FINANCIAL REPORT

JULY 1, 2021 TO JUNE 30, 2022

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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

In pursuing its missions of teaching, research, and service, the university seeks to advance scholarly and creative endeavor through leading-edge research and artistic production; to use this research and creativity to enhance undergraduate, graduate, and professional education, health care, and other services provided to the people of Iowa, the nation, and the world; and to educate students for success and personal fulfillment.

THE UNIVERSITY IN 2022

University of Iowa achievements during 2021–2022 include:

- Officially installed President Barbara J. Wilson as the 22nd president of the University of Iowa
- Named Chanelle Reese as the new university ombudsperson
- Named Andre Perry as the new executive director of Hancher, Office of Performing Arts and Engagement
- Celebrated its 175th anniversary with commemorative events and activities
- Recognized as one of the top values in higher education for the 18th consecutive year
- Recognized by U.S. Environmental Protection Agency as top green power user
- Recognized as a national leader in women's leadership and representation
- Awarded eight interdisciplinary projects with $15 million in funding
- Created the Scanlan Center for School Mental Health with the largest gift in UI College of Education's history
- Opened the new UI Stanley Museum of Art

ENROLLMENT

Group	Fall 2022	Fall 2021
Total students	31,317	31,206
Undergraduates	21,973	21,608
Graduate and professional	9,344	9,598
Iowa residents	58.5%	59.9%
Total non-residents	41.5%	40.1%
International students	5.5%	6.1%
Minority enrollment	19.5%	19.4%

EMPLOYMENT

Group (by FTEs)	Fall 2022	Fall 2021
Total faculty and staff	25,444	24,777
Tenure-track faculty	1,449	1,466
Clinical-track faculty	946	914
Postdoctoral and other faculty	720	739
Institutional officers	21	20
Professional and scientific staff	11,447	11,095
Merit staff	3,832	4,066
Residents	868	851
Graduate assistants	2,360	2,245
Temporary	3,801	3,381

The new University of Iowa Stanley Museum of Art opened its doors to the public, 14 years after historic floods destroyed its original home. To promote accessibility and visibility, the new building is located next to the Main Library and Gibson Square Park. The UI Stanley Museum of Art will be a hub for creativity, teaching, learning, and research.

EXTERNAL SUPPORT AND GIVING

The University reported strong external support during FY2022.

- FY2022 total external funding: **$867 million**

RECENT RANKINGS

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

- *U.S. News & World Report* rank among 227 national, public universities: **35**
- *U.S. News & World Report* rank for writing among 227 national, public universities: **1**
- Number of graduate programs ranked among the top 10 in their field by *U.S. News & World Report*: **12**
- 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*: **7**

Since its establishment in 1969, admission to the UI Stanley Museum of Art has been free, and it remains committed to that pledge today. The new state-of-the-art building provides opportunities for visitors to view renowned collections and participate in exciting programs.

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

Independent Auditor's Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying 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, 2022 and 2021, 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, 2022 and 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the years ended June 30, 2022 and 2021 in accordance with U.S generally accepted accounting principles.

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 98.2% and 1.2%, respectively, of the assets and 91.5% and 6.6%, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the University of Iowa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of the University of 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, 2022 and 2021 and the changes in financial position and its cash flows for the years ended June 30, 2022 and 2021 in conformity with U.S generally accepted accounting principles. Our opinion is not modified in respect to this matter.

As discussed in Note 1 to the financial statements, the University of Iowa adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University of Iowa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of 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 (Asset), the Schedule of University Contributions and the Schedule of Changes in the University's Total OPEB Liability, Related Ratios and Notes on pages 6 through 17 and 84 through 89 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 auditing standards generally accepted in the United States of America, 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.

Other Reporting Required by 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 required by Government Auditing Standards will be issued under separate cover. The purpose of that report is 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.

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

January 26, 2023


IOWA
HAWKEYES

MANAGEMENT'S DISCUSSION AND ANALYSIS

A couple campus beautification projects boosted Hawkeye spirit at the beginning of the school year. Students felt a sense of pride as they walked across the new Tigerhawk logo painted on the T. Anne Cleary Walkway. And the Old Capitol dome got a shiny facelift. Workers primed the dome and applied the new gold leaf section by section, revitalizing the historic building.

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, 2022 and 2021. 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, 2022, with assets and deferred outflows of resources of $9,584 million and liabilities and deferred inflows of resources of $4,068 million as compared to June 30, 2021 restated assets and deferred outflows of resources of $9,043 million and liabilities and deferred inflows of resources of $3,792 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 $265 million (5%) from June 30, 2021 to June 30, 2022. The increase from June 30, 2020 to June 30, 2021 was $468 million (10%).

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. Fiscal year 2022 was an exception for the University of Iowa because a small operating gain was realized. The primary reasons for this gain were revenue for patient services and auxiliary enterprises increased at a greater rate than the associated expenses. 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.

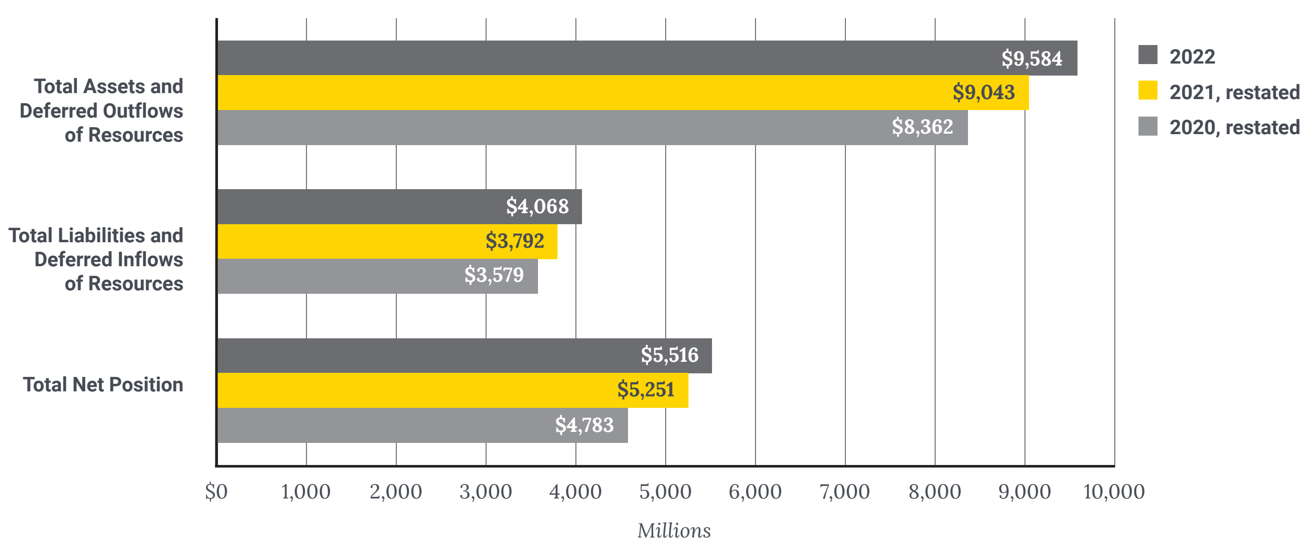
GASB Statement No. 87 Leases was implemented in fiscal year 2022. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use (RTU) another entity's nonfinancial asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

As a result of adopting GASB Statement No. 87 Leases in fiscal year 2022, the beginning net position was restated by $4 million in FY2022 and $1 million in FY2021 to retroactively include lease liabilities, right-to-use assets, leases receivable and deferred inflows of resources, as shown in Note 16 Restatement.

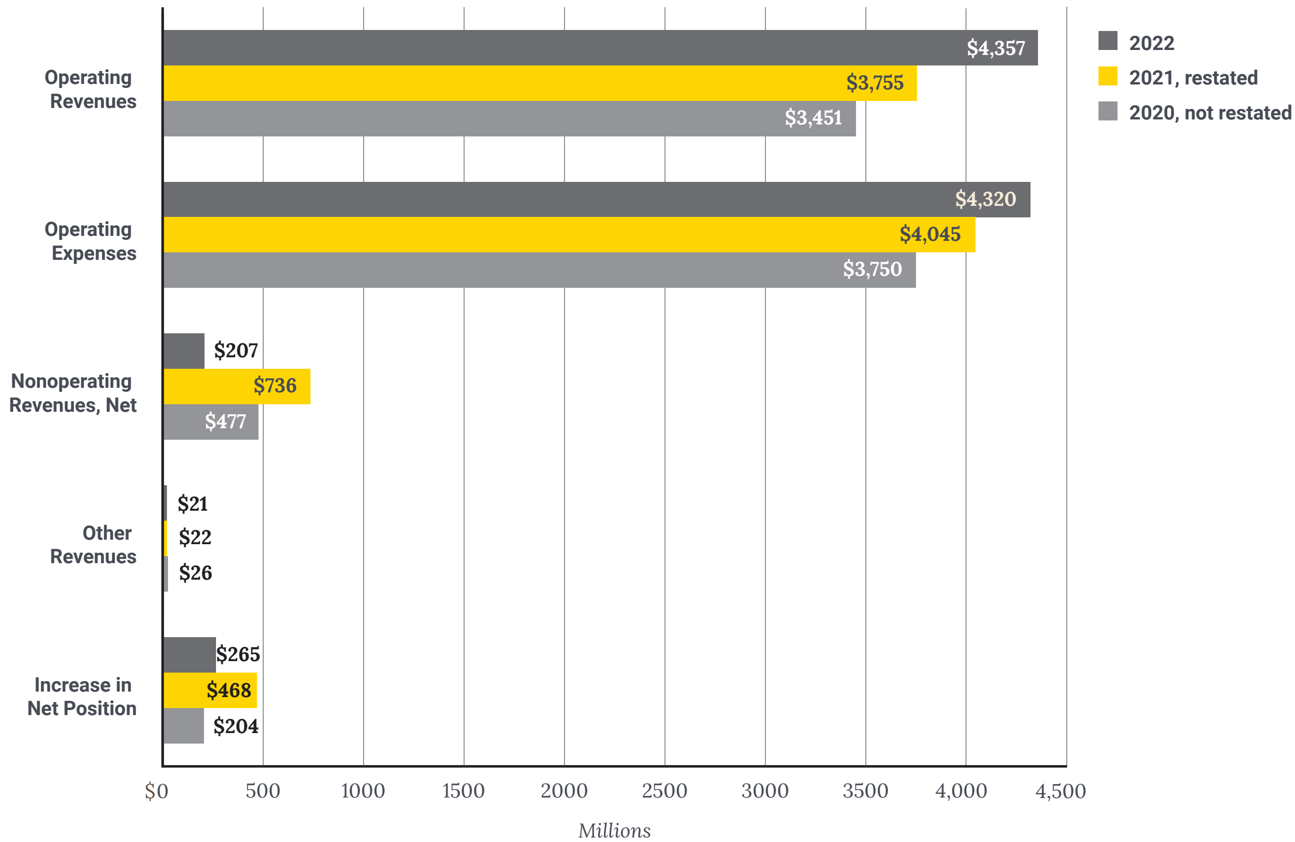
GASB Statement No. 89 Accounting for Interest Cost Incurred before the End of a Construction Period was implemented in fiscal year 2022. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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, 2022, 2021 and 2020 and the components of changes in Net Position at June 30, 2022, 2021 and 2020.

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, 2022, 2021 and 2020 (in millions):

	2022	Restated 2021	Restated 2020
Assets			
Current assets	$1,372	$1,027	$893
Capital assets, net	4,031	4,049	4,093
Other noncurrent assets	4,049	3,817	3,248
Total Assets	**9,452**	**8,893**	**8,234**
Deferred Outflows of Resources	**132**	**150**	**128**
Liabilities			
Current liabilities	1,068	888	736
Noncurrent liabilities	2,800	2,822	2,739
Total Liabilities	**3,868**	**3,710**	**3,475**
Deferred Inflows of Resources	**200**	**82**	**104**
Net Position			
Net investment in capital assets	2,771	2,818	2,840
Restricted	438	497	448
Unrestricted	2,307	1,936	1,495
Total Net Position	**$5,516**	**$5,251**	**$4,783**

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, 2022, 2021 and 2020 (in millions):

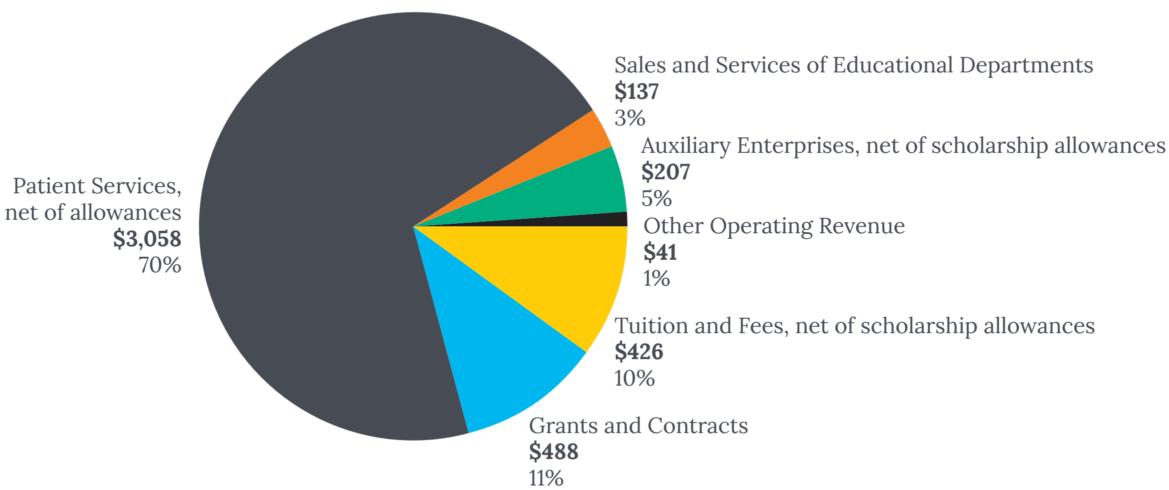
	2022	Restated 2021	Not Restated 2020
Operating Revenues:			
Tuition and fees, net of scholarship allowances	$426	$425	$429
Grants and contracts	488	431	366
Patient services, net of allowances	3,058	2,579	2,303
Sales and services of educational departments	137	131	109
Auxiliary enterprises, net of scholarship allowances	207	137	203
Other operating revenue	41	52	41
Total Operating Revenues	**4,357**	**3,755**	**3,451**
Operating Expenses:			
Instruction	360	348	357
Research	428	387	339
Academic support	155	157	159
Patient services	2,507	2,310	2,098
Depreciation and amortization	284	279	260
Auxiliary enterprises	197	174	201
Other operating expenses	389	390	336
Total Operating Expenses	**4,320**	**4,045**	**3,750**
Operating Income (Loss)	**37**	**(290)**	**(299)**
Nonoperating Revenues (Expenses):			
State appropriations	234	233	240
Grants and contracts	100	68	69
Investment (loss) income	(212)	381	108
Gifts	118	89	116
Lease revenue	3	2	-
Interest expense	(34)	(34)	(47)
Loss on disposal of capital assets	(2)	(3)	(9)
Net Nonoperating Revenues	**207**	**736**	**477**
Income Before Other Revenues	**244**	**446**	**178**
Other Revenues:			
Capital appropriations, State	15	16	16
Capital contributions and grants	6	6	10
Net Other Revenues	**21**	**22**	**26**
Increase in Net Position	**265**	**468**	**204**
Net position, beginning of year	**5,251**	**4,783**	**4,579**
Net position, end of year	**$5,516**	**$5,251**	**$4,783**

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, 2022 of $265 million (5%). During the fiscal year ended June 30, 2022, the University increased operating revenues and operating expenses by 16% and 7%, respectively. The net result from operating revenues and expenses is an operating gain of 1% compared to an operating loss of 8% last year. After factoring in state appropriations, investment income, gifts and other net non-operating revenues (expenses), the University increased net position by $265 million for the year ended June 30, 2022. During the fiscal year ended June 30, 2022, net nonoperating revenues (expenses) decreased by 72%. Other revenues of state appropriations for capital projects and contributions and grants for capital projects decreased $1 million (5%).

OPERATING REVENUES

For the fiscal years (FY) ended June 30, 2022, 2021 and 2020, operating revenues totaled $4,357 million, $3,755 million and $3,451 million, respectively. Operating revenues increased $602 million (16%) over FY 2021 revenues. The increase is primarily from patient services, auxiliary enterprises and federal contracts and grants. 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, 2022.

FY 2022 OPERATING REVENUES $4,357 million

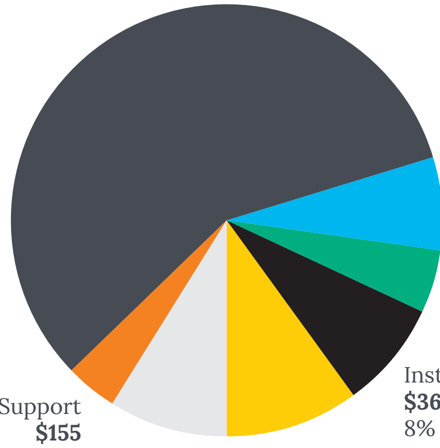


In the most recent National Science Foundation, Higher Education Research and Development survey (2020), the University of Iowa ranked 52nd among 655 public and private universities combined in terms of federally financed expenditures for research and development. Grants, contracts and other sponsored agreements operating revenue exceeded $488 million in FY 2022, $431 million in FY 2021 and $366 million in FY 2020.

OPERATING EXPENSES

For the fiscal years ended June 30, 2022, 2021 and 2020, operating expenses totaled $4,320 million, $4,045 million and $3,750 million, respectively. Operating expenses increased $275 million (7%) over FY 2021 expenses. The increase is primarily from patient services, research, auxiliary enterprises and instruction. The following is a graphic illustration of the University's operating expenses for the year ended June 30, 2022:

FY 2022 OPERATING EXPENSES $4,320 million



Other operating expenses include Public Service (2022, $106 million; 2021, $99 million), Student Services (2022, $44 million; 2021, $44 million), Institutional Support (2022, $64 million; 2021, $57 million), Operation and Maintenance of Plant (2022, $101 million; 2021, $93 million), Scholarships and Fellowships (2022, $58 million; 2021, $42 million), and Other (2022, $16 million; 2021, $55 million).

NONOPERATING REVENUES (EXPENSES)

Nonoperating revenues and expenses netted a positive $207 million for the fiscal year ended June 30, 2022 and $736 million for the fiscal year ended June 30, 2021.

The following table summarizes the University's nonoperating revenues and expenses for the years ended June 30, 2022, 2021 and 2020 (in millions):

	2022	Restated 2021	Not Restated 2020
Nonoperating Revenues (Expenses)			
State appropriations	$234	$233	$240
Grants and contracts	100	68	69
Investment (loss) income	(212)	381	108
Gifts	118	89	116
Lease revenue	3	2	-
Interest expense	(34)	(34)	(47)
Loss on disposal of capital assets	(2)	(3)	(9)
Net Nonoperating Revenues	$207	$736	$477

State appropriations increased by $1 million (1%) in the fiscal year ended June 30, 2022. Grants and contracts revenue increased by $32 million (47%), investment income decreased by $593 million (-156%) and gifts increased by $29 million (33%) in the fiscal year ended June 30, 2022.

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, 2022, 2021 and 2020 (in millions):

	2022	Restated 2021	Not Restated 2020
Cash provided (used) by:			
Operating activities	$101	$63	$1,087
Noncapital financing activities	452	391	425
Capital and related financing activities	49	(229)	(483)
Investing activities	(538)	(226)	(1,025)
Net change in cash and cash equivalents	**64**	**(1)**	**4**
Cash and cash equivalents, beginning of year	237	238	234
Cash and cash equivalents, end of year	**$301**	**$237**	**$238**

The University's overall liquidity increased during the year, with a net increase in cash and cash equivalents of $64 million. The increase is primarily due to patient services, athletics and student services auxiliary enterprises receipts; increase of a NASA contract, several new and ongoing programs from the state of Iowa and COVID-19 support for testing and disruption to campus; gifts from University Hygienic Lab and athletics, as well as proceeds from capital debt refunding of hospital bonds.

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, 2022, 2021 and 2020 (in millions):

	2022	Restated 2021	Restated 2020
Nondepreciable/nonamortizable			
Land	$74	$73	$73
Construction in progress	172	143	167
Art & historical collections	29	29	29
Library materials	413	402	391
Depreciable/amortizable			
Land improvements, net	5	6	7
Infrastructure, net	329	310	313
Buildings, net	2,603	2,663	2,680
Equipment, net	260	259	263
Intangibles, net	19	25	30
RTU Leased buildings, net	114	127	127
RTU Leased equipment, net	10	10	10
RTU Leasehold, net	2	1	1
RTU Leased land, net	1	1	2
Total Capital Assets, Net	**$4,031**	**$4,049**	**$4,093**

The University of Iowa reached substantial completion (occupancy) or final completion during this time frame (FY22) on six renovations of existing facilities and one completion of a new facility including: UIHC—JCP—MRI Suite Safety and PET/MRI Expansion and Renovation ($15 million), Power Plant—Capacity Expansion ($50 million), Stanley Museum of Art—Construct New Facility ($50 million), Lindquist Center—Renovate 1st and 2nd Floors ($9 million), Utilities Distribution System—Replace Old Capital Tunnel ($12 million), updating the Student Living Spaces in Burge Residence Hall ($9 million) and UIHC—RCP—Upgrade Elevators Banks E and EE ($6 million).

There were three projects already under contract for construction at the start of FY22, which include: UIP Fit Out and Manufacturing Equipment ($28 million), Campus Recreation and Wellness Center—Replace PoolPak AHUs ($7 million) and UIHC—RCP—Expand Heart and Vascular Cath Labs ($31 million).

Those projects placed under contract during FY22 include: UIHC at Forevergreen Road—Construct Facility ($526 million), Renovate Student Living Space in Hillcrest Residence Hall ($23 million), UIHC—JCP—Expand Observation Unit ($14 million), Iowa Wrestling Training Facility—Construct Building ($32 million), and UIHC—JPP—Expand Level 5 Main Operating Room ($29 million).

Finally, those projects continuing to move through design during the FY22 time frame include: Bowen Science Building—Renovate Third Floor ($17 million), expanding the UIHC Centralized Emergency Power Generation Facility ($45 million), Biomedical Research Support

Facility—Expand Facility ($18 million), Van Allen Hall—Renovate Western 7th Floor ($6 million), Medical Laboratories—Medical Research Center—Renovate 2nd Floor ($7 million), and UIHC—RCP—L1 Emergency Department North and South Expansion ($25 million).

LONG-TERM DEBT AND OTHER OBLIGATIONS

As of June 30, 2022, the University had $1,598 million in outstanding bonds, notes, financed purchases and leases, an increase of $278 million over the prior year. Debt principal payments of $127 million and interest payments of $44 million were made during the fiscal year ended June 30, 2022

The following table summarizes outstanding debt by type as of June 30, 2022, 2021 and 2020 (in millions):

	2022	Restated 2021	Restated 2020
Long-Term Debt			
Revenue bonds	$1,414	$1,149	$1,130
Notes and finance purchase	55	27	15
Subtotal	1,469	1,176	1,145
Other Obligations			
Lease payable	129	144	139
Total Long Term Debt and Other Obligations	**$1,598**	**$1,320**	**$1,284**

During the fiscal year ended June 30, 2022, $365 million of revenue bonds were issued. The revenue bond proceeds were for the Hospital. The University carries an Aa1 institutional bond rating from Moody's and an AA rating from Standard & Poor's. UIHC carries a rating of Aa2 and AA. 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). 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 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. Dedicated efforts are underway to increase student retention and improve the percentage of students graduating in four years.

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. Each year, *Fiske Guide* designates 20 college and universities—10 public and 10 private—as "Best Buys," institutions where students get a high-quality education and academic experience for a relatively low price. Iowa is one of the 10 public universities on the list. The University continues to draw a high percentage of students from outside the state of Iowa, most notably from the state of Illinois. The Class of 2026 is comprised of 5,178 students and is one of the most academically gifted classes in the University's 175-year history. Total enrollment for fall 2022 is 31,317. 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 remained at $216 million which is unchanged from the FY21 appropriation amount. Recent revenue projections from the state revenue estimating conference show actual FY22 net general funds revenues at 11% above FY21 net general fund revenues or $9.803 billion. In estimating FY23 revenues the revenue estimating conference is projecting net general fund revenues to be $9.534 billion or a decrease of 3% relative to FY22 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 fourteen 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. $698 million in external funding for leading edge research was secured in FY22 which is close to the new record set in FY21 of $702 million. Total external funding achieved a new high of $867 million in FY22 compared to $818 million the previous year. Finally, 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. Federally sponsored research increased 24% in FY 2021. 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. The University achieved an outstanding 35% return for the period ending June 30, 2021. Starting in fall 2021 and accelerating in spring 2022 the whole world is witnessing significant inflationary pressures attributable in large part to supply chain issues, the Russia-Ukraine war, the significant rise in oil and gas prices, and labor shortages. The Federal Reserve in trying to contain inflation is raising benchmark interest rates resulting in the endowment realizing a negative 4% return for FY22. 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 1-year, 3-year, 5-year, 7-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 Board of Regents investment advisor, Marquette Associates is a partner in this process to ensure prudently managed and well diversified investment portfolios.

The University of Iowa Hospitals & Clinics (UIHC) continues to be recognized as one of the nation's best and has achieved successful operating results for fiscal year 2022 with a net operating margin of 6% versus a budget of 4%. According to *US News & World Report*, UIHC has been included again as one of the top hospitals in the United States in its annual "best hospitals" rankings. The University of Iowa Health Care is rated by *US News & World Report* as the #1 hospital in the state of Iowa and it continues to report robust patient census data with over 1 million clinic visits annually. Iowa's future doctors and other health care professional students are in a great learning environment attributable to outstanding faculty and exposure to a very high complexity case mix at 2.42 overall in FY22. UIHC is experiencing unprecedented demand for tertiary care for patients from Iowa's 99 counties and beyond. To better serve Iowans, the Board of Regents approved a new 469,000 square foot healthcare facility in North Liberty. Site preparation for this new $526 million project started in September 2021 and is slated for completion in late 2024 or early 2025.

THE UNIVERSITY OF IOWA

Statement of Net Position

June 30, 2022 (in thousands)

With comparative statement as of June 30, 2021

ASSETS	2022	Restated 2021
Current Assets:		
Cash and cash equivalents	$201,500	$187,345
Deposits with trustees	-	40,043
Investments	315,020	174,839
Accounts receivable, net	465,638	432,212
Notes receivable, net	2,008	2,068
Interest receivable	1,388	1,080
Due from government agencies	282,434	83,295
Inventories	73,579	77,905
Prepaid expenses and other current assets	30,328	28,207
Total current assets	1,371,895	1,026,994
Noncurrent Assets:		
Cash and cash equivalents	99,376	49,806
Deposits with trustees	3,112	2,776
Investments	3,907,330	3,722,374
Accounts receivable, net	4,898	6,430
Notes receivable, net	17,828	19,518
Investment in wholly owned subsidiary	16,499	16,253
Capital assets, net	4,030,578	4,048,727
Total noncurrent assets	8,079,621	7,865,884
Total Assets	9,451,516	8,892,878
DEFERRED OUTFLOWS OF RESOURCES		
OPEB related deferred outflows	82,749	92,861
Pension related deferred outflows	42,285	48,100
Debt refunding loss	6,977	8,552
Other deferred outflows	-	167
Total Deferred Outflows of Resources	132,011	149,680
Total Assets and Deferred Outflows of Resources	$9,583,527	$9,042,558

Statement of Net Position, continued

June 30, 2022 (in thousands)

With comparative statement as of June 30, 2021

LIABILITIES	2022	Restated 2021
Current Liabilities:		
Accounts payable	$297,226	$249,507
Salaries and wages payable	243,653	252,008
Unpaid claims	80,505	63,010
Unearned revenue	61,008	54,974
Interest payable	16,799	14,848
Long-term debt, current portion	223,324	134,676
Other long-term liabilities, current portion	145,035	118,626
Total current liabilities	**1,067,550**	**887,649**
Noncurrent Liabilities:		
Accounts payable	22,682	38,069
Unearned revenue	15,438	22,250
Long-term debt, noncurrent portion	1,374,297	1,185,329
P3 utility system advance from concessionaire	1,109,775	1,133,044
Other long-term liabilities, noncurrent portion	277,353	443,190
Total noncurrent liabilities	**2,799,545**	**2,821,882**
Total Liabilities	**3,867,095**	**3,709,531**
DEFERRED INFLOWS OF RESOURCES		
OPEB related deferred inflows	85,326	68,987
Pension related deferred inflows	106,813	3,134
Lease deferred inflows	6,389	8,470
Debt refunding gain	1,285	1,210
Contract and grant deferred inflows	401	144
Total Deferred Inflows of Resources	**200,214**	**81,945**
NET POSITION		
Net investment in capital assets	2,771,547	2,818,445
Restricted:		
Nonexpendable:		
Permanent endowment	61,931	63,152
Expendable:		
Research and gifts	99,098	79,840
Student loans	4,778	6,687
Quasi endowments	92,567	96,273
Debt service and capital projects	179,405	251,089
Unrestricted	2,306,892	1,935,596
Total Net Position	**5,516,218**	**5,251,082**
Total Liabilities, Deferred Inflows of Resources and Net Position	**$9,583,527**	**$9,042,558**

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, 2022 (in thousands)

With comparative statement for the year ended June 30, 2021

	2022	Restated 2021
Operating Revenues		
Student tuition and fees, net of scholarship allowances of $117,418 and $111,549 for the years ended June 30, 2022 and 2021, respectively (pledged as payment on revenue bonds)	$426,074	$424,804
Federal grants and contracts	410,345	365,832
State and other governmental grants and contracts	11,528	12,344
Nongovernmental grants and contracts	65,890	52,558
Patient services, net of write-offs, contractual adjustments and indigent care of $5,781,575 and $5,660,230 for the years ended June 30, 2022 and 2021, respectively (pledged as payment on revenue bonds)	3,058,205	2,578,324
Sales and services of educational departments	136,552	131,766
Interest on student loans	381	427
Auxiliary enterprises, net of scholarship allowances of $9,613 and $10,573 for the years ended June 30, 2022 and 2021, respectively (pledged as payment on revenue bonds)	206,833	136,879
Other operating revenue	41,432	52,366
Total Operating Revenues	**4,357,240**	**3,755,300**
Operating Expenses		
Instruction	359,814	348,064
Research	427,622	386,883
Public service	106,285	99,449
Academic support	155,471	157,269
Patient services	2,507,060	2,310,090
Student services	43,659	44,073
Institutional support	64,264	56,467
Operation and maintenance of plant	101,021	92,634
Scholarships and fellowships	58,279	42,141
Depreciation and amortization	283,682	279,118
Auxiliary enterprises	196,997	174,065
Other operating expenses	15,649	54,714
Total Operating Expenses	**4,319,803**	**4,044,967**
Operating Income (Loss)	**37,437**	**(289,667)**
Nonoperating Revenues (Expenses)		
State appropriations	234,191	232,746
Federal grants and contracts	100,245	68,702
Investment (loss) income	(212,423)	381,130
Gifts	118,093	89,280
Lease revenue	2,575	1,776
Interest expense	(34,292)	(33,826)
Loss on disposal of capital assets	(2,297)	(2,809)
Net Nonoperating Revenues	**206,092**	**736,999**
Income Before Other Revenues	**243,529**	**447,332**
Other Revenues		
Capital appropriations, State	15,453	15,336
Capital contributions and grants	6,154	6,281
Net Other Revenues	**21,607**	**21,617**
Increase in Net Position	**265,136**	**468,949**
Net Position		
Net position, beginning of year	**5,251,082**	**4,782,133**
Net position, end of year	**$5,516,218**	**$5,251,082**

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

Statement of Cash Flows

For the Year ended June 30, 2022 (in thousands)

With comparative statement for the year ended June 30, 2021

	2022	Restated 2021
Cash Flows From Operating Activities		
Tuition and fees	$427,164	$423,498
Patient receipts	3,020,466	2,558,536
Grants and contracts	288,207	417,520
Payments for salaries and benefits	(2,168,440)	(2,043,242)
Payments for goods and services	(1,599,683)	(1,403,010)
Scholarships	(58,279)	(42,141)
Loans issued to students	(2,935)	(2,668)
Collections of loans from students	4,936	5,947
Sales of educational activities	129,764	123,282
Other receipts	41,425	52,981
Auxiliary enterprise receipts	214,167	146,062
Auxiliary enterprise payments	(196,161)	(174,123)
Net Cash Provided by Operating Activities	**100,631**	**62,642**
Cash Flows From Noncapital Financing Activities		
State appropriations	234,191	232,745
Grants and contracts	100,245	68,702
Proceeds from noncapital gifts	118,093	89,280
William D. Ford Direct Lending & Plus Loans receipts	158,713	160,971
William D. Ford Direct Lending & Plus Loans made	(157,581)	(160,382)
Other noncapital activities	(1,131)	(589)
Net Cash Provided by Noncapital Financing Activities	**452,530**	**390,727**
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(267,108)	(239,293)
Interest paid on capital debt and leases	(44,259)	(38,347)
Proceeds from sale of capital assets	780	1,933
Capital appropriations	17,599	14,887
Capital gifts and grants received	4,819	5,814
Deposits with trustees	40,073	(16,538)
Principal paid on capital debt and leases	(127,419)	(70,480)
Proceeds from capital debt and leases	427,200	53,776
Defeased debt payments	(183,595)	(45,473)
Other capital and related financing receipts	180,486	105,360
Net Cash Provided (Used) by Capital and Related Financing Activities	**48,576**	**(228,361)**
Cash Flows From Investing Activities		
Interest and dividends on investments	52,436	41,012
Proceeds from sale and maturities of investments	655,364	859,503
Purchase of investments	(1,245,812)	(1,126,345)
Net Cash (Used) by Investing Activities	**(538,012)**	**(225,830)**
Net Increase (Decrease) in Cash and Cash Equivalents	**63,725**	**(822)**
Cash and Cash Equivalents, beginning of year	**237,151**	**237,973**
Cash and Cash Equivalents, end of year	**$300,876**	**$237,151**

Statement of Cash Flows

For the year ended June 30, 2022 (in thousands)

With comparative statement for the year ended June 30, 2021

	2022	Restated 2021
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and cash equivalents in current assets	$201,500	$187,345
Noncurrent cash and cash equivalents	99,376	49,806
Total Cash and Cash Equivalents	**$300,876**	**$237,151**
Reconciliation of Operating Gain (Loss) to Net Cash Provided by Operating Activities:		
Operating gain (loss)	$37,437	$(289,667)
Adjustments to reconcile operating gain (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	283,682	279,118
Changes in operating assets and liabilities:		
Accounts receivable, net	(33,881)	(51,460)
Deposit with trustee	(367)	-
Interest receivable	(101)	39
Inventories	4,325	(12,623)
Prepaid expenses and other current assets	(2,121)	(1,330)
Due from government agencies, net of receivable from State for capital appropriations	(201,285)	(16,576)
Notes receivable, net	1,749	2,700
Accounts payable	31,913	60,620
Salaries and wages payable	(7,934)	43,328
Unpaid claims liability	17,494	5,926
Refundable allowance on student loans	359	615
Unearned revenue	(778)	34,442
Advance from concessionaire	(23,268)	(23,268)
Contract and grant deferred inflows	257	98
Pension liability	(129,100)	31,955
Pension related deferred outflows	5,815	(7,195)
Pension related deferred inflows	103,679	(11,730)
Other postemployment benefits other than pension liability	(26,509)	28,420
OPEB related deferred outflows	10,112	(16,980)
OPEB related deferred inflows	16,339	(10,723)
Compensated absences	12,814	16,933
Net Cash Provided by Operating Activities	**$100,631**	**$62,642**
Significant Noncash Transactions:		
Receivable from State for capital appropriations	$142	$2,288
Assets acquired by incurring lease obligations	$2,329	$20,203
Assets acquired by gift	$1,335	$467
Net unrealized (loss) gain on investment	$(279,725)	$317,146

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

THE UNIVERSITY OF IOWA

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022 (in thousands)
With comparative statement as of June 30, 2021

	Custodial Funds	
ASSETS	**2022**	**2021**
Current Assets:		
Accounts receivable, net	$1,139	$943
Total current assets	**1,139**	**943**
Noncurrent Assets:		
Cash and cash equivalents	126	75
Investments	98,367	102,619
Total noncurrent assets	**98,493**	**102,694**
Total Assets	**$99,632**	**$103,637**
LIABILITIES		
Current Liabilities:		
Accounts payable	$724	$183
Salaries and wages payable	50	87
Unearned revenue	890	2
Total Liabilities	**1,664**	**272**
NET POSITION		
Restricted for individuals, organizations and other governments	97,968	103,365
Total Liabilities and Net Position	**$99,632**	**$103,637**

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, 2022 (in thousands)
With comparative statement for the year ended June 30, 2021

	Custodial Funds	
	2022	**2021**
Additions:		
Investment (loss) income	$(6,998)	$10,276
Allocation of student fees from other University funds	1,428	95
Other additions	44,732	45,449
Total Additions	**39,162**	**55,820**
Deductions:		
Salary and fringe expense	924	916
Travel	20	-
Supplies	674	292
Professional services	3,044	980
Scholarship cost	9,212	11,231
Other deductions	30,685	28,859
Total Deductions	**44,559**	**42,278**
(Decrease) Increase in Net Position	(5,397)	13,542
Net Position		
Net position, beginning of year	103,365	89,823
Net position, end of year	**$97,968**	**$103,365**

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

Consolidated Statement of Financial Position

June 30, 2022 (in thousands)

With comparative information as of June 30, 2021

ASSETS	2022	2021
Cash and cash equivalents	$120,794	$102,799
Pledges receivable, net of allowance	266,243	166,807
Investments	1,499,090	1,484,110
Assets in trusts and gift annuities	54,578	61,274
Beneficial interest in perpetual and remainder trusts	17,228	20,290
Real estate	4,983	5,293
Other assets	7,053	7,997
Property and equipment, net	15,827	16,087
Total Assets	**$1,985,796**	**$1,864,657**
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$3,110	$4,942
Annuity and life income obligations	21,099	22,971
Amounts held on behalf of others	101,931	99,558
Total Liabilities	**126,140**	**127,471**
Net Assets:		
Without donor restrictions	38,948	42,777
With donor restrictions	1,820,708	1,694,409
Total Net Assets	**1,859,656**	**1,737,186**
Total Liabilities and Net Assets	**$1,985,796**	**$1,864,657**

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

Consolidated Statement of Activities

For the year ended June 30, 2022 (in thousands)

With summarized comparative information for the year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Revenues, Gains and Other Support				
Contributions	$228	269,347	$269,575	$115,653
Change in value of life income gifts	–	(8,294)	(8,294)	16,001
Investment return, net	20,511	(7,795)	12,716	332,064
Other, primarily fundraising service revenue	7,652	4,165	11,817	11,468
Net assets released from restrictions	124,713	(124,713)	-	-
Less amounts attributed to others	–	(6,411)	(6,411)	(23,248)
Total revenues, gains and other support	**153,104**	**126,299**	**279,403**	**451,938**
Expenses				
Program	117,348	–	117,348	97,222
Fundraising	27,413	–	27,413	23,420
Management and general	12,172	–	12,172	11,083
Total expenses	**156,933**	**–**	**156,933**	**131,725**
Change in net assets	**(3,829)**	**126,299**	**122,470**	**320,213**
Net assets, beginning	42,777	1,694,409	1,737,186	1,416,973
Net assets, ending	**$38,948**	**1,820,708**	**$1,859,656**	**$1,737,186**

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

NOTES TO FINANCIAL STATEMENTS

The University of Iowa became the 13th location in the U.S. to plant a sapling grown from the chestnut tree that symbolized hope for Anne Frank as she hid from the Nazis during World War II. Hundreds of people gathered to listen to speakers and witness the planting of the remarkable new tree on the Pentacrest.

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 Board of Regents, State of 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 debt 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 Hospitals & Clinics (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. (SPI) 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 IRC 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 leases from the State of Iowa approximately 185 acres of land located in the University of Iowa Research Park. The land subject to this lease is designated as the University of Iowa Research Park and is platted as a subdivision of Coralville, Iowa. Under terms of its master lease with the State of Iowa, the Corporation subleases 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, or corresponding section of any future federal tax 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. SPI also provides scholarships and internship opportunities to students. SPI is supported by fees from the University, subscription revenue and advertising. Printing is contracted to an independent contractor. SPI also operates DITV, a broadcasting service, available through an Iowa City local access channel and the internet.

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, 2022 and 2021 the UICA distributed to the University or expended on behalf of the University $124,239,000 and $101,862,000, 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)	**2022**	**2021**
Iowa Law School Foundation	$100,913	$98,821
Student Publications Incorporated	1,018	737
Total	**$101,931**	**$99,558**

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 Hospitals and Clinics (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 Board of Regents, State of Iowa 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 (UI CENTER FOR ADVANCEMENT (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, 2022, 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 assets. Lease assets represent the University's control of the right to use another entity's nonfinancial asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. A capitalization threshold is not utilized when recognizing lease assets.

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

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	
	2021	**2020**
Assets (primarily investments)	$17,499	$17,753
Liabilities	-	-
Net Assets	$17,499	$17,753

	As of June 30	
	2022	**2021**
Distributions to Carver College of Medicine	$(1,000)	$(1,500)
Assets (primarily investments)	16,499	16,253
Liabilities	-	-
Net Assets	$16,499	$16,253

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 noncurrent liabilities include estimated amounts for other postemployment and pension benefits, compensated absences payable, refundable allowances on student loans, and leases payable. 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 total OPEB liability, deferred outflows and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the University's actuary report. For this purpose, benefit payments are recognized when due and payable 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 Hospital acquisition of clinics.

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

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, 2022 and 2021 is as follows (in thousands):

	2022	2021
Book Balance	$301,732	$237,770
Non-Fiduciary	300,876	237,151
University of Iowa Research Foundation	730	544
Fiduciary	126	75
Bank Balance	$312,710	$262,527
Invested in money market funds as cash equivalents	286,850	248,162
Covered by FDIC insurance or State Sinking Fund	25,860	14,365

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 copaying 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, 2022 and 2021, totaled $2,745,000 and $42,819,000, respectively. At June 30, 2022, $1,870,000 of the $2,745,000 was invested in U.S. Government Agency securities with a credit quality rating of AA+ and an effective duration of 2.72 years. Additionally, $367,000 of deferred compensation funds are invested with a trustee in a mutual fund which is not subject to credit ratings and effective duration.

INVESTMENTS

Investments are made in accordance with Chapter 12B.10, of the Code of Iowa, and Board of Regents, State of Iowa 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 $20,389,000 and $19,283,000 at June 30, 2022 and 2021, respectively, held for the University of Northern Iowa. The University's operating portfolio included $51,215,000 and $54,597,000 at June 30, 2022 and 2021, respectively, as well as $25,218,000 and $26,584,000 invested in the University's intermediate term portfolio at June 30, 2022 and 2021, 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 $24,582,000 and $27,340,000 at June 30, 2022 and 2021, 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. June 30, 2021 investment types have been updated to be consistent with the June 30, 2022 investment types. As of June 30, 2022 and 2021, 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	5.07	$43,120	$12,174	$38,750	$55,844	$1,509	$ -	$ -	$ -	$151,397
U.S. Government Agencies	2.63	-	200,092	2,973	-	-	-	5,422	-	208,487
U.S. Government Treasuries	2.86	-	277,989	-	-	-	-	-	256	278,245
Mutual Funds	5.07	-	532,438	610,453	-	153,185	322,657	-	-	1,618,733
Total		$43,120	$1,022,693	$652,176	$55,844	$154,694	$322,657	$5,422	$256	$2,256,862
Equity and Other:										
Common Stock										15,359
Mutual Funds										863,123
Real Estate										308,620
Private Markets										201,596
Private Debt										18,056
Infrastructure										51,051
Bank Investments										57,387
Money Market/Cash Equivalents										450,296
Total Investments June 30, 2022										$4,222,350

INVESTMENT TYPE	Effective Duration (Years)	TSY/ AGY/ AAA	AA	A	BBB	BB	B	NA	NR	Total Fair Value
Fixed Income:										
Corporate Notes and Bonds	5.70	$57,253	$13,550	$46,337	$69,235	$2,011	$ -	$ -	$ -	$188,386
U.S. Government Agencies	2.28	-	144,988	2,690	-	-	-	-	-	147,678
U.S. Government Treasuries	9.05	-	64,038	-	-	-	-	-	-	64,038
Mutual Funds	4.70	75	451,745	571,527	129,508	166,605	326,064	-	-	1,645,524
Total		$57,328	$674,321	$620,554	$198,743	$168,616	$326,064	$ -	$ -	$2,045,626
Equity and Other:										
Common Stock										18,539
Mutual Funds										951,305
Real Estate										192,757
Private Markets										149,967
Private Debt										-
Infrastructure										-
Bank Investments										54,979
Money Market/Cash Equivalents										484,040
Total Investments June 30, 2021										$3,897,213

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, 2022 and 2021, 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). June 30, 2021 investment types have been updated to be consistent with the June 30, 2022 investment types.

INVESTMENT TYPE	Level 1	Level 2	Level 3	NAV	Total Fair Value
Fixed Income:					
Corporate Notes and Bonds	$ -	$156,819	$ -	$ -	$156,819
U.S. Government Agencies	24,880	178,185	-	-	203,065
U.S. Government Treasuries	278,245	-	-	-	278,245
Mutual Funds	778,283	-	-	840,450	1,618,733
Equity and Other:					
Common Stock	14,899	461	-	-	15,360
Mutual Funds	595,280	-	-	267,843	863,123
Real Estate	-	-	-	308,620	308,620
Private Markets	-	-	-	201,596	201,596
Private Debt	-	-	-	18,056	18,056
Infrastructure	-	-	-	51,051	51,051
Subtotal	1,691,587	335,465	-	1,687,616	3,714,668
Bank Investments					57,386
Money Market/Cash Equivalents					450,296
Total Investments June 30, 2022					**$4,222,350**

INVESTMENT TYPE	Level 1	Level 2	Level 3	NAV	Total Fair Value
Fixed Income:					
Corporate Notes and Bonds	$ -	$188,386	$ -	$ -	$188,386
U.S. Government Agencies	-	147,678	-	-	147,678
U.S. Government Treasuries	64,038	-	-	-	64,038
Mutual Funds	814,451	-	-	831,073	1,645,524
Equity and Other:					
Common Stock	17,983	556	-	-	18,539
Mutual Funds	664,610	-	-	286,695	951,305
Real Estate	-	-	-	171,276	171,276
Private Markets	-	-	-	171,448	171,448
Private Debt	-	-	-	-	-
Infrastructure	-	-	-	-	-
Subtotal	1,561,082	336,620	-	1,460,492	3,358,194
Bank Investments					54,979
Money Market/Cash Equivalents					484,040
Total Investments June 30, 2021					**$3,897,213**

The following tables summarize the University's investments at June 30, 2022 and 2021, respectively, for which NAV was used as a practical expedient to estimate fair value (in thousands). June 30, 2021 investment types have been updated to be consistent with the June 20, 2022 investment types.

INVESTMENT TYPE	Fair Value determined using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income Mutual Funds	$840,450	$ -	daily–monthly	5–60 days
Equity Mutual Funds	267,843	-	daily–monthly	2–30 days
Real Estate:				
Redeemable	308,620	-	quarterly	60–90 days
Nonredeemable	-	-	N/A	N/A
Private Markets:				
Redeemable	-	-		
Nonredeemable	201,596	331,148	N/A	N/A
Private Debt:				
Redeemable	-	-		
Nonredeemable	18,056	12,000	N/A	N/A
Infrastructure:				
Redeemable	-	-		
Nonredeemable	51,051	-	N/A	N/A
Investments measured at NAV at June 30, 2022	**$1,687,616**	**$343,148**		

INVESTMENT TYPE	Fair Value determined using NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income Mutual Funds	$831,073	$ -	daily–monthly	5–60 days
Equity Mutual Funds	286,695	-	daily–monthly	2–30 days
Real Estate:				
Redeemable	171,276	-	quarterly	60–90 days
Nonredeemable	-	-		
Private Markets:				
Redeemable	-	-		
Nonredeemable	171,448	99,640	N/A	N/A
Private Debt:				
Redeemable	-	-		
Nonredeemable	-	-		
Infrastructure:				
Redeemable	-	-		
Nonredeemable	-	-		
Investments measured at NAV at June 30, 2021	**$1,460,492**	**$99,640**		

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, 2022 and 2021 is as follows (in thousands):

	University and Blended Component Units	UIHC, Affiliates and UI Physicians	Lease Receivable	Eliminations and Reclassifications	Total
Accounts Receivable	$140,855	$1,356,604	$6,483	$(42,903)	$1,461,039
Allowance for Uncollectible Accounts, Indigent Patients and Contractual Adjustments	(8,345)	(982,158)	-	-	(990,503)
Accounts Receivable, Net, June 30, 2022	**$132,510**	**$374,446**	**$6,483**	**$(42,903)**	**$470,536**
Accounts Receivable	$149,388	$1,291,772	$8,470	$(94,547)	$1,355,083
Allowance for Uncollectible Accounts, Indigent Patients and Contractual Adjustments	(8,144)	(908,297)	-	-	(916,441)
Accounts Receivable, Net, June 30, 2021, restated	**$141,244**	**$383,475**	**$8,470**	**$(94,547)**	**$438,642**

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, 2022 and 2021, the University recognized revenues related to these lease agreements totaling $2,575,000 and $1,776,000, respectively. Total future minimum lease payments to be received under lessor agreements are as follows (in thousands):

Year Ending June 30	Principal	Interest	Total
2023	$1,585	142	$1,727
2024	1,017	121	1,138
2025	899	98	997
2026	815	74	889
2027	756	52	808
2028–2032	1,045	86	1,131
2033–2037	307	35	342
2038–2042	46	8	54
2043–2044	13	1	14
Total	**$6,483**	**617**	**$7,100**

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 $0.5 million and $0.3 million during the year ended June 30, 2022 and 2021, respectively.

PLEDGES RECEIVABLE (UICA)

A summary of the pledges receivable (unconditional promises to give) at June 30, 2022 and 2021 is as follows (in thousands):

	2022	2021
Gross pledges receivable	$329,998	$197,105
Less present value discount of $55,505 for 2022 and $25,370 for 2021 and allowance for uncollectible pledges of $8,250 for 2022 and $4,928 for 2021	(63,755)	(30,298)
Total	**$266,243**	**$166,807**

Gross pledges receivable at June 30, 2022 and 2021, respectively, are expected to be collected as follows (in thousands):

	2022	2021
Due within one year	$63,372	$60,626
Due in one to five years	188,417	110,633
Due in more than five years	78,209	25,846
Total	**$329,998**	**$197,105**

DUE FROM GOVERNMENT AGENCIES

Due from government agencies at June 30, 2022 and 2021 are comprised of $212,911,000 and $17,899,000, respectively, due from the State of Iowa and $69,523,000 and $65,396,000, respectively, due from United States government agencies.

NOTES RECEIVABLE

Current notes receivable at June 30, 2022 and 2021 are $2,008,000 net of an allowance of $82,000, and $2,068,000, net of an allowance of $106,000, respectively. Noncurrent notes receivable at June 30, 2022 and 2021 are $17,828,000, net of an allowance of $729,000, and $19,518,000, net of an allowance of $1,001,000, respectively.

Note 4—Capital Assets

A summary of capital assets activity for the year ended June 30, 2022 is as follows (in thousands):

	Restated Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Nondepreciable/Nonamortizable					
Land	$73,586	925	-	-	$74,511
Construction in Progress	142,551	170,959	(141,632)	(83)	171,795
Art and Historical Collections	29,029	83	-	(7)	29,105
Library Materials	401,513	13,760	-	(2,335)	412,938
Capital Assets, Nondepreciable/Nonamortizable	**646,679**	**185,727**	**(141,632)**	**(2,425)**	**688,349**
Depreciable/Amortizable					
Land Improvements	32,084	-	-	(742)	31,342
Infrastructure	772,395	-	44,064	(39,392)	777,067
Buildings	4,894,473	-	97,568	(95,021)	4,897,020
Equipment	890,921	77,687	-	(54,726)	913,882
Intangibles	115,501	512	-	(538)	115,475
RTU Leased Buildings	128,854	813	-	(2,276)	127,391
RTU Leased Equipment	9,834	3,447	-	(28)	13,253
RTU Leasehold	705	1,888	-	(287)	2,306
RTU Leased Land	1,455	-	-	-	1,455
Capital Assets, Depreciable/Amortizable	6,846,222	84,347	141,632	(193,010)	6,879,191
Less Accumulated Depreciation/Amortization	(3,444,174)	(283,682)	-	190,894	(3,536,962)
Depreciable/Amortizable Capital Assets, Net	**3,402,048**	**(199,335)**	**141,632**	**(2,116)**	**3,342,229**
Capital Assets, Net June 30, 2022	**$4,048,727**	**(13,608)**	**-**	**(4,541)**	**$4,030,578**

A summary of capital assets activity for the year ended June 30, 2021 is as follows (in thousands):

	Restated Beginning Balance	Additions	Transfers	Retirements	Restated Ending Balance
Nondepreciable/Nonamortizable					
Land	$73,586	–	–	–	$73,586
Construction in Progress	167,128	137,384	(161,936)	(25)	142,551
Intangibles in Development	63	(63)	–	–	–
Art and Historical Collections	29,001	28	–	–	29,029
Library Materials	390,544	11,893	–	(924)	401,513
Capital Assets, Nondepreciable/Nonamortizable	**660,322**	**149,242**	**(161,936)**	**(949)**	**646,679**
Depreciable/Amortizable					
Land Improvements	32,093	–	(9)	–	32,084
Infrastructure	750,902	–	21,493	–	772,395
Buildings	4,760,892	–	140,452	(6,871)	4,894,473
Equipment	868,629	73,330	–	(51,038)	890,921
Intangibles	114,284	2,275	–	(1,058)	115,501
RTU Leased Buildings	115,841	13,013	–	–	128,854
RTU Leased Equipment	6,720	3,114	–	–	9,834
RTU Leasehold	705	–	–	–	705
RTU Leased Land	1,455	–	–	–	1,455
Capital Assets, Depreciable/Amortizable	6,651,521	91,732	161,936	(58,967)	6,846,222
Less Accumulated Depreciation/Amortization	(3,219,449)	(279,118)	–	54,393	(3,444,174)
Depreciable/Amortizable Capital Assets, Net	**3,432,072**	**(187,386)**	**161,936**	**(4,574)**	**3,402,048**
Capital Assets, Net June 30, 2021	**$4,092,394**	**(38,144)**	**–**	**(5,523)**	**$4,048,727**

Note 5— Long-term Liabilities

A summary of the changes in long-term liabilities for the year ended June 30, 2022 and 2021 is as follows (in thousands):

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Long-term debt:					
Bonds payable	$1,149,188	570,777	(305,495)	$1,414,470	$202,910
Notes payable and others	27,422	28,353	(966)	54,809	3,505
Total long-term debt	**1,176,610**	**599,130**	**(306,461)**	**1,469,279**	**206,415**
Other obligations:					
Leases payable	143,395	2,329	(17,382)	128,342	16,909
Total long-term debt and other obligations	**1,320,005**	**601,459**	**(323,843)**	**1,597,621**	**223,324**
Other long-term liabilities:					
Other postemployment benefits other than pensions	204,841	13,708	(40,217)	178,332	10,682
Pension	131,245	-	(129,100)	2,145	-
Compensated absences	197,527	119,115	(106,301)	210,341	131,347
Refundable allowances on student loans	28,203	361	-	28,564	-
Other	-	3,006	-	3,006	3,006
Total other long-term liabilities	**561,816**	**136,190**	**(275,618)**	**422,388**	**145,035**
Total long-term liabilities June 30, 2022	**$1,881,821**	**737,649**	**(599,461)**	**$2,020,009**	**$368,359**

	Restated Beginning Balance	Additions	Reductions	Restated Ending Balance	Current Portion
Long-term debt:					
Bonds payable	$1,130,044	111,799	(92,655)	$1,149,188	$117,520
Notes payable and others	14,778	25,319	(12,675)	27,422	967
Total long-term debt	**1,144,822**	**137,118**	**(105,330)**	**1,176,610**	118,487
Other obligations:					
Leases payable	138,107	20,203	(14,915)	143,395	16,189
Total long-term debt and other obligations	**1,282,929**	**157,321**	**(120,245)**	**1,320,005**	**134,676**
Other long-term liabilities:					
Other postemployment benefits other than pensions	176,421	40,532	(12,112)	204,841	12,325
Pension	99,290	31,955	-	131,245	-
Compensated absences	180,594	128,655	(111,722)	197,527	106,301
Refundable allowances on student loans	27,588	615	-	28,203	-
Total other long-term liabilities	**483,893**	**201,757**	**(123,834)**	**561,816**	**118,626**
Total long-term liabilities June 30, 2021, restated	**$1,766,822**	**359,078**	**(244,079)**	**$1,881,821**	**$253,302**

GASB Statement No. 83 Certain Asset Retirement Obligations was implemented during fiscal year 2019. As of June 30, 2022 and 2021, the University reported no Asset Retirement Obligations.

BONDS PAYABLE

Bonds have been sold to finance certain capital projects and are outstanding at June 30, 2022, as follows (in thousands):

Bond Issues	Interest Rates (Percent)	Fiscal Year Maturity Date Range	Amount
Academic Buildings	2.00–5.00	2023–2037	$137,125
Add: Unamortized Premium			4,037
Athletic Facilities	2.00–5.00	2023–2039	176,755
Add: Unamortized Premium			4,263
Hospital	0.20–5.00	2023–2062	663,955
Add: Unamortized Premium			34,382
Iowa Memorial Union	3.00– 5.00	2023–2026	2,680
Add: Unamortized Premium			132
Parking System	2.00–4.00	2023– 2041	41,590
Add: Unamortized Premium			218
Recreational Facilities	2.00–5.00	2023–2035	48,280
Add: Unamortized Premium			3,161
Residence Services	2.00–5.00	2023–2047	158,520
Less: Unamortized Discount			(74)
Add: Unamortized Premium			2,415
Telecommunications	2.00–5.00	2023–2037	23,470
Add: Unamortized Premium			1,866
University of Iowa Facility Corporation	2.00–5.00	2023–2050	101,375
Add: Unamortized Premium			10,320
Total			**$1,414,470**

As of June 30, 2022, unspent bond proceeds for Residence Services Revenue Bonds totaled $10,801,000 and unspent proceeds for Hospital Revenue Bonds totaled $322,097,000.

The bonds will mature as follows (in thousands):

Year Ending June 30	Principal	Interest	Total
2023	$202,910	40,904	$243,814
2024	56,855	37,869	94,724
2025	60,260	35,647	95,907
2026	62,050	33,324	95,374
2027	63,040	30,921	93,961
2028–2032	301,740	118,962	420,702
2033–2037	235,485	71,887	307,372
2038–2042	126,335	42,450	168,785
2043–2047	74,965	28,770	103,735
2048–2052	69,890	19,638	89,528
2053–2057	46,360	11,639	57,999
2058–2062	53,860	4,137	57,997
Less: Unamortized Discount	(74)	-	(74)
Add: Unamortized Premium	60,794	-	60,794
Total	**$1,414,470**	**476,148**	**$1,890,618**

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 purchase outstanding at June 30, 2022 (in thousands):

Purpose	Interest Rates (Percent)	Maturity Dates	Amount
ENGIE Utility Assets	3.19	2023–2042	$41,450
Athletic Facility	2.07	2023–2031	10,487
Market Street Property	2.50	2023–2025	1,051
Athletics Carver Audio and Video System	2.46	2023–2031	1,046
Burlington Street Properties	3.00	2023–2035	775
Total			**$54,809**

Assets acquired under these notes and agreement had a net book value of $72,461,000 as of June 30, 2022.

The outstanding Market Street Property note will transfer possession during summer 2023. 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 purchase will mature as follows (in thousands):

Year Ending June 30	Principal	Interest	Total
2023	$3,505	2,968	$6,473
2024	3,761	2,796	6,557
2025	4,100	2,622	6,722
2026	3,577	2,450	6,027
2027	3,610	2,281	5,891
2028–2032	15,647	8,897	24,544
2033–2037	10,764	5,259	16,023
2038–2042	9,845	1,829	11,674
Total	**$54,809**	**29,102**	**$83,911**

LEASES PAYABLE

The University has leased various equipment, buildings, and land in the course of operations. Leases with a maximum term of 12 months or less are expensed according to the terms of the lease. Leases 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 lease agreement, including extension periods likely to be exercised. These leases expire from fiscal year 2023 to fiscal year 2044.

At lease commencement, the University initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease 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. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease 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 unless the rate that the lessor/vendor charges is known. The incremental borrowing rate is based on the SLGS rate for the comparable lease term. The lease term includes the noncancellable period of the lease plus any additional periods covered by either a University or lessor 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 have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the lease term. The University monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured and a corresponding adjustment is made to the right-to-use lease asset.

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

UIHC leases clinic space at 1360 N Dodge St, Iowa City, IA 52245 from FSC Healthcare IV, DST. UIHC subleases a portion square of this space to Pediatric Associates of the University of Iowa Children's Hospital, LLC.

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

Year Ending June 30	Principal	Interest	Total
2023	$16,909	2,749	$19,658
2024	15,160	2,474	17,634
2025	12,726	2,185	14,911
2026	9,981	1,946	11,927
2027	9,167	1,722	10,889
2028–2032	37,680	5,533	43,213
2033–2037	15,690	2,538	18,228
2038–2042	8,167	1,020	9,187
2043–2044	2,862	72	2,934
Total	**$128,342**	**20,239**	**$148,581**

Note 6—Retirement Programs

UNIVERSITY FUNDED RETIREMENT PLAN—TEACHERS INSURANCE AND ANNUITY ASSOCIATION

The University sponsors the University Funded Retirement Plan, which is a defined contribution plan. Teachers Insurance and Annuity Association (TIAA) administers the retirement plan for the University. The retirement plan provides for individual retirement accounts for each plan participant. The Board of Regents establishes and amends the plan's provisions and contribution requirements. As required by the 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 Funded 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 2022 and 2021, the University's required and actual contribution amounted to $128,772,000 and $125,670,000, respectively. During fiscal years 2022 and 2021, the employees' required and actual contribution amounted to $64,386,000 and $62,835,000, respectively.

At June 30, 2022 and 2021, the University reported payables to the defined contribution pension plan of $11,175,000 and $10,947,000, respectively, for legally required employer contributions and $5,578,000 and $5,460,000, 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 Funded 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 IPERS members or protection occupation members. Employees who serve in certified law protection positions are considered protection occupation IPERS 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 2022 and 2021, regular plan members, Protection Occupation members, and University contributions were as follows:

	2022	2021
Regular plan members	6.29%	6.29%
University	9.44%	9.44%
	15.73%	15.73%
Protection occupation members	6.21%	6.41%
University	9.31%	9.61%
	15.52%	16.02%

The University's contributions to IPERS for the years ended June 30, 2022 and 2021 were $18,364,000 and $15,766,000, respectively.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At June 30, 2022 and 2021, the University reported a liability of $2,145,000 and $131,245,000, respectively, for its proportionate share of the overall plan net pension asset/liability. The overall plan net pension asset/liability was measured as of June 30, 2021 and 2020, respectively, and the total pension liability used in the calculation of the overall plan net pension asset/liability was determined by an actuarial valuation as of those dates. The University's proportion of the overall plan net pension asset/liability was based on the University's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021 and 2020, the University's proportion was -0.6212766% and 1.8683190%, respectively.

For the year ended June 30, 2022 and 2021, the University recognized pension expense (reduction) of $(1,242,000) and $28,796,000, respectively.

At June 30, 2022 and 2021, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands, debit/(credit)):

	Deferred Outflows of Resources (2022)	Deferred Inflows of Resources (2022)	Deferred Outflows of Resources (2021)	Deferred Inflows of Resources (2021)
Differences between expected and actual experience	$2,240	$(2,193)	$156	$(3,110)
Changes of assumptions	1,884	(1)	6,767	(2)
Difference between projected and actual earnings on pension plan investments	-	(104,606)	7,432	-
Change in proportion and differences between University contributions and proportionate share of contributions	19,797	(13)	17,979	(22)
University contributions subsequent to the measurement date	18,364	-	15,766	-
Total	**$42,285**	**$(106,813)**	**$48,100**	**$(3,134)**

The $18,364,000 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, 2023. 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**
2023	$(18,670)
2024	(20,438)
2025	(19,335)
2026	(25,391)
2027	942
Total	**$(82,892)**

There are no non-employer contributing entities to IPERS.

Actuarial Assumptions—The total pension liability in the June 30, 2021 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, 2022 and June 30, 2021 valuations were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables adjusted to 2006 and 2017 with MP-2017 generational adjustments.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation (Percent)	Long-Term Expected Real Rate of Return (Percent)
Domestic equity	22.0	4.43
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core-plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
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/(Asset) 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/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate (in thousands):

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
University's proportionate share of the overall plan net pension liability/(asset)	$101,381	$2,145	$(81,021)

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, 2022 and 2021, the University reported payables to IPERS of $3,014,000 and $2,587,000, respectively, for legally required employer contributions and $2,008,000 and $1,724,000, respectively, for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 7—Post-Employment Benefits

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

Two-Year Phased Retirement Program

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

Eligibility. Faculty, professional and scientific staff, and merit system staff members employed by the Board of Regents for a period of at least 15 years 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 TIAA 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 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 state Board of Regents.

Three-Year Pilot Phased Retirement Program

A three-year pilot phased retirement program was approved by the 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 2022 and 2021 were $5,799,000 and $5,864,000, respectively, with 1,885 and 1,892 eligible participants as of June 30, 2022 and 2021, respectively. Life insurance total expenditures for fiscal year 2022 and 2021 were $24,000 and $26,000, respectively, with 2,271 and 2,364 eligible participants as of June 30, 2022 and 2021, 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 exempt 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.

Four hundred sixty-nine (469) 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 a net OPEB liability of $178.3 and $204.8 million, respectively, for fiscal year 2022 and 2021.

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, 2022, the following employees were covered by the benefit terms:

	FY22	FY21
Inactive employees or beneficiaries currently receiving benefit payments	2,611	2,790
Active employees	19,173	18,785
Total	21,784	21,575

Actuarial assumptions—The total OPEB liability in the June 30, 2021 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 2022 PSF GASB 75 calculations (including a 2.16% discount rate at the June 30, 2021 measurement date). These calculations reflect the IPERS termination and retirement assumptions for state employees in effect at the June 30, 2021 measurement date. The total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Rate of inflation (effective June 30, 2021)	2.50%	
Rates of salary increase (effective June 30, 2021)	3.00%	
Discount rate (effective June 30, 2021)	2.16%	
Healthcare cost trend rate Pre-65 (effective June 30, 2021)	6.12%	initial rate decreasing to an ultimate rate of 4.50%
Healthcare cost trend rate Post-65 (effective June 30, 2021)	6.57%	initial rate decreasing to an ultimate rate of 4.50%

Discount rate—The discount rate used to measure the total OPEB liability was 2.16% 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-2020. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used for IPERS.

The actuarial assumptions used in the June 30, 2022 and June 30, 2021 valuations were based on the results of actuarial experience studies conducted with actual plan experience through 2020 and 2018, respectively.

CHANGES IN THE TOTAL OPEB LIABILITY (in thousands):

	FY22	FY21
Total OPEB liability beginning of year	$204,841	$176,421
Changes for the year:		
Service cost	9,115	7,028
Interest	4,593	6,214
Differences between expected and actual experiences	(7,927)	(181)
Changes of assumptions	(19,966)	27,290
Benefit payments	(12,324)	(11,931)
Net changes	**(26,509)**	**28,420**
Total OPEB liability end of year	**$178,332**	**$204,841**

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.

Sensitivity of the total OPEB liability to changes in the discount rate—The following presents the total OPEB liability of the University, as well as what the University's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.16%) or 1% higher (3.16%) than the current discount rate.

	1% Decrease	Discount Rate	1% Increase
FY22	1.16%	2.16%	3.16%
FY21	1.21%	2.21%	3.21%
FY22 Total OPEB Liability	**$193,818**	**$178,332**	**$164,217**
FY21 Total OPEB Liability	**$223,431**	**$204,841**	**$188,015**

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates—The following presents the total OPEB liability of the University, as well as what the University's total OPEB liability would be if it were calculated using a healthcare cost trend that is 1% lower (5.12%) or 1% higher (7.12%) than the current healthcare cost trend rate for pre-65 participants, and 1% lower (5.57%) or 1% higher (7.57%) higher than the current healthcare cost trend rate for post-65 participants.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
FY22 Pre-65 participants	5.12%	6.12%	7.12%
FY22 Post-65 participants	5.57%	6.57%	7.57%
FY21 Pre-65 participants	5.19%	6.19%	7.19%
FY21 Post-65 participants	6.00%	7.00%	8.00%
FY22 OPEB liability	**$196,476**	**$178,332**	**$165,509**
FY21 OPEB liability	**$187,297**	**$204,841**	**$227,279**

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB—For the year ended June 30, 2022, the University recognized OPEB expense of $10,623,000 for its retiree benefit plan. At June 30, 2022 the University reported deferred outflows and inflows of resources related to OPEB from the following sources (in thousands, debit/(credit)):

	FY22		FY21	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$29,773	$(9,420)	$33,645	$(953)
Assumption changes	42,295	(75,906)	46,892	(68,034)
Contributions made in fiscal year ending June 30 after measurement date	10,681	-	12,324	-
Total	**$82,749**	**$(85,326)**	**$92,861**	**$(68,987)**

The $10,681,000 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 net OPEB liability in the year ending June 30, 2023. 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
2023	$(3,085)
2024	(3,085)
2025	(3,070)
2026	(2,957)
2027	(2,957)
Total Thereafter	1,896
Total	**$(13,258)**

Note 8—Other Commitments and Risk Management

COMMITMENTS

At June 30, 2022 and 2021, the University had outstanding construction contract commitments of $290,433,000 and $142,243,000, 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, 2021 renewal.

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

	2022	2021
Utility System specific coverage is as follows:		
Utility System Operations Building & Contents	$981,333	$981,333
Power Plant Building & Contents	$248,472	$248,472
Telecommunications Facilities premium is based on the following values:		
Building and contents	$38,311	$35,546

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 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 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 $31,148,000 and $28,133,000 as of June 30, 2022 and 2021, 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 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 self-funds the professional medical liability exposures of its members with a self-insurance pool for all claims up to $3 million per claim. On any claim exceeding $3 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 which exceed $5 million per claim or a $9 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 $32,449,000 and $32,969,000 as of 12/31/21 and 12/31/20, respectively.

Reconciliation of Loss Contingencies (in thousands):

	2022	2021
Claims and contingent liabilities accrued at July 1	$63,010	$57,084
Claims incurred and contingent liabilities accrued for the current year	391,644	355,320
Payments on claims during the fiscal year	(374,149)	(349,394)
Claims and contingent liabilities at June 30	**$80,505**	**$63,010**

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 amortized as an increase to operating revenue on a straight-line basis over the term of the agreement. At June 30, 2022, the balance of the Advance from Concessionaire is $1,109,775,000.

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 $58,659,000 and $55,386,000 for the years ended June 30, 2022 and 2021, respectively, of which $35,000,000 is fixed for each of the years ended June 30, 2022 and 2021. 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, 2022 and June 30, 2021 were $41,450,000 and $13,786,000, respectively. See *Note 5— Long-term Liabilities*, Notes Payable sections for additional information on the related payable to the concessionaire.

Note 10—Debt Refunding

In August of 2021, the University issued $112,345,000 of Hospital Revenue and Revenue Refunding Bonds, Series S.U.I. 2021A, with an average interest rate of 2.49% and accrued interest of $98,000 to current refund $18,400,000 of outstanding Hospital Revenue Bonds, Series S.U.I. 2011, with interest rates ranging between 3.00 and 4.00% and $10,880,000 of outstanding Hospital Revenue Bonds, Series S.U.I. 2011A, with interest rates ranging between 4.00 and 4.125%.

Net bond proceeds of $29,839,500 were placed in an escrow account with the University as trustee. The escrow account was sufficient to fully service all remaining principal and interest due on the bonds. The Hospital Revenue Bonds, Series S.U.I. 2011 and Hospital Revenue Refunding Bonds, Series S.U.I. 2011A were called on September 1, 2021.

The refunding permitted the University to realize an economic gain (difference between present values of the old and new debt service payments) of $7,064,000; and reduced the aggregate debt service payments by $8,136,000 over the next eleven years.

In August of 2021, the University issued $148,725,000 of Hospital Revenue Refunding Bond Anticipation Note, Series S.U.I. 2021B, with an average interest rate of 0.20% and accrued interest of $8,000 to advance refund $152,050,000 of outstanding Hospital Revenue Bonds, Series S.U.I. 2012, with interest rates of 4.00%.

Net bond proceeds of $160,837,000 were placed in an irrevocable escrow account with a separate party as escrow agent. The escrow account is sufficient to fully service all remaining principal and interest due on the bonds. The Hospital Revenue Bonds, Series S.U.I. 2012 will be called on September 1, 2022.

The amount of defeased debt outstanding but removed from the Statement of Net Position at June 30, 2022 and 2021, is as follows (in thousands):

	2022	2021
Hospital	$146,025	$ -
Utility	86,540	113,260
Total	$232,565	$113,260

Note 11—Operating Expenses By Function

A summary of operating expenses by functional classification for the year ended June 30, 2022 and 2021 follows (in thousands):

	Compensation & Benefits	Supplies	Other	Depreciation & Amortization	Total
Instruction	$316,820	13,409	29,585	-	$359,814
Research	257,336	66,495	103,791	-	427,622
Public service	63,249	11,323	31,713	-	106,285
Academic support	116,591	10,446	28,434	-	155,471
Patient services	1,315,514	748,550	442,996	-	2,507,060
Student services	27,374	3,141	13,144	-	43,659
Institutional support	68,816	6,250	(10,802)	-	64,264
Operations and maintenance of plant	114	2,025	98,882	-	101,021
Scholarships and fellowships	15,631	-	42,648	-	58,279
Depreciation and amortization	-	-	-	283,682	283,682
Auxiliary enterprises	106,451	15,160	75,386	-	196,997
Other operating expenses	5,856	4,608	5,185	-	15,649
Total June 30, 2022	$2,293,752	881,407	860,962	283,682	$4,319,803

	Compensation & Benefits	Supplies	Other	Depreciation & Amortization	Total
Instruction	$312,551	8,866	26,647	-	$348,064
Research	247,233	57,581	82,069	-	386,883
Public service	58,713	14,220	26,516	-	99,449
Academic support	118,968	12,794	25,507	-	157,269
Patient services	1,273,460	676,532	360,098	-	2,310,090
Student services	27,528	1,908	14,637	-	44,073
Institutional support	63,264	3,154	(9,951)	-	56,467
Operations and maintenance of plant	107	2,030	90,497	-	92,634
Scholarships and fellowships	15,230	-	26,911	-	42,141
Depreciation and amortization	-	-	-	279,118	279,118
Auxiliary enterprises	99,255	11,360	63,449	-	174,064
Other operating expenses	16,502	7,592	30,621	-	54,715
Total June 30, 2021, restated	$2,232,811	796,037	737,001	279,118	$4,044,967

Note 12—Restricted Net Assets

The UI Center for Advancement's net assets with donor restrictions at June 30, 2022 and 2021 were restricted for the following (in thousands):

	2022	2021
Undesignated	$15,513	$15,436
Program support	472,177	444,113
Student support	424,063	408,367
Faculty support	484,496	462,648
Facilities and equipment	137,671	74,805
Research	246,129	241,635
Trust assets to be held in perpetuity	8,297	9,533
Remainder interests in trusts, mainly for program, student, and faculty support	32,362	37,872
Total	$1,820,708	$1,694,409

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, 2022 and 2021 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2022	2021
Assets		
Cash, investments and other assets	$11,368	$11,586
Capital assets, net	-	2
Total Assets	**$11,368**	**$11,588**
Liabilities		
Accounts payable and other current liabilities	$2,414	$1,516
Total Liabilities	**2,414**	**1,516**
Net Position		
Net investment in capital assets	-	2
Unrestricted	8,954	10,070
Total Net Position	**8,954**	**10,072**
Total Liabilities and Net Position	**$11,368**	**$11,588**

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2022	2021
Program Expenses		
Intellectual properties expense	$6,584	$4,578
Other	212	108
Total Program Expenses	**6,796**	**4,686**
Program Revenues		
Intellectual properties income	5,476	3,389
Investment income	202	212
Payment from primary government	-	120
Total Program Revenues	**5,678**	**3,721**
Change in Net Position	(1,118)	(965)
Net Position, Beginning of Year	10,072	11,037
Net Position, End of Year	**$8,954**	**$10,072**

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, 2021 and 2020 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2021	2020
Assets		
Cash, investments and other assets	$23,000	$30,170
Capital assets, net	1,025	291
Total Assets	**24,025**	**30,461**
Deferred Outflows of Resources		
Acquisition deferred outflow	1,887	2,480
Total Assets and Deferred Outflows of Resources	**$25,912**	**$32,941**
Liabilities		
Accounts payable and other current liabilities	$1,724	$1,828
Accounts held for other component units	-	5,731
Total Liabilities	**1,724**	**7,559**
Net Position		
Net investment in capital assets	1,025	291
Unrestricted	23,163	25,091
Total Net Position	**24,188**	**25,382**
Total Liabilities and Net Position	**$25,912**	**$32,941**

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2021	2020
Program Expenses		
Patient and Management Services	$20,756	$20,029
Depreciation	694	749
Total Program Expenses	**21,450**	**20,778**
Program Revenues		
Patient Services	19,591	17,685
Management services	172	1,036
Investment income	300	3,031
Other	193	2,559
Total Program Revenues	**20,256**	**24,311**
Change in Net Position	(1,194)	3,533
Net Position, Beginning of Year	25,382	21,849
Net Position, End of Year	**$24,188**	**$25,382**

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 IRC 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, 2022 and 2021 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2022	2021
Assets		
Cash and investments	$28,494	$29,550
Total Assets	**$28,494**	**$29,550**
Liabilities		
Current and noncurrent liabilities	$ -	$ -
Total Liabilities	-	-
Net Position		
Restricted expendable	28,204	29,311
Unrestricted	290	239
Total Liabilities and Net Position	**$28,494**	**$29,550**

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2022	2021
Program Revenues		
Investment income	$86	$6,991
Total Program Revenues	**86**	**6,991**
Program Expenses		
Distributions	942	-
Other	200	1,280
Total Program Expenses	**1,142**	**1,280**
Change in Net Position	(1,056)	5,711
Net Position, Beginning of Year	29,550	23,839
Net Position, End of Year	**$28,494**	**$29,550**

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, 2022 and 2021 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2022	2021
Assets		
Cash and other assets	$17,375	$17,908
Total Assets	**$17,375**	**$17,908**
Liabilities		
Accounts payable	$55	$56
Accrued distributions	828	777
Total Liabilities	**883**	**833**
Net Position		
Restricted net position	12,784	12,784
Unrestricted net position	3,708	4,291
Total Net Position	**16,492**	**17,075**
Total Liabilities and Net Position	**$17,375**	**$17,908**

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2022	2021
Program Revenues		
Investment Income:		
Interest and dividend income	$138	$110
Net increase in the fair value of investments	359	4,179
Net Investment Income	**497**	**4,289**
Program Expenses		
Investment fees and administrative expenses	252	234
Distributions	828	777
Total Deductions	**1,080**	**1,011**
Change in Net Position	(583)	3,278
Net Position, Beginning of Year	**17,075**	**13,797**
Net Position, End of Year	**$16,492**	**$17,075**

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 leases from the State of Iowa approximately 185 acres of land located in the University of Iowa Research Park. The land subject to this lease is designated as the University of Iowa Research Park and is platted as a subdivision of Coralville, Iowa. Under terms of its master lease with the State of Iowa, the Corporation subleases 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, 2022 and 2021 are presented below (in thousands). Fiscal year 2021 was restated as a result of adopting GASB Statement No. 87 Leases in fiscal year 2022.

CONDENSED STATEMENT OF NET POSITION

	2022	Restated 2021
Assets		
Cash and other assets	$2,645	$2,471
Capital assets, net	2,198	2,274
Total Assets	$4,843	$4,745
Liabilities		
Accounts payable and other current liabilities	$71	$71
Noncurrent liabilities	1,938	2,000
Total Liabilities	2,009	2,071
Deferred Inflows	**96**	**100**
Net Position		
Net investment in capital assets	2,198	2,274
Unrestricted	540	300
Total Net Position	2,738	2,574
Total Liabilities and Net Position	$4,843	$4,745

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2022	Restated 2021
Program Revenues		
Land leases	$209	$204
State appropriation	116	116
Other income	55	55
Total Program Revenues	380	375
Program Expenses		
Maintenance and other expenses	141	169
Depreciation	75	69
Total Program Expenses	216	238
Change in net position	164	137
Net Position, Beginning of Year	2,574	2,437
Net Position, End of Year	$2,738	$2,574

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, 2022 and 2021 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2022	2021
Assets		
Cash and other assets	$1,053,023	$1,129,735
Accounts receivable	400	801
Total Assets	$1,053,423	$1,130,536
Liabilities		
Accounts payable and other current liabilities	$10	$5
Noncurrent liabilities	1,109,775	1,133,044
Total Liabilities	1,109,785	1,133,049
Net Position		
Unrestricted	(56,362)	(2,513)
Total Net Position	(56,362)	(2,513)
Total Liabilities and Net Position	$1,053,423	$1,130,536

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2022	2021
Program Revenues		
Amortized lease revenue	$23,268	$23,268
Investment (loss) income	(64,014)	106,986
(Loss) on disposal of capital assets	-	(1)
Total Program Revenues	(40,746)	130,253
Program Expenses		
Payroll expense	105	72
General expense	290	643
Net transfers to University funds	12,708	7,500
Total Program Expenses	13,103	8,215
Change in net position	(53,849)	122,038
Net Position, Beginning of Year	(2,513)	(124,551)
Net Position, End of Year	$(56,362)	$(2,513)

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. SPI also provides scholarships and internship opportunities to students. SPI is supported by fees from the University, subscription revenue and advertising. Printing is contracted to an independent contractor. SPI also operates DITV, a broadcasting service, available through an Iowa City local access channel and the internet.

Significant financial data for Student Publications, Inc., for the years ended June 30, 2022 and 2021 are presented below (in thousands):

CONDENSED STATEMENT OF NET POSITION

	2022	2021
Assets		
Cash and other assets	$514	$465
Total Assets	**$514**	**$465**
Liabilities		
Accounts payable and other current liabilities	$42	$21
Total Liabilities	**42**	**21**
Net Position		
Unrestricted	472	444
Total Net Position	**472**	**444**
Total Liabilities and Net Position	**$514**	**$465**

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2022	2021
Program Revenues		
Tuition and fees	$459	$471
Other sales and services	476	462
Total Program Revenues	**935**	**933**
Program Expenses		
Payroll expense	709	657
General expense	198	156
Total Program Expenses	**907**	**813**
Change in net position	28	120
Net Position, Beginning of Year	444	324
Net Position, End of Year	**$472**	**$444**

Note 14—Disposal of Government Operations

In February 2022, the State of Iowa Board of Regents and the Iowa Public Radio Board of Directors approved a plan to transfer ownership of the three Regent university licensee radio stations and certain related assets to Iowa Public Radio, Inc. (IPR), an Iowa Chapter 504 public benefit corporation, for the purchase price of $1. The Federal Communications Commission (FCC) approved the transfer of broadcast licenses to finalize the transfer effective June 30, 2022. IPR has been managing broadcast operations for the universities' radio stations since 2007. The transfer will allow the universities to redirect resources to other major institutional initiatives and support the mission of public radio. For the fiscal year ended June 30, 2022, total expenses were $1,210,000, of which $1,189,000 is operating and $21,000 is nonoperating expense, and total and operating revenue was $1,048,000. There were no governmental fund revenues and expenditures.

Note 15—Subsequent Events

In July 2022, the University received approval from the State Board of Regents to issue Hospital Revenue Bonds, Series S.U.I. 2022C in the amount of $130,695,000. The proceeds of the Bonds will be used to provide for the current refunding of the outstanding principal of the Hospital Revenue Bonds, Series S.U.I. 2021B and paying the cost of issuing said Bonds. These bonds will bear interest at varying rates between 4.00% and 5.00% and will mature in varying amounts from 2023 through 2038.

In October 2022, the Board of Regents, State of Iowa reached agreement with plaintiffs to settle the claims brought in the Myers, et al. v. Iowa Board of Regents. The settlement is subject to court approval. As a result of the tentative settlement with plaintiffs UIHC recognized $15 million within other current liabilities on the statement of net position as of June 30, 2022.

Note 16—Restatement

GASB Statement No. 87 Leases was implemented in fiscal year 2022. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use another entity's nonfinancial asset. Under this Statement, a lessee Is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

As a result of adopting GASB Statement No. 87 Leases in fiscal year 2022, the beginning net position was restated to retroactively report the change in value of assets previously reported as capital leases as follows:

	(in thousands)
Net position at June 30, 2021, as previously reported	$5,255,011
Adjustment for leases as defined by GASB87	(3,929)
Net position at June 30, 2021, as restated	**$5,251,082**

Note 17—Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 96 Subscription-Based Information Technology Arrangements. This statement will be implemented for the fiscal year ending June 30, 2023. The revised requirements of this statement will require reporting certain assets and liabilities for the right-to-use another party's information technology software alone or in combination with tangible capital assets that are not currently reported.

Note 18—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, 2022

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Hospital Revenue Bonds	IMU Revenue Bonds
CONDENSED STATEMENT OF NET POSITION				
Assets:				
Current assets	$22,289	$35,841	$760,989	$1,924
Capital assets	829,742	172,027	1,215,388	33,213
Other noncurrent assets	13,595	16,830	1,591,078	1,481
Total assets	865,626	224,698	3,567,455	36,618
Deferred outflows of resources	939	1,898	53,614	-
Liabilities:				
Current liabilities	21,928	32,875	516,769	1,630
Noncurrent liabilities	129,992	170,685	752,069	2,772
Total liabilities	151,920	203,560	1,268,838	4,402
Deferred inflows of resources	129	69	88,156	388
Net Position:				
Net investment in capital assets	689,391	(7,162)	713,622	29,776
Restricted - expendable	25,125	27,260	17,834	1,262
Unrestricted	-	2,869	1,532,619	790
Total net position	$714,516	$22,967	$2,264,075	$31,828
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION				
Operating revenues	$404,952	$103,950	$2,631,533	$1,271
Depreciation expense	(46,601)	(10,648)	(123,167)	(2,293)
Other operating expenses	-	(17,552)	(2,098,342)	(3,581)
Net operating income (loss)	358,351	75,750	410,024	(4,603)
Nonoperating revenues (expenses)	(4,505)	(5,178)	(77,943)	1,676
Transfers from/(to) University funds	(361,939)	(69,299)	(16,970)	2,222
Change in net position	(8,093)	1,273	315,111	(705)
Net position, beginning of year, as restated for hospital	722,609	21,694	1,948,964	32,533
Net position, end of year	$714,516	$22,967	$2,264,075	$31,828
CONDENSED STATEMENT OF CASH FLOWS				
Net cash provided (used) by operating activities	$406,577	$90,714	$303,569	$(832)
Net cash provided (used) by noncapital financing activities	(389,505)	(71,255)	12,544	(816)
Net cash provided (used) by capital and related financing activities	(15,694)	(30,511)	207,003	3,617
Net cash provided (used) by investing activities	(4,242)	(6,163)	(514,625)	26
Net increase (decrease) in cash	(2,864)	(17,215)	8,491	1,995
Cash and cash equivalents, beginning of year	17,600	54,596	6,978	175
Cash and cash equivalents, end of year	$14,736	$37,381	$15,469	$2,170

Parking System Revenue Bonds	Recreational Facilities Revenue Bonds	Residence Services Revenue Bonds	Telecomm. Facilities Revenue Bonds	UI Facility Corporation Bonds
$4,394	$4,932	$12,112	$3,827	$4
92,542	81,035	215,127	25,732	206,978
45,009	12,401	41,342	20,860	2,745
141,945	**98,368**	**268,581**	**50,419**	**209,727**
-	**2,240**	**-**	**-**	**411**
4,241	4,956	14,215	3,294	6,880
39,585	48,341	155,337	25,392	105,135
43,826	**53,297**	**169,552**	**28,686**	**112,015**
61	**-**	**1,049**	**83**	**266**
50,672	31,834	64,990	312	95,428
6,172	10,058	27,267	1,991	2,429
41,214	5,419	5,723	19,347	-
$98,058	**$47,311**	**$97,980**	**$21,650**	**$97,857**
$22,641	$3,939	$70,901	$25,857	$ -
(6,270)	(3,378)	(13,305)	(843)	(10,878)
(10,217)	(7,396)	(54,486)	(20,251)	-
6,154	(6,835)	3,110	4,763	(10,878)
(2,376)	(1,785)	(3,855)	(344)	(2,525)
1,120	10,727	445	(4,522)	17,810
4,898	2,107	(300)	(103)	4,407
93,160	45,204	98,280	21,753	93,450
$98,058	**$47,311**	**$97,980**	**$21,650**	**$97,857**
$12,673	$(3,094)	$18,702	$8,426	$ -
1,667	(261)	590	(4,664)	9,440
(5,299)	4,586	(23,503)	(8,990)	(49,391)
(5,979)	(1,454)	(25)	198	(92)
3,062	(223)	(4,236)	(5,030)	(40,043)
15,262	12,938	44,993	25,351	40,043
$18,324	**$12,715**	**$40,757**	**$20,321**	**$ -**

Segment Reporting (in thousands)
As of and for the year ended June 30, 2022

	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	541%	3,358%	555%
PORTION OF REVENUE PLEDGED				
Annual debt service (principal & interest)	$15,864	$16,163	$15,880	$754
Net pledged revenue	388,965	87,487	533,192	4,183
Annual debt service/Net operating revenues (%)	4%	18%	3%	18%

REVENUE BONDS PAYABLE

A summary of revenue bonds payable activity, by segment, for the year ended June 30, 2022, is as follows:

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Hospital Revenue Bonds	IMU Revenue Bonds
Beginning Balance	$152,848	$206,796	$326,256	$3,473
Additions	-	-	570,777	-
Reductions	(11,686)	(25,778)	(198,696)	(661)
Ending Balance	**$141,162**	**$181,018**	**$698,337**	**$2,812**

DEBT SERVICE REQUIREMENTS

As of June 30, 2022, the amount shown for debt service payments due on July 1 were on hand.

Semi-annual maturity	Jan & Jul 1st	Jan & Jul 1st	Mar & Sep 1st	Jan & Jul 1st
2023	$15,673	$16,002	* $178,541	$739
2024	15,653	15,990	29,620	737
2025	15,608	16,685	29,536	738
2026	13,380	16,779	32,050	743
2027	13,385	16,816	32,020	-
2028–2032	59,154	82,497	136,338	-
2033–2037	35,272	44,553	120,281	-
2038–2042	-	10,576	103,713	-
2043–2047	-	-	88,887	-
2048–2052	-	-	84,914	-
2053–2057	-	-	57,999	-
2058–2062	-	-	57,997	-
Unamortized Discount and Premium	4,037	4,263	34,382	132
Total	**$172,162**	**$224,161**	**$986,278**	**$3,089**

**Debt service payment includes Bond Anticipation Note to be paid with proceeds of bond issued in July 2022.*

COMMITMENTS

As of June 30, 2022, the University has entered into contract commitments for construction projects as follows:

	Academic Building Revenue Bonds	Athletic Facilities Revenue Bonds	Hospital Revenue Bonds	IMU Revenue Bonds
Contract Commitments	**$13,437**	**$686**	**$221,167**	**$170**

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
339%	263%	159%	466%	N/A
$3,793	$5,151	$12,589	$1,232	$9,393
12,838	13,540	19,984	5,745	N/A
30%	38%	63%	21%	N/A
$44,283	$55,015	$168,280	$33,746	$158,491
-	-	-	-	-
(2,475)	(3,574)	(7,419)	(8,410)	(46,796)
$41,808	**$51,441**	**$160,861**	**$25,336**	**$111,695**
Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Jan & Jul 1st	Dec & Jun 1st
$3,759	$5,095	$12,419	$1,185	$10,401
3,805	5,123	12,418	1,551	9,827
3,807	5,124	12,419	2,177	9,813
3,786	4,809	11,363	2,192	10,272
2,629	4,686	11,368	2,198	10,859
13,174	23,126	56,973	11,187	38,253
13,257	13,635	47,612	8,876	23,886
10,715	-	35,970	-	7,811
-	-	7,170	-	7,678
-	-	-	-	4,614
-	-	-	-	-
-	-	-	-	-
218	3,161	2,341	1,866	10,320
$55,150	**$64,759**	**$210,053**	**$31,232**	**$143,734**
$2,269	**$867**	**$14,558**	**$32**	**$2,812**

Required Supplementary Information
June 30, 2022

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

Iowa Public Employees' Retirement System Last Eight 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)
6/30/2022	-0.6212766%	$2,145	$167,408	1.28%	100.81%
6/30/2021	1.8683190%	131,244	149,554	87.76%	82.90%
6/30/2020	1.7146546%	99,290	131,740	75.37%	85.45%
6/30/2019	1.6294245%	103,114	124,673	82.71%	83.62%
6/30/2018	1.4825633%	98,758	111,914	88.24%	82.21%
6/30/2017	1.2770236%	80,367	92,356	87.02%	81.82%
6/30/2016	1.0820964%	53,461	74,409	71.85%	85.19%
6/30/2015	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.*

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the University will present information for those years for which information is available.

SCHEDULE OF UNIVERSITY CONTRIBUTIONS

Iowa Public Employees' Retirement System Last 10 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
6/30/2022	$18,364	$(18,364)	$ -	$194,839	9.43%
6/30/2021	15,766	(15,766)	-	167,408	9.42%
6/30/2020	14,082	(14,082)	-	149,554	9.42%
6/30/2019	12,399	(12,399)	-	131,740	9.41%
6/30/2018	10,993	(10,993)	-	124,673	8.80%
6/30/2017	9,931	(9,931)	-	111,914	8.90%
6/30/2016	8,184	(8,184)	-	92,356	8.90%
6/30/2015	6,620	(6,620)	-	74,409	8.90%
6/30/2014	5,696	(5,696)	-	63,967	8.90%
6/30/2013	4,718	(4,718)	-	54,658	8.60%

PENSION LIABILITY

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

Changes of assumptions:

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 TOTAL OPEB LIABILITY AND RELATED RATIOS (in thousands):

	FY22	FY21	FY20	FY19	FY18
Service cost	$9,115	$7,028	$3,860	$4,193	$33,733
Interest	4,593	6,214	5,604	4,971	18,168
Changes of benefit terms	-	-	-	21,519	(465,008)
Differences between expected and actual experiences	(7,927)	(181)	4,430	1	48,567
Changes of assumptions	(19,966)	27,290	26,867	(13,968)	(95,303)
Benefit payments	(12,324)	(11,931)	(10,497)	(10,394)	(6,952)
Contributions from the employer	-	-	-	-	(1,049)
Net change in total OPEB liability	**$(26,509)**	**$28,420**	**$30,264**	**$6,322**	**$(467,844)**
Total OPEB liability beginning of year	204,841	176,421	146,157	139,835	607,679
Net OPEB liability end of year	178,332	204,841	176,421	146,157	139,835
Covered-employee payroll	$1,482,214	$1,384,343	$1,384,343	$1,308,289	$1,291,758
Total OPEB Liability as a percentage of covered-employee payroll	**12.03%**	**14.80%**	**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 10-year trend is compiled, the University will present information for those years for which information is available.

Notes to Required Supplementary Information
June 30, 2022

OPEB LIABILITY

Changes in the University's Total OPEB Liability and Related Ratios

The 2021 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 2.16% 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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OFFICE OF THE CHIEF FINANCIAL OFFICER
ACCOUNTING AND FINANCIAL REPORTING

Terry L. Johnson
Chief Financial Officer and Treasurer

Rachel McGuire
Assistant Vice President and University Controller

Steve Romont
Director, Accounting and Financial Reporting

Yan Huang
Assistant Director, Accounting and Financial Reporting

Shelly Michel
Assistant Director, Accounting and Financial Reporting

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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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