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UNIVERSITY OF NORTHERN IOWA  
UNIVERSITY RESIDENCE SYSTEM

FINANCIAL REPORT  
JUNE 30, 2008

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**CARNEY,  
ALEXANDER,  
MAROLD & Co., L.L.P.**  
Certified Public Accountants

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, 2008, 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, 2008 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, 2008, 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.

*Courtesy, Alexander, Arnold & Co., L.L.P.*

October 31, 2008

## Basic Financial Statements

UNIVERSITY OF NORTHERN IOWA  
UNIVERSITY RESIDENCE SYSTEM

Statement of Net Assets  
As of June 30, 2008

- ASSETS -

Current Assets:

Cash and cash equivalents	\$ 8,966,715
Accounts receivable, net	549,625
Interest receivable	37,892
Prepaid expenses	70,517
Inventories	169,030
Total Current Assets	<u>9,793,779</u>

Noncurrent Assets:

Investments	6,519,231
Debt issuance costs, net of amortization	122,293
Construction in progress	815,743
Capital assets	59,614,765
Accumulated depreciation	(30,162,070)
Total Noncurrent Assets	<u>36,909,962</u>

Total Assets	<u><u>\$ 46,703,741</u></u>
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- LIABILITIES AND NET ASSETS -

Current Liabilities:

Accounts payable	\$ 632,042
Salaries and wages payable	115,510
Compensated absences payable	370,414
Deferred revenue	698,651
Accrued interest payable	762,724
Revenue bonds payable, current portion	1,765,000
Deposits	9,975
Total Current Liabilities	<u>4,354,316</u>

Noncurrent Liabilities:

Compensated absences payable	308,838
Revenue bonds payable	30,590,000
Total Noncurrent Liabilities	<u>30,898,838</u>

Total Liabilities	<u>35,253,154</u>
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Net Assets:

Invested in capital assets, net of related debt	(199,269)
Restricted for debt service	7,901,448
Unrestricted	3,748,408
Total Net Assets	<u>11,450,587</u>

Total Liabilities and Net Assets	<u><u>\$ 46,703,741</u></u>
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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, 2008

Operating Revenues:	
Sales and services	\$ 31,616,661
Miscellaneous	424,960
	<u>32,041,621</u>
Total Operating Revenues	
Operating Expenses:	
Personnel services	13,029,104
Travel	93,536
Supplies	5,336,803
Contractual services	336,467
Equipment and repairs	2,405,449
Claims and miscellaneous	4,325,600
Licenses, permits and refunds	128,937
Scholarships and fellowships	74,000
Depreciation expense	1,378,126
	<u>27,108,022</u>
Total Operating Expenses	
Operating Income	<u>4,933,599</u>
Nonoperating Revenues (Expenses):	
Investment income	607,996
Interest expense	(1,525,449)
Amortization expense	(10,255)
	<u>(927,708)</u>
Net Nonoperating Revenues (Expenses)	
Change in Net Assets	4,005,891
Net Assets at Beginning of Year	<u>7,444,696</u>
Net Assets at End of Year	<u>\$ 11,450,587</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, 2008

Cash Flows From Operating Activities:	
Cash received from operations	\$ 32,035,611
Cash paid for operations	<u>(25,599,163)</u>
Net Cash Provided By Operating Activities	<u>6,436,448</u>
Cash Flows From Capital Financing Activities:	
Acquisition of capital assets	(962,298)
Principal paid on capital debt	(1,685,000)
Interest paid on capital debt	<u>(1,565,970)</u>
Net Cash Used By Capital Financing Activities	<u>(4,213,268)</u>
Cash Flows From Investing Activities:	
Interest on investments	586,050
Proceeds from sales of investments	6,538,852
Purchase of investments	<u>(8,705,571)</u>
Net Cash Used By Investing Activities	<u>(1,580,669)</u>
Net Increase in Cash and Cash Equivalents	642,511
Cash and Cash Equivalents, Beginning of Year	<u>8,324,204</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 8,966,715</u></u>

Reconciliation of Operating Income to Net Cash Provided By Operating Activities:

Operating Income	\$ 4,933,599
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	1,378,126
Changes in assets and liabilities:	
(Increase) in accounts receivable	(11,984)
(Increase) in prepaid expenses	(833)
(Increase) in inventories	(34,197)
Increase in accounts payable	159,716
Increase in salaries and wages payable	21,380
(Decrease) in compensated absences payable	(15,333)
Increase in deferred revenue	19,693
(Decrease) in deposits	<u>(13,719)</u>
Net Cash Provided By Operating Activities	<u><u>\$ 6,436,448</u></u>

Noncash Capital, Financing and Investing Activities:

A net unrealized gain increased the fair market value of the University's investments \$15,509.

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 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.

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.

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

Deferred Revenue

Deferred revenue consists of revenue received in advance of an academic session or event, such as resident hall contract downpayments related to future fiscal years.

UNIVERSITY OF NORTHERN IOWA  
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Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (continued)

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.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Investments and Investment Income

Investments in marketable securities are recorded at their fair value, as established by the major securities markets. Purchases and sales of investments are accounted for on the settlement basis. Investment income is recorded on the accrual basis. Realized and unrealized gains and losses are reported as investment income. 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.

As of June 30, 2008, the investment pool entitled "Treasurer's Temporary Investment" contained an investment in Commonfund's Intermediate Term Fund which had a market value of \$20,968,584. On or about September 30, 2008, Commonfund experienced a number of requests for full redemption of its Intermediate Term Fund due to liquidity problems in worldwide capital markets. In an effort to protect the remaining participants, Commonfund imposed a 30% restriction on redemptions. On October 1<sup>st</sup> the University placed an order and it withdrew 30% of its available funds. Commonfund has frozen the remaining 70% of available funds, \$13,985,996, for an indefinite period of time until there is an active market in fixed income securities. Commonfund estimated it will take 9-12 months to maximize recoveries. The University will redeem remaining funds in the Intermediate Term Fund as permitted by Commonfund. The University does not believe the Intermediate Term Fund has suffered a permanent impairment.

Summer Session

The University operates summer sessions during May, June, and July. Tuition and Mandatory Student Fee revenues and expenditures for the summer sessions are recorded in the appropriate fiscal year. Residence System revenues and expenditures for the noted summer sessions are also recorded in the appropriate fiscal year.

Inventories

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

UNIVERSITY OF NORTHERN IOWA  
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Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (continued)

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 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

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 revenues include state appropriations, gifts, and investment income. Nonoperating expenses include interest expense, amortization expense, and loss on disposal of capital assets.

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.

UNIVERSITY OF NORTHERN IOWA  
UNIVERSITY RESIDENCE SYSTEM

Notes to Financial Statements

Note 2: Cash and Cash Equivalents and Investments

(1) Cash and Cash Equivalents:

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 \$8,966,715 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 \$8,966,715.

(2) Investments:

Statement of Invested Assets

Investment Type	Fair Value
Fixed Income:	
U.S. Government Treasury	<u>\$ 6,519,231</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, 2008, the Residence System fixed income assets were 100% government guaranteed.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. Except for Treasury or Agency debentures, pass-throughs or REIMICs, no more than 5% of the operating portfolio can be invested in securities of a single issuer.

Interest Rate Risk

Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of a fixed income investment. This risk is managed within the portfolio using duration. Duration analysis is widely used in the management of fixed income portfolios to quantify the risk of interest rate changes. The methodology takes into account optionality on bonds and scales the risk to 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 Treasury	<u>\$ 6,519,231</u>	<u>2.82</u>

UNIVERSITY OF NORTHERN IOWA  
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Notes to Financial Statements

Note 3: Accounts Receivable

Accounts receivable is summarized as follows:

Student accounts	\$ 572,928
Other	154,115
	<u>727,043</u>
Less allowance for doubtful accounts	(177,418)
Total	<u><u>\$ 549,625</u></u>

Note 4: Debt Issuance Costs

Debt issuance costs at June 30, 2008 are as follows:

Debt issuance costs	\$ 193,912
Less accumulated amortization	(71,619)
Net debt issuance costs	<u><u>\$ 122,293</u></u>

Amortization expense for fiscal year 2008 was \$10,255.

Note 5: Capital Assets

Capital assets activity for the year ended June 30, 2008 is summarized as follows:

	Beginning Balance	Additions	Disposals & Transfers	Ending Balance	Accumulated Depreciation	Book Value
<u>Nondepreciable assets:</u>						
Construction in progress	\$ 547,034	\$ 815,743	\$ (547,034)	\$ 815,743	\$ -	\$ 815,743
<u>Depreciable assets:</u>						
Buildings	53,369,239	441,026	547,034	54,357,299	26,780,532	27,576,767
Improvements other than buildings	1,559,511	-	-	1,559,511	724,387	835,124
Infrastructure	1,724,091	-	-	1,724,091	1,029,669	694,422
Equipment	1,984,503	54,806	(65,445)	1,973,864	1,627,482	346,382
	<u>58,637,344</u>	<u>495,832</u>	<u>481,589</u>	<u>59,614,765</u>	<u>30,162,070</u>	<u>29,452,695</u>
	<u><u>\$ 59,184,378</u></u>	<u><u>\$ 1,311,575</u></u>	<u><u>\$ (65,445)</u></u>	<u><u>\$ 60,430,508</u></u>	<u><u>\$ 30,162,070</u></u>	<u><u>\$ 30,268,438</u></u>

UNIVERSITY OF NORTHERN IOWA  
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Notes to Financial Statements

Note 5: Capital Assets (continued)

Depreciation activity for the year ended June 30, 2008 is summarized as follows:

	Beginning Balance	Additions	Disposals & Transfers	Ending Balance
Buildings	\$ 25,626,757	\$ 1,153,775	-	\$ 26,780,532
Improvements other than buildings	664,732	59,655	-	724,387
Infrastructure	970,863	58,806	-	1,029,669
Equipment	1,587,037	105,890	(65,445)	1,627,482
	<u>\$ 28,849,389</u>	<u>\$ 1,378,126</u>	<u>\$ (65,445)</u>	<u>\$ 30,162,070</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 6: 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, 2008, 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.

Note 7: 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, 2008 was \$115,510.

Note 8: 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 employee's 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, 2008, a liability for accrued vacation and sick leave, including accrued retirement and FICA contributions was recognized at \$679,252.

UNIVERSITY OF NORTHERN IOWA  
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Notes to Financial Statements

Note 9: 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 2008, the University's required and actual contribution amounted to \$10,135,929. Employees' required and actual contribution amounted to \$5,005,931.

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 3.9% of their annual covered salary and the University is required to contribute 6.05% of annual covered payroll. Contribution requirements are established by State statute. The University's contribution to IPERS for the year ended June 30, 2008 was \$446,185, 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.

Note 10: OPEB (Other Postemployment Benefits)

The University provided postemployment health care benefits to eligible retirees and their dependents. These benefits included a self-funded indemnity medical plan available to early retirees and Medicare-eligible retirees and a fully insured HMO plan available to early retirees only. Retirees were charged the same rate as active employees for these health care benefits, which resulted in an implicit rate subsidy. In accordance with GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Plans Other Than Pension Plans, the University employed an independent actuary to determine its annual OPEB cost. The actuary determined the University's Annual Required Contribution of the plan was \$1,114,000. The University contributed \$658,000 to the plan on a pay-as-you-go basis, resulting in a Net OPEB Obligation of \$456,000 as of June 30, 2008.

The actuarial valuation was determined for the University as a whole. Detail information about the Net OPEB Obligation allocable to revenue bond funds was not available.

UNIVERSITY OF NORTHERN IOWA  
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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, 2008, 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 6.25% per year.

The bonds mature as follows:

For Year Ended June 30,	Principal	Interest	Total
2009	\$ 1,765,000	\$ 1,485,292	\$ 3,250,292
2010	1,840,000	1,402,970	3,242,970
2011	1,920,000	1,319,704	3,239,704
2012	2,015,000	1,234,925	3,249,925
2013	2,090,000	1,145,311	3,235,311
2014 - 2018	12,170,000	4,155,981	16,325,981
2019 - 2023	9,865,000	1,192,630	11,057,630
2024 - 2028	690,000	16,388	706,388
Total	<u>\$32,355,000</u>	<u>\$11,953,201</u>	<u>\$44,308,201</u>

Long-term debt activity for the year ended June 30, 2008 is summarized as follows:

Bonds payable, June 30, 2007	\$34,040,000
Bonds retired in fiscal year 2008	<u>(1,685,000)</u>
Bonds payable, June 30, 2008	<u>\$32,355,000</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
2008	\$32,649,617	\$24,150,995	\$ 8,498,622	\$ 3,347,123	2.54
2007	30,322,572	22,701,254	7,621,318	3,347,123	2.28
2006	27,343,894	21,164,769	6,179,125	3,347,123	1.85

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.

Extra Expense. The University purchased \$10,000,000 in extra expense insurance for all buildings on campus.

Business Income. The University purchased business income insurance for the McLeod Center, Field House, Residence System, Maucker Union, Student Health Center, and the Gallagher-Bluedorn Performing Arts Center. The University self-funds business income 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, 2008:

Amount of claims and contingent liabilities accrued at beginning of year	\$ 1,711,791
Claims incurred and contingent liabilities accrued for the previous and current year and any changes in amounts estimated for prior years	12,525,454
Payments on claims during the fiscal year	<u>(12,217,140)</u>
Amount of claims liabilities at end of year	<u>\$ 2,020,105</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 claim in an insurance pool. Each Regents' institution is assessed a premium of \$28 to \$38 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, 2008, the University had outstanding plant fund contract commitments for construction of \$625,521 in the Residence System.

There were no other material claims or contingencies outstanding as of June 30, 2008. 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, 2008, 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.*

October 31, 2008

UNIVERSITY OF NORTHERN IOWA  
UNIVERSITY RESIDENCE SYSTEM

Combining Statement of Net Assets  
As of June 30, 2008

	Current Fund	Replacement
	Revenue, Operating, & Maintenance Fund	Improvement Fund
- ASSETS -		
Current Assets:		
Cash and cash equivalents	\$ 2,610,160	\$ 2,446,614
Accounts receivable, net	549,625	-
Interest receivable	37,892	-
Prepaid expenses	70,517	-
Inventories	169,030	-
Total Current Assets	3,437,224	2,446,614
Noncurrent Assets:		
Investments	-	-
Debt issuance costs, net of amortization	-	-
Construction in progress	-	-
Capital assets	-	-
Accumulated depreciation	-	-
Total Noncurrent Assets	-	-
Total Assets	\$ 3,437,224	\$ 2,446,614
- LIABILITIES AND NET ASSETS -		
Current Liabilities:		
Accounts payable	\$ 136,498	\$ 495,544
Salaries and wages payable	115,510	-
Compensated absences payable	370,414	-
Deferred revenue	698,651	-
Accrued interest payable	-	-
Revenue bonds payable, current portion	-	-
Deposits	9,975	-
Total Current Liabilities	1,331,048	495,544
Noncurrent Liabilities:		
Compensated absences payable	308,838	-
Revenue bonds payable	-	-
Total Noncurrent Liabilities	308,838	-
Total Liabilities	1,639,886	495,544
Net Assets:		
Invested in capital assets, net of related debt	-	-
Restricted for debt service	-	-
Unrestricted	1,797,338	1,951,070
Total Net Assets	1,797,338	1,951,070
Total Liabilities and Net Assets	\$ 3,437,224	\$ 2,446,614

See auditors' report on supplementary information.

Plant Funds

Retirement of Indebtedness			Unexpended	Investment	Total
Sinking Fund	Reserve Fund	Arbitrage Rebate Fund	Surplus Fund	in Plant Residence System	
\$ 2,527,724	\$ (3,917)	\$ -	\$ 1,386,134	\$ -	\$ 8,966,715
-	-	-	-	-	549,625
-	-	-	-	-	37,892
-	-	-	-	-	70,517
-	-	-	-	-	169,030
<u>2,527,724</u>	<u>(3,917)</u>	<u>-</u>	<u>1,386,134</u>	<u>-</u>	<u>9,793,779</u>
-	3,516,419	-	3,002,812	-	6,519,231
-	-	-	-	122,293	122,293
-	-	-	-	815,743	815,743
-	-	-	-	59,614,765	59,614,765
-	-	-	-	(30,162,070)	(30,162,070)
-	<u>3,516,419</u>	<u>-</u>	<u>3,002,812</u>	<u>30,390,731</u>	<u>36,909,962</u>
<u>\$ 2,527,724</u>	<u>\$ 3,512,502</u>	<u>\$ -</u>	<u>\$ 4,388,946</u>	<u>\$ 30,390,731</u>	<u>\$ 46,703,741</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 632,042
-	-	-	-	-	115,510
-	-	-	-	-	370,414
-	-	-	-	-	698,651
762,724	-	-	-	-	762,724
1,765,000	-	-	-	-	1,765,000
-	-	-	-	-	9,975
<u>2,527,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,354,316</u>
-	-	-	-	-	308,838
-	-	-	-	30,590,000	30,590,000
-	-	-	-	30,590,000	30,898,838
<u>2,527,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,590,000</u>	<u>35,253,154</u>
-	-	-	-	(199,269)	(199,269)
-	3,512,502	-	4,388,946	-	7,901,448
-	-	-	-	-	3,748,408
-	<u>3,512,502</u>	<u>-</u>	<u>4,388,946</u>	<u>(199,269)</u>	<u>11,450,587</u>
<u>\$ 2,527,724</u>	<u>\$ 3,512,502</u>	<u>\$ -</u>	<u>\$ 4,388,946</u>	<u>\$ 30,390,731</u>	<u>\$ 46,703,741</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, 2008

	Current Fund Revenue, Operating, & Maintenance Fund	Replacement Improvement Fund	Sinking Fund
Operating Revenues:			
Sales and services	\$ 31,616,661	\$ -	\$ -
Miscellaneous	424,960	-	-
Total Operating Revenues	<u>32,041,621</u>	<u>-</u>	<u>-</u>
Operating Expenses:			
Personnel services	13,029,104	-	-
Travel	93,536	-	-
Supplies	5,306,576	30,227	-
Contractual services	317,562	18,905	-
Equipment and repairs	1,503,827	901,622	-
Claims and miscellaneous	3,671,438	2,899	-
Licenses, permits and refunds	128,937	-	-
Scholarships and fellowships	74,000	-	-
Depreciation expense	-	-	-
Total Operating Expenses	<u>24,124,980</u>	<u>953,653</u>	<u>-</u>
Operating Income (Loss)	<u>7,916,641</u>	<u>(953,653)</u>	<u>-</u>
Nonoperating Revenues (Expenses):			
Investment income	607,996	-	-
Interest expense	-	-	(1,525,449)
Amortization expense	-	-	-
Net Nonoperating Revenues (Expenses)	<u>607,996</u>	<u>-</u>	<u>(1,525,449)</u>
Income (Loss) Before Other Revenues (Expenses) and Transfers	<u>8,524,637</u>	<u>(953,653)</u>	<u>(1,525,449)</u>
Other Revenues (Expenses) and Transfers:			
Additions to capital assets - improvements	-	(22,673)	-
Additions to capital assets - buildings	-	(1,234,096)	-
Additions to capital assets - equipment	(26,015)	(28,791)	-
Mandatory transfers	(3,620,449)	250,000	3,290,449
Non-mandatory transfers	(4,459,088)	3,280,000	-
Transfer of revenue bonds payable	-	-	(1,765,000)
Total Other Revenues (Expenses) and Transfers	<u>(8,105,552)</u>	<u>2,244,440</u>	<u>1,525,449</u>
Change in Net Assets	419,085	1,290,787	-
Net Assets at Beginning of Year	<u>1,378,253</u>	<u>660,283</u>	<u>-</u>
Net Assets at End of Year	<u>\$ 1,797,338</u>	<u>\$ 1,951,070</u>	<u>\$ -</u>

See auditors' report on supplementary information.

Plant Funds					
Retirement of Indebtedness		Unexpended		Investment	
Reserve	Arbitrage	Surplus	in Plant	Residence	Total
Fund	Rebate Fund	Fund	Residence	System	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,616,661
-	-	-	-	-	424,960
-	-	-	-	-	32,041,621
-	-	-	-	-	13,029,104
-	-	-	-	-	93,536
-	-	-	-	-	5,336,803
-	-	-	-	-	336,467
-	-	-	-	-	2,405,449
-	-	651,263	-	-	4,325,600
-	-	-	-	-	128,937
-	-	-	-	-	74,000
-	-	-	-	1,378,126	1,378,126
-	-	651,263	1,378,126	-	27,108,022
-	-	(651,263)	(1,378,126)	-	4,933,599
-	-	-	-	-	607,996
-	-	-	-	-	(1,525,449)
-	-	-	-	(10,255)	(10,255)
-	-	-	-	(10,255)	(927,708)
-	-	(651,263)	(1,388,381)	-	4,005,891
-	-	-	-	22,673	-
-	-	-	-	1,234,096	-
-	-	-	-	54,806	-
80,000	-	-	-	-	-
85,379	-	1,093,709	-	-	-
-	-	-	-	1,765,000	-
165,379	-	1,093,709	3,076,575	-	-
165,379	-	442,446	1,688,194	-	4,005,891
3,347,123	-	3,946,500	(1,887,463)	-	7,444,696
\$ 3,512,502	\$ -	\$ 4,388,946	\$ (199,269)	\$ -	\$ 11,450,587

UNIVERSITY OF NORTHERN IOWA  
UNIVERSITY RESIDENCE SYSTEM

Statement of Revenues and Expenses - Current Operating Fund  
For the Year Ended June 30, 2008

	Revenues	Personnel services	Travel	Supplies
<b>Single Student Residence Halls:</b>				
Residence Hall Program Administration	\$ -	\$ 268,551	\$ 26,445	\$ 28,748
Facilities Administration	-	1,247,369	16,693	11,460
Gilchrist Fire Facilities Rental	(179,734)	-	-	-
Bartlett Hall	1,171,076	384,558	2,096	30,792
Lawther Hall	1,254,985	367,269	830	26,636
Campbell Hall	1,658,290	432,923	3,408	36,802
Hagemann Hall	1,112,462	350,485	768	32,565
Noehren Hall	1,933,659	471,271	1,245	46,611
Bender Hall	1,726,970	404,886	2,109	33,032
Residence on the Hill (R.O.T.H.)	965,564	292,347	859	15,697
Rider Hall	1,201,764	367,839	745	34,529
Shull Hall	883,635	273,116	994	21,126
Dancer Hall	1,719,723	417,430	1,799	34,870
Social Educational Programming	3,872	-	3,587	12,061
Residence Summer Conference	649,988	-	158	49
<b>Total Single Student Residence Halls</b>	<b>14,102,254</b>	<b>5,278,044</b>	<b>61,736</b>	<b>364,978</b>
<b>Dining Services:</b>				
Dining Services Administration	5,857	298,013	4,421	(26,363)
Food Stores Administration	-	215,566	497	1,190
Crunch Break	32,760	4,860	-	15,325
Commodities	44,207	7,456	-	12,941
Biscotties	528,936	89,136	-	305,557
23rd Street Market	776,846	224,810	-	439,221
Rialto Dining	5,787,283	1,650,009	3,288	1,583,267
Piazza	6,257,201	1,670,987	2,959	1,450,511
Fresh Beginnings	149	997,794	1,897	71,854
Apple Cart	66,243	7,522	-	28,214
Maucker Cash Sales	(38,607)	-	-	-
Blimpies	-	(6,963)	-	-
Chats	384,969	119,950	-	152,358
Prexy's	1,029,593	565,723	899	428,012
Essentials	320,275	104,732	-	125,683
Maucker Union Catering	2,077	-	-	80
Commons Catering	913,793	800,108	3,205	278,573
<b>Total Dining Services</b>	<b>16,111,582</b>	<b>6,749,703</b>	<b>17,166</b>	<b>4,866,423</b>
<b>Apartment Housing:</b>				
University Apartments Administration	-	142,386	-	100
University Apartments Operations	1,700,223	9,878	5,609	4,102
<b>Total Apartment Housing</b>	<b>1,700,223</b>	<b>152,264</b>	<b>5,609</b>	<b>4,202</b>

See auditors' report on supplementary information.

Contractual services	Equipment and repairs	Claims and Miscellaneous	Licenses, Permits and Refunds	Scholarships and Fellowships	Total Expenses	Revenues Over Expenses
\$ 6,417	\$ 277	\$ 10,129	\$ -	\$ -	\$ 340,567	\$ (340,567)
17,297	9,917	13,360	4,501	-	1,320,597	(1,320,597)
-	-	-	-	-	-	(179,734)
6,965	111,578	217,132	7,222	-	760,343	410,733
7,075	97,820	195,730	5,561	-	700,921	554,064
6,316	127,897	327,424	8,271	-	943,041	715,249
5,144	60,869	182,118	5,010	-	636,959	475,503
4,516	96,953	301,339	10,065	-	932,000	1,001,659
7,405	74,397	273,014	9,130	-	803,973	922,997
6,916	35,089	173,236	4,243	-	528,387	437,177
4,960	52,997	168,655	6,020	-	635,745	566,019
10,146	43,336	168,198	3,973	-	520,889	362,746
5,232	82,992	271,887	9,364	-	823,574	896,149
4,728	60	13,674	-	-	34,110	(30,238)
-	-	-	-	-	207	649,781
<u>93,117</u>	<u>794,182</u>	<u>2,315,896</u>	<u>73,360</u>	<u>-</u>	<u>8,981,313</u>	<u>5,120,941</u>
6,645	7,922	1,108	3,060	(2,000)	292,806	(286,949)
632	14,761	1,650	438	-	234,734	(234,734)
381	-	12	49	-	20,627	12,133
393	-	12	133	-	20,935	23,272
3,970	1,397	5,170	3,522	-	408,752	120,184
5,538	3,462	11,698	4,306	-	689,035	87,811
8,735	159,186	165,532	6,431	-	3,576,448	2,210,835
14,677	175,188	327,974	7,394	-	3,649,690	2,607,511
165	19,807	53,017	2,573	-	1,147,107	(1,146,958)
408	-	12	76	-	36,232	30,011
-	-	-	-	-	-	(38,607)
-	-	-	1,023	-	(5,940)	5,940
4,619	10,766	34,671	3,439	-	325,803	59,166
10,398	38,605	92,562	3,841	-	1,140,040	(110,447)
3,969	-	98,253	391	-	333,028	(12,753)
-	-	508	-	-	588	1,489
681	43,933	140,578	7,194	-	1,274,272	(360,479)
<u>61,211</u>	<u>475,027</u>	<u>932,757</u>	<u>43,870</u>	<u>(2,000)</u>	<u>13,144,157</u>	<u>2,967,425</u>
-	450	6,849	-	-	149,785	(149,785)
12,829	229,762	359,560	6,727	-	628,467	1,071,756
<u>12,829</u>	<u>230,212</u>	<u>366,409</u>	<u>6,727</u>	<u>-</u>	<u>778,252</u>	<u>921,971</u>

UNIVERSITY OF NORTHERN IOWA  
UNIVERSITY RESIDENCE SYSTEM

Statement of Revenues and Expenses - Current Operating Fund  
For the Year Ended June 30, 2008

	Revenues	Personnel services	Travel	Supplies
<b>Administration:</b>				
Residence System Administration	\$ 70,011	\$ 694,329	\$ 7,488	\$ 33,552
Residence Net Program	18,021	83,529	1,537	14,945
Residence Marketing	50	70,469	-	22,476
Residence Scholar Program	-	-	-	-
ID System Operations	39,480	766	-	-
Income From Investments	607,996	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Administration</b>	<b>735,558</b>	<b>849,093</b>	<b>9,025</b>	<b>70,973</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Totals</b>	<b><u>\$32,649,617</u></b>	<b><u>\$13,029,104</u></b>	<b><u>\$ 93,536</u></b>	<b><u>\$ 5,306,576</u></b>

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

See auditors' report on supplementary information.

Contractual services	Equipment and repairs	Claims and Miscellaneous	Licenses, Permits and Refunds	Scholarships and Fellowships	Total Expenses	Revenues Over Expenses
\$ 141,822	\$ 15,752	\$ 31,301	\$ 3,982	\$ -	\$ 928,226	\$ (858,215)
513	-	3,000	-	-	103,524	(85,503)
8,038	783	22,075	98	-	123,939	(123,889)
-	-	-	-	76,000	76,000	(76,000)
32	13,886	-	900	-	15,584	23,896
-	-	-	-	-	-	607,996
<u>150,405</u>	<u>30,421</u>	<u>56,376</u>	<u>4,980</u>	<u>76,000</u>	<u>1,247,273</u>	<u>(511,715)</u>
<u>\$ 317,562</u>	<u>\$ 1,529,842</u>	<u>\$ 3,671,438</u>	<u>\$ 128,937</u>	<u>\$ 74,000</u>	<u>\$24,150,995</u>	<u>\$ 8,498,622</u>

258.28%  
241.95%

UNIVERSITY OF NORTHERN IOWA  
UNIVERSITY RESIDENCE SYSTEM

Insurance Coverage  
As of June 30, 2008  
(Unaudited)

Insurer	Policy No.	Term of Policy
EMC Insurance Co.	T22406007	9/01/07 to 9/01/08
Travelers Insurance Co.	#CMB-257T486407	9/01/07 to 9/01/08
Scottsdale Insurance Co.	CLS1304988	11/17/07 to 11/17/08
Kemper National Insurance	#3F-824-683-06	6/30/07 to 6/30/08

See auditors' report on supplementary information.

Coverage		Amount
Blanket Employee Dishonesty \$10,000 deductible	\$	500,000
All Risk/Replacement Cost \$25,000 deductible		
Residence Halls		
Buildings and Contents	\$	227,874,435
Extra Expense	\$	10,000,000
Blanket Coverage	\$	500,000,000
Business Income	\$	22,971,852
Hillside Courts, College Courts, Jennings Drive Courts		
Buildings and Contents	\$	57,324,799
Extra Expense	\$	10,000,000
Blanket Coverage	\$	500,000,000
Business Income	\$	2,911,147
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, 2008  
(Unaudited)

	First Semester Fall, 2007	Second Semester Spring, 2008	Summer Session, 2008
Single Women Residence Halls:			
Hagemann Hall:			
Intended capacity	398	398	-
Occupancy as of the end of second week of classes	362	333	-
Lawther Hall:			
Intended capacity	447	450	-
Occupancy as of the end of second week of classes	399	365	-
Coeducational Residence Halls:			
Bartlett Hall:			
Intended 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	329	309	92
Bender Hall:			
Intended capacity	595	595	-
Occupancy as of the end of second week of classes	570	530	-
Campbell Hall:			
Intended capacity	582	582	-
Occupancy as of the end of second week of classes	521	502	-
Dancer Hall:			
Intended capacity	595	595	-
Occupancy as of the end of second week of classes	558	520	-
Noehren Hall:			
Intended capacity	711	711	-
Occupancy as of the end of second week of classes	602	578	-
Rider Hall:			
Intended capacity	424	424	-
Occupancy as of the end of second week of classes	393	366	-
Shull Hall:			
Intended capacity	211	211	-
Occupancy as of the end of second week of classes	208	202	-

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, 2008  
(Unaudited)

	First Semester Fall, 2007	Second Semester Spring, 2008	Summer Session, 2008
Coeducational Residence Halls: (continued)			
Residence on the Hill (R.O.T.H.):			
Intended capacity	278	278	378
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	235	220	50
Total Residence Halls:			
Intended capacity	4,609	4,612	748
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	4,177	3,925	142
Apartment Housing:			
College Courts:			
Intended 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	48	48	45
Hillside Courts:			
Intended capacity	277	277	277
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	272	272	266
Jennings Drive Courts:			
Intended 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	40	37
Total Apartment Housing:			
Intended capacity	365	365	365
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	360	360	348
Total All Housing:			
Intended capacity	4,974	4,977	1,113
Occupancy as of the end of second week of classes and for summer, as of the end of first week of June session	4,537	4,285	490

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 2007 - 2008 academic year and the 2007 summer session was as follows:

Terms	Number of Students*
Summer, 2007	5,463
First semester, 2007-2008	12,609
Second semester, 2007-2008	11,768

\* These are figures at the end of the second week of each academic period, including resident, extension, and correspondence students.

See auditors' report on supplementary information.