

MEMORANDUM

To: Board of Regents
 From: Board Office
 Subject: Comprehensive Fiscal Report for FY 2003
 Date: October 6, 2003

Recommended Action:

Receive the FY 2003 Comprehensive Fiscal Report.

Executive Summary:

Report Purpose Each year, the Board conducts a series of reviews and approvals for budgetary and financial matters. The purpose of the comprehensive fiscal report is to compare actual revenues and expenditures with the Board-approved budgets, identify significant variances, highlight strategic planning initiatives, and summarize the actual uses of the fiscal year funding.

Funds This report focuses on the major funds at each of the institutions – the general operating funds and restricted funds.

General operating funds include operating appropriations, some federal funds, interest income, tuition and fee revenues, reimbursed indirect costs, and sales and services.

Restricted funds are specifically designated or restricted for a particular purpose or enterprise and include capital appropriations, tuition replacement appropriations, gifts, sponsored funding from federal and private sources, residence system revenues, athletics, as well as other auxiliary or independent functions such as parking and utility systems.

Each University's Residence System Annual Report and Athletic Department data are presented as part of the restricted funds in attachments A through C.

FY 2003 Overall Data	<u>General Operating</u>	<u>Restricted</u>	<u>Total</u>
	\$1.6 billion	\$1.2 billion	\$2.8 billion

The combined general operating fund revenues of all Regent institutions represented 99.7% of the total combined revised budgets. Salary expenditures were 99.4% of the approved budget.

The combined restricted fund revenues of all Regent institutions were 97.1% of the total budgeted amount.

A three-year comparison of capital expenditures for projects with costs exceeding \$250,000 is provided at the end of the Analysis section on page 6. Expenditures for these projects total \$181.4 million in FY 2003.

Institutional detail for FY 2003 is included in Attachments A through E.

Strategic Plan The Comprehensive Fiscal Report supports the Board's strategic plan priority 4, "Demonstrating public accountability and effective stewardship of resources."

Background:

Fiscal
Accountability

The Board's system of governance is intended to maintain confidence in the financial management of the Regent institutions while allowing the institutions relatively wide latitude in the administration of their internal fiscal affairs.

In accordance with its accountability and stewardship responsibilities, the Board, as a governing body, has financial management guidelines for its institutions that help to ensure competent performance.

These mechanisms were designed to help the Board proactively and systematically set goals and develop strategies for maximizing achievement within the framework of available funding.

The Comprehensive Fiscal Report brings closure to the process for FY 2003 by summarizing major budgetary events and reporting variances in Board-approved budgets.

Analysis:

General Operating Fund

General operating funds include operating appropriations, some federal support, interest income, tuition and fee revenues, reimbursed indirect costs, and sales and services.

The following table compares the final revised combined institutional budgets to actual revenues and expenditures. The ISU and IBSSS budgets were revised in June because of budget ceiling adjustments.

**General Fund - All Institutions
FY 2003**

	Revised Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	\$ 622,437,810	\$ 622,437,810	\$ -	100.0%
Other	268,237	264,600	(3,637)	98.6%
RESOURCES				
Federal Support	15,507,151	15,275,956	(231,195)	98.5%
Interest	3,579,000	3,563,343	(15,657)	99.6%
Tuition and Fees	359,858,923	358,212,890	(1,646,033)	99.5%
Reimbursed Indirect Costs	58,533,333	56,596,962	(1,936,371)	96.7%
Sales and Services	530,773,099	530,527,548	(245,551)	100.0%
Other Income	3,901,273	3,417,325	(483,948)	87.6%
TOTAL REVENUES	\$ 1,594,858,826	\$ 1,590,296,434	\$ (4,562,392)	99.7%
EXPENDITURES				
Salaries	\$ 1,109,568,641	\$ 1,102,592,226	\$ (6,976,415)	99.4%
Prof. /Scientific Supplies	287,944,009	289,931,737	1,987,728	100.7%
Library Acquisitions	20,409,627	21,560,157	1,150,530	105.6%
Rentals	7,067,711	7,240,368	172,657	102.4%
Utilities	57,007,632	56,770,647	(236,985)	99.6%
Building Repairs	22,842,714	25,158,329	2,315,615	110.1%
Auditor of State	1,224,908	1,160,817	(64,091)	94.8%
Equipment	22,610,204	16,741,816	(5,868,388)	74.0%
Aid to Individuals	66,183,380	69,375,447	3,192,067	104.8%
TOTAL EXPENDITURES	\$ 1,594,858,826	\$ 1,590,531,544	\$ (4,327,282)	99.7%

Variance Explanations

General fund revenues and expenditures were consistent with the budget. The institutions expended 99.4% of their total general fund budgeted salaries.

Revenues vary slightly from expenditures because the hospital at SUI and the Institute for Physical Research and Technology (IPRT) at ISU units have carryover authority.

State
Appropriations

The Regent institutions began FY 2003 with reduced state appropriations. The base operating appropriations were reduced \$42.6 million. In addition, the Regent salary appropriations of \$25 million were \$8 million less than the funding needed to implement the state salary policy. This resulted in an overall net decrease in state appropriations of \$17.6 million.

New Tuition
Revenues

The total FY 2003 tuition increases, net of student financial aid, are as follows:

	<u>Gross Tuition Increases</u>	<u>Student Aid Increases</u>	<u>Net Tuition Increases</u>
SUI	\$27,838,037	\$6,052,808	\$21,785,229
ISU	23,863,510	7,165,503	16,698,007
UNI	<u>7,700,849</u>	<u>1,614,619</u>	<u>6,086,230</u>
	\$59,402,396	\$14,832,930	\$44,569,466

Reallocations

The Regent institutions utilized \$41.2 million in reallocations to address budgetary shortfalls and for strategic initiatives as planned.

	<u>Address Budget Shortfall</u>	<u>Strategic Initiatives</u>	<u>Total</u>
SUI (page 9)	\$4,670,198	\$7,787,500	\$12,457,698
ISU* (page 15)	19,565,404	6,032,955	25,598,359
UNI (page 21)	2,680,732	0	2,680,732
ISD (page 26)	236,391	0	236,391
IBSSS (page 29)	<u>221,647</u>	<u>0</u>	<u>221,647</u>
	\$27,374,372	\$13,820,455	\$41,194,827

*Includes reallocations to meet FY 2002 and FY 2003 shortfalls.

**Restricted
Funds**

Restricted fund revenues are specifically designated or restricted for a particular purpose or enterprise. These revenues include capital appropriations, tuition replacement appropriations, gifts, sponsored funding from federal and private sources, residence system revenues, as well as other auxiliary or independent functions such as parking systems.

With respect to capital appropriations, the revenues reflect the drawdowns of funds from current and prior fiscal years, while the budgets reflect the total amounts appropriated by the state. Interest earnings within bonded enterprises (e.g. residence systems, utility systems, UIHC) are retained within the individual bonded enterprise.

Restricted funds are managed at the fund level and the actuals can vary from the budget due to such things as the timing of federal funds and capital proceeds. This results in variances that are not very meaningful. Therefore, all variances are reported on the athletic and residence system budgets while other variances are reported only if the variance is significant.

The following table compares the budget to actual revenues and expenditures.

Restricted Fund - All Institutions				
FY 2003				
	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$ 48,756,600	\$ 35,221,183	\$ (13,535,417)	72.2%
Tuition Replacement	27,347,505	26,841,927	(505,578)	98.2%
RESOURCES				
Federal Support	294,546,930	315,689,301	21,142,371	107.2%
Interest	6,910,809	5,222,872	(1,687,937)	75.6%
Tuition and Fees	43,440,150	51,409,254	7,969,104	118.3%
Reimbursed Indirect Costs	21,454,426	25,225,026	3,770,600	117.6%
Sales and Services	304,188,041	284,303,443	(19,884,598)	93.5%
Other Income	502,846,676	459,072,932	(43,773,744)	91.3%
TOTAL RESOURCES	\$ 1,249,491,137	\$ 1,202,985,938	\$ (46,505,199)	96.3%
EXPENDITURES				
Salaries	\$ 443,370,197	\$ 450,445,254	\$ 7,075,057	101.6%
Prof. /Scientific Supplies	352,466,126	336,436,536	(16,029,590)	95.5%
Library Acquisitions	5,000	24,392	19,392	487.8%
Rentals	11,260,400	12,622,010	1,361,610	112.1%
Utilities	15,829,833	16,817,751	987,918	106.2%
Building Repairs	34,571,851	17,538,015	(17,033,836)	50.7%
Auditor of State	3,000	-	(3,000)	0.0%
Equipment	26,380,927	22,843,173	(3,537,754)	86.6%
Aid to Individuals	82,566,043	81,936,351	(629,692)	99.2%
Debt Service	74,109,510	107,240,611	33,131,101	144.7%
Plant Capital	208,928,250	203,283,582	(5,644,668)	97.3%
TOTAL EXPENDITURES	\$ 1,249,491,137	\$ 1,249,187,675	\$ (303,462)	100.0%

Athletic Budgets and Residence System

The athletic and residence system budgets are part of the restricted budget, however, each is presented to the Board individually for approval. Tables comparing athletic and residence system budgeted revenues and expenditures with actual revenues and expenditures as well as the variances are identified in each university attachment (A through C). Annual statistical information for the residence systems are also presented.

Capital
Expenditures

The following table compares institutional expenditures for FY 2001 – FY 2003 for capital projects with project costs exceeding \$250,000. The data are from status reports filed by the institutions.

**Projects with Costs Exceeding \$250,000 - All Funds
(In Millions)**

	FY 2001		FY 2002		FY 2003	
	# Projects	Expense	# Projects	Expense	# Projects	Expense
SUI	238	\$90.3	230	\$95.1	180	\$79.5
ISU	84	61.5	69	54.8	74	75.3
UNI	45	19.8	29	10.3	28	26.6
Total	367	\$171.6	328	\$160.2	282	\$181.4

* As submitted by the institutions on capital project status reports.

The projects include expenditures from all sources of funds including capital appropriations; building renewal (repair) funds; institutional road funds; gifts and grants; income from treasurer's temporary investments; proceeds of academic building, dormitory, telecommunications, and other revenue bond issues; and university hospitals building usage funds. During FY 2003, revenue bonds totaling \$71.3 million (excluding refunding bonds) were issued for new capital projects at the Regent institutions.


Deb A. Hendrickson

Approved: 
Gregory S. Nichols

Attachment A
UNIVERSITY OF IOWA

General Fund The following table compares the University's combined general fund final budget to actual revenues and expenditures with the hospital appropriation units identified separately.

University of Iowa - General Fund
FY 2003

			Variance	Actual as
	Budget	Actual	Over/(Under)	% of Budget
University Approp. Units *				
REVENUES				
General Appropriations	\$ 243,735,860	\$ 243,735,860	\$ -	100.0%
Interest	938,000	1,422,646	484,646	151.7%
Tuition and Fees	171,468,028	170,198,158	(1,269,870)	99.3%
Reimbursed Indirect Costs	38,533,300	37,543,182	(990,118)	97.4%
Sales and Services	2,351,567	2,398,914	47,347	102.0%
Other Income	200,000	157,285	(42,715)	78.6%
TOTAL REVENUES	\$ 457,226,755	\$ 455,456,045	\$ (1,770,710)	99.6%
EXPENDITURES				
Salaries	\$ 347,172,371	\$ 344,538,721	\$ (2,633,650)	99.2%
Prof. /Scientific Supplies	36,510,611	38,502,946	1,992,335	105.5%
Library Acquisitions	10,354,574	10,390,988	36,414	100.4%
Rentals	1,509,000	1,182,599	(326,401)	78.4%
Utilities	19,766,000	19,497,089	(268,911)	98.6%
Building Repairs	6,502,301	6,868,408	366,107	105.6%
Auditor of State	471,016	493,634	22,618	104.8%
Equipment	6,892,172	4,677,293	(2,214,879)	67.9%
Aid to Individuals	28,048,710	29,304,367	1,255,657	104.5%
TOTAL EXPENDITURES	\$ 457,226,755	\$ 455,456,045	\$ (1,770,710)	99.6%

			Variance	Percent
	Budget	Actual	Over/(Under)	
Hospital Approp. Units**				
REVENUES				
General Appropriations	\$ 43,686,825	\$ 43,686,825	\$ -	100.0%
Federal Support	2,748,538	2,530,102	(218,436)	92.1%
Reimbursed Indirect Costs	3,653,900	3,597,824	(56,076)	98.5%
Sales and Services	527,179,099	526,951,814	(227,285)	100.0%
Other Income	1,695,838	1,318,799	(377,039)	77.8%
TOTAL REVENUES	\$578,964,200	\$578,085,364	(878,836)	99.8%
EXPENDITURES				
Salaries	\$ 345,958,200	\$ 343,688,108	\$ (2,270,092)	99.3%
Prof. /Scientific Supplies	198,870,400	202,847,608	3,977,208	102.0%
Rentals	3,866,400	4,320,832	454,432	111.8%
Utilities	14,045,800	14,580,314	534,514	103.8%
Building Repairs	7,401,500	7,345,055	(56,445)	99.2%
Equipment	8,821,900	5,457,487	(3,364,413)	61.9%
TOTAL EXPENDITURES	\$ 578,964,200	\$ 578,239,404	\$ (724,796)	99.9%

			Variance	Percent
	Budget	Actual	Over/(Under)	
Total General Fund				
REVENUES				
General Appropriations	\$ 287,422,685	\$ 287,422,685	\$ -	100.0%
Federal Support	2,748,538	2,530,102	(218,436)	92.1%
Interest	938,000	1,422,646	484,646	151.7%
Tuition and Fees	171,468,028	170,198,158	(1,269,870)	99.3%
Reimbursed Indirect Costs	42,187,200	41,141,006	(1,046,194)	97.5%
Sales and Services	529,530,666	529,350,728	(179,938)	100.0%
Other Income	1,895,838	1,476,084	(419,754)	77.9%
TOTAL REVENUES	\$ 1,036,190,955	\$ 1,033,541,409	\$ (2,649,546)	99.7%
EXPENDITURES				
Salaries	\$ 693,130,571	\$ 688,226,829	\$ (4,903,742)	99.3%
Prof. /Scientific Supplies	235,381,011	241,350,554	5,969,543	102.5%
Library Acquisitions	10,354,574	10,390,988	36,414	100.4%
Rentals	5,375,400	5,503,431	128,031	102.4%
Utilities	33,811,800	34,077,403	265,603	100.8%
Building Repairs	13,903,801	14,213,463	309,662	102.2%
Auditor of State	471,016	493,634	22,618	104.8%
Equipment	15,714,072	10,134,780	(5,579,292)	64.5%
Aid to Individuals	28,048,710	29,304,367	1,255,657	104.5%
TOTAL EXPENDITURES	\$ 1,036,190,955	\$ 1,033,695,449	\$ (2,495,506)	99.8%

* Includes all university appropriation units except for the hospital appropriation units.

** Includes University Hospitals, Psychiatric Hospital, SCHS, and Center for Development and Disabilities.

Variance Explanations General fund revenues and expenditures for the entire University were consistent with the budget with total revenues at 99.7% of the budget and expenditures at 99.8% of the budget.

Revenues Federal Support for the hospital was less than budget due to the timing of receipt of SCHS federal block grant funds.

Interest Income was greater than budget due to the timing of expenditures which created larger cash balances available for investing than anticipated.

Tuition and Fees were less than budget due to a slight decrease in the percentage of non-resident students.

Reimbursed Indirect Costs were less than budget due to the timing of grant and contract awards.

Expenditures Salary expenditures were 99.3% of budget. Salaries comprised 75.6% of the general fund budget excluding the hospital appropriation units.

Professional/Scientific Supplies were over budget due to inflationary costs of items such as surgical implants, prescription drugs, and medical supplies.

Equipment purchases were reduced and consequently below budget to offset increases in professional/scientific supplies.

Student Aid exceeded the budget. Colleges reallocated funds to provide this additional amount.

State Appropriations The University began FY 2003 with reduced state appropriations. The base operating fund appropriations were reduced \$18.4 million from the FY 2002 base operating appropriations. In addition, state appropriations for salary increases of \$11.7 million provided 75% of the funding needed to implement the state's salary policy, a shortfall of \$3.8 million. This resulted in an overall net decrease in state appropriations of \$6.7 million.

Tuition Revenues The FY 2003 tuition increase from the prior year, net of student financial aid, was \$21.8 million.

- Reallocations
- The University reallocated \$12.5 million, including \$4.7 million to address the budget shortfall and \$7.8 million for strategic initiatives as budgeted. Some examples include:
- The College of Liberal Arts & Sciences reallocated approximately \$2,500,000 of faculty lines, freed through retirements and resignations, to those departments deemed most deserving by the College. In addition, approximately \$170,000 of faculty salary funds were reallocated to begin to meet competitive salary offers for faculty in a range of disciplines.
 - The office of the Vice President for Research and External Relations reallocated approximately \$1,100,000 to the health and biological sciences in support of start-up funding for new faculty, postdoctoral fellowships, and support for several interdisciplinary programs.
 - The University restored part of the building renewal budget by reallocating \$1,200,000 from the equipment budget in FY 2003.
 - The College of Medicine reallocated \$900,000 from faculty salaries to general expenses for faculty startup, bridging support, and computer upgrades.
 - The Graduate College reallocated approximately \$195,000 among graduate programs. In addition, \$118,000 in faculty salary and fringe benefit funds created through vacancies and retirements in the School of Library Science & Information were reallocated to establish two new interdisciplinary faculty positions to contribute to the University's strategic goal of promoting interdisciplinary activities and programs.
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Restricted Funds

The following table compares the restricted fund budget to actual revenues and expenditures.

University of Iowa - Restricted Fund FY 2003				
	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$ 13,510,000	\$ 5,900,000	\$ (7,610,000)	43.7%
Tuition Replacement	10,298,318	10,036,521	(261,797)	97.5%
RESOURCES				
Federal Support	164,400,000	177,503,705	13,103,705	108.0%
Tuition and Fees	28,200,000	32,525,366	4,325,366	115.3%
Reimbursed Indirect Costs	16,800,000	18,882,308	2,082,308	112.4%
Sales and Services	214,100,000	183,842,779	(30,257,221)	85.9%
Other Income	214,541,682	132,822,300	(81,719,382)	61.9%
TOTAL REVENUES	\$ 661,850,000	\$ 561,512,979	\$ (100,337,021)	84.8%
EXPENDITURES				
Salaries	\$ 251,400,000	\$ 250,115,002	\$ (1,284,998)	99.5%
Prof. /Scientific Supplies	172,100,000	142,506,815	(29,593,185)	82.8%
Rentals	10,500,000	11,827,897	1,327,897	112.6%
Utilities	6,000,000	6,653,416	653,416	110.9%
Building Repairs	3,950,000	3,603,823	(346,177)	91.2%
Equipment	13,500,000	12,762,667	(737,333)	94.5%
Aid to Individuals	40,800,000	37,963,742	(2,836,258)	93.0%
Debt Service	38,600,000	54,817,621	16,217,621	142.0%
Plant Capital	125,000,000	110,842,989	(14,157,011)	88.7%
TOTAL EXPENDITURES	\$ 661,850,000	\$ 631,093,972	\$ (30,756,028)	95.4%

Restricted funds at the University of Iowa include such revenue sources as capital and tuition replacement appropriations, federal and non-federal support from sponsored programs, sales and services, reimbursed indirect cost recoveries, tuition and fees, bond proceeds, transfers from current unrestricted funds for debt service and depreciation.

Other University activities within this fund include continuing education programs, medicine and dentistry practice plan funds, sport camp activities, conferences and institutes, various publications and workshops related to academic departments, intercollegiate athletics, residence halls, Memorial Union operations, student health, recreational services, Hancher Auditorium, parking and transportation, and sponsored activities (primarily research and student aid).

Other income includes: non-federal gifts, grants and contracts; interest, dividends and capital gains and losses; workshops and seminars; commissions; royalties; non-credit course fees; rental of equipment; parking and other fines; sales salvage and recycling; and other miscellaneous revenue.

Variance Explanations

Capital appropriations were less than budget due to the timing of the drawdown of funds.

Tuition and Fees were greater than budget due to increased enrollments in off-campus continuing education courses.

Other Income was less than budget due to planned bond sales that did not materialize; timing of gifts and grants; and the inability of the hospital to transfer \$30 million to the renewal and replacement fund.

Professional and Scientific Supplies were less than budget due to decisions to not spend since revenues were under the budget.

Intercollegiate Athletics The following table compares athletic budgeted revenues and expenditures with actual revenues and expenditures and identifies the variances.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Revenues	\$38,415,805	\$40,830,771	\$2,414,966	106.3%
Expenditures	38,085,037	40,880,966	2,795,929	107.3%
Operating Balance – 6/30/03	330,768	(50,195)	(380,963)	(15.2%)

Variance Explanations

Revenues were higher than budget primarily due to an increase in football ticket sales. In addition, novelties / bookstore, and general income revenues were higher due to increased sales associated with the Orange Bowl.

Expenditures were higher than budget primarily due to increased football expenses of approximately \$2 million. The major portion of this variance was due to contractual incentive bonuses paid to coaches as a consequence of the success of the team, including incentives earned over the prior three years.

FY 2003 continues the trend of the Athletic Department having expenditures greater than revenues. During FY 2002 the department had a shortfall of \$1.3 million; the shortfall in FY 2001 was approximately \$400,000.

Residence System The following table compares residence system revenues and expenditures with actual revenues and expenditures and identifies the variances.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Revenues	\$35,091,333	\$34,980,611	\$(110,722)	99.7%
Expenditures	25,558,541	25,061,687	(496,854)	98.1%
Debt Service	5,149,070	5,149,070	-	100.0%
Mandatory Transfers	<u>600,000</u>	<u>600,000</u>	<u>-</u>	100.0%
Net Revenues	\$3,783,722	\$4,169,854	\$386,132	110.2%
Net Revenue as % of Gross Revenue	10.8%	11.9%		

Variance Explanations Revenues were less than budget due to a lower number of academic year room and board contracts than budgeted. Revenues from guest meals at the contract dining facility and Hillcrest convenience store were greater than budget.

Expenditures were less than budget due to reduced salaries from numerous vacancies in positions, primarily in the residence life and food service areas.

FY 2003 Annual Report The residence system annual report provides information on various aspects of the University of Iowa residence system for FY 2003 including enrollment data; residence hall and apartment utilization; and financial operations.

Enrollment / Occupancy	<u>Fall 2002</u>	<u>Fall 2003</u>	<u>Change</u>	<u>% Change</u>
Enrollment				
Total University	29,697	29,745	48	0.2 %
Lower Division	10,836	10,600	(236)	(2.2)%
% of Total	36.5%	35.6%		
Total Occupancy	5,609	5,571	(38)	(0.7)%
Occupancy as a % of Enrollment	18.9%	18.7%		

Fall 2003 residence system occupancy decreased by 38 students. The percentage of student enrollment living in university housing (residence halls plus apartments) decreased from Fall 2002 to Fall 2003.

The outstanding revenue bond obligations for the University of Iowa residence system as of June 30, 2003, were \$40,980,000.

Voluntary Reserves for the University of Iowa residence system, which totaled \$4.0 million as of June 30, 2003, include the balances of funds including the Operation and Maintenance Fund and the Improvement Fund.

Mandatory Reserves include the balances of the Sinking Fund, Bond Reserve Fund, and Bond Construction Fund and totaled \$9.4 million as of June 30, 2003.

Attachment B
IOWA STATE UNIVERSITY

General Fund The following table compares the combined general operating fund final revised budget to actual revenues and expenditures.

Iowa State University - General Fund
FY 2003

	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
General	\$ 239,809,203	\$ 239,809,203	\$ -	100.0%
RESOURCES				
Federal Support	12,525,373	12,525,373	-	100.0%
Interest	1,602,000	1,357,383	(244,617)	84.7%
Tuition and Fees	140,857,826	140,529,155	(328,671)	99.8%
Reimbursed Indirect Costs	14,700,000	13,473,201	(1,226,799)	91.7%
Sales and Services	258,700	262,832	4,132	101.6%
Other Income	1,968,500	1,904,313	(64,187)	96.7%
TOTAL REVENUES	\$ 411,721,602	\$ 409,861,460	\$ (1,860,142)	99.5%
EXPENDITURES				
Salaries	\$ 298,923,811	\$ 298,798,781	\$ (125,030)	100.0%
Prof. /Scientific Supplies	40,440,343	35,825,940	(4,614,403)	88.6%
Library Acquisitions	8,148,095	8,951,021	802,926	109.9%
Rentals	813,386	830,123	16,737	102.1%
Utilities	20,088,125	18,954,950	(1,133,175)	94.4%
Building Repairs	8,364,432	9,961,275	1,596,843	119.1%
Auditor of State	531,682	411,932	(119,750)	77.5%
Equipment	5,466,300	5,554,335	88,035	101.6%
Aid to Individuals	28,945,428	30,654,174	1,708,746	105.9%
TOTAL EXPENDITURES	\$ 411,721,602	\$ 409,942,531	\$ (1,779,071)	99.6%

Variance Explanations General fund revenues and expenditures were consistent with budget with total revenues at 99.5% of budget and expenditures at 99.6%.

Revenues Interest Income was less than budget due to continued declining interest rates.

Reimbursed Indirect Costs were less than budget due to the timing of grant and contract awards. The budget was increased by \$1.7 million based on increased activity in the first six months of the year and all of the expected increase for the second half of the year did not materialize.

Other Income was less than budget because applications from potential undergraduates were down more than 10%. Application fees are a major component of other income.

Expenditures Salary expenditures were 100% of budget. Salaries comprise 72.9% of the general fund budget.

Professional/Scientific Supplies were under budget due conservative spending throughout the year. The increases in student aid were made possible through savings in professional and scientific supplies.

Library Acquisitions were over budget due to timing of subscription renewals and collection additions that would typically be paid in July were processed in June.

Utilities were under budget due to mild weather and continuing energy conservation measures.

Building Repairs were higher than budget because the savings in utilities were reallocated to building repairs.

Student Aid exceeded the budget since the number of graduate assistantships increased at a higher rate than expected. In addition, several colleges increased the amount of aid given to undergraduates.

State Appropriations The University began FY 2003 with reduced state appropriations. The base operating fund appropriations were reduced \$18.2 million from the FY 2002 base operating appropriations. In addition, state appropriations for salary increases of \$9.2 provided 75% of the funding needed to implement the state's salary policy, a shortfall of \$3.0 million. This resulted in an overall net decrease in state appropriations of \$9 million.

New Tuition Revenues The FY 2003 tuition increase from the prior year, net of student financial aid, was \$16.7 million.

Reallocations

Reallocations of \$25.6 million were implemented as budgeted. A significant portion, \$19.6 million was used to meet the annualization of the budget shortfall that occurred in FY 2002 and the additional budget shortfall in FY 2003.

Some examples of reallocations from the Office of the President to strategic initiatives for FY 2003 include:

- Faculty and Staff Recruitment/Retention (\$620,912) – funded several agreements to retain and attract top faculty members and funded cost increases in the tuition grant program for professional and scientific staff.
 - Research Incentive (\$1,125,600) – ISU provided more funds to campus research units to support the research enterprise and to increase externally funded research, grants, and contracts.
 - e-Library (\$250,000) – Funding supported a new faculty position to support instructional technology as well as a cross-disciplinary index/abstract tool for research.
 - Genetically Modified Agricultural Products (\$200,000) – Established a joint initiative among the colleges of Agriculture and Veterinary Medicine and the Plant Sciences Institute to conduct science-based analysis of the risks and benefits associated with genetically modified agricultural products.
 - College of Design Envisioning (\$200,000) – Restructured and strengthened the College of Design by adding several graduate degree offerings and certificate programs; redesigning the freshman year as a "foundation" experience for all first-year students in the college; collaborating with the other colleges on various projects; and expanding Geographic Information System course offerings, research and outreach; and adding more instruction in multi-media design and animation.
 - Childcare Support (\$27,000) – Replaced funding formerly supplied by the Student Health Center for an LPN to staff the Comfort Zone, a service that cares for mildly ill children of student and employees, and replaced funding formerly supplied by the College of Veterinary Medicine to support the University Child Care Center close to the College.
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**Restricted
Funds**

The following table compares the budget to actual revenues and expenditures.

Iowa State University - Restricted Fund FY 2003				
	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$ 16,147,100	\$ 14,281,000	\$ (1,866,100)	88.4%
Tuition Replacement	10,766,292	10,843,686	77,394	100.7%
RESOURCES				
Federal Support	106,078,150	120,384,095	14,305,945	113.5%
Interest	4,080,809	2,955,644	(1,125,165)	72.4%
Tuition and Fees	5,240,150	7,914,897	2,674,747	151.0%
Reimbursed Indirect Costs	4,654,426	6,342,718	1,688,292	136.3%
Sales and Services	23,758,916	40,471,450	16,712,534	170.3%
Other Income	261,211,026	281,329,227	20,118,201	107.7%
TOTAL REVENUES	\$ 431,936,869	\$ 484,522,717	\$ 52,585,848	112.2%
EXPENDITURES				
Salaries	\$ 153,026,575	\$ 160,972,411	\$ 7,945,836	105.2%
Prof. /Scientific Supplies	139,278,009	149,343,659	10,065,650	107.2%
Utilities	6,944,833	7,634,368	689,535	109.9%
Building Repairs	8,295,215	9,028,337	733,122	108.8%
Equipment	9,387,864	8,654,943	(732,921)	92.2%
Aid to Individuals	29,366,043	31,233,332	1,867,289	106.4%
Debt Service	25,638,330	27,374,441	1,736,111	106.8%
Plant Capital	60,000,000	68,832,859	8,832,859	114.7%
TOTAL EXPENDITURES	\$ 431,936,869	\$ 463,074,350	\$ 31,137,481	107.2%

**Variance
Explanations**

Capital Appropriations were more than budget due to the timing of the drawdown of funds for construction for the Livestock Infectious Disease Isolation Facility.

Federal Support was more than budget since research grants from the Federal Government grew at a higher rate than research in general.

Interest Income was less than budget due to continued declining interest rates.

Tuition and Fees were more than budget due to a reclassification of study abroad program fees and miscellaneous course fees.

Reimbursed Indirect Costs were more than budget due to increased federal support.

Sales and Services increased significantly due to the reclassification of many accounts from other income to sales and services in accordance with NACUBO guidelines.

Other Income which includes auxiliary enterprises, plant fund, private gifts, grants and contracts, independent operations, and endowment income and gains was higher than budget. This variance was primarily due to plant fund revenues being \$37 million over budget because of timing factors related to recognition of revenue for capital projects. The remaining variances are due to the reclassification of accounts required by the NACUBO Financial and Accounting and Reporting Manual that was updated recently.

Expenditures were higher than budget due to greater grant activity which resulted in increased expenditures in all categories except equipment.

Intercollegiate Athletics The following table compares athletic budgeted revenues and expenditures with actual revenues and expenditures and identifies the variances.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Revenues	\$25,036,485	\$29,395,806	\$4,359,321	117.4%
Expenditures	25,036,485	29,395,806	4,359,321	117.4%

Variance Explanations Revenues were over budget due primarily to increased football ticket sales and increased football television revenue, bowl distribution and the conference's men's basketball tournament.

Expenditures – As unbudgeted revenue was received, new projects were approved and the University was able to transfer additional funding to the operating reserve, accrual reserve, and plant fund.

Residence System The following table compares residence system revenues and expenditures with actual revenues and expenditures and identifies the variances.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Revenues	\$53,008,168	\$53,011,094	\$2,926	100.0%
Expenditures	36,826,574	36,176,189	(650,385)	98.2%
Debt Service	8,719,365	8,697,958	(21,407)	99.8%
Mandatory Transfers	500,000	500,000	0	100.0%
Net Revenues	6,962,229	7,636,947	674,718	109.7%
Net Revenue as % of Gross Revenue	13.1%	14.4%		

Variance Explanations Expenditures were less than budget due to not filling vacant positions as well as layoffs in both professional and hourly positions and decreased use of student employees.

FY 2003 Annual Report

The residence system annual report provides information on various aspects of Iowa State University's residence system for FY 2002 including enrollment data; residence hall and apartment utilization; and financial operations.

The annual report presents data for FY 2003 (Fall 2002) and current FY 2004 data (Fall 2003).

Enrollment / Occupancy

	<u>Fall 2002</u>	<u>Fall 2003</u>	<u>Change</u>	<u>% Change</u>
Enrollment				
Total University	27,898	27,380	(518)	(1.9)%
Lower Division	10,755	9,809	(946)	(8.8)%
% of Total	38.6%	35.8%		
Total Occupancy	8,634	7,717	(918)	(10.6)%
Occupancy as a % of Enrollment	30.9%	28.2%		

Fall 2003 residence system occupancy decreased by 918 students. The percentage of student enrollment living in university housing (residence halls and apartments) decreased from Fall 2002 to Fall 2003.

The outstanding revenue bond obligations for Iowa State University residence system as of June 30, 2003, were \$142,170,000.

Voluntary Fund Balances for Iowa State University residence system, which totaled \$16.7 million as of June 30, 2003, include the balances of funds including the Operation and Maintenance Fund and the Improvement Fund.

Mandatory Funds include the balances of the Sinking Fund, Bond Reserve Fund, and Bond Construction Fund and totaled \$47.8 million as of June 30, 2003,.

Attachment C
UNIVERSITY OF NORTHERN IOWA

General Fund The following table compares the combined final general operating fund budget to actual revenues and expenditures.

University of Northern Iowa - General Fund FY 2003				
	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
General	\$ 82,815,878	\$ 82,815,878	\$ -	100.0%
RESOURCES				
Interest	1,000,000	755,148	(244,852)	75.5%
Tuition and Fees	47,533,069	47,485,577	(47,492)	99.9%
Reimbursed Indirect Costs	1,575,000	1,913,640	338,640	121.5%
Sales and Services	625,000	561,801	(63,199)	89.9%
TOTAL REVENUES	\$ 133,548,947	\$ 133,532,044	\$ (16,903)	100.0%
EXPENDITURES				
Salaries	\$ 106,613,833	\$ 105,065,391	\$ (1,548,442)	98.5%
Prof. /Scientific Supplies	10,532,796	11,081,558	548,762	105.2%
Library Acquisitions	1,891,520	2,204,419	312,899	116.5%
Rentals	878,925	906,814	27,889	103.2%
Utilities	2,659,545	3,314,299	654,754	124.6%
Building Repairs	350,000	508,489	158,489	145.3%
Auditor of State	135,000	179,026	44,026	132.6%
Equipment	1,298,086	855,141	(442,945)	65.9%
Aid to Individuals	9,189,242	9,416,906	227,664	102.5%
TOTAL EXPENDITURES	\$ 133,548,947	\$ 133,532,043	\$ (16,904)	100.0%

Variance Explanations General fund revenues and expenditures were consistent with budget with total revenues and expenditures at 100% of budget.

Revenues Interest Income was less than budget due to continued declining interest rates.

Reimbursed Indirect Costs were greater than budget due to increased grant and contract activity that occurred late in the year.

Sales and Services revenues were less than budget because of diminished revenues in the fines, fees, and vending commission category.

Expenditures Salary expenditures were 98.5% of budget. Salaries were less than budget due to delays in filling open positions caused by budget uncertainty. Salaries comprise 78.7% of the general fund budget.

Professional/Scientific Supplies, Library Acquisitions, Utilities, Building Repairs, Rentals, and Audit Costs were over budget because budgets for these items had not been increased from the prior year in which there were significant reductions. Salary savings was used to cover these increases.

Equipment expenditures were reduced due to anticipated shortfalls in revenues.

Student Aid was greater than budget due to successful recruiting and retaining students with diverse backgrounds.

State Appropriations The University began FY 2003 with reduced state appropriations. The base operating fund appropriations were reduced \$5.7 million from the FY 2002 base operating appropriations. In addition, state appropriations for salary increases of \$3.7 million provided 75% of the funding needed to implement the state's salary policy, a shortfall of \$1.2 million. This resulted in an overall net decrease in state appropriations of \$2.0 million.

New Tuition Revenues The FY 2003 tuition increase from the prior year, net of student financial aid, was \$6.1 million.

Reallocations

Reallocations of \$2.7 million were implemented as budgeted. All reallocations were used to address the appropriations shortfall. Some examples of reallocations include:

- Academic Affairs with the largest reallocation of \$2.0 million:
 - Closed / suspended centers including the Center for Economic Education, Center for the Study of Adolescence, and the Center for the Enhancement of Teaching;
 - Reduced support for the Center of Environmental Education and the Center for Social and Behavioral Science;
 - Reduced administrative support;
 - Reduced support for KUNI Public Radio;
 - Reduced equipment budgets; and
 - Reduced faculty development support.
- UNI continued its partnering with SUI for all outbound University mailings with early estimates of postage savings of approximately \$150,000.
- The University shifted Conferences and Visitor Services from the Advancement division to Continuing Education and Special Programs to better coordinate duplicate functions.

Restricted Funds

The following table compares the budget to actual revenues and expenditures.

University of Northern Iowa - Restricted Fund FY 2003				
	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$ 18,214,500	\$ 14,643,409	\$ (3,571,091)	80.4%
Tuition Replacement	6,282,895	5,961,720	(321,175)	94.9%
RESOURCES				
Federal Support	23,500,000	17,314,233	(6,185,767)	73.7%
Interest	2,800,000	2,247,329	(552,671)	80.3%
Tuition and Fees	10,000,000	10,968,991	968,991	109.7%
Sales and Services	64,590,000	58,240,557	(6,349,443)	90.2%
Other Income	26,950,000	44,845,956	17,895,956	166.4%
TOTAL REVENUES	\$152,337,395	\$154,222,195	\$1,884,800	101.2%
EXPENDITURES				
Salaries	\$ 37,265,000	\$ 37,745,543	\$ 480,543	101.3%
Prof. /Scientific Supplies	40,550,000	43,923,014	3,373,014	108.3%
Library Acquisitions	3,000	24,392	21,392	813.1%
Rentals	760,400	794,113	33,713	104.4%
Utilities	2,850,000	2,529,967	(320,033)	88.8%
Building Repairs	21,259,565	4,466,837	(16,792,728)	21.0%
Equipment	3,450,000	1,413,741	(2,036,259)	41.0%
Aid to Individuals	12,400,000	12,739,277	339,277	102.7%
Debt Service	9,871,180	25,048,549	15,177,369	253.8%
Plant Capital	23,928,250	23,607,734	(320,516)	98.7%
TOTAL EXPENDITURES	\$ 152,337,395	\$ 152,293,167	\$ (44,228)	100.0%

Variance Explanations

Capital Appropriations were under budget due to the timing of the draw-down of these funds.

Federal Support was under the budget due to a decrease in Federal grants and contract activity.

Interest Income was less than budget due to continued declining interest rates.

Tuition and Fees were over the budget due to a reclassification.

Sales and Services Revenue was below budget due to an oversight in the budgeting process. During 2002, a one-time payment was received from the demutualization of Principal Mutual, that was factored into the FY 2003 budget.

Other Income and Debt Service was greater than budget because of refinancing bond issues that were not planned when budgets were established.

Building Repairs were below budget due to the requirement to balance the revenues and expenditures in the restricted fund.

Equipment purchases were under budget due to lower grant funding that was

not sufficient to maintain the level of spending originally anticipated.

Intercollegiate Athletics The following table compares athletic budgeted revenues and expenditures with actual revenues and expenditures and identifies the variances.

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Revenues	\$7,365,102	\$7,474,346	\$109,244	1.5%
Expenditures	7,365,102	7,434,346	109,244	1.5%

The University's revised athletic budget, which was \$661,779 higher than the original budget, included the salary / wage increases which were not effective until November 2002, team fundraising, estimates of diversity qualifying student athletes, postseason expense, reinstatement of women's tennis and swimming, and athletic media operations. Actuals have been compared to the revised budget.

Variance Explanations While revenues and expenditures were very close to the amounts included in the revised budget, the source of the revenues differs significantly. General university support, including diversity support, was \$141,544 higher than the revised budget while Alumni/Foundation support was \$287,018 lower than the revised budget.

The University has indicated that the Athletic Department draws only the necessary amount from the UNI Foundation and the smaller draw in FY 2003 was due to sports revenue and general university support that exceeded amounts budgeted.

Residence System The following table compares residence system budgeted revenues and expenditures with actual revenues and expenditures and identifies the variances.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Percent</u>
Revenues	\$24,487,852	\$24,216,971	\$(270,881)	98.9%
Expenditures	19,456,780	18,502,246	(954,534)	95.1%
Debt Service	2,933,978	2,811,508	(122,470)	95.8%
Mandatory Transfers	<u>330,000</u>	<u>330,000</u>	<u>0</u>	100.0%
Net Revenues	1,767,094	\$2,573,217	\$806,123	145.6%
Net Revenue as % of Gross Revenue	7.2%	10.6%		

Variance Explanations Revenues were below budget because occupancy was down, decreasing total contract sales.

Expenditures were under budget primarily due to salary savings in Dining Administration, Maucker Union Food Operations and Residence System Administration.

FY 2003 Annual Report The residence system annual report provides information on various aspects of the University of Northern Iowa residence system for FY 2003 including enrollment data; residence hall and apartment utilization; and financial operations.

The annual report presents data for FY 2003 (Fall 2002) and current FY 2004 data (Fall 2003).

Enrollment / Occupancy		<u>Fall 2002</u>	<u>Fall 2003</u>	<u>Change</u>	<u>% Change</u>
	Enrollment				
	Total University	13,926	13,441	(485)	(3.5)%
	Lower Division	4,815	4,363	(452)	(9.4)%
	% of Total	34.6%	32.5%		
	 Total Occupancy	 4,121	 3,818	 (303)	 (7.4)%
	Occupancy as a % of Enrollment	29.6%	28.4%		

Fall 2003 residence system occupancy decreased by 303 students. The percentage of student enrollment living in university housing (residence halls and apartments) decreased from Fall 2002 to Fall 2003.

The outstanding revenue bond obligations for the University of Northern Iowa Residence System as of June 30, 2003, were \$37,930,000.

Voluntary Reserves for the University of Northern Iowa residence system, which totaled \$7.0 million as of June 30, 2003, include the balances of funds including the Operation and Maintenance Fund and the Improvement Fund.

Mandatory Reserves include the balances of the Sinking Fund, Bond Reserve Fund, and Bond Construction Fund. The balance as of June 30, 2003, totaled \$11.1 million.

Attachment D
IOWA SCHOOL FOR THE DEAF

General Fund The following table compares the budget to actual revenues and expenditures.

Iowa School for the Deaf - General Fund FY 2003				
	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
General	\$ 7,943,985	\$ 7,943,985	\$ -	100.0%
Other (DOE Funds)	178,450	174,813	(3,637)	98.0%
RESOURCES				
Federal Support	64,000	52,038	(11,962)	81.3%
Interest	33,000	22,505	(10,495)	68.2%
Sales and Services	322,693	316,289	(6,404)	98.0%
Other Income	17,785	17,785	-	100.0%
TOTAL REVENUES	\$ 8,559,913	\$ 8,527,415	\$ (32,498)	99.6%
EXPENDITURES				
Salaries	\$ 7,008,671	\$ 6,673,337	\$ (335,334)	95.2%
Prof. /Scientific Supplies	972,549	1,041,045	68,496	107.0%
Library Acquisitions	8,226	5,075	(3,151)	61.7%
Utilities	317,997	305,461	(12,536)	96.1%
Building Repairs	114,224	368,246	254,022	322.4%
Auditor of State	57,000	43,139	(13,861)	75.7%
Equipment	81,246	91,112	9,866	112.1%
TOTAL EXPENDITURES	\$ 8,559,913	\$ 8,527,415	\$ (32,498)	99.6%

Variance
Explanations

General Fund Revenues and Expenditures were consistent with budget.

Federal Support from the Federal School Milk Program was below budget due to fewer students qualifying for the program.

Interest Income was below budget due to lower rates of returns on investments.

Salaries were less than budget as a result of not filling several positions that became vacant during the year and elimination of the FY 2003 summer school.

Building Repairs were higher than budget. Salary savings were used for projects such as deferred maintenance, fire-safety projects, asbestos abatement, painting, and electrical work.

Equipment was higher than budget due primarily to the purchase of a replacement van for student transportation.

State
Appropriations

The School began FY 2003 with reduced state appropriations. The base operating fund appropriations were reduced \$193,133 from the FY 2002 base operating appropriations. In addition, state appropriations for salary increases of \$245,767 provided 75% of the funding needed to implement the state's salary policy. This resulted in an overall net increase in state appropriations of \$52,634.

Reallocations

Reallocations of \$236,391 were accomplished substantially as budgeted.

- Staff positions that became vacant remained unfilled and reductions related to the decrease in school days were reallocated to cover salary shortfall.
- Reallocations from the Life Department to the High School and the Middle School shifted the programs for the multi-handicapped students.

**Restricted
Funds**

The following table compares the budget to actual revenues and expenditures.

Iowa School for the Deaf - Restricted Fund FY 2003				
	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$ 435,000	\$ 396,774	\$ (38,226)	91.2%
RESOURCES				
Federal Support	126,091	158,358	32,267	125.6%
Interest	30,000	19,899	(10,101)	66.3%
Sales and Services	729,601	709,975	(19,626)	97.3%
Other Income	5,000	7,577	2,577	151.5%
TOTAL REVENUES	\$ 1,325,692	\$ 1,292,583	\$ (33,109)	97.5%
EXPENDITURES				
Salaries	\$ 505,488	\$ 384,105	\$ (121,383)	76.0%
Prof. /Scientific Supplies	147,070	452,845	305,775	307.9%
Library Acquisition	2,000	-	(2,000)	0.0%
Utilities	35,000	-	(35,000)	0.0%
Building Repairs	602,571	447,669	(154,902)	74.3%
Auditor of State	3,000	-	(3,000)	0.0%
Equipment	30,563	6,103	(24,460)	20.0%
TOTAL EXPENDITURES	\$ 1,325,692	\$ 1,290,722	\$ (34,970)	97.4%

Variance
Explanations

Capital Appropriations were under budget due to the timing of draw downs.

Federal Support was greater than budget due to additional funding from the State Consultant Hearing Impaired Grant and additional funding from the Transitional Alliance Program.

Interest Income was below budget due to lower rates of returns on investments.

Sales and Services were under budget due to Nebraska tuition being slightly lower than budgeted.

Other Income was over budget due to receipt of the Iowa West Technology Grant.

Professional and Scientific Supplies were over budget due to one-time purchases for the Lied Multipurpose Complex.

Building Repairs were under budget due to the timing of projects.

Utilities were under budget due to the mild winter. ISD budgets for utilities in the restricted fund with the plan of using the funds only when needed.

Attachment E
IOWA BRAILLE AND SIGHT SAVING SCHOOL

General Fund The following table compares the revised general fund operating budget to actual revenues and expenditures.

Iowa Braille and Sight Saving School - General Fund				
FY 2003				
	Revised Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
General	\$ 4,446,059	\$ 4,446,059	\$ -	100.0%
Other (DOE Funds)	89,787	89,787	-	100.0%
RESOURCES				
Federal Support	169,240	168,443	(797)	99.5%
Interest	6,000	5,661	(339)	94.4%
Reimbursed Indirect Costs	71,133	69,115	(2,018)	97.2%
Sales and Services	36,040	35,898	(142)	99.6%
Other	19,150	19,143	(7)	100.0%
TOTAL REVENUES	\$ 4,837,409	\$ 4,834,106	\$ (3,303)	99.9%
EXPENDITURES				
Salaries	\$ 3,891,755	\$ 3,827,888	\$ (63,867)	98.4%
Prof. /Scientific Supplies	617,310	632,640	15,330	102.5%
Library Acquisitions	7,212	8,654	1,442	120.0%
Utilities	130,165	118,534	(11,631)	91.1%
Building Repairs	110,257	106,856	(3,401)	96.9%
Auditor of State	30,210	33,086	2,876	109.5%
Equipment	50,500	106,448	55,948	210.8%
TOTAL EXPENDITURES	\$ 4,837,409	\$ 4,834,106	\$ (3,303)	99.9%

Variance
Explanations

General Fund Revenues and Expenditures were consistent with the budget.

Salary Expenditures were less than budget since the Visually Impaired Teacher position was not filled.

The salary savings (net of the revenue shortfall) was used for necessary state auditor fees, library acquisitions, and equipment.

Utilities were below budget due to the elimination of the July 2002 three-week summer school session as well as energy conservation efforts.

The School began FY 2003 with reduced state appropriations. The base operating fund appropriations were reduced \$108,246 from the FY 2002 final operating appropriations. In addition, state appropriations for salary increases of \$131,401 provided 75% of the funding needed to implement the state's salary policy.. This resulted in an overall net increase in state appropriations of \$23,155.

Reallocations Reallocations of \$221,647 were accomplished substantially as budgeted except that the Teacher of the Visually Impaired position remained unfilled.

Restricted Funds The following table compares the budget to actual revenues and expenditures.

Iowa Braille and Sight Saving School - Restricted Fund FY 2003				
	Budget	Actual	Variance Over/(Under)	Percent
REVENUES				
APPROPRIATIONS				
Capital	\$ 450,000	\$ -	\$ (450,000)	0.0%
RESOURCES				
Federal Support	442,689	328,910	(113,779)	74.3%
Sales and Services	1,009,524	1,038,682	29,158	102.9%
Other Income	138,968	67,872	(71,096)	48.8%
TOTAL REVENUES	\$ 2,041,181	\$ 1,435,464	\$ (605,717)	70.3%
EXPENDITURES				
Salaries	\$ 1,173,134	\$ 1,228,193	\$ 55,059	104.7%
Prof. /Scientific Supplies	391,047	210,203	(180,844)	53.8%
Building Repairs	464,500	(8,651)	(473,151)	-1.9%
Equipment	12,500	5,719	(6,781)	45.8%
TOTAL EXPENDITURES	\$ 2,041,181	\$ 1,435,464	\$ (605,717)	70.3%

Variance Capital Appropriations and Building Repairs Expenditures were under budget
Explanations because the HVAC upgrade is still in the planning stages. In addition, the school received a sales tax refund on a prior year project that was credited to building repairs.

Federal Support, Supplies, and Equipment were under budget due to decreased federal grant funding from grants passed through the Iowa Department of Education to the School resulting in decreased supplies and equipment expenditures.

Sales and Services revenue was over budget due to increased Outreach Services billings for vision itinerant services to the Area Education Agencies /Local Education Agencies.

Salaries Expenditures were greater than budget for the increased vision itinerant services.

Other Income and Supply Expenditures were under the budget because IBSSS was able to reduce operating expenses rather than use the endowment funds as budgeted. Endowment resources are used only to the extent that general fund resources are not available to support educational and related expenditures according to the School's strategic plan.