
UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

FINANCIAL REPORT
JUNE 30, 2006



UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

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Independent Auditors' Report

To the Members of the Board of Regents, State of Iowa
and Officials of the University of Northern Iowa

We have audited the accompanying statement of net assets, and the related statements of revenues, expenses and changes in fund net assets and cash flows, of the University Residence System Revenue Bond Funds, of the University of Northern Iowa, as of and for the year ended June 30, 2006, which collectively comprise the Bond Funds' basic financial statements listed in the table of contents. These financial statements are the responsibility of University officials. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the University Residence System of the University of Northern Iowa and do not purport to, and do not, present fairly the financial position of the University of Northern Iowa as of June 30, 2006 and changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University Residence System, of the University of Northern Iowa, as of June 30, 2006, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the University of Northern Iowa was not in compliance with the accounting requirements of the Board of Regents, State of Iowa Resolution for the issuance of the Dormitory Revenue Bonds, Series 1999, 2000, 2002 Refunding and 2003. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

The University of Northern Iowa has not presented Management's Discussion and Analysis for the University Residence System that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the University of Northern Iowa, the members of the Board of Regents, citizens of the State of Iowa and other parties to whom the University of Northern Iowa may report. This report is not intended to be and should not be used by anyone other than these specified parties.

Carney, Alexander, Merrill & Co., L.L.P.

September 29, 2006

Basic Financial Statements

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Statement of Net Assets
As of June 30, 2006

- ASSETS -

Current Assets:

Cash and cash equivalents	\$ 4,763,519
Deposits with bond paying agents	1,615,000
Investments	1,432,563
Accounts receivable, net	411,952
Interest receivable	32,733
Prepaid expense	56,894
Inventories	136,952
Debt issuance costs, net of amortization	142,803
Total Current Assets	8,592,416

Noncurrent Assets:

Investments	2,843,497
Construction in progress	840,422
Capital assets	57,529,900
Accumulated depreciation	(27,383,902)
Total Noncurrent Assets	33,829,917

Total Assets	\$ 42,422,333
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- LIABILITIES AND NET ASSETS -

Current Liabilities:

Accounts payable	\$ 66,780
Salaries and wages payable	88,061
Compensated absences payable	349,567
Deferred revenue	665,547
Deposits	12,393
Accrued interest payable	844,196
Revenue bonds payable, current portion	1,615,000
Total Current Liabilities	3,641,544

Noncurrent Liabilities:

Compensated absences payable	290,141
Revenue bonds payable	34,040,000
Total Noncurrent Liabilities	34,330,141

Total Liabilities	37,971,685
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Net Assets:

Invested in capital assets, net of related debt	(4,525,777)
Restricted for debt service	7,642,932
Unrestricted	1,333,493
Total Net Assets	4,450,648

Total Liabilities and Net Assets	\$ 42,422,333
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The accompanying notes are an integral part of this statement.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year ended June 30, 2006

Operating Revenues:		
Sales and services		<u>\$ 27,014,385</u>
Total Operating Revenues		<u>27,014,385</u>
Operating Expenses:		
Salaries, wages and employee benefits		11,663,189
Repairs and maintenance		1,555,735
Utilities		1,879,273
Cost of food for resale		3,599,718
Insurance		138,823
Supplies and services		790,111
Telephone		786,020
Miscellaneous		1,219,418
Administrative overhead		656,201
Depreciation expense		<u>1,432,926</u>
Total Operating Expenses		<u>23,721,414</u>
Operating Income		<u>3,292,971</u>
Nonoperating Revenues (Expenses):		
Investment income		329,709
Loss on disposal of capital assets		(184,360)
Interest expense		(1,688,391)
Amortization expense		<u>(10,255)</u>
Net Nonoperating Revenues (Expenses)		<u>(1,553,297)</u>
Change in Net Assets		1,739,674
Net Assets at Beginning of Year		<u>2,710,974</u>
Net Assets at End of Year		<u><u>\$ 4,450,648</u></u>

The accompanying notes are an integral part of this statement.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Statement of Cash Flows
For the Year Ended June 30, 2006

Cash flows from operating activities:	
Cash received from operations	\$ 27,070,059
Cash paid for operations	<u>(22,273,517)</u>
Net cash provided by operating activities	<u>4,796,542</u>
Cash flows from capital financing activities:	
Acquisition of capital assets	(1,338,521)
Proceeds from sale of capital assets	855
Principal paid on capital debt	(2,875,000)
Interest paid on capital debt	<u>(1,718,867)</u>
Net cash used by capital financing activities	<u>(5,931,533)</u>
Cash flows from investing activities:	
Interest on investments	357,858
Proceeds from sales of investments	6,000,000
Purchase of investments	<u>(5,053,125)</u>
Net cash provided by investing activities	<u>1,304,733</u>
Net increase in cash and cash equivalents	169,742
Cash and cash equivalents, beginning of year	<u>4,593,777</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,763,519</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating Income	\$ 3,292,971
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	1,432,926
Changes in assets and liabilities:	
Decrease in accounts receivable	51,412
Decrease in prepaid expenses	2,377
(Increase) in inventories	(2,019)
(Decrease) in accounts payable	(137,616)
Increase in salaries and wages payable	88,061
Increase in deposits	4,783
Increase in compensated absences payable	64,168
(Decrease) in deferred revenue	<u>(521)</u>
Net cash provided by operating activities	<u><u>\$ 4,796,542</u></u>

The accompanying notes are an integral part of this statement.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Statement of Cash Flows
For the Year Ended June 30, 2006

Reconciliation of cash and cash equivalents to the Statement of Net Assets:

Cash and cash equivalents classified as current assets	\$ 4,763,519
Cash and cash equivalents classified as current liabilities	<u>-</u>
Total cash and cash equivalents	<u><u>\$ 4,763,519</u></u>

Noncash Capital, Financing and Investing Activities:

A net unrealized loss of \$185,215 resulted from the write off of the net book value of equipment when the capitalization threshold increased from \$2,000 to \$5,000.

A net unrealized loss decreased the fair market value of the University's investments \$24,850.

The accompanying notes are an integral part of this statement.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The University Residence System was created by resolution of the Board of Regents, State of Iowa which authorized the issuance of Dormitory revenue bonds to be used for the construction, renovation, and equipping of residence halls, food service buildings and apartment housing on the campus of the University of Northern Iowa. The revenue bonds are issued on behalf of the University.

The financial statements of the University Residence System of the University of Northern Iowa (University) include only the financial position and operating activities of the University Residence System and the Dormitory Revenue Bond Funds. These fund financial statements present only a portion of the funds of the University.

Basis of Presentation

Basic Financial Statements - The Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Fund Net Assets and the Statement of Cash Flows report information on all of the activities of the University Residence System. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Net Assets presents assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Revenues, Expenses and Changes in Fund Net Assets demonstrates how net assets changed during the fiscal year.

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, non-capital financing, capital financing and investing activities.

Fund Financial Statements - In order to ensure the observance of limitations and restrictions placed on the use of resources available to the University, the accounts of the University are maintained in accordance with the principles of "fund accounting" under which resources for various projects are classified for accounting and reporting purposes into funds according to the activities or objectives specified.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (continued)

The University's accounts and transactions include those related to the Dormitory Revenue Bonds issued by the University. These fund financial statements reflect only those accounts and transactions related to these bonds. These accounts and transactions are included as a portion of the University's Plant Funds. Plant Funds are used to account for the transactions relating to investment in University properties. Plant Funds include the following funds: (1) Replacement, (2) Retirement of Indebtedness, (3) Unexpended and (4) Investment in Plant. Replacement represents funds to provide for repairs and renovations of buildings, improvements, and equipment, primarily pursuant to terms of bond indentures. Retirement of Indebtedness represents bond sinking, reserve and arbitrage rebate funds to provide for payment of principal, interest and rebated interest. Unexpended is comprised of a construction fund and the normal operating surplus fund. Investment in Plant represents the total of buildings, improvements and equipment and related liabilities.

The Current Fund, including the Revenue, Operating, & Maintenance Fund established by the bond resolution, is classified as a University Auxiliary Enterprise to account for transactions of substantially self-supporting activities that primarily perform a service to students, faculty and staff.

Revenue Fund

The Revenue Fund is used to account for all financial resources, except those required to be accounted for in another fund. In accordance with the provisions and terms of the bond resolution, the excess of revenues over expenses in the fund is irrevocably assigned as collateral for the payment of the principal and interest on the bonds.

Operation and Maintenance Fund

The Operation and Maintenance Fund is used to pay the reasonable current expenses of operating the Residence System, excluding any University overhead expenses not primarily related to the day by day operations of the System, capital expenditures and allowances for depreciation.

Sinking Fund

The bond resolution provides that equal semi-annual installments shall be set aside from the net rents, profits and income derived from the Residence System to the Sinking Fund sufficient for the principal and interest payment that will become due and payable on and prior to the next succeeding July 1. The Sinking Fund shall be used solely for and is pledged for the purpose of paying the principal and interest of the bonds.

Reserve Fund

The bond resolution provides that the fund shall be maintained in an amount equal to the Reserve Fund Requirement. All monies credited to the Reserve Fund shall be used solely for the purpose of paying principal at maturity of or interest on the Bonds and any Parity Bonds for which there are insufficient funds available in the Sinking Fund. All amounts in excess of the Reserve Fund Requirement shall be transferred to the Revenue Fund.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (continued)

Improvement Fund

The bond resolution provides that amounts will be credited to the Improvement Fund in the sum of \$150,000 or such higher amount as may be ordered by the Board of Regents, State of Iowa. All monies credited to the Improvement Fund are used to pay any extraordinary cost of maintaining the Residence System in an efficient operating condition and to pay the cost of purchasing or constructing buildings or additions, or to reconstruct, complete, equip, improve, repair, or remodel the buildings.

Surplus Fund (System Fund)

The bond resolution provides that all remaining revenues and income of the Residence System are deposited to the Surplus Fund. Monies deposited to the Surplus Fund are (a) transferred and credited to the Operation and Maintenance Fund whenever, for any reason, no other funds are available for such purpose; (b) transferred and credited to the Sinking Fund to prevent or remedy a default in the payment of principal and interest on the outstanding bonds; (c) transferred and credited to the Reserve Fund whenever any deficiency may exist; or (d) transferred and credited to the Improvement Fund whenever, for any reason, no other funds are available for such purpose.

Until so used, monies credited to the Fund may be used for any lawful purpose, including (1) to pay principal of and interest on any other obligations which by their terms shall be payable from the net revenues and which have been issued for the purposes of extensions and improvements to the System; (2) to retire the bonds in advance of maturity; (3) to pay for extraordinary repairs or replacements to the System; or (4) for any lawful System purpose including transfer to the University for general overhead expenses of the System.

Construction Fund

The Construction Fund accounts for the receipts of the bond proceeds, less the initial deposit required in the Reserve Fund. These proceeds are disbursed and used to pay project construction costs as required by the bond resolution.

Arbitrage Rebate Fund

Monies credited to the Arbitrage Rebate Fund shall be used for the payment of arbitrage rebates and related administrative expenses.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and are reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with United States generally accepted accounting principles. Revenues are recorded when earned and expenses are recorded when the liability is incurred.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (continued)

Purchases of facilities and equipment providing future benefits are capitalized and depreciated.

Cash and Cash Equivalents

Cash and cash equivalents are stated at cost which approximates fair value due to their short-term nature. Cash and cash equivalents represent amounts in cash accounts or the Funds' share of the pooled investment fund of the University entitled "Treasurer's Temporary Investments." Any negative balances are the result of timing differences. The General Fund of the University is responsible for any negative balances until the timing differences are resolved.

Investments and Investment Income

Investments are stated at fair value. With the exception of funds specifically invested for bond issues and endowment funds, all other monies are pooled in an investment pool entitled "Treasurer's Temporary Investments." Investment income on the investment pool is allocated to the activities that participate in the pool.

Capital Assets

Property, buildings, and equipment are stated at cost at the date of acquisition or fair market value at date of donation. Depreciation of capital assets is provided on a straight-line basis over the estimated useful lives of the respective assets and recorded in the Plant Accounts. The University also does not capitalize interest costs during the construction period.

The following useful lives are used:

Infrastructure	20-40 years
Buildings	40-50 years
Improvements other than buildings	20-30 years
Equipment	5-20 years

The following thresholds are used to define capital assets:

Infrastructure	\$ 10,000
Buildings and Improvements	\$ 25,000
Equipment	\$ 5,000

Deferred Revenue

Deferred revenue consists of revenue received prior to year end, such as resident hall contract downpayments related to future fiscal years.

Summer Session

The University operates summer sessions during May, June, and July. Revenues and expenditures for the summer sessions are recorded in the appropriate fiscal year. Designated tuition and mandatory student fees are allocated based on the load study distributions supplied by the University Registrar. Residence System revenues and expenditures for the noted summer sessions are also recorded in the appropriate fiscal year.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (continued)

Inventories

Inventories, consisting mainly of supplies and merchandise, are primarily valued at the lower of cost (first in, first out) or market.

Debt Issuance Costs

Upon the sale of revenue bonds, debt issuance costs are amortized by the straight-line method over the term of the bond issuance.

Operating and Nonoperating Activities

Operating Activities as reported on the statement of revenues, expenses, and changes in fund net assets are transactions that result from exchange transactions such as payments received for providing services and payments made for services or goods received. Nonoperating Activities include state appropriations, gifts, and investment income.

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2: Cash and Cash Equivalents, Deposits and Investments

(1) Cash and Cash Equivalents and Deposits With Bond Paying Agents:

The deposits of the University were covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. In the unlikely event a bank fails, the State Treasurer first determines the amount of the loss and validates the amount of applicable FDIC insurance. He is empowered by this chapter to cover the remaining loss from the state sinking fund for public deposits in banks. If the balance in that sinking fund is inadequate to pay the entire loss, he is empowered to make assessments against other banks to insure that there will be no loss of public funds. The \$4,763,519 cash and cash equivalents balance of the Residence System is combined with other University funds and consists of cash of \$0 and pooled investments of \$4,763,519.

Deposits with bond paying agents consist of carrying values and bank balances of \$1,615,000 on deposit with the trust department of the Depository Trust Corporation. The bond paying agent cash at the Depository Trust Corporation is fully insured.

The deposits with the Depository Trust Corporation were covered by federal depository insurance.

UNIVERSITY OF NORTHERN IOWA
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Notes to Financial Statements

Note 2: Cash and Cash Equivalents, Deposits and Investments (continued)

(2) Investments:

Statement of Invested Assets

Investment Type	Fair Value
Fixed Income:	
U.S. Government Treasuries, Notes, Bonds	<u>\$ 4,276,060</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the University. As of June 30, 2006, the Residence System fixed income assets were 100% government guaranteed.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue. Except for U.S. Government investments, no one issuer represents 5% or more of the total assets.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using the duration. It is widely used in the management of fixed income portfolios in that it quantifies to a much greater degree the risk of interest rate changes. The methodology takes into account optionality on bonds and scales the risk of price changes on bonds depending upon the degree of change in rates and the slope of the yield curve.

Interest Rate Sensitivity - Duration

Investment Type	Fair Value	Duration
Fixed Income:		
U.S. Government Treasuries, Notes, Bonds	<u>\$ 4,276,060</u>	<u>1.28</u>

Note 3: Deposits with Bond Paying Agents

As of June 30, 2006, \$1,615,000 in cash was on deposit with various bond paying agents for the purpose of paying current obligations of bond principal as follows:

Bond principal payable July 1, 2006	<u>\$ 1,615,000</u>
	<u>\$ 1,615,000</u>

UNIVERSITY OF NORTHERN IOWA
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Notes to Financial Statements

Note 4: Accounts Receivable

Accounts receivable is summarized as follows:

Student accounts	\$ 468,576
Other	134,121
	602,697
Less allowance for doubtful accounts	(190,745)
Total	\$ 411,952

Note 5: Debt Issuance Costs

Debt issuance costs at June 30, 2006 are as follows:

Debt issuance costs	\$ 193,912
Less accumulated amortization	(51,109)
Net debt issuance costs	\$ 142,803

Amortization expense for fiscal year 2006 was \$10,255.

Note 6: Capital Assets

Capital assets activity for the year ended June 30, 2006 is summarized as follows:

	Beginning Balance	Additions	Disposals & Transfers	Ending Balance	Accumulated Depreciation	Book Value
<u>Nondepreciable assets:</u>						
Construction						
in progress	\$ 1,735,957	\$ 840,422	\$ (1,735,957)	\$ 840,422	\$ -	\$ 840,422
<u>Depreciable assets:</u>						
Buildings	50,235,845	306,694	1,735,957	52,278,496	24,441,829	27,836,667
Improvements other than buildings	1,559,511	-	-	1,559,511	604,203	955,308
Infrastructure	1,724,091	-	-	1,724,091	877,281	846,810
Equipment	2,565,374	74,182	(671,754)	1,967,802	1,460,589	507,213
	56,084,821	380,876	1,064,203	57,529,900	27,383,902	30,145,998
	\$ 57,820,778	\$ 1,221,298	\$ (671,754)	\$ 58,370,322	\$ 27,383,902	\$ 30,986,420

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Notes to Financial Statements

Note 6: Capital Assets (continued)

Depreciation activity for the year ended June 30, 2006 is summarized as follows:

	Beginning Balance	Additions	Disposals & Transfers	Ending Balance
Buildings	\$ 23,298,729	\$ 1,143,100	\$ -	\$ 24,441,829
Improvements other than buildings	542,951	61,252	-	604,203
Infrastructure	783,389	93,892	-	877,281
Equipment	1,796,837	134,682	(470,930)	1,460,589
	<u>\$ 26,421,906</u>	<u>\$ 1,432,926</u>	<u>\$ (470,930)</u>	<u>\$ 27,383,902</u>

The cost of land used for student residence halls and apartment facilities of the University Residence System is not shown on the balance sheet. This land is included in the general books and records of the University of Northern Iowa.

Note 7: Rebate Payable, U.S. Government

Interest paid to bondholders is not includable in their gross income for Federal or Iowa income tax purposes. In order to maintain this exemption, the University must comply with certain provisions of the Internal Revenue Code and the bond resolutions arbitrage certificate. These provisions require that the excess of the actual investment earnings of the bond funds over the allowable earnings be set aside in a rebate fund to provide for a liability to the United States government.

As of June 30, 2006, the amount of this liability was \$0. The liability is periodically recalculated to provide the best estimate of its amount. The latest calculation of this liability resulted in no change from the prior amount. Funding of any future liability will be provided by residence operations as the liability becomes payable.

Another provision in the bond resolution arbitrage certificate requires that the proceeds from the bonds be spent according to a fixed time table in the arbitrage certificate. If these spending requirements are not met, the University would have a liability to the United States government that is based on the actual amount that was underspent.

Note 8: Salaries and Wages Payable

All non-student University employees are paid the last working day of each month. Certain bargaining unit employees submit time sheets verifying hours worked up to the middle of the month. Student employees submit time sheets verifying hours worked and are paid bi-weekly. Accrued salaries and wages payable at June 30, 2006 was \$88,061.

UNIVERSITY OF NORTHERN IOWA
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Notes to Financial Statements

Note 9: Compensated Absences Payable

University employees accumulate vacation and sick leave under provisions of Chapter 70A of the Code of Iowa. These accumulated benefits may be liquidated under specific circumstances. Accumulated vacation is paid at the employees' hourly rate upon retirement, death, or termination.

With certain exceptions, accumulated sick leave is paid at the employee's hourly rate to a maximum of \$2,000 on retirement. As of June 30, 2006, a liability for accrued vacation and sick leave, including accrued retirement and FICA contributions was recognized at \$639,708.

Note 10: Retirement Programs

Teachers Insurance and Annuity Association - The University of Northern Iowa contributes to the Teachers Insurance and Annuity Association (TIAA) retirement program, a defined contribution plan administered by TIAA. The plan provides individual annuities for each plan participant. The Board of Regents, State of Iowa establishes and amends the plan's provision and contribution requirements. As required by Board policy, all eligible University employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA, each employee contributes 3 1/3% of the first \$4,800 of earnings and 5% on the balance of earnings through the fifth year of employment. Likewise, the University, is required to contribute 6 2/3% of the first \$4,800 of earnings and 10% on earnings above the \$4,800 through the fifth year of employment. Upon completion of five years of service, the participant contributes 5% and the University 10% on all earnings.

During fiscal year 2006, the University's required and actual contribution amounted to \$9,430,737. Employees' required and actual contribution amounted to \$4,709,692.

Iowa Public Employees Retirement System - The University contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.7% of their annual covered salary and the University is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by State statute. The University's contribution to IPERS for the year ended June 30, 2006 was \$336,224, equal to the annual required contributions.

The detail information of plan contributions allocable to the Residence System is not readily available. No retirement plan provisions changed during the year that affected the University or employee required contributions.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Notes to Financial Statements

Note 11: Revenue Bonds Payable

As provided in the various bond resolutions, the University has the right to redeem certain bonds prior to the maturity dates, under stated conditions.

The principal and interest due July 1, 2006, has been recorded as bonds payable and accrued interest in Retirement of Indebtedness Funds. This meets the bond resolution requirement that the funds for the Sinking Fund's payment of bonds and interest due July 1 be deposited in the Retirement of Indebtedness Funds during the current fiscal year even though actual payment will not occur until July 1 of the subsequent fiscal year.

The bonds outstanding bear interest at rates ranging from 3.00% to 6.50% per year.

The bonds mature as follows:

	For Year Ended June 30,	Principal	Interest	Total
2007	\$ 1,615,000	\$ 1,647,441	\$ 3,262,441	
2008	1,685,000	1,565,970	3,250,970	
2009	1,765,000	1,485,293	3,250,293	
2010	1,840,000	1,402,970	3,242,970	
2011	1,920,000	1,319,704	3,239,704	
2012 - 2016	11,045,000	5,216,386	16,261,386	
2017 - 2021	12,555,000	2,349,924	14,904,924	
2022 - 2024	3,230,000	178,925	3,408,925	
Total	<u>\$ 35,655,000</u>	<u>\$ 15,166,613</u>	<u>\$ 50,821,613</u>	

Long-term debt activity for the year ended June 30, 2006 is summarized as follows:

Bonds payable, June 30, 2005	\$ 36,935,000
Bonds retired in fiscal year 2006	(1,280,000)
Bonds payable, June 30, 2006	<u>\$ 35,655,000</u>

Residence System Revenue Bonds were issued for the construction, renovation, and equipping of residence halls, food service buildings, and apartment housing. The bond issues included funding for a pre-funded debt service reserve and for issuance costs. Some of the bond issues refinanced previous issues to take advantage of lower interest rates.

Note 12: Debt Service Coverage

The debt service coverage for the current and two prior years is as follows:

Year Ended	Gross Revenues	Less Operating Expenses	Net Available Revenues	Maximum Debt Service	Actual Coverage
2006	\$27,343,894	\$21,164,769	\$ 6,179,125	\$ 3,347,123	1.85
2005	24,836,100	20,092,374	4,743,726	3,347,123	1.42
2004	23,774,707	18,945,474	4,829,233	3,347,123	1.44

Required coverage = 1.35 of maximum debt service requirements

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Notes to Financial Statements

Note 13: Risk Management

It is the policy of the University of Northern Iowa not to purchase commercial insurance for the risks of certain losses to which it is exposed. Instead, management believes it is more economical to manage certain risks internally. It is also the policy of the Board of Regents, State of Iowa and the State of Iowa not to purchase commercial insurance for the risks of certain losses to which they are exposed.

As long as any Residence System Revenue Bonds are outstanding, the University covenants to keep the Residence System, including buildings, equipment, and food and merchandise inventories, insured against loss or damage by fire, lightning, windstorm, and all other risks included in extended coverage insurance. The University covenants to purchase coverage in an amount which would normally be carried by private companies engaged in a similar kind of business.

Losses are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The University is exposed to various risks of loss related to a number of matters enumerated below.

Business Interruption. The University purchased business interruption insurance for the Field House, Residence System and the Performing Arts Center. The University self-funds business interruption insurance for other buildings.

Errors and Omissions. The University self-funds errors and omissions insurance.

Fidelity Bond. The State purchased an employee fidelity bond whereby the first \$100,000 in losses are the responsibility of the University. Losses between \$100,000 and \$2,000,000 are insured. The University also purchased a \$500,000 employee fidelity bond with a \$10,000 deductible.

General Liability and Property Loss. The State of Iowa self-funds, on behalf of the University, losses related to general liability (tort claims), and property (casualty losses) with the exception of property belonging to auxiliary enterprises. Claims for torts are filed with the State Appeal Board, while casualty losses are filed with the Executive Council.

The Board of Regents, State of Iowa entered into an agreement with the Department of Management, the State Appeal Board, and the Attorney General for resolution of tort claims of \$5,000 or less. The University is authorized to approve claims of \$5,000 or less, paying for the claims from institutional funds up to an annual limit of \$50,000. When a tort claim is filed against the State, the State Appeal Board has the authority to approve or reject ordinary claims less than ten years from occurrence and tort claims not over \$5,000. Tort claims settled or allowed in excess of \$5,000 must have the unanimous approval of all the members of the State Appeal Board, the Attorney General, and the District Court of the State of Iowa for Polk County. Torts may be paid without limit from the State's general fund.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Notes to Financial Statements

Note 13: Risk Management (continued)

A contingent fund exists under Section 29C.20 of the Code of Iowa to provide compensation for loss or damage to state property (casualty losses). By agreement with the State, claims in excess of \$5,000 or an annual aggregate of \$10,000 may be submitted to the Executive Council for consideration. If a loss exceeds \$500,000, it is necessary to seek an appropriation from the General Assembly.

The University has purchased commercial property insurance, including earthquake and flood coverage, for its facilities. There is a \$2,000,000 deductible on general University buildings. Additional coverage is provided for Auxiliary Enterprises, such as the Residence System, Maucker Union, and the Field House, with deductibles ranging from \$25,000 to \$100,000 per occurrence.

Group Life, LTD, and Accidental Death and Disability Insurance. The University purchased commercial insurance for group term life insurance and long-term disability insurance. The University purchased commercial insurance on a pooled basis for accidental death and disability.

Medical and Dental-Commercial Insurance. The State of Iowa purchased commercial health and dental insurance for general service staff of the University. The University and employees share the cost of the premium and reimburse the State for the coverage.

Medical and Dental-Self Insured. The University self-funds on behalf of its departments for losses related to its professional employees. Employees share the cost of the coverage. The University insures its medical claims with 120% aggregate stop-loss insurance.

The following schedule presents the changes in claims liabilities for medical and dental insurance for professional staff and unemployment compensation for the fiscal year ended June 30, 2006:

Amount of claims and contingent liabilities accrued at beginning of year	\$ 1,754,624
Claims incurred and contingent liabilities accrued for the previous and current year and any changes in amounts estimated for prior years	15,302,476
Payments on claims during the fiscal year	<u>(15,349,273)</u>
Amount of claims liabilities at end of year	<u><u>\$ 1,707,827</u></u>

The above schedule represents data for the entire University. Information for the Residence System alone is not readily available.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Notes to Financial Statements

Note 13: Risk Management (continued)

Motor Vehicle Liability. Institutions governed by the Board of Regents, State of Iowa cooperatively self-fund collision, comprehensive, property damage, and liability losses related to motor vehicle liability up to \$250,000 per person in an insurance pool. Each Regents' institution is assessed a premium of \$28 to \$36 per rated vehicle per month. Losses in excess of \$250,000 are self-funded by the State, as provided in Chapter 669 of the Code of Iowa.

Unemployment Compensation. The University self-funds unemployment compensation claims received from Iowa Workforce Development on a reimbursement basis.

Workers' Compensation. The State of Iowa self-funds on behalf of the University losses related to workers' compensation for all University employees. The University pays a quarterly assessment for this coverage.

In all the above instances of commercial insurance, claims settled have not exceeded coverage for the last three years.

Note 14: Other Commitments, Claims, and Contingencies

Commitments: At June 30, 2006, the University had outstanding plant fund contract commitments for construction of \$225,810 in the Residence System.

There were no other material claims or contingencies outstanding as of June 30, 2006. Also, there were no known contingent liabilities of a material nature at the date of this report.

Supplementary Information



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Independent Auditors' Report on Supplementary Information

To the Members of the Board of Regents, State of Iowa
and Officials of the University of Northern Iowa

Our report on our audit of the basic financial statements of the University Residence System, of the University of Northern Iowa, for the year ended June 30, 2006, appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, the information, except for that portion marked "unaudited", is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Carney, Alexander, Marold & Co., L.L.P.

September 29, 2006

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Combining Statement of Net Assets
As of June 30, 2006

	Current Fund Revenue, Operating, & Maintenance Fund	Replacement Improvement Fund
- ASSETS -		
Current Assets:		
Cash and cash equivalents	\$ 1,742,472	\$ 424,979
Deposits with bond paying agents	-	-
Investments	-	-
Accounts receivable, net	411,952	-
Interest receivable	32,733	-
Prepaid expense	56,894	-
Inventories	136,952	-
Debt issuance costs, net of amortization	-	-
Total Current Assets	2,381,003	424,979
Noncurrent Assets:		
Investments	-	-
Construction in progress	-	-
Capital assets	-	-
Accumulated depreciation	-	-
Total Noncurrent Assets	-	-
Total Assets	\$ 2,381,003	\$ 424,979
- LIABILITIES AND NET ASSETS -		
Current Liabilities:		
Accounts payable	\$ 35,869	\$ 30,911
Salaries and wages payable	88,061	-
Compensated absences payable	349,567	-
Deferred revenue	665,547	-
Deposits	12,393	-
Accrued interest payable	-	-
Revenue bonds payable, current portion	-	-
Total Current Liabilities	1,151,437	30,911
Noncurrent Liabilities:		
Compensated absences payable	290,141	-
Revenue bonds payable	-	-
Total Noncurrent Liabilities	290,141	-
Total Liabilities	1,441,578	30,911
Net Assets:		
Invested in capital assets, net of related debt	-	-
Restricted for debt service	-	-
Unrestricted	939,425	394,068
Total Net Assets	939,425	394,068
Total Liabilities and Net Assets	\$ 2,381,003	\$ 424,979

See auditors' report on supplementary information.

Plant Funds

Retirement of Indebtedness			Unexpended		Investment	Total
Sinking Fund	Reserve Fund	Arbitrage Rebate Fund	Surplus Fund	Construction Fund	in Plant Residence System	
\$ 844,196	\$ 26,063	\$ -	\$ 1,725,809	\$ -	\$ -	\$ 4,763,519
1,615,000	-	-	-	-	-	1,615,000
-	1,432,563	-	-	-	-	1,432,563
-	-	-	-	-	-	411,952
-	-	-	-	-	-	32,733
-	-	-	-	-	-	56,894
-	-	-	-	-	-	136,952
-	-	-	-	-	142,803	142,803
<u>2,459,196</u>	<u>1,458,626</u>	<u>-</u>	<u>1,725,809</u>	<u>-</u>	<u>142,803</u>	<u>8,592,416</u>
-	1,888,497	-	955,000	-	-	2,843,497
-	-	-	-	-	840,422	840,422
-	-	-	-	-	57,529,900	57,529,900
-	-	-	-	-	(27,383,902)	(27,383,902)
<u>-</u>	<u>1,888,497</u>	<u>-</u>	<u>955,000</u>	<u>-</u>	<u>30,986,420</u>	<u>33,829,917</u>
<u>\$ 2,459,196</u>	<u>\$ 3,347,123</u>	<u>\$ -</u>	<u>\$ 2,680,809</u>	<u>\$ -</u>	<u>\$ 31,129,223</u>	<u>\$ 42,422,333</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,780
-	-	-	-	-	-	88,061
-	-	-	-	-	-	349,567
-	-	-	-	-	-	665,547
-	-	-	-	-	-	12,393
844,196	-	-	-	-	-	844,196
1,615,000	-	-	-	-	-	1,615,000
<u>2,459,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,641,544</u>
-	-	-	-	-	-	290,141
-	-	-	-	-	34,040,000	34,040,000
-	-	-	-	-	34,040,000	34,330,141
<u>2,459,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,040,000</u>	<u>37,971,685</u>
-	-	-	-	-	(4,525,777)	(4,525,777)
-	3,347,123	-	2,680,809	-	1,615,000	7,642,932
-	-	-	-	-	-	1,333,493
<u>-</u>	<u>3,347,123</u>	<u>-</u>	<u>2,680,809</u>	<u>-</u>	<u>(2,910,777)</u>	<u>4,450,648</u>
<u>\$ 2,459,196</u>	<u>\$ 3,347,123</u>	<u>\$ -</u>	<u>\$ 2,680,809</u>	<u>\$ -</u>	<u>\$ 31,129,223</u>	<u>\$ 42,422,333</u>

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year ended June 30, 2006

	Current Fund Revenue, Operating, & Maintenance Fund	Replacement Improvement Fund	Sinking Fund
Operating Revenues:			
Sales and services	\$ 27,014,185	\$ 200	\$ -
Total Operating Revenues	<u>27,014,185</u>	<u>200</u>	<u>-</u>
Operating Expenses:			
Salaries, wages and employee benefits	11,662,981	208	-
Repairs and maintenance	1,101,675	454,060	-
Utilities	1,879,273	-	-
Cost of food for resale	3,599,718	-	-
Insurance	138,823	-	-
Supplies and services	768,788	18,949	-
Telephone	786,020	-	-
Miscellaneous	1,219,418	-	-
Administrative overhead	-	-	-
Depreciation expense	-	-	-
Total Operating Expenses	<u>21,156,696</u>	<u>473,217</u>	<u>-</u>
Operating Income (Loss)	<u>5,857,489</u>	<u>(473,017)</u>	<u>-</u>
Nonoperating Revenues (Expenses):			
Investment income	329,709	-	-
Gain (Loss) on disposal of capital assets	-	855	-
Interest expense	-	-	(1,688,391)
Amortization expense	-	-	-
Net Nonoperating Revenues (Expenses)	<u>329,709</u>	<u>855</u>	<u>(1,688,391)</u>
Income (Loss) Before Other Revenues (Expenses) and Transfers	<u>6,187,198</u>	<u>(472,162)</u>	<u>(1,688,391)</u>
Other Revenues (Expenses) and Transfers:			
Additions to capital assets - buildings	-	(1,076,807)	-
Additions to capital assets - equipment	(8,073)	(50,500)	-
Mandatory transfers	(3,633,391)	250,000	3,303,391
Non-mandatory transfers	(2,337,242)	940,000	-
Transfer of revenue bonds payable	-	-	(1,615,000)
Total Other Revenues (Expenses) and Transfers	<u>(5,978,706)</u>	<u>62,693</u>	<u>1,688,391</u>
Change in Net Assets	208,492	(409,469)	-
Net Assets at Beginning of Year	<u>730,933</u>	<u>803,537</u>	<u>-</u>
Net Assets at End of Year	<u>\$ 939,425</u>	<u>\$ 394,068</u>	<u>\$ -</u>

See auditors' report on supplementary information.

Plant Funds						
Retirement of Indebtedness		Unexpended		Investment		
Reserve Fund	Arbitrage Rebate Fund	Surplus Fund	Construction Fund	in Plant Residence System		Total
\$ -	\$ -	\$ -	\$ -	\$ -		\$ 27,014,385
-	-	-	-	-		27,014,385
-	-	-	-	-		11,663,189
-	-	-	-	-		1,555,735
-	-	-	-	-		1,879,273
-	-	-	-	-		3,599,718
-	-	-	-	-		138,823
-	-	-	2,374	-		790,111
-	-	-	-	-		786,020
-	-	-	-	-		1,219,418
-	-	656,201	-	-		656,201
-	-	-	-	1,432,926		1,432,926
-	-	656,201	2,374	1,432,926		23,721,414
-	-	(656,201)	(2,374)	(1,432,926)		3,292,971
-	-	-	-	-		329,709
-	-	-	-	(185,215)		(184,360)
-	-	-	-	-		(1,688,391)
-	-	-	-	(10,255)		(10,255)
-	-	-	-	(195,470)		(1,553,297)
-	-	(656,201)	(2,374)	(1,628,396)		1,739,674
-	-	-	(70,309)	1,147,116		-
-	-	-	-	58,573		-
80,000	-	-	-	-		-
(80,000)	-	1,477,242	-	-		-
-	-	-	-	1,615,000		-
-	-	1,477,242	(70,309)	2,820,689		-
-	-	821,041	(72,683)	1,192,293		1,739,674
3,347,123	-	1,859,768	72,683	(4,103,070)		2,710,974
\$ 3,347,123	\$ -	\$ 2,680,809	\$ -	\$ (2,910,777)		\$ 4,450,648

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Statement of Revenues and Expenses - Current Operating Fund
For the Year Ended June 30, 2006

	Revenues	Salaries, Wages and Benefits	Repairs and Maintenance	Utilities
Single Student Residence Halls:				
Residence Hall Program Administration	\$ -	\$ 255,415	\$ 2,590	\$ -
Facilities Administration	-	1,360,890	6,028	-
Bartlett Hall	993,670	339,564	121,053	114,092
Lawther Hall	1,046,267	268,114	61,202	86,262
Campbell Hall	1,377,863	328,281	84,063	180,503
Hagemann Hall	934,412	327,125	38,293	79,481
Noehren Hall	1,642,388	427,779	84,329	134,525
Bender Hall	1,456,699	387,843	75,960	143,162
Residence on the Hill (R.O.T.H.)	871,368	287,423	45,621	133,365
Rider Hall	982,905	308,240	44,754	72,084
Shull Hall	759,371	249,412	55,012	64,672
Dancer Hall	1,442,202	383,584	67,544	144,779
Social Educational Programming	7,496	-	-	-
Residence Summer Conference	397,458	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Single Student Residence Halls	11,912,099	4,923,670	686,449	1,152,925
Dining Services:				
Dining Services Administration	(290)	388,012	759	-
Food Stores Administration	-	189,743	5,083	-
Crunch Break	29,454	5,157	33	-
Commodities	42,052	7,680	740	-
Biscotties	438,353	85,084	1,404	-
23rd Street Market	686,429	181,872	(2,725)	-
Rialto Dining Service	5,609,294	1,400,318	82,474	134,292
Piazza Dining Service	4,454,137	1,467,159	118,435	239,180
Fresh Beginnings	-	915,076	12,729	40,401
Apple Cart	56,214	7,321	391	-
Maucker Cash Sales	(45,197)	-	-	-
Blimpies	174,718	93,691	3,881	13
Chats	393,741	96,578	5,097	19
Prexy's	720,984	396,673	26,955	19
Essentials	-	380	-	-
Maucker Union Catering	2,064	-	60	-
Commons Catering	742,054	617,569	18,730	96,057
	<hr/>	<hr/>	<hr/>	<hr/>
Total Dining Services	13,304,007	5,852,313	274,046	509,981
Apartment Housing:				
Apartment Housing Administration	-	136,840	-	2,853
Apartment Housing Operations	1,682,822	3,419	136,624	213,514
	<hr/>	<hr/>	<hr/>	<hr/>
Total Apartment Housing	1,682,822	140,259	136,624	216,367

See auditors' report on supplementary information.

Cost of Food For Resale	Insurance	Supplies	Telephone	Miscellaneous	Total Expenses	Revenues Over Expenses
\$ -	\$ -	\$ 4,362	\$ 384	\$ 35,978	\$ 298,729	\$ (298,729)
-	2,604	6,882	3,212	12,748	1,392,364	(1,392,364)
-	9,235	24,145	56,425	25,126	689,640	304,030
-	10,552	24,754	68,178	28,329	547,391	498,876
-	11,435	24,585	82,213	37,834	748,914	628,949
-	7,749	27,611	56,389	41,545	578,193	356,219
-	12,947	41,060	94,283	38,023	832,946	809,442
-	10,761	31,659	85,615	35,689	770,689	686,010
-	9,704	14,765	51,031	26,908	568,817	302,551
-	8,700	21,474	57,738	25,946	538,936	443,969
-	7,729	26,858	36,810	30,202	470,695	288,676
-	10,756	29,539	85,157	34,658	756,017	686,185
-	-	9,146	-	25,748	34,894	(27,398)
-	-	2,135	-	-	2,135	395,323
-	102,172	288,975	677,435	398,734	8,230,360	3,681,739
(2,019)	-	2,701	619	33,431	423,503	(423,793)
246	896	6,831	-	1,464	204,263	(204,263)
15,746	-	606	-	279	21,821	7,633
21,376	-	925	-	330	31,051	11,001
251,032	-	8,970	674	4,985	352,149	86,204
378,687	-	17,122	302	10,346	585,604	100,825
1,184,302	6,375	129,971	1,805	46,693	2,986,230	2,623,064
1,101,755	8,628	99,890	2,900	48,130	3,086,077	1,368,060
(7,059)	-	37,889	547	11,290	1,010,873	(1,010,873)
26,882	-	1,066	-	288	35,948	20,266
-	-	-	-	522	522	(45,719)
51,538	-	5,138	816	30,887	185,964	(11,246)
125,059	-	29,081	609	40,449	296,892	96,849
263,831	-	54,536	1,168	68,873	812,055	(91,071)
-	-	-	-	-	380	(380)
-	-	11	634	109	814	1,250
188,342	4,604	47,103	2,008	34,054	1,008,467	(266,413)
3,599,718	20,503	441,840	12,082	332,130	11,042,613	2,261,394
-	-	138	1,626	22	141,479	(141,479)
-	16,148	18,705	83,192	42,041	513,643	1,169,179
-	16,148	18,843	84,818	42,063	655,122	1,027,700

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Statement of Revenues and Expenses - Current Operating Fund
For the Year Ended June 30, 2006

	Revenues	Salaries, Wages and Benefits	Repairs and Maintenance	Utilities
Administration:				
Residence System Administration	\$ 67,055	\$ 609,612	\$ 4,006	\$ -
Residence Net Program	16,655	79,726	-	-
Residence Marketing	-	57,327	550	-
Residence Scholar Program	-	-	-	-
I.D. System Operations	31,547	74	-	-
Income From Investments	329,709	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Administration	444,966	746,739	4,556	-
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	<u>\$27,343,894</u>	<u>\$11,662,981</u>	<u>\$ 1,101,675</u>	<u>\$ 1,879,273</u>

Percent of Excess To:
Current year's debt service
Maximum future debt service

See auditors' report on supplementary information.

Cost of Food For Resale	Insurance	Supplies	Telephone	Miscellaneous	Total Expenses	Revenues Over Expenses
\$ -	\$ -	\$ 10,182	\$ 9,092	\$ 174,931	\$ 807,823	\$ (740,768)
-	-	1,015	2,593	14,895	98,229	(81,574)
-	-	10,735	-	45,704	114,316	(114,316)
-	-	-	-	219,000	219,000	(219,000)
-	-	(2,802)	-	34	(2,694)	34,241
-	-	-	-	-	-	329,709
-	-	19,130	11,685	454,564	1,236,674	(791,708)
<u>\$ 3,599,718</u>	<u>\$ 138,823</u>	<u>\$ 768,788</u>	<u>\$ 786,020</u>	<u>\$ 1,227,491</u>	<u>\$21,164,769</u>	<u>\$ 6,179,125</u>

187.05%
184.61%

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Insurance Coverage
As of June 30, 2006
(Unaudited)

Insurer	Policy No.	Term of Policy
EMC Insurance Co.	T22406006	9/01/05 to 9/01/06
Travelers Insurance Co.	#CMB-257T486405	9/01/05 to 9/01/06
Taylor Insurance Service	LLP223617063	11/17/03 to 11/17/06
Kemper National Insurance	#3F-824-683-06	6/30/05 to 6/30/06

See auditors' report on supplementary information.

Coverage	Amount
Blanket Employee Dishonesty \$10,000 deductible	\$500,000
Theft, Disappearance and Destruction Gilchrist only: Checks only Gilchrist Cash and checks other than payroll	\$500,000
Money Gilchrist \$250 deductible	\$150,000
All Risk/Replacement Cost \$25,000 deductible	
Residence Halls	
Buildings and Contents	\$206,707,580
Blanket Coverage	\$500,000,000
Business Interruption	\$19,917,177
Hillside Courts, College Courts, Jennings Drive Courts	
Buildings and Contents	\$51,999,993
Blanket Coverage	\$500,000,000
Business Interruption	\$2,524,038
Flood and Earthquake \$2,000,000 deductible	\$50,000,000
Liquor Liability: Dram Shop Coverage	\$150,000 each common cause
State employees blanket bond, \$100,000 deductible	\$2,000,000 per employee

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Student Residence Halls and Apartment Housing Occupancy
For the Year Ended June 30, 2006
(Unaudited)

	First Semester Fall, 2005	Second Semester Spring, 2006	Summer Session, 2006
Single Women Residence Halls:			
Hagemann Hall:			
Design capacity	398	398	-
Occupancy as of the end of second week of classes	331	288	-
Lawther Hall:			
Design capacity	447	447	-
Occupancy as of the end of second week of classes	384	341	-
Coeducational Residence Halls:			
Bartlett Hall:			
Design capacity	368	368	370
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	286	275	82
Bender Hall:			
Design capacity	595	595	-
Occupancy as of the end of second week of classes	542	497	-
Campbell Hall:			
Design capacity	582	582	-
Occupancy as of the end of second week of classes	482	458	-
Dancer Hall:			
Design capacity	595	595	-
Occupancy as of the end of second week of classes	510	483	-
Noehren Hall:			
Design capacity	711	711	-
Occupancy as of the end of second week of classes	579	553	-
Rider Hall:			
Design capacity	424	424	-
Occupancy as of the end of second week of classes	345	332	-
Shull Hall:			
Design capacity	211	211	-
Occupancy as of the end of second week of classes	209	210	-
Note: Shull Hall was closed for a remodeling project.			

See auditors' report on supplementary information.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Student Residence Halls and Apartment Housing Occupancy
For the Year Ended June 30, 2006
(Unaudited)

	First Semester Fall, 2005	Second Semester Spring, 2006	Summer Session, 2006
Coeducational Residence Halls: (continued)			
Residence on the Hill (R.O.T.H.):			
Design capacity	331	331	378
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	230	200	82
Total Residence Halls:			
Design capacity	4,662	4,662	748
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	3,898	3,637	164
Apartment Housing:			
College Courts:			
Design capacity	48	48	48
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	43	48	39
Hillside Courts:			
Design capacity	275	275	275
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	265	247	208
Jennings Drive Courts:			
Design capacity	40	40	40
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	40	39	36
Total Apartment Housing:			
Design capacity	363	363	363
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	348	334	283
Total All Housing:			
Design capacity	5,025	5,025	1,111
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	4,246	3,971	447

See auditors' report on supplementary information.

UNIVERSITY OF NORTHERN IOWA
UNIVERSITY RESIDENCE SYSTEM

Student Enrollment
(Unaudited)

Enrollment at the University of Northern Iowa for the 2005 - 2006 academic year and the 2005 summer session was as follows:

Terms	Number of Students*
Summer, 2005	5,198
First semester, 2005-2006	12,513
Second semester, 2005-2006	11,609

* These are figures at the end of the second week of each academic period, including graduate and undergraduate students.

See auditors' report on supplementary information.