

**The University of Iowa
Comprehensive Fiscal Report
FY 2007**

GENERAL UNIVERSITY

Actual General University revenues and expenditures for FY 2007 were less than the budget by \$2,258,000 or 0.4%.

Revenue

Actual General University tuition revenues were less than the budget by approximately \$1,800,000. This represents a variance of 0.8%. This variance is due to a slight overestimate of student enrollment.

In June 2007, the University requested a budget ceiling increase of \$2,000,000. Indirect cost recoveries were projected to exceed the budget by as much as \$2,000,000 due to improved timing of federal funding and success in securing sponsored research in FY 2007. Final FY 2007 indirect cost revenue growth was approximately \$867,000 or 2.1% under the revised budget.

Interest income was over budget by \$445,000. This variance is primarily due to higher than expected interest rates and the timing of expenditures during the year.

Expense

Salaries comprise 74% of General University expenditures. Salary expenditures for FY 2007 were at 99.18% of the amount budgeted.

Actual expenditures for Professional and Scientific Supplies were \$3,274,000 below the budget. A portion of this variance was a direct result of the net revenue shortfall of \$2,258,000. The balance is the result of collegiate reallocations to Student Aid and Building Repairs.

Expenditures for Equipment were over the budget by \$602,000. This was primarily due to collegiate reallocations to Equipment from other expenditure categories.

General University expenditures for Student Aid were above budget by \$2,677,000 or 6.4%. This was due to reallocations within the colleges. Expenditures for Student Aid were 18.7% of actual tuition revenues.

General University expenditures for Building Repairs were \$1,162,000 over budget which were funded from collegiate reallocations and greater than anticipated salary savings. Examples of significant Building Repairs projects accomplished in FY 2007 include Bowen Science emergency generator installation, Chemistry Building renovation, Nursing Building second floor remodeling, classroom and laboratory renovations and fire, life safety and environmental projects.

Reallocations

As reported in the FY2007 Final Budget, the University of Iowa planned to reallocate \$8,626,000. This amount was reallocated with only small adjustments in the uses of the reallocations. The schedule below compares actual reallocations with amounts included in the Final Budget document.

These reallocations provided partial funding of the multi-year plan to improve faculty salaries relative to peer institutions, helped to meet staff salary and benefit increases, and funded other unavoidable cost increases outlined below.

FY2007 was the second year in which 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, totaling \$1M, supported faculty salary increases, the Faculty Diversity Opportunity Program, the Honors Program, and technology funding adjustments across several colleges.

THE UNIVERSITY OF IOWA
General Education Fund
FY 2007 Reallocations

	<u>Final Budget</u> (Form 1B)	<u>Actual</u>	<u>Change</u>
<u>SOURCES</u>			
GEF Task Force	217,000	217,000	-
Administrative Reallocations	2,906,000	2,906,000	-
Collegiate Reallocations			
Internal	4,503,000	4,503,000	-
Provost	1,000,000	1,000,000	-
Total Sources	<u>8,626,000</u>	<u>8,626,000</u>	<u>-</u>
<u>NEW EXPENSES</u>			
Core Salary/Benefits Increases:			
P & S Salary and Benefits	2,000,000	2,000,000	-
Subtotal	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Investment in Faculty:			
Faculty Salary and Benefits	3,505,125	3,505,125	-
Provost Reallocation	730,000	533,000	(197,000)
Faculty Salary Annualization	1,300,000	1,300,000	-
Subtotal	<u>5,535,125</u>	<u>5,338,125</u>	<u>(197,000)</u>
Investment in Students:			
Provost Reallocation	270,000	467,000	197,000
Subtotal	<u>270,000</u>	<u>467,000</u>	<u>197,000</u>
Operating Environments for Learning and Research:			
Utility Inflation	130,000	130,000	-
Research Match/Commitments	601,000	601,000	-
Opening Academic Buildings	90,000	90,000	-
Subtotal	<u>821,000</u>	<u>821,000</u>	<u>-</u>
Total New Expenses	<u>8,626,125</u>	<u>8,626,125</u>	<u>-</u>

HEALTH CARE UNITS

Supplemental Appropriations/ Sales & Services

At the time the FY 2007 budget was due, uncertainty existed regarding the timing of IowaCare payments for services provided in FY 2006. Therefore based on information available at the time, the FY 2007 budget anticipated in Sales & Services the receipt of IowaCare supplemental cash funds of \$18.5M. Due to timing of cash receipts, only \$12M of supplemental appropriations for the IowaCare program was received in FY 2007. This cash was also reflected as Supplemental Appropriations instead of Sales & Services.

In addition, a shift in patient payment allowances from bad debt expense within the Professional Supplies and Services category to contractual adjustments within Sales & Services resulted in reduced revenues as well as reduced expenses.

Federal Support

Timing of the receipt of grant funding resulting from carryover funds contributes to this variance.

Salaries

In FY 2007, UIHC experienced a significant increase in patient volume demonstrated by a growth of 7.0% in admissions, 9.6% in patient days, 2.7% of outpatient clinic visits, 5.6% for inpatient surgeries and 7.6% for Emergency Treatment Center visits above the FY 2007 budgeted volume levels. UIHC's emphasis on productivity based operations allowed for the additional labor hours required to meet these increased patient volumes through the use of temporary staff, overtime hours and, in areas of sustained volume growth, new staff positions.

Professional & Scientific Supplies and Services

The major cause of the surplus in this category is due to the shift of approximately \$24M of patient payment allowances from bad debt expense within P&S Supplies and Services to charity and other contractual adjustments within Sales & Services. This reduction in bad debt expense was the result of the hospital's continuing efforts to pursue payor sources for these patients such as Medicaid or IowaCare. In cases where no payor source is available, the hospital's charity policy is applied when patients meet the hospital's charity care guidelines.

Building Repairs and Equipment

The need for inpatient unit renovations, fundamental facility maintenance and other clinical and diagnostic building repair projects were offset by limited equipment purchases.

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 99.2% of the original budget.

Hygienic Laboratory

Both revenue and expense for the Hygienic Laboratory unit were 98.7% of the original budget.

Family Practice Program

Both revenue and expense for the Family Practice Program unit were 99.8% of the original budget

Special Purpose Appropriations

FY 2007 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 100% of the original budget.

RESTRICTED FUNDS

The FY 2007 Restricted Fund budget was provided to the Board in August 2006. 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. It 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 adjustments, 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.

Revenue

State Appropriations

Included in Restricted Funds were four appropriations from the General Assembly for FY 07.

Tuition replacement funding in the amount of \$9,914,000 was appropriated to address debt service on outstanding Academic Building Revenue Bonds.

A total of \$1,405,000 of capital appropriations was drawn during FY 2007 for architectural and engineering planning for the new College of Public Health building.

The FY 2007 Restricted Fund budget contained \$10,335,000 in new economic development funding including \$1,925,000 for the second year of economic development appropriation from the Grow Iowa Values Fund and \$8,410,000 in a one-time appropriation from the Battelle Research and Commercialization Fund to implement initiatives in three key economic development areas: biosciences, advanced manufacturing and information technology. The table below indicates expenses during FY 2007 related to these economic development appropriations:

Spending in FY 2007

	<u>FY 2006 Appropriation</u>	<u>FY 2007 Appropriation</u>	<u>Total</u>
GIVF *	\$1,513,000	\$491,000	\$2,005,000
Battelle		\$4,853,000	\$4,853,000

*An equal amount of matching funds provided from other sources.

Additional detail regarding the FY 2007 expenditure of GIVF/Battelle funds and attendant match as well as planned programming for FY 2008 and beyond is available from the Office of the Vice President for Research and is reported to the Board quarterly.

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 approximately 5.6% over the budgeted amount. The university established a budget for FY 2007 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 at that time reflect only net transfers for the year.

Bond Proceeds

The original bond sale projection was \$150,000,000. The actual amount of bonds sold in FY 2007 totaled \$102,475,000. The following sales were anticipated when the FY 2007 budget was developed but not realized during FY 2007:

- UIHC \$50,000,000 in variable rate debt was deferred until FY08 and beyond.
- Academic Building Revenue bonds for Chemistry/Art Building were sold at \$2,475,000 million more than anticipated to result in net proceeds of approximately \$25,000,000 for construction costs.

Sales and Services

Sales and Services were 7.2% higher than the amount budgeted due to higher sales volumes than anticipated.

Other Income

Other Income was 13.4% higher than the amount budgeted. This variance is primarily due to a conservative original budget, higher than anticipated interest, dividends and capital gains and losses 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	\$97.0 M
Medicine and Dentistry Practice Plans	\$32.6 M *
Interest, Dividends and Capital Gains and Losses	\$26.8 M
Workshops and Seminars	\$ 6.4 M
Commissions and Royalties	\$13.7 M
Rental of Equipment	\$ 4.9 M
Parking Fines	\$ 1.0 M
Other Miscellaneous Revenue	\$ 7.3 M

*This includes transfers from agency fund operations only. FY 2007 total revenues for the Medical Practice Plan were \$194,300,000 and \$11,500,000 for the Dentistry Practice Plans.

Expense

Actual total expenses for FY 2007 were over budget by \$3,800,000 or 0.5%.

Although expenditures were higher than anticipated in several categories including Salaries, Professional and Scientific Supplies, Equipment and Student Aid, these increases were offset by lower than expected expenses in Debt Service and Plant Capital.

Debt Service

Debt Service was lower due to fewer bond sales than expected.

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 2007 Budget to Actual Variance Analysis**

Revenue:

Football

Football revenue was above budget because of higher than anticipated season ticket sales. See Foundation Premium Seat Revenue below.

Men's Basketball

Men's basketball revenue was above budget because of higher than anticipated single game ticket sales and sold-out BigTen weekend home games.

Other Men's Sports

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

Multi Media Income

The rights fees earned by the UI Department of Intercollegiate Athletics were less than anticipated in the budget as a result of the transition into the multi-media relationship with Learfield and the UI's decisions on sponsorship relationships with some advertisers.

Athletic Conference Distribution

This increase is attributable to receipt of the first payment from the BigTen Network.

Interest

The increase in interest revenue is due to investment income generated from debt service reserve funds for the series 2006 & 2006A sales and increase in Fund 409-Facility Enterprise cash balances due to the new premium seating revenue in the press box. Finally, the University's interest income distribution rate was higher in FY07 than it was in FY06.

Foundation Premium Seat Revenue

The original budget included ticket revenue on the premium seat sales (suites and indoor/outdoor club seats). The actual ticket revenue from premium seat sales was recorded in the ticket sales line since all ticket sales contribute toward the amount remitted to the BigTen for game day settlements.

Novelties (Licensing)

Revenue was above budget due to the success of the teams, and participation in another bowl game.

General Income

This increase is associated with higher seatback sales and the income received from renting the Kinnick Suites for various activities.

Expense:

Football

The variance is due to additional expense of running the Football program and Big Ten Conference game settlements expense.

Men's Basketball

The variance in Basketball expense is due to transition expenses of the new coaching staff.

Men's & Women's Other Sports

Expenditures for other sports were under budget due to lower than anticipated scholarship expense.

Administrative and General Expenses

This variance is attributable to higher Sports Marketing costs from the first year of the Learfield multi-media contract and additional compensation paid to coaches and staff based on achievement incentives.

Reserves

This variance is attributable to University administration requirements to create a reserve for Kinnick Stadium.

Buildings & Grounds

This variance is mainly attributable to higher utility and maintenance expenses throughout all Athletic venues, including start-up costs for Kinnick Stadium.

**UNIVERSITY OF IOWA
ATHLETIC BUDGET SUMMARY**

	FY 07 Budget	FY07 Actual
INCOME:		
Men's Sports		
Football	18,128,300	18,720,762
Basketball	2,489,200	2,940,415
Wrestling	226,000	299,633
All Other	5,500	10,614
Total Men's Sports	\$ 20,849,000	\$ 21,971,424
Women's Sports		
Basketball	\$ 175,000	\$ 137,039
Volleyball	10,000	12,570
All Other	12,000	12,084
Total Women's Sports	\$ 197,000	\$ 161,693
Other Income		
Facility Debt Service/Student Fees	1,513,683	1,494,706
Multi Media Contract Income	4,850,000	4,270,010
Athletic Conference	10,715,000	10,037,605
University General Fund Support	773,359	773,359
University Student Financial Aid Set Aside	800,000	800,000
Interest	350,000	972,823
Foundation Support	7,217,425	6,467,091
Foundation Premium Seat Revenue	5,700,000	5,093,693
Novelties—Bookstore	1,350,000	1,920,976
Radio, Football & Basketball	-	-
General Income	1,758,000	2,057,769
Total Other Income	\$35,027,467	\$37,888,032
TOTAL INCOME	\$ 56,073,467	\$ 60,021,149
EXPENSES:		
Men's Sports		
Football	14,044,729	14,374,742
Basketball	3,448,528	3,793,144
Wrestling	943,017	963,614
Other Sports	3,252,024	3,029,998
Total Men's Sports	\$ 21,688,298	\$ 22,161,498
Women's Sports		
Basketball	2,453,799	2,344,175
Volleyball	1,034,789	919,863
Other Sports	6,354,443	6,089,819
Total Women's Sports	\$ 9,843,031	\$ 9,353,857
Other Expenses		
Training Room	1,145,680	1,177,541
Sports Information	573,524	642,228
Admin. & General Expenses	7,839,026	8,035,650
Facility Debt Service	6,909,550	6,982,536
Transfer for New Facility Costs & Reserves	-	2,400,000
Reserve for Recreation Projects	1,000,000	1,000,000
Academic & Counseling	1,362,444	1,345,790
Buildings & Grounds	5,711,916	6,922,049
Total Other Expenses	\$ 24,542,140	\$ 28,505,794
TOTAL OPER. EXPENSE	\$ 56,073,467	\$ 60,021,149
Total Operating Balance	\$ -	\$ -

The University of Iowa
Iowa City, Iowa

**UNIVERSITY RESIDENCE SYSTEM
ANNUAL REPORT FOR 2006-07
And
OCCUPANCY STATISTICS FOR FALL
SEMESTER 2007**

Prepared for the Board of Regents, State of Iowa
September 2007

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Executive Summary

- Total enrollment at The University of Iowa during the fall semester 2007 is 30,409 students, an increase of 430 from fall 2006 total enrollment.
- Total enrollment for first- and second-year students, which make up the majority of the population in the residence halls, increased from 9,609 to 9,701 for fall 2007.
- For fall 2007, 4,289 new first-time freshmen are enrolled at the University, up only slightly from the fall 2006 number of 4,287.
- Total student occupancy in the residence halls during the fall semester 2007 is 5,647, a decrease of 24 residents from the fall 2006 total of 5,671.
- For fall 2007, residence hall occupancy (5,647) is 101.3% of capacity (5,577).
- The market share of entering 1st-year freshmen increased from 90.0% in fall 2006 to 93.1% in fall 2007.
- 18.6% of the total University enrollment is housed in the University residence halls during fall 2007.
- 684 University Apartments were occupied as of September 7, 2007. Residents include students, faculty, and staff members, with a mix of single residents and families.
- For fall 2007, apartment occupancy is 98.7% of capacity.
- Rates for a double room with full board (20 meals per week) increased from \$6,374 for academic year 2007 to \$6,685 for academic year 2008.
- Monthly apartment rental rates range from \$418-\$553, unchanged from academic year 2007 rates.
- 52.6% of all residents requested a double room with air-conditioning for fall 2007.
- Rates for a double room with full board rank 10th out of 11 peer institutions for academic year 2008 and are \$799 below the median rate.
- Net income from operations during fiscal 2006-07 was \$13,556,883, an increase of \$1,837,606 over fiscal 2005-06.
- Voluntary reserve balances increased from \$12,037,988 as of June 30, 2006 (29.4% of gross revenues) to \$13,190,156 as of June 30, 2007 (30.0% of gross revenues).
- Total residence system fund balances decreased from \$18,386,643 as of June 30, 2006 to \$18,371,011 as of June 30, 2007.
- As of June 30, 2007, outstanding bond principal totaled \$57,170,000.

Article I. Enrollment & Occupancy

Article II. Enrollment Comparison				
Level	Fall 2006	Fall 2007	Change (+ or -)	
Entering freshmen	4,289	4,287	-2	-0.1%
Total freshmen	5,329	5,288	-41	-0.8%
Sophomores	4,280	4,413	+133	+3.1%
Total 1 st & 2 nd Year Students	9,609	9,701	+92	+1.0%
Total Undergraduate	20,738	20,908	+170	+0.8%
Total Enrollment	29,979	30,409	+430	+1.4%

Article III. Occupancy Comparison				
Level	Fall 2006	Fall 2007	Change (+ or -)	
Entering freshmen	3,858	3,990	+132	+3.4%
Total freshmen	4,243	4,218	-25	-0.6%
Sophomores	972	960	-12	-1.2%
Total 1 st & 2 nd Year Students	5,215	5,178	-37	-0.7%
Total Undergraduate	5,657	5,632	-25	-0.4%
Total Occupancy	5,671	5,647	-24	-0.4%

Article IV. Percent of Enrollment Housed				
Level	Fall 2006	Fall 2007	Change (+ or -)	
Entering freshmen	90.0%	93.1%	+3.1%	
Total freshmen	79.6%	79.8%	+0.1%	
Sophomores	22.7%	21.8%	-1.0%	
Total 1 st & 2 nd Year Students	54.3%	53.4%	-0.9%	
Total Undergraduate	27.3%	26.9%	-0.3%	
Total	18.9%	18.6%	-0.3%	

Hall and Apartment Occupancies Compared to Design Capacity				
	Fall 2006		Fall 2007	
	Capacity	Occupancy	Capacity	Occupancy
Residence Halls				
Burge	896	885	857	852
Currier	647	646	654	646
Daum	314	311	314	314
Hillcrest	816	809	825	816
Mayflower	1,041	1,031	1,040	1,030
Parklawn	140	137	140	131
Quadrangle	363	362	367	366
Rienow	503	551	496	528
Slater	511	546	511	555
Stanley	373	393	373	409
Total Residence Halls	5,604	5,671	5,577	5,647
Apartments				
Hawkeye Court	504	490	504	499
Hawkeye Drive	190	190	189	185
Total Apartments	694	680	693	684

Room, Board, and Apartment Rates

Double Room/Full Board Rate Comparison		
Academic Year		
	2007 Rate	2008 Rate
Double Room	\$3,899	\$4,325
Full Board	\$2,475	\$2,360
Total	\$6,374	\$6,685

2007-08 non-airconditioned double room beds comprise 7.7% of all beds in the system.

Triple Room/Full Board Rate Comparison		
Academic Year		
	2007 Rate	2008 Rate
Triple Room	\$3,345	\$3,739
Full Board	\$2,475	\$2,360
Total	\$5,820	\$6,099

2007-08 non-airconditioned triple room beds comprise 0.6% of all beds in the system.

Suite Style Room/Full Board Rate Comparison		
Academic Year		
	2007 Rate	2008 Rate
Suite Style Room	\$4,836	\$5,316
Full Board	\$2,475	\$2,360
Total	\$7,311	\$7,676

2007-08 suite-style room beds comprise 20.7% of beds in the system.

Article V.

Apartment Rent Comparisons		
Per Month	2007 Rate	2008 Rate
Hawkeye Court		
One-bedroom	\$418	\$418
Two-bedroom	\$463	\$463
Hawkeye Drive		
Two-Bedroom	\$553	\$553

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

Academic Year

Year	Rate
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
2008	6,685

Requests For Room Type 2007-08

Room Type	Percentage
Double with Air-Conditioning	52.6%
Double with Bath & Air-Conditioning	18.0%
Double with no Air-Conditioning	5.2%
Double with Air-Conditioning, Shared Bath, & Shared Kitchen	4.5%
Double with Bath, Air-Conditioning, & Kitchen	4.4%
Single with Air-Conditioning	3.2%
Double with Air-Conditioning & Shared Bath	3.1%
Single with Bath & Air-Conditioning	1.4%
Double with Bath	1.4%
Quad Apartment with Air-Conditioning	1.1%
Single with no Air-Conditioning	0.9%
Triple with Air-Conditioning	0.9%
Triple Apartment with Air-Conditioning	0.8%
Triple with Bath & Air-Conditioning	0.8%
Single with Bath, Air-Conditioning, & Kitchen	0.7%
Single with Air-Conditioning & Shared Bath	0.3%
Single with Bath	0.3%
Triple without Air-Conditioning	0.2%
Quad without Air-Conditioning	0.1%
Quad with Bath & Air-Conditioning	0.0%

Comparable Peer Universities Rate Comparison (Double Occupancy + Primary Board Plan)			
	2006-07	2007-08	Meal Plan Included In Rate Shown
UCLA	10,469	11,212	19 meals/week
Illinois	7,716	8,196	20 meals/week
Michigan	7,808	8,190	13 meals/week
Minnesota	6,996	7,240	19 meals/week + \$200 FlexDine
Texas	6,811	7,100	\$1,200 debit card + \$300 Bevo Bucks
Ohio State	6,795	7,035	19 meals/week
Arizona	6,327	6,806	Debit card of \$1,800 (meal plan not required)
Wisconsin	6,336	6,774	Debit card of \$1,200 (meal plan not required)
Indiana	6,468	6,722	\$3,088 debit plan
Iowa	6,374	6,685	20 meals/week + \$200 Hawkeye Dollars
North Carolina	6,160	6,360	14 meals/week (meal plan not required)

Comparable Peer Universities Rate Comparison (Suite-Style Room + Primary Board Plan)			
	2006-07	2007-08	Meal Plan Included In Rate Shown
UCLA	12,214	13,022	19 meals/week
Indiana	8,376	8,904	\$3,088 debit plan
Ohio State	7,920	8,235	19 meals/week
Michigan	7,808	8,190	13 meals/week
Minnesota	7,012-7,692	7,204-7,960	19 meals/week + \$200 FlexDine
Iowa	7,351	7,676	20 meals/week + \$200 Hawkeye Dollars
North Carolina	7,150-8,300	7,600	14 meals/week (meal plan not required)
Wisconsin	6,836	6,774-7,297	Debit card of \$1,200 (meal plan not required)
Illinois			Not Offered
Texas			Not Offered
Arizona			Not Offered

Comparable Peer Universities Rate Comparison Apartments (Monthly Rent)						
	Two Bedroom		One Bedroom		Efficiency	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
UCLA	920-1,020	957-2,587	1,524-1,570	1,570-1,663	974-1,001	924-1,201
Minnesota	752	1,406-1,560	1,094	1,110-1,135	743	772
Michigan	895-1,168	912-1,079	709-969	724-895	773	789
Wisconsin	685-875	740-885	605-740	565-745	N/A	N/A
North Carolina	800-850	820-855	750	760-775	N/A	N/A
Indiana	581-720	628-780	557-620	603-661	564	495-630
Illinois	515-645	540-676	479	502-599	582	617
Ohio State	660	660	525	525	N/A	665
Texas	530	561-591	461	490-520	N/A	N/A
Iowa	463-553	463-553	418	418	N/A	N/A
Arizona	N/A	N/A	N/A	N/A	N/A	N/A

Financial Operations (Year Ending June 30)

	Fiscal Year 2005-06	Fiscal Year 2006-07
Revenues	\$ 40,912,929	\$ 43,963,474
Expenditures for Operations	<u>29,193,652</u>	<u>30,406,591</u>
Net Operating Revenue	11,719,277	13,556,883
% of Revenues	28.6%	30.8%
Debt Service (Due July 1)	6,029,008	5,998,195
% of Revenues	14.7%	13.6%
Net Operating Ratio (%) (Net Operating Revenue to Debt Service)	<u>194.4%</u>	<u>226.0%</u>
Net Revenue After Debt Service	5,690,269	7,558,688
% of Revenues	13.9%	17.2%
Mandatory Transfers to Reserves	600,000	600,000
% of Revenues	1.5%	1.4%
Net After Debt Service & Mandatory Transfers	5,090,269	6,958,688
% of Revenues	12.4%	15.8%

	Interest Due 7/1/2007	Principal Due 7/1/2007	Principal Due In Future Years
Bond Principal and Interest Due as of June 30			
Bond Series 1966	\$ 21,000	\$ 1,000,000	\$ 0
Bond Series 1999	182,480	410,000	7,525,000
Bond Series 2000	353,539	595,000	12,925,000
Bond Series 2001	250,751	550,000	10,780,000
Bond Series 2003	476,328	875,000	22,510,000
	<u>\$ 1,284,098</u>	<u>\$ 3,430,000</u>	<u>\$ 53,740,000</u>

	Fiscal Year 2005-06	Fiscal Year 2006-07
Residence System Fund Balances as of June 30		
Voluntary Funds		
Revenue Fund	\$ -	\$ -
Operation & Maintenance Fund	1,000,000	1,000,000
Improvement Fund	7,072,634	8,293,361
Surplus Fund	3,965,354	3,896,795
Subtotal--Voluntary Fund Balances	<u>12,037,988</u>	<u>13,190,156</u>
Percent of Gross Revenues	29.4%	30.0%
Non-Voluntary Funds		
Sinking Fund	-	-
Bond Reserve Fund	6,348,855	5,180,855
Construction Fund	-	-
Subtotal—Non-Voluntary Fund Balances	<u>6,348,855</u>	<u>5,180,855</u>
Total Residence System Fund Balances	<u>\$ 18,386,643</u>	<u>\$ 18,371,011</u>

Note: Actual 2006-07 data is preliminary and subject to change as a result of bond audit adjustments

Improvement and Repair Expenditures for Facilities in Operation Prior to FY2007	
Total Gross Square Footage	2,236,216
Total Building Insurance (Replacement Value)	\$265,208,869
Total FY2007 Improvement And Repair Expenditures	\$11,024,496
Expenditures Per Gross Square Foot	\$4.93
Expenditures As A Percent Of Replacement Value	4.2%
Total FY2007 Improvement And Repair Expenditures	\$11,024,496
Total FY2006 Improvement And Repair Expenditures	10,237,997
Change from Prior Year	+\$786,499

**The University of Iowa
Residence System
Comparison of Budget vs Actual
FY 2006-2007**

	Actual 2006-2007	Board Approved Budget 2006-2007	Over / (Under) Budget	
OPERATIONS (Modified Cash Basis)				
Revenues	\$43,963,474	\$42,264,527	\$ 1,698,947	
Expenditures for Operations	30,406,591	30,819,340	(412,749)	
Net Revenues	<u>13,556,883</u>	<u>11,445,187</u>	<u>2,111,696</u>	
% of Revenues	30.8%	27.1%		
Debt Service (due July 1)	5,998,195	5,998,195	-	
Mandatory Transfers	600,000	600,000	-	
Net After Debt Service & Mandatory Transfers	<u>\$ 6,958,688</u>	<u>\$ 4,846,992</u>	<u>\$ 2,111,696</u>	
% of Revenues	15.8%	11.5%		
University Overhead Payment From Surplus	\$ 430,572	\$ 430,572	\$ -	
REVENUES AND EXPENDITURES DETAIL				
Revenues				
Contracts	\$39,493,143	\$38,863,900	\$ 629,243	(1)
Interest	1,121,853	710,513	411,340	(2)
Other Income	3,348,478	2,690,114	658,364	(3)
Total Revenues	<u>\$43,963,474</u>	<u>\$42,264,527</u>	<u>\$ 1,698,947</u>	
Expenditures for Operations				
Salaries, Wages & Benefits	11,563,721	11,893,503	(329,782)	(4)
Utilities	4,862,595	5,113,951	(251,356)	(5)
Cost of Food or Goods Sold	3,886,650	3,945,089	(58,439)	
Repairs & Maintenance	3,880,548	3,720,845	159,703	
Other Operating Expense	6,213,077	6,145,952	67,125	
Total Expenditures	<u>\$30,406,591</u>	<u>\$30,819,340</u>	<u>\$ (412,749)</u>	
RESIDENCE SYSTEM FUND BALANCES (June 30)				
Revenue Fund	\$ -	\$ -	\$ -	
Operation & Maintenance Fund	1,000,000	1,000,000	-	
Improvement Fund	8,293,361	6,923,000	1,370,361	(6)
Surplus Fund	3,896,795	2,133,456	1,763,339	(7)
Subtotal--Voluntary Reserves	<u>13,190,156</u>	<u>10,056,456</u>	<u>3,133,700</u>	
Sinking Fund	-	-	-	
Bond Reserve Fund	5,180,855	6,348,855	(1,168,000)	(8)
Construction Fund	-	-	-	
Subtotal--Mandatory Reserves	<u>5,180,855</u>	<u>6,348,855</u>	<u>(1,168,000)</u>	
Total Reserve Balances (June 30)	<u>\$18,371,011</u>	<u>\$16,405,311</u>	<u>\$ 1,965,700</u>	

Note: See attached page for explanation of variances

Explanation of variances between Budget and Actual for FY2007:

- (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 original budget for FY2007 was based upon fall residence hall occupancy of 5,604, board contracts numbering 5,527, and 625 occupied apartments. When budgeting for room and board contracts, it is the department's philosophy to not budget for temporary housing. However, as of September 2, 2006, there were 67 more room contracts, 243 more board contracts, and 55 more apartment contracts than budgeted.
- (2) Interest Income Revenues: FY2007 budgeted investment income was estimated based on the FY2005 pooled interest income distribution rate of 2.6%, which was current at the time of budget preparation. The actual rate distributed during FY2007 was significantly higher at 4.42%. This higher than expected distribution rate, combined with higher balances available for investment (due to deferred capital spending and higher cash balances from FY2006), led to higher than budgeted investment income.
- (3) Other Income Revenues: Revenues from non-contract food service operations once again exceeded budget expectations for FY2007, due to the continued popularity of the Marketplaces, and the introduction of expanded late-night retail food options at Burge Marketplace. Summer conference room and board revenues for summer 2007 were higher than budgeted, and higher than any time in the past ten years, due to the return of wrestling camps and an overall increase in the number of conference attendees.
- (4) Salaries, Wages & Benefits: Salaries and wages expense was lower than budgeted due to numerous vacancies and unfilled positions, particularly in the custodial and contract food service operations.
- (5) Utilities: Utility rates for gas purchased from MidAmerican Energy at Mayflower and University Apartments were slightly lower than estimates made at the time of the FY2007 budget preparation. Actual charges for chilled water were also lower than projected for FY2007.
- (6) Improvement Fund Balance: The year-end fund balance of the Improvement Fund is based on the projected capital expenditures for the upcoming year (FY 2008) 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 funding of the Burge Addition project from bond proceeds to improvement funds, the projected spending in FY2008 from the Improvement Fund increased over what was originally budgeted.
- (7) 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 the transfer of \$1,168,000 from the Bond Reserve Fund on June 30. This transfer, to close out the mandatory reserve for the Series 1966 bonds, was originally projected to occur in the next fiscal year on July 1. Offsetting much of this increase is the above-mentioned increase in the balance transferred to the Improvement Fund to cover the projected FY2008 spending.
- (8) Bond Reserve Fund Balance: Upon funding the final payment of the Series 1966 debt service payment on June 30, 2007, the mandatory reserve fund for that issue, in the amount of \$1,168,000, was released and transferred to the Surplus Fund. Originally it was thought that this transfer would occur on July 1 and be reflected in the FY2008 fiscal year.