

COMPREHENSIVE FISCAL REPORT FOR FY 2023

Action Requested:

Receive the FY 2023 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.

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, and other auxiliary or independent functions such as parking and utility systems.

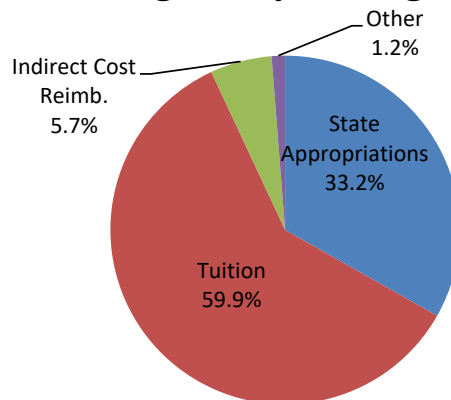
Total FY 2023 actual revenues for the Regent universities totaled \$7.31 billion.

	General <u>Operating</u>	UIHC <u>Operating</u>	<u>Restricted</u>	<u>Total</u>
FY 2023 Actual Revenues	\$1.72 billion	\$2.27 billion	\$3.32 billion	\$7.31 billion

General Operating Funds

FY 2023 operating revenues (including all special purpose units except UIHC) at Iowa’s public universities totaled \$1.72 billion, consisting primarily of tuition revenue (59.9%) and state appropriations (33.2%).

FY 2023 Regent Operating Revenues



The general operating funds for each Regent university are provided below.

FY 2023 General Operating Funds by Institution (\$ in millions)

	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>	<u>TOTAL</u>
Appropriations	233.7	231.5	107.5	572.7
Tuition	497.0	470.9	64.9	1,032.8
Other	71.4	44.5	3.7	119.6
Total	802.1	746.9	176.1	1,725.1

The following table compares the total FY 2023 operating budgets (excluding UIHC) as approved by the Board in July 2022 to actual revenues and expenditures. Budget-to-actual comparisons for each of Iowa’s public universities and are contained in the attachments. Note: The comparison for the UIHC units is provided in Attachment A beginning on page 6.

General Operating Fund - All Institutions				
FY 2023 (excludes UIHC units)				
	Board Approved Budget	Actual	Variance Over/(Under)	% of Budget
REVENUES				
APPROPRIATIONS				
General	\$ 572,734,763	\$ 572,734,763	\$ -	100.0%
RESOURCES				
Federal Support	15,903,728	16,585,281	681,553	104.3%
Interest	3,200,400	2,123,532	(1,076,868)	66.4%
Tuition	1,028,144,116	1,032,848,880	4,704,764	100.5%
Reimbursed Indirect Costs	89,196,962	98,455,386	9,258,424	110.4%
Sales and Services	2,115,281	1,907,650	(207,631)	90.2%
Other Income	606,000	526,793	(79,207)	86.9%
TOTAL REVENUES	\$ 1,711,901,250	\$ 1,725,182,285	\$ 13,281,035	100.8%
EXPENDITURES				
Salaries	\$ 1,128,395,552	\$ 1,151,810,619	\$ 23,415,067	102.1%
Prof. /Scientific Supplies	149,365,166	146,875,566	(2,489,600)	98.3%
Library Acquisitions	31,143,756	30,475,567	(668,189)	97.9%
Rentals	11,873,406	14,475,208	2,601,802	121.9%
Utilities	88,352,329	85,080,872	(3,271,457)	96.3%
Building Repairs	44,166,631	56,282,822	12,116,191	127.4%
Auditor of State	1,968,100	2,243,357	275,257	114.0%
Equipment	6,265,956	14,633,437	8,367,481	233.5%
Aid to Individuals	250,370,354	260,025,097	9,654,743	103.9%
TOTAL EXPENDITURES	\$ 1,711,901,250	\$ 1,761,902,545	\$ 50,001,295	102.9%

General operating fund revenues totaled \$1.7 billion and were 0.8% over budget. Higher indirect cost reimbursements from sponsored research activity and the additional tuition revenue over a conservative budget comprised the majority of the budget-to-actual variance.

Reflective of the service nature of Iowa's public universities, salary and fringe-related expenses comprised 65% of the total operating expenses and exceeded the budget. Equipment purchases, student aid, and increased building repair activity also contributed to higher than projected operating costs.

The following table provides a five-year revenue and expense history of all operating units (excluding UIHC) for Iowa's public universities. Enrollment during the period was 77,860 in Fall 2018 and 68,933 in Fall 2022 (excludes post-doctoral students). Note: The special schools are excluded beginning in FY 2023.

General Operating Fund - All Institutions FY 2019 - FY 2023 (excludes UIHC Units)					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023*
REVENUES					
APPROPRIATIONS					
General	\$ 570,638,208	\$ 585,915,646	\$ 578,399,366	\$ 581,698,445	\$ 572,734,763
Other	-	-	1,200	-	-
RESOURCES					
Federal Support	15,461,548	15,439,407	16,572,652	14,845,517	16,585,281
Interest	4,783,842	4,457,186	3,181,491	2,404,634	2,123,532
Tuition	1,022,028,666	1,019,656,044	995,349,092	999,003,420	1,032,848,880
Reimbursed Indirect Costs	75,045,856	74,130,163	79,216,423	90,829,258	98,455,386
Sales and Services	6,753,091	6,656,944	6,392,165	6,972,853	1,907,650
Other Income	3,256,221	4,676,089	3,925,591	3,000,994	526,793
TOTAL REVENUES	\$ 1,697,967,432	\$ 1,710,931,479	\$ 1,683,037,980	\$ 1,698,755,121	\$ 1,725,182,285
EXPENDITURES					
Salaries	\$ 1,124,353,586	\$ 1,144,862,920	\$ 1,112,417,444	\$ 1,125,823,219	\$ 1,151,810,619
Prof. /Scientific Supplies	144,371,196	147,422,548	109,442,161	130,633,839	146,875,566
Library Acquisitions	31,067,670	32,530,385	31,833,681	31,575,434	30,475,567
Rentals	9,767,233	9,845,670	9,090,277	12,061,837	14,475,208
Utilities	73,249,993	62,679,275	79,023,094	83,037,139	85,080,872
Building Repairs	43,837,918	41,151,760	50,527,850	55,398,519	56,282,822
Auditor of State	1,447,443	1,761,495	1,550,263	2,024,990	2,243,357
Equipment	7,011,377	9,090,256	10,661,106	9,376,249	14,633,437
Aid to Individuals	243,032,815	239,798,576	240,158,225	250,244,776	260,025,097
TOTAL EXPENDITURES	\$ 1,678,139,231	\$ 1,689,142,885	\$ 1,644,704,101	\$ 1,700,176,002	\$ 1,761,902,545

*Excludes the special schools beginning in FY 2023

Restricted Funds

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 of funds from current and prior fiscal year appropriations, 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 impacted 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 composite budget to actual comparison details for the restricted funds are not provided in this report.

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.

University of Iowa - General Fund				
FY 2023 (excludes UIHC units)				
	Board Approved Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	\$ 233,733,168	\$ 233,733,168	\$ -	100.0%
RESOURCES				
Interest	1,493,500	273,273	(1,220,227)	18.3%
Tuition	484,762,077	497,027,055	12,264,978	102.5%
Reimbursed Indirect Costs	64,996,313	69,627,016	4,630,703	107.1%
Sales and Services	1,680,888	1,444,373	(236,515)	85.9%
Other Income	6,000	5,217	(783)	87.0%
TOTAL REVENUES	\$ 786,671,946	\$ 802,110,102	\$ 15,438,156	102.0%
EXPENDITURES				
Salaries	\$ 515,970,792	\$ 522,019,887	\$ 6,049,095	101.2%
Prof. /Scientific Supplies	58,616,066	53,085,549	(5,530,517)	90.6%
Library Acquisitions	18,333,747	17,502,943	(830,804)	95.5%
Rentals	6,500,985	7,441,920	940,935	114.5%
Utilities	46,803,498	46,986,972	183,474	100.4%
Building Repairs	25,522,733	35,980,047	10,457,314	141.0%
Auditor of State	765,000	848,246	83,246	110.9%
Equipment	4,675,836	4,937,553	261,717	105.6%
Aid to Individuals	109,483,289	113,730,590	4,247,301	103.9%
TOTAL EXPENDITURES	\$ 786,671,946	\$ 802,533,707	\$ 15,861,761	102.0%

Total operating revenues exceeded the budget by 2% in FY 2023. Higher than projected enrollments and higher percentage of non-resident students resulted in additional tuition revenue. Tuition revenue generated from resident students comprised 43% of the total with 57% coming from nonresidents. The university suspended internal interest distributions for most of FY 2023 due to the continued lower returns on university investments. As a result, interest revenue was lower than budget. Indirect cost reimbursements from federal grants exceeded the budget from higher than expected research activity.

Total operating expenses also slightly exceeded the budget by 2% in FY 2023. Salary and benefit costs comprised 65% of all general operating fund expenditures and were slightly over budget. Similar to other industries, higher education has been challenged with recruiting and retaining talent making it difficult to estimate these costs. The expense overage is largely attributable to unanticipated increases in building repairs. Student financial aid expenditures of \$113 million represent 22.8% of tuition revenues and exceeded the budget by 4%.

The following provides a consolidated five-year history of actual revenues and expenditures from the general university and special purpose units (not including the four hospital units). Enrollment during the period was 31,656 students in Fall 2018 and 30,015 in Fall 2022 (excludes post-doctoral students).

University of Iowa - General Operating Fund					
FY 2019 - FY 2023					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
University Approp. Units					
REVENUES					
General Appropriations	\$ 228,473,540	\$ 233,404,118	\$ 230,190,025	\$ 230,793,424	\$ 233,733,168
RESOURCES					
Interest	1,537,484	1,561,801	1,902,706	1,704,249	273,273
Tuition	476,170,538	476,682,720	468,463,588	472,335,816	497,027,055
Reimbursed Indirect Costs	49,185,835	51,889,972	54,990,549	63,714,868	69,627,016
Sales and Services	2,045,403	1,970,870	1,527,356	1,571,573	1,444,373
Other Income	15,287	4,548	519	6,286	5,217
TOTAL REVENUES	\$ 757,428,087	\$ 765,514,029	\$ 757,074,743	\$ 770,126,216	\$ 802,110,102
EXPENDITURES					
Salaries	\$ 502,823,619	\$ 517,893,882	\$ 505,278,982	\$ 505,831,072	\$ 522,019,887
Prof. /Scientific Supplies	46,439,091	49,723,214	52,013,432	55,581,732	53,085,549
Library Acquisitions	18,473,757	18,638,016	18,195,486	18,023,482	17,502,943
Rentals	6,699,267	6,245,140	5,807,510	6,020,868	7,441,920
Utilities	35,993,809	34,687,161	42,213,622	47,023,176	46,986,972
Building Repairs	34,663,673	29,807,438	24,835,064	24,288,006	35,980,047
Auditor of State	685,128	660,044	626,229	741,200	848,246
Equipment	2,418,226	3,883,693	3,671,324	3,958,185	4,937,553
Aid to Individuals	103,398,566	103,800,085	103,984,999	108,256,884	113,730,590
TOTAL EXPENDITURES	\$ 751,595,136	\$ 765,338,673	\$ 756,626,648	\$ 769,724,605	\$ 802,533,707

The table below contains the FY 2023 budget-to-actual consolidated comparison for UIHC, Psychiatric Hospital, Specialized Child Health Services and the Center for Disabilities and Development.

University of Iowa - Health Care Operating Units FY 2023				
	Board Approved Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
Appropriations	\$ 634,502	\$ 634,502	\$ -	100.0%
Interest	14,175,938	48,525,939	34,350,001	342.3%
Reimbursed Indirect Costs	5,239,482	4,717,180	(522,302)	90.0%
Sales and Services	2,157,671,177	2,207,940,582	50,269,405	102.3%
Other Income	1,079,511	8,291,454	7,211,943	768.1%
TOTAL REVENUES	\$ 2,178,800,610	\$ 2,270,109,657	\$ 91,309,047	104.2%
EXPENDITURES				
Salaries	\$ 1,122,605,550	\$ 1,045,381,054	\$ (77,224,496)	93.1%
Prof. /Scientific Supplies	1,000,110,641	1,165,191,615	165,080,974	116.5%
Rentals	7,010,756	7,564,351	553,595	107.9%
Utilities	40,766,239	38,484,931	(2,281,308)	94.4%
Building Repairs	7,707,424	6,682,010	(1,025,414)	86.7%
Equipment	-	(51,511)	(51,511)	
Aid to Individuals	600,000	465,106	(134,894)	77.5%
TOTAL EXPENDITURES	\$ 2,178,800,610	\$ 2,263,717,556	\$ 84,916,946	103.9%

Revenues

Strong year over year growth in sales and service revenue was reflective of expanding volumes across UIHC. Throughout FY 2023, UIHC continued its focus on expanding access to ambulatory care, increasing operating room utilization rates, improving actual versus expected length of stay, and maintaining excellent quality and safe care for patients. Volumes for surgical cases and outpatient clinic visits exceeded the prior year by about 4%. The UIHC team worked extremely hard to get all operating rooms open by fourth quarter of FY 2023 when they had been closed for part of FY 2022 due to staffing constraints. Acute inpatient discharges also exceeded FY 2022 by 1.6% but were slightly below budget.

Contractual revenue related to UIHC's air care services drove the variance in other income. Air Care revenues were budgeted with other patient service revenue in sales and service. Due to the outside contract, actuals will continue to post separate from UIHC billed patient care service.

Expenses

During FY 2023, like healthcare organizations and industries across the country, UIHC continued to experience challenges due to staffing shortages. To ensure UIHC had appropriate staffing levels to continue to provide high-quality, safe patient care, UIHC invested in labor by utilizing additional agency staff where needed, providing continued higher premium pay to staff for working additional shifts, and incentivizing staff to seek permanent employment with UIHC through sign-on incentives. Costs associated with full-time employee retention and recruitment are reflected within the salary and wage expense. The agency contract expense is reflected within the professional and scientific supply non-staffing expense. All new position requests, as well as requests to re-fill vacant positions, continue to be reviewed by a multi-level team dedicated to reviewing the clinical need, classification and financial viability of the position. Staffing mix also continued to be reviewed to assure staff are functioning at the top of their licenses.

Professional/Scientific supplies and services expenses exceeded the budget largely due to the expansion of the specialty pharmacy drug program continued into FY 2023 and the additional agency contract expenses as noted above. The specialty pharmacy drug program captures high cost, low volume specialty drugs. Due to its success, pharmacy continues to expand specialty pharmacy services to more service lines, allowing more patients access to the service. Drug costs associated with these specialty services, along with patient care medical supplies such as implants for cardiac, orthopedic and neurosurgical procedures, surgical instruments, and other patient care supplies, contributed to the variance. These expenses typically flex up with volumes and are expected to exceed budgets consistent with the favorable sales and service revenue variance.

The following provides a consolidated five-year history of actual revenues and expenditures from the four hospital units.

University of Iowa - Health Care Operating Units					
FY 2019 - FY 2023					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
REVENUES					
Appropriations	\$643,641	\$643,641	\$634,502	\$634,502	\$634,502
RESOURCES					
Interest	11,120,283	9,370,097	7,963,837	12,303,053	48,525,939
Reimbursed Indirect Costs	6,679,534	5,176,790	5,856,235	6,339,796	4,717,180
Sales and Services	1,654,127,355	1,722,979,415	1,886,342,235	1,987,401,448	2,207,940,582
Other Income	635,981	430,330	108,455	6,773,692	8,291,454
TOTAL REVENUES	\$ 1,673,206,794	\$ 1,738,600,273	\$ 1,900,905,264	\$ 2,013,452,491	\$ 2,270,109,657
EXPENDITURES					
Salaries	\$875,829,155	\$930,344,194	\$971,359,672	\$1,001,616,125	\$1,045,381,054
Prof. /Scientific Supplies	734,764,518	743,866,830	863,840,859	949,157,044	1,165,191,615
Rentals	20,468,113	16,766,313	19,878,461	12,440,783	7,564,351
Utilities	35,575,245	35,841,447	38,334,876	39,888,532	38,484,931
Building Repairs	2,388,616	4,119,090	5,269,764	4,616,435	6,682,010
Equipment	-	-	892	79,678	(51,511)
Aid to Individuals	684,368	806,950	781,565	18,651	465,106
TOTAL EXPENDITURES	\$ 1,669,710,015	\$ 1,731,744,824	\$ 1,899,466,089	\$ 2,007,817,248	\$ 2,263,717,556

UNIVERSITY OF IOWA ATHLETICS

	<u>FY23 Budget</u>	<u>FY23 Actuals</u>	<u>Variance</u>
<u>INCOME</u>			
Men's Sports			
Football	22,772,767	23,809,307	1,036,540
Basketball	3,200,000	3,498,283	298,283
Wrestling	750,000	1,227,434	477,434
All Other	58,000	82,362	24,362
Total Men's Sports	\$ 26,780,767	\$ 28,617,386	\$ 1,836,619
Women's Sports			
Basketball	350,000	1,153,245	803,245
Volleyball	40,000	22,732	(17,268)
All Other	40,000	59,111	19,111
Total Women's Sports	\$ 430,000	\$ 1,235,088	\$ 805,088
Other Income			
Facility Debt Service/Student Fees	650,000	650,000	-
Learfield Multi Media Contract Income	7,881,824	7,746,732	(135,092)
Athletic Conference	57,075,904	59,900,987	2,825,083
Interest	650,000	393,931	(256,069)
UICA Support	16,695,000	13,952,751	(2,742,249)
Premium Seat Revenue	11,300,000	11,196,901	(103,099)
Novelties	3,600,000	5,198,054	1,598,054
General Income	3,918,706	11,489,864	7,571,158
Total Other Income	\$ 101,771,434	\$ 110,529,220	\$ 8,757,786
TOTAL INCOME	\$ 128,982,201	\$ 140,381,694	\$ 11,399,493
<u>EXPENSES</u>			
Men's Sports			
Football	36,251,293	36,201,299	(49,995)
Basketball	8,683,525	9,065,436	381,911
Wrestling	2,678,641	2,580,656	(97,984)
All Other	4,622,006	5,885,366	1,263,360
Total Men's Sports	\$ 52,235,465	\$ 53,732,757	\$ 1,497,292
Women's Sports			
Basketball	5,906,561	6,188,873	282,312
Volleyball	2,321,279	2,509,382	188,103
All Other	15,610,788	16,579,721	968,933
Total Women's Sports	\$ 23,838,628	\$ 25,277,976	\$ 1,439,348
Other Expenses			
Training Services	3,365,856	3,194,657	(171,199)
Sports Information	724,992	750,587	25,595
Admin. & General Expenses	18,237,657	24,998,973	6,761,316
Facility Debt Service	17,616,793	17,616,793	-
FY2021 Operating Loan Payment	-	1,500,000	1,500,000
Academic & Counseling	2,068,855	1,844,343	(224,512)
Buildings & Grounds	10,893,955	11,465,608	571,653
Total Other Expenses	\$ 52,908,108	\$ 61,370,961	\$ 8,462,853
TOTAL OPERATING EXPENSE	\$ 128,982,201	\$ 140,381,694	\$ 11,399,493

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

Football, wrestling, men's and women's basketball ticket sales all exceeded the budget resulting in higher sports income. Big Ten Conference distributions were higher from increased television and bowl revenues. Foundation support (UICA) was less than the budget from reduced donor activity. Royalties on merchandise sales exceeded budget due to retail sales increases and team success. General income exceeded the budget from higher concession sales and a reserve fund transfer for legal settlements.

Higher travel costs from inflation resulted in most team expenses exceeding the budget. Administrative and general expenses were also higher from legal settlements and post-season travel. Athletics paid the University \$1.5 million in principal and interest toward the pandemic-related operating loan from FY 2021.

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.

University of Iowa Athletics					
FY 2019-FY 2023					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues					
Sports Income	\$ 27,842,394	\$ 26,269,272	\$ 44,977	\$ 26,212,885	\$ 29,852,474
Alumni / Foundation / Corp Support / Sponsorship	23,498,401	26,709,720	8,064,224	23,130,865	25,149,652
Athletic Conference / NCAA Support	54,827,039	52,356,187	42,573,510	57,743,622	59,900,987
Student Fees	650,000	650,000	650,000	650,000	650,000
Other Income	15,492,223	14,129,268	9,347,397	19,100,537	24,828,581
Total Income	\$ 122,310,057	\$ 120,114,447	\$ 60,680,108	\$ 126,837,909	\$ 140,381,694
Expenses					
Men's Sports	\$ 43,975,401	\$ 46,494,319	\$ 39,814,008	\$ 51,224,460	\$ 53,732,757
Women's Sports	19,273,680	18,641,653	16,724,111	21,097,007	25,277,976
Other Expenses	59,060,976	54,978,475	47,069,389	54,516,442	61,370,961
Total Expenses	\$ 122,310,057	\$ 120,114,447	\$ 103,607,508	\$ 126,837,909	\$ 140,381,694

University of Iowa Residence System - FY 2023			
	Budget	Actual	Variance Over/(Under)
Revenues	\$84,325,349	\$84,105,776	(\$219,573)
Expenditures	56,868,820	57,743,721	\$874,901
Debt Service	12,542,713	12,542,713	\$0
Mandatory Transfers	600,000	600,000	\$0
Net Revenues	14,313,816	13,219,342	(\$1,094,474)
Net Revenues as % of Gross Revenue	17.0%	15.7%	

The SUI residence system's total operating revenues were slightly less than budget largely from non-contract dining and catering revenues remaining below pre-pandemic levels. Room and board contract revenues were very close to budget and interest income exceeded the budget.

Actual FY 2023 operating expenses were 1.5% higher than the budget. Employee costs were under budget due to vacancies in custodial, maintenance and dining and the department continues to struggle to fill vacancies in these areas. Like most employers, the department has been operating short-staffed and continues to try to fill vacancies. Employee salary savings were offset from an increase in needed contracted custodial and dining services hires and other significant inflationary increases. Utility costs, repairs/maintenance expenses and costs of goods sold for dining operations also exceeded the budget.

Below is a five-year history of the residence system financials.

University of Iowa - Residence System FY 2019 - FY 2023					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$ 77,582,883	\$ 77,475,069	\$ 63,568,229	\$ 76,784,579	\$ 84,105,776
Expenditures for Operations	55,995,506	52,241,552	46,640,426	51,709,525	57,743,721
Debt Service and Mandatory Transfers	12,394,519	12,593,219	12,197,669	13,189,120	13,142,713
Net Revenues after Debt Service and Mandatory Transfers	\$ 9,192,858	\$ 12,640,298	\$ 4,730,134	\$ 11,885,934	\$ 13,219,342
Net Revenues as % of Gross Revenue	11.8%	16.3%	7.4%	15.5%	15.7%

Residence system occupancy increased by 701 students from FY 2022 (Fall 2021) to FY 2023 (Fall 2022) from higher lower division enrollment during the same period. Of note, occupancy for the current year (Fall 2023) has again increased to 6,415 students.

University of Iowa Residence System			
	Fall 2021	Fall 2022	Change
Total University Enrollment	29,909	30,015	106
Lower Division	9,503	10,150	647
Lower Div as % of Total	31.8%	33.8%	
Total Occupancy	5,642	6,343	701
Occupancy as a % of Enrollment	18.9%	21.1%	

The principal outstanding on dormitory revenue bonds for SUI as of June 30, 2022, was \$143.0 million (excludes July 1 principal payment). The voluntary reserve fund balance totaled \$17.4 million at fiscal year-end.

Iowa State University

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

Iowa State University - General Operating Fund FY 2023				
	Board Approved Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	\$ 231,480,793	\$ 231,480,793	\$ -	100.0%
RESOURCES				
Federal Support	15,903,728	16,585,281	681,553	104.3%
Interest	1,000,000	1,000,000	-	100.0%
Tuition	476,487,000	470,880,623	(5,606,377)	98.8%
Reimbursed Indirect Costs	22,671,000	26,455,719	3,784,719	116.7%
Other Income	600,000	521,576	(78,424)	86.9%
TOTAL REVENUES	\$ 748,142,521	\$ 746,923,992	\$ (1,218,529)	99.8%
EXPENDITURES				
Salaries	\$ 482,534,027	\$ 506,677,422	\$ 24,143,395	105.0%
Prof. /Scientific Supplies	72,499,837	73,195,543	695,706	101.0%
Library Acquisitions	10,891,760	10,788,693	(103,067)	99.1%
Rentals	4,500,000	6,154,832	1,654,832	136.8%
Utilities	33,463,308	32,843,759	(619,549)	98.1%
Building Repairs	17,143,898	13,608,116	(3,535,782)	79.4%
Auditor of State	800,000	1,097,507	297,507	137.2%
Equipment	1,065,097	8,560,377	7,495,280	803.7%
Aid to Individuals	125,244,594	130,294,398	5,049,804	104.0%
TOTAL EXPENDITURES	\$ 748,142,521	\$ 783,220,647	\$ 35,078,126	104.7%

Total operating revenues were 99.8% of the budget. Tuition revenues were 1% less than the budget as enrollment was slightly less than projected for FY 2023. Higher indirect cost reimbursements from research activity offset much of the tuition differential as the result of strong research during the period. Resident tuition revenue comprised 35% of tuition revenue with the remainder coming from nonresident students.

Total operating expenditures exceeded the budget by 4.7%. Salary and benefit costs comprised 64.6% of all general operating fund expenditures and exceeded budget by 5%. Higher medical claims since the beginning of the pandemic have negatively impacted the fringe benefit pool over the last few years. ISU made a supplemental contribution to replenish the pool during FY 2023 which contributed to salary and fringe benefit costs exceeding the budget. Also, the implementation of the mid-year salary policy also contributed to the overage. Equipment expenditures exceeded the budget from additional investment in laboratory, medical, growth chambers, agricultural, information technology, growth chambers and faculty start-up packages. These expense increases were partially offset by lower building repair costs. Student financial aid expenditures of \$130 million represent 27.6% of tuition revenues and exceeded the budget by 4%.

The following provides a consolidated five-year history of actual revenues and expenditures from the general university and all special purpose operating units. Enrollment during the period was 34,992 in Fall 2018 and 29,969 in Fall 2022 (excludes post-doctoral students).

Iowa State University - General Operating Fund					
FY 2019 - FY 2023					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
REVENUES					
APPROPRIATIONS					
General Appropriations	\$ 225,474,870	\$ 230,599,870	\$ 227,360,173	\$ 229,382,840	\$ 231,480,793
RESOURCES					
Federal Support	15,405,000	15,405,000	13,625,669	14,765,684	16,585,281
Interest	2,098,179	2,004,034	-	1,000,000	1,000,000
Tuition	466,390,864	469,466,265	457,590,640	460,633,035	470,880,623
Reimbursed Indirect Costs	24,302,078	21,053,050	22,899,075	25,522,553	26,455,719
Other Income	2,161,975	3,439,472	3,440,710	2,666,810	521,576
TOTAL REVENUES	\$ 735,832,966	\$ 741,967,691	\$ 724,916,267	\$ 733,970,922	\$ 746,923,992
EXPENDITURES					
Salaries	\$ 469,241,888	\$ 477,225,487	\$ 463,472,857	\$ 477,965,860	\$ 506,677,422
Prof. /Scientific Supplies	78,301,583	74,890,248	36,734,276	54,885,358	73,195,543
Library Acquisitions	10,514,334	11,749,477	11,300,584	11,365,118	10,788,693
Rentals	2,140,135	2,619,958	2,300,043	5,040,131	6,154,832
Utilities	29,912,607	23,481,410	29,542,370	31,594,700	32,843,759
Building Repairs	4,241,635	7,277,345	14,626,295	24,255,410	13,608,116
Auditor of State	407,371	744,517	571,684	938,566	1,097,507
Equipment	3,104,545	4,186,438	5,165,509	4,256,051	8,560,377
Aid to Individuals	123,973,618	121,431,910	120,382,269	125,492,220	130,294,398
TOTAL EXPENDITURES	\$ 721,837,716	\$ 723,606,790	\$ 684,095,887	\$ 735,793,414	\$ 783,220,647

IOWA STATE UNIVERSITY ATHLETICS

<u>INCOME</u>	<u>FY 2023 Budget</u>	<u>FY 2023 Actuals</u>	<u>Variance</u>
Sports:			
Football	\$ 14,975,000	\$ 15,960,517	\$ 985,517
Men's Basketball	4,300,000	4,494,885	194,885
Women's Basketball	400,000	611,041	211,041
Wrestling	185,000	277,223	92,223
Other Sports	325,000	321,111	(3,889)
Subtotal	\$ 20,185,000	\$ 21,664,777	\$ 1,479,777
Other Income			
Big Twelve Conference/NCAA	40,572,000	\$ 40,622,080	\$ 50,080
Post-Season Revenue	300,000	498,550	198,550
Foundation Support	30,052,750	27,882,652	(2,170,098)
Multi-Media Rights	5,384,000	5,389,014	5,014
Student Fees	1,800,000	1,789,278	(10,722)
Game Guarantees		20,000	20,000
Auxiliary Revenue	1,750,000	2,813,710	1,063,710
Other Revenue	6,115,000	9,443,854	3,328,854
Subtotal	\$ 85,973,750	\$ 88,459,138	\$ 2,485,388
TOTAL INCOME	\$ 106,158,750	\$ 110,123,915	\$ 3,965,165
EXPENSES			
Sports Operations			
Football	\$ 4,242,500	\$ 4,609,366	\$ 366,866
Men's Basketball	2,226,500	2,196,319	(30,181)
Women's Basketball	1,218,000	1,389,874	171,874
Wrestling	369,500	447,386	77,886
Other Sports	3,722,000	3,846,873	124,873
Subtotal	\$ 11,778,500	\$ 12,489,818	\$ 711,318
Sports Program Support Units:			
Medical	\$ 945,000	\$ 521,071	\$ (423,929)
Video Operations	275,000	311,817	36,817
Sports Medicine	445,000	513,278	68,278
Sports Nutrition	3,385,000	3,626,812	241,812
Academic Services	285,000	197,730	(87,270)
Other	605,000	699,811	94,811
Subtotal	\$ 5,940,000	\$ 5,870,519	\$ (69,481)
Internal Operations:			
Administrative	\$ 2,200,000	\$ 2,329,401	\$ 129,401
Information Technology Operations	772,500	817,786	\$ 45,286
Other	300,000	147,275	(152,725)
Subtotal	\$ 3,272,500	\$ 3,294,462	\$ 21,962
Salaries & Benefits	\$ 38,870,153	\$ 37,640,049	\$ (1,230,104)
Scholarships	9,070,820	8,599,020	(471,800)
External Operations	3,054,000	2,953,200	(100,800)
Facilities & Events	13,040,000	14,505,251	1,465,251
Postseason	1,000,000	2,174,967	1,174,967
Debt Service	8,835,744	8,835,745	1
Capital Projects	11,243,000	13,700,312	2,457,312
TOTAL EXPENSES	\$ 106,104,717	\$ 110,063,343	\$ 3,958,626

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

Ticket sales for sporting events exceeded the conservative budgets resulting in higher sports income. Rental and event services revenue was conservatively budgeted resulting in other revenues exceeding the budget. Foundation Cyclone Club transfers were reduced because of the increase in other revenue. Auxiliary revenue was over budget from an increase in football parking permit prices.

Many operational and support unit expense categories were under budget for FY 2023. Scholarship costs were also less than budget largely from the in-state vs. out-of-state mix of athletes. Sports operation costs were higher than budgeted primarily due to inflation's impact on travel costs. Capital renewal expenditures increased as athletics continues to invest in facility upgrades and deferred maintenance projects as funds allow. The net surplus from operations resulted in greater than budgeted reinvestment in capital renewal.

The following provides a five-year summary of ISU athletics' revenues and expenditures. Athletics is fully self-supporting and receives no general university support.

Iowa State University Athletics					
FY 2019 - FY 2023					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues					
Sports Income	\$ 16,474,939	\$ 18,597,847	\$ 2,631,429	\$ 22,909,029	\$ 21,664,777
Alumni / Foundation / Corp Support / Sponsorship	22,117,329	19,917,249	23,447,656	28,059,964	33,271,666
Athletic Conference / NCAA Support	43,573,939	38,743,697	35,279,347	43,171,532	41,120,630
Student Fees	2,054,314	1,865,821	1,787,627	1,847,367	1,789,278
Other Income	5,983,539	5,920,066	3,923,380	10,337,369	12,277,564
Total Revenues	\$ 90,204,060	\$ 85,044,680	\$ 67,069,439	\$ 106,325,261	\$ 110,123,915
Expenses					
Sports Operations	\$ 12,782,404	\$ 13,383,675	\$ 5,870,187	\$ 10,589,913	\$ 12,489,818
Non-Sport Operations	20,401,416	15,640,637	15,010,723	23,554,018	26,623,432
Scholarships	7,826,336	7,840,207	8,005,199	8,186,594	8,599,020
Other Expenses	49,097,396	48,139,494	55,145,949	63,934,702	62,351,073
Total Expenses	\$ 90,107,552	\$ 85,004,013	\$ 84,032,058	\$ 106,265,227	\$ 110,063,343

Iowa State University Residence System - FY 2023				
	Budget	Actual	Variance Over/(Under)	Percent
Revenues	\$93,958,590	\$92,325,841	(1,632,749)	98.3%
Expenditures	70,153,114	62,874,406	(7,278,708)	89.6%
Debt Service	15,217,043	15,217,043	-	100.0%
Net Revenues	8,588,433	14,234,392	5,645,959	165.7%
Net Revenues as % of Gross Revenue	9.1%	15.4%		

The ISU residence system's total operating revenues were 1.7% less than the budget. A decline in contract revenue from a slightly less than projected occupancy was partially offset by favorable investment returns and increases in other revenues.

Service jobs such as cooks and custodians and student positions have been difficult to fill resulting personnel costs being under budget. Recruitment and incentive programs were implemented at the end of FY 2023 to address the challenges to fill these positions. Other expenses were also under budget for FY 2023 due to available federal funds being applied to certain expenses.

Below is a five-year history of the residence system financials.

Iowa State University - Residence System FY 2019 - FY 2023					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$ 104,224,805	\$ 96,571,971	\$ 78,351,996	\$ 86,570,408	\$ 92,325,841
Expenditures for Operations	70,538,152	65,444,805	59,219,883	58,418,464	62,874,406
Debt Service and Mandatory Transfers	16,128,898	15,015,403	12,765,351	12,765,351	15,217,043
Net Revenues after Debt Service and Mandatory Transfers	\$ 17,557,755	\$ 16,111,763	\$ 6,366,762	\$ 15,386,593	\$ 14,234,392
Net Revenues as % of Gross Revenue	16.8%	16.7%	8.1%	17.8%	15.4%

Residence system occupancy increased by 447 students from FY 2022 (Fall 2021) to FY 2023 (Fall 2022) despite lower enrollments during the same period. Of note, occupancy for the current year (Fall 2023) has increased to 10,030 students.

Iowa State University Residence System			
	Fall 2021	Fall 2022	Change
Total University Enrollment	30,708	29,969	-739
Lower Division	10,778	10,340	-438
Lower Div as % of Total	35.1%	34.5%	
Total Occupancy	8,948	9,395	447
Occupancy as a % of Enrollment	29.1%	31.3%	

The principal outstanding on dormitory revenue bonds for ISU as of June 30, 2023, was \$92.2 million (excludes July 1 principal payment). The voluntary reserve fund balance totaled \$38.9 million at fiscal year-end.

University of Northern Iowa

The following compares the FY 2023 operating fund budget (general university and special purpose units) with the actual revenue and expenditure transactions for all appropriated units.

University of Northern Iowa - General Operating Fund				
FY 2023				
	Board Approved Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	\$ 107,520,802	\$ 107,520,802	\$ -	100.0%
RESOURCES				
Interest	706,900	850,259	143,359	120.3%
Tuition	66,895,039	64,941,202	(1,953,837)	97.1%
Reimbursed Indirect Costs	1,529,649	2,372,651	843,002	155.1%
Sales and Services	434,393	463,277	28,884	106.6%
TOTAL REVENUES	\$ 177,086,783	\$ 176,148,191	\$ (938,592)	99.5%
EXPENDITURES				
Salaries	\$ 129,890,733	\$ 123,113,310	\$ (6,777,423)	94.8%
Prof. /Scientific Supplies	18,249,263	20,594,474	2,345,211	112.9%
Library Acquisitions	1,918,249	2,183,931	265,682	113.9%
Rentals	872,421	878,456	6,035	100.7%
Utilities	8,085,523	5,250,141	(2,835,382)	64.9%
Building Repairs	1,500,000	6,694,659	5,194,659	446.3%
Auditor of State	403,100	297,604	(105,496)	73.8%
Equipment	525,023	1,135,507	610,484	216.3%
Aid to Individuals	15,642,471	16,000,109	357,638	102.3%
TOTAL EXPENDITURES	\$ 177,086,783	\$ 176,148,191	\$ (938,592)	99.5%

UNI's FY 2023 operating revenues of \$176.1 million were 0.5% under budget and are comprised primarily of state appropriations and tuition revenue. Higher indirect cost reimbursements from additional grant funding and investment income partially offset the shortage in tuition revenue. Resident tuition revenue comprised 84% of gross tuition with non-resident tuition being 16% of the total. Expenditure adjustments made throughout the year offset the revenue shortfall.

Salary and related benefit costs comprised 70% of all general operating expenditures and were under budget from attrition in all employee classifications and vacant positions. Professional/Scientific supplies and services were impacted by inflation and expenses related to the implementation of a new budget and financial system. The building repair increase from several roof replacements and a nursing project was primarily were partially offset by decline in utility costs. Student aid represents 24.6% of tuition revenues and slightly exceeded the budget.

The following provides a consolidated five-year history of actual revenues and expenditures from the general university and all special purpose units. Enrollment during the period was 11,212 students in Fall 2018 and 8,949 in Fall 2022 resulting in decline of available resources.

University of Northern Iowa - General Operating Fund					
FY 2019 - FY 2023					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
REVENUES					
APPROPRIATIONS					
General Appropriations	\$ 102,525,714	\$ 107,621,329	\$ 106,368,293	\$ 106,408,499	\$ 107,520,802
Supplemental					
RESOURCES					
Federal Support			2,902,305		
Interest	1,147,509	890,352	1,278,605	(299,721)	850,259
Tuition	79,467,264	73,507,059	69,294,864	66,034,569	64,941,202
Reimbursed Indirect Costs	1,493,853	1,122,083	1,262,317	1,519,837	2,372,651
Sales and Services	535,305	453,472	439,425	430,983	463,277
TOTAL REVENUES	\$ 185,169,645	\$ 183,594,295	\$ 181,545,809	\$ 174,094,167	\$ 176,148,191
EXPENDITURES					
Salaries	\$ 136,212,730	\$ 133,683,066	\$ 127,578,460	\$ 125,200,389	\$ 123,113,310
Prof. /Scientific Supplies	17,026,576	20,093,307	18,604,469	17,502,617	20,594,474
Library Acquisitions	2,061,057	2,127,229	2,321,676	2,173,697	2,183,931
Rentals	872,421	872,421	872,421	866,386	878,456
Utilities	6,813,560	4,025,255	6,872,814	4,037,285	5,250,141
Building Repairs	4,826,156	3,819,499	10,774,624	6,504,564	6,694,659
Auditor of State	281,796	285,168	322,045	273,275	297,604
Equipment	1,414,718	869,432	1,342,939	1,040,282	1,135,507
Aid to Individuals	15,660,631	14,566,581	15,790,957	16,495,672	16,000,109
TOTAL EXPENDITURES	\$ 185,169,645	\$ 180,341,958	\$ 184,480,405	\$ 174,094,167	\$ 176,148,191

UNIVERSITY OF NORTHERN IOWA ATHLETICS

<u>INCOME</u>	<u>FY 2023 Budget</u>	<u>FY 2023 Actuals</u>	<u>Variance</u>
Sports:			
Football	1,100,332	937,909	\$ (162,423)
Men's Basketball	765,175	851,409	86,234
Men - All Other Sports	191,000	228,542	37,542
Women - All Sports	127,000	457,780	330,780
Subtotal - Sports	\$ 2,183,507	\$ 2,475,640	\$ 292,133
Other Income:			
Student Activity Fees	1,814,348	1,814,348	-
General University Support			
General Support	3,343,490	4,250,083	906,593
Scholarship Support	1,283,481	1,283,481	-
Alumni/Foundation Support	1,703,000	1,795,046	92,046
Athletic Marketing	2,140,500	1,487,817	(652,683)
Athletic Conf/NCAA Support	1,369,600	1,626,943	257,343
Novelties-Outings	297,494	307,163	9,669
Miscellaneous	551,100	494,994	(56,106)
Subtotal - Other	12,503,013	13,059,875	556,862
TOTAL INCOME	\$ 14,686,520	\$ 15,535,515	\$ 848,995
<u>EXPENSES</u>			
Men's Sports:			
Football	3,719,803	3,702,265	\$ (17,538)
Basketball	2,602,094	2,810,598	208,504
All Other Men's Sports	1,352,505	1,502,060	149,555
Subtotal - Men's Sports	\$ 7,674,402	\$ 8,014,923	\$ 340,521
Women's Sports:			
Basketball	1,270,766	1,378,395	\$ 107,629
Volleyball	880,719	966,691	85,972
All Other	2,439,310	2,817,501	378,191
Subtotal - Women's Sports	\$ 4,590,795	\$ 5,162,587	\$ 571,792
Other Expenses:			
Athletic Training	173,464	123,149	\$ (50,315)
Administration & General	1,853,981	1,845,037	(8,944)
Athletic Marketing	393,878	388,599	(5,279)
Subtotal - Other Expenses	\$ 2,421,323	\$ 2,356,785	\$ (64,538)
TOTAL EXPENSE	\$ 14,686,520	\$ 15,534,295	\$ 847,775

The following describes the FY 2023 budget-to-actual revenue and expense variances for UNI athletics as shown on the previous page.

UNI athletic revenues and expenditures for FY 2023 were greater than the original budget established in July 2022, which includes additional support from the university. As the campus and collegiate athletics landscape continues to evolve, departmental leadership continues to review the budget in order to maximize revenue-generation opportunities and limit expenses in an effort to work toward a sustainable balanced budget.

Sports income exceeded the budget largely from men's sports (other than football) and women's sports from fundraising activities that provided unbudgeted revenue. NCAA support exceeded the original budget due to the receipt of two unbudgeted distributions. The annual conference distribution was also greater than the original anticipated amount.

Expenses from men's sports (other than football) and from women's sports (other than volleyball) were greater than original budget primarily due to team operational spending beyond budget (offset by team fundraising). Other expenses for training, administration, and marketing were slightly under budget.

The following provides a consolidated five-year history of actual revenues and expenditures for UNI athletics.

University of Northern Iowa Athletics					
FY 2019 - FY 2023					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues					
Sports Income	\$ 2,640,857	\$ 2,393,517	\$ 829,886	\$ 2,811,412	\$ 2,475,640
Alumni / Foundation / Corp Support / Sponsorship	2,753,467	2,769,409	2,677,827	3,574,790	3,282,863
Athletic Conference / NCAA Support	1,670,558	1,160,361	879,973	1,733,041	1,626,943
General University Support	4,740,674	4,696,443	9,244,530	4,818,033	5,533,564
Student Fees	1,919,576	1,932,781	1,816,505	1,861,917	1,814,348
Other Income	566,384	521,972	179,932	606,129	802,157
Total Revenues	\$ 14,291,516	\$ 13,474,483	\$ 15,628,653	\$ 15,405,322	\$ 15,535,515
Expenses					
Men's Sports	\$ 8,036,158	\$ 7,644,950	\$ 6,516,321	\$ 7,986,557	\$ 8,014,923
Women's Sports	4,480,116	4,464,499	4,193,583	4,961,563	5,162,587
Other Expenses	2,747,524	2,432,192	1,965,709	2,519,093	2,356,785
Total Expenses	\$ 15,263,798	\$ 14,541,641	\$ 12,675,613	\$ 15,467,213	\$ 15,534,295

University of Northern Iowa Residence System - FY 2023				
	Budget	Actual	Variance Over/(Under)	Percent
Revenues	\$29,952,059	\$29,960,085	\$8,026	100.0%
Expenditures	22,720,414	22,896,046	175,632	100.8%
Debt Service	5,019,131	4,823,450	(195,681)	96.1%
Mandatory Transfers	300,000	300,000	-	100.0%
Net Revenues	1,912,514	1,940,589	28,075	101.5%
Net Revenues as % of Gross Revenue	6.4%	6.5%		

The UNI residence system’s total operating revenues and expenditures were very close to budget for FY 2023. Contract revenue decreases from lower occupancy were offset by increases in other income (retail sales, catering, summer conference activity, etc.) and in investment income. Higher expenses for food, supplies, travel and data/voice bandwidth offset reductions in personnel costs due to staff attrition and open positions. Utility and maintenance expenditures were also under budget. Annual debt service was under budget due to the early defeasance of a bond issue as approved by the Board in February 2023. The debt service coverage ratio for FY 2023 was 146.5%.

Below is a five-year history of the residence system financials.

University of Northern Iowa - Residence System FY 2019 - FY 2023					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$37,875,567	\$32,414,338	\$36,244,146	\$29,065,174	\$29,960,085
Expenditures for Operations	24,704,498	21,392,400	20,674,599	22,134,157	22,896,046
Debt Service and Mandatory Transfers	8,346,819	6,677,356	5,402,088	5,381,075	5,123,450
Net Revenues after Debt Serv/Mand Transfers	\$ 4,824,250	\$ 4,344,582	\$10,167,459	\$ 1,549,942	\$ 1,940,589
Net Revenues as % of Gross Revenue	12.7%	13.4%	28.1%	5.3%	6.5%

Residence system occupancy decreased by 130 students from FY 2022 (Fall 2020) to FY 2023 (Fall 2021) resulting from the enrollment decline during the same period. Of note, occupancy for the current year (Fall 2023) has increased to 3,114 students.

University of Northern Iowa Residence System			
	Fall 2021	Fall 2022	Change
Total University Enrollment	9,231	8,949	-282
Lower Division	3,207	3,036	-171
Lower Div as % of Total	34.7%	33.9%	
Total Occupancy	3,026	2,896	-130
Occupancy as a % of Enrollment	32.8%	32.4%	

The principal outstanding of revenue bond obligations for the UNI residence system as of June 30, 2023, was \$35.6 million (excludes July 1 principal payment). The voluntary reserve fund balance was \$17.1 million at fiscal year-end.