and maintenance costs all resulting from higher occupancy. The incremental revenues and cost savings in relation to budget resulted in net revenues exceeding budget by \$3.2 million.

| <b>Iowa State University - Residence System<br/>FY 2010 - FY 2014</b> |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
|   | <b>FY 2010</b> | <b>FY 2011</b> | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
| Revenues  | \$ 72,795,895  | \$ 77,385,073  | \$ 84,478,305  | \$ 84,448,372  | \$ 95,540,398  |
| Expenditures for Operations   | 49,968,320     | 54,416,611     | 59,290,134     | 59,942,982     | 68,206,656     |
| Debt Service and Mandatory Transfers                                  | 11,261,339     | 11,213,229     | 10,911,183     | 11,002,919     | 12,929,599     |
| Net Revenues after Debt Service and Mandatory Transfers               | \$ 11,566,236  | \$ 11,755,233  | \$ 14,276,988  | \$ 13,502,471  | \$ 14,404,143  |
| Net Revenues as % of Gross Revenue                                    | 15.9%          | 15.2%          | 16.9%          | 16.0%          | 15.1%          |

The residence system annual report is available in the Board Office and provides information on various aspects of Iowa State University's residence system for FY 2014 including enrollment data, residence hall and apartment utilization, and financial information. The annual report also contains Fall 2014 enrollment and occupancy information. ISU has realized significant increases in enrollments and occupancy. Occupancy has grown by 55% (from 7,909 to 12,237) since 2005. Despite the addition of 780 new beds in Frederiksen Court which opened in Fall 2013 and Fall 2014, occupancy exceeded capacity by 1,282 spaces for Fall 2014. As a result, the need to use dens as interim housing continued for a fourth consecutive year. In addition, 1,059 additional off-campus spaces have been leased and staffed by the Residence System as university-managed housing.

| <b>Iowa State University Residence System</b> |                  |                  |               |                 |
|---|------------------|------------------|---------------|-----------------|
|   | <b>Fall 2013</b> | <b>Fall 2014</b> | <b>Change</b> | <b>% Change</b> |
| Total University Enrollment                   | 33,241           | 34,732           | 1,491         | 4.5%            |
| Lower Division                                | 12,801           | 13,162           | 361           | 2.8%            |
| Lower Div as % of Total                       | 38.5%            | 37.9%            |               |                 |
| Total Occupancy                               | 11,270           | 12,237           | 967           | 8.6%            |
| Total Occupancy % of Enrollment               | 33.9%            | 35.2%            |               |                 |

The principal outstanding on dormitory revenue bonds for ISU as of June 30, 2014, was \$132.2 million (excludes July 1 principal payment). The Voluntary Reserve Fund balance totaled \$36.9 million at year end.

**University of Northern Iowa**

The following compares the FY 2014 general fund approved budget with the actual revenue and expenditure transactions for all appropriated units.

| <b>University of Northern Iowa - General Operating Fund<br/>FY 2014</b> |                                  |                       |                                  |                                  |
|---|----------------------------------|-----------------------|----------------------------------|----------------------------------|
|   | <b>Board Approved<br/>Budget</b> | <b>Actual</b>         | <b>Variance<br/>Over/(Under)</b> | <b>Actual as % of<br/>Budget</b> |
| <b>REVENUES</b>   |                                  |                       |                                  |                                  |
| APPROPRIATIONS  |                                  |                       |                                  |                                  |
| General   | \$ 89,789,796                    | \$ 89,789,796         | \$ -                             | 100.0%                           |
| Supplemental-Nonrecurring   | 6,000,000                        | 6,000,000             | -                                | 100.0%                           |
| RESOURCES   |                                  |                       |                                  |                                  |
| Interest  | 784,000                          | 879,524               | 95,524                           | 112.2%                           |
| Tuition and Fees  | 76,015,580                       | 76,006,444            | (9,136)                          | 100.0%                           |
| Reimbursed Indirect Costs   | 1,316,649                        | 1,383,630             | 66,981                           | 105.1%                           |
| Sales and Services  | 458,152                          | 433,201               | (24,951)                         | 94.6%                            |
| Other Income  | 1,603,663                        |                       | (1,603,663)                      | 0.0%                             |
| <b>TOTAL REVENUES</b>   | <b>\$ 175,967,840</b>            | <b>\$ 174,492,595</b> | <b>\$ (1,475,245)</b>            | <b>99.2%</b>                     |
| <b>EXPENDITURES</b>   |                                  |                       |                                  |                                  |
| Salaries  | \$ 135,245,762                   | \$ 131,774,594        | \$ (3,471,168)                   | 97.4%                            |
| Prof. /Scientific Supplies  | 16,478,549                       | 16,953,556            | 475,007                          | 102.9%                           |
| Library Acquisitions  | 1,992,009                        | 2,147,436             | 155,427                          | 107.8%                           |
| Rentals   | 822,421                          | 822,421               | -                                | 100.0%                           |
| Utilities   | 5,618,466                        | 4,915,566             | (702,900)                        | 87.5%                            |
| Building Repairs  | 1,400,000                        | 2,745,370             | 1,345,370                        | 196.1%                           |
| Auditor of State  | 272,150                          | 210,783               | (61,367)                         | 77.5%                            |
| Equipment   | 446,467                          | 950,234               | 503,767                          | 212.8%                           |
| Aid to Individuals  | 13,692,016                       | 14,405,914            | 713,898                          | 105.2%                           |
| <b>TOTAL EXPENDITURES</b>   | <b>\$ 175,967,840</b>            | <b>\$ 174,925,874</b> | <b>\$ (1,041,966)</b>            | <b>99.4%</b>                     |

Actual expenditures exceeded revenues in FY 2014 primarily due to the expenditure of advanced commitment revenues earned and reported in prior years. The Board approved a revised operating budget for UNI in June 2014. To submit a balanced budget, the amendment included \$1.6 million in advanced commitment funds budgeted as "other income". With the actual revenues reported in the year received, an expected budget-to-actual variance occurs in "other income". Revenue budget adjustments were also made to interest, tuition, and sales/services income.

UNI's FY 2014 operating revenues totaled \$174.5 million and included \$6 million in one-time state funding. Increases in interest income and indirect cost reimbursements were partially offset by slight decreases in tuition and sales/service revenue.

Actual General Operating Fund expenditures were 0.6% less than the budget. Salary and related benefits costs comprise 75% of all general operating expenditures and were 2.6% under budget. Building repairs exceeded the budget primarily from power plant upgrades, and improvements to the Rod Library and Gilchrist Hall. Additional funds were reallocated during FY 2014 for student aid, equipment, and professional/scientific supplies and services.



The following provides a consolidated five-year history of actual revenues and expenditures from the general university and all special purpose units. Total operating revenues returned to FY 2010 levels in FY 2014 after decreases were realized in FY 2011 and FY 2012.

| <b>University of Northern Iowa - General Operating Fund<br/>FY 2010 - FY 2014</b> |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <b>FY 2010</b>        | <b>FY 2011</b>        | <b>FY 2012</b>        | <b>FY 2013</b>        | <b>FY 2014</b>        |
| <b>REVENUES</b>   |                       |                       |                       |                       |                       |
| <b>APPROPRIATIONS</b>   |                       |                       |                       |                       |                       |
| General Appropriations  | \$ 84,463,016         | \$ 81,728,481         | \$ 77,344,516         | \$ 86,689,133         | \$ 89,789,796         |
| Supplemental  |                       |                       |                       |                       | 6,000,000             |
| ARRA-State Stabilization  | 12,376,464            |                       |                       |                       |                       |
| <b>RESOURCES</b>  |                       |                       |                       |                       |                       |
| Interest  | 814,277               | 690,413               | 781,121               | 479,705               | 879,524               |
| Tuition and Fees  | 71,394,270            | 76,902,918            | 80,559,549            | 78,050,250            | 76,006,444            |
| Reimbursed Indirect Costs   | 2,391,577             | 2,256,214             | 2,173,084             | 1,533,239             | 1,383,630             |
| Sales and Services  | 497,309               | 481,989               | 442,983               | 619,941               | 433,201               |
| <b>TOTAL REVENUES</b>   | <b>\$ 171,936,913</b> | <b>\$ 162,060,015</b> | <b>\$ 161,301,253</b> | <b>\$ 167,372,268</b> | <b>\$ 174,492,595</b> |
| <b>EXPENDITURES</b>   |                       |                       |                       |                       |                       |
| Salaries  | \$ 122,128,989        | \$ 123,327,890        | \$ 125,009,541        | \$ 126,337,193        | \$ 131,774,594        |
| Prof. /Scientific Supplies  | 18,550,815            | 15,745,831            | 11,970,054            | 15,635,214            | 16,953,556            |
| Library Acquisitions  | 2,058,168             | 1,979,522             | 2,082,474             | 2,105,816             | 2,147,436             |
| Rentals   | 895,437               | 908,337               | 822,421               | 828,456               | 822,421               |
| Utilities   | 5,260,673             | 5,283,923             | 4,937,753             | 5,064,648             | 4,915,566             |
| Building Repairs  | 3,085,584             | 3,727,283             | 1,881,459             | 2,433,997             | 2,745,370             |
| Auditor of State  | 222,355               | 243,397               | 243,089               | 233,816               | 210,783               |
| Equipment   | 1,788,791             | 950,180               | 944,222               | 1,457,863             | 950,234               |
| Aid to Individuals  | 13,719,529            | 14,463,128            | 14,880,271            | 14,839,980            | 14,405,914            |
| <b>TOTAL EXPENDITURES</b>   | <b>\$ 167,710,341</b> | <b>\$ 166,629,491</b> | <b>\$ 162,771,284</b> | <b>\$ 168,936,983</b> | <b>\$ 174,925,874</b> |

UNIVERSITY OF NORTHERN IOWA ATHLETICS

| <u>INCOME</u>                    | <u>FY 2014 Budget</u> | <u>FY 2014 Actuals</u> | <u>Variance</u>     |
|----------------------------------|-----------------------|------------------------|---------------------|
| <b>Sports:</b>                   |                       |                        |                     |
| Football                         | \$ 999,500            | \$ 851,887             | \$ (147,613)        |
| Men's Basketball                 | 986,200               | 750,809                | (235,391)           |
| Men - All Other Sports           | 68,325                | 69,484                 | 1,159               |
| Women - All Sports               | 228,822               | 351,760                | 122,938             |
| <b>Subtotal - Sports</b>         | <b>\$ 2,282,847</b>   | <b>\$ 2,023,940</b>    | <b>\$ (258,907)</b> |
| <b>Other Income:</b>             |                       |                        |                     |
| Student Activity Fees            | \$ 1,749,975          | \$ 1,749,440           | \$ (535)            |
| General University Support       |                       |                        |                     |
| General Support                  | 2,914,533             | 2,914,533              | -                   |
| Scholarship Support              | 1,283,481             | 1,283,481              | -                   |
| Alumni/Foundation Support        | 1,632,361             | 1,947,388              | 315,027             |
| Athletic Marketing               | 1,151,000             | 1,149,792              | (1,208)             |
| Athletic Conf/NCAA Support       | 985,000               | 850,966                | (134,034)           |
| Novelties-Outings                | 275,000               | 311,155                | 36,155              |
| General                          | 647,000               | 297,450                | (349,550)           |
| <b>Subtotal - Other</b>          | <b>10,638,350</b>     | <b>10,504,205</b>      | <b>(134,145)</b>    |
| <b>TOTAL INCOME</b>              | <b>\$ 12,921,197</b>  | <b>\$ 12,528,145</b>   | <b>\$ (393,052)</b> |
| <b><u>EXPENSES</u></b>           |                       |                        |                     |
| <b>Men's Sports:</b>             |                       |                        |                     |
| Football                         | \$ 3,053,049          | \$ 3,050,698           | \$ (2,351)          |
| Basketball                       | 1,946,260             | 1,954,795              | 8,535               |
| All Other Men's Sports           | 1,169,692             | 1,249,550              | 79,858              |
| <b>Subtotal - Men's Sports</b>   | <b>\$ 6,169,001</b>   | <b>\$ 6,255,043</b>    | <b>\$ 86,042</b>    |
| <b>Women's Sports:</b>           |                       |                        |                     |
| Basketball                       | \$ 1,011,298          | \$ 1,010,408           | \$ (890)            |
| Volleyball                       | 804,314               | 788,949                | (15,365)            |
| All Other                        | 2,263,362             | 2,303,810              | 40,448              |
| <b>Subtotal - Women's Sports</b> | <b>\$ 4,078,974</b>   | <b>\$ 4,103,167</b>    | <b>\$ 24,193</b>    |
| <b>Other Expenses:</b>           |                       |                        |                     |
| Athletic Training                | \$ 215,542            | \$ 238,812             | \$ 23,270           |
| Administration & General         | 2,166,221             | 2,460,784              | 294,563             |
| Athletic Marketing               | 216,459               | 232,478                | 16,019              |
| Contingency                      | 75,000                | -                      | (75,000)            |
| <b>Subtotal - Other Expenses</b> | <b>\$ 2,673,222</b>   | <b>\$ 2,932,074</b>    | <b>\$ 258,852</b>   |
| <b>TOTAL EXPENSE</b>             | <b>\$ 12,921,197</b>  | <b>\$ 13,290,284</b>   | <b>\$ 369,087</b>   |

The following describes the budget-to-actual revenue and expense variances for UNI Athletics as shown on the previous page. Total athletic revenues were under budget by 3% and total expenses exceeded the budget by 2.9%. The athletic department has accelerated fundraising efforts to cover the FY 2014 shortfall.

**Revenue Variances**

- Season and individual game ticket sales for football and men’s basketball were less than the budget and were partially offset by higher than budgeted ticket sales for women’s sports.
- Athletic Conference/NCAA distributions were less than the budget from a decrease in the men’s basketball distribution resulting from fewer NCAA tournament games.
- The general income budget included projected revenue from two major concerts. Only one major concert was held resulting in general income being less than the budget.

**Expense Variances**

- Men’s and women’s sports expenses were generally consistent with the budget. Administrative costs were more than the budget due to the hiring of a consultant to increase ticket sales.
- While a contingency expense account was budgeted; actual expenses were reported in the appropriate expense category.

The following provides a consolidated five-year history of actual revenues and expenditures for UNI Athletics. In accordance with the general university support for Athletics reduction plan presented to the Board in March 2010, University support for athletics has declined significantly since FY 2009 when support was \$5.2 million.

**University of Northern Iowa Athletics  
FY 2010 - FY 2014**

|   | <b>FY 2010</b>       | <b>FY 2011</b>       | <b>FY 2012</b>       | <b>FY 2013</b>       | <b>FY 2014</b>      |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|
| <b>Revenues</b>                                     |                      |                      |                      |                      |                     |
| Sports Income                                       | \$ 2,296,587         | \$ 2,175,394         | \$ 1,743,448         | \$ 2,763,816         | \$ 2,023,940        |
| Alumni / Foundation /<br>Corp Support / Sponsorship | 2,280,349            | 2,313,857            | 2,953,717            | 2,235,673            | 3,097,180           |
| Athletic Conference /<br>NCAA Support               | 641,630              | 682,641              | 896,969              | 912,482              | 850,966             |
| General University Support                          | 4,449,174            | 4,559,447            | 4,323,026            | 4,198,513            | 4,198,014           |
| Student Fees  | 1,212,518            | 1,263,343            | 1,468,392            | 1,491,225            | 1,749,440           |
| Other Income  | 749,300              | 623,651              | 858,865              | 637,801              | 608,605             |
| <b>Total Revenues</b>                               | <b>\$ 11,629,558</b> | <b>\$ 11,618,333</b> | <b>\$ 12,244,417</b> | <b>\$ 12,239,510</b> | <b>\$12,528,145</b> |
| <b>Expenses</b>                                     |                      |                      |                      |                      |                     |
| Men's Sports  | \$ 5,400,066         | \$ 5,530,894         | \$ 5,908,427         | \$ 5,883,800         | \$ 6,255,043        |
| Women's Sports                                      | 3,422,237            | 3,602,138            | 3,917,831            | 3,760,074            | 4,103,167           |
| Other Expenses                                      | 2,764,770            | 2,482,927            | 2,358,308            | 2,584,479            | 2,932,074           |
| <b>Total Expenses</b>                               | <b>\$ 11,587,073</b> | <b>\$ 11,615,959</b> | <b>\$ 12,184,566</b> | <b>\$ 12,228,353</b> | <b>\$13,290,284</b> |

| <b>University of Northern Iowa Residence System - FY 2014</b> |               |               |                                  |                |
|---|---------------|---------------|----------------------------------|----------------|
|   | <b>Budget</b> | <b>Actual</b> | <b>Variance<br/>Over/(Under)</b> | <b>Percent</b> |
| Revenues  | \$36,879,901  | \$37,925,840  | \$1,045,939                      | 102.8%         |
| Expenditures  | 27,226,419    | 25,493,348    | (\$1,733,071)                    | 93.6%          |
| Debt Service  | 6,769,415     | 6,769,415     | -                                | 100.0%         |
| Mandatory Transfers   | 330,000       | 330,000       | -                                | 100.0%         |
| Net Revenues  | 2,554,067     | 5,333,077     | \$2,779,010                      | 208.8%         |
| Net Revenues as % of Gross Revenue                            | 6.9%          | 14.1%         |                                  |                |

The UNI Residence System's total operating revenues were 2.8% higher than the budget. An increase in contractual revenue from additional housing/dining contracts and interest income were partially offset by a reduction in retail sales.

While revenues for the Residence System exceeded budget, total expenditures for the system were \$1.7 million less than the budget. Expense reductions in FY 2014 were realized primarily from lower salary and fringe costs, and reduced food and other operating costs. These expense reductions were partially offset by higher than projected utility costs.

While net revenues after debt service and mandatory transfers exceeded the budget, they have gradually declined since FY 2010 as shown in the five-year history below. The net revenue decline results primarily from additional debt service related to the Panther Village apartment project and an occupancy decrease from smaller enrollments during the period.

**University of Northern Iowa - Residence System  
FY 2010 - FY 2014**

|   | <b>FY 2010</b> | <b>FY 2011</b> | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
|---|----------------|----------------|----------------|----------------|----------------|
| Revenues                                    | \$36,308,224   | \$37,083,719   | \$38,561,780   | \$36,704,113   | \$37,925,840   |
| Expenditures for Operations                 | 24,860,280     | 24,865,282     | 25,825,875     | 25,225,589     | 25,493,348     |
| Debt Service and Mandatory Transfers        | 3,610,804      | 4,647,379      | 5,169,001      | 5,250,615      | 7,099,415      |
| Net Revenues after Debt Serv/Mand Transfers | \$ 7,837,140   | \$ 7,571,058   | \$ 7,566,904   | \$ 6,227,909   | \$ 5,333,077   |
| Net Revenues as % of Gross Revenue          | 21.6%          | 20.4%          | 19.6%          | 17.0%          | 14.1%          |

For comparative purposes, the residence system provided Fall 2014 enrollment and occupancy information. While total enrollment is slightly less than a year ago, Fall 2014 occupancy in the Residence System is up 31 students from a year ago, similar to the increase in lower division enrollment. The slight occupancy increase has been realized both in the residence halls and in the apartments.

| <b>University of Northern Iowa Residence System</b> |                  |                  |               |                 |
|---|------------------|------------------|---------------|-----------------|
|   | <b>Fall 2013</b> | <b>Fall 2014</b> | <b>Change</b> | <b>% Change</b> |
| Total University Enrollment                         | 12,159           | 11,928           | -231          | -1.9%           |
| Lower Division                                      | 3,939            | 3,975            | 36            | 0.9%            |
| Lower Div as % of Total                             | 32.4%            | 33.3%            |               |                 |
| Total Occupancy                                     | 4,355            | 4,386            | 31            | 0.7%            |
| Occupancy as a % of Enrollment                      | 35.8%            | 36.8%            |               |                 |

The principal outstanding of revenue bond obligations for the UNI residence system as of June 30, 2014, was \$59.3 million (excludes July 1 principal payment). The Voluntary Reserve Fund balance totaled \$12.6 million at year end.

**Iowa School for the Deaf**

The following compares the FY 2014 general fund approved budget with actual revenue and expenditure transactions. ISD's total general fund activity was consistent with the budget with revenues and expenditures being 0.6% under budget.

| <b>Iowa School for the Deaf - General Fund<br/>FY 2014</b> |                            |                     |                                  |                                  |
|--|----------------------------|---------------------|----------------------------------|----------------------------------|
|  | <b>Approved<br/>Budget</b> | <b>Actual</b>       | <b>Variance<br/>Over/(Under)</b> | <b>Actual as % of<br/>Budget</b> |
| <b>REVENUES</b>  |                            |                     |                                  |                                  |
| APPROPRIATIONS   |                            |                     |                                  |                                  |
| General  | \$ 9,030,634               | \$ 9,030,634        | \$ -                             | 100.0%                           |
| Other  | 82,049                     | 82,049              | -                                | 100.0%                           |
| RESOURCES  |                            |                     |                                  |                                  |
| Federal Support  | 54,000                     | 59,391              | 5,391                            | 110.0%                           |
| Interest   | 1,000                      | 108                 | (892)                            | 10.8%                            |
| Sales and Services   | 798,088                    | 749,812             | (48,276)                         | 94.0%                            |
| Other Income   | 11,916                     |                     | (11,916)                         | 0.0%                             |
| <b>TOTAL REVENUES</b>                                      | <b>\$ 9,977,687</b>        | <b>\$ 9,921,994</b> | <b>\$ (55,693)</b>               | <b>99.4%</b>                     |
| <b>EXPENDITURES</b>  |                            |                     |                                  |                                  |
| Salaries   | \$ 8,207,314               | \$ 7,832,926        | \$ (374,388)                     | 95.4%                            |
| Prof. /Scientific Supplies                                 | 1,162,489                  | 1,333,433           | 170,944                          | 114.7%                           |
| Library Acquisitions                                       | 8,226                      | 81                  | (8,145)                          | 1.0%                             |
| Utilities  | 315,520                    | 393,688             | 78,168                           | 124.8%                           |
| Building Repairs   | 181,442                    | 319,402             | 137,960                          | 176.0%                           |
| Auditor of State   | 35,000                     | 37,800              | 2,800                            | 108.0%                           |
| Equipment  | 67,696                     | 4,664               | (63,032)                         | 6.9%                             |
| <b>TOTAL EXPENDITURES</b>                                  | <b>\$ 9,977,687</b>        | <b>\$ 9,921,994</b> | <b>\$ (55,693)</b>               | <b>99.4%</b>                     |

Sales and service revenue was under budget due from fewer rentals of the LIED Multipurpose Complex and apartments, and cafeteria sales. Budgeted other income consisted of Principal Demutualization interest held by ISU that was not drawn down in FY 2014.

Salary and related benefit costs comprise 79% of all expenses and were 4.6% under budget due to unfilled positions and the mid-fiscal year conversion to ISU's health and dental insurance plans.

Professional/Scientific supplies and services exceeded the budget largely from the investment in the local area network infrastructure and web redesign.

Utility costs exceeded the budget from the long winter season and higher natural gas prices.

Building repairs were higher than budgeted from renovations to classrooms, an apartment, and the superintendent's residence.

The School leased three minivans through ISU versus purchasing them which resulted in lower equipment costs.

The following provides a five-year history of general operating revenues and expenditures. State appropriations are the primary funding source for ISD operations and are 92% of all operating revenues. Beginning in FY 2014, ISD implemented an accounting change recommended by the State Auditor's Office to include School District payments to ISD for Teacher Aides as sales and services revenue rather than as salary expense reimbursements. This change resulted in an increase in sales/service revenue and salary expenses when compared to prior years.

| <b>Iowa School for the Deaf - General Fund<br/>FY 2010 - FY 2014</b> |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | <b>FY 2010</b>      | <b>FY 2011</b>      | <b>FY 2012</b>      | <b>FY 2013</b>      | <b>FY 2014</b>      |
| <b>REVENUES</b>  |                     |                     |                     |                     |                     |
| <b>APPROPRIATIONS</b>  |                     |                     |                     |                     |                     |
| General  | \$ 9,263,866        | \$ 9,075,944        | \$ 8,679,964        | \$ 8,853,563        | \$ 9,030,634        |
| Other  | 75,680              | 77,321              | 77,175              | 82,049              | 82,049              |
| ARRA-State Stabilization   | 583,987             |                     |                     |                     |                     |
| <b>RESOURCES</b>   |                     |                     |                     |                     |                     |
| Federal Support  | 53,117              | 57,711              | 58,834              | 58,793              | 59,391              |
| Interest   | 3,724               | 783                 | 156                 | 1,227               | 108                 |
| Sales and Services   | 416,178             | 351,265             | 325,238             | 287,100             | 749,812             |
| Other Income   | 11,916              | 11,916              | 11,916              | 11,916              | -                   |
| <b>TOTAL REVENUES</b>  | <b>\$10,408,468</b> | <b>\$ 9,574,940</b> | <b>\$ 9,153,283</b> | <b>\$ 9,294,648</b> | <b>\$ 9,921,994</b> |
| <b>EXPENDITURES</b>  |                     |                     |                     |                     |                     |
| Salaries   | \$ 7,703,991        | \$ 7,729,012        | \$ 7,585,092        | \$ 7,588,624        | \$ 7,832,926        |
| Prof. /Scientific Supplies   | 1,094,153           | 1,103,118           | 1,025,404           | 1,142,967           | 1,333,433           |
| Library Acquisitions   | 8,430               | 9,029               | 5,912               | 108                 | 81                  |
| Utilities  | 299,351             | 275,586             | 245,027             | 284,191             | 393,688             |
| Building Repairs   | 1,161,360           | 303,526             | 254,074             | 193,784             | 319,402             |
| Auditor of State   | 29,791              | 28,669              | 28,667              | 20,646              | 37,800              |
| Equipment  | 111,392             | 126,000             | 9,107               | 64,328              | 4,664               |
| <b>TOTAL EXPENDITURES</b>  | <b>\$10,408,468</b> | <b>\$ 9,574,940</b> | <b>\$ 9,153,283</b> | <b>\$ 9,294,648</b> | <b>\$ 9,921,994</b> |

**Iowa Braille and Sight Saving School**

The following compares the FY 2014 general operating fund approved budget with actual revenue and expenditure transactions. Total revenues and expenditures were 0.9% less than the budget.

| <b>Iowa Braille and Sight Saving School - General Fund<br/>FY 2014</b> |                            |                     |                                  |                                  |
|--|----------------------------|---------------------|----------------------------------|----------------------------------|
|  | <b>Approved<br/>Budget</b> | <b>Actual</b>       | <b>Variance<br/>Over/(Under)</b> | <b>Actual as %<br/>of Budget</b> |
| <b>REVENUES</b>  |                            |                     |                                  |                                  |
| APPROPRIATIONS   |                            |                     |                                  |                                  |
| General  | \$ 3,765,136               | \$ 3,765,136        | \$ -                             | 100.0%                           |
| RESOURCES  |                            |                     |                                  |                                  |
| Federal Support  | 413,854                    | 390,553             | (23,301)                         | 94.4%                            |
| Reimbursed Indirect Costs  | 41,270                     | 39,832              | (1,438)                          | 96.5%                            |
| Sales and Services   | 4,130,010                  | 4,077,561           | (52,449)                         | 98.7%                            |
| <b>TOTAL REVENUES</b>  | <b>\$ 8,350,270</b>        | <b>\$ 8,273,082</b> | <b>(77,188)</b>                  | <b>99.1%</b>                     |
| <b>EXPENDITURES</b>  |                            |                     |                                  |                                  |
| Salaries   | \$ 6,874,330               | \$ 6,844,009        | \$ (30,321)                      | 99.6%                            |
| Prof. /Scientific Supplies   | 934,990                    | 1,045,753           | 110,763                          | 111.8%                           |
| Library Acquisitions   | 2,000                      | 6,961               | 4,961                            | 348.1%                           |
| Utilities  | 330,000                    | 290,669             | (39,331)                         | 88.1%                            |
| Building Repairs   | 77,850                     | 41,640              | (36,210)                         | 53.5%                            |
| Auditor of State   | 31,100                     | 22,589              | (8,511)                          | 72.6%                            |
| Equipment  | 100,000                    | 21,461              | (78,539)                         | 21.5%                            |
| <b>TOTAL EXPENDITURES</b>  | <b>\$ 8,350,270</b>        | <b>\$ 8,273,082</b> | <b>(77,188)</b>                  | <b>99.1%</b>                     |

While total general fund revenues and expenditures were generally consistent with the budget, line item variance explanations are provided below.

Revenue Variances

- Federal support was less than budget due to a reduced allocation of the State Vision Grant.
- Sales and service revenue is slightly less than the budget from smaller than projected reimbursements from the Area Education Agencies and Local Education Agencies.

Expense Variances

- Salary costs comprise 83% of total operational costs and were 0.4% less than the budget.
- The School utilized an outside presenter to conduct professional development courses for faculty members. These courses, in addition to costs associated with the new superintendent search, contributed to professional and scientific supplies/services being over budget.
- Utility, building repair, and equipment costs were all under budget during FY 2014. A portion of these funds were redirected to support the additional professional and scientific supplies/service costs.

The following provides a consolidated five-year history of actual general operating revenues and expenditures. State operating funding has significantly declined since FY 2010 and sales/service revenue has increased from additional AEA contract revenue for Teachers of the Visually Impaired and Orientation and Mobility Specialists.

| <b>Iowa Braille and Sight Saving School - General Fund<br/>FY 2010 - FY 2014</b> |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | <b>FY 2010</b>      | <b>FY 2011</b>      | <b>FY 2012</b>      | <b>FY 2013</b>      | <b>FY 2014</b>      |
| <b>REVENUES</b>  |                     |                     |                     |                     |                     |
| <b>APPROPRIATIONS</b>  |                     |                     |                     |                     |                     |
| General  | \$ 5,055,153        | \$ 5,146,693        | \$ 3,618,931        | \$ 3,691,310        | \$ 3,765,136        |
| Other  | 9,460               | 207,819             | 4,874               |                     |                     |
| ARRA-State Stabilization   | 330,215             |                     |                     |                     |                     |
| <b>RESOURCES</b>   |                     |                     |                     |                     |                     |
| Federal Support  | 446,507             | 469,145             | 407,003             | 296,984             | 390,553             |
| Interest   | 794                 | 213                 |                     |                     |                     |
| Reimbursed Indirect Costs  | 47,514              | 41,268              | 41,268              | 41,268              | 39,832              |
| Sales and Services   | 3,354,934           | 3,689,724           | 3,663,787           | 4,038,860           | 4,077,561           |
| Other  | 5,731               | 4,925               |                     |                     |                     |
| <b>TOTAL REVENUES</b>  | <b>\$ 9,250,308</b> | <b>\$ 9,559,787</b> | <b>\$ 7,735,863</b> | <b>\$ 8,068,422</b> | <b>\$ 8,273,082</b> |
| <b>EXPENDITURES</b>  |                     |                     |                     |                     |                     |
| Salaries   | \$ 6,984,536        | \$ 7,466,360        | \$ 6,304,692        | \$ 6,465,511        | \$ 6,844,009        |
| Prof. /Scientific Supplies   | 1,202,500           | 1,216,272           | 999,854             | 1,029,389           | 1,045,753           |
| Library Acquisitions   | 2,156               | 3,393               | 1,128               | 2,353               | 6,961               |
| Utilities  | 225,532             | 239,401             | 224,866             | 246,990             | 290,669             |
| Building Repairs   | 669,992             | 597,350             | 93,709              | 147,811             | 41,640              |
| Auditor of State   | 24,608              | 22,428              | 40,395              | 28,632              | 22,589              |
| Equipment  | 140,984             | 14,583              | 71,219              | 147,736             | 21,461              |
| <b>TOTAL EXPENDITURES</b>  | <b>\$ 9,250,308</b> | <b>\$ 9,559,787</b> | <b>\$ 7,735,863</b> | <b>\$ 8,068,422</b> | <b>\$ 8,273,082</b> |