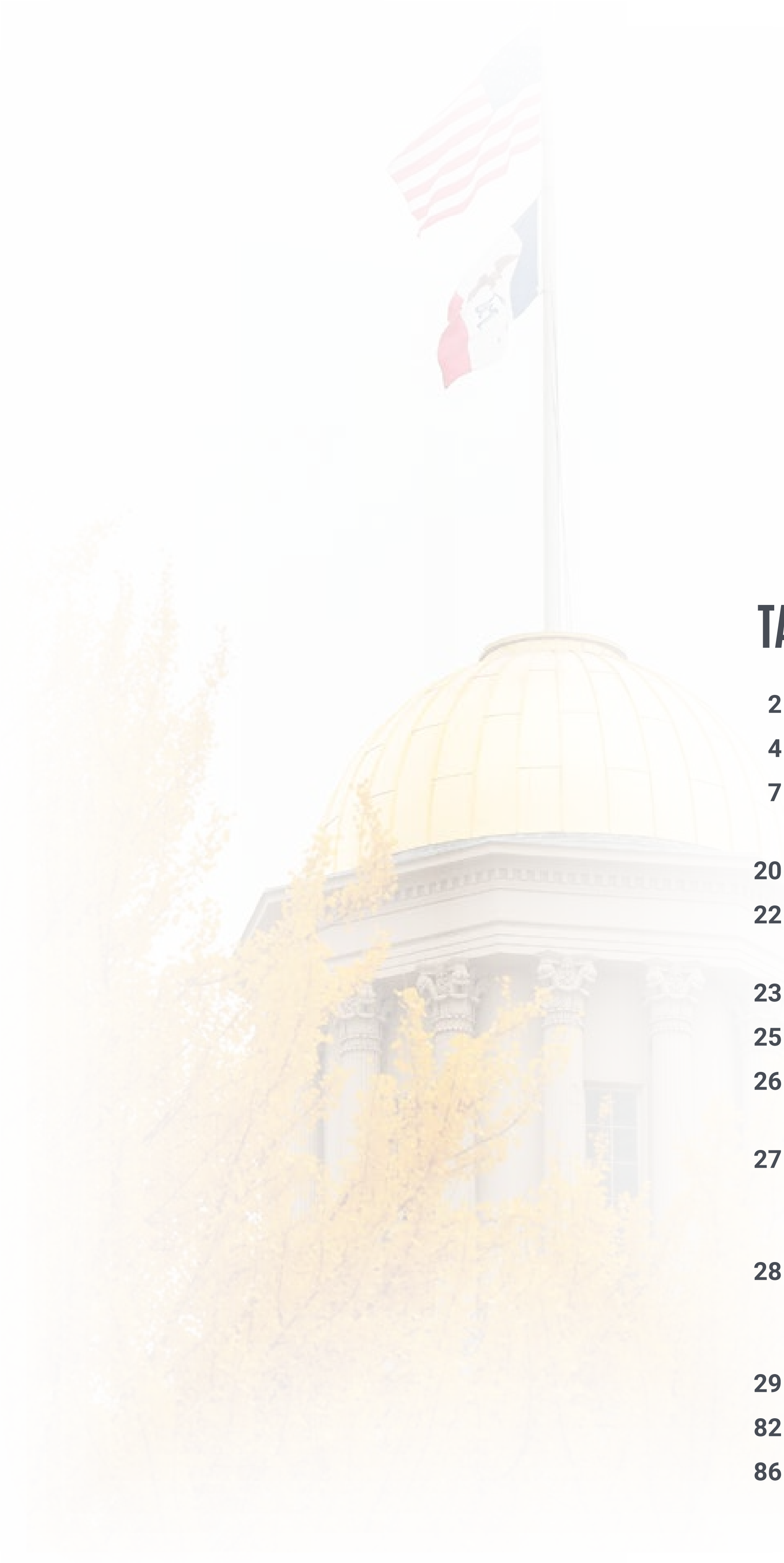
IOWA

FINANCIAL REPORT

JULY 1, 2023 TO JUNE 30, 2024



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FOR IOWA AND THE WORLD

The University of Iowa is a comprehensive research university with particular distinction in the arts, humanities, and sciences; a world-class academic health center; and a wide array of exceptional professional programs. While serving as the state's most comprehensive institution of higher learning, the university also enjoys a national and international reputation for excellence, and competes at that level for the best faculty and the most talented graduate and professional students.

UNIVERSITY OF IOWA MISSION

Upon its founding in 1847, the University of Iowa was entrusted by the state legislature with a threefold mission of teaching, research, and public service. In pursuing that mission today, the university

- provides exceptional teaching and transformative educational experiences that prepare students for success and fulfillment in an increasingly diverse and global environment;
- advances scholarly and creative endeavor through leading-edge research and artistic production; and
- brings learning and discovery into the service of the people of the state of Iowa, the nation, and the world, improving lives through education, health care, arts and culture, and community and economic vitality.

THE UNIVERSITY IN 2024

University of Iowa achievements during 2023–2024 include:

- Named Beth Goetz as the director of athletics after she served in the role as interim
- Named Jill Kolesar as the new dean of the College of Pharmacy
- Hosted the first annual University of Iowa Faculty and Staff Awards ceremony
- Recognized as a top-producing institution of Fulbright students nationally for the 8th consecutive year
- Became the first public university in North America to partner with Rise, a program focused on supporting talented youth
- Unveiled updated brand identity for University of Iowa Health Care
- Acquired Mercy Iowa City and renamed it UI Health Care downtown campus
- Held groundbreaking ceremony for the new Health Sciences Academic Building
- Modernized 175 classrooms in 25 buildings to enhance inclusivity, accessibility, and mobility
- Opened a new state-of-the-art training facility for wrestling programs

ENROLLMENT

Group	Fall 2024	Fall 2023
Total students	32,199	31,452
Undergraduates	22,738	22,130
Graduate and professional	9,461	9,322
Iowa residents	56.1%	57.2%
Total non-residents	43.9%	42.8%
International students	5.5%	5.8%
Minority enrollment	19.2%	19.5%

EMPLOYMENT

Group (by FTEs)	Fall 2024	Fall 2023
Total faculty and staff	27,795	26,447
Tenure-track faculty	1,441	1,434
Clinical-track faculty	974	985
Postdoctoral and other faculty	818	703
Institutional officers	20	20
Professional and scientific staff	12,619	11,916
Merit staff	4,237	3,918
Residents	920	908
Graduate assistants	2,417	2,363
Temporary	4,350	4,200

EXTERNAL SUPPORT AND GIVING

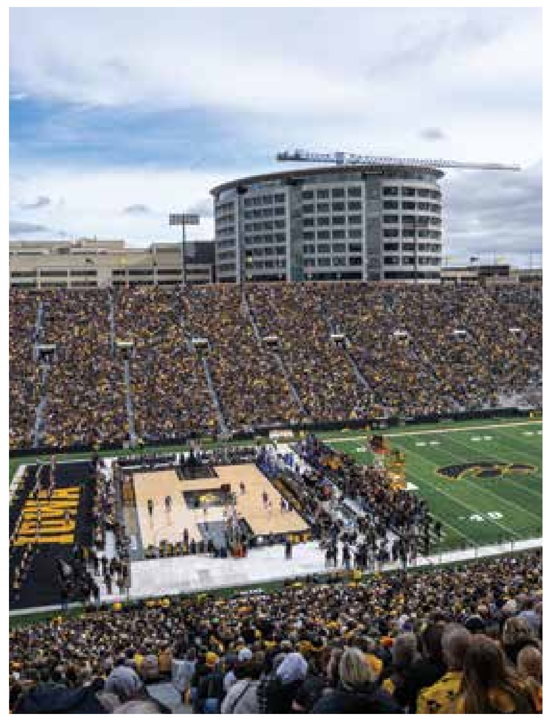
The University reported strong external support during FY2024.

- FY2024 total external funding: **$811 million**

RECENT RANKINGS

Snapshot of the University's standing in recent national surveys:

- U.S. *News & World Report* rank among 225 national, public universities: **46**
- U.S. *News & World Report* rank for writing among 225 national, public universities: **1**
- U.S. *News & World Report* rank for nursing among 225 national, public universities: **1**
- Number of graduate programs ranked among the top 10 in their field by U.S. *News & World Report*: **10**
- Number of specialties at University of Iowa Hospitals & Clinics ranked among the nation's 10 best programs of their kind by U.S. *News & World Report*: **1**
- Number of specialties at University of Iowa Stead Family Children's Hospital ranked among the nation's best programs of their kind by U.S. *News & World Report*: **9**



The Iowa women's basketball team made history at Kinnick Stadium when more than 55,000 fans showed up for Crossover at Kinnick — nearly doubling the NCAA's former single-game attendance record. National Player of the Year Caitlin Clark finished with a triple-double, and the Hawkeyes secured a victory over DePaul, 94–72.

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Rob Sand
Auditor of State

Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the financial statements of the business type activities and the fiduciary activities of the State University of Iowa, Iowa City, Iowa, (University of Iowa) and its aggregate discretely presented component units as of and for the years ended June 30, 2024 and 2023, and the related Notes to Financial Statements, which collectively comprise the University of Iowa's basic financial statements listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, 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 Iowa and its discretely presented component units as of June 30, 2024 and 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the years ended June 30, 2024 and 2023 in accordance with accounting principles generally accepted in the United States of America.

We did not audit the discretely presented component units, the University of Iowa Center for Advancement and Affiliate and the University of Iowa Health System, discussed in Note 1, which represent 98.1% and 1.4%, respectively, of the assets and 90.8% and 7.4%, respectively, of the revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to those financial statements, is based solely on the reports of the other auditors.

Basis for Our Opinions

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 the Financial Statements section of our report. We are required to be independent of the University of 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 opinions. The financial statements of the University of Iowa Center for Advancement and Affiliate were not audited in accordance with Government Auditing Standards.

Emphasis of Matters

As discussed in Note 1, the financial statements of the University of 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 Iowa. They do not purport to, and do not, present fairly the financial position of the State of Iowa as of June 30, 2024 and 2023 and the changes in financial position and its cash flows for the years ended June 30, 2024 and 2023 in conformity with U.S generally accepted accounting principles. Our opinion is not modified in respect to this matter.

As discussed in Note 15 to the financial statements, the University of Iowa adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 100, Accounting Changes and Error Corrections. 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 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 opinions. 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 judgment 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 judgment 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 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of 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 Net Pension Liability, the Schedule of University Contributions and the Schedule of Changes in the University's OPEB Liability, Related Ratios and Notes on pages 7 through 19 and 86 through 91 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 Introduction and Highlights section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 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 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 Iowa's internal control over financial reporting and compliance.

Brian R. Brustkern, CPA
Deputy Auditor of State

December 13, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The new UI Health Care campus in North Liberty continues to see steady progress. The 60-acre campus will feature a three-level hospital and a five-level medical office building. The construction project is part of a broader master plan to modernize facilities and expand access to patient care while providing new research and teaching spaces. The North Liberty campus is on track to open in summer 2025.

INTRODUCTION

The following discussion and analysis of the University of Iowa's (University) financial statements presents an overview of the University's financial activities for the years ended June 30, 2024 and 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and related footnotes that follow.

FINANCIAL HIGHLIGHTS

The University's financial position remained strong at June 30, 2024, with assets and deferred outflows of resources of $10,992 million and liabilities and deferred inflows of resources of $4,127 million as compared to June 30, 2023 restated assets and deferred outflows of resources of $10,155 million and liabilities and deferred inflows of resources of $4,048 million. After restatement, net position, the difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources, increased by $758 million (12%) from June 30, 2023 to June 30, 2024. The restated increase from June 30, 2022 to June 30, 2023 was $581 million (11%).

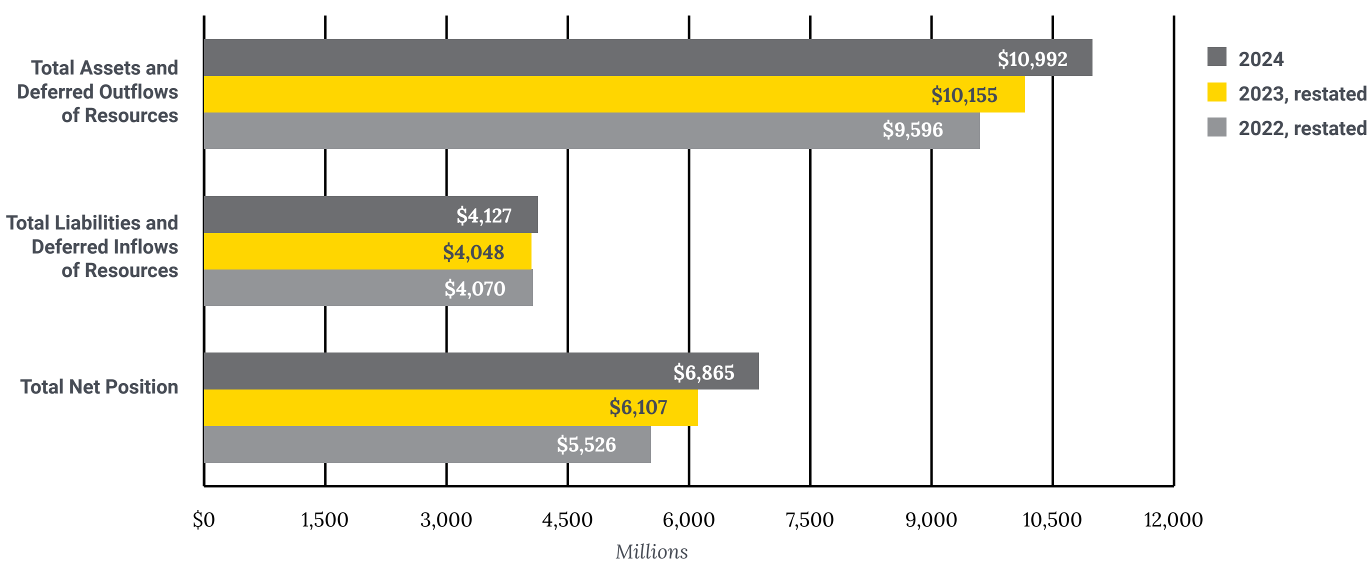
The change in net position reports the financial results during the fiscal year by measuring the relationship between revenues and expenses. It is important to note that public universities such as the University of Iowa generally report an operating loss, as the financial reporting model classifies state appropriations, investment income and gifts 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 incurred 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.

GASB Statement No. 100 Accounting Changes and Error Corrections was implemented in fiscal year 2024. The requirements of this statement enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, consistent, and comparable information for making decisions or assessing accountability.

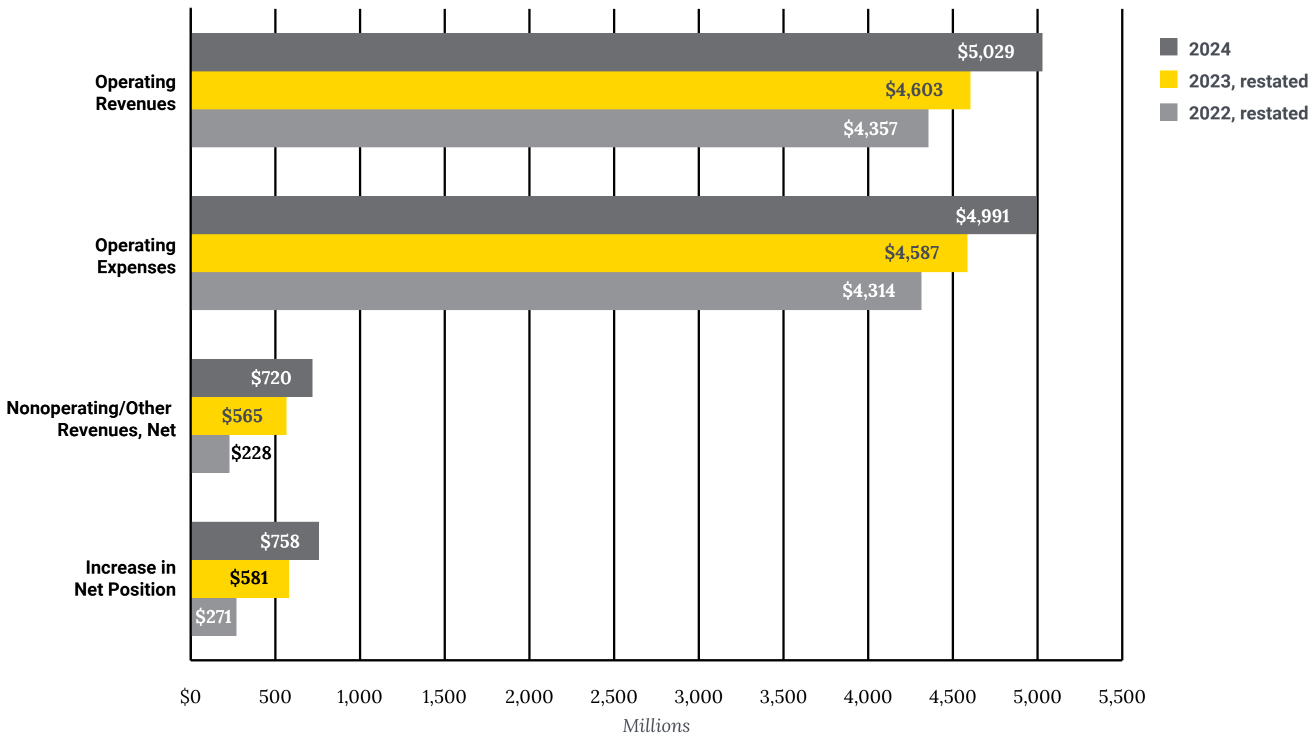
During fiscal year 2024, the University's actuary responsible for OPEB valuation discovered errors in the facts and methodology of determining the University's OPEB reporting requirements. The first data process correction was regarding the treatment of the spousal contribution amount, in which a monthly amount had previously been assumed to be an annual amount in the valuation and thus understated the total spousal contribution offset to the employer cost. The current valuation corrected this to appropriately annualize the contribution amount as needed for valuation purposes. The gains associated with the spousal contribution update on retiree welfare were $12 million for Non-Merit and $2 million for Merit. The second data process correction was regarding the inclusion of some participants as eligible for the subsidy who were not. The data process was appropriately excluding a subsidy for those with no value reported for the subsidy (i.e. that data field was completely blank). However, for those participants who were reported with a $0 subsidy, the data system was registering this as a non-blank value and inadvertently assumed that the participant was eligible for the subsidy. The valuation was updated to exclude a subsidy for those reported with a $0 subsidy. The gains associated with the subsidy update on retiree welfare were $15 million for Non-Merit and $2 million for Merit employees. The beginning net position was restated to retroactively correct the OPEB spousal contribution offset and eligible participant list, as shown in Note 15 Restatement and Required Supplementary Information (RSI).

The following charts compare Total Assets and Deferred Outflows of Resources, Total Liabilities and Deferred Inflows of Resources, and Total Net Position, as restated, at June 30, 2024, 2023 and 2022 and the components of changes in Net Position at June 30, 2024, 2023 and 2022.

STATEMENT OF NET POSITION



STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION



USING THIS ANNUAL REPORT

The University's annual report consists of three financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These statements provide information on the University as a whole and present a long-term and short-term view of the University's activities.

THE STATEMENT OF NET POSITION AND THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position present the financial position of the University at the end of the fiscal year and report the University's net position and changes in them during the current fiscal year, respectively. Net position, the difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources, is one indicator of the current financial condition of the University, while the change in net position over time determines whether the financial health of the University is improving. To assess the overall health of the University, non-financial factors are relevant as well. Such factors include student enrollment, patient volumes, the University's ability to attract and retain qualified faculty and staff and the overall condition of the University's buildings and infrastructure. These statements are reported under the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of when cash is received or paid.

NET POSITION, END OF YEAR

The following table summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for the years ended June 30, 2024, 2023 and 2022 (in millions):

	2024	Restated 2023	Restated 2022
Assets			
Current assets	$1,810	$1,556	$1,369
Capital assets, net	4,533	4,181	4,049
Other noncurrent assets	4,511	4,292	4,049
Total Assets	10,854	10,029	9,467
Deferred Outflows of Resources, as restated	138	126	129
Liabilities			
Current liabilities	1,008	926	1,077
Noncurrent liabilities, as restated	1,940	1,913	1,659
Total Liabilities	2,948	2,839	2,736
Deferred Inflows of Resources, as restated	1,179	1,209	1,334
Net Position			
Net investment in capital assets	2,906	2,798	2,773
Restricted	523	458	438
Unrestricted, as restated	3,436	2,851	2,315
Total Net Position	$6,865	$6,107	$5,526

REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following table summarizes the University's revenues, expenses and changes in net position for the years ended June 30, 2024, 2023 and 2022 (in millions):

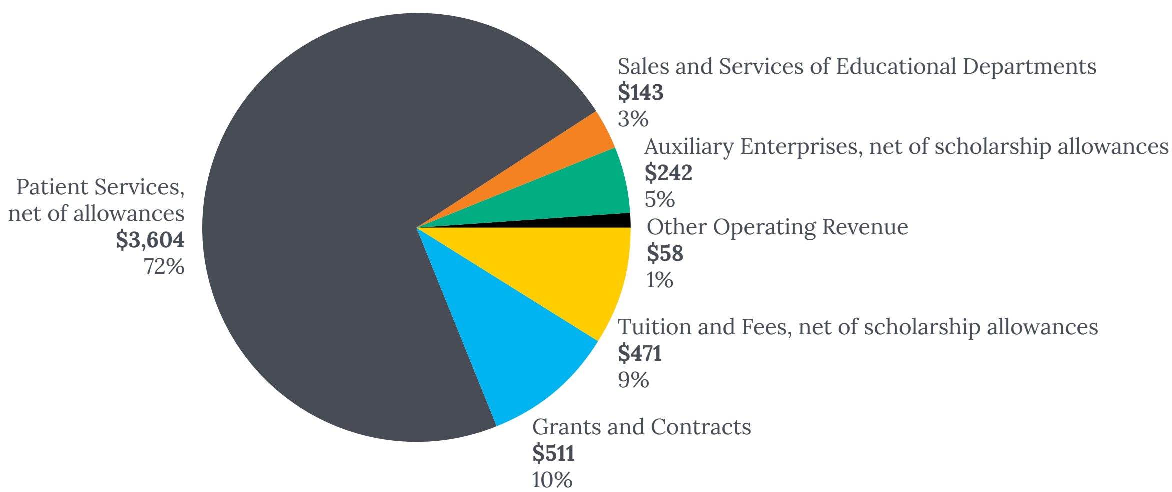
	2024	Restated 2023	Restated 2022
Operating Revenues:			
Tuition and fees, net of scholarship allowances	$471	$451	$426
Grants and contracts	511	483	488
Patient services, net of allowances	3,604	3,249	3,058
Sales and services of educational departments	143	141	137
Auxiliary enterprises, net of scholarship allowances	242	226	207
Other operating revenue	58	53	41
Total Operating Revenues	5,029	4,603	4,357
Operating Expenses:			
Instruction	385	369	360
Research	465	447	427
Academic support	179	181	155
Patient services, as restated	3,032	2,697	2,503
Depreciation and amortization	316	302	291
Auxiliary enterprises	229	223	196
Other operating expenses, as restated	385	368	382
Total Operating Expenses	4,991	4,587	4,314
Operating Income	38	16	43
Nonoperating Revenues (Expenses):			
State appropriations	239	237	234
Grants and contracts	23	22	100
Investment income (loss)	331	185	(212)
Gifts	150	135	118
Lease revenue	2	2	3
Interest expense	(50)	(45)	(34)
Loss on disposal of capital assets	(2)	(3)	(2)
Net Nonoperating Revenues	693	533	207
Income Before Other Revenues	731	549	250
Other Revenues:			
Capital appropriations, State	15	15	15
Capital contributions and grants	12	17	6
Net Other Revenues	27	32	21
Increase in Net Position	758	581	271
Net position, beginning of year, as restated	6,107	5,526	5,255
Net position, end of year	$6,865	$6,107	$5,526

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year with an increase in net position for the fiscal year ended June 30, 2024 of $758 million (12%). During the fiscal year ended June 30, 2024, the University's operating revenues and operating expenses each increased by 9%. The net result from operating revenues and expenses is an operating gain of 1% compared to an operating gain of 0% last year. After factoring in state appropriations, investment income, gifts and other net non-operating revenues (expenses), the University increased net position by $758 million for the year ended June 30, 2024. During the fiscal year ended June 30, 2024, net nonoperating revenues (expenses) increased by 30%. Other revenues of state appropriations for capital projects and contributions and grants for capital projects decreased $5 million (15%).

OPERATING REVENUES

For the fiscal years (FY) ended June 30, 2024, 2023 and 2022 operating revenues totaled $5,029 million, $4,603 million and $4,357 million, respectively. Operating revenues increased $426 million (9%) over FY 2023 revenues. The increase is primarily from patient services, federal grant and contracts, and auxiliary enterprises. The following is a graphic illustration of revenues by source which are used to fund the University's operating activities for the year ended June 30, 2024:

FY 2024 OPERATING REVENUES $5,029 million

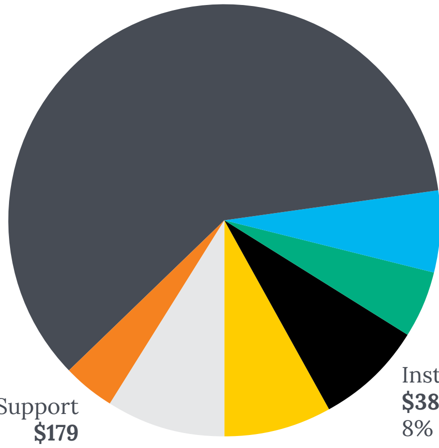


In the most recent National Science Foundation, Higher Education Research and Development survey (2022), the University of Iowa ranked 55th among 633 public and private universities combined in terms of federally financed expenditures for research and development. Grants, contracts and other sponsored agreements operating revenue exceeded $511 million in FY 2024, $483 million in FY 2023 and $488 million in FY 2022.

OPERATING EXPENSES

For the fiscal years ended June 30, 2024, 2023 and 2022, operating expenses totaled $4,991 million, $4,587 million and $4,314 million, respectively. Operating expenses increased $404 million (9%) over FY 2023 expenses. The increase is primarily from patient services. The following is a graphic illustration of the University's operating expenses for the year ended June 30, 2024:

FY 2024 OPERATING EXPENSES $4,991 million



Other operating expenses include Public Service (2024, $125 million; 2023, $115 million), Student Services (2024, $47 million; 2023, $45 million), Institutional Support (2024, $72 million; 2023, $65 million), Operation and Maintenance of Plant (2024, $103 million; 2023, $101 million), Scholarships and Fellowships (2024, $38 million; 2023, $36 million), and Other (2024, $0 million; 2023, $6 million).

NONOPERATING REVENUES (EXPENSES)

Nonoperating revenues and expenses netted a positive $693 million for the fiscal year ended June 30, 2024 and $533 million for the fiscal year ended June 30, 2023.

The following table summarizes the University's nonoperating revenues and expenses for the years ended June 30, 2024, 2023 and 2022 (in millions):

	2024	2023	2022
Nonoperating Revenues (Expenses)			
State appropriations	$239	$237	$234
Grants and contracts	23	22	100
Investment income (loss)	331	185	(212)
Gifts	150	135	118
Lease revenue	2	2	3
Interest expense	(50)	(45)	(34)
Loss on disposal of capital assets	(2)	(3)	(2)
Net Nonoperating Revenues	$693	$533	$207

State appropriations increased by $2 million (1%) in the fiscal year ended June 30, 2024. Grants and contracts revenue increased by $1 million (5%), investment income increased by $146 million (79%) and gifts increased by $15 million (11%) in the fiscal year ended June 30, 2024.

OTHER REVENUES AND EXPENSES

Not included, by definition, as nonoperating revenues and expenses are state appropriations for capital projects and contributions and grants for capital projects.

CASH FLOWS FOR THE YEAR

The Statement of Cash Flows provides information regarding the University's cash receipts and disbursements during the fiscal year. This provides an assessment of the University's ability to generate net cash flows and meet obligations as they come due.

The following table summarizes the University's cash flow for the fiscal years ended June 30, 2024, 2023 and 2022 (in millions):

	2024	2023	2022
Cash provided (used) by:			
Operating activities	$256	$96	$109
Noncapital financing activities	412	394	453
Capital and related financing activities	(695)	(405)	40
Investing activities	(44)	(29)	(538)
Net change in cash and cash equivalents	**(71)**	**56**	**64**
Cash and cash equivalents, beginning of year	357	301	237
Cash and cash equivalents, end of year	**$286**	**$357**	**$301**

The University's overall liquidity decreased during the year, with a net decrease in cash and cash equivalents of $71 million. The decrease is primarily due to acquisition and construction of capital assets due to multiple major capital projects. Other significant effects on cash flow came from the business combination of Mercy Hospital, investment earnings and reinvestment, and bond refunding and construction bond issues.

CAPITAL ASSETS, NET OF DEPRECIATION AND AMORTIZATION

The following table summarizes the University's capital assets, net of depreciation and amortization, as of June 30, 2024, 2023 and 2022 (in millions):

	2024	2023	2022
Nondepreciable/nonamortizable			
Land	$83	$75	$74
Construction in progress	701	356	172
Art & historical collections	30	30	29
Library materials	432	424	413
Depreciable/amortizable			
Land improvements, net	10	4	5
Infrastructure, net	305	316	329
Buildings, net	2,488	2,514	2,603
Equipment, net	290	272	260
Intangibles, net	11	15	19
RTU Leased buildings, net	131	129	114
RTU Leased equipment, net	11	14	10
RTU Leasehold, net	1	1	2
RTU Leased land, net	1	1	1
RTU SBITA*, net	39	30	18
Total Capital Assets, Net	**$4,533**	**$4,181**	**$4,049**

**Subscription-Based Information Technology Arrangements (SBITA)*

The University of Iowa reached substantial completion (occupancy) or final completion during this time frame (FY24) on four renovations of existing facilities and one new facility, which include: UIHC – RCP – Expand Heart and Vascular Cath Labs ($31 million), UIHC – JCP – Expand Observation Unit ($14 million), State Hygienic Laboratory at the University of Iowa – Construct New BSL3 with Additional Support Space ($12 million), On Campus Recreation – Upgrade West Recreation Fields ($6 million), and Iowa Wrestling Training Facility – Construct Building ($32 million).

There were nine projects already under contract for construction at the start of FY24, which include: UIP Fit Out and Manufacturing Equipment ($28 million), UIHC at Forevergreen Road – Construct Facility ($526 million), Renovate Student Living Space in Hillcrest Residence Hall ($23 million), UIHC – Replace Windows at SFCH ($45 million), Bowen Science Building – Renovate Third Floor ($17 million), UIHC Centralized Emergency Power Generation Facility ($45 million), West Campus Parking Ramp – Construct Facility ($75 million), Medical Laboratories – Medical Research Center – Renovate 2nd Floor ($8 million), and UIHC – South Wing L2 Inpatient Conversion ($8 million).

Those projects placed under contract during FY24 include: UIHC – RCP – Neurology Clinic Expansion ($6 million), Gymnastics/Spirit Squad Training Center – Construct Facility ($20 million), Van Allen Hall – Renovate Western 7th Floor ($7 million), Health Sciences Academic Building – Construct Facility ($249 million), UIHC – JCP – L1 Emergency Department North and South Expansion ($37 million), UIHC – JPP – L7 Maternity Services Expansion ($74 million), Institutional Roads – Construct New Road – Newton Road to Fountain Entrance ($18 million), Currier Residence Hall – Renovate Restrooms ($14 million), UIHC – JCP – L8 Burn Treatment Center Renovation and Expansion ($15 million), and UIHC – SFCH - L7 Expand NICU ($41 million).

Those projects continuing to move through design during the FY24 time frame include: Duane Banks Baseball Stadium – Baseball Stadium Renovation ($6 million), Utility Services Facility – Construct Facility ($8 million), Cambus Maintenance Facility – Expand Facility ($17 million), Art Building – Modernize Building ($38 million), Iowa Bioscience Innovation Facility – Create Medical Innovation and Bioscience Laboratories ($13 million), Iowa Memorial Union – Modernize Building ($74 million), UIHC – SFCH – L8 Expand NICU ($39 million), Performing Arts Annex – Renovate for the Department of Dance ($10 million), IATL – Building Renovation and Addition ($20 million), and Dental Parking Ramp – Construct Facility ($87 million).

Finally, two projects were placed on hold during FY24. Hardin Library for Health Sciences – Building Renovation Phase II ($7 million) was placed on hold due to funding issues and will be cancelled. Biomedical Research Support Facility – Expand Facility ($20 million) was placed on hold and will be cancelled due to a senior research staff departure.

LONG-TERM DEBT AND OTHER OBLIGATIONS

As of June 30, 2024, the University had $1,687 million in outstanding bonds, notes, financed purchases, leases, and SBITA payables, an increase of $32 million over the prior year. Debt principal payments of $85 million and interest payments of $57 million were made during the fiscal year ended June 30, 2024.

The following table summarizes outstanding debt by type as of June 30, 2024, 2023 and 2022 (in millions):

	2024	2023	2022
Long-Term Debt			
Revenue bonds	$1,408	$1,409	$1,414
Notes and financed purchase	102	77	55
Total long-term debt	1,510	1,486	1,469
Other Obligations			
Leases payable	148	149	129
SBITA payable	29	20	16
Total other obligations	177	169	145
Total Long-Term Debt and Other Obligations	**$1,687**	**$1,655**	**$1,614**

During the fiscal year ended June 30, 2024, $48 million of new revenue bonds were issued. The revenue bond proceeds were for the Health Sciences Academic Building and Athletic Training Centers projects. The University carries an Aa1 institutional bond rating from Moody's and an AA rating from Standard & Poor's. Additional information related to the University's noncurrent liabilities is presented in Note 5 to the financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The University of Iowa maintains a strong credit rating with Moody's (Aa1) and S&P Global (AA) with a positive outlook. Achieving and maintaining this credit rating provides the University with significant flexibility in securing capital funds, on highly competitive terms, to finance capital projects necessary to advance the University's mission. This flexibility, along with ongoing efforts toward revenue diversification and cost containment, will enable the University to provide the necessary resources to support a consistent level of excellence in service to students, patients, research programs, the state and the nation.

A crucial element to the University's future continues to be a strong relationship with the state of Iowa. Historically, there has been a connection between the growth, or reduction, of state support and the University's ability to control tuition increases. Over the past several years, the University, in working with the Iowa Board of Regents, has structured a tuition model that is determined, in part, by the level of appropriation support received from the state. The University's new budget model encourages and rewards entrepreneurial ideas in generating new revenue streams to complement the critical appropriation support received from the state. The new budget model emphasizes the need to work relentlessly to cut and mitigate operational costs in order to remain affordable and preserve access, while protecting the academic and research enterprise.

The University of Iowa continues to have significant appeal to prospective students. This is attributable, in large part, to the University's high academic standards and its national reputation as a best buy in undergraduate education. The University continues to draw a high percentage of students from outside the state of Iowa, most notably from the state of Illinois, but importantly, is witnessing growing enrollments from students graduating from high schools in California, Arizona, Texas and Colorado. The Class of 2028 is comprised of 5,208 students and is the third largest in university history, as well as matching last year's record of academic achievement with an average high school grade-point average of 3.83. Total enrollment for Fall 2024 is 30,779. Contributing toward this increase in total enrollment is the significant increase in the first-year retention rate which increased from 88% three years ago to over 90% for the Fall 2024 semester. It is forecasted these trends will continue with strong enrollment demand at the University of Iowa, despite overall high school graduation demographics remaining flat within the state of Iowa.

The University's general fund appropriation from the state was $218 million. October 2024 revenue projections from the state revenue estimating conference show actual FY24 net general fund revenues at approximately 1% below FY23 net general fund revenues or $9.756 billion. In estimating FY25 revenues the revenue estimating conference is projecting net general fund revenues to be $9.239 billion or a decrease of 5% relative to FY24 actual net revenues.

The University continues to be one of the nation's top research-intensive universities with grant and contract research awards exceeding $400 million per year for the past sixteen years. In fiscal year 2020, for the first time in its history, the University surpassed $500 million in research funding coming in at $536 million. $684 million in external funding for leading edge research, public service, and creative discovery was secured in FY24. Total external funding achieved $811 million in FY24. In an effort to continue enhancing its external funding, the Vice President for Research is utilizing funding from the University's UI Strategic Initiatives Fund to enhance research collaboration efforts on campus further leveraging the expertise of faculty and staff. The continuation of hiring highly productive faculty within focused clusters, and infrastructure improvements enabled university researchers to be more productive and better positioned to compete for external grants and contracts as new sponsored research opportunities emerge. Federal research funding totaled $315 million in FY24, or 39% of all external funding. Industry-supported activities, which include clinical trials, rose 17% to $149 million, the highest in the institution's history. An area of emphasis in the upcoming year is to leverage its partnership with industry to improve marketability of intellectual capital generated by UI faculty and staff.

Despite the increasing volatility in the investment markets over the last several years, investment income continues to be an important component of UI's ongoing revenue diversification. Improvements in stock market performance and the Federal Reserve guiding the economy to a soft landing after inflationary pressures had a positive impact on the University's endowment return for the fiscal year ending June 30, 2024 coming in at a positive 8.25% return. It is important to note that on a relative basis, the University's endowment achieved benchmark returns in the top quartile relative to its peers over the 3-year, 5-year and 10-year return periods. The University will continue to employ its long-term investment strategy to maximize total returns, at an appropriate level of risk. The Iowa Board of Regents' investment advisor, Marquette Associates, is a partner in this process to ensure prudently managed and well-diversified investment portfolios.

University of Iowa Health Care continues to be recognized as one of the nation's best. The University of Iowa Health Care Medical Center was once again ranked the top hospital in Iowa and recognized nationally in twelve specialties in the 2024-25 "Best Hospitals" rankings published by *U.S. News & World Report*. University of Iowa Health Care Medical Center (UIHC) demonstrated sustained financial success in fiscal year 2024 with a net position increase of 19% versus a budget of 8%. Demand for UIHC's core services at the university campus continues to be strong as year-over-year admissions increased 6% to 32,000, acute patient days increased 1% to 240,000, surgical cases increased 3% to 36,000, emergency department visits increased by 4% to 54,000, and clinic visits increased by 4% to over 1.1 million annually. Iowa's future doctors and other health care professional students are in a great learning environment attributable to outstanding faculty and exposure to highly complex care, with a case mix near 2.4 overall in FY24. On January 31, 2024, over 1,000 former Iowa City Mercy Hospital team members joined University of Iowa Health Care as ownership of former Mercy facilities officially transitioned to UIHC. The acquisition included University of Iowa Health Care Medical Center Downtown which is a 500,000 square foot hospital licensed for up to 234 beds that continues to deliver inpatient, outpatient, and emergency care to residents of the Iowa City and surrounding communities. The transaction with Mercy also included more than a dozen clinics that provide both primary and specialty outpatient care to Iowa City and surrounding communities in southeastern Iowa. In May 2024, Epic, an electronic health record system, was adopted at former Mercy facilities, aligning with the same system used across the University of Iowa Health Care system. Work is ongoing to integrate systems, explore services offered at the downtown campus, and update facilities to provide high standards of care. UIHC continues to experience unprecedented demand for tertiary care for patients from Iowa's 99 counties and beyond. To help address these issues, construction continues on a new 469,000 square foot healthcare facility in North Liberty. The $526 million project is anticipated to reach substantial completion in late 2024 and is planned to house a 30,000 square foot hospital wing, up to 94 clinic rooms, 36 beds, 17 emergency care rooms, 12 operating rooms, two procedure rooms, clinical lab and pathology services, advanced diagnostic imaging services, as well as a retail and 24-hour drive-through pharmacy. Additionally, to further improve health care access for Iowans, discussions are ongoing regarding plans to construct a new bed tower in late 2025 with the goal of creating additional capacity and improved experience for patients by adding beds, transitioning semi-private to private patient rooms, and expanding operating room capacity.

Finally, the University of Iowa Center for Advancement has publicly announced its goal to raise $3 billion dollars in support of programs at the University of Iowa improving academic, patient care, research, scholarship and student-success programs. This fundraising effort will ensure the University of Iowa remains a world-class institution for Iowans.

THE UNIVERSITY OF IOWA

Statement of Net Position

June 30, 2024 (in thousands)

With comparative statement as of June 30, 2023

ASSETS	2024	Restated 2023
Current Assets:		
Cash and cash equivalents	$201,638	$191,825
Deposits with trustees	22,211	1
Investments	432,953	346,676
Accounts receivable, net	601,377	494,216
Notes receivable, net	1,703	1,947
Interest receivable	3,232	3,225
Due from government agencies	415,327	408,475
Inventories	84,190	76,483
Prepaid expenses and other current assets	47,335	33,149
Total current assets	1,809,966	1,555,997
Noncurrent Assets:		
Cash and cash equivalents	83,992	164,826
Deposits with trustees	16,793	3,155
Investments	4,375,287	4,087,282
Accounts receivable, net	2,377	3,136
Notes receivable, net	14,862	16,986
Investment in wholly owned subsidiary	17,615	17,078
Capital assets, net	4,532,596	4,181,274
Total noncurrent assets	9,043,522	8,473,737
Total Assets	10,853,488	10,029,734
DEFERRED OUTFLOWS OF RESOURCES		
OPEB related deferred outflows, as restated	58,736	71,844
Pension related deferred outflows	71,440	48,814
Debt refunding loss related deferred outflows	4,504	5,671
Other deferred outflows	3,522	-
Total Deferred Outflows of Resources	138,202	126,329
Total Assets and Deferred Outflows of Resources	$10,991,690	$10,156,063

Statement of Net Position, continued
June 30, 2024 (in thousands)
With comparative statement as of June 30, 2023

LIABILITIES	2024	Restated 2023
Current Liabilities:		
Accounts payable	$286,839	$272,283
Salaries and wages payable	273,645	252,615
Compensated absences	155,951	142,297
Unpaid claims	84,116	78,151
Unearned revenue	58,386	58,213
Interest payable	18,751	18,148
OPEB obligation	6,810	10,442
Long-term debt, current portion	123,730	94,153
Total current liabilities	1,008,228	926,302
Noncurrent Liabilities:		
Accounts payable	60,803	35,135
Compensated absences	70,603	70,782
Unearned revenue	1,815	8,627
Net OPEB obligation, as restated	97,307	117,621
Pension liability	116,344	90,462
Federal loan contributions	29,002	29,001
Long-term debt, noncurrent portion	1,563,768	1,561,271
Total noncurrent liabilities	1,939,642	1,912,899
Total Liabilities	2,947,870	2,839,201
DEFERRED INFLOWS OF RESOURCES		
OPEB related deferred inflows, as restated	110,024	105,741
Pension related deferred inflows	667	11,119
Lease deferred inflows	3,304	4,065
Debt refunding gain	1,802	1,339
Public-private partnership deferred inflow	1,063,238	1,086,507
Contract and grant deferred inflows	242	655
Total Deferred Inflows of Resources	1,179,277	1,209,426
NET POSITION		
Net investment in capital assets	2,905,397	2,798,132
Restricted:		
Nonexpendable:		
Permanent endowment	63,171	62,169
Expendable:		
Research and gifts	119,406	111,120
Student loans	1,261	2,981
Quasi endowments	98,521	94,803
Debt service and capital projects	240,647	187,468
Unrestricted, as restated	3,436,140	2,850,763
Total Net Position	6,864,543	6,107,436
Total Liabilities, Deferred Inflows of Resources and Net Position	$10,991,690	$10,156,063

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenses, and Changes in Net Position

For the year ended June 30, 2024 (in thousands)

With comparative statement for the year ended June 30, 2023

	2024	Restated 2023
Operating Revenues		
Student tuition and fees, net of scholarship allowances of $134,797 and $127,018 for the years ended June 30, 2024 and 2023, respectively (pledged as payment on revenue bonds)	$470,696	$451,169
Federal grants and contracts	420,354	394,706
State and other governmental grants and contracts	12,748	14,982
Nongovernmental grants and contracts	78,124	73,459
Patient services, net of write-offs, contractual adjustments and indigent care of $7,100,845 and $6,358,230 for the years ended June 30, 2024 and 2023, respectively (pledged as payment on revenue bonds)	3,604,212	3,249,436
Sales and services of educational departments	142,718	140,635
Interest on student loans	507	278
Auxiliary enterprises, net of scholarship allowances of $10,973 and $9,911 for the years ended June 30, 2024 and 2023, respectively (pledged as payment on revenue bonds)	241,578	225,755
Other operating revenue	57,458	52,571
Total Operating Revenues	**5,028,395**	**4,602,991**
Operating Expenses		
Instruction	384,894	369,060
Research	464,540	447,471
Public service	124,855	114,819
Academic support	178,928	180,602
Patient services, as restated	3,032,269	2,695,979
Student services	46,802	45,299
Institutional support	72,432	65,221
Operation and maintenance of plant	103,478	101,071
Scholarships and fellowships	37,944	35,676
Depreciation and amortization	316,194	301,957
Auxiliary enterprises	229,211	222,557
Other operating expenses, as restated	65	5,513
Total Operating Expenses	**4,991,612**	**4,585,225**
Operating Income	**36,783**	**17,766**
Nonoperating Revenues (Expenses)		
State appropriations	239,348	236,567
Federal grants and contracts	22,817	21,784
Investment income	330,937	185,071
Gifts	149,829	135,261
Lease revenue	1,985	1,677
Interest expense	(49,649)	(45,484)
Loss on disposal of capital assets	(1,904)	(2,595)
Net Nonoperating Revenues	**693,363**	**532,281**
Income Before Other Revenues	**730,146**	**550,047**
Other Revenues		
Capital appropriations, State	14,904	15,132
Capital contributions and grants	12,057	16,541
Net Other Revenues	**26,961**	**31,673**
Increase in Net Position	**757,107**	**581,720**
Net Position		
Net position, beginning of year, as restated	**6,107,436**	**5,525,716**
Net position, end of year	**$6,864,543**	**$6,107,436**

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the Year ended June 30, 2024 (in thousands)

With comparative statement for the year ended June 30, 2023

	2024	2023
Cash Flows From Operating Activities		
Tuition and fees	$471,518	$449,034
Patient receipts	3,499,214	3,110,539
Grants and contracts	502,008	461,148
Payments for salaries and benefits	(2,444,502)	(2,276,007)
Payments for goods and services	(1,945,256)	(1,806,541)
Scholarships	(37,944)	(35,676)
Loans issued to students	(2,775)	(2,760)
Collections of loans from students	5,352	4,086
Sales of educational activities	136,743	140,264
Other receipts	56,861	49,563
Auxiliary enterprise receipts	240,324	224,698
Auxiliary enterprise payments	(225,937)	(222,125)
Net Cash Provided by Operating Activities	**255,606**	**96,223**
Cash Flows From Noncapital Financing Activities		
State appropriations	239,348	236,567
Grants and contracts	22,817	21,784
Proceeds from noncapital gifts	149,829	135,261
William D. Ford Direct Lending & Plus Loans receipts	165,722	162,321
William D. Ford Direct Lending & Plus Loans made	(165,793)	(163,929)
Other noncapital activities	70	1,608
Net Cash Provided by Noncapital Financing Activities	**411,993**	**393,612**
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(673,061)	(437,539)
Interest paid on capital debt, leases and SBITA	(57,008)	(51,941)
Proceeds from sale of capital assets	2,167	1,569
Capital appropriations	14,613	15,025
Capital gifts and grants received	10,008	15,043
Deposits with trustees	(35,251)	395
Principal paid on capital debt, leases and SBITA	(84,518)	(100,954)
Proceeds from capital debt, leases and SBITA	130,481	169,763
Defeased debt payments	(21,810)	(148,725)
Other capital and related financing receipts	19,475	132,281
Net Cash (Used) by Capital and Related Financing Activities	**(694,904)**	**(405,083)**
Cash Flows From Investing Activities		
Interest and dividends on investments	130,126	104,410
Proceeds from sale and maturities of investments	977,220	568,256
Purchase of investments	(1,151,062)	(701,643)
Net Cash (Used) by Investing Activities	**(43,716)**	**(28,977)**
Net (Decrease) Increase in Cash and Cash Equivalents	**(71,021)**	**55,775**
Cash and Cash Equivalents, beginning of year	**356,651**	**300,876**
Cash and Cash Equivalents, end of year	**$285,630**	**$356,651**

Statement of Cash Flows

For the year ended June 30, 2024 (in thousands)

With comparative statement for the year ended June 30, 2023

	2024	Restated 2023
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and cash equivalents in current assets	$201,638	$191,825
Noncurrent cash and cash equivalents	83,992	164,826
Total Cash and Cash Equivalents	**$285,630**	**$356,651**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income, as restated	$36,783	$17,766
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	316,194	301,957
Changes in operating assets and liabilities:		
Accounts receivable, net	(107,139)	(29,048)
Deposit with trustee	(597)	(439)
Interest receivable	(170)	22
Inventories	(7,707)	(2,904)
Prepaid expenses and other current assets	(14,186)	(5,553)
Due from government agencies, net of receivable from State for capital appropriations	(6,562)	(125,934)
Notes receivable, net	2,368	903
Accounts payable	39,589	(12,959)
Salaries and wages payable	21,665	9,430
Unpaid claims liability	5,965	(2,353)
Refundable allowance on student loans	-	(2,569)
Unearned revenue	(6,639)	(9,606)
Advance from Concessionaire	(23,269)	(23,268)
Contract and grant deferred inflows	(413)	254
Pension liability	25,882	88,317
Pension related deferred outflows	(22,626)	(6,529)
Pension related deferred inflows	(10,452)	(95,694)
Other postemployment benefits other than pension liability, as restated	(23,946)	(13,243)
OPEB related deferred outflows, as restated	13,108	8,182
OPEB related deferred inflows, as restated	4,283	(3,247)
Compensated absences	13,475	2,738
Net Cash Provided by Operating Activities	**$255,606**	**$96,223**
Significant Noncash Transactions:		
Receivable from State for capital appropriations	$539	$249
Assets acquired by incurring lease and SBITA obligations	$46,446	$68,080
Assets acquired by gift	$2,049	$1,497
Net unrealized gain on investment	$162,357	$85,425

The accompanying notes are an integral part of these financial statements.

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024 (in thousands)
With comparative statement as of June 30, 2023

	Custodial Funds	
ASSETS	**2024**	**2023**
Current Assets:		
Accounts receivable, net	$986	$1,967
Total current assets	986	1,967
Noncurrent Assets:		
Cash and cash equivalents	114	58
Investments	107,704	101,419
Total noncurrent assets	107,818	101,477
Total Assets	$108,804	$103,444
LIABILITIES		
Current Liabilities:		
Accounts payable	$880	$414
Salaries and wages payable	20	16
Unearned revenue	979	1,016
Total Liabilities	1,879	1,446
NET POSITION		
Restricted for individuals, organizations and other governments	106,925	101,998
Total Liabilities and Net Position	$108,804	$103,444

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2024 (in thousands)
With comparative statement for the year ended June 30, 2023

	Custodial Funds	
	2024	2023
Additions:		
Investment income	$5,199	$2,670
Allocation of student fees from other University funds	3,106	2,337
Other additions	55,327	53,637
Total Additions	63,632	58,644
Deductions:		
Salary and fringe expense	259	405
Travel	65	44
Supplies	523	651
Professional services	3,989	3,483
Scholarship cost	10,769	10,440
Other deductions	43,100	39,591
Total Deductions	58,705	54,614
Increase in Net Position	4,927	4,030
Net Position		
Net position, beginning of year	101,998	97,968
Net position, end of year	$106,925	$101,998

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Financial Position

June 30, 2024 (in thousands)

With comparative information as of June 30, 2023

ASSETS	2024	2023
Cash and cash equivalents	$137,788	$111,269
Pledges receivable, net of allowance	253,106	257,260
Investments	1,658,266	1,541,555
Assets in trusts and gift annuities	62,103	56,941
Beneficial interest in perpetual and remainder trusts	18,831	17,651
Real estate	5,312	5,767
Other assets	10,218	8,499
Property and equipment, net	15,211	15,156
Total Assets	**$2,160,835**	**$2,014,098**

LIABILITIES AND NET ASSETS

Liabilities:	2024	2023
Accounts payable and accrued expenses	$4,016	$3,479
Annuity and life income obligations	22,083	20,710
Amounts held on behalf of others	107,359	101,450
Total Liabilities	**133,458**	**125,639**
Net Assets:		
Without donor restrictions	48,617	38,364
With donor restrictions	1,978,760	1,850,095
Total Net Assets	**2,027,377**	**1,888,459**
Total Liabilities and Net Assets	**$2,160,835**	**$2,014,098**

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Activities

For the year ended June 30, 2024 (in thousands)

With summarized comparative information for the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Revenues, Gains and Other Support				
Contributions	$512	152,587	$153,099	$132,302
Change in value of life income gifts	15	4,142	4,157	4,530
Interest and dividend	8,275	98	8,373	7,347
Asset based service fees	17,785	(17,491)	294	268
Change in fair value of investments, net of investment fees	17,359	165,107	182,466	70,756
Other, primarily fundraising service revenue	8,240	5,268	13,508	13,032
Net assets released from restrictions	168,396	(168,396)	-	-
Less amounts attributed to others	-	(12,650)	(12,650)	(5,316)
Total revenues, gains and other support	**220,582**	**128,665**	**349,247**	**222,919**
Expenses				
Program	161,039	-	161,039	147,952
Fundraising	33,887	-	33,887	32,077
Management and general	15,403	-	15,403	14,087
Total expenses	**210,329**	-	**210,329**	**194,116**
Change in net assets	**10,253**	**128,665**	**138,918**	**28,803**
Net assets, beginning	38,364	1,850,095	1,888,459	1,859,656
Net assets, ending	**$48,617**	**1,978,760**	**$2,027,377**	**$1,888,459**

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

Construction is underway for the new Health Sciences Academic Building at South Grand and Melrose avenues in Iowa City. Once complete, the facility will provide state-of-the-art learning space and allow for future growth in three of Iowa's most popular and top-ranked programs: Communication Sciences and Disorders, Physical Therapy Rehabilitation Sciences, and Health and Human Physiology. A groundbreaking ceremony for the project was held in October 2023.

Note 1—Organization and Summary of Significant Accounting Policies

ORGANIZATION

The State University of Iowa (University), located in Iowa City, Iowa, is a coeducational university owned and operated by the State of Iowa (State) under the supervision of the Iowa Board of Regents. The University was established by the First General Assembly on February 25, 1847, and has been in continuous operation since classes began in 1855.

Consistent with its IRS determination letter, the University is not subject to federal income tax as a governmental unit under the doctrine of implied statutory immunity. 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 accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). These statements present the University as a whole. These GASB Statements establish standards for external financial reporting for public colleges and universities and require that resources be classified for accounting and reporting purposes into four net position categories:

- **Net investment in capital assets**—Capital assets, net of accumulated depreciation and amortization and reduced by outstanding obligations attributable to the acquisition, construction, or improvement of those assets.
- **Restricted, nonexpendable**—Net position subject to externally imposed constraints in which the donors or other outside sources have stipulated as a condition that the principal is to be retained in perpetuity. Such assets include the University's permanent endowments.

- **Restricted, 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 not subject to externally imposed constraints which may be used by the governing board to meet current obligations for any purpose. Unrestricted net position is derived from student tuition and fees, state appropriations, and sales and services of auxiliary enterprises and are generally designated for academic, research and capital programs or to meet contractual obligations of the University.

When an expense is incurred in which both unrestricted and restricted net position are available, the University's practice is to first apply the expense against the restricted, and then toward the unrestricted net position.

FINANCIAL REPORTING ENTITY

The University's financial statements include schools, colleges and departments, the University of Iowa Health Care Medical Center (UIHC), the Iowa Medical Mutual Insurance Company (IMMIC, a captive insurance company) and certain affiliated operations determined to be a part of the University's financial reporting entity. The University has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the University are such that exclusion would cause the University's financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. The GASB classification of these entities for the University's financial reporting purposes does not affect their respective legal or organizational relationships with the University. As required by United States generally accepted accounting principles as prescribed by the GASB, these financial statements present the University and its component units. These component units are included in the University's reporting entity because of the significance of their operational or financial relationships with the University. These component units are separate legal entities from the University, but are so intertwined with the University they are, in substance, the same as the University.

Blended Component Units

The Iowa Measurement Research Foundation, Miller Endowment, Incorporated, University of Iowa Research Park Corporation, University of Iowa Strategic Initiatives Fund, and Student Publications, Inc. are included in the reporting entity as blended component units. These legally separate entities are included in the University's financial reporting entity because of the nature of their relationship to the University.

The Iowa Measurement Research Foundation (IMRF) was formed in 1953 under the provisions of the Iowa Nonprofit Corporation Act and received its tax exemption in 1970 under Internal Revenue Code section 501(c)(3). The primary purpose of the Foundation is to advance and extend knowledge in the field of educational measurement by providing financial assistance to the University of Iowa and its College of Education for promising research and educational projects in furtherance of this purpose.

Miller Endowment, Incorporated was established December 18, 1995 pursuant to the will and codicil of F. Wendell Miller. The will and codicil appointed the presidents of Iowa State University and the State University of Iowa as coexecutors of the Miller Estate and co-trustees of the Miller Endowment Trust, a charitable trust, and further directed that the two universities be equal beneficiaries of the income from said trust. The will and codicil also directed the trustees to have the right and discretion to create a charitable corporation, to be "Miller Endowment, Incorporated", to own, administer and control the affairs and property of the trust. This corporation has been organized under Chapter 504A of the Code of Iowa and Section 501(c)(3) of the Internal Revenue Code. During fiscal year 1998, the assets of the trust were officially transferred to Miller Endowment, Incorporated. Since the net revenues and assets of the corporation are solely for the equal benefit of the two universities, one half of the value of the corporation's transactions has been blended into the University's operations.

The University of Iowa Research Park Corporation (Corporation) is a not-for-profit corporation and a component unit of the University of Iowa (University), organized under Section 501(c)(2) of the Internal Revenue Code. The Corporation owns approximately 185 acres of land located in the University of Iowa Research Park. The land is designated as the University of Iowa Research Park and is platted as a subdivision of Coralville, Iowa. The Corporation leases parcels of the University of Iowa Research Park to businesses (or to private developers working on behalf of businesses) wishing to locate close to the University and its research assets.

The Corporation's revenues derive primarily from the proceeds of its leases to tenant companies or developers and from an annual special purpose appropriation from the State of Iowa.

The University of Iowa Strategic Initiatives Fund is an Iowa non-profit corporation organized February 4, 2020 and operated exclusively for charitable, educational and scientific purposes under section 501(c)(3) of the Internal Revenue Code for the benefit of the State University of Iowa (University). The general purpose of the corporation shall be to manage the funds from the payment under the Long Term Lease and Concession Agreement for the University of Iowa Utility System executed in December 2019 (P3 Agreement); to select and supervise independent investment manager(s); to grant money to the University to support Concessionaire payments of the P3 Agreement; to determine the annual payout of the endowment for the purpose of granting gifts of money to the University for direct use in its scientific research and educational activities; and to review all grant requests forwarded to it by the Budget Review Board to ensure that each advances the UI strategic plans and to advance the cause of education and research.

Student Publications, Inc. (SPI) is a nonprofit corporation exempt from income taxes under Internal Revenue Code Section 501(c)(3). It publishes a daily newspaper, *The Daily Iowan*, which is provided principally to the students, faculty, staff and other members of the University of Iowa community, and two weekly newspapers, the *Mount Vernon-Lisbon Sun* and *Solon Economist* and operates DITV, a television newscast primarily available online. SPI also provides scholarships to students. SPI receives student fees from the University, subscription and advertising revenue, and donations. Printing is contracted to an independent contractor.

Discretely Presented Component Units

The University of Iowa Center for Advancement, the University of Iowa Research Foundation, and the University of Iowa Health System are included in the reporting entity as discretely presented component units. These legally separate entities are included in the University's financial reporting entity because of the nature of their relationship to the University.

The purpose of the University of Iowa Center for Advancement and Affiliates (UICA) is to advance the University of Iowa through engagement and philanthropy. UICA serves its alumni and friends in the state and the region, throughout the country, and around the world. UICA is committed to engaging everyone who loves the University of Iowa through programming, events and opportunities to give back to the University of Iowa. The University of Iowa Center for Advancement, an operational name for the State University of Iowa Foundation, is an independent organization and the preferred channel for private contributions that benefit all areas of the University of Iowa. The UICA is legally a not-for-profit corporation, organized under Section 501(c)(3) of the Internal Revenue Code, that is organizationally and operationally independent of the University of Iowa, but is generally subject to restrictions imposed by donors and holds investments primarily for restricted uses of the University of Iowa.

During the years ended June 30, 2024 and 2023 the UICA distributed to the University or expended on behalf of the University $170,714,000 and $156,753,000, respectively, for both restricted and unrestricted purposes.

The UICA is a nonprofit organization that reports under FASB standards. Certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the UICA's financial information in the University's financial reporting entity for these differences.

The UICA acts as a financial agent for other organizations benefiting the University of Iowa. Since the UICA is not considered to be financially interrelated to these organizations, the total amount of funds held on behalf of these organizations has been reflected as a liability on the consolidated statement of financial position. The UICA does not have variance power to re-direct the assets held for others. On the consolidated statement of activities, the UICA reports the gross amounts of support, revenue and expenses with the amount raised and expended on behalf of these organizations shown as a reduction in the gross amounts of support, revenue and expenses.

Assets held on behalf of these organizations include remainder interests in trusts, pledges and investments, which are for the benefit of the University. The following table identifies these legally separate, tax-exempt organizations.

Amounts Held on Behalf of Others (in thousands)	2024	2023
Iowa Law School Foundation	$106,247	$100,456
Student Publications Incorporated	1,112	994
Total	$107,359	$101,450

Complete financial statements for the UICA can be obtained from The University of Iowa Center for Advancement, One West Park Road, P.O. Box 4550, Iowa City, Iowa 52244-4550, Attn: CFO & Treasurer.

The University of Iowa Research Foundation (UIRF)—a 501(c)(3) corporation—commercializes University of Iowa (University) developed technologies and inventions through licensing and new venture formation, and manages the subsequent revenue stream. UIRF's primary functions are: finding suitable partners for commercialization of University technologies and inventions, identifying and helping develop new high growth companies based on University technologies that may be suitable for venture capital financing, and protecting University inventions through patents and copyrights and advising on intellectual property terms for Clinical Trials and Sponsored Research.

University of Iowa Health System (UIHS or the System) was incorporated under the provisions of the Iowa Nonprofit Corporation Act on December 2, 1994. UIHS was formed to support the clinical, academic, and research programs of the University of Iowa Carver College of Medicine (UICCOM) and the University of Iowa Health Care Medical Center (UIHC).

BASIS OF ACCOUNTING

For financial reporting purposes, the University is considered a special-purpose government engaged only in Business Type Activity as defined in GASB Statement No. 35 Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities. Accordingly, the financial statements of the University have been prepared using the economic resources measurement focus and the accrual basis of accounting. As a result, revenues are recognized when earned, expenses are recorded when an obligation is incurred and all significant intra-agency transactions have been eliminated. The University reports fiduciary activities as custodial funds as defined in GASB Statement No. 84 Fiduciary Activities. Accordingly, the custodial funds are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position and have been prepared using the accrual basis of accounting.

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 Iowa Board of Regents policy Chapter 2.2, section 4.C.ix (http://www.iowaregents.edu/plans-and-policies/board-policy-manual/22-business-procedures/%23Investment%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 Regent institutions as investments. Investments purchased by the institutions through Board authorized brokerage firms that meet the definition of cash equivalents, 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 (UNIVERSITY)

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. Please see Note 2 for further discussion.

INVESTMENTS (UI CENTER FOR ADVANCEMENT (UICA))

The UICA measures securities, other than investments that qualify for the equity method of accounting, at fair value. Investments in private equity funds and hedge funds are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments.

PLEDGES RECEIVABLE (UICA)

Pledges receivable are recorded at the net present value of estimated cash flows based on appropriate rates commensurate with the risks involved, 5 percent for pledges held at June 30, 2024, less an allowance for doubtful pledges. Conditional promises to give are not included as support until the conditions are substantially met. The provision for losses on doubtful pledges is an adjustment to contributions at quarter-end equal to 2.5 percent of gross pledges.

ACCOUNTS AND NOTES RECEIVABLES, NET

Accounts and notes receivables are shown net of estimated allowance for uncollectible accounts. Receivables are primarily attributable to patient services, students, sponsors, and lease of building space.

INVENTORIES

Inventories, primarily expendable materials and supplies held for consumption, are valued using the lower of cost or market, with cost determined on the first-in, first-out or weighted average basis.

CAPITAL ASSETS

Purchased capital assets. Purchased capital assets with a useful life greater than one year are stated at cost as of the acquisition date.

Donated capital assets. Donated capital assets acquired prior to FY 2016, are reported at estimated fair value at the time of acquisition. In accordance with GASB Statement No. 72 Fair Value Measurement and Application, donated capital assets acquired after FY 2015 are reported at their acquisition value as of the date of acquisition. Acquisition value is defined as the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

Library collections. Library materials exist in the Law Library and the Main Library (includes all library branches). The University capitalizes library materials as a collection (including perpetual electronic subscriptions). Additions to the collection are catalogued in the library where detailed records of the inventory are maintained. The library does not routinely digitize their physical collection. However, for items that are digitized, the cost incurred is typically internal staff time and is not capitalized. The Main Library and Law Library prepare annual reports which include the annual expenditures for collection additions, the amount of in-kind gifts, the number of volumes added and the number of volumes withdrawn. This information is used to adjust the capitalized value of additions and withdrawals. Since the University deems the library materials as a collection and adjusts the capitalized balance for additions and withdrawals, the University considers the collection to be inexhaustible and, therefore, does not depreciate the capitalized balance.

Right to use (RTU) assets. RTU assets represent the University's control of the right to use another entity's nonfinancial asset and subscription-based information technology arrangements for the RTU term, as specified in the contract, in an exchange or exchange-like transaction. RTU assets are recognized at the commencement date based on the initial measurement of the liability, plus any payments made to the lessor or vendor at or before the commencement of the RTU term and certain direct costs.

Depreciation and amortization. Depreciation and amortization of capital assets is calculated using the straight-line method over the estimated useful lives (five to fifty years) of the respective assets.

Capitalization thresholds.

- Purchased equipment $5,000
- Intangible assets, non-UIHC $500,000
- Intangible assets, UIHC $5,000
- Art assets $5,000
- RTU lease assets $1,000,000
- Subscription-based information technology arrangements $250,000

WHOLLY OWNED SUBSIDIARY (UNIVERSITY)

Musser-Davis Land Company (the Company) is a wholly-owned subsidiary of the State University of Iowa (the University). It is a separate legal entity governed by a Board of Directors. The Company's directors consist of eight members, including representatives of the Office of the Senior Vice President for Finance and Operations and the Office of the Dean of the Roy J. and Lucille A. Carver College of Medicine (CCOM). The other directors are appointed by the University. Based on this relationship, the Company is a wholly-owned subsidiary of the University and its financial statements are reported using the Governmental Accounting Standards framework.

The Company was formed in 1916, and its stock was gifted to the University of Iowa over a number of years for the benefit of the CCOM. The University became the sole stockholder in 1977, and in 1981 the Company was granted tax-exempt status as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. It is authorized to make distributions for the benefit of the CCOM. The Articles of Incorporation bar any transfer or assignment of common stock.

The Company owns a total of 14,499 acres of land located in Louisiana, and its operations consist primarily of leasing mineral rights to others and planting seedings to be harvested by others.

The Company's fiscal year ends December 31 and its financial statements are presented on a modified cash basis of accounting. A summary of balances at December 31 and June 30 are as follows (in thousands):

	As of December 31	
	2023	2022
Assets (primarily investments)	$19,615	$18,578
Net Assets	$19,615	$18,578

	As of June 30	
	2024	2023
Distributions to Carver College of Medicine	$(2,000)	$(1,500)
Assets (primarily investments)	17,615	17,078
Net Assets	$17,615	$17,078

INVESTMENT IN SUBSIDIARY (UICA)

From time to time, the University of Iowa Facilities Corporation (UIFC) has issued revenue bonds to provide financial assistance to the University of Iowa for the acquisition and construction of facilities for the benefit of the University of Iowa. The bonds are payable solely from the lease payments paid by the University of Iowa for the facilities. Upon repayment of the bonds, ownership of the acquired facilities transfers to the University of Iowa. The UIFC is not obligated in any manner for repayment on the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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 using the effective interest rate method.

UNEARNED REVENUE

Unearned revenue includes advance tickets sales, student tuition related to next fiscal year and amounts received from leases, grants and contracts that have not yet been earned.

COMPENSATED ABSENCES PAYABLE

University employees accumulate vacation and sick leave under the provisions of Chapters 70A and 262 of the Code of Iowa. It is the policy of the State to liquidate these accrued benefits under specific circumstances. The State pays for accrued vacation at 100% of the employee's hourly rate upon retirement, death, or termination and, with certain exceptions, for accrued sick leave at 100% of the hourly rate to a maximum of $2,000 upon retirement. The liability for accrued compensated absences as reported in the Statement of Net Position is based on the current rates of pay.

REFUNDABLE ALLOWANCES ON STUDENT LOANS

Refundable allowances on student loans consist of federal capital contributions to the University from the Perkins or Health Profession student loan programs. The federal capital contribution amounts are refundable to the United States government if the loan programs are discontinued or the University closes an associated degree program.

NONCURRENT DEBT AND OTHER NONCURRENT LIABILITIES

Noncurrent debt includes principal amounts of revenue bonds, notes, and financed purchases payable with contractual maturities greater than one year. Noncurrent debt also includes unamortized discounts and premiums, resulting from bond issuances. Other obligations include lease payable and subscription-based information technology arrangements (SBITA) payable. Other noncurrent liabilities include estimated amounts for other postemployment and pension benefits, compensated absences payable and refundable allowances on student loans. For purposes of measuring the net pension liability, 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. For purposes of measuring the 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 when in accordance with the benefit terms.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period. Deferred outflows of resources include:

- Unamortized bond refunding losses.
- Pension or OPEB related amounts derived from differences in experience, assumptions, investment earnings and University contributions as well as contributions subsequent to measurement date.
- University of Iowa Health Care acquisition of clinics.
- SPI acquisition of community newspapers.

A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period. Deferred inflows include:

- Unamortized bond refunding gains.
- Pension or OPEB related amounts derived from differences in experience, assumptions, investment earnings and University contributions.
- Qualifying receipts for sponsored programs (resources received before time requirements are met, but after all other eligibility requirements have been met).
- Lease deferred inflows, valued at the present value of lease payments expected to be received in future periods.
- Public-Private Partnership (P3) deferred inflows for a 50-year lease of the utility system advance from concessionaire.

FRINGE BENEFITS

The University utilizes the fringe benefits pool method to account for fringe benefits. Under this method, fringe benefits are expensed as a percentage of actual salary or wage costs. The use of standard fringe benefits rates rather than charging actual fringe benefits costs is accepted by the Federal Government and widely used by universities. 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. The Federal Government must approve the annual rates for fringe pools that are specifically negotiated.

DEFINITION OF OPERATING ACTIVITIES

Operating activities reported on the Statement of Revenues, Expenses and Changes in Net Position are those that generally 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. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement No. 35, including state appropriations, gifts and investment income.

NON-VESTED EQUIPMENT

Capital assets purchased with restricted contract and grant proceeds have been excluded from the Statement of Net Position.

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.

Note 2—Cash, Cash Equivalents, Investments, and Deposits with Trustees

CASH AND CASH EQUIVALENTS

A summary of the book and bank balances for cash and cash equivalents at June 30, 2024 and 2023 is as follows (in thousands):

	2024	2023
Book Balance	$286,193	$357,202
Non-Fiduciary	285,630	356,651
University of Iowa Research Foundation	449	493
Fiduciary	114	58
Bank Balance	$328,282	$381,955
Invested in money market funds as cash equivalents	144,124	216,002
Covered by FDIC insurance or State Sinking Fund	184,158	165,953

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, 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.

DEPOSITS WITH TRUSTEES

Investments on deposit with trustees, paying and co-paying agents for the purpose(s) of paying current obligations of bond principal and interest, for holding Bond Reserve Funds or for holding Construction Funds as specified by bond resolutions at June 30, 2024 and 2023, totaled $37,602,000 and $2,350,000, respectively. At June 30, 2024, $1,933,000 of the $37,602,000 was invested in U.S. Government Agency securities with a credit quality rating of AA+ and an effective duration of 0.72 years. Additionally, $1,402,000 and $806,000 of deferred compensation funds were invested with a trustee in a mutual fund which is not subject to credit ratings and effective duration at June 30, 2024 and 2023, respectively.

INVESTMENTS

Investments are made in accordance with Chapter 12B.10, of the Code of Iowa, and Iowa Board of Regents policy. (http://www.iowaregents.edu/plans-and-policies/board-policy-manual/22-business-procedures#Investment%20Policy). In order to achieve economies of scale, the University of Northern Iowa's endowments and a portion of its operating portfolio are pooled with the University's investments. The University's endowment portfolio included $20,742,000 and $20,639,000 at June 30, 2024 and 2023, respectively, held for the University of Northern Iowa. The University's operating portfolio included $55,787,000 and $52,611,000 at June 30, 2024 and 2023, respectively, as well as $29,198,000 and $27,356,000 invested in the University's intermediate term portfolio at June 30, 2024 and 2023, respectively, held for the University of Northern Iowa. The University of Northern Iowa investments are recorded as investments in the Statement of Fiduciary Net Position for Fiduciary Funds.

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 policy adjusts dollar payouts by the trailing calendar year Consumer Price Index (inflation rate). Total payout is banded at no less than 4% and no greater than 5% of calendar year end market values.

Net appreciation of permanent endowment funds, which totaled $25,532,000 and $24,534,000 at June 30, 2024 and 2023, respectively, is available to meet spending rate distributions and is recorded in restricted nonexpendable net position.

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. Each fixed income portfolio is managed to an appropriate benchmark.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. Except for Treasury or Agency debentures, no more than 5% of University direct investments are invested in securities of a single issuer at time of purchase. All direct investment purchases by the University in the operating portfolio are U.S. Treasury and Agency securities.

The University's investments are recorded at fair value. As of June 30, 2024 and 2023, the University had the following investments and quality credit ratings (in thousands):

INVESTMENT TYPE	Effective Duration (Years)	TSY/ AGY/ AAA	AA	A	BBB	BB	B	NA	NR	Total Fair Value
Fixed Income:										
Corporate Notes and Bonds	4.26	$36,597	3,346	38,056	49,511	3,198	-	-	-	$130,708
U.S. Government Agencies	3.86	-	133,738	-	-	-	-	4,305	-	138,043
U.S. Government Treasuries	7.13	-	104,550	-	-	-	-	-	351	104,901
Mutual Funds	4.46	245	986,456	571,330	-	120,125	507,879	-	-	2,186,035
Total		$36,842	1,228,090	609,386	49,511	123,323	507,879	4,305	351	$2,559,687
Equity and Other:										
Common Stock										18,861
Mutual Funds										1,104,749
Real Estate										267,575
Private Markets										260,839
Private Debt										32,493
Infrastructure										60,911
Bank Investments										63,451
Money Market/Cash Equivalents										554,815
Total Investments June 30, 2024										$4,923,381
Fiduciary										$107,704
University of Iowa Research Foundation										7,437
Non-Fiduciary										4,808,240
Total										$4,923,381

INVESTMENT TYPE	Effective Duration (Years)	TSY/ AGY/ AAA	AA	A	BBB	BB	B	NA	NR	Total Fair Value
Fixed Income:										
Corporate Notes and Bonds	4.66	$37,536	5,737	39,565	50,844	1,462	-	-	-	$135,144
U.S. Government Agencies	3.19	-	182,675	-	-	-	-	5,241	-	187,916
U.S. Government Treasuries	3.87	-	181,861	-	-	-	-	-	368	182,229
Mutual Funds	4.93	217	1,201,161	123,800	-	198,661	353,078	-	-	1,876,917
Total		$37,753	1,571,434	163,365	50,844	200,123	353,078	5,241	368	$2,382,206
Equity and Other:										
Common Stock										17,464
Mutual Funds										1,027,511
Real Estate										284,392
Private Markets										223,404
Private Debt										24,765
Infrastructure										56,164
Bank Investments										50,094
Money Market/Cash Equivalents										476,238
Total Investments June 30, 2023										$4,542,238

Fiduciary	$101,419
University of Iowa Research Foundation	6,861
Non-Fiduciary	4,433,958
Total	$4,542,238

FAIR VALUE MEASUREMENTS

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.

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, private debt, real estate and infrastructure, 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 consolidated financial statements. The University attempts to manage these risks through diversification, ongoing due diligence of fund managers, maintaining adequate liquidity, and continuously monitoring economic and market conditions.

The following tables reflect fair value measurements of investment assets at June 30, 2024 and 2023, respectively, as categorized by level of the fair value hierarchy according to the lowest level of inputs significant to each measurement or NAV (in thousands):

INVESTMENT TYPE	Level 1	Level 2	NAV	Total Fair Value
Fixed Income:				
Corporate Notes and Bonds	$-	130,708	-	$130,708
U.S. Government Agencies	-	138,043	-	138,043
U.S. Government Treasuries	104,901	-	-	104,901
Mutual Funds	1,061,734	-	1,124,301	2,186,035
Equity and Other:				
Common Stock	17,715	1,146	-	18,861
Mutual Funds	795,832	-	308,917	1,104,749
Real Estate	-	-	267,575	267,575
Private Markets	-	-	260,839	260,839
Private Debt	-	-	32,493	32,493
Infrastructure	-	-	60,911	60,911
Subtotal	1,980,182	269,897	2,055,036	4,305,115
Bank Investments				63,451
Money Market/Cash Equivalents				554,815
Total Investments June 30, 2024				**$4,923,381**
Fiduciary				$107,704
University of Iowa Research Foundation				7,437
Non-Fiduciary				4,808,240
Total				**$4,923,381**

INVESTMENT TYPE	Level 1	Level 2	NAV	Total Fair Value
Fixed Income:				
Corporate Notes and Bonds	$-	135,144	-	$135,144
U.S. Government Agencies	-	187,916	-	187,916
U.S. Government Treasuries	182,229	-	-	182,229
Mutual Funds	901,522	-	975,395	1,876,917
Equity and Other:				
Common Stock	16,866	598	-	17,464
Mutual Funds	727,980	-	299,531	1,027,511
Real Estate	-	-	284,392	284,392
Private Markets	-	-	223,404	223,404
Private Debt	-	-	24,765	24,765
Infrastructure	-	-	56,164	56,164
Subtotal	1,828,597	323,658	1,863,651	4,015,906
Bank Investments				50,094
Money Market/Cash Equivalents				476,238
Total Investments June 30, 2023				$4,542,238
Fiduciary				$101,419
University of Iowa Research Foundation				6,861
Non-Fiduciary				4,433,958
Total				**$4,542,238**

The following tables summarize the University's investments at June 30, 2024 and 2023, respectively, for which NAV was used as a practical expedient to estimate fair value (in thousands):

INVESTMENT TYPE	Fair Value determined using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income Mutual Funds	$1,124,301	$-	daily–monthly	5–60 days
Equity Mutual Funds	308,917	-	daily–monthly	2–30 days
Real Estate:				
Redeemable	267,575	-	quarterly	60–90 days
Private Markets:				
Nonredeemable	260,839	263,966	N/A	N/A
Private Debt:				
Redeemable	4,953	30,073	quarterly	lock period
Nonredeemable	27,540	3,000	N/A	N/A
Infrastructure:				
Redeemable	60,911	-	N/A	lock period
Investments measured at NAV at June 30, 2024	$2,055,036	$297,039		

INVESTMENT TYPE	Fair Value determined using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income Mutual Funds	$975,395	$-	daily–monthly	5–60 days
Equity Mutual Funds	299,531	-	daily–monthly	2–30 days
Real Estate:				
Redeemable	284,392	-	quarterly	60–90 days
Private Markets:				
Nonredeemable	223,404	305,342	N/A	N/A
Private Debt:				
Nonredeemable	24,765	6,000	N/A	N/A
Infrastructure:				
Nonredeemable	56,164	-	N/A	lock period
Investments measured at NAV at June 30, 2023	$1,863,651	$311,342		

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.
- **Equity Mutual Funds**—This category includes investments in global equities including both developed and emerging markets.
- **Real Estate**—This category includes funds that invest in open-end real estate. The University subscribes to purchase interests in the funds, which may be called up to 18 months after subscription date, based on the fund contribution queue. The University's interest in the funds is redeemable on a quarterly or semi-annual basis following an additional lock period, with withdrawals dependent on each fund's redemption queue per the terms of the limited partnership agreement.
- **Private Markets**—This category includes funds that invest in strategies such as private equity, private real estate, and private resource investments. Capital is committed during the course of the investment period, typically four years, of each fund, after which point capital commitments stop. The University's interest in the nonredeemable funds is considered to be illiquid in that from liquidation of the underlying assets of the fund are at the discretion of the general partner per the terms of the limited partnership agreement. Funds are typically liquidated over a period of five to ten years, and include a mechanism to extend the length of the partnership with approval from limited partners.
- **Private Debt**—This category includes funds that invest in financing to support private business, often by national and regional banks. Capital is committed during the course of the investment period, typically three to four years, of each fund, after which point capital commitments stop. The University's interest in the nonredeemable funds is considered to be illiquid in that distribution from liquidation of the underlying assets of the fund are at the discretion of the general partner per the terms of the limited partnership agreement. Funds are typically liquidated over a period of three to five years and include a mechanism to extend the length of the partnership with approval from the limited partners.

- **Infrastructure**—This category includes funds that invest in global infrastructure assets. The University subscribes to purchase interest in the funds, which may be called up to 18 months after subscription date, based on the fund contribution queue. The University's interest in the funds is redeemable on a quarterly or semi-annual basis following an additional lock period, with withdrawals dependent on each fund's redemption queue per the terms of the limited partnership agreement.

Note 3—Accounts Receivable, Pledges Receivable, Due From Government Agencies and Notes Receivable

ACCOUNTS RECEIVABLE

A summary of current and noncurrent accounts receivable at June 30, 2024 and 2023 is as follows (in thousands):

	University and Blended Component Units	UIHC, Affiliates and UI Physicians	Lease Receivable	Eliminations and Reclassifications	Total
Accounts Receivable	$134,509	1,833,611	3,515	(22,621)	$1,949,014
Allowance for Uncollectible Accounts, Indigent Patients and Contractual Adjustments	(8,840)	(1,336,420)	-	-	(1,345,260)
Accounts Receivable, Net, June 30, 2024	**$125,669**	**497,191**	**3,515**	**(22,621)**	**$603,754**
Accounts Receivable	$134,648	1,488,791	4,250	(29,357)	$1,598,332
Allowance for Uncollectible Accounts, Indigent Patients and Contractual Adjustments	(7,795)	(1,093,185)	-	-	(1,100,980)
Accounts Receivable, Net, June 30, 2023	**$126,853**	**395,606**	**4,250**	**(29,357)**	**$497,352**

LEASES RECEIVABLE

The University leases space to external parties, recording lease receivable and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate charged on the lease or using the University's incremental borrowing rate. During the years ended June 30, 2024 and 2023, the University recognized revenues related to these lease agreements totaling $1,985,000 and $1,677,000, respectively.

Total future minimum lease payments to be received under lessor agreements are as follows (in thousands):

Year Ending June 30	Principal	Interest	Total
2025	$1,138	99	$1,237
2026	1,003	63	1,066
2027	433	37	470
2028	347	26	373
2029	71	17	88
2030-2034	276	61	337
2035-2039	215	22	237
2040-2044	32	5	37
Total	$3,515	330	$3,845

Variable lease revenue—Variable lease revenue is excluded from the measurement of the lease receivable. Such amounts are recognized as lease revenue in the period earned. The amount recognized as inflows (revenue) for variable lease revenue not included in the measurement of lease assets was $0.7 million and $0.6 million during the year ended June 30, 2024 and 2023, respectively.

PLEDGES RECEIVABLE (UICA)

A summary of the pledges receivable (unconditional promises to give) at June 30, 2024 and 2023 is as follows (in thousands):

	2024	2023
Gross pledges receivable	$303,246	$312,509
Less present value discount of $42,559 for 2024 and $47,437 for 2023 and allowance for uncollectible pledges of $7,581 for 2024 and $7,812 for 2023	(50,140)	(55,249)
Total	$253,106	$257,260

Gross pledges receivable at June 30, 2024 and 2023, respectively, are expected to be collected as follows (in thousands):

	2024	2023
Due within one year	$90,542	$75,875
Due in one to five years	153,905	174,760
Due in more than five years	58,799	61,874
Total	$303,246	$312,509

DUE FROM GOVERNMENT AGENCIES

Due from government agencies at June 30, 2024 and 2023 are comprised of $320,016,000 and $318,526,000, respectively, due from the State of Iowa and $95,311,000 and $89,949,000, respectively, due from United States government agencies.

NOTES RECEIVABLE

Current notes receivable at June 30, 2024 and 2023 are $1,703,000 net of an allowance of $88,000, and $1,947,000, net of an allowance of $54,000, respectively. Noncurrent notes receivable at June 30, 2024 and 2023 are $14,862,000, net of an allowance of $767,000, and $16,986,000, net of an allowance of $471,000, respectively.

Note 4—Capital Assets

A summary of capital assets activity for the year ended June 30, 2024 is as follows (in thousands):

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Nondepreciable/Nonamortizable					
Land	$74,653	8,638	-	(86)	$83,205
Construction in Progress	356,375	490,435	(146,129)	-	700,681
Art and Historical Collections	30,037	115	-	-	30,152
Library Materials	424,379	10,438	-	(2,351)	432,466
Capital Assets, Nondepreciable/Nonamortizable	**885,444**	**509,626**	**(146,129)**	**(2,437)**	**1,246,504**
Depreciable/Amortizable					
Land Improvements	31,339	-	7,710	-	39,049
Infrastructure	789,019	-	15,020	-	804,039
Buildings	4,967,970	11,467	123,399	(1,278)	5,101,558
Equipment	955,627	104,327	-	(37,829)	1,022,125
Intangibles	116,896	955	-	(260)	117,591
RTU Leased buildings	150,950	21,831	-	(2,970)	169,811
RTU Leased equipment	20,648	2,895	-	(1,101)	22,442
RTU Leasehold	2,306	287	-	-	2,593
RTU Leased land	1,464	-	-	(17)	1,447
RTU SBITA	46,126	25,312	-	(8,474)	62,964
Capital Assets, Depreciable/Amortizable	7,082,345	167,074	146,129	(51,929)	7,343,619
Accumulated Depreciation/Amortization					
Land Improvements	27,334	1,576	-	-	28,910
Infrastructure	473,341	25,450	-	-	498,791
Buildings	2,453,521	161,504	-	(1,135)	2,613,890
Equipment	683,899	83,686	-	(35,735)	731,850
Intangibles	102,309	4,612	-	(260)	106,661
RTU Leased buildings	21,480	16,440	-	939*	38,859
RTU Leased equipment	6,954	5,888	-	(914)	11,928
RTU Leasehold	838	595	-	287*	1,720
RTU Leased land	474	233	-	(7)	700
RTU SBITA	16,365	16,210	-	(8,357)	24,218
Total Accumulated Depreciation/ Amortization	3,786,515	316,194	-	(45,182)	4,057,527
Depreciable/Amortizable Capital Assets, Net	**3,295,830**	**(149,120)**	**146,129**	**(6,747)**	**3,286,092**
Capital Assets, Net, June 30, 2024	**$4,181,274**	**360,506**	**-**	**(9,184)**	**$4,532,596**

** The Accumulated Depreciation/Amortization of RTU Leased buildings and RTU Leasehold assets incurred lease modifications resulting in a positive adjustment in the retirement column.*

A summary of capital assets activity for the year ended June 30, 2023 is as follows (in thousands):

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Nondepreciable/Nonamortizable					
Land	$74,511	142	-	-	$74,653
Construction in Progress	171,795	268,681	(83,854)	(247)	356,375
Art and Historical Collections	29,105	932	-	-	30,037
Library Materials	412,938	13,735	-	(2,294)	424,379
Capital Assets, Nondepreciable/Nonamortizable	**688,349**	**283,490**	**(83,854)**	**(2,541)**	**885,444**
Depreciable/Amortizable					
Land Improvements	31,342	-	-	(3)	31,339
Infrastructure	777,067	-	12,177	(225)	789,019
Buildings	4,897,020	-	71,677	(727)	4,967,970
Equipment	913,882	91,198	-	(49,453)	955,627
Intangibles	115,475	1,920	-	(499)	116,896
RTU Leased buildings	127,391	30,256	-	(6,697)	150,950
RTU Leased equipment	13,253	11,562	-	(4,167)	20,648
RTU Leasehold	2,306	-	-	-	2,306
RTU Leased land	1,455	9	-	-	1,464
RTU SBITA	24,400	24,087	-	(2,361)	46,126
Capital Assets, Depreciable/Amortizable	6,903,591	159,032	83,854	(64,132)	7,082,345
Accumulated Depreciation/Amortization					
Land Improvements	26,285	1,052	-	(3)	27,334
Infrastructure	448,328	25,236	-	(223)	473,341
Buildings	2,294,202	160,036	-	(717)	2,453,521
Equipment	653,927	76,568	-	(46,596)	683,899
Intangibles	96,492	6,316	-	(499)	102,309
RTU Leased buildings	13,333	13,837	-	(5,690)	21,480
RTU Leased equipment	3,916	5,926	-	(2,888)	6,954
RTU Leasehold	243	595	-	-	838
RTU Leased land	236	238	-	-	474
RTU SBITA	6,621	12,153	-	(2,409)	16,365
Total Accumulated Depreciation/Amortization	3,543,583	301,957	-	(59,025)	3,786,515
Depreciable/Amortizable Capital Assets, Net	**3,360,008**	**(142,925)**	**83,854**	**(5,107)**	**3,295,830**
Capital Assets, Net, June 30, 2023	**$4,048,357**	**140,565**	**-**	**(7,648)**	**$4,181,274**

Note 5— Long-term Liabilities

A summary of the changes in long-term liabilities for the year ended June 30, 2024 and 2023 is as follows (in thousands):

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Long-term debt:					
Bonds payable	$1,408,819	70,636	(71,190)	$1,408,265	$87,680
Notes payable and others	77,348	30,181	(5,339)	102,190	6,823
Total long-term debt	**1,486,167**	**100,817**	**(76,529)**	**1,510,455**	**94,503**
Other obligations:					
Leases payable	148,843	20,999	(21,437)	148,405	18,477
SBITA payable	20,414	25,447	(17,223)	28,638	10,750
Total other obligations	**169,257**	**46,446**	**(38,660)**	**177,043**	**29,227**
Total long-term debt and other obligations, June 30, 2024	**$1,655,424**	**147,263**	**(115,189)**	**$1,687,498**	**$123,730**
Other long-term liabilities:					
Other postemployment benefits other than pensions, as restated	$128,063	10,283	(34,229)	$104,117	$6,810
Pension	$90,462	25,882	-	$116,344	$-
Compensated absences	$213,079	155,772	(142,297)	$226,554	$155,951
Refundable allowances on student loans	$29,002	-	-	$29,002	$-

	Restated Beginning Balance	Additions	Reductions	Restated Ending Balance	Current Portion
Long-term debt:					
Bonds payable	$1,414,470	205,628	(211,279)	$1,408,819	$62,330
Notes payable and others	54,809	26,044	(3,505)	77,348	5,064
Total long-term debt	**1,469,279**	**231,672**	**(214,784)**	**1,486,167**	**67,394**
Other obligations:					
Leases payable	128,342	43,947	(23,446)	148,843	18,559
SBITA payable	16,098	24,134	(19,818)	20,414	8,200
Total other obligations	**144,440**	**68,081**	**(43,264)**	**169,257**	**26,759**
Total long-term debt and other obligations, June 30, 2023	**$1,613,719**	**299,753**	**(258,048)**	**$1,655,424**	**$94,153**
Other long-term liabilities:					
Other postemployment benefits other than pensions, as restated	$141,306	12,892	(26,135)	$128,063	$10,442
Pension	$2,145	88,317	-	$90,462	$-
Compensated absences	$210,341	134,085	(131,347)	$213,079	$142,297
Refundable allowances on student loans	$28,564	437	-	$29,001	$-
Other	$3,006	-	(3,006)	$-	$-

As of June 30, 2024 and 2023, the University reported no Asset Retirement Obligations.

BONDS PAYABLE

Bonds have been sold to finance certain capital projects and are outstanding at June 30, 2024, as follows (in thousands):

Bond Issues	Interest Rates (Percent)	Fiscal Year Maturity Date	Amount
Academic Buildings	2.00 - 5.00	2037	$131,924
Add: Unamortized Premium			4,216
Athletic Facilities	2.00 - 5.00	2039	155,580
Add: Unamortized Premium			3,174
Hospital	1.25 - 5.00	2062	615,770
Add: Unamortized Premium			43,667
Iowa Memorial Union	3.00 - 5.00	2026	1,411
Add: Unamortized Premium			34
Parking System	2.00 - 4.00	2041	93,064
Add: Unamortized Premium			117
Recreational Facilities	2.00 - 5.00	2035	41,661
Add: Unamortized Premium			2,312
Residence Services	2.00 - 5.00	2047	142,965
Less: Unamortized Discount			(62)
Add: Unamortized Premium			1,854
Telecommunications	2.00 - 5.00	2037	22,345
Add: Unamortized Premium			1,303
University of Iowa Facility Corporation	2.00 - 6.00	2050	136,885
Add: Unamortized Premium			10,045
Total			**$1,408,265**

As of June 30, 2024, unspent bond proceeds for Parking System Bond Anticipation Project Notes totaled $31,346,000, unspent proceeds for UIFC Revenue Bonds totaled $12,969,000, and unspent proceeds for Hospital Revenue Bonds totaled $13,284,000.

The bonds will mature as follows (in thousands):

Year Ending June 30	Principal	Interest	Total
2025	$87,680	46,294	$133,974
2026	69,040	43,234	112,274
2027	127,100	39,461	166,561
2028	72,640	35,574	108,214
2029	71,640	32,698	104,338
2030-2034	325,725	124,907	450,632
2035-2039	253,715	70,812	324,527
2040-2044	114,050	39,426	153,476
2045-2049	77,960	26,085	104,045
2050-2054	59,550	16,142	75,692
2055-2059	49,225	8,772	57,997
2060-2062	33,280	1,518	34,798
Less: Unamortized Discount	(62)	-	(62)
Add: Unamortized Premium	66,722	-	66,722
Total	**$1,408,265**	**484,923**	**$1,893,188**

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

NOTES PAYABLE

The University has the following notes payable and financed purchases outstanding at June 30, 2024 (in thousands):

Purpose	Interest Rates (Percent)	Maturity Dates	Amount
ENGIE Utility Assets	3.19	2044	$90,679
Athletic Facility	2.07	2031	8,237
DeLage Medical Equipment	3.58	2028	1,204
Athletics Carver Audio and Video System	2.46	2031	824
Burlington Street Properties	3.00	2035	689
Market Street Property	2.50	2025	557
Total			**$102,190**

Assets acquired under these notes and agreement had a net book value of $122,912,000 as of June 30, 2024.

The outstanding Market Street Property note will transfer possession during summer 2025. The seller may demand a balloon payment of the remaining contract balance by providing 90 days advance written notice of its intent to close on the transaction.

The outstanding Burlington Street Properties financed purchase agreement terminates on June 30, 2035, with two five-year renewal options after that date. However, pursuant to the irrevocable gift agreement between the parties, the properties shall transfer upon the death of the Landlord, or prior to death, upon transfer of ownership from the Landlord to the University.

The notes and financed purchases will mature as follows (in thousands):

Year Ending June 30	Principal	Interest	Total
2025	$6,823	6,136	$12,959
2026	6,909	5,776	12,685
2027	6,653	5,419	12,072
2028	6,698	5,060	11,758
2029	6,417	4,701	11,118
2030-2034	26,373	18,497	44,870
2035-2039	24,301	10,571	34,872
2040-2044	18,016	2,931	20,947
Total	**$102,190**	**59,091**	**$161,281**

LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The University has leased various equipment, buildings, and land in the course of operations. The University also has noncancellable subscription information technology (IT) arrangements (similar to a lease) for the right-to-use IT software alone or in conjunction with a tangible capital asset (subscription IT arrangements). Leases and subscription IT arrangements with a maximum term of 12 months or less are expensed according to the terms of the lease or subscription. Leases and subscription IT arrangements with a term greater than one year have been capitalized as a right-to-use another entity's nonfinancial asset and a corresponding liability recorded, amortized over the life of the arrangements, including extension periods likely to be exercised. These leases and subscription IT arrangements expire from fiscal year 2025 to fiscal year 2048.

At lease or subscription IT arrangement commencement, the University initially measures the liability at the present value of payments expected to be made during the lease or subscription IT arrangement term. Subsequently, the liability is reduced by the principal portion of liability payments made. The lease right-to-use asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subscription IT assets are initially measured as the initial amount of the subscription IT liability, less subscription payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription commencement date, plus the capitalizable implementation costs. Subsequently, the asset is amortized on a straight-line basis over the shorter of the lease or subscription IT arrangements term or the useful life of the underlying asset. If the University is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset. The University does not have leases subject to a residual value guarantee.

The University generally uses its estimated incremental borrowing rate as the discount rate for leases and subscription IT arrangements unless the rate that the lessor/vendor charges is known. The incremental borrowing rate is based on the SLGS rate for the comparable lease or subscription IT arrangements term. The term includes the noncancellable period of the lease or subscription IT arrangements plus any additional periods covered by either a University or lessor/vendor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the University and the lessor/vendor have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the term. The University monitors changes in circumstances that may require remeasurement of a lease or subscription IT arrangements. When certain changes occur that are expected to significantly affect the amount of the lease or subscription IT liability, the liability is remeasured and a corresponding adjustment is made to the right-to-use lease or subscription IT asset.

Variable lease or subscription payments, other than those payments that depend on an index or rate or are fixed in substance, are excluded from the measurement of the liability. Such amounts are recognized as lease or software expense, respectively, in the period in which the obligation for those payments is incurred. The University has not identified variable lease payments or subscription IT arrangements.

The following is a schedule, by year, of future minimum lease payments required (in thousands):

Year Ending June 30	Principal	Interest	Total
2025	$18,477	4,071	$22,548
2026	16,140	3,598	19,738
2027	14,774	3,150	17,924
2028	13,349	2,747	16,096
2029	12,453	2,383	14,836
2030-2034	41,665	7,474	49,139
2035-2039	16,128	3,783	19,911
2040-2044	11,781	1,774	13,555
2045-2048	3,638	274	3,912
Total	**$148,405**	**29,254**	**$177,659**

The following is a schedule, by year, of future minimum subscription IT payments required (in thousands):

Year Ending June 30	Principal	Interest	Total
2025	$10,750	921	$11,671
2026	9,146	641	9,787
2027	7,161	313	7,474
2028	1,581	52	1,633
Total	**$28,638**	**1,927**	**$30,565**

UNIVERSITY OF IOWA DEFINED CONTRIBUTION RETIREMENT PLAN

The University sponsors the University of Iowa Defined Contribution Retirement Plan. Teachers Insurance and Annuity Association (TIAA) is the record keeper of the retirement plan for the University. The retirement plan provides for individual retirement accounts for each plan participant. The Iowa Board of Regents establishes and amends the plan's provisions and contribution requirements. As required by the Iowa Board of Regents policy and the Code of Iowa, all eligible University employees must participate in a retirement plan from the date they are employed. Employees may choose between the University of Iowa Defined Contribution Retirement Plan or Iowa Public Employees' Retirement System (IPERS).

Contributions made by both employer and employee vest immediately. As specified by the legal plan document for the plan, each employee through the fifth year of employment contributes 3 1/3% of the first $4,800 of retirement eligible earnings and 5% on the balance of retirement eligible earnings. The University, through the fifth year of employment, is required to contribute 6 2/3% of the first $4,800 of retirement eligible earnings and 10% on retirement eligible earnings above the $4,800. Upon completion of five years of service, the participant contributes 5% and the University 10% on all retirement eligible earnings. During fiscal years 2024 and 2023, the University's required and actual contribution amounted to $141,799,000 and $133,529,000, respectively. During fiscal years 2024 and 2023, the employees' required and actual contribution amounted to $70,900,000 and $66,765,000, respectively.

At June 30, 2024 and 2023, the University reported payables to the defined contribution pension plan of $12,439,000 and $11,589,000, respectively, for legally required employer contributions and $6,210,000 and $5,785,000, respectively, for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

Plan Description—IPERS membership is mandatory for employees of the University except for those covered by the University of Iowa Defined Contribution Retirement Plan administered by TIAA. Employees of the University are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan administered by IPERS. IPERS issues a publicly available financial report which is available to the public by e-mail at info@ipers.org, by phone at 515-281-0020 or 1-800-622-3849, by mail at Iowa Public Employees' Retirement System, 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.

Based on their positions at the University, employees are considered regular members or protection occupation members. Employees who serve in certified law protection positions are considered protection occupation members.

Pension Benefits—A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 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 benefits before age 55. Members who are age 70 and still working for an IPERS-covered employer may apply to begin receiving IPERS retirement benefits while still employed. 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, except members with service before June 30, 2012 will use the highest three-year average salary as of that date 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 and 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:

- A multiplier based on years of service.
- The member's highest three-year average salary.

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, a reduction of 3 percent a year is applied for each year the benefit is paid before normal retirement age. For service earned after July 1, 2012, the reduction is 6 percent for each year of retirement 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—Vested members who are awarded federal Social Security disability or Railroad Retirement disability benefits are eligible for IPERS disability benefits. 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 the amount rates can increase or decrease each year to 1 percentage point. 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. 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 years 2024 and 2023, regular plan members, protection occupation members, and University contributions were as follows:

	2024	2023
Regular plan members	6.29%	6.29%
University	9.44%	9.44%
	15.73%	15.73%
Protection occupation members	6.21%	6.21%
University	9.31%	9.31%
	15.52%	15.52%

The University's contributions to IPERS for the years ended June 30, 2024 and 2023 were $26,407,000 and $21,559,000, respectively.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At June 30, 2024 and 2023, the University reported a liability of $116,344,000 and $90,462,000, respectively, for its proportionate share of the overall plan net pension liability. The overall plan net pension liability was measured as of June 30, 2023 and 2022, respectively, and the total pension liability used in the calculation of the overall plan net pension liability was determined by an actuarial valuation as of those dates. The University's proportion of the overall plan net pension liability was based on the University's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023 and 2022, the University's proportion was 2.5775949% and 2.3943491%, respectively.

For the year ended June 30, 2024 and 2023, the University recognized pension expense of $19,211,000 and $7,653,000, respectively.

At June 30, 2024 and 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands, debit/(credit)):

	FY24		FY23	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$10,088	$(480)	$4,126	$(1,244)
Changes of assumptions	-	(70)	77	(66)
Difference between projected and actual earnings on pension plan investments	10,877	-	-	(9,783)
Change in proportion and differences between University contributions and proportionate share of contributions	24,068	(117)	23,052	(26)
University contributions subsequent to the measurement date	26,407	-	21,559	-
Total	**$71,440**	**$(667)**	**$48,814**	**$(11,119)**

The $26,407,000 reported as deferred outflows of resources related to pensions resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year Ending June 30	**Amount**
2025	$5,603
2026	(1,560)
2027	31,511
2028	7,452
2029	1,360
Total	**$44,366**

There are no non-employer contributing entities to IPERS.

Actuarial Assumptions—The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60%	per annum
Salary increase (effective June 30, 2017)	3.25 to 16.25%	depending upon years of service
Investment rate of return (effective June 30, 2017)	7.00%	per annum, compounded annually, net of expenses
Payroll increase assumption (effective June 30, 2017)	3.25%	per year

The actuarial assumptions used in the June 30, 2024 and the June 30, 2023 valuation were based on the results of an actuarial experience study covering the four-year period ending June 30, 2021.

Mortality rates were based on the PubG-2010 Employee and Health Annuitant Tables, using 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 IPERS' investment consultant. These ranges were 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. The actuarial assumed investment return reflects the anticipated returns on current and future plan assets and provides a discount rate to determine the present value of future benefit payments.

Best estimates of geometric real rates of return for each major asset class included in IPERS' target asset allocation as of June 30, 2023, are shown in the following table:

Asset Class	Asset Allocation (Percent)	Long-Term Expected Real Rate of Return (Percent)
Domestic equity	21.0	4.56
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core-plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	100.0	

Discount Rate—The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the University will be made at 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 long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the University's proportionate share of the overall plan net pension liability calculated using the discount rate of 7.00%, as well as what the University's proportionate share of the overall plan net pension liability 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 (in thousands):

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
University's proportionate share of the overall plan net pension liability	$248,574	$116,344	$5,533

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, 2024 and 2023, the University reported payables to IPERS of $4,537,000 and $3,671,000 respectively, for legally required employer contributions and $3,023,000 and $2,446,000, respectively, for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

PHASED RETIREMENT—TWO-YEAR AND THREE-YEAR PILOT PROGRAM

Two-Year Phased Retirement Program

This phased retirement program was approved by the Iowa Board of Regents and was effective July 1, 2017.

Eligibility. Faculty, professional and scientific staff, and merit system staff members employed by the Iowa Board of Regents for a period of at least 15 years of continuous service and who have attained the age of 57, are eligible to negotiate with their department a schedule for phasing into retirement. All requests for admission to the institution's Phased Retirement Program must receive approval from the appropriate administrative offices of the institution by which they are employed. The program does not create a right for the employee and the request to enter the program may not be approved if it is not in the best interest of the institution.

Schedule of Phasing. A staff member may reduce from full-time to no less than a half-time appointment either directly or via a stepped schedule. The maximum phasing period will be two years with full retirement required at the end of the specified phasing period. If a two-year phasing period is agreed upon an employee may not hold greater than a 65 percent appointment in the first year. For phasing periods of one year or less, or after the completion of the first year of a two-year phasing period, the appointment cannot exceed 50%. The phasing period will be set by agreement between the institution and the individual with full retirement required at the end of the specified phasing period. Once phased retirement is initiated, employees may not return to full-time.

Phased Retirement Period. The phasing period is limited to two years.

The following benefits are applicable during participation in the phased retirement program:

- **Compensation**—In the first year of a two-year phasing period, the salary received will reflect the reduced responsibilities plus, at the discretion of the institution, up to an additional 10 percent of the budgeted salary, had the person worked full time. In the only or last year following the initiation of phased retirement, the staff member's appointment will be no greater than fifty percent, and the salary will be proportional to the budgeted salary had the person worked full-time.
- **Benefits**—During the phased retirement period, institution and staff member contributions will continue for life insurance, health and dental insurance, and disability insurance at the same levels which would have prevailed had the staff member continued a regular appointment. University retirement contributions to the University of Iowa Defined Contribution Retirement Plan will be based on the salary which would have been obtained had the individual continued a regular appointment. As mandated by law, FICA contributions will be based on the staff member's actual salary during the partial or pre-retirement period. The same is true for retirement contributions for those participating in the Iowa Public Employee Retirement System or Federal Civil Service System. Accrual of vacation and sick leave will be based on percentage of appointment. An individual participating in this program will be allowed access to their defined contribution retirement funds to assist in supplementing the loss of income that occurs when the person reduces their appointment down to 50% through 65% time, the maximum percentage permitted by the program.

Duration of Program. The two-year phased retirement program continues and is subject to ongoing approval by the Iowa Board of Regents.

Three-Year Pilot Phased Retirement Program

A three-year pilot phased retirement program was approved by the Iowa Board of Regents on June 3, 2022. The program runs from June 3, 2022 to June 30, 2025 and runs concurrently with the two-year program.

Eligibility. Same as the two-year program.

Schedule of Phasing. A staff member may reduce from full-time to no less than a half-time appointment either directly or via a stepped schedule. The maximum phasing period will be three years with full retirement required at the end of the specified phasing period. If a three-year phasing period is agreed upon an employee may not hold greater than a 65 percent appointment in the first year and second year. For phasing periods of one year or less, or after the completion of the second year of a three-year phasing period, the appointment cannot exceed 50%. The phasing period will be set by agreement between the institution and the individual with full retirement required at the end of the specified phasing period. Once phased retirement is initiated, employees may not return to full-time.

The following benefits are applicable during participation in the pilot phased retirement program:

- **Compensation**—In the first year of a three-year phasing period, the salary received will reflect the reduced responsibilities plus, at the discretion of the institution, up to an additional 10 percent of the budgeted salary, had the person worked full time. In the only or last year following the initiation of phased retirement, the staff member's appointment will be no greater than fifty percent, and the salary will be proportional to the budgeted salary had the person worked full-time.
- **Benefits**—same as the two-year program.

REGULAR RETIREMENT

GASB Statement No. 75 requires the University to record and disclose an actuarially determined liability for the present value of projected future benefits for retired and active employees.

FUNDING POLICY

The contribution requirements of plan members are established and may be amended by the University. Benefits are financed centrally by the University on a pay-as-you-go basis. Health insurance total expenditures for fiscal year 2024 and 2023 were $4,788,000 and $5,299,000, respectively, with 1,575 and 1,736 eligible participants as of June 30, 2024 and 2023, respectively. Life insurance total expenditures for fiscal year 2024 and 2023 were $22,000 and $23,000, respectively, with 2,096 and 2,166 eligible participants as of June 30, 2024 and 2023, respectively.

FUNDED STATUS AND FUNDING PROGRESS

The University of Iowa evaluated options to minimize its liability and has made the decision to cap the University's contribution for retiree health at $288 per month for both current and future retirees. This decision passed through the appropriate approval channels and communication process (Staff Council Leadership, Funded Retirement and Insurance Committee Co-chairs, Faculty Senate leadership, Retiree Association Leadership). The University sent letters to retirees prior to the implementation of GASB 75.

TERMINATION

The University continues faculty, P&S, and merit terminated employees' benefits for health, dental, liveWELL the University's comprehensive health and wellness program and the Employee Assistance Program (EAP) under the Consolidated Omnibus Budget Reconciliation Act of 1985, modified by the Tax Reform Act and the Budget Reconciliation Act of 1986.

Three hundred fifty-four (354) terminated employees continued their benefits by assuming total financial responsibility. No University costs are associated with the premiums, but claims are the responsibility of the University since the insurance plans are self-insured.

OTHER POSTEMPLOYMENT BENEFITS

The University recognized an OPEB liability of $104.1 million for fiscal year 2024 and $128.1 million as restated for fiscal year 2023.

Plan Description—The University operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

OPEB Benefits—Individuals who are employed by the University and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability. For post-employment benefits of retirees, the University contributes toward the cost of University of Iowa health insurance and, for those who qualified for the benefit and retired prior to July 1, 2013, the entire cost to purchase a paid-up life insurance policy, which varies in amounts from $2,000 to $4,000, depending upon length of service.

Retired participants must be age 55 or older at retirement. At June 30, 2024, the following employees were covered by the benefit terms:

	FY24	FY23
Inactive employees or beneficiaries currently receiving benefit payments	2,371	2,611
Active employees	19,414	19,173
Total	21,785	21,784

Actuarial assumptions—The OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and the entry age normal level percent of pay actuarial cost method, applied to all periods included in the measurements. With the exception of the termination and retirement assumptions, the Merit calculations were based on all actuarial assumptions and methods used in the development of the University's fiscal 2024 PSF GASB 75 calculations (including a 3.65% discount rate at the June 30, 2023 measurement date). These calculations reflect the IPERS termination and retirement assumptions for state employees in effect at the June 30, 2023 measurement date. The OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Rate of inflation (effective June 30, 2023)	2.30%	
Rates of salary increase (effective June 30, 2023)	3.00%	
Discount rate (effective June 30, 2023)	3.65%	
Healthcare cost trend rate Pre-65 (effective June 30, 2023)	7.73%	initial rate decreasing to an ultimate rate of 4.50%
Healthcare cost trend rate Post-65 (effective June 30, 2023)	8.27%	initial rate decreasing to an ultimate rate of 4.50%

Discount rate—The discount rate used to measure the OPEB liability was 3.65% which reflects the index rate for Bond Buyer 20 Year GO Index as of the measurement date.

Mortality rates are from the Pub-2010 Aggregate Mortality Table projected using Scale MP-2021. Faculty are classified as Teachers and all others are classified as General. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used for IPERS.

The actuarial assumptions used in the valuations for the reporting periods ending June 30, 2024 and June 30, 2023 were based on the results of an actuarial experience study conducted with actual plan experience through 2022 and 2020 respectively.

CHANGES IN THE OPEB LIABILITY (in thousands):

	FY24	Restated FY23
OPEB liability beginning of year	$161,931	$178,332
Restatement adjustments	(33,868)	(37,026)
Adjusted balance at beginning of the year	$128,063	$141,306
Changes for the year:		
Service cost	5,730	6,789
Interest	4,553	3,084
Differences between expected and actual experiences	(17,213)	3,019
Changes of assumptions	(6,574)	(15,454)
Benefit payments	(10,442)	(10,681)
Net changes	**(23,946)**	**(13,243)**
OPEB liability end of year, as restated	**$104,117**	**$128,063**

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate to 3.65% as of June 30, 2023.
- A change in the mortality projection scale from Scale MP-2020 to Scale MP-2021.
- The health care trend rate assumption was updated to a schedule of rates beginning at 7.73% in 2023, grading down to 4.50% in 2032 and beyond for pre-65 participants and 8.27% in 2023, grading down to 4.50% in 2032 and beyond for post-65 participants.
- The marginal cost adjustment factors were changed from 65.2% to 64.6% for pre-65 participants and from 90.3% to 90.2% for post-65 participants.
- A change in the inflation rate from 2.50% to 2.30%.

Sensitivity of the OPEB liability to changes in the discount rate—The following presents the OPEB liability of the University, as well as what the University's OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.65%) or 1% higher (4.65%) than the current discount rate.

	1% Decrease	Discount Rate	1% Increase
FY24	2.65%	3.65%	4.65%
FY23	2.54%	3.54%	4.54%
FY24 OPEB Liability	**$112,047**	**$104,117**	**$96,788**
FY23 OPEB Liability, as restated	**$138,551**	**$128,063**	**$118,477**

Sensitivity of the OPEB liability to changes in the healthcare cost trend rates—The following presents the OPEB liability of the University, as well as what the University's OPEB liability would be if it were calculated using a healthcare cost trend that is 1% lower (6.73%) or 1% higher (8.73%) than the current healthcare cost trend rate for pre-65 participants, and 1% lower (7.27%) or 1% higher (9.27%) higher than the current healthcare cost trend rate for post-65 participants.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
FY24 Pre-65 participants	6.73%	7.73%	8.73%
FY24 Post-65 participants	7.27%	8.27%	9.27%
FY23 Pre-65 participants	4.89%	5.89%	6.89%
FY23 Post-65 participants	5.34%	6.34%	7.34%
FY24 OPEB liability	**$115,924**	**$104,117**	**$96,216**
FY23 OPEB liability, as restated	**$143,454**	**$128,063**	**$116,130**

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB—For the year ended June 30, 2024, the University recognized OPEB expense of $253,000 for its retiree benefit plan. At June 30, 2024 the University reported deferred outflows and inflows of resources related to OPEB from the following sources (in thousands, debit/(credit)):

	FY24		Restated FY23	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$21,539	$(42,551)	$26,975	$(31,137)
Assumption changes	30,388	(67,473)	34,427	(74,604)
Contributions made in fiscal year ending June 30 after measurement date	6,809	-	10,442	-
Total	**$58,736**	**$(110,024)**	**$71,844**	**$(105,741)**

The $6,809,000 reported as deferred outflows of resources related to OPEB resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year ending June 30	Amount
2025	$(10,015)
2026	(9,902)
2027	(9,902)
2028	(5,883)
2029	(4,170)
Total Thereafter	(18,225)
Total	$(58,097)

Note 8—Other Commitments and Risk Management

COMMITMENTS

At June 30, 2024 and 2023, the University had outstanding construction contract commitments of $633,591,000 and $545,828,000, respectively.

RISK MANAGEMENT

Following are risk financing and insurance related issues as defined by GASB Statement No. 10 Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.

Property Loss—The University purchases catastrophic property insurance for academic/general fund facilities with a single incident deductible of $2 million for all facilities with the exception of a $5 million deductible for the Power Plant, Bowen Science Building and the Main Library. The University may seek reimbursement for property losses in excess of $5,000 from the State of Iowa pursuant to Iowa Code Chapter 29C.20. Money from the state contingent fund may be requested for repairing, rebuilding, or restoring state property injured, destroyed, or lost by fire, storm, theft, or unavoidable causes. The University maintains conventional property insurance on self-supporting, revenue-producing, and auxiliary facilities which are an integral part of the operations of the University. Insured facilities include the Residence Halls, the Utility System, Telecommunications, Iowa Memorial Union, Athletic Facilities, University of Iowa Hospitals and Clinics, and other auxiliary operations. The University's annual limit is $2 billion, the maximum available on the November 1, 2023 renewal.

The properties of the Utility and Telecommunications Systems valuation data are as follows (in thousands):

	2024	2023
Utility System specific coverage is as follows:		
Utility System Operations Building & Contents	$1,009,279	$979,266
Power Plant Building & Contents	$321,079	$249,448
Telecommunications Facilities premium is based on the following values:		
Building and contents	$39,838	$39,083

Tort Liability—The University of Iowa is an agency of the State of Iowa and is covered by the State's self-insurance for tort liability. Tort claims against the State are handled as provided in the Iowa Tort Claims Act (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 liability claims under $5,000 may be administered by the University subject to a maximum expenditure of $100,000 per year. All other tort claims may be paid from the State's general fund.

Motor Vehicle Liability—The University of Iowa and other Iowa Board of Regents' institutions are self-insured for automobile liability up to $250,000. Claims over $250,000 are paid by the State of Iowa, as provided in Chapter 669 of the Code of Iowa. Coverage for physical damage (comprehensive and collision) to university vehicles is included in the Iowa Board of Regents' self-insurance program. Each loss is subject to a $500 deductible.

Fidelity/Crime Coverage—The State maintains an employee fidelity bond where the first $250,000 in losses is the responsibility of the University. Under the State coverage, losses in excess of the $250,000 deductible are insured up to $2,000,000.

Insurance Settlements—For those risks that the University has purchased commercial insurance, only the 2020 COVID-19 claim settlement exceeded the Communicable Disease sublimit of $1,000,000 on the property policy. All other settled claims have not exceeded commercial coverage in the past three years.

Workers' Compensation—The University participates in a State self-funded program. The University pays a monthly premium for this coverage.

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

Employee Medical and Dental Claims—The University purchases life, health, dental and disability insurance for eligible permanent employees. Based on actuarial analysis of employee medical and dental claims, the University has incurred but not reported claims of $28,158,000 and $28,514,000 as of June 30, 2024 and 2023, respectively.

College of Medicine Faculty Malpractice Claims—Iowa Medical Mutual Insurance Company (the Company) was incorporated on May 19, 2004, and was established to provide medical malpractice coverage on a claims-made basis to physicians at the University of Iowa Carver School of Medicine. The CCOM is a component of University of Iowa Health Care, along with the University of Iowa Health Care Medical Center (UIHC). The Company is owned 100% by the University of Iowa Carver College of Medicine Faculty Practice Plan (FPP).

Pursuant to a 28E Agreement with the State of Iowa, the FPP and UIHC self-funds the professional medical liability exposures of its members with a self-insurance pool for all claims up to $4 million per claim. On any claim exceeding $4 million, the Company provides coverage on a claims-made basis limited to $2 million per claim and subject to a $2 million annual aggregate per named insured. All claims against the FPP and UIHC, which collectively exceed $6 million per claim or a $15 million aggregate limit per fiscal year are covered by the State of Iowa. Based on actuarial analysis, the College of Medicine has incurred an unpaid loss and allocated loss adjustment expense estimate of $35,166,000 and $32,729,000 as of 12/31/23 and 12/31/22, respectively.

UIHC Settlement—In October 2022, the Iowa Board of Regents reached agreement with plaintiffs to settle the claims brought in the Myers, et al. v. Iowa Board of Regents. The court approved the settlement in August 2023. As a result of the settlement with plaintiffs, UIHC paid $15 million in October 2023.

Reconciliation of Loss Contingencies (in thousands):

	2024	2023
Claims and contingent liabilities accrued at July 1	$78,151	$80,505
Claims incurred and contingent liabilities accrued for the current year	428,230	393,271
Payments on claims during the fiscal year	(422,265)	(395,625)
Claims and contingent liabilities at June 30	**$84,116**	**$78,151**

Directors and Officers Insurance—The Directors and Officers Policy for the UI Strategic Initiatives Fund provides coverage for any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty or neglect, including personal injury, or any matter asserted against the Strategic Fund, or its Directors and Officers in their official capacity or their outside positions. Coverage for outside positions only applies during such time that such service is with the knowledge, consent, and at the specific request of the Insured Organization.

Note 9—Utility System Lease and Concession Agreement

On December 10, 2019, the University entered into a 50-year agreement, a public-private partnership (P3), to lease the University's utility system, including all utility facilities and land, to University of Iowa Energy Collaborative LLC (Concessionaire) and grant it the exclusive right to operate the utility system and provide utility services to the University of Iowa campus. Pursuant to the lease agreement, all personal property associated with the utility system was sold to the Concessionaire. On March 10, 2020, the University received an upfront payment from the Concessionaire of $1,165,000,000 as prepayment of the 50-year lease, purchase of the personal property and acquisition of the exclusive right to be the utility operator for the term of the lease. The upfront payment is reported as an Advance from Concessionaire and is being recognized as an increase to operating revenue on a straight-line basis over the term of the agreement. At June 30, 2024, the balance of the Advance from Concessionaire is $1,063,238,000.

Under the agreement, the Concessionaire operates, maintains, and makes capital investments in the utility system and charges the University a Utility Fee, which includes fixed, variable, and operating and maintenance (O&M) components. Concessionaire capital investments in the utility system are recognized as capital assets and a related long-term payable to the Concessionaire. The fixed and O&M components of the Utility Fee are recognized as operating expense. The variable component of the Utility Fee will be recognized as a reduction in the long-term payable to the Concessionaire and interest expense.

The University recognized fixed and O&M utility fees totaling $67,690,000 and $63,657,000 for the years ended June 30, 2024 and 2023, respectively, of which $35,000,000 is fixed for each of the years ended June 30, 2024 and 2023. The fixed fee is set at $35 million per year for the first five years. The fee will increase by 1.5% to $35,525,000 on July 1, 2025 for the fiscal year ending on June 30, 2026 and by 1.5% at the start of each fiscal year thereafter. The carrying amounts of University of Iowa Energy Collaborative LLC capital investments and related payable to the concessionaire at June 30, 2024 and June 30, 2023 were $90,679,000 and $65,387,000, respectively. *See Note 5—Long-term Liabilities*, Notes Payable sections for additional information on the related payable to the concessionaire.

The nature and carrying value of assets and construction in progress under this agreement are as follows (in thousands):

	Capital Assets	Accumulated Depreciation	Net Asset Value	Construction in Progress
Electric	$7,024	546	$6,478	$20,624
Steam	6,418	444	5,974	17,701
Water	5,002	488	4,514	7,218
Chilled Water	22,811	1,927	20,884	2,785
Sewer	1,769	84	1,685	5,533
Total June 30, 2024	**$43,024**	**3,489**	**$39,535**	**$53,861**

Note 10—Debt Refunding

In May of 2024, the University issued $17,515,000 of Academic Building Revenue Refunding Bonds, Series S.U.I. 2024, with an average interest rate of 5.04% and accrued interest of $54,000 to pay at maturity $21,810,000 of outstanding Academic Building Revenue Bonds, Series S.U.I. 2013A, with interest rates ranging between 4.00 and 4.75%.

Net bond proceeds of $22,152,000 were placed in an escrow account with the University as trustee. The escrow account is sufficient to fully service all remaining principal and interest due on the bonds. The Academic Building Revenue Bonds, Series S.U.I. 2013A was called on August 19, 2024.

The refunding permitted the University to realize an economic gain (difference between present values of the old and new debt service payments) of $4,578,000; and reduced the aggregate debt service payments by $3,372,000 over the next twelve years.

The amount of defeased debt outstanding but removed from the Statement of Net Position at June 30, 2024 and 2023, is as follows (in thousands):

	2024	2023
Utility	$64,260	$78,065

Note 11—Operating Expenses By Function

A summary of operating expenses by functional classification for the year ended June 30, 2024 and 2023 follows (in thousands):

	Compensation & Benefits	Supplies	Other	Depreciation & Amortization	Total
Instruction	$332,584	14,490	37,820	-	$384,894
Research	297,379	48,889	118,272	-	464,540
Public service	72,754	13,489	38,612	-	124,855
Academic support	132,304	18,334	28,290	-	178,928
Patient services	1,520,093	947,649	564,527	-	3,032,269
Student services	28,029	3,368	15,405	-	46,802
Institutional support	80,097	2,709	(10,374)	-	72,432
Operations and maintenance of plant	123	1,729	101,626	-	103,478
Scholarships and fellowships	14,880	-	23,064	-	37,944
Depreciation and amortization	-	-	-	316,194	316,194
Auxiliary enterprises	122,644	17,661	88,906	-	229,211
Other operating expenses	2,169	3,121	(5,225)	-	65
Total June 30, 2024	**$2,603,056**	**1,071,439**	**1,000,923**	**316,194**	**$4,991,612**

	Restated Compensation & Benefits	Supplies	Other	Depreciation & Amortization	Total
Instruction	$318,485	11,445	39,130	-	$369,060
Research	277,425	51,478	118,568	-	447,471
Public service	66,953	13,824	34,042	-	114,819
Academic support	122,691	16,897	41,014	-	180,602
Patient services, as restated	1,376,146	832,240	487,593	-	2,695,979
Student services	27,543	3,179	14,577	-	45,299
Institutional support	72,405	4,179	(11,363)	-	65,221
Operations and maintenance of plant	118	1,933	99,020	-	101,071
Scholarships and fellowships	14,451	-	21,225	-	35,676
Depreciation and amortization	-	-	-	301,957	301,957
Auxiliary enterprises	110,732	18,471	93,354	-	222,557
Other operating expenses	1,563	3,710	240	-	5,513
Total June 30, 2023, as restated	**$2,388,512**	**957,356**	**937,400**	**301,957**	**$4,585,225**

Note 12—Restricted Net Assets

The UI Center for Advancement's net assets with donor restrictions at June 30, 2024 and 2023 were restricted for the following (in thousands):

	2024	2023
Undesignated	$16,231	$16,178
Program support	517,781	475,938
Student support	481,710	439,409
Faculty support	523,347	492,420
Facilities and equipment	123,127	138,147
Research	268,843	244,415
Trust assets to be held in perpetuity	9,130	8,667
Remainder interests in trusts, mainly for program, student, and faculty support	38,591	34,921
Total	$1,978,760	$1,850,095

Note 13— Component Units

Discretely Presented Component Units

GASB Statement No. 61, The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34, provides guidance in determining whether organizations are to be included as part of a reporting entity. The University of Iowa has determined that, in accordance with the provisions of these statements, the financial activity of the University of Iowa Research Foundation (UIRF) and University of Iowa Health System (UIHS) should be reported as discretely presented component units.

A–The University of Iowa Research Foundation

The University of Iowa Research Foundation (UIRF)–a 501(c)(3) corporation–commercializes University of Iowa developed technologies and inventions through licensing and new venture formation, and manages the subsequent revenue stream. See Note 1 for additional information. UIRF reports on a fiscal year ended June 30.

Significant financial data for UIRF for the years ended June 30, 2024 and 2023 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2024	2023
Assets		
Cash, investments and other assets	$10,575	$9,835
Total Assets	$10,575	$9,835
Liabilities		
Accounts payable and other current liabilities	$2,293	$2,152
Total Liabilities	2,293	2,152
Net Position		
Unrestricted	8,282	7,683
Total Net Position	8,282	7,683
Total Liabilities and Net Position	$10,575	$9,835

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2024	2023
Program Expenses		
Intellectual properties expense	$6,158	$4,993
Other	117	121
Total Program Expenses	6,275	5,114
Program Revenues		
Intellectual properties income	3,801	3,808
Investment income	73	35
Payment from primary government	3,000	-
Total Program Revenues	6,874	3,843
Change in Net Position	599	(1,271)
Net Position, Beginning of Year	7,683	8,954
Net Position, End of Year	$8,282	$7,683

B–University of Iowa Health System

University of Iowa Health System (UIHS or the System) was incorporated under the provisions of the Iowa Nonprofit Corporations Act on December 2, 1994. UIHS was formed to support the clinical, academic, and research programs of the University of Iowa Carver College of Medicine and the State University of Iowa Hospitals and Clinics. UIHS reports on a fiscal year ended December 31.

Significant financial data for UIHS for the years ended December 31, 2023 and 2022 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2023	2022
Assets		
Cash, investments and other assets	$27,919	$20,118
Capital assets, net	3,466	4,207
Total Assets	31,385	24,325
Deferred Outflows of Resources		
Acquisition deferred outflow	585	1,024
Total Assets and Deferred Outflows of Resources	$31,970	$25,349
Liabilities		
Accounts payable and other current liabilities	$3,156	$2,958
Other long term liabilities, noncurrent portion	1,535	2,312
Total Liabilities	4,691	5,270
Net Position		
Net investment in capital assets	1,139	1,147
Unrestricted	26,140	18,932
Total Net Position	27,279	20,079
Total Liabilities and Net Position	$31,970	$25,349

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2023	2022
Program Expenses		
Patient and Management Services	$19,877	$22,169
Depreciation	1,558	1,496
Total Program Expenses	21,435	23,665
Program Revenues		
Patient Services	13,611	17,392
Management services	3,683	1,660
Investment income	128	543
Other	11,213	(39)
Total Program Revenues	28,635	19,556
Change in Net Position	7,200	(4,109)
Net Position, Beginning of Year	**20,079**	**24,188**
Net Position, End of Year	$27,279	$20,079

Blended Component Units

GASB Statement No. 85 Omnibus 2017 provides guidance for blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial presentation. The University of Iowa has determined that, in accordance with the provisions of this statement, the financial activity of the Iowa Measurement Research Foundation (IMRF), Miller Endowment, Incorporated, University of Iowa Research Park Corporation (UIRPC), the University of Iowa Strategic Initiatives Fund (UISIF), and Student Publications, Inc. (SPI) should be reported as blended component units.

C—Iowa Measurement Research Foundation

The Iowa Measurement Research Foundation (IMRF) was formed in 1953 under the provisions of the Iowa Nonprofit Corporation Act and received its tax exemption in 1970 under Internal Revenue Code section 501(c)(3). The primary purpose of the Foundation is to advance and extend knowledge in the field of educational measurement by providing financial assistance to the University of Iowa and its College of Education for promising research and educational projects in furtherance of this purpose.

Significant financial data for IMRF for the years ended June 30, 2024 and 2023 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2024	2023
Assets		
Cash and investments	$29,341	$28,681
Total Assets	$29,341	$28,681
Net Position		
Restricted expendable	$29,193	$28,476
Unrestricted	148	205
Total Net Position	$29,341	$28,681

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2024	2023
Program Revenues		
Investment income	$2,070	$1,538
Total Program Revenues	2,070	1,538
Program Expenses		
Distributions	200	1,150
Other	1,210	201
Total Program Expenses	1,410	1,351
Change in Net Position	660	187
Net Position, Beginning of Year	28,681	28,494
Net Position, End of Year	$29,341	$28,681

D–Miller Endowment, Incorporated

Miller Endowment, Incorporated was established December 18, 1995 pursuant to the will and codicil of F. Wendell Miller. The will and codicil appointed the presidents of Iowa State University and the State University of Iowa as coexecutors of the Miller Estate and co-trustees of the Miller Endowment Trust, a charitable trust, and further directed that the two universities be equal beneficiaries of the income from said trust. The will and codicil also directed the trustees to have the right and discretion to create a charitable corporation, to be "Miller Endowment, Incorporated", to own, administer and control the affairs and property of the trust. This corporation has been organized under Chapter 504A of the Code of Iowa and Section 501(C)(3) of the Internal Revenue Code. During fiscal year 1998, the assets of the trust were officially transferred to Miller Endowment, Incorporated. Since the net revenues and assets of the corporation are solely for the equal benefit of the two universities, one half of the value of the corporation's transactions has been blended into the University's operations.

Significant financial data for Miller Endowment, Incorporated for the years ended June 30, 2024 and 2023 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2024	2023
Assets		
Cash and other assets	$17,213	$17,090
Total Assets	$17,213	$17,090
Liabilities		
Accounts payable	$56	$54
Accrued distributions	862	857
Total Liabilities	918	911
Net Position		
Restricted net position	12,784	12,784
Unrestricted net position	3,511	3,395
Total Net Position	16,295	16,179
Total Liabilities and Net Position	$17,213	$17,090

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2024	2023
Program Revenues		
Investment Income:		
Interest and dividend income	$132	$120
Net increase in the fair value of investments	1,090	666
Net Investment Income	1,222	786
Program Expenses		
Investment fees and administrative expenses	244	242
Distributions	862	857
Total Deductions	1,106	1,099
Change in Net Position	116	(313)
Net Position, Beginning of Year	16,179	16,492
Net Position, End of Year	$16,295	$16,179

E–University of Iowa Research Park Corporation (UIRPC)

The University of Iowa Research Park Corporation (Corporation) is a not-for-profit corporation and a component unit of the University of Iowa (University), organized under Section 501(c)(2) of the Internal Revenue Code. The Corporation owns approximately 185 acres of land located in the University of Iowa Research Park. The land is designated as the University of Iowa Research Park and is platted as a subdivision of Coralville, Iowa. The Corporation leases parcels of the University of Iowa Research Park to businesses (or to private developers working on behalf of businesses) wishing to locate close to the University and its research assets.

Significant financial data for UIRPC for the years ended June 30, 2024 and 2023 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2024	2023
Assets		
Cash and other assets	$2,909	$2,744
Capital assets, net	2,048	2,123
Total Assets	$4,957	$4,867
Liabilities		
Accounts payable and other current liabilities	$74	$71
Noncurrent liabilities	1,815	1,877
Total Liabilities	1,889	1,948
Deferred Inflows of Resources		
Lease deferred Inflow	87	92
Net Position		
Net investment in capital assets	2,048	2,123
Unrestricted	933	704
Total Net Position	2,981	2,827
Total Liabilities, Deferred Inflows of Resources and Net Position	$4,957	$4,867

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2024	2023
Program Revenues		
Land leases	$235	$183
State appropriation	116	116
Other income	32	18
Total Program Revenues	383	317
Program Expenses		
Maintenance and other expenses	154	153
Depreciation	75	75
Total Program Expenses	229	228
Change in net position	154	89
Net Position, Beginning of Year	2,827	2,738
Net Position, End of Year	$2,981	$2,827

F–University of Iowa Strategic Initiatives Fund

The University of Iowa Strategic Initiatives Fund is an Iowa non-profit corporation organized February 4, 2020 and operated exclusively for charitable, educational and scientific purposes under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code for the benefit of the State University of Iowa (University). See Note 1 for additional information.

Significant financial data for University of Iowa Strategic Initiatives Fund for the years ended June 30, 2024 and 2023 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2024	2023
Assets		
Cash and other assets	$1,153,666	$1,086,082
Total Assets	$1,153,666	$1,086,082
Net Position		
Unrestricted	$1,153,666	$1,086,082
Total Net Position	$1,153,666	$1,086,082

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2024	2023
Program Revenues		
Investment income	$90,417	$58,634
Total Program Revenues	90,417	58,634
Program Expenses		
General expense	333	372
Net transfers to University funds	22,500	19,997
Total Program Expenses	22,833	20,369
Change in net position	67,584	38,265
Net Position, Beginning of Year	1,086,082	1,047,817
Net Position, End of Year	$1,153,666	$1,086,082

G–Student Publications, Inc.

Student Publications, Inc. (SPI) is a nonprofit corporation exempt from income taxes under Internal Revenue Code Section 501(c)(3). It publishes a daily newspaper, The Daily Iowan, which is provided principally to the students, faculty, staff and other members of the University of Iowa community, and two weekly newspapers, the *Mount Vernon-Lisbon Sun* and *Solon Economist* and operates DITV, a television newscast primarily available online. SPI also provides scholarships to students. SPI receives student fees from the University, subscription and advertising revenue, and donations. Printing is contracted to an independent contractor.

Significant financial data for Student Publications, Inc., for the years ended June 30, 2024 and 2023 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2024	2023
Assets		
Cash and other assets	$594	$537
Total Assets	594	537
Deferred Outflows of Resources		
Acquisition deferred outflow	66	-
Total Assets and Deferred Outflow of Resources	$660	$537
Liabilities		
Accounts payable and other current liabilities	$100	$15
Total Liabilities	100	15
Net Position		
Unrestricted	560	522
Total Net Position	560	522
Total Liabilities and Net Position	$660	$537

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2024	2023
Program Revenues		
Tuition and fees	$470	$466
Other sales and services	596	402
Investment Income	19	-
Total Program Revenues	1,085	868
Program Expenses		
Payroll expense	808	716
General expense	239	102
Total Program Expenses	1,047	818
Change in net position	38	50
Net Position, Beginning of Year	522	472
Net Position, End of Year	$560	$522

Note 14—Subsequent Events

In September 2024, the University of Iowa exercised a purchase option to buy certain units in Old Capitol Town Center Condominiums pursuant to an Offer to Buy for $20,630,000. Ten percent of the cost was paid upon exercise of the option, with the remaining due upon closing in October 2027.

In October 2024, the University of Iowa issued Facilities Corporation Revenue Bonds, Series 2024B, in the amount of $34,225,000 for the purpose of financing a portion of the cost of constructing, and equipping a new health science academic building on the campus of the University and paying costs of issuance. The 2024B bonds will bear interest at varying rates between 4.00% and 5.00% and will mature in varying amounts from June 1, 2025 through June 1, 2049.

Note 15—Restatement

GASB Statement No. 100 Accounting Changes and Error Corrections was implemented in fiscal year 2024. The requirements of this statement enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, consistent, and comparable information for making decisions or assessing accountability.

During fiscal year 2024, the University's actuary responsible for OPEB valuation discovered errors in the facts and methodology of determining the University's OPEB reporting requirements. The beginning net position was restated to retroactively correct the OPEB spousal contribution offset and eligible participant list:

	Amount
Net position at June 30, 2023, as previously reported	$6,090,636
OPEB Restatement	16,800
Net position at June 30, 2023, as restated	**$6,107,436**

Note 16—Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 101 Compensated Absences. This statement will be implemented for the fiscal year ending June 30, 2025. This statement updates the requirements for recognizing and measuring the liability for employee leave that has not been used or has been used and not yet settled.

Governmental Accounting Standards Board has issued Statement No. 102 Certain Risk Disclosures. This statement will be implemented for the fiscal year ending June 30, 2025. The requirements of this statement may result in disclosures of certain concentrations or constraints and related events that have occurred or have begun to occur that make the University vulnerable to a substantial impact, and actions taken to mitigate the risk.

Note 17—Segment Information

A segment represents identifiable activities for which one or more revenue bonds or other revenue-backed debt is 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. The University's segments are described as follows:

ACADEMIC BUILDING REVENUE BONDS

The Academic Building Revenue Bond Funds were created to defray the costs of constructing and renovating academic buildings of the University.

ATHLETIC FACILITIES REVENUE BONDS

The Athletic Facilities Revenue Bond Funds were created to defray the costs of constructing and equipping certain athletic and recreational buildings and facilities at the University. The revenues pledged to these bonds are generated by Big Ten Conference revenue distributions, student fees and tickets sold, concessions, and contract revenues for athletic events.

HOSPITAL REVENUE BONDS

The Hospital Revenue Bond Funds were created to defray the costs of various construction and renovation projects at the University of Iowa Hospitals & Clinics. The revenues pledged to these bonds consist of charges to patients for medical services.

IOWA MEMORIAL UNION (IMU) REVENUE BONDS

The Iowa Memorial Union (IMU) Revenue Bond Funds were created to defray the cost of alterations and improvements to the IMU at the University. The revenues pledged to these bonds are generated by fees paid by users of the IMU and from student fees.

PARKING SYSTEM REVENUE BONDS

The Parking System Revenue Bond Funds were created to defray additional costs of constructing, improving, and equipping various parking facilities at the University. The revenues pledged to these bonds are generated by fees paid by users of the parking facilities.

RECREATIONAL FACILITIES REVENUE BONDS

The Recreational Facilities Revenue Bonds were created to defray the costs of building, furnishing, and equipping the Campus Recreation and Wellness Center and constructing improvements to the University Field House at the University. The revenues pledged to these bonds consist of student fees and charges.

RESIDENCE SERVICES REVENUE BONDS

The Residence Services Revenue Bond Funds were created to defray additional costs of constructing, improving and maintaining various residence halls and related facilities at the University. The revenues pledged to these bonds are generated by fees paid by users of the residence halls' services.

TELECOMMUNICATIONS FACILITIES REVENUE BONDS

The Telecommunications Facilities Revenue Bond Funds were created to defray the costs of constructing, equipping, furnishing, and improving the telecommunications facilities of the University. The revenues pledged to these bonds come from charges assessed to the users of the telecommunications facilities.

UNIVERSITY OF IOWA FACILITIES CORPORATION REVENUE BONDS

The University of Iowa Facilities Corporation Revenue Bond Funds were created to provide financial assistance to the University of Iowa for the acquisition and construction of facilities for the benefit of the University of Iowa. The bonds are payable solely from the lease payments paid by the University of Iowa for the facilities. Upon repayment of the bonds, ownership of the acquired facilities transfers to the University of Iowa.

FUND ACCOUNTING

In order to ensure the observance of limitations and restrictions placed on the use of available resources, the accounts are maintained in accordance with the principles of fund accounting. Each fund provides a separate set of self-balancing accounts which comprises its assets, liabilities, reserves, net position, revenues and expenses. Fund accounting is the procedure by which resources for various purposes are classified, for accounting and reporting purposes, into funds according to the activities or objectives specified. The University has set up accounts which are consistent with the flow of funds per requirements of the bond covenants.

TRANSFERS IN (OUT)

After meeting certain requirements specified in the bond agreements, the balance of net receipts may be transferred to the University for its general operations. However, all such monies that have been transferred shall be returned by the University, if necessary, to satisfy the requirements of the bond indentures.

Segment Reporting (in thousands)
As of and for the year ended June 30, 2024

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Hospital Revenue Bonds	IMU Revenue Bonds
CONDENSED STATEMENT OF NET POSITION				
Assets:				
Current assets	$43,128	$33,531	$1,053,029	$1,793
Capital assets	795,195	154,509	1,612,048	30,513
Other noncurrent assets	12,203	17,203	1,823,063	8,806
Total assets	**850,526**	**205,243**	**4,488,140**	**41,112**
Deferred outflows of resources	**556**	**1,317**	**64,197**	**-**
Liabilities:				
Current liabilities	43,057	34,102	393,196	1,609
Noncurrent liabilities	103,726	147,041	908,289	850
Total liabilities	**146,783**	**181,143**	**1,301,485**	**2,459**
Deferred inflows of resources	**753**	**50**	**41,773**	**175**
Net Position:				
Net investment in capital assets	658,856	(2,978)	797,441	29,041
Restricted - expendable	44,690	29,003	24,415	1,327
Unrestricted	-	(658)	2,387,223	8,110
Total net position	**$703,546**	**$25,367**	**$3,209,079**	**$38,478**
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION				
Operating revenues	$442,209	$114,637	$3,091,758	$1,531
Depreciation expense	(46,045)	(10,535)	(142,317)	(2,258)
Other operating expenses	(343)	(20,076)	(2,532,002)	(3,943)
Net operating income (loss)	395,821	84,026	417,439	(4,670)
Nonoperating revenues (expenses)	(2,742)	(3,318)	105,458	1,143
Transfers from/(to) University funds	(396,427)	(75,819)	(14,306)	10,547
Change in net position	(3,348)	4,889	508,591	7,020
Net position, beginning of year	706,894	20,478	2,700,488	31,458
Net position, end of year	**$703,546**	**$25,367**	**$3,209,079**	**$38,478**
CONDENSED STATEMENT OF CASH FLOWS				
Net cash provided (used) by operating activities	$442,617	$94,987	$450,643	$(2,575)
Net cash provided (used) by noncapital financing activities	(427,311)	(79,820)	(13,915)	(984)
Net cash provided (used) by capital and related financing activities	(18,236)	(15,336)	(436,445)	9,849
Net cash provided (used) by investing activities	2,384	(888)	2,029	491
Net increase (decrease) in cash	(546)	(1,057)	2,312	6,781
Cash and cash equivalents, beginning of year	15,002	34,741	11,906	3,157
Cash and cash equivalents, end of year	**$14,456**	**$33,684**	**$14,218**	**$9,938**

	Parking System Revenue Bonds	Recreational Facilities Revenue Bonds	Residence Services Revenue Bonds	Telecomm. Facilities Revenue Bonds	UI Facility Corporation Bonds
	$5,769	$5,121	$12,527	$5,793	$62
	119,654	75,137	213,211	24,152	282,261
	87,252	11,990	37,347	22,734	15,390
	212,675	**92,248**	**263,085**	**52,679**	**297,713**
	-	**1,632**	**-**	**-**	**265**
	6,488	5,302	15,566	4,250	8,234
	95,556	40,610	139,431	22,630	139,240
	102,044	**45,912**	**154,997**	**26,880**	**147,474**
	16	**-**	**786**	**59**	**184**
	114,353	32,797	68,446	445	148,380
	(55,766)	8,758	34,497	3,138	1,940
	52,028	6,413	4,359	22,157	-
	$110,615	**$47,968**	**$107,302**	**$25,740**	**$150,320**
	$23,976	$4,854	$87,682	$28,347	$ -
	(6,466)	(3,721)	(13,354)	(790)	(11,699)
	(12,151)	(8,030)	(64,766)	(21,930)	(521)
	5,359	(6,897)	9,562	5,627	(12,220)
	1,902	(987)	(2,604)	110	(2,754)
	(1,052)	7,310	(2,889)	(3,964)	69,826
	6,209	(574)	4,069	1,773	54,852
	104,406	48,542	103,233	23,967	95,468
	$110,615	**$47,968**	**$107,302**	**$25,740**	**$150,320**
	$12,072	$(2,958)	$23,598	$5,688	$ -
	(1,185)	(3,348)	(2,641)	(3,965)	10,644
	(33,420)	5,318	(23,383)	(1,549)	2,030
	13,980	495	1,024	1,734	2,774
	(8,553)	(493)	(1,402)	1,908	15,448
	79,160	12,423	37,835	21,014	1
	$70,607	**$11,930**	**$36,433**	**$22,922**	**$15,449**

Segment Reporting (in thousands)
As of and for the year ended June 30, 2024

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Hospital Revenue Bonds	IMU Revenue Bonds
DEBT SERVICE COVERAGE				
Debt service coverage % - Required	N/A	125%	110%	120%
Debt service coverage % - Actual	N/A	574%	1,353%	2,314%
PORTION OF REVENUE PLEDGED				
Annual debt service (principal & interest)	$15,819	$16,877	$41,383	$756
Net pledged revenue	428,180	96,908	559,755	17,486
Annual debt service/Net operating revenues (%)	4%	17%	7%	4%
REVENUE BONDS PAYABLE				
Beginning Balance	$129,221	$170,034	$682,637	$2,136
Additions	19,577	-	-	-
Reductions	(12,658)	(11,280)	(23,200)	(691)
Ending Balance	$136,140	$158,754	$659,437	$1,445

DEBT SERVICE REQUIREMENTS

The amount shown for debt service payments due on July 1, 2024 were on hand.

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Hospital Revenue Bonds	IMU Revenue Bonds
Semi-annual maturity	Jan & Jul 1st	Jan & Jul 1st	Mar & Sep 1st	Jan & Jul 1st
2025	$36,347	$16,684	$41,299	$738
2026	12,956	16,779	43,812	743
2027	13,102	16,816	43,783	-
2028	13,176	16,833	43,753	-
2029	13,157	16,825	40,406	-
2030-2034	49,771	67,278	183,557	-
2035-2039	15,544	36,691	173,903	-
2040-2044	-	-	97,802	-
2045-2049	-	-	84,911	-
2050-2054	-	-	74,152	-
2055-2059	-	-	57,997	-
2060-2062	-	-	34,798	-
Unamortized Discount and Premium	4,216	3,174	43,667	34
Total	$158,269	$191,080	$963,840	$1,515

COMMITMENTS

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Hospital Revenue Bonds	IMU Revenue Bonds
Contract commitments for construction projects	$22,149	$2,786	$391,279	$6,111

Parking System Revenue Bonds	Recreational Facilities Revenue Bonds	Residence Services Revenue Bonds	Telecomm. Facilities Revenue Bonds	UI Facilities Corporation Revenue Bonds
120%	125%	135%	110%	N/A
352%	281%	201%	317%	N/A
$3,844	$5,192	$12,547	$2,212	$10,798
13,545	14,588	25,253	7,012	N/A
28%	36%	50%	32%	N/A
$95,820	$47,768	$152,911	$24,681	$103,611
-	-	-	-	51,059
(2,639)	(3,795)	(8,154)	(1,033)	(7,740)
$93,181	**$43,973**	**$144,757**	**$23,648**	**$146,930**
Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Dec & Jun 1st
$5,786	$5,124	$12,420	$2,177	$13,399
5,765	4,809	11,363	2,192	13,855
60,169	4,686	11,368	2,198	14,439
2,628	4,703	11,375	2,201	13,545
2,634	4,680	11,388	2,223	13,025
13,195	22,821	57,046	10,678	46,286
13,321	4,556	40,085	4,961	35,466
5,367	-	24,714	-	25,593
-	-	3,116	-	16,018
-	-	-	-	1,540
-	-	-	-	-
-	-	-	-	-
117	2,312	1,792	1,303	10,045
$108,982	**$53,691**	**$184,667**	**$27,933**	**$203,211**
$33,796	**$303**	**$15,440**	**$101**	**$152,504**

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

Iowa Public Employees' Retirement System Last Ten Fiscal Years* (in thousands):

For the Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	University's Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	IPERS' Net Position as a Percentage of the Total Pension Liability (Asset)
6/30/24	2.5775949%	$116,344	$228,932	50.82%	90.13%
6/30/23	2.3943491%	90,462	194,839	46.43%	91.40%
6/30/22	-0.6212766%	2,145	167,408	1.28%	100.81%
6/30/21	1.8683190%	131,244	149,554	87.76%	82.90%
6/30/20	1.7146546%	99,290	131,740	75.37%	85.45%
6/30/19	1.6294245%	103,114	124,673	82.71%	83.62%
6/30/18	1.4825633%	98,758	111,914	88.24%	82.21%
6/30/17	1.2770236%	80,367	92,356	87.02%	81.82%
6/30/16	1.0820964%	53,461	74,409	71.85%	85.19%
6/30/15	0.9747910%	38,659	63,967	60.44%	87.61%

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

SCHEDULE OF UNIVERSITY CONTRIBUTIONS

Iowa Public Employees' Retirement System Last Ten Fiscal Years (in thousands):

For the Year Ended	Statutorily Required Contributions	Actual Employer Contribution	Contribution Deficiency/ (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/24	$26,407	$(26,407)	$-	$280,438	9.42%
6/30/23	21,559	(21,599)	-	228,932	9.42%
6/30/22	18,364	(18,364)	-	194,839	9.43%
6/30/21	15,766	(15,766)	-	167,408	9.42%
6/30/20	14,082	(14,082)	-	149,554	9.42%
6/30/19	12,399	(12,399)	-	131,740	9.41%
6/30/18	10,993	(10,993)	-	124,673	8.80%
6/30/17	9,931	(9,931)	-	111,914	8.90%
6/30/16	8,184	(8,184)	-	92,356	8.90%
6/30/15	6,620	(6,620)	-	74,409	8.90%

PENSION LIABILITY

Benefit terms, actuarial assumptions and methods and funding policies affect the actuarial contribution rates. Changes over the past 10 years that had a significant impact on the actuarial contribution rates are summarized below. More detail may be obtained from the annual valuation reports.

Changes of benefit terms:

There were no recent 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, which is used to determine the contribution rates effective July 1, 2019, incorporated the following refinements after a demographic assumption study:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale 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 a quadrennial experience study:

- Decreased the inflation assumption from 3.00% to 2.60% per year.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the long-term rate of return assumption from 7.50% to 7.00% per year.
- Decreased the wage growth and payroll growth assumption from 4.00% to 3.25% per year.
- Decreased the salary increase assumption by 0.75%.

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.

- 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.

SCHEDULE OF CHANGES IN THE UNIVERSITY'S OPEB LIABILITY AND RELATED RATIOS (in thousands):

	FY24	Restated FY23	Restated FY22	Restated FY21	Not Restated FY20	Not Restated FY19	Not Restated FY18
Service cost	$5,730	$6,789	$6,778	$7,112	$3,860	$4,193	$33,733
Interest	4,553	3,084	3,675	6,217	5,604	4,971	18,168
Changes of benefit terms	-	-	-	-	-	21,519	(465,008)
Differences between expected and actual experiences	(17,213)	3,019	(5,297)	(36,141)	4,430	1	48,567
Changes of assumptions	(6,574)	(15,454)	(17,186)	23,982	26,867	(13,968)	(95,303)
Benefit payments	(10,442)	(10,681)	(12,325)	(11,931)	(10,497)	(10,394)	(6,952)
Contributions from the employer	-	-	-	-	-	-	(1,049)
Net change in OPEB liability	**$(23,946)**	**$(13,243)**	**$(24,355)**	**$(10,761)**	**$30,264**	**$6,322**	**$(467,844)**
OPEB liability beginning of year	128,063	141,306	165,661	176,421	146,157	139,835	607,679
OPEB liability end of year	104,117	128,063	141,306	165,661	176,421	146,157	139,835
Covered-employee payroll	$1,583,565	$1,526,680	$1,482,214	$1,384,343	$1,384,343	$1,308,289	$1,291,758
OPEB Liability as a percentage of covered-employee payroll	**6.57%**	**8.39%**	**9.53%**	**11.97%**	**12.74%**	**11.17%**	**10.83%**

Note: GASB Statement No. 75 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.

Restatements of the periods prior to FY21 are not practical due to systems not being readily available to recalculate liability results for earlier periods.

Notes to Required Supplementary Information
June 30, 2024

OPEB LIABILITY

Changes in the University's OPEB Liability and Related Ratios

The 2023 valuation implemented the following refinements:

The financial accounting valuation reflects the following method changes:

- There were no method changes in the financial accounting valuation.

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate to 3.65% as of June 30, 2023.
- A change in the mortality projection scale from Scale MP-2020 to Scale MP-2021.
- The health care trend rate assumption was updated to a schedule of rates beginning at 7.73% in 2023, grading down to 4.50% in 2032 and beyond for pre-65 participants and 8.27% in 2023, grading down to 4.50% in 2032 and beyond for post-65 participants.
- The marginal cost adjustment factors were changed from 65.2% to 64.6% for pre-65 participants and from 90.3% to 90.2% for post-65 participants.
- A change in the inflation rate from 2.50% to 2.30%.

The 2022 valuation implemented the following refinements:

The financial accounting reflects the following method changes:

- There were no method changes in the financial accounting valuation.

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate to 3.54% as of June 30, 2022.

The 2021 valuation implemented the following refinements:

The financial accounting reflects the following method changes:

- There were no method changes in the financial accounting valuation.

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate to 2.16% as of June 30, 2021.
- A change in the retirement rates for Staff employees to better reflect recent experience.
- A change in the mortality projections scale from Scale MP-2018 to Scale MP-2020.
- The health care trend rate assumption was updated to a schedule of rates beginning at 6.12% in 2021, grading down to 4.50% in 2030 and beyond for pre-65 participants and 6.57% in 2021, grading down to 4.50% in 2030 and beyond for post-65 participants.
- The marginal cost adjustment factors were changed from 62.9% to 65.2% for pre-65 participants and from 89.5% to 90.3% for post-65 participants.

The 2020 valuation implemented the following refinements:

The financial accounting valuation reflects the following method changes:

- There were no method changes in the financial accounting valuation.

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate to 2.21% as of June 30, 2020.
- A removal of the excise tax on high-cost plans from the future trend rates.

The 2019 valuation implemented the following refinements:

The financial accounting valuation reflects the following method changes:

- There were no method changes in the financial accounting valuation.

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate to 3.50% as of June 30, 2019.
- A change in the mortality assumption for healthy lives from the RP-2014 Aggregate Mortality Table projected using the Scale MP-2016 to Pub-2010 Aggregate Mortality Table projected using Scale MP-2018 by classification.
- A change in the mortality assumption for disabled lives from the CIA 1988–94 LTD table to the Pub-2010 Disabled Mortality Table projected using Scale MP-2018.
- The health care trend rate assumption was updated to a schedule of rates beginning at 6.65% in 2019, grading down to 4.50% in 2028 and beyond for pre-65 participants and 7.61% in 2019 grading down to 4.50% in 2029 and beyond for post-65 participants.
- The marginal cost adjustment factors were changes from 60.1% to 62.9% for pre-65 participants and from 87.6% to 89.5% for post-65 participants.
- The impact of the excise tax on high-cost plans due to healthcare reform was updated, based on current claims and medical trend assumptions.

The 2018 valuation implemented the following refinements:

The financial accounting valuation reflects the following method changes:

- There were no method changes in the financial accounting valuation.

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate to 3.87% as of June 30, 2018. The discount rate was 3.58% as of June 30, 2017.
- A change in demographic assumptions for the Merit employees from the State assumptions to the University staff assumptions.

The 2017 valuation implemented the following refinements:

The financial accounting valuation reflects the following method changes:

- A change in the actuarial cost method from Projected Unit Credit to Entry Age Normal.

The financial accounting valuation reflects the following assumption changes:

- A change in the discount rate to 3.58% as of June 30, 2017. The discount rate was 6.75% as of June 30, 2016.
- A change in the withdrawal rates for staff to better anticipate future experience.
- A change in the mortality assumption from the RP-2014 Aggregate Mortality Table projected using Scale MP-2014 to the RP-2014 Aggregate Mortality Table projected using Scale MP-2016.
- The health care trend rate assumption was updated to a schedule of rates beginning at 7.55% in 2017, grading down to 4.50% in 2026 and beyond for pre-65 participants and 9.17% in 2017 grading down to 4.50% in 2026 and beyond for post-65 participants.
- The marginal cost adjustment factors were changed from 59.4% to 60.1% for pre-65 participants and from 86.8% to 87.6% for post-65 participants.
- The impact of the Excise Tax on high cost plans due to healthcare reform was updated, based on current claims and medical trend assumptions.
- A change in demographic assumptions for the Merit employees from the State assumptions to the University staff assumptions.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This financial report is designed to provide users with a general overview of the University of Iowa's finances and to demonstrate the university's accountability for the funds received. Questions regarding this report, or requests for additional financial information, should be directed to the Controller, University of Iowa, 105 Jessup Hall, Iowa City, IA 52242 or email afr-elecfintrans@uiowa.edu. An electronic version can be found at afr.fo.uiowa.edu/annual-reports.

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