

2022-2023

Annual Comprehensive Financial Report

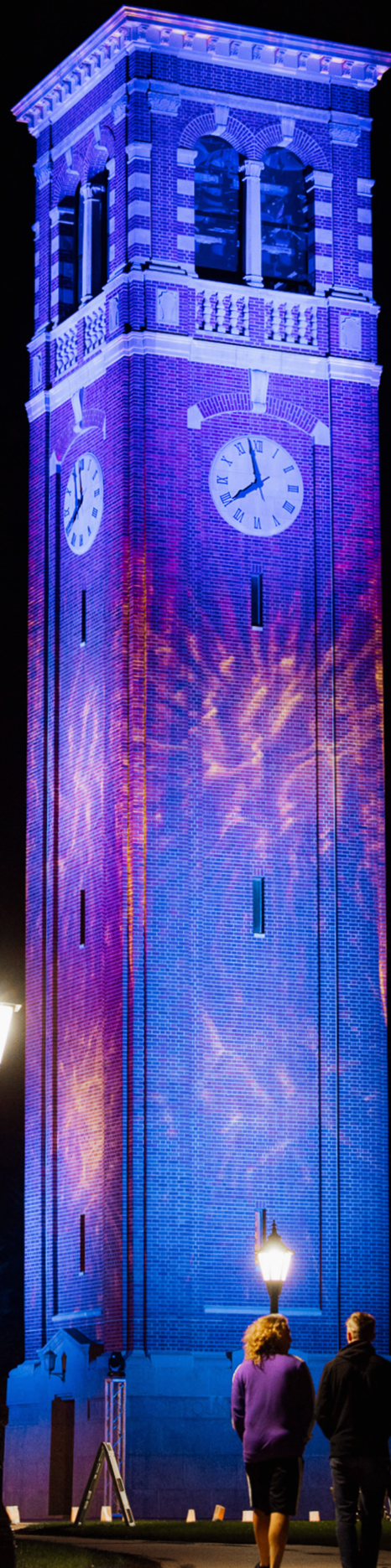
For the fiscal years ended
June 30, 2023 and June 30, 2022

The logo for the University of Northern Iowa, consisting of the letters "UNI" in a bold, italicized, sans-serif font.

**University of
Northern Iowa**

A public university
governed by the Board of
Regents, State of Iowa

An enterprise fund of the
State of Iowa





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Northern Iowa®**

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2022-2023 Annual Comprehensive Financial Report

For the fiscal years ended June 30, 2023
and June 30, 2022

Prepared by:
Financial Accounting and Reporting
Services

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2022-2023
Introductory Section



December 19, 2023

To President Nook,
Members of the Board of Regents, State of Iowa,
and Citizens of the State of Iowa

In accordance with Code of Iowa Sections 262.23 and 262.25, we are pleased to submit the Annual Comprehensive Financial Report of the University of Northern Iowa for the year ended June 30, 2023. The audit opinion letter of the Auditor of State appears in the Financial Section and expresses an unmodified opinion on the University's financial statements.

Responsibility for the accuracy of the information and for the completeness and fairness of its presentation, including all disclosures, rests with the management of the University. We believe the information presented is accurate in all material respects and necessary disclosures have been made which enable the reader to obtain an understanding of the University's financial activity.

This report has been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for governmental colleges and universities as promulgated by the Governmental Accounting Standards Board (GASB). See accompanying Notes to Financial Statements for a full disclosure of the accounting principles observed.

GAAP requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE UNIVERSITY

The University of Northern Iowa serves Iowa through a tripartite mission of education, research and service. The University of Northern Iowa has served Iowa continuously for 146 years. Founded in 1876 as Iowa State Normal School, the School became Iowa State Teacher's College in 1909 and State College of Iowa in 1961. In 1967, the College achieved full university status and was renamed the University of Northern Iowa.

The University of Northern Iowa is a comprehensive university with 9,021 students and 1,567 full-time faculty and staff as of fall 2023. Ninety percent of the students are from Iowa. The student body represents 99 counties in Iowa, 45 states and 53 different countries.

The University of Northern Iowa provides transformative learning experiences that inspire students to embrace challenge, engage in critical inquiry and creative thought and contribute to society. It is committed to being an intellectually and culturally diverse community. The University focuses both on undergraduate education and on selected master's, doctoral and other graduate programs. Within a challenging and supporting environment, the University engages students in high-quality and high-impact learning experiences and emphasizes excellence in teaching and scholarship. Through its varied endeavors, UNI shares its expertise with and provides service to individuals, communities and organizations throughout the state, the nation and the world. Building on its traditional strength in teacher education, the University of Northern Iowa offers nationally recognized programs in its colleges of Business; Education; Humanities, Arts and Sciences; Social and Behavioral Sciences; and Graduate College. The University is accredited by the Higher Learning Commission. Individual programs are accredited by several national accrediting agencies.

STATE ECONOMY

Introduction. Iowa is recognized as the most fiscally responsible state in the nation, remains the #1 state for opportunity, and is ranked in the top ten states to live in America. The GDP for the nation increased at an annual rate of 2.1% and Iowa's GDP growth rate was 5.2% per year. Manufacturing is the largest industry in Iowa at 19% of the state's GDP and finance and insurance is next at 14% as of March 31, 2023. Government, real estate and health care are the other leading industries per the state's GDP and agriculture is 4% of the state's GDP. Fiscal year 2023 revenues in Iowa exceeded estimates and increased 0.4% from fiscal year 2022. Future revenues are estimated to decrease to reduce the surplus with the tax cut plan.

Farmland Values. The Federal Reserve Bank of Chicago, in their August 2023 public release, reported that farmland values in Iowa increased 2% for the period July 1, 2022 to July 1, 2023. The U.S. Department of Agriculture's June 2023 index of prices received by farmers was down 5% from a year ago but up 19% from two years ago. Prices for corn, soybeans, hogs and milk were down 12%, 13%, 17%, and 33% from a year ago, respectively. The increase in interest rates will likely keep farmland values from increasing.

Per-Capita Personal Income. Iowa's average per-capita income, as reported by the Bureau of Economic Analysis, as of the second quarter was \$58,603 in 2022 and \$60,222 in 2023. The average per-capita income in the nation as of the second quarter was \$55,348 in 2022 and \$60,226 in 2023.

Employment. According to the Bureau of Labor Statistics, Iowa's seasonally adjusted percent unemployed for the State was 4.0% for June 2021, 2.6% for June 2022 and 2.7% for June 2023. Iowa's unemployment continues to be below the nation's unemployment rate of 3.6% for June 2023. Iowa Workforce Development indicated job gains in leisure and hospitality as well as education and health care more than offset a cooling with the construction industry.

Manufacturing. According to the Iowa Economic Development Authority (IEDA), Iowa has developed a robust mix of industries from its strong agricultural foundation. Iowa has earned a reputation as a bioscience epicenter innovating ways to use Iowa's leading commodities of corn, pork, eggs and soybeans into hundreds of other products. Iowa is one of the top headquarters for the finance and insurance industries and 180 insurance companies are headquartered in Iowa. Advanced Manufacturing is Iowa's largest industry, accounting for 18.2% of the state's total GDP. Iowa's 4,100 manufacturers produce everything from products and medical devices to aerospace products and construction machinery. The University's Metal Casting Center is a nationally recognized leader in foundry research, applied technology and technical business assistance. Iowa ranks first in the nation in highest concentration of agricultural engineers of any state.

Exports. According to the U.S. Department of Census, Iowa's export shipments of merchandise totaled \$15.8 billion in 2021 and \$18.0 billion in 2022 a 13.9% increase. Based on research from Statista, Iowa's exported products represent 10.2% of the state's total economic output. Top three exports are corn, tractors, and soybeans. Biodiesel was the fastest grower among Iowa's top 10 export categories, up by 149.6% from 2021. In 2022, Iowa exported merchandise valued at \$5.2 billion to Canada, \$3.5 billion to Mexico and \$1.2 billion to Japan.

Initiatives. Governor Kim Reynolds' priorities for 2023-2024 are education, health care, workforce, and alignment. The education initiative includes providing state funding to students attending an accredited private school and allowing educational flexibility in course credits. The Governor plans to address the health care challenges of shortage of doctors and nurses, rising costs, and underserved areas. To address the high demand workforce needs, the Governor proposes funding apprenticeship programs to grow Iowa's skilled workforce. The Governor proposes realigning government operations by reducing the number of cabinet-level departments from 37 to 16.

STATE FINANCIAL POLICIES

The Governor and General Assembly have statutory responsibility to balance the budget. Spending is limited to 99.0% of adjusted revenues, 95.0% of any new revenue implemented in the fiscal year and any carry-over from the previous year. The Governor and the Legislature are required to use the revenue estimates agreed to by the December Revenue Estimating Conference, or the spring estimate if it is lower, as a basis to determine the State General Fund budget for the following fiscal year. Two reserve funds have been created: the Cash Reserve Fund and the Economic Emergency Fund. Expenditures from these funds are limited by statute for nonrecurring emergency expenditures.

MAJOR INITIATIVES

Tuition Differentiation. The University's distinctiveness as an institution with the highest proportion of Iowa resident undergraduates of all three Regent universities means we must preserve our charge to be accessible to Iowans. Differentiating tuition and mandatory fees is still a goal for the University to ensure costs align with the needs of our students and the state while remaining a reasonable investment for taxpayers. The University is confronting challenges and opportunities to ensure we continue building on our commitment to quality, affordability and access for Iowans. State appropriation funding was flat for fiscal year 2022, increased \$1.1 million, or 1.1%, in fiscal year 2023, and remained flat for 2024 resulting in 1.5%, 4.25%, and 3.5% tuition increases, respectively.

Academic Positioning. The University received accreditation from the Higher Learning Commission for a Bachelor of Science in Nursing (BSN) and will begin enrolling students in fall 2024. The new nursing program will help meet the growing need for nurses in Iowa. The innovative program will prepare nurses who are clinically focused and practice-ready.

Educators for Iowa. The University has a strong legacy of providing Iowa's public and private schools with educators. There is a growing teacher shortage in the state and across the nation. In fiscal year 2024, the state appropriated \$1.5 million to promote teacher certification. A request for an additional \$2.5 million was made to continue our efforts to recruit more students into the teaching profession. The funding will allow the University to provide stipends to cover costs for teacher education students during their student teaching experiences.

Growing the Iowa Community Colleges Partnership. The University is collaborating with community colleges to provide seamless access for students completing their associate's degree to finish their bachelor's degree online. The UNI@IACC (Iowa Community College) partnership expands the successful UNI@DMACC program to other Iowa community colleges. This collaboration will allow us to leverage our existing program array to expand access in-demand programs for working and/or geographically place-bound adults, near-completers, first generation, low income and other non-traditional learners. Adult and place-bound learners through the state now have 11 bachelor degrees to choose from.

FINANCIAL INFORMATION

Internal and Budgetary Controls. Executive management of the University is committed to the establishment of internal controls and adherence to the controls. The Office of Auditor of State reviews our internal control procedures as an integral part of the annual audit. Budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Regents, State of Iowa. A position control system is used to manage the staff salary budget. Budgetary control is also exercised over sponsored projects as defined in grant and contract agreements with external agencies. In addition, capital projects are controlled by Board approved budgets. The University also maintains an encumbrance accounting system as a significant element of the budgetary control system.

Long-Term Financial Planning. The success of the University's strategic plan is closely tied to the development of long-term financial plans at all levels of the organization. University officials are continually seeking ways to increase revenue from public and private sources, as well as identifying internal reallocations and cost containment ideas to meet the goals and objectives of the University's strategic plan.

OTHER INFORMATION

Independent Audit. State law, federal guidelines and certain bond indentures require the University's accounting and financial records be audited each year. The Auditor of State is required by Chapter 11 of the Code of Iowa to annually audit all departments of the State. The accompanying financial statements of the University of Northern Iowa have been audited by the Auditor of State in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Their report appears in the Financial Section of this report.

As a recipient of federal financial awards, the University is responsible for ensuring compliance with all applicable laws and regulations relating to such assistance. A combination of State and University policies and procedures, integrated with the University's internal controls, provides for this compliance. The Auditor

of State conducts an annual single audit under the requirements set forth in the Single Audit Amendments of 1996 and Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Additionally, University of Northern Iowa internal auditors perform fiscal and compliance audits. The reports resulting from these audits are shared with the University's management, the Board of Regents, State of Iowa and the Office of Auditor of State.

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to the University of Northern Iowa for its Annual Comprehensive Financial Report for the year ended June 30, 2022. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. A Certificate of Achievement is valid for a period of one year only. This is the thirty-first consecutive year the University of Northern Iowa has received this prestigious award.

Acknowledgements. Appreciation is expressed to the staff of Financial Accounting and Reporting Services, Office of Business Operations, Treasury, and other University offices for their efforts in assisting in the preparation of this report.

This report expresses our commitment to maintain our financial statements in conformance with the highest standards of financial accountability. We believe the report clearly conveys the University of Northern Iowa is a fiscally sound and dynamically managed institution that is positioned to meet the educational and service needs of the citizenry.

Respectfully submitted,



Tonya Gerbracht
Controller and Treasurer



Dr. Michael Hager
Senior Vice President for Finance & Operations



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

University of Northern Iowa

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

The Governing Board

2022-23

The University of Northern Iowa, together with the University of Iowa, Iowa State University, and two special preschool/K-12th grade schools - the Iowa Braille and Sight Saving School and the Iowa School for the Deaf, is governed by the Board of Regents, State of Iowa consisting of nine members.

Board of Regents, State of Iowa

Officers of the Board

Dr. Michael Richards, President
Sherry Bates, President Pro Tem
Mark Braun, Executive Director

Members of the Board (As of June 30, 2023)

Term Expires

Dr. Michael Richards, West Des Moines	April 30, 2027
Sherry Bates, Scranton	April 30, 2029
David Barker, Iowa City	April 30, 2025
Robert Cramer, Adel	April 30, 2029
Abby Crow, Tiffin	April 30, 2027
Nancy Dunkel, Dyersville	April 30, 2029
Dr. Jim Lindenmayer, Ottumwa	April 30, 2025
JC Risewick, Johnston	April 30, 2025
Greta Rouse, Emmetsburg	April 30, 2027

Officers of the University (As of June 30, 2023)

President of the University
Mark A. Nook, B.A., M.S., Ph.D.

Provost and Executive Vice President
José Herrera, B.S., M.S., Ph.D.

Senior Vice President for Finance and Operations
Michael Hager, B.A., M.B.A., D.B.A.

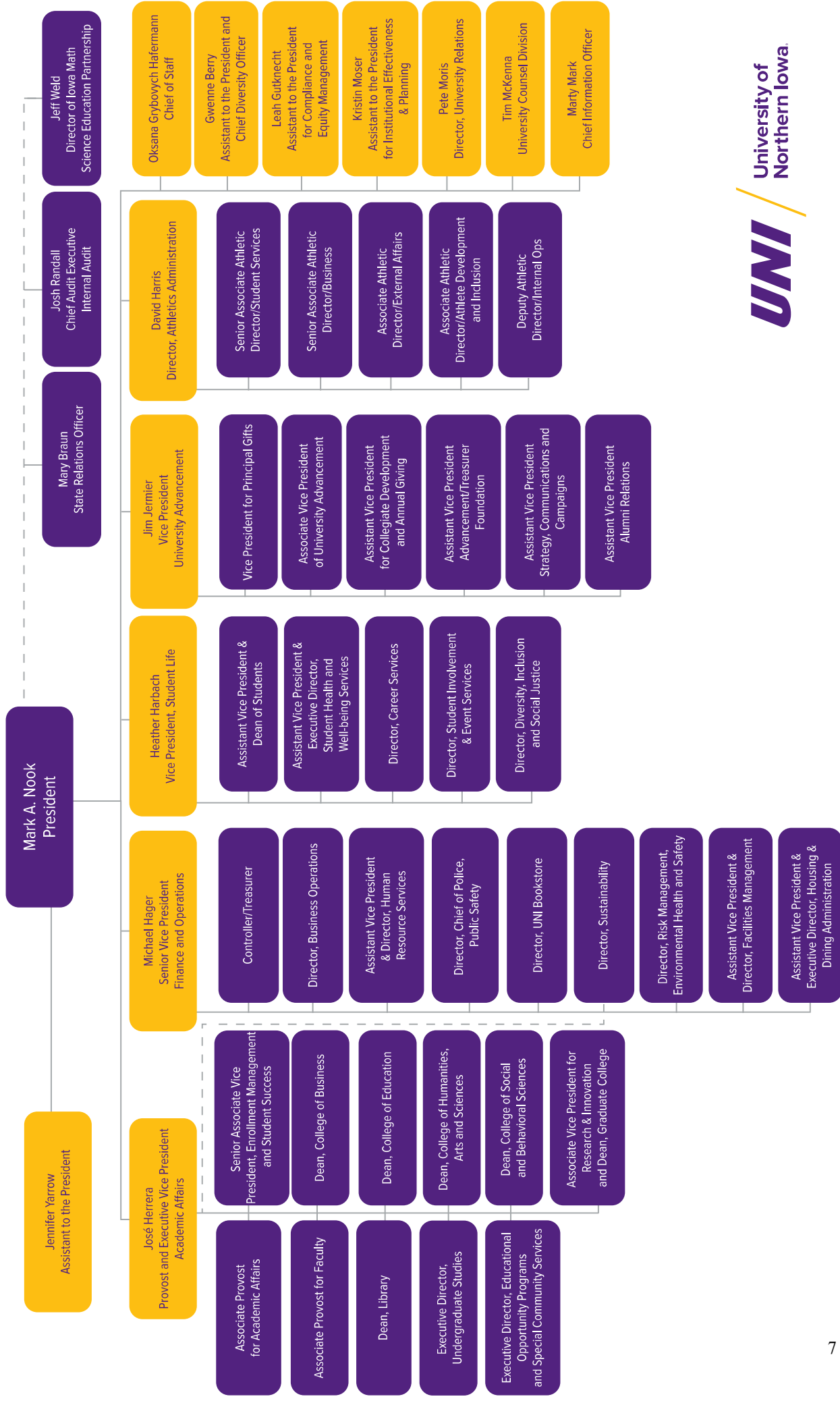
Vice President for Student Life
Heather Harbach, B.S., M.S., Ed.D.

Controller/University Secretary & Treasurer
Tonya Gerbracht, B.A., M.B.A.

Vice President for University Advancement
Jim Jermier, B.A., M.A.

Administrative Organization 2022-23

Updated June 30, 2023





2022-2023

Financial Section



OFFICE OF AUDITOR OF STATE STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834 Facsimile (515) 281-6518

Independent Auditor's Report

To the Members of the Board of Regents, State of Iowa:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business type activities and the fiduciary activities of the University of Northern Iowa, Cedar Falls, Iowa and its discretely presented component unit as of and for the years ended June 30, 2023 and 2022, and the related Notes to Financial Statements, which collectively comprise the University of Northern Iowa's basic financial statements listed in the table of contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities and the fiduciary activities of the University of Northern Iowa and its discretely presented component unit as of June 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the years ended June 30, 2023 and 2022 in accordance accounting principles generally accepted in the United States of America.

We did not audit the discretely presented component unit, the University of Northern Iowa Foundation (the "Foundation") which includes the combined financial statements of the University of Northern Iowa Foundation, University of Northern Iowa Properties Corporation and the University of Northern Iowa Research Foundation, discussed in Note A, which represents 100% of the assets, net position and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to those financial statements, is based solely on the report of the other auditor.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the University of Northern Iowa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of the University of Northern Iowa Foundation were not audited in accordance with Government Auditing Standards.

Emphasis of Matters

As discussed in Note A, the financial statements of the University of Northern Iowa are intended to present the financial position, and the changes in financial position and cash flows, of only that portion of the financial reporting entity of the State of Iowa that is attributable to the transactions of the University of Northern Iowa. They do not purport to, and do not, present fairly the financial position of the State of Iowa as of June 30, 2023 and 2022 and the changes in its financial position and its cash flows for the years ended June 30, 2023 and 2022 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified in respect to this matter.

As discussed in Note A to the financial statements, the University of Northern Iowa adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of Northern Iowa's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University of Northern Iowa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of Northern Iowa's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the University's Proportionate Share of the Net Pension Liability, the Schedule of University Contributions and the Schedule of Changes in the University's Total OPEB Liability, Related Ratios and Notes on pages 13 through 20 and 77 through 80 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical sections but does not include the based financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, our report on the University of Northern Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters will be issued under separate cover. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the University of Northern Iowa's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University of Northern Iowa's internal control over financial reporting and compliance.



Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

December 18, 2023

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2023 and 2022

This section of the University of Northern Iowa's annual comprehensive financial report presents management's discussion and analysis of the financial performance of the University for the two years ended June 30, 2023 and 2022. This discussion should be read in conjunction with the accompanying letter of transmittal, financial statements and notes to financial statements. The financial statements, notes to financial statements and this discussion are the responsibility of University management.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the University of Northern Iowa's financial statements. The University's financial statements consist of a series of financial statements. The Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows provide information about the activities of the University as a whole and present a longer-term view of the University's finances. These financial statements also include the Notes to Financial Statements which explain some of the information in the financial statements and provide more detail. Fiduciary activity is presented in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. Statistical information is also included in schedule form.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), was implemented during fiscal year 2023. This standard establishes criteria for recognition of certain right-to-use SBITA assets and SBITA liabilities. Under this Statement, a SBITA is a contract to use another party's software. As a result, fiscal year 2022 was restated to provide comparative statements, but fiscal year 2021 was not restated.

PANDEMIC

On March 11, 2020, the World Health Organization proclaimed COVID-19 to be a pandemic. In the spring of 2020, in an effort to mitigate the impact of COVID-19, the University took the following steps: suspended in-person classes for the remainder of the spring semester with all instruction being delivered virtually, students residing in residence halls were asked to return to their permanent residences or request special permission to remain on campus, all campus events were cancelled or postponed and summer 2020 courses were only offered online. The University refunded students, on a prorated basis, the following fees: housing, dining, course and lab fees, recreation fees and parking permits. Students returned to campus in fall 2020. The University received revenue of \$7.6 million from Coronavirus Aid, Relief and Economic Security (CARES) Act funds in 2020, \$21.8 million in 2021, and \$11.8 million in 2022. The Institutional Portion of CARES Act funds, \$3.8 million, provided reimbursement for spring 2020 housing and room and board refunds and, \$19.0 million, during 2021 and 2022 for lost revenue including appropriations, tuition, and auxiliaries. The Student Portion of CARES Act funds was allocated to students; \$3.8 million in 2020, \$3.8 million in 2021, and \$10.8 million in 2022. The pandemic creates a challenge when comparing fiscal year 2021, 2022 and 2023 as illustrated in the following discussion and analysis.

THE UNIVERSITY

The Statement of Net Position

The University's Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the University as of the end of the fiscal year. The Statement of Net Position is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the University to readers of the financial statements. The Statement of Net Position is prepared under accrual basis of accounting. From this statement, readers are able to determine the assets available to continue the operations of the institution. This statement is also a good source for readers to determine how much the University owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2023 and 2022

University			
The Statement of Net Position			
	<u>2023</u>	<u>2022</u> Restated	<u>2021</u> Not Restated
Current and other assets	\$188,344,029	201,495,411	214,209,647
Capital assets	<u>434,423,692</u>	<u>405,016,238</u>	<u>403,530,055</u>
Total assets	<u>622,767,721</u>	<u>606,511,649</u>	<u>617,739,702</u>
Deferred outflows of resources	<u>4,451,325</u>	<u>4,105,186</u>	<u>6,264,006</u>
Current liabilities	34,935,947	37,437,037	37,383,366
Noncurrent liabilities	<u>115,432,609</u>	<u>105,800,151</u>	<u>140,463,661</u>
Total liabilities	<u>150,368,556</u>	<u>143,237,188</u>	<u>177,847,027</u>
Deferred inflows of resources	<u>14,144,195</u>	<u>30,405,430</u>	<u>15,458,029</u>
Net position:			
Net investment in capital assets	345,408,615	317,102,541	308,057,306
Restricted	30,320,303	33,407,387	34,961,073
Unrestricted	<u>86,977,377</u>	<u>86,464,289</u>	<u>87,680,273</u>
Total net position	<u>\$462,706,295</u>	<u>436,974,217</u>	<u>430,698,652</u>

Total assets decreased from fiscal year 2021 to 2022 and increased from fiscal year 2022 to 2023. This fluctuation in total assets is partially related to the COVID-19 pandemic and the federal funding received. Cash and investments decreased \$15.2 million from June 30, 2021 to June 30, 2022 due to \$21.8 million of federal COVID relief funds received in fiscal year 2021. The University received \$11.8 million of federal funds for COVID relief funds in fiscal year 2022 with \$10.8 million passed directly to students as student aid. Capital assets in total increased \$30.9 million from fiscal year 2021 to 2023 with a \$38.7 million increase in nondepreciable capital assets. Nondepreciable capital asset increases include construction in process upgrades to the Industrial Technology Center and the addition of right-to-use SBITA assets.

Total liabilities decreased \$27.5 million from fiscal year 2021 to 2023. The total OPEB liability decreased \$3.2 million from fiscal year 2021 to 2023 primarily due to changes in retiree benefits. The net position in the state's pension plan has fluctuated from 2021 to 2023. The net position exceeded the liability as of June 30, 2021 resulting in a \$20.4 million decrease in the University's portion of the pension liability from June 30, 2021 to June 30, 2022 this is also the reason pension related deferred inflows of resources increased \$15.1 million for this same time period. The net position in the state's pension plan created a pension liability for fiscal year 2023 creating a \$11.2 increase in liabilities. Long-term debt decreased \$7.4 million from fiscal year 2021 to 2023 driven by defeasement of Residence System Bonds Refunding Series 2012 and refunding Residence System Bonds Series 2011. The principal payments on long-term debt were offset by \$10.9 million for SBITA liabilities.

Total net position of the University increased \$32.0 million from June 30, 2021 to June 30, 2023. Overall the financial position continues to improve. Despite declines in enrollment and increasing inflation the unrestricted net position, that can be used as working capital to meet the University's obligations as they come due, equipment replacement or campus improvements, remained flat from fiscal year 2021 to 2023. The University has strategically adjusted the budget and took advantage of refundings or defeasement of debt for savings to help offset the decrease in enrollment to ensure a positive financial position.

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2023 and 2022

The Statement of Revenues, Expenses and Changes in Net Position

In general, public universities, such as the University of Northern Iowa, report an operating loss as the financial reporting model classifies state appropriations, Pell Grant receipts, investment income, capital appropriations, gifts and grants as nonoperating revenues. Operating revenues are received for providing goods and services to the various students, customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the University. Nonoperating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation and amortization, which allocates the cost of an asset over its expected useful life.

University			
The Statement of Revenues, Expenses and Changes in Net Position			
	<u>2023</u>	<u>2022</u>	<u>2021</u>
		Restated	Not Restated
Operating revenues:			
Tuition and fees, net	\$ 52,445,107	45,957,711	55,124,703
Federal grants and contracts	15,689,192	12,136,292	9,835,841
State and local grants and contracts	2,534,424	2,596,650	1,878,879
Nongovernmental grants and contracts	5,492,589	5,645,756	4,639,669
Sales and services of educational activities	1,518,661	5,263,594	3,414,584
Interest on student loans	94,067	276,750	93,923
Other operating revenue	675,870	1,208,660	774,098
Auxiliary enterprises	<u>46,601,132</u>	<u>41,278,457</u>	<u>36,041,485</u>
Total operating revenues	<u>125,051,042</u>	<u>114,363,870</u>	<u>111,803,182</u>
Operating expenses:			
Instruction	67,112,515	68,243,219	73,061,947
Research	3,312,622	2,598,518	2,655,105
Public service	19,743,305	18,188,805	16,317,521
Academic support	24,448,375	25,964,383	27,256,393
Student services	12,064,964	11,534,774	9,287,237
Institutional support	22,632,655	19,902,003	18,146,749
Operation and maintenance of plant	26,368,303	25,618,012	26,448,363
Scholarships and fellowships	1,132,414	3,507,860	1,405,353
Depreciation/amortization	19,128,176	20,320,784	19,412,520
Other operating expenses	247,288	403,496	132,652
Auxiliary enterprises	<u>52,336,546</u>	<u>49,409,190</u>	<u>46,411,347</u>
Total operating expenses	<u>248,527,163</u>	<u>245,691,044</u>	<u>240,535,187</u>
Operating loss	<u>(123,476,121)</u>	<u>(131,327,174)</u>	<u>(128,732,005)</u>
Nonoperating revenues (expenses):			
State appropriations	108,682,526	107,094,092	107,046,544
Federal grants and contracts	10,305,850	21,754,768	32,443,810
Nonfederal gifts, grants and contracts	4,504,473	4,699,208	3,541,783
Investment income	4,564,878	(5,160,813)	9,341,706
Interest on indebtedness	(2,146,968)	(2,224,423)	(2,399,034)
Gain/(Loss) on disposal of capital assets	669,204	(208,277)	(366,203)
Other nonoperating revenue/(expense)	<u>(18,742)</u>	<u>1,407,735</u>	<u>1,428,610</u>

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2023 and 2022

Net nonoperating revenues	<u>126,561,221</u>	<u>127,362,290</u>	<u>151,037,216</u>
Income (loss) before other revenues	3,085,100	(3,964,884)	22,305,211
Capital appropriations	18,895,719	6,068,433	3,773,050
Capital gifts, grants and contracts	<u>3,751,259</u>	<u>4,172,016</u>	<u>1,563,244</u>
Change in net position	25,732,078	6,275,565	27,641,505
Net position, beginning of year as restated	<u>436,974,217</u>	<u>430,698,652</u>	<u>403,057,147</u>
Net position, end of year	<u>\$462,706,295</u>	<u>436,974,217</u>	<u>430,698,652</u>

The COVID-19 pandemic continues to create a challenge when comparing fiscal year 2023 with the previous two fiscal years. During the three-year period ended in 2023, the operating loss decreased. Although enrollment decreased from 2021 to 2023 total operating revenues increased. Inflation was a factor in the increase in operating expenses and the return of events in 2022 and 2023. Nonoperating revenues were impacted with HEERF dollars received in fiscal years 2021 and 2022, unrealized losses due to market volatility the last half of fiscal year 2022, and capital appropriations received. From 2021 to 2023, net position increased from \$430.7 million to \$462.7 million. An analysis of the changes by category of revenue and expense follows.

After restatement, operating revenues increased \$2.6 million from 2021 to 2022 and \$10.7 million from 2022 to 2023. Reasons for changes in operating, nonoperating and other revenues from 2021 to 2023 follow:

- Tuition and fee income, net of scholarship allowances, decreased 16.6% from 2021 to 2022 and increased 14.1% from 2022 to 2023. The Board of Regents, State of Iowa approved a 1.5% increase in tuition and fees for academic years 2021-2022 and increased tuition 4.25% for 2022-2023. Enrollment decreased 573 students from fall 2020 to fall 2022.
- State appropriations received remained flat from 2021 to 2022 and increased 1.5% from 2022 to 2023.
- Operating federal grants and contracts increased partially due to new grants received. In 2022, \$1.6 million was received from Small Business Administration to offset COVID related losses and expenses and in 2023 \$2.6 million from was received from National Center for Defense Manufacturing and Machinery.
- Auxiliary enterprises, similar to tuition, was impacted by the HEERF funds received for student aid by increasing the scholarship allowance. The limitation of events in 2021 due to COVID reduced sales and services revenue for the auxiliaries.
- Nonoperating federal grants and contracts were impacted by HEERF funds received. In 2021, \$21.8 million of HEERF funds were received and 2022 \$11.8 million. The student aid portion of the HEERF allocation was \$18.4 million.
- Investment income decreased \$14.5 million from 2021 to 2022. In the last half of fiscal year 2022, the market volatility created unrealized losses. The increase in interest rates through fiscal year 2023 and unrealized gains allowed for an increase in investment income of \$9.7 million from 2022 to 2023.
- Capital appropriations revenue increased for the modernization of the Industrial Technology Center as the construction on the project increased.

Operating expenses increased \$5.2 million, or 2.1%, from 2021 to 2022 and increased \$2.8 million, or 1.2%, from 2022 to 2023. Reasons for changes in operating expenses from 2021 to 2023 follow:

- Expenses for personnel services decreased \$7.1 million, or 4.3%, from 2021 to 2023. Full time staff counts decreased by 96 from September 2020 to September 2022.
- Supplies and services expenses increased \$16.0 million, or 32.1%, from 2021 to 2023. Travel expenses increased \$4.1 million from 2021 to 2023 as travel restrictions were lifted and insurance claims expense increased \$5.1 million from 2021 to 2023.
- Scholarships and fellowships swing over the three fiscal years is due to the implementation of the Panther Impact Award, an increase in non-resident scholarships and HEERF funds for student aid.

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2023 and 2022

The Statement of Cash Flows

The final statement included in the University of Northern Iowa's basic financial statements is the Statement of Cash Flows. The Statement of Cash Flows is an important tool in helping readers assess the University's ability to generate future cash flows, its ability to meet its obligations as they come due and its need for external financing. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, noncapital financing, capital and related financing and investing activities.

University The Statement of Cash Flows			
	<u>2023</u>	<u>2022</u> Restated	<u>2021</u> Not Restated
Net cash provided (used) by:			
Operating activities	\$ (111,711,548)	(119,815,381)	(105,696,435)
Noncapital financing activities	118,199,345	130,544,824	146,264,240
Capital and related financing activities	(25,676,679)	(20,558,519)	(26,122,085)
Investing activities	<u>14,782,037</u>	<u>8,879,994</u>	<u>(16,638,382)</u>
Net (decrease) in cash and cash equivalents	(4,406,845)	(949,082)	(2,192,662)
Cash and cash equivalents, beginning of year as restated	<u>25,868,895</u>	<u>26,817,977</u>	<u>29,010,639</u>
Cash and cash equivalents, end of year	<u>\$ 21,462,050</u>	<u>25,868,895</u>	<u>26,817,977</u>

The following analysis discusses the University's cash flows during fiscal year 2023. Cash provided by operating activities includes receipts from tuition and fees (\$51.9 million), grants and contracts (\$22.3 million) and auxiliary enterprises (\$47.2 million). The largest uses of cash for operating activities include payments for salaries and benefits (\$140.0 million), payments for goods and services (\$44.2 million) and payments for auxiliary enterprises (\$52.4 million). The total operating cash used increased \$6.0 million from fiscal year 2021 to 2023 with payments for goods and services increasing due to inflation, a decrease in tuition and fees revenue with enrollment decline and HEERF fund spending. Cash provided by noncapital financing activities includes state appropriations (\$108.4 million) and noncapital gifts and grants (\$9.8 million). Noncapital gifts and grants decreased from 2021 to 2023 due to CARES Act funding received in fiscal years 2021 and 2022. Cash provided by capital and related financing activities includes capital appropriations (\$18.6 million), the acquisition of capital assets (\$31.6 million) and principal and interest payments on debt (\$14.2 million). Proceeds from maturities of investments exceeded the purchase of investments (\$14.8 million).

Capital Assets

At June 30, 2023, the University had \$839.8 million of capital assets, accumulated depreciation of \$405.4 million and net capital assets of \$434.4 million. Depreciation and amortization charges totaled \$19.4 million for fiscal year 2021, \$20.3 million for 2022 and \$19.1 million for 2023. GASB 96, SBITA was implemented in fiscal year 2023 and fiscal year 2022 was restated to include right-to-use SBITA assets. Details of the capital assets, net of accumulated depreciation, are shown below.

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2023 and 2022

University Schedule of Capital Assets, Net, at Year-End			
	<u>2023</u>	<u>2022</u> Restated	<u>2021</u> Not Restated
Land	\$ 5,065,654	5,065,654	5,065,654
Right-to-use SBITA assets	11,792,116	-	-
Construction in progress	48,578,427	25,153,013	21,656,268
Capital assets not depr/amort	65,436,197	30,218,667	26,721,922
Land improvements	6,870,717	4,981,848	3,892,930
Infrastructure	39,906,855	36,396,377	28,653,097
Buildings	301,549,813	311,733,525	322,062,120
Equipment	13,207,743	14,249,351	15,671,944
Intangibles-software	4,291,555	4,778,776	5,265,997
Right-to-use SBITA assets	617,629	772,036	-
Right-to-use leased buildings	1,805,278	1,007,927	257,128
Library materials	737,905	877,731	1,004,917
Capital assets depr/amort	368,987,495	374,797,571	376,808,133
Total capital assets	\$434,423,692	405,016,238	403,530,055

During the past three fiscal years, a number of capital projects were completed or remain in progress. State funded capital projects include the modernization of the Industrial Technology Center, institutional roads projects, fire and safety and various deferred maintenance projects. Major Residence System projects include renovation of ROTH roof, Hillside Courts demolition and Noehren and Dancer Hall restroom and student room renovation. Renovation and repair projects include the ITTC projects for nursing and roof replacement, UNI-Dome fabric roof, Wellness and Recreation roof, Kamerick Art Building reroofing and kiln replacement, 27th Street corridor site work, Rod Library carpet replacement and elevator upgrades, upgrade the Nielsen Field House and parking lot improvements. Utility bonds were issued in 2020 for improvements to the Power Plant cooling tower and steam distribution system. Private gifts to the UNI Foundation were also used to help renovate Gallagher Bluedorn Performing Arts Center, the Campanile, football practice field synthetic turf conversion, and UNI-Dome football team room. Institutional funds were used to improve various parking lots, renovate a building for the new Admissions Center, Strayer-Wood seating replacement, West Campus Recreation Fields enhancements. The Steam Distribution System required emergency repairs. SBITA were entered into for Blackboard and Workday. Detailed information about the University's capital assets is presented in Note J of the Notes to Financial Statements.

DEBT ACTIVITY

The University met all debt service requirement and had the following changes in long-term debt for the past three fiscal years:

In May 2023, Dormitory Revenue Refunding Bonds, Series, U.N.I. 2012 were defeased.

In October 2020, Dormitory Revenue Refunding Bonds, Series U.N.I. 2020 (Taxable) were issued in the amount of \$14,545,000. The proceeds were used to advance refund outstanding Dormitory Revenue Bonds, Series U.N.I. 2011.

Additional long-term debt information can be found in Note N in the Notes to the Financial Statements.

CREDIT RATINGS

On October 18, 2021, Moody's downgraded the student health and dormitory bonds from "A1" to "A2" in conjunction with the release of the Higher Education Methodology and the outlook remains "stable". On April 7, 2022, Standard

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2023 and 2022

and Poor's affirmed its "A" credit rating on the University's academic building revenue bonds. They also affirmed its "A" credit rating of the University's revenue bonds supported by student fees and its "BBB+" rating for dormitory revenue bonds. The "Stable" outlook was also affirmed. On September 30, 2023, Standard and Poor's assigned its "A" credit rating on the University's academic building revenue bonds. They also affirmed its "A" credit rating of the University's revenue bonds supported by student fees and its "BBB+" rating for dormitory revenue bonds. The outlook was revised from "Stable" to "Positive" for student fee secured revenue bonds and dormitory bonds. On October 13, 2023, Moody's Investors Service continued its "A1" credit rating on outstanding University bond issues related to academic building revenue and maintained a "Stable" outlook. The University's capacity to meet its financial obligations remains strong.

ECONOMIC FACTORS THAT WILL AFFECT FUTURE BUDGETS

As a public institution, the economic health of the University of Northern Iowa is closely tied to that of the State of Iowa since the University relies on state appropriations as a major source of funding. The University also relies on tuition, sponsored programs, investment income and philanthropy to supplement the funds appropriated by the Iowa General Assembly. The availability of these funds relates directly to the state of the economy.

The State of Iowa ended fiscal year 2022 with a surplus of \$1,914 million. At the Revenue Estimating Committee (REC) meeting in October 2023, the net revenue for fiscal year 2023 increased \$41.9 million, 0.4%, over fiscal year 2022, exceeding the REC's estimate by \$311.2 million, or 3.3%. The increases were due to tax receipts, particularly insurance premium and corporate tax, and an increase in interest income. Iowa's unemployment rate was 3.0% in September 2023 lower than the U.S unemployment rate. The REC estimates 2024 revenue to decrease due to tax cuts the legislature enacted to reduce excess surplus.

The Governor and General Assembly finalized the general fund budget for fiscal year 2024 in January 2023. Amounts available for appropriation in 2024 based on the 99% budget limitation for the general fund budget was \$10,384 million. The Governor's budget recommendations total \$8,489 million, which is \$1,895 million below the expenditure limitation and a \$280 million increase from fiscal year 2023. The Governor's 2024 budget leaves an estimated surplus of \$1,998 million. The Governor's recommended appropriation adjustment for fiscal year 2024 was a 2.5% or \$2.5 million increase to the University, but the Iowa legislature's final allocation did provide any increase to the general university appropriation. The Iowa legislature allocated \$1.5 million for Educator for Iowa for purposes of recruiting additional students to participate in educational opportunities leading to teacher licensure.

In September 2023, the Board of Regents, State of Iowa approved an incremental increase of \$5.8 million appropriation request for 2025. The full amount requested will allow tuition to remain flat. The University is continuing to work towards the goal of achieving a tuition differential of \$1,000 from both University of Iowa and Iowa State University, making UNI a significantly more affordable option for Iowans. In addition to the general education appropriation increase, the University's other funding priority requests for 2025 include \$500,000 to maintain the successful UNI@IACC (Iowa Community College) partnership, \$2.5 million to the Educators for Iowa program and \$3.85 million in infrastructure funding for the Applied Engineering Building modernization project. The Board presents the appropriation request to the Iowa State Legislature.

The University's total fall enrollment for 2023 is 9,021 students, marking the institution's biggest year-to-year increase in over a decade. The incoming freshman class of 1,552 students, an 8% increase over 2022. This freshman class is composed of 1,399 students from the state of Iowa. The student population represents all of Iowa's 99 counties, 45 U.S. states and 53 countries from around the world. The 2023 fall enrollment includes 857 transfer students, a 12% increase over last year and the highest number of transfer students since 2017. Graduation rates are at record high levels for the third consecutive year and are nearly 20 percentage points above similar universities. One in 11 students graduate in three years. A total of 3,114 students have signed housing contracts, a 7.5% increase from a year ago.

UNIVERSITY OF NORTHERN IOWA

Management's Discussion and Analysis Years Ended June 30, 2023 and 2022

CONTACTING THE UNIVERSITY

This financial report is designed to provide our customers, our donors, our creditors and the taxpayers of the State of Iowa with a general overview of the University's finances and to demonstrate the University's accountability for the resources it receives. If you have questions about this report or if you would like additional financial information about the University, write to Financial Accounting & Reporting Services, 122 Lang Hall, Cedar Falls, Iowa 50614-0003 or phone 319-273-4458.



2022-2023

Financial Statements

UNIVERSITY OF NORTHERN IOWA
Statement of Net Position
June 30, 2023 and 2022

	2023	2022 Restated
ASSETS		
Current Assets:		
Cash and cash equivalents-Note B	\$ 21,462,050	25,868,895
Investments-Note B	113,820,972	118,578,185
Accounts receivable, net-Note C	9,071,674	8,834,432
Lease receivable-Note D	298,132	208,570
Notes receivable, net-Note F	371,023	602,905
Interest receivable	202,018	271,482
Due from government agencies-Note G	3,233,643	2,238,628
Prepays-Note H	4,696,035	3,947,089
Inventories-Note I	2,926,656	2,364,634
Total Current Assets	<u>156,082,203</u>	<u>162,914,820</u>
Noncurrent Assets:		
Investments-Note B	27,946,875	33,585,555
Lease receivable-Note D	2,153,268	1,842,622
Notes receivable, net-Note F	1,484,092	2,411,619
Prepays-Note H	677,591	588,568
Capital assets, Nondepreciable-Note J	65,436,197	30,218,667
Capital assets, Depreciable, net-Note J	368,987,495	374,797,571
Net pension asset-Note L	-	152,227
Total Noncurrent Assets	<u>466,685,518</u>	<u>443,596,829</u>
Total Assets	<u>622,767,721</u>	<u>606,511,649</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows-Note L	3,751,852	3,415,058
Other post employment benefits related deferred outflows-Note M	699,473	690,128
Total Deferred Outflows of Resources	<u>4,451,325</u>	<u>4,105,186</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	9,907,050	8,620,694
Salaries and wages payable-Note K	887,526	3,643,337
Unpaid claims and contingent liabilities-Note Q	2,471,444	2,456,120
Unearned revenue-Note H	4,069,409	4,018,842
Interest payable	1,195,281	1,346,265
Other long-term liabilities-Note L	5,983,846	6,354,771
Other post employment benefits-Note M	446,687	460,897
Long-term debt-Note N	9,603,038	10,048,320
Deposits held in custody for others	371,666	487,791
Total Current Liabilities	<u>34,935,947</u>	<u>37,437,037</u>
Noncurrent Liabilities:		
Other long-term liabilities-Note L	16,947,786	7,530,792
Other post employment benefits-Note M	8,720,230	9,205,356
Long-term debt-Note N	89,764,593	89,064,003
Total Noncurrent Liabilities	<u>115,432,609</u>	<u>105,800,151</u>
Total Liabilities	<u>150,368,556</u>	<u>143,237,188</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related deferred inflows-Note L	1,925,783	15,611,522
Other post employment benefits related deferred inflows-Note M	9,833,103	12,767,990
Lease related deferred inflows-Note D	2,385,309	2,025,918
Total Deferred Inflows of Resources	<u>14,144,195</u>	<u>30,405,430</u>
NET POSITION		
Net investment in capital assets	345,408,615	317,102,541
Restricted		
Nonexpendable		
Scholarships and fellowships	615,895	615,895
Expendable		
Scholarships and fellowships	301,240	318,294
Loans	3,189,412	3,227,077
Debt service	25,655,699	28,915,313
Other	558,057	330,808
Unrestricted	86,977,377	86,464,289
Total Net Position	<u>\$ 462,706,295</u>	<u>436,974,217</u>

The notes are an integral part of the financial statements.

UNIVERSITY OF NORTHERN IOWA
Fiduciary Activities
Statement of Fiduciary Net Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents-Note B	\$ 6,334,994	6,053,186
Accounts receivable, net-Note C	1,000	-
Prepays-Note H	12,245	9,906
Total Assets	<u>6,348,239</u>	<u>6,063,092</u>
 NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	6,348,239	6,063,092
Total Net Position	<u>\$ 6,348,239</u>	<u>6,063,092</u>

The notes are an integral part of the financial statements.

UNIVERSITY OF NORTHERN IOWA FOUNDATION
Combined Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 13,310,104	9,951,873
Investments	19,815,816	17,609,980
Pledges receivable, net-Note E	9,930,163	2,306,364
Other receivables	274,730	191,870
Other	167,154	237,564
Total Current Assets	43,497,967	30,297,651
Noncurrent Assets:		
Pledges receivable, less current portion	28,182,722	22,896,645
Long-term investments	193,173,529	169,517,130
Life insurance cash value	1,472,587	1,435,071
Building, equipment and leasehold improvements, net	44,404	55,917
Other	1,756,605	850,810
Total Noncurrent Assets	224,629,847	194,755,573
Total Assets	\$ <u>268,127,814</u>	<u>225,053,224</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 1,904,932	1,433,541
Annuities payable	122,075	182,037
Annuity trusts payable	87,163	87,163
Unitrusts payable	53,199	43,443
Total Current Liabilities	2,167,369	1,746,184
Noncurrent Liabilities:		
Annuities payable, less current portion	1,498,408	1,050,814
Annuity trusts payable, less current portion	434,383	459,286
Unitrusts payable, less current portion	374,169	305,191
Total Noncurrent Liabilities	2,306,960	1,815,291
Total Liabilities	4,474,329	3,561,475
Net Assets:		
Without donor restrictions	12,524,005	11,450,972
With donor restrictions	251,129,480	210,040,777
Total Net Assets	263,653,485	221,491,749
Total Liabilities and Net Assets	\$ <u>268,127,814</u>	<u>225,053,224</u>

The notes are an integral part of the financial statements.

UNIVERSITY OF NORTHERN IOWA
Statement of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2023 and 2022

	2023	2022 Restated
REVENUES		
Operating Revenues:		
Tuition and fees, net of scholarship allowances of \$32,327,007 for 2023 and \$38,172,189 for 2022	\$ 52,445,107	45,957,711
Federal grants and contracts	15,689,192	12,136,292
State and local grants and contracts	2,534,424	2,596,650
Nongovernmental grants and contracts	5,492,589	5,645,756
Sales and services of educational activities	1,518,661	5,263,594
Interest on student loans	94,067	276,750
Other operating revenue	675,870	1,208,660
Auxiliary enterprises, net of scholarships allowances of \$1,895,072 for 2023 and \$3,332,146 for 2022	46,601,132	41,278,457
Total Operating Revenues	<u>125,051,042</u>	<u>114,363,870</u>
EXPENSES		
Operating Expenses:		
Instruction	67,112,515	68,243,219
Research	3,312,622	2,598,518
Public service	19,743,305	18,188,805
Academic support	24,448,375	25,964,383
Student services	12,064,964	11,534,774
Institutional support	22,632,655	19,902,003
Operation and maintenance of plant	26,368,303	25,618,012
Scholarships and fellowships	1,132,414	3,507,860
Depreciation/amortization	19,128,176	20,320,784
Other operating expenses	247,288	403,496
Auxiliary enterprises	52,336,546	49,409,190
Total Operating Expenses	<u>248,527,163</u>	<u>245,691,044</u>
Operating (Loss)	<u>(123,476,121)</u>	<u>(131,327,174)</u>
NONOPERATING REVENUES (EXPENSES):		
State appropriations	108,682,526	107,094,092
Federal grants and contracts	10,305,850	21,754,768
Nonfederal gifts, grants and contracts	4,504,473	4,699,208
Investment income	4,564,878	(5,160,813)
Interest on indebtedness	(2,146,968)	(2,224,423)
Gain/(Loss) on disposal of capital assets	669,204	(208,277)
Other nonoperating revenue (expense)	(18,742)	1,407,735
Net Nonoperating Revenues	<u>126,561,221</u>	<u>127,362,290</u>
Income (Loss) Before Other Revenues (Expenses)	<u>3,085,100</u>	<u>(3,964,884)</u>
OTHER REVENUES:		
Capital appropriations	18,895,719	6,068,433
Capital gifts, grants and contracts	3,751,259	4,172,016
Total Other Revenues	<u>22,646,978</u>	<u>10,240,449</u>
Change in Net Position	<u>25,732,078</u>	<u>6,275,565</u>
NET POSITION		
Net position, beginning of year	<u>436,974,217</u>	<u>430,698,652</u>
Net position, end of year	<u>\$ 462,706,295</u>	<u>436,974,217</u>

The notes are an integral part of the financial statements.

UNIVERSITY OF NORTHERN IOWA
Fiduciary Activities
Statement of Changes in Fiduciary Net Position
Years Ended June 30, 2023 and 2022

	2023	2022
ADDITIONS		
Contributions:		
Members	\$ 643,868	1,061,017
Gifts	3,705,976	3,727,047
Total contributions	<u>4,349,844</u>	<u>4,788,064</u>
Investment earnings:		
Interest, dividends and other	166,320	(262,620)
Net investment earnings	<u>166,320</u>	<u>(262,620)</u>
Miscellaneous	(3,674)	56,649
Total Additions	<u>4,512,490</u>	<u>4,582,093</u>
DEDUCTIONS		
Benefits paid to participants or beneficiaries	3,675,997	3,666,936
Miscellaneous	551,346	1,595,672
Total Deductions	<u>4,227,343</u>	<u>5,262,608</u>
Increase (Decrease) in Fiduciary Net Position	285,147	(680,515)
NET POSITION		
Net position, beginning of year	<u>6,063,092</u>	<u>6,743,607</u>
Net position, end of year	<u>\$ 6,348,239</u>	<u>6,063,092</u>

The notes are an integral part of the financial statements.

UNIVERSITY OF NORTHERN IOWA FOUNDATION
Combined Statements of Activities
Years Ended June 30, 2023 and 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Revenues, support and reclassifications:			
Contributions of cash and other financial assets	\$ 2,122,097	46,477,838	48,599,935
Contributions of nonfinancial assets	2,014,372	1,502,815	3,517,187
Investment return	1,750,712	12,424,556	14,175,268
Miscellaneous income	231,385	2,181	233,566
Change in donor intent	(24,050)	24,050	-
Net assets released from restrictions	18,580,058	(18,580,058)	-
Total revenues, support and reclassifications	24,674,574	41,851,382	66,525,956
Expenses and adjustments:			
Scholarship expenses	7,074,786	-	7,074,786
Programming expenses	9,704,417	542,257	10,246,674
Administrative expenses	2,202,290	696	2,202,986
Fundraising expenses	4,576,823	-	4,576,823
Present value liability actuarial adjustment	43,225	219,726	262,951
Total expenses and adjustments	23,601,541	762,679	24,364,220
Change in net assets	1,073,033	41,088,703	42,161,736
Net assets, beginning of year	11,450,972	210,040,777	221,491,749
Net assets, end of year	\$ 12,524,005	251,129,480	263,653,485

The notes are an integral part of the financial statements.

2022		
Without Donor Restrictions	With Donor Restrictions	Total Net Assets
1,219,198	26,563,120	27,782,318
2,099,242	220,671	2,319,913
(3,152,646)	(13,472,030)	(16,624,676)
128,759	1,428	130,187
(167,558)	167,558	-
18,687,191	(18,687,191)	-
<u>18,814,186</u>	<u>(5,206,444)</u>	<u>13,607,742</u>
6,953,682	-	6,953,682
10,069,811	151,598	10,221,409
2,217,982	8,621	2,226,603
3,837,533	-	3,837,533
<u>(279,896)</u>	<u>101,905</u>	<u>(177,991)</u>
<u>22,799,112</u>	<u>262,124</u>	<u>23,061,236</u>
(3,984,926)	(5,468,568)	(9,453,494)
<u>15,435,898</u>	<u>215,509,345</u>	<u>230,945,243</u>
<u>11,450,972</u>	<u>210,040,777</u>	<u>221,491,749</u>

UNIVERSITY OF NORTHERN IOWA
Statement of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022 Restated
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$ 51,901,784	46,106,678
Grants and contracts receipts	22,312,688	19,344,826
Collections of loans from students	784,333	1,346,308
Auxiliary enterprise receipts	47,183,195	40,622,871
Payments for salaries and benefits	(140,043,891)	(141,248,428)
Payments for goods and services	(44,221,802)	(38,387,394)
Scholarships	(1,036,327)	(3,440,572)
Loans issued to students	(11,755)	(7,538)
Auxiliary enterprise payments	(52,382,494)	(49,892,409)
Interest on loans to students	244,879	392,854
Other operating receipts	3,557,842	5,347,423
Net Cash Used by Operating Activities	<u>(111,711,548)</u>	<u>(119,815,381)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	108,420,802	106,990,757
William D. Ford direct lending and plus loans receipts	33,589,140	33,351,773
William D. Ford direct lending and plus loans made	(33,605,286)	(33,353,995)
Noncapital gifts and grants	9,794,689	23,556,289
Net Cash Provided by Noncapital Financing Activities	<u>118,199,345</u>	<u>130,544,824</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital appropriations received	18,556,191	6,251,903
Capital gifts and grants received	461,417	460,771
Acquisition of capital assets	(31,585,767)	(16,059,486)
Proceeds from sale of capital assets	623,602	232,167
Principal paid on capital debt	(10,214,450)	(9,392,718)
Payments on defeased debt	(1,155,000)	(15,975,000)
Interest paid on capital debt	(2,787,808)	(2,921,967)
Issuance of capital debt and refunding	-	15,975,000
Endowment receipts	425,136	870,811
Net Cash Used by Capital and Related Financing Activities	<u>(25,676,679)</u>	<u>(20,558,519)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends on investments	1,679,749	534,785
Proceeds from sale and maturities of investments	98,303,284	128,087,740
Purchase of investments	(85,200,996)	(119,742,531)
Net Cash Provided by Investing Activities	<u>14,782,037</u>	<u>8,879,994</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,406,845)	(949,082)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>25,868,895</u>	<u>26,817,977</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 21,462,050</u>	<u>25,868,895</u>

UNIVERSITY OF NORTHERN IOWA
Statement of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022 Restated
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (123,476,121)	(131,327,174)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation/amortization	19,128,176	20,320,784
(Increase)/Decrease in accounts receivable	43,929	(2,796,114)
(Increase)/Decrease in lease receivable	(400,208)	206,330
(Increase)/Decrease in notes receivable	1,159,409	1,651,095
(Increase)/Decrease in due from government agencies	(507,280)	(868,383)
(Increase)/Decrease in inventories	(562,022)	(346,283)
(Increase)/Decrease in prepaids	(658,515)	16,906
(Increase)/Decrease in other assets	72,006	247,302
(Increase)/Decrease in pension asset	152,227	(152,227)
(Increase)/Decrease in deferred outflows of resources	(346,139)	2,158,820
Increase/(Decrease) in accounts payable	1,167,899	486,984
Increase/(Decrease) in salaries and wages payable	235,699	(42,246)
Increase/(Decrease) in unearned revenue	50,009	627,386
Increase/(Decrease) in other liabilities	(2,243,729)	(1,822,799)
Increase/(Decrease) in pension liability	11,233,683	(20,399,853)
Increase/(Decrease) in other postemployment benefits liability	(499,336)	(2,723,310)
Increase/(Decrease) in deferred inflows of resources	<u>(16,261,235)</u>	<u>14,947,401</u>
Net Cash Used By Operating Activities	\$ <u>(111,711,548)</u>	<u>(119,815,381)</u>

Noncash Capital, Financing and Investing Activities:

Equipment with an acquisition value of \$3,158,835 was donated to the University in 2023 and \$3,775,381 in 2022.

A net unrealized gain increased the fair value of the University's investments \$3,005,892 in 2023 and a net unrealized loss decreased the fair value \$8,467,989 in 2022.

A payable for capital gifts and grants of \$159,574 was reported in 2023 and \$25,291 in 2022.

A receivable for capital appropriations of \$378,063 was reported in 2023 and \$38,535 in 2022.

The notes are an integral part of the financial statements.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note A – Organization and Summary of Significant Accounting Policies

Organization

The University of Northern Iowa, founded in 1876 and located in Cedar Falls, Iowa, is owned and operated by the State of Iowa under the governance of the Board of Regents, State of Iowa. The Board of Regents is appointed by the Governor and confirmed by the State Senate. The University is not deemed to be legally separate because the Board of Regents holds corporate powers. The University is an integral part of the State of Iowa, the primary government. As such, the University is included in the State of Iowa's Annual Comprehensive Financial Report as one of the State's universities. This Annual Comprehensive Financial Report presents only the University Funds of the University of Northern Iowa.

The University is classified as a state instrumentality under Internal Revenue Code Section 115 and it is exempt from federal income taxes. Certain activities of the University may be subject to taxation as unrelated business income under Internal Revenue Code Sections 511 to 514.

Basis of Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles for governmental colleges and universities, as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying financial statements have been prepared on the accrual basis of accounting. As a result, revenues are recognized when earned, expenses are recorded when an obligation has been incurred, and all significant intra-department transactions have been eliminated. Under GASB, the University reports as a Business Type Activity, an activity financed in whole or in part by fees charged to external parties for goods or services.

Discretely Presented Component Unit

The University of Northern Iowa Foundation (Foundation) is a legally separate, tax-exempt 501(c)(3) corporation. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The University does not control the Foundation or the timing or amount of receipts from the Foundation. The majority of the Foundation's resources are restricted to the activities of the University by UNI Foundation donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. During the years ended June 30, 2023 and 2022, the Foundation provided \$10,950,376 and \$11,377,665, respectively, to the University.

The accompanying combined financial statements of the Foundation include the accounts of the University of Northern Iowa Foundation, the University of Northern Iowa Properties Corporation and the University of Northern Iowa Research Foundation. All material transactions between these organizations have been eliminated. Combined financial statements are presented because the organizations have common Trustees, common management and common objectives of promoting and benefiting the University of Northern Iowa.

The combined financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

The Foundation is a non-profit organization that reports according to standards prescribed by the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial reporting for these differences. A copy of the Foundation's financial statements may be obtained by contacting the University of Northern Iowa Foundation at Cedar Falls, Iowa.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note A – Organization and Summary of Significant Accounting Policies (continued)

Fiduciary Activities

Fiduciary activities are presented in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position in accordance with GASB Statement No. 84, Fiduciary Activities. Fiduciary classification is focused on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. The custodial funds include Hometown Scholarships, WAYUP Conference and Scholarships, Iowa Public Radio, and Regents Automobile Liability Insurance. The Iowa Public Radio agreement and account was closed June 30, 2022.

Affiliated Organization

Affiliated organizations not controlled by the University are not included in the University's financial statements.

Cash and Cash Equivalents

For purposes of the Statement of Net Position and Statement of Cash Flows, cash and cash equivalents are reported in accordance with Board of Regents, State of Iowa policy, Chapter 2, section 4.C.ix: (<https://www.iowaregents.edu/plans-and-policies/board-policy-manual/22-business-procedures#Investment%20Policy>) which states in part: to appropriately reflect the Board's overall investment strategy and as outlined in the GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, (paragraph 11), that all funds held by external investment managers, as defined in section 2.2.4.C.iv of the Board's investment policy, shall be reported on the audited financial statements of the Regents institutions as investments. Investments purchased by the institutions through Board authorized brokerage firms that meet the definition of cash equivalents or investments with original purchase dates to maturity of three months or less, shall be reported on the audited financial statements of the Regent institutions as cash equivalents.

Investments

Investments are reported at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and GASB Statement No. 72, Fair Value Measurement and Application. Changes in unrealized gain (loss) on the carrying value of the investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. See Note B for further discussion.

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. In fiscal years 2023 and 2022, the amount of income allocated from the Treasurer's Temporary Investment Pool was \$3,659,093 and \$(6,432,539), respectively.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note A – Organization and Summary of Significant Accounting Policies (continued)

Inventories

Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market. Inventories consist mainly of coal, fuel oil, bookstore merchandise, foodstuffs and supplies. The cost is recorded as an expense at the time individual inventory items are consumed.

Capital Assets

Capital assets, which include land, buildings and improvements, intangibles, equipment and library materials, are stated at cost at the date of acquisition. At the commencement of a SBITA, the right-to-use SBITA asset is initially measured at the present value of payments expected to be made during the SBITA term adjusted for lease payments made at or before the SBITA commencement date, plus certain initial direct costs. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation/amortization of capital assets is provided on a straight-line basis over the estimated useful lives of the respective assets and it is recorded in the Plant Accounts.

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
Vehicles	5-10 years
Library	10 years
Software	5-30 years
Right-to-use leased assets	2-20 years
Right-to-use SBITA assets	2-20 years

The following thresholds are used to define capital assets:

Infrastructure	\$ 25,000
Land improvements	\$ 25,000
Buildings and building improvements	\$100,000
Equipment	\$ 5,000
Intangible assets	\$500,000
Right-to-use leased assets	\$ 50,000
Right-to-use SBITA assets	\$500,000

The University does not capitalize works of art or historical treasures held for exhibition, education, research and public service. These collections are neither disposed of for financial gain nor encumbered in any manner. Accordingly, such collections are not recognized or capitalized for financial statement purposes.

The University implemented GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, as of July 1, 2009. Intangible assets are recorded at cost at the date of acquisition or estimated fair value at the date of donation. A state government-wide capitalization threshold of \$500,000 was established by the Iowa Department of Administrative Services. Once intangible assets are placed in service, they are amortized on the straight-line basis over their estimated useful life.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note A – Organization and Summary of Significant Accounting Policies (continued)

Total Pension Liability/(Asset)

For purposes of measuring the total pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees Retirement System (IPERS) and additions to/deductions from IPERS fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and other postemployment benefits (OPEB) expense and contributions from the employer after the measurement date but before the end of the employer's reporting period. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments, unrecognized items not yet charged to pension and OPEB expense and the amount of the initial measurement of the lease receivable less lease payments received.

Bond Issuance Costs, Discounts and Premiums

Bond issuance costs are expensed in the year the bonds are sold. Bond discounts and premiums are deferred and amortized over the life of the bonds.

Unearned Revenue

Unearned revenue consists of revenue received in advance of an academic session or an event, such as student tuition or ticket sales related to future fiscal years. It also includes amounts received from grant and contract sponsors which have not yet been earned under the terms of the agreement.

Noncurrent Liabilities

Noncurrent liabilities include principal amounts of revenue bonds payable, notes payable, leases payable as well as estimated amounts for accrued compensated absences, refundable advances on student loans, other postemployment benefit liability, total pension liability and other liabilities that will not be paid within the next fiscal year.

Total OPEB Liability

For purposes of measuring the total OPEB liability, deferred outflows and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the University's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note A – Organization and Summary of Significant Accounting Policies (continued)

Net Position

GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following net position categories:

Net Investment in Capital Assets: Capital assets, net of accumulated depreciation/amortization and outstanding debt attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position:

Nonexpendable - Net position subject to externally imposed constraints in which the donors or other outside sources have stipulated the principal is to be maintained inviolate and retained in perpetuity and invested for the purpose of producing income which will either be expended or added to principal.

Expendable - Net position whose use by the University is subject to externally imposed constraints that can be fulfilled by actions of the University pursuant to those constraints or that expire by the passage of time.

Unrestricted Net Position: Net position not subject to externally imposed constraints and which may be used to meet current obligations for any purpose or designated for specific purposes by action of management or the Board of Regents.

Auxiliary Enterprise Revenues

Auxiliary enterprise revenues primarily represent revenues generated by the Residence System, Intercollegiate Athletics, Student Union, Fieldhouse System, Wellness and Recreation Center, Student Health System, Gallagher-Bluedorn Performing Arts Center, and the Bookstore.

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.

Tuition and Fees

Tuition and fees revenues are reported net of scholarship allowances, while stipends and other payments made directly to students are presented as scholarship and fellowship expenses.

Operating and Nonoperating Activities

Operating activities, as reported in the Statement of Revenues, Expenses and Changes in Net Position, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nearly all of the University's expenses are from exchange transactions. Nonoperating revenues include state appropriations, gifts, grants and contracts and investment income. Nonoperating expenses include interest expense, loss on disposal of capital assets, and debt issuance costs.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note A – Organization and Summary of Significant Accounting Policies (continued)

Endowment Appreciation

For donor-restricted endowments, the Uniform Prudent Management of Institutional Funds Act permits management of the University to allocate the amount of realized and unrealized endowment appreciation it determines to be prudent. It is the University's policy to retain realized and unrealized appreciation within the endowment after spending rule distributions.

Distributions are made from the endowments to the departments which benefit from the endowment funds. The endowment spending rule provides for an annual distribution of 5% of the three-year moving average of the fair value of the fund.

Fringe Benefits

The University utilizes the fringe benefits pool method to account for fringe benefits. Under the fringe benefits pool method, fringe benefits are expensed as a percentage of actual salary or wage cost. Rates are reviewed annually prior to the beginning of the fiscal year and adjusted to reflect differences between the rates charged and actual benefits costs as well as future benefits projections.

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. Actual results could differ from those estimates.

Restatements and Reclassifications

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), was implemented during fiscal year 2023. This standard establishes criteria for recognition of certain assets and liabilities previously classified as expenses. Under this Statement, the right to use another party's software is recognized as a SBITA liability and a right-to-use SBITA asset. As a result, fiscal year 2022 was restated to provide comparative statements. Total assets increased \$772,036, total liabilities increased \$793,187, and ending net position decreased \$21,151.

The methodology to calculate tuition discount was changed in fiscal year 2023 and fiscal year 2022 to provide comparative statements. The change impacted tuition revenue, scholarship expense, and both auxiliary revenue and expense. Net position was not impacted by the change in methodology.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note B – Cash and Investments

Cash and Cash Equivalents

A summary of the book and bank balances for cash and cash equivalents at June 30, 2023 and June 30, 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Book Balance	\$ <u>27,797,044</u>	<u>31,922,081</u>
Bank Balance	\$ <u>30,817,527</u>	<u>33,559,584</u>
Covered by FDIC insurance or State Sinking Fund	\$5,280,318	6,650,021
Invested in money market funds as cash equivalents	\$25,537,209	26,909,563

The University's balances for current cash and cash equivalents represent amounts that are reasonably expected to be consumed within a year and are comprised of deposit and disbursement bank accounts, the liquidity pool components of money market funds, demand deposit accounts, savings accounts, and government securities for the debt service and construction fund balances for bonded enterprises. The liquidity pool shall be managed to ensure funds are available to support operations for the current budget year.

Cash and cash equivalents are used to fund obligations such as controlled disbursements for accounts payable, salaries and wages payable, bond principal and interest payments, and federal and state withholding taxes.

Investments

Investments are made in accordance with Chapter 12B.10 of the Code of Iowa, and Board of Regents, State of Iowa policy (<https://www.iowaregents.edu/plans-and-policies/board-policy-manual/22-business-procedures#Investment%20Policy>). A portion of the University's operating portfolio is invested in the State University of Iowa's diversified pool. In addition, the University's endowments are pooled with the State University of Iowa's endowments to achieve economies of scale.

For donor restricted endowments, Chapter 540A of the Code of Iowa permits the University to spend the net appreciation of realized and unrealized earnings as the University determines to be prudent. The University's spending rule is that five percent (5%) of the three year moving average of the fair value of the endowment will be calculated and distributed. The net appreciation on true endowments available for expenditure at June 30, 2023 and 2022 was \$967,468 and \$952,473, respectively. The net appreciation is classified in the Statement of Net Position as follows:

	<u>2023</u>	<u>2022</u>
Restricted Expendable:		
Scholarships and fellowships	\$ 223,208	220,148
Loans	186,203	184,118
Other-Chair	<u>558,057</u>	<u>548,207</u>
Total	\$ <u>967,468</u>	<u>952,473</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note B – Cash and Investments (continued)

Invested Assets	2023 Total Fair Value Reported on the Statement of Net Position	2022 Total Fair Value Reported on the Statement of Net Position
Operating Portfolio:		
Fixed Income:		
U.S. Government Securities:		
U.S. Government Treasuries	\$ 9,165,023	23,701,477
U.S. Government Agencies	31,475,944	31,297,946
Short-Term Securities:		
Fixed Income Mutual Funds	46,504,239	44,352,549
Total Fixed Income Securities	<u>87,145,206</u>	<u>99,351,972</u>
Equity & Other Securities:		
Domestic Equity Mutual Funds	6,430,275	5,382,481
International Equity Mutual Funds	10,076,792	8,782,323
Real Assets	4,737,419	5,352,562
Total Equity & Other Securities	<u>21,244,486</u>	<u>19,517,366</u>
Cash & Cash Equivalents:		
Bank Investments	1,278,107	1,689,009
Money Market Fund Shares	11,461,234	11,216,518
Total Cash & Cash Equivalents	<u>12,739,341</u>	<u>12,905,527</u>
Total Operating Portfolio	<u>121,129,033</u>	<u>131,774,865</u>
Endowment Portfolio (UNI Equity in SUI Endowment Pool):		
Fixed Income:		
Short-Term Securities:		
Fixed Income Mutual Funds	4,761,537	4,763,504
Total Fixed Income Securities	<u>4,761,537</u>	<u>4,763,504</u>
Equity & Other Securities:		
Common Stock	537,852	502,279
Domestic Equity Mutual Funds	3,787,061	3,289,680
International Equity Mutual Funds	3,988,278	3,589,300
Real Assets	1,261,373	1,368,709
Private Equity	6,227,329	6,510,696
Total Equity & Other Securities	<u>15,801,893</u>	<u>15,260,664</u>
Cash & Cash Equivalents:		
Money Market Fund Shares	75,384	364,707
Total Cash & Cash Equivalents	<u>75,384</u>	<u>364,707</u>
Total Endowment Portfolio	<u>20,638,814</u>	<u>20,388,875</u>
Total Invested Assets	<u>\$141,767,847</u>	<u>152,163,740</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note B – Cash and Investments (continued)
Credit Risk Concentration

Issuers that represent 5% or more of total operating portfolio fixed income assets.

As of June 30, 2023:

Investment	Fair Value	% of Total Operating Portfolio Fixed Income Assets
Federal Home Loan Bank	\$17,799,588	13%

As of June 30, 2022:

Investment	Fair Value	% of Total Operating Portfolio Fixed Income Assets
Federal Home Loan Bank	\$20,667,372	14%

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note B – Cash and Investments (continued)

Interest Rate Risk

Interest Rate Risk is the risk changes in interest rates will adversely affect the fair value of an investment. This risk is measured using effective duration. At the time of purchase, the effective maturity of direct investment purchases by the University in the operating portfolio cannot exceed sixty-three months. There is no explicit limit on the average maturity of fixed income securities in the endowment portfolios. Each fixed income portfolio is managed to an appropriate benchmark.

Credit Risk

Credit Risk is the risk an issuer or other counterparty to an investment will not fulfill its obligation to the University. The University follows the Board of Regents, State of Iowa investment policy set forth in Chapter 12B.10 of the Code of Iowa. The University also manages exposure to credit risk by measuring portfolios against benchmarks as established by the Board of Regents.

Concentration of Credit Risk

Concentration of Credit Risk is the risk of loss that may be attributed to the magnitude of a University's investment in a single issue or issuer. Except for Treasury or Agency debentures, no more than 5% of the operating portfolio can be invested in securities of a single issuer.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles provide a hierarchy that prioritizes the inputs to fair value measurements based on the extent inputs to valuation techniques are observable in the marketplace. The hierarchy assigns a higher priority to observable inputs that would reflect the University's assumptions about how market participants would value an asset or liability based on the best information available. Fair value measurements should maximize the use of observable inputs and minimize the use of the unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1-Unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.

Level 2-Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3-Unobservable inputs for the asset or liability that are used to measure fair value when observable inputs are not available. These inputs are developed based upon the best information available in such circumstances.

The categorization of fair value measurements by level of the hierarchy is based upon the lowest level input that is significant to the overall fair value measurement for a given asset or liability. In the event that changes in the inputs used in the fair value measurement of an asset or liability result in a transfer into a different level, such transfers are recognized at the end of the reporting period. In the absence of actively quoted market prices, price information for external sources, including broker quotes and industry publications, is used. If pricing information from external sources is not available, or if observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value using discounted cash flows and other income valuation approaches.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note B – Cash and Investments (continued)

University investments that do not have a readily determinable fair value, such as ownership interest in partners' capital, are reported using Net Asset Value per share (NAV). Used as a practical expedient for the estimated fair value, NAV per share or its equivalent is provided by the fund manager and reviewed by the University. Investment holdings using the NAV as a practical expedient consist of University interests in funds investing in nonmarketable private equity and real assets, as well as indirect holdings of publicly traded assets in fixed income and international equity commingled funds.

Due to the nature of the investments held by the funds, changes in market conditions, economic environment, regulatory environment, currency exchange rates, interest rates, and commodity price fluctuations may significantly impact the NAV of the funds and, consequently, the fair value of the University's interest in the funds and could materially affect the amounts reported in the financial statements. The University attempts to manage these risks through diversification, ongoing due diligence of fund managers, maintain adequate liquidity, and continuously monitoring economic and market conditions.

The following tables reflect fair value measurements of investment assets at June 30, 2023 and June 30, 2022, respectively, as categorized by level of the fair value hierarchy according to the lowest level of inputs significant to each measurement or NAV:

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note B – Cash and Investments (continued)

As of June 30, 2023:

	Quoted Market Prices For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Total
Operating Portfolio:					
Fixed Income:					
U.S. Government Securities:					
U.S. Government Treasuries	\$ 9,165,023	-	-	-	9,165,023
U.S. Government Agencies	-	31,475,944	-	-	31,475,944
Short-Term Securities:					
Fixed Income Mutual Funds	<u>24,474,478</u>	<u>-</u>	<u>-</u>	<u>22,029,761</u>	<u>46,504,239</u>
Total Fixed Income Securities	<u>33,639,501</u>	<u>31,475,944</u>	<u>-</u>	<u>22,029,761</u>	<u>87,145,206</u>
Equity & Other Securities:					
Domestic Equity Mutual Funds	6,430,275	-	-	-	6,430,275
International Equity Mutual Funds	5,747,074	-	-	4,329,718	10,076,792
Real Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,737,419</u>	<u>4,737,419</u>
Total Equity & Other Securities	<u>12,177,349</u>	<u>-</u>	<u>-</u>	<u>9,067,137</u>	<u>21,244,486</u>
Cash & Cash Equivalents:					
Bank Investments	1,278,107	-	-	-	1,278,107
Money Market Fund Shares	<u>11,461,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,461,234</u>
Total Cash & Cash Equivalents	<u>12,739,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,739,341</u>
Total Operating Portfolio	<u>58,556,191</u>	<u>31,475,944</u>	<u>-</u>	<u>31,096,898</u>	<u>121,129,033</u>
Endowment Portfolio (UNI Equity in SUI Endowment Pool):					
Fixed Income:					
Short-Term Securities:					
Fixed Income Mutual Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,761,537</u>	<u>4,761,537</u>
Total Fixed Income Securities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,761,537</u>	<u>4,761,537</u>
Equity & Other Securities:					
Common Stock	519,432	18,420	-	-	537,852
Domestic Equity Mutual Funds	3,787,061	-	-	-	3,787,061
International Equity Mutual Funds	1,410,705	-	-	2,577,573	3,988,278
Real Assets	-	-	-	1,261,373	1,261,373
Private Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,227,329</u>	<u>6,227,329</u>
Total Equity & Other Securities	<u>5,717,198</u>	<u>18,420</u>	<u>-</u>	<u>10,066,275</u>	<u>15,801,893</u>
Cash and Cash Equivalents:					
Money Market Fund Shares	<u>75,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,384</u>
Total Cash & Cash Equivalents	<u>75,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,384</u>
Total Endowment Portfolio	<u>\$ 5,792,582</u>	<u>18,420</u>	<u>-</u>	<u>14,827,812</u>	<u>20,638,814</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note B – Cash and Investments (continued)

The following table summarizes the University's investments at June 30, 2023 for which net asset value (NAV) was used as a practical expedient to estimate fair value:

Asset Class	Fair Value Determined Using NAV 2023	Unfunded Commitments at June 30, 2023	Redemption Frequency	Redemption Notice Period
Fixed Income Mutual Funds	\$26,791,298	-	daily – monthly	5-30 days
Equity Mutual Funds	6,907,291	-	daily – monthly	5-15 days
Real Assets:				
Redeemable	5,998,792	-	quarterly	60-90 days
Private Equity:				
Nonredeemable	<u>6,227,329</u>	<u>3,886,431</u>	N/A	N/A
	<u>\$45,924,710</u>	<u>3,886,431</u>		

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note B – Cash and Investments (continued)

As of June 30, 2022:

	Quoted Market Prices For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Total
Operating Portfolio:					
Fixed Income:					
U.S. Government Securities:					
U.S. Government Treasuries	\$ 23,701,477	-	-	-	23,701,477
U.S. Government Agencies	-	31,297,946	-	-	31,297,946
Short-Term Securities:					
Fixed Income Mutual Funds	<u>23,649,410</u>	<u>-</u>	<u>-</u>	<u>20,703,139</u>	<u>44,352,549</u>
Total Fixed Income Securities	<u>47,350,887</u>	<u>31,297,946</u>	<u>-</u>	<u>20,703,139</u>	<u>99,351,972</u>
Equity & Other Securities:					
Domestic Equity Mutual Funds	5,382,481	-	-	-	5,382,481
International Equity Mutual Funds	4,980,483	-	-	3,801,840	8,782,323
Real Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,352,562</u>	<u>5,352,562</u>
Total Equity & Other Securities	<u>10,362,964</u>	<u>-</u>	<u>-</u>	<u>9,154,402</u>	<u>19,517,366</u>
Cash & Cash Equivalents:					
Bank Investments	1,689,009	-	-	-	1,689,009
Money Market Fund Shares	<u>11,216,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,216,518</u>
Total Cash & Cash Equivalents	<u>12,905,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,905,527</u>
Total Operating Portfolio	<u>70,619,378</u>	<u>31,297,946</u>	<u>-</u>	<u>29,857,541</u>	<u>131,774,865</u>
Endowment Portfolio (UNI Equity in SUI Endowment Pool):					
Fixed Income:					
Short-Term Securities:					
Fixed Income Mutual Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,763,504</u>	<u>4,763,504</u>
Total Fixed Income Securities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,763,504</u>	<u>4,763,504</u>
Equity & Other Securities:					
Common Stock	487,211	15,068	-	-	502,279
Domestic Equity Mutual Funds	3,289,680	-	-	-	3,289,680
International Equity Mutual Funds	1,294,099	-	-	2,295,201	3,589,300
Real Assets	-	-	-	1,368,709	1,368,709
Private Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,510,696</u>	<u>6,510,696</u>
Total Equity & Other Securities	<u>5,070,990</u>	<u>15,068</u>	<u>-</u>	<u>10,174,606</u>	<u>15,260,664</u>
Cash and Cash Equivalents:					
Money Market Fund Shares	<u>364,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364,707</u>
Total Cash & Cash Equivalents	<u>364,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364,707</u>
Total Endowment Portfolio	<u>\$ 5,435,697</u>	<u>15,068</u>	<u>-</u>	<u>14,938,110</u>	<u>20,388,875</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note B – Cash and Investments (continued)

The following table summarizes the University's investments at June 30, 2022 for which net asset value (NAV) was used as a practical expedient to estimate fair value:

Asset Class	Fair Value Determined Using NAV 2022	Unfunded Commitments at June 30, 2022	Redemption Frequency	Redemption Notice Period
Fixed Income Mutual Funds	\$25,466,643	-	daily – monthly	5-60 days
Equity Mutual Funds	6,097,041	-	daily – monthly	2-30 days
Real Assets:				
Redeemable	6,721,271	-	quarterly	60-90 days
Private Equity:				
Nonredeemable	<u>6,510,696</u>	<u>5,100,145</u>	N/A	N/A
	<u>\$44,795,651</u>	<u>5,100,145</u>		

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note B – Cash and Investments (continued)

The University's investments are recorded at fair value. As of June 30, 2023 and June 30, 2022, respectively, the University had the following investments and quality credit ratings:

2023

Credit Risk – Quality Ratings

	<u>Treasury</u>	<u>AA</u>	<u>A</u>	<u>BB</u>	<u>B</u>	<u>Total</u>
Fixed Income Securities:						
U.S. Government Securities:						
U.S. Government Treasuries	\$ 9,165,023	-	-	-	-	9,165,023
U.S. Government Agencies	-	31,475,944	-	-	-	31,475,944
Short-Term Securities:						
Fixed Income Mutual Funds	-	<u>33,207,053</u>	<u>8,046,864</u>	<u>4,235,100</u>	<u>5,776,759</u>	<u>51,265,776</u>
Total Fixed Income Securities	\$ <u>9,165,023</u>	<u>64,682,997</u>	<u>8,046,864</u>	<u>4,235,100</u>	<u>5,776,759</u>	<u>91,906,743</u>

2022

Credit Risk – Quality Ratings

	<u>Treasury</u>	<u>AA</u>	<u>A</u>	<u>BB</u>	<u>B</u>	<u>Total</u>
Fixed Income Securities:						
U.S. Government Securities:						
U.S. Government Treasuries	\$23,701,477	-	-	-	-	23,701,477
U.S. Government Agencies	-	31,297,946	-	-	-	31,297,946
Short-Term Securities:						
Fixed Income Mutual Funds	-	<u>18,044,689</u>	<u>21,919,616</u>	<u>1,883,298</u>	<u>7,268,450</u>	<u>49,116,053</u>
Total Fixed Income Securities	\$ <u>23,701,477</u>	<u>49,342,635</u>	<u>21,919,616</u>	<u>1,883,298</u>	<u>7,268,450</u>	<u>104,115,476</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note B – Cash and Investments (continued)

The following table reflects the interest rate sensitivity as measured by duration of the University's fixed income securities:

Interest Rate Sensitivity – Duration

	2023 Fair Value	Duration (in years)	2022 Fair Value	Duration (in years)
Operating Portfolio:				
Fixed Income:				
U.S. Government Securities:				
U.S. Government Treasuries	\$ 9,165,023	1.03	23,701,477	0.85
U.S. Government Agencies	31,475,944	1.65	31,297,946	2.35
Short-Term Securities:				
Fixed Income Mutual Funds	<u>46,504,239</u>	5.18	<u>44,352,549</u>	5.26
Operating Portfolio-Total Fixed Income Securities	<u>87,145,206</u>		<u>99,351,972</u>	
Operating Portfolio Duration		3.47		3.29
Endowment Portfolio:				
Fixed Income:				
Short-Term Securities:				
Fixed Income Mutual Funds	<u>4,761,537</u>	5.49	<u>4,763,504</u>	5.33
Endowment Portfolio-Total Fixed Income Securities	<u>4,761,537</u>		<u>4,763,504</u>	
Endowment Portfolio Duration		5.49		5.33
Total All Portfolios	\$ <u>91,906,743</u>		<u>104,115,476</u>	

The following information is provided for investments that are valued using the net asset value per share as a practical expedient:

Fixed Income Mutual Funds - This category includes investments in mutual funds holding assets that provide stability, generate income, and diversify market risk.

International Equity Funds - This category includes investments in international equities including both developed and emerging markets.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note C – Accounts Receivable

Accounts receivable are summarized as follows:

	<u>2023</u>	<u>2022</u>
Student accounts	\$ 3,655,710	3,153,737
University of Northern Iowa Foundation	1,265,345	732,253
Sponsoring agencies	1,097,476	1,153,437
Insurance	-	1,128,986
Other	<u>3,054,143</u>	<u>2,666,019</u>
Total	<u>\$ 9,072,674</u>	<u>8,834,432</u>

Note D – Lease Receivable

A lease receivable is recorded for lease arrangements where the term exceeds one year and the initial lease term is \$100,000 or more. Any lease agreements for 12 months or less will be treated as rental income.

On September 1, 2019, the University entered into a property lease agreement. An initial lease receivable was recorded for \$139,589 as of July 1, 2020. The agreement requires monthly payments of \$2,970 over 58 months with an implicit interest rate of 1.08% and a final payment due June 30, 2024. Lease payments of \$35,640 were received in fiscal years 2023 and 2022 including interest received of \$554 and \$964 as of June 30, 2023 and June 30, 2022, respectively.

On October 20, 2014, the University entered into a rooftop lease agreement. An initial lease receivable was recorded for \$387,415 as of July 1, 2020. The agreement requires monthly payments of \$2,200 over 60 months with an implicit interest rate of 1.08%. The lease agreement allows for three additional five-year terms with the final payment due October 1, 2034. Lease payments of \$26,400 were received in fiscal years 2023 and 2022 including interest received of \$3,583 and \$3,828 as of June 30, 2023 and June 30, 2022, respectively.

On August 8, 2006, the University entered into a property lease agreement. An initial lease receivable was recorded for \$1,936,848 as of July 1, 2020. The agreement requires monthly payments of \$13,971 over 120 months with an implicit interest rate of 1.08%. The lease agreement allows for three additional five-year terms with the final payment due October 9, 2032. Lease payments of \$167,652 were received in fiscal years 2023 and 2022 including interest received of \$16,951 and \$18,570 as of June 30, 2023 and June 30, 2022, respectively.

On July 12, 2022, the University entered into a property lease agreement. An initial lease receivable was recorded for \$99,045 as of July 1, 2022. The agreement requires monthly payments of \$1,670 over 60 months with an implicit interest rate of 1.76%. Lease payments of \$20,040 including interest received of \$1,447 were received in fiscal year 2023.

On January 6, 2023, the University entered into a property lease agreement. An initial lease receivable was recorded for \$112,886 as of July 1, 2022. The agreement requires monthly payments of \$1,094 for the first year, \$2,879 for the second year, and \$5,760 for the third and final year with an implicit interest rate of 1.76%. Lease payments of \$13,128 including interest received of \$1,728 were received in fiscal year 2023.

On July 1, 2022, the University entered into a property lease agreement. An initial lease receivable was recorded for \$313,750 as of July 1, 2022. The agreement requires monthly payments of \$1,848 over 195 months with an implicit interest rate of 1.76%. Lease payments of \$22,182 including interest received of \$4,919 were received in fiscal year 2023.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note D – Lease Receivable (continued)

On July 1, 2022, the University entered into a property lease agreement. An initial lease receivable was recorded for \$153,162 as of July 1, 2022. The agreement requires monthly payments of \$1,825 over 80 months with an implicit interest rate of 1.76%. Lease payments of \$21,901 including interest received of \$2,312 were received in fiscal year 2023.

Total future minimum lease payments to be received under lessor agreements are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amount Due</u>
2024	\$ 327,024
2025	333,143
2026	264,906
2027	264,905
2028	244,062
2029-2033	1,010,043
2034-2038	153,503
2039	<u>5,545</u>
Total	2,603,131
Less interest	<u>(151,731)</u>
Present Value	<u>\$ 2,451,400</u>

Deferred inflows of resources related to leases will be recognized as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Deferred Inflows</u>
2024	\$ 317,897
2025	283,779
2026	246,151
2027	246,151
2028	226,342
2029-2033	927,583
2034-2038	<u>137,406</u>
Total	<u>\$ 2,385,309</u>

Note E – Pledges Receivable (Foundation)

Unconditional promises to give are included in the combined financial statements as pledges receivable and revenue of the appropriate net asset category in the year received. Unconditional promises are recorded at their net realizable value at the time the promise is made. Those promises expected to be collected in more than one year are discounted at various rates based on the length of time the payments are to be received. Unconditional promises are expected to be realized in the following periods:

	<u>2023</u>	<u>2022</u>
In one year or less	\$ 9,930,163	2,285,432
Between one year and five years	21,205,457	16,951,736
More than five years	<u>10,083,078</u>	<u>7,369,963</u>
	41,218,698	26,607,131
Less discounts to net present value	<u>(2,437,316)</u>	<u>(1,162,183)</u>
Less allowance for uncollectible pledges	<u>(668,497)</u>	<u>(241,939)</u>
Total	<u>\$38,112,885</u>	<u>25,203,009</u>

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University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note E – Pledges Receivable (Foundation) (continued)

Pledges receivable at June 30, 2023 and 2022 have the following restrictions:

	<u>2023</u>	<u>2022</u>
Net assets without donor restrictions:		
Undesignated	\$ 141,533	129,416
Net assets with donor restrictions:		
Scholarships and department programs	10,267,919	11,353,217
Building, equipment and leasehold improvements	11,187,708	10,337,379
Endowments-scholarships and department programs	<u>16,515,725</u>	<u>3,382,997</u>
Total	<u>\$38,112,885</u>	<u>25,203,009</u>

Note F – Notes Receivable

Notes receivable are summarized as follows:

	<u>2023</u>	<u>2022</u>
Student loans:		
Federal loan programs	\$ 2,020,015	3,314,869
University loan funds	<u>50,806</u>	<u>84,005</u>
	2,070,821	3,398,874
Less allowance for uncollectible loans	<u>(215,706)</u>	<u>(384,350)</u>
Total	<u>\$ 1,855,115</u>	<u>3,014,524</u>

Notes receivable from students bear interest primarily at 5% and are generally repayable over a one to ten year period commencing six to nine months from the date of separation from the University.

Note G – Due From Government Agencies

Due from Government Agencies is summarized as follows:

	<u>2023</u>	<u>2022</u>
Federal Government	\$ 462,139	226,300
State Government	2,762,335	2,012,328
Local Governments	<u>9,169</u>	<u>-</u>
Total	<u>\$ 3,233,643</u>	<u>2,238,628</u>

Note H – Prepaids/Unearned Revenue

Prepaids at June 30, 2023 and 2022 totaled \$5,385,871 and \$4,545,563, respectively, and unearned revenue at June 30, 2023 and 2022 totaled \$4,069,409 and \$4,018,842, respectively. The summer session portion for unearned tuition and fees for 2023 and 2022 was \$2,275,999 and \$1,829,742, respectively. Season ticket sales for the Gallagher-Bluedorn Performing Arts Center Artist Series and for Athletic events begin in the Spring for the following year. Unearned ticket sale revenues were \$1,169,069 and \$646,483 at June 30, 2023 and 2022, respectively.

Note I – Inventories

Inventories at June 30, 2023 and 2022, consisting mainly of coal, fuel oil, bookstore merchandise, foodstuffs and supplies, primarily valued at cost or lower of cost or market, had values of \$2,926,656 and \$2,364,634, respectively.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note J – Capital Assets

Capital assets activity for the year ended June 30, 2023 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Book Value</u>
Land	\$ 5,065,654	-	-	5,065,654	-	5,065,654
Right-to-use SBITA Assets	-	11,792,116	-	11,792,116	-	11,792,116
Construction in Progress	<u>25,153,013</u>	<u>33,468,553</u>	<u>(10,043,139)</u>	<u>48,578,427</u>	<u>-</u>	<u>48,578,427</u>
Nondepr/Amort	<u>30,218,667</u>	<u>45,260,669</u>	<u>(10,043,139)</u>	<u>65,436,197</u>	<u>-</u>	<u>65,436,197</u>
Land Improvements	18,861,935	2,403,319	-	21,265,254	(14,394,537)	6,870,717
Infrastructure	59,753,973	5,054,973	-	64,808,946	(24,902,091)	39,906,855
Buildings	581,710,427	2,584,847	-	584,295,274	(282,745,461)	301,549,813
Equipment	57,345,753	2,283,978	(2,459,145)	57,170,586	(43,962,843)	13,207,743
Intangibles	9,744,429	-	-	9,744,429	(5,452,874)	4,291,555
Right-to-use SBITA Assets	926,443	-	-	926,443	(308,814)	617,629
Right-to-use Leased Buildings	1,302,524	1,011,506	-	2,314,030	(508,752)	1,805,278
Library Materials	<u>34,362,501</u>	<u>78,795</u>	<u>(600,437)</u>	<u>33,840,859</u>	<u>(33,102,954)</u>	<u>737,905</u>
Depr/Amort	<u>764,007,985</u>	<u>13,417,418</u>	<u>(3,059,582)</u>	<u>774,365,821</u>	<u>(405,378,326)</u>	<u>368,987,495</u>
Total	<u>\$794,226,652</u>	<u>58,678,087</u>	<u>(13,102,721)</u>	<u>839,802,018</u>	<u>(405,378,326)</u>	<u>434,423,692</u>

Depreciation and amortization activity for the year ended June 30, 2023 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land Improvements	\$ 13,880,087	514,450	-	14,394,537
Infrastructure	23,357,596	1,544,495	-	24,902,091
Buildings	269,976,902	12,768,559	-	282,745,461
Equipment	43,096,402	3,226,268	(2,359,827)	43,962,843
Intangibles	4,965,653	487,221	-	5,452,874
Right-to-use SBITA Assets	154,407	154,407	-	308,814
Right-to-use Leased Buildings	294,597	214,155	-	508,752
Library Materials	<u>33,484,770</u>	<u>218,621</u>	<u>(600,437)</u>	<u>33,102,954</u>
Total	<u>\$389,210,414</u>	<u>19,128,176</u>	<u>(2,960,264)</u>	<u>405,378,326</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note J – Capital Assets

Capital assets activity for the year ended June 30, 2022 is summarized as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Restated Ending Balance</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Book Value</u>
Land	\$ 5,065,654	-	-	5,065,654	-	5,065,654
Construction in Progress	21,656,268	18,343,865	(14,847,120)	25,153,013	-	25,153,013
Nondepr/Amort	26,721,922	18,343,865	(14,847,120)	30,218,667	-	30,218,667
Land Improvements	17,171,309	1,924,419	(233,793)	18,861,935	(13,880,087)	4,981,848
Infrastructure	50,125,609	9,628,364	-	59,753,973	(23,357,596)	36,396,377
Buildings	578,921,521	2,795,576	(6,670)	581,710,427	(269,976,902)	311,733,525
Equipment	58,920,557	2,310,368	(3,885,172)	57,345,753	(43,096,402)	14,249,351
Intangibles	9,744,429	-	-	9,744,429	(4,965,653)	4,778,776
Right-to-use SBITA Assets	926,443	-	-	926,443	(154,407)	772,036
Right-to-use Leased Buildings	359,979	942,545	-	1,302,524	(294,597)	1,007,927
Library Materials	34,538,506	137,318	(313,323)	34,362,501	(33,484,770)	877,731
Depr/Amort	750,708,353	17,738,590	(4,438,958)	764,007,985	(389,210,414)	374,797,571
Total	<u>\$777,430,275</u>	<u>36,082,455</u>	<u>(19,286,078)</u>	<u>794,226,652</u>	<u>(389,210,414)</u>	<u>405,016,238</u>

Depreciation and amortization activity for the year ended June 30, 2022 is summarized as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Restated Ending Balance</u>
Land Improvements	\$ 13,278,379	791,344	(189,636)	13,880,087
Infrastructure	21,472,512	1,885,084	-	23,357,596
Buildings	256,859,401	13,124,171	(6,670)	269,976,902
Equipment	43,248,613	3,422,307	(3,574,518)	43,096,402
Intangibles	4,478,432	487,221	-	4,965,653
Right-to-use SBITA Assets	-	154,407	-	154,407
Right-to-use Leased Buildings	102,851	191,746	-	294,597
Library Materials	33,533,589	264,504	(313,323)	33,484,770
Total	<u>\$372,973,777</u>	<u>20,320,784</u>	<u>(4,084,147)</u>	<u>389,210,414</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note K – 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, 2023 and 2022 were \$887,526 and \$3,643,337, respectively.

Note L – Other Long-Term Liabilities

Other long-term liabilities at June 30, 2023 and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>
Other Long-Term Liabilities:		
Compensated absences payable	\$10,133,990	10,576,938
Total pension liability*	11,233,683	-
Refundable advances on student loans	<u>1,563,959</u>	<u>3,308,625</u>
Total Other Long-Term Liabilities	<u>\$22,931,632</u>	<u>13,885,563</u>

*The University reported a total pension asset for the year ended June 30, 2022.

Compensated Absences

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.

The following schedule presents the changes in the liability for compensated absences, including accrued retirement and FICA contributions, for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Amount of accrued compensated absences at beginning of year	\$10,576,938	11,659,653
Amount of compensated absences accrued during the fiscal year	7,072,614	6,166,819
Payments on compensated absences during the fiscal year	<u>(7,515,562)</u>	<u>(7,249,534)</u>
Amount of accrued compensated absences at end of year	<u>\$10,133,990</u>	<u>10,576,938</u>

As of June 30, 2023 and 2022, the current liabilities for compensated absences payable were \$5,196,504 and \$5,147,104, respectively.

Teachers Insurance and Annuity Association – (TIAA)

The University contributes to the TIAA retirement program, which is a defined contribution plan. TIAA administers the retirement plan for the University. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Board of Regents, State of Iowa policy, all eligible University employees must participate in a retirement plan from the date they are employed.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note L – Other Long-Term Liabilities (continued)

Benefit terms, including contribution requirements, for TIAA are established and specified by the contract with TIAA in accordance with Board of Regents, State of Iowa policy. For each employee in the TIAA University-sponsored retirement plan, the University is required to contribute 6.66% of the first \$4,800 of earnings and 10% of earnings above \$4,800 through the fifth fiscal year of employment. After five fiscal years, the University is required to contribute 10% of earnings to an individual employee account. Each employee is required to contribute 3.33% of the first \$4,800 of earnings and 5% of earnings above \$4,800 through the fifth fiscal year of employment. Upon completion of fifth fiscal year of employment, each employee is required to contribute 5%. Contributions made by both employer and employee vest immediately. During fiscal years 2023 and 2022, the University's required and actual contribution totaled \$8,565,335 and \$8,936,206, respectively. During fiscal years 2023 and 2022, the employees' required and actual contribution totaled \$4,209,751 and \$4,416,515, respectively.

As of June 30, 2023, the University remitted all required employer and employee contributions to TIAA.

Iowa Public Employees' Retirement System (IPERS)

Plan Description – IPERS membership is mandatory for employees of the University except for those covered by another retirement system. Employees of the University are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular Member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement before age 55. The formula used to calculate a Regular Member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

Protection occupation members may retire at normal retirement age, which is generally age 55. Protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for more than 22 years of service but not more than 30 years of service.
- The member's highest three-year average salary.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note L – Other Long-Term Liabilities (continued)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member received benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits contribution rate increases or decreases each year to 1%. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board. In fiscal year 2023 and 2022, pursuant to the required rate, Regular Members contributed 6.29% of pay and the University contributed 9.44% for a total rate of 15.73%. In fiscal year 2023 and 2022, pursuant to the required rate, protection occupations contributed 6.21% of pay and the University contributed 9.31% for a total rate of 15.52%.

The University's contributions to IPERS for the years ended June 30, 2023 and 2022 were \$2,636,079 and \$2,371,155, respectively.

Total Pension Liability/(Asset), Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023 the University reported an overall plan total pension liability of \$11,233,683 and at June 30, 2022 an overall plan total pension asset of \$152,227 for its proportionate share of the total pension liability/(asset). The overall plan total pension liability/(asset) was measured as of June 30, 2022 and June 30, 2021 and the total pension liability used to calculate the overall plan total pension liability/(asset) was determined by actuarial valuations as of those dates. The University's proportion of the overall plan total pension liability/(asset) was based on the University's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the University's proportion of the overall plan total pension asset was 0.297333% which was an increase of 0.341428% from its proportion measured as of June 30, 2021.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note L – Other Long-Term Liabilities (continued)

For the years ended June 30, 2023 and June 30, 2022, the University recognized pension expense (reduction) of \$(394) and \$(1,320,112), respectively. The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023 Deferred Outflows of Resources	2023 Deferred Inflows of Resources	2022 Deferred Outflows of Resources	2022 Deferred Inflows of Resources
Differences between expected and actual experience	\$ 578,399	157,117	341,594	301,162
Changes of assumptions	9,726	44,288	262,628	609
Net difference between projected and actual earnings on IPERS investments	-	1,271,671	-	14,726,671
Changes in proportion and differences between University contributions and its proportionate share of contributions	527,648	452,707	439,681	583,080
University contributions subsequent to the measurement date	<u>2,636,079</u>	<u>-</u>	<u>2,371,155</u>	<u>-</u>
Total	\$ <u>3,751,852</u>	<u>1,925,783</u>	<u>3,415,058</u>	<u>15,611,522</u>

Deferred outflows of resources related to pensions of \$2,636,079 and \$2,371,155 represent the amount the University contributed subsequent to the measurement date but before the end of the reporting period and will be recognized as a reduction of the total pension liability/(asset) in the year ended June 30, 2024 and June 30, 2023, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	2023 Amount	2022 Amount
2023	\$ -	(3,462,776)
2024	(1,042,351)	(3,577,332)
2025	(852,354)	(3,394,996)
2026	(1,588,980)	(4,112,290)
2027	2,620,197	(20,225)
2028	<u>53,478</u>	<u>-</u>
Total	\$ <u>(810,010)</u>	<u>(14,567,619)</u>

There are no non-employer contributing entities to IPERS.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note L – Other Long-Term Liabilities (continued)

Actuarial Assumptions – The total pension asset in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.60%
Salary increases	3.25 to 16.25%, average depending upon years of service
Investment rate of return	7.00% per annum, compounded annually, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience and demographic study covering the period July 1, 2017 through June 30, 2021. Mortality rates were based on the PubG-2010 Employee and Healthy Annuitant Tables with MP-2021 generational adjustments.

Several factors are considered in evaluating the actuarial assumed investment return including long-term historical data, estimates inherent in current market data, along with estimates of variability and correlations for each asset class, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) were developed by the IPERS investment consultant. These ranges are combined to develop the actuarial assumed investment return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. Prior year expected rate of return on IPERS' investments were deemed unnecessary in providing continuing significance and were not included. Best estimates of arithmetic real rates of return for each major asset class included in IPERS' target assets allocation are shown in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	22.0%	3.57%
International Equity	17.5	4.79
Global Smart Beta Equity	6.0	4.16
Core Plus Fixed Income	20.0	1.66
Public Credit	4.0	3.77
Cash	1.0	0.77
Private Equity	13.0	7.57
Private Real Assets	8.5	3.55
Private Credit	8.0	3.63
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension liability/(asset) was 7.00%. The projection of cash flows used to determine the discount rate assumed employee and employer contributions will be made at the contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the actuarial assumed investment return was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note L – Other Long-Term Liabilities (continued)

Sensitivity of the University's Proportionate Share of the Total Pension Liability/(Asset) to Changes in the Discount Rate – The following presents the University's proportionate share of the total pension liability/(asset) calculated using the discount rate of 7.00%, as well as what the University's proportionate share of the total pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
June 30, 2022	\$21,421,434	11,233,683	2,256,921
June 30, 2021	\$13,780,218	(152,227)	(11,827,957)

Pension Plan Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the Pension Plan – At June 30, 2023 and June 30, 2022, the University reported payables to IPERS of \$208,723 and \$183,196, respectively, for legally required employer contributions and \$139,080 and \$122,070, respectively, for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Refundable Advances on Student Loans

The United States Government terminated the Perkins Federal Loan program requiring a return of the Federal Capital Contribution when collected. The accumulated Federal Capital Contribution received by the University over the lifetime of the Perkins Loan program is \$1,563,959 and \$3,308,625 at June 30, 2023 and 2022, respectively, a decrease of \$1,744,666. As of June 30, 2023 and 2022, the current liabilities for refundable Perkins advances were \$787,342 and \$1,207,667, respectively.

Note M – Total OPEB Liability

Plan Description – The University operates a single-employer retiree benefit plan which provides medical, dental and life insurance benefits for retirees and their spouses. At June 30, 2023 and June 30, 2022, there were 1,643 and 1,604 active members and 142 and 560 retired members in the plan, respectively. Retired members must be age 55 or older at retirement.

The medical benefit, which is a self-funded indemnity medical plan, is administered by Wellmark Blue Cross/Blue Shield of Iowa. The dental benefit, which is also self-funded, is administered by Delta Dental of Iowa and the life insurance benefit is administered by Principal Financial Group. Retirees under age 65 pay the same premium for the medical benefit as active employees, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy – The contribution requirements of plan members are established and may be amended by the University. Although no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, the University established a quasi-endowment fund in fiscal year 2015 to earmark funds for retiree medical premiums. At June 30, 2023 and June 30, 2022, the quasi-endowment fund balance exceeds the liability and was \$10,446,844 and \$10,292,611, respectively.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note M – Total OPEB Liability (continued)

Total OPEB Liability – The University's total OPEB liability of \$9,166,917 and \$9,666,253 was measured as of June 30, 2023 and June 30, 2022, respectively, and was determined by an actuarial valuation as of that date. The following table shows the components of the University's total OPEB liability as of June 30, 2023 and June 30, 2022, the estimated employer contributions to the plan and changes in the University's total OPEB liability:

	<u>2023</u>	<u>2022</u>
Total OPEB liability beginning of year	\$ <u>9,666,253</u>	<u>12,389,563</u>
Changes for the year:		
Service cost	300,314	487,445
Interest	398,589	276,987
Change in benefit terms	(1,088,350)	-
Changes in assumptions	(31,822)	(1,555,849)
Differences between expected and actual experience	368,620	(1,470,996)
Benefit payments	<u>(446,687)</u>	<u>(460,897)</u>
Decrease in total OPEB liability	<u>(499,336)</u>	<u>(2,723,310)</u>
Total OPEB liability end of year	\$ <u><u>9,166,917</u></u>	<u><u>9,666,253</u></u>

Changes of assumptions reflect a change in the discount rate to 4.13% as of June 30, 2023 and to 4.09% as of June 30, 2022.

Actuarial Methods and Assumptions – The total OPEB liability in the June 30, 2023 and June 30, 2022 actuarial valuations was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement. The actuarial assumptions used in the June 30, 2023 and June 30, 2022 valuations were based on the results of the August 2021 actuarial experience study as of June 30, 2020.

	<u>2023</u>	<u>2022</u>
Rate of inflation	-	2.60%
Rates of salary increase, based on years of service	1.50% to 7.00%	1.50% to 7.00%
Discount rate	4.13%	4.09%

The discount rate used to measure the total OPEB liability reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date. The healthcare cost trend rate had an initial rate of 7.00% and decreases by 0.50% annually to an ultimate rate of 4.50%.

Mortality Rates – Mortality rates are from the SOA Pub-2010 Teacher Headcount-Weighted Mortality Table, General Headcount-Weighted Mortality Table, and Continuing Survivor Headcount-Weighted Mortality Table fully generational using Scale MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities based on the University's 2021 experience study that includes data from June 20, 2016 through June 30, 2020.

Initial medical cost trend rates for fiscal year 2023 were based on actual premium rate changes from 2022 to 2023. The initial trend rate is based on a combination of employer history, national trend surveys, and client market expectations, and grade down to an ultimate rate of 4.50% beginning in the year 2029. The ultimate trend rate was selected based on historical medical CPI information. During fiscal year 2023, the University ended all retiree life insurance coverage.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note M – Total OPEB Liability (continued)

Sensitivity Analysis – Changes to the Discount Rate – The total OPEB liability was calculated using the current discount rate as well as a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. The sensitivity of the total OPEB liability to changes in the discount rate is presented below:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability June 30, 2023	<u>3.13%</u> \$10,000,364	<u>4.13%</u> 9,166,917	<u>5.13%</u> 8,411,573
	Discount 1% Decrease	Rate	1% Increase
Total OPEB liability June 30, 2022	<u>3.09%</u> \$10,579,418	<u>4.09%</u> 9,666,253	<u>5.09%</u> 8,846,365

Sensitivity Analysis – Changes to the Healthcare Cost Trend Rate – The total OPEB liability was calculated using a current healthcare cost rate as well as a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. The sensitivity of the total OPEB liability to changes in the healthcare cost trend rate is presented below:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability June 30, 2023	<u>6.00%</u> \$ 8,169,522	<u>7.00%</u> 9,166,917	<u>8.00%</u> 10,335,139
	1% Decrease	Rates	1% Increase
Total OPEB liability June 30, 2022	<u>6.50%</u> \$ 8,780,966	<u>7.50%</u> 9,666,253	<u>8.50%</u> 10,700,421

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University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note M – Total OPEB Liability (continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023 and June 30, 2022, the University recognized OPEB expense of \$(2,996,881) and \$(1,927,202), respectively. At June 30, 2023 and June 30, 2022, the University reported deferred outflows of resources and deferred inflows related to OPEB from the following resources:

	2023 Deferred Outflows of Resources	2023 Deferred Inflows of Resources	2022 Deferred Outflows of Resources	2022 Deferred Inflows of Resources
Differences between expected and actual experience	\$ 276,465	6,645,157	-	8,865,821
Changes of assumptions	<u>423,008</u>	<u>3,187,946</u>	<u>690,128</u>	<u>3,902,169</u>
Total	\$ <u>699,473</u>	<u>9,833,103</u>	<u>690,128</u>	<u>12,767,990</u>

The amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ending June 30,	2023 <u>Amount</u>	2022 <u>Amount</u>
2023	\$ -	(2,691,634)
2024	(2,607,436)	(2,691,636)
2025	(2,718,664)	(2,802,864)
2026	(2,399,243)	(2,483,441)
2027	(975,878)	(975,878)
2028	<u>(432,409)</u>	<u>(432,409)</u>
Total	\$ <u>(9,133,630)</u>	<u>(12,077,862)</u>

Details of the University's OPEB plan may be obtained by writing Controller's Office, 122 Lang Hall, Cedar Falls, IA 50614-0003 or phone 319-273-6520.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note N – Long-Term Debt

Long-term debt at June 30, 2023, consisted of the following:

	Interest Rates %	Maturity Date	Original Value	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Academic Bldg. Revenue Bonds:								
Series 2016-Refunding	5.00 – 5.00	2027	\$ 14,015,000	7,765,000	-	1,135,000	6,630,000	1,195,000
Series 2016A-Refunding	2.00 – 3.00	2035	12,460,000	9,705,000	-	610,000	9,095,000	625,000
Series 2017-Refunding	2.00 – 3.00	2035	13,835,000	11,255,000	-	670,000	10,585,000	685,000
Residence System Bonds:								
Series 2012	1.00 – 2.75	2023	13,810,000	2,280,000	-	2,280,000	-	-
Series 2016	3.00 – 3.25	2037	23,765,000	19,005,000	-	1,190,000	17,815,000	1,190,000
Series 2017-Refunding	2.00 – 2.75	2030	13,330,000	9,545,000	-	985,000	8,560,000	1,005,000
Series 2020-Refunding	2.00 – 2.00	2033	14,545,000	13,850,000	-	655,000	13,195,000	1,825,000
Utility System:								
Series 2020	2.00 – 5.00	2040	16,250,000	15,315,000	-	740,000	14,575,000	760,000
Field House Bonds:								
Series 2013-Refunding	2.00 – 3.00	2024	4,815,000	1,445,000	-	465,000	980,000	480,000
Series 2015-Refunding	2.00 – 2.13	2022	3,460,000	530,000	-	530,000	-	-
Student Union Bonds:								
Series 2011-Refunding	2.00 – 3.00	2022	8,425,000	845,000	-	845,000	-	-
Student Health System Bonds:								
Series 2013-Refunding	2.00 – 2.25	2024	2,435,000	720,000	-	235,000	485,000	240,000
Premiums-Reoffering:								
Field House-Series 2013			-	51,721	-	25,859	25,862	25,862
Student Health System-Series 2013			-	6,272	-	3,138	3,134	3,134
Residence-Series 2016			-	619,468	-	41,298	578,170	41,298
ABRB-Series 2016			-	1,200,038	-	240,007	960,031	240,007
ABRB-Series 2016A			-	170,021	-	13,079	156,942	13,079
ABRB-Series 2017R			-	244,837	-	18,834	226,003	18,834
Residence-Series 2017R			-	67,979	-	8,497	59,482	8,497
Utility System 2020			-	1,321,480	-	73,415	1,248,065	73,415
Residence-Series 2020R			-	725,291	-	65,935	659,356	65,935
Total Bonds Payable			<u>141,145,000</u>	<u>96,667,107</u>	<u>-</u>	<u>10,830,062</u>	<u>85,837,045</u>	<u>8,495,061</u>
Notes Payable	0.00	2027	500,000	290,000	-	15,000	275,000	15,000
Lease Liability	1.08	2032	1,302,525	1,019,355	1,011,710	217,506	1,813,559	205,183
Deferred Compensation Plan		2025	-	342,674	178,436	-	521,110	50,846
SBITA Liability	1.76	2035	<u>11,851,116</u>	<u>793,187</u>	<u>10,924,673</u>	<u>796,943</u>	<u>10,920,917</u>	<u>836,948</u>
Total Long-Term Debt Payable			<u>\$154,798,641</u>	<u>99,112,323</u>	<u>12,114,819</u>	<u>11,859,511</u>	<u>99,367,631</u>	<u>9,603,038</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note N – Long-Term Debt

Long-term debt at June 30, 2022, consisted of the following:

	Interest Rates %	Maturity Date	Original Value	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Academic Bldg. Revenue Bonds:								
Series 2016-Refunding	5.00 – 5.00	2027	\$ 14,015,000	8,840,000	-	1,075,000	7,765,000	1,135,000
Series 2016A-Refunding	2.00 – 3.00	2035	12,460,000	10,300,000	-	595,000	9,705,000	610,000
Series 2017-Refunding	2.00 – 3.00	2035	13,835,000	11,910,000	-	655,000	11,255,000	670,000
Residence System Bonds:								
Series 2012	1.00 – 2.75	2023	13,810,000	3,375,000	-	1,095,000	2,280,000	1,125,000
Series 2016	3.00 – 3.25	2037	23,765,000	20,195,000	-	1,190,000	19,005,000	1,190,000
Series 2017-Refunding	2.00 – 2.75	2030	13,330,000	10,520,000	-	975,000	9,545,000	985,000
Series 2020-Refunding	2.00 – 2.00	2033	14,545,000	14,545,000	-	695,000	13,850,000	655,000
Utility System:								
Series 2020	2.00 – 5.00	2040	16,250,000	16,045,000	-	730,000	15,315,000	740,000
Field House Bonds:								
Series 2013-Refunding	2.00 – 3.00	2024	4,815,000	1,895,000	-	450,000	1,445,000	465,000
Series 2015-Refunding	2.00 – 2.13	2022	3,460,000	1,050,000	-	520,000	530,000	530,000
Student Union Bonds:								
Series 2011-Refunding	2.00 – 3.00	2022	8,425,000	1,690,000	-	845,000	845,000	845,000
Student Health System Bonds:								
Series 2013-Refunding	2.00 – 2.25	2024	2,435,000	950,000	-	230,000	720,000	235,000
Premiums-Reoffering:								
Field House-Series 2013			-	77,580	-	25,859	51,721	25,859
Student Health System-Series 2013			-	9,409	-	3,137	6,272	3,138
Field House-Series 2015			-	3,339	-	3,339	-	-
Residence-Series 2016			-	660,766	-	41,298	619,468	41,298
ABRB-Series 2016			-	1,440,045	-	240,007	1,200,038	240,007
ABRB-Series 2016A			-	183,100	-	13,079	170,021	13,079
ABRB-Series 2017R			-	263,671	-	18,834	244,837	18,834
Residence-Series 2017R			-	76,476	-	8,497	67,979	8,497
Utility System 2020			-	1,394,895	-	73,415	1,321,480	73,415
Residence-Series 2020R			-	791,226	-	65,935	725,291	65,935
Total Bonds Payable			<u>141,145,000</u>	<u>106,215,507</u>	<u>-</u>	<u>9,548,400</u>	<u>96,667,107</u>	<u>9,675,062</u>
Notes Payable	0.00	2027	500,000	305,000	-	15,000	290,000	15,000
Lease Liability	1.08	2032	1,302,525	262,811	942,545	186,001	1,019,355	217,302
Deferred Compensation Plan		2025	-	-	342,674	-	342,674	-
SBITA Liability	1.76	2027	926,443	-	926,443	133,256	793,187	140,956
Total Long-Term Debt Payable			<u>\$143,873,968</u>	<u>106,783,318</u>	<u>2,211,662</u>	<u>9,882,657</u>	<u>99,112,323</u>	<u>10,048,320</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note N – Long-Term Debt (continued)

Bonds Payable

The above bonds were issued for the following purposes:

Academic Building Revenue Bonds were issued primarily for the construction, renovation and equipping of academic buildings, libraries, administrative and service buildings.

Residence System Revenue Bonds were issued for the construction, renovation and equipping of residence halls, food service buildings and apartment housing.

Field House System Revenue Bonds were issued for the construction, renovation and repair of field house system facilities.

Utility System Revenue Bonds were issued for constructing, equipping, installing, furnishing, replacing, and renovating the utility system of the University.

Student Union Revenue Bonds were issued to construct additions to, remodel, refurbish and equip the J. W. Maucker Student Union.

Student Health System Revenue Bonds were issued to construct additions to, remodel, refurbish and equip the UNI Student Health Center.

All of the bond issues included funding for a pre-funded debt service reserve and for issuance costs. A number of the bond issues refinanced previous issues to take advantage of lower interest rates.

The bonds payable at June 30, 2023 mature as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,495,063	2,272,688	10,767,751
2025	7,741,066	2,039,481	9,780,547
2026	7,186,066	1,815,475	9,001,541
2027	7,341,066	1,594,691	8,935,757
2028	7,281,059	1,366,763	8,647,822
2029-2033	28,094,801	4,321,222	32,416,023
2034-2038	17,071,094	1,228,591	18,299,685
2039-2043	<u>2,626,830</u>	<u>87,953</u>	<u>2,714,783</u>
Total	<u>\$ 85,837,045</u>	<u>14,726,864</u>	<u>100,563,909</u>

The changes in Bonds Payable for fiscal years 2023 and 2022 are detailed below:

	<u>2023</u>	<u>2022</u>
Bonds payable beginning of year	\$ 96,667,107	106,215,507
Bonds retired during the fiscal year	(10,830,062)	(9,548,400)
Bonds issued during the fiscal year	-	-
Bonds payable end of year	<u>\$ 85,837,045</u>	<u>96,667,107</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note N – Long-Term Debt (continued)

Notes Payable

At its September 15, 2004 meeting, the Board of Regents, State of Iowa approved a 28E Agreement between the University and the City of Cedar Falls, Iowa. Under the terms of the Agreement, the City of Cedar Falls transferred \$500,000 of City funds received from the Black Hawk County Landfill to the University to assist with construction costs of the McLeod Center. Of the amount transferred, \$300,000 is repayable and \$200,000 is forgivable if all the conditions in the Agreement are met. The \$300,000 portion is repayable in the amount of \$15,000 per year for twenty years. The \$200,000 portion, if not forgiven, is repayable in the amount of \$10,000 per year for twenty years. The note is not interest bearing. The University agreed to transfer to the City \$15,000 of its annual rebate from the Black Hawk County Landfill to make the required payments. The City and the University simultaneously executed a Joint Use 28E Agreement permitting City use of University facilities, which may include the Wellness and Recreation Center Complex and outdoor athletic field.

Lease Liability

A lease liability is recorded for lease arrangements where the term exceeds one year and the initial lease term is \$50,000 or more. Any payments for a lease for 12 months or less will be treated as rent expense. Rent expense for the year ended June 30, 2023 and 2022 totaled \$12,505 and \$144,624, respectively.

On June 15, 2021, the University entered into a property lease agreement. An initial lease liability was recorded in the amount of \$255,747. The agreement requires monthly payments of \$3,667 over 36 months, with an implicit interest rate of 1.08% and a final payment on September 30, 2024. The lease agreement allows for one three-year renewal option.

On January 1, 2019, the University entered into a property lease agreement. An initial lease liability was recorded in the amount of \$359,980. The agreement required monthly payments of \$7,935 for the first year and payments increase annually by a percentage equal to the US City Average CPI-U, with an implicit interest rate of 1.08% and a final payment on December 31, 2023. The lease agreement allows for four additional five-year renewal options and two additional renewal options were determined to be reasonably certain during fiscal year 2023 increasing the liability to \$1,065,004.

On April 15, 2021, the University entered into a property lease agreement. An initial lease liability was recorded in the amount of \$686,798. The agreement requires monthly payments of \$6,035 over 120 months, with an implicit interest rate of 1.08% and a final payment on August 20, 2031.

Future principal and interest lease payments for buildings as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 205,183	18,572	223,755
2025	207,409	16,346	223,755
2026	209,660	14,095	223,755
2027	211,936	11,819	223,755
2028	181,117	9,638	190,755
2029-2033	744,755	21,250	766,005
2034	53,499	169	53,668
Total	\$ 1,813,559	91,889	1,905,448

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note N – Long-Term Debt (continued)

SBITA Liability

A SBITA liability is recorded for technology arrangements for the right to use another party's software where the term exceeds one year and the initial lease term is \$500,000 or more. Any payments for a technology arrangement for 12 months or less will be treated as software license expense. Software license expense for the year ended June 30, 2023 and 2022 totaled \$686,453 and \$1,494,009 respectively.

On June 18, 2021, the University entered into a technology arrangement. An initial SBITA liability was recorded in the amount of \$926,443. The arrangement requires annual payments over 5 years, with an implicit interest rate of 1.76% and a final payment on July 30, 2026. The technology arrangement allows for one-year renewal option.

On November 30, 2022, the University entered into a technology arrangement. An initial SBITA liability was recorded in the amount of \$10,924,673. The arrangement requires annual payments of \$833,590 for the first year and payments increase 2.0% annually with an implicit interest rate of 1.76% and a final payment on November 30, 2031. The technology arrangement allows for three additional one-year renewal options.

Future principal and interest SBITA payments for right to use software as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 836,948	192,208	1,029,156
2025	874,111	177,478	1,051,589
2026	910,737	162,094	1,072,831
2027	945,915	146,064	1,091,979
2028	806,087	129,416	935,503
2029-2033	4,526,131	422,585	4,948,716
2034-2038	<u>2,020,988</u>	<u>53,599</u>	<u>2,074,587</u>
Total	\$ <u>10,920,917</u>	<u>1,283,444</u>	<u>12,204,361</u>

Advance Refundings

In October 2020, Dormitory Revenue Refunding Bonds, Series U.N.I. 2020 (Taxable) were issued in the amount of \$14,545,000, with an interest rate of 2.00%. The proceeds were used to advance refund \$24,870,000 of outstanding Dormitory Revenue Bonds, Series U.N.I. 2011, with interest rates ranging between 2.00% and 4.00%, and pay the costs of issuing the Bonds.

Net bond proceeds of \$15,308,237 were placed in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Dormitory Revenue Bonds, Series U.N.I. 2011 are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The Dormitory Revenue Bonds, Series U.N.I. 2011 were called on July 1, 2021.

The advance refunding resulted in an economic gain of \$1,398,615, and reduced the aggregate debt service payments by \$1,913,575 over the next 13 years.

The University's policy is to not record the deferred inflows of resources for the gain resulting from the refunding of debt in those instances where the amounts are immaterial.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note O – Endowments

Prior to the establishment of the Foundation in 1959, the University accepted \$615,895 from donors to be invested in perpetuity with only the agreed upon spending rule payout to be made available for annual expenditures according to the donor's restrictions. The revenue and appreciation on the non-expendable donations in excess of the spending rule is retained as an inflationary hedge. The net position retained by the University from these endowments as of June 30, 2023 and 2022 is classified as follows:

	<u>2023</u>	<u>2022</u>
Restricted-Nonexpendable	\$ <u>615,895</u>	<u>615,895</u>
Restricted-Expendable:		
Scholarships	\$ 223,208	220,148
Loans	186,203	184,118
Other-Chair	<u>558,057</u>	<u>548,207</u>
Total	\$ <u>967,468</u>	<u>952,473</u>

Note P – Restricted Net Position (Foundation)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors during the years ended June 30, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Purpose restrictions accomplished:		
Scholarships and department programs	\$16,756,243	15,398,834
Plant	<u>1,823,815</u>	<u>3,288,357</u>
Total net assets with donor restrictions released	\$ <u>18,580,058</u>	<u>18,687,191</u>

Net assets with donor restrictions as of June 30, 2023 and 2022 are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Scholarships and department programs	\$ 72,491,695	66,434,872
Plant	22,022,137	17,873,066
Charitable gift annuities	869,033	492,043
Charitable remainder trust annuities	379,620	359,684
Charitable remainder unitrusts	1,114,594	1,052,820
Endowment, held in perpetuity	151,908,647	121,543,971
Life insurance fund	881,761	872,561
Beneficial interest in trust	<u>1,461,993</u>	<u>1,411,760</u>
Total net assets with donor restrictions	\$ <u>251,129,480</u>	<u>210,040,777</u>

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note Q – Risk Management

It is the policy of the University 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.

Losses are reported when it is probable a loss has occurred and the amount of 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 Income. The University has elected to insure business income losses for self-supporting facilities such as athletic facilities, residence facilities, etc.

Fidelity Bond. The State of Iowa maintains an employee fidelity bond insuring losses on behalf of the University. Underneath the State's fidelity bond the University maintains an employee fidelity bond insuring employee theft losses.

General Liability. The State of Iowa self-insures, on behalf of the University, losses related to tort claims. Tort claims are handled as provided in the Iowa Code, Chapter 669, which also sets forth the procedures by which tort claims may be brought. Claims under Chapter 669 may be filed against the State on account of wrongful death, personal injury or property damage incurred by reason of the negligence of the University or its employees while acting within the scope of employment. By inter-agency agreement, tort claims under \$5,000 may be paid by the University subject to a maximum expenditure of \$50,000 per year. All other claims may be paid from the State's general fund.

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.

Medical and Dental-Self Insured. The University self-funds the medical and dental claims of its professional employees. The University and employees share the cost of the coverage. The University insures its medical claims with 120% aggregate stop-loss insurance.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note Q – Risk Management (continued)

The following schedule presents the changes in claims liabilities for medical and dental insurance for professional staff and unemployment compensation for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Amount of claims and contingent liabilities accrued beginning of year	\$ 2,456,120	2,317,540
Claims incurred and contingent liabilities accrued for the previous and current year and any changes in amounts estimated for prior years	30,182,608	28,080,263
Payments on claims during the fiscal year	<u>(30,167,284)</u>	<u>(27,941,683)</u>
Amount of claims liabilities end of year	<u>\$ 2,471,444</u>	<u>2,456,120</u>

Motor Vehicles. The Board of Regents' institutions cooperatively self-insure for liability losses related to motor vehicles, up to \$250,000 per claim. Losses in excess of \$250,000 are self-insured by the State as provided in the Iowa Code, Chapter 669. In addition to liability coverage, the insurance program also self-insures for comprehensive and collision damage.

Property. The University purchases broad all risks property insurance. Deductibles vary per occurrence depending on the cause of loss and the nature of the property. The State of Iowa self-insures, on behalf of the University, property deemed general university property, exclusive of self-supporting facilities. This contingency fund exists under Iowa Code, Section 29C.20.

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 R – Funds Held in Trust by Others

The University is a beneficiary of the Joseph S. Wright Trust, which is held by others and had an aggregate fair value of \$766,167 and \$687,463 at June 30, 2023 and 2022, respectively. The University did not receive income from this trust in fiscal year 2023 and received two income distribution in fiscal year 2022 for a total of \$67,190.

Note S – Other Commitments, Claims and Contingencies

Commitments: Changes to the University's outstanding construction contract commitments for Plant construction for the year ended June 30, 2023 are as follows:

Construction commitments beginning of year	\$ 41,209,550
Increases in commitments	9,491,805
Payments and decreases in commitments	<u>(25,255,114)</u>
Construction commitments end of year	<u>\$ 25,446,241</u>

There were no material claims or contingencies as of June 30, 2023.

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University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note T – Segment Reporting

A segment is an identifiable activity reported as a stand-alone entity for which one or more revenue bond issues are outstanding. Investors in Academic Building Revenue Bonds rely on pledged tuition and fees revenues generated by the University for repayment. Investors in bonds of all other bond enterprises rely solely on the revenue generated by the individual activities for repayment. A segment has a specifically identifiable revenue stream pledged in support of revenue bonds and has related expenses, assets and liabilities that are required by an external party to be accounted for separately. The University's segments are described as follows:

Academic Building Revenue Bonds were issued to defray the costs of constructing, renovating and equipping academic buildings, libraries and administrative and service buildings of the University.

Residence System Revenue Bonds were issued for the construction, renovation, and equipping of residence halls, food service buildings and apartment housing. The bonds are payable from the net rents, profits and income derived from operation of the system. Primary sources of revenue include: room and board contracts, apartment rents, retail food sales, catering sales and investment income.

Field House Revenue Bonds were issued in 1997 for the replacement of the air-supported fabric roof with a self-supported roof. In 2001, bonds were issued to make repairs to the roof and the structure of the building. In 2004, bonds were issued to construct the McLeod Center, an integral part of the Field House Enterprise. The bonds are payable from student fees and the net revenues of the Field House System. Primary sources of revenue include: concession stand sales, facility rentals to the University and the public, investment income and mandatory student fees.

Utility System Revenue Bonds were issued for constructing, equipping, installing, furnishing, replacing, and renovating the utility system of the University.

Student Union Revenue Bonds were issued to construct additions to, remodel, refurbish and equip the J. W. Maucker Student Union. The bonds are payable from mandatory student fees and the net revenues of the Student Union System. Primary sources of revenue include: retail sales, commissions, meeting room rentals to the University and the public, investment income and mandatory student fees.

Student Health System Revenue Bonds were issued in 2004 for constructing, furnishing and equipping the Student Health Center building and to improve, remodel and repair the existing Student Health Center building. The bonds are payable from student fees and the net revenues of the Student Health System. Primary sources of revenue include: student receipts and health insurance revenues for health care provided to UNI students and mandatory student fees.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note T – Segment Reporting (continued)

	For the year ended June 30, 2023:				
	Academic Buildings	Residence System	Utility System	Field House System	Student Health System
Condensed Statement of Net Position					
Assets:					
Current assets	\$ 4,425,102	12,352,599	5,225,935	2,158,864	1,857,754
Capital assets	40,981,934	101,625,953	43,142,282	23,822,824	2,462,941
Other noncurrent assets	<u>1,544,361</u>	<u>14,056,376</u>	<u>5,203,855</u>	<u>1,167</u>	<u>-</u>
Total assets	<u>46,951,397</u>	<u>128,034,928</u>	<u>53,572,072</u>	<u>25,982,855</u>	<u>4,320,695</u>
Liabilities:					
Current liabilities	3,212,504	5,575,016	2,125,889	597,792	311,927
Noncurrent liabilities	<u>24,876,058</u>	<u>37,154,938</u>	<u>15,102,497</u>	<u>792,885</u>	<u>301,205</u>
Total liabilities	<u>28,088,562</u>	<u>42,729,954</u>	<u>17,228,386</u>	<u>1,390,677</u>	<u>613,132</u>
Deferred inflows lease related	-	<u>153,168</u>	-	-	-
Net position:					
Net investment in capital assets	15,833,956	64,778,947	31,191,822	23,036,964	2,214,804
Restricted, expendable	3,028,879	20,616,797	1,287,570	478,950	243,500
Unrestricted	-	<u>(243,938)</u>	<u>3,864,294</u>	<u>1,076,264</u>	<u>1,249,259</u>
Total net position	<u>\$ 18,862,835</u>	<u>85,151,806</u>	<u>36,343,686</u>	<u>24,592,178</u>	<u>3,707,563</u>
Condensed Statement of Changes in Net Position					
Operating revenues	\$ 60,305,922	29,421,646	11,594,914	3,921,746	2,669,973
Depreciation expense	(2,113,534)	(3,362,251)	(2,017,590)	(1,180,190)	(118,406)
Other operating expenses	-	<u>(25,243,560)</u>	<u>(11,471,206)</u>	<u>(3,837,089)</u>	<u>(2,960,208)</u>
Net operating income (loss)	58,192,388	815,835	(1,893,882)	(1,095,533)	(408,641)
Nonoperating revenues (expenses)	2,821,891	(502,811)	(334,474)	39,495	37,597
Transfers from (to) University funds	<u>(60,436,405)</u>	<u>13,625</u>	<u>222,829</u>	<u>97,104</u>	<u>473,876</u>
Change in net position	577,874	326,649	(2,005,527)	(958,934)	102,832
Net position, beginning of year	<u>18,284,961</u>	<u>84,825,157</u>	<u>38,349,213</u>	<u>25,551,112</u>	<u>3,604,731</u>
Net position, end of year	<u>\$ 18,862,835</u>	<u>85,151,806</u>	<u>36,343,686</u>	<u>24,592,178</u>	<u>3,707,563</u>
Condensed Statement of Cash Flows					
Net cash provided (used) by operating activities	\$ 60,305,922	3,809,249	(643,361)	111,631	(378,334)
Net cash provided (used) by capital and related financing activities	(60,406,326)	(8,705,714)	(5,442,043)	(1,061,504)	254,400
Net cash provided (used) by investing activities	<u>95,497</u>	<u>2,224,970</u>	<u>1,083,201</u>	<u>142,522</u>	<u>325,227</u>
Net increase (decrease) in cash	(4,907)	(2,671,495)	(5,002,203)	(807,351)	201,293
Cash and cash equivalents, beginning of year	<u>3,029,931</u>	<u>10,270,283</u>	<u>5,818,718</u>	<u>1,839,501</u>	<u>273,905</u>
Cash and cash equivalents, end of year	<u>\$ 3,025,024</u>	<u>7,598,788</u>	<u>816,515</u>	<u>1,032,150</u>	<u>475,198</u>
Debt Service Coverage					
Debt service coverage - required	1.25	1.35	1.20	1.20	1.20
Debt service coverage - actual	19.25	1.39	1.28	4.08	6.29
Proportion of Revenue Pledged					
Annual debt service (principal & interest)	\$ 3,376,169	5,034,290	1,240,250	524,400	250,612
Net operating income	60,305,922 ¹	6,971,624 ²	905,567 ²	842,673 ³	324,670 ⁴
Annual debt service/net operating income (%)	5.6%	72.2%	137.0%	62.2%	77.2%
Revenue pledged for future principal & interest	\$ 31,072,541	45,941,778	18,127,025	1,284,700	495,819

¹ Net operating income plus depreciation added back per the bond indenture.

² Net operating income plus investment income minus capital additions from operating fund per the bond indenture.

³ Net operating income plus investment income, student fee income, casualty reimbursement and transfers-in of University funds minus capital additions from operating fund per the bond indenture.

⁴ Net operating income plus investment income and transfers-in of University funds minus capital additions from operating fund per bond indenture.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note T – Segment Reporting (continued)

	For the year ended June 30, 2022:					
	Academic Buildings	Residence System	Utility System	Field House System	Student Union	Student Health System
Condensed Statement of Net Position						
Assets:						
Current assets	\$ 4,431,326	18,052,793	7,727,014	2,609,819	2,065,212	633,900
Capital assets	43,095,468	102,935,540	43,712,212	24,896,412	10,068,198	2,553,348
Other noncurrent assets	<u>1,574,824</u>	<u>12,581,127</u>	<u>4,972,868</u>	<u>471,807</u>	<u>1,128,724</u>	<u>1,292,266</u>
Total assets	<u>49,101,618</u>	<u>133,569,460</u>	<u>56,412,094</u>	<u>27,978,038</u>	<u>13,262,134</u>	<u>4,479,514</u>
Liabilities:						
Current liabilities	3,163,679	6,075,632	2,101,358	1,116,950	922,002	315,697
Noncurrent liabilities	<u>27,652,978</u>	<u>42,501,991</u>	<u>15,961,523</u>	<u>1,309,976</u>	<u>32,110</u>	<u>559,086</u>
Total liabilities	<u>30,816,657</u>	<u>48,577,623</u>	<u>18,062,881</u>	<u>2,426,926</u>	<u>954,112</u>	<u>874,783</u>
Deferred inflows lease related	-	<u>166,680</u>	-	-	-	-
Net position:						
Net investment in capital assets	15,170,570	61,339,093	27,911,039	23,589,693	10,068,198	2,062,073
Restricted, expendable	3,114,391	23,803,268	1,269,777	484,375	-	243,500
Unrestricted	-	<u>(317,204)</u>	<u>9,168,397</u>	<u>1,477,044</u>	<u>2,239,824</u>	<u>1,299,158</u>
Total net position	<u>\$ 18,284,961</u>	<u>84,825,157</u>	<u>38,349,213</u>	<u>25,551,112</u>	<u>12,308,022</u>	<u>3,604,731</u>
Condensed Statement of Changes in Net Position						
Operating revenues	\$ 51,919,649	29,466,153	11,159,873	3,528,131	1,053,708	2,789,414
Depreciation expense	(2,404,604)	(3,381,132)	(2,664,490)	(1,195,209)	(470,636)	(120,203)
Other operating expenses	-	<u>(22,998,694)</u>	<u>(10,227,863)</u>	<u>(2,907,231)</u>	<u>(1,322,275)</u>	<u>(3,290,687)</u>
Net operating income (loss)	49,515,045	3,086,327	(1,732,480)	(574,309)	(739,203)	(621,476)
Nonoperating revenues (expenses)	2,506,848	(1,510,268)	(868,574)	(63,623)	(122,600)	(74,129)
Other revenues (expenses)	-	65,967	-	-	-	-
Transfers from (to) University funds	<u>(51,763,632)</u>	<u>(329,820)</u>	<u>(1,570,360)</u>	-	<u>818,432</u>	<u>624,930</u>
Change in net position	258,261	1,312,206	(4,171,414)	(637,932)	(43,371)	(70,675)
Net position, beginning of year	<u>18,026,700</u>	<u>83,512,951</u>	<u>42,520,627</u>	<u>26,189,044</u>	<u>12,351,393</u>	<u>3,675,406</u>
Net position, end of year	<u>\$ 18,284,961</u>	<u>84,825,157</u>	<u>38,349,213</u>	<u>25,551,112</u>	<u>12,308,022</u>	<u>3,604,731</u>
Condensed Statement of Cash Flows						
Net cash provided (used) by operating activities	\$ 51,919,649	6,068,105	1,092,510	495,920	(273,665)	(499,601)
Net cash provided (used) by non-capital financing activities	-	937,461	-	-	-	-
Net cash provided (used) by capital and related financing activities	(51,767,350)	(8,370,639)	(4,975,416)	(1,073,612)	(64,593)	282,675
Net cash provided (used) by investing activities	<u>35,970</u>	<u>(9,511,685)</u>	<u>(59,214)</u>	<u>830,383</u>	<u>860,801</u>	<u>126,759</u>
Net increase (decrease) in cash	188,269	10,876,758	(3,942,120)	252,691	522,543	(90,167)
Cash and cash equivalents, beginning of year	<u>2,841,662</u>	<u>21,147,041</u>	<u>9,760,838</u>	<u>1,586,810</u>	<u>1,126,334</u>	<u>364,072</u>
Cash and cash equivalents, end of year	<u>\$ 3,029,931</u>	<u>10,270,283</u>	<u>5,818,718</u>	<u>1,839,501</u>	<u>1,648,877</u>	<u>273,905</u>
Debt Service Coverage						
Debt service coverage - required	1.25	1.35	1.20	1.20	1.20	1.20
Debt service coverage - actual	19.59	1.36	1.22	2.09	3.52	6.27
Proportion of Revenue Pledged						
Annual debt service (principal & interest)	\$ 3,368,519	5,081,075	1,257,250	1,064,613	870,350	250,313
Net operating income	51,919,649 ¹	6,220,324 ²	1,500,587 ²	829,835 ³	771,546 ⁴	243,914 ⁴
Annual debt service/net operating income (%)	6.5%	81.7%	83.8%	128.3%	112.8%	102.6%
Revenue pledged for future principal & interest	\$ 34,399,884	52,144,700	19,365,775	2,136,706	857,675	743,781

¹ Net operating income plus depreciation added back per the bond indenture.

² Net operating income plus investment income minus capital additions from operating fund per the bond indenture.

³ Net operating income plus investment income, student fee income, casualty reimbursement and transfers-in of University funds minus capital additions from operating fund per the bond indenture.

⁴ Net operating income plus investment income and transfers-in of University funds minus capital additions from operating fund per bond indenture.

University of Northern Iowa
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2023

Note U – Operating Expenses by Function

Operating expenses by natural classification for the year ended June 30, 2023 are summarized as follows:

	<u>Personnel Services</u>	<u>Supplies and Services</u>	<u>Scholarships and Fellowships</u>	<u>Depreciation</u>	<u>Total Operating Expenses</u>
Operating Expenses:					
Instruction	\$ 63,180,330	3,932,185	-	-	67,112,515
Research	2,291,422	1,021,200	-	-	3,312,622
Public Service	8,720,462	11,022,843	-	-	19,743,305
Academic Support	17,627,814	6,820,561	-	-	24,448,375
Student Services	9,215,046	2,849,918	-	-	12,064,964
Institutional Support	16,477,441	6,155,214	-	-	22,632,655
Operation and Maintenance of Plant	16,000,338	10,367,965	-	-	26,368,303
Scholarships and Fellowships	497,355	-	635,059	-	1,132,414
Depreciation	-	-	-	19,128,176	19,128,176
Other Operating Expenses	-	247,288	-	-	247,288
Auxiliary Enterprises	<u>26,443,189</u>	<u>23,548,688</u>	<u>2,344,669</u>	-	<u>52,336,546</u>
Total Operating Expenses	<u>\$160,453,397</u>	<u>65,965,862</u>	<u>2,979,728</u>	<u>19,128,176</u>	<u>248,527,163</u>

Operating expenses by natural classification restated for the year ended June 30, 2022 are summarized as follows:

	<u>Personnel Services</u>	<u>Supplies and Services</u>	<u>Scholarships and Fellowships</u>	<u>Depreciation</u>	<u>Total Operating Expenses</u>
Operating Expenses:					
Instruction	\$ 65,111,870	3,131,349	-	-	68,243,219
Research	1,819,721	778,797	-	-	2,598,518
Public Service	8,258,347	9,930,458	-	-	18,188,805
Academic Support	18,517,703	7,446,680	-	-	25,964,383
Student Services	8,715,744	2,819,030	-	-	11,534,774
Institutional Support	16,458,386	3,443,617	-	-	19,902,003
Operation and Maintenance of Plant	15,640,248	9,977,764	-	-	25,618,012
Scholarships and Fellowships	479,422	-	3,028,438	-	3,507,860
Depreciation	-	-	-	20,320,784	20,320,784
Other Operating Expenses	-	403,496	-	-	403,496
Auxiliary Enterprises	<u>25,373,700</u>	<u>21,570,757</u>	<u>2,464,733</u>	-	<u>49,409,190</u>
Total Operating Expenses	<u>\$160,375,141</u>	<u>59,501,948</u>	<u>5,493,171</u>	<u>20,320,784</u>	<u>245,691,044</u>



2022-2023

Required Supplementary Information

University of Northern Iowa
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the University's Proportionate Share of the Net Pension Liability (Asset)

Iowa Public Employee's Retirement System
Last Nine Fiscal Years*
(In Thousands)

<u>Year Ended June 30,</u>	<u>University's Proportion of the Net Pension Liability (Asset)</u>	<u>University's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>University's Covered Payroll</u>	<u>University's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.2379216%	\$ 9,436	\$15,521	60.8%	87.61%
2016	0.2491278%	\$12,308	\$17,165	71.7%	85.19%
2017	0.2568560%	\$16,165	\$18,427	87.7%	81.82%
2018	0.2712075%	\$18,066	\$20,802	86.8%	82.21%
2019	0.2805301%	\$17,753	\$21,774	81.5%	83.62%
2020	0.2931051%	\$16,973	\$23,091	73.5%	85.45%
2021	0.2904003%	\$20,400	\$23,743	85.9%	82.90%
2022	(0.0440948%)	\$(152)	\$23,467	0.7%	100.81%
2023	0.2973330%	\$11,234	\$25,210	44.6%	91.41%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceeding fiscal year.

See Note L in the accompanying Notes to Financial Statements for the IPERS plan description; pension benefits; disability and death benefits; contributions; net pension liabilities (assets), pension expenses (income), deferred outflows of resources and deferred inflows of resources related to pensions; actuarial assumptions; discount rate; and sensitivity of the University's proportionate share of the net pension liability (asset) to changes in the discount rate.

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten year trend is compiled, the University will present information for those years for which information is available.

See accompanying independent auditor's report.

University of Northern Iowa
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of University Contributions

Iowa Public Employee's Retirement System
Last Ten Fiscal Years
(In Thousands)

<u>Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>University's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2014	1,386	(1,386)	- =====	15,521	8.93%
2015	1,533	(1,533)	- =====	17,165	8.93%
2016	1,646	(1,646)	- =====	18,427	8.93%
2017	1,864	(1,864)	- =====	20,802	8.96%
2018	1,943	(1,943)	- =====	21,774	8.93%
2019	2,168	(2,168)	- =====	23,091	9.39%
2020	2,238	(2,238)	- =====	23,743	9.43%
2021	2,212	(2,212)	- =====	23,467	9.42%
2022	2,371	(2,371)	- =====	25,210	9.40%
2023	2,636	(2,636)	- =====	28,032	9.40%

See accompanying independent auditor's report.

University of Northern Iowa
Notes to Required Supplementary Information – Pension Liability (Asset)
Year Ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the investment return assumption from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

See accompanying independent auditor's report.

University of Northern Iowa
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in the University's Total OPEB Liability and Related Ratios and Notes
(In Thousands)

Total OPEB Liability	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 300	487	1,123	1,769	1,767	1,690
Interest	399	277	427	885	980	807
Changes in assumptions	(32)	(1,556)	(3,537)	(74)	1,091	778
Change in benefit terms	(1,088)	-	-	-	-	-
Differences between expected and actual experience	369	(1,471)	(267)	(10,479)	(3,327)	-
Benefit payments	<u>(447)</u>	<u>(461)</u>	<u>(548)</u>	<u>(711)</u>	<u>(533)</u>	<u>(600)</u>
Net change in total OPEB liability	(499)	(2,723)	(2,804)	(8,610)	(22)	2,675
Total OPEB liability-beginning	<u>9,666</u>	<u>12,389</u>	<u>15,193</u>	<u>23,803</u>	<u>23,825</u>	<u>21,150</u>
Total OPEB liability-ending	\$ <u>9,167</u>	<u>9,666</u>	<u>12,389</u>	<u>15,193</u>	<u>23,803</u>	<u>23,825</u>
Covered employee payroll	104,485	102,673	110,198	109,141	115,419	112,494
Total OPEB liability as a percentage of covered employee payroll	8.8%	9.4%	11.2%	13.9%	20.6%	21.2%

Data prior to 2018 is unavailable

Notes:

Changes in benefit terms:

Effective January 1, 2018, university employees are no longer covered by the State Plan.

Effective June 30, 2023, the University ended all retiree life insurance coverage.

Changes in assumptions:

Changes in assumption and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Years ended June 30:

2023	4.13%
2022	4.09%
2021	2.19%
2020	2.66%
2019	3.51%
2018	3.87%
2017	3.58%

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay the related benefits.



2022-2023

Statistical Section

University of Northern Iowa Statistical Section

The University's statistical section of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the University's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help understand how the University's financial performance has changed over time.	83-86
Revenue Capacity	
These schedules provide information on the University's most significant revenue sources, tuition and fees, and state appropriations.	87-88
Debt Capacity	
These schedules present the University's bonded debt obligation and the revenue bond coverage.	89-91
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help understand the environment within which the University's financial activities take place.	92-93
Operating Information	
These schedules contain information about the University's operations and resources to help the reader understand how the University's financial information relates to the students and services the University provides.	94-99

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

University of Northern Iowa

Schedule 1

HIGHER EDUCATION PRICE INDEX (HEPI)/FULL YEAR FTE

For the Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Higher Education Price Index	9.461	9.038	8.561	8.392	8.257	8.043	7.857	7.537	7.442	7.285
Normalized HEPI	1.299	1.241	1.175	1.152	1.133	1.104	1.079	1.035	1.022	1.000
Full Year FTE	7,117	7,558	7,969	8,555	9,201	9,535	9,652	9,708	9,765	10,024

HIGHER EDUCATION PRICE INDEX (HEPI). The HEPI deflates financial data to provide a Constant Dollar comparison. The HEPI has been applied to facilitate in the interpretation of certain financial information. The HEPI uses 1971 as a base year. The following table provides the HEPI in a base year format with normalized amounts for this ten year period.

FULL TIME EQUIVALENT STUDENT (FTE). Certain financial data in this section is presented per FTE student. The FTE is based on a weighted full year FTE.

Source: Commonfund; HEPI Index; 2013 through 2023 Updates

University of Northern Iowa
Schedule 2
**CHANGE IN NET POSITION/
NET POSITION BY CLASSIFICATION**
For the Last Ten Years
(Expressed in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
CHANGE IN NET POSITION										
Total Revenues - Schedule 3	\$ 276,425	254,399	277,764	276,106	290,217	282,306	302,105	294,309	277,804	282,711
Total Expenses - Schedule 4	<u>250,693</u>	<u>248,123</u>	<u>250,123</u>	<u>261,488</u>	<u>280,883</u>	<u>274,447</u>	<u>276,523</u>	<u>270,216</u>	<u>276,188</u>	<u>274,183</u>
Change in Net Position	<u>25,732</u>	<u>6,276</u>	<u>27,641</u>	<u>14,618</u>	<u>9,334</u>	<u>7,859</u>	<u>25,582</u>	<u>24,093</u>	<u>1,616</u>	<u>8,528</u>
Net Position - July 1	436,974	430,698	403,057	388,439	379,105	371,246	** 350,874	326,781	325,165	* 326,922
Net Position - June 30	<u>\$ 462,706</u>	<u>436,974</u>	**** <u>430,698</u>	*** <u>403,057</u>	<u>388,439</u>	<u>379,105</u>	<u>376,456</u>	<u>350,874</u>	<u>326,781</u>	<u>335,450</u>
NET POSITION BY CLASSIFICATION										
Net investment in capital assets	\$ 345,409	317,103	**** 308,057	*** 310,278	296,991	291,590	289,271	260,251	258,659	254,035
Restricted										
Nonexpendable										
Scholarships and fellowships	615	615	615	615	615	615	615	615	615	615
Expendable										
Scholarships and fellowships	301	318	312	259	133	282	260	248	241	209
Loans	3,189	3,227	3,395	3,158	2,996	2,917	3,034	2,873	2,970	2,927
Capital projects	-	-	-	138	10	2,318	4,987	14,111	2,916	5,137
Debt service	25,656	28,916	29,654	21,355	30,438	31,218	33,701	30,479	23,790	20,787
Other	558	331	985	810	649	661	710	551	645	838
Unrestricted	<u>86,978</u>	<u>86,464</u>	<u>87,680</u>	*** <u>66,444</u>	<u>56,607</u>	<u>49,504</u>	<u>43,878</u>	<u>41,746</u>	<u>36,945</u>	<u>50,902</u>
Net Position - June 30	<u>\$ 462,706</u>	<u>436,974</u>	**** <u>430,698</u>	*** <u>403,057</u>	<u>388,439</u>	<u>379,105</u>	<u>376,456</u>	<u>350,874</u>	<u>326,781</u>	<u>335,450</u>

* July 1, 2014 net position was restated in 2015 for net pension liability as required by GASB Statement No. 68.

** July 1, 2017 net position was restated in 2018 for other postemployment benefit liability as required by GASB Statement No. 75.

*** June 30, 2021 net position was restated in 2022 for leases as required by GASB Statement No. 87.

**** June 30, 2022 net position was restated in 2023 for subscription-based information technology arrangements as required by GASB Statement No. 96.

University of Northern Iowa
Schedule 3
REVENUES
For the Last Ten Years
(Expressed in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
OPERATING		Restated								
Gross Tuition & Fees	\$ 84,772	84,130	82,346	87,940	94,510	97,290	94,796	91,198	89,653	89,745
Less: Scholarship Allowance	32,327	38,173	29,430	26,363	28,511	29,329	27,888	27,423	27,115	25,425
Net Tuition & Fees	52,445	45,957	52,916	61,577	65,999	67,961	66,908	63,775	62,538	64,320
Federal grants and contracts	15,689	12,136	9,836	10,472	13,309	13,481	13,494	13,990	15,783	16,663
State and local grants and contracts	2,534	2,597	1,879	1,536	1,951	2,395	2,314	3,649	2,984	2,053
Nongovernmental grants and contracts	5,493	5,646	4,640	4,754	4,610	4,781	4,435	4,047	3,944	3,320
Sales and services of educational activities	1,519	5,264	3,414	4,504	5,236	5,656	6,611	5,911	6,169	6,403
Interest on student loans	94	277	94	248	83	144	211	214	211	227
Other operating revenue	676	1,209	774	1,058	1,588	675	746	662	711	563
Auxiliary enterprises	46,601	41,278	45,073	52,258	65,845	60,559	62,831	61,407	60,468	57,102
Total Operating Income	125,051	114,364	118,626	136,407	158,621	155,652	157,550	153,655	152,808	150,651
NONOPERATING										
State appropriations	108,683	107,094	107,047	108,523	103,414	101,378	101,900	101,758	100,659	96,910
Federal grants and contracts	10,306	21,755	32,444	17,967	11,190	11,657	10,791	10,670	10,715	10,270
Nonfederal gifts, grants and contracts	4,504	4,699	3,542	3,127	3,857	3,956	3,270	2,537	2,011	3,827
Investment income	4,565	(5,161)	9,340	3,090	4,853	2,619	3,089	1,333	1,658	3,644
Gain on disposal of capital assets	669	-	-	-	-	813	-	3,959	-	-
Other nonoperating income	-	1,408	1,429	1,156	2,810	-	-	-	-	-
Total Nonoperating Revenue	128,727	129,795	153,802	133,863	126,124	120,423	119,050	120,257	115,043	114,651
CAPITAL AND OTHER REVENUES										
Capital appropriations	18,896	6,068	3,773	3,567	3,580	3,661	19,220	19,119	8,121	14,177
Capital gifts, grants and contracts	3,751	4,172	1,563	2,269	1,892	2,570	6,285	1,278	1,832	3,232
Total Capital and Other Revenues	22,647	10,240	5,336	5,836	5,472	6,231	25,505	20,397	9,953	17,409
Total Revenues	\$ 276,425	254,399	277,764	276,106	290,217	282,306	302,105	294,309	277,804	282,711
Constant Dollar Revenues	\$ 212,798	204,995	236,395	239,675	256,149	255,712	279,986	284,357	271,824	282,711
Revenues per FTE (Actual)	\$ 38,840	33,660	34,856	32,274	31,542	29,607	31,300	30,316	28,449	28,203
Constant Dollar Revenues per FTE (Actual)	\$ 29,900	27,123	29,665	28,016	27,839	26,818	29,008	29,291	27,837	28,203

University of Northern Iowa
Schedule 4
EXPENSES
For the Last Ten Years
(Expressed in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
		Restated								
OPERATING EXPENSES BY FUNCTION										
Instruction	\$ 67,113	68,243	73,062	78,079	80,499	80,902	84,158	84,063	86,537	86,506
Research	3,313	2,599	2,655	2,437	2,930	2,455	2,808	2,957	3,176	2,982
Public service	19,743	18,189	16,318	19,159	19,908	20,536	21,158	20,961	21,315	25,053
Academic support	24,448	25,964	27,256	24,673	25,598	26,147	24,454	22,514	22,866	22,490
Student services	12,065	11,535	9,287	10,377	10,235	10,106	11,501	10,035	10,431	9,636
Institutional support	22,633	19,902	18,147	15,174	21,358	19,641	27,154	29,197	27,211	26,067
Operation and maintenance of plant	26,368	25,618	26,448	26,231	30,556	27,546	21,448	20,132	22,202	21,167
Scholarships and fellowships	1,132	3,508	5,293	8,232	5,684	6,143	5,860	5,863	6,203	3,381
Depreciation	19,128	20,320	19,412	19,463	19,401	19,113	18,534	18,121	18,095	18,041
Other operating expenses	247	404	133	286	214	264	186	246	150	194
Auxiliary enterprises	52,337	49,409	49,347	54,410	61,224	55,824	53,724	51,264	51,743	50,774
Total Operating Expenses	248,527	245,691	247,358	258,521	277,607	268,677	270,985	265,353	269,929	266,291
NONOPERATING EXPENSES										
Interest on indebtedness	2,147	2,224	2,399	2,882	3,075	5,290	5,228	4,392	5,891	5,463
Loss on disposal of capital assets	-	208	366	85	201	-	13	-	-	-
Miscellaneous expense	19	-	-	-	-	480	297	471	368	2,429
Total Nonoperating Expenses	2,166	2,432	2,765	2,967	3,276	5,770	5,538	4,863	6,259	7,892
Total Expenses	\$ 250,693	248,123	250,123	261,488	280,883	274,447	276,523	270,216	276,188	274,183
Constant Dollar Expenses	\$ 192,989	199,938	212,871	226,986	247,911	248,593	256,277	261,078	270,243	274,183
Expenses per FTE (Actual)	\$ 35,225	32,829	31,387	30,566	30,527	28,783	28,649	27,834	28,283	27,353
Constant Dollar										
Expenses per FTE (Actual)	\$ 27,117	26,454	26,712	26,533	26,944	26,072	26,551	26,893	27,674	27,353

University of Northern Iowa
Schedule 5
**TUITION & FEES PER FULL TIME EQUIVALENT (FTE) STUDENT/
TUITION & FEES RATES**
For the Last Ten Years
(Expressed in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TUITION & FEES		Restated								
Total Tuition & Fees	\$ 84,772	84,130	82,346	87,940	94,510	97,290	94,796	91,198	89,653	89,745
Less: Other Funds Unrestricted	12,943	10,979	12,123	13,156	13,862	14,853	14,214	13,999	12,437	12,271
Unrestricted Scholarships & Fellowships	15,057	15,443	14,777	14,052	15,611	16,307	15,675	15,547	14,832	13,066
Net Tuition & Fees	\$ 56,772	57,708	55,446	60,732	65,037	66,130	64,907	61,652	62,384	64,408
Constant Dollar Net Tuition & Fees	\$ 43,704	46,501	47,188	52,719	57,402	59,900	60,155	59,567	61,041	64,408
Tuition & Fees per FTE Student (Actual)	\$ 7,977	7,635	6,958	7,099	7,068	6,936	6,725	6,351	6,389	6,425
Constant Dollar Tuition & Fees per FTE Student (Actual)	\$ 6,141	6,153	5,921	6,162	6,239	6,282	6,232	6,136	6,251	6,425
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TUITION & FEES RATES										
Resident Undergraduate	\$ 9,411	9,053	8,938	8,938	8,939	8,699	8,309	7,917	7,749	7,685
Non-resident Undergraduate	20,565	19,753	19,480	19,480	19,480	19,241	18,851	18,005	17,647	17,181
Resident Graduate	10,991	10,569	10,432	10,432	10,432	10,193	9,803	9,219	9,013	8,793
Non-resident Graduate	22,074	21,201	20,906	20,906	20,906	20,667	20,277	19,389	19,007	18,507
FULL ROOM & BOARD RATE	\$ 9,343	9,160	9,160	9,160	8,948	8,781	8,629	8,320	8,066	7,820
TOTAL COST OF ATTENDANCE										
Resident Undergraduate	\$ 18,754	18,213	18,098	18,098	17,887	17,480	16,938	16,237	15,815	15,505
Non-resident Undergraduate	29,908	28,913	28,640	28,640	28,428	28,022	27,480	26,325	25,713	25,001
CONSTANT DOLLAR TUITION & FEE RATES										
Resident Undergraduate	\$ 7,245	7,295	7,607	7,759	7,890	7,880	7,701	7,649	7,582	7,685
Non-resident Undergraduate	15,831	15,917	16,579	16,910	17,193	17,428	17,471	17,396	17,267	17,181
Resident Graduate	8,461	8,517	8,878	9,056	9,207	9,233	9,085	8,907	8,819	8,793
Non-resident Graduate	16,993	17,084	17,792	18,148	18,452	18,720	18,792	18,733	18,598	18,507
CONSTANT DOLLAR FULL ROOM & BOARD RATE	\$ 7,192	7,381	7,796	7,951	7,898	7,954	7,997	8,039	7,892	7,820
CONSTANT DOLLAR COST OF ATTENDANCE										
Resident Undergraduate	\$ 14,437	14,676	15,403	15,710	15,788	15,834	15,698	15,688	15,474	15,505
Non-resident Undergraduate	23,023	23,298	24,375	24,861	25,091	25,382	25,468	25,435	25,159	25,001

University of Northern Iowa
Schedule 6

STATE APPROPRIATIONS/CAPITAL APPROPRIATIONS

For the Last Ten Years

(Expressed in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
STATE APPROPRIATIONS										
Total	\$ 108,683	107,094	107,047	108,523	103,414	101,378	101,900	101,758	100,659	96,910
Less: Non-General Funds	<u>1,162</u>	<u>1,003</u>	<u>678</u>	<u>902</u>	<u>889</u>	<u>855</u>	<u>797</u>	<u>914</u>	<u>916</u>	<u>1,121</u>
Net State Appropriations	<u>\$ 107,521</u>	<u>106,091</u>	<u>106,369</u>	<u>107,621</u>	<u>102,525</u>	<u>100,523</u>	<u>101,103</u>	<u>100,844</u>	<u>99,743</u>	<u>95,789</u>
Constant Dollar Unrestricted State Appropriations	\$ 82,772	85,488	90,527	93,421	90,490	91,053	93,701	97,434	97,596	95,789
State Appropriations per FTE Student (Actual)	\$ 15,108	14,037	13,348	12,580	11,143	10,543	10,475	10,388	10,214	9,556
Constant Dollar State Appropriations per FTE Student (Actual)	\$ 11,630	11,311	11,360	10,920	9,835	9,549	9,708	10,036	9,994	9,556
CAPITAL APPROPRIATIONS	\$ 18,896	6,068	3,773	3,567	3,580	3,661	19,220	19,119	8,121	14,177
Constant Dollar Restricted Capital Appropriations	\$ 14,547	4,890	3,211	3,096	3,160	3,316	17,813	18,472	7,946	14,177
Capital Appropriations per FTE Student (Actual)	\$ 2,655	803	473	417	389	384	1,991	1,969	832	1,414
Constant Dollar Capital Appropriations per FTE Student (Actual)	\$ 2,044	647	403	362	343	348	1,846	1,903	814	1,414

University of Northern Iowa

Schedule 7

OUTSTANDING DEBT PER FULL TIME EQUIVALENT (FTE) STUDENT

For the Last Ten Years

(Expressed in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Bonded Debt		Restated								
Academic Building Revenue Bonds \$	27,653	30,340	32,937	35,864	38,686	41,433	42,495	59,950	46,482	49,733
Residence System Bonds	40,867	46,093	50,163	54,707	63,770	70,429	74,377	79,431	59,717	64,561
Field House Bonds	1,006	2,027	3,026	4,003	6,386	7,649	8,906	10,134	15,058	12,689
Student Union Bonds	-	845	1,690	2,510	3,300	4,065	4,815	5,550	6,275	6,980
Student Health Center Bonds	488	726	959	1,188	1,411	1,629	1,847	2,060	2,268	2,466
Utility System Bonds	15,823	16,636	17,440	17,718	-	-	-	-	-	-
Total Bonded Debt	85,837	96,667	106,215	115,990	113,553	125,205	132,440	157,125	129,800	136,429
Notes Payable										
City of Cedar Falls	275	290	305	320	335	350	365	380	395	410
Wells Fargo	-	-	-	-	-	-	-	-	246	481
Iowa Finance Authority	-	-	-	-	439	542	644	745	844	942
Total Notes Payable	275	290	305	320	774	892	1,009	1,125	1,485	1,833
Other Liability										
Lease Liability	1,814	1,019	263	-	-	-	-	-	-	-
Deferred Compensation Plan	521	343	-	-	-	-	-	-	-	-
SBITA Liability	10,921	793	-	-	-	-	-	-	-	-
Total Other Liability	13,256	2,155	263	-	-	-	-	-	-	-
Capital Leases Payable										
Power Plant Projects	-	-	-	-	2,692	3,183	3,659	4,121	4,569	5,000
Total Capital Leases Payable	-	-	-	-	2,692	3,183	3,659	4,121	4,569	5,000
Total Debt	\$ 99,368	99,112	106,783	116,310	117,019	129,280	137,108	162,371	135,854	143,262
Constant Dollar										
Outstanding Debt	\$ 76,496	79,865	90,879	100,964	103,282	117,101	127,070	156,880	132,930	143,262
Outstanding Debt										
per FTE Student (Actual)	\$ 13,962	13,114	13,400	13,596	12,718	13,558	14,205	16,725	13,912	14,292
Constant Dollar Debt										
per FTE Student (Actual)	\$ 10,748	10,567	11,404	11,802	11,225	12,281	13,165	16,160	13,613	14,292

University of Northern Iowa
Schedule 8
REVENUE BOND COVERAGE
For the Last Ten Years
(Dollars in Thousands)

ACADEMIC BUILDING REVENUE BONDS

Legal coverage = 1.25 of Maximum Debt Service Requirements

Fiscal Year Ended June 30	Pledged General Fund Tuition	Maximum Debt Service	Actual Coverage
2023	65,150	3,384	19.25
2022	66,309	3,384	19.59
2021	69,247	3,384	20.46
2020	73,721	3,783	19.49
2019	79,493	3,783	21.01
2018	81,277	3,783	21.48
2017	79,419	3,904	20.34
2016	75,989	4,011	18.95
2015	75,990	6,493	11.70
2014	76,246	6,493	11.74

RESIDENCE SYSTEM REVENUE BONDS

Legal coverage = 1.35 of Annual Debt Service Requirements

Fiscal Year Ended June 30	Gross Revenues	Less Operating Expenses	Net Available Revenues	Debt Service Requirements			Actual Coverage
				Principal	Interest	Total	
2023	29,846	22,861	6,985	4,020	1,014	5,034	1.39
2022	29,046	22,152	6,894	3,955	1,126	5,081	1.36
2021	36,138	20,914	15,224	3,955	1,147	5,102	2.98
2020	32,256	21,410	10,846	4,725	1,622	6,347	1.71
2019	37,770	24,761	13,009	6,205	1,839	8,044	1.62
2018	38,506	26,066	12,440	6,585	1,974	8,559	1.45
2017	41,363	26,524	14,839	5,085	2,372	7,457	1.99
2016	40,003	25,758	14,245	4,990	2,185	7,175	1.99
2015	39,054	26,601	12,453	4,895	1,806	6,701	1.86
2014	37,746	25,459	12,287	4,820	1,902	6,722	1.83

Note: Actual coverage does not include system fund balance

UTILITY SYSTEM REVENUE BONDS

Legal coverage = 1.20 of Annual Debt Service Requirements

Fiscal Year Ended June 30	Gross Revenues	Less Operating Expenses	Net Available Revenues	Debt Service Requirements			Actual Coverage
				Principal	Interest	Total	
2023	12,353	10,762	1,591	760	480	1,240	1.28
2022	10,764	9,235	1,529	740	517	1,257	1.22
2021	10,501	7,538	2,963	730	554	1,284	2.31
2020	10,321	7,885	2,436	205	188	393	6.20
2019	11,278	8,460	2,818	610	83	693	4.07

Note: Actual coverage does not include system fund balance

University of Northern Iowa
Schedule 8 (continued)
REVENUE BOND COVERAGE
For the Last Ten Years
(Dollars in Thousands)

FIELD HOUSE REVENUE BONDS

Legal coverage = 1.20 of Annual Debt Service Requirements

Fiscal Year Ended June 30	Gross Revenues	Less Operating Expenses	Net Available Revenues	System Fund Balance	Debt Service Requirements			Actual Coverage
					Principal	Interest	Total	
2023	4,419	3,353	1,066	1,009	480	29	509	4.08
2022	3,689	2,859	830	1,369	995	55	1,050	2.09
2021	3,639	2,203	1,436	1,656	970	79	1,049	2.95
2020	4,226	3,018	1,208	1,593	945	102	1,047	2.68
2019	4,138	2,963	1,175	1,371	1,260	169	1,429	1.78
2018	4,266	3,106	1,160	2,250	1,230	200	1,430	2.38
2017	4,130	2,918	1,212	3,443	1,225	224	1,449	3.21
2016	4,044	2,809	1,235	4,844	1,195	265	1,460	4.16
2015	3,880	2,763	1,117	5,764	1,185	361	1,546	4.45
2014	3,952	2,638	1,314	6,932	1,110	412	1,522	5.42

Note: Gross revenues consist of Operating Fund revenue, student fees and interest income.

STUDENT UNION REVENUE BONDS

Legal coverage = 1.20 of Annual Debt Service Requirements

Fiscal Year Ended June 30	Gross Revenues	Less Operating Expenses	Net Available Revenues	System Fund Balance	Debt Service Requirements			Actual Coverage
					Principal	Interest	Total	
2022	1,775	1,003	772	2,290	845	25	870	3.52
2021	2,265	1,144	1,121	1,890	845	51	896	3.36
2020	2,204	1,147	1,057	1,806	820	75	895	3.20
2019	2,304	1,236	1,068	1,697	790	99	889	3.11
2018	2,220	1,235	985	1,653	765	122	887	2.97
2017	2,353	1,205	1,148	1,569	750	144	894	3.04
2016	2,264	1,137	1,127	1,634	735	163	898	3.07
2015	2,168	1,070	1,098	1,850	725	177	902	3.27
2014	2,296	1,141	1,155	1,925	705	191	896	3.44

STUDENT HEALTH SYSTEM REVENUE BONDS

Legal coverage = 1.20 of Annual Debt Service Requirements

Fiscal Year Ended June 30	Gross Revenues	Less Operating Expenses	Net Available Revenues	System Fund Balance	Debt Service Requirements			Actual Coverage
					Principal	Interest	Total	
2023	3,259	2,977	282	1,298	240	11	251	6.29
2022	3,519	3,330	189	1,379	235	15	250	6.27
2021	3,902	3,604	298	1,647	230	20	250	7.78
2020	3,736	3,236	500	1,724	225	24	249	8.93
2019	4,139	3,866	273	1,554	220	29	249	7.34
2018	3,998	3,725	273	1,550	215	33	248	7.35
2017	3,930	3,608	322	1,664	215	37	252	7.88
2016	3,719	3,356	363	1,792	210	42	252	8.55
2015	3,616	3,238	378	1,816	205	46	251	8.74
2014	3,751	3,205	546	1,820	195	58	253	9.35

**STATE OF IOWA - TOTAL PERSONAL INCOME, POPULATION,
PER CAPITA PERSONAL INCOME, UNEMPLOYMENT PERCENTAGE**
For the Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Personal Income (expressed in millions)	\$ 192,742	182,525	169,182	163,639	158,197	144,691	144,196	143,394	139,625	138,337
Population (expressed in thousands)	3,201	3,193	3,164	3,155	3,156	3,146	3,135	3,124	3,107	3,090
Per Capita Personal Income (expressed in dollars)	\$ 60,222	57,163	53,478	51,865	50,124	47,458	46,000	45,902	44,937	44,763
Unemployment Percentage	2.7%	2.6%	4.0%	8.4%	2.5%	2.5%	3.3%	4.2%	3.7%	4.5%
Constant Dollar										
Per Capita Personal Income	\$ 46,360	46,062	45,513	45,022	44,240	42,987	42,632	44,350	43,970	44,763
Net UNI Appropriations (expressed in thousands)	\$ 106,091	106,369	107,621	102,525	100,523	101,103	100,844	99,743	95,789	86,689
UNI Appropriations per Capita	\$ 33.14	33.31	34.01	32.50	31.85	32.14	32.17	31.93	30.83	28.05
Constant Dollar										
UNI Appropriations per Capita	\$ 25.51	26.84	28.95	28.21	28.11	29.11	29.81	30.85	30.17	27.24

Source: Bureau of Economic Analysis

STATE OF IOWA PRINCIPAL NON-GOVERNMENTAL EMPLOYERS

Current Year and Nine Years Prior

Rank	Employer	Type of Business
1	Hy-Vee Food Stores	Retail Food
2	Wal-Mart	Retail General Merchandise
3	Deere and Company	Machinery Manufacturing
4	Wells Fargo	Financial Activities
5	Mercy Health	Health Care Services
6	Tyson Fresh Meats	Food Manufacturing
7	Casey's General Store	Convenience Stores
8	Fareway Food Stores	Retail Food
9	Rockwell Collins	Equipment Manufacturing
10	Principal Financial Group	Financial Activities

Source: Iowa Workforce Development

Rank	Employer	Type of Business
1	Hy-Vee Food Stores	Retail Food
2	Wal-Mart	Retail General Merchandise
3	Wells Fargo	Financial Activities
4	Deere and Company	Machinery Manufacturing
5	Mercy Health	Health Care Services
6	Rockwell Collins	Equipment Manufacturing
7	Tyson Fresh Meats	Food Manufacturing
8	Casey's General Store	Convenience Stores
9	Fareway Food Stores	Retail Food
10	Principal Financial Group	Finance & Insurance

The Code of Iowa defines employee counts as confidential data; as such, this information is not available.

Source: Iowa Workforce Development

University of Northern Iowa

Schedule 11

FULL TIME EMPLOYEES AND FACULTY DATA

For the Last Ten Fiscal Years

STAFF POSITIONS (Full Time)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Executive/Managerial										
Institutional Officials	10	10	11	11	11	11	11	13	13	13
Academic Administrators	46	48	50	47	49	46	47	46	45	44
Professional & Scientific	44	45	46	43	42	42	44	36	39	36
Faculty										
Professor	123	139	140	142	159	161	160	168	164	170
Associate Professor	144	157	159	162	162	170	184	191	201	202
Assistant Professor	71	89	100	105	111	117	117	128	134	120
Instructor	10	12	14	22	21	23	27	30	32	33
Faculty-Term/Renewable Term										
Associate Professor	-	-	1	-	-	-	-	-	-	-
Assistant Professor	-	-	1	-	-	-	1	2	1	-
Instructor	61	60	58	58	56	54	48	49	46	36
Other Professionals										
Professional/Scientific	597	594	601	648	672	658	644	630	622	609
Instructor	-	-	6	6	6	10	8	8	-	-
Secretarial/Clerical										
Merit Supervisory	5	5	5	7	9	12	15	15	16	16
Merit Confidential	11	13	13	12	13	13	14	14	17	17
Merit AFSCME	169	162	169	183	200	203	203	201	216	216
Technical-AFSCME	15	15	19	18	18	18	19	16	21	20
Skilled Crafts-AFSCME										
Merit AFSCME	47	49	48	54	55	60	58	57	59	59
Service/Maintenance										
Merit AFSCME	174	183	186	188	198	197	194	207	212	204
Merit Supervisory	26	23	22	25	24	25	22	24	23	24
Total	<u>1,553</u>	<u>1,604</u>	<u>1,649</u>	<u>1,731</u>	<u>1,806</u>	<u>1,820</u>	<u>1,816</u>	<u>1,835</u>	<u>1,861</u>	<u>1,819</u>

Note: Staff counts are as of September.

FACULTY POSITIONS (FTE)

Total Faculty	523.0	556.0	572.0	547.0	568.0	579.0	593.0	617.0	698.0	667.0
Percent Tenured	55.4%	55.9%	57.1%	53.5%	53.1%	53.0%	54.5%	54.4%	61.0%	56.2%
Students per Faculty Member	16.0	16.0	17.0	17.0	18.0	18.0	17.0	17.0	16.0	16.0

Source: Human Resource Department and Office of Institutional Research and Effectiveness

University of Northern Iowa
Schedule 12

ENROLLMENT AND FRESHMAN CLASS DATA

For the Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ENROLLMENT (Fall Headcount)										
Undergraduate - Lower	3,191	3,207	3,177	3,472	3,884	4,276	4,497	4,342	4,235	4,149
Undergraduate - Upper	4,548	4,774	5,127	5,501	5,677	5,729	5,607	5,827	5,907	6,231
Graduate - Masters	829	928	1,020	1,058	1,199	1,226	1,193	1,247	1,232	1,283
Graduate - Advanced	381	322	198	466	452	676	608	565	554	496
Total	8,949	9,231	9,522	10,497	11,212	11,907	11,905	11,981	11,928	12,159
Residents	8,115	8,281	8,455	9,394	9,976	10,545	10,528	10,549	10,491	10,842
Nonresidents	834	950	1,067	1,103	1,236	1,362	1,377	1,432	1,437	1,317
ENROLLMENT (FTE)										
Full Year FTE	7,117	7,558	7,969	8,555	9,201	9,535	9,652	9,708	9,765	10,024
Fall FTE	7,875	8,250	8,637	9,250	9,903	10,284	10,305	10,345	10,311	10,616
ADMISSIONS (Freshmen)										
Applications	4,932	4,744	5,034	4,701	5,129	5,494	5,195	5,304	5,524	4,109
Accepted	4,305	4,083	3,984	3,716	4,167	4,441	4,290	4,278	2,962	3,392
Acceptance Ratio	87.3%	86.1%	79.1%	79.0%	81.2%	80.8%	82.6%	80.7%	53.6%	82.6%
Enrolled	1,436	1,554	1,482	1,465	1,661	1,834	2,000	1,916	1,797	1,722
Enrollment Ratio	33.4%	38.1%	37.2%	39.4%	39.9%	41.3%	46.6%	44.8%	60.7%	50.8%
Average ACT Score	22.3	22.6	22.6	22.6	22.8	23.0	22.9	22.7	22.8	22.8
Percent in Upper 30% of High School Class	59.3%	56.2%	60.8%	53.9%	59.3%	54.5%	54.0%	57.2%	54.4%	55.2%
Percent in Upper 10% of High School Class	21.7%	19.6%	21.4%	20.4%	20.4%	16.9%	17.3%	18.0%	17.0%	18.1%

Source: Office of Institutional Research and Effectiveness and the Office of the Registrar

University of Northern Iowa
Schedule 13
DEGREES GRANTED
For the Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
DEGREES GRANTED (Summary)										
Baccalaureate	1,992	1,934	2,227	2,235	2,178	2,184	2,126	2,166	2,303	2,357
Masters	318	480	429	437	534	508	431	503	446	512
Specialists	5	15	11	7	8	7	8	9	5	8
Doctorates	17	9	8	11	19	23	14	14	14	20
Total	2,332	2,438	2,675	2,690	2,739	2,722	2,579	2,692	2,768	2,897
DEGREES GRANTED (Detail)										
Doctor of Industrial Technology	1	1	3	2	1	1	1	-	1	1
Doctor of Technology	-	-	-	-	-	-	1	-	1	5
Doctor of Education	16	8	5	9	18	22	12	14	12	14
Specialist in Education	5	15	11	7	8	7	8	9	5	8
Professional Science Master's	-	-	-	-	-	3	3	3	-	12
Master of Arts in Education	49	63	67	61	91	57	80	104	112	118
Master of Arts	185	195	232	261	240	304	233	285	190	242
Master of Athletic Training	9	7	3	1	-	-	-	-	-	-
Master of Business Administration	11	89	55	32	107	36	18	30	38	36
Master of Music	7	11	6	19	13	25	17	17	13	15
Master of Public Policy	-	16	1	9	-	10	-	-	12	11
Master of Science	8	13	11	15	13	17	23	17	26	23
Master of Accounting	17	25	19	8	20	18	20	13	23	18
Master of Social Work	32	61	35	31	50	38	37	34	32	37
Bachelor of Applied Science	4	3	5	2	-	-	-	-	-	-
Bachelor of Arts	1,732	1,707	2,028	2,018	1,998	1,991	1,949	2,025	2,142	2,209
Bachelor of Fine Arts	3	3	5	11	6	7	6	7	8	11
Bachelor of Music	31	29	31	27	20	25	33	21	25	34
Bachelor of Science	108	104	115	131	114	96	92	76	91	86
Bachelor of Social Work	70	58	-	-	-	-	-	-	-	-
Bachelor of Liberal Studies	44	30	43	46	40	65	46	37	37	17
Total	2,332	2,438	2,675	2,690	2,739	2,722	2,579	2,692	2,768	2,897

University of Northern Iowa
Schedule 14

COST PER FULL TIME EQUIVALENT (FTE) STUDENT

For the Last Ten Years

(Expressed in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Educational Fund Expenditures	\$ 157,427	164,322	172,514	167,515	168,809	166,675	168,300	164,815	166,474	165,628
Less Separately Budgeted Expenditures:										
Research	484	386	445	488	676	580	674	627	633	657
Public Service	8,193	8,138	8,524	8,361	7,165	7,048	7,093	6,688	6,900	6,851
Scholarships/Fellowships	14,722	15,116	14,559	13,275	14,301	14,635	14,056	13,468	12,853	13,066
General Educational Fund Instructional Expenditures	\$ 134,028	140,682	148,986	145,391	146,667	144,412	146,477	144,032	146,088	145,054
Cost per FTE Student (Actual)	\$ 18,832	18,614	18,696	16,995	15,940	15,145	15,176	14,836	14,960	14,471
Constant Dollar Cost per FTE Student (Actual)	\$ 14,497	14,999	15,911	14,752	14,069	13,719	14,065	14,335	14,638	14,471

University of Northern Iowa

Schedule 15

SCHOLARSHIPS & FELLOWSHIPS PER FULL TIME EQUIVALENT (FTE) STUDENT

For the Last Ten Years

(Expressed in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
SCHOLARSHIPS & FELLOWSHIPS										
Unrestricted	\$ 15,057	15,443	14,777	14,052	15,611	16,307	15,675	15,547	14,832	13,066
Restricted	18,402	27,532	19,945	20,543	18,584	19,165	18,073	17,739	18,486	15,740
Total	\$ 33,459	42,975	34,722	34,595	34,195	35,472	33,748	33,286	33,318	28,806

**CONSTANT DOLLAR
SCHOLARSHIPS &
FELLOWSHIPS**

Unrestricted	\$ 11,591	12,444	12,576	12,198	13,778	14,771	14,527	15,021	14,513	13,066
Restricted	14,166	22,185	16,974	17,832	16,402	17,360	16,750	17,139	18,088	15,740
Total	\$ 25,757	34,629	29,550	30,030	30,180	32,131	31,277	32,160	32,601	28,806

**SCHOLARSHIPS &
FELLOWSHIPS PER
FTE STUDENT (Actual)**

Unrestricted	\$ 2,116	2,043	1,854	1,643	1,697	1,710	1,624	1,601	1,519	1,303
Restricted	2,586	3,643	2,503	2,401	2,020	2,010	1,872	1,827	1,893	1,570
Total	\$ 4,702	5,686	4,357	4,044	3,717	3,720	3,496	3,428	3,412	2,873

**CONSTANT DOLLAR
SCHOLARSHIPS &
FELLOWSHIPS PER
FTE STUDENT (Actual)**

Unrestricted	\$ 1,629	1,646	1,578	1,426	1,498	1,549	1,505	1,547	1,486	1,303
Restricted	1,991	2,936	2,130	2,084	1,783	1,821	1,735	1,765	1,852	1,570
Total	\$ 3,620	4,582	3,708	3,510	3,281	3,370	3,240	3,312	3,338	2,873

***CAPITAL ASSETS BY MAJOR CLASS LESS
ACCUMULATED DEPRECIATION/AMORTIZATION***

For the Last Ten Years

(Expressed in Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
		Restated								
Land	\$ 5,066	5,066	5,066	5,066	4,796	4,695	4,584	4,584	4,905	4,905
Right-to-use SBITA Assets	11,792	-	-	-	-	-	-	-	-	-
Construction in Progress	48,578	25,153	21,656	22,019	6,737	5,160	23,345	32,222	4,841	4,242
Capital Assets Not Depreciated	65,436	30,219	26,722	27,085	11,533	9,855	27,929	36,806	9,746	9,147
Land Improvements	21,265	18,862	17,172	17,172	17,173	17,189	16,760	16,315	16,057	14,426
Infrastructure	64,809	59,754	50,126	45,956	44,915	43,392	42,555	41,595	40,786	40,068
Buildings	584,295	581,710	578,921	569,386	565,761	563,063	538,819	495,498	492,721	488,101
Equipment	57,171	57,346	58,921	58,667	55,791	52,263	53,750	55,800	53,349	51,354
Intangibles	9,744	9,744	9,744	9,744	9,744	9,744	8,606	8,606	8,606	8,606
Right-to-use SBITA Assets	927	926	-	-	-	-	-	-	-	-
Right-to-use Leased Buildings	2,314	1,303	360	-	-	-	-	-	-	-
Library Materials	33,841	34,362	34,538	34,654	34,693	34,749	34,787	34,552	34,268	34,173
Capital Assets Depreciated	774,366	764,007	749,782	735,579	728,077	720,400	695,277	652,366	645,787	636,728
Total Capital Assets	839,802	794,226	776,504	762,664	739,610	730,255	723,206	689,172	655,533	645,875
Less: Accumulated Depreciation/ Amortization	405,378	389,210	372,974	355,574	338,341	321,266	306,661	292,693	275,729	259,439
Net Book Value	\$ 434,424	405,016	403,530	407,090	401,269	408,989	416,545	396,479	379,804	386,436

ACCUMULATED DEPRECIATION/AMORTIZATION

Land Improvements	\$ 14,394	13,880	13,278	12,778	12,256	11,717	11,133	10,563	10,008	9,482
Infrastructure	24,902	23,357	21,473	20,271	19,129	18,060	17,017	15,994	14,977	13,937
Buildings	282,745	269,977	256,859	243,844	230,814	217,918	205,370	193,480	182,125	170,824
Equipment	43,963	43,096	43,249	41,274	39,462	37,663	38,034	38,552	35,626	33,284
Intangibles	5,453	4,966	4,478	3,991	3,504	3,017	2,582	2,152	1,721	1,291
Right-to-use SBITA Assets	309	154	-	-	-	-	-	-	-	-
Right-to-use Leased Buildings	509	295	103	-	-	-	-	-	-	-
Library Materials	33,103	33,485	33,534	33,416	33,176	32,891	32,525	31,952	31,272	30,621
Total Accumulated Depreciation/ Amortization	\$ 405,378	389,210	372,974	355,574	338,341	321,266	306,661	292,693	275,729	259,439

Acknowledgements

Report Prepared by The University of Northern Iowa

Tonya Gerbracht, Controller/University Secretary & Treasurer
Traci Buseman, Assistant Controller
Mark Fober, Accounting Manager Financial Operations
De Ann Lahmann, General Ledger Accountant
Brenda Neff, Account Specialist
Office of Business Operations

Additional Assistance Provided by Office of University Relations

No person shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination in employment, any educational program, or any activity of the University, on the basis of age, color, creed, disability, gender identity, national origin, race, religion, sex, sexual orientation, veteran status, or on any other basis protected by federal and/or state law.

The University of Northern Iowa prohibits discrimination and promotes affirmative action in its educational and employment policies and practices as required by Title IX of the Educational Amendments of 1972, the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, Title VII of the Civil Rights Act of 1964 and other applicable laws and University policies. The University of Northern Iowa prohibits sexual harassment, including sexual violence.

The following person has been designated to handle inquiries regarding the non-discrimination policies and serves as the University Title IX Officer: Leah Gutknecht, Assistant to the President for Compliance and Equity Management, Office of Compliance and Equity Management, 117 Gilchrist Hall, UNI, Cedar Falls, IA 50614-0028, 319-273-2846, leah.gutknecht@uni.edu.



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