

**The University of Iowa
Comprehensive Fiscal Report
FY 2006**

GENERAL UNIVERSITY

Revenue

Actual General University revenues and expenditures for FY 2006 were less than the budget by \$503,000 or 0.10%.

Actual General University tuition revenues were over the budget by approximately \$1.8 million. This represents a variance of 0.8%. This variance is primarily due to better retention experience during FY 2006.

In the submission of the Final FY 2007 budget to the Board, the University reported; "Actual data through May 2006 indicates that FY 2006 General University indirect cost recoveries might be below budget by as much as \$3.5 million. This is primarily due to funding reductions and delays imposed by the National Institutes of Health, the agency providing a significant percentage of sponsored funding to the University". Final FY 2006 indirect cost revenues were approximately \$2.8 million or 6.5% under the budget. This level of indirect cost recovery funding in FY 2006 was essentially level compared to the prior year.

Interest income was over budget by \$545,000. This variance is primarily due to the timing of expenditures during the year.

Expense

Salaries comprise 75% of General University expenditures. Salary expenditures for FY 2006 were at 99.26% of the amount budgeted.

Actual expenditures for Professional and Scientific Supplies were \$992,000 below the budget. Over one half of this variance was a direct result of the net revenue shortfall of \$503,000. The balance, slightly over 1%, is the result of collegiate reallocations to Building Repairs.

Expenditures for equipment were under the budget by \$551,000. This was primarily due to a one-time reallocation of equipment funds to Building Repairs.

General University expenditures for student financial aid were above budget by \$1.7 million or 4.4%. This was due to reallocations within the colleges. Expenditures for student financial aid were 18.4% of actual tuition revenues.

General University expenditures for Building Repairs were \$2.25 million over budget which were funded with a one-time reallocation from the equipment budget, collegiate reallocations from Professional and Scientific Supplies and greater than anticipated salary savings. Examples of significant Building Repairs projects accomplished in FY 2006 include, Bowen Science HVAC, Chemistry Building renovation, Nursing Building second floor remodeling, classroom and laboratory renovations and fire, life safety and environmental projects.

Reallocations

As reported in the FY2006 Final Budget, the University of Iowa planned to reallocate \$10,850,000. The schedule below compares actual reallocations with amounts included in the Final Budget document. The net impact of the changes is an additional reallocation of \$333,000.

Improving the competitiveness of our faculty salaries was a top budget priority. To support this goal, the University implemented a mid-year faculty salary increase on January 1, 2006 with the intention of achieving an overall average increase of no less than 5% in FY2006. The additional increment was funded by the redirection of FY2006 incremental resources, Collegiate Internal reallocations, and funds from the Provost Reallocation pool.

As indicated in the Final Budget, \$1.2M of reallocated funds were retained and redistributed during the course of the year by the Provost across collegiate units to support University-wide strategic initiatives. This funding not only supported expansion of the Honors Program, the First-Year Seminar Program, and funding of the Faculty Diversity Opportunity Program, but also faculty salary increases (mentioned above), graduate student tuition scholarships, and start-up/development packages for faculty in the Arts & Humanities.

THE UNIVERSITY OF IOWA
General Education Fund
FY 2006 Reallocations

	Final Budget	Actual	Change
<u>SOURCES</u>	(Form 1B)		
GEF Task Force on Non-academic Units	2,000,000	2,000,000	-
Administrative and Collegiate Reallocations	1,300,000	1,000,000	(300,000)
Building Renewal	2,600,000	2,600,000	-
Other Collegiate Reallocations			
Internal	3,100,000	3,650,000	550,000
Provost	1,200,000	1,283,000	83,000
Graduate College Block Reallocation	650,000	650,000	-
Total Sources	10,850,000	11,183,000	333,000
<u>NEW EXPENSES</u>			
Core Salary/Benefits Increases:			
Faculty and P & S Salary and Benefits	3,630,000	3,630,000	-
Faculty & P&S Reallocation	1,300,000	1,000,000	(300,000)
Subtotal	4,930,000	4,630,000	(300,000)
Additional Investment in Faculty:			
a Restoring Faculty Salary Competitiveness		904,000	904,000
Collegiate Reallocation	3,100,000	3,000,000	(100,000)
Provost Reallocation	950,000	300,000	(650,000)
Subtotal	4,050,000	4,204,000	154,000
Additional Investment in Students:			
a Student Information System Amortization (10 yrs)			
Provost Reallocation	250,000	554,000	304,000
Graduate College Block Allocation	650,000	650,000	-
Opening Carver Biomedical Research Facility (Education)	357,000	357,000	-
Subtotal	1,257,000	1,561,000	304,000
Renewing Environments for Learning and Research:			
Provost Reallocation		175,000	175,000
Opening Carver Biomedical Research Facility (Research)	613,000	613,000	-
a Additional Building Renewal			
Subtotal	613,000	788,000	175,000
Total New Expenses	10,850,000	11,183,000	333,000

a) In addition to the \$904K of reallocated funds applied to Restoring Faculty Salary Competitiveness, \$500K of FY06 incremental resources supported this initiative; these funds were redirected from Student Information System Amortization (\$250K) and Additional Building Renewal (\$250K).

10/11/06

HEALTH CARE UNITS

Salaries- Emphasis to align skill mix and increase productivity has resulted in surplus variances from budget. These reduced expenses allowed for an increase in Building Repair services.

Professional & Scientific- Medical care costs continue to outpace the general rate of inflation. In particular, surgical implants, prescription drugs, medical supplies and purchased medical services are the major causes of this increase.

Building Repairs- An increase in labor productivity along with limited equipment purchases resulted in the ability to help support additional inpatient unit renovations and other clinical and diagnostic Building Repair projects.

Equipment – To allow for fundamental Building Repair needs, equipment purchases were restricted.

OTHER APPROPRIATED UNITS

All of these units have sustained significant reductions in appropriations over the last several years. For example, the Oakdale Campus budget, which provides utility and facilities support to all units located there, including the State Hygienic Laboratory and business incubators, has experienced a 17% reduction in its appropriation since FY 2001. Much of this has been offset by GEF utilities support for Oakdale campus functions.

Oakdale Campus

Both revenue and expense for the Oakdale unit were at 99.86% of the original budget.

Hygienic Laboratory

Both revenue and expense for the Hygienic Laboratory unit were at 98.59% of the original budget.

Family Practice Program

Both revenue and expense for the Family Practice Program unit were 99.71% of the original budget

Special Purpose Appropriations

FY 2006 Special Purpose appropriations were as follows:

Primary Health Care	\$759,875
State Cancer Registry	178,739
Substance Abuse	64,871
Biocatalysis	881,384
Advance Drug Development	110,343
Technology Innovation Center	43,701
Oakdale Research Park	92,961
Iowa Birth Defects Registry	44,636
Total	<u>\$2,176,510</u>

Both revenue and expense for each of the Special Purpose units were at 100% of the original budget.

RESTRICTED FUNDS

The FY 2006 Restricted Fund budget was provided to the Board in June, 2005. It was based upon the most current information available to inform revenue and expenditures projections for each of the funds contained therein. The Restricted Fund includes the Organized Activities Fund, the Auxiliary Enterprise Fund, the Current restricted Fund and the Plant fund, and involves virtually every department on campus in revenue and expenditure planning. Revenues are derived from federal and non-federal support for sponsored programs (primarily research and student aid), sales and services, bond proceeds, transfers from current unrestricted funds for debt service and depreciation, tuition replacement appropriations and capital appropriations. The expenditure plan provided for salary adjustment, met certain nondiscretionary cost increases, and reflected the University's best efforts at planning to meet its most critical needs and to provide essential services within the limits of available resources guided by the Strategic Plan.

The Organized Activities Fund includes Continuing Education programs, Medicine and Dentistry Practice Plan funds, Sports Camp activities, Conferences and Institutes, and various publications and workshops related to academic departments.

The Auxiliary Enterprise Fund includes Intercollegiate Athletics, Residence Halls, the Iowa Memorial Union operations, Student Health, Recreational Services, Hancher Auditorium, Parking and Transportation, Cambus, and various smaller enterprises serving faculty, staff, students and the public.

Budget to Actual Variances

Revenue

Capital

Included in Restricted Funds are three appropriations from the General Assembly for FY 06. Tuition replacement funding in the amount of \$10,247,036 was appropriated to address debt service on outstanding Academic Building Revenue Bonds. A total of \$1,281,164 of capital appropriations was drawn during FY 2006 for the construction of the new Art Building. A total of \$1,925,000 in appropriations from the Grow Iowa Values Fund (GIVF) was drawn during FY 2006 for Economic Development Initiatives. Of this amount \$412,000 was expended during FY 2006 with an equal amount of matching funds provided from other sources. Additional detail regarding the FY 2006 expenditure of GIVF funds and attendant match as well as planned programming for FY 2007 and beyond is available from the Office of the Vice President for Research. This background also is reported to the Regents Economic Development Committee.

Information on progress with capital projects is also contained in the Capital Register provided to the Board each month and at the following website maintained by University Design and Construction Services: <http://www.facilities.uiowa.edu/dcs/dcsindex.htm>

Federal Support

The current Restricted Fund includes sponsored activities, predominantly research and student financial aid funded from federal and other external sources. Federal Support was 92.51% of the amount budgeted. The university established a budget for FY 2006 grants and contracts based on experience in the past several years. This revenue source is typically volatile and difficult to project.

Intra State Receipts

It has been a longstanding requirement of the Board Office that the revenue and expenditure beginning budgets for the Restricted Funds be in balance even though this is never the case at the end of the year given the “going concern” nature of the Restricted Fund’s major components. In order to accomplish this required balancing in the original budget, the University uses the Intra State Receipts line in the Department of Management Report. At the end of each year this creates a significant variance between budget and actual numbers for Intra State Receipts which reflect only net transfers at year end.

Bond Proceeds

The original bond sale projection was \$212 million. The actual amount of bonds sold in FY 2006 totaled \$106,500,000. Of this amount, \$13.5 million was sold through UI Facilities Corporation and therefore are not reflected in the \$93 million shown on the DOM report. The following sales were anticipated when the FY 2006 budget was developed but not realized during FY 2006.

- UIHC \$75 million in variable rate debt has been deferred indefinitely.
- Chemistry/Art \$25 million deferred until FY 2007 due to delays in construction progress; therefore the bond proceeds were not needed as early as originally anticipated.
- Utility Enterprise delayed issuing \$10 million until it could be combined with another bond sale that will occur in November 2006.
- Athletics sold \$3 million more than anticipated when the FY2006 budget was created. Based on the advice of bond counsel the amount of taxable debt sold to address private activities occurring within the renovated stadium was increased by \$3 million.

Sales and Services

Sales and Services were 107.86% of the amount budgeted due to higher sales volumes than anticipated.

Other Income

Other Income was substantially higher than the amount budgeted. This variance is primarily due to a very conservative original budget, higher than anticipated non-federal gifts, grants and contracts and higher than anticipated revenues from the Medicine and Dentistry Practice Plans.

The “Other Income revenue category consists of the following components:

Non-Federal Gifts, Grants and Contracts	\$96.8 M
Medicine and Dentistry Practice Plans	\$22.7 M
Interest, Dividends and Capital Gains and Losses	\$19.1 M
Workshops and Seminars	\$ 5.5 M
Commissions and Royalties	\$11.9 M
Rental of Equipment	\$ 4.6 M
Parking Fines	\$ 1.0 M
Other Miscellaneous Revenue	\$ 9.4 M

Expense

Professional and Scientific Supplies

Expenditures for Professional and Scientific Supplies were 4.5% over the budget due to higher than anticipated costs in several categories including, computing services, medical and laboratory supplies, non-capitalized software and equipment, publication costs and employment agency services.

Equipment

Most of the variance in equipment expenditures was due to sponsor approved rebudgeting in grants and contracts.

Plant Capital

The variance in plant capital expenditures is the result of adjustments in earlier projections of construction schedules.

**The University of Iowa
Department of Athletics
FY 2006 Budget to Actual**

Revenue

Football

Football revenue was above budget because of higher than anticipated season and game ticket sales.

Men's Basketball

Men's basketball revenue was below budget because of fewer than anticipated ticket sales for non-conference games.

Other Men's Sports

Revenue from other men's sports is above budget due to a significant increase in attendance at Baseball games.

General Income

This increase is attributable to higher concession revenue and support from the Corporate Partners Program as well as the Hawkeye Village Program.

Expense

Football

The variance in Football expense is due to additional compensation paid.

Women's Sports

Expenditures for women's sports were under budget due to lower than anticipated scholarship expense.

Administrative and General Expenses

This variance is attributable to higher corporate signage costs and is tied to the higher Corporate Partners income reported above.

Facility Debt Service

This variance is attributable to debt restructuring.

Buildings & Grounds

This variance reflects higher utility and maintenance expenses throughout Athletics, increased expenses associated with service fees for on-line ticket ordering and higher credit card transaction fees associated with the purchase of tickets.

University of Iowa Athletic Budget

	FY 06 Budget	Final Close 2005-2006
INCOME:		
Men's Sports		
Football	15,528,671	16,189,657
Basketball	4,340,000	3,648,493
Wrestling	226,000	260,364
All Other	5,500	17,861
Total Men's Sports	\$ 20,100,171	\$ 20,116,375
Women's Sports		
Basketball	\$ 200,000	\$ 171,531
Volleyball	10,000	10,853
All Other	12,000	14,488
Total Women's Sports	\$ 222,000	\$ 196,872
Other Income		
Facility Debt Service/Student Fees	1,513,683	1,495,060
Athletic Conference	10,532,000	10,636,553
University General Fund Support	873,359	873,359
Athletics Student Aid Set Aside	800,000	800,000
Interest	350,000	650,390
Foundation Support - Gifts	6,647,717	5,950,453
Novelties--Bookstore	1,350,000	1,350,000
Radio, Football & Basketball	1,350,000	1,350,000
General	2,579,891	3,116,862
Total Other Income	\$25,996,650	\$26,222,677
TOTAL INCOME	\$ 46,318,821	\$ 46,535,924
EXPENSES:		
Men's Sports		
Football	11,536,473	12,699,096
Basketball	3,685,019	3,720,010
Wrestling	874,749	868,367
Other Sports	3,043,259	2,847,285
Total Men's Sports	\$ 19,139,500	\$ 20,134,758
Women's Sports		
Basketball	2,210,102	2,226,240
Volleyball	974,228	902,052
Other Sports	5,955,166	5,504,455
Total Women's Sports	\$ 9,139,496	\$ 8,632,747
Other Expenses		
Training Room	1,087,050	1,102,849
Sports Information	548,719	604,848
Admin. & General Expenses	7,407,117	7,868,838
Facility Debt Service	1,792,717	594,959
Reserve for Recreation Projects	1,000,000	1,000,000
Academic & Counseling	1,292,958	1,207,967
Buildings & Grounds	4,911,264	5,288,959
Total Other Expenses	\$ 18,039,825	\$ 17,668,420
TOTAL OPER. EXPENSE	\$ 46,318,821	\$ 46,435,925
Total Operating Balance	\$ -	\$ 100,000

The University of Iowa
Iowa City, Iowa

**UNIVERSITY RESIDENCE SYSTEM
ANNUAL REPORT FOR 2005-06
And
OCCUPANCY STATISTICS FOR FALL
SEMESTER 2006**

Prepared for the Board of Regents, State of Iowa
September 2006

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Executive Summary

- Total enrollment at The University of Iowa during the fall semester 2006 is 29,979 students, an increase of 337 from fall 2005 total enrollment.
- Total enrollment for first- and second-year students, which make up the majority of the population in the residence halls, increased from 9,429 to 9,609 for fall 2006.
- Total student occupancy in the residence halls during the fall semester 2006 is 5,671, an increase of 138 residents from the fall 2005 total of 5,533.
- For fall 2006, residence hall occupancy is 101.2% of capacity.
- 18.9% of the total University enrollment is housed in the University residence halls during fall 2006.
- 680 University Apartments were occupied as of September 1, 2006. Residents include students, faculty, and staff members, with a mix of single residents and families.
- For fall 2006, apartment occupancy is 98.0% of capacity.
- Rates for a double room with full board (20 meals per week) increased from \$6,073 for academic year 2006 to \$6,374 for academic year 2007.
- Monthly apartment rental rates range from \$418-\$553 for academic year 2007, an increase of \$18 from the academic year 2006 rates.
- 50.5% of all residents requested a double room with air-conditioning for fall 2006.
- Rates for a double room with full board rank 8th out of 11 peer institutions for academic year 2007 and are \$946 below the median rate.
- Net income from operations during fiscal 2005-06 was \$11,707,217, an increase of \$563,055 over fiscal 2004-05.
- Voluntary reserve balances decreased from \$13,275,139 as of June 30, 2005 (33.8% of gross revenues) to \$12,034,990 as of June 30, 2006 (29.4% of gross revenues).
- Total residence system fund balances decreased from \$19,623,994 as of June 30, 2005 to \$18,383,845 as of June 30, 2006.
- As of June 30, 2006, outstanding bond principal totaled \$60,485,000.

Article I. Enrollment & Occupancy

Article II. Enrollment Comparison				
Level	Fall 2005	Fall 2006	Change (+ or -)	
Entering freshmen	3,849	4,289	+440	+11.4%
Total freshmen	4,996	5,329	+333	+6.7%
Sophomores	4,433	4,280	-153	-3.5%
Total 1 st & 2 nd Year Students	9,429	9,609	+180	+1.9%
Total Undergraduate	20,300	20,738	+438	+2.2%
Total Enrollment	29,642	29,979	+337	+1.1%

Article III. Occupancy Comparison				
Level	Fall 2005	Fall 2006	Change (+ or -)	
Entering freshmen	3,452	3,858	+406	+11.8%
Total freshmen	3,931	4,243	+312	+7.9%
Sophomores	1,102	972	-130	-11.8%
Total 1 st & 2 nd Year Students	5,071	5,215	+144	+2.8%
Total Undergraduate	5,510	5,657	+147	+2.7%
Total Occupancy	5,533	5,671	+138	+2.5%

Article IV. Percent of Enrollment Housed				
Level	Fall 2005	Fall 2006	Change (+ or -)	
Entering freshmen	89.7%	90.0%	+0.3%	
Total freshmen	78.7%	79.6%	+0.9%	
Sophomores	24.9%	22.7%	-2.2%	
Total 1 st & 2 nd Year Students	53.8%	54.3%	+0.5%	
Total Undergraduate	27.1%	27.3%	+0.2%	
Total	18.7%	18.9%	+0.2%	

Hall and Apartment Occupancies Compared to Design Capacity				
	Fall 2005		Fall 2006	
Residence Halls	Capacity	Occupancy	Capacity	Occupancy
Burge	847	865	896	885
Carrie Stanley	373	391	373	393
Currier	650	649	647	646
Hillcrest	816	814	816	809
Kate Daum	314	325	314	311
Parklawn	141	134	140	137
Quadrangle	316	314	363	362
Rienow	511	536	503	551
Slater	511	534	511	546
Mayflower	1,005	971	1,041	1,031
Total Residence Halls	5,483	5,533	5,604	5,671
Apartments				
Hawkeye Court	504	491	504	490
Hawkeye Drive	190	182	190	190
Total Apartments	694	673	694	680

Room, Board, and Apartment Rates

i) Double Room/Full Board Rate Comparison		
Academic Year		
	2006 Rate	2007 Rate
Double Room	\$3,723	\$3,899
Full Board	\$2,350	\$2,475
Total	\$6,073	\$6,374

2006-07 non-airconditioned double room beds comprise 9.5% of all beds in the system.

Triple Room/Full Board Rate Comparison		
Academic Year		
	2006 Rate	2007 Rate
Triple Room	\$3,194	\$3,345
Full Board	\$2,350	\$2,475
Total	\$5,544	\$5,820

2006-07 non-airconditioned triple room beds comprise 1.3% of all beds in the system.

Suite Style Room/Full Board Rate Comparison		
Academic Year		
	2006 Rate	2007 Rate
Suite Style Room	\$4,618	\$4,836
Full Board	\$2,350	\$2,475
Total	\$6,968	\$7,311

2006-07 suite-style room beds comprise 21.8% of beds in the system.

Article V.

Apartment Rent Comparisons		
Per Month	2006 Rate	2007 Rate
Hawkeye Court		
One-bedroom	\$400	\$418
Two-bedroom	\$445	\$463
Hawkeye Drive		
Two-Bedroom	\$535	\$553

**Single Students In Double Rooms Including 20 Meal Contracts
Ten Year Rate Comparison
Academic Year**

Year	Rate
1998	3,825
1999	3,988
2000	4,188
2001	4,398
2002	4,671
2003	5,255
2004	5,701
2005	5,882
2006	6,073
2007	6,374

Demand For Room Type 2006-07

Room Type	Percentage
Double with Air-Conditioning	50.5%
Double with Bath & Air-Conditioning	18.0%
Double with no Air-Conditioning	8.1%
Double with Air-Conditioning, Shared Bath, & Shared Kitchen	6.9%
Double with Bath, Air-Conditioning, & Kitchen	3.4%
Single with Air-Conditioning	2.9%
Single with no Air-Conditioning	1.5%
Triple Apartment with Air-Conditioning	1.4%
Quad Apartment with Air-Conditioning	1.3%
Triple with Air-Conditioning	1.2%
Single with Bath & Air-Conditioning	1.1%
Double with Bath	0.9%
Triple with Bath & Air-Conditioning	0.7%
Single with Bath, Air-Conditioning, & Kitchen	0.5%
Quad with Bath & Air-Conditioning	0.4%
Triple without Air-Conditioning	0.3%
Single with Air-Conditioning & Shared Bath	0.3%
Quad without Air-Conditioning	0.3%
Single with Bath	0.2%

Comparable Peer Universities Rate Comparison (Double Occupancy + Primary Board Plan)			
	2005-06	2006-07	Meal Plan Included In Rate Shown
UCLA	10,264	10,469	19 meals/week
Ohio State	7,770	9,060	19 meals/week
Michigan	7,374	7,808	13 meals/week base
Illinois	7,596	7,716	20 meals/week
Minnesota	6,722	6,996	19 meals/week + \$200 FlexDine
Texas	6,360	6,811	\$1,200 debit card + \$300 Bevo Bucks
Indiana	6,944	6,468	\$3,064 debit plan
Iowa	6,073	6,374	20 meals/week + \$200 Hawkeye Dollars
Wisconsin	5,616	6,336	Debit card of \$1,200 (meal plan not required)
Arizona	6,009	6,327	Debit card of \$1,650 (meal plan not required)
North Carolina	4,800	6,160	14 meals/week (meal plan not required)

Comparable Peer Universities Rate Comparison Suite-Style Rooms				
	2005-06		2006-07	
	Room	Board	Room	Board
UCLA	11,974	Included in rate	12,214	Included in rate
Michigan	9,316	Included in rate	9,866	Included in rate
Ohio State	8,850	Included in rate	7,000	3,560
North Carolina	6,170	1,170	4,750-5,900	Not required
Wisconsin	5,391	\$920 debit card	5,636	Not required
Indiana	5,184	\$3,328 debit card	5,288	\$3,064 debit plan
Iowa	4,618	1,155-2,350	4,836	1,190 – 2,475
Minnesota	3,902-4,556	2,836	4,058-4,738	2,954
Arizona	Not Offered			
Texas	Not Offered			
Illinois	Not Offered			

Comparable Peer Universities Rate Comparison Apartments (Monthly Rent)						
	Two Bedroom		One Bedroom		Efficiency	
	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07
Michigan	950-1,055	895-1,168	822-875	709-969	747	773
UCLA	895-1,251	920-1,020	791-1,224	762-785	N/A	974-1,001
North Carolina	775-825	800-850	725	750	N/A	N/A
Wisconsin	665	685-875	585	605-740	N/A	N/A
Minnesota	727	752	529	547	718	743
Ohio State	660	660	525	525	N/A	N/A
Indiana	576-713	581-720	551-614	557-620	556-558	564
Texas	520	530	452	461	N/A	N/A
Illinois	491-576	515-645	456	479	555	582
Iowa	445-535	463-553	400	418	N/A	N/A
Arizona	387	N/A	466	N/A	N/A	N/A

Financial Operations (Year Ending June 30)

	<u>Fiscal Year 2004-05</u>	<u>Fiscal Year 2005-06</u>
Revenues	\$ 39,260,980	\$ 40,909,930
Expenditures for Operations	<u>28,116,718</u>	<u>29,202,713</u>
Net Operating Revenue	11,144,162	11,707,217
% of Revenues	28.4%	28.6%
Debt Service (Due July 1)	6,024,733	6,029,008
% of Revenues	15.3%	14.7%
Net Operating Ratio (%)		
(Net Operating Revenue to Debt Service)	<u>185.0%</u>	<u>194.2%</u>
Net Revenue After Debt Service	5,119,529	5,678,209
% of Revenues	13.0%	13.9%
Mandatory Transfers to Reserves	600,000	600,000
% of Revenues	<u>1.5%</u>	<u>1.5%</u>
Net After Debt Service & Mandatory Transfers	4,519,529	5,078,209
% of Revenues	11.5%	12.4%

	<u>Interest Due 7/1/2006</u>	<u>Principal Due 7/1/2006</u>	<u>Principal Due In Future Years</u>
Bond Principal and Interest Due as of June 30			
Bond Series 1966	\$ 42,000	\$ 1,000,000	\$ 1,000,000
Bond Series 1999	190,768	390,000	7,935,000
Bond Series 2000	371,039	560,000	13,520,000
Bond Series 2001	263,219	525,000	11,330,000
Bond Series 2003	<u>489,978</u>	<u>840,000</u>	<u>23,385,000</u>
	<u>\$ 1,357,004</u>	<u>\$ 3,315,000</u>	<u>\$ 57,170,000</u>

	<u>Fiscal Year 2004-05</u>	<u>Fiscal Year 2005-06</u>
Residence System Fund Balances as of June 30		
Voluntary Funds		
Revenue Fund	\$ -	\$ -
Operation & Maintenance Fund	1,000,000	1,000,000
Improvement Fund	7,424,634	7,072,634
Surplus Fund	<u>4,850,505</u>	<u>3,962,356</u>
Subtotal--Voluntary Fund Balances	<u>13,275,139</u>	<u>12,034,990</u>
Percent of Gross Revenues	33.8%	29.4%
Non-Voluntary Funds		
Sinking Fund	-	-
Bond Reserve Fund	6,348,855	6,348,855
Construction Fund	<u>-</u>	<u>-</u>
Subtotal—Non-Voluntary Fund Balances	<u>6,348,855</u>	<u>6,348,855</u>
Total Residence System Fund Balances	<u>\$ 19,623,994</u>	<u>\$ 18,383,845</u>

i) Improvement and Repair Expenditures for Facilities in Operation Prior to FY2006

Total Gross Square Footage	2,236,216
Total Building Insurance (Replacement Value)	\$262,008,900
Total FY2006 Improvement And Repair Expenditures	\$10,228,936
Expenditures Per Gross Square Foot	\$4.57
Expenditures As A Percent Of Replacement Value	3.9%
Total FY2006 Improvement And Repair Expenditures	\$10,228,936
Total FY2005 Improvement And Repair Expenditures	10,247,437
Change from Prior Year	-\$18,501

**The University of Iowa
Residence System
Comparison of Budget vs Actual
FY 2005-2006**

	Actual 2005-2006	Board Approved Budget 2005-2006	Over / (Under) Budget	
OPERATIONS (Modified Cash Basis)				
Revenues	\$40,909,930	\$39,287,892	\$ 1,622,038	
Expenditures for Operations	29,202,713	29,039,246	163,467	
Net Revenues	<u>11,707,217</u>	<u>10,248,646</u>	<u>1,458,571</u>	
% of Revenues	28.6%	26.1%		
Debt Service (due July 1)	6,029,008	6,029,008	-	
Mandatory Transfers	<u>600,000</u>	<u>600,000</u>	<u>-</u>	
Net After Debt Service & Mandatory Transfers	<u>\$ 5,078,209</u>	<u>\$ 3,619,638</u>	<u>\$ 1,458,571</u>	
% of Revenues	12.4%	9.2%		
University Overhead Payment From Surplus	\$ 399,108	\$ 399,108	\$ -	
REVENUES AND EXPENDITURES DETAIL				
Revenues				
Contracts	\$36,699,417	\$35,359,266	\$ 1,340,151	(1)
Interest	886,885	656,270	230,615	(2)
Other Income	3,323,628	3,272,356	51,272	(3)
Total Revenues	<u>\$40,909,930</u>	<u>\$39,287,892</u>	<u>\$ 1,622,038</u>	
Expenditures for Operations				
Salaries, Wages & Benefits	10,872,028	11,315,329	(443,301)	(4)
Utilities	4,797,330	4,684,902	112,428	(5)
Cost of Food or Goods Sold	3,812,738	3,664,033	148,705	(6)
Repairs & Maintenance	3,709,685	3,320,386	389,299	(7)
Other Operating Expense	6,010,932	6,054,596	(43,664)	
Total Expenditures	<u>\$29,202,713</u>	<u>\$29,039,246</u>	<u>\$ 163,467</u>	
RESIDENCE SYSTEM FUND BALANCES (June 30)				
Revenue Fund	\$ -	\$ -	\$ -	
Operation & Maintenance Fund	1,000,000	1,000,000	-	
Improvement Fund	7,072,634	6,900,000	172,634	(8)
Surplus Fund	3,962,356	1,479,996	2,482,360	(9)
Subtotal--Voluntary Reserves	<u>12,034,990</u>	<u>9,379,996</u>	<u>2,654,994</u>	
Sinking Fund	-	-	-	
Bond Reserve Fund	6,348,855	6,348,855	-	
Construction Fund	-	-	-	
Subtotal--Mandatory Reserves	<u>6,348,855</u>	<u>6,348,855</u>	<u>-</u>	
Total Reserve Balances (June 30)	<u>\$18,383,845</u>	<u>\$15,728,851</u>	<u>\$ 2,654,994</u>	

**Note: See attached page for explanation of variances
Explanation of variances between Budget and Actual for FY2006:**

- (1) Contract Revenues: Contract revenues are higher than budgeted due to an increase in the actual number of room and board contracts over the amount projected at the time of submission of the original budget. The budget for FY2005-06 was based on projected fall residence hall occupancy of 5,403 and board contracts numbering 5,176. Because the first-year student enrollment did not experience the decline originally projected, actual occupancy for fall 2005 was similar to the numbers experienced in fall 2004. Actual occupancy for fall 2005 was 5,533, with 5,475 board contracts.
- (2) Interest Income Revenues: FY2006 budgeted investment income was estimated based on the FY2005 pooled interest income distribution rate of 2.0%. The actual rate distributed during FY2006 was significantly higher at 3.09%. This higher than expected distribution rate, combined with higher balances available for investment (due to deferred capital spending and higher cash balances), led to higher than budgeted investment income.
- (3) Other Income Revenues: Revenues from non-contract food service operations once again exceeded budget expectations for FY2006, due to the continued increase in popularity of the newly renovated Burge Marketplace facility.
- (4) Salaries, Wages & Benefits: Salaries and wages expense was lower than budgeted due to numerous vacancies and unfilled positions, particularly in the contract food service operations.
- (5) Utilities: Utility rates for gas and electricity purchased from MidAmerican Energy at Mayflower and University Apartments were slightly higher than estimates made at the time of the FY2006 budget preparation.
- (6) Cost of Food or Goods Sold: Food costs during FY2006 were higher than budgeted, consistent with the increased volume of meals served.
- (7) Repairs & Maintenance: Repairs and maintenance costs increased from the budgeted amount due to significant repair work conducted at University Apartments, as well as maintenance support related to the numerous construction projects in the residence halls.
- (8) Improvement Fund Balance: The year-end fund balance of the Improvement Fund is based on the projected capital expenditures for the upcoming year plus any unspent funds for projects in progress at year-end, less expenses incurred for projects budgeted for future years. Due to shifting of the timing of several planned capital projects, the projected capital expenditures for FY2007 have changed slightly from the time of preparation of the original FY2006 budget to the end of the fiscal year. This variance is offset by unspent funds for projects in progress at year-end.
- (9) Surplus Fund Balance: The higher than budgeted fund balance in the Surplus Fund is due to the higher than budgeted net income from operations, combined with reduced capital expenditures during FY2006. The reduced capital spending is primarily due to timing of expenses for capital projects in progress at the end of the fiscal year.